BIONOR PHARMA ASA / INTERIM FINANCIAL REPORT
1 JANUARY – 30 JUNE 2015 / UNAUDITED
12 AUGUST 2015

BIONOR

H1 2015

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HIGHLIGHTS Q2 2015

In Q2 2015 Bionor made important steps towards creating a leading peptide vaccine company dedicated to improving the lives of those with HIV infection:

- Bionor announced 4 May 2015 promising results from an interim analysis of the functional cure HIV study REDUC Part B indicating killing of reactivated HIV and reduction in latent viral reservoir when patients receive the therapeutic vaccine Vacc-4x prior to romidepsin (Istodax®)

  Full results from the REDUC study are expected in H2 2015
- Bionor announced 5 May 2015 the assembly of a successful clinical study advisory board meeting with the participation of some of the world's most prominent scientific experts in HIV cure research

  The purpose of the meeting was to seek advice on the design of a proof of concept clinical Phase II study of Vacc-4x together with a latency reversing agent
- Net loss in Q2 2015 amounted to NOK -21.3 million (Q2 2014: NOK -17.0 million)
- Net cash flow in Q2 2015 was NOK -19.7 million (Q2 2014: NOK -21.0 million)
- Cash and cash equivalents at 30 June 2015 was NOK 55.5 million (30 June 2014: NOK 68.1 million)
- Bionor announced 16 July 2015, after the balance sheet date, a new agreement with Celgene securing a continued supply of romidepsin for use in a planned multicenter clinical Phase II study of Bionor's most advanced and proprietary vaccine, Vacc-4x, together with romidepsin
- Management is currently exploring funding options beyond 2015 either by equity, debt, bonds, or a combination thereof

BIONOR MAINTAINS ITS FINANCIAL GUIDANCE FOR 2015

For the full year 2015, Bionor expects the core cost base to be in the range of NOK 55 – 63 million. The company's core cost base refers to all costs that are required to run the business, excluding costs for clinical studies that can vary over time.

DAVID HORN SOLOMON, PRESIDENT AND CEO COMMENTED,

"The last four months have truly been eventful and encouraging. We announced promising interim results from Part B of the REDUC study, we hosted a very successful meeting with world leading HIV cure experts, and shortly after the end of the second quarter, we finalized a new agreement with Celgene for the continued supply of romidepsin for our ongoing clinical trials. With these accomplishments, we are well underway in the planning of a full scale, international Phase II study with the aim to obtain significant proof that a Kick and Kill strategy combining Vacc-4x with activation of latent HIV reservoirs is the likely path to a functional cure for HIV."

TELECONFERENCE 12 AUGUST 2015 AT 09:30AM CEST

Bionor will host a conference call for analysts and investors 12 August 2015 at 09:30am CEST at which David H. Solomon, CEO and Jens Krøis, CFO will provide an update of the business. To attend the conference, please use the participant code 8020617.

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A presentation will be available on our website one hour prior to the call. A webcast of the conference call will be available during and after the event. Please refer to separate notice from 5 August 2015 for details.

FURTHER INFORMATION

David H. Solomon, President and CEO, +45 3333 9997, dhs@bionorpharma.com
Jens Krøis, CFO, +45 2080 1668, jk@bionorpharma.com
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LEADING THE WAY TOWARDS A FUNCTIONAL CURE FOR HIV

HIV remains a global healthcare problem with significant cost burden. Finding a functional cure for HIV, including a therapeutic vaccine, is high on the global medical community and regulatory agenda. This was evidenced during the recent IAS 2015 conference on HIV pathogenesis, treatment and prevention conducted in Vancouver, Canada, 19-22 July, where further investigation on activation of the latent HIV reservoir and cure strategies were the focal point of many presentations.

Current standard of care of HIV infection consists of combination antiretroviral therapy (cART), which, for those receiving cART, changes HIV from a deadly virus to a controllable chronic infection. In 2013, 35 million people were living with HIV, an increase of 17% from 2001, primarily due to treatment advances. While cART effectively reduces viral load, it does not cure HIV, and must be taken daily for life. If cART is discontinued, viral load rebounds rapidly as treatment does not destroy the latent viral reservoirs. In addition, due to the cost of treatment, cART is not globally widely available.

In this context, Bionor is well positioned with Vacc-4x, one of the most advanced therapeutic vaccines in the HIV space. Bionor's principal strategy is to advance Vacc-4x in combination with other medicines, including latency reversing agents, in order to develop a functional cure for HIV. In Q2 2015, Bionor reported promising interim Phase II results and started the preparation for the first proof of concept Phase II clinical study for Vacc-4x as a component in an HIV functional cure.

MANAGEMENT'S REVIEW

REDUC study – Vacc-4x + romidepsin

The REDUC Phase II study investigates Vacc-4x's ability to eliminate HIV infected CD4 cells following romidepsin reactivation of the latent HIV reservoir, thereby reducing the latent reservoir in HIV patients while on cART. The trial also investigates the effects on viral load following a scheduled cART treatment interruption. REDUC is single site clinical trial conducted at the University of Aarhus and is led by Professor Lars Østergaard.

Part A of the study was completed in Q2 2014, involved six patients, and demonstrated that romidepsin was safe, well tolerated and able to reactivate the virus out of latent reservoirs into the blood stream.

Part B completed enrolment of 20 patients in Q1 2015 and assesses safety and reduction of viral reservoirs after Vacc-4x vaccination followed by treatment with romidepsin. This is the first trial where Vacc-4x is administered prior to romidepsin. The overall objectives are to see reduction in viral reservoir as measured by HIV viral outgrowth, integrated HIV DNA and total HIV DNA, as well as an effect on viral load. Endpoints include viral load and time to rebound of the viral load.

The results of the interim analysis of Part B were reported on 4 May 2015. The analysis of data from nine patients showed:

- Viral load remained below the level of quantification in seven out of the nine patients
- Increases in histone acetylation levels correlating with time after romidepsin infusions, demonstrating the pharmacodynamic effect of romidepsin
- A rapid and temporary viral reactivation in CD4+ T cells following romidepsin infusions
- The combination of Vacc-4x and romidepsin was safe and well tolerated

In other words, the results in nine patients showed that romidepsin worked to kick the virus out of the latent reservoirs, and that no HIV virus was found in the bloodstream for seven of the nine patients. This suggests that prior treatment with Vacc-4x led to killing HIV reservoirs reactivated by romidepsin. Furthermore, viral load remained below level of quantification in seven out of nine patients, implying that even with viral reservoir reactivation, the addition of Vacc-4x appears to keep the virus under control.

Further data from all 20 patients is expected in H2 2015 with the final report in January 2016.

Bionor announced 5 May 2015 the assembly of a successful clinical study advisory board meeting with the participation of some of the world's most prominent scientific experts in HIV cure research. The purpose of the meeting was to advise on the design of a proof of concept clinical study of Vacc-4x together with a latency reversing agent. At the meeting it was decided to plan for a randomized, double-blind, placebo-controlled Phase II study with the aim to investigate the contribution of Vacc-4x as a component in a functional cure for HIV, together with romidepsin. The study will be conducted as an international trial that may include multiple sites in Europe, US and Australia. The study will be sponsored by Bionor and governed by a steering committee with experts contributing to the Clinical Study Advisory Board. While planning of the study is currently ongoing, no decisions have yet been taken with respect to design, timing or size of the clinical study.

IMID study – Vacc-4x + lenalidomide (Revlimid™)

Data from this study was announced in Q4 2014 and accepted as a poster presentation at the 2015 HIV Cure Symposium held in Vancouver, Canada 18-19 July 2015. The study tested Vacc-4x alone and Vacc-4x immunization in the presence of lenalidomide in patients that have not normalized their CD4 count despite being well controlled on ART. In the Vacc-4x/lenalidomide group, there was a statistically significant increase in CD4 cells compared to baseline. The increase from baseline in the Vacc-4x alone group was not statistically significant. When comparing CD4 T-cell increases at the end of the study between the Vacc-4x alone and the Vacc-4x/lenalidomide groups, the difference was not statistically significant, but there was a greater increase in the Vacc-4x/lenalidomide group. Furthermore, there was an increase in naïve CD4 T-cells in the presence of lenalidomide. Naïve CD4 T-cells can be stimulated to induce new immune responses. The study was a collaboration between Celgene Corp and Bionor. Bionor was the study sponsor and Celgene co-funded the trial and supplied lenalidomide. Bionor is considering the next steps in a development plan for the Vacc-4x/lenalidomide combination.

Vacc-C5

The identification of C5 antibodies as a potential biomarker to identify patients who are more likely to respond better to Vacc-4x may be an element in Bionor's pursuit for a functional cure for HIV and/or an add-on to cART treatment for viral control in certain patient populations. Bionor is considering using C5 antibodies as a biomarker to segregate HIV patients, a decision which would be subject to a larger prospective trial. There were no activities in Q2 2015, and currently the company is evaluating the next development steps for Vacc-C5.

Vacc-HIV – Combination of Vacc-4x and Vacc-C5

The Vacc-HIV pre-clinical development program is a collaboration with St. George's University, London and St George's Healthcare NHS Trust. Preclinical studies carried out in 2014 and 2015 in order to establish both the immunization regimen and to select adjuvant (supporting agent) have been completed.

The results showed that both Vacc-4x and Vacc-C5 administered alone, simultaneously or in combination (Vacc-HIV), induced both cellular and humoral responses as measured by serum IgG levels and delayed hypersensitivity test (DTH) in rats.

Combining the two vaccines will target both arms of the immune system, and a synergistic effect may be obtained, in which Vacc-C5 would serve to prevent the immune activation that drives disease progression, while Vacc-4x would kill and remove virus-producing cells. Bionor is considering the next steps in the development of the combination of Vacc-4x and Vacc-C5.

Other clinical and pre-clinical activities

Data from the ReBoost study was accepted as poster presentations at the 2015 HIV Cure Symposium 18-19 July and the IAS 2015 conference 19-22 July in Vancouver, Canada.

Data from the ReBoost study was accepted as poster presentations at the 2015 HIV Cure Symposium 18-19 July and the IAS 2015 conference 19-22 July in Vancouver, Canada.

The company has a universal multi-seasonal influenza vaccine in pre-clinical development – Vacc-FLU. As Bionor is currently focusing its resources on the HIV program, it has for the time being decided not to advance Vacc-FLU into the regulatory part of the preclinical work.

PERSONNEL CHANGES

At the annual general meeting 12 May 2015, Dr. Russell G. Greig was elected as new Chairman and Kirsten Drejer, Bernd R. Seizinger and Thomas Hofstaetter were elected as new board members. In May 2015, Jens Krøis was appointed new CFO and 1 June 2015, Jørgen Fischer Ravn joined Bionor as Vice President for Investor Relations and Communications.

EVENTS AFTER THE BALANCE SHEET DATE

Bionor announced 16 July 2015 an agreement with Celgene securing a continued supply of romidepsin for use in the planned multicenter clinical Phase II study of Bionor's most advanced and proprietary vaccine, Vacc-4x, with romidepsin. The planned study will continue to explore the "Kick and Kill" strategy of Bionor's ongoing REDUC study, for which Celgene also supplies romidepsin.

FINANCIAL REVIEW

Income statement

No revenues were reported in the first half of 2015 (H1 2014: NOK 1.6 million). Revenues in the first half of 2014 were mainly related to sales of nutraceuticals. Cost of goods related to sale of nutraceuticals was NOK 0.0 million in the first half of 2015 (H1 2014: NOK 1.2 million).

Employee Benefit Expenses in the second quarter of 2015 were NOK 4.8 million (Q2 2014: NOK 0.7 million). The increase is due partly to increase in head count and partly due to last year's reversal of forfeited share options, which led to a positive effect of share based payment in the second quarter of 2014 of NOK 2.2 million. Employee Benefit Expenses in the first half of 2015 were NOK 9.7 million (H1 2014: NOK 5.8 million)

Other operating expenses in the second quarter of 2015 were unchanged from 2014 NOK 13.8 million. Other operating expenses for the first half of 2015 were NOK 26.6 million (H1 2014: NOK 28.2 million). R&D related operating expenses in the second quarter of 2015 were NOK 6.1 million (Q2 2014: NOK 9.4 million). R&D related operating expenses in the first half of 2015 were NOK 11.5 million (H1 2014: 19.9 million). Recorded government grants in the second quarter of 2015 were NOK 1.9 million (Q2 2014: NOK 4.8 million).

EBITDA in the second quarter of 2015 was NOK -18.6 million (Q2 2014: NOK -14.3 million). EBITDA in the first half of 2015 ended at NOK -36.3 million (H1 2014: NOK -33.6 million).

Depreciation and amortization in the second quarter of 2015 amounted to NOK 2.8 million (Q2 2014: NOK 2.8 million). Depreciation and amortization in the first half of 2015 amounted to NOK 5.6 million (H1 2014: NOK 5.6 million).

Net financial items were NOK 0.1 million in the second quarter of 2015 (Q2 2014: NOK 0.2 million). Net financial items were NOK 0.3 million in the first half of 2015 (H1 2014: NOK 0.6 million). The reduction in net financial items for the first half of 2015 is due to lower interest income from lower interest rates compared to the first half of 2014.

Result before tax and net loss in the second quarter of 2015 was NOK -21.3 million (Q2 2014: NOK -17.0 million). Result before tax and net loss in the first half of 2015 was NOK -41.5 million (H1 2014: NOK -38.6 million).

Cash flow and liquidity

Cash flow from operations in the second quarter of 2015 was NOK -21.1 million (Q2 2014: NOK -21 million) and NOK -38.9 million (H1 2014: NOK -39.4 million) for the first half of 2015. Net working capital was NOK -0.7 million at period end 2015, an increase of NOK 2.5 million from last year positively impacting the cash flow in the second quarter of 2015.

Net cash flow for the second quarter of 2015 was NOK -19.7 million (Q2 2014: NOK -21 million). Net cash flow for the first half of 2015 was NOK -37.6 million (H1 2014: -39.4 million).

Cash and cash equivalents at period end 2015 amounted to NOK 55.5 million compared to NOK 68.1 million at end of second quarter 2014.

Financial position

Total assets were NOK 132.2 million at the end of second quarter 2015 compared to NOK 155.3 million at the end of second quarter 2014. The main reason for the decrease is the reduction of the Group's intangible assets and cash and cash equivalents. Equity ratio amounted to 91.0 percent at the end of second quarter 2015.

Risk factors

The company's business is exposed to a number of general operational and financial risks that have been explained in Bionor's Annual Report 2014 available on the company's website www.bionorpharma.com.

Related party transactions

There have been no major transactions with related parties in the first half of 2015.

OUTLOOK

Bionor's clinical strategy aims at improving treatments and combination therapies for the benefit of HIV patients, and the company has a first mover position with Vacc-4x as one of the furthest advanced therapeutic vaccines in the HIV space. The execution of and follow up to the REDUC trial could be a cornerstone in finding a functional cure for HIV. Thus, Bionor is currently primarily focused on further advancing the Vacc-4x and romidepsin combination therapy, and has initiated discussions with clinical experts and regulatory bodies, such as FDA and EMA, to seek advice on the development of this combination.

Bionor is considering possible development plans for the Vacc-4x + lenalidomide combination (IMID), and plans for Vacc-C5 and for the Vacc-4x + Vacc-C5 combination (Vacc-HIV).

The readouts of the company's ongoing trials above and the discussions with regulators are milestones for Bionor and catalysts for further development of the company.

With promising results from Vacc-4x and the REDUC study, the management team has been expanded in order to accelerate value of the company's leading assets. This has increased the core cost base, however it also provides the opportunity to add significant value and bring new investments to Bionor.

Financial guidance for 2015 is maintained

Bionor expects the core cost base to be in the range of NOK 55 - 63 million. The company's core cost base refers to all costs that are required to run the business, excluding costs for clinical studies that can vary over time.

Bionor has secured funding for finalization of the REDUC trial and detailed planning and preparation of the next steps in the company's development strategy.

Management is currently exploring funding options beyond 2015 either by equity, debt, bonds, or a combination thereof.

2015 FINANCIAL CALENDAR

3 November 2015: Results for Q3 2015

DECLARATION BY THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER OF BIONOR PHARMA ASA

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 30 June 2015, which have been prepared in accordance with IAS 34 Interim Financial Reporting, provides a true and fair picture of the company's assets, liabilities, financial position and results of operations.

We declare, to the best of our knowledge, that the interim report gives a true and fair overview of important events in the reporting period and their impact on preliminary results, the most important risk and uncertainties for the remaining six months of the accounting period, and significant transactions with related parties.

Russell Greig, Chairman

Øystein Soug, Deputy Chairman

Thomas Hofstaetter

Bernd R. Seizinger

Kirsten Drejer

Benedicte Fossum

Marianne Kock

Jerome B. Zeldis

David Horn Solomon, CEO

DISCLAIMER:
THE BOARD OF DIRECTORS EMPHASIZE THAT IN GENERAL THERE IS SIGNIFICANT UNCERTAINTY WITH REGARDS TO FORWARD LOOKING STATEMENTS GIVEN IN THE REPORT.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

BIONOR PHARMA GROUP

Amounts in NOK thousands	Note	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Total revenue		**15**	**564**	**15**	**1,636**	**1,766**
Cost of goods sold		-	(414)	-	(1,222)	(1,222)
Employee Benefit Expenses	2	(4,795)	(667)	(9,679)	(5,844)	(13,781)
Depreciation and amortisation		(2,771)	(2,793)	(5,564)	(5,590)	(11,175)
Other operating expenses		(13,821)	(13,800)	(26,600)	(28,157)	(45,064)
Total operating expenses		**(21,387)**	**(17,673)**	**(41,843)**	**(40,813)**	**(71,242)**
Operating loss		**(21,372)**	**(17,109)**	**(41,828)**	**(39,177)**	**(69,476)**
Finance income		274	229	766	770	2,794
Finance costs		(207)	(78)	(454)	(193)	(916)
Net financial items		67	151	312	577	1,421
Loss before tax		**(21,305)**	**(16,958)**	**(41,516)**	**(38,600)**	**(68,054)**
Income tax expense		-	-	-	-	-
Loss after tax		(21,305)	(16,958)	(41,516)	(38,600)	(68,054)
Net loss	3	**(21,305)**	**(16,958)**	**(41,516)**	**(38,600)**	**(68,054)**
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
– Exchange differences arising on translation of foreign operations		53	-	53	-	-
Total comprehensive income for the period		**(21,252)**	**(16,958)**	**(41,463)**	**(38,600)**	**(68,054)**
Earnings (loss) per share (NOK):		**(0.09)**	**(0.17)**	**(0.17)**	**(0.08)**	**(0.17)**
EBITDA		(18,601)	(14,316)	(36,264)	(33,588)	(58,301)

Statement is unaudited.
Due to rounding differences certain summations might not add up.
The notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BIONOR PHARMA GROUP

Amounts in NOK thousands	Note	30.06.2015	30.06.2014	31.12.2014
ASSETS				
Non-current assets				
Goodwill		8,715	8,715	8,715
Intangible assets		53,282	64,057	58,670
Property, plant and equipment		2,135	2,509	2,311
Other long term receivables		1,375	954	971
Total non-current assets		65,506	76,234	70,666
Current assets				
Receivables				
Accounts receivables		-	338	1,383
Other short term receivables		11,204	10,628	22,297
Cash and cash equivalents		55,535	68,125	93,096
Total current assets		66,739	79,091	116,776
Total Assets		132,245	155,325	187,443
EQUITY AND LIABILITIES				
Equity				
Paid-in equity				
Share capital		62,249	56,457	62,082
Share premium		266,464	220,751	265,183
Other paid-in equity	2	4,475	4,431	4,409
Retained earnings and reserves		(212,810)	(141,778)	(171,232)
Total equity	4	120,378	139,861	160,441
Liabilities				
Current liabilities				
Accounts payables		7,570	6,935	3,631
Public duties payable		949	1,763	10,446
Other current liabilities		3,033	6,035	11,416
Provisions		314	731	1,509
Total liabilities		11,867	15,464	27,002
Total Equity and Liabilities		132,245	155,325	187,443

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

BIONOR PHARMA GROUP

Amounts in NOK thousands	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2015	62,082	265,183	4,408	(171,233)	160,441
Share-based payment	-	-	67	-	67
Total comprehensive income for the year	-	-	-	(41,463)	(41,463)
Exercise of options and warrants	167	1,167	-	-	1,333
Equity at 30 June 2015	62,249	266,350	4,475	(212,696)	120,379
Equity at 1 January 2014	56,457	220,751	5,973	(103,178)	180,003
Share-based payment	-	-	(1,542)	-	(1,542)
Total comprehensive income for the year	-	-	-	(38,600)	(38,600)
Equity at 30 June 2014	56,457	220,751	4,431	(141,778)	139,861

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CONSOLIDATED CASH FLOW STATEMENT

BIONOR PHARMA GROUP

Amounts in NOK thousands	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
OPERATING ACTIVITIES					
Profit (loss) before tax	(21,252)	(16,958)	(41,463)	(38,600)	(68,054)
Depreciation and amortisation	2,771	2,793	5,564	5,590	11,175
Share-based payments	320	(2,159)	(9)	(1,704)	(1,894)
Change in accounts receivables	-	(338)	1,383	(105)	(1,150)
Change in accounts payables	230	1,154	3,940	2,425	(880)
Change in other assets and liabilities	(3,136)	(5,473)	(8,308)	(6,987)	(3,665)
Net cash from operating activities	**(21,068)**	**(20,982)**	**(38,894)**	**(39,381)**	**(64,467)**
INVESTING ACTIVITIES					
Net cash flows (used in)/from investing activities	**-**	**-**	**-**	**-**	**-**
FINANCING ACTIVITIES					
Proceeds from issue of share capital	-	-	-	-	50,057
Proceeds from exercise of options	1,333	-	1,333	-	-
Net cash flows (used in)/from financing activities	**1,333**	**-**	**1,333**	**-**	**50,057**
Cash and cash equivalents at beginning of period	**75,269**	**89,107**	**93,096**	**107,506**	**107,506**
Net increase/(decrease) in cash and cash equivalents	(19,734)	(20,982)	(37,561)	(39,381)	(14,410)
Cash and cash equivalents at period end	**55,535**	**68,125**	**55,535**	**68,125**	**93,096**

Statement is unaudited.
Due to rounding differences certain summations might not add up.
The notes are an integral part of these consolidated financial statements.

SELECTED NOTES TO THE ACCOUNTS

BIONOR PHARMA GROUP

Note 1 Basis for preparation

The financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by EU. All significant accounting principles applied in the consolidated financial statements are described in the Annual Report 2014. No new standards have been applied in 2015.

Note 2 Share based payment

Bionor has a share option program to ensure the focus and align the company's long term performance with shareholder values and interest. The program also serves to retain and attract key management. Certain members of key management have been granted share options upon joining the company. Additional grants have been made to key personnel on a discretionary basis taking into account overall performance, competitiveness of terms, work responsibility, importance of retention, organization level, and position. Share options may also be granted to selected consultants and board members to attract and retain the individuals with the skill, international experience, and industry competence the company requires. Up until end 2014 share options vested over a three-year period and is usually vested according to the following plan; 33% of the options vest on the first anniversary of the grant date; 33% at year two and the remaining 33% of the options vest at year three. Options expire seven years after the grant date. Certain older options do not follow the same principles.

From 2015 options vest with 1/4 on the first annual anniversary of grant and thereafter by 1/48 each month for the next 36 months and the new CEO was granted options on these terms at the time of his employment in 2015. All option contracts include regulation that in the case of termination of employment, the employee will not vest further share options beyond notice of termination (with certain provisions of accelerated partial vesting). The exercise price for any new options granted is set at the market price of the shares at the time of grant of the options. Individual option grants are not capped by a maximum size of grant. The Board of Bionor seeks a yearly authorization from shareholders at the Annual General Meeting to issue a maximum number of share options in total for all grants. Cap is approximately 5% of outstanding shares and options (fully diluted). As per 30.06.2015 current and previous management, employees and consultant were granted 6,373,333 share options of which 3,560,003 were fully vested as per 30.06.2015.

	No of options	Average Price
Options fully vested	3,560,003	2.08
2016 Q1	729,166	2.37
2016 Q2	386,250	2.63
2016 Q3	156,249	2.37
2016 Q4	156,249	2.37
2017 Q1	156,249	2.37
2017 Q2	239,578	2.43
2017 Q3	156,249	2.37
2017 Q4	156,249	2.37
2018 Q1	156,251	2.37
2018 Q2	156,252	2.37
2018 Q3	156,252	2.37
2018 Q4	156,252	2.37
2019 Q1	52,084	2.37
Options not vested	2,813,330	2.41
Total number of outstanding options	6,373,333	2.24

SELECTED NOTES TO THE ACCOUNTS

BIONOR PHARMA GROUP

Note 2 Share based payment - continued

Exercise price	No of options
2.00	2,933,333
2.37	2,500,000
2.48	240,000
2.55	250,000
2.75	250,000
3.50	200,000
Total no of options	6,373,333

	H1 2015		H1 2014	
	No of options	Average Price	No of options	Average Price
Outstanding options 1 January	5,810,000	2.23	7,980,000	2.23
Granted options in period	2,500,000	2.55	1,300,000	2.55
Forfeited options in period	1,270,000	2.39	1,500,000	1.97
Exercised options in period	666,667	2.00	-	-
Outstanding options 30 June	6,373,333	2.24	7,780,000	2.33

SELECTED NOTES TO THE ACCOUNTS

BIONOR PHARMA GROUP

Note 3 Deferred tax carried forward

Bionor Pharma ASA has tax losses carried forward in Norway which can be offset by future tax profit in the Company. The right to carry forward loss is unlimited. The deferred tax asset is not recognized as an asset in the statement of financial position.

Total loss carried forward was NOK 562.6 million as per 31.12.2014.

Note 4 Shares and Share Capital

In NOK thousands	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Share capital at period start	62,082	56,457	62,082	56,457	56,457
Share Capital Increase Private Placement	-	-	-	-	5,625
Share Capital Increase Exercise of options	167	-	167	-	-
Share Capital at period end	**62,249**	**56,457**	**62,249**	**56,457**	**62,082**

Amounts of shares thousands	Q2 2015	Q2 2014	H1 2015	H1 2014	FY 2014
Outstanding number of shares at period start	248,326	225,826	248,326	225,826	225,826
Share issuance Private Placement	-	-	-	-	22,500
Share Capital Increase Exercise of options	667	-	667	-	-
Outstanding number of shares at period end	**248,993**	**225,826**	**248,993**	**225,826**	**248,326**

The par value per share is NOK 0.25. Change in share capital in 2014 reflects the equity issue through a private placement 4 September 2014. Change in share capital in 2015 reflects the exercised option in June 2015.

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