Q1

HIGHLIGHTS Q1 2015 AND BEYOND

- New Management Team Appointed
- REDUC trial (Vacc-4x + romidepsin) on track
- Enrollment of patients in Part B of REDUC study completed
- Results from effects on the HIV reservoir as expected in Q2 2015 disclosed 4 May 2015.
- The results of the interim analysis are promising and are detailed in this Report.
- Results from the effect of Vacc-4x and romidepsin on viral load are expected in H2 2015
- New Board Appointments to be presented for election at the AGM 13 May 2015

Key Financials

In NOK thousands	Q1 2015	Q1 2014	FY 2014
Revenues	0	1 072	1 766
EBITDA [1)]	(17 663)	(19 272)	(58 301)
Cash Flow from Operations	(17 827)	(18 399)	(64 467)
Net Cash [2)]	75 269	89 107	93 096

1) EBITDA is defined as profit for the accounting period before financial income and financial expense, income tax expense and depreciation and amortization and write-downs.

2) Net cash is defined as the Group's cash and cash equivalents adjusted for the Group's borrowings.

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

HIV VACCINE STUDIES ADVANCE

The first quarter of 2015 was characterized by hiring a new CEO, Dr. David Solomon, and preparation of principal activities in order to establish a new Bionor. A large part of these activities, although initiated in first quarter of 2015, has effect beyond the first quarter giving this Q1 report, in part, a forward looking perspective.

Bionor Pharma's principal strategy is to advance Vacc-4x in combination with other medicines in order to advance a functional cure for HIV patients and their caregivers.

As earlier reported, Part A of the REDUC trial demonstrated that the cancer drug, the HDAC inhibitor romidepsin (Istodax®), was able to reactivate or "kick" the assumed latent virus reservoirs in HIV patients while on conventional HIV medication, cART (combination antiretroviral therapy).

The objective of the ongoing Part B of the REDUC trial is to investigate whether the effects of Vacc-4x vaccination followed by romidepsin treatment impacts the latent HIV reservoir and viral control. Romidepsin "kicks" the virus out of reservoirs making the HIV infected cells visible to the immune system. The immune response generated by Vacc-4x will then make it possible for the white blood cells to attack and "kill" the infected cells. This immune response will then lead to a potential reduction of the latent HIV virus reservoirs and viral load. The reduction of reservoirs and the decrease in viral load following a monitored cART treatment pause are the key outcomes of the REDUC Part B study. The trial is on track and the enrollment of patients is completed. The Company announced, on 4 May 2015, after the Q1 reporting period, promising interim results from Part B. These are further described in this report, specifically the effect of the treatment on components of the viral reservoir. The company will report the results on viral load results in H2 2015.

Following the appointment of CEO Dr. David Horn Solomon in January 2015, Dr. Solomon has appointed a skilled and experienced team to join him as the Management Group at Bionor. The new members are: Jens Krøis, Chief Financial Officer, Barbara Ruskin, General Counsel and Chief Intellectual Property Officer, Kamilla Rolsted, Chief Strategy and Business Development Officer and Søren Keller, Chief Operating Officer. Detailed biographies of the Management Team can be found at www.bionorpharma.com.

CEO Dr David Horn Solomon commented, "Bionor as a therapeutic vaccine company represents leading efforts to establish an approach to a functional cure of HIV infection. I look forward to adding significant value to the Company together with the new Bionor team through advancing our therapeutic vaccine assets and by addressing the needs of patients and their caregivers."

The Group reported a net loss of NOK 20.2 million in the first quarter (NOK 21.6 million). The cash flow from operations in the first quarter was negative NOK 17.8 million (negative NOK 18.4 million) and the net cash at period end was NOK 75.3 million (NOK 89.1 million).

CLINICAL STUDIES UPDATE

REDUC study – Vacc-4x + romidepsin (Isotodax®) – the "Kick & Kill" Approach to Functional Cure in HIV

- Phase II study
- Patients well treated on cART
- 6 patients (Part A) + 20 patients (Part B)
- Single site (University of Aarhus). Agreement with Celgene Inc. for supply of free HDAC inhibitor romidepsin (Istodax®)
- Study Design: Part A assessed safety and virus reactivation after treatment with the romidepsin. Part B assesses safety and reduction of virus reservoirs after Vacc-4x vaccination followed by treatment with romidepsin
- Part A completed Q2 2014 showed that romidepsin was safe and well-tolerated
- Enrollment Part B completed in Q1 2015
- Part B interim results – effects on components of the HIV reservoir reported on 4 May 2015 with promising results. Further data expected H2 2015

The REDUC study investigates Vacc-4x's ability to eliminate or "kill" HIV infected CD4 cells following romidepsin reactivation or "kicking" of the latent HIV reservoir and thereby reduce the latent reservoir in HIV patients while on cART. The trial also investigates the effects on viral load following a scheduled cART treatment interruption.

The study is conducted at the University of Aarhus, and is led by Professor Lars Østergaard. Aarhus serves as the single site for this clinical trial.

Results from REDUC trial Part A demonstrated that the chosen dose of 5 mg/m2 romidepsin was safe, relatively well tolerated and able to reactivate or "kick" the virus out of reservoirs into the plasma, or blood stream. The "kicking" of the reservoirs is measured by different analyses including cell associated HIV RNA and plasma HIV RNA. The data showed an increase in the virus production in HIV-infected cells between 2.1 and 3.9 times above normal and that the viral load in the blood increased to measurable levels in five out of six patients while patients were on cART medication.

In Part B, 20 patients on cART will over 12 weeks receive four immunizations and two booster immunizations with Vacc-4x followed by treatment with romidepsin once a week for three weeks. Following this treatment the HIV reservoir size will be measured and compared to the size prior to Vacc-4x vaccination and romidepsin treatment. The hypothesis is that a reduction in latent reservoir may lead to a delayed and reduced viral load rebound. After 8 weeks follow-up, the cART therapy will be interrupted for up to 16 weeks. During

this period off cART, the HIV replication will be evaluated to assess to which extent the viral load continues to be suppressed by the immune system. Endpoints include viral load and time to rebound of the viral load. The overall objectives of Part B are reduction in virus reservoir measures by HIV viral outgrowth, integrated HIV-DNA and total HIV DNA as well as effect on viral load.

The Results of the Interim Analysis of Part B of this study were reported on 4 May 2015. The Results in 9 patients showed that romidepsin worked to Kick the virus out of the reservoirs, and that following the Kick and Kill, no viral HIV RNA (ie HIV virus) was found in the bloodstream. These results suggest that Vacc-4x works to Kill the virus that was Kicked out of reservoirs. This last is suggestive that Vacc-4x is a viable candidate to continue the work to develop as a potential therapeutic vaccine to effect a functional cure in HIV patients. The results relating to the effect on viral load in this study are expected in H2 2015.

PRECLINICAL AND OTHER STUDIES

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

Bionor Pharma is exploring the possibility of combining its two therapeutic vaccine candidates Vacc-4x and Vacc-C5 into one vaccine called Vacc-HIV. The Company reported in Q1 2014 that HIV patients with elevated levels of C5 antibodies seem to respond better to vaccination with Bionor Pharma's lead vaccine candidate Vacc-4x. Patients with elevated C5 antibodies have a greater reduction of the median viral load when compared with to patients' historic median pre-ART viral load values than patients with low C5 antibodies. As such Vacc-C5 vaccination in patients with low preexisting C5 antibodies may provide improved response to Vacc-4x and the combination of Vacc-4x and Vacc-C5 (Vacc-HIV) may be the optimal way for providing such benefit.

Combining the two vaccines will target both parts of the immune system; Vacc-4x by inducing T-cell responses and Vacc-C5 by increased the formation of C5 antibodies. 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.

The Vacc-HIV pre-clinical development program is ongoing in collaboration with St. George's University, London, St Georges Healthcare NHS Trust and the University of Lausanne in Switzerland. The preclinical studies were carried out in 2014 and into 2015 in order to establish both the immunization regimen and to select adjuvant (supporting agent). The Company expects to have data from these preclinical trials in H1 2015.

Other Therapeutic Vaccines

Bionor Pharma has interest in other therapeutic vaccine disease areas. The Company has a universal multi seasonal influenza vaccine in preclinical development - Vacc-FLU. The vaccine consists of several peptides against conserved protein regions of the influenza virus. The Company has previously announced testing of its universal influenza vaccine Vacc-FLU in animal models and has successfully demonstrated in vivo proof of concept in infection animal model. Mice were vaccinated with Vacc-FLU and then challenged by a H1N1 influenza virus (swine flu). Animal vaccinated with Vacc-FLU experienced a dose dependent improvement (lower weight loss) compared to control animals and animals vaccinated with traditional seasonal flu vaccines. The Company expects to receive further biochemical and cellular analyses from the studies over the coming months. As Bionor Pharma will focus its resources on the HIV program, it has for the time being been decided not to advance Vacc-FLU into the regulatory part of the preclinical work.

FINANCIAL REVIEW

Income Statement

No revenues were reported in the first quarter 2015 (NOK 1.1 million). Revenues in first quarter 2014 were mainly related to sales of nutraceuticals. Cost of goods related to sale of nutraceuticals was NOK 0.8 million in first quarter last year.

Employee benefit expenses in the first quarter 2015 were NOK 4.9 million compared to NOK 5.2 million in the same period last year. The decrease is due to reduction in head count. Reversal of forfeited share options led to a positive effect of share based payment in the first quarter of NOK 0.3 million (NOK 0.5 million).

Other operating expenses in the first quarter were NOK 12.8 million, a reduction of NOK 1.6 million compared to the first quarter 2014. R&D related operating expenses in the first quarter were NOK 5.4 million (NOK 10.5 million). The reduction is due to lower activity compared to first quarter in 2014, but also higher booked government grants in the period. Recorded grants in the first quarter 2015 were NOK 3.9 million versus NOK 2.9 million in the first quarter 2014. The reason for the higher grants in first quarter 2015 is the REDUC Globvac grant.

EBITDA in the first quarter was negative NOK 17.7 million compared to negative NOK 19.3 million in the first quarter 2014.

Depreciation and amortization in the first quarter 2015 amounted to NOK 2.8 million (NOK 2.8 million).

Net financial items were NOK 0.2 million in the first quarter 2015 (NOK 0.4 million). The reduction in net financial items for the first quarter 2015 is due to lower interest income due to lower interest rate compared to the first quarter 2014.

Result before tax and net loss in the first quarter 2015 was NOK 20.5 million (NOK 22.1 million).

Cash Flow and Liquidity

Cash flow from operations in the first quarter 2015 was negative NOK 17.8 million (negative NOK 18.4 million). Net working capital was negative NOK 3.2 million at quarter end, a decrease of NOK 0.1 million positively impacting the cash flow in the first quarter.

Net cash flow for the first quarter 2015 was negative NOK 17.8 million (negative NOK 18.4 million). Cash and cash equivalents at period end 2015 amounted to NOK 75.3 million compared to NOK 89.1 million at end of first quarter 2014.

Financial Position

Total assets were NOK 155.6 million at the end of first quarter 2015 compared to NOK 176 million at end of first 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 89.9 percent at end of first quarter 2015.

OUTLOOK

Bionor Pharma has a first mover position with Vacc-4x as the furthest advanced therapeutic T-cell vaccine in HIV space. The clinical strategy aims at improving treatments and combination therapies for the benefit of HIV patients. The execution of the REDUC trial (Vacc-4x + romidepsin) could be a cornerstone in finding a Functional Cure for HIV patients. Based on the results from the Vacc-4x + lenalidomide study in 2014, the Company will seek advice from HIV regulatory experts on possible next steps for this treatment combination. The identification of C5 antibodies as a potential biomarker to identify patients who are more likely to respond better to Vacc-4x, may prove to be an important step in Bionor Pharma's pursuit for a functional cure for HIV and/or as an add-on to cART treatment for viral control in certain patient populations. Confirmation of C5 antibodies as a genuine biomarker is subject to a larger prospective trial.

Discussions with FDA and EMA have been initiated to seek regulatory advice on the development of Vacc-4x. These discussions are expected to continue over the coming quarters.

Bionor Pharma has secured funding for the execution of the ongoing clinical development program, in addition to initiating detailed planning and preparation of the next steps in the Company's development strategy.

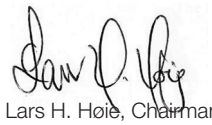
The readouts of the Company's ongoing trials and the discussions with regulators are milestones for Bionor Pharma and catalysts for further development of the Company.

Bionor Pharma ASA has under earlier management been downsized.

With promising results from VACC-4x and REDUC studies, the new CEO has expanded the management team in order to accelerate value of our leading assets. This has increased the cost base, however it also provides the opportunity to add significant value and bring new investments to Bionor Pharma ASA.

Guidance 2015: Bionor Pharma ASA expects the core cost base [1] to be in the range of NOK 55 - 63 million.

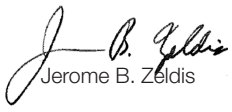
Oslo, 13 May 2015
The Board of Directors and Chief Executive Officer of Bionor Pharma ASA


Lars H. Høie, Chairman


Øystein Soug, Deputy Chairman


Benedicte H. Fossum


Marianne Kock


Jerome B. Zeldis


David Horn Solomon, CEO

1) The company's core costs base refers to all costs that are required to run the business, excluding costs for clinical studies, that can vary over time.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

BIONOR PHARMA GROUP

Amounts in NOK thousands	Note	Q1 2015	Q1 2014	FY 2014
Total revenue	2	-	1,072	1,766
			-	
Cost of goods sold		-	(808)	(1,222)
Employee Benefit Expenses	3	(4,884)	(5,177)	(13,781)
Depreciation and amortisation		(2,793)	(2,797)	(11,175)
Other operating expenses		(12,779)	(14,358)	(45,064)
Total operating expenses		(20,456)	(23,140)	(71,242)
			-	
Operating loss		(20,456)	(22,069)	(69,476)
Finance income		492	541	2,794
Finance costs		(247)	(115)	(916)
Net financial items		245	427	1,421
Loss before tax		(20,211)	(21,642)	(68,054)
Income tax expense	4			
Loss after tax		(20,211)	(21,642)	(68,054)
Net loss	4, 5	(20,211)	(21,642)	(68,054)
Other comprehensive income	5			
Exchange differences arising on translation of foreign operations		-	-	-
Total comprehensive income for the period		(20,211)	(21,642)	(68,054)
Earnings (loss) per share (NOK):		(0.08)	(0.10)	(0.29)
EBITDA		-17,663	0	-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	31.03.2015	31.03.2014	31.12.2014
ASSETS				
Non-current assets				
Goodwill		8,715	8,715	8,715
Intangible assets		55,976	66,751	58,670
Property, plant and equipment		2,213	2,607	2,311
Other long term receivables		971	954	971
Total non-current assets		67,874	79,027	70,666
Current assets				
Receivables				
Accounts receivables		-	-	1,383
Other short term receivables		12,450	7,801	22,297
Cash and cash equivalents		75,269	89,107	93,096
Total current assets		87,719	96,908	116,776
Total Assets		155,592	175,935	187,443
EQUITY AND LIABILITIES				
Equity				
Paid-in equity				
Share capital		62,082	56,457	62,082
Share premium		265,183	220,751	265,183
Other paid-in equity	3	4,095	6,424	4,408
Retained earnings and reserves		(191,444)	(124,820)	(171,232)
Total equity	5, 6	139,916	158,812	160,441
Liabilities				
Current liabilities				
Accounts payables		7,340	5,782	3,631
Public duties payable		877	954	10,446
Other current liabilities		7,459	10,023	11,416
Provisions		-	366	1,509
Total liabilities		15,676	17,124	27,002
Total Equity and Liabilities		155,592	175,935	187,443

Statement is unaudited.
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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	-	-	(313)	-	(313)
Total comprehensive income for the year	-	-	-	(20,211)	(20,211)
Equity at 31 March 2015	62,082	265,183	4,095	(191,444)	139,916
Equity at 1 January 2014	56,457	220,751	5,973	(103,178)	180,003
Share-based payment	-	-	451	-	451
Total comprehensive income for the year	-	-	-	(21,642)	(21,642)
Equity at 31 March 2014	56,457	220,751	6,424	(124,820)	158,812

Statement is unaudited.
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CONSOLIDATED CASH FLOW STATEMENT

BIONOR PHARMA GROUP

Amounts in NOK thousands	Q1 2015	Q1 2014	FY 2014
OPERATING ACTIVITIES			
Profit (loss) before tax	(20,211)	(21,642)	(68,054)
Depreciation and amortisation	2,793	2,797	11,175
Share-based payments	(328)	455	(1,894)
Change in accounts receivables	1,383	233	(1,150)
Change in accounts payables	3,710	1,272	(880)
Change in other assets and liabilities	(5,172)	(1,515)	(3,665)
Net cash from operating activities	(17,827)	(18,399)	(64,467)
INVESTING ACTIVITIES			
Net cash flows (used in)/from investing activities	-	-	-
FINANCING ACTIVITIES	-		
Proceeds from issue of share capital	-	-	50,057
Net cash flows (used in)/from financing activities	-	-	50,057
	-		
Cash and cash equivalents at beginning of period	93,096	107,506	107,506
Net increase/(decrease) in cash and cash equivalents	(17,827)	(18,399)	(14,410)
Effect of currency translation of cash and cash equivalents	-	-	-
Cash and cash equivalents at period end	75,269	89,107	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.

Note 2 Segment information

Pharma ASA following the acquisition of vaccine development company Bionor Immuno AS in 2010. The main focus of the Bionor Pharma Group is development of vaccines for viral diseases. This is reflected in the Group's organization and management reports, and is as such the Groups only operating segment. The development of the different vaccines are organised under the same departments and under the same managers where the Company's CEO is the decision taker.
Prior to the acquisition of Bionor Immuno AS Nutri Pharma ASA main business was sales of Nutraceuticals. There are still some limited sales of Nutraceuticals and for historical information the Group reports the sales of Nutraceutical business in notes to its financial statements.

The nutraceutical products are sold in some countries in Europe in addition to Russia. Revenues from sales to these territories amounted to NOK 0 million (NOK 1.1 million) for Q1 2015.

In NOK thousands	Q1 2015	Q1 2014	FY 2014
Revenue by segment			
Nutraceutical products	-	1,072	1,636
Other	-	-	130
Total operating revenue	-	1,072	1,766

Note 3 Share based payment

The Company has a share option program to ensure focus and align the Company's long term performance with shareholder values and interest. The program also serves to retain and attract senior management. Senior Management has 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. Granted share options vest 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 four years after the grant date. Previous granted options may not be following these principles. In the case of termination of employment, the employee will not vest further share options beyond notice of termination. 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 Pharma seeks a yearly authorization from shareholders at the Annual General Meeting to issue a maximum number of share options in total for all grants. The long term cap is approximately 8% of outstanding shares and options (fully diluted). As per 31.03.2015 current and previous management, employees and consultant were granted 7,040,000 share options (2.8% of issued share capital) of which 3,043,330 were fully vested as per 31.03.2015.

From the time of the AGM in 2015 share options vest over a four-year period as follows: 1/4 of the options vest on the first anniversary of the date of grant; thereafter 1/48 of the options will vest on a monthly basis over the following three years. 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. Options expire seven years after the date of grant. In the case of termination of employment, the employee will not vest further share options beyond notice of termination except where the employment is terminated by the Company without cause, in which case certain provisions regarding accelerated vesting apply. In case of take-overs and statutory mergers Management is obliged to accept a substitute option program on certain terms or cash replacement of the options. Unless such replacements are given accelerated vesting will apply to all unvested options in case of a trade sale or statutory merger.

	No of options
Options fully vested	3,996,670
2015 Q2	230,000
2016 Q1	729,166
2016 Q2	386,250
2016 Q3	156,249
2016 Q4	156,249
2017 Q1	156,249
2017 Q2	239,578
2017 Q3	156,249
2017 Q4	156,249
2018 Q1	156,251
2018 Q2	156,252
2018 Q3	156,252
2018 Q4	156,252
2019 Q1	52,084
Options not vested	3,043,330
Total number of outstanding options	7,040,000

Exercise price	No of options
2.00	3,600,000
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	7,040,000

	Q1 2015 No of options	Q1 2015 Average Price
Outstanding options 1 January	5,810,000	2.23
Granted options in period	2,500,000	2.55
Forfeited options in period	1,270,000	2.39
Exercised options in period	-	-
Outstanding options 31 March	7,040,000	2.31

Note 4 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 5 Other Comprehensive Income

Bionor Pharma ASA has chosen not to specify exchange differences arising from the translation of foreign operation.

The subsidiary Bionor Immuno AS has a wholly own subsidiary in US, Bionor Immuno Inc. This company has had no activity for several years and the Exchange differences are not seen as material.

The newly formed wholly owned subsidiary Bionor Pharma A/S in Denmark has had little activity in March 2015. The policy for other comprehensive income is up for revision.

Note 6 Shares and Share Capital

In NOK thousands	Q1 2015	Q1 2014	FY 2014
Share capital at period start	62,082	56,457	56,457
Share Capital Increase Private Placement	-	-	5,625
Share Capital at period end	**62,082**	**56,457**	**62,082**

Amounts of shares thousands	Q1 2015	Q1 2014	FY 2014
Outstanding number of shares at period start	248,326	225,826	225,826
Share issuance Private Placement	-	-	22,500
Outstanding number of shares at period end	**248,326**	**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.

COMPANY INFORMATION AND CREDITS

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