UNAUDITED

BIONORPHARMA

Q4

Fourth Quarter and Full Year Report 2014

HIGHLIGHTS

- Dr David Horn Solomon appointed new CEO
- REDUC trial (Vacc-4x + rompidepsin) on track
  - Enrollment of patients in part B of REDUC study completed
  - Results from effects on the HIV reservoir expected in Q2 2015, results from effect on viral load is expected in H2 2015
- "Boost & Kill" trial - Vacc-4x + lenalidomide Phase II study read out November 2014
  - Vacc-4x + lenalidomide increased CD4 counts
  - Treatment was well tolerated
- World's AIDS Day 2014 focuses on the possibility for finding a functional cure and puts focus on therapeutic vaccines

KEY FINANCIALS

In NOK thousands	Q4 2014	Q4 2013	FY 2014	FY 2013
Revenue	130	139	1 766	4 200
EBITDA[1]	(12 273)	(22 752)	(58 301)	(75 787)
Cash Flow from Operations	(10 575)	(17 172)	(64 467)	(68 566)
Net Cash[2]	93 096	107 506	93 096	107 506

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; New CEO Appointed

Bionor Pharma's principal strategy is to take the best results from our ongoing clinical trials in order to advance a product for HIV patients and caregivers.

As earlier reported, Part A of the REDUC trial demonstrated that the cancer drug, the HDAC inhibitor romidepsin, 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 reduction 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 expects to be able to announce the effect of the treatment on components of the reservoir late in Q2 2015 and the results on viral load results in H2 2015.

The phase II Vacc-4x + lenalidomide known as the "Boost & Kill" study trial read out in the fourth quarter. The study included HIV positive persons receiving cART, who had not regained a healthy CD4 level. Results showed that the combination of Vacc-4x and Celgene's immunomodulator Revlimid® (lenalidomide) increased CD4 count (p=0.009). The treatment was well tolerated. The results indicate that the effects of Vacc-4x can be boosted by lenalidomide. This gives the option to add the "Boost & Kill" to Bionor Pharma's current "Kick & Kill" development strategy towards achieving a functional cure for HIV.

Bionor Pharma appointed Dr David Horn Solomon as new President and CEO after the reporting period ended. Dr Solomon has extensive experience as a CEO in listed biotech companies, healthcare investing and pharmacology research. Prior to joining Bionor Pharma Dr Solomon was CEO of Zealand Pharma A/S (Nasdaq CO: ZEAL) from 2008 until 2015. Dr Solomon studied medicine and immunology at Cornell Medical College and the Sloan Kettering Cancer Center in New York where he received his doctorate in 1991. Dr Solomon has served as a faculty member at Columbia University's College of Physicians and Surgeons.

The World AIDS Day 1 December 2014 celebrated the progress made within HIV research and focused on the importance of finding a cure for a HIV. The focus was also put on vaccines as a possible mean to end HIV/AIDS (US NIH Statement World AIDS Day 2014).

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

The Group reported a net loss of NOK 14.7 million in the fourth quarter (NOK 25.4 million). The cash flow from operations in the fourth quarter was negative NOK 10.6 million (negative NOK 17.2 million) and the net cash at period end was NOK 93.1 million (NOK 107.5 million).

CLINICAL STUDIES UPDATE

REDUC study – Vacc-4x + Rompidepsin (Isotodax®) – the "Kill & Kick"

- Phase I/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 romidepsin (Istodax)
- Study Design: Part A assessed safety and virus reactivation after treatment with the HDACi romidepsin. Part B assesses safety and reduction of virus reservoirs after Vacc-4x vaccination followed by treatment with romidpesin
- Part A completed Q2 2014, enrollment Part B completed
- Part B results – effects on components of the HIV reservoir expected Q2 2015, viral load data expected H2 2015

The REDUC study investigates Vacc-4x' ability to eliminate or "kill" HIV infected CD4 cells following romidepsin (Istodax) 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 the trial.

Results from REDUC trial part A demonstrated that the chosen dose of 5 mg/m^2 romidepsin (HDACi) was safe, relatively well tolerated and able to reactivate or "kick" the virus. 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.

Enrollment of patients for part B is completed. Results from the REDUC study are expected in 2015. The results relating to components of the HIV reservoir size are expected in Q2 2015 and results of effect on viral load, are expected in H2 2015.

Vacc-4x + Lenalidomide (Revlimid®) – the "Kill & Boost"

- Phase II study
- Patients – "Discordant immune responders" on cART
- Research collaboration with Celgene Inc.
- 12 patients (Part A) + 24 patients (Part B)
- 4 sites in Germany
- Study Design: Part A dose finding study and Part B comparison of Vacc-4x + Placebo and Vacc-4x + lenalidomide
- Topline results announced in Q4 2014

There is a substantial proportion of HIV infected patients who are diagnosed late, at a stage where the virus has already caused considerable damage to the immune system. As a result many of these patients, so called discordant immune responders, are unable to regain an adequate immune function (CD4 counts) despite having well controlled viral load while treated with conventional HIV medication, cART. These patients have a higher mortality rate and

increased morbidity compared to patients who regain a healthy immune function when on cART.

By combining Vacc-4x with Celgene's immune modulator (IMiD) lenalidomide (Revlimid®) the study's objective was to investigate the immune response to Vacc-4x and to determine whether CD4 count increases. In addition to being a potential therapy for discordant immune responders, the combination of Vacc-4x and lenalidomide could be key in the pursuit of a Functional Cure for HIV.

Twenty four patients were randomized into two groups where one group received Vacc-4x + placebo and one group received Vacc-4x + lenalidomide. Patients received six cycles of Vacc-4x vaccination with lenalidomide or placebo over a 13 week period. Key endpoints were observed at week 13 and at week 26 (study end).

CD4 counts, the key primary efficacy endpoint increased in both groups. The largest increase was in the Vacc-4x + lenalidomide group where CD4 count increased by 30% (p=0.009) from baseline. In the Vacc-4x + placebo group the CD4 count increased with 17% (p=0.10). However, this was an exploratory study, with a limited number of patients and no statistical difference was observed between the two groups.

The three other primary endpoints investigating immune response were T-cell response to Vacc-4x, antibody titer to Vacc-4x peptides and p24, and assessment of antibody titers to a commonly used tetanus toxoid. These immune markers supported the quantitative findings of the CD4 cells.

Only one serious adverse event was observed and deemed unrelated to treatment and overall both Vacc-4x and the combination treatment of Vacc-4x + lenalidomide were well tolerated.

Full data analysis is ongoing and will be submitted to a future major HIV medical conference. Furthermore the results will be discussed with FDA and EMA. The study is a collaboration between Celgene Corp (NASDAQ:CELG) and Bionor Pharma. Bionor Pharma has been the study sponsor and Celgene has co-funded the trial and supplied lenalidomide.

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. Bionor Pharma has for the time being decided, not to advance Vacc-FLU into the regulatory part of the preclinical work as it will focus its resources on the HIV program.

FINANCIAL REVIEW

Income Statement

Revenues in the fourth quarter were NOK 0.1 million (NOK 0.1 million), revenues for the full year 2014 were NOK 1.8 million (NOK 4.2 million). Revenues in 2014 are mainly related to sales of nutraceuticals. For the full year 2013 revenues of NOK 1.6 million were related to services to Celgene for the Vacc-4x + lenalidomide trial. Cost of goods related to sale of nutraceuticals was NOK 1.2 million in the full year 2014 (NOK 1.7 million).

Employee benefit expenses in the fourth quarter 2014 were NOK 2.9 million compared to NOK 6.9 million in the same period last year. The decrease is due to reduction in head count and share based payment. Reversal of forfeited share options led to a positive effect of share based payment in the fourth quarter of NOK 1.1 million (NOK 0.1 million). Employee benefit expenses for the full year 2014 were NOK 13.8 million (NOK 27.1 million). The decrease is related to a reduction in headcount but also impacted by expensed cost related to share based payment which amounted to positive NOK 1.9 million for the full year 2014 versus negative NOK 2.4 million for the full year 2013.

Other operating expenses in the fourth quarter were NOK 9.5 million a reduction of NOK 6.5 million compared to the fourth quarter 2013. R&D related operating expenses in the fourth quarter were NOK 4.8 million (NOK 11.4 million). The reduction is due to lower activity compared to fourth quarter in 2013 but also higher booked government grants in the period. Recorded grants in the fourth quarter 2014 were NOK 4.9 million versus NOK 0.9 million in the fourth quarter 2013. Other operating expenses for the full year 2014 were NOK 45.1 million (NOK 51.2 million). R&D related operating expenses for the full year 2014 were NOK 30.2 million (NOK 34.1 million). R&D expenses were offset by government grants for the full year 2014 by NOK 17.1 million (NOK 5.3 million). The reason for the higher grants in 2014 is the REDUC Globvac grant and higher SkatteFUNN.

EBITDA in the fourth quarter and the full year 2014 was respectively negative NOK 12.3 million and NOK 58.3 million compared to negative NOK 22.8 million and NOK 75.8 million in the fourth quarter and the full year 2013.

Depreciation and amortization in the fourth quarter 2014 amounted to NOK 2.8 million (NOK 2.8 million). Depreciation and amortization in the full year 2014 amounted to NOK 11.2 million (NOK 11.5 million).

Net financial items were NOK 0.3 million in the fourth quarter 2014 (NOK 0.2 million) and NOK 1.4 million (NOK 1.9 million) for the full year 2014. The reduction in net financial items for the full year 2014 is due to lower interest income due to lower interest rate compared to the full year 2013.

Result before tax and net loss in the fourth quarter 2014 was NOK 14.7 million (NOK 25.4 million). Result before tax and net loss in the full year 2014 was NOK 68.1 million (NOK 85.4 million).

Cash Flow and Liquidity

Cash flow from operations was negative NOK 10.6 million (negative NOK 17.2 million) in the fourth quarter 2014 and negative NOK 64.5 million (NOK 68.6 million) for the full year 2014. Net working capital was negative NOK 3.3 million at quarter end, a decrease of NOK 2.3 million positively impacting the cash flow in the fourth quarter.

The Company raised NOK 52.9 million (NOK 75.1 million) in a private placement in during 2014. Transaction cost related to the equity issue was NOK 2.8 million (NOK 4.7 million). Net proceeds of the equity issue were NOK 50.1 million (NOK 70.4 million). Net cash flow for the full year 2014 was negative NOK 14.4 million (negative NOK 1.4 million). Cash and cash equivalents at year 2014 amounted to NOK 93.1 million compared to NOK 107.5 million at year end 2013.

Financial Position

Total assets were NOK 187.4 million at year end 2014 compared to NOK 196.8 million at year end 2013. The main reason for the decrease is the reduction of the Group's intangible assets and cash and cash equivalents. Total equity was NOK 160.4 million at year end 2014 compared to NOK 180 million at year end 2013. Equity ratio amounted to 85.6 percent at year end.

OPERATIONAL UPDATE

Bionor Pharma announced in its second quarter report that the Company has met with FDA and EMA to discuss monotherapy options for Vacc-4x in subset of patient populations. In a post-hoc subset exploratory analysis, Vacc-4x has in responders (patients with high C5 antibodies) shown a reduction in viral load of 0.88 percent compared to preART levels. The discussions with the agencies are ongoing and provided valuable input to the design of proof of concept studies in responders and provided guidance for future clinical trials. The Company is currently discussing future clinical development with key opinion leaders and will continue the dialogue with EMA and FDA and initiate discussions for path to market for the "kick, kill & boost" strategy upon read out of the REDUC trial.

Synne H. Røine has resigned her position as CFO. The search for her replacement has been initiated.

Bionor Pharma appointed Dr David Horn Solomon as new CEO in January 2015. Dr Solomon succeeds Dr Anker Lundemose, who has served as CEO for Bionor Pharma ASA since March 2013. The Board thanks Dr Lundemose for his service and contributions to the Company. Dr Solomon has extensive experience as a CEO in listed biotech companies, healthcare investing and pharmacology research. Prior to joining Bionor Pharma Dr Solomon was CEO of Zealand Pharma A/S (Nasdaq CO: ZEAL) from 2008 until 2015. Dr Solomon studied medicine and immunology at Cornell Medical College and the Sloan Kettering Cancer Center in New York where he received his doctorate in 1991.

Bionor Pharma has outsourced clinical operational functions to KLIFO A/S in Denmark. Bionor Pharma had 10 (19) employees at quarter end.

OUTLOOK

Bionor Pharma has a first mover position with Vacc-4x as the furthest advanced therapeutic T-cell vaccine in HIV. 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. Following completion of the Vacc-4x + lenalidomide study 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 that 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.

Oslo, 24 February 2015

The Board of Directors and Chief Executive Officer of Bionor Pharma ASA

Lars H. Høie Chairman	Øystein Soug Deputy Chairman	Benedicte Fossum Board Member
Jerome B. Zeldis Board Member	Marianne Kock Board Member	David Horn Solomon Chief Executive Officer

Bionor Pharma Group

CONDENSED CONSOLIDATED INCOME STATEMENT

Amounts in NOK thousands	Note	Q4 2014	Q4 2013	FY 2014	FY 2013
Total revenue	2	**130**	**139**	**1 766**	**4 200**
Cost of goods sold		-	-	(1 222)	(1 706)
Employee Benefit Expenses	3	(2 875)	(6 902)	(13 781)	(27 058)
Depreciation and amortisation		(2 793)	(2 843)	(11 175)	(11 524)
Other operating expenses		(9 527)	(15 990)	(45 064)	(51 223)
Total operating expenses		**(15 195)**	**(25 735)**	**(71 242)**	**(91 511)**
Operating loss		**(15 065)**	**(25 595)**	**(69 476)**	**(87 312)**
Net financial items		330	230	1 421	1 877
Net loss	5, 6	**(14 736)**	**(25 366)**	**(68 054)**	**(85 434)**
EBITDA		**(12 273)**	**(22 753)**	**(58 301)**	**(75 787)**

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

Bionor Pharma Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousands	Note	31.12.2014	31.12.2013
ASSETS			
Non-current assets			
Goodwill		8 715	8 715
Intangible assets		58 670	69 445
Property, plant and equipment		2 311	2 710
Other long term receivables		971	954
Total non-current assets		**70 666**	**81 824**
Current assets			
Accounts receivables		1 383	233
Other short term receivables		22 297	7 221
Cash and cash equivalents		93 096	107 506
Total current assets		**116 776**	**114 961**
Total Assets		**187 443**	**196 785**

Amounts in NOK thousands		31.12.2014	31.12.2013
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital		62 082	56 457
Share premium		265 183	220 751
Other paid-in equity	3	4 409	5 973
Retained earnings and reserves		(171 232)	(103 178)
Total equity	6, 7	**160 441**	**180 003**
Liabilities			
Current liabilities			
Accounts payables		3 631	4 510
Public duties payable		10 446	1 718
Other current liabilities		11 416	8 944
Provisions		1 509	1 610
Total current liabilities		**27 002**	**16 782**
Total liabilities		**27 002**	**16 782**
Total Equity and Liabilities		**187 443**	**196 785**

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Bionor Pharma Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In NOK thousand	Share capital	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2014	**56 457**	**220 751**	**5 973**	**(103 178)**	**180 003**
Share-based payment	-	-	(1 565)	-	(1 565)
Total comprehensive income for the year	-	-	-	(68 054)	(68 054)
Issue of share capital	5 625	47 250	-	-	52 875
Transaction cost issue of share capital	-	(2 818)	-	-	(2 818)
Equity at 31 December 2014	**62 082**	**265 183**	**4 408**	**(171 233)**	**160 441**
Equity at 1 January 2013	**49 632**	**157 164**	**3 852**	**(17 743)**	**192 905**
Reclassification of share premium of own shares	-	50	(50)	-	-
Share-based payment	-	-	2 170	-	2 170
Total comprehensive income for the year	-	-	-	(85 434)	(85 434)
Issue of share capital	6 825	68 250	-	-	75 075
Transaction cost issue of share capital	-	(4 713)	-	-	(4 713)
Equity at 31 December 2013	**56 457**	**220 751**	**5 973**	**(103 178)**	**180 003**

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Bionor Pharma Group

CONSOLIDATED CASH FLOW STATEMENT

Amounts in NOK thousands	Q4 2014	Q4 2013	FY 2014	FY 2013
OPERATING ACTIVITIES				
Profit (loss) before tax	(12 042)	(25 366)	(68 054)	(85 434)
Depreciation and amortisation	99	2 843	11 175	11 524
Share-based payments	(1 059)	109	(1 894)	2 368
Amortised cost	-	-	-	135
Change in accounts receivables	(1 383)	1 205	(1 150)	(148)
Change in accounts payables	(652)	(2 296)	(880)	(297)
Change in other assets and liabilities	4 462	6 333	(3 665)	3 287
Net cash from operating activities	**(10 575)**	**(17 172)**	**(64 467)**	**(68 566)**
INVESTING ACTIVITIES				
Payments of property, plant and equipment	-	(82)	-	(171)
Net cash flows (used in)/from investing activities	**-**	**(82)**	**-**	**(171)**
FINANCING ACTIVITIES				
Proceeds from issue of share capital	-	18 939	50 057	70 362
Loan instalments	-	-	-	(3 000)
Net cash flows (used in)/from financing activities	**-**	**18 939**	**50 057**	**67 362**
Cash and cash equivalents at beginning of period	**103 671**	**105 821**	**107 506**	**108 881**
Net increase/(decrease) in cash and cash equivalents	(10 575)	1 686	(14 410)	(1 375)
Cash and cash equivalents at period end	**93 096**	**107 506**	**93 096**	**107 506**

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

Bionor Pharma Group

SELECTED NOTES TO THE ACCOUNTS

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

Bionor Pharma reports on two business segments; vaccine development and nutraceutical products. These business segments are organized in three separate companies, Bionor Pharma ASA and the wholly owned subsidiaries Bionor Immuno AS and Nutri Pharma AS. Revenues related to the vaccine business is mainly based on cost sharing agreement with Celgene and sales of services related to the Vacc-4x + lenalidomide Phase II study. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense, segment result, segment assets and liabilities include transfers between business segments. Those transfers are eliminated in consolidation.

The nutraceutical products are sold in some countries in Europe in addition to Russia. Revenues from sales to these territories amounted to NOK 1.6 million (NOK 2.4 million) for full year 2014.

In NOK thousands	Q4 2014	Q4 2013	FY 2014	FY 2013
Revenue by segment				
Nutraceutical products	-	1 253	1 636	2 424
Vaccines	-	679	-	1 637
Other	130	-	130	139
Total operating revenue	**130**	**1 932**	**1 766**	**4 200**
EBITDA by segment				
Nutraceutical products	(26)	300	(113)	(1 032)
Vaccines	(12 247)	(18 457)	(58 188)	(74 755)
Total EBITDA	**(12 273)**	**(18 157)**	**(58 301)**	**(75 787)**

Note 3 Share based payment

The Company 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 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. Cap is approximately 5% of outstanding shares and options (fully diluted). As per 31.12.2014 current and previous management, employees and consultant were granted 5, 810,000 share options of which 4,186,667 were fully vested as per 31.12.2014.

	Average Price	No of options
Options fully vested	**2.07**	**4 186 667**
2015 Q1	2.75	150 000
2015 Q2	2.50	653 333
2016 Q2	2.50	653 333
2017 Q2	2.55	166 667
Options not vested	**2.53**	**1 623 333**
Total number of outstanding options	**2.20**	**5 810 000**

Exercise price	No of options
2.00	3 600 000
2.28	1 000 000
2.48	260 000
2.55	500 000
2.75	250 000
3.50	200 000
Total no of options	**5 810 000**

	31.12.2014		31.12.2013	
	No of options	Average Price	No of options	Average Price
Outstanding options 1 January	**7 980 000**	**2.23**	**5 100 000**	**1.99**
Granted options in period	1 300 000	2.55	4 120 000	2.65
Forfeited options in period	3 470 000	2.39	1 240 000	2.64
Exercised options in period	-	-	-	-
Outstanding options	**5 810 000**	**2.21**	**7 980 000**	**2.23**

Note 4 Borrowings

When Bionor Pharma ASA acquired Bionor Immuno AS 18.02.2010 Bionor Immuno had non-current borrowings of NOK 22 million owed to Franoco AS (NOK 20 million). Last semi-annual installment of loan from Franoco AS, was paid in full 30.06.2013. As per reporting date the Company does not have any borrowings.

Note 5 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 515.8 million as per 31.12.2013.

Note 6 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.

Note 7 Shares and Share Capital

In NOK thousands	Q4 2014	Q4 2013	FY 2014	FY 2013
Share capital at period start	62 082	54 582	56 457	49 632
Share Capital Increase Private Placement	-	-	5 625	4 950
Share Capital Increase Subsequent Offering	-	1 875	-	1 875
Share Capital at period end	**62 082**	**56 457**	**62 082**	**56 457**

Amounts of shares thousands	Q4 2014	Q4 2013	FY 2014	FY 2013
Outstanding number of shares at period start	248 326	218 326	225 826	198 526
Share issuance Private Placement	-	-	22 500	19 800
Share issuance Subsequent Offering	-	7 500	-	7 500
Outstanding number of shares at period end	**248 326**	**225 826**	**248 326**	**225 826**

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. Changes in share capital and shares reflect in 2013 the equity issue through the private placement and subsequent offering completed in 13 September and 23 October.

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