BERGENBIO ASA

(A public limited company incorporated under the laws of Norway)

Initial public offering of up to 16,000,000 Offer Shares at an Offer Price of NOK 25 per Offer Share

Listing of the Company's shares on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with the initial public offering (the "**Offering**") of shares, each with a nominal value of NOK 0.10, of BerGenBio ASA ("**BerGenBio**" or the "**Company**"), a public limited company incorporated under the laws of Norway, and the related listing (the "**Listing**") of the Company's shares (the "**Shares**") on Oslo Børs, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"). The Offering comprises an offer of new shares to be issued by the Company to raise an amount of up to approximately NOK 400 million (the "**New Shares**"). The Company reserves the right to reduce the gross proceeds in the Offering, but will in no event complete the Offering with lower gross proceeds than NOK 300 million.

The Offering consists of: (i) an institutional offering to (a) investors in Norway and Sweden, (b) investors outside Norway, Sweden and the United States of America (the "**U.S.**" or the "**United States**"), subject to applicable exemptions from the prospectus requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**") and (ii) a retail offering to the public in Norway and Sweden (the "**Retail Offering**"). All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**").

In addition, certain shareholders listed in Section 15.9.1 "Over-allotment of Additional Shares" (the "**Lending Shareholders**") have granted ABG Sundal Collier ASA, on behalf of the Managers (as defined below), an option to purchase additional Shares (the "**Additional Shares**", and together with the New Shares, the "**Offer Shares**"), equalling up to approximately 6.3% of the number of New Shares to be sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 7 April 2017, to cover any over-allotments made in connection with the Offering on the terms and subject to the conditions described in this Prospectus (the "**Over-Allotment Option**").

The price per Offer Share is NOK 25 (the "**Offer Price**"). The application period for the Institutional Offering and the Retail Offering (the "**Application Period**") will commence at 09:00 hours (Central European Time, "**CET**") on 29 March 2017 and close at 12:00 hours (CET) in the Retail Offering and at 14:00 hours (CET) in the Institutional Offering on 5 April 2017. The Application Period may be shortened or extended by the Company, in consultation with the Managers, but will in no event be shortened to expire prior to 09:00 hours (CET) on 5 April 2017 or extended beyond 15:00 hours (CET) on 30 April 2017.

The Shares are, and the New Shares will be, registered in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form. All Shares will rank in parity with one another and carry one vote per Share. Except where the context otherwise requires, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire document and, in particular, consider Section 2 "Risk factors" beginning on page 13 when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are QIBs in reliance on an exemption from the registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. See Section 16 "Selling and transfer restrictions".

The Company will on 28 March 2017 apply for Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the Company's Listing application on 31 March 2017, subject to fulfilment by the Company of the requirement for a minimum number of shareholders and any other conditions set by the board of directors of the Oslo Stock Exchange.

The due date for the payment of the Offer Shares is expected to be on or about 7 April 2017 in the Retail Offering and on or about 10 April 2017 in the Institutional Offering. Delivery of the Offer Shares is expected to take place on or about 10 April 2017, through the facilities of the VPS. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 7 April 2017, under the ticker code "BGBIO". If completion of the Offering does not take place on such dates, or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Joint Global Coordinators and Joint Bookrunners

ABG Sundal Collier | Arctic Securities | DNB Markets

The date of this Prospectus is 28 March 2017

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Shares on the Oslo Stock Exchange. As the Company falls within the definition of small and medium-sized enterprises, as set out in Article 2(f) of the EU Prospectus Directive (as defined below), the level of disclosure in this Prospectus is proportionate to this type of company, cf. Article 26b of the Commission Regulation (EC) no. 809/2004.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). This Prospectus has been prepared solely in the English language. However, a summary in Norwegian has been prepared in Section 18 "Norwegian summary (Norsk sammendrag)". A summary in Swedish has also been prepared in Section 19 "Swedish summary (Svensk Sammanfattning)". The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and on 28 March 2017 approved this Prospectus in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Prospectus will be valid for up until 12 months from 28 March 2017. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Prospectus. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Prospectus. Furthermore, the Prospectus has been passported to Sweden through a notification to the Swedish Financial Supervisory Authority (*Sw.:Finansinspektionen*) in accordance with Section 7-9 of the Norwegian Securities Trading Act.

For definitions of certain other terms used throughout this Prospectus, see Section 20 "Definitions and glossary".

The Company has engaged ABG Sundal Collier ASA ("**ABG Sundal Collier**"), Arctic Securities AS ("**Arctic**") and DNB Markets, a part of DNB Bank ASA ("**DNB Markets**"), as joint global coordinators and joint bookrunners, together referred to herein as the "**Managers**".

The information contained herein is current as at the date hereof and subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors of the Offer Shares between the time of approval of this Prospectus by the Norwegian FSA and the Listing of the Shares on the Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Company's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Company or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

No action to approve, register or file the Prospectus has been made outside Norway and Sweden. The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 16 "Selling and transfer restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Bergen District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Company and the terms of the Offering, including the merits and risks involved. None of the Company or the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each prospective investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General information".

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 16.2.1 "United States".

Any Offer Shares offered or sold in the United States will be subject to certain transfer restrictions and each purchaser will be deemed to have made acknowledgements, representations and agreements, as set forth under Section 16 "Selling and transfer restrictions".

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the Offer Shares. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire the Offer Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Each of the Managers has represented, warranted and agreed (i) that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive, other than Norway and Sweden (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Directive. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway and Sweden will be made pursuant to an exemption under the EU Prospectus Directive from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any EEA member state (other than Norway and Sweden) should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Directive for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by the Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway and Sweden, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

(a) it is a qualified investor as defined in the EU Prospectus Directive; and

(b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any of the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State, and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

See Section 16 "Selling and transfer restrictions" for certain other notices to investors.

STABILISATION

In connection with the Offering, ABG Sundal Collier (the "**Stabilisation Manager**"), has been granted an option from the Lending Shareholders to borrow a number of Shares equal to the number of Additional Shares over-allotted in the Offering, and may engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to and including the 30th calendar day from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. Save as required by law or regulation, the Stabilisation Manager does not intend to disclose the extent of any stabilisation transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior management (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company or its Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgments based on the civil liability provisions of the securities laws of the United States or any State

or territory within the United States. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with Norway.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act.

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1 SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A–E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and Warnings

A.1	**Warning**	This summary should be read as an introduction to the Prospectus; any decision to invest in the securities should be based on consideration by the investor of the Prospectus as a whole; where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Warning**	Not applicable. No consent is granted by the Company for the use of the Prospectus for subsequent resale or final placement of the Shares.

Section B - Issuer

B.1	**Legal and commercial name**	BerGenBio ASA
B.2	**Domicile and legal form, legislation and country of incorporation**	The Company's registered name is BerGenBio ASA. The Company is organised as a public limited company under Norwegian law, in accordance with the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Norwegian Public Limited Companies Act**"), and is registered with the Norwegian Register of Business Enterprises with registration number 992 219 688. 10 January 2017, the Company incorporated a wholly-owned subsidiary, BerGenBio Limited, incorporated in the UK with company number 10555293, which together with the Company is referred to as the "**Group**".
B.3	**Current operations, principal activities and markets**	BerGenBio is a clinical stage oncology biotech company developing first-in-class therapeutics against novel drug targets that drive aggressive cancers. The Company has a deep and leading understanding of the role and function of Axl, a drug target of the class receptor tyrosine kinase. Axl is generally accepted as a driver of many of the hallmarks of aggressive cancer and is also an essential mediator of cellular plasticity through the pathway known as epithelial-mesenchymal-transition ("**EMT**"). The Company's primary aim, either alone or in collaboration with a partner, is to develop and commercialise its lead product BGB324 through to marketing approval by the regulatory agencies and subsequent commercialisation. The Company's most advanced anti-cancer drug candidate is BGB324, which is a first-in-class highly selective, orally bioavailable inhibitor of Axl and the only selective Axl inhibitor undergoing clinical trials. BerGenBio is currently sponsoring ongoing clinical trials with BGB324 as a single agent and in combination with standard of care drugs in patients with acute myeloid leukaemia ("**AML**"), myelodysplastic syndrome ("**MDS**") and non-

		small cell lung cancer ("**NSCLC**"). In addition, BerGenBio anticipates within H1 2017, the commencement of two additional Phase II clinical trials with BGB324 administered in combination with Keytruda™ in patients with NSCLC and triple negative breast cancer ("**TNBC**"). BerGenBio is also actively working on the development of a companion diagnostics tool to identify patients who may specifically benefit from treatment with BGB324. Initial clinical data has indicated that those patients who have the activated form of Axl are more likely to respond to treatment with BGB324. BerGenBio has leveraged its leading position in Axl biology to establish international partnerships; (i) with ADC Therapeutics S.a.r.l. ("**ADCT**"), a Swiss biotech company, to whom the Company has licensed preclinical Axl antibodies for the development of an antibody-drug conjugate ("**ADC**") and (ii) Merck Sharp & Dohme B.V. ("**MSD**"), a global pharmaceutical company, who will supply its immune checkpoint inhibitor Keytuda for combination clinical studies in patients with lung cancer and TNBC. BerGenBio's founding research was undertaken at the University of Bergen, and in 2007 the Company was established by Bergen Teknologioverføring AS (the technology transfer office of the University of Bergen ("**UiB**")), UniResearch AS (the investment holding company of UiB), Prof. James Lorens and Dr. David Micklem. The Company maintains its administrative and research offices in Bergen whilst its clinical development functions are led from its office in Oxford in the United Kingdom. The primary aim of the Company is to complete regulatory trials of BGB324 in a subset of patients with AML/MDS, whilst simultaneously pursuing further clinclal trials to determine the utility of BGB324 in patients with more common cancers such as NSCLC and TNBC.
B.4a	**Significant recent trends**	The Company has not experienced any changes or trends outside the ordinary course of business that are significant to the Company between 31 December 2016 and the date of this Prospectus, nor is the Company aware of such changes or trends outside the ordinary course of business that may or are expected to be significant to the Company for the current financial year, other than the overall market situation and trends described elsewhere in this Prospectus.
B.5	**Description of the Company**	The Company, as of year-end 2016 has not had any subsidiaries and hence the operations of the Company have been carried out through the Company. 10 January 2017, the Company incorporated a wholly-owned subsidiary, BerGenBio Limited (incorporated in the UK with company number 10555293). Going forward it is anticipated that UK based employees will be employed through BerGenBio Limited. This change does not lead to any noticeable change of the operations of the Company.

B.6	**Interests in the Company and voting rights**	As of 28 March 2017, the Company had 67 shareholders. The table below shows the Company's 20 largest shareholders as of 28 March 2017.

Shareholders	**Number of Shares**	**Per cent**
Meteva AS	12,923,000	38.3
Investinor AS	6,609,800	19.6
Sarsia Seed AS	2,117,900	6.3
Norsk Innovasjonskapital II AS	1,333,100	4.0
J.P. Morgan Chase Bank N.A. London	1,272,000	3.8
Mp Pensjon PK	1,240,300	3.7
Datum Invest AS	1,209.200	3.6
Sarsia Development AS	1,195,000	3.5
Bera AS	1,040,000	3.1
Pactum AS	804,600	2.4
Birk Venture AS	558,500	1.7
CB Invest AS	352,300	1.0
Ro Invest AS	260,900	0.8
David Robert Micklem	252,500	0.7
James Bradley Lorens	250,000	0.7
Spar Kapital Investor AS	225,000	0.7
UNI Research AS	207,700	0.6
Gnist Holding AS	158,900	0.5
Profond AS	139,000	0.4
HAWI Invest AS	135,400	0.4
Others[1]	**1,457,100**	**4.32**
Total	**33,742,200**	**100.00**

1 Remaining 47 shareholders.

		Each of the Shares carries one vote. Shareholdings of 5% or more of the Shares will, following the Listing, have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
B.7	**Selected historical key financial information**	The following selected financial information is derived from the Company's audited financial statements as of, and for the year ended, 31 December 2016 and as of the year ended 31 December 2015 (collectively, the "**Financial Statements**"). The Financial Statements for 2016 and 2015 have been prepared in accordance with IFRS. The selected financial information presented herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements.

In NOK	Year ended 31 December	
	2016 (IFRS)	**2015** (IFRS)
Statement of profit and loss and other comprehensive income		
Operating revenue	0	0
Operating profit (EBIT)	(131,569,782)	(72,925,068)
Profit/(loss) for the period	(129,799,000)	(72,106,769)
Statement of financial position		
Total non-current assets	409,584	361,305
Total current assets	174,126,305	82,030,994
Total assets	174,535,889	82,392,299
Total equity	153,269,989	64,747,168
Total non-current liabilities	0	5,580,034
Total current liabilities	21,265,899	12,065,096
Total liabilities	21,265,899	17,645,130
Total equity and liabilities	174,535,889	82,392,299
Statement of cash flow		
Cash flows from operating activities	(124,313,928)	(62,902,375)
Cash flows from investing activities	(255,443)	0
Cash flows from financing activities	212,401,539	10,537,605
Change in cash and cash equivalents	87,832,168	(52,364,849)
Cash and cash equivalents at period end	161,824,727	73,992,558

B.8	**Selected key pro forma financial information**	Not applicable. There is no pro forma financial information.
B.9	**Profit forecast or estimate**	Not applicable. No profit forecast or estimates are made.
B.10	**Audit report qualifications**	Not applicable. There are no qualifications in the audit reports.
B.11	**Insufficient working capital**	Not applicable. The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements for the period covering at least 12 months from the date of this Prospectus.

Section C - Securities

C.1	**Type and class of securities admitted to trading and identification number**	The Company has one class of Shares in issue and all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote. The Shares have been created under the Norwegian Public Limited Companies Act and are registered in book-entry form with the VPS under ISIN NO 001 0650013.
C.2	**Currency of issue**	The Shares are issued in NOK.
C.3	**Number of shares in issue and par value**	As of the date of this Prospectus, the Company's share capital is NOK 3,374,220 divided into 33,742,200 Shares, with each Share having a nominal value of NOK 0.10.
C.4	**Rights attaching to the securities**	The Company has one class of Shares in issue, and all Shares provide equal rights in the Company. Each of the Shares carries one vote.
C.5	**Restrictions on transfer**	The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the shareholders of the

		Company. Share transfers are not subject to approval by the Board of Directors.
C.6	**Admission to trading**	The Company will on or about 28 March 2017, apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on or about 31 March 2017, subject to certain conditions being met. The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 7 April 2017. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.
C.7	**Dividend policy**	The Company has not paid any dividends for the years ended 31 December 2016 and 2015 or any previous year. The Company is focusing on the development of novel pharmaceutical products and does not anticipate paying any cash dividend until sustainable profitability is achieved.

Section D - Risks

D.1	**Key risks specific to the Company or its industry**	*Risks related to the Company and the industry in which the Company operates* • The Company has incurred significant operating losses since its inception and the Company expects to incur losses over the next several years and may never achieve or maintain profitability • Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. The Company is in an early stage of development and its clinical trials may fail to demonstrate adequately the safety and efficacy of its product candidates, which would prevent or delay regulatory approval and commercialisation • The Company's business is highly dependent on the success of its lead product candidate, BGB324, which together with the Company's other product candidates will require significant additional clinical testing before the Company can seek regulatory approval and potentially commercialise products • Any significant delay or failure in the conduct of clinical studies may adversely impact the Company's ability to obtain regulatory approval for and commercialise its current and future drug candidates • The Company's product candidates may cause undesirable side effects that could halt their clinical development, prevent their regulatory approval, limit their commercial potential, if approved, and result in other significant negative consequences • The Company has obtained orphan drug designations for BGB324 in treatment of AML, but the Company may be unable to maintain the benefits associated with orphan drug designation • The financial success of the Company requires obtaining acceptable price and reimbursement for its products • The Company faces an inherent business risk of liability claims in the event that the use or misuse of the compounds results in personal injury or death • The Company's success, competitive position and future revenues will depend in part on the Company's ability to protect intellectual property and know-how • Patent applications filed by others could limit the Company's freedom to operate

		• The Company may not be able to maintain sufficient insurance to cover all risks related to its operations • The Company faces significant competition from other biotechnology and pharmaceutical companies • The Company may lose market exclusivity and face competition from low-cost generic products • The Company relies, and will continue to rely, upon third-parties for clinical trials and manufacturing • The Company relies, and will continue to rely, upon third-parties for development and commercialisation of its products • The Company may not be able to develop new drug candidates • The Company may not be able to enter into partnership agreements • The Company is reliant on key personnel and the ability to attract new, qualified personnel • The Company is exposed to commercial risk *Risks related to laws, regulations and litigation* • The Company may be subject to litigation and disputes that could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects • The Company is exposed to risks related to regulatory processes and changes in regulatory environment • Even if the Company obtains regulatory approval for a drug candidate, the Company's products will remain subject to regulatory scrutiny *Risks related to financing and market risk* • The Company will require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed could force the Company to delay, limit, reduce or terminate its product development or commercialisation efforts • Future debt levels could limit the Company's flexibility to obtain additional financing and pursue other business opportunities • Interest rate fluctuations could in the future affect the Company's cash flow and financial condition in addition to the price of the Shares • The Company's results will be exposed to exchange rate risks • The Company may encounter financial reporting risk
D.3	**Key risks specific to the securities**	*Risks related to the Listing and the Shares* • The Company will incur increased costs as a result of being a publicly traded company • The market value of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment • There is no existing market for the Shares, and an active trading market may not develop • Future sales, or the possibility for future sales, of substantial numbers of Shares may affect the Shares' market price • Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares • Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders • Investors could be unable to exercise their voting rights for Shares registered in a nominee account

	• The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions • The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future • Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway • Norwegian law could limit shareholders' ability to bring an action against the Company • Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK • Market interest rates could influence the price of the Shares

Section E – Offer

E.1	**Net proceeds and estimated expenses**	The Offering comprises an offer of New Shares to be issued by the Company to raise an amount of up to approximately NOK 400 million. The Company will receive the proceeds from the sale of the New Shares. The gross proceeds to the Company will be up to approximately NOK 400 million and the Company's total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to NOK 24.5 million (excluding VAT).
E.2a	**Reasons for the Offering and use of proceeds**	The Company believes the Offering and the Listing will: • diversify and increase the shareholder base and enhance access to the capital markets; • further improve the ability of BerGenBio to attract and retain key management and employees; • strengthen the working capital of the Company; • strengthen BerGenBio's profile with investors and business partners; and • facilitate further studies for the Company's drug candidates. The principal intended use of the net proceeds from the Offering will be towards the following: • Completion of four Phase II clinical trials of BGB324. • Complete Phase I clinical trial of BGB149. • Validate Axl companion diagnostic assay. • Maintain research and development ("**R&D**") of the pre-clinical pipeline. • Administrative activities including general corporate purposes. The net proceeds from the Offering and the existing cash are expected to finance the Company into 2019.
E.3	**Terms and conditions of the Offering**	The Offering consists of an offer of New Shares to be issued by the Company, and sold at a fixed Offer Price, to raise an amount of up to approximately NOK 400 million. The Company reserves the right to reduce the gross proceeds in the Offering, but will in no event complete the Offering with lower gross proceeds than NOK 300 million. In addition, the Managers may elect to over-allot Additional Shares, equalling up to approximately 6.3% of the number of New Shares. The Lending Shareholders have granted the Stabilisation Manager, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments. The Offering consists of:

		• An Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway and Sweden, (b) investors outside Norway, Sweden and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in the United States to QIBs in reliance on an exemption from the registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,500,000. • A Retail Offering, in which Offer Shares are being offered to the public in Norway and Sweden subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 2,499,999 for each applicant. Applicants who intend to place an order in excess of NOK 2,499,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. All offers and sales outside the United States will be made in compliance with Regulation S. The Application Period for the Institutional Offering and the Retail Offering is expected to take place from 29 March 2017 at 09:00 hours (CET) to 5 April 2017 at 12:00 hours (CET) in the Retail Offering and at 14:00 hours (CET) in the Institutional Offering. The Company, in consultation with the Managers, reserves the right to shorten or extend the Application Period at any time. The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 6 April 2017, by issuing contract notes to the applicants by mail or otherwise. Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 10 April 2017. The due date of payment in the Retail Offering is on or about 7 April 2017. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or about 10 April 2017. Completion of the Offering is conditional upon, among other conditions, (i) the board of directors of the Oslo Stock Exchange approving the application for Listing of the Shares in its meeting to be held on or about 31 March 2017, on conditions acceptable to the Company and that any such conditions are satisfied by the Company, (ii) the Company in consultation with the Managers, having resolved to proceed with the Offering and approved the allocation of the Offer Shares to eligible investors, and (iii) the Managers, not prior to the registration of the share capital increase pertaining to the New Shares having terminated their commitments to pre-pay the subscription amount for the New Shares.
E.4	**Material and conflicting interests**	The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions and may come to have interests that may not be aligned or could potentially conflict with the interests of the Company and investors in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a management fee and a pre-payment fee in connection with the Offering and, as such, have an interest in the Offering. Any net profit from stabilisation activities shall be for the account of the Lending Shareholders, split pro rata according their number of Shares borrowed by the Stabilisation Manager.

E.5	**Selling shareholders and lock-up agreements**	There are no selling shareholders in the Offering, apart from the Lending Shareholders who may, pursuant to the Over-Allotment Option, sell Shares. The Managers have entered into a lock-up agreement with members of the Board of Directors and Management and the largest shareholders (a "**Lock-up Undertaking**"), under which each such shareholder, Board Member and member of Management has agreed that it will not and it will procure that none of its respective subsidiaries nor any other party acting on its behalf (other than the Managers) will, without the prior written consent of the Managers, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares, cash or such other securities or (iii) agree or publicly announce any intention to do any such things, for a period of twelve months (and six months for Sarsia Development AS) from the first day of Listing (7 April 2017). Furthermore, the Company has agreed with the Managers that it will not and will procure that none of its respective subsidiaries nor any other party acting on its behalf will, without the prior written consent of the Managers, directly or indirectly, issue, offer, pledge, sell, or contract to issue or sell any Shares for a period of twelve months after the first day of Listing (7 April 2017). On the same basis, the Company agrees that it will not and will procure that none of its respective subsidiaries nor any other party acting on its behalf will, without the prior written consent of the Managers (i) directly or indirectly, issue, offer, pledge, sell or contract to issue or sell any securities convertible into or exercisable or exchangeable for Shares or (ii) enter into any swap or any other agreement or any transaction that has an equivalent effect to paragraph (i) above, whether any such swap or transaction described in paragraph (i) or (ii) above is to be settled by delivery of such securities, in cash or otherwise, or (iii) agree or publicly announce any intention to do any such things. The Lock-up Undertakings are subject to certain exceptions, see Section 15.16 "Lock-up".
E.6	**Dilution resulting from the Scheme**	Following completion of the Offering, the immediate dilution for the existing shareholders who do not participate in the Offering is estimated to be approximately 32%, based on the assumption that the Company issues 16,000,000 New Shares.
E.7	**Estimated expenses charged to investor**	Not applicable. No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

2 RISK FACTORS

An investment in the Offer Shares involves inherent risk. Before making an investment decision with respect to the Offer Shares, investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Statements and related notes. The risks and uncertainties described in this Section 2 are the principal known risks and uncertainties faced by the Company as of the date hereof that the Company believes are the material risks relevant to an investment in the Offer Shares. An investment in the Offer Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Offer Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material and adverse effect on the Company and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Offer Shares, resulting in the loss of all or part of an investment in the same.

The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's business, results of operations, cash flows, financial condition and/or prospects. The risks mentioned herein could materialise individually or cumulatively. The information in this Section 2 is as of the date of this Prospectus.

2.1 Risks related to the Company and the industry in which the Company operates

The Company has incurred significant operating losses since its inception and the Company expects to incur losses over the next several years and may never achieve or maintain profitability

Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effect or an acceptable safety profile, gain regulatory approval and become commercially viable.

Since inception, the Company has incurred significant losses. In 2016, the Company's loss was NOK 133.1 million and in 2015 the Company's loss was NOK 72.9 million. To date, the Company has financed its operations mainly through private equity and grants. The Company has devoted substantially all of the Company's financial resources and efforts to research and development, including preclinical studies and, since 2013, clinical trials. The Company expects to continue to incur significant expenses and losses over the next several years. The Company's net losses may fluctuate from quarter to quarter. The size of the Company's future losses will depend, in part, on the Company's future expenses and its ability to generate revenue, if any. The Company has no products approved for commercial sale and has not generated any revenue from product sales to date, and it continues to incur significant research and development and other expenses related to its ongoing operations. As a result, the Company is not profitable and has incurred losses in each period since inception.

To become and remain profitable, the Company must succeed in developing and eventually commercialising products that generate revenue or succeed in out-licensing assets or other types of partnering arrangements either on a global basis or for selected geographies. This will require the Company or its partners to be successful in a range of challenging activities, including completing preclinical testing and clinical trials of the Company's products, discovering additional drug candidates, obtaining regulatory approval for these drug candidates and manufacturing, marketing and selling any products for which the Company may obtain regulatory approval. The Company is in the early stages of these activities. The Company may never succeed in these activities and, even if it does, may never generate revenue that is significant enough to achieve profitability. Should any of these risks materialize, it could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

Clinical development involves a lengthy and expensive process with uncertain outcomes, and results of earlier studies and trials may not be predictive of future clinical trial results. The Company is in an early stage of development and its clinical trials may fail to demonstrate adequately the safety and efficacy of its product candidates, which would prevent or delay regulatory approval and commercialisation

Before obtaining regulatory approvals for the commercial sale of the Company's product candidates, the Company must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that its product candidates are both safe and effective for use in each target indication. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Drug development involves moving drug candidates through research and extensive testing of activity and side effects in preclinical models before authorisation is given for further testing in humans in the clinical stage. The clinical stage is divided into three consecutive Phases (I, II and III) with the aim to

elucidate the safety and efficacy of a drug candidate before an application for marketing authorisation can be filed with the health authorities. Each individual development step is associated with the risk of failure, hence an early stage drug candidate carries a considerable higher risk of failure than a later stage candidate. Moreover, the commencement and completion of clinical trials may be delayed by several factors, including, but not limited to, unforeseen safety issues, issues related to determination of dose, lack of effectiveness during clinical trials, slower than expected patient enrolment in clinical studies, unforeseen requirements from the regulatory agencies about the conduct clinical studies, inability or unwillingness of medical investigators to follow the proposed clinical protocols and termination of licence agreements necessary to complete trials. On average, five out of 5,000 drugs make it through the preclinical phase, and historically only one out of these five is approved by the U.S. Food and Drug Administration (the "**FDA**") for marketing[1]. Moreover, only 2 of 10 marketed drugs return revenues that match or exceed R&D costs[2]. It takes on average 12 years to develop a drug.

The results of preclinical studies and early clinical trials of the Company's product candidates may not be predictive of the results of later-stage clinical trials. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through preclinical studies and initial clinical trials. A number of companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. The Company cannot be certain that it will not face similar setbacks. Most product candidates that commence clinical trials are never approved as commercial products. Should the Company's clinical studies fail to demonstrate adequately the safety and efficacy of one or more of its product candidates it could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The Company's business is highly dependent on the success of its lead product candidate, BGB324, which together with the Company's other product candidates will require significant additional clinical testing before the Company can seek regulatory approval and potentially commercialise products

The Company does not have any products that have gained regulatory approval. Its business and future success depend on its ability to obtain regulatory approval of, and then successfully commercialise, its lead product candidate, BGB324. BGB324, as well as the Company's other product candidates, is in the early stages of development. The Company's ability to develop, obtain regulatory approval for, and successfully commercialise BGB324 effectively will depend on several factors, including, but not limited to, the following:

- successful completion of the clinical trials;
- receipt of marketing approvals;
- establishing commercial manufacturing and supply arrangements;
- establishing a commercial infrastructure;
- acceptance of the product by patients, the medical community and third-party payers;
- successfully establishing an adequate market share in competition with other therapies;
- successfully executing the Company's pricing and reimbursement strategy;
- a continued acceptable safety and adverse event profile of the product following regulatory approval; and
- identifying, registering, maintaining, enforcing and defending intellectual property rights ("**IPR**") and claims covering the product.

All of the Company's product candidates, including BGB324, will require additional clinical and nonclinical development, regulatory review and approval in multiple jurisdictions, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before the Company can generate any revenue from product

[1] http://www.medicinenet.com/script/main/art.asp?articlekey=9877 (accessed 19 January 2017)

[2] Vernon JA, Golec JH, DiMasi JA. Drug development costs when financial risk is measured using the fama-french three-factor model. Health Econ. 2010;19(8):1002-1005

sales. The Company is not permitted to market or promote any of its product candidates before it receives regulatory approvals from the FDA to market in the U.S. and from the European Medicines Agency ("**EMA**") to market in Europe, as well as equivalent regulatory authorities in other jurisdictions to commercialise in those regions. It cannot be assured that the Company will receive such regulatory approvals necessary to commercialise the final products. Regulatory approvals may be denied, delayed or limited for a number of reasons, as different regulatory authorities around the world have different requirements for approving pharmaceuticals. The authorities have wide discretion in their drug approval process and may request further testing before approval or post marketing. Delays in obtaining regulatory approvals may delay commercialisation and the ability to generate revenues from drug candidates, impose extra cost on the Company, diminish competitive advantages and, after product approval, safety or efficacy issues may emerge during post-marketing surveillance which may result in withdrawal or restriction of the product approval.

The Company's future earnings are likely to be largely dependent on the timely approval of its lead drug candidate, BGB324, for various diseases and treatments. No assurances can be given with respect to obtaining such approvals or the timing thereof.

Any significant delay or failure in the conduct of clinical studies may adversely impact the Company's ability to obtain regulatory approval for and commercialise its current and future drug candidates

The Company depends on collaboration with partners, medical institutions and laboratories to conduct clinical testing in compliance requirements from appropriate regulatory authority in the country of use. The Company's ability to complete clinical studies in timely fashion or at all depends on several factors, including, but not limited to, the following:

- delays in the planning of future clinical studies;
- delays in the "**CMC**" (chemistry, manufacturing, control) and/or "**QA**" (quality assurance) work related to drug substance and drug product in present or future clinical studies;
- delays in, or inability of, attracting and retaining highly qualified managerial, scientific and medical personnel to assist in the clinical studies;
- delays in obtaining or failures to obtain regulatory approval to commence clinical studies because of safety concerns of regulators relating to the Company's drug candidate or failure to follow regulatory guidelines or general safety issues;
- actions by regulators to place a proposed study on clinical hold or to temporarily or permanently stop a trial for a variety of reasons, principally for safety concerns;
- delays in recruiting patients to participate in a clinical study, and the rate of patients enrolment, which is itself a function of many factors, including size of the patients population, the proximity of patients to the clinical trial sites, the eligibility criteria for the study and the nature of the protocol;
- the inability to fully control experimental conditions;
- compliance of patients and investigators with the protocol and applicable regulations; failure of clinical studies and clinical investigators to be in compliance with relevant clinical protocol, or similar requirements in other countries;
- failure of third party clinical managers to satisfy their contractual duties, comply with regulations or meet expected deadlines;
- delays or failures in reaching agreement on acceptable terms with prospective study sites;
- the Company's partners in clinical studies, the performance of which the Company cannot control;
- determination by regulators that the clinical design is not adequate; and
- delays or failures on obtaining clinical materials and manufacturing sufficient quantities of BGB324, BGB101 and BGB002 for use in trials.

Any significant delay or failure in the conduct of clinical studies may adversely impact the Company's ability to obtain regulatory approval for and commercialise its current and future product candidates, which again could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The Company's product candidates may cause undesirable side effects that could halt their clinical development, prevent their regulatory approval, limit their commercial potential, if approved, and result in other significant negative consequences

Undesirable side effects caused by the Company's product candidates could cause the Company or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, EMA or comparable foreign regulatory authorities. Results of the Company's clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics.

If unacceptable side effects arise in the development of the Company's product candidates, the Company could suspend or terminate its clinical trials or the FDA, EMA or comparable foreign regulatory authorities could order the Company to cease clinical trials or deny approval of the Company's product candidates for any or all targeted indications. Treatment related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. In addition, side effects may not be appropriately recognized or managed by the treating medical staff.

Additionally, if one or more of the Company's product candidates receives marketing approval, and the Company or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label;
- the Company may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- health care professionals or patients may not accept the product and prefer competing alternatives;
- the Company could be sued and held liable for harm caused to patients;
- the regulators may require additional data from studies; and
- the Company's reputation may suffer.

Any of these events could prevent the Company from achieving or maintaining market acceptance of the particular product candidate, if approved, and could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The Company has obtained orphan drug designations for BGB324 in treatment of AML, but the Company may be unable to maintain the benefits associated with orphan drug designation

Under the U.S. Orphan Drug Act, the FDA may grant orphan drug designation to a drug or biopharmaceutical intended to treat a rare disease or condition in the United States where there is no reasonable expectation that the cost of developing the drug or biologic will be recovered from sales in the United States. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. In addition, if a product that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, to market the same product for the same indication for 7 years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity. In Europe, the EMA offers similar support and advantages

to products which have an orphan drug designation. It is granted to rare diseases defined as occurring 5<10,000 and provide marketing exclusivity for 10 years.

Even though the Company has received orphan drug designation for BGB324 in treatment of AML, the Company may not be the first to obtain marketing approval of its product candidate for the orphan-designated indication due to the uncertainties associated with developing pharmaceutical products.

The financial success of the Company requires obtaining acceptable price and reimbursement

In most markets, drug prices and reimbursement levels are regulated or influenced by authorities, other healthcare providers, insurance companies or health maintenance organisations. Furthermore, the overall healthcare costs to society have increased considerably over the last decades and governments all over the world are striving to control them. There can be no guarantee that the Company's drugs (if/when released to the market) will obtain the selling prices or reimbursement levels foreseen by the Company. If actual prices and reimbursement levels granted to the Company's products happen to be lower than anticipated, it may have a negative impact on its products' profitability and/or marketability, which again could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The Company faces an inherent business risk of liability claims in the event that the use or misuse of the compounds results in personal injury or death

The Company faces an inherent risk of product liability as a result of the clinical testing of its product candidates and will face an even greater risk if it commercialises any products. For example, the Company may be sued if its product candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. If the Company cannot successfully defend itself against product liability claims, it may incur substantial liabilities or be required to limit commercialisation of its product candidates. Even successful defence would require significant financial and management resources.

The Company has not experienced any clinical trial liability claims to date, but it may experience such claims in the future. The Company currently maintains clinical trial liability insurance for each trial. The insurance policy may not be sufficient to cover claims that may be made against the Company. Clinical trial liability insurance may not be available in the future on acceptable terms, or at all. Any claims against the Company, regardless of their merit, could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The success, competitive position and future revenues will depend in part on the Company's ability to protect intellectual property and know-how

The success of the Company will depend on the Company's ability to obtain and maintain patent protection for its products, methods, processes and other technologies, to preserve trade secrets, to prevent third parties from infringing proprietary rights of the Company and to operate without infringing the proprietary rights of third parties. To date, the Company holds certain exclusive patent rights in major markets, however, the Company cannot predict the degree and range of protection any patents will afford against competitors and competing technologies, including whether third parties will find ways to invalidate or otherwise circumvent the patents, if and when additional patents will be issued, whether or not others will obtain patents claiming aspects similar to those covered by the Company's patents and patents applications, whether the Company will need to initiate litigation or administrative proceedings, or whether such litigation or proceedings are initiated by third parties against the Company which may be costly or whether third parties will claim that the Company's technology infringes upon their rights. Should the Company not be able to protect its intellectual property and know-how, it could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

Patent applications filed by others could limit the Company's freedom to operate

Competitors may claim that one or more of the Company's drug candidates infringes their patents or other intellectual property. Resolving a patent or other intellectual property infringement claim can be costly and time consuming and may require the Company to enter into royalty or licence agreements. If this should be necessary, the Company cannot guarantee that it would be possible to obtain royalty or licence agreements on commercially advantageous terms. A

successful claim of patent or other intellectual property infringement could subject the Company to significant damages or an injunction preventing the manufacture, sale or use of the Company's affected products or otherwise limit the freedom to operate. Any of these events could have a material adverse effect on the business, financial position, results of operations, cash flows, time to market and prospects.

The Company may not be able to maintain sufficient insurance to cover all risks related to its operations

The Company's business is subject to a number of risks and hazards, including, but not limited to industrial accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to properties, personal injury, monetary losses and possible legal liability. Although the Company seeks to maintain insurance or contractual coverage to protect against certain risks in such amounts as it considers reasonable, its insurances may not cover all the potential risks associated with the Company's operations. Any risks in respect of which the Company does not have sufficient insurance coverage may result in a material adverse effect on the Company's financial condition, operating results, cash flows, time to market and prospects.

The Company faces significant competition from other biotechnology and pharmaceutical companies

The biopharmaceutical industry is highly competitive with many large players and subject to rapid and substantial technological change. The Company's competitors may be able to develop other compounds or drugs that are able to achieve similar or better results. Many major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies and universities and other research institutions continue to invest time and resources in developing novel approaches to cancer treatment. Many of the Company's competitors and potential competitors have substantially greater capital resources, research and development resources, regulatory and operational experience, manufacturing and marketing experience and production facilities. Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated in the Company's competitors. Competition may increase further as a result of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. The Company's competitors may succeed in developing, acquiring or licensing on an exclusive basis drugs or biological products that are more effective, safer, more easily commercialised or less costly than the Company's product candidates or may develop proprietary technologies or secure patent protection that the Company may need for the development of its technologies and products.

Even if the Company obtains regulatory approval of its product candidates, the availability and price of its competitors' products could limit the demand and the price the Company is able to charge for its product candidates. The Company may not be able to implement its business plan if the acceptance of its product candidates is inhibited by price competition or the reluctance of physicians to switch from existing methods of treatment to the Company's product candidates, or if physicians switch to other new drug or biological products or choose to reserve the Company's product candidates for use in limited circumstances. For additional information regarding the Company's competition, see Section 7.5 "Key indications for BerGenBio".

The Company may lose market exclusivity and face competition from low-cost generic products

In the long-term the Company expects to face competition from lower-cost generic products. The Company's drug candidates are or are expected to be protected by patent rights that are expected to provide the Company with exclusive marketing rights in various countries. However, patent rights are of varying strengths and durations. Loss of market exclusivity and the introduction of a generic version of the same or a similar drug typically results in a significant and sharp reduction in net sales revenues for the relevant product, given that generic manufacturers typically offer their versions of the same drug at sharply lower prices. The Company's results may be affected by changes in public sentiment.

The pharmaceutical industry is under close scrutiny from the public, governments and the media. In addition, there is significant pressure on the industry from certain nations to make the products available to their population at drastically lower costs. Any increase in such negative public sentiment or increase in public scrutiny or pressure from such nations could lead, among other things, to changes in legislation, to changes in the demand for the products, additional pricing pressures with respect to the products, or increased efforts to undercut intellectual property protections. Such changes could adversely affect the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The Company relies, and will continue to rely, upon third-parties for clinical trials and manufacturing

The Company cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers, like contract research organisations ("**CRO's**") for the conduct of clinical studies or manufacturers. The Company's need to amend or change providers for the conduct of clinical studies might impact the timelines of the conduct of such studies. The Company's failure to enter into agreements with such suppliers or manufacturers on reasonable terms, if at all, could have a material and adverse effect on the business, financial condition, results of operations, cash flows, time to market and prospects. The Company needs to ensure that the manufacturing process complies with applicable regulations and manufacturing practices as well as the Company's own high quality standards. Any drug/drug candidate, however, will require technically complex manufacturing processes or require a supply of highly specialized raw materials. As a result of these factors, the production of any drug/drug candidate may be disrupted from time to time.

The Company may also not be able to rapidly alter production volumes to respond to changes in future commercial sale or demand of a product. Poor manufacturing performance of third party manufacturers, a disruption in the supply or the Company's failure to accurately predict the demand for any future commercial sale of a product could have a significant adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects. In addition, because the Company's products are intended to promote the health of patients, any supply disruption could lead to allegations that the public health has been endangered and could subject the Company to lawsuits.

The Company relies, and will continue to rely, upon third-parties for development and commercialisation of its products

The Company cannot be certain that it will be able to enter into or maintain satisfactory agreements with third-party suppliers for the development and commercialisation of its products. The Company is in particular dependent on maintaining its exclusive worldwide royalty-bearing licence to the certain patents and know-how of Rigel Pharmaceuticals Inc ("**Rigel**") which constitute important components for the development and commercialisation of the Company's lead drug candidate, BGB324, the out-license to ADCT which may give rise to development and regulatory milestones payments and royalty payments to BerGenBio, as well as the collaboration agreements with MSD for further clinical trials for BGB324. Any event of breach of agreement by either party or other full or partial discharge of the relevant agreements and/or any of the rights thereunder could have a material adverse effect on the business, financial position, results of operations, cash flows, time to market and prospects. For more information about material contracts, see Section 8.8 "Dependency on contracts, suppliers and assets necessary for production".

The Company may not be able to develop new drug candidates

The Company's future success will depend to a large extent upon the Company's ability to develop its lead drug candidate, BGB324. The Company may not have the ability to invent, explore and develop drug candidates that are of value to the medical market. Furthermore, the Company depends upon independent investigators and collaborators, such as universities and medical institutions, to do parts of the practical part of the chemical, pharmaceutical, analytical, preclinical and clinical research and development. These collaborators are not employees of the Company and the amount or timing of the resources they devote to the programmes cannot be fully controlled by the Company.

The Company may not be able to enter into partnership agreements

The Company's business strategy is to retain marketing rights and actively participate in the commercialisation of BGB324, while exploring potential partnering opportunities in selected geographies partly through collaborative agreements with pharmaceutical or biotechnology companies. The Company cannot give any assurance that such agreements will be obtained on acceptable terms, nor that the Company will be able to enter into any such agreements at all. Furthermore, should such agreements be executed, there can be no assurance that the agreements are not terminated by the other party.

The Company is reliant on key personnel and the ability to attract new, qualified personnel

The Company is highly dependent upon having a highly qualified senior management and scientific team. The loss of a key employee might impede the achievement of the scientific development and commercial objectives. Competition for key personnel with the experience that is required is intense and is expected to continue to increase. There is no assurance that the Company will be able to retain key personnel, nor can assurances be given that the Company will be

able to recruit new key personnel in the future. Any failure to attract or retain such personnel could result in the Company not being able to successfully implement its business plan and could impact the compliance of the Company's quality system and thereby the compliance of the Company's development work, which again could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

In addition, the Company relies on its Board Members and consultants to assist in formulating the research and development strategy. The majority of the Board Members and all of the consultants are otherwise employed and each such member or consultant may have commitments to other entities that may limit their availability to the Company.

The Company is exposed to commercial risk

The market for cancer products has to date shown itself to be relatively price insensitive to therapy costs. Healthcare budgets worldwide are however under severe stress. There is a risk that pricing of the kind experienced to date will become difficult to achieve. Once approval is obtained for a product there is no certainty that the Company or its licencees will achieve commercial success since several factors will determine this, including clinical performance of the product, approved indication, competitive environment, pricing and reimbursement. There is no guarantee that after regulatory approval reimbursement authorities will agree to cover the cost of the product. Delays in reimbursement or its denial will in turn delay or slow down adoption of the product in the market.

2.2 Risks related to laws, regulations and litigation

The Company may be subject to litigation and disputes that could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects

The Company may in the future be involved from time to time in litigation and disputes. The operating hazards inherent in the Company's business may expose the Company to, amongst other things, litigation, including personal injury litigation, intellectual property litigation, contractual litigation, environmental litigation, tax or securities litigation, as well as other litigation that arises in the ordinary course of business.

There can be no guarantee that the Company's construction and interpretation of the agreements to which it is a party are agreed by the counter-party. As is the general rule, in the event of a dispute over the construction and interpretation of provisions of an agreement to which the Company is a party, the agreement must be construed and interpreted according to the governing law specified in that agreement. In the event the dispute cannot be settled by mutual agreement, it will be referred to the courts or to arbitration for resolution as specified in the particular agreement. It cannot be guaranteed that the Company's viewpoint will prevail in any such court or arbitration proceedings.

The Company is currently not involved in any litigation. However, it may in the future be involved in litigation matters from time to time. The Company cannot predict with certainty the outcome or effect of any claim or other litigation matter. The ultimate outcome of any litigation matter and the potential costs associated with prosecuting or defending such lawsuits, including the diversion of the Management's attention to these matters, could have a material and adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The Company is exposed to risks related to regulatory processes and changes in regulatory environment

Cancer therapies are sometimes characterized as first line, second line or third line, and the FDA and EMA often approve new therapies initially only for third line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiotherapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. The Company expects to seek approval of its product candidates in both previously treated and newly diagnosed patients.

Further, the Company's operations could be affected by changes in legal protections and remedies pertaining to intellectual property, trade regulations and procedures and actions affecting approval, production, pricing, reimbursement and marketing of products, as well as by unstable governments and legal systems and inter-governmental disputes. Any of these changes could adversely affect the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

Even if the Company obtains regulatory approval for a drug candidate, the Company's products will remain subject to regulatory scrutiny

Any drug candidate for which the Company obtains marketing approval, along with the manufacturing processes, qualification testing, post-approval clinical data, labelling and promotional activities for such product, will be subject to continuous and additional requirements of the different national and regional regulatory authorities. These requirements include submissions of safety and other post-marketing information, reports, registration and listing requirements, good manufacturing practices, or good manufacturing processes ("**GMP**")[3] requirements relating to quality control, quality assurance and corresponding maintenance of records and documents, and recordkeeping. Even if marketing approval of a drug candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. The different regulatory authorities closely regulate the post-approval marketing and promotion of pharmaceutical and biological products to ensure such products are marketed only for the approved indications and in accordance with the provisions of the approved labelling.

In addition, late discovery of previously unknown problems with the Company's products, manufacturing processes, or failure to comply with regulatory requirements, may lead to various adverse results, including, but not limited to, restrictions on such products, manufacturers or manufacturing processes, requirements to conduct post-marketing clinical trials, withdrawal of the products from the market, refusal to approve pending applications or supplements to approve applications that the Company submits and refusals to permit the import or export of the Company's products.

The regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of the Company's drug candidates. If the Company is slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if the Company is not able to maintain regulatory compliance, it may lose any marketing approval that it may have obtained, which would adversely affect the Company's business, prospects and ability to achieve or sustain profitability.

2.3 Risks related to financing and market risk

The Company will require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed could force the Company to delay, limit, reduce or terminate its product development or commercialisation efforts

The Company's operations have consumed substantial amounts of cash since inception. The Company expects to continue to spend substantial amounts to continue the clinical development of its product candidates. The exact amounts needed are unknown. If the Company is able to gain regulatory approval for any of its product candidates, it will require significant additional amounts of cash in order to launch and commercialise any such product candidates. In addition, other unanticipated costs may arise. Because the design and outcome of the Company's planned and anticipated clinical trials is highly uncertain, the Company cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialisation of its product candidates. The net proceeds from the Offering is not expected to be sufficient to enable the Company to complete such development and commercialisation.

The Company's future capital requirements depend on many factors, including but not limited to:

- the scope, progress, results and costs of researching and developing the Company's product candidates, and conducting preclinical studies and clinical trials;
- the size of the organization needed to take product candidates through clinical trials and potentially commercialisation;
- the timing of, and the costs involved in, obtaining regulatory approvals for the Company's product candidates if clinical trials are successful;

[3] "Good Manufacturing Practices" is defined as practices that are required in order to conform to guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products. These guidelines provide minimum requirements that a pharmaceutical or a food product manufacturer must meet to assure that the products are of high quality and do not pose any risk to the consumer or public. Good manufacturing practices, along with good laboratory practices and good clinical practices, are overseen by regulatory agencies in the United States, Canada, Europe, China, in addition to other countries.

- the cost of commercialisation activities for the Company's product candidates, if any of its product candidates is approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing the Company's product candidates for clinical trials in preparation for regulatory approval and in preparation for commercialisation;
- the Company's ability to establish and maintain strategic licensing or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;
- the timing, receipt and amount of sales of, or royalties on, the Company's future products, if any; and
- the emergence of competing cancer therapies and other adverse market developments.

Adequate sources of capital funding may not be available when needed or may not be available on favourable terms. The Company's ability to obtain such additional capital or financing will depend in part upon prevailing market conditions as well as conditions of its business and its operating results, and those factors may affect its efforts to arrange additional financing on satisfactory terms. If the Company raises additional funds by issuing additional Shares or other equity or equity-linked securities, it may result in a dilution of the holdings of existing shareholders. If funding is insufficient at any time in the future, the Company may have to delay, reduce the scope of or suspend one or more of its clinical trials or research and development programs or its commercialisation efforts, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

Future debt levels could limit the Company's flexibility to obtain additional financing and pursue other business opportunities

The Company currently has no long term debt, but the Company may incur indebtedness in the future. This level of future debt could have important consequences to the Company, including the following:

- the Company's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favourable terms;
- the Company's costs of borrowing could increase as it becomes more leveraged;
- the Company may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- the Company's future debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- the Company's debt level may limit its flexibility in responding to changing business and economic conditions.

The Company's ability to service its future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Company's operating income is not sufficient to service its current or future indebtedness, the Company will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Company may not be able to affect any of these remedies on satisfactory terms, or at all.

Interest rate fluctuations could in the future affect the Company's cash flow and financial condition in addition to the price of the Shares

Currently, the Company has no long-term debt. However, the Company may in the future be exposed to interest rate risk primarily in relation to any future interest bearing debt issued at floating interest rates and to variations in interest rates on bank deposits. Consequently, movements in interest rates could in such event have material adverse effects on the Company's business, financial condition, results of operations, cash flows, time to market and prospects. The

Company would for future interest bearing debt try to minimize such interest rate risk by depositing funds in a number of financial institutions, and by using fixed interest rate deposits.

The Company's results will be exposed to exchange rate risks

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research and clinical expenses. The Company is mainly exposed to fluctuations in euro ("**EUR**"), pounds sterling ("**GBP**") and U.S. Dollar ("**USD**").

The Company may encounter financial reporting risk

As part of its responsibility to prevent and detect errors and fraud affecting its financial statements, the Company's management has set up specific accounting and reporting procedures in relation to, amongst other things, revenue recognition process, taxation and other complex accounting issues. Any failure to prevent and detect errors and fraud within the implementation of such procedures may affect its reputation, business, financial results as well as its ability to meet its objectives.

2.4 Risks related to the Listing and the Shares

The Company will incur increased costs as a result of being a publicly traded company

As a publicly traded company with its Shares listed on the Oslo Stock Exchange, the Company will be required to comply with the Oslo Stock Exchange's reporting and disclosure requirements and with corporate governance requirements. The Company will incur additional legal, accounting and other expenses to comply with these and other applicable rules and regulations. The Company anticipates that its incremental general and administrative expenses as a publicly traded company will include, among other things, costs associated with annual and interim reports to shareholders, shareholders' meetings, investor relations, incremental director and officer liability insurance costs and officer and director compensation. In addition, the Board of Directors and Management may be required to devote significant time and effort to ensure compliance with such rules and regulations, which may entail that less time and effort can be devoted to other aspects of the business. Any such increased costs, individually or in the aggregate, could have an adverse effect on the Company's business, financial condition, results of operations, cash flows, time to market and prospects.

The market value of the Shares may fluctuate significantly, which could cause investors to lose a significant part of their investment

An investment in the Shares may decrease in market value as well as increase. The market volume of the Shares could fluctuate significantly in response to a number of factors beyond the Company's control, including, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the Company or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes in management, changes to the regulatory environment in which it operates or general market conditions.

There is no existing market for the Shares, and an active trading market may not develop

Prior to the Listing, there is no public market for the Shares, and there can be no assurance that an active trading market will develop, or be sustained or that the Shares may be resold at or above the Offer Price. The market value of the Shares could be substantially affected by the extent to which a secondary market develops for the Shares following the completion of this Offering.

Future sales, or the possibility for future sales, of substantial numbers of Shares may affect the Shares' market price

The Company cannot predict what effect, if any, future sales of the Shares, or the availability of Shares for future sales, will have on the market price of the Shares. Sales of substantial amounts of the Shares in the public market following the Offering, or the perception that such sales could occur, may adversely affect the market price of the Shares, making it more difficult for holders to sell their Shares or the Company to sell equity securities in the future at a time and price that they deem appropriate.

Although shareholders, holding in aggregate 35.2% of the Shares, as at the date of this Prospectus, are subject to agreements with the Managers that, subject to certain conditions and exceptions, restrict their ability to sell or transfer their Shares for a period of twelve months (and six months for Sarsia Development AS) following the completion of the Offering, the representatives of the Managers may, in their sole discretion and at any time, waive the restrictions on sales or transfer during this period. Additionally, following this period, all Shares owned by the above mentioned shareholders will be eligible for sale or other transfer in the public market, subject to applicable securities laws restrictions.

Future issuances of Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares

The Company may in the future decide to offer additional Shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. There can be no assurance the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not be able to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders may be diluted. Although the Company, as at the date of this Prospectus, is subject to agreement with the Managers that, subject to certain conditions and exceptions, restricts its ability to issue new Shares for a period of twelve months following the completion of the Offering, the representatives of the Managers may, in their sole discretion and at any time, waive the restrictions on the issuance of new Shares during this period.

Pre-emptive rights to secure and pay for Shares in additional issuance could be unavailable to U.S. or other shareholders

Under Norwegian law, unless otherwise resolved at the Company's general meeting of shareholders (the "**General Meeting**"), existing shareholders have pre-emptive rights to participate on the basis of their existing ownership of Shares in the issuance of any new Shares for cash consideration. Shareholders in the United States, however, could be unable to exercise any such rights to subscribe for new Shares unless a registration statement under the U.S. Securities Act is in effect in respect of such rights and Shares or an exemption from the registration requirements under the U.S. Securities Act is available. Shareholders in other jurisdictions outside Norway could be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company is under no obligation to file a registration statement under the U.S. Securities Act or seek similar approvals under the laws of any other jurisdiction outside Norway in respect of any such rights and Shares, and doing so in the future could be impractical and costly. Accordingly, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new Shares, their proportional interests in the Company will be diluted.

Investors could be unable to exercise their voting rights for Shares registered in a nominee account

Beneficial owners of Shares that are registered in a nominee account (such as through brokers, dealers or other third parties) could be unable to vote such Shares unless their ownership is re-registered in their names with the VPS prior to any General Meeting. There is no assurance that beneficial owners of the Shares will receive notice of any General Meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote their Shares in the manner desired by such beneficial owners.

The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Shares have not been registered under the U.S. Securities Act or any U.S. state securities laws or any other jurisdiction outside Norway and are not expected to be registered in the future. As such, the Shares may not be offered or sold except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act and other applicable securities laws. See Section 16 "Selling and transfer restrictions". In addition, there is no assurance that shareholders residing or domiciled in the United States will be able to participate in future capital increases or rights offerings.

The Company's ability to pay dividends is dependent on the availability of distributable reserves and the Company may be unable or unwilling to pay any dividends in the future

Norwegian law provides that any declaration of dividends must be adopted by the shareholders at the General Meeting. Dividends may only be declared to the extent that the Company has distributable funds and the Company's Board of Directors finds such a declaration to be prudent in consideration of the size, nature, scope and risks associated with the Company's operations and the need to strengthen its liquidity and financial position. As the Company's ability to pay dividends is dependent on the availability of distributable reserves, the Company may, among other things, be dependent upon receipt of dividends and other distributions of value from its subsidiaries and companies in which the Company may invest, if any. As a general rule, the General Meeting may not declare higher dividends than the Board of Directors has proposed or approved. If, for any reason, the General Meeting does not declare dividends in accordance with the above, a shareholder will, as a general rule, have no claim in respect of such non-payment, and the Company will, as a general rule, have no obligation to pay any dividend in respect of the relevant period.

The Company is focusing on the development of pharmaceutical products and does not anticipate paying any dividend until sustainable profitability is achieved. In addition, the Company may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, credit terms, general economic conditions, legal restrictions (as set out in Section 6.2 "Legal constraints on the distribution of dividends") and other factors that the Company may deem to be significant from time to time.

Investors could be unable to recover losses in civil proceedings in jurisdictions other than Norway

The Company is a public limited company organised under the laws of Norway. Some of the Board Members and the members of the Management reside outside of Norway, specifically Hilde Furberg (Board member), Susan Foden (Board member), and Murray Yule (Clinical Development Officer). As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in courts outside the relevant Board Members' jurisdiction of domicile including any judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

Norwegian law could limit shareholders' ability to bring an action against the Company

The rights of holders of the Shares are governed by Norwegian law and by the Articles of Association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by the Company in respect of wrongful acts committed against the Company will be prioritized over actions brought by shareholders claiming compensation in respect of such acts. In addition, it could be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not NOK

The Shares will be priced and traded in NOK on the Oslo Stock Exchange and any future payments of dividends on the Shares will be denominated in NOK. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will, however, receive dividends by cheque in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, being the Company's VPS registrar, to issue a cheque in a local currency, a cheque will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of DNB Bank ASA. The current policy of DNB Bank ASA is to apply the exchange rate(s) on the date of issuance, and there is no guarantee that DNB Bank ASA will not adopt an alternative policy in the future. Exchange rate movements of NOK will therefore affect the value of these dividends and distributions for investors whose principal currency is not NOK. Further, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not NOK.

Market interest rates could influence the price of the Shares

One of the factors that could influence the price of the Shares is its annual dividend yield as compared to yields on other financial instruments. Thus, an increase in market interest rates will result in higher yields on other financial instruments, which could adversely affect the price of the Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering described herein and the Listing of the Shares on the Oslo Stock Exchange.

The Board of Directors of BerGenBio ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

28 March 2017

The Board of Directors of BerGenBio ASA

Stein Holst Annexstad *Chairman*	Hilde Furberg *Board Member*	Stener Kvinnsland *Board Member*
Jon Øyvind Eriksen *Board Member*	Susan Foden *Board Member*	Sveinung Hole *Board Member*
Kari Grønås *Board member*		

4 GENERAL INFORMATION

4.1 Other important investor information

The Company has furnished the information in this Prospectus. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this Prospectus or any such statement.

None of the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Offer Shares involves a high degree of risk. See Section 2 "Risk factors" beginning on page 13.

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such securities and any Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares.

4.2 Presentation of financial and other information

4.2.1 Financial information

The Company was incorporated on 21 December 2007. The Company's audited financial statements as at, and for the years ended, 31 December 2016 and 2015, have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), and are collectively referred to as the "**Financial Statements**" and are included in Appendix B to this Prospectus.

The Company presents the Financial Statements in NOK (presentation currency).

The Financial Statements have been audited by Ernst & Young AS ("**EY**"), as set forth in their reports thereon included in Appendix B to this Prospectus.

EY has not audited, reviewed or produced any report on any other information provided in this Prospectus.

4.2.2 Industry and market data

In this Prospectus, the Company has used industry and market data obtained from independent industry publications, market research as set out in the footnote to Sections 7 and 8 and other publicly available information. While the Company has compiled, extracted and reproduced industry and market data from external sources, the Company has not independently verified the correctness of such data. The Company cautions prospective investors not to place undue reliance on the above-mentioned data. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the market in which it operates.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and

the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.3 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**GBP**" are to the lawful currency of the United Kingdom, all references to "**CHF**" are to the lawful currency of Switzerland, all references to "**USD**" are to the lawful currency of the United States and all references to "**EUR**" are to the lawful common currency of the member states of the European Union (the "**EU**") who have adopted the Euro as their sole national currency.

4.2.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.3 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "should", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in the following Sections in this Prospectus, Section 7 "Industry and market overview", Section 8 "Business of the Company" and Section 10 "Selected Financial and Other Information", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Company, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance, and the industry in which the Company operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASONS FOR THE OFFERING AND THE LISTING

The Company will apply for the Listing on the Oslo Stock Exchange. The Company believes that the benefits of the Offering and the Listing include the following:

(i) diversify and increase the shareholder base and enhance access to the capital markets;

(ii) further improve the ability of BerGenBio to attract and retain key management and employees;

(iii) strengthen the working capital of the Company;

(iv) strengthen BerGenBio's profile with investors and business partners; and

(v) facilitate further studies for the Company's drug candidates.

The Listing on Oslo Stock Exchange will provide a regulated market for the Shares and give the Company improved access to the capital markets for potential future equity funding. It also strengthens the Company's position in the biopharmaceutical drug industry.

The gross proceeds from the sale of the New Shares in the Offering are expected to be up to approximately NOK 400 million. After deduction of the Company's total estimated cost and expenses of NOK 24.5 million, the Company expects to receive net proceeds of NOK 375.5 million. The net proceeds and existing cash is anticipated to fund the Company through into 2019, during which the following activities will be financed:

- Completion of four Phase II clinical trials of BGB324 (approximately NOK 250 million).
- Complete Phase I clinical trial of BGB149 (approximately NOK 60 million).
- Validate Axl companion diagnostic development assay (approximately NOK 25 million).
- Maintain R&D of the pre-clinical pipeline (approximately NOK 25 million).
- Administrative activities including general corporate purposes (approximately NOK 50 million).

At the date of this Prospectus, the Company cannot predict all of the specific uses for the net proceeds, or the amounts that will be actually spent on the uses described above. The exact amounts and the timing of the actual use of the net proceeds will depend on numerous factors, amongst others the progress, costs and respective results of the Company's preclinical and clinical development programmes, and other developments of first-in-class drugs.

See Section 15 "The terms of the Offering" for more information regarding the Offering.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account legal restrictions, as set out in the Norwegian Public Limited Companies Act (see Section 6.2 "Legal constraints on the distribution of dividends"), the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in place at the time of the dividend may place on its ability to pay dividends and the maintaining of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

The Company has not paid any dividends during its lifetime. The Company is focusing on the development of novel pharmaceutical products and does not anticipate paying any dividend until sustainable profitability is achieved.

There can be no assurance that a dividend will be proposed or declared in any given year.

6.2 Legal constraints on the distribution of dividends

Dividends may be paid in cash, or in some instances, in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act provides that the Company may distribute dividends to the extent that the Company's net assets following the distribution cover (i) the share capital, (ii) the reserve for valuation variances and (iii) the reserve for unrealised gains. The amount of any receivable held by the Company which is secured by a pledge over Shares in the Company, as well as the aggregate amount of credit and security which, pursuant to Section 8-7 to Section 8-10 of the Norwegian Public Limited Companies Act fall within the limits of distributable equity, shall be deducted from the distributable amount.

  The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividends, shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.

- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 14 "Taxation".

6.3 Manner of dividend payments

Any future payments of dividends on the Shares will be denominated in NOK, and will be paid to the shareholders through the VPS. Investors registered in the VPS whose address is outside Norway and who have not supplied the VPS with details of any NOK account or linked a local cash account and swift address to their local bank, will however receive dividends by cheque in their local currency, as exchanged from the NOK amount distributed through the VPS. If it is not practical in the sole opinion of DNB Bank ASA, DNB Markets, being the Company's VPS registrar, to issue a cheque in a local currency, a cheque will be issued in USD. The issuing and mailing of cheques will be executed in accordance with the standard procedures of DNB Bank ASA. The exchange rate(s) that currently is applied is DNB Bank ASA's rate on the date of issuance. Dividends will be credited automatically to the VPS registered shareholders' NOK accounts, or in lieu of such registered NOK account, by cheque, without the need for shareholders to present documentation proving their ownership of the Shares.

7 INDUSTRY AND MARKET OVERVIEW

This section seeks to describe relevant industry dynamics and the potential market for BerGenBio's products. However, as mentioned in chapter 2, BerGenBio does not yet have any commercial, marketable products. In order to introduce the Company's lead compound BGB324 and/or other product candidates to the oncology market they will require, amongst others, additional clinical testing. Upon successful clinical trials, the Company is also dependent on regulatory approval for the relevant markets before they are eligible for sale to patients. In summary, the Company's ability to develop, obtain regulatory approval for, and successfully commercialise BGB324 effectively will depend on several factors, including, but not limited to, the following:

- successful completion of the clinical trials;
- receipt of marketing approvals;
- establishing commercial manufacturing and supply arrangements;
- establishing a commercial infrastructure;
- acceptance of the product by patients, the medical community and third-party payers;
- successfully establishing an adequate market share in competition with other therapies;
- successfully executing the Company's pricing and reimbursement strategy;
- a continued acceptable safety and adverse event profile of the product following regulatory approval; and
- identifying, registering, maintaining, enforcing and defending IPR and claims covering the product.

Importantly, the Company is not permitted to market or promote any of its product candidates before it receives regulatory approvals from the FDA to market in the U.S. and from the EMA to market in Europe, as well as equivalent regulatory authorities in other jurisdictions to commercialise in those regions. Although BerGenBio expects to obtain such regulatory approvals necessary to commercialise the final products, this cannot be assured.

7.1 The oncology market

Oncology is the branch of medical science focusing on the diagnosis and treatment of cancers. Cancer itself is a genetic disease, caused by changes in the genes that control the way cells function, especially with regard to how they grow and divide. The cause of such changes in the genes is alterations in the DNA due to random mistakes that occur occasionally when a cell divides or more frequently when DNA in the cell is damaged for example due to chemicals released as cells burn fuels for energy. Thus, everyone has the potential to develop cancer and pre-cancerous changes in DNA are common in the cells in our bodies. Many environmental substances like tobacco smoke, radiation and ultraviolet rays from the sun increase the risk of damage to the DNA[4]. Cells have dedicated mechanisms to repair DNA damage but this system is not perfect. Once a change in the DNA occurs (mutation) it is inherited by all subsequent daughter cells. If these DNA mutations occur in genes that control cell growth (oncogenes), these cells can become immortal, dividing uncontrollably within a tissue. These tumours will initially remain within the confines of the normal tissue, but over time can break down the normal tissue architecture and spread into the surroundings. This is the first step towards malignancy (progression) and is associated with poorer prognosis[5]. These malignant cancer cells can enter the blood stream and lymphatics that transport them to other organs in the body (metastasis).

7.1.1 The oncology market size and growth

Measured in sales, oncology is the world's largest therapeutic area[6]. According to estimates from QuantilesIMS (formerly IMS Institute), the global oncology market reached USD 107 billion in 2015 and is expected to grow with a compound aggregate growth rate ("**CAGR**") of between 7.5-10.5% to reach USD 148-178 billion by 2020[7].

The chart on the next page illustrates Evaluate Pharma's expected top 10 therapeutic areas in 2022. The size of the bubble represents 2015 worldwide sales, whilst worldwide market share and 2015-2022 revenue growth is measured on

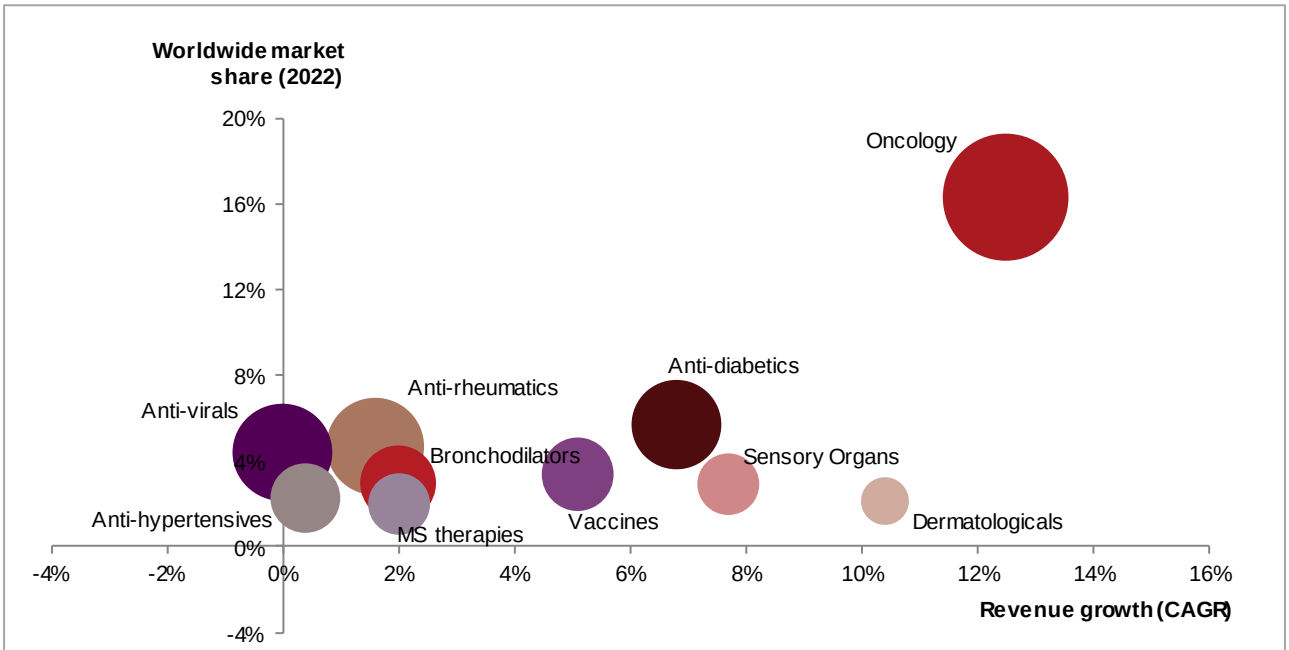
[4] National Cancer Institute, What is cancer, 18 January 2017

[5] Cooper GM. The Cell: A Molecular Approach. 2nd edition. Sunderland (MA): Sinauer Associates; 2000. The Development and Causes of Cancer

[6] IMS Health, Top 20 Global Therapy Areas 2015, 18 January 2017

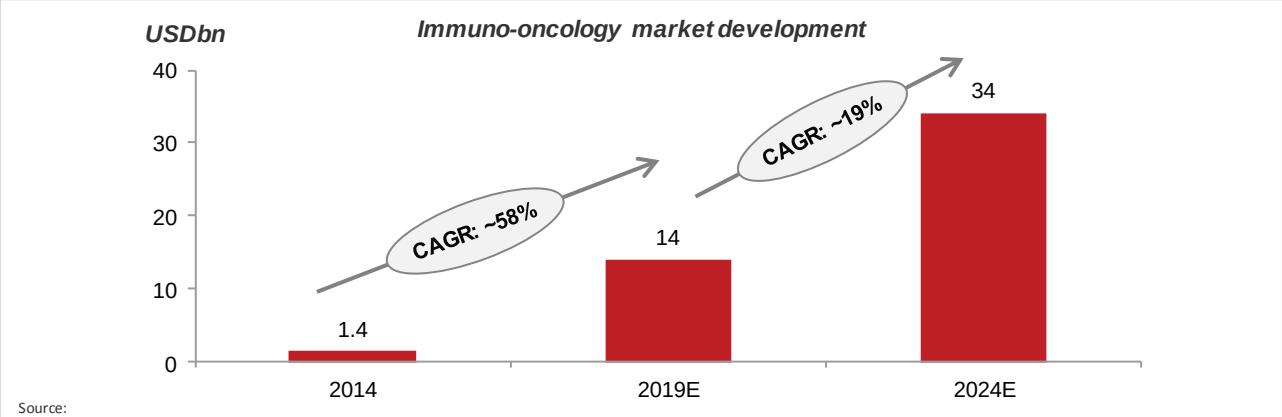
[7] IMS Institute For Healthcare and Informatics, Global Oncology Trend Report – A Review of 2015 and Outlook to 2020 (June 2016)

the vertical and horizontal axis respectively. As illustrated, oncology is expected to remain a significant medical field, maintaining a relatively high market share through revenue growth.



Source: Evaluate Pharma, World Preview 2016, Outlook to 2022, 19 January 2017

Several publications point to the area of immunotherapy as one of the key drivers for the expected growth in oncology sales[8]. This is an area in which substantial breakthroughs have been achieved during the last recent years, first and foremost through the approval and commercial launch of immune checkpoint inhibitors ("**CPIs**"). As depicted in the graph below, sales within this drug category are forecasted to increase significantly over the 10 year period from 2014 to 2024 (aggregated figures for the 7 major markets US, France, Germany, Italy, Spain, the UK and Japan):



Source:
dcat.org (https://www.dcat.org/Public/Pdfs/DCATWeek16/PIO/Rachel%20Webster%20FINAL%203.11.160-OK-Distrib.pdf, accessed 6 February 2017
Managed Care Magasine (https://www.managedcaremag.com/news/report-blockbuster-drugs-will-drive-immuno-oncology-market-34-billion-2024), accessed 6 February 2017

[8] Including e.g. Radiant Insights (http://www.radiantinsights.com/research/global-cancer-immunotherapies-market-to-2022) and Research and Markets (http://www.prnewswire.com/news-releases/global--usa-cancer-immunotherapy-market-analysis-2015---forecasts-to-2020-300157219.html), both accessed 6 February 2017

This fact is also prevalent when looking at which products currently on the market that are expected to dominate over the coming 5 year horizon. In the following forecasts for 2022, sales several immunotherapy drugs are expected to have multibillion sales (USD), including e.g. Revlimid, Opdivo and Keytruda™:

Overview of expected top selling oncology drugs in 2022

Product	2022E sales (USDbn)	Company
Revlimid	13.4	Celgene
Opdivo	12.6	Bristol Myers Squibb, Ono Pharmaceutical
Imbruvica	8.3	AbbVie (Pharmacyclics), Johnson & Johnson
Keytruda	6.6	Merck
Ibrance	6.0	Pfizer
Tecentriq	5.5	Roche
Darzalex	4.9	Johnson & Johnson
Perjeta	4.7	Roche
Xtandi	4.7	Pfizer, Astellas
Avastin	4.7	Roche
Herceptin	4.0	Roche
Gazyva	3.4	Roche
Jakafi	3.1	Incyte, Novartis
Venclexta	2.9	AbbVie, Roche
Rituxan	2.9	Roche, Pharmstandard

Source: FiercePharma
http://www.fiercepharma.com/special-report/special-report-top-15-best-selling-cancer-drugs-2022?utm_medium=nl&utm_source=internal&mrkid=864325&mkt_tok=eyJpIjoiTmpObU9EYzFaV1UyT1RSbCIsInQiOiJUckxsQk1JcVlseEdBNE84RXBUMjhZWVwvR0pxN0pUSElOQVhINmhHY3hhQ2g5QUdiWVwvTnZHZmZkUWpvZ01lbmp5dEJIMG96eFg2QlZkWW1kZUxva0E2UDlsdVhnWkMrYWdoak50XC9VSHRqTnplcW45TTVWVEZlZHZnZkNWcWR2cSJ9, accessed 6 February 2017

7.1.2 Different types of cancer

According to the World Health Organisation ("**WHO**"), an estimated 8.2 million cancer deaths occurred in 2012, making cancer a leading cause of death worldwide[9]. WHO estimates that there were approximately 14 million new cases of cancer in 2012, and this number is expected to rise by about 70% over the next two decades[10]. By 2030, the American Cancer Society expects the number of global annual deaths by cancer to increase to 13.0 million[11].

There are more than 100 different types of cancer[12], and they are often named after the organs or tissues where they start to grow from, or by the type of cell that formed them. According to the National Cancer Institute, cancers can be categorised according to the specific cell type it develops from: ***Carcinomas*** are the most common type of cancer which begins in the skin or in tissues that line or cover internal organs. ***Sarcoma*** is another type of cancer that form in the bone and soft tissue of the body like muscle, fat, and blood vessels. Cancers that form in the blood-forming tissue of the bone marrow are called ***leukaemia***. These cancers do not form solid tumours, but rather form large numbers of abnormal white blood cells that crowd out normal blood cells, which reduces the body's ability to get oxygen to tissue, control bleeding and fight infections. Another type of cancer is ***lymphoma***. Lymphoma begins in the lymphocytes, which are disease fighting white blood cells (that are part of the immune system), building up abnormal lymphocytes in the lymph nodes and lymph vessels. ***Multiple myeloma*** is a cancer that begins in plasma cells, a type of white blood cell which is part of the immune system that produces large amounts of a specific antibody[13]. The abnormal plasma cells build up in the bone marrow and form tumours all through the body. ***Melanoma*** is a skin cancer and begins in the cells

[9] http://www.who.int/mediacentre/factsheets/fs297/en/, accessed 19 January 2017
[10] WHO, World Cancer Report 2014, 18 January 2017
[11] Cancer facts and figures 2017, American Cancer Society, 5 January 2017
[12] http://www.cancer.org/cancer/cancer-basics/what-is-cancer.html, accessed 19 January 2017
[13] https://www.cancer.gov/publications/dictionaries/cancer-terms?cdrid=46230, accessed 18 January 2017

that become melanocytes, which are the cells that make melanin, the pigment that gives skin its colour. ***Brain and spinal cord tumours*** can be divided into several different types depending on the type of cell in which they were formed and where the tumour first appeared in the nervous system[14,15].

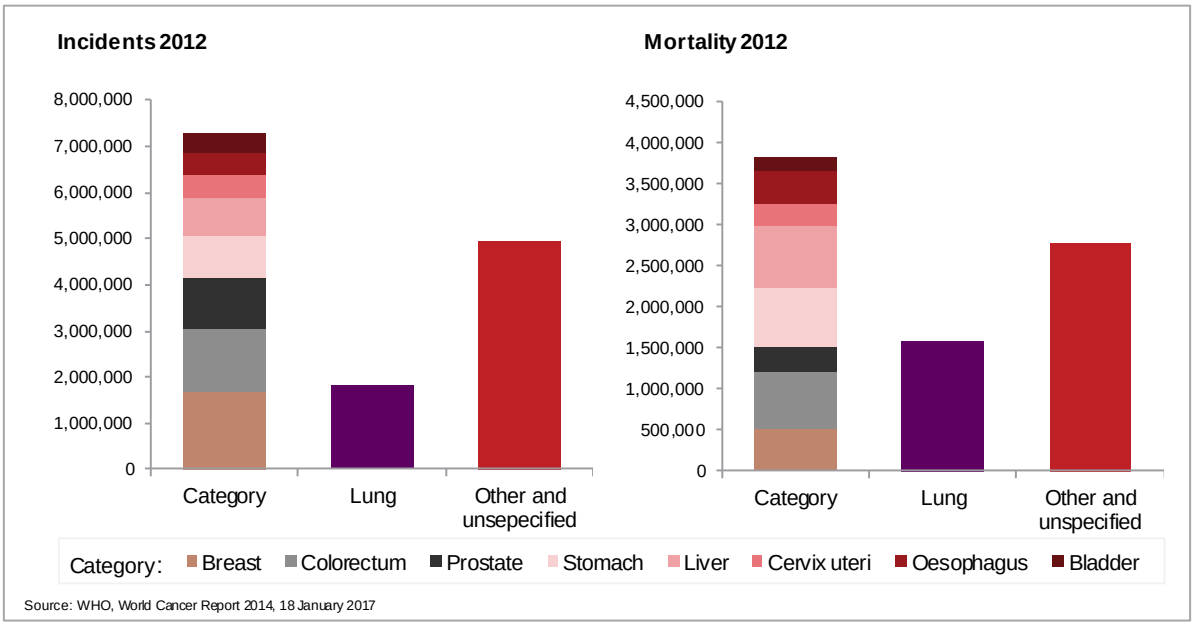
7.1.3 Incidents and mortality rates for different types of cancer

Certain cancers are more common than others, and cancer type prevalence also vary between the sexes. According to WHO, the following is an overview of the five most common forms of cancer for men and women respectively, categorised dependent on the location of the cancer: (percentage represents share of total number of diagnosis):

Men:	Women:
Lung (16.7%)	Breast (25.2%)
Prostate (15.0%)	Colorectum (9.2%)
Colorectum (10.0%)	Lung (8.7%)
Stomach (8.5%)	Cervix (7.9%)
Liver (7.5%)	Stomach (4.8%)

Source: WHO, World Cancer Report 2014, 18 January 2017

The chart below shows the aggregated annual number of new incidents and mortalities distributed by cancer type, as estimated by WHO:



Source: WHO, World Cancer Report 2014, 18 January 2017

[14] https://www.cancer.gov/about-cancer/understanding/what-is-cancer, accessed 18 January 2017

[15] http://www.cancerresearchuk.org/about-cancer/what-is-cancer/how-cancer-starts/types-of-cancer, accessed 19 January 2017

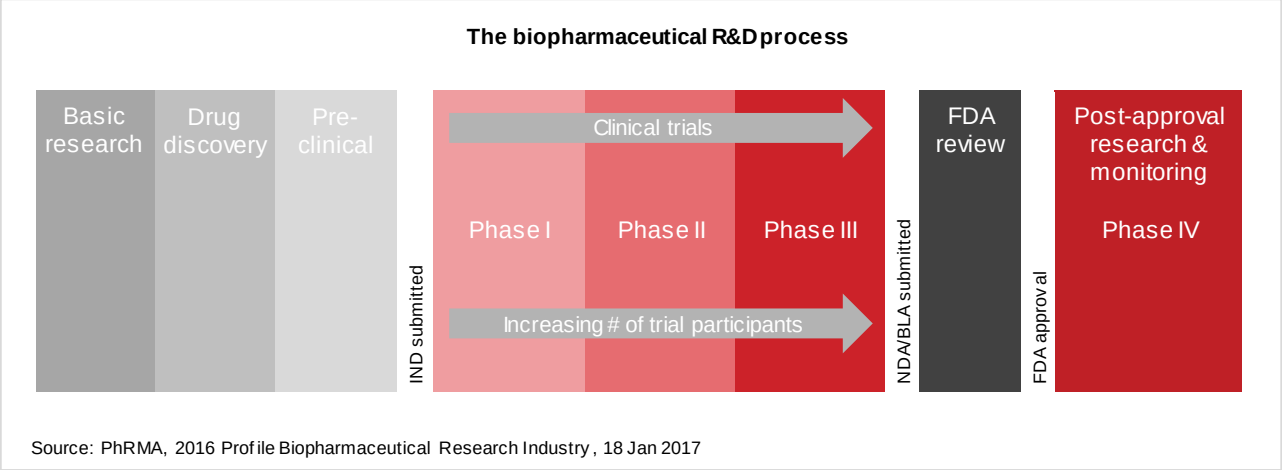
7.2 Development of cancer treatments

The development of a biopharmaceutical product can be a risk-filled, time consuming and expensive process, which, provided the drug is approved for marketing, has the potential for high returns on investment. On average, five out of 5,000 drugs make it through the preclinical phase, and historically only one out of these five is approved by the FDA for marketing [16]. Pharmaceutical Research and Manufacturers of America ("**PhRMA**") estimates that it takes on average 10 years to progress a medicine from drug discovery through FDA approval[17].

7.2.1 The biopharmaceutical R&D process

The process of developing a drug product candidate is divided into several phases. The illustration below gives a basic overview of the biopharmaceutical R&D process. Whilst this is a general description of how drugs progress through the different phases in drug development, it is also applicable for the development of cancer drugs. However, developing cancer drugs can be a shorter process than developing drugs for other uses. For example, a fast track review approach can be applied for, if the drug shows superior efficacy or spares serious side effects compared to treatments that are currently available[18].

The figure below shows the biopharmaceutical R&D and approval process in the U.S.:



The first step is to identify potential biological targets (a specific biomolecule within the cell) which when modulated by a therapeutic intervention may improve the outcome for specific illnesses. Understanding how a disease functions allows scientists to zoom in on specific targets and then look for a compound that could influence the target and potentially become a medicine[19].

After having discovered a compound it needs to be determined whether the compound is suitable for further development. The most promising candidates are selected to undergo preclinical testing. To determine the safety profile of the drug, researchers in this phase conduct a series of laboratory and animal studies. At the end of the process, which may take several years, only a few compounds move to testing in humans[20].

The clinical phase of drug development involves extensive testing of the drug's effect on humans, and is divided into three sub-phases.

Phase I

In Phase I the aim is to show that a new drug or treatment, which has proven to be safe for use in animals, may also be given safely to people[21]. In Phase I, different doses are given to a small group which is closely supervised. The dose is typically low to start with and then gradually increased, while continuously monitoring how the side effects change.

[16] Medicine Net, Drug Approvals – From Invention to Market… A 12- Year Trip, 18 January 2017
[17] PhRMA, 2015 Profile Biopharmaceutical Research Industry, 18 January 2017
[18] FDA, Accelerated Approval Program, 18 January 2017
[19] http://www.fda.gov/ForPatients/Approvals/Drugs/ucm405382.htm, accessed 17 January 2017
[20] http://www.fda.gov/ForPatients/Approvals/Drugs/ucm405658.htm, accessed 17 January 2017
[21] http://www.cancer.net/navigating-cancer-care/how-cancer-treated/clinical-trials/phases-clinical-trials, accessed 18 January 2017

Data are collected on the dose, timing, and safety of the treatment. It is common to include approximately 10-30 individuals in this phase of clinical testing[22].

Phase Ib
Phase Ib studies are usually conducted in patients diagnosed with the disease, or condition for which the study drug is intended, who demonstrate some biomarker, surrogate, or possibly clinical outcome that could be considered for "proof of concept". These studies are also used to demonstrate safety when the investigational drug is combined with another drug.

Phase II
In Phase II clinical trials the goal is to provide more detailed information about the effect of a drug candidate for a specific disease, as well as further granularity regarding the safety of the treatment. The trials are performed on larger groups than in Phase I, and whilst the groups can still be relatively small, they should be large enough to provide satisfactory statistical significance to assess efficacy (typically between 30-120 patients)[23]. Within oncology, Phase II studies are conducted with patients suffering from the cancer the new drug candidate is intended to treat. The results need to show that it is likely to yield clinical benefit and that it is safe when compared to the standard treatment for a drug candidate to be progressed to Phase III[24]. The latter part of Phase II studies – Phase IIb – are well controlled trials to evaluate efficacy and safety in patients with the disease or condition to be treated, diagnosed, or prevented. These clinical trials usually represent the most rigorous demonstration of a medicine's efficacy and are sometimes referred to as pivotal trials or registration-directed clinical trials (the latter term is used in this Prospectus).

Phase III
In Phase III companies carry out one or several studies with the ambition to generate data that is convincing enough to obtain commercial licensing from the FDA/EMA. A Phase III drug candidate is typically compared to the clinical results of what is currently the standard treatment for the same disease (Standard of Care). The focus is on confirming previous efficacy and safety findings in a larger patient population. A Phase III clinical trial typically involves more than 300 patients, and may take many years to complete[25].

In the event of a successful Phase III trial, a company can submit a new drug application ("**NDA**") to the FDA requesting approval to market the drug (relevant for the U.S.). The application process is relatively similar in Europe, where the company submits a marketing authorisation application ("**MAA**") to the EMA.

7.2.2 Orphan drug designation

Health authorities in the U.S., the EU and in Japan can also grant certain drugs an orphan drug designation. This could be the case if the drug treats a disease that only affects a small number of people. This is a way to stimulate R&D on drugs for less common diseases. If a company were to get an orphan drug designation, it can result in a series of advantages for the company, including premium pricing, lower registration fees and extended market exclusivity[26]. The market exclusivity in the U.S. is 7 years from approval, and in the EU 10 years from approval[27].

7.2.3 Accelerated approval

If a drug candidate shows extraordinarily promising results, it might receive marketing approval as early as in Phase II. This is often referred to as an accelerated approval ("**AA**"). The AA programme is developed to allow for earlier approval of drugs that treat serious conditions and fill an unmet medical need. If a drug gets an AA, the company is still required to perform further studies to confirm that the drug is delivering the expected clinical benefit. These studies are known as Phase IV confirmatory trials and have to be completed in order to achieve the traditional market approval. If the Phase IV trial does not show that the drug provides clinical benefit, the drug could be removed from the market[28].

[22] http://www.cancer.net/navigating-cancer-care/how-cancer-treated/clinical-trials/phases-clinical-trials, accessed 18 January 2017
[23] http://www.cancer.net/navigating-cancer-care/how-cancer-treated/clinical-trials/phases-clinical-trials, accessed 18 January 2017
[24] http://www.cancer.net/navigating-cancer-care/how-cancer-treated/clinical-trials/phases-clinical-trials, accessed 18 January 2017
[25] http://www.cancer.net/navigating-cancer-care/how-cancer-treated/clinical-trials/phases-clinical-trials, accessed 17 January 2017
[26] FDA, Fast Track, Breakthrough Therapy, Accelerated Approval, Priority Review, 18 January 2017
[27] EvaluatePharma, Orphan Drug Report 2015, 18 January 2017
[28] FDA, Accelerated Approval Program, 18 January 2017

7.3 Treatment types and their evolution

Due to the high number and diversity of cancer types, the market for cancer therapies is highly diversified. A recommended treatment would depend on the type and stage of the cancer, as well as personal traits of the individual patient. For some patients the overall goal of treatment may be to cure the disease, whilst for others it may be to relieve suffering only. Traditionally the most common treatments have been, amongst others, surgery, chemotherapy, radiation therapy and hormone therapy. In recent years however, approaches such as targeted therapies and immunotherapy have become increasingly relevant[29]. With respect to the last two-year period, the regulatory approval, commercial launch and increased acceptance among physicians of various immunotherapies may be considered as the most significant change in the market relevant for BerGenBio. As described under Section 7.1.1 "The oncology market size and growth", it is also this treatment type which is expected to be the largest contributor to market growth in the short and medium term.

7.3.1 Traditional cancer treatments

Surgery

Surgery can be used to prevent, diagnose, stage and treat cancer. Surgery can also relieve discomfort or problems related to cancer. In some cases, the only way to know if a person has cancer and what kind it is, is to surgically remove a sample for testing. Staging surgery, on the other hand, is done to find out how much cancer there is and how far it has spread. Surgery can also be a curative, as the main treatment if the cancer has not spread and can be resected in its entirety[30].

Chemotherapy

More than 100 chemotherapy drugs are used to treat cancer – either alone or in combination with other drugs and treatments. Chemotherapy is often used in combination with surgery or radiation therapy in order to kill remaining cancer cells or control the tumour[31]. Chemotherapy drugs are cytotoxic, meaning its toxic to cells, both normal cells and tumour cells, and the different types can vary greatly in chemical composition. Patients may experience severe side effects from some types of chemotherapy. The side effects of chemotherapy are primarily driven by the fact that these drugs lack good specificity for tumour cells and cannot distinguish between healthy cells and cancer cells, and thus kill both[32].

Radiation therapy

Radiation therapy is a common treatment of cancer, and involves using high-energy particles or waves to destroy or damage cancer cells. It is a local treatment, meaning that it only affects the part of the body being treated. Radiation can be given alone or used with other therapies, such as surgery or chemotherapy. Often, radiation is used together with certain drugs which make cancer cells more sensitive to radiation, thus improving its effectiveness. As radiation can also damage surrounding healthy cells and tissue, it is associated with certain side effects[33].

Hormone therapy

Hormones are substances produced naturally in the body, acting as chemical messengers that influence the growth and activity of cells. By altering the production or activity of particular hormones, such therapies aim to stop or slow down the growth of cancer cells affected by fluctuating hormone levels. The type of therapy given will vary dependent of the type of cancer being treated[34].

7.3.2 Newer cancer medicines: targeted therapies

Since the more traditional cancer treatment types were discovered and developed, scientists have gained further insight into the molecular mechanisms driving cancer cell growth. This enables scientists to design new medicines which specifically target a particular aspect of the tumour cell's "broken machinery". In other words, targeted therapies are

[29] http://www.cancer.org/latest-news/immunotherapy-disrupting-the-cancer-treatment-world.html, accessed 19 January 2017

[30] http://www.cancer.org/treatment/treatments-and-side-effects/treatment-types/surgery/how-surgery-is-used-for-cancer.html, accessed 19 January 2017

[31] http://www.macmillan.org.uk/information-and-support/treating/chemotherapy/chemotherapy-explained/what-is-chemotherapy.html, accessed 19 January 2017

[32] http://www.cancer.org/treatment/treatments-and-side-effects/treatment-types/chemotherapy/how-chemotherapy-drugs-work.html, accessed 19 January 2017

[33] http://www.cancer.org/treatment/treatments-and-side-effects/treatment-types/radiation/radiation-therapy-guide/benefits-risks-and-questions-to-ask.html, accessed 19 January 2017

[34] http://www.macmillan.org.uk/information-and-support/treating/hormonal-therapies/hormonal-therapies-explained/what-are-hormonal-therapies.html, accessed 19 January 2017

able to zoom in on some of the characteristics that make cancer cells different from healthy cells, and target specific areas of the cancer cell that allow the cell to grow faster and abnormally[35].

One of the first successful examples of such a targeted therapy was imatinib, which is marketed by Novartis and in 2015 generated sales of USD 4.65 billion[36]. The target for imatinib is a protein (BCR-Abl) that only exists in cancer cells and not healthy cells, and the protein can lead to uncontrolled cell growth and tumour development. The outlook for patients with this disease has been improved, with the five year survival rate increasing from 31% to 59%[37].

Another example of a relatively new, targeted therapy is erlotinib, which is used to treat non-small cell lung cancer (NSCLC) and pancreatic cancer[38]. It targets a molecule called epithelial growth factor receptor ("**EGFR**") which is found at high levels in various forms of cancer.

On the back of the successes of imatinib, erlotinib and other similar targeted therapies, the academic and commercial focus on targeted therapies has risen markedly[39]. Generally, the focus of global cancer research has shifted away from drugs that work by indiscriminately killing all cells that are rapidly dividing, and the industry has applied itself to designing and developing new medicines that specifically hit tumour cells while leaving normal cells relatively unscathed.

7.3.3 Emerging era of immunotherapies

There has been long-running interest in how the immune system and tumours interact, with researchers able to demonstrate tumour control by the immune system in model animal systems. Translating that effect into the human setting however, has been much more challenging. In the recent period, scientific insight into how the human immune system interacts with cancer cells has increased, and with it, the focus on immunotherapy. In contrast to the previously mentioned cancer treatments, immunotherapy aims to harness the power of the body's own immune system to fight cancer. This can be done in different ways, but the most common is to either "boost" the immune system or stimulate it to recognise the cancer cells as something that should be removed.

These scientific advances have enabled immunotherapy to grow into an important treatment for some types of cancer[40]. Therapies mediated by T-cells (immune cells that the body ordinarily activates to seek and destroy cancer cells) have been and are currently being developed by different biopharmaceutical companies in multiple forms, including CPIs, therapeutic vaccines, bispecific antibody-based approaches, small molecules and cell based therapies. Of these different forms, CPIs have gained special attention[41]. Unlike other immunotherapies that work by strengthening the immune system or training it to attack tumour cells, CPIs work to defeat the cancer cells' immune resistance mechanism. Enabling the immune system to "see the cancer cells for what they are", the T-cells of the immune system can then respond appropriately.

According to a report published by Citi Research, immunotherapy is one of the fastest growing areas within oncology R&D, forecasted to make up 60% of all cancer management regimes in the developed world by 2023. This is estimated to represent a potential revenue opportunity for the biopharmaceutical industry in excess of USD 35 billion[42].

7.3.4 Combination treatments

The cancer treatments described in this Section 7.3 have largely been presented as monotherapies. However, different types of therapies are often combined to treat cancer. Studies have shown that drug combination within oncology has the potential to improve treatment response, minimize development of resistance or minimize adverse events[43]. One of the reasons for combining different therapies is to use drugs that work by different mechanisms, and thereby decreasing the likelihood for resistant cancer to develop. For some cancers, a good approach is a combination of surgery, radiation

[35] http://www.cancer.org/treatment/treatments-and-side-effects/treatment-types/targeted-therapy/what-is.html, accessed 19 January 2017

[36] http://www.pharmaceutical-technology.com/features/featurethe-worlds-most-sold-cancer-drugs-in-2015-4852126/, accessed 18 January 2017

[37] Leukemia - Chronic Myeloid - CML: Statistics | Cancer.Net, 18 January 2017

[38] Chemocare.com, Erlotinib, 19 January 2017

[39] http://edcan.org.au/edcan-learning-resources/supporting-resources/targeted-therapies/overview-of-targeted-therapies, accessed 19 January 2017

[40] http://www.cancer.org/treatment/treatments-and-side-effects/treatment-types/immunotherapy/what-is-immunotherapy.html, accessed 19 January 2017

[41] https://www.citivelocity.com/citigps/OpArticleDetail.action?recordId=209, accessed 17 January 2017

[42] https://www.citivelocity.com/citigps/OpArticleDetail.action?recordId=209, accessed 17 January 2017

[43] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4361221/, accessed 19 January 2017

therapy and chemotherapy[44]. Combination approaches of particular current focus within immune-oncology are to combine CPIs with existing cancer therapies, or combinations of CPIs with other active immunotherapies[45].

7.4 The EMT process and the role of Axl

Epithelial-Mesenchymal-Transition (EMT) is a natural cellular mechanism where cells transition from an epithelial to a mesenchymal (fibroblast-like) state. EMT is important during embryonic vertebrate development where it gives rise to different structures and organs. EMT is seldom activated in healthy adults. It is however induced in response to inflammation following injury or disease and plays a role in wound healing and tissue repair, and occurs during organ degenerative disease[46].

When this process occurs inappropriately in cancer cells, EMT can mediate aggressive properties. Accumulating evidence points to an important role of EMT during tumour progression to greater malignancy[47]. Studies show that tumour cells undergoing EMT acquire the capacity to disarm the body's anti-tumour defences, evade the immune system, become resistant to anti-cancer drugs, and to escape from the primary tumour and spread throughout the body[48]. EMT has therefore become an area of substantial research interest.

EMT is a natural cellular survival programme that is harnessed by cancer cells in response to changes in the tumour tissue environs (microenvironment). A hostile microenvironment may be caused by the body's inflammatory or immune response, or cancer treatments such as chemotherapeutics or modern targeted cancer therapies. In such a hostile microenvironment, many cancer cells will die, but some will activate the EMT survival mechanism and transition from an epithelial to a mesenchymal state. This transition involves reprogramming many features of the cancer cell resulting in changes in the structure and shape of the cell, the cell membrane and metabolism. It can further enable mesenchymal tumour cells to tolerate the hostile environment and avoid the body's anti-tumour immune response and become resistant to different types of drugs. Furthermore, these mesenchymal tumour cells can spread (metastasise) to other organs in the body where they either remain dormant or develop into secondary tumours[49].

The animation on the next page illustrates the key concepts of the EMT process in solid cancers. The blue tumour cells represent a carcinoma in an epithelial state. The epithelial to mesenchymal transition is illustrated by some of the tumour cells changing from the sheets of square shaped blue (epithelial) cells to the individual single star shaped (mesenchymal) blue cells. These mesenchymal cancer cells break away from the primary tumour and invade the surrounding tissue. During this process the invasive tumour cells encounter a challenging foreign microenvironment comprising interstial cells (fibroblasts) and immune cells. The mesenchymal cancer cells aquire properties that allow them to adapt to this new microenvironment. They become less susceptible to the immune cells and resistant to the effects of cancer drugs. Research has shown that the Axl protein is a mediator of EMT[50]. Tumour cells that undergo EMT increase their Axl expression (demarcated in the illustration by the cells in the Axl^- box being mostly blue, and tumour cells in the Axl^+ box

[44] http://www.merckmanuals.com/home/cancer/prevention-and-treatment-of-cancer/combination-cancer-therapy, accessed 19 January 2017

[45] https://www.citivelocity.com/citigps/OpArticleDetail.action?recordId=209, accessed 19 January 2017

[46] Nieto, M. et al, EMT:2016, Cell, 2016: 166 (1): 21-45

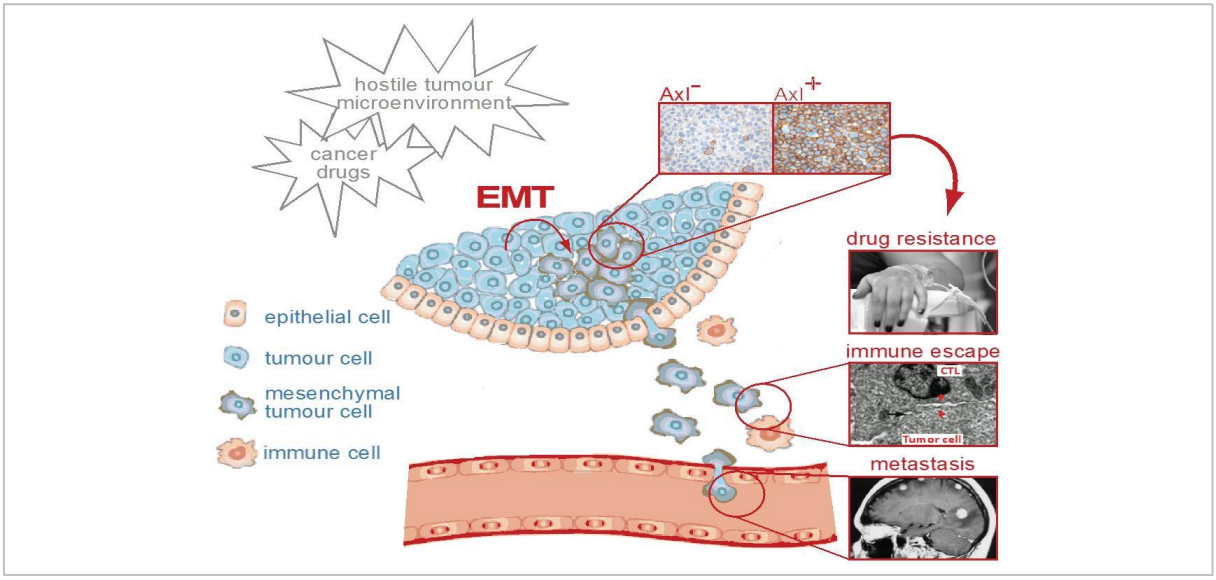
[47] http://www.nature.com/onc/journal/v24/n50/full/1209091a.html, accessed 20 January 2017

[48] http://www.nature.com/nrd/journal/v15/n5/full/nrd.2015.13.html, accessed 20 January 2017

[49] http://www.bergenbio.com/what-we-do/the-science-of-emt/, accessed 20 January 2017

[50] Gjerdrum, C. et al, Axl is an essential epithelial-to-mesenchymal transition-induced regulator of breast cancer metastasis and patient survival, PNAS, 2010; 107 (3): 1124-1129

being mostly brown when stained by a pathologist). The Axl-expressing mesenchymal tumour cells (star shaped blue with brown edges) are able to evade the immune system and metastasise[51].



7.4.1 Axl is a recognised target for cancer treatments

A growing body of data in the scientific literature confirms that acquired resistance to chemotherapeutics and targeted agents correlates with increased mesenchymal properties of the tumour cells[52]. Based on this understanding, inhibiting EMT is of great interest for anticancer therapy, with an increasing focus on developing compounds that target EMT proteins[53].

Axl is a protein expressed on the surface of cells, it is a member of class of proteins called receptor tyrosine kinase ("**RTK**"). RTKs have proven to be valuable cancer drug targets, with several important drugs acting through RTK modulation. One example is erlotinib (marketed by Roche, 2014 sales CHF 1,292m[54]) , mentioned above, which targets EGFR, a type of RTK. RTKs play an important role in mediating cancer cell signalling, which can be a key driver of uncontrolled cell proliferation and enhanced cell survial [55].

Multiple studies suggest that Axl is a key mediator of the EMT process[56]. With this, the focus on Axl as a target for anti-cancer drugs has increased[57]. The approach of targeting Axl in the treatment of cancer is further validated by several ongoing research programmes. By inhibiting signalling through Axl on the tumour cell, as targeted by BerGenBio, it is hoped that cells that have undergone EMT will regain their epithelial characteristics, making them less metastatic, more visible to the immune system and more vulnerable to current treatments; and also prevent more cancer cells from becoming mesenchymal, leaving them epithelial and susceptible to cancer drugs and the immune system.

[51] Chang, A. et al, Involvement of mesenchymal stem cells in cancer progression and metastases, Current Cancer Drug Targets, 2015; 15 (2): 88-98

[52] Kim, A. et al, Epithelial-mesenchymal transition is associated with acquired resistance to 5-fluorocuracil in HT-29 colon cancer cells, Toxicological Research, 2015; 31 (2): 151-156

[53] http://www.esmo.org/Oncology-News/Epithelial-Mesenchymal-Transition-as-a-New-Target, 19 January 2017

[54] http://www.roche.com/dam/jcr:c374fdd5-798a-4bcc-b367-3299a5ebd7ef/en/med-cor-2015-01-28-e.pdf, accessed 16 March 2017

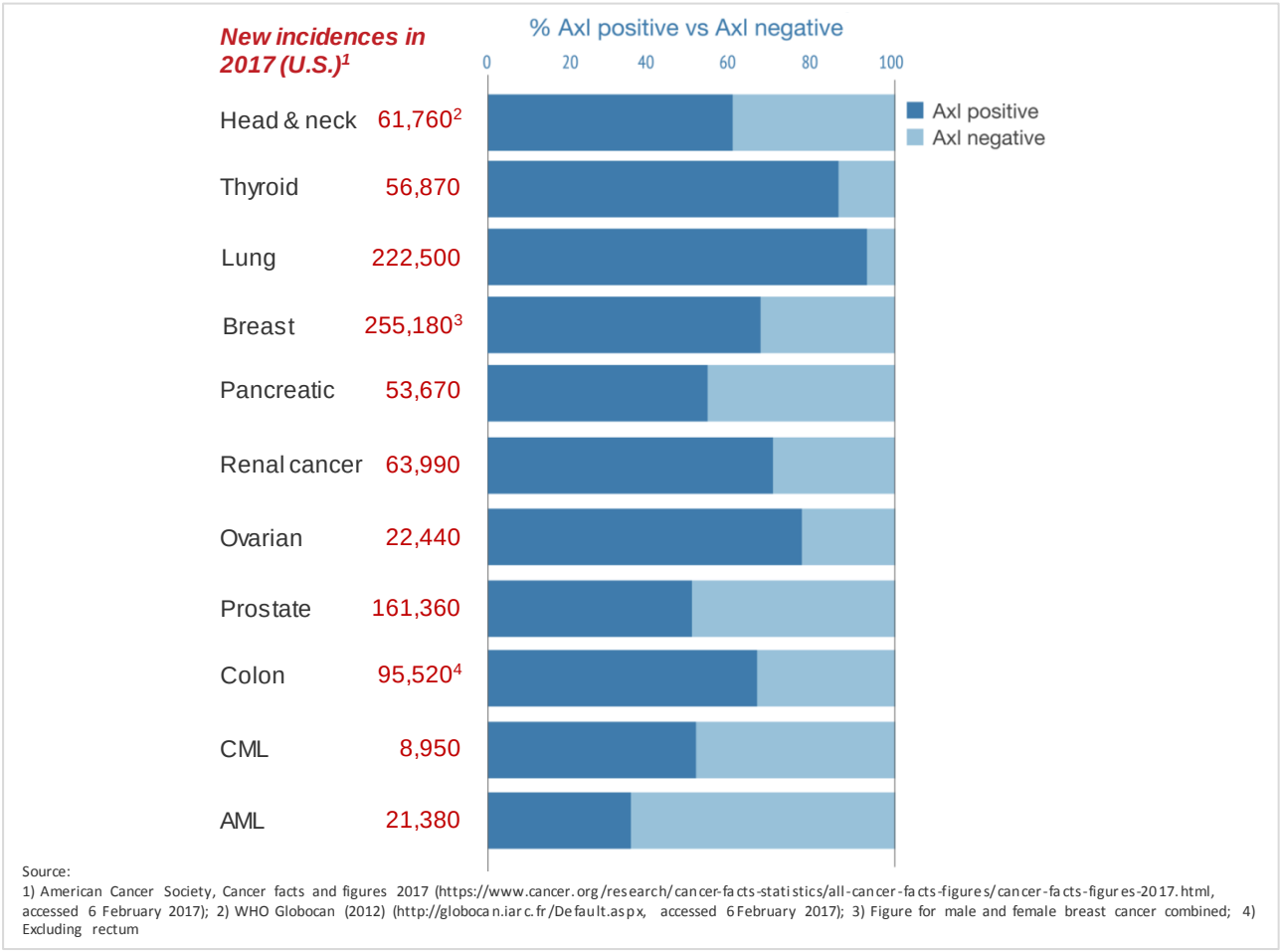
[55] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4586793/, accessed 20 January 2017

[56] Axelrod, H. & Pienta, K., Axl as a mediator of cellular growth and survival, Oncotarget, 2014; 5 (19): 8818-8852

[57] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4259419/, accessed 19 January 2017

7.4.2 Axl expression in different cancers types

The illustration below shows an esitimate (based on published scientific literature) of the share of Axl positive patients among new cancer incidents in the U.S., across various cancer types[58]. As can be seen, Axl is expressed across a wide range of tumours. Thus, a therapy focusing on Axl and its role in EMT has the potential to treat a large patient population, translating into a large potential market for such drugs.



Source:
1) American Cancer Society, Cancer facts and figures 2017 (https://www.cancer.org/research/cancer-facts-statistics/all-cancer-facts-figures/cancer-facts-figures-2017.html, accessed 6 February 2017); 2) WHO Globocan (2012) (http://globocan.iarc.fr/Default.aspx, accessed 6 February 2017); 3) Figure for male and female breast cancer combined; 4) Excluding rectum

As further described in Section 8 "Business of the Company", BerGenBio's asset portfolio comprises, amongst others, the Axl kinase inhibitor BGB324, the anti-Axl monoclonal antibody BGB149 and the antibody drug conjugate BGB601 (licensed to ADCT). While certain other companies are developing inhibitors with some degree of Axl activity, BGB324 is the only selective Axl inhibitor currently in clinical development. Similarly, BGB149 is the furthest progressed cold monoclonal antibody targeting Axl, potentially entering clinical development in 2018. With regards to BGB601, the competitive situation is also favourable, with relatively few similar compounds and only one competitor potentially being able to enter clinical development on or about the same time as BerGenBio's candidate licensed to ADCT (which is indicatively expected in Q1 2019)[59].

7.5 Key indications for BerGenBio

As previously mentioned, Axl is expressed across a wide range of cancers. In their current clinical development programme, the studies controlled by BerGenBio will be run in acute myeloid leukaemia (AML) and myelodysplastic syndrome (MDS), non-small cell lung cancer (NSCLC) and triple negative breast cancer (TNBC). Therefore, these cancer types will be the focus of this sub-section.

[58] SEER Program – National Cancer Institute (National Institute of Health), Cancer Biology & Therapy, 2010; 10 (10) (Head and neck cancer), Thyroid, 1999; 9 (6): 563-567 (Thyroid cancer), Oncogene, 2013; 32: 3420-3431 (Lung cancer), Annals of Oncology, 2001; 12: 819-824 (Breast cancer), Cancer Biology & Therapy, 2009; 8 (7): 618-626 (Pancreatic cancer), Neoplasia, 2012; 14: 535–546 (Renal cancer), Cancer Res, 2010: 70-7570 (Ovarian cancer), Oncogene, 2013; 32(6): 689–698 (Prostate cancer), Clin Cancer Res, 2014: 20-164 (Colon cancer), Blood, 1994; 84 (6): 1931-1941 (CML), Leukaemia. 1999 Impact Factor: 9.38 (AML)

[59] Competitive analysis done by the Company's management

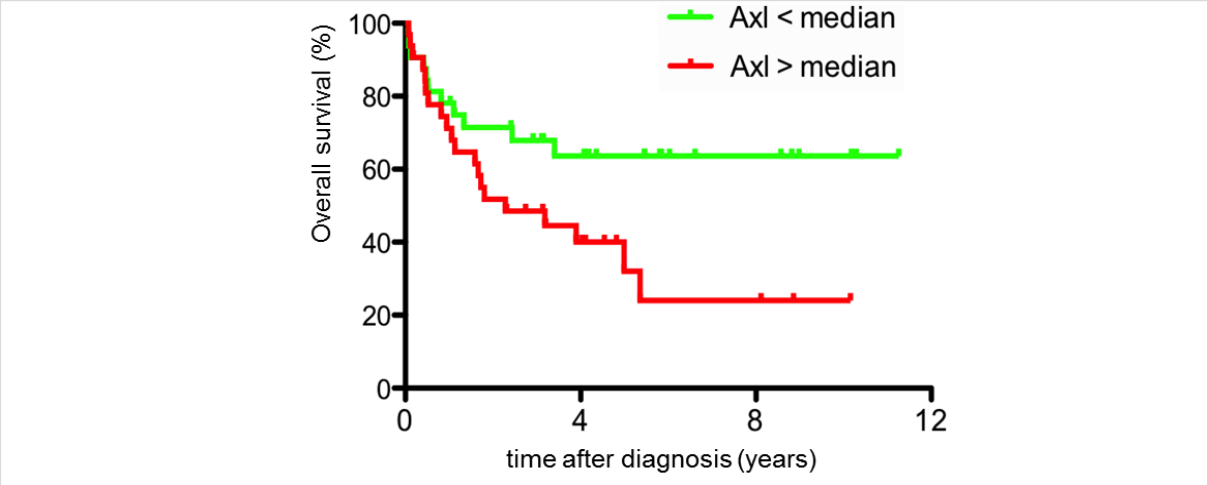
7.5.1 AML and MDS

AML is a type of cancer that affects the bone marrow and blood. According to the Cleveland Clinic, AML is the most common acute leukaemia type in adults. It is named "acute", rather than "chronic", as this type of cancer progresses relatively rapidly[60]. AML affects the myeloid stem cells, which come from blood stem cells (immature cells) in the bone-marrow. Normal myeloid stem cells turn into one of three types of mature cells; red blood cells that carry oxygen and other substances to all tissues of the body; white blood cells that fight infection and disease; or platelets that form blood clots to stop bleeding. In AML the myeloid stem cell becomes a type of immature and abnormal white or red blood cell or platelet. The abnormal cells build up in the bone marrow and blood so there is less room for healthy cells. This in turn can cause infection, anaemia and easy bleeding. The leukaemia cells can spread outside the blood to other parts of the body like the central nervous system, skin and gums[61].

The probability of getting AML increases with age, and the disease is most frequently diagnosed among people aged 65 to 84. The median age for being diagnosed with AML is 67 years old. National Cancer Institute estimates that in the U.S. in 2017 there will be an estimated 21,380 cases of AML and that 10,590 will die of this disease[62]. In the EU, more than 15,000 patients die of AML each year[63]. By 2035, the number of new cases is forecasted to reach 48,910 per year combined for the U.S., Japan, and the five major EU markets (France, Germany, Italy, Spain and the UK, defined as the "**EU5**"), emphasizing the high need for new treatments within this indication[64].

The outcome of treatment for patients with AML has changed little during the last decade, with the majority of affected adults succumbing to their disease despite the use of intensive chemotherapy regimens and the availability of haematopoietic stem cell transplantation. Population based studies have reported 3-year survival rates of only 9-10% and 5-year survival rate of 3-8% in patients aged 60 years and older, compared with 5-year survival rates of up to 50% for younger patients[65,66,67].

Axl expression on AML cells is associated with more rapid progression of the disease and poor overall survival in AML patients[68]. This phenomenon is depicted in the figure below:



In the graph above, the percentage survival in the patient population (measured on the vertical axis) is depicted as a function of time (indicated on the horizontal axis). The green line represents patients with Axl levels that are below the median, and the red line shows patients whose tumours have Axl levels above the median. As can be seen from the chart, higher than median Axl expression patients are typically associated with lower overall survival rates than cases

[60] http://www.healthline.com/health/acute-myeloid-leukemia-survival-rates-outlook#Overview1, accessed 20 January 2017
[61] https://www.cancer.gov/types/leukemia/patient/adult-aml-treatment-pdq, accessed 20 January 2017
[62] American Cancer Society, Cancer Facts and Figures 2017, available at https://www.cancer.org/research/cancer-facts-statistics/all-cancer-facts-figures/cancer-facts-figures-2017.html, accessed 20 January 2017
[63] World Health Organisation, Globocan 2012, available at http://globocan.iarc.fr/Default.aspx, accessed 07 Feburary 2017
[64] Datamonitor Healthcare. Data available at the Company, sourced through its advisor Alacrita Consulting
[65] Juliusson, G. et al, Age and acute myeloid leukemia: real world data on decision to treat and outcomes from the Swedish Acute Leukemia Registry, Blood, 2009; 113 (18): 4179-87
[66] Lerch, E. et al, Prognosis of acute myeloid leukemia in the general population: data from southern Switzerland, Tumori, 2009; 95 (3): 303-10
[67] Alibhai, et al., Outcomes and quality of car in acute myeloid leukemia over 40 years, Cancer, 2009; 115 (13): 2903-11
[68] Ben-Batalla, I. et al, Axl, a prognostic and therapeutic target in acute myeloid leukemia mediates paracrine crosstalk of leukemia cells with bone marrow stroma, Blood, 2013; 122 (14): 2443-2452

of lower than median Axl expression. This is because Axl dysfunction is essentially involved in the root cause of the mechanism that causes AML, therefore the more Axl expression the worse the disease and the weaker the treatment results (leading to a lower overall survival rate). In AML, Axl is the molecular driver of the disease in approximately 45% of patients[69], as such the Company sees an opportunity to treat AML patients with its Axl inhibitor as a single agent

MDS on the other hand refers to a range of conditions that can occur when the blood-forming cells in the bone marrow are damaged, leading to problems when making new blood cells. Many of the blood cells formed by the damaged bone marrow cells are defective and die, leaving the patient with a too low number of one or more types of blood cells. In about one-third of patients, MDS can progress into AML. Because the majority of patients do not get AML, MDS was previously classified as a disease of low malignant potential. However, as the medical field has learned more about the severity of the disease, MDS is considered to be a form of cancer[70].

MDS patients are often categorised by their risk level, broken into i) Low risk, ii) Intermediate risk (two levels) and iii) High risk. The "risk" technically refers to the relative probability of the illness either becoming fatal or changing to AML, which is influenced by a range of factors[71].

7.5.1.1 Competitive landscape within AML/MDS

Over the last 20 years there has been little change to the standard treatment for AML, which is typically based on cytarabine chemotherapy with an anthracycline (a class of chemotherapy drugs). Some older patients may not be able to tolerate the standard of care due to its toxicity. For these patients, drugs such as decitabine, azacitidine and clofarabine may be used instead[72]. Although some patients may achieve remission (a leukaemia-free state) following treatment the disease recurs in the majority of patients and there is a clear need for new therapies[73]. BerGenBio will pursue marketing approval to treat patients whose disease has recurred following treatment with either azacitidine or decitabine. Thus, neither of these drugs represents competitive therapies.

There are currently no targeted therapies approved for treatment of AML. Whilst there are several currently under development, there are a number of obstacles standing in the way of widespread adoption of targeted therapy into daily practice, such as high cost and the impracticality of such treatments[74].

As current treatments are inadequate, there is a need for new therapies which extend survival. Within AML, BerGenBio targets to achieve this within a specified subset of patients, characterised by the following traits:

- Previously treated with a hypomethylating agent
- 65 years of age or older
- Positive expression of activated Axl receptor (phosphorylated Axl, "**pAxl**") on tumour cells

With regards to the last criteria, BerGenBio will carefully select patients with the appropriate Axl expression in order to achieve best possible results. For this purpose, the Company will utilise its proprietary biomarker diagnostic tool (please refer to Section 8 "Business of the Company" for further details). As such, the three main criteria for screening the competitive landscape are as follows:

- Does the drug selectively target Axl?
- Does the targeted population comprise previously treated patients?
- Is the patient selection biomarker-based?

Based on these criteria, the following drugs comprise a selected late stage development landscape in AML. Importantly, there are clear opportunities for BGB324 both as monotherapy and a combination therapy, as none of the listed drug candidates has the same profile[75]:

[69] Ben-Betalla, I. et al, Axl, a prognostic and therapeutic target in acute myeloid leukemia mediates paracrine crosstalk of leukemia cells with bone marrow stroma, Blood, 2013:122:2443-2452

[70] https://www.cancer.org/cancer/myelodysplastic-syndrome/about/what-is-mds.html, accessed 7 February 2017

[71] Mesa, R. (MD, Professor of Medicine, Chair Division of Hematology & Medical Oncology), Treating higher risk MDS (presentation available at http://assets.aamds.org/aplastic/files/dms/phoenix_mesa_higherrisk.pdf)

[72] http://www.cancer.net/cancer-types/leukemia-acute-myeloid-aml/treatment-options, accessed 7 February 2017

[73] https://academic.oup.com/annonc/article/27/5/770/2769776/New-drugs-in-acute-myeloid-leukemia

[74] http://www.hematologyandoncology.net/index.php/archives/november-2015-3/moving-toward-targeted-therapies-in-acute-myeloid-leukemia/, accessed 7 February 2017

[75] Biomedtracker. Data available at the company, sourced through its advisor Alacrita Consulting

Selected late stage development landscape in AML				Competing population?		
Drug	**Lead company**	**Drug type**	**Phase**	**Selectively target Axl?**	**R/R patients?**	**Biomarker-based patient selection?**
gilteritinib	astellas	Small molecule	Ph III	No	Yes	Yes (But different kinase)
quizartinib	Daiichi-Sankyo	Small molecule	Ph III	No	Yes	Yes (But different kinase)
enasidenib	Celgene	Small molecule	Ph III	No	Yes	Yes (But different gene)
idasanutlin	Roche	Small molecule	Ph III	No	Yes	
crenolanib	arog	Small molecule	Ph III	No	Yes	Yes (But different kinase)
vadastuximab talirine	SeattleGenetics	ADC[1]	Ph III	No	No	No
guadecitabine	astex pharmaceuticals	Small molecule	Ph III	No	No	No
oral azacitidine	Celgene	Small molecule	Ph III	No	No	No
Vyxeos	Jazz Pharmaceuticals	Small molecule	NDA	No	No	No
midostaurin	NOVARTIS	Small molecule	NDA	No	No	No

Note: 1) ADC = Antibody drug conjugate

In MDS, treatment typically includes supportive therapy, including transfusions, and may include bone marrow stimulation, hypomethylating agents and cytotoxic chemotherapy[76]. Existing therapies are particularly inadequate in patients with high risk MDS, who have a median survival of five months[77].
Within MDS, BerGenBio is targeting patients classified as intermediate and high risk. Based on this criterion, the following drugs comprise a selected late stage development landscape in MDS. As none of the drug candidates in the landscape has the same profile as BGB324, there are clear market opportunities for BerGenBio's lead compound[78]:

Selected late stage development landscape in MDS				Competing population?	
Drug	**Lead company**	**Drug type**	**Phase**	**Selectively target Axl?**	**High risk MDS?**
Rigosertib	ONCONOVA THERAPEUTICS	Small molecule	Phase III	No	Yes
Imetelstat	geron	Oligo-nucleotide	Phase III	No	No
Galunisertib	Lilly	Small molecule	Phase III	No	Yes

7.5.1.2 Indicative market opportunities in AML/MDS

As described in the previous paragraph, BerGenBio has clearly defined criteria defining the relevant patient population within AML. With basis in figures from Datamonitor Healthcare, the prevalence of patients satisfying these criteria can be estimated to be as follows:

Country / Region:	Patient population satisfying first three criteria	Positive pAxl expression	Target patient population
US	3,858	45%[1]	**1,732**
Japan	1,546	45%[1]	**696**
EU5	2,998	45%[1]	**1,349**

Source: 1) Ben-Betalla, I. et al, Axl, a prognostic and therapeutic target in acute myeloid leukemia mediates paracrine crosstalk of leukemia cells with bone marrow stroma, Blood, 2013: 122: 2443-2452

[76] http://emedicine.medscape.com/article/207347-overview, accessed 7 Feburary 2017
[77] https://www.cancer.org/cancer/myelodysplastic-syndrome/detection-diagnosis-staging/survival.html, accessed 10 March 2017
[78] Biomedtracker. Data available at the company, sourced through its advisor Alacrita Consulting

In the table on the previous page, the second column indicates the number of patients in the respective region that have relapsed or refractory disease, are 60 years of age or older and are actively receiving treatment. The target patient population is then determined by multiplying these figures by 45%, which is the estimated share of patients with upregulated pAxl expression.

By making assumptions about a potential sales price, one can estimate an indicative monetary market opportunity for BGB324 in AML. For reference, treatment with Gleevec, a drug marketed by Novartis for treatment of chronic myeloid leukaemia, costs USD 230,000 per patient per year in the U.S.[79]. Further, literature suggests it is fair to assume an average price in Japan and EU5 equal to 50% of the price in the U.S.[80]. Applying these reference prices to the relevant patient populations as listed above, the indicative market in these regions is in the range of USD 635m yearly.
In MDS, the relevant patient population for BerGenBio are patients with the following traits:

- High risk MDS
- Positive pAxl expression

Prevalence data in MDS is difficult to obtain, and available figures are often considered to be underestimates[81]. The table below estimates the relevant target patient population for BerGenBio, based on figures from 2011:

Country / Region:	Population	High risk	Positive pAxl expression	Target patient population
US	60,000	23%[2]	45%[3]	**6,210**
Japan	n.a.[1]	23%[2]	45%[3]	**n.a.**
EU5	60,000	23%[2]	45%[3]	**6,210**

Note: 1) Prevalence not easily available in Japan
Source; 2) IWG 2012 data, http://www.dacogen.com/MDS-Incidence-and-Prevalence.aspx, accessed 7 February 2017; 3) [BerGenBio]

The relevant target patient population is estimated through two steps. First, the total population of MDS patients is multiplied with 23%, which is the estimated proportion of patients with high risk MDS. The prevailing high risk MDS population is then narrowed further by only including patients with the appropriate expression of Axl. This is done by multiplying with 45%, which is the estimated share of patients with upregulated pAxl expression. This exercise yields an estimated relevant population of 6,210 both in the U.S. and EU5 respectively. Revlimid, a drug currently marketed for treatment of MDS patients in the U.S., costs USD 240,000 per patient per year[82]. Using this as an indicative reference price and again assuming 50% of the price in EU as compared to the U.S., the market opportunity in MDS is estimated to USD 2.2bn annually.

7.5.2 Non-small cell lung cancer (NSCLC)

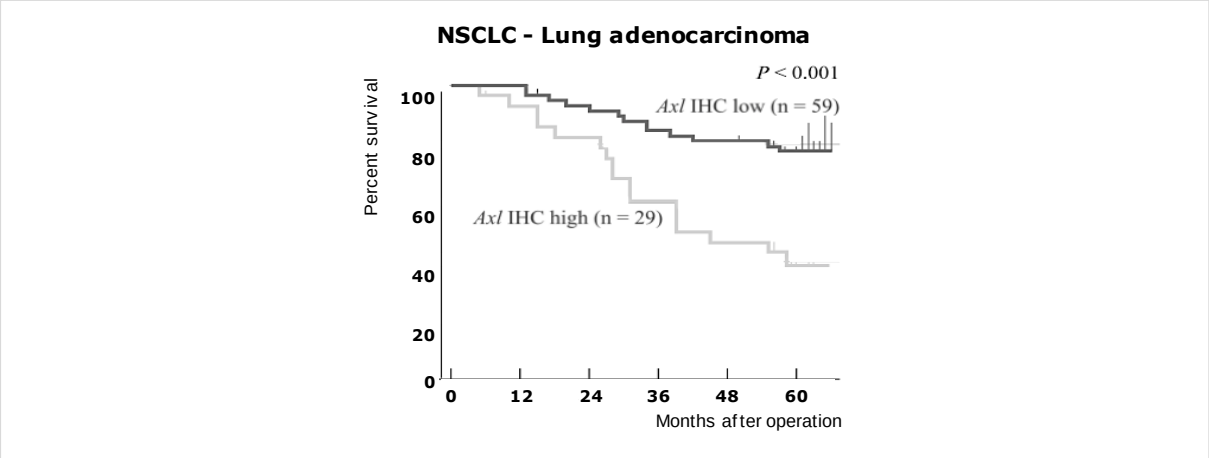
NSCLC is one of the two main types of lung cancer, the other being small cell lung cancer. Cells from the cancer may break away from the original tumour and spread (metastasise) to other parts of the body. Lung cancer has often spread beyond the primary tumour prior to appearance of symptoms or before the tumour can be detected on a chest x-ray. About 80% to 85% of lung cancers are NSCLC, and there are three main subtypes; squamous cell carcinoma, adenocarcinoma and large cell carcinoma[83,84].

Lung cancer is the leading cause of global cancer death. About 1.8 million new cases occur worldwide each year, and in 2012 there were approximately 1.6 million deaths related to lung cancer[85]. The five-year survival rate for lung-cancer is 17.7%, and 26.5% of all cancer deaths are lung and bronchus cancer[86]. Looking to 2035, Datamonitor Healthcare estimates the combined number of new cases for the U.S., Japan, and the EU5 to be 684,750 per year, up 33% from 513,570 in 2015[87].

[79] PriceRx, September 2016 (assumes patient treated for 12 months). Data available at the company, sourced through its advisor Alacrita Consulting
[80] David, F. et al, The Pharmagellan Guide to Biotech Forecasting and Valuation, Pharmagellan 1st edition (January 2017)
[81] Sekeres, M. & Cutler, C., How we treat higher-risk myelodysplastic syndromes, Blood, 2014: 123: 829-836
[82] PriceRx September 2016 (assumes patient treated for 12 months). Data available at the company's advisor Alacrita Consulting
[83] National cancer institute, Non-Small Cell Lung Cancer Treatment – for health professionals, 18 January 2017
[84] http://www.cancer.org/cancer/non-small-cell-lung-cancer/about/what-is-non-small-cell-lung-cancer.html, accessed 20 January 2017
[85] World Health Organisation, Globocan 2012, available at http://globocan.iarc.fr/Default.aspx, accessed 07 Feburary 2017
[86] National cancer institute, SEER, 18 January 2017
[87] Datamonitor Healthcare. Data available at the Company, sourced through its advisor Alacrita Consulting

Surgery is the preferred treatment approach for NSCLC patients with early-stage disease[88]. For patients with advanced NSCLC significant biological heterogeneity exists, with first line treatments including chemotherapy and targeted drug treatments, eg EGFR inhibitors, ALK inhibitors and PD-1 blockade (standard of care drugs for patients with these special diagnostic markers). Individual treatments are selected on an increasing understanding of individual tumour biology. For unresectable disease, the responses to such treatments have proven limited and patients inevitably become resistant. Patients with unresectable NSCLC typically die from their disease[89]. Specific targeted therapies have been developed for the treatment of advanced NSCLC through an increased understanding of tumour biology[90].

Axl expression on NSCLC cells is associated with more rapid progression of the disease and poor overall survival in NSCLC patients[91]. This phenomenon is depicted in the figure below. "Axl IHC" (IHC meaning immunohistochemical) refers to a score given to each patient participating in the study, grading them according to their level of Axl expression. The "n" in parenthesis refers to the number of study participants that fall within the relevant category.



In the graph above, the percentage survival in the patient population (measured on the vertical axis) is depicted as a function of time (indicated on the horizontal axis). The dark grey line represents the patients whose tumours express relatively low levels of Axl, and the light grey line represents patients with tumours expressing relatively higher levels of Axl. From the chart above, there is a trend that NSCLC patients with high of Axl expression experience lower percent survival than patients with lower levels of Axl.

7.5.2.1 Competitive landscape within NSCLC

Traditionally treated with indiscriminate cytotoxic agents[92], the treatment options for late stage NSCLC patients have increased dramatically as the biology of the disease has become better understood. Two specific groups have been identified where tumours are driven by individual genetic abnormalities. The most established of these abnormalities is NSCLC arising as a consequence of an activating mutation of the EGFR (a receptor on the surface of the cell)[93], and the second type is cancer occurring through abnormal signalling of a kinase called ALK[94]. There are therapies targeting EGFR which are approved in the major markets, one of which is erlotinib. BerGenBio is conducting trials in combination with erlotinib, and as such this drug is not a direct competitor to BGB324.

For advanced non-squamous NSCLC (a type of NSCLC targeted by BerGenBio), platinum-based chemotherapy is the most common first line therapy, and when patients progress docetaxel provides an effective alternative[95]. BGB324 is being studied in an investigator-initiated clinical trial in combination with docetaxel.

Several CPIs have been approved to treat NSCLC and are rapidly gaining market share[96]. There is currently strong competition within this area among large pharma companies (MSD with pembrolizumab, Bristol-Myers Squibb with

[88] http://www.cancer.org/cancer/non-small-cell-lung-cancer/treating/by-stage.html, accessed 20 January 2017
[89] http://www.cancer.org/cancer/non-small-cell-lung-cancer/treating/by-stage.html, accessed 20 January 2017
[90] http://www.cancer.org/cancer/non-small-cell-lung-cancer/treating/targeted-therapies.html, accessed 20 January 2017
[91] Lung adenocarcinoma (NSCLC): Ishikawa, M., Annals of Surgical Oncology, 2012; 20 (Suppl 3): 467-476
[92] Schiller, J., Current standards of care in small-cell and non-small cell lung cancer, Oncology, 2011: 61 (1): 3-13
[93] Riely, G. & Yu, H., EGFR: The Paradigm of an Oncogene-Driven Lung Cancer, Clinical Cancer Research, 2015: 21 (10): 2221-2226
[94] Morán, T. et al, Targeting EML4-ALK driven non-small cell lung cancer, Translational Lung Cancer Research, 2013: 2 (2): 128-141
[95] Fosella, F., Docetaxel for Previously Treated Non-Small Cell Lung Cancer, Oncology, 2002: 16 (6): 45-51
[96] http://www.cancerresearch.org/cancer-immunotherapy/impacting-all-cancers/lung-cancer, accessed 7 February 2007

nivolumab, Roche with atezolizumab), with numerous late stage trials underway, which is expected to further influence the future standard of care in NSCLC. As previously mentioned, combination treatments involving CPIs together with other agents is an area currently getting great attention. BerGenBio has agreed to conduct a clinical trial in collaboration with MSD, combining BGB324 with pembrolizumab in second line advanced adenocarcinoma of the lung, in patients who have been previously treated with a platinum-based chemotherapy. As such, the CPIs do not necessarily represent direct competition for the Company, but conversely represent a significant opportunity.

Based on BerGenBio's targeted patient population in NSCLC, there are particularly three criteria which are important when screening the competitive landscape:

- Does the drug target Axl?
- Does the targeted population comprise patients with EGFR mutations (relevant for the combination study with erlotinib)?
- Is the drug being studied in a combination with a CPI targeting the PD-1 receptor (relevant for the combination study with pembrolizumab)?

Based on these criteria, the below table comprise a selected late stage development landscape in NSCLC. As can be seen, none of the listed drug candidates target Axl and none are directly competing on the two other criteria, indicating clear opportunities for BGB324[97]:

Selected late stage developmentlandscape in NSCLC				Competing population?		
Drug	**Lead company**	**Drug type**	**Ph**	**Selectively target Axl?**	**EGFR positive?**	**Phase III combination with CPI[1] targeting PD-1?**
ASP8273	Astellas	Small molecule	Ph III	No	Yes (Competing with erlotinib, not in combination trial)	No
dacomitinib	Pfizer	Small molecule	Ph III[2]	No	Yes (Competing with erlotinib, not in combination trial)	No
Tecentriq	Roche	MAB[1]	BLA	No	Not directly competitive[2]	No
avelumab	Merck	MAB[1]	Ph III	No	Not directly competitive[2]	Also developed by Merck. Not directly competitive
veliparib	abbvie	Small molecule	Ph III	No	Not directly competitive	No
napabucasin	Dainippon Sumitomo Pharma	Small Molecule	Ph III	No	Not directly competitive	No
brigatinib	ARIAD	Small molecule	NDA	No	No	No
ensartinib	Xcovery	Small molecule	Ph III	No	No	No
abemaciclib	Lilly	Small molecule	Ph III	No	No	No
durvalumab	AstraZeneca	MAB[1]	Ph III	No	No	No
Plinabulin	BeyondSpring	Small molecule	Ph III	No	No	No

Note: 1) MAB = Monoclonal antibody; 2) Immune checkpoint inhibitors

7.5.2.2 Indicative market opportunities in NSCLC

As described in the previous paragraph and further elaborated in Section 8 "Business of the Company", BerGenBio is contemplating to run two studies in NSCLC. In the combination study with erlotinib, the Company is targeting patients with the following traits:

- EGFR mutation driven NSCLC
- Advanced unresectable tumours
- First line treatment or maintenance therapy

[97] Datamonitor Healthcare, Biomedtracker, Medtrack. Data available at the Company, sourced through its advisor Alacrita Consulting

According to Datamonitor Healthcare, the prevalence of patients satisfying these criteria in the U.S., Japan and EU5 respectively is as follows[98]:

Country / Region:	Target patient population:
US	**13,883**
Japan	**10,624**
EU5	**16,039**

For this study, the most relevant price benchmark is deemed to be that of Tagrisso, which costs USD 200,000 per patient per year[99]. Applying this reference price (50% of the U.S. price in Japan and EU5) to the populations stated in the table above, the estimated market opportunity in EGFR positive NSCLC comes to approximately USD 5.4bn annually.

In the second NSCLC study, BGB324 is being tested as second line treatment for adenocarcinoma of the lung in combination with Keytruda™. The inclusion criteria for this study are:

- Unresectable NSCLC
- Previous treatment with platinum chemotherapy
- No evidence of an activating EGFR mutation
- No gene rearrangements of ALK

With basis in figures from Datamonitor Healthcare, the prevalence of patients satisfying these criteria can be estimated [100]:

Country / Region:	Patient population satisfying first four criteria	Assumed share with PD-L1 >50%	Target patient population
US	3,858	30%[1]	**3,320**
Japan	1,546	30%[1]	**3,238**
EU5	2,998	30%[1]	**7,507**

Source: 1) https://www.keytruda.com/hcp/nsclc/efficacy-first-line-treatment/, accessed 7 February 2017

In the table above, the second column indicates the number of patients in the respective region that satisfies the first four criteria. The relevant target patient population is then estimated by multiplying these figures by 30%, which is the estimated share of patients with PD-L1 expression > 50% based on results from a previous clinical study with Keytruda™[101]. Doing this yields a relevant patient population totalling 14,064 patients.

The cost of treatment with Opdivo, a cancer medicine approved for treatment in NSCLC, is USD 185,000 per year according to PriceRx[102]. By assuming this as a reference price in the U.S., and assuming 50% discount to the U.S. price in Japan and EU5[103], an indicative market potential across these three markets in this population comes to approximately USD 1.6bn annually.

7.5.3 Triple Negative Breast Cancer (TNBC)

TNBC is considered the most aggressive type of breast cancer and associated with a shorter median time to relapse, including an increased risk of spread beyond the breast, and death. TNBC is generally diagnosed based upon the lack of three receptors known to fuel most breast cancers: estrogen receptors, progesterone receptors and human epidermal growth factor receptor 2 (HER2) overexpression. Unfortunately, the most successful treatments for breast cancer target

[98] Datamonitor Healthcare (Non-Small Cell Lung Cancer Epidemiology Forecasts). Data available at the Company, sourced through its advisor Alacrita Consulting

[99] PriceRx September 2016 (assumes patient treated for 12 months). Data available at the company, sourced through its advisor Alacrita Consulting

[100] Datamonitor Healthcare (Non-Small Cell Lung Cancer Epidemiology Forecasts). Data available at the company, sourced through its advisor Alacrita Consulting

[101] https://www.keytruda.com/hcp/nsclc/efficacy-first-line-treatment/, accessed 7 February 2017

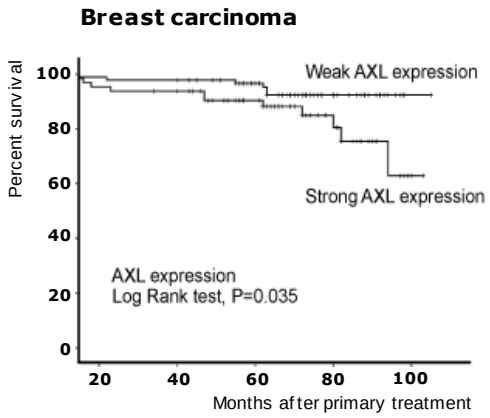
[102] PriceRx September 2016 (assumes patient treated for 12 months). Data available at the company, sourced through its advisor Alacrita Consulting

[103] David, F. et al, The Pharmagellan Guide to Biotech Forecasting and Valuation, Pharmagellan 1st edition (January 2017)

these receptors, which are not found in women with TNBC[104]. On a positive note, this type of breast cancer is typically responsive to chemotherapies. Present treatments are restricted to cytotoxic chemotherapy and radiotherapy, although several targeted therapeutics are in clinical development[105].

Currently, about 15-20% of breast cancers are found to be triple-negative[106]. The five-year survival rate for a Stage III TNBC patient is 72%, but drops sharply to 22% for patients with metastases[107]. Datamonitor Healthcare estimates the number of new cases across the U.S. and the EU5 in 2015 to a total of 63,550, and expects this figure to grow to 76,145 by 2035[108].

Similarly to AML and NSCLC, Axl expression on breast cancer cells is associated with more rapid progression of the disease and poor overall survival. This has been shown in a study in a population of breast carcinoma patients[109]. This phenomenon is depicted in the figure below:



Source: Gjerdum, C. et al, Axl is an essential epithelial-to-mesenchymal transition-induced regulator of breast cancer metastasis and patient survival, PNAS, 2010; 107 (3), 1124-1129

In the figure above, the percentage survival in the patient population (measured on the vertical axis) is depicted as a function of time (indicated on the horizontal axis). The line on top represents patients that have relatively weak Axl tumour expression, and the line below represents patients with relatively stronger Axl tumour expression. As can be seen, there is a trend that patients with relatively strong levels of Axl experience a lower percent survival than patients with relatively weaker levels of Axl.

7.5.3.1 Competitive landscape within TNBC

Traditionally, chemotherapy together with surgery and radiotherapy has been the mainstay of systemic treatments of TNBC. Despite initial responses to chemotherapy, resistance frequently and rapidly develops, and metastatic TNBC patients have a poor prognosis[110]. Metastatic breast cancers in general have 5 year relative survival rates as low as 22%, and TNBC is proven to be among the most aggressive types of breast cancers[111]. New targeted approaches are, therefore, urgently needed.

Unlike certain other breast cancer subtypes, targeted agents specifically aimed at triple negative breast tumours are not yet available. This is because TNBC cells by definition test negatively for estrogen receptors, progesterone receptors and HER2 (making them triple-negative) which drive other forms of the disease. Because TNBC lacks these known primary

[104] https://tnbcfoundation.org/understanding-triple-negative-breast-cancer/, accessed 10 February 2017
[105] Breastcancer.org, Research on New Treatment for Triple Negative Breast Cancer, 18 January 2017
[106] http://www.healthline.com/health/triple-negative-breast-cancer-outlook-survival-rates-stage#Overview1, accessed 20 January 2017
[107] https://www.cancer.org/cancer/breast-cancer/understanding-a-breast-cancer-diagnosis/, accessed 20 January 2017
[108] Datamonitor Healthcare. Data available at the Company, sourced through its advisor Alacrita Consulting
[109] Gjerdum, C. et al, Axl is an essential epithelial-to-mesenchymal transition-induced regulator of breast cancer metastasis and patient survival, PNAS, 2010; 107 (3), 1124-1129
[110] Marmé, F. & Schneeweiss, A., Targeted Therapies in Triple-Negative Breast Cancer, Breast Care, 2015: 10 (3): 159-166
[111] https://www.cancer.org/cancer/breast-cancer/understanding-a-breast-cancer-diagnosis/breast-cancer-survival-rates.html, accessed 7 February 2017

drivers, medical professionals have lacked targets for new treatments, instead largely depending on decade-old techniques[112].

More recently, scientific efforts aimed a dissecting the biology of TNBC have revealed certain promising targeted strategies for future treatments. These include inhibitors of EGFR, PARP (a gene active in the molecular events leading to cell recovery from DNA damage) and immune checkpoints[113]. Compared with other breast cancer subtypes, TNBC has been shown to be more immunogenic, but responses to CPIs have been somewhat disappointing. The increased insights are spurring clinical studies aiming to develop the first generation of targeted therapies for TNBC.

The table below provides a selected development landscape in TNBC deemed most relevant for BGB324. As can be seen, none of these selectively target Axl[114]:

Selected late stage development landscape in TNBC

Drug	Lead company	Drug type	Phase	Selectively target Axl?
glembatumumab vedotin	Celldex therapeutics	MAB-DC[1]	Phase IIb	No
Keytruda	MERCK	MAB[2]	Phase III	No
atezolizumab	Roche	MAB[2]	Phase III	No
Lynparza	AstraZeneca	Small molecule	Phase III	No
niraparib	TESARO	Small molecule	Phase III	No
talazoparib	MEDIVATION	Small molecule	Phase III	No
veliparib	abbvie	Small molecule	Phase III	No
Buparlisib	NOVARTIS	Small molecule	Phase III	No
sacituzumab govitecan	IMMUNOMEDICS, INC.	MAB-DC[1]	Phase II	No
Vinflunine	Pierre Fabre		Phase III	No

Note: 1) MAB-DC = Monoclonal antibody drug conjugate; 2) MAB = Monoclonal antibody

7.5.3.2 Indicative market opportunities in TNBC

In TNBC, BerGenBio targets patients with the following characteristics:

- Metastatic TNBC
- Receiving second line therapy or higher

With basis in figures from Datamonitor Healthcare, the prevalence of patients satisfying these criteria can be estimated as follows[115]:

Country / Region:	Patient population satisfying first two criteria	Assumed share with positive pAxl expression	Target patient population
US	8,852	50%[1]	**4,426**
Japan	2,283	50%[1]	**1,142**
EU5	15,000	50%[1]	**7,500**

Source: 1) Bottai, G. et al, AXL-associated tumor inflammation as a poor prognostic signature in chemotherapy-treated triple-negative breast cancer patients, Nature Partner Journals, 2016, article number 16033

[112] https://www.sciencedaily.com/releases/2016/06/160604050637.htm, accessed 7 February 2017
[113] Carey, A. & Carey, L., Understanding and Treating Triple-Negative Breast Cancer, Oncology, 2008: 22 (11): 1233-1243
[114] Biomedtracker. Data available at the company, sourced through its advisor Alacrita Consulting
[115] Datamonitor Healthcare (Breast Cancer Epidemiology Forecasts). Data available at the company, sourced through its advisor Alacrita Consulting

In the table on the previous page, the second column indicates the number of patients in the respective region that satisfies the two criteria. The relevant target patient population is then estimated by multiplying these figures by 50%, which is the estimated share of TNBC patients with positive pAxl expression (based on results from a previous clinical study)[116]. Doing this yields a relevant patient population totalling 13,068 patients across the markets examined here (split 4,426 in the U.S. and 8,640 in Japan and EU5 combined). For reference, the cost of treatment with Herceptin (currently marketed in breast cancer) is USD 253,000[117] per patient annually in the U.S. Assuming 50% of this price in Japan and EU5, and applying it to the estimated population, the indicative market potential in TNBC is estimated to be approximately USD 2.2bn per year.

7.6 Relevant precedent transactions within oncology

M&A transactions, partnerships and licensing agreements are fairly common in the biotech industry. According to HBM Partners, 2015 represented a record year in worldwide biopharma M&A, with total volume of USD 430bn[118]. Large biotech and pharma companies are actively on the look-out to improve their position and be on top of key trends in the industry. Transactions can be engineered in a number of ways, but typical features include upfront payments, licensing fees, milestone fees and royalty fees. In the recent years there have been several deals in the market deemed relevant for BerGenBio's technologies. A summary of these are included in the table below:

Year	Target company	Candidate	Indication(s)	Highest phase	Acquirer/ Licensor	Deal type	Upfront (USDm)	Max (USDm)
2017	ARIAD	Brigatinib Iclusig	Cancer	Market	Takeda	Acquisition		5,200
2016	GANYMED	CLND 18.2 mAb IMAB362	Gastroesophageal, gastric and pancreatic cancers	Ph II	astellas	Acquisition	460	1,396
2016	kolltan	Anti-KIT, anti-Her3, TAM program	Cancer	Ph Ib	Celldex	Acquisition		233
2016	MEDIVATION	Xtandi, talazoparib, pidilizumab	Prostate cancer, breast cancer, DLBCL	Market	Pfizer	Acquisition		13,631
2016	Hanmi	HM95573	Cancer	Ph I	Genentech	License	80	830
2016	MEI	Pracinostat	AML, MDS	Ph III	HELSINN	License	15	469
2016	Jounce	Multiple IO[1] programmes	Cancer	Pre-clinical	Celgene	License	225	2,561
2016	Celator	Vyxeos	AML	Ph III	Jazz Pharmaceuticals	Acquisition		1,500
2014	Infinity	duvelisib	Blood cancers	Ph III	abbvie	License	275	530

Note: 1) IO = Immuno-oncology
Source: Public press releases

[116] Bottai, G. et al, AXL-associated tumor inflammation as a poor prognostic signature in chemotherapy-treated triple-negative breast cancer patients, Nature Partner Journals, 2016, article number 16033
[117] PriceRx September 2016 (assumes patient treated for 12 months). Data available at the company, sourced through its advisor Alacrita Consulting
[118] http://www.hbmpartners.com/wAssets/docs/industry-reports/HBM-Pharma-Biotech-MA-Report-2016.pdf, accessed 7 February 2017

8 BUSINESS OF THE COMPANY

8.1 Overview

BerGenBio is a clinical stage oncology biotech company developing first-in-class therapeutics against novel drug targets that drive aggressive cancers. The Company has a deep and leading understanding of the role and function of Axl, a drug target of the class receptor tyrosine kinase. Axl is generally accepted as a driver of many of the hallmarks of aggressive cancer and is also an essential mediator of cellular plasticity through the pathway known as EMT (see Section 7.4 "The EMT process and the role of Axl" above). The Company's primary aim, either alone or in collaboration with a partner, is to develop and commercialise its lead product BGB324 through to marketing approval by the regulatory agencies and subsequent commercialisation.

The Company's most advanced anti-cancer drug candidate is BGB324, which is a first-in-class highly selective, orally bioavailable inhibitor of Axl and the only selective Axl inhibitor undergoing clinical trials. BerGenBio is currently sponsoring ongoing clinical trials with BGB324 as a single agent and in combination with standard of care drugs in patients with AML, MDS and NSCLC. In addition, BerGenBio anticipates within H1 2017, the commencement of two additional Phase II clinical trials with BGB324 administered in combination with Keytruda™ in patients with NSCLC and TNBC. The sites for the two clinical trials have been selected, the studies have been set up and all necessary submissions have been made. BerGenBio is also actively working on the development of a companion diagnostics tool to identify patients who may specifically benefit from treatment with BGB324. Initial clinical data has indicated that those patients who have the activated form of Axl are more likely to respond to treatment with BGB324.

BerGenBio has leveraged its leading position in Axl biology to establish international partnerships; (i) with ADCT, a Swiss biotech company, to whom the Company has licensed preclinical Axl antibodies for the development of an antibody-drug conjugate (ADC) and (ii) MSD, a global pharmaceutical company, who will supply its CPI, Keytruda™ for combination clinical studies in patients with lung cancer and TNBC.

BerGenBio's founding research was undertaken at the University of Bergen, and in 2007 the Company was established by Bergen Teknologioverføring AS (the technology transfer office of the UiB, UniResearch AS (the investment holding company of UiB), Prof. James Lorens and Dr. David Micklem. The Company maintains its administrative and research offices in Bergen whilst its clinical development functions are led from its office in Oxford in the United Kingdom. The primary aim of the Company is to complete regulatory trials of BGB324 in a subset of patients with AML/MDS, whilst simultaneously pursuing further clinclal trials to determine the utility of BGB324 in patients with more common cancers such as NSCLC and TNBC.

8.2 Strategy

BerGenBio's strategy is to discover and develop novel medicines to treat aggressive cancers, which represent a significantly high unmet medical need. The Company intends, either alone or in collaboration with a partner, to develop and commercialise its lead product BGB324 through to marketing approval by the regulatory agencies.

The Company aims to develop a pipeline of novel first-in-class drugs that inhibit the mechanisms that drive aggressive cancers. The key focus of the Company is the clinical development of BGB324, a potentially first-in-class, selective, potent and orally bioavailable small molecule Axl kinase inhibitor, which is in clinical development as a novel treatment for a variety of cancers.

The strategy requires that the Company focuses on investigating BGB324 in multiple cancer indications including the ongoing Phase II studies as a single agent in relapsed AML and MDS, in combination with erlotinib (Tarceva) in advanced EGFR-mutation activated NSCLC and soon to start two collaborative Phase II studies with MSD. These will be in patients with advanced NSCLC and TNBC using BGB324 in combination with pembrolizumab (Keytruda™). The strategy also includes efforts to develop biomarkers and companion diagnostics to enrich the patient population in future trials and ultimately to direct treatement choices once BGB324 is an approved medicine.

Cancer has historically been treated with surgery, radiation, chemotherapy, and hormone therapy. Whilst these approaches may be curative if applied in the early stages of the disease treatment, they are largely palliative when started after the disease has spread. The recent increase in understanding of the immune system's role in cancer has led to a rapid increase in the exploration of immune therapies which activate the body's own immune system to destroy cancer cells (immune-oncology therapeutics). This mechanism has become the dominant focus of current anticancer research.

Unfortunately, the majority of cancer patients do not respond to immune-oncology therapeutics, known as immune checkpoint inhibitors (CPIs). The CPIs have been shown to improve treatment outcomes for only 20 – 40% of patients[119]. As a result there is considerable ongoing research worldwide to evaluate if combination with other drugs can enhance the effects of the CPIs.

BerGenBio has focused its research on the Axl receptor tyrosine kinase. Axl correlates with aggressive cancer traits, including profileration, survival and migration of cancer cells. Axl is a key driver of tumour plasticity and heterogeneity, including EMT. High expression of Axl correlates with poor overall survival in most cancers. Furthermore, due to specific properties of mesenchymal tumour cells, the cytotoxic T-lymphocytes ("**CTL**"), the immune system's "warhead", can not properly attach to the mesenchymal tumour and inject their killing enzymes (due to an impaired immune synapse[120]). The activation of CTLs is the key mechanism of CPIs. Inhibition of Axl reverses tumour EMT, thus restoring the ability of the immune system to kill cancer cells.

BerGenBio is a leader in research and understanding of the mechanisms that drive EMT and has identified and validated several novel targets that mediate EMT, the cellular process that makes cancer cells immune-evasive, drug resistant and metastatic. The Company is developing a pipeline of novel first-in-class drugs that inhibit EMT. Inhibiting these targets can prevent EMT, restore immune sensitivity and cancer drug effectiveness. The strategy is to demonstrate clinical proof of concept in Phase II clinical trials followed by registration-directed clinical trials leading to accelerated approval. The Company intends to subsequently, either alone or together with a pharma company, apply for regulatory approval and marketing authorisation, during the course of this strategy the Company and assets may become attractive acquisition or licensing opportunities for major biopharmaceutical companies with existing oncology portfolios. Such deals would typically assign future development costs and commercialisation to the partnering or acquiring company.

Increasingly scientific data and publications confirm that immune evasion, acquired resistance to chemotherapeutics and targeted agents correlate with increased mesenchymal properties (see section 7.4 "The EMT process and the role of Axl") of the tumour cells[121][122]. BerGenBio's drug candidates inhibit the Axl signal and block and reverse EMT, rendering cancer cells less aggressive (meaning: visible and tractable to the immune system), more sensitive to cancer drugs and less metastatic.

Inhibition of Axl signalling offers an exciting new therapeutic opportunity for aggressive, immune-evasive, drug-resistant and metastatic cancers.

Both small molecule and antibody drug candidates are being developed by BerGenBio to inhibit EMT targets and these will be progressed through clinical trials. BGB324, the Company's lead drug candidate is currently in Phase II trials. The Phase II trials are at the date of this Prospectus on target and no delays are expected, although no assurance can be given that no such delays may occur. Typically, if trials are delayed, the main consequences are delayed clinical results and postponed trial expenses.

The Company's strategy is to discover and develop novel medicines to treat aggressive cancers, which represent a significantly high unmet medical need. The Company intends to develop its lead product BGB324, either alone or in collaboration with a pharma company, through to marketing approval in Axl-positive AML and/or MDS, a well-defined cancer patient population in need of new treatment options, and in NSCLC or TNBC.

BGB324 also has the potential to treat a range very wide of other cancer types. The Company is exploring these other cancer indications in smaller investigator sponsored clinical trials, so to better understand the therapeutic potential and develop a broad market potential.

Since the inhibition of Axl prevents and reverses EMT, holding the cancer cells in the epithelial state increases tumour cells sensitivity to cancer drugs and immune responses. This directs the Company's clinical strategy. BGB324 is a highly selective Axl inhibitor and is therefore believed to be well suited to be administered in combination with other cancer treatments. The Company's clinical strategy is to perform a number of clinical trials demonstrating BGB324's application

[119] Jeffrey A. Sosman, Immunotherapy of advanced melanoma with immune checkpoint inhibition (https://www.uptodate.com/contents/immunotherapy-of-advanced-melanoma-with-immune-checkpoint-inhibition), accessed 8 February 2017

[120] Terry et al., Oncoimmunity, 2017

[121] Carl M. Gay, Kavitha Balaji and Averett Byers; Giving AXL the axe: targeting AXL in human malignancy (http://www.nature.com/bjc/journal/vaop/ncurrent/full/bjc2016428a.html), accessd 8 February 2017

[122] Matthew Brown et al.; Gene of the month: Axl (http://jcp.bmj.com/content/69/5/391, accessed 15 February 2017)

as a cancer treatment, both as a single agent and in combination with different classes of cancer drugs, including combinations with chemotherapy, targeted therapy and immunotherapy.

The Company is developing companion diagnostics to help identify cancer patients whose tumours express Axl and are more likely to respond to BGB324. The Company believes this has a number of advantages, including reducing the number of patients required in a registration-directed clinical trial, the potential for accelerated approval, reducing costs and speed of trials, and ultimately precision medicines often attract superior reimbursement rates.

Whilst Axl is recognised as the essential mediator of tumour EMT, there are other molecular mediators/drivers of EMT in certain tumour microenvironments, these are independent of Axl and the Company has active research programs to further understand these opportunities. This is an important element of the Company's strategy, which also includes the continued development of a pipeline of drug candidates. The Company's aim is that BGB324 is just the beginning.

While the research and development strategy is designed in-house in BerGenBio, the Company leverages its network of external contract research organisations ("**CROs**") in order to execute its development strategy. BerGenBio also collaborates with academic institutions to extend the research in areas of interest of the Company. To a large extent this is done by supplying, under strict contractural control, a small quantity of BGB324 or other drug candidates to academic research institutions, giving external, third party research validation. The Company has employed experienced personnel that are skilled in directing work that is perfomed by collaborators and the CROs. This approach to product development is very resource efficient, allows the Company to quickly change directions and permits the rapid adoption of new technologies and expertise when necessary.

The Company intends to maintain its scientific leadership position by continued frequent publication of scienctific papers in journals and by presenting posters at conferrences world-wide. All intellectual property ("**IP**") is protected before any material is released or published by both the Company or collaborators.

8.3 History and important events

The table below provides an overview of key events in the history of the Company:

Year	Event
2007.....	BerGenBio established by Bergen Teknologioverføring AS (the technology transfer office of UiB), UniResearch AS (Investment holding company of UiB), Prof. James Lorens and Dr. David Micklem
2008.....	Richard Godfrey joined as CEO
	Axl target patent filed
	Fee for service contract research business model pursued, with international clients such as Johnson & Johnson, Epizyme, & Compugen
2010.....	Published Axl paper in Proceedings of the National Academy of Sciences (PNAS)
	BGB101 Axl mAb drug candidate developed and IPintellectual property ("**IP**") filed
	Seed funding of NOK 6 million from Sarsia Seed
2011.....	In-license BGB324 from Rigel Inc
	Successful closing of a NOK 54 million private placement
2012.....	BGB002 method patent filed.
	Grant of NOK 11.7 million from the Research council of Norway's User-driven Research based Innovation programme ("**BIA**").
	Drug discovery programme (based on BGB002) initiated
	BGB324 preclinical development started
2013.....	Successful closing of a NOK 37 million private placement
	Start of Phase I clinical trial for the Company's lead product, BGB324
2014.....	Successful completion of private placements of NOK 165 million in total
	Start Phase Ib clinical trial with BGB324 in patients with AML
	BIA grant of NOK 13.3 million
	BerGenBio received orphan drug designation from the FDA for BGB324 treatment of AML
	Out-license 2 antibodies to ADCT for ADC development
	The Wellcome Trust Limited (the "**Wellcome Trust**") granted the Company a convertible loan in the amount of GBP 1.605 million for the BGB002 programme
2015.....	Start Phase Ib clinical trial with BGB324 in NSCLC at 3 sites in U.S., including MD Andersen Cancer Center
	Grant of NOK 12 million from the Research council of Norway's User-driven Research based Innovation programme (BIA)
	International sites opened for AML study in Germany (4 sites) and U.S. (MD Andersen Cancer Center) companion diagnostic co-development collaborations established in Germany, U.S., Norway
2016.....	Successful completion of private placements of NOK 213.5 million in total
	BerGenBio presented promising "*Phase I Clinical & Biomarker Data from first-in-class Axl Inhibitor BGB324 In AML*" at the 58th ASH Annual Meeting & Exposition in San Diego 2016
	Presentation on promising "*BGB324 Phase I/II Monotherapy Data in Patients with Lung Cancer*" at the 28th EORTC-NCI-AACR Molecular Targets and Cancer Therapeutics Symposium Meeting in Munich
	Reported "*First-in-patient Phase 1 Data for BGB324 in patients with Myeloid Malignancies*" at the 2016 American Society of Clinical Oncology (ASCO) Annual Meeting
	Presentation of new breast cancer research highlighting BGB324 in overcoming immunotheroapy resistance at the San Antonio Breast Cancer Symposium 2016
2017.....	Entry into of two clinical collaboration agreements with MSD
	BIA grant of NOK 15.7 million confirmed, but as of the date of this Prospectus not signed as final terms and conditions are being negotiated
	IFU grant from Innovasjon Norge of NOK 24 million related to the clinical trial in combination with Keytruda™ in NSCLC offered, but as of the date of this Prospectus not signed as final terms and conditions are being negotiated.

8.4 Competitive strengths

The Company believes it has a number of competitive strengths that enable it to successfully execute its strategy.

- **Scientific leadership and expertise in Axl kinase biology and EMT**: BerGenBio has gained a deep and leading scientific expertise and knowledge of Axl and EMT biology through many years of internal R&D. Professor James Lorens, the Company's CSO is a highly regarded academic researcher and has published widely on Axl, EMT and cancer. BerGenBio has built a broad international network of academic and clinical collaborators and key opinion leaders in the field to further augment its understanding of Axl biology, its role in aggressive cancers and it potential as a novel target for cancer drug discovery. BGB324 is recognised as the most advanced and selective Axl inhibitor and it has been the subject of many publications by academic researchers studying the Axl target.

- **Clear strategic vision**: BerGenBio's strategy is to discover and develop novel medicines to treat aggressive cancers, which represent a significant, high unmet medical need. The Company intends, either alone or in collaboration with a partner, to develop and commercialise its lead product BGB324 through to marketing approval by the regulatory agencies. Furthermore, it is developing companion diagnostics to identify the cancer patient populations that can be expected to benefit most from treatment with its Axl inhibitor, BGB324. The ability to select the most appropriate patients for therapy is expected to facilitate breakthrough designation for BGB324 and accelerate its path to approval by the regulators.

- **First-in-class selective drugs**: BGB324 is a first-in-class, orally available, small molecule Axl inhibitor and the most selective Axl inhibitor in clinical development today. The Company is not aware of any Axl inhibitor drug candidate at any stage of development that is as selective for Axl as BGB324. BerGenBio believes selective inhibition of Axl is essential for future success in order to allow for treatment of cancers in combination with other cancer drugs. Selectivity will be essential in combination settings in order to reduce the risk of overlapping toxicities when cancer treatments are used together.

- **Compelling clinical data for BGB324**: Clinical data presented in December 2016 from two Company sponsored studies, one in AML/MDS patients[123] and one in NSCLC patients[124], showed compelling data in an end-stage patient population having already failed many previous lines of therapy. Indeed, several patients showed clinical benefit from taking BGB324 for more than 1 year, and some patients still remain on these trials. Furthermore, a very strong correlation was observed in patients who responded to BGB324 and their Axl status, as determined by the Company's diagnostic tools, giving confidence to pursue the Company's personalised medicine strategy.

- **MSD clinical collaboration**: BerGenBio has entered into a clinical collaboration agreement with MSD for two clinical trials in combination with MSD's anti PD-1 agent Keytruda™. Keytruda™ is one of a small number of CPIs that have been approved to treat certain cancers. The collaboration with MSD is valuable to BerGenBio as it (i) validates the role of Axl as a novel drug target, (ii) validates BGB324 as a robust and potentially high value drug candidate, (iii) represents a substantial financial contribution through the provision of Keytruda™ (otherwise a major cost, typically USD 150,000 per patient per year), (iv) includes a provision of scientific input to the trials protocol designs by MSD, (v) provides trial oversight through participation in the joint steering committee and (vi) biomarker analysis that BerGenBio will have access to at no cost.

- **Low cost of goods (COG) of BGB324**: BGB324 is a simple stable small molecule that is administered orally. Small molecules are well established as a drug class, accounting for 90%[125] of the global pharmaceutical market and five out of the top selling drugs. BGB324 is easily synthesised and manufactured and supplied in simple packaging with a three-year expiry date. This contrasts with complex biologicals, such as monoclonal antibodies, ADCs, etc, which typically cost twenty times as much to produce, have a short shelf life and are given via injection. BGB324 is administered as a low dose, one-a day pill, that patients take at home, not requiring an expensive in-patient adminstration at a hospital as with complex biological. The low COG gives BerGenBio room to manoeuver around possible future pricing pressure. Expensive medicines, driven by complex new technologies are a global issue facing the biopharmaceutical industry and providers of healthcare, such as insurance companies or governmental payers.

[123] Loges S et al. Blood. Vol 128 (Dec 2016), available at http://www.bloodjournal.org/content/128/22/592?sso-checked=true, accessed 21 March 2017

[124] Byers L et al. European Journal of Cancer. Vol 68, Suppl 1 (Dec 2016), available at http://www.ecco-org.eu/ENA2016 under "Abstract Book", accessed 21 March 2017

[125] http://www.xconomy.com/boston/2015/11/23/small-molecules-the-silent-majority-of-pharmaceutical-pipelines#, accessed 20 March 2017

- **Pipeline of first-in-class drugs**: Behind BGB324, BerGenBio is developing other first-in-class highly selective Axl inhibitors for the treatment of cancers: BGB149 is an anti-Axl monoclonal antibody; and BGB601 is an anti-Axl antibody drug conjugate (ADC) out-licensed for development. The Company also has a pipeline of research-stage drug candidates in pre-clinical development.

- **Development of companion diagnostics**: BerGenBio is pursuing a precision medicine approach with its parallel development of companion diagnostics for selection of patients with high Axl expression, who will most likely benefit from BGB324 treatment. Precision medicine means providing the right medicine to the right patients at the right time. This will offer clear safety and efficacy benefits to the patients and cost effectiveness for provider of healthcare, such as insurance companies or governmental payers.

- **Ongoing clinical collaborations with leading institutions globally**: The Company is currently working with highly regarded oncologists and conducting clinical trials at top U.S. and European cancer centers. The quality of the collaborators that BerGenBio is working with reflects the interest from the global medical community in Axl inhibition and the benefits that drugs targeting Axl could provide to patients with cancer.

- **A strong shareholder base**: The Company has a strong shareholder base including highly recognised leading Norwegian life-sciences investors and reputable institutions with significant assets under management.

- **Portfolio of patents**: BerGenBio has a portfolio of patents granted and pending covering the Company's product portfolio. The Company is diligent in protecting all of the IP it develops which it believes will provide protection to significant elements of its business. This includes technologies, discoveries, inventions, data and methods. Protection of proprietary rights includes seeking and maintaining patent protection intended to cover the composition of matter and use for the Company's drug candidates and back up series. IPR (patents) are filed and prosecuted and maintained worldwide (including all major pharmaceutical markets).

- **BerGenBio has a strong and experienced management team**: The Company has a strong executive management team with extensive expertise in drug discovery, development and commercialisation of new oncology drugs. The team has significant international experience, from top tier big pharma/biotech, including Eli Lilly, Daichi, Vertex, Reckitt Benckiser, Rigel and Roche. The team is located in Bergen (Norway) and Oxford (UK).

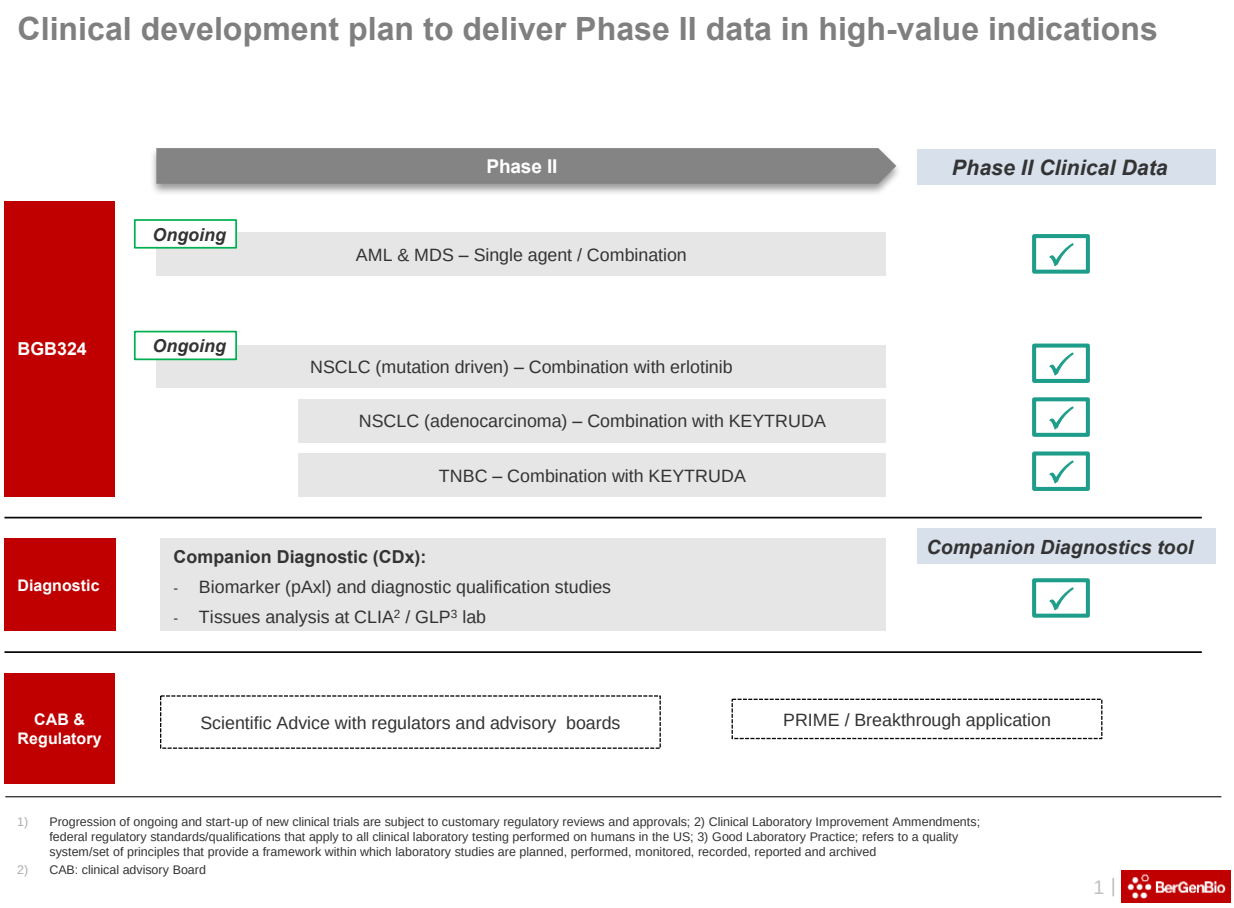
8.5 Overview of the Company's business areas

8.5.1 Clinical work

8.5.1.1 BerGenBio sponsored clinical trials with **BGB324**

BGB324 is an orally available selective small molecule inhibitor of the Axl tyrosine kinase. The clinical formulation has good oral bio-availability and pharmaceutical properties that allows it to be administered once a day as an oral capsule which can be taken at home.

Figure: BGB324 clinical development overview



Phase I – Healthy volunteer clinical trial

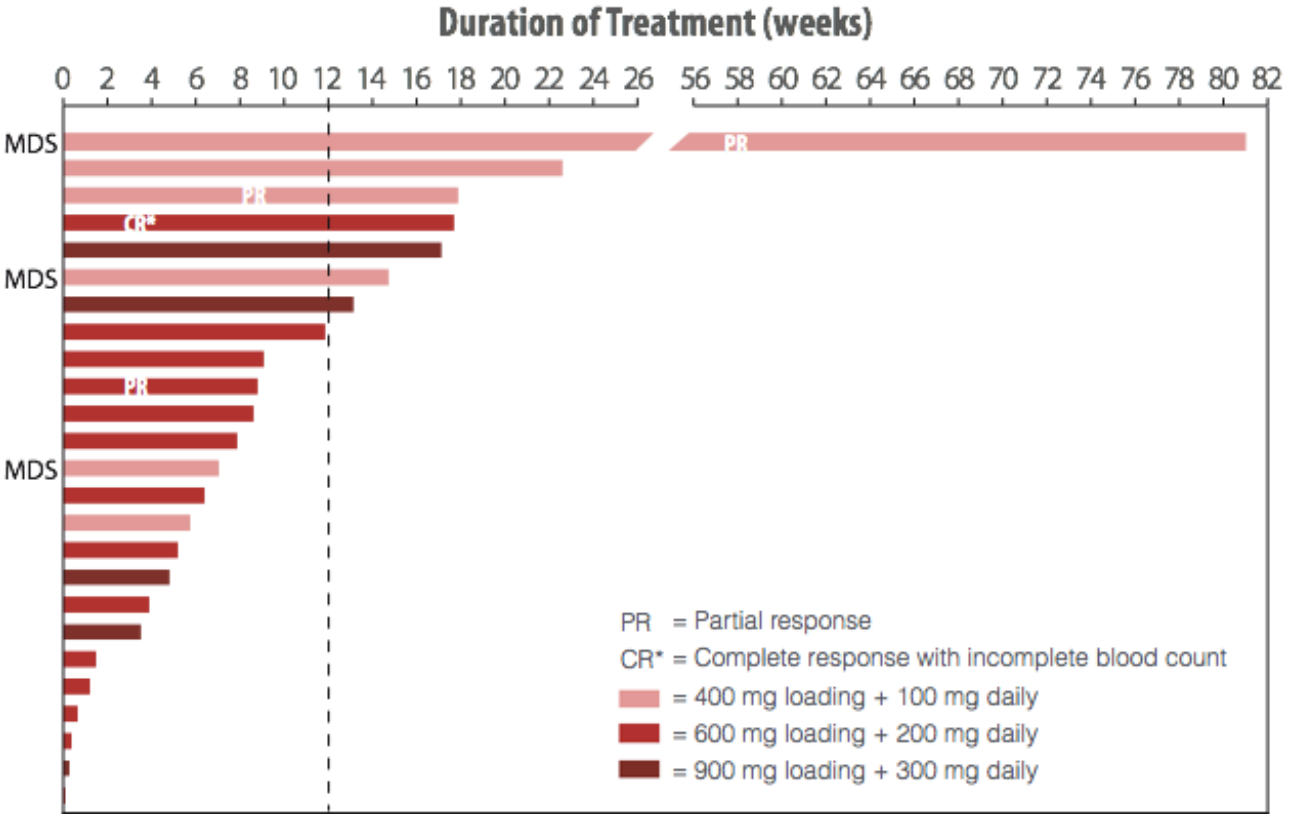
BerGenBio has completed one dose escalation study with BGB324 in healthy volunteers. This is rather unusual for a cancer drug. The strategy was approved by regulators because BGB324 is highly selective for Axl, Axl has no known function in healthy tissue and BGB324 preclincal toxicology studies suggested it would be safe. The healthy volunteer study (BGBC001) involved 36 subjects who received individual doses of BGB324 ranging from 50 mg to 1.5 g. In general drug administration was well tolerated; although gastrointestinal toxicity, particularly diarrhea became evident at higher dose levels, but was manageable. Systemic exposure to BGB324 increased linearly with administered dose and individual subject profiles confirmed animal observations that BGB324 has a long terminal elimination half life. Pharmacokinetic profiling indicated that an initial loading dose followed by a much smaller daily dose would rapidly achieve and maintain steady state concentrations in the blood stream.

Phase Ib/II clinical trial in AML/MDS (BGBC003)

An ongoing Phase Ib/II clinical trial (trial transition from phase Ib to II without any hard stop) in AML and high risk MDS is due to complete in 2018. BGBC003 is recruiting relapsed and refractory elderly patients with AML or high risk MDS in U.S., Norway and Germany. The study is assessing the overall response to therapy and safety in these patient groups. Patients treated on the study are elderly and very sick, the age of 51-85 years, with the median of 74 years. The number of treatments prior to joining the study was between zero and six treatments, with the median being two prior treatments.

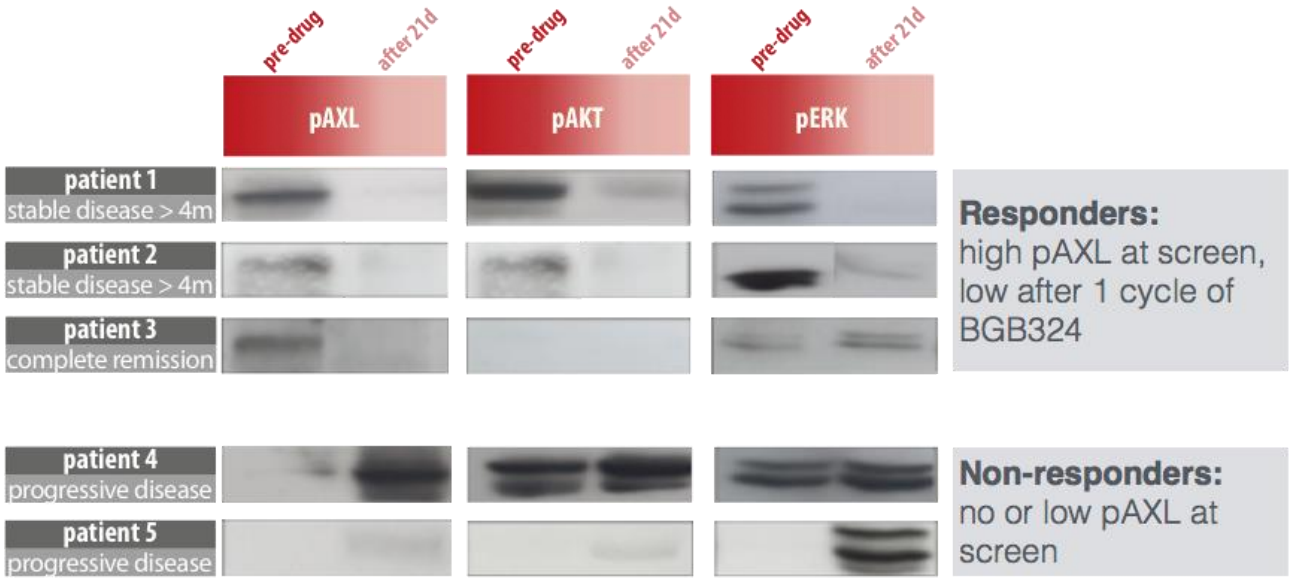
The figure below shows the duration of response from the part A of the BGBC003 study. It shows that three dose levels were investigated. Data from twenty-five (25) patients has been reported thus far, with four objective responses and seven patients achieving disease stabilisation for more than three months. One patient showed a partial response (PR) to their disease for more than 12 months (81 weeks), which indicate that the drug can be well tolerated by patients and has the propensity to offer sustained clinical benefit.

Figure: Overview of treatment period for BGBC003



As part of this study, bone marrow samples are being collected prior and during the treatment with BGB324, this is to support the development of a companion diagnostic. To date there has been a close relationship observed between treatment benefit and evidence of activated Axl in bone marrow samples at the start of treatment, illustrated by the figure below.

Figure: Activated Axl (pAxl) positive patients show evidence of treatment benefit, as determined by pre-treatment screen of BM



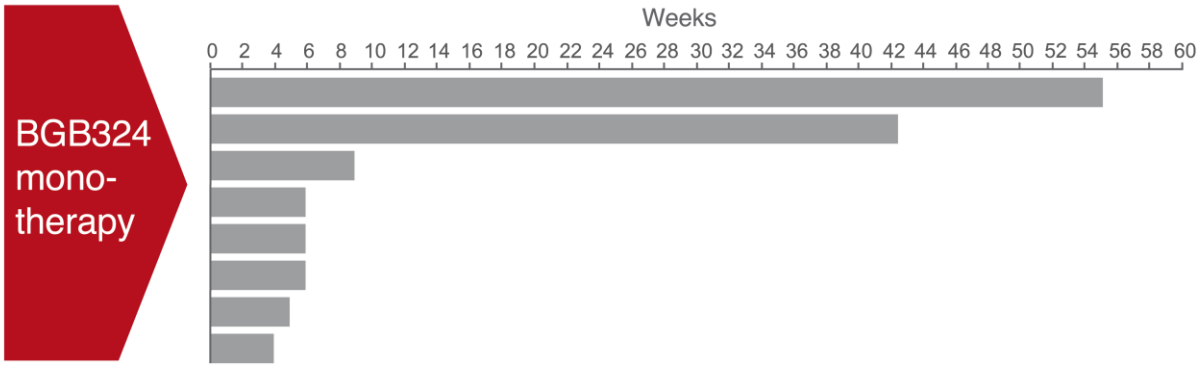
From the illustration on the previous page, the three first patients exhibit benefit (responders) following treatment with BGB324 and retrospective analysis shows that they at screening in these patients Axl receptor activation (pAxl) was evident, while after treatment at cycle 2 day 1 (C2D1) pAxl was not detected. Downstream cell signalling proteins (pERK, pAKT) that control cell proliferation and survival traits were simarily affected. Conversely the two bottom patients were non-responders and did not show pAxl at screening. The data suggests that pAxl can be used as a biomarker to select patients who will benefit from treatment with BGB324.

Following the identification of the recommended Phase II dose – 400mg loading dose on days one, two and three followed by 200mg daily, patients will be enrolled into one of four arms; two in a second line setting, BGB324 alone in patients with AML, therapy with BGB324 in MDS patients who have received previous treatment with a hypomethylating agent; and two in a first line setting, BGB324 in combination with decitabine in newly diagnosed patients with AML; and finally BGB324 in combination with Cytarabine in newly diagnosed patients with AML.

Phase Ib/II clinical trial in NSCLC (BGBC004)

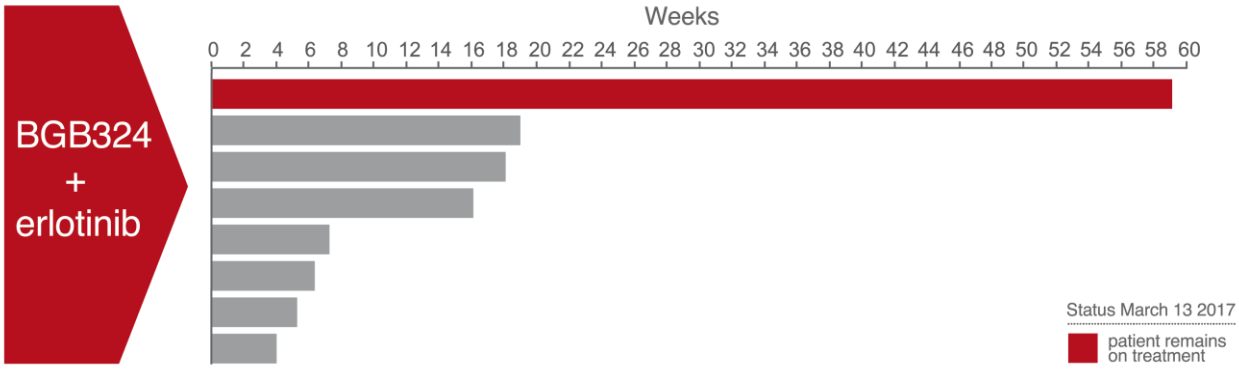
BGBC004 is ongoing in the U.S. evaluating the effects of BGB324 in patients with advanced NSCLC driven by a mutation in the EGFR gene. Patients with EGFR mutation tend to respond well to erlotinib, but usually drug resistance occurs and the median time to progression is ca 9-12 months, in many of these patients the resistance is mediated by an Axl driven mechanism. BerGenBio has demonstrated in preclinical models that inhibiting Axl signalling with BGB324 can prevent and reverse the Axl mediated acquired resistance to erlotinib in NSCLC patients with mutations in their EGFR gene. The figure below shows duration of response from part A of the study. It shows patients who have received either BGB324 as monotherapy or in combination with erlotinib. The study is assessing patient response, safety and tolerability with and without erlotinib. Two out of eight heavily pre-treated patients receiving BGB324 monotherapy achieved prolonged disease stabilization. Treatment with full dose erlotinib was well tolerated in combination with a loading dose of 400mg BGB324 on days one, two and three followed by 200 mg daily. One patient who had experienced disease progression during previous EGFR inhibition developed significant tumour shrinkage when started on treatment with erlotinib and BGB324 and remains on treatment nearly fifteen months later.

Figure: Overview of treatment period for BGBC004 as monotherapy



As the figure above illustrates, two patients reported prolonged disease stabilisation when treated with BGB324 as mono-therapy.

Figure: Overview of treatment period for BGBC004 in combination with erlotinib



As the figures on the previous page illustrates amongst the patients treated with BGB324 in combination with erlotinib one patient is still ongoing with disease stabilisation and has shown a 25% tumour reduction from first treatment with BGB324.

Phase II clinical trials

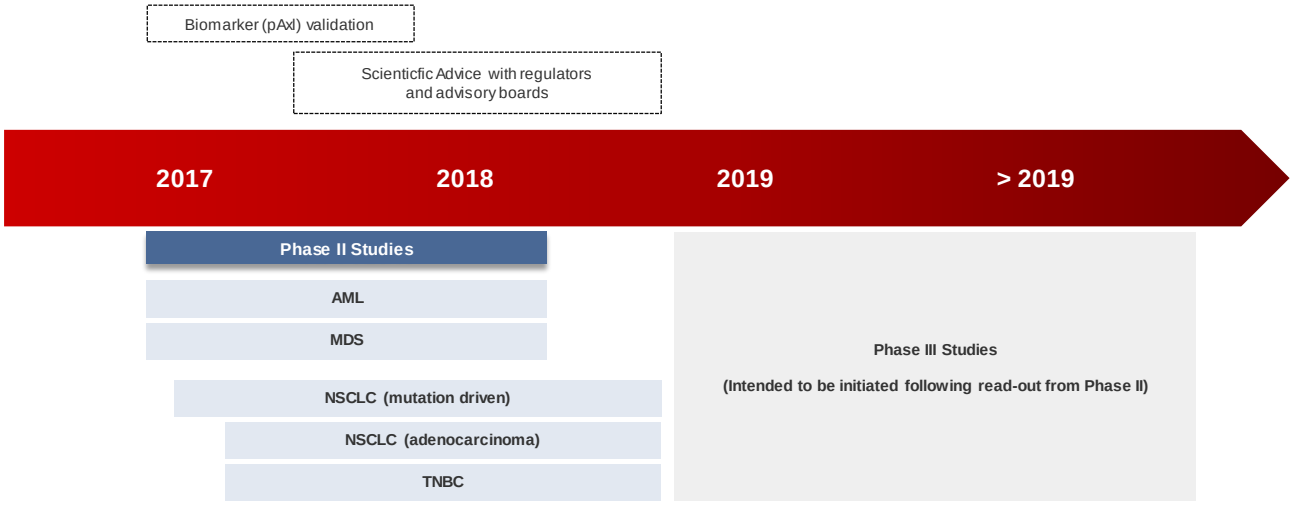
Both the Phase Ib clinical trials in AML/MDS and NSCLC trial are anticipated to conclude in 2018. The AML/MDS trial (BGBC003) will expand as second line setting as a single agent therapy and in the first in line combination setting with one arm with cytarabine and one arm in combination with decitabine. In parallel biomarkers will be developed through tissue sample collection and processing and assay validation. The NSCLC trial will be with BGB324 in a combination setting with erlotinib (an EGFR inhibitor). In parallel biomarker work will be conducted through tissue sample and blood based biomarker collection and processing. Assay development and qualification will also be done in parallel with the clinical trial.

MSD clinical collaboration trials: Two additional Phase II combination studies will shortly start enrolling patients in U.S., UK, Norway and Spain and are being conducted in collaboration with MSD. In both studies BGB324 will be administered in combination with the CPI, pembrolizumab (Keytruda™). Two disease areas will be studied in parallel, the first is TNBC and the second is adenocarcinoma of the lung. Patients recruited into both studies will provide fresh tumour biopsies prior to starting treatment, in order to determine the expression of Axl and of checkpoint PD-L1 (PDL1 programed cell-death ligand 1). The results of each study will establish the efficacy and safety of the combination.

Registration directed studies (Phase III)

BerGenBio's registration strategy is to pursue Phase III clinical trials following the read-out of the Phase II studies. The registration study population is anticipated to be enriched for Axl over-expressing patients, as determined by the Company's' companion diagnostic tools. This enrichment strategy facilitates possibly smaller Phase II studies, an accelerated approval status will also be pursued with regulators and the combined use with a companion diagnostic could facilitate an improved reimbursement rate.

Figure: BGB324 Indicative path to registration



Commercialisation strategy

The Company intends, either alone or in collaboration with a partner, to develop and commercialise its lead product BGB324 through to marketing approval by the regulatory agencies. Readiness for commercialisation needs to start well ahead of regulatory approval. BerGenBio sees opportunities to commercialise BGB324 in certain small indications and territories itself. However, the Company is open to possibly licensing and partnering transactions with big biopharma companies to further the development and commercialisation of BGB324. This strategy for commercialisation will include establishing medical affairs and market access skills and competence in the Compamy at least 1.5 years ahead of anticipated regulatory approval. Following this detailed launch, planning and implementation of regional operations including building out a commercial and medical team required to prepare the launch of the product.

Figure: Commercialising BGB324

BGB324 - safety

Repeat doses of BGB324 have been administered to patients with AML, MDS, NSCLC and melanoma across a range of 100mg to 300mg daily. The rate of malaise and gastrointestinal toxicity (feeling a little unwell and upset stomach) was higher in patients treated at the 300mg dose and the dose selected for further development is 200mg daily. Three patients have received more than one year of BGB324 therapy. Treatment has generally been well tolerated and discontinued treatment is usually a result of loss of disease control rather than a safety event associated with BGB324. In accordance with regulatory guidelines safety updates have been provided to the FDA and the European authorities on an annual basis and an interim report from patients treated in clinical study BGBC003 has been reviewed by the German regulatory authorities. Only routine comments have been received following the submission of these reports.

The safety of BGB324 in clinical trials is measured according to international standards and classified into the organ systems affected. Individual safety findings are categorized as "adverse events". Only adverse events which were considered by the treating physician to be at least possibly related to treatment with BGB324 have been included below. Other changes in clinical trial subjects health are not discussed further.

The safety profile of BGB324 differed between patients with AML treated in BGBC003 and patients with NSCLC treated in BGBC004. Differences may have been due to the fact that the patient population in BGBC003 were older with a median age of 74 years than patients with NSCLC and because patients in BGBC004 had received previous treatment with platinum-based chemotherapy.

The most common organ system affected by treatment with BGB324 in patients with AML was the gastrointestinal (digestive) system. Approximately 70% of patients experienced either nausea, vomiting or diarrhea although this was low grade and was largely reversible following dose reduction or the introduction of preventative medication. As expected in a leukaemia patient population more than one patient experienced a blood disorder such as anaemia and low white blood cell count. Two patients experienced fatigue and four patients (17%) experienced changes in medical investigations including a clinically significant increase in Qtc in one patient, this means the heart muscle takes longer than normal to recharge between beats. Two patients experienced taste disturbance after starting treatment with BGB324.

The most common organ system affected by treatment with BGB324 in patients with NSCLC was also the gastrointestinal system. 90% of patients experienced changes in medical investigations of which the most common was an increase in serum creatinine (a measure of kidney function) and included two patients who reported a clinically significant increase in Qtc. Unlike BGBC003 in which no peripheral neuropathy (weakness, numbness and pain, usually in your hands and feet) was seen 30% of patients with NSCLC treated with BGB324 experienced previously unreported or a worsening of pre-existing peripheral neuropathy.

8.5.1.2 Investigator initiated clinical trials with BGB324

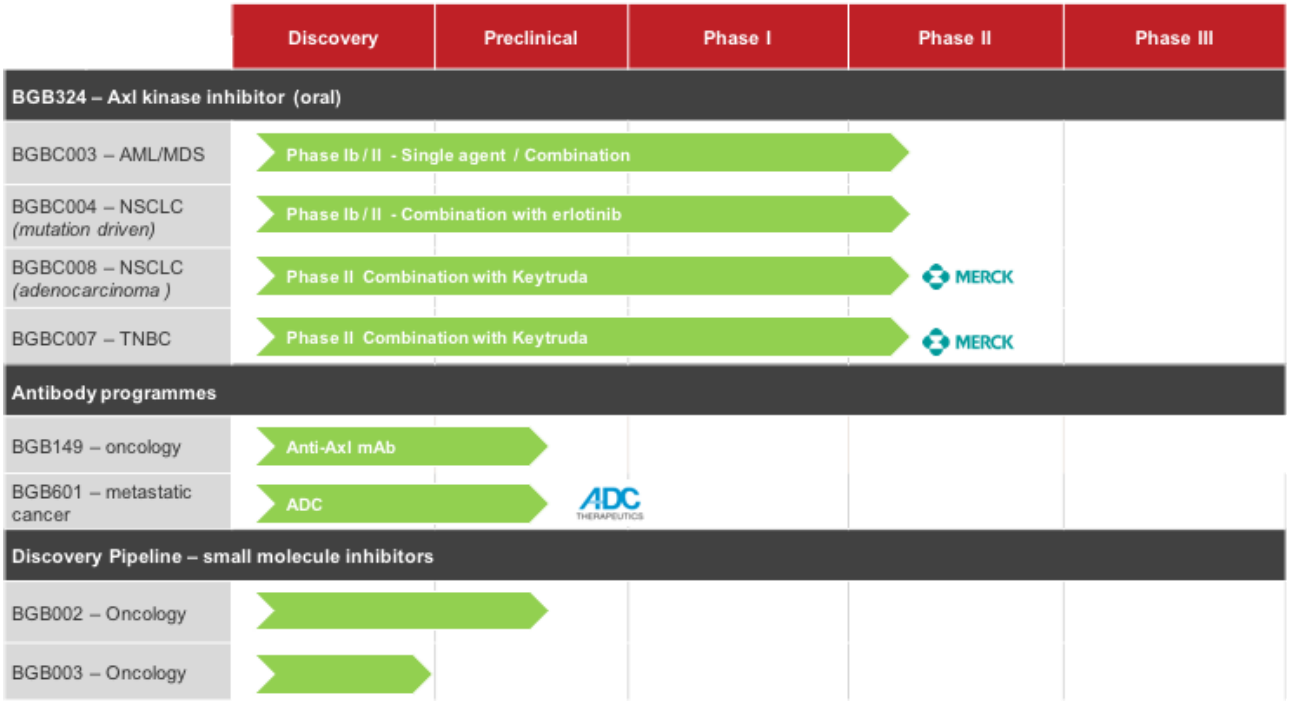
BerGenBio is collaborating with two academic clinical research institutions who are sponsoring clinical trials with BGB324; one at the University of Texas South Western (U.S.), in a study of BGB324 in combination with chemotherapy docetaxel in patients with NSCLC (BGBIL005) and the second at the Haukeland University Hospital (Norway) in a randomised study of systemic melanoma therapy alone compared to identical therapy with the addition of BGB324 (BGBIL006). Both studies are at Phase II. The NSCLC patients (BGBIL005) are being treated in combination with docetaxel. Melanoma patients (BGBIL006) receive – depending on tumour load and mutation status – pembrolizumab (Keytruda™) standard of care drugs with or without BGB324 with or without BGB324. Again, safety and efficacy are being evaluated alongside biomarker evaluation and development.

These two studies are investigator initiated clinical trials, thus BerGenBio is not acting as the regulatory sponsor. BerGenBio's contribution to the studies is primarily related to supplying BGB324 as well as analysis of pharmacokinetic and pharnacodynamic parameters. The Company has unlimited/unrestricted access to data generated in the studies.

8.5.1.3 Clinical development plans for **other assets**: BGB149, BGB601, BGB002, BGB003

BGB101 is BerGenBio's program for the development of antibodies targeting Axl and includes the two preclinical assets BGB149 and BGB601. BGB149 is a fully humanised function blocking monoclonal antibody in late stage preclinical development. It has demonstrated anti-tumour activity in several pre-clinical models of cancer. The antibody is currently being manufactured to enable progression to the clinic and first-in-man clinical trials are expected to commence in 2018. In addition, BerGenBio has out-licensed a proprietary antibody, BGB601, to ADCT for the development of anti Axl ADC, which is indicatively expected to enter Phase I trials in Q1 2019.

Figure: Overview of products and planned development



An overview of the Company's products and planned developments is shown in the figure above. BGB324 is the Company's most advanced asset and is therefore the area of most focus for BerGenBio, followed by the assets in the BGB101 programme, while the discovery pipeline are earlier assets in the pre-clinical phase. For more information regarding BGB002 and BGB003, please see Section 8.5.2.2 "Discovery pipeline".

8.5.2 Preclinical work

8.5.2.1 BGB324, pre-clinical

BerGenBio scientists, academic collaborators and other international cancer researchers have evaluated the efficacy of BGB324 in multiple pre-clinical animal models of cancer. Studies performed by BerGenBio have demonstrated that BGB324 is well tolerated and elicits dose dependent anti-tumour effects as a monotherapy in AML animal models and in combination with different classes of chemo- and targeted therapeutics in several solid tumour amimal models. The use of specific markers of Axl activity has demonstrated that these effects are mediated by direct inhibition of Axl and confirm the on-target activity of BGB324.

BerGenBio has demonstrated that BGB324 significantly enhances the anti-tumour activity of CPIs in animal models. The presence of specific sub populations of immune cells, such as CTLs and Natural Killer cells (NKs) in tumours, are essential for the effective therapeutic function of CPIs. These cells directly target tumour cells and induce cell death (cytotoxicity). Treatment with BGB324 in experimental models significantly increases the infiltration into tumours leading to enhanced anti-tumour activity of CPIs when used in combination with BGB324. BGB324 uniquely reverses the immunotherapeutic resistant (mesenchymal) phenotype and sensitises tumour cells to the cytotoxic or cell killing effects of CTL and NK cells.

8.5.2.2 Discovery pipeline

BGB002 is a program related to a novel EMT target identified by BerGenBio. Currently BerGenBio has developed potent selective small molecule inhibitors of the target. These compounds have been shown to inhibit tumour metastasis and seeding in pre-clinical animal models and a number of compounds have been selected as pre-clinical development candidates. In addition, BerGenBio has several lead candidate molecules (BGB003) to target anti-tumour immune responses. It is anticipated that these may have alternative modes of action and therefore may provide differential clinical benefit.

8.5.2.3 Companion diagnostics for BGB324

BerGenBio has proprietary antibodies and technologies to enable the detection of total Axl and the activated form of Axl (pAXL) in patient samples. This includes sections from tumour biopsies as well as blood sample based assays. Immunohistochemistry (IHC), has demonstrated the presence of Axl in tissue sections from patient tumours (NSCLC and TNBC). This will be used to determine whether total Axl levels are predictive of disease progression and response to BGB324. Initial clinical studies have indicated that the presence of the activated form of Axl (pAXL) in AML tumour cells may predict patient response to treatment with BGB324. BerGenBio has developed an enzyme-linked immunosorbent assay ("**ELISA**") platform which is able to detect the presence of activated Axl. Further, a soluble form of the Axl receptor (sAXL) which is shed into the circulation by tumour cells can be detected in blood samples by dedicated immune assays. It is intended to use this and other technology platforms to develop a potential companion diagnostic to identify those patient sub-populations which are more likely to benefit from treatment with BGB324.

8.5.2.4 Biomarkers for BGB324

BerGenBio has identified plasma biomarkers which can be used to monitor the direct effect of modulation of Axl activity. This includes sAXL and other proteins known to be regulated by Axl cell signalling. These are currently being used in patients to demonstrate targeted inhibition of Axl and identify those markers which directly correlate with patient response.

8.5.2.5 Anti-Axl monoclonal antibody (mAb)

BerGenBio has developed a humanised anti-Axl monoclonal antibody. The antibody shows high affinity for Axl and selectivity over other members of the TAM receptor family. The antibody is functionally blocking and prevents the activation of the Axl receptor by Gas6 ligand binding. Pre-clinical animal models of human cancer have demonstrated that the anti-Axl antibody inhibits tumour growth and enhances the activity of EGFR targeted therapies in NSCLC. In addition to oncology indications, it is anticipated that the anti-Axl antibody may have utility in other diseases. A clinical-candidate, BGB149, has been nominated and cell line development and manufacturing of the antibody has been outsourced to a leading biologics CRO. It is anticipated that Phase I clinical trials of the antibody will be initiated during 2018.

8.5.2.6 Anti-Axl antibody drug conjugate (ADC) – refered to as BGB601

BerGenBio has licensed two of its proprietary anti-Axl monoclonal antibodies to a third party for the development of an anti-Axl antibody conjugated to a toxic payload. Such agents are typically referred to as antibody drug conjugates. The antibody functionality targets the therapeutic to cells which express Axl on their surface. Binding of the antibody conjugate to the Axl receptor results in internalisation, release of the cytotoxic payload and ultimately tumour cell death.

Pre-clinical animal models of human cancer have demonstrated dose-dependent potent anti-tumour activity with significant tumour regression and elimination. A clinical candidate has been nominated and pre-clinical development and manufacturing initiated.

8.5.2.7 Other research activities

BerGenBio maintains an active research group focused on further expanding the understanding of the role of novel targets that regulate EMT in aggressive cancers and resistance to therapeutic intervention. The research group interacts with leading international academic and clinical collaborators. The primary focus of the research programs is to develop novel biomarker and diagnostic applications to support on-going clinical studies and to provide robust scientific rationale for the clinical positioning of BerGenBio's clinical programmes. In addition, BerGenBio has a pipeline of antibody and small molecule inhibitors targeting critical nodes in EMT signalling pathways. These novel first-in-class proprietary drug candidates are being evaluated as new strategies for therapeutic intervention in oncology and other indications for which EMT has been shown be a key driver of the disease pathology.

8.6 Research and development expenses

Research and development ("**R&D**"), including clinical research through the clinical trials and pre-clinical research, expenses for 2016 were NOK 101.9 million, of which NOK 98.2 million are classified as other operating expenses and NOK 3.8 million are classified as payroll. Government grants of NOK 17.8 million have been recognised in the profit and loss for 2016 as a reduction of the related expense. A breakdown of the grants for 2016 is included in Section 8.6.1 "Grants" below.

As described above the R&D expenses for 2016 were the net amount deducted for government grants amounted to 101.9 million, the most significant contribution related directly to clinical trials sponsored by BerGenBio, amounting to NOK 38.5 million. NOK 1.3 million was related to investigator led clinical trials. Furthermore, pursuant to BerGenBio's option to back up compounds under the terms of the Rigel licence agreement, the Company has now taken a licence to nine back up compounds to BGB324 such that licensing costs of NOK 31.8 million were incurred. CMC and drug production related to BGB324 amounted to NOK 13.3 million. Clinical, regulatory and quality consultants related to the clinical trials sponsored by BerGenBio and BGB324 amounted to NOK 17 million.

R&D expenses, including clinical research through the clinical trials and pre-clinical research, for 2015 were NOK 43.6 million, of which NOK 37.2 million are classified as other operating expenses and NOK 6.4 million are classified as payroll. Government grants of NOK 11.8 million have been recognised in the profit and loss for 2015 as a reduction of the related expense. A breakdown of the grants for 2015 is included in Section 8.6.1 "Grants" below.

As described above the R&D expenses for 2015 were the net amount deducted for government grants amounted to 43.6 million, costs related directly to clinical trials sponsored by BerGenBio, amounted to NOK 15.3 million. CMC and drug production related to BGB324 amounted to NOK 1.1 million. Pre-clinical research, including identification of selective inhibitors, lead optimistation and development of target candidates into pre-clinical development amounted to NOK 19 million. Clinical, regulatory and quality consultants related to the clinical trials sponsored by BerGenBio and BGB324 amounted to NOK 4.6 million.

All expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

8.6.1 Grants

The Company has received various government grants:

Government grants recognised in the profit or loss as a reduction of expense	**2016**	**2015**
Payroll and related expenses	4,198,582	4,311,687
Other operating expenses	13,574,948	7,474,906
Total	**17,773,530**	**11,786,593**

Grants receivable as at end of period, detailed as follows	**2016**	**2015**
Grants from Research Council, BiA	2,878,536	2,270,000
Grants from Research Council, PhD	257,334	394,225
Grants from SkatteFunn	7,702,870	4,144,644
Total	**10,838,740**	**6,808,869**

8.6.1.1 BIA grants from the Research Council

The Company has been awarded with three grants from the Research Council, programs for user-managed innovation arena (BIA). The first BIA grant ("Targeting Cancer Stem Cells with Axl inhibitors to Treat Advanced Metastatic Cancer") totals to NOK 11.7 million and covers the period from June 2012 to May 2015. The first BIA grant was concluded in Q2 2015. The second BIA grant ("Novel therapeutics targeting the EMT/Axl pathway in aggressive cancers") totals to NOK 13.2 million and covers the period from May 2014 to April 2017. The Company has recognised NOK 3.9 million (2015: NOK 5.0 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses. The third BIA grant ("Axl targeting therapeutics to treat fibrotic diseases") totals to NOK 12.0 million and covers the period from April 2015 to March 2018. The Company has recognised NOK 5.1 million (2015: NOK 0.6 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

The BIA grants from the Research Council are user-driven, and reports shall be submitted to the Research Council, such as project accounting reports, progress reports and final report. Project account reports are to be submitted for each calendar year, progress reports shall be submitted semi-annually and final report shall be submitted 1 month after the conclusion of the projects. The criteria for the grants are defined by the objective of the project and include also a description and summary of the project. Project funding is based on an agreed project plan for a defined period with defined costs, on which the Company on a continual basis report to the Research Council. The progressions of the projects are in accordance with the project plans for the projects.

8.6.1.2 PhD grants from the Research Council

BerGenBio has been awarded four grants supporting Industrial PhDs for the period from September 2010 through July 2017. The fellowship covers 50% of the established current rates for doctoral research fellowships and an operating grant to cover up to 50% of additional costs related to costly laboratory testing connected with the research fellow's doctoral work. The Company has recognised NOK 0.8 million (2015: NOK 0.8 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

The Industrial Ph.D. scheme for funding for industry-oriented doctoral research fellowships was established to facilitate the recruitment of researchers to Norwegian industry. The Industrial Ph.D. scheme is designed to enhance interaction between companies and research institutions, increase research activity in industry, and equip newly-educated researchers with knowledge of relevance to their company. The scheme offers substantial benefits to all three involved parties:

- The Company acquires new expertise and expands its network of contacts in academia.
- The degree-conferring research institution obtains new, industry-relevant knowledge and connections in the business sector.
- The doctoral candidate completes a doctorate and gains research-related work experience at the same time.

Under the Industrial Ph.D. scheme, companies receive an annual grant equal to maximum 50% of the applicable rate for doctoral research fellowships for a three-year period. The candidate must be an employee of the Company and be formally admitted to an ordinary doctoral degree programme. Funding is awarded conditional to the employee's admission to an organised doctoral degree programme, will be awarded for a period of three years and is determined after completion of an application process.

8.6.1.3 SkatteFunn

R&D projects have been approved for SkatteFunn for the period from 2012 until the end of 2017. The Company had as of year-end 2016 recognised NOK 7.7 million (2015: NOK 4.1 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

The SkatteFUNN R&D tax incentive scheme is a government program designed to stimulate research and development (R&D) in Norwegian trade and industry. SkatteFunn provides funding to companies' R&D projects when the aim of the project is to develop a new or improved product, service or production process, the project follows a progress plan with a clear objective and a defined scope, and the results of the project will benefit the applying company.

Approved projects may receive a tax deduction of up to 20% of the eligible costs related to R&D activity. All costs must be associated with the approved project. Costs associated with certain R&D project activities are tax deductible under the scheme. To qualify as R&D, any activity must meet the definitions set out by the Research Council of Norway. If the tax deduction for the R&D expenses is greater than the amount that the firm is liable to pay in tax, the remainder is

paid in cash to the firm. If the firm is not liable for tax, the entire allowance is paid in cash. SkatteFunn projects submit annual reports and an auditor must confirm the project accounts when the tax returns are submitted.

8.6.1.4 Innovasjon Norge

In December 2014 the Company was granted an "Innovation Project" grant from Innovasjon Norge related to immune-oncology. The grant amounted to NOK 400,000, all of which was recognised in 2016, classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

8.7 Patents

The table below shows an overview of the Company's patents and patent applications.

Subject matter	Patent / Application No	Patents/ Applications in family	Status	Priority date	Expiry date	Related products
Use of CellSelect technology	PCT/US2008/014037	4	U.S. and Singapore granted. EPO[126] allowed. U.S. Divisional pending.	2007-Dec-24	2027	CellSelect technology
Use of AXL as a target and biomarker and diagnostic methods	PCT/IB2010/000516	11	Australia, Russia and Singapore granted. Brazil, Canada, China, EPO, India, Japan, Russia and U.S. pending.	2009-Mar-13	2028	BGB324
BGB324 composition of matter and use	PCT/US07/089177	49	EPO[127], U.S.[128], Australia, Canada, China, Japan[129] and Hong Kong granted. India pending.	2006-Dec-29	2027 (un-extended)	BGB324
Use of BGB324 in combination with chemo-therapeutic agents	PCT/US2010/021275	24	EPO[130], U.S., Japan, Russia, Macau, Hong Kong and Australia granted. Brazil, Canada, China, India, Singapore and U.S. Divisional pending.	2009-Jan-16	2030 (un-extended)	BGB324
AXL/EMT biomarker	PCT/IB2013/053488	12	Australia, Brazil, Canada, China, EPO, Eurasia, India, Japan, New Zealand, Singapore, South Korea and U.S. pending	2012-May-02	2033	BGB324 and BGB149
BGB324 isolation procedure	PCT/GB2015/053442	1	PCT application pending	2014-Nov-14	2035	BGB324
Use of BGB324	PCT/GB2014/053548	3	U.S., EPO and Japan pending.	2013-Dec-02	2034	BGB324
BGB149 antibody composition of matter and use	PCT/EP2015/080654	1	PCT application pending.	2014-Dec-18	2035	BGB149
Axl antibody II composition of matter and use	PCT/EP2015/063700	8	Australia, Mexico, Japan, EPO, Canada, China, South Korea and U.S. pending.	2014-Jun-18	2035	Axl antibody II
Axl antibody III composition of matter and use	PCT/EP2015/063704	8	Australia, Mexico, Japan, EPO, Canada, China, South Korea and U.S. pending	2014-Jun-18	2035	Axl antibody III
BGB002 composition of matter and use	PCT/EP2015/081168	1	PCT application pending.	2014-Dec-23	2035	BGB002
AXL/EMT biomarker	PCT/EP2015/076603	1	PCT application pending.	2014-Nov-14	2035	BGB324 and BGB149
Humanised Axl Antibody II	PCT/EP2016/058368	4	PCT application pending.	2015-Jul-13	2036	Axl antibody II
AXL/EMT biomarker	PCT/EP2016/066357	11	PCT application pending.	2015-Jul10	2036	BGB324 and BGB149
Use of Axl inhibitors in combination with immune checkpoint inhibitors	PCT/GB2016/051542	49	PCT application pending.	2015-May-29	2036	BGB324 and BGB149

[126] Member states of the European Patent Organisation ("**EPO**").

[127] Validated in the following EPO member states: Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Switzerland, Cyprus, Czech Republic, Germany, Denmark, Estonia, Spain, Finland, France, United Kingdom, Greece, Croatia, Hungary, Iceland, Ireland, Italy, Lithuania, Luxembourg, Latvia, Monaco, Former Yugoslav Republic of Macedonia, Malta, Montenegro, Netherlands, Poland, Portugal, Romania, Serbia, Sweden, Slovenia, Turkey and Slovakia.

[128] Includes the following patents: US, US Divisional 1, US Divisional 1 Continuation 1, US Divisional 1 Continuation 2 and US Divisional 1 Continuation 3.

[129] Includes the following patents: JP and JP Divisional 1.

[130] Validated in the following EPO member states: United Kingdom, Germany, France, Italy, Netherlands, Spain, Switzerland, Sweden, Ireland, Poland, Portugal and Turkey.

The Company has a patent portfolio consisting of 15 patent families. A total of 70 patents have been granted/validated, and a total of 56 patent applications are pending. The most important patents/patent applications are those pertaining to the Company's lead drug candidate, BGB324.

The Company is diligent in protecting all IP it develops that is regarded to be of significant importance to its business. This includes proprietary technologies, discoveries, inventions, data and methods. Protection of proprietary rights includes seeking and maintaining patent protection intended to cover the composition of matter and use for the Company's drug candidates and back up series. IPR (patents) are filed and prosecuted and maintained worldwide including all major pharmaceutical markets.

Success of the Company's business will rely to a great extent on the ability to obtain, maintain and enforce patent and other proprietary protection for commercial technology. Inventions and expertise related to its business as well as defend and enforce its patents and other proprietary rights of third parties are equally important. Intellectual capitals is a key factor for continuing technological innovation as well as develop, strengthen and maintain the Company's proprietary position in the field of EMT inhibitors.

The cost of the patents, depending upon the nationality of the patent application, is usually comprised of a one-time application fee, a cost for prosecution and issuance of the patent and a yearly maintenance fee.

In 2015 the Company had patent costs amounting to NOK 3,021,914, these include renewal of patents, maintenance of patents and filing of patents. For 2016 the patent costs amounted to NOK 2,251,150.

The patent positions of biopharmaceutical companies are generally uncertain and involve complex legal, scientific and factual questions. Furthermore, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance.

8.8 Dependency on contracts, suppliers and assets necessary for production

The Company has entered into several contracts within the ordinary course of business. BerGenBio uses suppliers under the ordinary course of business, such as CROs and production facilities for the production of drugs. There are a wide range of suppliers providing these type of services and BerGenBio is not dependent on specific suppliers.

BerGenBio does not need to own production equipment.

The Company has received grants and expect to attract grant funding also in the future. The Company is not dependent on grant funding, but it does represent an additional funding to the Company although at a relatively low level compared to the equity funding that historically has been attracted and is assumed to be attracted in the future.

The Company is dependent on obtaining and maintaining its patent and other proprietary protection for its commercial technology. See Section 8.7 "Patents" above for a decribtion of the Company's 15 patent families.

BerGenBio has three contracts or collaborations which can be regarded as material in the context of its business; in-licenses from Rigel, collaboration with MSD and out-license to ADCT. Rigel, MSD and ADCT who are all considered by the Company as organizations of high standing and repute within the industry.

The Company is dependent on the agreement with Rigel for the development and commercialisation of its lead product, BGB324. The Rigel agreement supports much of the value from the BGB324 asset, although other IP and assets are of increasing value, but the right to use the licensed Rigel IP is and will remain very important to the Company.

The Company is not dependent on the ADCT agreement, but it is material in the sense that it serves to corroborates the interest in the technology of the Company, and specifically Axl as target. As described in Section 8.4 "Competitive strengths", the collaboration with MSD is valuable to BerGenBio, but the Company is not dependent on this agreement.

In-License from Rigel Pharmaceuticals Inc (BGB324)

29 June 2011, the Company entered into a license agreement with Rigel. It grants to BerGenBio an exclusive worldwide license under the key Rigel patent rights protecting the compound BGB324 (including two patent families known as PCT/US07/089177 and PCT/US2010/021275, see Section 8.7 "Patents" above), and the small amount of related know-how generated by Rigel and existing at the time of the license.

The license is an exclusive sub-licensable license to research, develop, manufacture and commercialise BGB324 and eight backup Axl inhibitors, and the exclusivity is reinforced by a provision that Rigel shall not directly or indirectly develop or commercialise itself or with a third party any compound that "Selectively Inhibits the Activity of Axl" (this is defined technically in the agreement).

As well as BGB324 and the backup Axl inhibitors, BerGenBio has subsequently exercised its option to add nine additional Axl inhibitors in the Rigel compound patents to the licensed compounds. As per the license agreement, the Company has made a total payment of USD 2,000,000 for these additional nine licenses.

BerGenBio has the responsibility for the conduct of all activities to be performed under the license, at its own cost, expense and liability. At law BerGenBio owns the intellectual property it develops and generates around BGB324 – patent rights, know-how (including data), trademarks and commercial information.

Under the terms of the license, a distinction is drawn between the circumstance in which BerGenBio itself eventually commercialises the BGB324 product, and the circumstance in which BerGenBio appoints a partner to do so, or BerGenBio as a company is sold to an acquirer.

If BerGenBio itself commercialises the BGB324 product, BerGenBio must pay development and regulatory milestones:

Milestone payment events	**Milestone payment**
Commencement of the first Phase II clinical trial for the first product	USD 5,000,000
Commencement of the first Phase III clinical trial for the first product	USD 8,000,000
Submission of an NDA (or equivalent) for the first product	USD 12,000,000
First regulatory approval (or equivalent) for the first product	USD 16,000,000

The Phase II clinical milestone of USD 5 million has been reached and has been paid by BerGenBio.

Royalties are payable on Net Sales of the Products in countries where the Product is covered by a valid claim under the Rigel compound patents.

Aggregate annual net sales of the products in the territory for a particular year	**Royalty rate**
Net sales are less than USD 500 million	5%
Net sales are greater than USD 500 million but are less than USD1 billion	7%
Net sales are greater than USD 1 billion	9%

If BerGenBio and its Affiliates do not themselves develop and commercialise a product but instead "Out-license" different financial provisions apply. The definition of "Out-license" is complex, and requires a case-by-case analysis to ascertain if particular circumstances have triggered it. But broadly it is triggered either: (i) If there is a transaction involving a sub-license to the Rigel technology licensed or a sale of the rights of the Rigel technology licensed; or (ii) if there is a transaction involving the sale of substantially all of BerGenBio's shares resulting in the transfer of control of the principal business or operations.

When a transaction triggers the out-license provisions, if it involves other assets of BerGenBio of any description in addition to the license under the Rigel technology, there must be an analysis of: (i) the value of all the assets which are the subject of the out-license including e.g. buildings, equipment and other tangible assets as well as Rigel technology and the BerGenBio intellectual property involved, and (ii) a calculation of the value of only the Rigel technology licensed, and the fraction that this represents to the total value. That fraction is then to be multiplied by the consideration received

by BerGenBio upon the out-license, and the resulting proportion/part of the consideration on the out-license deal is then used to calculate a revenue share due to Rigel as set out below:

Timing of Out-license	Revenue share percentage
Prior to completion of a Phase Ia clinical trial	60%
After the completion of a Phase Ia clinical trial	50%
After the completion of a Phase Ib clinical trial	45%
After the completion of the first Phase 2 clinical trial	40%
After the completion of a Phase II clinical trial where sixty or more patients are enrolled; after the completion of one or more Phase II clinical trials where sixty or more patients are enrolled; or, initiation of a Phase III clinical trial	35%
After the completion of a Phase III clinical trial	30%

There are complicated provisions for the adjustment of milestone payments due from BerGenBio in the event it carries out an out-license in only part of the world.

BerGenBio has the responsibility for the prosecution and maintenance (including the cost) of the Rigel Compound Patents, in liaison with Rigel.

The license agreement remains in full force and effect until the patents protecting the licensed assets has expired, BerGenBio has terminated the agreement or Rigel has terminated the agreement due to a non-remedied breach of contract by BerGenBio.

Collaboration with Merck Sharp & Dohme B.V. (MSD) for further clinical trials for BGB324

There are two virtually identical contracts made with MSD on 24 November 2016. They cover the conduct by BerGenBio as sponsor of two Phase II clinical trials for a combination of BGB324 with MSD's antibody known as pembrolizumab (Keytruda™) as follows:

- A Phase II multi center study of BGB324 in combination with Keytruda™ in patients with previously treated advanced adenocarcinoma of the lung. Up to 48 evaluable patients will be enrolled; and
- A Phase II multi center study of BGB324 in combination with Keytruda™ in patients with previously treated, locally advanced and unresectable or metastatic TNBC or Triple Negative Inflammatory Breast Cancer ("**TN-IBC**"). Up to 56 evaluable patients will be enrolled.

Under each collaboration MSD will supply the quantities of Keytruda™ required and will perform certain testing activities free of charge, and BerGenBio will sponsor and organise the clinical trials at its own cost, expense and liability, using a CRO for most functions. Coordination of the studies are done by a joint development committee made up of an equal number of representatives of MSD and BerGenBio.

There are no IPR license granted by either party to its background IPR save for those required for the conduct of the respective clinical trial.

Each party has access to all data generated, with BerGenBio committed to timely publication of the results of each study after study completion. Until then no disclosure or use of the clinical data can be made except for limited purposes, which in the case of BerGenBio include permission to disclose to a bona fide investor or potential investor, but not an industry strategic investor. If other disclosures are required, MSD's prior consent is necessary.

Ownership and use of the results is handled as follows:

- Except for sample testing results, the clinical data from the studies will be jointly owned and can be used by either Party. MSD can use this to obtain label changes for Keytruda™.
- Each party owns the sample testing results that it generates.
- If new inventions or discoveries are generated that do not relate solely to their compound (in which case the relevant party owns that IPR) they are to be jointly owned inventions. These can be freely exploited by either party, save that MSD may not use them in relation to an Axl inhibitor, and BerGenBio may not use them in relation to a PD-1 Antagonist.

For nine months after study completion either party can propose a Phase III registration study (or other subsequent study) for the combination. This proposal must be given to the other party within six months of study completion, with a draft protocol for the Phase III study, draft budget and cost-sharing proposal. The purpose of cost-sharing is to give

both parties a right of access and use of the study data. After the proposal is made, the parties then have three months to negotiate an extension of the agreement. The agreement expires if not extended, although certain terms survive.

There is no obligation on BerGenBio to supply quantities of BGB324 for any subsequent study, nor such an obligation on MSD to supply quantities of Keytruda™.

If the Parties fail to agree to proceed together on a cost-sharing basis, each party can try to proceed alone at its own cost and expense but the other party has a blocking mechanism in that it can (i) object to the protocol for the study, or (ii) can refuse to supply its compound for the study; and (iii) if a party considers supplying compound for the study the parties must agree mutually acceptable amendments to the agreement for this to occur (but the transfer price is to be fully-allocated manufacturing cost).

In limited circumstances but including when MSD terminates the agreement for safety reasons or material breach of BerGenBio according to the terms of the agreement, MSD is entitled to be reimbursed the direct and indirect manufacturing costs of the MSD compound used in the study.

Out-license to ADC Therapeutics SA

The license agreement with ADCT was made on 18 July 2014 and is the basis for the out-license of the antibody program referred to elsewhere in this Prospectus BGB601. The agreement relates to two novel antibodies invented and patented by BerGenBio, each of which specifically binds to Axl.

The agreement grants ADCT an exclusive, worldwide sub-licensable (in specified circumstances) license under BerGenBio IPR, including BerGenBio owned patent rights relating to these two antibodies and modifications of them and to other antibodies that bind to Axl to research, develop, make, use, sell, offer for sale, import and otherwise commercialise therapeutic AXL ADC Products and also companion diagnostics. An "**AXL ADC Product**" is a molecule comprising an Axl antibody conjugated to a small molecule drug.

The parties are obliged to be exclusive to each other in the field of AXL ADC Products.

A key obligation on ADCT is to carry out a development plan to get at least one AXL ADC Product ready for an investigational new drug application ("**IND**") to the FDA.

ADCT is solely responsible by itself or its sub-licensees for the cost, expense and liability of the development and commercialisation of the AXL ADC Products. It must use commercially reasonable efforts to develop, obtain regulatory and pricing approvals for, and thereafter commercialise, at least one licensed product as a pharmaceutical product. ADCT is responsible for most liability to third parties arising out of ADCT activities.

Under the license a series of development, regulatory and sales-based milestones are due to BerGenBio from ADCT upon the occurrence of certain specified events. These potential milestone payments total up to USD 34,250,000 per AXL ADC Product, which are comprised of development and regulatory milestone payments of up to USD 13,250,000 and sales-based milestone payments of up to USD 21,000,000.

The first milestone payment will be triggered by the dosing of the fifth patient in a Phase I clinical study for the first AXL ADC Product. BerGenBio currently estimates that the first milestone payment could be triggered as early as Q1 2019.

Two-tiered mid-range single digit royalties are also due to BerGenBio on worldwide net sales of AXL ADC Products and related companion diagnostics. The royalties are payable for at least a minimum of 10 years from first commercial sale in each country, regardless as to whether there are valid claims of a royalty patent in such country.

ADCT is also required to pay BerGenBio a one-time low eight figure sales milestone payment in U.S. dollars if and when the worldwide net sales during a given calendar year for all AXL ADC Products and related companion diagnostics exceed USD 1,000,000,000 in the aggregate for the first time.

Under the license agreement, BerGenBio is responsible for the prosecution and maintenance of the patents it has out-licensed to ADCT, but the cost and expense in relation thereto is to be reimbursed by ADCT. Most intellectual property generated by ADCT will be owned, prosecuted and maintained by ADCT at its own cost and expense.

ADCT can terminate the license agreement at will, but if it does, and in certain specified circumstances, BerGenBio may have the right to continue the development of any licensed product under development in return for a revenue sharing arrangement.

8.9 Legal proceedings

The Company is not, nor has been during the course of the preceding 12 months, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Company's and/or the Company's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

8.10 Property, plants and equipment

The Company rents premises in Bergen at the University of Bergen for office and laboratory purposes under a sublease agreement. The rent is approximately NOK 252 416 per annum. The Company will in addition to this amount be charged for a proportionate share of common variable costs related to building management. The sublease agreement expires on 1 December 2020, with an option for an additional 5 plus 5 years. Both parties have the right to terminate the sublease agreement with 12 months' prior written notice. Under the same rental agreement the Company has access to the use of defined scientific equipment at a cost of NOK 40,770 (2016) per employee per year. The price is subject to a yearly adjustment of 3.0%.

From September 2015, the Company has rented an office in the Magdalen Centre, The Oxford Science Park, UK. The rental agreement can be terminated by either party with a one month's notice period. The monthly rental amount is GBP 4,220.

There are currently no environmental issues that may affect the Company's utilization of the tangible fixed assets, and the Company believes that the risk of liability related to emissions or contaminations is low.

The Company does not own any assets which is necessary for production.

9 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read in conjunction with the other parts of this Prospectus, in particular Section 10 "Selected financial and other information", and the Financial Statements and related notes, included in Appendix B.

This Section provides information about the Company's capitalisation and net financial indebtedness on an actual basis as at 31 December 2016 based on the Company's audited Financial Statement for the year ended 31 December 2016 and, in the "Adjusted" columns, on an adjusted basis as of the date of this Prospectus, to give effect to (i) the Company payment of NOK 27.8 million (USD 3.334 million) made to Rigel in February 2017 as part of the milestone payment upon reaching Phase II clinical trials (see Section 8.8 "Dependency on contracts, suppliers and assets necessary for production" above); (ii) a share capital increase at the amount of NOK 530,860 resolved 6 February 2017 (See Secion 12.3 "Share capital and share capital history") and (iii) the Offering as if the Offering had happened on the date of this Prospectus and the Company had raised NOK 400 million in new equity through the issuance of New Shares, and approximately NOK 24.5 million in transaction costs. The "Adjusted" columns does not present a certain outcome, they are included for illustration purposes only, with the actual result of the Offering being unknown and with other non-significant changes also having occurred since 31 December 2016.

As a result of the Offering, the Company's share capital will be NOK 4,974,220 consisting of 49,742,200 Shares, each with a nominal value of NOK 0.10.

Other than as set forth above, there has been no material change to the Company's unaudited capitalisation and net financial indebtedness since 31 December 2016, save for the exercise of 500 options causing the issuance of 500 new Shares (equivalent to 50,000 Shares after the share split resolved by the General Meeting on 22 March 2017).

9.1 Capitalisation

In NOK	**As of 31 December 2016**	**Adjusted**
Indebtedness		
Total current debt		
- Guaranteed	-	-
- Secured	-	-
- Unguaranteed/unsecured	-	-
Total non-current debt		
- Guaranteed	-	-
- Secured	-	-
- Unguaranteed/unsecured	-	-
Total Indebtedness	**-**	**-**
Shareholders' equity		
a. Share capital[2]	3,369,220	4,974,220[1]
b. Legal reserve[2]	131,875,197	478,501,057[1]
c. Other reserves	18,025,572	18,025,572
Total equity	**153,269,989**	**501,500,849**
Total capitalisation	**153,269,989**	**501,500,849**

1 Under the "Adjusted" columns, adjustment has also been made for share capital and legal reserve as a consequence of the share capital increase as resolved 6 February 2017 at the amount of NOK 530,860 by issuance of 50,000 shares through exercise of options from former board member, see Section 12.3 "Share capital and share capital history". As a result of this the share capital is increased with NOK 5,000 and legal reserve with NOK 525,860.

2 Legal reserve includes additional paid-in capital. The Offering will increase the share capital by NOK 1,600,000 from NOK 3,374,220 to NOK 4,974,220, the additional paid-in capital will increase by NOK 373,900,000 (net proceeds from the Offering less the share capital increase) from NOK 131,875,197 to NOK 506,301,057. See Section 15 "The terms of the Offering" for more information on the Offering. Under the the "Adjusted" columns, adjustment has also been made for the Company's payment of NOK 27.8 million (USD 3.334 million) to Rigel.

9.2 Net financial indebtedness

In NOK	As of 31 December 2016	Adjusted
Net indebtedness		
(A) Cash[1]	161,824,727	510,055,587
(B) Cash equivalents	0	0
(C) Interest bearing receivables	0	0
(D) Liquidity (A)+(B)+(C)	**161,824,727**	**510,055,587**
(E) Current financial receivables	**0**	**0**
(F) Current bank debt	0	0
(G) Current portion of long-term debt	0	0
(H) Other current financial liabilities	0	0
(I) Current financial debt (F)+(G)+(H)	**0**	**0**
(J) Net current financial indebtedness (I)-(E)-(D)	**(161,824,727)**	**(510,055,587)**
(K) Long-term interest bearing debt	0	0
(L) Bonds issued	0	0
(M) Other non-current financial liabilities	0	0
(N) Non-current financial indebtedness (K)+(L)+(M)	**0**	**0**
(O) Net financial indebtedness (J)+(N)	**(161,824,727)**	**(510,055,587)**

1 The Offering will increase the share capital by NOK 1,600,000 from NOK 3,374,220 to NOK 4,974,220, the additional paid-in capital will increase by NOK 373,900,000 (net proceeds from the Offering less the share capital increase) from NOK 131,875,197 to NOK 506,301,057 and cash by NOK 375,500,000 (net proceeds of the Offering including the increase in share capital) from NOK 161,824,727 to NOK 537,855,587. See Section 15 "The terms of the Offering" for more information on the Offering. Under the the "Adjusted" columns, adjustment has also been made for the Company's payment of NOK 27.8 million (USD 3.334 million) to Rigel.

9.3 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.4 Contingent and indirect indebtedness

As of 31 December 2016 and as of the date of the Prospectus, the Company did not have any contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The following selected financial information has been extracted from the Company's audited financial statements as of, and for the years ended, 31 December 2016 and 2015 (the Financial Statements) (included in Appendix B). The Financial Statements have been prepared in accordance with IFRS.

The Company's auditor is Ernst & Young AS, Dronning Eufemias gate 6, N-0191 Oslo, Norway. EY's partners are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening). EY has been the Company's auditor since the incorporation of the Company. The Financial Statements for the years ended 31 December 2016 and 2015 have been audited by EY, and the auditor's reports are included together with the Financial Statements in Appendix B.

EY has not audited, reviewed or produced any report on any other information provided in this Prospectus.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Financial Statements included in Appendix B of this Prospectus.

10.2 Summary of accounting policies and principles

For information regarding accounting policies and the use of estimates and judgments, please refer to note 2 and 3 of the Financial Statements included in this Prospectus as Appendix B.

10.3 Statement of profit and loss and other comprehensive income

The table below sets out selected data from the Company's audited statement of profit and loss and other comprehensive income for the years ended 31 December 2016 and 2015, respectively.

In NOK	**Year ended 31 December**	
	2016	**2015**
Revenues		
Operating revenue	0	0
Total operating revenue	**0**	**0**
Payroll and related expenses	20,560,648	25,159,884
Depreciation	207,164	178,902
Other operating expenses	110,801,970	47,586,282
Total operating expenses	**131,569,782**	**72,925,068**
Operating profit (loss)	**(131,569,782)**	**(72,925,068)**
Finance income and finance expenses		
Finance income	3,030,750	2,511,568
Finance expense	(1,259,968)	(1,693,269)
Financial items, net	**1,770,782**	**818,299**
Loss before income tax	**(129,799,000)**	**(72,106,769)**
Income tax		0
Loss for the period	**(129,799,000)**	**(72,106,769)**
Other comprehensive income (loss), net of income tax	(1,088,816)	442,822
Total comprehensive income (loss) for the period	**(130,887,816)**	**(71,663,947)**
Loss for the period attributable to owners of the company	**(130,887,816)**	**(71,663,947)**
Total comprehensive income (loss) for the period attributable to owners of the Company	**(130,887,816)**	**(71,663,947)**
Earnings (loss) per share	(419,68)	(296.26)
Basic and diluted earnings (loss) per share	(419,68)	(296.26)

10.4 Statement of financial position

The table below sets out selected data from the Company's audited statement of financial position as of 31 December 2016 and 2015.

As of year-end 2016 total assets amounted to NOK 174.5 million compared to NOK 82.4 million at year-end 2015. The increase reflects the completion of private placements carried out in 2016 and the use of cash to finance the Company's development and operations.

Total equity at year-end 2016 was NOK 153.3 million compared to NOK 64.8 million at the end of 2015. The change in equity reflects the loss the Company has incurred in the period and private placements carried out in 2016 amounting to NOK 213.7 million and the conversion of the last tranche of the Wellcome Trust convertible loan to equity of NOK 1.2 million in February 2016.

In NOK	As of 31 December	
	2016	**2015**
Assets		
Non-current assets		
Research and development	0	0
Patents and licences	0	0
Total intangible assets	**0**	**0**
Property, plant and equipment	409,584	361,305
Total property, plant and equipment	**409,584**	**361,305**
Receivables		
Other non-current receivables	0	0
Total non-current receivables	**0**	**0**
Current assets		
Inventory	0	0
Receivables		
Other receivables	12,301,578	8,038,436
Total receivables	**12,301,578**	**8,038,436**
Cash and cash equivalents	**161,824,727**	**73,992,558**
Total current assets	**174,126,305**	**82,030,994**
Total assets	**174,535,889**	**82,392,299**
Equity and liabilities		
Equity		
Share capital	3,369,220	2,479,240
Share premium	131,875,197	49,944,253
Other paid in capital	18,025,572	12,323,675
Accumulated losses	0	0
Total equity	**153,269,989**	**64,747,168**
Liabilities		
Non-current liabilities		
Pension liability	0	4,272,834
Convertible loan	0	1,118,636
Derivative financial liability	0	188,564
Total non-current liabilities	0	**5,580,034**
Current liabilities		
Accounts payable	10,702,698	5,268,609
Tax payable	0	0
Other current liabilities	5,720,550	5,216,617
Provisions	4,842,651	1,579,870
Total current liabilities	**21,265,899**	**12,065,096**
Total liabilities	**21,265,899**	**17,645,130**
Total equity and liabilities	**174,535,889**	**82,392,299**

10.5 Statement of cash flow

The table below sets out selected data from the Company's audited consolidated statements of cash flows for the years ended 31 December 2016 and 2015. See. See Section 10.8 "Liquidity and capital resources" for more information on the Company's liquidity and capital resources.

In NOK	Year ended 31 December	
	2016	**2015**
Cash flows from operating activities		
Loss for the period (before income tax)	(129,799,000)	(72,106,769)
Non-cash adjustments to reconcile loss before tax to net cash flows		
Depreciation of property, plant and equipment	207,164	178,902
Calculated interest element on convertible loan	18,753	232,306
Share option expense	5,701,897	5,576,263
Movement in provisions and pensions	(2,098,869)	546,800
Working capital adjustments		
Decrease in trade and other receivables and prepayments	(4,263,142)	1,085,977
Increase in trade and other payables	5,919,269	1,584,146
Cash flows from operating activities	**(124,313,928)**	**(62,902,375)**
Cash flows from investing activities		
Investments in property, plant and equipment	(255,443)	0
Cash flows from investing activities	**(255,443)**	**0**
Cash flows from financing activities		
Proceeds from equity issue	212,220,000	0
Proceeds from borrowings, convertible loan	(1,307,200)	1,307,200
Conversion of loan by issue of share capital	1,488,739	9,230,405
Cash flows from financing activities	**212,401,539**	**10,537,605**
Net change in bank deposits, cash and equivalents	87,832,168	(52,364,849)
Cash and equivalents at beginning of period	73,992,558	126,357,407
Cash and equivalents at end of period	**161,824,727**	**73,992,558**

10.6 Statement of changes in equity

The table below sets out selected data from the Company's audited consolidated statements of changes in equity for the years ended 31 December 2016 and 2015.

In NOK	**Share capital**	**Share premium**	**Convertible instruments**	**Equity-settled share-based payments**	**Accumulated losses**	**Translation effects**	**Total equity**
Balance at 1 January 2015	2,415,180	112,441,855		6,747,412			**121,604,447**
Loss for the year……	0	(72,106,769)					**(72,106,769)**
Other comprehensive income (loss) for the year net of income tax ……	0	442,822					**442,822**
Total comprehensive income for the year ……	**0**	**(71,663,947)**					**(71,663,947)**
Recognition of share-based payments ……	0	0		5,576,263			**5,576,263**
Issue of ordinary shares – capitalisation issue …	64,060	9,166,345		0			**9,230,405**
Issue of ordinary shares under share options ……							
Balance at 31 December 2015 …	**2,479,240**	**49,944,253**		**12,323,675**			**64,747,168**
Loss for the year …	0	(129,799,000)		0			**(129,799,000)**
Other comprehensive income (loss) for the year net of income tax ……	0	(1,088,816)		0			**(1,088,816)**
Total comprehensive income for the year ……	**0**	**(130,887,816)**		**0**			**(130,887,816)**
Recognition of share-based payments ……	0	0		5,701,897			5,701,897
Issue of ordinary shares – capitalisation issue …	889,980	212,818,759		0			**213,708,739**
Issue of ordinary shares under share options ……							
Share issue costs …	0	0		0			**0**
Balance at 31 December 2016 …	**3,369,220**	**131,875,197**		**18,025,572**			**153,269,989**

10.7 Sales revenues by geographic area

The Company has not had any sales revenue in 2016 or 2015.

10.8 Liquidity and capital resources

10.8.1 Sources of liquidity

The Company's principal sources of liquidity are cash flows from equity issues and governmental grants.

Based on the Company's current estimate, it believes that the cash balance as of 31 December 2016 together with the proceeds of the Offering, will be sufficient to cover the Company's activities through to 2019.

Furthermore, the Company will continually evaluate strategic business development initiatives and partnering opportunities by way of potential licensing of the Company's assets to third parties.

10.8.2 Restrictions on use of capital

There are currently no restrictions on the use of the Company's capital resources that have materially affected or could materially affect, directly or indirectly, the Company's operations. The Company does not have any debt covenants, and is therefore not in breach and does not expect to be in breach of such covenants. The Company has received various grants from the government, directed towards defined projects. Generally, in order to receive the grant fudning reports shall be submitted at defined milestones, such as project accounting reports, progress reports and final reporst. The criteria for the grants are defined by the objective of the project and include also a description and summary of the project. Project funding is based on an agreed project plan for a defined period with defined costs, on which the Company on a continual basis reports. The projects which BerGenBio has received grants for are as of the date of this Prospectus progressing in accordance with the project plans for the projects. For an overview of the grants see Section 8.6.1 "Grants".

10.8.3 Summarized cash flows information

The following table summarises the Company's historical cash flows, and is extracted from the Financial Statements as of, and for the years ended, 31 December 2016 and 2015, prepared in accordance with IFRS:

In NOK	**Year ended 31 December**	
	2016	**2015**
Cash from/(used in) operating activities	(124,313,928)	(62,902,375)
Cash from/(used in) investing activities	(255,443)	0
Cash from/(used in) financing activities	212,401,539	10,537,605
Net change in bank deposits, cash and equivalents	87,832,168	(52,364,849)
Cash and cash equivalents at end of period	161,824,727	73,992,558

10.8.4 Cash flows from operating activities

Net cash outflow from operating activities for the year ended 31 December 2016 was NOK 124.3 million compared to NOK 62.9 million for the year ended 31 December 2015, an increase of NOK 61.4 million. The net cash outflow from operating activities is primarily related to the Company's R&D activities amounting to NOK 101.9 million, in addition to employee benefit expenses of NOK 20.6 million. The R&D activities includes the increased activities related to the clinical trials, where new trials have been planned for and set up in 2016, two clinical trials have been ongoing. In addition the Company has had production costs for the drug for the clinical trials going forward, BGB149 has been progressed to cell line development and the Company has made license payments to Rigel of USD 3.666 million in 2016.

10.8.5 Cash flows from investing activities

Net cash inflow from investing activities for the year ended 31 December 2016 was NOK 0.26 million compared to no outflow for the year ended 31 December 2015, an increase of NOK 0.26 million. The investment in 2016 of NOK 0.26 relates to a purchase of laboratory equipment used for research.

10.8.6 Cash flows from financing activities

Net cash inflow from financing activities for the year ended 31 December 2016 was NOK 212.4 million compared to NOK 10.5 million for the year ended 31 December 2015, an increase of NOK 201.9 million. The increase was primarily attributable to the successful private placements in 2016 amounting to NOK 213.7 million. In 2015 the cash inflow from financing activities relate to the Wellcome Trust's tranche payment of its convertible loan of GBP 1.6 million in December 2015.

10.9 Investments

10.9.1 Principal historical investments

Costs associated with the development of the Company's first-in-class EMT inhibitors, and in particular the lead drug candidate (BGB324), are ordinary research and development costs and are expensed as they incur, they are not capitalised in the balance sheet and included as investments. Costs of obtaining and maintaining patents are also included in the research and development costs. The Company has not had any significant historical capital expenditures, as substantially all costs incurred are research and development costs that are considered not to meet the asset recognition criteria of IAS 38 Intangible Assets and thus expensed when incurred. The investments of NOK 255,443 in 2016 was related to laboratory equipment.

In 2016, expenses for research and development for the Company, including the clinical trial related costs, were expensed and amounted to NOK 101.9 million. Approximately 70-75% of the costs are attributed to the development of

BGB324, 4-5% on BGB002 and 4-5% on BGB149. In addition approximately 14% is attributed to BGB003 primarlily due to the in-license of additional molecules from Rigel in 2016, see Section 8.8 "Dependency on contracts, suppliers and assets necessary for production".

Of the above, approximately 53% of the costs are related to the clinical development of BGB324, approximately 26.5% related to licensing fees, approximately 6-7% of the R&D expenses are related to personnel and approximately 2% to patent costs. The remainder is related to pre-clinical development costs for the pipeline assets.

In 2015, expenses for research and development for the Company, including the clinical trial related costs, were expensed and amounted to NOK 43.6 million. Approximately 50% of the costs were attributed to the development of BGB324, 25% on BGB002 and 2-3% on BGB149 and approximately 5% to patent costs. In addition, approximately 20% of the expenses were related to personnel costs within R&D activities on pre-clinical development and the pipeline assets. In 2015 the costs related to BGB002 were high as a several selective small molecule inhibitors of the target were developed and subsequently a number of compounds have been selected as pre-clinical development candidates.

10.9.2 Principal investments in progress and planned principal investments

There are no significant investments in progress, but costs associated with the development of the Company's products are ordinary research and development costs, expensed as they are incurred. The Company has estimated that the net proceeds of the Offering of NOK 375.5 million and the cash held by the Company as of 31 December 2016, is expected to finance the Company through to 2019. The first indication for registration and commercialisation will become apparent following the Phase II studies covered by the Offering. The Company is currently not able to quantify these future costs precisely and they will be affected by numerous factors, including amongst other the study design, results of the clinical studies, timing of regulatory approvals, the Company's chosen commercialisation strategy, the competitive landscape and the general economic climate. See note 2 of the Financial Statements included in this Prospectus as Appendix B for an explanation of the accounting principles relating to research and developments costs. The Company finances the current costs related to R&D with equity and government grants.

However, the Company is committed to progressing the Phase II programmes through to H1 2018, and investments will be done in this period. The Company estimates the costs related to completing the ongoing and planned Phase II trials, planned drug production of BGB324 and preparations for progressing BGB149 forwards to first-in-man clinical trial to be in the region of NOK 250 million to NOK 300 million, however, these costs are not necessarily committed and the Company could choose to make adjustments, so consequently the costs are not fixed commitments.

10.10 Borrowings, contractual cash obligations and other commitments

10.10.1 Material borrowings

The Company has no outstanding long-term debt as of the date of this Prospectus.

On 5 September 2014, the Company entered into a convertible loan agreement with the Wellcome Trust under which Wellcome Trust granted an unsecured convertible loan in the amount of GBP 1,605,000. Wellcome Trust could at its absolute discretion require repayment or issuance of new Shares at a discounted price to be determined based on future incidents. The last tranche of the convertible loan was converted to equity in February/March 2016, and consequently from that point in time there are no further obligations under the convertible loan agreement.

Also after a full repayment of the loan, in cash or by conversion, the Wellcome Trust may take responsibility on behalf of the Company for the commercialisation of the "Product IPR" in the event the "Project IPR" has not been further developed by the Company and the Company has not been taking any material steps to commercialise the "Project IPR" within 5 years following the completion of the "Project". The final project report was approved by Wellcome Trust in December 2015.

In December 2014, the Company obtained patent protection for BGB002 composition of matter and use, and BGB002 is currently one of the main programmes in BerGenBio's pre-clinical work. The Company is thus of the opinion that it has, and in any event will within the 5 year period, have taken material steps to commercialise the "Project IPR", after which the Wellcome Trust option will lapse.

10.10.2 Contractual obligations and contingent liabilities

The Company does not have any material contractual cash obligations or other commitments as of the date of this Prospectus.

10.10.3 No off-balance sheet arrangements

The Company has not entered into and is not a party of any off-balance sheet arrangements.

10.11 Deferred tax asset

BerGenBio has not recognised a deferred tax asset in the statement of financial position, as the Company does not consider that taxable income in the short-term will sufficiently support the use of the deferred tax asset. The deferred tax asset as of the 31 December 2016 was NOK 363.7 million.

10.12 Related party transactions

As per the date of this Prospectus, the Company has not entered into any related party transactions.

10.13 Quantitative and qualitative disclosure about financial risk and market risk

The Company's activities are exposed to certain financial risks including foreign exchange risk, credit risk and liquidity risk. The risk is however of such character that the Company has chosen not to put in place any measures to mitigate the potential unpredictability of the financial markets. The Company had NOK 161.8 million in cash and cash equivalents at year-end 2016. The main purpose of this is to finance the Company's activities and on-going clinical trials. The Company has various assets and liabilities such as receivables and trade payables, which originate directly from its operations. All financial assets and liabilities are carried at amortized cost. All financial assets and liabilities are short-term in nature and their carrying value approximates fair value.

Foreign currency risk

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research and development expenses. The Company is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP) and U.S. dollar (USD).

The Company has chosen not to hedge its operational performance as the Company's cash flow is denominated in several currencies that changes depending on where clinical trials are run. The foreign currency exposure is also mostly linked to trade payables with short payment terms. The Company might consider changing its current risk management of foreign exchange rate if it deems it necessary.

Interest rate risk

The Company held as at 31 December 2016 NOK 161.8 million in cash and cash equivalents and did not have any borrowings. The Company's interest rate risk is therefore in the rate of return of its cash on hand. Bank deposits are exposed to market fluctuations in interest rates, which affect the financial income and the return on cash. The Company had NOK 1.5 million in interest income as of 31 December 2016.

Credit risk

Credit risk is the risk of counterparty's default in a financial asset, liability or customer contract, giving a financial loss. The Company's receivables are generally limited to receivables from public authorities by way of government grants. The credit risk generated from financial assets in the Company is limited since it is cash deposits. The Company only places its cash in bank deposits in recognised financial institutions to limit its credit risk exposure.

The Company has not suffered any loss on receivables during 2016 and the Company considers its credit risk as low.

10.14 Trend information

The Company has not experienced any changes or trends that are significant to the Company between 31 December 2016 and the date of this Prospectus, nor is the Company aware of such changes or trends that may or are expected to be significant to the Company for the current financial year.

10.15 Significant changes

There have been no significant changes in the financial or trading position of the Company since the date of the Financial Statements, which have been included in this Prospectus.

11 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

11.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is vested in the Company's Board of Directors and the Company's Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has two sub-committees: a nomination committee and a remuneration committee. In addition, the Company has established an audit committee, with effect from the first day of Listing.

11.2 Board of Directors

11.2.1 Overview of the Board of Directors

The Company's Articles of Association provide that the Board of Directors shall consist of a minimum of three and a maximum of seven Board Members. The current Board of Directors consists of seven Board Members, as listed in the table in Section 11.2.2 "The Board of Directors" below.

The composition of the Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance, dated 30 October 2014 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected Board Members are independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected Board Members are independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's Management serves on the Board of Directors. Furthermore, pursuant to the Norwegian Public Limited Companies Act, if the board of directors of a Norwegian public limited liability company consists of six to eight members, then each gender shall be represented by at least three members.

Except for Jon Øyvind Eriksen and Sveinung Hole all Board Members are independent of the Company's significant business relations and large shareholders (shareholders holding more than 10% of the Shares in the Company) and of the Management.

The Company's registered business address, Jonas Lies vei 91, 5009 Bergen, Norway, serves as the c/o address for the Board Members in relation to their directorship of the Company. As of the date of this Prospectus, the Board Members holds only such Shares, options or other rights to acquire Shares as listed in the table under Section 11.2.2 "The Board of Directors" pursuant to the bonus and share incentive programmes described in Section 11.5 "Bonus and share incentive programmes ".

11.2.2 The Board of Directors

The names and positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below, including also their respective shareholdings and stock options in the Company.

Name	Position	Served since	Term expires	Shares	Share Options
Stein Holst Annexstad	Chairman[131]	1 February 2016	AGM 2019	0	0
Susan Foden	Board Member	8 September 2011	AGM 2018	6,700	267,500
Sveinung Hole	Board Member	1 February 2016	AGM 2018	0	0
Jon Øyvind Eriksen	Board Member	30 January 2012	AGM 2018	0	0
Hilde Furberg	Board Member	22 June 2015	AGM 2018	0	25,000
Stener Kvinnsland	Board Member	1 September 2015	AGM 2018	0	0
Kari Grønås	Board Member	1 February 2016	AGM 2018	0	15,000

[131] Served as chairman of the Board from 16 January 2017.

11.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Members is or has been a member of the administrative, management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of such Companies).

Stein Holst Annexstad, Chairman

Mr Annexstad holds a BA in Commerce from the Norwegian School of Economics (1969). He has senior industry experience, both at executive and board levels. He is former executive of Dyno Industrier AS (fine chemicals), and became the CEO of the pharmaceutical firm Nycomed AS (subsequently merged with Amersham Plc and thereafter merged with GE). He was head of AS Isco Group, an Executive Search and Corporate Advisory Group. Mr Annexstad was in 1996 a co-founder of NorgesInvestor AS, an Oslo-based Private Equity firm, and was in 2008 the first chairman of Investinor AS (the venture investment company of the Norwegian State). At the same time he was chairman of Algeta ASA, the pharmaceutical start-up that successfully developed Xofigo (prostate cancer drug) and was acquired by Bayer Health Care in 2014. Other previous chairman positions comprise commercial banking, business school, public R&D and various industrial enterprises.. He is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ……	*VEAS-Vestfjorden Avløpsselskap (chairman), Asker Kommunale Pensjonskasse (board member) and Holstein AS (managing director and board member).*
Previous directorships and senior management positions last five years ……	*Algeta ASA (chairman), Investinor AS (chairman), Biomedisinsk Innovasjon AS (board member), Norsk Medisinsk Syklotronsenter AS (chairman), Agenda Kaupang AS (chairman) and Biotec Pharmacon ASA (chairman of the nominations committee).*

Susan Foden, Board Member

Dr Susan Foden holds a number of Non-Executive Directorships with both public and private companies and public funding bodies in the biotechnology and healthcare field, including Vectura plc., Source Bioscience plc, Rainbow Seed Fund, Cascade Ltd and Oxford Ancestors Ltd. Previously, Dr Foden held positions in venture capital and UK biotechnology companies. From 2000 to 2003 she was an Investor Director with the London-based VC firm Merlin Biosciences Limited, and was CEO of the technology transfer company Cancer Research Campaign Technology. She studied biochemistry at the University of Oxford from where she obtained an MA and a DPhil. She is a UK citizen, and resides in the UK.

Current directorships and senior management positions ……	*British Technology Group Plc (board member), Vectura Group Plc (board member), Evgen Plc (board member), Oxford Ancestors Ltd (board member) Source Bioscience plc (board member), Rainbow Seed Fund (board member) and The Cell and Gene Therapy Catapult (board member). No senior management positions.*
Previous directorships and senior management positions last five years ……	*Rainbow Seed Fund (board member), the Cascade Fund (board member), Cizzle Biotech Ltd (chairman), Rainbow Seed Fund Ltd and Source BioScience plc (board member).*

Sveinung Hole, Board Member

Mr Hole is the CEO of Bergen Research Foundation and the Kristian Gerhard Jebsen Foundation. Hole holds a number of board positions amongst others at Sarsia Seed AS, Nordic and Europe Health Invest AS and Prophylix Pharma AS. Formerly he was the CEO of the investment fund Sarsia Seed AS, board member of Bergen Hospital Trust (Helse Bergen) Norwegian Venture Capital Association, Nansen Neuroscience Network and Director of Anesthesia and Intensive Care at Haukeland University Hospital. Hole has also held various top management positions at Telenor Corporation and been

Regional Managing Director/Director of Global Strategies at the Berlitz Corporation. Hole holds a Master of International Management from BI Norwegian Business School. He is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ……	*Pe Helse AS (chairman), Volusense AS (chairman), Nordic And Europe Health Invest AS (board member), Sarsia Seed AS (board member), Bergen Research Foundation (CEO), the Kristian Gerhard Jebsen Foundation (CEO) Prophylix Pharma AS (board member), Sarsia Seed Fond II AS (chairman) Tromsø Forskningsstiftelse (board member).*
Previous directorships and senior management positions last five years ……	*Sarsia Seed Management (managing partner), Isentio AS (board member), Stiftelsesforvaltning AS (board member), Norwegian Venture Capital Association (board member), Bergen Hospital Trust (Helse Bergen) (board member), Nansen Neuroscience Network (board member) and BerGenBio AS (board member).*

Jon Øyvind Eriksen, Board Member

Jon Øyvind Eriksen holds an MSc in biotechnology from the Norwegian University of Science and Technology (NTNU), and a graduate degree in Russian and German from the University of Bergen who is currently employed as Investment Director at Investinor AS. He has been awarded an MBA with Distinction from London Business School, and he is also a CFA Charterholder. Mr Eriksen is a serial entrepreneur with a proven track record of leading technology and media companies through start-up, growth, expansion and exits, mergers, acquisitions, corporate spin-offs and turnarounds. Mr Eriksen has previously served as CEO of Kantega, Mogul Technology and Internet Aksess, and also held positions as chairman and member of the board of directors in several companies. He is a Norwegian citizen and resides in Norway.

Current directorships and senior management positions ……	*Boostcom Group AS (board member), Novelda AS (board member), Signicat AS (board member), Sonstad AS (chairman), Unacast, Inc. (board member) and Swarm64 AS (board member).*
Previous directorships and senior management positions last five years ……	*Numascale AS (deputy board member), Signicat AS (chairman) and Norwegian University of Science and Technology (NTNU) (board member and deputy board member).*

Hilde Furberg, Board Member

Hilde Furberg has over 30 years of commercial experience in pharma and biotech, she is currently Senior Vice President Rare Diseases EMEA at Sanofi Genzyme. Previously her roles were Vice President and General Manager of Nordic Benelux and Nordic General Manager at Sanofi Genzyme. Prior to joining Sanofi Genzyme, Ms Furberg was Managing Director and part-owner of Pharmalink and held a number of roles at Baxter including Managing Director Sweden. She is currently a board member at Pharmalink and has held board positions at Algeta, Clavis, Pronova and Probi. She is a Norwegian citizen, and resides in de Naarden, Netherlands.

Current directorships and senior management positions ……	*Sanofi Genzyme (Senior Vice President Rare Diseases EMEA), Pharmalink AB (vice chairman) and J&J Future Invest AS (board member).*
Previous directorships and senior management positions last five years ……	*Algeta ASA (board member), Clavis Pharma ASA (board member), and Pronova Biopharma ASA (board member).*

Stener Kvinnsland, Board Member

Dr Stener Kvinnsland has more than 30 years of experience as specialist in medical oncology and radiotherapy who has served as Board member since September 2015, and who is also currently the chairman of the board of directors of Oslo University Hospital. Kvinnsland has extensive experience from the oncology space within both public and private sector. Among Dr. Kvinnsland's previous roles, he was Chief Executive Officer of the Bergen Hospital Trust (Helse Bergen), Head of the Department of Oncology and Medical Physics at Haukeland University Hospital, Professor of Medicine (Oncology)

at the University of Bergen and Director Clinical R&D, Oncology for Pharmacia & Upjohn in Milan. He is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ……	*Helse Stavanger Hf (chairman) and the Bergen Research Foundation (board member).*
Previous directorships and senior management positions last five years ……	*Oslo Universitetssykehus Hf (chairman) and Health Faculty at Tromsø University (chairman).*

Kari Grønås, Board Member

Kari Grønås (M. Sc. Pharm) has more than 25 years of experience in drug development and the commercialisation of new products including securing regulatory approvals. She has significant management experience including leadership of cross functional and governance teams. She was SVP Operations at Algeta ASA, and has had leading positions in both Photocure ASA and Nycomed/Amersharm Health. She holds a non-executive directorship at Lytix Biopharma AS, is chairman of the board of the Norwegian Pharmaceutical Society, and is currently working as a consultant within biotech. She is a Norwegian citizen, and resides in the Norway.

Current directorships and senior management positions ……	*K og K AS (managing director), Lytix Biopharma AS (board member), Norwegian Pharmaceutical Society (chairman of the board) and The Federation of Norwegian Industry (member of board of representatives).*
Previous directorships and senior management positions last five years ……	*Algeta ASA/Bayer Norge AS (SVP Operations and SVP Executive Advisor).*

11.3 Management

11.3.1 Overview

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer ("**CEO**") is responsible for keeping the Company's accounts in accordance with prevailing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

The Company's senior management team consists of six individuals. The names of the members of Management as at the date of this Prospectus, and their respective positions, are presented in the table below, including also their respective shareholdings and stock options in the Company:

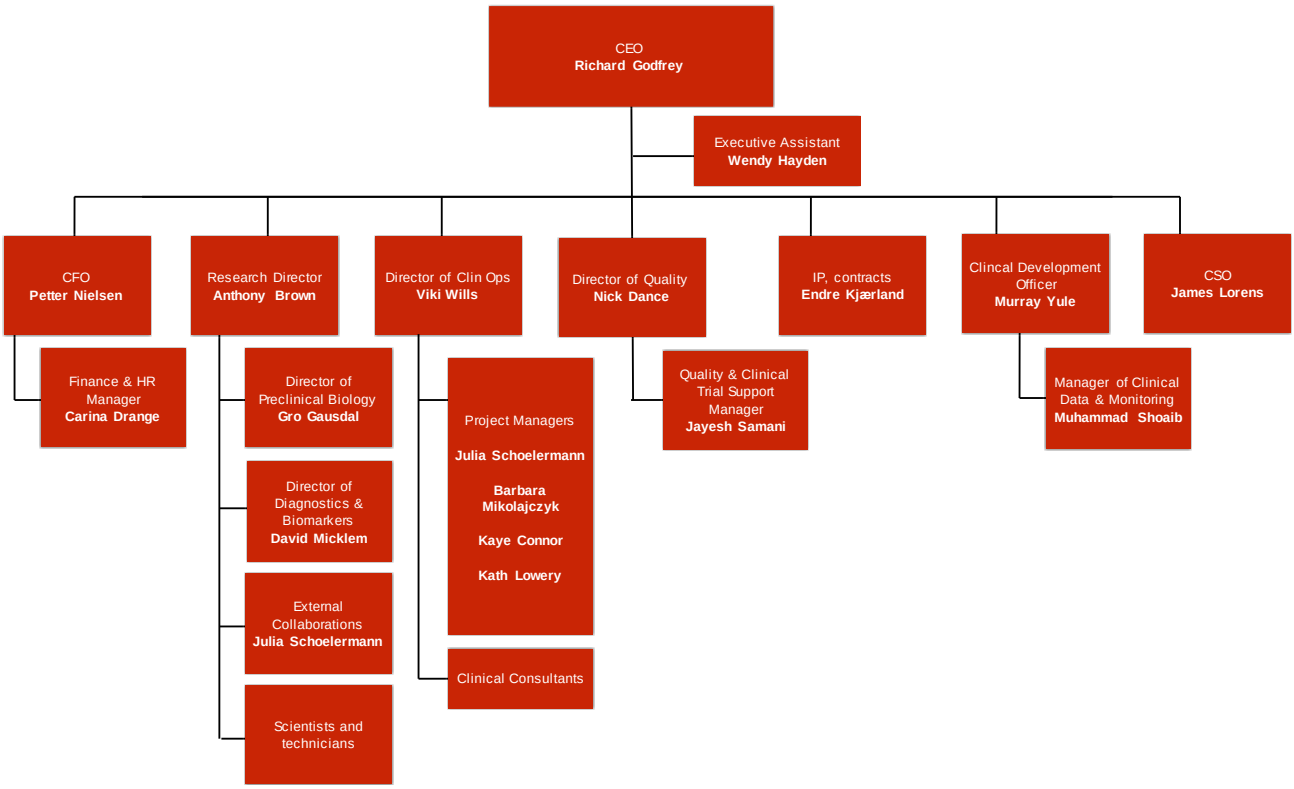
Name	Current position with the Company	Employed with the Company since	Shares	Share Options
Richard Godfrey	Chief Executive Officer	20 January 2009	158,900	940,000
Petter Nielsen	Chief Financial Officer	1 February 2015	0	150,000
James Lorens	Chief Scientific Officer	1 January 2009	250,000[132]	700,000
Steven Murray Yule[133]	Clinical Development Officer	1 November 2016	0	150,000
Viki Wills	Director of Clinical Operations	3 October 2016	0	0
Anthony Brown	Director of Research	1 September 2015	0	150,000

The Company's registered business address, Jonas Lies vei 91, 5009 Bergen, Norway, serves as the business address for the members of the Management in relation to their employment with the Company.

[132] Pursuant to an agreement dated 21 December 2009, compensating the employees for their rigths as co-inventors of certain early IPR of the Company, entered into with Bergen Teknologioverføring AS, later assigned to Norsk Innovasjonskapital II AS, James Lorens has a right and an obligation to purchase 200 additional Shares (20,000 Shares after the share split resolved by the General Meeting 22 March 2017) at an agreed price per Share of NOK 0.10. There is no expiry date to the call/put options, and the Shares may be purchased/sold when called or put by James Lorens or Norsk Innovasjonskapital II AS, respectively.

[133] Previously engaged by the Company as consultant from 2011

The following chart sets out the Management's organisational structure:



11.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of such companies).

Richard Godfrey, Chief Executive Officer

Richard Godfrey joined the Company as Chief Executive Officer in 2008. He has more than 28 years' industry experience leading many international drug development and commercialisation partnerships. Formerly he served as Chief Executive Officer of Aenova Inc.. Prior to this he was the Managing Director of DCC Healthcare Ltd and previously he held positions of increasing responsibility at Catalant, Eli Lilly and Reckitt Benckiser in R&D and commercial roles. He qualified as a Pharmacist from Liverpool University and received his M.B.A. from Bath University. Mr Godfrey is a UK citizen, and resides in Norway.

Current directorships and senior management positions ……	*Square One Holding AS (board member), Gnist Holding AS (managing director and chairman), Magnet Strategy and marketing Partners AS (board member), Biotec Pharmacon ASA (board member), Balter Medical AS (board member), Uni Targeting Research AS (chairman), Petosan AS (chairman) and Gnist Ltd (director).*
Previous directorships and senior management positions last five years ……	*Sarisa Venture management (board member and partner), Ayanda Group AS (board member) and Captech AS (board member).*

Petter Nielsen, Chief Financial Officer

Petter Nielsen joined BerGenBio in 2015 as CFO. Previously he held the position of CFO at GexCon, an R&D company that developed into an international group of companies focusing on commercial products and services. Nielsen has extensive experience related to mergers and acquisitions, IPOs, valuation and IFRS from Ernst & Young where he has worked in the Transaction Advisory Services group. He obtained an MSc in Auditing and an MSc in Economics and

Business Administration, both from the Norwegian School of Economics. Mr Nielsen is a Norwegian citizen, and resides in Norway.

Current directorships and senior management positions ……	*Magusta AS (managing director and chairman).*
Previous directorships and senior management positions last five years ……	*GexCon AS (Chief Financial Officer), GexCon US Inc (board member), GexCon UK Ltd (Company secretary), GexCon Aberdeen Ltd (board member and company secretary) Proces Ltd (board member), Vanguard Solutions (Middle East) DMCC (board member).*

James Lorens, Chief Scientific Officer

Professor James Lorens is the co-founder of the Company with 26 years academic and biotech research experience. He is also a Professor at the Department of Biomedicine at the University of Bergen. On completing his postdoctoral research studies at Stanford University he joined Rigel Inc., a San Francisco based biotech company, as a founding scientist and research director. Professor Lorens has managed several large scientific collaborations in cancer research and development with major pharmaceutical and biotech companies. In addition to BerGenBio, he leads a large internationally active research laboratory comprising 22 researchers. His group is active in EMT, angiogenesis and cancer research. Professor Lorens is an author of more than 100 peer-reviewed articles and patents. Mr Lorens is a U.S. citizen, and resides in Norway.

Current directorships and senior management positions ……	*Lorn Holding AS (chairman) and Norwegian Research Council, Division of Innovation (board member).*
Previous directorships and senior management positions last five years ……	*None.*

Steven Murray Yule, Clinical Development Officer

Dr Steven Murray Yule joined BerGenBio in 2011 as a consultant and became employed as Clinical Development Officer in 2016. He began his career in the pharmaceutical industry in 1998 after completing his medical training in oncology at Addenbrookes Hospital, Cambridge. Whilst working in the United Kingdom's National Health Service, Murray supervised multiple early phase clinical studies of novel anticancer products and completed a PhD in experimental pharmacology. In the last ten years, whilst working in several top-ten pharmaceutical companies, he has planned and executed global development strategies for several anticancer drugs, which has led to licensing approvals for novel tubulin binders in solid tumours and epigenetic therapies in acute leukaemia. Dr Murray Yule also provides clinical development consulting to Incanthera Limited, Bicycle Therapeutics and the British Therapeutics Group. Mr Murray Yule is a UK citizen, and resides in the UK.

Current directorships and senior management positions ……	*Pentlands Oncology Consulting Ltd (board member).*
Previous directorships and senior management positions last five years ……	*Pentlands Clinical Resourcing Limited (board member) and Astex Therapeutics Limited (medical director).*

Viki Wills, Director of Clinical Operations

Victoria Elizabeth Wills (known as Viki Wills) joined BerGenBio in 2016 and serves as Director of Clinical Operations, based in Oxford, UK. She brings over 30 years' experience in the management of clinical programmes from pharma, biotech and CRO companies across a number of therapeutic areas and phases, more recently focused on oncology. She qualified as a Pharmacist from Bath University and completed her post-graduate registration in Bristol, UK. Viki Wills is a British citizen, and resides in the UK.

Current directorships and senior management positions ……	*None.*
Previous directorships and senior management positions last five years ……	*Mulberry Clinical Services Limited (Director).*

Anthony Brown, Director of Research

Dr. Anthony Brown joined BerGenBio as Research Director in October 2015. He is founder and Director of Drug Discovery Limited and currently also Scientific Director at CellCentric. He has over 25 years of experience in the drug discovery of both small molecule and biological therapeutics from research through to the clinic. This has covered multiple therapeutic areas, including Oncology, Immune/Inflammation and Cardiovascular Disease. He completed his doctorate from the University of Oxford in 1993 and has held Senior Management and Director level positions at British Biotech, OSI Pharmaceuticals, Piramed Pharma and Cancer Research Technology. He has managed strategic alliances with pharma

and biotech and lead several novel programmes in Oncology, from early research through to clinical studies. In addition, he has held Scientific Advisory Board positions and acted as a drug discovery consultant for biotechs and academic institutions. He holds an MBA from Oxford Brookes University. Dr Anthony Brown is a UK citizen and resides in the UK.

Current directorships and senior management positions ……	*Cerebellum Limited (director) and Drug Discovery Limited (director).*
Previous directorships and senior management positions last five years ……	*CellCentric Limited (scientific director).*

11.4 Remuneration and benefits

11.4.1 Remuneration of the Board of Directors

The total remuneration paid to the Board Members in 2016 was NOK 1,230,550. The table below sets out the remuneration paid to the Board Members in such period.

Name and position	*In NOK*	Remuneration in 2016
Stein Holst Annexstad (Chairman)		146,666
Jon Øyvind Eriksen (Board Member)		146,666
Hilde Furberg (Board Member)		283,333
Stener Kvinnsland (Board Member)		159,999
Sveinung Hole (Board Member)		146,666
Susan Foden (Board Member)		174,708
Kari Grønås (Board Member)		146,666

11.4.2 Remuneration of Management

The Board of Directors has established guidelines for the remuneration of the members of the Management. It is a policy of the Company to offer the Management competitive remuneration based on current market standards, company and individual performance. The remuneration consists of the basic salary element as set out below, combined with a performance based bonus programme and participation in the share incentive programme described in Section 11.5 "Bonus and share incentive programmes". The Management participates in the Company's insurances and medical coverage, and is entitled to certain fringe benefits, such as telephone and newspaper. The Company may, in the future, make individual agreements for early retirement for individuals in the Management.

The remuneration paid to the members of the current Management in 2016 was NOK 7,076,348. The table below sets out the remuneration of the current Management in 2016 (in NOK).

Name	Salary	Bonus	Other benefits	Estimated pensions costs	Total remuneration
Richard Godfrey (Chief Executive Officer)	1,823,213	432,000	7,753	181,098	2,444,064
Petter Nielsen (Chief Financial Officer)	1,318,814	351,000	7,753	143,142	1,820,709
James Lorens (Chief Scientific Officer)	445,300	189,448	3,361	39,067	677,176
Murray Yule[134] (Clinical Development Officer)	371,455	-	-	-	371,455
Viki Wills (Director of Clinical Operations)	313,300	-	-	21,931	335,231
Anthony Brown (Director of Research)	1,334,311	-	-	93,402	1,427,713

11.5 Bonus and share incentive programmes

11.5.1 Bonuses

The members of the Management are eligible for a non-pensionable annual bonus with a target bonus opportunity of 20% of annual base salary. With exceptionally performance, the target bonus can maximum be doubled, up to a 40% bonus. Any bonus awarded will be discretionary and subject to the achievement of performance conditions which in consultation with the, remuneration committee, will be set by the chairman of the Board, and finally approved by the Board.

[134] Mr Murray Yule was previously hired-in as a consultant, and employed by the Company as employee as from 1 November 2016.

11.5.2 Share Option Programmes

The Company has granted share options in 2010, 2011, 2012, 2013, 2014, 2015 and 2016 (the "**Share Option Programmes**"). The current terms of the share option programme is regulated by the "Standard Terms under the Share Incentive Programme of BerGenBio AS" as resolved by the Board of Directors 23 February 2012.

Each option gives the right to acquire one share of the Company on exercise. Since the start of the Share Option Programmes 500 options (equivalent to 50,000 after the share split resolved by the General Meeting on 22 March 2017) have been exercised. The Share Option Programmes are intended to ensure focus and align the Company's long-term performance with shareholder values and interest. Most of the employees in the Company take part in the Share Option Programmes, in addition to some Board Members. The Share Option Programmes also serves to retain and attract senior management.

The exercise price for options granted is set at the market price of the Shares at the time of grant of the options. In general, for options granted after 2012 the options expire eight years after the date of grant. In 2016, the Board of Directors reviewed and amended the vesting criterias for granted options to employees. The revised vesting criteria was set as the earlier of IPO or annually in equal tranches over a three-year period following the date of grant.

Overview of options as of the date of the Prospectus (adjusted for the share split resolved by the General Meeting on 22 March 2017):

Time of grant	**Number of options**	**Expiry date**	**Exercise price**
September 2010	225,000	December 2017/2019	5.65
May 2011	175,000	December 2017/2019	7.56
June 2012	285,000	December 2017/2019	10.615
June 2012	225,000	June 2020	10.615
June 2013	360,000	June 2021	10.615
September 2013	400,000	September 2021	10.615
June 2014	280,000	June 2022	11.15
May 2015	650,000	May 2023	16.01
September 2015	260,000	September 2023	16.01
January 2016	400,000	January 2024	24.00
February 2016	122,500	February 2024	24.00
Forfeited in 2015	-7,500		10.615
Forfeited in 2016	-50,000		16.01
Forfeited in 2017	-125,000		*10.79
Returned by certain members of the Board of Directors	-45,000		24.00
Exercised in 2017	-50,000		10.615
Total	**3,105,000**		

*Weighted average exercise price, the exercise price was NOK 10.62 and NOK 11.15 for the options.

As of the date of this Prospectus, there were 3,105,000 options outstanding under the Share Option Programmes of which 2,283,500 have been vested and could be exercised at present. The vested options have expiry dates varying from December 2017 to February 2024. The remaining options will vest according to a specific plan and subject to certain events, the main events being set out below.

Vesting event	**Expiry date**	**Number of options**
Upon an IPO or annually in equal tranches over a three-year period following the date of grant, whichever is the earliest	June 2022-January 2024	782,700
Engaged as Board member 2 years after granting (granted in February 2016).....	February 2024	38,800
Total		821,500

Each option granted gives the holder a conditional right to acquire one Share in the Company. The exercise price under the Share Option Programme is equal to the market price of the shares at the date of the grant, the vested share options have been granted at an exercise price between NOK 5.65 and NOK 24, and the remaining options at an exercise price between NOK 11.15 and NOK 24.

As of the date of this Prospectus, members of the Board of Directors and Management have been granted share options under the Share Option Programmes and holds such share options as set out below:

Name (position)	Date granted	Expiry date	Options outstanding as of 28 March 2017	Exercise price range in NOK
Susan Foden (Board Member)				
	June 2012	June 2020	100,000	10.615
	June 2013	June 2021	25,000	10.615
	September 2013	September 2021	55,000	10.615
	June 2014	June 2022	50,000	11.15
	February 2016	February 2024	37,500	24.00
			267,500	
Hilde Furberg (Board Member)				
	February 2016	February 2024	25,000	24.00
			25,000	
Kari Grønås (Board Member)				
	February 2016	February 2024	15,000	24,00
			15,000	
Richard Godfrey (CEO)				
	September 2010	December 2019	50,000	5.65
	May 2011	December 2019	100,000	7.56
	June 2012	December 2019	75,000	10.615
	June 2013	June 2021	75,000	10.615
	September 2013	September 2021	150,000	10.615
	June 2014	June 2022	120,000	11.15
	May 2015	May 2023	275,000	16.01
	January 2016	January 2024	100,000	24.00
			945,000	
James Lorens (Chief Scientific Officer)				
	September 2010	December 2019	50,000	5.65
	May 2011	December 2019	25,000	7.56
	June 2012	December 2019	75,000	10.615
	June 2013	June 2021	100,000	10.615
	September 2013	September 2021	55,000	10.615
	June 2014	June 2022	70,000	11.15
	May 2015	May 2023	275,000	16.01
	January 2016	January 2024	50,000	24.00
			700,000	
Petter Nielsen (CFO)				
	May 2015	May 2023	100,000	16.01
	January 2016	January 2024	50,000	24.00
			150,000	
Steven Murray Yule (Clinical Development Officer)				
	September 2013	September 2021	100,000	10.615
	January 2016	January 2024	50,000	24.00
			150,000	
Anthony Brown (Director of Research)			150,000	
	September 2015	September 2023	100,000	16.01
	January 2016	January 2024	50,000	24.00
			150,000	

11.6 Benefits upon termination

No employee, including any member of Management, has entered into employment agreements which provide for any special benefits upon termination. None of the Board Members or the members of the nomination committee has a service contract and none will be entitled to any benefits upon termination of office.

11.7 Pensions and retirement benefits

The Company operates a defined contribution benefit pension plan, effective as of 1 October 2016.

Until 30 September 2016 the Company operated a defined benefit pension plan in, which requires contributions to be made to a separately administered fund. The Company also provides certain additional post employment healthcare benefits to employees. These benefits are unfounded.

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

The Company has no pension or retirement benefits for its Board Members.

For more information regarding pension and retirement benefits, see note 10 to the Financial Statements for the year ended 31 December 2016, included as Appendix B.

11.8 Loans and guarantees

The Company has not granted any loans, guarantees or other commitments to any of its Board Members or to any member of Management.

11.9 Employees

As at the date of this Prospectus, the Company had 24 employees. Of these employees, 4.5 are working with the Company's clinical trials, 4 are working as laboratory technicians, 10.7 as scientists or scientific and research managers/leaders and the remaining 4.8 within administration, accounting, contracts, IP and management.

Save for the Management as is presented above, the Company considers the following as key employees:

Endre Kjærland, Associate Director of IP and Contracts

Dr Endre Kjærland joined BerGenBio AS in 2011 and is now head of intellectual property, quality systems and contracts. Prior to joining BerGenBio, he has gained more than 10 years of experience in academic science and supervision. He completed a MSc in molecular biology and PhD in biochemistry from the University of Bergen.

David Robert Micklem, Director of Diagnostics and Biomarkers

Dr David Micklem is co-founder of BerGenBio and currently serves as Director of Diagnostics and Biomarkers. He has co-authored numerous scientific publications and patents and brings over 25 years of experience of research in molecular biology and genetics. He holds a BA in Biochemistry from the University of Oxford and a PhD in Developmental Biology and Genetics from the University of Cambridge.

Gro Gausdal, Associate Director of Preclinical Biology

Dr Gro Gausdal joined BerGenBio AS in 2013 and holds now the position as Associate Director of Preclinical Biology. Prior to joining BerGenBio, she has gained more than 10 years of experience in academic science and supervision. She completed a MSc in micro biology and PhD in cell biology from the University of Bergen.

The table below shows the development in the numbers of full-time employees over the last two years in total and by geographic region and main category of activity.

	As of the date of the Prospectus	**Year ended 31 December**	
		2016	**2015**
Total	**24**	**25**	**19**
By geographic region:			
- Norway	17	19	18
- UK	7	6	1
By main category of activity:			
- Clinical	4.5	4.5	
- Research and development	14.7	15.7	14.7
- Administration/IPR/commercialisation	4.8	4.8	4.3

The employees working in the UK are expected to be transferred to and employed by the newly established UK subsidiary of the Company, see Section 12.2 "Legal structure".

11.10 Nomination committee

The Company's Articles of Association provide for a nomination committee composed of up to 3-4 members who are shareholders or representatives of shareholders. The current members of the nomination committee are Ann-Tove Kongsnes (chairman), Hans Peter Bøhn and Masha P.N Le Gris Strømme. The nomination committee will be responsible for nominating the shareholder-elected Board Members and members of the nomination committee and making recommendations for remuneration to the Board Members and members of the nomination committee.

11.11 Audit committee

The Board of Directors has established an audit committee, with effect from the first day of Listing, composed of three Board Members. The current members of the audit committee are Jon Øyvind Eriksen (chairman), Kari Grønås and Stein Holst Annexstad.

The primary purposes of the audit committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets; the operation of adequate system and internal controls; control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Board of Directors on the risk profile and risk management of the Company.

The audit committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.12 Remuneration committee

The Board of Directors has established a remuneration committee amongst the Board Members. The remuneration committee comprises Sveinung Hole (chairman), Stein Holst Annexstad and Hilde Furberg.

The primary purpose of the remuneration committee is to assist the Board of Directors in discharging its duty relating to determining Management's compensation. The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

11.13 Corporate governance

The Company has, with effect from the Listing, adopted and implemented a corporate governance regime which complies with the Corporate Governance Code. Prior to the Company being subject to the Corporate Governance Code, the Company has granted share options to Susan Foden, Hilde Furberg and Kari Grønås (Board Members) as set out in Sections 11.2.2 "The Board of Directors". Furthermore, the Company has, prior to being subject to the Corporate Governance Code, granted share options to the Management. The abovementioned share options are further described in Section 11.5.2 "Share Option Programmes".

11.14 Conflicts of interests etc.

During the last five years preceding the date of this Prospectus, none of the Board Members and members of the Management has, or had, as applicable:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, director or senior manager of a company.

Jon Øyvind Eriksen (Board member) is currently employed as Investment Director at Investinor AS, who is the second largest shareholder of the Company, Sveinung Hole is employed by Meteva AS and serves as member of the board of Sarsia Seed AS, both major shareholder of the Company, and Richard Godfrey (CEO) is a minority shareholder in Sarsia Development AS who is also a shareholder in the Company. Masha P.N Le Gris Strømme is a member of the Company's nomination committee, but also engaged as advisor by Arctic. To the Company's knowledge, there are currently no other

actual or potential conflicts of interest between the Company and the private interests or other duties of any of the Board Members and members of the Management, including any family relationships between such persons.

12 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's Articles of Association and applicable Norwegian law in effect as at the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Company's Articles of Association, included in Appendix A to this Prospectus, and applicable law.

12.1 Company corporate information

The Company's legal and commercial name is BerGenBio ASA, commonly known as BerGenBio. The Company is a public limited company organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Companies Act. The Company's registered office is in the municipality of Bergen, Norway. The Company was incorporated in Norway on 21 December 2007. The Company's registration number in the Norwegian Register of Business Enterprises is 992 219 688, and the Shares are registered in book-entry form with the VPS under ISIN 0010650013. The Company's register of shareholders in the VPS is administrated by DNB Bank ASA. The Company's registered office is located at Jonas Lies Vei 91, 5009 Bergen, Norway and the Company's main telephone number at that address is +47 53 50 15 64. The Company's website can be found at www.bergenbio.com. The content of www.bergenbio.com is not incorporated by reference into and does not otherwise form a part of this Prospectus.

12.2 Legal structure

The Company, as of year-end 2016 has not had any subsidiaries and hence the operations of the Company have been carried out through the Company. 10 January 2017, the Company incorporated a wholly-owned subsidiary, BerGenBio Limited (incorporated in the UK with company number 10555293).

Going forward it is anticipated that UK based employees will be employed through BerGenBio Limited. This change does not lead to any noticeable change of the operations of the Company.

12.3 Share capital and share capital history

As of the date of this Prospectus, the Company's share capital is NOK 3,374,220 divided into 33,742,200Shares, with each Share having a nominal value of NOK 0.10. All the Shares have been created under the Norwegian Public Limited Companies Act, and are validly issued and fully paid.

The Company has one class of shares. Except as set out in Sections 11.2.2 "The Board of Directors" and 11.5 "Bonus and share incentive programmes", there are no share options or other rights to subscribe or acquire Shares issued by the Company. The Company does not own, directly or indirectly, any Shares in the Company.

The table below shows the development in the Company's share capital for 2015 and 2016 and to the date hereof (adjusted for the share split resolved by the General Meeting on 22 March 2017):

Date of resolution	Type of change	Change in share capital (NOK)	Nominal value (NOK)	New number of Shares	New share capital (NOK)
18.08.2015	Share capital increase[1]	64,060	0.10	640,600	2,479,240
01.02.2016	Share capital increase[2]	437,500	0.10	4,375,000	2,916,740
18.02.2016	Share capital increase[3]	5,730	0.10	57,300	2,922,470
01.02.2016	Share capital increase[4]	9,250	0.10	92,500	2,931,720
21.06.2016	Share capital increase[5]	437,500	0.10	4,375,000	3,369,220
06.02.2017	Share capital increase[6]	5,000	0.10	50,000	3,374,220

1 The Shares were subscribed at a price of NOK 14.41 each through a conversion of a convertible loan.
2 The Shares were subscribed at a price of NOK 24 each.
3 The Shares were subscribed at a price of NOK 24 each.
4 The Shares were subscribed at a price of NOK 21.60 each through a conversion of a convertible loan.
5 The Shares were subscribed at a price of NOK 24 each.
6 The Shares were subscribed at a price of NOK 10.62 each through exercise of options from former board member.

In the period from 01.01.2015 to the date of this Prospectus, NOK 69,790 of the share capital has been paid with assets other than cash (corresponding to approximately 2.07% of the current share capital).

12.4 Admission to trading

The Company will on or about 28 March 2017 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on or about 31 March 2017, subject to certain conditions being met. See Section 15.13 "Conditions for completion of the Offering—Listing and trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or around 7 April 2017. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

12.5 Ownership structure

As at the date of this Prospectus, the Company has 67 shareholders. The Company's 20 largest shareholders as of 28 March 2017 are shown in the table below.

Shareholders	Number of Shares	Per cent
Meteva AS	12,923,000	38.3
Investinor AS	6,609,800	19.6
Sarsia Seed AS	2,117,900	6.3
Norsk Innovasjonskapital II AS	1,333,100	4.0
J.P. Morgan Chase Bank N.A. London	1,272,000	3.8
Mp Pensjon PK	1,240,300	3.7
Datum Invest AS	1,209.200	3.6
Sarsia Development AS	1,195,000	3.5
Bera AS	1,040,000	3.1
Pactum AS	804,600	2.4
Birk Ventures AS	558,500	1.7
CB Invest AS	352,300	1.0
Ro Invest AS	260,900	0.8
David Robert Micklem	252,500	0.7
James Bradley Lorens	250,000	0.7
Spar Kapital Investor AS	225,000	0.7
UNI Research AS	207,700	0.6
Gnist Holding AS	158,900	0.5
Profond AS	139,000	0.4
HAWI Invest AS	135,400	0.4
Others[1]	**1,457,100**	**4.32**
Total	**33,742,200**	**100.00**

1 Remaining 47 shareholders.

There are no differences in voting rights between the shareholders.

As of the date of this Prospectus, Meteva AS holds more than one-third of the share capital of the Company, meaning that Meteva AS has negative control on certain matters as per the Norwegian Public Limited Companies Act, see Section 12.10.2.2 "Voting rights – amendments to the Articles of Association" for further information.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 13.7 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. As of the date of this Prospectus, three shareholders hold more than 5% or more of the issued Shares.

Following the completion of the Offering, the Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Shares have not been subject to any public takeover bids.

12.6 Authorisation to increase the share capital and to issue Shares

The Board of Directors has been granted an authorisation to increase the share capital by up to NOK 329,340, corresponding to approximately 9.8% of the Company's current share capital. The authorisation may be used in

connection with issuance of shares to employees and board members in accordance with the Company´s Share Option Programmes, See Section 11.5.2 "Share Option Programmes".

The authorisation is valid until 30 June 2018. The preferential rights of the existing shareholders to subscribe for the new shares pursuant to Section 10-4 of the Norwegian Public Limited Companies Act may be deviated from. The authorisation does not permit share capital increases against contribution in kind or in connection with mergers.

The AGM held on 22 March 2017 adopted a resolution to increase the share capital of the Company in connection with the Offering. See Section 15.3 "Resolution relating to the Offering".

12.7 Authorisation to acquire treasury shares

The Board of Directors does not have an authorisation to repurchase Shares.

12.8 Other financial instruments

Except as set out in Section 11.5 "Bonus and share incentive programmes" the Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any Shares. Further, the Company has not issued subordinated debt or transferable securities other than the Shares.

12.9 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The owners of Shares in the Company do not assume any obligation to participate in future capital increases in the Company. The rights attaching to the Shares are described in Section 12.10 "The Articles of Association and certain aspects of Norwegian law".

12.10 The Articles of Association and certain aspects of Norwegian law

12.10.1 The Articles of Association

The Company's Articles of Association are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association.

12.10.1.1 Objective of the Company

The objective of the Company is to undertake research and development in biotechnology with a focus on new pharmaceutical therapeutica.

12.10.1.2 Registered office

The Company's registered office is in the municipality of Bergen, Norway.

12.10.1.3 Share capital and nominal value

The Company's share capital is NOK 3,374,220 divided into 33,742,200 Shares, each with a nominal value of NOK 0.10.

12.10.1.4 Board of Directors

The Company's Board of Directors shall consist of three to seven members according to the resolution of the General Meeting. The Chairman of the Board of Directors shall be appointed by the General Meeting.

12.10.1.5 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

12.10.1.6 General Meetings

Documents relating to matters to be dealt with by the Company's General Meeting, including documents which by law shall be included in or attached to the notice of the General Meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be dealt with at the General Meeting are sent to him/her. The shareholders may cast their votes in writing, including through electronic communication (provided that a satisfactory method to authenticate the sender is available), in a period prior to the General Meeting. The Board of Directors can establish specific guidelines for such advance voting. The notice of the General Meeting shall describe the adopted guidelines.

Shareholders shall pre-register their attendance at General Meetings within a deadline set forth in the notice of the General Meeting.

12.10.1.7 Nomination committee

The Company shall have a nomination committee. See Section 11 "Board of Directors, Management, Employees and Corporate Governance".

12.10.2 Certain aspects of Norwegian corporate law

12.10.2.1 General meetings

Through the general meeting, shareholders exercise supreme authority in a Norwegian public limited company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the General Meeting either in person or by proxy appointed at their own discretion. In notices to General Meetings, the Company will include the procedure to vote by proxy and which proxy form to be used. The Company will include a proxy form with its notices of General Meetings. All of the Company's shareholders who are registered in the register of shareholders maintained with the VPS the fifth business day prior to the day of the General Meeting (record date) are entitled to participate and vote at General Meetings. Further, the Company's Articles of Association do include a provision requiring shareholders to pre-register in order to participate at General Meetings. The expiry of the deadline to pre-register, which may not be set earlier than five days prior to the meeting, shall be stated in the notice to the General Meeting. A shareholder who has not given notice before the expiry of the deadline may be refused access.

Apart from the AGM, extraordinary general meetings of shareholders may be held if the Board of Directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the general meeting of a Norwegian public limited company may with a majority of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided the company has procedures in place allowing shareholders to vote electronically.

12.10.2.2 Voting rights – amendments to the Articles of Association

Each of the Shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the Company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast is (are) elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe new Shares in connection with any share issue in the Company, to approve a merger or demerger of the Company, to amend the Articles of Association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the Company or to authorise the Board of Directors to purchase Shares and hold them as treasury shares or to dissolve the Company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a General Meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the Articles of Association.

Decisions that (i) would reduce the rights of some or all of the Company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the Shares, require that at least 90% of the share capital represented at the General Meeting in question vote in favour of the resolution, as well as the majority required for amending the Articles of Association.

In general, only a shareholder in the Company registered in the VPS is entitled to vote for such Shares. Beneficial owners of Shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such Shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's

view, a nominee may not meet or vote for Shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such Shares at the General Meeting, transfer the Shares from such NOM-account to an account in the shareholder's name.

There are no quorum requirements that apply to the General Meetings.

12.10.2.3 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Company's Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be deviated from by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A deviation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to deviate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the General Meeting, by the same vote as is required for amending the Articles of Association, by transfer from the Company's distributable equity and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company.

12.10.2.4 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including, but not limited to, those described in this section and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convenes an extraordinary general meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the General Meeting has not expired.

12.10.2.5 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired and held

by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting cannot be granted for a period exceeding 18 months.

12.10.2.6 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan, or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all the Company's shareholders, or if the Articles of Association stipulate that, made available to the shareholders on the Company's website, at least one month prior to the General Meeting to pass upon the matter.

12.10.2.7 Liability of Board Members

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company. A Board Member may not participate in the discussion or decision of any matter which is of such particular importance to him-/herself or any related parties that he/she must be deemed to have a special or prominent personal or financial interest in the matter.

Board Members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

12.10.2.8 Indemnification of Board Members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

12.10.2.9 Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

12.10.3 Shareholders' agreement

As of the first day of Listing, there are no shareholders' agreements related to the Shares.

13 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. The summary does not purport to be a comprehensive description of securities trading in Norway. Shareholders who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

13.1 Introduction

The Oslo Stock Exchange was established in 1819 and is the principal market in which shares, bonds and other financial instruments are traded in Norway. As of 31 December 2016, the total capitalisation of companies listed on the Oslo Stock Exchange amounted to approximately NOK 2,121 billion. Shareholdings of non-Norwegian investors as a percentage of total market capitalisation as at 31 December 2016 amounted to approximately 36.6%.

The Oslo Stock Exchange has entered into a strategic cooperation with the London Stock Exchange group with regard to, *inter alia*, trading systems for equities, fixed income and derivatives.

13.2 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Millennium Exchange. This trading system is in use by all markets operated by the London Stock Exchange, including the Borsa Italiana, as well as by the Johannesburg Stock Exchange.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET) and 16:20 hours (CET) each trading day, with pre-trade period between 08:15 hours (CET) and 09:00 hours (CET), closing auction from 16:20 hours (CET) to 16:25 hours (CET) and a post-trade period from 16:25 hours (CET) to 17:30 hours (CET). Reporting of after exchange trades can be done until 17:30 hours (CET).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in the VPS two days after the transaction, and that the seller will receive payment after two days.

Oslo Clearing ASA, a wholly owned subsidiary of SIX x-clear AG, a company in the SIX group, has a license from the Norwegian FSA to act as a central clearing service, and has from 18 June 2010 offered clearing and counterparty services for equity trading on the Oslo Stock Exchange.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange, except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

13.3 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise

information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

13.4 The VPS and transfer of Shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly owned by Oslo Børs VPS Holding ASA.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

13.5 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

13.6 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

13.7 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

13.8 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Section 3-2 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

13.9 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above-mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

13.10 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition

for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition, the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Norwegian Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to Section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders will be deemed to have accepted the offered price after the expiry of the specified deadline.

13.11 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

14 TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation are based on the laws in force in Norway as of the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

14.1 Norwegian taxation

14.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders at an effective tax rate of 29.76% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.24 which are then included as ordinary income taxable at a flat rate of 24%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 29.76%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (*Nw.: statskasseveksler*) with three months' maturity. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realisation of, the same share. Any excess allowance will also be included in the basis for calculating the allowance on the same share in the following years.

Norwegian Corporate Shareholders

Dividends distributed to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of 0.72% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 24%).

Non-Norwegian Personal Shareholders

Dividends distributed to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (please refer to "Taxation of dividends – Norwegian Personal Shareholders" above). However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation on the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Non-Norwegian Corporate Shareholders
Dividends distributed to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from the Norwegian Tax Directorate for the dividend to be subject to a lower withholding tax rate. To obtain such approval the nominee is required to file a summary to the tax authorities including all beneficial owners that are subject to withholding tax at a reduced rate.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

14.1.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders
Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 29.76%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.24 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 24%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 29.76%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to "Taxation of dividends — Norwegian Personal Shareholders" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Norwegian Corporate Shareholders
Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Non-Norwegian Personal Shareholders
Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Non-Norwegian Corporate Shareholders
Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway.

14.1.3 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is currently equal to ninety percent of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares is reduced correspondingly (i.e. to ninety percent) for assessment purposes.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Shareholders not resident in Norway for tax purposes are not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

14.1.4 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

14.1.5 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

14.2 Swedish taxation

Below is a summary of certain Swedish tax issues related to the Offering and the admission for trading of the Shares in the Company on the Oslo Stock Exchange for personal shareholders and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide only general information regarding the Shares in the Company as from the admission for trading on the Oslo Stock Exchange.

The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of Shares for example the summary does not cover:

- situations where Shares are held as current assets in business operations;
- situations where Shares are held by a limited partnership or a partnership;
- situations where Shares are held in an investment savings account (*Sw. investeringssparkonto*) and subject to taxation on a standardised basis;
- the special rules regarding tax-exempt capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds Shares in the Company that are deemed to be held for business purposes (Sw. *näringsbetingade andelar*);
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called closely-held companies or to Shares acquired by means of such shares;
- the special rules that may be applicable to personal shareholders who make or reverse a so-called investor deduction (*Sw. investeraravdrag*);
- foreign companies conducting business through a permanent establishment in Sweden; or
- foreign companies that have been Swedish companies.

Furthermore, special tax rules apply to certain categories of taxpayers, e.g. investment companies and insurance companies. The tax consequences for each individual shareholder depend on such shareholder's particular circumstances. Each shareholder is advised to consult an independent tax advisor as to the tax consequences that could arise from the offering and the admission for trading of the shares in the Company on the Oslo Stock Exchange, including currency exchange issues and the applicability and effect of foreign tax legislation and provisions in tax treaties.

Personal shareholders

For personal shareholders resident in Sweden for tax purposes, capital income, such as interest income, dividends and capital gains, is taxed in the capital income category. The tax rate for the capital income category is 30%.

In addition, dividends paid on the Shares in the Company will generally be subject to Norwegian withholding tax at a rate of 25%. However, under the Convention between the Nordic Countries for the Avoidance of Double Taxation with respect to Taxes on Income and Capital (the "**Treaty**") the tax rate is generally reduced to 15% if received by a beneficial owner resident in Sweden for the purposes of the Treaty. If 25% Norwegian withholding tax is withheld from a payment to a shareholder entitled to be taxed at a lower rate, a refund can be claimed from the Norwegian Tax Authorities prior to the expiry of the fifth calendar year following the year in which the time for assessing the withholding tax expired, which normally is year end of the year when the dividend distribution was made. See further under Section 14.1.1 "Taxation of dividends – Non-Norwegian Personal Shareholders").

Since any dividend paid on the Shares of the Company, generally will be taxable in both Norway and Sweden, double taxation may occur. However, the Norwegian withholding tax under the Treaty can generally be credited from Swedish income tax as a foreign tax credit. The tax credit may not exceed the Swedish income tax attributable to the foreign-source income. If there is no Swedish income in the tax year in which a dividend is received, for example where an individual declares a net loss in the capital income category, no foreign tax credit can be claimed in that year. Instead, subject to limitations, a surplus credit may be carried forward for five years.

Capital gain or loss is normally computed as the difference between the consideration, less selling expenses, and the tax base. The tax base of all shares of the same class and type are added together and computed collectively in accordance with the so-called average method (*Sw. genomsnittsmetoden*). As an alternative, the so-called notional rule (*Sw.schablonmetoden*) may be used at the disposal of listed shares. This method means that the tax base may be determined as 20% of the consideration less selling expenses.

Capital losses on listed shares, which the Shares in the Company will be once admitted to trading on the Oslo Stock Exchange, and on other listed equity-related securities are fully deductible against taxable capital gains realised in the same year on listed and non-listed shares, as well as on other listed equity-related securities taxed as shares, with the exception of units in securities funds (Sw. *värdepappersfonder*) or special funds (Sw. *specialfonder*) containing Swedish receivables only (Sw. *räntefonder*)). Up to 70% of capital losses on shares that cannot be offset in this way are deductible against other capital income.

If there is a net loss in the capital income category, a tax reduction is granted against municipal and national income tax for example on income from employment and business operations, as well as against property tax and municipal property charges. This tax reduction is 30% of the net loss that does not exceed SEK 100,000 and 21% of any remaining net loss. A net loss cannot be carried forward to future tax years.

Limited liability companies

For limited liability companies (Sw. *aktiebolag*) tax resident in Sweden all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 22%. Capital gains and capital losses are calculated in the same way as described for individuals above.

In addition, dividends paid on the Shares in the Company will generally be subject to Norwegian withholding tax at a rate of 25%. However, under the Treaty the tax rate is generally reduced to 15% if received by a beneficial owner resident in Sweden for the purposes of the Treaty. If 25% Norwegian withholding tax is withheld from a payment to a shareholder entitled to be taxed at a lower rate, a refund can be claimed from the Norwegian Tax Authorities prior to the expiry of the fifth calendar year following the year in which the time for assessing the withholding tax expired, which normally is year end of the year when the dividend distribution was made. See further under Section 14.1.1 "Taxation of dividends – Non-Norwegian Corporate Shareholders").

Since any dividend paid on the Shares of the Company, generally will be taxable in both Norway and Sweden, double taxation may occur. However, the Norwegian withholding tax under the Treaty can generally be credited from Swedish

income tax as a foreign tax credit. The tax credit may not exceed the Swedish income tax attributable to the foreign-source income. If there is no Swedish income in the tax year in which a dividend is received, for example where an individual declares a net loss in the capital income category, no foreign tax credit can be claimed in that year. Instead, subject to limitations, a surplus credit may be carried forward for five years. Alternatively, the foreign tax may be deducted as a cost when the taxable income is computed for the shareholder.

Deductible capital losses on shares and other equity-related securities may only be deducted against taxable gains on such securities. If certain conditions are fulfilled, such capital losses may also be offset against such capital gains in another company within the same group, provided that the requirements for exchanging group contributions (Sw. *koncernbidrag*) are met. A net capital loss on shares that cannot be utilised during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset against taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time.

Net wealth, inheritance and gift tax
There is no net wealth, inheritance or gift tax in Sweden.

VAT and transfer taxes
No VAT, stamp or similar duties are currently imposed in Sweden on the transfer or issuance of shares.

15 THE TERMS OF THE OFFERING

15.1 Overview of the Offering

The Offering consists of an offer of New Shares to be issued by the Company, and sold at a fixed Offer Price, to raise a gross amount of up to approximately NOK 400 million. The Company reserves the right to reduce the gross proceeds in the Offering, but will in no event complete the Offering with lower gross proceeds than NOK 300 million. In addition, the Managers may elect to over-allot Additional Shares, equalling up to approximately 6.3% of the number of New Shares. The Lending Shareholders have granted the Stabilisation Manager, on behalf of the Managers, an Over-Allotment Option to purchase a corresponding number of Additional Shares to cover any such over-allotments.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway and Sweden, (b) investors outside Norway, Sweden and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in the United States to QIBs in reliance on an exemption from the registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,500,000.

- A Retail Offering, in which Offer Shares are being offered to the public in Norway and Sweden subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 2,499,999 for each investor. Investors who intend to place an order in excess of NOK 2,499,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

All offers and sales outside the United States will be made in compliance with Regulation S.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Notice" and Section 16 "Selling and transfer restrictions".

The Application Period for the Institutional Offering and the Retail Offering is expected to take place from 29 March 2017 at 09:00 hours (CET) to 5 April 2017 at 12:00 hours (CET) for the Retail Offering and at 14:00 hours (CET) for the Institutional Offering. The Company, in consultation with the Managers, reserves the right to shorten or extend the Application Period at any time. Any shortening of the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the new expiration date of the Application Period, provided, however, that in no event will the Application Period be shortened to expire prior to 09:00 hours (CET) on 5 April 2017. Any extension of the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CET) on the first business day following the until then prevailing expiration date of the Application Period. An extension of the Application Period can be made one or several times provided, however, that in no event will the Application Period be extended beyond 15:00 hours (CET) on 30 April 2017. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due dates and the dates of delivery

of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The Lending Shareholders have granted the Stabilisation Manager, on behalf of the Managers, the Over-Allotment Option to purchase Additional Shares, equalling up to approximately 6.3% of the aggregate number of New Shares at the Offer Price, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or around 7 April 2017. The Over-Allotment Option is granted to cover over-allotments, if any, made in connection with the Offering on the terms and subject to the conditions described in this Prospectus. In order to permit delivery in respect of over-allotments made, if any, the Lending Shareholders will lend to the Stabilisation Manager a number of Shares equal to the maximum number of Additional Shares. See Section 15.9 "Over-Allotment and stabilisation activities" for further details.

The Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange from and including 7 April 2017.

Completion of the Offering is conditional upon certain conditions, see Section 15.13 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

The Company has made certain representations and warranties, and agreed to certain undertakings, in agreements with the Managers. The Company has undertaken, subject to certain conditions and limitations, to indemnify the Managers against certain loss and liabilities in connection with the Offering.

See Section 15.15 "Expenses of the Offering and the Listing" for information regarding costs expected to be paid by the Company in connection with the Offering.

15.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Application Period commences	29 March 2017 at 09:00 hours (CET)
Application Period for the Retail Offering ends	5 April 2017 at 12:00 hours (CET)
Application Period for the Institutional Offering ends	5 April 2017 at 14:00 hours (CET)
Allocation of the Offer Shares	On or about 5 April 2017
Publication of the results of the Offering	On or about 6 April 2017
Issuance of allocation notes	On or about 6 April 2017
Registration of share capital increase	On or about 6 April 2017
Listing and commencement of trading in the Shares	On or about 7 April 2017
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 6 April 2017
Payment date in the Retail Offering	On or about 7 April 2017
Delivery of the Offer Shares in the Retail Offering	On or about 7 April 2017
Payment date in the Institutional Offering	On or about 10 April 2017
Delivery of the Offer Shares in the Institutional Offering	On or about 10 April 2017

Please note that the Company, together with the Managers, reserves the right to shorten or extend the Application Period. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due dates and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

15.3 Resolutions relating to the Offering

The AGM held on 22 March 2017 adopted the following resolution to increase the share capital of the Company by minimum NOK 0.10 and maximum NOK 100,000,000, through issuance of minimum one New Share and maximum 1,000,000,000 New Shares (translated from Norwegian):

(i) *The share capital shall be increased by minimum NOK 0.10 and maximum NOK 100,000,000, by issuance of minimum 1 new share and maximum 1,000,000,000 new shares, each having a nominal value of NOK 0.10, in order to raise an amount of between NOK 1 and NOK* 1,000,000,000*, as resolved by the board of directors. The subscription price to be paid per share shall be resolved by the board of directors, but shall not be higher than NOK 100 or lower than NOK 1.*

(ii) *The new shares shall be subscribed for by the managers on behalf of investors having ordered and been allocated shares in the offering being conducted in connection with the planned listing of the shares in the Company on Oslo Børs (the "**Offering**"). The shareholders of the Company shall accordingly not have preferential rights to subscribe for and be allotted the new shares (cf section 10-4 of the Public Limited Liability Companies Act).*

(iii) *The new shares shall be subscribed for in a separate subscription form no later than 30 June 2017.*

(iv) *Payment shall be made to the Company's share capital increase account within 3 July 2017.*

(v) *The new shares will carry rights to dividends and other shareholder rights in the Company from the registration of the share capital increase in the Norwegian Register of Business Enterprises.*

(vi) *The Company's expenses in relation to the share capital increase are estimated to be between NOK 30 million and NOK 40 million. In addition, further expenses have accrued and will accrue in connection with the Listing.*

(vii) *Section 4 of the articles of association shall be amended to state the total share capital and number of shares following the share capital increase.*

(viii) *Completion of the share capital increase is conditional upon the application for listing of the shares in the Company on Oslo Børs being approved, that any conditions for such listing are satisfied through the share capital increase and that the managers of the Offering do not prior to the registration of the share capital increase terminate their commitment to pre-pay the subscription amount pursuant to an agreement regarding such pre-payment.*

Following the end of the Application Period on or about 5 April 2017, the Company, together with the Managers, will consider and, if thought fit, approve the completion of the Offering and determine the final number of and allocation of the Offer Shares, and shall subsequently register the share capital increase pertaining to the New Shares. The New Shares are expected to be registered with the Norwegian Register of Business Enterprises and issued on 6 April 2017.

15.4 The Institutional Offering

15.4.1 Application Period

The Application Period for the Institutional Offering will last from 29 March 2017 at 09:00 hours (CET) to 5 April 2017 at 14:00 hours (CET), unless shortened or extended. The Company, in consultation with the Managers, may shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event be shortened to expire prior to 09:00 hours (CET) on 5 April 2017 or extended beyond 15:00 hours (CET) on 31 April 2017. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

15.4.2 Minimum application

The Institutional Offering is subject to a minimum application amount of NOK 2,500,000 per application. Investors in Norway and Sweden who intend to place an application for less than NOK 2,500,000 must do so in the Retail Offering.

15.4.3 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Application Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order.

ABG Sundal Collier Munkedamsveien 45E P.O. Box 1444 Vika N-0115 Oslo Norway	Arctic Securities AS Haakon VII's gate 5 P.O. Box 1833 Vika N-0123 Oslo Norway	DNB Markets Dronning Eufemias gate 30 P.O. Box 1600 Sentrum N-0021 Oslo Norway

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding upon the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm any orally placed application in writing. Applications made may be

withdrawn or amended by the investor at any time up to the end of the Application Period. At the close of the Application Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding upon the investor.

15.4.4 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 6 April 2017, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 10 April 2017 (the "**Institutional Closing Date**").

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 8.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase pertaining to the Offer Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, pre-fund payment for the New Shares allotted; and by placing an application, the applicant irrevocably authorise and instructs the Managers, or someone appointed by any of them, to do so on its behalf. Irrespectively of any such pre-funding of payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to it, together with any interest, costs, charges and expenses accrued, and the Company, and/or the Managers may enforce payment of any such amount outstanding. The subscription and pre-funding by the Managers of Offer Shares as described above constitute an integrated sales process where the investors subscribe Offer Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against the Managers.

The Company and the Managers may choose to transfer the Offer Shares allocated to non-paying applicants to a VPS account operated by the Managers for transfer to the non-paying applicant when payment of the Offer Shares is received. In such case, the Managers reserve the right without further notice, to sell or assume ownership of such Offer Shares if payment has not been received by the third day after the payment due date.

If Offer Shares are sold on behalf of the investor, such sale will be for the investor's account and risk (however so that the investor shall not be entitled to profits therefrom, if any) and the investor will be liable for any loss, costs, charges and expenses incurred by the Company and/or the Managers who may enforce payment of any amount outstanding in accordance with Norwegian law.

15.5 The Retail Offering

15.5.1 Application Period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 29 March 2017 at 09:00 hours (CET) to 5 April 2017 at 12:00 hours (CET), unless shortened or extended. The Company, in consultation with the Managers, may shorten or extend the Application Period at any time, and extension may be made on one or several occasions. The Application Period may in no event be shortened to expire prior to 09:00 hours (CET) on 5 April 2017 or extended beyond 15:00 hours (CET) on 30 April 2017. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

15.5.2 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 2,499,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 2,499,999 will be adjusted downwards to an application amount of NOK 2,499,999.

If two or more identical application forms are received from the same investor in the same offering, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted. Investors who intend to place an order in excess of NOK 2,499,999 must do so in the Institutional Offering.

15.5.3 Application procedures and application offices

Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.abgsc.no, www.arctic.com/secno and www.dnb.no/emisjoner. Applicants in the Retail Offering not having access to the VPS online application system must apply using the retail application form attached to this Prospectus as Appendix C "Application Form for the Retail Offering" or Appendix D "Application Form for the Retail Offering in Norwegian" (the "**Retail Application Form**"). Retail Application Forms, together with this Prospectus, can be obtained from the Company, the Company's website www.bergenbio.com, the Managers' websites listed above or the application offices set out below. Applications made through the VPS online application system must be duly registered during the Application Period.

The application offices for physical applications in the Retail Offering are:

ABG Sundal Collier	Arctic Securities AS	DNB Markets Registrars Department
Munkedamsveien 45E P.O. Box 1444 Vika N-0115 Oslo Norway	Haakon VII's gate 5 P.O. Box 1833 Vika N-0123 Oslo Norway.	Dronning Eufemias gate 30 P.O. Box 1600 Sentrum N-0021 Oslo Norway
Tel: +47 22 01 60 00	Tel: +47 21 01 30 40	Tel: +47 23 26 81 01
E-mail: subscription@abgsc.no	E-mail: subscription@arctic.com	E-mail: retail@dnb.no

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the VPS online application system.

Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 12:00 hours (CET) on 5 April 2017, unless the Application Period is being shortened or extended. None of the Company or any of the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office or through the VPS online application system.

All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Nordnet Bank NUF is acting as placing agent for the Retail Offering on behalf of the Managers.

15.5.4 Allocation, payment and delivery of Offer Shares

DNB Markets, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 6 April 2017, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above on or about 6 April 2017 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or about 6 April 2017.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise DNB Markets (on behalf of the Managers) to debit the applicant's Norwegian

bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 7 April 2017 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 6 April 2017. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (7 April 2017). Any excess amount shall be repaid in case an applicant pays more than the amount required for the Offer Shares allocated to the applicant.

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 6 April 2017, or can be obtained by contacting DNB Markets at +47 23 26 81 01.

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.50% per annum. DNB Markets (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 14 April 2017 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase pertaining to the Offer Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, pre-fund payment for the New Shares allotted in the Offering, and by placing an application, the applicant irrevocably authorises and instructs the Managers, or someone appointed by any of them, to do so on his or her behalf. Irrespectively of any such pre-funding of payment for New Shares, the original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to it, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding. The subscription and pre-funding by the Managers of Offer Shares as described above constitute an integrated sales process where the investors subscribe Offer Shares from the Company based on this Prospectus, which has been prepared by the Company. The investors will not have any rights or claims against the Managers.

The Company and the Managers may choose to transfer the Offer Shares allocated to non-paying applicants to a VPS account operated by the Managers for transfer to the non-paying applicant when payment of the Offer Shares is received. In such case, the Managers reserve the right without further notice, to sell or assume ownership of such Offer Shares if payment has not been received by the third day after the payment due date.

If Offer Shares are sold on behalf of the investor, such sale will be for the investor's account and risk (however so that the investor shall not be entitled to profits therefrom, if any) and the investor will be liable for any loss, costs, charges and expenses incurred by the Company and/or the Managers who may enforce payment of any amount outstanding in accordance with Norwegian law.

15.6 Mechanism of allocation

It has been provisionally assumed that approximately 90% of the Offering will be allocated in the Institutional Offering and that approximately 10% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering will only be decided, however, by the Company, in consultation with the Managers, based on the level of orders or applications received from each of the categories of investors. The Company and the Managers reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company, together with the Managers, will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality, existing shareholding and investment horizon. The Company and the Managers further reserve the right, at their sole discretion, to take into

account the creditworthiness of any applicant. The Company and the Managers may also set a maximum allocation, or decide to make no allocation to any applicant.

The basis for allocations in the Retail Offering, is that no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant, however, all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 2,500,000 will be adjusted downwards to an application amount of NOK 2,499,999. In the Retail Offering, allocation will be made solely on a pro rata basis using the VPS' automated simulation procedures. The Company and the Managers reserve the right to limit the total number of applicants to whom Offer Shares are allocated. If the Company and the Managers should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS automated simulation procedures and/or other random allocation mechanism.

15.7 VPS account

To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised investment firms in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 15.8 "Mandatory anti-money laundering procedures").

15.8 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

15.9 Over-Allotment and stabilisation activities

15.9.1 Over-allotment of Additional Shares

In connection with the Offering, the Managers may elect to over-allot a number of Additional Shares, equalling up to approximately 6.3% of the aggregate number of allotted New Shares and, in order to permit the delivery in respect of over-allotments made, the Lending Shareholders have granted the Stabilisation Manager an option to borrow from the Lending Shareholders a number of Shares equal to the number of Additional Shares over-allotted in the Offering. Further, pursuant to the Over-Allotment Option, the Lending Shareholders have granted the Stabilisation Manager, on behalf of the Managers, an option to purchase a number of Additional Shares, exercisable up to and including the 30th calendar day after the commencement of trading in the Shares on the Oslo Stock Exchange, equalling up to approximately 6.3% of the aggregate number of New Shares at a price equal to the Offer Price in the Offering, as may be necessary to cover over-allotments and short positions, if any, made in connection with the Offering. The Lending Shareholders and number of Shares offered for borrowing and sale under the Over-Allotment Option are:

Name	Registered address	Number of Shares held	Number of Shares offered under the Over-Allotment Option
Pactum AS	Dronning Mauds gate 3, 0250 Oslo	804,600	450,000
Norsk Innovasjonskapital II AS	Tollbugata 24, 0157 Oslo	1,333,100	300,000
Norda ASA	c/o Andenæsgruppen AS, Stortingsgata 28, 0161 Oslo	107,300	100,000
Birk Venture AS	Langoddveien 72, 1367 Snarøya	558,500	100,000
Ro Invest AS	Klingenberggata 7, 0161 Oslo	260,900	50,000
			1,000,000

The option to lend Share from the Lending Shareholders may only be exercised by the Stabilisation Manager pro rata from each of the Lending Shareholders pursuant to the number Shares made available by them and for the purpose of delivering the Additional Shares to investors having been allocated Additional Shares.

To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares. The Stabilisation Manager may close out this short position by buying Shares in the open market through stabilisation activities and/or by exercising the Over-Allotment Option.

The Over-Allotment Option may only be exercised by the Stabilisation Manager pro rata from each of the Lending Shareholders pursuant to the number of Shares made available by them and for the purpose of closing out any short position created by the allotment of the Additional Shares and the stabilisation activities of the Stabilisation Manager.

A stock exchange notice will be made on 6 April 2017 announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Over-Allotment Option will be promptly announced by the Stabilisation Manager through the Oslo Stock Exchange's information system.

15.9.2 Price stabilisation

The Stabilisation Manager (ABG Sundal Collier), on behalf of the Managers, may, provided that Additional Shares have been over-allotted in the Offering, from the first day of the Listing effect transactions with a view to supporting the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail.

Any stabilisation activities will be conducted in accordance with Section 3-12 of the Norwegian Securities Trading Act and the EC Commission Regulation 2273/2003 regarding buy-back programmes and stabilisation of financial instruments.

Any net profit from stabilisation activities shall be for the account of the Lending Shareholders, split pro rata according their number of Shares borrowed by the Stabilisation Manager.

Within one week after the expiry of the 30 calendar day period of price stabilisation, the Stabilisation Manager will publish information as to whether or not price stabilisation activities were undertaken. If stabilisation activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the stabilisation period began and ended; (iii) the price range between which stabilisation was carried out, as well as the highest and the lowest price paid during the stabilisation period; and (iv) the date at which stabilisation activities last occurred.

It should be noted that stabilisation activities might result in market prices that are higher than would otherwise prevail. Stabilisation may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

15.10 Publication of information in respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange's information system to publish information relating to the Offering, such as amendments to the Application Period (if any), the final number of Offer Shares and the total amount of the Offering, allotment percentages, and first day of trading.

The final determination of the number of Offer Shares and the total amount of the Offering is expected to be published on or about 6 April 2017.

15.11 The rights conferred by the New Shares

The New Shares will in all respects carry full shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase pertaining to the issuance of the New Shares in the Norwegian Register of Business Enterprises. For a description of rights attached to the Shares, see Section 12 "Corporate Information and Description of Share Capital".

15.12 VPS registration

Any existing Shares have been, and the New Shares will be, created under the Norwegian Public Limited Companies Act. Any existing Shares have been, and the New Shares will be, registered in book-entry form with the VPS and have ISIN NO 001 0650013. The Company's register of shareholders with the VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

15.13 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company will on 28 March 2017 apply for Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the Listing application of the Company on 31 March 2017, subject to certain conditions being met.

Completion of the Offering on the terms set forth in this Prospectus is expressly conditioned upon the board of directors of the Oslo Stock Exchange approving the application for Listing of the Shares in its meeting to be held on or about 31 March 2017, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Company in consultation with the Managers, having resolved to proceed with the Offering and the allocation of the Offer Shares to eligible investors, (ii) the Managers not prior to the registration of the share capital increase pertaining to the New Shares having terminated their commitments to pre-pay the subscription amount for the New Shares. There can be no assurance that the conditions for completion of the Offering will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading of the Shares, including the New Shares, on the Oslo Stock Exchange is expected to be on or about 7 April 2017. The Shares are expected to trade under the ticker code "BGBIO".

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded from 6 April 2017 and onwards. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Institutional Closing Date. Accordingly, an applicant who wishes to sell his/her Offer Shares, following confirmed allocation of Offer Shares, but before delivery must ensure that payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or regulated market place, and no application has been filed for listing on any other stock exchanges or regulated market places other than the Oslo Stock Exchange.

15.14 Dilution

Following completion of the Offering, the immediate dilution for the existing shareholders who do not participate in the Offering is estimated to be approximately 32%, based on the assumption that the Company issues 16,000,000 New Shares.

15.15 Expenses of the Offering and the Listing

The gross proceeds to the Company will be approximately NOK 400 million and the Company's total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to approximately NOK 24.5 million (excluding VAT).

Under the mandate agreement entered into among the Company and the Managers in connection with the Offering, the Company will pay a commission calculated on the basis of the gross proceeds in the Offering.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

15.16 Lock-up

The Managers have entered into a lock-up agreement with the members of the Company's Board of Directors and Management and the largest shareholders owning Shares in the Company (see more details in the table below) (the "**Lock-up Undertakings**"), under which each such shareholder, Board Member and management member listed below,

has agreed that it will not and it will procure that none of its respective subsidiaries nor any other party acting on its behalf (other than the Managers) will, without the prior written consent of the Managers, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares, cash or such other securities or (iii) agree or publicly announce any intention to do any such things, for a period of twelve months (and six months for Sarsia Development AS) from the first day of Listing (7 April 2017).

The following shareholders have entered into a Lock-up Undertaking:

Shareholder	No. of Shares as of the date of this Prospectus
Largest shareholders (12 months lock-up period)	
Meteva AS	12,923,000
Investinor AS	6,609,800
Sarsia Seed AS	2,117,900
Wellcome Trust Limited (J.P. Morgan Chase Bank N.A. London, NOM-account)	1,272,000
Largest shareholders (6 months lock-up period)	
Sarsia Development AS	1,195,000
Management and key employee (12 months lock-up period)	
David Robert Micklem	252,500
James Lorens	250,000
Richard Godfrey (Shares held through Gnist Holding AS)	158,900
Board of Directors (12 months lock-up period)	
Susan Foden	6,700
Total	**11,862,800**

Furthermore, the Company has agreed with the Managers that it will not and will procure that none of its respective subsidiaries nor any other party acting on its behalf will, without the prior written consent of the Managers, directly or indirectly, issue, offer, pledge, sell, or contract to issue or sell any Shares for a period of twelve months after the first day of Listing (7 April 2017). On the same basis, the Company agrees that it will not and will procure that none of its respective subsidiaries nor any other party acting on its behalf will, without the prior written consent of the Managers (i) directly or indirectly, issue, offer, pledge, sell or contract to issue or sell any securities convertible into or exercisable or exchangeable for Shares or (ii) enter into any swap or any other agreement or any transaction that has an equivalent effect to paragraph (i) above, whether any such swap or transaction described in paragraph (i) or (ii) above is to be settled by delivery of such securities, in cash or otherwise, or (iii) agree or publicly announce any intention to do any such things.

The Lock-up Undertakings will not apply to (i) the Company's sale and issue of New Shares in the Offering, (ii) Shares (if any) lent out to, and not redelivered by, the Managers under a share lending arrangement in connection with the Offering, (iii) the sale of any Shares under the Over-Allotment Option, (iv) Shares to be delivered under existing share option programs for employees and Board Members, (v) an acceptance or pre-acceptance of any takeover offer pursuant to chapter 6 of the Norwegian Securities Trading Act, and/or (vi) (subject to prior consultation with the Managers) issue or sale of Shares as consideration in any merger or acquisition.

15.17 Interest of natural and legal persons involved in the Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions and may come to have interests that may not be aligned or could potentially conflict with the interests of the Company and investors in the Company. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Managers will receive a management fee and a pre-payment fee in connection with the Offering and, as such, have an interest in the Offering. See Section 15.15 "Expenses of the Offering and the Listing" for information on fees to the Managers in connection with the Offering.

Any net profit from stabilisation activities shall be for the account of the Lending Shareholders, split pro rata according their number of Shares borrowed by the Stabilisation Manager.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

15.18 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Offering

The Company is not aware of whether any major shareholders of the Company or members of the Management, supervisory or administrative bodies intends to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

15.19 Governing law and jurisdiction

This Prospectus, the Retail Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

16 SELLING AND TRANSFER RESTRICTIONS

16.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway and Sweden, the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway and Sweden, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

16.2 Selling restrictions

16.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; or (ii) to certain persons outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to those it reasonably believes to be QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 16.3.1 "United States".

Any offer or sale in the United States will be made by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in each case any applicable state securities laws.

16.2.2 United Kingdom

This Prospectus and any other material in relation to the Offering described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article (1)(e) of the EU Prospectus Directive ("qualified investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); (ii) high net worth entities or other persons, falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as "Relevant Persons"). The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Prospectus and should not rely on it.

16.2.3 European Economic Area

In relation to each Relevant Member State, with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Offer Shares which are the subject of the offering contemplated by this Prospectus may not be made in that Relevant Member State, other than the offering in Norway and Sweden as described in this Prospectus, once the Prospectus has been approved by the competent authority in Norway and Sweden and published in accordance with the EU Prospectus Directive (as implemented in Norway and Sweden), except that an offer to the public in that Relevant Member State of any Offer Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;

b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer, or

c) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Offer Shares shall require the Company any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive. Each person in a Relevant Member State who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Managers that it is a qualified investor within the meaning of the law in that Relevant Member State implementing ArtIe 2(1)(e) of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Offer Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

16.2.4 Additional jurisdictions

16.2.4.1 Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the Offering has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirors of interests in collective investment schemes under the CISA does not extend to acquirors of shares.

16.2.4.2 Canada

This Prospectus is not, and under no circumstance is to be construed as, a prospectus, an advertisement or a public offering of the Offer Shares in Canada or any province or territory thereof. Any offer or sale of the Offer Shares in Canada will be made only pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

16.2.4.3 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or

read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

16.2.4.4 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

16.2.4.5 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

16.3 Transfer restrictions

16.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.

- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.

- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.

- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.

- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- The purchaser acknowledges that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

16.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway and Sweden) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor as defined in the EU Prospectus Directive; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors,

the offer of those Shares to it is not treated under the EU Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an "offer" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the EU Prospectus Directive in that Relevant Member State and the expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

17 ADDITIONAL INFORMATION

17.1 Auditor and advisors

The Company's independent auditor is Ernst & Young AS with registration number 976 389 387, and business address at Dronning Eufemias gate 6, N-0191 Oslo, Norway. The partners of Ernst & Young AS are members of Den Norske Revisorforeningen (The Norwegian Institute of Public Accountants).

ABG Sundal Collier ASA, Munkedamsveien 45E, P.O. Box 1444 Vika, N-0115 Oslo, Arctic Securities AS, Haakon VII's gate 5, P.O. Box 1833 Vika, 0123 Oslo, Norway and DNB Markets, a part of DNB Bank ASA, Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway are acting as joint global coordinators and joint bookrunners for the Offering.

Advokatfirmaet Thommessen AS, Vestre Strømkaien 7, P.O. Box 43 Nygårdstangen, N-5838 Bergen, Norway is acting as Norwegian legal counsel to the Company.

Advokatfirmaet Schjødt AS, Ruseløkkveien 14, 0201 Oslo, Norway is acting as Norwegian counsel to the Managers.

17.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Jonas Lies vei 91, 5009 Bergen, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's certificate of incorporation and Articles of Association;
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus;
- The historical financial information of the Company for each of the two financial years preceding the publication of this Prospectus; and
- This Prospectus.

18 NORWEGIAN SUMMARY (NORSK SAMMENDRAG)

Sammendrag består av informasjon som skal gis i form av "Elementer." Elementene er nummerert i punktene A – E (A.1 – E.7) nedenfor. Dette sammendraget inneholder alle Elementer som skal være inkludert i et sammendrag for denne type verdipapir og utsteder. Som følge av at enkelte Elementer ikke må beskrives, kan det være huller i nummereringen av Elementene. Selv om man kan være pålagt å innta et Element i sammendraget på grunn av typen verdipapir og utsteder, er det mulig at det ikke kan gis relevant informasjon knyttet til Elementet. I så fall er det inntatt en kort beskrivelse av Elementet i sammendraget sammen med benevnelsen "ikke aktuelt."

I dette norske sammendraget skal definerte ord og uttrykk (angitt med stor forbokstav) som er oversatt til norsk forstås i samsvar med tilsvarende engelskspråklige ord eller uttrykk slik disse er definert i det engelskspråklige Prospektet. Noen eksempler på slike engelskspråklige motstykker til definerte ord og uttrykk som er oversatt til norsk er som følger: Med "Prospektet" forstås "Prospectus", med "Selskapet" forstås "Company," med "Tilbudet" forstås "Offering," med "Noteringen" forstås "Listing," med "Aksjene" forstås "Shares," med "Nye Aksjer" forstås "New Shares," med "Tilleggsaksjene" forstås "Additional Shares," med "Tilbudsaksjene" forstås "Offer Shares", med "Tilbudspris" forstås "Offer Price", med "Tilretteleggerne" forstås "Managers", med "Ledelsen" forstås "Management", med "Overtildelingsopsjonen" forstås "Over-Allotment Option".

Avsnitt A – Introduksjon og Advarsel

A.1	**Advarsel**	Dette sammendraget bør leses som en innledning til Prospektet; enhver beslutning om å investere i verdipapirene bør baseres på investorens vurdering av Prospektet i sin helhet; dersom et krav knyttet til informasjonen i prospektet fremsettes for en domstol, kan saksøkende investor, i henhold til nasjonal lovgivning i sitt Medlemsland, bli pålagt å dekke kostnadene med å oversette Prospektet før rettsforhandlingene igangsettes; og kun de personer som har satt opp sammendraget, herunder oversatt dette, kan pådra seg sivilrettslig ansvar, men kun dersom sammendraget er misvisende, ikke korrekt eller usammenhengende når det leses i sammenheng med de øvrige deler av Prospektet eller dersom sammendraget, når det leses sammen med de øvrige deler av Prospektet, ikke gir slik nøkkelinformasjon som investorene behøver når de vurderer om de skal investere i slike verdipapirer.
A.2	**Advarsel**	Ikke aktuelt. Selskapet har ikke gitt noen tillatelse til å benytte Prospektet for etterfølgende videresalg eller plassering av Aksjene.

Avsnitt B – Utsteder

B.1	**Juridisk og forretningsnavn**	BerGenBio ASA
B.2	**Hjemstat og rettslig organisering, lovgivning og stiftelsesland**	Selskapets registrerte navn er BerGenBio ASA. Selskapet er et allmennaksjeselskap, organisert og underlagt norsk lovgivning, i henhold til allmennaksjeloven, og er registrert i Foretaksregisteret med organisasjonsnummer 992 219 688. 10. januar 2017 etablerte Selskapet et heleid datterselskap, BerGenBio Limited, stiftet i Storbritannia med selskapsnummer 10555293, sammen med Selskapet referert til som "Gruppen".
B.3	**Eksisterende virksomhet, hovedaktiviteter og markeder**	BerGenBio er et onkologisk bioteknologiselskap i klinisk fase som utvikler 'first-in-class' legemidler mot nye medikamentmål (drug targets) som driver aggressiv kreft. Selskapet har en unik og ledende forståelse av funksjonen og rollen til Axl, et medikamentmål av typen reseptor tyrosin kinase. Det er allment anerkjent at Axl driver mange av egenskapene som kjennetegner aggressive krefttyper og er en avgjørende komponent i cellulær platisitet via en cellulær signalvei kalt epitelial-mesenkymal transisjon ("EMT"). Selskapets primære mål, enten alene eller i samarbeid

		med en partner, er å utvikle og kommersialisere sitt hovedprodukt BGB324 til markedsgodkjenning hos godkjenningsmyndighetene med etterfølgende kommersialisering. Selskapets mest avanserte legemiddelkandidat mot kreft er BGB324. Dette er en 'first-in-class' hemmer av Axl kinase, den inntas gjennom munnen (oralt), og er den eneste selektive Axl hemmeren som er i klinisk utprøving. BerGenBio er sponsor i pågående kliniske studier der BGB324 administreres både som monoterapi og i kombinasjon med standard legemidler hos pasienter med akutt myelogen leukemi ("AML"), myelodysplastisk syndrome ("MDS") og ikke-småcellet lungekreft ("NSCLC"). I tillegg forventer BerGenBio innen H1 2017 oppstart av ytterligere to Fase-II kliniske studier med BGB324 i kombinasjon med Keytruda™ hos pasienter med NSCLC og trippel negativ brystkreft ("TNBC"). BerGenBio arbeider også aktivt med utvikling av et tilhørende diagnoseverktøy for å identifisere pasienter som spesielt kan ha nytte av behandling med BGB324. Innledende kliniske data har indikert at pasienter som har aktivert form av Axl, mer sannsynlig vil respondere positivt på behandling med BGB324. BerGenBio har brukt sin ledende posisjon i Axl-biologi for å etablere internasjonale partnerskap; (i) med ADC Therapeutics S.a.r.l. ("ADCT"), et sveitsisk bioteknologisk selskap, som har lisensiert prekliniske Axl antistoffer for utvikling av et antistoff-legemiddelkobling/kombinasjon ("ADC") og (ii) Merck Sharp & Dohme B.V. ("MSD"), et globalt farmasiselskap som skal bidra med sitt immunterapeutiske legemiddel (immune check point inhibitor) Keytruda™ i kliniske kombinasjonsstudier hos pasienter med lungekreft og TNBC. BerGenBios har sitt utspring fra forskning utført ved Universitetet i Bergen. Selskapet ble stiftet av Bergen Teknologioverføring AS (universitetets teknologioverføringsavdeling ("UiB")), UniResearch AS (UiBs investerings- og holdingselskap), Professor James Lorens og Dr David Micklem i 2007. Selskapet har sin administrasjon og forskningsavdeling i Bergen, mens den kliniske utviklingen ledes fra selskapets kontor i Oxford i Storbritannia. Selskapets hovedmål er å fullføre den regulatoriske dokumentasjonen av BGB324 i en undergruppe pasienter med AML/MDS, og samtidig fortsette med å forfølge ytterligere kliniske spor for å fastslå nytten av BGB324 hos pasienter med vanligere kreftformer som NSCLC og TNBC.
B.4a	**Vesentlige aktuelle trender**	Selskapet har i perioden mellom 31. desember 2016 og dato for dette Prospektet ikke opplevd endringer eller trender utover ordinær drift som er vesentlige for Selskapet, ei heller er Selskapet kjent med slike endringer eller trender utover ordinær drift som kan eller er ventet å bli vesentlige for Selskapet i inneværende regnskapsår, utover de overordnede markedsforhold og trender for øvrig beskrevet i dette Prospektet.
B.5	**Beskrivelsen av Konsernet**	Selskapet hadde per årsavslutning for 2016 ingen datterselskaper og all virksomhet har vært gjennomføres gjennom Selskapet. 10. januar 2017 etablerte Selskapet et heleid datterselskap, BerGenBio Limited (stiftet i Storbritannia med selskapsnummer 10555293). Fremover er det forventet at de ansatte basert i Storbritannia vil bli ansatt gjennom BerGenBio Limited. Denne endringen vil ikke medføre noen merkbar endring i Selskapets virksomhet.
B.6	**Interesser i utsteder og stemmeretter**	Per 28. mars 2017 har Selskapet 67 aksjonærer. Tabellen under viser Selskapets 20 største aksjonærer per 28. mars 2017.

Aksjonærer	Antall aksjer	Prosent
Meteva AS	12 923 000	38,3
Investinor AS	6 609 800	19,6
Sarsia Seed AS	2 117 900	6,3
Norsk Innovasjonskapital II AS	1 333 100	4,0
J.P. Morgan Chase Bank N.A. London	1 272 000	3,8
Mp Pensjon PK	1 240 300	3,7
Datum Invest AS	1 209 200	3,6
Sarsia Development AS	1 195 000	3,5
Bera AS	1 040 000	3,1
Pactum AS	804 600	2,4
Birk Venture AS	558 500	1,7
CB Invest AS	352 300	1,0
Ro Invest AS	260 900	0,8
David Robert Micklem	252 500	0,7
James Bradley Lorens	250 000	0,7
Spar Kapital Investor AS	225 000	0,7
UNI Research AS	207 700	0,6
Gnist Holding AS	158 900	0,5
Profond AS	139 000	0,4
HAWI Invest AS	135 400	0,4
Andre[1]	**1 457 100**	**4,32**
Totalt	**33 742 200**	**100,00**

1 Resterende 47 aksjonærer.

		Hver Aksje vil ha én stemme. Aksjonærer som eier 5 % eller flere Aksjer vil, etter Noteringen, ha en interesse i Selskapets aksjekapital som er meldepliktig under den norske Verdipapirhandelloven. Selskapet kjenner ikke til noen forhold som på et senere tidspunkt vil føre til kontrollskifte i Selskapet.
B.7	**Sammendrag av finansiell informasjon**	Følgende utvalgt finansiell informasjon er hentet fra Selskapets reviderte årsregnskap av og for året per 31. desember 2016 og av og for året avsluttet 31. desember 2015 (Regnskapene). Regnskapene for 2016 og 2015 er utarbeidet i henhold til IFRS. Den utvalgte finansielle informasjonen som presenteres her bør leses i sammenheng med, og er i sin helhet kvalifisert med henvisning til Regnskapene.

I NOK	Året avsluttet 31. Desember	
	2016 (IFRS)	**2015** (IFRS)
Resultatregnskaper		
Driftsinntekter	0	0
Driftsoverskudd (EBIT)	(131 569 782)	(72 925 068)
Driftsresultat for perioden	(129 799 000)	(72 106 769)
Balanse		
Sum anleggsmidler	409 584	361 305
Sum omløpsmidler	174 126 305	82 030 994
Sum eiendeler	174 535 889	82 392 299
Sum egenkapital	153 269 989	64 747 168
Sum langsiktig gjeld	0	5 580 034
Sum kortsiktig gjeld	21 265 899	12 065 096
Sum gjeld	21 265 899	17 645 130
Sum egenkapital og gjeld	174 535 889	82 392 299
Kontantstrømoppstilling		
Kontantstrøm fra operasjonelle aktiviteter	(124 313 928)	(62 902 375)
Kontantstrøm fra investeringsaktiviteter	(255 443)	0
Kontantstrøm fra finansieringsaktiviteter	212 401 539	10 537 605
Endring i kontanter og kontantekvivalenter	87 832 168	(52 364 849)
Kontanter og kontantekvivalenter ved periodeavslutning	161 824 727	73 992 558

B.8	**Utvalgt pro forma finansiell nøkkelinformasjon**	Ikke aktuelt. Det er ikke utarbeidet pro forma finansiell informasjon.
B.9	**Resultatprognose eller estimat**	Ikke aktuelt. Det er ikke utarbeidet noen resultatprognose eller estimat.
B.10	**Forbehold i revisjonsrapport**	Ikke aktuelt. Det er ingen forbehold i revisjonsrapportene.
B.11	**Utilstrekkelig arbeidskapital**	Ikke aktuelt. Selskapet er av den oppfatning at Selskapets arbeidskapital er tilstrekkelig for å møte Selskapets behov i minst 12 måneder fra datoen for dette Prospektet.

Punkt C - Verdipapirene

C.1	**Type og klasse verdipapir tatt opp til notering og identifikasjonsnummer**	Selskapet har én aksjeklasse, og samtlige Aksjer vil ha like rettigheter i Selskapet. Hver Aksje har én stemme. Aksjene er utstedt i henhold til Allmennaksjeloven og er registrert i VPS under ISIN NO 001 0650013.
C.2	**Valuta på utstedelse**	Aksjene er utstedt i NOK.
C.3	**Antall aksjer utstedt og pålydende verdi**	Per dato for dette Prospektet er Selskapets aksjekapital NOK 3 374 220 fordelt på 33 742 200 Aksjer, hver pålydende NOK 0,10.
C.4	**Rettigheter knyttet til verdipapirene**	Selskapet har én aksjeklasse og alle Aksjer gir like rettigheter i Selskapet. Hver Aksje vil ha én stemme.
C.5	**Begrensninger i verdipapirenes omsettelighet**	Vedtektene setter ikke noen restriksjoner for Aksjenes omsettelighet, eller forkjøpsrett for Selskapets aksjeeiere. Aksjenes omsettelighet er ikke betinget av styrets samtykke.

C.6	**Opptak til notering**	Selskapet vil søke om notering av Aksjene på Oslo Børs rundt 28. mars 2017. Det er forventet at styret i Oslo Børs vil godkjenne noteringssøknaden til Selskapet rundt 31. mars 2017, forutsatt at enkelte vilkår er oppfylt. Selskapet forventer at handel i Aksjene på Oslo Børs vil starte rundt 6. april 2017. Selskapet har ikke søkt om notering av Aksjene på noen annen børs eller annet regulert marked.
C.7	**Utbyttepolitikk**	Selskapet har ikke utbetalt utbytte for årene avsluttet 31. desember 2016 og 2015 eller tidligere år. Selskapet fokuserer på utviklingen av nye farmasøytiske produkter og forventer ikke å foreta noen utbetaling av kontantutbytter før bærekraftig lønnsomhet er oppnådd.

Punkt D – Risiko

D.1	**Vesentlige risiki knyttet til Selskapet eller dets bransje**	*Vesentlige risiki knyttet til Selskapets vikrsomhet og dets bransje* • Selskapet har pådratt seg betydelige driftstap siden etableringen, og Selskapet forventer å pådra seg driftstap i de neste årene og kan tenkes å aldri oppnå eller opprettholde lønnsomhet • Kliniske studier studier involverer langsiktige og kostbare prosesser med usikkert utfall, og resultater fra tidligere studier og tester vil ikke nødvendigvis være prediktivt for utfallet av fremtidige kliniske studier. Selskapet er i en tidlig utviklingsfase og dets kliniske studier og tester kan mislykkes i å påvise tilstrekkelig sikkerhet og effekt for sine produktkandidater, som i så tilfelle vil forhindre eller forsinke myndighetsgodkjennelse og kommersialisering. • Selskapets virksomhet er svært avhengig av suksessen til dets primære produktkandidat, BGB324, som sammen med Selskapets øvrige produktkandidater vil behøve ytterligere betydelige kliniske tester før Selskapet kan søke myndighetsgodkjennelse og potensielt kommersialisere produktene • Enhver vesentlig forsinkelse eller feil i gjennomføring av kliniske studier kan negativt påvirke Selskapets evne til å oppnå myndighetsgodkjennelser og kommersialisere sine nåværende og fremtidige medisinkandidater • Selskapets produktkandidater kan forårsake uønskede bivirkninger som kan stanse den kliniske utviklingen, forhindre myndighetsgodkjennelse, begrense kommersialiseringsmulighetene hvis godkjent, og resultere i andre betydelige negative konsekvenser • Selskapet er tildelt klassifisering som "orphan drug" for BGB324 i behandlingen av AML, men Selskapet vil ikke nødvendigvis være i

	stand til å opprettholde de fordeler som følger med en slik klassifisering • Selskapets økonomiske suksess avhenger av oppnåelse av akseptable priser og dekning • Selskapet er utsatt for en iboende risiko for ansvarskrav for det tilfellet at bruk eller misbruk av preparat resulterer i personskader eller død • Selskapets evne til å lykkes, dets konkurranseevne og fremtidige inntekter vil delvis avhenge av Selskapets evne til å beskytte intellektuelle rettigheter og know-how • Andre parters patentsøknader kan begrense Selskapets handlingsrom • Selskapet kan mislykkes i å opprettholde tilstrekkelige forsikringer dekkende for all risiko knyttet til virksomheten • Selskapet står over for betydelig konkurranse fra andre bioteknologiske og farmasøytiske selskaper • Selskapet kan miste markedseksklusivitet og bli utsatt for konkurranse fra lavkostnads generiske produkter • Selskapet er avhengig, og vil fortsette å være avhengig, av tredjeparter for gjennomføring av kliniske tester og produksjon • Selskapet er avhengig, og vil fortsette å være avhengig, av tredjeparter for utvikling og kommersiallisering av sine produkteror • Selskapet kan mislykkes i å utvikle nye produktkandidater • Selskapet kan mislykkes i å inngå partneravtaler • Selskapet er avhengig av nøkkelpersonell og evnen til å tiltrekke seg nye kvalifiserte medarbeidere • Selskapet er utsatt for kommersiell risiko *Vesentlige risiki knyttet til lover og regler* • Selskapet kan bli gjenstand for søksmål og tvister som kan få en betydelig negativ virkning på Selskapets virksomhet, økonomi, resultater, likviditet, tiden til markedet og dets utsikter • Selskapet er utsatt for risiko knyttet til regulatoriske prosesser og reguleringsendringer på området • Selv om Selskapet oppnår myndighetsgodkjennelser for en medisinkandidat, vil Selskapets produkter forbli underlagt myndighetskontroll *Vesentlige risiki knyttet til finansiering og markedet* • Selskapet vil ha behov for ytterligere finansiering for å kunne oppnå sine målsetninger, og mislykkes Selskapet med å innhente nødvendig kapital når det trengs, kan det medføre at Selskapets produktutvikling og kommersialiseringsarbeider forsinkes, begrenses, reduseres eller må avsluttes • Fremtidig gjeldsgrad kan begrense Selskapets fleksibilitet og mulighet til å oppnå ytterligere finansiering og forfølge andre forretningsmuligheter • Rentesvingninger kan i fremtiden påvirke Selskapets likviditet og økonomi samt prisen på Aksjene • Selskapets resultater er utsatt for risiko knyttet til valutasvingninger • Selskapet kan bli utsatt for risiki knyttet til finansiell rapportering
D.3 Vesentlige risiki knyttet til verdipapirene	*Vesentlige risiki knyttet til Aksjene og Noteringen* • Selskapet vil påføres økte kostnader som følge av at det blir et børsnotert selskap

	• Markedsverdien på Aksjene kan svinge vesentlig, noe som kan medføre at investorer mister vesentlige deler av sin investering • Det finnes ikke et eksisterende marked for Aksjene, og det kan hende at aktiv handel i Aksjen ikke utvikles • Fremtidig salg, eller muligheten for fremtidige salg, av betydelige antall Aksjer kan påvirke prisen på Aksjene • Fremtidig utstedelse av nye Aksjer eller andre verdipapirer kan utvanne aksjonærene og kan vesentlige påvirke prisen på Aksjene • Fortrinnsrett til å tegne seg for Aksjer i senere utstedelser kan være utilgjengelig for amerikanske eller andre aksjonærer • Investorer kan være ute av stand til å utøve sine stemmerettigheter for Aksjer registrert på forvalterkonto • Investorer kan være ute av stand til å benytte stemmerettigheter for aksjer som er registrert på forvalterkonto • Overføring av Aksjene er underlagt restriksjoner under verdipapirhandellovgivningen i USA og andre jurisdiksjoner • Selskapets mulighet til å utdele utbytte er avhengig av Selskapets utbyttegrunnlag, og Selskapet kan være i en posisjon hvor det ikke er i stand til eller uvillig til å utdele utbytte i fremtiden • Investorer kan være ute av stand til å få dekket sitt tap i sivile søksmål i andre jurisdiksjoner enn i Norge • Norsk lov kan begrense aksjonærers mulighet til å føre saker mot Selskapet • Valutasvingninger kan negativt påvirke verdien på Aksjene og utbytteutbetalinger for investorer som har annen primærvaluta enn NOK • Markedsrenter kan påvirke prisen på Aksjene

Punkt E – Tilbudet

E.1	**Nettoproveny og estimerte kostnader**	Tilbudet består av et tegningstilbud på de Nye Aksjene som utstedes av Selskapet for å innhente en beløp på omtrent NOK 400 millioner. Selskapet vil motta provenyet for salget av de Nye Aksjene. Brutto provenyet til Selskapet vil være opp til omtrent NOK 400 millioner og Selskapets totale kostnader og utgifter til Noteringen og Tilbudet er anslått til NOK 24,5 millioner (eksklusive MVA).
E.2a	**Bakgrunnen for Tilbudet og bruk av provenyet**	Selskapet mener at Tilbudet og Noteringen vil: • diversifisere og øke aksjonærbasen og øke tilgangen til kapitalmarkeder, • ytterligere forsterke BerGenBios muligheter til å tiltrekke seg nøkkelpersoner i ledelsen og blant de ansatte, • styreke arbeidskapitalen i Selskapet • styrke BerGenBios profil blant investorer og forretningspartnere, og • legge til rette for videre studier for Selskapets medisinkandidater. Bruken av nettoprovenyet fra Tilbudet vil primært bli benyttet mot: • Gjennomføring av fire Fase II kliniske studier av BGB324 • Gjennomføre Fase I klinisk studie av BGB149. • Validere Axl companion diagnostics tester (tester for å forutsi hvilke pasienter som kan ha best effekt av behandlingen). • Opprettholde den pågående utviklingen av den pre-kliniske produktrekken.

	• Administrative aktiviteter inkludert generelle forretningsmessige formål. Nettoprovenyet fra Tilbudet og eksisterende kontantbeholding er forventet å finansiere Selskapet inn i 2019.
E.3 Vilkår for Tilbudet	Tilbudet består av et tilbud på Nye Aksjer utstedt fra Selskapet og tegnet til en fast pris per Tilbudsaksje for å reise et beløp på inntil ca NOK 400 millioner. Selskapet forbeholder seg retten til å redusere brutto provenyet i Tilbuet, men vil ikke under noen omstendighet gjennomføre Tilbuet med et lavere brutto proveny enn NOK 300 millioner. I tillegg kan Tilretteleggerne velge å overtildele et antall Tilleggsaksjer, som tilsvarer opp til ca 6,3 % av antallet Nye Aksjer. Långivende Aksjeeiere (opplistet i punkt 15.9.1 "Over-allotment of Additional Shares") har gitt ABG Sundal Collier, på vegne av Tilretteleggerne, en Overtildelingsopsjon til å kjøpe et tilsvarende antall Tilleggsaksjer for å dekke eventuelle overallokeringer. Tilbudet består av: • Et Institusjonelt Tilbud, hvor Tilbudsaksjer tilbys til (a) investorer i Norge og Sverige, (b) investorer utenfor Norge, Sverige og USA i henhold til gjeldende unntak fra prospektkrav, og (c) investorer i USA som er QIBs, i transaksjoner som er unntatt registreringsplikt i henhold til U.S. Securities Act. Det er en nedre grense per bestilling i det Institusjonelle Tilbudet NOK 2 500 000. • Et Offentlig Tilbud, hvor Tilbudsaksjer tilbys til allmennheten i Norge og Sverige med en nedre grense per bestilling på NOK 10 500 og en øvre grense per bestilling på NOK 2 499 999 for hver investor. Investorer som har til hensikt å legge inn bestilling som overstiger NOK 2 499 999 må gjøre det i det Institusjonelle Tilbudet. Flere bestillinger fra én bestiller i det Offentlige Tilbudet vil bli behandlet som én bestilling i forhold til øvre grense for bestilling. Ethvert tilbud eller salg utenfor USA vil bare bli gjort i samsvar med Regulation S i U.S. Securities Act. Bestillingsperioden for det Institusjonelle Tilbudet og for det Offentlige Tilbudet er forventet å starte kl. 09:00 29. mars 2017 og avsluttes kl. 12:00 5. april 2017 for det Offentlige Tilbudet og kl. 14:00 for det Institusjonelle Tilbudet . Selskapet, i samråd med Tilretteleggerne, forbeholder seg retten til når som helst å forkorte eller forlenge Bestillingsperioden. Tilretteleggerne forventer å gi beskjed om tildeling av Tilbudsaksjer i det Institusjonelle Tilbudet rundt den 6. april 2017, ved utsendelse av sluttsedler til bestillerne via post eller på annen måte. Betaling fra bestillere i det Institusjonelle Tilbudet vil skje mot levering av Tilbudsaksjer. Levering og betaling av Tilbudsaksjene er forventet å finne sted rundt den 10. april 2017. Fristen for betaling i det Offentlige Tilbudet er rundt 7. april 2017. Forutsatt rettidig betaling av bestilleren, er levering av tildelte Tilbudsaksjene i det Offentlige Tilbudet forventet å finne sted rundt 10. april 2017. Gjennomføringen av Tilbudet er blant annet betinget av (i) at styret i Oslo Børs godkjenner søknaden om notering av Aksjene i styremøtet rundt 31. mars 2017, på vilkår som er akseptable for Selskapet og forutsatt at slike vilkår oppfylles av Selskapet, (ii) at Selskapet, i konsultasjon med Tilretteleggerne, har besluttet å gjennomføre Tilbudet og godkjent allokeringen av Tilbudsaksjer til berettigede investorer, og (ii) at Tilretteleggerne, ikke forut for registreringen av kapitalforhøyelsen vedrørende de Nye Aksjene, har avsluttet sin kommittering til å forhåndsbetale tegningsbeløpet for de Nye Aksjene.

E.4	**Vesentlige og motstridende interesser**	Tilretteleggerne eller deres nærstående har fra tid til annen ytet, og kan i fremtiden yte, finansiell rådgivning, investeringstjenester og kommersielle banktjenester til Selskapet og dets nærstående som ledd i sin ordinære virksomhet. For slike tjenester kan de ha mottatt og vil kunne fortsette å motta vanlige honorarer og provisjoner, og kan da komme til å ha interesser som ikke sammenfaller eller er i konflikt med interessene til Selskapet og investorer i Selskapet. Tilretteleggerne har ikke til hensikt å fremlegge omfanget av slike investeringer eller transaksjoner med mindre de er juridisk eller regulatorisk forpliktet til dette. Tilretteleggerne vil motta et tilretteleggerhonorar og et forskuddsbetalingshonorar i forbindelse med Tilbudet, og de vil, på grunn av det ha en interesse i Tilbudet. Eventuell netto fortjeneste fra stabiliseringsaktiviteter vil tilfalle Långivende Aksjeeiere og fordeles pro-rata i henhold til deres antall utlånte aksjer til ABG Sundal Collier.
E.5	**Selgende aksjonær og bindingsavtaler**	Det er ingen selgende aksjonærer i Tilbudet, bortsett fra de Långivende Aksjeeiere som, i henhold til Overtildelingsopsjonen, kan komme til å selge Aksjer i den forbindelse. Tilretteleggerne har inngått bindingsavtaler med medlemmer av Styret og Ledelsen og de største aksjeeierne ("Lock-up Forpliktelsene") der hver slik aksjeeier, medlemmer av Styret og Ledelsen har påtatt seg at de verken selv, eller gjennom sine respektive datterselskaper eller gjennom andre som opptrer på deres vegne (bortsett fra Tilretteleggerne) direkte eller indirekte, ikke, uten forutgående skriftlig samtykke fra Tilretteleggerne, skal: (i) tilby, selge, inngå kontrakt om å selge, selge en opsjon eller inngå kontrakt om å kjøpe, kjøpe en opsjon til eller inngå kontrakt om å selge, tildele en opsjon eller tegningsretter til å kjøpe, låne, eller på annen måte overføre eller disponere over Aksjer eller annet verdipapir som kan konverteres til, utøves som eller ombyttes i Aksjer, eller (ii) inngå noen bytteavtaler eller andre arrangementer som overfører til en annen, helt eller delvis, noen av de økonomiske konsekvensene av eierskap av Aksjer, uavhengig av om en slik transaksjon som beskrevet i (i) eller (ii) ovenfor skal gjennomføres ved levering av Aksjer, kontanter eller slike andre verdipapirer, eller (iii) inngå eller offentlig kunngjøre en intensjon om å iverksette noen av de nevnte transaksjoner, for en periode på tolv måneder (og seks måneder for Sarsia Development AS) fra første noteringsdag (7. april 2017). I tillegg har Selskapet avtale med Tilretteleggerne å ikke, hverken selv eller gjennom sine respektive datterselskaper eller gjennom andre som opptrer på dets vegne, uten forutgående skrifltig samtykke fra Tilretteleggerne, direkte eller indirekte å utstede, tilby, pantsette, selge eller avtale å utstede eller selge, noen Aksjer for en periode på tolv måneder fra første noteringsdag (7. april 2017). På samme måte har Selskapet avtale med Tilretteleggerne å ikke, hverken selv eller gjennom sine respektive datterselskaper eller gjennom andre som opptrer på dets vegne, uten forutgående skrifltig samtykke fra Tilretteleggerne (i) direkte eller indirekte, utstede, tilby, pantsette, selge eller avtale å utstede eller selge verdipapirer som kan konverteres til eller utøves som eller ombyttes i Aksjer, eller (ii) inngå noen bytteavtaler eller andre arrangementer eller transaksjoner som har en tilsvarende effekt som (i) over, uavhengig av om en slik bytteavtale eller transaksjon som beskrevet i (i) eller (ii) ovenfor skal gjennomføres ved levering av slike verdipapirer, ved kontanter eller på annen måte, eller (iii) inngå eller offentlig kunngjøre en intensjon om å iverksette noen av de nevnte transaksjoner.

		Lock-up Forpliktelsene er underlagt noen unntak, se punkt 15.16 "Lock-up".
E.6	**Utvanning som følge av Tilbudet**	Den umiddelbare utvanningseffekten etter gjennomføring av Tilbudet er for eksisterende aksjonærer som ikke deltar i Tilbudet estimert til omtrent 32 %, forutsatt at Selskapet utsteder 16,000,000 Nye Aksjer.
E.7	**Estimerte kostnader som vil kreves fra investorene**	Ikke aktuelt. Ingen utgifter eller skatter vil kreves av Selskapet eller Tilretteleggerne til investorene i Tilbudet.

19 SWEDISH SUMMARY (SVENSK SAMMANFATTNING)

Sammanfattningar ställs upp efter informationskrav i form av ett antal "Punkter" som ska innehålla viss information. Dessa Punkter är numrerade i avsnitten A – E (A.1 – E.7) nedan. Denna sammanfattning innehåller alla de Punkter som ska ingå i en sammanfattning för denna typ av värdepapper och emittent. Eftersom vissa Punkter inte behöver ingå, kan det finnas luckor i numreringen av Punkterna. Även om en viss Punkt ska ingå i sammanfattningen för denna typ av värdepapper och emittent kan det förekomma att det inte finns någon relevant information att ange beträffande en sådan Punkt. I sådant fall innehåller sammanfattningen en kort beskrivning av aktuell Punkt tillsammans med angivelsen "ej tillämplig"-

Avsnitt A – Introduktion och varningar

A.1	**Varning**	Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i värdepapperen ska baseras på en bedömning av Prospektet i sin helhet från investerarens sida. Om yrkande avseende information i Prospektet anförs vid domstol, kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av prospektet, eller om den inte, läst tillsammans med andra delar av Prospektet, ger nyckelinformation för att hjälpa investerare i övervägandet att investera i de värdepapper som erbjuds.
A.2	**Varning**	Ej tillämplig. Finansiella mellanhänder har inte rätt att använda Prospektet för efterföljande återförsäljning eller slutlig placering av värdepapper.

Avsnitt B – Emittenten

B.1	**Firma och handelsbeteckning**	BerGenBio ASA
B.2	**Emittentens säte och bolagsform, lagstiftning och bildandeland**	Bolagets registrerade namn är BerGenBio ASA (”Bolaget” eller ”BerGenBio”). Bolaget är ett publikt aktiebolag som bildats och verkar i enlighet med norsk rätt. Dess verksamhet regleras av den norska lagen om publika aktiebolag per den 13 juni 1997 nr 45 (No: "Lov om allmennaksjeselskaper"). Bolagets registreringsnummer i det norska företagsregistret (No: "Foretaksregisteret") är 992 219 688. Den 10 januari 2017 bildade Bolaget ett helägt dotterbolag, BerGenBio Limited, registrerat i Storbritannien under organisationsnumret 10555293, och som tillsammans med Bolaget refereras till som "Koncernen".
B.3	**Löpande och huvudsaklig verksamhet och marknader**	BerGenBio är ett onkologiskt bioteknologiföretag i klinisk fas som utvecklar 'first-in-class'-läkemedel mot nya läkemedelsmål (drug targets) som driver aggressiv cancer. Bolaget har en djup och ledande förståelse av Axl:s funktion och roll, ett läkemedelsmål av typen receptor tyrosinkinas. Det är allmänt vedertaget att Axl driver många av egenskaperna som kännetecknar aggressiva cancertyper och är en avgörande komponent i cellulär plasticitet via en cellulär signalväg kallad epitelial-mesenkymal transition ("EMT"). Bolagets primära mål är att, antingen själva eller i samarbete med en partner, utveckla och kommersialisera sin huvudprodukt BGB324 för marknadsgodkännande hos tillsynsmyndigheterna med efterföljande kommersialisering. Bolagets mest avancerade läkemedelskandidat mot cancer är BGB324, vilken är en mycket känslig 'first-in-class'-hämmare av Axl-kinas, den tas via munnen (oralt), och är den enda selektiva Axl-hämmaren som genomgår kliniska tester. BerGenBio sponsrar för närvarande pågående kliniska studier där BGB324 administreras både som monoterapi och i

		kombination med standardläkemedel hos patienter med akut myelogen leukemi ("AML"), myelodysplastiskt syndrom ("MDS") och icke-småcellig lungcancer ("NSCLC"). Dessutom förväntar sig BerGenBio inom H1 2017 uppstart av ytterligare två kliniska Fas II-studier med BGB324 i kombination med Keytruda™ hos patienter med NSCLC och trippel negativ bröstcancer ("TNBC"). BerGenBio arbetar även aktivt med utveckling av ett "companion diagnostics"-verktyg för att identifiera patienter som speciellt kan ha nytta av behandling med BGB324. Inledande kliniska data har indikerat att patienter som har den aktiverade formen av Axl, sannolikt är mer benägna att svara positivt på behandling med BGB324. BerGenBio har använt sig av sin ledande position inom Axl-biologi för att etablera internationella samarbeten; (i) med ADC Therapeutics S.a.r.l. ("ADCT"), ett schweiziskt biotech-företag, till vilka Bolaget har licensierat prekliniska Axl-antikroppar för utvecklingen av ett antikropp-läkemedelskonjugat ("ADC") och (ii) Merck Sharp & Dohme B.V. ("MSD"), ett globalt läkemedelsföretag som kommer att tillhandahålla sin immuncheckpoint-hämmare Keytuda för kombinerade kliniska studier av patienter med lungcancer och TNBC. BerGenBios grundforskning utfördes vid Universitetet i Bergen, och Bolaget grundades 2007 av Bergen Teknologioverføring AS (teknologiöverföringskontoret på Universitetet i Bergen ("UiB")), UniResearch AS (UiB:s investeringsholdingbolag), Prof. James Lorens och Dr. David Micklem. Bolaget har kvar sina administrativa och forskningskontor i Bergen medan dess kliniska utvecklingsfunktioner styrs från Bolagets kontor i Oxford, Storbritannien. Bolagets primära mål är att slutföra regulatoriska prövningar av BGB324 på en undergrupp av patienter med AML/MDS, samtidigt som man bedriver fortsatta kliniska tester för att fastställa användbarheten för BGB324 hos patienter med mer vanliga cancertyper såsom NSCLC och TNBC.
B.4a	**Betydande trender**	Bolaget har inte erfarit några förändringar eller trender som är väsentliga för Bolaget mellan den 31 december 2016 och dagen för Prospektet. Bolaget känner inte heller till några sådana förändringar eller trender som förväntas vara eller kan komma att förväntas bli väsentliga för Bolaget under innevarande räkenskapsår, annat än den samlade marknadssituationen och trender som beskrivs på annan plats i detta Prospekt.
B.5	**Beskrivning av Bolaget**	Bolaget har vid årsslutet 2016 inte haft några dotterbolag och följaktligen har Bolagets verksamhet utförts via Bolaget. Den 10 januari 2017 bildade Bolaget ett helägt dotterbolag, BerGenBio Limited (registrerat i Storbritannien med organisationsnummer 10555293). Framöver förväntas anställda i Storbritannien bli anställda genom BerGenBio Limited. Denna förändring leder inte till någon märkbar förändring av verksamheten i Bolaget.
B.6	**Intressen i Bolaget och rösträtt**	Bolaget hade 67 aktieägare per den 28 mars 2017. Tabellen nedan visar Bolagets 20 största aktieägare per den 28 mars 2017.

Aktieägare	Antal aktier	Procent
Meteva AS	12.923.000	38,3
Investinor AS	6.609.800	19,6
Sarsia Seed AS	2.117.900	6,3
Norsk Innovasjonskapital II AS	1.333.100	4,0
J.P. Morgan Chase Bank N.A. London	1.272.000	3,8
Mp Pensjon PK	1.240.300	3,7
Datum Invest AS	1.209.200	3,6
Sarsia Development AS	1.195.000	3,5
Bera AS	1.040.000	3,1
Pactum AS	804.600	2,4
Birk Venture AS	558.500	1,7
CB Invest AS	352.300	1,0
Ro Invest AS	260.900	0,8
David Robert Micklem	252.500	0,7
James Bradley Lorens	250.000	0,7
Spar Kapital Investor AS	225.000	0,7
UNI Research AS	207.700	0,6
Gnist Holding AS	158.900	0,5
Profond AS	139.000	0,4
HAWI Invest AS	135.400	0,4
Övriga[1]	**1.457.100**	**4,32**
Summa	**33.742.200**	**100,00**

1 Resterande 47 aktieägare.

		Varje Aktie ger rätt till en röst. Aktieinnehav om 5 % eller mer av Aktierna kommer, efter Börsnoteringen, att ha intresse av Bolagets aktiekapital som är anmälningspliktigt enligt den norska lagen om handel med värdepapper (No. ”Lov om verdipapirhandel”). Bolaget känner inte till några arrangemang vars verkan vid ett senare datum skulle kunna resultera i att kontrollen över Bolaget förändras.
B.7	**Utvald historisk finansiell nyckelinformation**	Följande utvalda finansiella information kommer från Bolagets reviderade finansiella rapporter per, och för räkenskapsåret som slutade, den 31 december 2016 och för räkenskapsåret som slutade den 31 december 2015 (gemensamt, ”Finansiella Rapporter”). De Finansiella Rapporterna för 2016 och 2015 har upprättats i enlighet med IFRS. Den utvalda finansiella informationen som presenteras häri ska läsas tillsammans med, och är kvalificerad i sin helhet genom hänvisning till, de Finansiella Rapporterna.

I NOK	Räkenskapsåret som slutade den 31 december	
	2016 (IFRS)	**2015** (IFRS)
Resultaträkning och andra totalresultat		
Rörelseintäkter	0	0
Rörelseresultat (EBIT)	(131.569.782)	(72.925.068)
Vinst/(förlust) för perioden	(129.799.000)	(72.106.769)
Rapport över finansiell ställning		
Summa anläggningstillgångar	409.584	361.305
Summa omsättningstillgångar	174.126.305	82.030.994
Summa tillgångar	174.535.889	82.392.299
Summa eget kapital	153.269.989	64.747.168
Summa långfristiga skulder	0	5.580.034
Summa kortfristiga skulder	21.265.899	12.065.096
Summa skulder	21.265.899	17.645.130
Summa eget kapital och skulder	174.535.889	82.392.299
Kassaflödesanalys		
Kassaflöde från den löpande verksamheten	(124.313.928)	(62.902.375)
Kassaflöde från investeringsverksamheten	(255.443)	0
Kassaflöde från finansieringsverksamheten	212.401.539	10.537.605
Förändring av likvida medel	87.832.168	(52.364.849)
Likvida medel vid periodens slut	161.824.727	73.992.558

B.8	**Utvald nyckelinformation från proformaredovisning**	Ej tillämplig. Det finns ingen proformaredovisning.
B.9	**Resultatprognos**	Ej tillämplig. Det görs inga vinstprognoser eller uppskattningar.
B.10	**Anmärkningar i revisionsberättelsen**	Ej tillämplig. Det finns inga anmärkningar i revisionsberättelsen.
B.11	**Otillräckligt rörelsekapital**	Ej tillämplig. Bolaget anser att det rörelsekapital som är tillgängligt för Bolaget är tillräckligt för att tillgodose Bolagets nuvarande behov av rörelsekapital över den kommande tolvmånadersperioden från dagen för Prospektet.

Avsnitt C – Värdepapperen

C.1	**Typ och klass av värdepapper som tas upp till handel och identifikationsnummer**	Bolaget har givit ut aktier av ett aktieslag och alla Aktier i det aktieslaget har lika rätt i Bolaget. Varje Aktie ger rätt till en röst. Aktierna har skapats i enlighet med den norska lagen om publika aktiebolag (No: "Lov om allmennaksjeselskaper") och har registrerats i avstämningsregister hos Verdipapirsentralen i Norge (VPS) med ISIN-koden NO 001 0650013.
C.2	**Valuta**	Aktierna är denominerade i NOK.
C.3	**Totalt antal aktier i Bolaget och nominellt värde**	Per dagen för detta Prospekt uppgår Bolagets aktiekapital till 3.374.220 NOK fördelat på 33.742.200 aktier, där varje aktie har ett kvotvärde om 0,10 NOK.
C.4	**Rättigheter som sammanhänger med värdepapperen**	Bolaget har givit ut Aktier av ett aktieslag och alla Aktier har lika rättigheter i Bolaget. Varje Aktie ger rätt till en röst.

C.5	**Inskränkningar i den fria överlåtbarheten**	Bolagsordningen innehåller inte några inskränkningar av Aktiernas överlåtbarhet, eller någon förköpsrätt för Bolagets aktieägare. Aktieöverlåtelser behöver inte godkännas av Bolagets styrelse.
C.6	**Upptagande till handel**	Bolaget kommer omkring den 28 mars 2017 att ansöka om upptagande till handel av Bolagets aktier på Oslo Börs. Styrelsen i Oslo Börs förväntas godkänna ansökan om upptagande till handel på, eller omkring, den 31 mars 2017 förutsatt att vissa villkor är uppfyllda. Bolaget förväntar sig för närvarande att handel i Aktierna på Oslo-Börs ska starta omkring den 7 april 2017. Bolaget har inte ansökt om att Aktierna ska upptas till handel på någon annan börs eller reglerad marknad.
C.7	**Utdelningspolicy**	Bolaget har inte lämnat någon utdelning för räkenskapsåren som avslutades den 31 december 2016 och 2015 eller för något tidigare år. Bolaget fokuserar på utveckling av nya farmaceutiska produkter och räknar inte med att lämna någon utdelning i kontanter innan en hållbar lönsamhet har uppnåtts.

Avsnitt D – Risker

D.1	**Huvudsakliga risker avseende emittenten eller dess verksamhet**	*Risker relaterade till Bolaget och branschen där Bolaget är verksamt* • Bolaget har ådragit sig betydande rörelseförluster sedan starten och Bolaget räknar med att ådra sig förluster under de kommande åren och kanske aldrig uppnår eller bibehåller lönsamhet • Klinisk utveckling innebär en lång och dyr process med osäkra utfall och resultat från tidigare studier och analyser kan inte förutsäga framtida resultat för kliniska tester. Bolaget befinner sig i en tidig utvecklingsfas och dess kliniska tester kan misslyckas med att på ett adekvat sätt påvisa säkerheten och effektiviteten hos dess produktkandidater, vilket skulle förhindra eller fördröja myndigheternas godkännande och kommersialisering • Bolagets verksamhet är i hög utsträckning beroende av framgången för dess ledande produktkandidat, BGB324, som tillsamman med Bolagets andra produktkandidater kommer att kräva ytterligare betydande kliniska tester innan Bolaget kan ansöka om myndigheternas godkännande och potentiellt kommersialisera produkter • Eventuella större förseningar eller misslyckanden i genomförandet av de kliniska studierna kan negativt påverka Bolagets förmåga att erhålla myndigheternas godkännande och kommersialisera sina nuvarande och framtida läkemedelskandidater • Bolagets produktkandidater kan orsaka oönskade biverkningar som skulle kunna stoppa upp den kliniska utvecklingen av dem, göra att myndigheterna inte godkänner dem, begränsa deras kommersiella potential om de godkänns, och resultera i andra betydande negativa konsekvenser • Bolaget har erhållit särläkemedelsstatus (orphan drug designation) för BGB324 vid behandling av AML, men Bolaget kan vara oförmöget att upprätthålla de fördelar som är förknippade med särläkemedelsstatus • Bolagets finansiella framgång förutsätter att Bolaget kan ta ut rimliga priser och ersättningar för sina produkter • Bolaget står inför en inneboende risk för skadeståndsanspråk i händelse av att användningen eller felanvändningen av föreningarna resulterar i personskador eller dödsfall

	• Bolagets framgång, konkurrensställning och framtida intäkter kommer delvis att bero på Bolagets förmåga att skydda immateriella rättigheter och know-how • Patentansökningar som lämnats in av andra kan begränsa Bolagets frihet att bedriva verksamhet • Bolaget kan eventuellt inte upprätthålla ett tillräckligt försäkringsskydd för att täcka alla risker kopplade till dess verksamhet • Bolaget utsätts för betydande konkurrens från andra bioteknik- och läkemedelsbolag. • Bolaget kan mista sin ensamrätt på marknaden och utsättas för konkurrens från lågprisgenerikaprodukter • Bolaget förlitar sig på, och kommer att fortsätta att förlita sig på, tredje part för kliniska tester och tillverkning • Bolaget förlitar sig på, och kommer att fortsätta att förlita sig på, tredje part för utveckling och kommersialisering av dess produkter • Bolaget kan eventuellt inte utveckla nya läkemedelskandidater • Bolaget kan eventuellt inte ingå samarbetsavtal • Bolaget är beroende av nyckelpersoner samt förmågan att attrahera ny, kompetent personal • Bolaget är exponerat för kommersiell risk *Risker förknippade med lagar, bestämmelser och rättstvister* • Bolaget kan komma att bli föremål för rättstvister och tvister som skulle kunna få en betydande och negativ inverkan på Bolagets affärsverksamhet, finansiella ställning, verksamhetens resultat, kassaflöden, tid till marknad och framtidsutsikter • Bolaget är exponerat för risker förknippade med regulatoriska processer och förändringar i den regulatoriska miljön • Även om Bolaget erhåller myndigheternas godkännande för en läkemedelskandidat kommer Bolagets produkter att fortsätta vara föremål för regulatorisk granskning *Risker hänförliga till finansierings- och marknadsrisk* • Bolaget kommer att behöva ytterligare finansiering för att uppnå sina mål, och ett misslyckande att anskaffa sådant nödvändigt kapital när behov uppstår skulle kunna tvinga Bolaget att skjuta upp, begränsa, minska eller upphöra med sin produktutveckling eller sina kommersialiseringsinsatser • Framtida skuldsättningsnivåer kan komma att begränsa Bolagets flexibilitet att erhålla ytterligare finansiering och driva andra affärsmöjligheter • Fluktuationer i räntenivåerna kan i framtiden, utöver priset på Aktierna, även påverka Bolagets kassaflöde och finansiella ställning • Bolagets resultat kommer att exponeras för valutakursrisker • Bolaget kan ställas inför risker förknippade med finansiell rapportering
D.3 Huvudsakliga risker avseende värdepapperen	*Risker hänförliga till Börsnoteringen och Aktierna* • Bolaget får ökade kostnader till följd av att vara ett börsnoterat bolag • Marknadsvärdet av Aktierna kan fluktuera markant, vilket skulle kunna göra att investerare förlorar en ansenlig del av investeringen • Det finns ingen befintlig marknad för Aktierna, och en aktiv handel kommer eventuellt inte att utvecklas

	• Framtida försäljning, eller möjligheterna till framtida försäljning, av ett stort antal Aktier kan påverka Aktiernas marknadspris • Framtida emissioner av Aktier eller andra värdepapper kan komma att medföra en utspädning för befintliga aktieägare samt påverka priset på Aktierna i betydande grad • Företrädesrätt att säkra och betala för Aktier vid ytterligare emissioner är eventuellt inte tillgängligt för amerikanska medborgare eller andra aktieägare • Investerare kan vara oförmögna att utöva sin rösträtt för Aktier som har registrerats på ett förvaltarkonto • Överlåtelse av aktierna omfattas av restriktioner under amerikanska värdepapperslagar och andra jurisdiktioner • Bolagets förmåga att lämna utdelning är beroende av tillgången till utdelningsbara medel och Bolaget kan vara oförmöget eller ovilligt att lämna utdelning i framtiden • Investerare kan eventuellt inte kompenseras för förluster i tvistemål i andra jurisdiktioner än Norge • Norsk lag kan begränsa aktieägarnas möjligheter att väcka talan mot Bolaget • Valutakursförändringar kan påverka Aktiernas värde negativt, liksom eventuella utdelningar som lämnas för Aktierna till en investerare vars huvudsakliga valuta inte är NOK • Marknadsräntorna kan påverka priset på Aktierna

Avsnitt E – Erbjudande

E.1	**Emissionsbelopp och emissionskostnader**	Erbjudandet omfattar ett erbjudande om Nya Aktier som skall emitteras av Bolaget för att ta in ett belopp om upp till cirka 400 miljoner NOK. Likviden från försäljningen av de Nya Aktierna tillförs Bolaget. Bruttolikviden till Bolaget blir cirka 400 miljoner NOK och Bolagets totala kostnader och utgifter för, och förknippade med, Börsnoteringen och Erbjudandet beräknas uppgå till 24,5 miljoner NOK (exkl. mervärdesskatt).
E.2a	**Motiv för Erbjudandet och användning av emissionslikvid**	Bolaget tror att Erbjudandet och Börsnoteringen kommer att: • diversifiera och öka aktieägarbasen och förbättra tillgången till kapitalmarknaderna; • ytterligare stärka BerGenBios förmåga att attrahera och behålla viktiga personer i ledande befattningar och anställda; • stärka Bolagets rörelsekapital; • stärka BerGenBios profil gentemot investerare och affärspartners; samt • underlätta vidare studier för Bolagets läkemedelskandidater. Nettolikviden från Erbjudandet är huvudsakligen avsedd för följande ändamål: • Slutföra fyra Fas II kliniska prövningar av BGB324 • Slutföra en klinisk Fas I-prövning av BGB 149. • Validera Axl ”companion diagnostic”-analys. • Upprätthålla utvecklingen av den pre-kliniska pipelinen. • Administrativa aktiviteter, inklusive allmänna bolagsändamål. Nettolikviden från Erbjudandet och befintliga likvida medel förväntas finansiera Bolaget in i 2019.
E.3	**Villkor för Erbjudandet**	Erbjudandet består av ett erbjudande om emission av Nya Aktier i Bolaget för att ta in ett belopp om upp till cirka 400 miljoner NOK. De Nye Aktier säljs til ett fast erbjudandet. Bolaget förbehåller sig rätten att minska

	Bruttolikviden i Erbjudandet, men kommer inte under några omständigheter genomföra Erbjudandet med lägre bruttolikvid än 300 miljoner NOK. Dessutom kan ABG Sundal Collier ASA, Arctic Securities AS och DNB Markets, en del av DNB Bank ASA (”Managers”) välja att övertilldela Ytterligare Aktier, motsvarande upp till 6,3 % av antalet Nya Aktier. De aktieägare i Bolaget som listas under punkt 15.9.1 "Over-allotment of Additional Shares" har ställt ut en Övertilldelningsoption till ABG Sundal Collier ASA (”Stabilisation Manager”), på uppdrag av Managers, att köpa motsvarande Ytterligare Aktier för att täcka sådana övertilldelningar. Erbjudandet består av: • Ett Institutionellt Erbjudande, i vilket Erbjudna Aktier erbjuds till (a) investerare i Norge och Sverige, (b) investerare utanför Norge, Sverige och USA, som är föremål för tillämpliga undantag från prospektkraven, och (c) i USA till s.k. qualified institutional buyers (”QIBs”) med stöd av ett undantag från registreringskraven enligt U.S. Securities Act från 1933, i dess nuvarande lydelse. Det Institutionella Erbjudandet är föremål för en lägre gräns per ansökan på NOK 2.500.000. • Ett Erbjudande till Allmänheten, där Erbjudna Aktier erbjuds allmänheten i Norge och Sverige och som är föremål för en lägre ansökningsgräns på 10.500 NOK och en övre gräns per ansökan på 2.499.999 NOK för varje investerare. Den som önskar att lägga en order på mer än NOK 2.499.999 måste göra det under det Institutionella Erbjudandet. Flera ansökningar från en investerare i Erbjudandet till Allmänheten kommer att behandlas som en ansökan vad gäller den maximala ansökningsgränsen. Alla erbjudanden och försäljning utanför USA görs i enlighet med Regulation S enligt U.S. Securities Act. Ansökningsperioden för det Institutionella Erbjudandet och Erbjudandet till Allmänheten väntas äga rum från 29 mars 2017 kl 09:00 (CET) till 5 april 2017 kl 12:00 (CET) för Erbjudandet till Allmänheten og till kl 14:00 (CET) för det Institutionella Erbjudandet. Bolaget, i samråd med Managers, förbehåller sig rätten att när som helst korta ner eller förlänga Ansökningsperioden. Managers räknar med att utfärda meddelanden om tilldelning av Erbjudna Aktier under erbjudandet i det Institutionella Erbjudandet den 6 april 2017 eller omkring detta datum, genom att skicka ut avräkningsnotor per post eller på annat sätt. Betalningen från investerare i det Institutionella Erbjudandet kommer att äga rum mot leverans av Erbjudna Aktier. Leverans och betalning för Erbjudna Aktier beräknas äga rum 10 april 2017 eller omkring i detta datum. Sista betalningsdatum för Erbjudandet till Allmänheten är på eller omkring den 7 april 2017. Under förutsättning att betalning inkommer i rätt tid från investeraren, beräknas leverans av de Erbjudna Aktierna som tilldelas i Erbjudandet till Allmänheten ske omkring den 10 april 2017. Slutförandet av Erbjudandet är villkorat av, bland andra villkor, (i) att styrelsen för Oslo-börsen godkänner ansökan om Börsnotering vid sitt möte på eller omkring den 31 mars 2017, på villkor som är godtagbara för Bolaget och att sådana villkor är uppfyllda av Bolaget, (ii) Bolaget i samråd med Managers, efter att ha beslutat att gå vidare med Erbjudandet och godkänt fördelningen av Erbjudna Aktier som erbjuds till berättigade investerare , och (ii) Managers, inte före registreringen av ökningen av aktiekapitalet hänförligt till de Nya Aktierna, har sagt upp sina åtaganden att i förväg betala teckningsbeloppet för de Nya Aktierna.

E.4	**Väsentliga intressen och intressekonflikter**	Managers eller deras dotterbolag har från tid till annan tillhandahållit, och kan i framtiden tillhandahålla, investerings- och kommersiella banktjänster till Bolaget och dess dotterbolag i den löpande verksamheten, för vilken de kan ha fått och kan fortsätta att få sedvanliga arvoden och ersättningar och kan komma att ha intressen som eventuellt inte är i linje med, eller potentiellt skulle kunna stå i strid med, Bolagets och dess investerares intressen. Managers har inte för avsikt att offentliggöra omfattningen av sådana investeringar eller transaktioner annat än i enlighet med eventuell lagstadgad eller regulatorisk skyldighet att göra detta. Managers kommer att erhålla ett förvaltningsarvode och ett förskottsbetalningsarvode i samband med Erbjudandet och har därför ett intresse i Erbjudandet. De aktieägare i Bolaget som listas under punkt 15.9.1 "Over-allotment of Additional Shares" kommer att dela eventuella nettointäkter från stabiliseringsaktiviteter pro-rata.
E.5	**Säljande aktieägare och lock up-avtal**	Det finns inga säljande aktieägare i Erbjudandet, bortsett från de aktieägare i Bolaget som listas under punkt 15.9.1 "Over-allotment of Additional Shares" som, i enlighet med Övertilldelningsoptionen, kan sälja Aktier. Managers har ingått ett lock up-avtal med styrelseledamöter och ledande befattningshavare samt de största aktieägarna (ett "lock up-åtagande"), under vilket varje sådan aktieägare, styrelseledamot och ledande befattningshavare har gått med på att inte, samt att tillse att deras dotterbolag eller någon annan som agerar på dennes uppdrag (förutom Managers) inte, direkt eller indirekt, utan föregående skriftligt medgivande från Managers, kommer att (i) erbjuda, sälja, avtala om att sälja, sälja någon option eller avtala om att köpa, köpa någon option eller avtala om att sälja, utfärda någon option, rätt eller garanti till att köpa, låna eller på annat sätt överlåta eller förfoga över några Aktier eller några värdepapper som är konvertibla till Aktier, eller som kan utövas eller bytas ut mot Aktier eller (ii) ingå några bytesavtal eller andra arrangemang som helt eller delvis överför några av de ekonomiska konsekvenserna av ägarskapet till Aktierna, oavhängigt av om en sådan transaktion som beskrivs i (i) eller (ii) ovanför ska genomföras genom leverans av Aktier, kontanter, eller sådana andra värdepapper eller (iii) avtala eller offentligt tillkännage någon avsikt att göra någon av dessa saker under en period på 12 månader (och 6 månader för Sarsia Development AS) från den första dagen för Börsnotering (7 april 2017). Vidare har Bolaget kommit överens med Managers om att det inte ska, och att de ska tillse att deras dotterbolag eller någon annan som agerar på dennes uppdrag inte heller ska, direkt eller indirekt, utan Managers föregående medgivande, utfärda, erbjuda, sälja eller avtala om att utfärda eller sälja några Aktier under en period på 12 månader från den första dagen för Börsnotering (7 april 2017). På samma grundlag bekräftar Bolaget att de inte ska, samt att de ska tillse att inte något av dess dotterbolag eller andra som agerar på dennes uppdrag ska, utan föregående skriftligt medgivande från Managers, (i) direkt eller indirekt utfärda, erbjuda, pantsätta, sälja eller avtala om att utfärda eller att sälja värdepapper som kan konverteras till eller bytas mot Aktier, (ii) ingå ett bytesavtal eller något annat avtal eller transaktion som har motsvarande effekt som (i) ovanför, oavhängigt av om ett sådant bytesavtal eller transaktion som beskrivits i (i) och (ii) ovanför ska betalas genom leverans av sådana värdepapper, kontant eller på annat sätt, eller (iii) offentligt tillkännage någon avsikt att göra någon av dessa sakerna. Lock up-åtagandena är föremål för vissa undantag, se punkt 15.16 (Lock-up).

E.6	**Utspädning till följd av programmet**	Efter slutförandet av Erbjudandet beräknas den omedelbara utspädningen för de befintliga aktieägarna som inte tar del av Erbjudandet till cirka 32 %, baserat på antagandet att Bolaget emitterar 16,000,000 Nya Aktier.
E.7	**Beräknade kostnader som debiteras investeraren**	Ej tillämplig. Inga utgifter eller skatter kommer att debiteras investerare i Erbjudandet av Bolaget eller Managers.

20 DEFINITIONS AND GLOSSARY

20.1 General definitions and glossary

In the Prospectus, the following defined terms have the following meanings:

2010 PD Amending Directive	Directive 2010/73/EU amending the EU Prospectus Directive.
AA	Accelerated approval.
ABG Sundal Collier	ABG Sundal Collier Norge ASA.
ADC	Antibody drug conjugate. A substance made up of a monoclonal antibody chemically linked to a drug. The monoclonal antibody binds to specific proteins or receptors found on certain types of cells, including cancer cells. The linked drug enters these cells and kills them without harming other cells.
ADCT	ADCT Therapeutics SA
Additional Shares	Additional Shares sold pursuant to the over-allotment by the Stabilisation Manager, equalling up to approximately 6.3% of the aggregate number of New Shares to be issued in the Offering.
AGM	Annual General Meeting of the Company.
AML	Acute myeloid leukaemia, a type of cancer that affects the bone marrow and blood as further described under Section 7.5.1.
Anti-Money Laundering Legislation	The Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulations of 13 March 2009 no. 302, collectively.
Application Period	The application period for the Retail Offering which will take place from 09:00 hours (CET) on 29 March 2017 to 12:00 hours (CET) on 5 April 2017, unless shortened or extended, and the application period for the Institutional Offering which will take place from 09:00 hours (CET) on 29 March 2017 to 14:00 hours (CET) on 5 April 2017, unless shortened or extended.
Arctic	Arctic Securities AS
Articles of Association	The Company's articles of association.
AXL ADC Product	A molecule comprising an Axl antibody conjugated to a small molecule drug.
BerGenBio	BerGenBio ASA
BIA	The Norwegian Research council's User-driven Research based Innovation programme.
Board Members	The members of the Board of Directors.
Board of Directors	The board of directors of the Company.
CAGR	Compound aggregate growth rate.
CEO	The Company's chief executive officer.
CET	Central European Time.
CHF	Swiss Franc, the lawful currency of Switzerland.
CISA	Swiss Federal Act on Collective Investment Schemes.
CMC	Chemistry, manufacturing and control.
COG	Cost of goods.
Company	BerGenBio ASA.
CPIs	Immune-oncology therapeutics, called immune checkpoint inhibitors. The immune system depends on multiple checkpoint to avoid overactivation of the immune system on healthy cells. Tumour cells often take advantage of these checkpoints to escape detection by the immune system. Checkpoint inhibitors, inhibit these checkpoints by "releasing the brakes" on the immune system to enhance an anti-tumour T-cell response.
CRO's	Contract research organisations. They provide clinical trial and other research support services for the pharmaceutical, biotechnology, medical device industries and also serve government institutions, foundations, and universities.
CTL	Cytotoxic T-lymphocytes. Key effector cells of the bodies immune response to cancer acting as the immune system's "warhead".
DNB Markets	DNB Markets, a part of DNB Bank ASA.
EEA	The European Economic Area.
EGFR	Epithelial growth factor receptor. A molecule which is found at high levels in various forms of cancer.
EGFR gene	The gene that controls tumour growth.
ELISA	Enzyme-linked immunosorbert assay platform which is able to detect the presence of activated Axl
EMA	European Medicines Agency.

EMT	Epithelial-mesenchymal transition, a cellular process that makes cancer cells evade the immune system, escape the tumour and acquire drug resistant properties.
EPO	European Patent Organisation.
EU	The European Union.
EU5	The five major EU markets (France, Germany, Italy, Spain and the UK).
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State.
EUR	Euro, the lawful common currency of the member states of the European Union
EY	Ernst & Young AS, the Company's auditor.
FDA	U.S. Food and Drug Administration.
Financial Statements	The audited financial statements for the Company as of, and for the years ended, 31 December 2016 and 2015.
FSMA	The Financial Services and Markets Act 2000.
GBP	British pound sterling, the lawful currency of United Kingdom.
General Meeting	The general meeting of the shareholders in the Company.
GMP	Good manufacturing practices are the practices required in order to conform to guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products. These guidelines provide minimum requirements that a pharmaceutical or a food product manufacturer must meet to assure that the products are of high quality and do not pose any risk to the consumer or public. Good manufacturing practices, along with good laboratory practices and good clinical practices, are overseen by regulatory agencies in the United States, Canada, Europe, China, in addition to other countries.
Group	The Company together with BerGenBio Limited, incorporated in the UK with company number 10555293.
IFRS	International Financial Reporting Standards as adopted by the EU.
IND	Investigational new drug application to the FDA.
Institutional Closing Date	Delivery and payment for the Offer Shares by the applicants in the Institutional Offering is expected to take place on or about 10 April 2017.
Institutional Offering	An Institutional Offering, in which Offer Shares are being offered to (a) investors in Norway and Sweden, (b) investors outside Norway, Sweden and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in the United States to QIBs in reliance on an exemption from the registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,500,000.
IP	intellectual property.
IPR	Intellectual property rights.
Managers	Arctic, ABG Sundal Collier and DNB Markets, collectively.
Lending Shareholders	The shareholders of the Company listed under Section 15.9.1 "Over-allotment of Additional Shares"
Listing	The listing of the Shares on the Oslo Stock Exchange.
Lock-up Undertaking	The Lock-Up Undertaking to be entered into by the Managers, under which the members of the Board of Directors and Management owning Shares and the largest shareholders has agreed that neither it, nor any other party acting on its behalf, will for a period of twelve months for the Board of Directors and Management owning Shares and for a period of twelve months for largest shareholders (and six months for Sarsia Development AS) from the first day of Listing (7 April 2017), directly or indirectly, without the prior written consent of the Managers: offer, sell, contract to sell, pledge, mortgage, deposit, assign, lend, transfer, issue options or warrants in respect of, grant any option to purchase or otherwise dispose of, directly or indirectly, any Shares owned as of the date of this Prospectus (or any other securities convertible into Shares) or enter into any transaction (including a derivative transaction) having an effect on the market in the Shares similar to that of a sale of Shares, or publicly to announce any intention to do any of such things, without the prior written consent of the Managers.
MAA	Market authorisation application to the EMA.
Management	The senior management team of the Company.
Managers	Arctic, ABG Sundal Collier and DNB Markets, collectively.
MDS	Myelodysplastic syndrome. A group of cancers in which immature blood cells in the bone marrow do not mature and become healthy blood cells, as further described in Section 7.5.1.
MSD	Merck Sharp & Dohme B.V.

NDA	New drug application to the FDA.
New Shares	Up to 16,000,000 new shares to be issued by the Company in the Offering.
NOK	Norwegian Kroner, the lawful currency of Norway.
NOM-account	Nominee account.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholder	Shareholders who are individuals not resident in Norway for tax purposes.
Norwegian Act on Overdue Payment	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (*Nw.: forsinkelsesrenteloven*).
Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 30 October 2014.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA	The Financial Supervisory Authority of Norway (*Nw.: Finanstilsynet*).
Norwegian Personal Shareholder	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	The Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (*Nw.: allmennaksjeloven*).
NOM-account	Nominee account
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75 (*Nw.: verdipapirhandelloven*).
NSCLC	Non-small cell lung cancer. NSCLC is one of the two main types of lung cancer, the other being small cell lung cancer.
Offering	The global offering including the Institutional Offering and the Retail Offering taken together.
Offer Price	NOK 25 per Offer Share.
Offer Shares	The New Shares together with any Additional Shares – the Shares offered pursuant to the Offering.
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange	Oslo Børs ASA, or, as the context may require, Oslo Børs, a Norwegian regulated stock exchange operated by Oslo Børs ASA.
Over-Allotment Option	Option granted by the Lending Shareholders to the Stabilisation Manager, on behalf of the Managers, to purchase a number of Additional Shares, equalling up to approximately 6.3% of the number of New Shares to be sold in the Offering, exercisable, in whole or in part, within a 30-day period commencing at the time at which trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 7 April 2017, to cover any over-allotments made in connection with the Offering.
Payment Date	The payment date for the Offer Shares under the Retail Offering, expected to be on 7 April 2017.
pAxl	Phosphorylated Axl, being an activated Axl receptor.
PhRMA	Pharmaceutical Research and Manufacturers of America
Prospectus	This Prospectus dated 28 March 2017.
QA	Quality assurance.
QIBs	Qualified institutional buyers as defined in Rule 144A.
R&D	Research and development.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Implementation Date	In relation to each Relevant Member State, the date on which the EU Prospectus Directive is implemented in that Relevant Member State.
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Directive.
Relevant Persons	Persons in the UK that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Retail Application Form	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix C and Appendix D.
Retail Offering	A Retail Offering, in which Offer Shares are being offered to the public in Norway and Sweden subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 2,499,999 for each investor. Investors who intend to place an order in excess of NOK 2,499,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

Rigel	Rigel Pharmaceuticals Inc
RSA	The New Hampshire Revised Statutes.
RTK	Receptor tyrosine kinase. Axl is one of the member of this class of proteins called RTKs. RTKs have proven to be valuable cancer drug targets, with several important drugs acting through RTK modulation.
Rule 144A	Rule 144A under the U.S. Securities Act.
SFA	The Singaporean Securities and Futures Act
Share(s)	Means the shares of the Company, each with a nominal value of NOK 0.10, or any one of them.
Share Option Programmes	The Company's share option programmes for Management and Board Members
SIX	The Swiss Exhange
Stabilisation Manager	ABG Sundal Collier
TNBC	Triple negative breast cancer. TNBC is considered the most aggressive type of breast cancer and associated with a shorter median time to relapse, including an increased risk of spread beyond the breast, and death.
TN-IBC	Triple Negative Inflammatory Breast Cancer.
UiB	University of Bergen.
UK	The United Kingdom
U.S. or United States	The United States of America.
U.S. Exchange Act	The U.S. Securities Exchange Act of 1934, as amended.
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.
USD or U.S. Dollar	United States Dollars, the lawful currency of the United States.
VPS	The Norwegian Central Securities Depository (*Nw.: Verdipapirsentralen*).
VPS account	An account with VPS for the registration of holdings of securities.
Wellcome Trust	Wellcome Trust Limited
WHO	World Health Organization.

20.2 Medical and biological terms

In the Prospectus, the following medical and biological terms (not defined under Section 20.1 above) have the following meanings:

Adenocarcinoma	Cancerous tumour that can occur in several parts of the body and that forms in mucus-secreting glands throughout the body. It can occur in many different places in the body and is most prevalent in the following cancer types; lung cancer, prostate cancer, pancreatic cancer, esophageal cancer and colorectal cancer. Adenocarcinomas are part of the larger grouping of carcinomas.
ALK inhibitors	An orally available inhibitor of the receptor tyrosine kinase anaplastic lymphoma kinase (ALK) with antineoplastic activity. Upon administration, ALK inhibitor RO5424802 binds to and inhibits ALK kinase, which leads to a disruption of ALK-mediated signaling and eventually inhibits tumor cell growth in ALK-overexpressing tumor cells.
Antibody	Proteins produced by the B Lymphocytes of the immune system in response to foreign proteins called antigens. Antibodies function as markers, biding to the antigen so that the antigen molecule can be recognized and destroyed.
Axl	A protein expressed on the surface of cells. It is a member of the class of proteins called RTKs. Axl is an essential mediator of the EMT programme. Axl is up-regulated in a variety of malignancies and and associated with immune evasion, acquired drug resistance and correlates with poor clinical prognosis.
Axl ADC	Antibody-drug-conjugate. New class of highly potent biopharmaceutical drugs designed as a targeted cancer therapy. Complex molecules composed of an antibody linked to a biological active cytotoxic drug.
Biotech	The biotechnological segment
BGB324	BerGenBio's lead drug candidate; a highly selective inhibitor of Axl currently undergoing a Phase Ib/II clinical trial showing promising clinical results.
BGB101	BGB101 is BerGenBio's program for the development of antibodies targeting Axl. BGB149, is a fully humanised function blocking monoclonal antibody in late stage preclinical development.
BGB002	BerGenBio's program related to a novel EMT target identified by BerGenBio..

BGBC003	The Phase Ib/II studies of BGB324 in AML and high risk MDS.
BGBC004	The Phase Ib/II studies of BGB324 in advanced NSCLC.
BGBC007	A Phase II multi-centre study of BGB324 in combination with Keytruda™ (from MSD) in patients with previously treated, locally advanced or unresectable TNBC.
BGBC008	A Phase II multi-centre study of BGB324 in combination with Keytruda™ (from MSD) in patients with previously treated unresectable adenocarcinoma of the lung.
BGBIL005	A Phase II study of BGB324 in combination with chemotherapy docetaxel in patients with NSCLC.
BGBIL006	A Phase II randomised study of systemic melanoma therapy alone compared to the addition of BGB324.
Biomarkers	A measurable indicator of some biological state or condition. More specifically, a biomarker indicates a change in expression or state of a protein that correlates with the risk or progression of a disease, or with the susceptibility of the disease to a given treatment.
CellSelect	A technology platform patented by the Company used to identify and validate novel drug targets.
Clinical research	The research phases involving human subjects.
Clinical trials	Clinical trials are conducted with human subjects to allow safety and efficiency data to be collected for health inventions (e.g., drugs, devices, therapy protocols). There trials can only take place once satisfactory information has been gathered on the quality of the non-clinical safety, and Health Authority/Ethics Committee approval is granted in the country where the trial is taking place.
CML	Chronic myelogenous leukaemia. A slow-growing cancer in which too many myeloblasts are found in the blood and bone marrow. Myeloblasts are a type of immature blood cell that makes white blood cells called myeloid cells.
Cytarabine	A chemotherapy agent used mainly in the treatment of cancers of white blood cells such as AML, also known as "Ara-C".
Decitabine	A cancer treatment drug used for AML.
Docetaxel	A clinically well-established anti-mitotic chemotherapy medication that works by interfering with cell division.
Epithelial state	A state of the cell where the cells are stationary, typically forming layers and tightly connected and well ordered. They lack mobility tending to serve their specific bodily function by being anchored in place.
EGFR inhibitors	Epidermal growth factor receptor inhibitors. EGFRs play an important role in controlling normal cell growth, apoptosis and other cellular functions, but mutations of EGFRs can lead to continual or abnormal activation of the receptors causing unregulated EGFR inhibitors are either tyrosine kinase inhibitors or monoclonal antibodies that slow down or stop cell growth.
EMT inhibitors	Compounds that inhibit Axl and other targets that in turn prevent the formation of aggressive cancer cells with stem-cell like properties.
Erlotinib	A drug used to treat NSCLC, pancreatic cancer and several other types of cancer. It is a reversible tyrosine kinase inhibitor, which acts on epidermal growth factor receptor (EGFR). Erlotinib is also known by its brand name, Tarceva.
First-in-class	Drugs which, for example, use a new and unique mechanism of action for treating a medical condition.
Hypomethylating agents	Existing anticancer agents which are licensed for the treatment of AML and MDS.
Imparied immune synapse	An immune synapse is the interface between an antigen-presenting cell or target cell and a lymphocyte such as an effector T-cell or a natural killer cell. When a cell goes through a epithelial to mesenchymal the synapse formation is abrogated and impaired, hindering cytotoxic T Lymphocytes from reaching the cancer cell, evading immune response.
Large cell carcinoma	Large cell carcinoma of the lung, a form of NSCLC.
mAb	Monoclonal antibodies. Monospecific antibodies that are made by identical immune cells that are all clones of a unique parent cell, in contast to polyclonal antibodies which are antibodies obtained from the blood of an immunized animal and thus made by several different immune cells.
Mesenchymal state	A state of the cell where the cells have loose or no interactions, do not form layers and are less well ordered. They are mobile, can have invasive properties and have the potential to differentiate into more specialised cells with a specific function.
Mesenchymal cancer cells	Cancer cells in a mesenchymal state, meaning that they are aggressive with stem-cell like properties.
Metastatic cancers	A cancer that has spread from the part of the body where it started (the primary site) to other parts of the body.

Myeloid leukaemia	A type of leukaemia affecting myeloid tissue. Includes AML and chronic myelogenous leukaemia.
NK cells	Natural Killer cells. A type of immune cell that has granules (small particles) with enzymes that can kill tumor cells or cells infected with a virus. A natural killer cell is a type of white blood cell.
pAKT	An activated downstream protein from Axl.
PD-1 Antagonist	An antagonist that blocks the action of PD-1. Usually an antibody. One of a group of CPIs such as Pembrolizumab/Keytruda™.
PD-1 blockade	Inhibition of PD-1 function.
Pembrolizumab	A humanized monoclonal immunoglobulin antibody directed against human cell surface receptor PD-1 with potential immune checkpoint inhibitory and antineoplastic activities.
Peripheral neuropathy	Damage to or disease affecting nerves.
pERK	An activated downstream protein from Axl.
Phase I	The phase I clinical trials where the aim is to show that a new drug or treatment, which has proven to be safe for use in animals, may also be given safely to people.
Phase Ib	Phase Ib is a multiple ascending dose study to investigate the pharmacokinetics and pharmacodynamics of multiple doses of the drug candidate, looking at safety and tolerability.
Phase II	The phase II clinical trials where the goal is to provide more detailed information about the safety of the treatment and its effect. Phase II trials are performed on larger groups than in Phase I.
Phase III	In the phase III clinical trials data are gathered from large numbers of patients to find out whether the drug candidate is better and possibly has fewer side effects than the current standard treatment.
Qtc	Q-T Corrected (corrected Q-T interval). The corrected QT interval (QTc) estimates the QT interval (the time taken for ventricular depolarisation and repolarisation) at a heart rate of 60 bpm. This allows comparison of QT values over time at different heart rates.
Receptor tyrosine kinase	High-affinity cell surface receptors for many polypeptide growth factors, cytokines and hormones. Receptor tyrosine kinases have been shown not only to be key regulators of normal cellular prosesses but also to have a critical role in the development and progression of many types of cancer.
Small molecule	A small molecule is a low molecular weight (<900 dalthons) organic compound that may help regulate a biological process, with a size on the order of 10^{-9}m.
Stem-cell	Undifferentiated biological cells that can differentiate into specialized cells and can divide to produce more stem cells.
Squamous cell carcinoma	Is an uncrontrolled growth of abnormal cells arising in the squamous cells, which compose most of the skin's upper layers. Squamous cell carcinoma is the second most common form of skin cancer.
TAM	The Tyro Axl Mer receptor tyrosine kinase family.
Unresectable	Cannot be completely removed by surgery.

APPENDIX A:

ARTICLES OF ASSOCIATION OF BERGENBIO ASA

(OFFICE TRANSLATION)

VEDTEKTER

for

BERGENBIO ASA

Sist endret 22. mars 2017

§ 1 - Foretaksnavn

Selskapets navn er BerGenBio ASA. Selskapet er et allmennaksjeselskap.

§ 2 - Forretningskontor

Selskapets forretningskontor er i Bergen kommune.

§ 3 - Virksomhet

Selskapets virksomhet er å drive forskning og utvikling innen bioteknologi med fokus på nye farmasøytiske terapeutika.

§ 4 - Aksjekapital

Selskapets aksjekapital er NOK 3 374 220 fordelt på 33 742 200 aksjer hver pålydende NOK 0,10.

§ 5- Styre

Selskapets styre skal bestå av 3 til 7 medlemmer etter generalforsamlingens nærmere beslutning. Styrets leder velges av generalforsamlingen.

§ 6 – Signatur

Selskapets firma tegnes av daglig leder og et styremedlem i fellesskap. Styret kan tildele prokura.

ARTICLES OF ASSOCIATION

for

BERGENBIO ASA

Last amended 22 March 2017

§ 1 – Company name

The name of the company is BerGenBio ASA. The company is a public limited liability company.

§ 2 – Registered office

The company´s registered office is in the municipality of Bergen.

§ 3 – The business activities

The company´s objective is to undertake research and development in biotechnology with a focus on new pharmaceutical therapeutics.

§ 4 – Share capital

The company´s share capital is NOK 3,374,220 divided into 33,742,200 shares each with a nominal value at NOK 0.10.

§ 5 – The board of directors

The board of directors shall consist of 3 to 7 members according to the resolution of the general meeting. The chairman of the board of directors is elected by the general meeting.

§ 6 – Authority to sign on behalf of the company

The managing director together with a board member, have the authority to sign on behalf of the company. The board of directors may grant power of procuration.

§ 7 – Generalforsamling

På den ordinære generalforsamling skal følgende spørsmål behandles og avgjøres:

- Godkjennelse av årsregnskapet og årsberetningen, herunder utdeling av utbytte.
- Styrets erklæring om fastsettelse av lønn og annen godtgjørelse til ledende ansatte etter § 6-16 a
- Andre saker som etter loven eller vedtektene hører under generalforsamlingen.

Aksjeeiere som vil delta i generalforsamlingen, skal meddele dette til selskapet innen en frist som angis i innkallingen til generalforsamlingen, og som ikke kan utløpe tidligere enn fem dager før generalforsamlingen. Aksjeeier som ikke har meldt fra innen fristens utløp, kan nektes adgang.

Retten til å delta og stemme på generalforsamlingen kan bare utøves når ervervet er innført i aksjeeierregisteret den femte virkedagen før generalforsamlingen (registreringsdatoen).

Styret kan beslutte at aksjeeier kan avgi skriftlig forhåndsstemme i saker som skal behandles på generalforsamlinger i selskapet. Slike stemmer kan også avgis ved elektronisk kommunikasjon. Adgangen til å avgi forhåndsstemme er betinget av at det foreligger en betryggende metode for å autentisere avsenderen. Styret kan fastsette nærmere retningslinjer for skriftlige forhåndsstemmer. Det skal fremgå av innkallingen til generalforsamlingen om det er gitt adgang til skriftlig stemmegivning før generalforsamlingen, og hvilke retningslinjer som eventuelt er fastsatt for slik stemmegivning.

§ 7 – General meeting

The annual general meeting shall consider the following:

- Approval of the annual accounts and the directors' report, including distribution of dividend;
- The board of directors' declaration concerning the fixing of salaries and other remuneration of leading personnel pursuant to section 6–16a;
- Any other business that, by law or pursuant to the articles of association, is to be transacted at the general meeting.

Shareholders wishing to attend a general meeting shall inform the company within a deadline which shall be stated in the notice to the general meeting. The expiry of the deadline may not be set earlier than five days prior to the meeting. A shareholder who has not given notice before the expiry of the deadline may be refused access.

The right to participate and vote at the general meeting can only be exercised when the acquisition has been entered into the shareholder register the fifth business day prior to the day of the general meeting (record date).

The board of directors can decide that shareholders can be allowed to cast their votes in writing in advance on items on the published agenda for the Company's general meetings. Such votes may also be cast by electronic communication. The access to cast votes in advance is contingent on that a satisfactory method to authenticate the sender is available. The board of directors can establish specific guidelines for advance votes in writing. The notice of the general meeting shall describe whether it will be possible to vote in writing prior to the general meeting, and what guidelines, if any, have been established for such voting.

§ 8 – Innkalling til generalforsamling

Når dokumenter som gjelder saker som skal behandles på generalforsamlingen er gjort tilgjengelig for aksjeeierne på selskapets internettsider, gjelder ikke allmennaksjelovens krav om at dokumentene skal sendes til aksjeeierne. Dette gjelder også dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen.

§ 8 – Notice to the general meeting

Documents related to matters that are to be discussed at the company's general meeting, including documents which pursuant to law shall be included in or enclosed to the notice of the general meeting, are not required to be sent to the shareholders if such documents are available at the company's website.

§ 9 – Valgkomité

Selskapet skal ha en valgkomité som skal fremme forslag for generalforsamlingen om styremedlemmer og styremedlemmenes godtgjørelse. Valgkomitéen skal bestå av tre medlemmer som utpekes og sammensattes av generalforsamlingen for en periode på to år. Generalforsamlingen skal også fastsette godtgjørelse til valgkomitéens medlemmer. Generalforsamlingen kan vedta instruks for valgkomitées arbeid.

§ 9 – Nomination committee

The company shall have a nomination committee to nominate board members and recommend the board remuneration to the general meeting. The nomination committee shall consist of three members elected by the general meeting for a period of two years. The general meeting shall also approve the remuneration to the members of the nomination committee. The general meeting may adopt an instruction to the work of the nomination committee.

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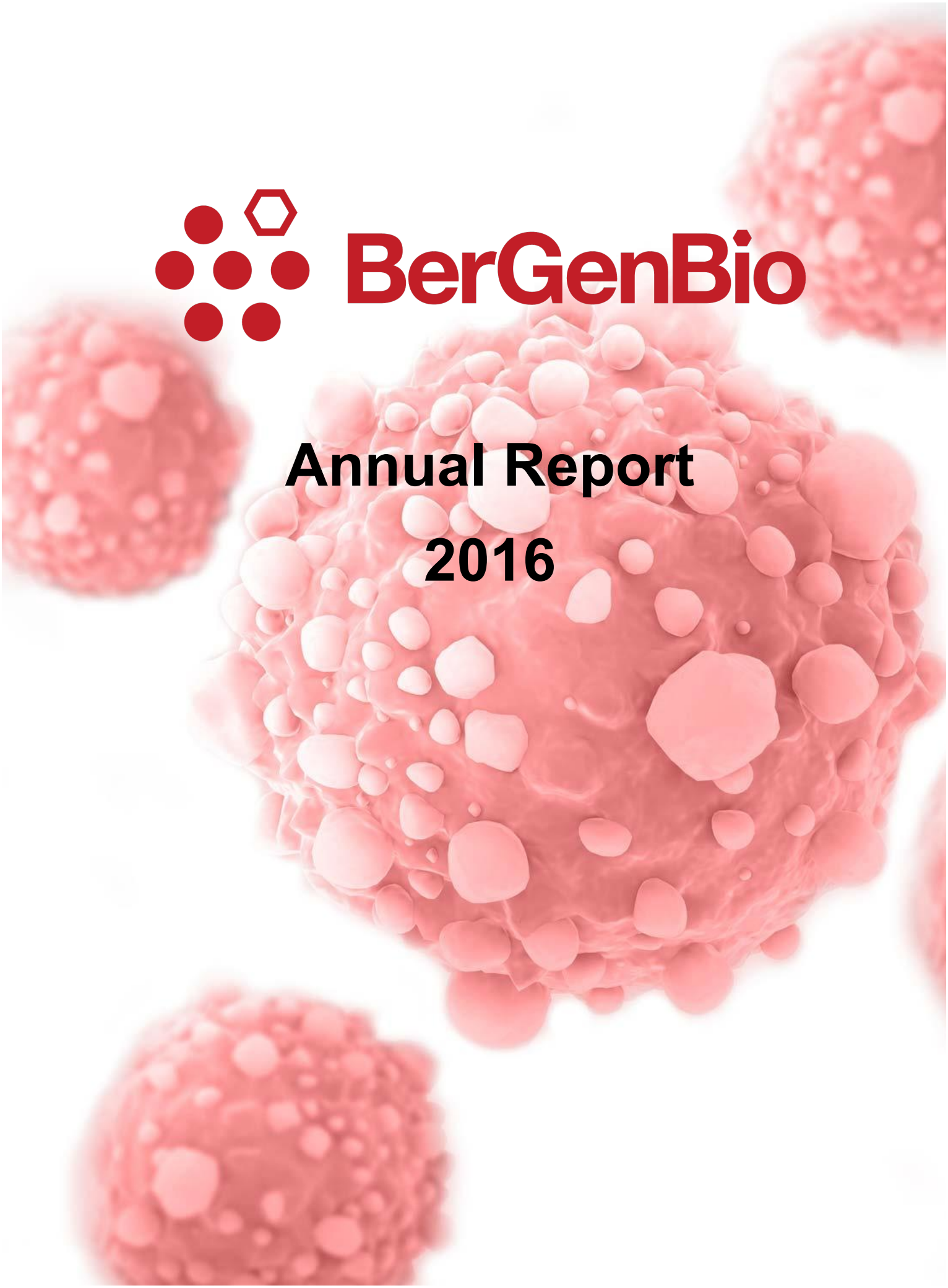
APPENDIX B:

FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2016 AND 2015



BerGenBio

Annual Report

2016

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Board of Directors report 2016

A year with significant progress

2016 has been an important year for BerGenBio, with clinical data being presented at key conferences and new funds raised to finance the progress of the Company's pipeline of innovative drug candidates through on-going clinical trials.

BerGenBio's lead candidate, BGB324, is a potentially first-in-class, highly selective, potent and orally bio-available small molecule AXL inhibitor, currently in Phase II clinical development in two major cancer indications. BGB324 is being developed by BerGenBio as a single agent therapy in acute myeloid leukaemia (AML) and in combination with Tarceva® erlotinib in advanced non-small-cell lung cancer (NSCLC).

BerGenBio secured funding of NOK 212 million (c. $25 million) in February in a private placement from existing shareholders, including Investinor AS and Meteva AS. This private placement demonstrates the continued support from our shareholders and their confidence in the Company's strategy to develop first-in-class drugs for aggressive cancers exploiting our leadership in understanding the role of Axl in driving the biology of aggressive cancers.

The Company has presented data on BGB324 at several prestigious conferences during 2016: The American Association of Cancer Research (AACR) Annual Meeting (New Orleans, LA), the American Society of Clinical Oncology (ASCO) Annual Meeting (Chicago, IL) CRI-CIMT-EATI-AACR – The 2nd International Cancer Immunotherapy Conference (New York, NY), EORTC-NCI-AACR Molecular Targets and Cancer Therapeutics Symposium Meeting (Munich, Germany), the 58th ASH Annual Meeting & Exposition (San Diego, CA) and the San Antonio Breast Cancer Conference (San Antonio, TX).

In March 2017, BerGenBio announced it has entered into a collaborative agreement with Merck & Co. focused on the clinical evaluation of BGB324 in combination with Merck's marketed checkpoint inhibitor Keytruda® in patients with advanced NSCLC and women with triple negative breast cancer (TNBC).

BerGenBio is well-funded, confident in its ability to progress BGB324 through clinical trials and to maintain the development of its pipeline of innovative cancer therapeutics.

In early 2017 the Company initiated a process to secure funding for the next phase of the its development. It is proposed to increase the share capital through an Initial Public Offering and apply for a listing of BerGenBio's shares on Oslo Børs.

Overview of the business

Business and location

BerGenBio is a clinical stage oncology biotech company with a diversified pipeline of first-in-class therapeutics against novel drugs targets that drive aggressive cancers. The Company is focused on the development and commercialisation of novel targeted therapeutics in oncology.

The company is a world leader in Axl biology, which has enabled BerGenBio to establish international partnerships with world class biopharmaceutical companies.

BerGenBio has a portfolio of patents granted and pending covering the Company's product portfolio.

The company had 26 employees at year-end 2016 and is headquartered in Bergen, Norway with research and administrative resources. Clinical development resources are located in Oxford, UK.

Products and market potential

The main focus of BerGenBio is the clinical development of BGB324, a potentially first-in-class, highly selective, potent and orally bioavailable available small molecule AXL kinase inhibitor, which is in clinical development as a novel treatment for a variety of cancers. Upregulation of AXL kinase is a key driver of cancer spread, immune evasion and drug resistance – the cause of approximately 90 percent of cancer deaths.

BerGenBio is investigating BGB324 in multiple cancer indications including in Phase II studies as a single agent in relapsed Acute Myeloid Leukemia (AML) and myeloid dysplastic syndrome (MDS), in combination with erlotinib (Tarceva®) in advanced EGFR-mutation activated Non Small Lung Cancer (NSCLC).

Both small molecule and antibody drug candidates are being developed by BerGenBio to inhibit EMT targets and these will be progressed through clinical trials.

BGB324

The lead anti-cancer drug candidate BGB324 is a first-in-class highly selective small molecule inhibitor of the Axl receptor tyrosine kinase and the only selective Axl inhibitor undergoing clinical trials. The product has blockbuster potential.

BGB324 is currently in Phase II trials with no delays expected, although no assurance can be given that no such delays may occur. Typically, if trials are delayed, the main consequences are delayed clinical results and postponed trial expenses.

BGB324 also has the potential to treat a range of other cancers. The Company is exploring these in smaller clinical trials sponsored by clinical investigators, these studies will support a better understand of the therapeutic potential and wider clinical utility.

The Company aims to discover and develop novel medicines to treat aggressive cancers, which represent a significant high unmet medical need. The Company intends to further develop and commercialise, either alone or in collaboration with a partner, its lead product BGB324 through to marketing approval in a well defined Axl-positive cancer patient population in need of new treatment options.

Encouraging clinical data has been reported; BGB324 has potential as stand-alone and combination therapy for patients with multiple cancer indications. There is also potential for breakthrough designation and accelerated regulatory path to approval.

Biomarkers

The company is also developing biomarkers and companion diagnostic tests, with the objective to have proprietary tools to identify cancer patients with Axl-positive-tumours who are more likely to respond to treatment with BGB324. This personalised medicine strategy could reduce the number of patients required in clinical trials, reduce costs and speed of the trials. This could also improve the likihood for accelerated approval and ultimately attract superior reimbursement rates.

Strategy

BerGenBio's strategy is to discover and develop novel medicines to treat aggressive cancers, which represent a significantly high unmet medical need. The Company intends, either alone or in collaboration with a partner, to develop and commercialise its lead product BGB324 through to marketing approval

The Company aims to develop a pipeline of novel first-in-class drugs that inhibit EMT. The key focus of the company is the clinical development of BGB324, a potentially first-in-class, selective, potent and orally bioavailable small molecule AXL kinase inhibitor, which is in clinical development as a novel treatment for a variety of cancers.

The strategy requires that the Company focuses on investigating BGB324 in multiple cancer indications including the ongoing Phase II studies as a single agent in relapsed AML and myeloid dysplastic syndrome (MDS), in combination with erlotinib (Tarceva®) in advanced EGFR-mutation activated NSCLC and soon to start two collaborative phase II studies with Merck & Co. These will be in patients with advanced NSCLC and triple negative breast cancer (TNBC) using BGB324 in combination with Keytruda® (pembrolizumab). The strategy also includes efforts to develop biomarkers and companion diagnostics to enrich the patient population in furture trails and ultimately to direct treatement choices once BGB324 is an approved medicine.

Operational review

Clinical update on BGB324

BGB324 is currently being evaluated in a multi-centre Phase Ib/II trial (BGBC003) in patients with AML and myelodysplastic syndrome (MDS); and in a multi-centre open label Phase II trial (BGBC004) in patients with Stage IIIb and Stage IV NSCLC in erlotinib-sensitive and refractory patients who have an activating EGFR mutation

In June, the Company presented first-in-patient Phase I data for BGB324 in patients with myeloid malignancies at ASCO. Dr Sonja Loges, attending oncologist at the University Medical Center Hamburg-Eppendorf, presented a poster entitled: “A first-in-patient phase 1 study of BGB324, a selective Axl kinase inhibitor in patients with refractory/relapsed AML and high-risk MDS.”

In this dose escalation study, 20 patients with AML and four patients with MDS were treated; seven patients were still on treatment at the time. The data demonstrated promising clinical activity, biologic activity, tolerability, and durability as BGB324 was safely administered to patients for prolonged periods at doses that inhibit AXL activation and exhibit anti-leukaemic activity. This data suggest that BGB324 could therefore be a potential future treatment option for patients with AML and MDS.

The Phase Ib trial of BGB324 alone and in combination with erlotinib in NSCLC (BGBC004) was started and completed during the year.

In November, clinical data from the NSCLC trial was presented at the 28th EORTC-NCI-AACR Molecular Targets and Cancer Therapeutics Symposium Meeting. Dr. Lauren Byers, Assistant Professor in the Department of Thoracic/Head and Neck Medical Oncology at The University of Texas MD Anderson Cancer Center in Houston, presented a poster entitled: “A Phase I/II and pharmacokinetic study of BGB324, a selective Axl inhibitor as monotherapy and in combination with erlotinib in patients with advanced NSCLC” (Abstract number: 36). The data demonstrated that BGB324 can be safely administered to patients with advanced NSCLC at doses that achieve durable disease control. The demonstrated tolerability and clinical activity indicate a unique mechanism-of-action of BGB324 in patients with NSCLC.

Following this promising monotherapy data, BerGenBio is now analysing the effects of BGB324 in combination with erlotinib in patients with EGFR-driven NSCLC and expects to present the results before the end of 2017.

In December, two presentations of clinical and biological data from a Phase I trial of BGB324 in AML patients were given at the 58th ASH annual meeting.

The oral presentation at ASH entitled: “BGB324, an orally available selective Axl inhibitor exerts anti-leukaemic activity in the first-in-patient trial BGBC003 and induces unique changes in biomarker profiles” (Paper 0592) reported clinical and biological data demonstrating the impact of BGB324 on the AXL signalling pathway in leukaemic blast cells. Data presented showed BGB324 is well tolerated in AML patients and exhibits anti-leukemic activity. Furthermore, BGB324 induced a diversification of the T-cell repertoire in AML patients highlighting its potential as an immune-activating drug. Furthermore, an analysis of the diversification of patients’ T-cell lymphocyte repertoires illustrated that BGB324 amplified the immune response in a proportion of patients.

The second presentation at ASH (Paper 3995) showed the effect of BGB324 on intracellular signalling and the immune profile of leukemic blasts in patients treated in the clinical study. Analyses of blood samples from six patients showed rapid changes in signalling pathways downstream of AXL. In most patients, the CD117+/CD34- blast population appeared more responsive to treatment, and this cell population decreased during treatment with BGB324, suggesting that AXL inhibition may push leukaemic blasts towards differentiation.

Preclinical update: Strong rationale for combining BGB324 with checkpoint inhibition to improve cancer treatment

During 2016, BerGenBio presented preclinical data at three international conferences that continue to highlight the potential of combining BGB324 with immune checkpoint inhibitors (CPIs) to improve cancer treatment

In April, BerGenBio presented preclinical data in a poster at AACR demonstrating that selective inhibition of AXL signalling with BGB324 significantly enhanced responsiveness to immune checkpoint blockade in syngeneic mammary and lung cancer mouse models. The combination of BGB324 with immune CPIs anti-CTLA-4, anti-PD-1 and anti-PD-L1 demonstrated increased infiltration of cytotoxic T lymphocytes and natural killer cells, as well as significantly improving anti-tumor responses.

Building on this encouraging data, BerGenBio presented preclinical study data at CRI-CIMT-EATI-AACR in September. The study evaluated whether BGB324 used in combination with immune CPIs (anti-CTLA-4 and anti-PD-1) in mouse carcinoma models enhanced the effect of immune checkpoint blockade in aggressive adenocarcinomas displaying limited immunogenicity. The study showed that treatment with immune CPIs induced AXL expression in tumors, which therefore could limit their efficacy. Treatment with BGB2324 counters this, increasing tumor immunogenicity and promoting the anti-tumor response.

In December, a poster presented at the San Antonio Breast Cancer Symposium described how AXL-targeting with BGB324 enhanced the effect of immune checkpoint blockade in aggressive mammary adenocarcinomas that display limited immunogenicity. The combination of BGB324 and CTLA-4/ PD-1 inhibitors resulted in durable primary tumor clearance and sustained tumor immunity in breast cancer models.

The results from these studies together strengthen the rationale that BGB324 combined with immune CPIs has the potential to improve treatment of aggressive cancers.

Intellectual property

BerGenBio has a portfolio of patents granted and pending covering the Company's product portfolio.

The Company is diligent in protecting all IP it develops that is regarded to be of significant importance to its business. This includes technologies, discoveries, inventions, data and methods. Protection of proprietary rights includes seeking and maintaining patent protection intended to cover the composition of matter and use for the Company's drug candidates and back up series. Intellectual property rights (patents) are filed and prosecuted and maintained worldwide including all major pharmaceutical markets.

Funding to support progress through clinical trials

BerGenBio had a strong start to 2016 by securing funding of NOK 212 million (c. $25 million) in a private placement from existing shareholders in February.

The money raised from shareholders, including Investinor AS and Meteva AS, will primarily be used to progress the development of pipeline of innovative cancer therapeutics, in particular, lead asset BGB324.

This private placement demonstrates the continued support from the shareholders and their confidence in the Company's strategy to develop first-in-class drugs for aggressive cancers using BerGenBio's world leading understanding of EMT.

Changes to the Board of Directors and executive management

Hilde Furberg was appointed as Chair of the Board of Directors in February 2016, having previously been a Non-Executive Director since June 2015. Prior Chair, Susan Foden stepped down from the role and remains a Non-Executive Director of the Company.

Non-Executive Directors John Barrie Ward and David Wilson stepped down from the Board and Stein H. Annexstad, Kari Grønås and Sveinung Hole were appointed as new Non-Executive Directors.

See also "Subsequent events" below.

Financial review

Accounting policies

The financial statements of BerGenBio ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU on 31 December 2016.

(Figures in brackets refer to the corresponding period or balance date in 2015, unless otherwise specified)

Income statement

Operating revenues

BerGenBio did not have any operating revenues in 2016 or 2015.

Operating expenses

Net operating expenses for the year amounted to NOK 131.6 million (NOK 72.9 million). The cost increase was driven by the acceleration of the development programs, preparations for new clinical trials and milestone and licence payments to Rigel Pharmaceuticals. The operating loss for BerGenBio amounted to NOK 131.6 million (NOK 72.9 million).

Net financial items

Net financial income amounted to NOK 1.8 million (NOK 0.8 million). Interest income from ordinary bank deposits came to NOK 1.5 million (NOK 1.5 million).

Net result

Losses after tax for the year were NOK 129.8 million (NOK 72.1 million). The loss is proposed allocated from the share premium.

Comprehensive income

Total comprehensive loss for the year attributable to owners of BerGenBio was NOK 130.9 million (NOK 71.7 million). Earnings per share amounted to NOK -420 in 2016 compared to NOK -296 in 2015.

Financial position

Assets

Property, plant and equipment at year end amounted to NOK 0.4 million (NOK 0.4 million).

Cash and cash equivalents were NOK 161.8 million (NOK 74.0 million). The change reflects the equity issue combined with the funding of increased operational activity level.

Total assets by year end 2016 increased to NOK 174.5 million (NOK 82.4 million), mainly due to the equity issue in February and June, generating proceeds of NOK 212 million.

Equity and liabilities

Total equity as of 31 December 2016 was NOK 153.3 million (NOK 64.7 million), corresponding to an equity ratio of 87.8 per cent (78.6 per cent).

The company completed a share issue in February, which together with the exercise of the subscription rights by Meteva AS and Investinor AS generated gross proceeds of NOK 212 million.

Deferred tax assets were not recognised in the statement of financial position as BerGenBio is in a development phase and is currently generating losses.

Total liabilities were NOK 21.3 million (NOK 17.6 million), the increase driven primarily by higher accounts payable and provisions, partly offset by the impact from change in pension scheme and conversion of a convertible loan to equity.

Cash flow

Net cash flow from operating activities was negative NOK 124.3 million for the year (NOK 62.9 million), mainly driven by research and development activities.

Net cash flow used in investing activities during the year was NOK 0.3 million (NOK 0.0 million).

Net cash flow from financing activities was NOK 212.4 million (NOK 10.5 million), reflecting the share issue in February, conversion of the last tranche of the Wellcome Trust convertible loan to equity and the capital raise following the exercise of the subscription rights.

Cash and cash equivalents increased to NOK 161.8 million (NOK 74.0 million) by year end 2016.

Research and development

While the research and development strategy is designed in-house in BerGenBio, the Company leverages its network of external contract research organisations ("CROs") in order to execute its development strategy. BerGenBio also collaborates with academic institutions to extend the research in areas of interest of the Company.

The Company has employed experienced personnel that are capable of directing work that is performed by the CROs. This approach to product development allows the Company to quickly change research directions and efforts when needed and to quickly bring in new technologies and expertise when necessary.

Uncertainties related to the regulatory approval process and results from ongoing clinical trials generally indicate that the criteria for capitalisation of R&D cost are not met until market authorisation is obtained from relevant regulatory authorities. The Company has currently no development expenditure that qualifies for recognition as an asset under IAS 38.

Expenses for research and development for the financial year 2016 were NOK 101.9 million, whereas NOK 98.2 million were classified as other operating expenses and NOK 3.8 million were classified as payroll.

Financial risks

Interest rate risk

The Company holds NOK 161.8 million (NOK 74.0 million) in cash and cash equivalents and does not have any borrowings. The Company's interest rate risk is therefore in the rate of return of its cash on hand. Bank deposits are exposed to market fluctuations in interest rates, which affect the financial income and the return on cash. The Company had NOK 1.5 million (NOK 1.5 million) in interest income as of 31 December 2016.

Exchange rate risk

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from the clinical trials and research expenses. The Company is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP) and US dollar (USD).

The Company has chosen not to hedge its operational performance as the Company's cash flow is denominated in several currencies that change depending on where clinical trials are run. The foreign currency exposure is also mostly linked to trade payables with short payment terms. The Company might consider changing its current risk management of foreign exchange rate if it deems it necessary.

Credit risk

Credit risk is the risk of counterparty's default in a financial asset, liability or customer contract, giving a financial loss. The Company's receivables are generally limited to receivables from public authorities by way of government grants. The credit risk generated from financial assets in the Company is limited since it is cash deposits. The Company only places its cash in bank deposits in recognised financial institutions to limit its credit risk exposure.

The Company has not suffered any loss on receivables during 2016 and the Company considers its credit risk as low.

Liquidity risk

Liquidity is monitored on a continual basis by Company management. The Company works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational objectives. Management considers the Company's liquidity situation to be satisfactory. The Company secured equity funding of NOK 212 million in February 2016. The cash position of the Company at year-end 2016 was NOK 161.8 million (NOK 74.0 million).

Capital markets are used as a source of equity financing when this is appropriate and when conditions in these markets are acceptable. The Board is considering to conduct an IPO and capital increase within the next 12 months, if market conditions are acceptable. The Board of Directors has reasonable expectation that the Company will maintain adequate funding to maintain operational activity for the foreseeable future.

Non-financial risks

Technology risk

The Company's lead product candidate BGB324 is currently in Phase II clinical trials. This is regarded as an early stage of development and the Company's clinical studies may not prove to be successful.

Competitive technology

The Company operates in a highly competitive industry sector with many large players and is subject to rapid and substantial technological change.

Market risks

The financial success of the Company requires obtaining marketing authorisation and achieving an acceptable reimbursement price for its drugs. There can be no guarantee that the Company's drugs will obtain the selling prices or reimbursement rates foreseen by the Company.

The Company will need approvals from the US Food and Drug Administration (FDA) to market its products in the US, and from the European Medicines Agency (EMA) to market its products in Europe, as well as equivalent regulatory authorities in other worldwide jurisdictions to commercialise in those regions. The Company's future earnings are likely to be largely dependent on the timely marketing authorisation of BGB324 for various indications.

Going concern

The Board stated that the annual accounts represent a true and fair view on the Company's financial position at the turn of the year. According to the Norwegian Accounting Act §3-3 (a), the Board of Directors confirmed that the financial statements have been prepared under the assumption of going concern.

Subsequent events

New chair of the board

Mr Stein Annexstad was elected new chair of the board at an extraordinary general meeting on 16 January 2017. Prior Chair, Hilde Furberg stepped down from the role and remains a Non-Executive Director of the Company.

Planned IPO

A process has been initiated in 2017 with the intention to increase the share capital through an Initial Public Offering and to apply for a listing of the company's shares on the Oslo Stock Exchange.

The intended listing is expected to take place in the first half of 2017, in connection with a planned share capital issue

The extraordinary general meeting on 16 February 2017 resolved to convert BerGenBio AS from a limited company to a public limited company ("allmennaksjenselskap" or "ASA") named BerGenBio ASA.

Collaboration with Merck to investigate combination of BGB324 with Keytruda®

In March 2017, BerGenBio announced it has entered into a collaborative agreement with Merck focused on the clinical evaluation of BGB324 with Merck's Keytruda® pembrolizumab in patients with advanced NSCLC and women with triple negative breast cancer (TNBC).

Under the terms of the collaboration, BerGenBio will conduct two international Phase II studies to evaluate the potential clinical synergy of combining BGB324 with Keytruda, Merck's marketed anti-PD-1 CPI therapy in patients with (i) previously treated unresectable adenocarcinoma of the lung, and (ii) previously treated, locally advanced or unresectable TNBC.

Biomarker studies will be conducted in parallel to the above studies with the goal of developing companion diagnostics to identify patients who would be most suitable for treatment with the BGB324/Keytruda combination.

The clinical trials will be sponsored by BerGenBio, Merck will provide Keytruda for both studies, the rights to the study results will be shared and there are provisions for further combination studies to be undertaken by either or both companies.

Corporate social responsibility

BerGenBio is subject to corporate social responsibility reporting requirements under section 3-3c of the Norwegian Accounting Act.

The Company is still in a pre-commercial phase, with a strong focus on activities aiming to achieve regulatory approval of its drug candidates. The

implementation of specific goals, strategies or action plans related to CSR has not yet been prioritised but will be developed along with the continuous development of BerGenBio's products and operations.

BerGenBio has mission to create value for patients, society, as well as for the shareholders of the company. To ensure that patients, research and development partners, employees, shareholders and other stakeholders feel confident about BerGenBio's commitment to operate this business in accordance with responsible, ethical and sound corporate and business principles, the company has established ethical guidelines that apply to all employees and board members in the company. By agreement it may also apply to independent consultants, intermediaries or others acting on behalf of BerGenBio. The document provides a framework for what BerGenBio considers as responsible conduct, and defines the individual responsibilities of employees through a combination of broad principles and specific requirements.

The code of conduct is a guiding instrument, outlining the principles on which the everyday work is based.

Health, safety and the environment

At year end, BerGenBio employed 26 people (19 people), of which 3 (2) were part time employed.

The working environment in the Company is considered to be good. No accidents or injuries were registered in 2016.

Absence due to illness for the year totalled 99 working days (25 working days), which corresponds to 1.8 per cent (0.5 per cent) of total working days.

BerGenBio aims to be a workplace with equal opportunities for women and men in all areas. The Company has traditionally recruited from environments where the number of women and men is relatively equally represented.

The Board of Directors has 43 per cent female and 57 per cent male representation. There is one woman in the management team.

BerGenBio promotes a productive working environment and does not tolerate disrespectful behaviour. BerGenBio is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination or retirement based on ethnic and national origin, religion, sex or other distinguishing characteristics is never acceptable. BerGenBio will not use force of any form or involuntary labour or employ any persons below the legal minimum age. BerGenBio shall strive to achieve a vision of zero harm to people, the environment and society, and work purposefully and systematically to reduce the environmental impact. The Company's services shall always be subject to strict requirements in terms of quality, safety and impacts on personal health and the environment.

The Company does not pollute the external environment to a greater extent than is normal for this industry. All production and distribution is outsourced to carefully selected qualified vendors.

Share information

As of 31 December 2016, there were 336 922 shares outstanding, up from 247 924 shares at year end 2015, following the share capital issues during the year and the conversion of the convertible loan to equity.

The Company had 65 shareholders at 31 December 2016.

Outlook

BerGenBio has strategic flexibility for value creation with a clear registration strategy and multiple commercialization options: The plan is to complete the ongoing Phase II studies and to progress into registartion trials potentially leading to accelerated approval and subsequent applications for regulatory approval and marketing authorization.

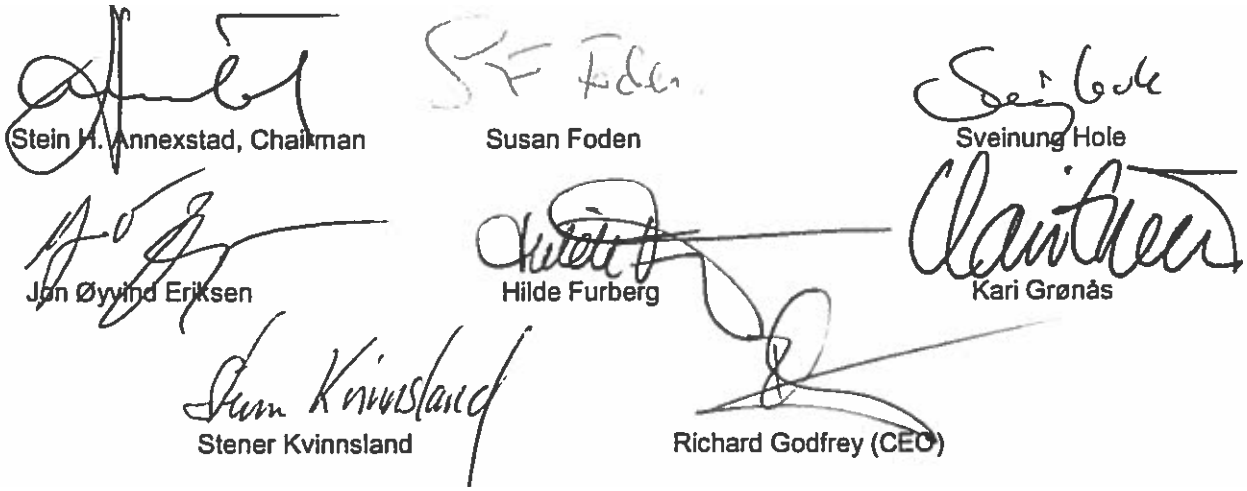
BerGenBio intends to apply for listing of its shares on the Oslo Stock Exchange in 2017. A listing on the Oslo Stock Exchange will provide a regulated market for the shares, facilitate a capital increase to strengthen the working capital of the Company and give the Company improved access to the capital markets for potential future equity funding. It will also diversify and increase the shareholder base, further improve the ability of BerGenBio to attract and retain key management and employees and strengthen BerGenBio's profile with investors and industry.

The listing application will be submitted in connection with an Initial Public Offering. Net proceeds from issuance of new shares in IPO will support the continued clinical development of the Company's lead drug candidate, BGB324; milestone payments to

Rigel Inc., the continued development and first in man clinical trials for the Company's preclinical drug candidate BGB149, and continued development of the pre-clinical pipeline and general corporate purposes.

The listing is expected to take place in the first half of 2017. Net proceeds from the Offering and the existing cash are expected to finance the Company through to 2019.

Bergen, 2 March 2017, The Board of Directors, BerGenBio ASA



Financial statements

Statement of profit or loss and other comprehensive income

1 January - 31 December
(NOK 1000)

	Note	2016	2015
Revenue	4	-	-
Employee benefit expenses	5, 7, 10	20 561	25 160
Depreciation	8	207	179
Other operating expenses	7, 13	110 802	47 586
Total operating expenses		**131 570**	**72 925**
Operating profit		**-131 570**	**-72 925**
Finance income	11	3 031	2 512
Finance expense	11	1 260	1 693
Financial items, net		**1 771**	**818**
Profit before tax		**-129 799**	**-72 107**
Income tax expense	12	-	-
Profit after tax		**-129 799**	**-72 107**
Other comprehensive income			
Items which will not be reclassified over profit and loss			
Actuarial gains and losses on defined benefit pension plans	10	-1 089	443
Total comprehensive income for the year		**-130 888**	**-71 664**
Earnings per share:			
- Basic and diluted per share	14	-419,68	-296,26

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Statement of financial position

31 December
(NOK 1000)

	Note	2016	2015
ASSETS			
Non-current assets			
Property, plant and equipment	8	410	361
Total non-current assets		**410**	**361**
Current assets			
Other current assets	15	12 302	8 038
Cash and cash equivalents	16	161 825	73 993
Total current assets		**174 126**	**82 031**
TOTAL ASSETS		**174 536**	**82 392**
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital	18	3 369	2 479
Share premium	18	131 875	49 944
Other paid in capital	6, 18	18 026	12 324
Total paid in capital		**153 270**	**64 747**
Total equity		**153 270**	**64 747**
Non-current liabilities			
Pension liability	10	-	4 273
Convertible loan	17	-	1 119
Derivative financial liablility	17	-	189
Total non-current liabilities		**-**	**5 580**
Current liabilities			
Accounts payable		10 703	5 269
Other current liabilities	19	5 721	5 217
Provisions	20	4 843	1 580
Total current liabilities		**21 266**	**12 065**
Total liabilities		**21 266**	**17 645**
TOTAL EQUITY AND LIABILITIES		**174 536**	**82 392**

Bergen, 2 March 2017, The Board of Directors, BerGenBio ASA

Stein H. Annexstad, Chairman

Susan Foden

Sveinung Hole

Jon Øyvind Eriksen

Hilde Furberg

Kari Grønås

Stener Kvinnsland

Richard Godfrey (CEO)

Statement of changes in equity

(NOK 1000)

	Note	Share capital	Share premium	Equity-settled share-based payments	Total equity
Balance at 1 January 2016		**2 479**	**49 944**	**12 324**	**64 747**
Loss for the year		-	-129 799	-	-129 799
Other comprehensive income (loss) for the year, net of income tax		-	-1 089	-	-1 089
Total comprehensive income for the year		**-**	**-130 888**	**-**	**-130 888**
Recognition of share-based payments	5 ,6	-	-	5 702	5 702
Issue of ordinary shares	18	890	212 819	-	213 709
Share issue costs	18	-	-	-	-
Balance at 31 December 2016		**3 369**	**131 875**	**18 026**	**153 270**

	Note	Share capital	Share premium	Equity-settled share-based payments	Total equity
Balance at 1 January 2015		**2 415**	**112 442**	**6 747**	**121 605**
Loss for the year		-	-72 107	-	-72 107
Other comprehensive income (loss) for the year, net of income tax		-	443	-	443
Total comprehensive income for the year		**-**	**-71 664**	**-**	**-71 664**
Recognition of share-based payments	5 ,6	-	-	5 576	5 576
Issue of ordinary shares	18	64	9 166	-	9 230
Share issue costs	18	-	-	-	-
Balance at 31 December 2015		**2 479**	**49 944**	**12 324**	**64 747**

Statement on cash flow

1 January - 31 December
(NOK 1000)

	Note	2016	2015
Cash flow from operating activities			
Loss before tax		-129 799	-72 107
Non-cash adjustments to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	8	207	179
Calculated interest element on convertible loan	11,17	19	232
Share-based payment expense	5	5 702	5 576
Movement in provisions and pensions	10, 20	-2 099	547
Working capital adjustments:			
Decrease in trade and other receivables and prepayments		-4 263	1 086
Increase in trade and other payables		5 919	1 584
Net cash flow from operating activities		**-124 314**	**-62 902**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	- 255	-
Net cash flow used in investing activities		**- 255**	**-**
Cash flows from financing activities			
Proceeds from issue of share capital	18	212 220	-
Proceeds from borrowings, convertible loan		-1 307	1 307
Conversion of loan by issue of share capital		1 489	9 230
Net cash flow from financing activities		**212 402**	**10 538**
Net increase/(decrease) in cash and cash equvivalents		87 832	-52 365
Cash and cash equivalents at beginning of period	16	73 993	126 357
Cash and cash equivalents at end of period	16	**161 825**	**73 993**

Notes to the Financial Statements

Note 1 – Corporate information

BerGenBio ASA ("the Company") is a limited company incorporated and domiciled in Norway. The address of the registered office is Jonas Lies vei 91, 5009 Bergen, Norway.

The Company is a clinical stage biopharmaceutical company focused on developing innovative drugs for aggressive, drug resistant cancers.

The Company is a world leader in understanding epithelial-mesenchymal transition (EMT) biology, which is widely recognised as a key pathway in acquired cancer drug-resistance and metastasis. Building on this original biological insight BerGenBio is developing a promising pipeline of novel EMT inhibitors.

BerGenBio intends to develop its product candidates to proof of concept stage; further clinical development and subsequently commercialisation will be through strategic alliances and partnerships with experienced global bio-pharma oncology businesses.

The Company is not part of a group and does consequently not prepare consolidated financial statements. Publication of the financial statements for the year ending 31st December 2016 was approved by the Board of Directors on 2nd March 2017.

Note 2 – Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all periods presented. Amounts are in Norwegian kroner (NOK) and all values are rounded to the nearest thousand (NOK 000), except when otherwise indicated. The functional currency of the Company is NOK.

Basis of preparation

The financial statements of BerGenBio ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company also provides additional disclosures as required by the Norwegian Accounting Act.

The financial statements have been prepared on a historical cost basis, with exception of certain financial instruments measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Company's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements provide comparative information in respect of the previous period.

The Company works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational objectives. Capital markets are used as a source of liquidity when this is appropriate and when conditions in these markets are acceptable. The Board plans to conduct an IPO and capital increase within the next 12 months, if market conditions are acceptable. The Board of Directors has reasonable expectation that the Company will maintain adequate resources to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis in preparing its financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, and is recognised excluding taxes or duties.

The Company's products are still in the research and development phase, and have limited revenue from sales of products yet.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is recognised in the income statement in the same period as the related costs, and presented net. Government grants are recognised at the value of the contribution at the transaction date.

Government grants are normally related to either reimbursements of employee costs and classified as a reduction of payroll and related expenses, or related to other operating activities and thus classified as a reduction of other operating expenses.

Research and development costs

Research costs are expensed as incurred. Internal development costs related to the Company's development of products are recognised in the income statement in the year incurred unless it meets the asset recognition criteria of IAS 38 "Intangible Assets". An internally generated asset arising from the development phase of an R&D project is recognised as an intangible asset if the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and use of sell the asset
- The ability to measure reliably the expenditure during development

Uncertainties related to the regulatory approval process and results from on-going clinical trials, generally indicate that the criteria are not met until the time when marketing authorisation is obtained from relevant regulatory authorities. The Company has currently no development expenditure that qualifies for recognition under IAS 38.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Acquisition cost includes expenditures that are directly attributable to the acquisition of the individual item. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognised and depreciated separately. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated over the estimated useful lives of the assets, as follows:

- Computer equipment 5 years
- Other equipment 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of the property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

The Company has not entered into any finance lease arrangements.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Company's financial assets include loans and receivables.

The Company does not have financial assets at fair value through profit and loss.

Loans and receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised costs is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 15.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, and loans and borrowings.

The Company does not have financial liabilities at fair value through profit and loss.

Subsequent measurement

The measurement of financial liabilities depends on their classifications, as described below:

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, and loans and borrowings. These financial instruments are measured at amortised cost using the effective interest rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Convertible loan

The Company do not have any convertible loan agreements as per 31.12.16. On issuance of convertible loans, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised as a derivate liability. The carrying amount of the conversion option is not remeasured in subsequent years.

Share-based payments

The Company operates an equity-settled, share-based compensation plan, under which the Company receives services from employees and members of the Board as consideration for share-based payments (options).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The fair value of the options granted is measured using the Black-Scholes model. Measurement inputs include share price on the measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

When the options are exercised, the Company will issue new shares. The proceeds received net of any directly attributable transaction costs are recognised as share capital (nominal value) and share premium reserve.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year

when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Foreign currencies

The Company's financial statements are presented in NOK, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Pensions and other post-employment benefits

As per 1 October 2016, the Company decided to change the defined benefit scheme to a defined contribution scheme. Under the defined contribution scheme, the Company does not commit itself to paying specific future pension benefits, but makes annual contributions to the employees' pension savings. As of 31 December 2016, there are 20 active people covered by the new pension scheme.

The Company's payment to the defined contribution scheme amounts to 7% of salary up to 12G and 18.1% of salary between 7.1G and 12G (G is Norwegian National Insurance basic amount).

Further details about pensions, and the closing of the defined benefit scheme, are given in Note 10.

New and amended standards and interpretations

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

Note that only the ones that is expected to have material impact on the Group's financial position, performance, and/or disclosures is discussed. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 16 Leases

The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a

change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019.

In 2017, the Group plans to assess the potential effect of IFRS 16 on its consolidated financial statements.

Other standards, interpretations and amendments that are issued, but not yet effective are either not applicable for the Company or is not expected to have a material impact of the financial statements

Note 3 – Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Share-based payments

The Company initially measures the cost of cash-settled transactions with employees using the Black & Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Note 4 – Segments

The Company had no revenues in 2016 and 2015.

For management purposes the Company is organised as one business unit and the internal reporting is structured in accordance with this.

Note 5 – Payroll and related expenses

	2016	2015
Salaries	15 937	16 850
Social security tax	5 601	2 500
Pension expense	-3 741	2 001
Bonus	725	1 222
Share option expense employees	5 702	5 576
Other remuneration	536	1 322
Government grants	-4 199	-4 312
Total payroll and related expenses	**20 561**	**25 160**
Average number of full time equivalent employees	21	20

Management remuneration

Total remuneration to management during the year ended 31 December 2016

			Salary	Bonus	Pension cost	Other remuneration
Richard Godfrey (CEO)		A)	1 823 213	432 000	181 098	7 753
Petter Nielsen (CFO)		B)	1 318 814	351 000	143 142	7 753
James B Lorens (CSO)	1)	C)	445 300	189 448	39 067	3 361
Murray Yule (Clinical Development Officer)	2)	D)	371 455	-	-	-
Anthony Brown (Director of Research)		E)	1 334 311	-	93 402	-
Viki Wills (Director of Clinical Operations)	3)		313 300	-	21 931	-
Total remuneration			**5 606 393**	**972 448**	**478 640**	**18 867**

1) Employed part-time in a 20% position.
2) Employed part-time in an 80% position since 1 November 2016. Prior to this Murray Yule has been working as a consultant to BerGenBio through his consulting company Pentlands Oncology Consulting Ltd. In 2016 Pentlands Oncology Consulting Ltd has invoiced BerGenBio NOK 2,342,217.
3) Employed since 3 October 2016

For management participating in the option program, the expense charged to the profit or loss for 2016 is as follows:

A. Richard Godfrey, NOK 1,496,547
B. B) Petter Nielsen, NOK 524,896
C. C) James Lorens, NOK 1,077,119
D. D) Murray Yule, NOK 482,594
E. E) Anthony Brown, NOK 568,054

In the event of termination of the CEO's employment contract by the Company without cause, he is entitled to 12 months notice or severance payment in lieu of equivalent salary, bonus and benefits. In the event of a change of control the CEO is entitled to compensation of 18 months' salary and at the CEO's sole discretion buy back of his shares to fair market value, both in the event that the employment agreement is terminated within 18 months of a change of control of the Company.

Total remuneration to management during the year ended 31 December 2015

			Salary	Bonus	Pension cost	Other remuneration
Richard Godfrey (CEO)		A)	1 594	-	233	12
Petter Nielsen (CFO)	1)	B)	1 055	-	139	11
James B Lorens (CSO)	2)	C)	456	-	46	3
Total remuneration			**3 105**	**-**	**419**	**27**

1) Employed in a 100% position as of February 2015.
2) Employed part-time in a 20% position.

For management participating in the option program, the expense charged to the profit or loss for 2015 is as follows:

A. Richard Godfrey, NOK 1,840,160
B. Petter Nielsen, NOK 371,489
C. James Lorens, NOK 1,557,015

The remuneration to the Board of Directors for the year ended 31 December

			Served since	Served until	2016	2015
Hilde Furberg		A)	June 2015		283	87
Susan Foden		B)	September 2011		175	338
Jon Øyvind Eriksen			January 2012		147	-
Sveinung Hole	1)	C)	February 2016		147	-
Stener Kvinnsland	2)	D)	September 2015		160	83
Stein Holst Annexstad		E)	February 2016		147	
Kari Grønås		F)	February 2016		147	
John Barrie Ward		G)	June 2012	February 2016	13	160
David Ian Wilson		H)	June 2013	February 2016	12	160
Kåre Rommetveit			June 2014	June 2015	-	60
Total remuneration					**1 231**	**888**

1) Sveinung Hole served as a member of the Board of Directors from June 2010 to June 2015. He was again elected to the Board of Directors in February 2016.
2) Stener Kvinnsland, was appointed to the Board of Directors as of September 2015. Of his remuneration NOK 53,333 relates to his remuneration for being on the Board of Directors. Prior to joining the Board of Directors he was in the Nomination Committee and has received a remuneration of NOK 30,000 for this work.

For members of the Board of Directors participating in the option program, the expense charged to the profit or loss for 2015 (2014) is as follows:

A. Hilde Furberg, NOK 168,523 (2015: 0)
B. Susan Foden, NOK 302,776 (2015: 316,795)
C. Sveinung Hole, NOK 101,115 (2015: 0)
D. Stener Kvinnsland, NOK 101,115 (2015: 0)
E. Stein H. Annexstad, NOK 101,115 (2015: 0)
F. Kari Grønås, NOK 101,115 (2015: 0)
G. John Barrie Ward, NOK 14,132 (2015: NOK 99,637)
H. David Ian Wilson, NOK 14,132 (2015: NOK 99,637)

Members of management and Board of Directors participating in the option program

Option holder	Number of options outstanding	Grant date	Expiry date	Exercise price (NOK)
Richard Godfrey	500	10-Sep-10	31-Dec-17	565,00
	1 000	27-May-11	31-Dec-17	756,00
	750	21-Jun-12	31-Dec-17	1 061,72
	1 500	3-Sep-13	3-Sep-21	1 061,72
	750	13-Jun-13	13-Jun-21	1 061,72
	1 200	11-Jun-14	11-Jun-22	1 115,00
	2 750	22-May-15	22-May-23	1 601,00
	1 000	1-Jan-16	1-Jan-24	2 400,00
James B Lorens	500	10-Sep-10	31-Dec-17	565,00
	250	27-May-11	31-Dec-17	756,00
	750	21-Jun-12	31-Dec-17	1 061,72
	550	3-Sep-13	3-Sep-21	1 061,72
	1 000	13-Jun-13	13-Jun-21	1 061,72
	700	11-Jun-14	11-Jun-22	1 115,00
	2 750	22-May-15	22-May-23	1 601,00
	500	1-Jan-16	1-Jan-24	2 400,00
Petter Nielsen	1 000	22-May-15	22-May-23	1 601,00
	500	1-Jan-16	1-Jan-24	2 400,00
Anthony Brown	1 000	2-Sep-15	2-Sep-23	1 601,00
	500	1-Jan-16	1-Jan-24	2 400,00
Murray Yule	1 000	3-Sep-13	3-Sep-21	1 061,72
	500	1-Jan-16	1-Jan-24	2 400,00
Susan Foden	1 000	18-Jun-12	18-Jun-20	1 061,72
	550	3-Sep-13	3-Sep-21	1 061,72
	250	20-Jun-13	20-Jun-21	1 061,72
	500	19-Jun-14	19-Jun-22	1 115,00
	375	1-Feb-16	1-Feb-24	2 400,00
Hilde Furberg	250	1-Feb-16	1-Feb-24	2 400,00
Kari Gønås	150	1-Feb-16	1-Feb-24	2 400,00
Stein H. Annexstad	150	1-Feb-16	1-Feb-24	2 400,00
Stener Kvinnsland	150	1-Feb-16	1-Feb-24	2 400,00
Sveinung Hole	150	1-Feb-16	1-Feb-24	2 400,00
John Barrie Ward	500	28-Jun-12	28-Jun-20	1 061,72
	175	20-Jun-13	20-Jun-21	1 061,72
	200	19-Jun-14	19-Jun-22	1 115,00
David Ian Wilson	675	20-Jun-13	20-Jun-21	1 061,72
	200	19-Jun-14	19-Jun-22	1 115,00
Total	**26 225**			

Note 6 – Employee share option program

The Company has a share option scheme for employees. Each option gives the right to acquire one share of the Company on exercise. Since the start of the option scheme no options have been exercised.

The Company has a share option program to ensure focus and align the Company's long-term performance with shareholder values and interest. Most of the employees in the Company take part in the option program. The program also serves to retain and attract senior management.

The exercise price for options granted is set at the market price of the shares at the time of grant of the options. In general, for options granted after 2012 the options expire eight years after the date of grant.

Previously, options vest criterias were set at milestones that were seen as significant for the Company and/or significant to the responsibilty of the employee. There has been many different vesting milestones associated with the options as these have been granted over several years where different short- and long-term objectives have been prioritised as vesting criterias. In 2016, the Board of Directors reviewed and amended the vesting criterias for granted options to employees. The revised vesting criteria was set as the earlier of IPO or annually in equal tranches over a three-year period following the date of grant.

The following equity incentive schemes were in place in the current year:

	Number of options	Grant date	Expiry date	Exercise price
Granted in September 2010	2 250	Sep 2010	Dec 2017	565,00
Granted in May 2011	1 750	May 2011	Dec 2017	756,00
Granted in June 2012	2 850	Jun 2012	Dec 2017	1 061,72
Granted in June 2012	2 250	Jun 2012	Jun 2020	1 061,72
Granted in June 2013	3 600	Jun 2013	Jun 2021	1 061,72
Granted in September 2013	4 000	Sep 2013	Sep 2021	1 061,72
Granted in June 2014	2 800	Jun 2014	Jun 2022	1 115,00
Granted in May 2015	6 500	May 2015	May 2023	1 601,00
Granted in September 2015	2 600	Sep 2015	Sep 2023	1 601,00
Granted in January 2016	4 000	Jan 2016	Jan 2024	2 400,00
Granted in February 2016	1 225	Feb 2016	Feb 2024	2 400,00
Forfeited in 2015	-75			1 061,72
Forfeited in 2016	-500			1 601,00
Total	**33 250**			

	2016		2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at 1 January	28 525	1 181,05	19 500	984,62
Granted during the year	5 225	2 400	9 100	1 601
Exercised during the year	-	-	-	-
Forfeited	- 500	1 601	- 75	1 061,72
Balance at 31 December	**33 250**	**1 366,29**	**28 525**	**1 181,05**

The weighted average fair value of the options granted in the period in 2016 is NOK 1,075.77, totalling to NOK 5.7 million, while it for same period in 2015 is NOK 630.71, totalling to NOK 5.7 million.

	2016	2015
Options vested at 1 January	11 426	9 600
Vested in the period	10 693	1 826
Options vested at 31 December	**22 119**	**11 426**
Total outstanding number of options	33 250	28 525
Total intrinsic value at the end of the period (NOK000)	34 371	11 979

The options are valued using the Black & Scholes model.

The risk free interest rates are based on rates from Norges Bank and Oslo Børs on the Grant Date (bonds and certificates) equal to the expected term of the option being valued. Where there is no exact match between the term of the interest rates and the term of the options, interpolation is used to estimate a comparable term.

The vesting period is the period during which the conditions to obtain the right to exercise must be satisfied. Most of the options vest dependent on meeting milestones and is thus dependent on a performance condition. The Company has estimated an expected vesting date and this date is used as basis for the expected lifetime. The Company expects the options to be exercised earlier than the expiry date. For Options granted earlier than 2014, the mean of the expected vesting date and expiry date has been used to calculate expected lifetime due to the lack of exercise pattern history for the Company and experience from other companies in combination with the relatively long lifetime of these options (up to 8 years). For Options granted in 2014 or later, it has been assumed that the holders will exercise their options earlier as the shares have been assumed to be tradable, hence an assumption has been made that these options will be exercised on average 1 year following vesting as most of these have vesting contingent on IPO.

As the Company's shares are not listed there are no historical share prices to calculate the historical volatility, therefore the historical volatility of similar listed companies is used. 70% expected future volatility has been applied.

For the twelve month period ending 31 December 2016 the value of the share options expensed through the profit or loss amounts to NOK 5.7 million (for the same period in 2015: NOK 5.7 million). In addition a provision for social security contributions on share options of NOK 3.3 million (for the same period in 2015: NOK 0.3 million) is recognised based on the difference between the share price and exercise price on exercisable option as at the end of the period.

Note 7 – Government grants

Government grants have been recognised in the profit or loss as a reduction of related expense with the following amounts

	2016	2015
Payroll and related expenses	4 199	4 312
Other operating expenses	13 575	7 475
Total	**17 774**	**11 787**

Grants receivable as at 31 December are detailed as follows:

	2016	2015
Grants from Research Council, BIA	2 879	2 270
Grants from Research Council, PhD	257	394
Grants from SkatteFunn	7 703	4 145
Total	**10 839**	**6 809**

BIA grants from the Research Council:

The Company has been awarded with three grants from the Research Council, programs for user-managed innovation arena (BIA).

The first BIA grant ("Targeting Cancer Stem Cells with Axl inhibitors to Treat Advanced Metastatic Cancer") totals to NOK 11.7 million and covers the period from June 2012 to May 2015. The first BIA grant was concluded in Q2 2015.

The second BIA grant ("Novel therapeutics targeting the EMT/Axl pathway in aggressive cancers") totals to NOK 13.2 million and covers the period from May 2014 to April 2017. The Company has recognised NOK 3.9 million (2015: NOK 5.0 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

The third BIA grant ("Axl targeting therapeutics to treat fibrotic diseases") totals to NOK 12.0 million and covers the period from April 2015 to March 2018. The Company has recognised NOK 5.1 million (2015: NOK 0.6 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

PhD grants from the Research Council:

BerGenBio has been awarded four grants supporting Industrial PhDs for the period from September 2010 through July 2017. The fellowship covers 50 % of the established current rates for doctoral research fellowships and an operating grant to cover up to 50 % of additional costs related to costly laboratory testing connected with the research fellow's doctoral work.

The Company has recognised NOK 0.8 million (2015: NOK 0.8 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

SkatteFunn:

R&D projects have been approved for SkatteFunn (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry) for several projects, covering both 2015, 2016 and 2017. The Company has recognised NOK 7.7 million in 2016 (4.1 million in 2015) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

Innovasjon Norge:

In December 2014 the Company was granted an Innovation Project grant from Innovasjon Norge related to immuno-oncology. The grant amounted to NOK 400,000, all of which was recognised in 2016, classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

Note 8 – Property, plant and equipment

Year ended 31 December 2016	IT equipment	Furniture and fittings	Total
Cost at 1 January 2015	16	879	895
Additions in the year		255	255
Disposals in the year			-
Cost at 31 December 2016	**16**	**1 134**	**1 150**
Accumulated depreciatioan at 1 January 2016	- 12	- 521	- 533
Depreciation in the year	- 3	- 204	- 207
Accumulated depreciatioan at 31 December 2016	**- 15**	**- 725**	**- 740**
Net carrying amount at 31 December 2016	**1**	**409**	**410**
Estimated useful life	5 years	5 years	
Depreciation method	Straight-line	Straight-line	

Year ended 31 December 2015	IT equipment	Furniture and fittings	Total
Cost at 1 January 2015	16	879	895
Additions in the year			-
Disposals in the year	-	-	-
Cost at 31 December 2015	**16**	**879**	**895**
Accumulated depreciatioan at 1 January 2015	- 9	- 346	- 354
Depreciation in the year	- 3	- 176	- 179
Accumulated depreciatioan at 31 December 2015	**- 12**	**- 521**	**- 533**
Net carrying amount at 31 December 2015	**4**	**357**	**361**
Estimated useful life	5 years	5 years	
Depreciation method	Straight-line	Straight-line	

Research and development

Expenses for research and development for the financial year 2016 was NOK 101.9 millions of which NOK 98.2 million was classified as other operating expenses and NOK 3.8 million was classified as payroll.

For 2015 NOK 43.6 million was expensed for research and development, of which NOK 37.2 million was classified as other operating expenses and NOK 6.4 million was classified as payroll. The figures are net of government grants that have been recognised in the profit or loss as a reduction of related expense.

The company has not entered any arrangements that are classified as finance leases.

Note 9 – Leases

The Company has not entered into any arrangements that are classified as finance leases. The following arrangements are classified as operating leases:

The Company rents premises in Bergen for office and laboratory purposes under two rental agreements. In addition to the rent the Company is charged for a proportionate share of common variable expenses.

The rented premises are in total 245 square metres. Both rental agreements expire on 1 December 2020, with an option of extension for an additional 5 plus 5 years. The rental agreements can be terminated by either party with a 12 months notice period.

The annual rental amount, including the share of common variable expense, for the premises is NOK 359 517 (2015: NOK 359 516).

The rent is subject to a yearly adjustment in accordance with the Norwegian consumer price index.

Under the same rental agreement the Company has access to the use of defined scientific equipment at a cost of NOK 40 770 (2015: NOK 39 583) per employee per year. The price is subject to a yearly adjustment of 3.5%.

From September 2015 the Company rented an office in Magdalen Centre, The Oxford Science Park, UK. The rental agreements can be terminated by either party with a 1 months notice period. The monthly rental amount is GBP 4,098.

Future minimum rental payable for premises	2016	2015
Within 1 year	469	413
Within 1-5 years	-	-
Over 5 years	-	-
Total	**469**	**413**

Note 10 – Pensions

The company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The Company has a pension scheme which complies with the Act on Mandatory company pensions.

As per 1 October 2016, BergenBio decided to change the defined benefit scheme to a defined contribution scheme. The closing of the defined benefit scheme had a positive impact on profit and loss of NOK 5.4 million in 2016, whereas NOK -1.1 million is recognised in other comprehensive income. Under the defined contribution plan, BergenBio does not commit itself to paying specific future pension benefits, but makes annual contributions to the employees' pension savings. As of 31 December 2016 there are 20 active people covered by the defined contribution pension scheme. During the fourth quarter of 2016 a total of 0.3 million have been expensed as pension cost to the contribution plan.

The effect of the difference between actual return on the pension assets and the discount rate will be recognised in other comprehensive income in the statement of comprehensive income in accordance with the regulation in IAS 19. In 2016 NOK -1.1 million (2015: NOK 0.4 million) is recognised in other comprehensive income (OCI).

The actuarial calculation (2015) uses risk tables. The mortality table, K2013, is based on best estimates for the population in Norway. As the defined benefit scheme was discontinued during 2016, only figures from 2015 is presented below.

The year's pension costs are calculated as follows:	2016	2015
Current service cost	1 365	2 010
Interest expense/(income)	95	74
Administration costs	26	10
Payroll tax	210	295
Converting to defined contribution scheme	-5 362	-
Total	**-3 666**	**2 389**

Pension liabilities and pension assets:	2016	2015
	Funded	Funded
Change in gross pension obligation:		
Projected benefit obligation as of 1 January	8 623	8 284
Gross pension expense	2 035	2 200
Pensions paid during the period	-	-
Interest cost	-	-
Actuarial gains/losses	- 265	604
Benefits paid	-	-
Gross pension obligation as of 31 December	**10 393**	**11 089**
Change in plan assets:		
Fair value of plan assets as of 1 January	4 144	4 372
Investments in pension fund assets	1 459	1 873
Actual return on pension assets	89	116
Pensions paid during the period	- 35	- 10
Actuarial gains/losses	40	992
Fair value of the plan assets as of 31 December	**5 697**	**7 344**
Net pension obligation	**4 696**	**3 745**
Net pension obligation including payroll tax	**5 358**	**4 273**
Closing of defined benefit scheme	-5 358	-
Net pension obligation including payroll tax	-	**4 273**

Changes in the liabilities:	2016	2015
Net liability as of 1 January	4 273	4 464
Pension costs recognised in the income statement	-3 666	2 389
Premium payments (exclusive of adm. cost)	-	-
Recognised against other comprehensive income	1 089	- 443
Acquisitions and sales	-1 695	-2 138
Net liability as of 31 December	-	**4 273**

The actuary assumptions used are:	2016	2015
Discount rate	2,60 %	2,50 %
Return on assets	2,60 %	2,50 %
Wage growth in %	2,50 %	2,50 %
Pension adjustments in %	2,25 %	2,25 %
Average turnover	0,00 %	0,00 %

Note 11 – Financial income and expense

	2016	2015
Financial income		
Interest income on tax repaid	13	19
Interest income on bank deposits	1 525	1 466
Other finance income	1 492	1 026
Total financial income	**3 031**	**2 512**

	2016	2015
Financial expense		
Other interest expense	6	26
Calculated market interest rate on convertible loan	19	232
Other finance expense	1 235	1 435
Total financial expense	**1 260**	**1 693**
Net financial income	**1 771**	**818**

For interest calculation on the convertible loan see Note 17.

Note 12 – Income tax

The Company has a tax loss of NOK 134 million in 2016, and in total a tax loss carried forward as of 31 December 2016 of NOK 359 million. There are no timing restrictions on carrying forward the tax loss, and it can be carried forward indefinitely.

The deferred tax asset has not been recognised in the statement of financial position, as the Company does not consider that taxable income in the short-term will sufficiently support the use of a deferred tax asset.

	2016	2015
Pre-tax profit	**-129 801**	**-72 107**
Income taxes calculated at 25% (2015: 27%)	-32 450	-19 469
Adjustment in respect of current income tax of previous years		
Changes in unrecognised deferred tax asset		
Non deductible expenses	- 504	384
Non-taxable income		
Change in temporary differences		
Effect of change in tax rate	3 626	4 616
Change in deferred tax asset not recognized	29 328	14 469
Tax expense	-	-

Deferred tax and deferred tax assets

	2016	2015
Deferred tax assets		
Pensions	-	-4 273
Tax losses carried forward	-358 920	-224 874
Property, plant and equipment	79	- 52
Inventory	-	-
Other	-4 843	-1 580
Deferred tax asset not recognized	362 595	230 779
Deferred tax asset not recognized in other comprehensive income (OCI)	1 089	-
Deferred tax assets - gross	**-**	**-**

Note 13 – Other operating expenses

	2016	2015
Program expenses	60 839	34 341
Office rent and expenses	1 439	1 028
Consultants R&D projects	17 039	4 632
Patent and licence expenses	33 829	3 222
Other operating expenses	11 231	11 838
Government grants	-13 575	-7 475
Total	**110 802**	**47 586**

Specification auditor's fee

	2016	2015
Statutory audit	160	93
Other assurance services	40	474
Other non-assurance services	-	-
Tax consultant services	158	8
Total	**358**	**575**

Amounts are excluding VAT.

Note 14 – Earnings per share

	2016	2015
Loss for the year	-129 801	-72 107
Average number of outstanding shares during the year	309 279	243 386
Earnings (loss) per share - basic and diluted (NOK)	**-419,69**	**-296,26**

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognized as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Company is currently loss-making an increase in the average number of shares would have anti-dilutive effects.

Note 15 – Other current assets

	2016	2015
Government grants	10 839	6 809
Refundable VAT	1 063	1 021
Pepaid expenses	218	172
Other receivables	182	37
Total	**12 302**	**8 038**

Note 16 – Cash and cash equivalents

	2016	2015
Employee withholding tax	615	599
Deposits	21	21
Short-term bank deposits	161 189	73 373
Total	**161 825**	**73 993**

Of the total balance in cash and cash equivalents, NOK 0.6 million (2015: NOK 0.6 million) relates to restricted funds for employee withholding taxes.

The Company's short-term bank deposits are on variable rate terms.

Note 17 – Convertible loan

The Company has entered into a convertible loan agreement with Wellcome Trust Limited (“Wellcome”) under which Wellcome has granted to the Company an unsecured convertible loan in the amount of GBP 1,605,000. The convertible loan is paid in three tranches, based on achieving defined milestones. As of the end of year-end 2016 the Company has received all three tranches of the loan.

The first tranche of the loan was received in October 2014 and was in December 2014 converted to 5,741 new shares in the Company. The second tranche of the loan amounting to GBP 746,000 was received in May 2015 and was in September 2015 converted to 6,406 new shares in the Company. The last tranche of the loan amounting to GBP 100,000 was received in December 2015 and was in March 2016 converted to 573 new shares in the Company. Consequently, as of the end of 2016 the convertible loan has been fully converted to equity and the Company does not any longer have a convertible loan.

The convertible loan was treated as a financial liability consisting of a loan and an embedded derivative. As the number of equity instruments required to settle were not fixed, the derivative did not fulfil the requirements of an equity instrument, and was therefore a financial liability rather than an equity component. On issuance of the convertible loan, the fair value of the liability component was determined using a market rate for an equivalent non-convertible instrument. A market based interest rate of 8% was used. This amount was classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds was allocated to the conversion option that was recognised as a derivate liability.

Note 18 – Share capital and shareholder information

The Company has one class of shares and all shares carry equal voting rights.

As of 31 December	Number of shares	Nominal value (NOK)	Book value (NOK)
Ordinary shares 2016	336 922	10	3 369 220
Ordinary shares 2015	247 924	10	2 479 240

Changes in the outstanding number of shares

	2016	2015
Ordinary shares at 1 January	247 924	241 518
Issue of ordinary shares	88 425	-
Issue of ordinary shares from conversion of loan	573	6 406
Ordinary shares at 31 December	**336 922**	**247 924**

Ownership structure

Shareholder	Number of shares	Percentage share of total shares
METEVA AS	129 230	38,4%
INVESTINOR AS	66 098	19,6%
SARSIA SEED AS	21 179	6,3%
NORSK INNOVASJONSKAPITAL II AS	13 331	4,0%
JPMORGAN CHASE BANK, N.A., LONDON	12 720	3,8%
MP PENSJON PK	12 403	3,7%
DATUM INVEST AS	12 092	3,6%
SARSIA DEVELOPMENT AS	11 950	3,5%
BERA AS	10 400	3,1%
PACTUM AS	8 046	2,4%
BIRK VENTURE AS	5 585	1,7%
CB INVEST AS	3 523	1,0%
MICKLEM DAVID ROBERT	2 630	0,8%
SPAR KAPITAL INVESTOR AS	2 629	0,8%
RO INVEST AS	2 609	0,8%
LORENS JAMES BRADLEY	2 500	0,7%
UNI RESEARCH AS	2 077	0,6%
GNIST HOLDING AS	1 589	0,5%
PROFOND AS	1 390	0,4%
HAWI INVEST AS	1 354	0,4%
Top 20 shareholders	**323 335**	**96,0%**
Total other shareholders	13 587	4,0%
Total number of shares	**336 922**	**100,0%**

The Board of Directors have been granted a mandate from the general meeting held on 22 June 2015 to issue 32,934 new shares, each with a nominal value of NOK 10. The power of attorney was granted for the purpose of issuance of new shares in accordance with the Company‘s share incentive programme and is valid until 22 June 2017.

Shares in the Company held by the management group

	Current position within the Company	Employed since	2016	2015
Richard Godfrey 1)	Chief Executive Officer	January 2009	1 589	1 589
James Bradley Lorens	Chief Scientific Officer	January 2009	2 500	2 500
Total shares held by management			**4 089**	**4 089**

1) Richard Godfrey holds 1589 shares in the Company through Gnist Holding AS.

Shares in the Company held by members of the Board of Directors

	Position	Served since	Served until	2016	2015
Susan Elizabeth Foden	Board Member	September 2011		67	67
John Barrie Ward	Board Member	June 2012	February 2016	45	45
David Ian Wilson	Board Member	June 2013	February 2016	44	44
Kåre Rommetveit	Board Member	June 2014	June 2015	170	170
Total shares held by members of the Board of Directors				**326**	**326**

Note 19 – Other current liabilities

	2016	2015
Unpaid duties and charges	1 160	1 220
Unpaid vacation pay	1 368	1 362
Other accrued costs	3 192	2 635
Total	**5 721**	**5 217**

Note 20 – Provisions

	Social security contributions on share options	Total
Balance at 1 January 2016	1 580	1 580
Additional provisions recognised	3 263	3 263
Balance at 31 December 2016	**4 843**	**4 843**
Current	**4 843**	**4 843**
Non-current	-	-

The provision for social security contributions on share options is calculated based on the number of options outstanding at the reporting date that are expected to be exercised. The provision is based on differences between the exercise price and the market price of the shares at the reporting date as the best estimate of market price at the date of exercise.

Note 21 – Financial instruments and risk management objectives and policies

The Company's activities are exposed to certain financial risks including foreign exchange risk, credit risk and liquidity risk. The risk is however of such character that the Company has chosen not to put in place any measures to mitigate the potential unpredictability of the financial markets. The Company has NOK 161.8 million in cash and cash equivalents at year end. The main purpose of this is to finance the Company's activities and ongoing clinical trials. The Company has various assets and liabilities such as receivables and trade payables, which originate directly from its operations. All financial assets and liabilities are carried at amortized cost. All financial assets and liabilities are short-term in nature and their carrying value approximates fair value.

The Company does currently not use financial derivatives.

Foreign currency risk

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from

research expenses. The Company is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP) and US dollar (USD).

The Company has chosen not to hedge its operational performance as the Company's cash flow is denominated in several currencies that changes depending on where clinical trials are run. The foreign currency exposure is also mostly linked to trade payables with short payment terms. The Company might consider changing its current risk management of foreign exchange rate if it deems it necessary.

Interest rate risk

The Company holds NOK 161.8 million in cash and cash equivalents and does not have any borrowings. The Company's interest rate risk is therefore in the rate of return of its cash on hand. Bank deposits are exposed to market fluctuations in interest rates, which affects the financial income and the return on cash. The Company had NOK 1.5 million in interest income as of 31 December 2016.

Credit risk

Credit risk is the risk of counterparty's default in a financial asset, liability or customer contract, giving a financial loss. The Company's receivables are generally limited to receivables from public authorities by way of government grants. The credit risk generated from financial assets in the Company is limited since it is cash deposits. The Company only places its cash in bank deposits in recognised financial institutions to limit its credit risk exposure.

The Company has not suffered any loss on receivables during 2016 and the Company considers its credit risk as low.

Liquidity risk

Liquidity is monitored on a continual basis by Company management. Management considers the Company's liquidity situation to be satisfactory. The Company raised NOK 212 million in a private placements in 2016. Management is work on securing additional funding for the Company, aiming at securing funding through 2019. The cash position of the Company at year end 2016 was NOK 161.8 million, compared to NOK 74 million in 2015.

Capital management

The Board of Directors' goal is to maintain a strong capital base in order to preserve the confidence of investors, creditors and to develop business activities.

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of BerGenBio ASA

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of BerGenBio ASA, which comprise the statement of financial position as at 31 December 2016, statements of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of BerGenBio ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2016 and its financial performance for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Director (management) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than* Audits *or Reviews of Historical Financial Information*, it is our opinion that management have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Bergen, 6 March 2017
ERNST & YOUNG AS

Jørn Knutsen
State Authorised Public Accountant (Norway)

Definitions

Adenocarcinoma	Cancerous tumour that can occur in several parts of the body and that forms in mucus-secreting glands throughout the body. It can occur in many different places in the body and is most prevalent in the following cancer types; lung cancer, prostate cancer, pancreatic cancer, esophageal cancer and colorectal cancer. Adenocarcinomas are part of the larger grouping of carcinomas.
AML	Acute myeloid leukaemia.
Antibody	Proteins produced by the B Lymphocytes of the immune system in response to foreign proteins called antigens. Antibodies function as markers, biding to the antigen so that the antigen molecule can be recognized and destroyed.
API	Active pharmaceutical ingredient.
Axl	Cell surface expressed receptor tyrosine kinase, being an essential mediator of the EMT programme. Axl is up-regulated in a variety of malignancies and and associated with immune evasion, acquired drug resistance and correlates with poor clinical prognosis.
Axl_Mab	Axl Monoclonal antibody. A monoclonal antibody that recognizes Axl and binds to the Axl receptor.
BGB324	BerGenBio's lead drug candidate; a highly selective inhibitor of Axl currently undergoing a Phase Ib/II clinical trial showing promising clinical results.
BGB101	Two monoclonal antibody programs against Axl in late stage preclinical development.
Biomarkers	A measurable indicator of some biological state or condition. More specifically, a biomarker indicates a change in expression or state of a protein that correlates with the risk or progression of a disease, or with the susceptibility of the disease to a given treatment.
CellSelect™	A unique patented and powerful technology platform used to identify and validate novel drug targets missed by other technologies.
Checkpoint inhibitors	The immune system depends on multiple checkpoint to avoid overactivation of the immune system on healthy cells. Tumour cells often take advantage of these checkpoints to escape detection by the immune system. Checkpoint inhibitors, inhibit these checkpoints by "releasing the brakes" on the immune system to enhance an anti-tumour T-cell response.
Clinical Research	The research phases involving human subjects.
Clinical Trials	Clinical Trials are conducted with human subjects to allow safety and efficiency data to be collected for health inventions (e.g., drugs, devices, therapy protocols). There trials can only take place once satisfactory information has been gathered on the quality of the non-clinical safety, and Health Authority/Ethics Committee approval is granted in the country where the trial is taking place.
CML	Chronic myelogenous leukemia
CMO's	Contract manufacturing organisations.
Comorbidity	The presence of one or more additional disorders (or diseases) co-occurring with a primary disease or disorder.
CRO	Contract research organisation.
CTL	Cytotoxic T-lymphocytes. Key effector cells of the body's immune response to cancer.
Cytarabine	A chemotherapy agent used mainly in the treatment of cancers of white blood cells such as acute myeloid leukemia (AML).
Decitabine	A cancer treatment drug used for acute myeloid leukemia (AML).
Docetaxel	A clinically well-established anti-mitotic chemotherapy medication that works by interfering with cell division.
Epithelial state	A state of the cell where the cells are stationary, typically forming layers and tightly connected and well ordered. They lack mobility tending to serve their specific bodily function by being anchored in place.
Epithelial tumour cell	Tumour cells in an epithelial state.
EGFR inhibitors	Epidermal growth factor receptor inhibitors. EGFRs play an important role in controlling normal cell growth, apoptosis and other cellular functions, but mutations of EGFRs can lead to continual or abnormal activation of the receptors causing unregulated EGFR inhibitors are either tyrosine kinase inhibitors or monoclonal antibodies that slow down or stop cell growth.
EMT	Epithelial-mesenchymal transition, a cellular process that makes cancer cells evade the immune system, escape the tumour and acquire drug resistant properties.

EMT inhibitors	Compounds that inhibit Axl and other targets that in turn prevent the formation of aggressive cancer cells with stem-cell like properties.
Erlotinib	A drug used to treat non-small cell lung cancer (NSCLC), pancreatic cancer and several other types of cancer. It is a reversible tyrosine kinase inhibitor, which acts on epidermal growth factor receptor (EGFR).
In vivo	Studies within the living.
In vitro	Studies in a laboratory environment using test tubes, petri dishes etc.
MAb	Monoclonal antibodies. Monospecific antibodies that are made by identical immune cells that are all clones of a unique parent cell, in contrast to polyclonal antibodies which are antibodies obtained from the blood of an immunized animal and thus made by several different immune cells.
Mesenchymal state	A state of the cell where the cells have loose or no interactions, do not form layers and are less well ordered. They are mobile, can have invasive properties and have the potential to differentiate into more specialised cells with a specific function.
Mesenchymal cancer cells	Cancer cells in a mesenchymal state, meaning that they are aggressive with stem-cell like properties.
Metastatic cancers	A cancer that has spread from the part of the body where it started (the primary site) to other parts of the body.
Myeloid leukemia	A type of leukemia affecting myeloid tissue. Includes acute myeloid leukemia (AML) and chronic myelogenous leukemia.
NSCLC	Non-small cell lung cancer.
Paclitaxel	A medication used to treat a number of types of cancer including ovarian cancer, breast cancer, lung cancer and pancreatic cancer among others.
Phase I	The phase I clinical trials where the aim is to show that a new drug or treatment, which has proven to be safe for use in animals, may also be given safely to people.
Phase Ib	Phase Ib is a multiple ascending dose study to investigate the pharmacokinetics and pharmacodynamics of multiple doses of the drug candidate, looking at safety and tolerability.
Phase II	The phase II clinical trials where the goal is to provide more detailed information about the safety of the treatment and its effect. Phase II trials are performed on larger groups than in Phase I.
Phase III	In the phase III clinical trials data are gathered from large numbers of patients to find out whether the drug candidate is better and possibly has fewer side effects than the current standard treatment.
Receptor tyrosine kinase	High-affinity cell surface receptors for many polypeptide growth factors, cytokines and hormones. Receptor tyrosine kinases have been shown not only to be key regulators of normal cellular prosesses but also to have a critical role in the development and progression of many types of cancer.
RTK	Receptor tyrosine kinase.
Small molecule	A small molecule is a low molecular weight (<900 dalthons) organic compound that may help regulate a biological process, with a size on the order of 10^{-9}m.
Squamous cell carcinoma	Is an uncrontrolled growth of abnormal cells arising in the squamous cells, which compose most of the skin's upper layers. Squamous cell carcinoma is the second most common form of skin cancer.
TNBC	Triple negative breast cancer.

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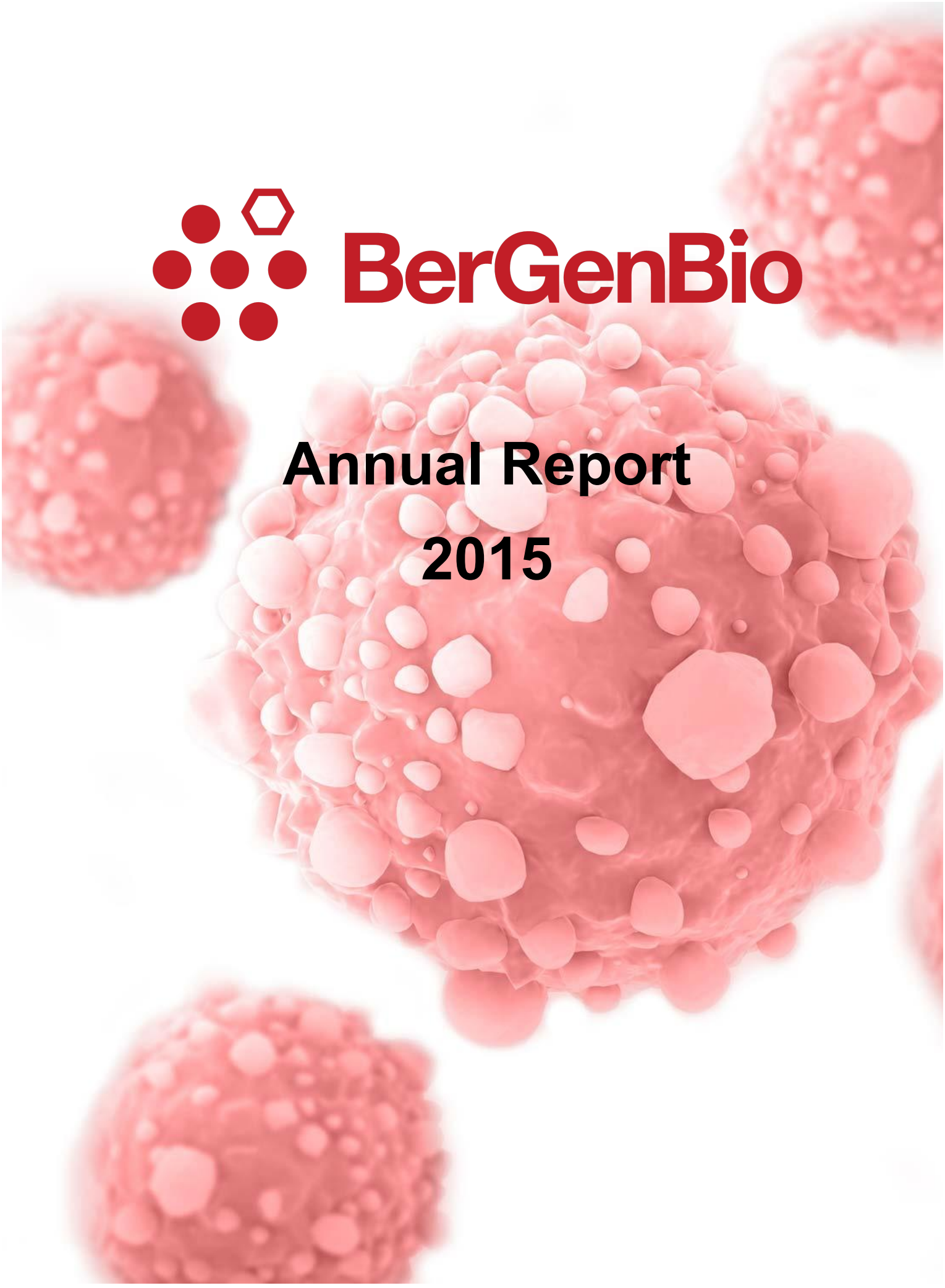

BerGenBio

Annual Report

2015

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Board of Directors report 2015

Summary and highlights

2015 has been a significant year for the Company, as we have continued to advance our lead compound, BGB324, through the clinic.

Phase 1b clinical trials of BGB324 in patients with acute myeloid leukaemia (AML) and myelodysplastic syndrome, and in patients with Stage IIIb and Stage IV non-small cell lung cancer (NSCLC), are progressing well.

Promising new preclinical data also demonstrated the rationale for combining BGB324 with immune checkpoint inhibitors to treat aggressive cancer.

We have further established the business, and worked towards a fundraising which secured NOK 212 million post period in March 2016. These additional funds will allow BerGenBio to fund the development of BGB324, as well as our pipeline of novel epithelial-mesenchymal transition (EMT) inhibitors.

During the year, we were pleased to strengthen the executive management team and Board of Directors with the appointments of Petter Nielsen as Chief Financial Officer; Dr Stener Kvinnsland and Hilde Furberg as Non-Executive Director. In early 2016 Stein H. Annexstad, Kari Grønås and Sveinung Hole joined the Board of Directors as Non-Executive Directors; and Hilde Furberg was appointed Chair of the Board of Directors.

Clinical update on lead asset BGB324

BerGenBio continued to make solid progress in 2015 with the clinical development of its lead drug candidate BGB324.

BGB324 is a first-in-class, highly selective small molecule inhibitor of the Axl receptor tyrosine kinase. It blocks EMT, which is a key driver of immune evasion, acquired drug-resistance and metastasis.

BGB324 is currently being evaluated in a multi-centre Phase 1b trial (BGBC003) in patients with AML and myelodysplastic syndrome; and in a multi-centre open label Phase 1b trial (BGBC004) in patients with Stage IIIb and Stage IV NSCLC in erlotinib-sensitive and refractory patients who have an activating EGFR mutation.

In Q1, the first patient received BGB324 in our Phase 1b trial (BGC004) for patients with NSCLC which is being held at the University of Texas MD Anderson Cancer Center, Houston, Oncology Partners, Houston, and at UT Southwestern Medical Center, Dallas, Texas, USA.

The multi-centre trial is now underway at three sites in Texas. The study, which is designed to: determine the maximum dose of BGB324 that can be safely administered in combination with erlotinib; identify the recommended Phase 2 dose of BGB324; and evaluate the safety, pharmacokinetics and clinical activity of BGB324 in combination with erlotinib.

The Phase 1b trial in AML (BGBC003) is being held at sites in Norway, Germany and the United States and continues to progress well. The first part of the BGBC003 study is a dose escalation process to establish the optimum dose of BGB324 in AML and myelodysplastic syndrome.

Treatment with BGB324 has been well tolerated by patients and early clinical observations are encouraging. One patient remains on treatment for more than one year. Any adverse events that have been reported were anticipated and reversible, they are typical for kinase inhibitors and the patient population.

Key appointments adding strength and breadth to the Company

BerGenBio has continued to grow its organisation and has added key appointments to both its executive management team and Board of Directors in 2015.

In February, Petter Nielsen joined the Company as Chief Financial Officer. Petter has extensive experience related to mergers and acquisitions, IPOs, valuation and IFRS from Ernst & Young where he has worked in the Transaction Advisory Services group. Prior to joining BerGenBio, he held the position of Chief Financial Officer at GexCon AS.

In September, the Company strengthened its Board by appointing Hilde Furberg and Dr Stener Kvinnsland as Non-Executive Directors. Post period, Hilde Furberg was subsequently appointed as Chair of the Board, with prior Chair Susan Foden stepping down but remaining a Non-Executive Director.

Hilde has over 30 years of experience in pharma and biotech and is currently Senior Vice President Rare Disease EU at Sanofi Genzyme. Previously her role was Vice President and General Manager of Nordic Benelux and Nordic General Manager at Genzyme. Prior to joining Genzyme, Hilde was Managing Director and part-owner of Pharmalink A/S and held a number of roles at Baxter including Managing Director, Sweden. She is currently a board member at Pharmalink AB and has held board positions at Algeta ASA, Clavis, Pronova and Probi AB.

Dr Stener Kvinnsland has more than 30 years of experience in oncology. He is Chair of Board, Oslo University Hospital. Among Stener's previous roles, he was Chief Executive Officer of the Bergen Hospital Trust (Helse Bergen), Head of the Department of Oncology and Medical Physics at Haukeland University Hospital, Professor of Medicine (Oncology) at the University of Bergen and Director Clinical R&D, Oncology for Pharmacia & Upjohn in Milan.

In October, Dr Anthony Brown joined BerGenBio as Research Director. He has over 25 years of experience in the drug discovery of both small molecules and biological therapeutics. He has managed strategic alliances with Pharma and Biotech and led several novel programmes in Oncology, from early research through to clinical studies. Previously he has held Senior Management and Director level positions at British Biotech, OSI Pharmaceuticals, Piramed Pharma, Cancer Research Technology and more recently at CellCentric.

Post period end, it was announced that John Barrie Ward and David Wilson have stepped down from the Board. Stein H. Annexstad, Kari Grønås and Sveinung Hole have been appointed as new Non-Executive Directors.

Nordic Stars Award

In September, BerGenBio was awarded one of the Nordic Stars Awards at the Nordic Life Science Days 2015 conference held in Stockholm, Sweden. The award recognised BerGenBio's market-leading innovation and entrepreneurial skills in the Nordic life science community.

Funding to support promising drug development programmes

In 2014, BerGenBio was selected for a £1.6 million (NOK 16 million) Seeding Drug Discovery Award from the UK's Wellcome Trust to fund the next phase of the Company's BGB002 drug development project to a preclinical proof of concept.

As agreed, the Wellcome Trust elected to convert the first tranche of its convertible loan in December 2014; and BerGenBio received the second tranche of NOK 9.2 million in the second quarter of 2015.

Post period, BerGenBio announced that it had secured a capital raise of NOK 212 million in a private placement from existing shareholders, including Investinor AS and Meteva AS. The proceeds will be used primarily to support the ongoing clinical and commercial development of lead asset BGB324, as the Company prepares to open several Phase 2 combination trials.

Additionally, BerGenBio continues to evaluate additional sources of complementary funding to support our promising research and clinical development programmes.

As of 31 December 2015, the Company had cash and cash equivalents of NOK 74 million and including grant funding, the Company expects to be sufficiently funded through to 2017.

Pipeline and pre-clinical progress

In conjunction with the 2015 American Society of Clinical Oncology (ASCO) Annual Meeting in June, researchers from The University of Texas Southwestern, Dallas, Texas published an abstract on the latest data on BGB324 and BGB10C9, an Axl function-blocking monoclonal antibody in preclinical development at BerGenBio. The research demonstrated that selective Axl-targeting with BGB324 or BGB10C9 inhibits tumour progression and blocks metastasis in multiple murine models of

pancreatic cancer. This supports the development of selective Axl-targeting agents to enhance pancreatic cancer treatment.

During the year, the rationale for combining BGB324 and checkpoint inhibitors has been gaining momentum. In September, BerGenBio presented new preclinical data on BGB324 in combination with immune checkpoint inhibitors in a poster at the Inaugural International Cancer Immunotherapy Conference: Translating Science into Survival, in New York.

This data highlights that BGB324, when combined with immune checkpoint inhibitors (anti-CTLA-4 and anti-PD-1) in mouse carcinoma models, showed enhanced tumour clearance, survival and tumour infiltration of cytotoxic T lymphocytes, when compared with checkpoint inhibition alone.

Post period in April 2016, BerGenBio presented preclinical data demonstrating that BGB324 combined with immune checkpoint inhibitors has the potential to synergistically improve treatment of human cancers, at the American Association of Cancer Research Annual Meeting (AACR), in New Orleans, Louisiana.

The data demonstrated that selective inhibition of Axl signalling with BGB324 significantly increased responsiveness to immune checkpoint blockade in syngeneic mammary and lung cancer mouse models. The combination of BGB324 with different immune checkpoint inhibitors (anti-CTLA-4, anti-PD-1, anti-PD-L1) displayed increased infiltration of cytotoxic T lymphocytes and natural killer cells and significantly improved anti-tumour responses.

The data presented at both these conferences suggest that the Company's pipeline of EMT drugs have the potential to be used in combination with immune checkpoint inhibitors, an important emerging class of anti-cancer drug, to enhance their efficacy.

In December, BerGenBio presented one abstract and one poster on BGB324 at the 58th American Society of Hematology Annual Meeting & Exposition (ASH) in San Diego, California. The ASH Annual Meeting is the world's premier event in malignant and non-malignant hematology.

The abstract demonstrated that there are signal transduction changes in AML cells treated with BGB324 *in vitro* and *in vivo*. This paper highlights the ability to use phosphoflow cytometry in monitoring signalling profiles in primary AML cells harvested from patients undergoing BGB324 treatment. Further analyses are ongoing.

The poster that was presented suggests that Axl represents a therapeutic target even in resistant forms of chronic myeloid leukaemia (CML) and therefore Axl inhibitor BGB324 could provide a therapeutic option for patients suffering from CML. Preclinical data showed that BGB324 inhibited Axl in cells that were resistant to tyrosine kinase inhibitor (TKI) therapies, and also prolonged overall survival in CML mouse models. These data highlight the advantage of inhibiting Axl even in the most resistant CML cells, and suggest the need for progressing BGB324 into the clinic for the treatment of CML, alone and in combination with TKIs.

Strategy and outlook

BerGenBio is developing a pipeline of first-in-class oncology drugs by leveraging its leadership position in understanding the complex biology of EMT, a mechanism widely recognised as a key pathway in immune evasion, acquired cancer drug-resistance and metastasis.

There is a significant unmet need for effective novel therapeutics that can address acquired drug resistance in cancer. It is estimated that 50% of the population will be diagnosed with cancer during their lifetime, and 90% of cancer mortality is from tumours that spread, evade the immune system and become drug resistant.[1]

By 2018, the market size in oncology is estimated to be USD 147 billion[2] and the Board believes BerGenBio's pipeline of first-in-class EMT inhibitors have the potential to target this market and provide patients with a much needed therapeutic option for aggressive forms of cancer.

Lead compound, BGB324, is progressing through Phase 1b clinical trials and the Company believes this drug has the potential to offer promising new treatment options for AML and NSCLC.

Additionally, BerGenBio's second drug candidate, BGB002, is on track to enter the clinic in 2017.

Preclinical data suggests it may have a role in treating triple negative breast cancer and other drug resistant cancers that are difficult to treat.

The Company's intention is to develop its drug candidates to their value inflection points, typically proof of concept stage; before deciding whether further clinical development and commercialisation will be sought through strategic alliances and partnerships.

Following the successful securing of funding of NOK 212 million (c. $25 million) in February 2016, the Company is in a strong position to advance its pipeline and continue to establish itself as a leader in the development of innovative drugs for aggressive cancers.

We would like to thank our staff and Board members for their contribution and dedication, all our shareholders for their ongoing support, and we look forward providing an update on our progress during 2016.

1 Cancer Research UK
2 IMS Institute - Global Oncology Trend Report 2015, May 2015

Financial review

Accounting policies

The financial statements of BerGenBio AS have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU on 31 December 2015.

Operating revenues

BerGenBio did not have any operating revenues in 2015, while in 2014 the total operating revenues were NOK 0.6 million. Revenues are related to the out-license of two of the early pipeline assets.

Operating expenses

Net operating expenses increased from NOK 59.4 million in 2014 to NOK 72.9 million in 2015. The cost increase was driven by the acceleration of the development programs and clinical trials. The operating loss for BerGenBio amounted to NOK 72.9 million compared to NOK 58.8 million in 2014.

Research and development cost

The process of developing drug product candidates is often divided into several phases, each used to describe the different aspects of the drug product candidate. The different phases are: the discovery phase, the preclinical development phase and the clinical research phase. BGB324, the first product candidate of BerGenBio is currently in phase 1b of the clinical research phase. Expenditure on research activities was recognised as an expense in the period in which it was incurred. Uncertainties related to the regulatory approval process and results from ongoing clinical trials generally indicate that the criteria for capitalisation of R&D cost are not met until market authorisation is obtained from relevant regulatory authorities. The Company has currently no development expenditure that qualifies for recognition as an asset under IAS 38. Expenses for research and development for the financial year 2015 were NOK 43.6 million, whereas NOK 37.2 million were classified as other operating expenses and NOK 6.4 million were classified as payroll. In 2014 the research and development costs were NOK 39.6 million, whereas NOK 33.4 million and NOK 6.3 million were classified as other operating expenses and payroll respectively.

Net financial items

Net financial items for BerGenBio amounted to NOK 0.8 million for 2015 compared to NOK 1.0 million for 2014. The interest from ordinary bank deposits was approximately on the same level in 2015 and 2014.

Performance

Total comprehensive loss for the year attributable to owners of BerGenBio was NOK -71.7 million for 2015 compared to NOK -60.5 million for 2014. Ordinary earnings per share amounted to NOK -296 in 2015 for BerGenBio compared to NOK -323 in 2014.

Financial position and cash flow

Property, plant and equipment decreased from NOK 0.5 million at the end of 2014 to NOK 0.4 million at the end of 2015.

Cash and cash equivalents were NOK 74.0 million at year-end 2015 for BerGenBio compared to NOK 126.4 million at year-end 2014. The decrease reflects the funding of BerGenBio's operational activities.

Total liabilities for the BerGenBio were NOK 17.6 million in 2015 compared to NOK 14.4 million at year-end of 2014.

Shareholders' equity for BerGenBio was NOK 64.7 million at the end of 2015, with an equity ratio of 78.6% compared to NOK 121.6 million in 2014 (equity ratio of 89.4%).

The total cash flow from operating activities was NOK -62.9 million in 2015, compared to NOK -53.7 million in 2014. Total cash flow from investing activities was NOK 0 million in both 2015 and 2014.Total cash flow from financing activities was net NOK 10.5 million for 2015 compared to NOK 168.0 million in 2014.

Deferred tax assets were not recognised in the statement of financial position as BerGenBio is in a development phase and is currently generating losses.

The Board stated that the annual accounts represent a true and fair view on the Company's financial position at the turn of the year. According to the Norwegian Accounting Act §3-3 (a), the Board of Directors confirmed that the financial statements have been prepared under the assumption of going concern.

Allocation of the 2015 result

BerGenBio AS' annual result amounted to a loss of NOK -72.1 million. The Board of Directors proposed that the loss is transferred to share premium.

Financial risks

Interest rate risk

The Company holds NOK 74.0 million in cash and cash equivalents and does not have any borrowings. The Company's interest rate risk is therefore in the rate of return of its cash on hand. Bank deposits are exposed to market fluctuations in interest rates, which affect the financial income and the return on cash. The Company had NOK 1.5 million in interest income as of 31 December 2015.

Exchange rate risk

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from the clinical trials and research expenses. The Company is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP) and US dollar (USD).

The Company has chosen not to hedge its operational performance as the Company's cash flow is denominated in several currencies that change depending on where clinical trials are run. The foreign currency exposure is also mostly linked to trade payables with short payment terms. The Company might consider changing its current risk management of foreign exchange rate if it deems it necessary.

Credit risk

Credit risk is the risk of counterparty's default in a financial asset, liability or customer contract, giving a financial loss. The Company's receivables are generally limited to receivables from public authorities by way of government grants. The credit risk generated from financial assets in the Company is limited since it is cash deposits. The Company only places its cash in bank deposits in recognised financial institutions to limit its credit risk exposure.

The Company has not suffered any loss on receivables during 2015 and the Company considers its credit risk as low.

Liquidity risk

Liquidity is monitored on a continual basis by Company management. Management considers the Company's liquidity situation to be satisfactory. The Company also secured equity funding of NOK 212 million in February 2016. The available cash will support the execution of our R&D and pre-commercialisation strategy through to 2017. The cash position of the Company at year-end 2015 was NOK 74.0 million, compared to NOK 126.4 million in 2014.

Non-financial risks

Technology risk

The Company's lead product candidate BGB324 is currently in Phase 1b clinical trials. This is regarded as an early stage of development and the Company's clinical studies may not prove to be successful.

Competitive technology

The Company operates in a highly competitive industry with many large players and subject to rapid and substantial technological change.

Market risks

The financial success of the Company requires obtaining acceptable price and reimbursement. There can be no guarantee that the Company's drugs will obtain the selling prices or reimbursement levels foreseen by the Company.

The Company will need approvals from the US Food and Drug Administration (FDA) to market its products in the US, and from the European Medicines Agency (EMA) to market its products in Europe, as well as equivalent regulatory authorities in other foreign jurisdictions to commercialise in those regions. The Company's future earnings are likely to be largely dependent on the timely approval of BGB324 for various indications.

Personnel and organisation

BerGenBio's senior management team at year-end consists of Richard Godfrey, Chief Executive Officer, Jim Lorens, Chief Scientific Officer, Petter Nielsen, Chief Financial Officer, Murray Yule, Chief Development Officer, and Anthony Brown, Research Director.

BerGenBio AS is a limited company incorporated and domiciled in Norway.

The Company rents premises in Bergen for its office and laboratory purposes under two rental agreements. The rental agreements expire on 1 December 2020 with an option for extension. The Company also rents office premises in Oxford on a short-term lease.

Health, safety and environment (HSE)

At the end of 2015, the Company employed 19 people, of which 2 are part time employed. This is an decrease of 2 employees compared to the end of 2014. The working environment in the Company is considered to be good. No accidents or injuries were registered in 2014. Absence due to illness in BerGenBio totalled 25 working days in 2015, which corresponds to 0.5% of total working days compared to 0.5% (21 working days) in 2014.

BerGenBio aims to be a workplace with equal opportunities for women and men in all areas. The Company has traditionally recruited from environments where the number of women and men is relatively equally represented. In terms of gender equality within the Company, 43% of Board members are women, and 0% of the senior management team.

BerGenBio promotes a productive working environment and does not tolerate disrespectful behaviour. BerGenBio is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination or retirement based on ethnic and national origin, religion, sex or other distinguishing characteristics is never acceptable. BerGenBio will not use force of any form or involuntary labour or employ any persons below the legal minimum age. BerGenBio shall strive to achieve a vision of zero harm to people, the environment and society, and work purposefully and systematically to reduce the environmental impact. The Company's services shall always be subject to strict requirements in terms of quality, safety and impacts on personal health and the environment.

External environment

The Company does not pollute the external environment to a greater extent than is normal for this industry. All production and distribution is outsourced to carefully selected qualified vendors.

Bergen, 13 May 2016, The Board of Directors, BerGenBio AS

Financial statements

Statement of profit or loss and other comprehensive income

1 January - 31 December
(NOK 1000)

	Note	2015	2014
Revenue	4		**598**
Employee benefit expenses	5, 7, 10	25 160	17 598
Depreciation	8	179	179
Other operating expenses	7, 13	47 586	41 645
Total operating expenses		**72 925**	**59 422**
Operating profit		**-72 925**	**-58 824**
Finance income	11	2 512	2 304
Finance expense	11	1 693	1 261
Financial items, net		**818**	**1 044**
Profit before tax		**-72 107**	**-57 780**
Income tax expense	12		-
Profit after tax		**-72 107**	**-57 780**
Other comprehensive income			
Items which will not be reclassified over profit and loss			
Actuarial gains and losses on defined benefit pension plans	10	443	-2 704
Total comprehensive income for the year		**-71 664**	**-60 484**
Earnings per share:			
- Basic and diluted per share	14	-296,26	-323,44

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Statement of financial position

31 December
(NOK 1000)

	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	8	361	540
Total non-current assets		**361**	**540**
Current assets			
Other current assets	15	8 038	9 124
Cash and cash equivalents	16	73 993	126 357
Total current assets		**82 031**	**135 482**
TOTAL ASSETS		**82 392**	**136 022**
EQUITY AND LIABILITIES			
Equity			
Paid in capital			
Share capital	18	2 479	2 415
Share premium	18	49 944	112 442
Other paid in capital	6, 18	12 324	6 747
Total paid in capital		**64 747**	**121 605**
Total equity		**64 747**	**121 605**
Non-current liabilities			
Pension liability	10	4 273	4 464
Convertible loan	17	1 119	-
Derivative financial liablility	17	189	-
Total non-current liabilities		**5 580**	**4 464**
Current liabilities			
Accounts payable		5 269	4 403
Other current liabilities	19	5 217	4 266
Provisions	20	1 580	1 285
Total current liabilities		**12 065**	**9 953**
Total liabilities		**17 645**	**14 418**
TOTAL EQUITY AND LIABILITIES		**82 392**	**136 022**

Bergen, 13 May 2016, The Board of Directors, BerGenBio AS

Statement of changes in equity

(NOK 1000)

	Note	Share capital	Share premium	Equity-settled share-based payments	Total equity
Balance at 1 January 2015		**2 415**	**112 442**	**6 747**	**121 605**
Loss for the year		-	-72 107	-	-72 107
Other comprehensive income (loss) for the year, net of income tax		-	443	-	443
Total comprehensive income for the year		**-**	**-71 664**	**-**	**-71 664**
Recognition of share-based payments	5 ,6	-	-	5 576	5 576
Calculated interest element on convertible loan	11,17	-	-	-	-
Issue of ordinary shares	18	64	9 166	-	9 230
Share issue costs	18	-	-	-	-
Balance at 31 December 2015		**2 479**	**49 944**	**12 324**	**64 747**

	Note	Share capital	Share premium	Equity-settled share-based payments	Total equity
Balance at 1 January 2014		**1 123**	**6 165**	**4 759**	**12 047**
Loss for the year		-	-57 780	-	-57 780
Other comprehensive income (loss) for the year, net of income tax		-	-2 704	-	-2 704
Total comprehensive income for the year		**-**	**-60 484**	**-**	**-60 484**
Recognition of share-based payments	5 ,6	-	-	1 988	1 988
Calculated interest element on convertible loan	11,17	-	94	-	94
Issue of ordinary shares	18	1 292	171 982	-	173 274
Share issue costs	18	-	-5 315	-	-5 315
Balance at 31 December 2014		**2 415**	**112 442**	**6 747**	**121 605**

Statement on cash flow

1 January - 31 December
(NOK 1000)

	Note	2015	2014
Cash flow from operating activities			
Loss before tax		-72 107	-57 780
Non-cash adjustments to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	8	179	179
Calculated interest element on convertible loan	11,17	232	94
Share-based payment expense	5	5 576	1 988
Movement in provisions and pensions	10, 20	547	857
Working capital adjustments:			
Decrease in trade and other receivables and prepayments		1 086	-4 145
Increase in trade and other payables		1 584	5 093
Net cash flow from operating activities		**-62 902**	**-53 715**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	-	-
Net cash flow used in investing activities		**-**	**-**
Cash flows from financing activities			
Proceeds from issue of share capital	18	-	167 959
Proceeds from borrowings, convertible loan		1 307	-
Conversion of loan by issue of share capital		9 230	-
Net cash flow from financing activities		**10 538**	**167 959**
Net increase/(decrease) in cash and cash equvivalents		-52 365	114 245
Cash and cash equivalents at beginning of period	16	126 357	12 113
Cash and cash equivalents at end of period	16	**73 993**	**126 357**

Notes to the Financial Statements

Note 1 – Corporate information

BerGenBio AS ("the Company") is a limited company incorporated and domiciled in Norway. The address of the registered office is Jonas Lies vei 91, 5009 Bergen, Norway.

The Company is a clinical stage biopharmaceutical company focused on developing innovative drugs for aggressive, drug resistant cancers.

The Company is a world leader in understanding epithelial-mesenchymal transition (EMT) biology, which is widely recognised as a key pathway in acquired cancer drug-resistance and metastasis. Building on this original biological insight BerGenBio is developing a promising pipeline of novel EMT inhibitors.

BerGenBio intends to develop its product candidates to proof of concept stage; further clinical development and subsequently commercialisation will be through strategic alliances and partnerships with experienced global bio-pharma oncology businesses.

The Company is not part of a group and does consequently not prepare consolidated financial statements. Publication of the financial statements for the year ending 31st December 2015 was approved by the Board of Directors on 13th May 2016.

Note 2 – Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all periods presented. Amounts are in Norwegian kroner (NOK) and all values are rounded to the nearest thousand (NOK 000), except when otherwise indicated. The functional currency of the Company is NOK.

Basis of preparation

The financial statements of BerGenBio AS have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and Norwegian disclosure requirements listed in the Norwegian Accounting Act.

The financial statements have been prepared on a historical cost basis, with exception of certain financial instruments measured at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Company's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The financial statements provide comparative information in respect of the previous period.

The Company works continuously to ensure financial flexibility in the short and long term to achieve its strategic and operational objectives. Capital markets are used as a source of liquidity when this is appropriate and when conditions in these markets are acceptable. The Company secured a capital raise of NOK 212 million in a private placement in February 2016. The Board of Directors has reasonable expectation that the Company will maintain adequate resources to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis in preparing its financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, and is recognised excluding taxes or duties.

The Company's products are still in the research and development phase, and have limited revenue from sales of products yet.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is recognised in the income statement in the same period as the related costs, and presented net. Government grants are recognised at the value of the contribution at the transaction date.

Government grants are normally related to either reimbursements of employee costs and classified as a reduction of payroll and related expenses, or related to other operating activities and thus classified as a reduction of other operating expenses.

Research and development costs

Research costs are expensed as incurred. Internal development costs related to the Company's development of products are recognised in the income statement in the year incurred unless it meets the asset recognition criteria of IAS 38 "Intangible Assets". An internally generated asset arising from the development phase of an R&D project is recognised as an intangible asset if the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and use of sell the asset
- The ability to measure reliably the expenditure during development

Uncertainties related to the regulatory approval process and results from on-going clinical trials, generally indicate that the criteria are not met until the time when marketing authorisation is obtained from relevant regulatory authorities. The Company has currently no development expenditure that qualifies for recognition under IAS 38.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Acquisition cost includes expenditures that are directly attributable to the acquisition of the individual item. Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the asset. If significant individual parts of the assets have different useful lives, they are recognised and depreciated separately. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated over the estimated useful lives of the assets, as follows:

- Computer equipment 5 years
- Other equipment 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of the property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

The Company has not entered into any finance lease arrangements.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Company's financial assets include loans and receivables.

The Company does not have financial assets at fair value through profit and loss.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two categories

- Financial assets at fair values through profit and loss
- Loans and receivables

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Company has not designated any financial assets at fair value through profit or loss.

Loans and receivables

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised costs is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more information on receivables, refer to Note 15.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired
  Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, and loans and borrowings.

Convertible loan

The Company has a convertible loan agreement where the number of equity instruments required to settle the contract is not fixed. This is a financial liability consisting of a loan and an embedded derivative. As the number of equity instruments required to settle is not fixed the derivative does not fulfil the requirements of an equity instrument, and is therefore a financial liability rather than a equity component.

On issuance of the convertible loan, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised as a derivate liability. The carrying amount of the conversion option is not remeasured in subsequent years.

Subsequent measurement

The measurement of financial liabilities depends on their classifications, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Share-based payments

The Company operates an equity-settled, share-based compensation plan, under which the Company receives services from employees and members of the Board as consideration for share-based payments (options). The share-based compensation is an equity-settled transaction.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The fair value of the options granted is measured using the Black-Scholes model. Measurement inputs include share price on the measurement date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends and the risk-free interest rate.

When the options are exercised, the Company will issue new shares. The proceeds received net of any directly attributable transaction costs are recognised as share capital (nominal value) and share premium reserve.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Foreign currencies

The Company's financial statements are presented in NOK, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Pensions and other post-employment benefits

The Company operates a defined benefit pension plan in, which requires contributions to be made to a separately administered fund. The Company also provides certain additional post employment healthcare benefits to employees. These benefits are unfunded.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

New and amended standards and interpretations

The Company has evaluated that none of the new standards will have any material impact based on the business as of today, except from IFRS 16, the new leases standard.

Note 3 – Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Share-based payments

The Company initially measures the cost of cash-settled transactions with employees using the Black & Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about pension obligations are given in Note 10.

Note 4 – Segments

The Company had no revenues in 2015 and limited revenues in 2014. The revenues in 2014 are related to licensing of an antibody within Europe.

For management purposes the Company is organised as one business unit and the internal reporting is structured in accordance with this.

Note 5 – Payroll and related expenses

	2015	2014
Salaries	16 850	13 489
Social security tax	2 500	2 845
Pension expense	2 001	1 336
Bonus	1 222	277
Share option expense employees	5 576	1 988
Other remuneration	1 322	753
Government grants	-4 312	-3 091
Total payroll and related expenses	**25 160**	**17 598**
Average number of full time equivalent employees	20	21

Management remuneration

Total remuneration to management during the year ended 31 December 2015

			Salary	Bonus	Pension cost	Other remuneration
Richard Godfrey (CEO)		A)	1 594	-	233	12
Petter Nielsen (CFO)	1)	B)	1 055	-	139	11
James B Lorens (CSO)	2)	C)	456	-	46	3
Total remuneration			**3 105**	**-**	**419**	**27**

1) Employed part-time in a 100% position as of February 2015
2) Employed part-time in a 20% position.

For management participating in the option program, the expense charged to the profit or loss for 2015 is as follows:

A. Richard Godfrey, NOK 1,840,160
B. Petter Nielsen, NOK 371,489
C. James Lorens, NOK 1,557,015

In the event of termination of the CEO's employment contract by the Company without cause, he is entitled to 12 months notice or severance payment in lieu of equivalent salary, bonus and benefits. In the event of a change of control the CEO is entitled to compensation of 18 months' salary and at the CEO's sole discretion buy back of his

shares to fair market value, both in the event that the employment agreement is terminated within 18 months of a change of control of the Company.

Total remuneration to management during the year ended 31 December 2014

			Salary	Bonus	Pension cost	Other remuneration
Richard Godfrey (CEO)		A)	1 387	125	190	12
Marit Wick (CFO)	1)		355	-	76	7
James B Lorens (CSO)	2)	B)	429	125	36	8
David R Micklem (Director of Diagnostics & Biomarkers)		C)	864	-	131	8
Sergej Kiprijanov (Director of Preclinical & Biologics)			1 084	-	193	8
Total remuneration			**4 120**	**250**	**626**	**43**

1) Employed part-time in a 20% position. Marit Wick held the position as CFO until 31 October 2014.
2) Employed part-time in a 20% position.

For management participating in the option program, the expense charged to the profit or loss for 2014 is as follows:

A. Richard Godfrey, NOK 625,251
B. James Lorens, NOK 458,417
C. David Micklem, NOK 150,294

The remuneration to the Board of Directors for the year ended 31 December

			Served since	Served until	2015	2014
Susan Foden		A)	September 2011		338	180
John Barrie Ward		B)	June 2012		160	135
David Ian Wilson		C)	June 2013		160	135
Jon Øyvind Eriksen			January 2012		-	-
Rune Rinnan			October 2011	June 2015	-	-
Hans Ivar Robinson			October 2011	June 2015	-	-
Sveinung Hole			June 2010	June 2015	-	-
Hilde Furberg	1)		June 2015		87	-
Stener Kvinnsland	2)		September 2015		83	-
Kåre Rommetveit	3)		June 2014	June 2015	30	30
Total remuneration					**858**	**479**

1) Hilde Furberg was appointed to the Board of Directors in June 2015, and the remuneration covers the period from June until year-end
2) Stener Kvinnsland, was appointed to the Board of Directors as of September 2015. Of his remuneration NOK 53,333 relates to his remuneration for being on the Board of Directors. Prior to joining the Board of Directors he was in the Nomination Committee and has received a remuneration of NOK 30,000 for this work.
3) Kåre Rommetveit was a member of the Board of Directors until June 2015

For members of the Board of Directors participating in the option program, the expense charged to the profit or loss for 2015 (2014) is as follows:

A. Susan Foden, NOK 316,795 (2014: NOK 244,707)
B. John Barrie Ward, NOK 99,637 (2014: NOK 70,784)
C. David Ian Wilson, NOK 99,637 (2014: NOK 144,504)

Members of management and Board of Directors participating in the option program

Option holder	Number of options outstanding	Grant date	Expiry date	Exercise price (NOK)
Richard Godfrey	500	10-Sep-10	31-Dec-17	565,00
	1 000	27-May-11	31-Dec-17	756,00
	750	21-Jun-12	31-Dec-17	1 061,72
	1 500	3-Sep-13	3-Sep-21	1 061,72
	750	13-Jun-13	13-Jun-21	1 061,72
	1 200	11-Jun-14	11-Jun-22	1 115,00
	2 750	22-May-15	22-May-23	1 601,00
James B Lorens	500	10-Sep-10	31-Dec-17	565,00
	250	27-May-11	31-Dec-17	756,00
	750	21-Jun-12	31-Dec-17	1 061,72
	550	3-Sep-13	3-Sep-21	1 061,72
	1 000	13-Jun-13	13-Jun-21	1 061,72
	700	11-Jun-14	11-Jun-22	1 115,00
	2 750	22-May-15	22-May-23	1 601,00
Petter Nielsen	1 000	22-May-15	22-May-23	1 601,00
Anthony Brown	1 000	2-Sep-15	2-Sep-23	1 601,00
Susan Foden	1 000	18-Jun-12	18-Jun-20	1 061,72
	550	3-Sep-13	3-Sep-21	1 061,72
	250	20-Jun-13	20-Jun-21	1 061,72
	500	19-Jun-14	19-Jun-22	1 115,00
John Barrie Ward	500	28-Jun-12	28-Jun-20	1 061,72
	175	20-Jun-13	20-Jun-21	1 061,72
	200	19-Jun-14	19-Jun-22	1 115,00
David Ian Wilson	675	20-Jun-13	20-Jun-21	1 061,72
	200	19-Jun-14	19-Jun-22	1 115,00
Total	**21 000**			

Note 6 – Employee share option program

The Company has a share option scheme for employees. Each option gives the right to acquire one share of the Company on exercise. Since the start of the option scheme no options have been exercised.

The Company has a share option program to ensure focus and align the Company's long-term performance with shareholder values and interest. Most of the employees in the Company take part in the option program. The program also serves to retain and attract senior management.

The exercise price for options granted is set at the market price of the shares at the time of grant of the options. In general, for options granted after 2012 the options expire eight years after the date of grant.

The options vest at milestones that are significant for the Company and/or significant to the responsibility of the employee. There are many different vesting milestones associated with the options as these have been granted over several years where different short- and long-term objectives have been prioritised as vesting criteria's. For options granted in 2013 and 2014 the majority vest at IPO/Exit. Options granted in prior periods have been linked to among other successful funding at various stages of the company's development, filing of IMPD/IND for BGB324, IMPD approval, start of Phase 1 clinical trials, in-licensing of an Axl small molecule, development of biomarker and bioassay for use in clinical trials and other similar criteria's.

The following equity incentive schemes were in place in the current year:

	Number of options	Grant date	Expiry date	Exercise price
Granted in September 2010	2 250	Sep 2010	Dec 2017	565,00
Granted in May 2011	1 750	May 2011	Dec 2017	756,00
Granted in June 2012	2 850	Jun 2012	Dec 2017	1 061,72
Granted in June 2012	2 250	Jun 2012	Jun 2020	1 061,72
Granted in June 2013	3 600	Jun 2013	Jun 2021	1 061,72
Granted in September 2013	4 000	Sep 2013	Sep 2021	1 061,72
Granted in June 2014	2 800	Jun 2014	Jun 2022	1 115,00
Granted in May 2015	6 500	May 2015	May 2023	1 601,00
Granted in September 2015	2 600	Sep 2015	Sep 2023	1 601,00
Forfeited	-75			1 061,72
Total	**28 525**			

	2015		2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at 1 January	19 500	984,62	16 700	962,76
Granted during the year	9 100	1 601	2 800	1 115,00
Exercised during the year	-	-	-	-
Forfeited	- 75	1 601	-	-
Balance at 31 December	**28 525**	**1 181,05**	**19 500**	**984,62**

The weighted average fair value of the options granted in the period in 2015 is NOK 630.71, totalling to NOK 5.7 million, while it for same period in 2014 was NOK 484.75, totalling to NOK 1.4 million.

	2015	2014
Options vested at 1 January	9 600	8 826
Vested in the period	1 826	774
Options vested at 31 December	**11 426**	**9 600**
Total outstanding number of options	28 525	19 500
Total intrinsic value at the end of the period (NOK000)	11 205	12 019

The options are valued using the Black & Scholes model.

The risk free interest rates are based on rates from Norges Bank and Oslo Børs on the Grant Date (bonds and certificates) equal to the expected term of the option being valued. Where there is no exact match between the term of the interest rates and the term of the options, interpolation is used to estimate a comparable term.

The vesting period is the period during which the conditions to obtain the right to exercise must be satisfied. Most of the options vest dependent on meeting milestones and is thus dependent on a performance condition. The Company has estimated an expected vesting date and this date is used as basis for the expected lifetime. The Company expects the options to be exercised earlier than the expiry date. For Options granted earlier than 2014, the mean of the expected vesting date and expiry date has been used to calculate expected lifetime due to the lack of exercise pattern history for the Company and experience from other companies in combination with the relatively long lifetime of these options (up to 8 years). For Options granted in 2014 or later, it has been assumed that the holders will exercise their options earlier as the shares have been assumed to be tradable, hence an assumption has been made that these options will be exercised on average 1 year following vesting as most of these have vesting contingent on Exit/IPO or condition expected to be met after Exit/IPO.

As the Company's shares are not listed there are no historical share prices to calculate the historical volatility, therefore the historical volatility of similar listed companies is used. 70% expected future volatility has been applied.

For the twelve month period ending 31 December 2015 the value of the share options expensed through the profit or loss amounts to NOK 5.6 million (for the same period in 2014: NOK 2.0 million). In addition a provision for social security contributions on share options of NOK 0.3 million (for the same period in 2014: NOK 1.1 million) is recognised based on the difference between the share price and exercise price on exercisable option as at the end of the period.

Note 7 – Government grants

Government grants have been recognised in the profit or loss as a reduction of related expense with the following amounts

	2015	2014
Payroll and related expenses	4 312	3 091
Other operating expenses	7 475	7 364
Total	**11 787**	**10 456**

Grants receivable as at 31 December are detailed as follows:

	2015	2014
Grants from Research Council, BIA	2 270	3 817
Grants from Research Council, PhD	394	470
Grants from SkatteFunn	4 145	3 968
Total	**6 809**	**8 255**

BIA grants from the Research Council:

The Company has been awarded with two grants from the Research Council, programs for user-managed innovation arena (BIA).

The first BIA grant ("Targeting Cancer Stem Cells with Axl inhibitors to Treat Advanced Metastatic Cancer") totals to NOK 11.7 million and covers the period from June 2012 to May 2015. The Company has recognised NOK 1.3 million (2014: NOK 2.9 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses. The first BIA grant was concluded in Q2 2015.

The second BIA grant ("Novel therapeutics targeting the EMT/Axl pathway in aggressive cancers") totals to NOK 13.2 million and covers the period from May 2014 to April 2017. The Company has recognised NOK 5,0 million (2014: NOK 2.9 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

The third BIA grant ("Axl targeting therapeutics to treat fibrotic diseases") totals to NOK 12.0 million and covers the period from April 2015 to March 2018. The Company has recognised NOK 0.6 million (2014: NOK 0 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

PhD grants from the Research Council:

BerGenBio has been awarded four grants supporting Industrial PhDs for the period from September 2010 through July 2017. The fellowship covers 50% of the established current rates for doctoral research fellowships and an operating grant to cover up to 50% of additional costs related to costly laboratory testing connected with the research fellow's doctoral work.

The Company has recognised NOK 0.8 million (2014: NOK 0.8 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

SkatteFunn:

R&D projects have been approved for SkatteFunn (a Norwegian government R&D tax incentive program designed to stimulate R&D in Norwegian trade and industry) for the period from 2012 until the end of 2015. The Company has recognised NOK 4.1 million in 2015 (2014: NOK 4.0 million) classified partly as reduction of payroll and related expenses and partly as a cost reduction of other operating expenses.

Note 8 – Property, plant and equipment

Year ended 31 December 2015	IT equipment	Furniture and fittings	Total
Cost at 1 January 2015	16	879	895
Additions in the year			-
Disposals in the year	-	-	-
Cost at 31 December 2015	**16**	**879**	**895**
Accumulated depreciatioan at 1 January 2015	- 9	- 346	- 354
Depreciation in the year	- 3	- 176	- 179
Accumulated depreciatioan at 31 December 2015	**- 12**	**- 521**	**- 533**
Net carrying amount at 31 December 2015	**4**	**357**	**361**
Estimated useful life	5 years	5 years	
Depreciation method	Straight-line	Straight-line	

Year ended 31 December 2014	IT equipment	Furniture and fittings	Total
Cost at 1 January 2014	16	879	895
Additions in the year	-	-	-
Disposals in the year	-	-	-
Cost at 31 December 2014	**16**	**879**	**895**
Accumulated depreciatioan at 1 January 2014	- 6	- 170	- 175
Depreciation in the year	- 3	- 176	- 179
Accumulated depreciatioan at 31 December 2014	**- 9**	**- 346**	**- 354**
Net carrying amount at 31 December 2014	**7**	**533**	**540**
Estimated useful life	5 years	5 years	
Depreciation method	Straight-line	Straight-line	

Expenses for research and development for the financial year 2015 is NOK 43.6 million, of which NOK 37.2 million is classified as other operating expenses and NOK 6.4 million is classified as payroll.

For 2014 NOK 39.6 million was expensed for research and development, of which NOK 33.4 million was classified as other operating expenses and NOK 6.3 million was classified as payroll. The figures are net of government grants that have been recognised in the profit or loss as a reduction of related expense.

The Company has not entered any arrangements that are classified as finance leases.

Note 9 – Leases

The Company has not entered into any arrangements that are classified as finance leases. The following arrangements are classified as operating leases:

The Company rents premises in Bergen for office and laboratory purposes under two rental agreements. In addition to the rent the Company is charged for a proportionate share of common variable expenses.

The rented premises are in total 245 square metres. Both rental agreements expire on 1 December 2020, with an option of extension for an additional 5 plus 5 years. The rental agreements can be terminated by either party with a 12 months notice period.

The annual rental amount, including the share of common variable expense, for the premises is NOK 359 517 (2014: NOK 359 516).

The rent is subject to a yearly adjustment in accordance with the Norwegian consumer price index.

Under the same rental agreement the Company has access to the use of defined scientific equipment at a cost of NOK 39 583 (2014: NOK 38 430) per employee per year. The price is subject to a yearly adjustment of 3.5%.

From September 2015 the Company rents a 42 square meters office in Magdalen Centre, The Oxford Science Park, UK. The rental agreement can be terminated by either party with a one months notice period. The monthly rental amount is GBP 2,415.

Future minimum rental payable for premises	2015	2014
Within 1 year	413	370
Within 1-5 years	-	-
Over 5 years	-	-
Total	**413**	**370**

Note 10 – Pensions

The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon").

The Company has a pension scheme that complies with the Act on Mandatory company pensions.

The Norwegian employees are covered by the Company's defined benefit scheme. The scheme is insured and through this scheme the member will be guaranteed a certain level of pension payments based on their last salary level.

Pension adjustments are made annual following the annual payaward determined by the compensation committee and shall at the minimum equal the inflation adjustment. As of 31 December 2015 there are 21 active people covered by the pension scheme.

The effect of the difference between actual return on the pension assets and the discount rate will be recognised in other comprehensive income in the statement of comprehensive income in accordance with the regulation in IAS 19. In 2015 NOK -0.4 million (2014: NOK 2.7 million) is recognised in other comprehensive income (OCI). The actuarial calculation uses risk tables. The mortality table, K2013, is based on best estimates for the population in Norway.

The year's pension costs are calculated as follows:	2015	2014
Current service cost	2 010	1 152
Interest expense/(income)	74	45
Administration costs	10	8
Payroll tax	295	170
Total	**2 389**	**1 375**

Pension liabilities and pension assets:	2015	2014
	Funded	Funded
Change in gross pension obligation:		
Projected benefit obligation as of 1 January	8 284	4 887
Gross pension expense	2 200	1 347
Pensions paid during the period	-	- 47
Interest cost	-	-
Actuarial gains/losses	604	2 097
Benefits paid	-	-
Gross pension obligation as of 31 December	**11 089**	**8 284**
Change in plan assets:		
Fair value of plan assets as of 1 January	4 372	3 172
Investments in pension fund assets	1 873	1 378
Actual return on pension assets	116	149
Pensions paid during the period	- 10	- 55
Actuarial gains/losses	992	- 273
Fair value of the plan assets as of 31 December	**7 344**	**4 372**
Net pension obligation	**3 745**	**3 913**
Net pension obligation including payroll tax	**4 273**	**4 464**

Changes in the liabilities:	2015	2014
Net liability as of 1 January	4 464	1 957
Pension costs recognised in the income statement	2 389	1 375
Premium payments (exclusive of adm. cost)	-	-
Administration cost	- 443	2 704
Acquisitions and sales	-2 138	-1 572
Net liability as of 31 December	**4 273**	**4 464**

The actuary assumptions used are:	2015	2014
Discount rate	2,50%	2,30%
Return on assets	2,50%	2,30%
Wage growth in %	2,50%	2,75%
Pension adjustments in %	2,25%	0,00%
Average turnover	0,00%	0,00%

Note 11 – Financial income and expense

	2015	2014
Financial income		
Interest income on tax repaid	19	11
Interest income on bank deposits	1 466	1 457
Other finance income	1 026	837
Total financial income	**2 512**	**2 304**

	2015	2014
Financial expense		
Other interest expense	26	12
Calculated market interest rate on convertible loan	232	94
Other finance expense	1 435	1 155
Total financial expense	**1 693**	**1 261**
Net financial income	**818**	**1 044**

For interest calculation on the convertible loan see Note 17.

Note 12 – Income tax

In the filed tax papers for 2014 a change was done compared to the tax note in the financial statements for 2014. The change was related to tax deduction for intangible assets of NOK 82 million. The tax deduction is part of the tax losses carried forward in 2015. There is still an opportunity that the tax authorities will not accept this tax deduction.

The Company has a tax loss of NOK 71 million in 2015, and in total a tax loss carried forward as of 31 December 2015 of NOK 225 million. There are no timing restrictions on carrying forward the tax loss, and it can be carried forward indefinitely.

The deferred tax asset has not been recognised in the statement of financial position, as the Company does not consider that taxable income in the short-term will sufficiently support the use of a deferred tax asset.

	2015	2014
Pre-tax profit	**-72 107**	**-57 780**
Income taxes calculated at 27%	-19 469	-15 601
Adjustment in respect of current income tax of previous years		-
Changes in unrecognised deferred tax asset		-
Non deductible expenses	384	-1 947
Non-taxable income		-
Change in temporary differences		-
Effect of change in tax rate	4 616	-
Change in deferred tax asset not recognized	14 469	17 548
Tax expense	**-**	**-**
Income tax expense reported in income statement	-	-
Tax expense attributable to discontinued operation	-	-
Income tax expense	**-**	**-**

Deferred tax and deferred tax assets

	2015	2014
Deferred tax assets		
Pensions	-4 273	-4 464
Tax losses carried forward	-224 874	-72 750
Property, plant and equipment	- 52	-81 597
Inventory		-
Other	-1 580	-1 285
Deferred tax asset not recognized	230 779	160 096
Deferred tax assets - gross	**-**	**-**

Note 13 – Other operating expenses

	2015	2014
Program expenses	34 341	32 264
Office rent and expenses	1 028	1 007
Consultants R&D projects	4 632	5 688
Patent and licence expenses	3 222	5 538
Other operating expenses	11 838	4 512
Government grants	-7 475	-7 364
Total	**47 586**	**41 645**

Specification auditor's fee

	2015	2014
Statutory audit	93	90
Other assurance services	474	34
Other non-assurance services		-
Tax consultant services	8	8
Total	**575**	**132**

Note 14 – Earnings per share

	2015	2014
Loss for the year	-72 107	-57 780
Average number of outstanding shares during the year	243 386	178 641
Earnings (loss) per share - basic and diluted (NOK)	**-296,26**	**-323,44**

Share options issued have a potential dilutive effect on earnings per share. No dilutive effect has been recognised as potential ordinary shares only shall be treated as dilutive if their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. As the Company is currently loss making an increase in the average number of shares would have anti-dilutive effects.

Note 15 – Other current assets

	2015	2014
Government grants	6 809	8 255
Refundable VAT	1 021	718
Pepaid expenses	172	150
Other receivables	37	2
Total	**8 038**	**9 124**

Note 16 – Cash and cash equivalents

	2015	2014
Employee withholding tax	599	513
Deposits	21	21
Short-term bank deposits	73 373	125 824
Total	**73 993**	**126 357**

Of the total balance in cash and cash equivalents, NOK 0.6 million (2014: NOK 0.5 million) relates to restricted funds for employee withholding taxes.

The Company's short-term bank deposits are on variable rate terms.

Note 17 – Convertible loan

The Company has entered into a convertible loan agreement with Wellcome Trust Limited ("Wellcome") under which Wellcome has granted to the Company an unsecured convertible loan in the amount of GBP 1,605,000. The convertible loan is paid in three tranches, based on achieving defined milestones. As of the end of 2015 the Company has received all three tranches of the loan. Wellcome may at its discretion require issuance of new these shares at a 10% discounted price of the previous financing round or in the event of conversion immediately prior to listing, at a discount of 10% to the intended share price at listing.

The first tranche of the loan was received in October 2014 and was in December 2014 converted to 5,741 new shares in the Company. The second tranche of the loan amounting to GBP 746,000 was received in May 2015 and was in September 2015 converted to 6,406 new shares in the Company. The last tranche of the loan amounting to GBP 100,000 was received in December 2015.

The convertible loan is treated as a financial liability consisting of a loan and an embedded derivative. As the number of equity instruments required to settle is not fixed the derivative does not fulfil the requirements of an equity instrument, and is therefore a financial liability rather than an equity component.

On issuance of the convertible loan, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. A market based interest rate of 8% has been used. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised as a derivate liability.

In some cases, e.g. sale of the Company or listing, Wellcome can require a full repayment of the loan. If Wellcome requires a repayment an accrued interest rate of LIBOR plus 2% is applied. In the event that Wellcome decides to use its option of repayment, the Company shall pay to Wellcome an amount equal to 20% of the net revenues (as defined in the Loan agreement) during the year immediately preceding the agreed repayment date and thereafter, on each subsequent anniversary of the agreed repayment date an amount up to 20% of the net revenues of the Company received during the year immediately preceding that anniversary, until the Repayment Amount has been paid in full. The parties shall in good faith agree the first date on which payments shall be due from the Company.

Note 18 – Share capital and shareholder information

The Company has one class of shares and all shares carry equal voting rights.

As of 31 December	Number of shares	Nominal value (NOK)	Book value (NOK)
Ordinary shares 2015	247 924	10	2 479 240
Ordinary shares 2014	241 518	10	2 415 180

Changes in the outstanding number of shares

	2015	2014
Ordinary shares at 1 January	241 518	112 297
Issue of ordinary shares	-	123 480
Issue of ordinary shares from conversion of loan	6 406	5 741
Ordinary shares at 31 December	**247 924**	**241 518**

Ownership structure

Shareholder	Number of shares	Percentage share of total shares
INVESTINOR AS	61 932	25,0%
METEVA AS	56 296	22,7%
SARSIA SEED AS	21 179	8,5%
NORSK INNOVASJONSKAP	13 331	5,4%
DATUM INVEST AS	12 492	5,0%
MP PENSJON PK	12 403	5,0%
J.P. MORGAN CHASE BA NORDEA TREATY	12 147	4,9%
SARSIA DEVELOPMENT	11 950	4,8%
BJØRGVIN AS	6 246	2,5%
BIRK VENTURE AS	5 585	2,3%
CB INVEST AS	3 523	1,4%
SPAR KAPITAL INVESTO	3 350	1,4%
RO INVEST AS	2 609	1,1%
MICKLEM DAVID ROBERT	2 525	1,0%
LORENS JAMES BRADLEY	2 500	1,0%
UNI RESEARCH AS	2 077	0,8%
PACTUM AS	1 800	0,7%
GNIST HOLDING AS	1 589	0,6%
PROFOND AS	1 390	0,6%
HAWI INVEST AS	1 354	0,5%
Top 20 shareholders	**236 278**	**95,3%**
Total other shareholders	11 646	4,7%
Total number of shares	**247 924**	**100,0%**

The Board of Directors have been granted a mandate from the general meeting held on 22 June 2015 to issue 32,934 new shares, each with a nominal value of NOK 10. The power of attorney was granted for the purpose of issuance of new shares in accordance with the Company‘s share incentive programme and is valid until 22 June 2017.

Shares in the Company held by the management group

	Current position within the Company	Employed since	2015	2014
Richard Godfrey 1)	Chief Executive Officer	January 2009	1 589	1 589
James Bradley Lorens	Chief Scientific Officer	January 2009	2 500	2 500
Total shares held by management			**4 089**	**4 089**

1) Richard Godfrey holds 1589 shares in the Company through Gnist Holding AS.

Shares in the Company held by members of the Board of Directors

	Position	Served since	Served until	2015	2014
Susan Elizabeth Foden	Chairman	September 2011		67	67
John Barrie Ward	Board Member	June 2012		45	45
David Ian Wilson	Board Member	June 2013		44	44
Kåre Rommetveit	Board Member	June 2014	June 2015	170	170
Total shares held by members of the Board of Directors				**326**	**326**

Note 19 – Other current liabilities

	2015	2014
Unpaid duties and charges	1 220	940
Unpaid vacation pay	1 362	1 289
Other accrued costs	2 635	2 038
Total	**5 217**	**4 266**

Note 20 – Provisions

	Social security contributions on share options	Total
Balance at 1 January 2015	1 285	1 285
Additional provisions recognised	295	295
Balance at 31 December 2015	**1 580**	**1 580**
Current	1 580	**1 580**
Non-current	-	**-**

The provision for social security contributions on share options is calculated based on the number of options outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date as the best estimate of market price at the date of exercise.

Note 21 – Financial instruments and risk management objectives and policies

The Company's activities are exposed to certain financial risks including foreign exchange risk, credit risk and liquidity risk. The risk is however of such character that the Company has chosen not to put in place any measures to mitigate the potential unpredictability of the financial markets. The Company has NOK 74.0 million in cash and cash equivalents at year-end. The main purpose of this is to finance the Company's activities and ongoing clinical trials. The Company has various assets and liabilities such as receivables and trade payables, which originate directly from its operations. All financial assets and liabilities are carried at amortised cost, with exception of the convertible loan measured at fair value. All financial assets and liabilities are short-term in nature and their carrying value approximates fair value.

The Company does currently not use financial derivatives.

Foreign currency risk

The value of non-Norwegian currency denominated revenues and costs will be affected by changes in currency exchange rates or exchange control regulations. The Company undertakes various transactions in foreign currencies and is consequently exposed to fluctuations in exchange rates. The exposure arises largely from research expenses. The Company is mainly exposed to fluctuations in euro (EUR), pounds sterling (GBP) and US dollar (USD).

The Company has chosen not to hedge its operational performance as the Company's cash flow is denominated in several currencies that changes depending on where clinical trials are run. The foreign currency exposure is also mostly linked to trade payables with short payment terms. The Company might consider changing its current risk management of foreign exchange rate if it deems it necessary.

Interest rate risk

The Company holds NOK 74.0 million in cash and cash equivalents and does not have any borrowings. The Company's interest rate risk is therefore in the rate of return of its cash on hand. Bank deposits are exposed to market fluctuations in interest rates, which affects the financial income and the return on cash. The Company had NOK 1.5 million in interest income as of 31 December 2015.

Credit risk

Credit risk is the risk of counterparty's default in a financial asset, liability or customer contract, giving a financial loss. The Company's receivables are generally limited to receivables from public authorities by way of government

grants. The credit risk generated from financial assets in the Company is limited since it is cash deposits. The Company only places its cash in bank deposits in recognised financial institutions to limit its credit risk exposure.

The Company has not suffered any loss on receivables during 2015 and the Company considers its credit risk as low.

Liquidity risk

Liquidity is monitored on a continual basis by Company management. Management considers the Company's liquidity situation to be satisfactory. The Company raised NOK 90 million in a private placement in November 2014 and NOK 75 million in January 2014. Towards the end of 2015 management work on securing additional funding for the Company, which was concluded through secured capital raises of NOK 212 million in February 2016. The available cash should support the execution of main R&D and pre-commercialization strategy through to 2017. The cash position of the Company at year-end 2015 was NOK 74.0 million, compared to NOK 126.4 million in 2014.

Capital management

The Board of Directors' goal is to maintain a strong capital base in order to preserve the confidence of investors, creditors and to develop business activities.

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

To the Annual Shareholders' Meeting of
BerGenBio AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of BerGenBio AS, which comprise the statement of financial position as at 31 December 2015, the statements of income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements of BerGenBio AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Bergen, 13 May 2016
ERNST & YOUNG AS

Jørn Knutsen
State Authorised Public Accountant (Norway)

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APPENDIX C:

APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 28 March 2017 (the "**Prospectus**"), which has been issued by BerGenBio ASA (the "**Company**") in connection with the offer of new shares to be issued by the Company and the listing of the Company's shares on the Oslo Stock Exchange. All capitalised terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.abgsc.no, www.arctic.com/secno and www.dnb.no/emisjoner. Applications in the Retail Offering can also be made by using this Retail Application Form attached as Appendix C to the Prospectus. Retail Application Forms must be correctly completed and submitted by the applicable deadline to one of the following application offices:

ABG Sundal Collier Munkedamsveien 45E P.O. Box 1444 Vika N-0115 Oslo Norway Tel: +47 22 01 60 00 E-mail: subscription@abgsc.no www.abgsc.no	**Arctic Securities** Haakon VII's gate 5 P.O. Box 1833 Vika N-0123 Oslo Norway Tel: +47 21013040 E-mail: subscription@arctic.com www.arctic.com/secno	**DNB Markets** Dronning Eufemias gate 30 Postboks 1600 Sentrum 0021 Oslo Norway Tel: +47 23 26 81 01 E-post: retail@dnb.no www.dnb.no/emisjoner

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, electronically or physically, or that are received after expiry of the Application Period, and any application that may be unlawful, may be disregarded without further notice to the applicant. **Subject to any shortening or extension of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CET) on 5 April 2017, while applications made on Retail Application Forms must be received by one of the application offices by the same time**. Neither the Company, nor any of the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any of the application offices or through the VPS online application system. All applications made in the Retail Offering will be irrevocable and binding upon registration of the application through the VPS online application system, or, if the application is made on the Retail Application Form, when a completed Retail Application Form has been received by one of the application offices, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online application system, upon registration of the application.

Price of the Offer Shares: A fixed price per Offer Share of NOK 25.

Allocation, payment and delivery of Offer Shares: In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant. All allocations will be rounded down to the nearest whole number of Offer Shares and the payable amount will be adjusted accordingly. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 2,499,999 will be treated as an application for an amount of NOK 2,499,999. DNB Markets, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or about 6 April 2017, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices on or about 6 April 2017 during business hours. Applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or about 6 April 2017. In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorise DNB Markets (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. Accounts will be debited on or about 7 April 2017 (the "**Payment Date**"), and there must be sufficient funds in the designated bank account from and including 6 April 2017. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or about 6 April 2017, or can be obtained by contacting DNB Markets at +47 23 26 81 01. DNB Markets (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 14 April 2017 if there are insufficient funds on the account on the Payment Date. Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Subject to timely payment by the applicant, delivery of the Offer Shares is expected to take place on or about 7 April 2017.

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS-account (12 digits):	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 2,499,999)**	**Applicant's bank account to be debited (11 digits):**
I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorise and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase and/or subscribe for the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, on my/our behalf, (iii) authorise DNB Markets to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to apply for and purchase and/or subscribe for Offer Shares under the terms set forth therein.		
Date and place*:		**Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by a proxy, documentary evidence of authority to sign must be attached in the form of a Power of Attorney or Company Registration Certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, TO U.S. NEWS WIRE SERVICES, OR IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to the Markets and Financial Instruments Directive ("**MiFID**") implemented in the Norwegian Securities Trading Act, imposes requirements in relation to business investment. In this respect the Managers must categorise all new clients in one of three categories: Eligible counterparties, Professional and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorised as Non-professional clients. The applicant can by written request to the Managers ask to be categorised as a Professional client if the applicant fulfils the relevant requirements of the Norwegian Securities Trading Act. For further information about the categorisation the applicant may contact the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Execution only: As the Managers are not in a position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information barriers: The Managers are securities firms, offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 6 March 2009 no. 11 and the Norwegian Money Laundering Regulation of 13 March 2009 no. 302 (collectively, the "**Anti-Money Laundering Legislation"**). Applicants who are not registered as existing customers of one of the Managers must verify their identity to one of the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form are exempted, unless verification of identity is requested by a Manager. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period will not be allocated Offer Shares. Participation in the Retail Offering is conditional upon the applicant holding a VPS account. The VPS account number must be stated in the Retail Application Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation. However, non-Norwegian applicants may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 16 "Selling and Transfer Restrictions" in the Prospectus. The Company assume no responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Company has not authorised any offer to the public of its securities in any Member State of the EEA other than Norway and Sweden. With respect to each Member State of the EEA other than Norway and Sweden and which has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway and Sweden will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilisation: In connection with the Offering the Lending Shareholders (see definition in the Prospectus) have granted ABG Sundal Collier ASA (the "**Stabilisation Manager**") an option to purchase a number of Shares equal to the maximum number of Additional Shares (see definition in Section 15.1 "Terms of the Offering" of the Prospectus), and may engage in transactions that stabilise, maintain or otherwise affect the price of the Shares for up to 30 days from the first day of the Listing. Specifically, the Stabilisation Manager may effect transactions with a view to supporting the market price of the Offer Shares at a level higher than might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilisation Manager to conduct stabilisation activities and there is no assurance that stabilisation activities will be undertaken. Such stabilising activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the first day of the Listing. In order to facilitate delivery of the Offer Shares to applicants in the Retail Offering, Offer Shares allocated in the Retail Offering may be delivered to the applicants in the form of the existing Shares borrowed by the Stabilisation Manager from the Lending Shareholders. The borrowed Shares will be equal in all respects to the Offer Shares.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor apply for or acquire, any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply.

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorise for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.50% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or otherwise dispose of the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit therefrom). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company and/or the Managers may enforce payment of any such amount outstanding.

In order to provide for prompt registration of the share capital increase pertaining to the New Shares with the Norwegian Register of Business Enterprises, the Managers are expected to, on behalf of the applicants, pre-fund payment for the New Shares allocated in the Offering. By placing the application, the applicant irrevocably authorises and instructs the Managers, or someone appointed by any of them, to do so on its behalf.

The Company and the Managers may choose to transfer the Offer Shares allocated to non-paying applicants to a VPS account operated by the Managers for transfer to the non-paying applicant when payment of the Offer Shares is received. In such case, the Managers reserve the right without further notice, to sell or assume ownership of such Offer Shares if payment has not been received by the third day after the payment due date.

APPENDIX D:

APPLICATION FORM FOR THE RETAIL OFFERING IN NORWEGIAN

BESTILLINGSBLANKETT FOR DET OFFENTLIGE TILBUDET

Generell informasjon: Vilkårene og betingelsene for det Offentlige Tilbudet fremgår av prospektet datert 28. mars 2017 ("**Prospektet**"), som er utarbeidet av BerGenBio ASA ("**Selskapet**") i forbindelse med salget av nyutstedte aksjer i Selskapet, og noteringen av Selskapets aksjer på Oslo Børs. Prospektet inneholder også et norsk sammendrag. Alle definerte ord og uttrykk (angitt med stor bokstav) som ikke er definert i denne bestillingsblanketten, skal ha samme innhold som i Prospektet.

Bestillingsprosedyre: Norske bestillere i det Offentlige Tilbudet som er norske statsborgere med et norsk personnummer anbefales å foreta bestilling av Tilbudsaksjer gjennom VPS' nettbaserte bestillingssystemer ved å følge linken til slikt nettbasert bestillingssystem gjennom følgende internettsider: www.bergenbio.com, www.arctic.no/secno, www.abgsc.no og www.dnb.no/emisjoner. Bestillinger i det Offentlige Tilbudet kan også foretas ved å bruke denne bestillingsblanketten som er vedlagt Prospektet som Appendix C (Application Form for the Retail Offering) eller Appendix D (Application form for the Retail Offering in Norwegian). Korrekt utfylt bestillingsblankett må være mottatt av en av de følgende bestillingskontorer før utløpet av den relevante fristen:

ABG Sundal Collier Munkedamsveien 45E Postboks 1444 Vika 0115 Oslo Norge Tlf: +47 22 01 60 00 E-mail: subscription@abgsc.no www.abgsc.no	**Arctic Securities** Haakon VII's gate 5 Postboks 1833 Vika 0123 Oslo Norge Tlf: +47 21013040 E-mail: subscription@arctic.com www.arctic.com/secno	**DNB Markets** Dronning Eufemias gate 30 Postboks 1600 Sentrum 0021 Oslo Norge Tlf: +47 23 26 81 01 E-post: retail@dnb.no www.dnb.no/emisjoner

Bestilleren er ansvarlig for riktigheten av informasjonen som er fylt inn i bestillingsblanketten. Bestillingsblanketter som er ufullstendige eller uriktig utfylt, elektronisk eller på papir, eller som mottas etter utløpet av Bestillingsperioden, og enhver bestilling som kan være ulovlig, kan bli avvist uten nærmere varsel til bestilleren. **Bestillinger som gjøres gjennom VPS' nettbaserte bestillingssystem må være registrert, og bestillinger som gjøres på bestillingsblanketter må være mottatt av et av bestillingskontorene, innen kl 12.00 norsk tid den 5 April 2017, med mindre Bestillingsperioden forkortes eller forlenges**. Verken Selskapet eller noen av Tilretteleggerne kan holdes ansvarlig for forsinkelser i postgang, utilgjengelige fakslinjer, internettlinjer eller servere eller andre logistikk- eller tekniske problemer som kan resultere i at bestillinger ikke blir mottatt i tide, eller i det hele tatt, av noen av bestillingskontorene. Alle bestillinger i det Offentlige Tilbudet er ugjenkallelige og bindende og kan ikke trekkes, kanselleres eller endres av bestilleren etter at bestillingen er registrert i VPS' nettbaserte bestillingssystem eller hvis bestilling gjøres på bestillingsblankett, når komplett utfylt bestillingsblankett er mottatt av et av bestillingskontorene, uavhengig av en eventuell forkortelse eller forlengelse av bestillingsperioden.

Pris på Tilbudsaksjene: Prisen per Tilbudsaksje er NOK 25.

Allokering, betaling og levering av Tilbudsaksjer: I det Offentlige Tilbudet vil det ikke bli allokert Tilbudsaksjer som representerer en samlet verdi lavere enn NOK 10.500 per bestiller. Alle bestillinger vil bli rundet ned til nærmeste hele antall Tilbudsaksjer og betalbart beløp vil bli rundet ned tilsvarende. En eller flere bestillinger fra samme bestiller i det Offentlige Tilbudet med et samlet bestillingsbeløp på mer enn NOK 2.499.999 vil bli ansett som en bestilling for et bestillingsbeløp på NOK 2.499.999. DNB Markets, som oppgjørsagent for det Offentlige Tilbudet, forventer å gi beskjed om tildeling av Tilbudsaksjer i det Offentlige Tilbudet rundt den 6. april 2017 per post eller på annen måte. Bestillere som ønsker å få opplyst det eksakte antallet Tilbudsaksjer som denne er tildelt, kan kontakte et av bestillingskontorene fra rundt den 6. april 2017 innenfor ordinær åpningstid. Bestillere som har tilgang til investorservice gjennom en institusjon som er kontofører for bestillerens VPS-konto, skal fra rundt den 6. april 2017 kunne se hvor mange Tilbudsaksjer de er tildelt. Ved å registrere en bestilling i VPS' nettbaserte bestillingssystem eller ved å fylle ut og sende inn en bestillingsblankett, gir hver bestiller i det Offentlige Tilbudet fullmakt til DNB Markets (på vegne av Tilretteleggerne) til å debitere bestillerens norske bankkonto for et beløp som tilsvarer den samlede kjøpesummen for de Tilbudsaksjene som bestilleren blir tildelt. Bankkontoen vil debiteres på eller rundt den 7. april 2017 ("**Betalingsdatoen**"), og det må være tilstrekkelige innestående på den aktuelle kontoen fra og med den 6. april 2017. Bestillere som ikke har en norsk bankkonto må forsikre seg om at betaling for tildelte Tilbudsaksjer foretas senest på Betalingsdatoen. Ytterligere betalingsdetaljer og instruksjoner vil fremgå av tildelingsbrevet som sendes ut rundt den 6. april 2017, eller kan også fås ved å kontakte DNB Markets på +47 23 26 81 01. DNB Markets (på vegne av Tilretteleggerne) forbeholder seg retten (men har ingen forpliktelse) til å gjøre inntil tre debiteringsforsøk frem til og med den 14. april 2017 dersom det er utilstrekkelig med midler på kontoen på Betalingsdatoen. Dersom en bestiller ikke har tilstrekkelig innestående på den aktuelle bankkontoen, eller betaling er forsinket av en eller annen årsak, eller dersom det ikke er mulig å debitere kontoen, vil det påløpe forsinkelsesrente og andre vilkår vil gjelde som fastsatt under overskriften "Forsinket og manglende betaling" under. Dersom betaling for tildelte Tilbudsaksjer er mottatt rettidig, vil levering av tildelte Tilbudsaksjer i det Offentlige Tilbudet foretas rundt den 7. april 2017.

Retningslinjer for bestilleren: Vennligst se side to av denne bestillingsblanketten for ytterligere retningslinjer for bestillingen.

Bestillerens VPS-konto (12 siffer):	**Jeg/vi bestiller herved Tilbudsaksjer for totalt NOK (minimum NOK 10 500 og maksimum NOK 2 499 999):**	**Bestillerens bankkonto som skal debiteres (11 siffer):**
Herved (i) foretar jeg/vi, i henhold til vilkårene og betingelsene som fremgår av denne bestillingsblanketten og av Prospektet, en ugjenkallelig bestilling av det antall Tilbudsaksjer tildelt meg/oss til Tilbudsprisen, opp til det samlede bestillingsbeløpet angitt ovenfor, (ii) gir jeg/vi hver av Tilretteleggerne (eller noen utpekt av dem) ugjenkallelig fullmakt og instruerer hver av dem til, sammen eller hver for seg, å gjennomføre enhver handling som er nødvendig for å kjøpe og/eller tegne Tilbudsaksjene som tildeles meg/oss, og til å gjennomføre enhver handling som er nødvendig for å effektuere transaksjonen som fremgår av denne bestillingsblanketten, og sikre levering av disse Tilbudsaksjene i VPS på mine/våre vegne, (iii) gir jeg/vi DNB Markets ugjenkallelig fullmakt til å debitere min/vår bankkonto som angitt i bestillingsblanketten for den samlede kjøpesummen for de Tilbudsaksjene som jeg/vi får tildelt, og (iv) bekrefter og garanterer jeg/vi ugjenkallelig å ha lest Prospektet og at jeg/vi er kvalifiserte til å bestille og kjøpe Tilbudsaksjer på de vilkår som der fremgår.		
Dato og sted*:	**Bindende signatur**:**	

* Må være datert i bestillingsperioden.
**Undertegneren må være myndig. Dersom bestillingsblanketten undertegnes på vegne av bestilleren, må det vedlegges dokumentasjon i form av firmaattest eller fullmakt for at undertegner har slik kompetanse.

INFORMASJON OM BESTILLEREN — ALLE FELT MÅ FYLLES UT	
Fornavn	Etternavn/Foretaksnavn
Adresse (for foretak: registrert forretningsadresse)	Postnummer og sted
Fødselsnummer (11 siffer) / organisasjonsnummer (9 siffer)	Nasjonalitet
Telefonnr (dagtid)	E-postadresse

RETNINGSLINJER FOR BESTILLEREN

DENNE BESTILLINGSBLANKETTEN SKAL IKKE DISTRIBUERES ELLER OFFENTLIGGJØRES, VERKEN DIREKTE ELLER INDIREKTE, I ELLER TIL USA, CANADA, AUSTRALIA ELLER JAPAN ELLER NOEN ANNEN JURISDIKSJON DER SLIK DISTRIBUSJON ELLER OFFENTLIGGJØRING VIL VÆRE ULOVLIG. ANDRE RESTRIKSJONER GJELDER OGSÅ, SE PUNKTET "SALGSRESTRIKSJONER" NEDENFOR.

Regulatoriske forhold: I overensstemmelse med EU-direktivet "Markets in Financial Instruments" ("**MiFID**"), oppstiller lov 29. juni 2007 nr 75 om verdipapirhandel ("**Verdipapirhandelloven**") med tilhørende forskrifter, krav relatert til finansielle investeringer. I den forbindelse må Tilretteleggerne kategorisere alle nye kunder i en av tre kategorier; kvalifiserte motparter, profesjonelle og ikke-profesjonelle kunder. Alle bestillere som bestiller Tilbudsaksjer i det Offentlige Tilbudet og som ikke allerede er kunde hos en av Tilretteleggerne, vil bli kategorisert som ikke-profesjonell kunde. Bestilleren kan ved skriftlig henvendelse til Tilretteleggerne anmode om å bli kategorisert som profesjonell kunde dersom Verdipapirhandellovens vilkår for dette er oppfylt. For ytterligere informasjon om kundekategorisering kan bestilleren kontakte Tilretteleggerne. Bestilleren bekrefter herved å inneha tilstrekkelig kunnskap og erfaring om finansielle og forretningsmessige forhold for å kunne evaluere risikoen ved å investere i Selskapet gjennom å bestille Tilbudsaksjer i det Offentlige Tilbudet, og bestilleren bekrefter å være i stand til å ta den økonomiske risikoen og tåle et fullstendig tap av sin investering i Selskapet.

Kun ordreutførelse: Tilretteleggerne vil behandle bestillingen av Tilbudsaksjer som en instruksjon om utførelse av ordre ("execution only") fra bestilleren, ettersom Tilretteleggerne ikke vil være i stand til å avgjøre om bestillingen er hensiktsmessig for bestilleren. Bestilleren vil derfor ikke kunne påberope seg Verdipapirhandellovens regler om investorbeskyttelse.

Informasjonsbarrierer: Tilretteleggerne er verdipapirforetak som tilbyr et bredt spekter av investeringstjenester. For å sikre at oppdrag som gjennomføres av Tilretteleggernes "corporate finance"-avdelinger holdes konfidensielle, er disse avdelingene adskilt fra Tilretteleggernes andre avdelinger, herunder avdelinger for analyse og aksjemegling, gjennom bruk av informasjonsbarrierer også kjent som "chinese walls". Bestilleren erkjenner at som en konsekvens av dette kan Tilretteleggernes analyse- og aksjemeglingsavdelinger komme til å opptre i strid med bestillerens interesser i forbindelse med transaksjoner i Tilbudsaksjene.

VPS-konto og pålagte hvitvaskingingsprosedyrer: Det Offentlige Tilbudet er underlagt gjeldende hvitvaskingslovgivning, herunder kravene i lov 6. mars 2009 nr 11 om tiltak mot hvitvasking og terrorfinansiering samt hvitvaskingsforskriften av 13. mars 2009 nr. 302 ("**Hvitvaskingslovgivningen**"). Bestillere som ikke er registrert som kunde hos en av Tilretteleggerne må bekrefte sin identitet til en av Tilretteleggerne, i samsvar med Hvitvaskingslovgivningen, med mindre det gjelder spesielle unntak. Bestillere som har oppgitt en eksisterende norsk bankkonto og en eksisterende VPS-konto på bestillingsblanketten er unntatt med mindre verifikasjon av bestillerens identitet blir krevet av en av Tilretteleggerne. Bestillere som ikke har gjennomført tilstrekkelig verifikasjon av identitet før utløpet av Bestillingsperioden vil ikke bli tildelt Tilbudsaksjer. Deltakelse i det Offentlige Tilbudet er betinget av at bestilleren har en VPS-konto. VPS kontonummeret må være angitt i bestillingsblanketten. En VPS-konto kan etableres ved en autorisert VPS-kontofører som kan være en norsk bank, autorisert verdipapirforetak i Norge og norske avdelinger av finansinstitusjoner i EØS. Etablering av en VPS-konto krever bekreftelse på identitet overfor kontoføreren i henhold til Hvitvaskingslovgivningen. Utlandske investorer kan imidlertid benytte en forvalterkonto registrert i VPS i forvalterens navn. Forvalteren må være autorisert av Finanstilsynet.

Salgsrestriksjoner: Tilbudet er underlagt salgsrestriksjoner i enkelte jurisdiksjoner, se kapittel 20 "Selling and Transfer Restrictions" i Prospektet. Verken Selskapet eller Selgende Aksjonær påtar seg noe ansvar dersom noen bryter disse restriksjonene. Tilbudsaksjene har ikke vært, og vil ikke bli, registrert i henhold til United States Securities Act av 1933 som endret ("**U.S. Securities Act**") eller i henhold til noen verdipapirlovgivning i noen stat eller annen jurisdiksjon i USA og kan ikke tas opp, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra USA bortsett fra i henhold til et gjeldende unntak fra, eller i en transaksjon som ikke er underlagt, registreringsbestemmelsene i U.S. Securities Act og i overensstemmelse med verdipapirlovgivningen i enhver stat eller annen jurisdiksjon i USA. Det vil ikke forekomme noe offentlig tilbud i USA. Tilbudsaksjene vil, og kan ikke, tilbys, selges, videreselges, overføres, leveres eller distribueres, verken direkte eller indirekte, innenfor, til eller fra noen jurisdiksjon der tilbud eller salg av Tilbudsaksjer ikke er tillatt, eller til, eller på vegne av eller til fordel for, enhver person med registrert adresse i, eller som bor eller vanligvis bor i, eller er innbygger i, noen jurisdiksjon der tilbud eller salg ikke er tillatt, bortsatt fra i henhold til et gjeldende unntak. I det Offentlige Tilbudet tilbys og selges Tilbudsaksjene til enkelte personer utenfor USA i "offshore transactions" innenfor betydningen av og i overensstemmelse med Rule 903 i Regulation S i U.S. Securities Act.

Selskapet har ikke gitt tillatelse til noe offentlig tilbud av dets verdipapirer i noe medlemsland av EØS bortsett fra Norge. Når det gjelder andre medlemsland i EØS enn Norge som har implementert Prospektdirektivet ("**Aktuelle Medlemsland**"), har det og vil det ikke bli gjort noe for å fremsette et offentlig tilbud av Tilbudsaksjene som krever publisering av et prospekt i noen Aktuelle Medlemsland. Alle tilbud utenfor Norge vil derfor skje i henhold til unntak fra krav om prospekt.

Stabilisering: I forbindelse med Tilbudet har de Långivende Aksjeeiere gitt ABG Sundal Collier (som "**Stabiliserende Tilrettelegger**") en rett til å kjøpe et antall aksjer lik det maksimale antall Tilleggsaksjer ("Additional Shares", se definisjonen i Prospektet), og kan utføre transaksjoner med tanke på å stabilisere, støtte eller på annen måte påvirke kursen på aksjene i inntil 30 dager fra første noteringsdag. Stabiliserende Tilrettelegger kan særlig utføre transaksjoner med formål å stabilisere markedskursen til aksjene på et høyere nivå enn det som ellers kan tenkes å ville gjelde, gjennom å erverve Aksjer i det åpne markedet til priser som er lik eller lavere enn Tilbudsprisen. Stabiliserende Tilrettelegger eller dets agenter har ingen forpliktelse til å foreta stabiliserende handlinger og det er ikke sikkert at stabiliseringshandlinger vil gjennomføres. Slike stabiliseringshandlinger kan, hvis påbegynt, avsluttes når som helst, og vil avsluttes ikke mer enn 30 kalenderdager fra første noteringsdag. For å kunne levere Tilbudsaksjene til bestillerne i det Offentlige Tilbudet, kan Tilbudsaksjer som er allokert i det Offentlige Tilbudet leveres til bestillerne i form av eksisterende aksjer lånt av Stabiliserende Tilrettelegger fra de Långivende Aksjeeiere. De lånte Aksjer har like rettigheter som Tilbudsaksjene.

Investeringsbeslutninger må baseres på Prospektet: Investorer må verken akseptere noe tilbud om, eller erverv av, verdipapirer i Selskapet på annet grunnlag enn det fullstendige Prospektet.

Vilkår for betaling med engangsfullmakt — verdipapirhandel: Betaling med engangsfullmakt er en banktjeneste tilbudt av samarbeidende banker i Norge. I forholdet mellom betaler og betalers bank gjelder følgende standard vilkår:

1. Tjenesten "Betaling med engangsfullmakt — verdipapirhandel" suppleres av kontoavtalen mellom betaler og betalers bank, se særlig kontoavtalen del C, Generelle vilkår for innskudd og betalingsoppdrag.
2. Kostnader ved å bruke "Betaling med engangsfullmakt — verdipapirhandel" fremgår av Selskapets gjeldende prisliste, kontoinformasjon og/eller opplyses på annen egnet måte. Selskapet vil belaste oppgitt konto for påløpte kostnader.
3. Engangsfullmakten signeres av betaler og leveres til betalingsmottaker. Betalingsmottaker vil levere belastningsoppdraget til sin bank som igjen kan belaste betalers bank.
4. Ved et eventuelt tilbakekall av engangsfullmakten skal betaler først ta forholdet opp med betalingsmottaker. Etter finansavtaleloven skal betalers bank medvirke hvis betaler tilbakekaller et betalingsoppdrag som ikke er gjennomført. Slikt tilbakekall kan imidlertid anses som brudd på avtalen mellom betaler og betalingsmottaker.
5. Betaler kan ikke angi et større beløp på engangsfullmakten enn det som på belastningstidspunktet er disponibelt på konto. Betalers bank vil normalt gjennomføre dekningskontroll før belastning. Belastning ut over disponibelt beløp skal betaler dekke inn umiddelbart.
6. Betalers konto vil bli belastet på angitt belastningsdag. Dersom belastningsdag ikke er angitt i engangsfullmakten vil kontobelastning skje snarest mulig etter at betalingsmottaker har levert oppdraget til sin bank. Belastningen vil likevel ikke skje etter engangsfullmaktens gyldighetsperiode som er angitt foran. Betaling vil normalt være godskrevet betalingsmottaker én til tre virkedager etter angitt belastningsdag/innleveringsdag.
7. Dersom betalers konto blir urettmessig belastet på grunnlag av en engangsfullmakt, vil betalers rett til tilbakeføring av belastet beløp bli regulert av kontoavtalen og finansavtaleloven.

Forsinket og manglende betaling: Forsinket betaling belastes med gjeldende forsinkelsesrente i henhold til forsinkelsesrenteloven av 17. desember 1976 nr. 100, som per dato for Prospektet er 8,50 % p.a. Dersom betaling ikke skjer ved forfall, vil Tilbudsaksjene ikke bli levert til bestilleren, og Selgende Aksjonær og Tilretteleggerne forbeholder seg retten til å, for tegnerens regning og risiko, når som helst kansellere og reallokere eller på annen måte disponere over de allokerte Tilbudsaksjene, på de vilkår og på den måten Tilretteleggerne bestemmer (og bestilleren ikke vil være berettiget til noe overskudd derfra). Den opprinnelige bestilleren vil fortsette å være ansvarlig for betaling av Tilbudsprisen for Tilbudsaksjene tildelt bestilleren, sammen med enhver rente, kostnader, gebyrer og utgifter påløpt, og Selskapet og/eller Tilretteleggerne kan inndrive betaling for alle utestående beløp.

For å legge til rette for rask registrering av de Nye Aksjene i Foretaksregisteret forventes det at Tilretteleggerne, på vegne av bestillerne, tegner og forhåndsbetaler for de Nye Aksjene allokert i Tilbudet for en total tegningspris lik Tilbudsprisen multiplisert med antallet Nye Aksjer.

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