PCI Biotech Holding ASA

Third Quarter 2014 Report

Highlights

- **Successful completion of the second light dose cohort in the modified ENHANCE study – a Phase II study in head & neck cancer patients was reported in August 2014. The study has been amended to include a light dose escalation run-in phase to optimise the intra-tumour treatment regimen and a Proof of Concept part to confirm safety and efficacy.**

- **New clinical sites have been opened in both clinical trials to secure patient inclusion.**

- **New supporting pre-clinical data with PCI Biotech's novel CTL-induction technology, for use within therapeutic vaccines, has been filed to further strengthen the PCI vaccination patent estate.**

- **The board of directors and management are evaluating the company's capital need and financing alternatives. The evaluation is progressing as planned and the company will inform the market about the outcome of the process in due time.**

* * *

Operational Review

Progress in development programs

PCI Biotech Holding ASA (PCI Biotech) is an oncology-focused company developing innovative products for cancer treatment. The products are based on PCI Biotech's patented technology, photochemical internalization (PCI). The PCI technology can enhance the effect of anticancer drugs by targeted, light-directed drug delivery into cancer cells, and can also be used as a platform that may both potentiate the effect of vaccines and enable macromolecules to reach intracellular targets.

Amphinex® in combination with bleomycin, head & neck cancer

PCI Biotech's lead candidate is the photosensitiser Amphinex. A Phase I study of Amphinex in combination with the cytotoxic agent bleomycin in cancer patients, and an extension to this study, have been completed at University College Hospital (UCH) in London. A total of 22 patients were treated in these studies, with the majority being head & neck cancer. A strong response to treatment was seen in all patients and Amphinex seemed to be well tolerated.

Phase II study in head & neck cancer patients – the ENHANCE study

The ENHANCE study is a single arm, multi-centre, phase II study to evaluate the safety and efficacy of Amphinex in combination with the generic cytotoxic agent bleomycin with superficial and interstitial laser light application. The target population is patients with recurrent head & neck squamous cell carcinoma unsuitable for surgery and radiotherapy. The study will include approximately 80 patients with progression free survival at 6 months as the primary endpoint.

Two different light application procedures are used in the study; surface and intra-tumour illumination. Findings from some of the first patients included in the study indicated that treatment with intra-tumour illumination causes stronger local treatment effects than expected and desired and stronger treatment effects than previously observed with surface illumination in the phase I study. The intra-tumour illumination procedure is therefore being optimized in a separate part of the study, running in parallel to the open inclusion of patients for surface illumination. The Amphinex dose has not been modified; the optimisation is performed solely by modifying the light dose. Total number of patients in the dose optimisation part of the study will depend on the number of light dose escalations needed to find an effective and safe light dose.

The trial was initially started in May 2012 and inclusion of patients for intra-tumour treatment was halted 4Q the same year. The study was thereafter redesigned and amended to include an intra-tumour light dose escalation part. The first patient in the light dose escalation part of the study was included in Q3 2013 and the treatment evaluation of the second light dose cohort (three patients) was available in Q3 2014. No serious safety concerns were raised and strong clinical effects with clear indications of tumour response were seen at this light dose level. A Dose Review Committee (DRC) of clinical experts and company representatives has been established to evaluate the results and provide recommendation for the continuation of the study. The DRC recommended that three further patients are included at the same light dose level, before final selection of the light dose for proof of concept with intra-tumour treatment. Patients for the next group are currently being screened and will be treated with Amphinex as soon as possible. Proof of Concept (PoC) of efficacy and safety for intra-tumour treatment and final confirmation of light dose for the ENHANCE study will be achieved by inclusion of a total of 12 patients at the selected light dose. The company is actively working to speed up patient inclusion and a total of 10 sites in selected European countries are now open. Finalisation of the PoC part of the study will depend on the number of light dose cohorts needed.

A market survey performed by Bridgehead International for PCI Biotech shows a total of 110.000 – 120.000 new incidents of head and neck cancer patients in the five major markets in Europe and the United States per year. Approximately 20% of these patients are expected to be eligible for Amphinex. The promising results from the phase I study together with PCI treatment benefits, the unmet medical need for better local treatment options and the potential market, represent an interesting market opportunity.

Clinical study in patients with inoperable bile duct cancer (Cholangiocarcinoma)

A Proof of Concept study for the use of PCI in patients with inoperable bile duct cancer was initiated 1Q 2014. In this indication Amphinex will be used in combination with the generic cytotoxic agent gemcitabine.

The Proof of Concept study is an open-label, multi-centre phase I/II study in up to 45 patients to assess the safety and efficacy of Amphinex induced PCI of gemcitabine, followed by systemic cisplatin/gemcitabine in patients with inoperable bile duct cancer. The study consists of a dose escalation/phase I part to assess the tolerance of local bile duct treatment and a randomized double-arm phase II part. In phase II patients will be randomized to either a control arm (stenting alone followed by gemcitabine/cisplatin chemotherapy) or the PCI arm (stenting followed by Amphinex induced PCI treatment of gemcitabine followed by gemcitabine/cisplatin chemotherapy). The randomisation ratio for this study is 2.5:1 in favor of the PCI arm. The phase I primary objective is to determine a tolerable dose for local bile duct treatment with Amphinex induced PCI of gemcitabine, while the phase II primary objective is to assess efficacy in terms of progression free survival. The first patient was included in January 2014 at Aintree University Hospital in Liverpool, UK, and the treatment evaluation of the first dose cohort (3 patients) was completed in Q2 2014. No safety concerns were observed at this dose level. As the phase I primary objective is to determine a tolerable dose, no efficacy results are available at this stage. The company is actively working to speed up patient inclusion and a total of 9 sites in selected European countries are now open. Finalisation of the phase I part of the study will depend on the number of dose escalations needed.

Available market information indicates approximately 11,000 new incidents of patients in the United States and the largest markets in Europe per year and about 20% of these patients are expected to be eligible for PCI treatment. The unmet medical need for better local treatment options and the fact that

bile duct cancer is a rare disease that can achieve specific marketing benefits as an orphan indication, along with PCI treatment benefits make bile duct cancer an interesting market opportunity.

PCI for vaccination – an innovative CTL-induction technology

Effective induction of CTLs (Cytotoxic T Lymphocytes) is key to realize the huge potential of therapeutic cancer vaccination, but this has been difficult to achieve with today's vaccination technologies. PCI Biotech's CTL induction technology may provide a solution to this problem, by substantially improving the potential to trigger the immune system to fight both cancers and infectious diseases. Induction of CTLs is essential for the generation of an immunological response that can attack tumour cells. Induction of CTLs is typically mediated through MHC Class I antigen presentation by antigen presenting cells (APCs). PCI-mediated CTL-induction works by effectively re-localising endocytosed antigens from endosomes to the cytosol in APCs, thereby making the antigens accessible for the MHC Class I presentation machinery.

The company has increased the activity level in the vaccination area and has further documented and optimised the PCI-mediated CTL-induction effect for therapeutic vaccination, i. e. vaccination that aims to treat an already established disease in the patient. Proof-of-principle for this effect has been established in mouse models for enhancement of both *in vivo* and *ex vivo* vaccination. The preclinical proof-of-principle results have been published in renowned scientific journals. Further supportive results from several studies performed this year in cooperation with NTNU in Trondheim, Norway, The Norwegian Radium Hospital, Oslo, Norway and University Hospital Zürich, Switzerland have been used to further strengthen the PCI vaccination patent estate. The company has in support and expansion of this work been awarded NOK 12.5 million in a BIA grant from The Research Council of Norway for the project "Development of photochemical internalization to enhance the effect of therapeutic and prophylactic vaccines". The project goal is to document that the PCI technology can be used to improve the efficacy of vaccines. The main focus of the project will be to verify and further develop the CTL-induction technology for use in therapeutic vaccines against cancer, but the project also includes use of the technology in vaccination against certain types of viral and bacterial infections.

Effective CTL-inducing technologies are considered key to the success of therapeutic vaccination, and vaccine companies are seeking technologies that can improve their vaccination responses. PCI Biotech's novel mode of action may allow the use of PCI as a new vaccination technology for vaccines where existing adjuvant technologies do not work. There are a large number of therapeutic cancer vaccines under development and available market information shows an expected global market of more than 7 billion U.S. dollars in 2019. Within prophylactic vaccines the market is more mature with few companies, but also here PCI may play a central role for companies seeking new solutions. The company has presented new data at several vaccine- and partnering-meetings during the third quarter and is currently in discussions with potential partners who have shown interest in PCI for vaccines.

PCI for macromolecules

The PCI technology may enhance the delivery of all molecules taken into the cell by endocytosis. This includes most types of macromolecules (such as proteins, nucleic acids and drugs carried by antibodies or nanoparticles).

Macromolecules are widely acknowledged to have a large potential as therapeutic agents, and numerous clinical trials with gene, protein and oligonucleotide therapy are underway. The therapeutic potential of such compounds is challenged by the obstacles of intracellular delivery, and many studies have been hampered by the lack of technologies for efficient delivery of the therapeutic molecules to the target cells. As part of the increased focus on partnering activities, the company is in discussions with potential partners interested in PCI for delivery of macromolecules.

Financial Review

Income Statement Results 3rd Quarter (Q3) 2014

Other income in the quarter was NOK 1.9 million compared with NOK 1.6 million in Q3 2013. The company received Norwegian grants and tax incentive scheme (SkatteFUNN) and these are disclosed as other income.

R&D costs in Q3 2014 were NOK 10.1 million compared with NOK 8.2 million in Q3 2013. Costs to external partners and hospitals on pre-clinical and clinical trials were higher due to an increased activity level in all three major projects; head & neck cancer, bile duct cancer and vaccines.

G&A costs in Q3 2014 were NOK 0.2 million compared with NOK 0.4 million in Q3 2013. In Q3 2014 there has been some reallocation of costs from 1H 2014 between R&D and G&A with a positive effect on G&A of NOK 0.6 million, meaning that the real Q3 2014 G&A cost is NOK 0.8 million.

Total operating costs were NOK 10.3 million in Q3 2014 compared with NOK 8.5 million in Q3 2013.

Operating results were NOK -8.4 million in Q3 2014 compared with NOK -6.9 million in Q3 2013.

Income Statement Results January – September (YTD) 2014

Other income was NOK 5.8 million YTD 2014 compared with NOK 4.7 million YTD 2013. The company received Norwegian grants and tax incentive scheme (SkatteFUNN) and these are disclosed as other income.

R&D costs YTD 2014 were NOK 29.6 million, compared with NOK 22.7 million YTD 2013. Costs to external partners and hospitals on pre-clinical and clinical trials were higher due to an increased activity level in all three major projects; head & neck cancer, bile duct cancer and vaccines.

G&A costs YTD 2014 were NOK 2.3 million compared with NOK 2.0 million YTD 2013.

Total operating costs were NOK 32.0 million YTD 2014 compared with NOK 24.7 million YTD 2013.

Operating results were NOK -26.2 million YTD 2014 compared with NOK -20.0 million YTD 2013.

Balance sheet and Cash flow

The company held cash and cash equivalents of NOK 19.6 million at the end of Q3 2014 compared with NOK 52.5 million at the end of Q3 2013 and NOK 46.6 million at year-end 2013. Total equity is NOK 19.0 million at the end of Q3 2014 compared with NOK 51.9 million at the end of Q3 2013 and NOK 43.4 million at year-end 2013. The change in equity reflects the loss in the period and a net positive equity effect from the share option scheme of NOK 1.3 million YTD 2014.

Cash flow from operations was NOK -9.7 million in Q3 2014, compared with NOK -7.8 million in Q3 2013. Net cash flow was NOK -9.5 million in Q3 2014, compared with NOK -7.0 million in Q3 2013.

Cash flow from operations was NOK -26.4 million YTD 2014, compared with NOK -22.2 million YTD 2013. Net cash flow was NOK -27.0 million YTD 2014, compared with net cash flow NOK -20.6 million YTD 2013.

Language

From June 2014 PCI Biotech has been granted an exemption from Oslo Børs to publish information in English only, and the Company has been granted the same exemption for the future annual reports.

Related party transactions

PCI Biotech is relying on services provided by third parties, included related parties, as a result of its organizational set-up. PCI Biotech considers its business relationship with The Norwegian Radium Hospital Research Foundation as the only material related party transaction YTD 2014. See Note 6 for full disclosure of related party transactions.

Post-closing events

PCI Biotech is not aware of any post-closing events, which could materially influence this interim financial statement.

Risks and uncertainty factors for 2014

PCI Biotech is exposed to uncertainties and risk factors, which may influence some or all of the company's activities. There are no significant changes in the risks and uncertainty factors compared to the descriptions in the Annual Report 2013. The most important risks the company is exposed to for 2014 are associated with progress and performance of R&D programs and financial uncertainty.

At current cost levels the company is financed into the second quarter 2015. As communicated in the Q2 2014 report the board of directors and management are evaluating the company's capital need and financing alternatives, supported by the financial advisors from DNB Markets and Fondsfinans. The evaluation is progressing as planned and the company will inform the market about the outcome of the process in due time.

Strategy

PCI Biotech's strategy within the various business areas is to prioritize commercialization through agreements with external partners. The company's goal is to establish partnerships based on data from the phase II part of the ongoing clinical studies, and potential phase III studies will be performed in cooperation with or by other companies within the field of oncology. The possibilities of entering into partnerships depend on the quality of phase II results. Within vaccines and macromolecules PCI Biotech's strategy is to use preclinical results to enter into various agreements for further development and use of PCI as a platform technology.

Outlook

PCI Biotech will continue to focus on the clinical development of Amphinex in combination with cancer drugs for localised cancer treatment, based on the company's unique PCI technology. The company will maintain the activity level in pre-clinical development and licensing of PCI as a versatile and innovative platform.

Main priorities:

- Effectively progress the light dose optimization and proof of concept of intra-tumour head and neck cancer treatment of Amphinex and bleomycin;
- Complete the first part of the proof of concept study of bile duct cancer treatment with Amphinex and gemcitabine;
- Solidify a robust vaccination IP estate and further strengthen the promising preclinical results;
- Partnering activities across all commercially interesting areas for the PCI platform;
- Ensure that the company has sufficient financial flexibility in the short and long term to achieve strategic and operational objectives

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

PROFIT AND LOSS

(In NOK 1,000)	Note	Q3 2014	Q3 2013	01.01 - 30.09 2014	01.01 - 30.09 2013	01.01 - 31.12 2013
Other Income	5	**1 850**	**1 618**	**5 755**	**4 696**	**6 681**
Research and development	8	10 113	8 164	29 622	22 687	32 789
General and administrative		153	361	2 340	1 966	3 217
Operating costs		**10 266**	**8 525**	**31 962**	**24 653**	**36 006**
Operating results		**-8 416**	**-6 908**	**-26 208**	**-19 958**	**-29 325**
Financial income and costs						
Financial income		162	346	669	1 243	1 717
Financial expenses		2	0	96	0	0
Net financial result		**160**	**346**	**574**	**1 243**	**1 717**
Ordinary profit before taxes		**-8 256**	**-6 562**	**-25 634**	**-18 715**	**-27 608**
Tax on ordinary result	9	0	0	0	0	0
Net profit/loss	4	**-8 256**	**-6 562**	**-25 634**	**-18 715**	**-27 608**
Other comprehensive income		0	0	0	0	0
Comprehensive income		**-8 256**	**-6 562**	**-25 634**	**-18 715**	**-27 608**

BALANCE SHEET

(In NOK 1,000)	Note	30.09 2014	30.09 2013	31.12 2013
Fixed and intangible assets				
Operating assets		15	20	18
Total fixed and intangible assets		**15**	**20**	**18**
Current assets				
Short term receivables	*7*	7 642	6 290	6 123
Cash & cash equivalents	*7*	19 645	52 527	46 595
Total current assets		**27 288**	**58 817**	**52 718**
Total assets		**27 303**	**58 837**	**52 736**
Shareholders equity and liabilities				
Shareholders equity				
Paid in capital		99 911	194 695	99 911
Other reserves		-80 890	-142 836	-56 515
Total equity	*10*	**19 021**	**51 859**	**43 396**
Trade debtors		2 056	817	4 061
Other short term debt		6 226	6 161	5 279
Total debt		**8 282**	**6 978**	**9 340**
Total shareholders equity and liabilities		**27 303**	**58 837**	**52 736**

CHANGE IN SHAREHOLDERS EQUITY

(In NOK '000)	**Paid in capital**	**Share premium**	**Other paid in capital**	**Retained earnings**	**Total**
Balance at 31 December 2012	**22 999**	**76 524**	**94 306**	**-124 122**	**69 706**
Capital increase	180	208	-	-	388
Share option scheme	-	-	480	-	480
Comprehensive income in the period	-	-	-	-18 716	-18 716
Balance at 30 September 2013	**23 179**	**76 732**	**94 786**	**-142 838**	**51 859**
Capital increase	-	-	-	-	-
Share option scheme	-	-	429	-	429
Comprehensive income in the period	-	-	-	-8 892	-8 892
Allocation	-	-	-95 215	95 215	-
Balance at 31 December 2013	**23 179**	**76 732**	**-**	**-56 515**	**43 396**
Share option scheme	-	-	1 259	-	1 259
Comprehensive income in the period	-	-	-	-25 634	-25 634
Balance at 30 September 2014	**23 179**	**76 732**	**1 259**	**-82 149**	**19 021**

CASH FLOW

(In NOK '000)	**Q3 2014**	**Q3 2013**	**01.01-30.09 2014**	**01.01-30.09 2013**	**01.01-31.12 2013**
Ordinary profit before taxes	-8 256	-6 562	-25 634	-18 715	-27 608
Depreciation, Amortization and Write Off	1	-	2	-	4
Share options	338	-412	1 259	460	909
Net financials	-160	-346	574	-1 243	-1 717
Changes in working capital	-1 625	-495	-2 576	-2 689	-181
Cash flow from operations	-9 703	-7 815	-26 376	-22 187	-28 593
Net financials	160	346	-574	1 243	1 717
Taxes paid	-	-	-	-	-
Net cash flow from operations	-9 543	-7 469	-26 950	-20 944	-26 876
Cash flow from investments					
Purchase of tangible assets	-	-	-	-	-
Net cash flow from investments	-	-	-	-	-
Cash flow from financial activities					
Net proceeds from share issues	-	388	-	388	388
Net cash flow from financial activities	-	388	-	388	388
Net change in cash during the period	-9 543	-7 081	-26 950	-20 556	-26 488
Cash and cash equivalents at the beginning of the period	29 188	59 608	46 595	73 083	73 083
Cash and cash equivalents at the end of the period	19 645	52 527	19 645	52 527	46 595

SELECTED EXPLANATORY NOTES:

1. Nature of operation

PCI Biotech Holding ASA (PCI Biotech) was established in 2008, and comprises PCI Biotech Holding ASA, the fully owned subsidiary PCI Biotech AS and the Islandic Branch PCI Biotech Utibu. PCI Biotech AS was a subsidiary of Photocure ASA until June 2008. The PCI Biotech shares have been listed on the Oslo Axess since 18 June 2008 under the ticker PCIB. The company is headquartered at Lysaker, Norway.

PCI Biotech has developed a unique and patented photochemical intracellular drug delivery technology for use in cancer therapy and other diseases. The technology may also be used to enhance the immunological response of vaccines. The company collaborates closely with The Norwegian Radium Hospital in Oslo, Norway and receives substantial funding on several projects from the Research Council of Norway. The company has an extensive international collaboration network with recognised expert groups in both drug delivery and vaccination. PhotoChemical Internalisation (PCI) is a proprietary technology for light-directed intracellular drug delivery by triggered endosomal release.

The PCI technology has potential to improve the effect both of existing drugs and new classes of drugs, such as therapeutic vaccines, gene therapy and other therapies based on nanotechnology or on biotechnological principles. The company's objective is to prove the clinical usefulness of the technology with different drugs and subsequently license out the technology to partners for further development and marketing. Revenues will be generated at the time of partnering and onwards from up-front payments, milestone payments and royalties from licensees. PCI Biotech focuses on the development of PCI products for enhanced delivery of marketed cancer drugs, and as a platform that may both potentiate the effect of vaccines and enable macromolecules to reach intracellular targets. PCI Biotech has two active clinical studies with the lead candidate Amphinex: a phase II trial in head & neck cancer with the cytotoxic agent bleomycin and a phase I/II trial in bile duct cancer with the cytotoxic agent gemcitabine. The company has an on-going preclinical program to document the use of PCI to enhance and direct the immune response of vaccines towards a stronger cellular response.

2. Basis of presentation

These Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2013 (hereafter 'the Annual Financial Statements'), as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 24 March 2014. The accounting policies used are consistent with those used in the Annual Financial Statements. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. The interim report has not been subject to an audit. The board of directors approved the interim condensed financial information on 17 November 2014.

3. Summary of significant accounting policies

The accounting policies applied and the presentation of the interim condensed consolidated financial information is consistent with the consolidated financial statements for the year ended 31 December 2013.

The new standards, interpretations or amendments to published standards that were effective for the annual period beginning on January 1, 2014 and that could affect the PCI Biotech are discussed in accounting policies, part 3, to the consolidated financial statements for 2013. In the 2013 financial statements, PCI Biotech made evaluations that none of these are expected to have significant effect for PCI Biotech.

4. Earnings per share

Earnings per share:

	Q3 2014	Q3 2013	9M 2014	9M 2013	FY 2013
Result allocated to shareholders (in NOK '000)	(8 256)	(6 562)	(25 634)	(18 715)	(27 608)
Weighted average of outstanding shares (in '000)	7 726	7 708	7 726	7 680	7 696
Earnings per share (NOK per share)	-1,07	-0,85	-3,32	-2,44	-3,59

Diluted earnings per share:

	Q3 2014	Q3 2013	9M 2014	9M 2013	FY 2013
Result allocated to shareholders (in NOK '000)	(8 256)	(6 562)	(25 634)	(18 715)	(27 608)
Weighted average of outstanding shares (in '000)	8 195	8 135	8 195	8 113	7 696
Earnings per share (NOK per share)	-1,07	-0,85	-3,32	-2,44	-3,59

Weighted average of outstanding diluted shares is weighted number of average shares adjusted with share options. Earning per share is not affected by the dilution if negative results in the period.

5. Segment information

The Company reports only one segment and revenues are not influenced by any cyclicality of operations. The company received Norwegian grants and tax incentive scheme (SkatteFUNN) and these are shown as other income.

6. Related party transactions

PCI Biotech is relying on services provided by third parties, included related parties, as a result of its organisational set-up. PCI Biotech considers that its business relationship with The Norwegian Radium Hospital Research Foundation and legal services provided by board member Theresa Comiskey Olsen represents related party transactions. The following table shows the extent of such transactions in the reported periods (all figures in NOK '000):

Purchase of services	Q3 2014	Q3 2013	9M 2014	9M 2013	FY 2013
The Norwegian Radium Hospital Research Foundation	701	550	1 820	1 719	1 582
Theresa Comiskey Olsen	0	0	85	3	20

At the end of the quarter, PCI Biotech had NOK 0.7 million in short term debt to The Norwegian Radium Hospital Research Foundation and no short term debt to Theresa Comiskey Olsen.

7. Credit risk, foreign currency risk and interest risk

Credit risk

PCI Biotech trades only with recognised, creditworthy third parties, of which most are governmental institutions. Receivable balances are monitored on an on going basis with the result that the company's exposure to bad debts is not significant and therefore no offset of bad debts has been recognised at the end of Q3 2014.

Maturity profile on receivables as per 30 September 2014 (all figures in '000 NOK):

	Not due	Less than 3 months	3 to 12 months	Total
Trade receivables	-	-	-	-
Other receivables	7 642	-	-	7 642
Total receivables	**7 642**	**-**	**0**	**7 642**

A majority of other receivables relates to accrued, not received grants and tax incentive scheme (SkatteFUNN).

Foreign currency risk
PCI Biotech has transactional currency exposure arising from purchases in currencies other than the functional currency (NOK). PCI Biotech has not implemented any hedging strategy to reduce currency risk.

Interest risk
PCI Biotech has no interest bearing debt.

8. Research and Development costs

All figures in '000 NOK

	Q3 2014	Q3 2013	9M 2014	9M 2013	FY 2013
Clinical studies	4 255	4 176	14 761	12 512	16 724
Pre-clinical studies	3 210	1 411	7 843	4 598	6 742
CMC and equipment	1 363	1 871	4 346	4 150	7 391
Patents	1 285	706	2 672	1 427	1 931
Other costs	0	0	0	0	0
Total	**10 113**	**8 164**	**29 622**	**22 687**	**32 789**

9. Deferred tax and deferred tax assets

At the end of the quarter, the group held NOK 55.4 million in non-capitalised deferred tax assets.

10. Share options

Share options outstanding at the end of the period have the following expiry date and exercise prices:

Expiry date	Exercise price in NOK per share	Number of shares 30.09.2014	31.12.2013
2015 - Q2	6.47	174 000	174 000
2015 - Q3	37.24	90 000	90 000
2016 - Q3	19.02	170 000	170 000
2017 - Q3	37.02	86 500	86 500
2018 - Q3	19.63	85 000	85 000
2018 - Q3	18.64	40 000	40 000
Total		**645 500**	**645 500**

11. Material events subsequent to the end of the reporting period

PCI Biotech is not aware of any post-closing events, which could materially influence this interim financial statement.