

NattoPharma ASA

3rd Quarter 2015

NattoPharma Interim Report 3. Quarter 2015

NattoPharma in Growth Phase

NattoPharma continues its growth phase of Corporate Life Cycle. Sales increased in Q3 by over 20% and in the year today by 40%. See picture 1 and table 1 in financial review below.

Key numbers and facts

3. Quarter (Q3)

- Revenue rose by 20.1 percent to NOK 6,151,000 (5,121,000)
- Loss before tax was NOK 8,295,000 (6,106,000)
- Loss after tax was NOK 8,122,000 (5,950,000)
- Gross margin 23.1 percent (22.7)
- Cash at end of quarter was NOK 26,915,000 (12,984,000)
- The first Vitamin K2 educational seminar arranged at SSW in Vegas October 2015
- High potential for MenaQ7 in China

Year to date (YTD) 2015

- Revenue rose by 40 percent to NOK 20,660,000 (14,797,000)
- Loss before tax was NOK 19,919,000 (18,472,000)
- Loss after tax was NOK 19,420,000 (18,004,000)
- Gross margin rose to 26.6 percent (21.5)
- Cash at YTD was NOK 26,915,000 (13,101,000)
- Equity ratio 91.1 % (85,3)

Events after balance date Q3 2015

- Publication shows that MK7 is stable in yogurt.
- Publication shows that MK7 has positive health effects on bone and arterial stiffness in combination with new anticoagulant drugs
- A “Breakthrough” vitamin K2, MK7 educational seminar took place at SSW in Vegas in October 2015.

- NattoPharma participated at Food Matters Live in UK November 2015

NattoPharma growth phase requires further strategic investments in

- Production processes and capacity
- Supply chain
- Marketing both on the current and new markets
- Continuous strengthening of the sales channels
- Continuation of R&D development and new applications

Production and Supply Chain

The manufacturing upscaling of Industrial production processes of batches of MenaQ7 PURE batches (in tons of P-1000 MK7 units) is developing positively in accordance to plans. New and existing customers are buying more MenaQ7 PURE product than MenaQ7 crystals Q3 2015, gradually increasing the margins of the total MenaQ7 sales. To satisfy the growth it will be necessary to expand production capacity in 2016-17.

As part of its growth strategy, NattoPharma is investing in a more robust and efficient supply chain. These supply chain investments will result in significantly increasing manufacturing capacity and achievement of higher economy of scale in the manufacturing processes. Consequently they will improve product margins and distributors/customers satisfaction due to shorter lead times and improved on-time delivery.

Markets

Overall growth of the markets in Q3 and YTD 2015 was satisfactory.

Most recently, Glanbia has supplied a major mass market U.S. retailer with a “gummy technology” that includes NattoPharma’s MenaQ7. This gummy will be distributed through the retailer’s network of 1,799 stores across the US. In 2014- 2015, MenaQ7 was introduced nationwide via U.S. pharmacy chains. NattoPharma has signed a distribution agreement with Glanbia Nutritional, the second largest multivitamin company in the American market. The scope of the agreement was increased to not only including dietary supplements but also functional food for MenaQ7 PURE for Europe and selected countries in Asia in 2015.

NattoPharma is continuing our conversations with the largest national dietary supplement brands in North America, both in US and Canada.

In Q1 NattoPharma signed an agreement-in-principal with IMCD for sales and distribution of NattoPharma’s MenaQ7 in Europe within the dietary supplement and nutritional segments. Through our partnership with IMCD, NattoPharma has developed a solid pipeline of opportunities for MenaQ7 PURE in dietary supplements. New sales resulting from this are increasing steadily and are expected to continue at a higher pace throughout 2016, driven by new product launches with MenaQ7. While our European business growth will be driven by dietary supplements, we are also starting to see customer interest for food fortification with MenaQ7 in Europe.

The expected increase in sales volumes of MenaQ7 through Glanbia and IMCD is progressing, although at a slower penetration rate than initially projected.

In Australia, NattoPharma is currently supplying approximately 70 percent of the MK7 products listed. After initial product launches and retail stocking, reorders are now underway and we expect to see steady

growth driven by increasing consumer interest and demand. It is expected that the leading natural health brands will be major drivers for an increased MenaQ7 sales for NattoPharma in Australia.

In China our commercial partner, Prochin, has begun commercial introduction of MenaQ7 products in Q3 2015. We anticipate significant growth in 2016 and 2017 reflecting increased consumer awareness of MenaQ7 along with achievement of important registration status.

Vitamin K2 awareness

NattoPharma has experienced increasing interests for vitamin K2 in general and our brand MenaQ7 during Q3 2015. The first educational seminar discussing vitamin K2 was arranged at the largest US supply show for dietary supplements and functional foods, Supply Side West (SSW) in Las Vegas, Nevada, in October 2015. This represents a “breakthrough” in recognition for vitamin K2 and MK7 as – not only an interesting health category in itself – but as a category with significant potential, as reflected by the other topics included in the educational program, such as sports medicine, probiotics and omega-3s. The seminar was arranged by show organizers as part of the show’s educational tract. Further, major industrial players in US and Europe paid an entry fee to attend the event.

One of the main reasons for the increased interest in MK7 as a health category of new products is the recently published cardiovascular data on MK7. This makes it possible to promote health benefits related to regular intake of MK7 – not only related to bone health, but also with cardiovascular health. The SSW organizing committee had selected Associate Professor Leon Schurgers (Maastricht University), Katarzyna Maresz, PhD (President in the International Science and Health Foundation, Krakow, Poland) and Dennis Goodman, MD, (Director of Integrative Medicine at New York University) as three of the four speakers at the seminar. Each of these presenters have been involved with research and/or education based upon and including MenaQ7. At the seminar the data supporting MK7 bone and cardiovascular health benefits were discussed and described. Based on the presentations it was abundantly clear that MenaQ7 from NattoPharma is the only MK7 with clinical validation.

Dr. Katarzyna Maresz has been a board Director of NattoPharma ASA since February 2011. Dr Maresz is a master’s graduate at the Jagiellonian University, Pharmacy Faculty (specialization: Medical Analytics, 1998). She holds a Ph.D in Biological Sciences at the Medical Faculty of the Jagiellonian University (2002). She practiced at the Laboratory of Cellular and Molecular Immunology, Blood Research Institute, in Milwaukee, WI, USA (2003-2006). She has been the president and scientific coordinator of the International Science and Health Foundation in Krakow, Poland since 2009.

Among several other recent publications related to MK7 interventions, particularly important are:

- 1) Rick H. van Gorp and Leon Schurgers from Department of Biochemistry, Cardiovascular Research Institute Maastricht, Maastricht University: “New insights into pros and cons of the clinical use of vitamin K antagonists (VKAs) versus direct oral anticoagulants (DOACs) which states that the new DOACs do not negatively interact with vitamin K2, thus allowing the body to utilize them.
- 2) VitaK, Maastricht University, which points that the MK7 molecule proved stable when included in drinkable dairy yoghurt. This opens up for more applications for use of MenaQ7 in functional food. NattoPharma is transitioning from an early stage research and development focused company into a marketing and & sales company with continued application development.

Future cardiovascular EFSA claims for MenaQ7

The “three year study”, where daily intake of MenaQ7 180 microgram for three years in 50% of the 244 women on active substance were documented to reduce arterial stiffness as compared to data in the placebo-group of healthy participants, has introduced scientific, medical “evidence” for the positive cardiovascular health effects of MenaQ7. NattoPharma is still in the process of writing a renewed “medical claim

application” to EFSA. If we are successful and achieve a medical cardio-vascular claim, NattoPharma and MenaQ7 will be the only company and vitamin K2 product that will be allowed to use cardiovascular claims associated with use of vitamin K2.

Evidence of this milestone is that three new products are being introduced this year specifically targeting cardio-vascular and arterial health. This is a significant indication for MenaQ7 beyond bone health.

Sales Channels

NattoPharma established stronger US presence in 2015. Our offices in New Jersey were increased by new function of Chief Operating Officer, in addition to the existing Senior Vice President for Sales & Marketing and highly qualified sales specialists.

During 2015 we have also strengthened the sales organizations in Europe and Asia. IMCD is progressing well with the sales activities in Europe. We have realized our first sales into China. NattoPharma is experiencing an increasing interest for vitamin K2 and our brand MenaQ7. NattoPharma expects the vitamin K2 market to have a high yearly growth the next 5 – 10 years, and we are positioning ourselves to be a substantial part of this growth picture.

Key Financials

Table 1. Key Financials

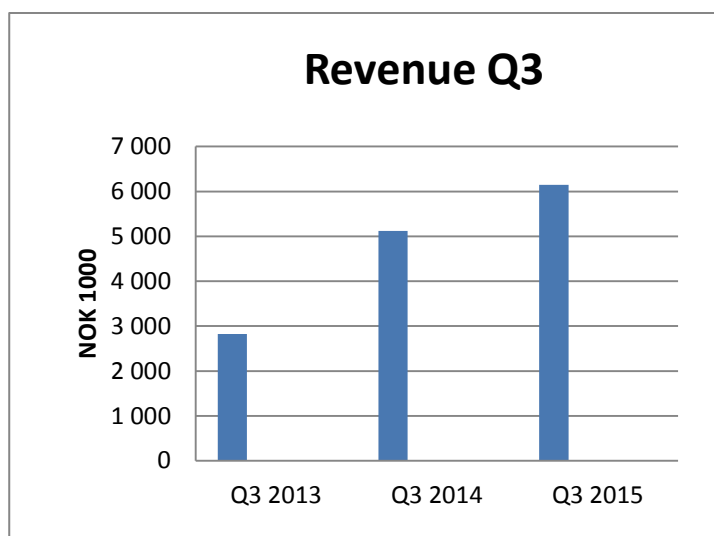
M NOK	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014
Sales Revenue	6,2	5,1	20,7	14,8	25,5
Changes in %	21,6 %		39,9 %		
EBITDA	-9,6	-5,1	-19,9	-14,7	-18,5
Net Loss/Profit	-8,3	-6,1	-19,9	-18,5	-21,9
Cash Position	26,9	13,0	26,9	13,0	13,1

Financial Review

Revenues

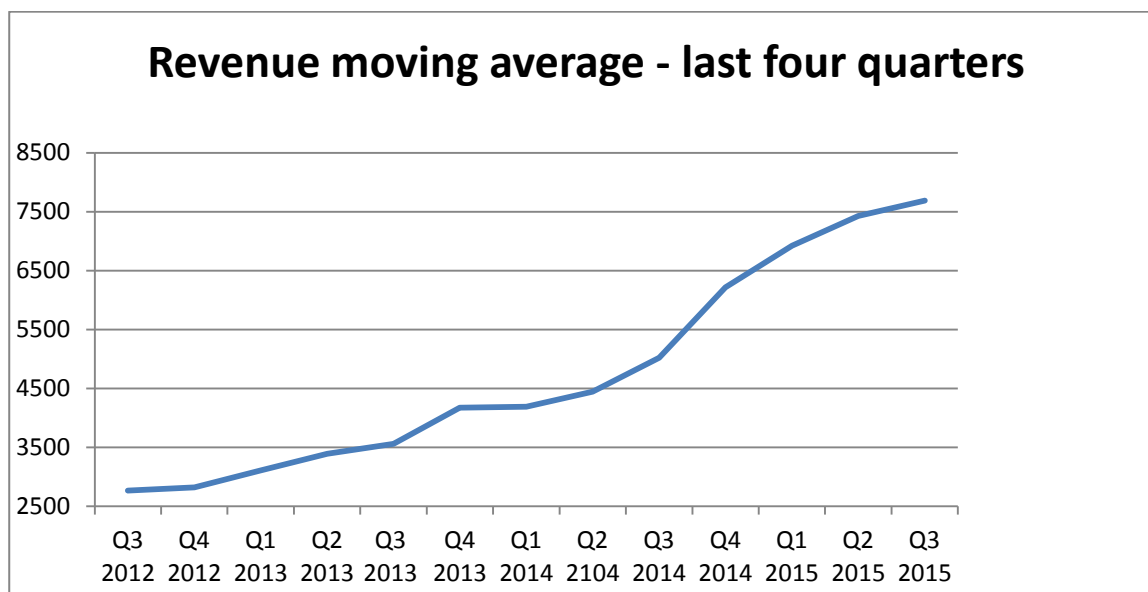
Revenues for Q3 2015 increased by 20.1 % compared to Q3 2014, resulting in the 12th consecutive quarter of sales growth as compared to prior year same quarter sales. The revenues in Q3 2015 were NOK 6.2 million compared to revenues of NOK 5.1 million in Q3 2014.

Picture 1. Revenues Q3



The gross margin for Q3 2015 was 23.1 % compared to 22.7 % of Q3 2014. The gross margin reflects a write down of inventory of NOK 0.5 million in Quarter 3, which reflects a market price reduction of older material with reduced shelf life expectancy. In spite of the negative effect of the write down, the margins have improved. (Without these adjustments, the margin would have been approx. 30.1 %.) As previously communicated, as we are scaling up the manufacturing of MneaQ7 Pure, NattoPharma is able to supply vitamin K2 at a lower production cost, which will have a positive effect on the gross margin on an annual basis as production becomes more efficient and volumes pick-up.

Picture 2. Revenues moving average



Operating expenses for Q3 2015, including cost of goods equaled NOK 17.3 million compared to NOK 11.6 million for Q3 2014.

Operating profit for Q3 2015 was negative with NOK 11.1 million, compared to NOK 6.4 million negative as for the same period of 2014. This is a result of extensive strategic investments 2015 required in the current growth position of NattoPharma in its Corporate Life Cycle.

In addition the results are caring depreciation and write down in Q3 2015 equaling NOK 1.5 million, which mainly applies to intangible assets and the acquisition of NattoPharma R&D Ltd.

For the YTD 2015 the gross margin was substantially higher, 28.6 % compared to 21.5 % for YTD 2014. Positive development of margins is a result of growing sales of own products with a lower cost of goods despite a write down of inventory of NOK 0.5 million in Q3 2015.

Operating loss for YTD 2015 was NOK - 19.4 million compared to NOK - 18.0 million YTD 2014. As proportion of sales the losses decrease by 29 percent points, table 1.

Total operating expenses for YTD 2015, including cost of goods equaled NOK 44.8 million compared to NOK 33.6 million for YTD 2014. It also means a reduction compared to sales by 5 percent points.

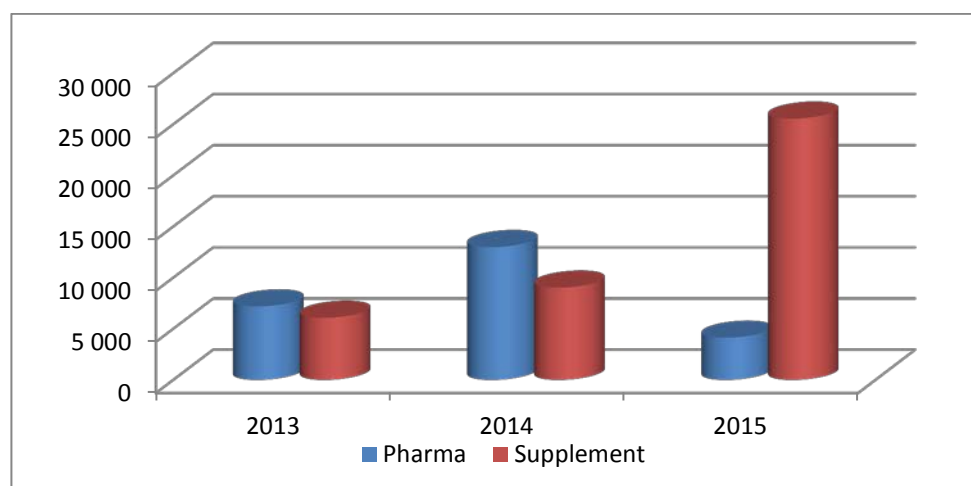
We are developing a strong plan to increase cost reductions by increased productivity in all operational activities of NattoPharma in 2016 -17. This reduction plan will come into operations in Q1 2016. In addition, the depreciation for YTD 2015 equals NOK 4.3 million, which mainly applies to intangible assets and the acquisition of NattoPharma R&D Ltd.

Total assets as per September 30th 2015 equal NOK 113.0 million compared to NOK 88.8 million as per December 31 2014. Non-Current Assets totals NOK 55.1 million and Total Current Assets totals NOK 57.9 million of which cash and cash equivalents totals NOK 26.9 million. As per December 31st 2014, corresponding figures are NOK 56.5 million in Total Non-Current Assets and NOK 32.3 million in Total-Current Assets of which cash and cash equivalents equals NOK 13.1 million. Total Equity equal NOK 102.9 million compared to NOK 75.7 million as per December 31 2014. Total Debt equals NOK 10 million

compared to NOK 13 million as per December 31st 2014. The equity ratio as per September 30th 2015 is 91.1 % compared to 85.4 % as per December 31st 2014.

Operating expenses divided between pharma and supplements for Q3 2013, 2014, and 2015 breaks down as follows:

Distribution of cost in NOK 1.000 for Q3 2015



Operating expenses, which are mainly related to R & D investments, are not capitalized and depreciated, but are expensed in the accounts in accordance with IFRS (Structural efforts).

Cash flow

The net cash flow from operational activities in Q3 is negative with NOK 30.2 million of which NOK 19.9 million relates to the periodic result and NOK 9.4 million relates to increase in accounts receivables and NOK 2.7 million relates to a reduction in accounts payables. There were no registered losses on receivables during Q3 2015. Risk in accounts receivable is low as the main debtors have a strong financial position. See also note 5 to the Income Statement.

Accounts receivables consists of short-term loans of NOK 3.4 million in addition to NOK 2.8 million in sales outstanding to EuroPharma Alliance SP. zoo, Poland, NOK 3.3 million to TG Montgomery AS, NOK 2 million in Skattefunn funds due in October 2015 + NOK 1.7 million in prepayments, NOK 2.8 million in VAT and customers NOK 7.5 million.

The cash position as per 30 June 2015 was NOK 38.7 million, of which approx. NOK 0.5 million is restricted cash for customs guarantee and tax deductions. The company has a positive equity of NOK 108.1 million. Total liabilities and equity totaled NOK 121.1 million YTD 2015 compared to NOK 88.8 at 31 December 2014.

NattoPharma's financial position is considered to be satisfactory. The company has no long-term debt beyond deferred tax of NOK 5.9 million and no leasing obligations except for office rental at Høvik, which expires at end of 2016.

Equity – Share issue

The company has carried out a successful share issue in April / May 2015, upon which a total of 3 571 428 new shares at a subscription price of NOK 14 per share were issued. Total capital increase before deduction

of placement cost is NOK 49 999 992, of which NOK 10 714 284 relates to an increase in share capital and 39 285 416 is share premium reserve before deduction of emission costs. The share issue was split in two, 1 785 714 shares was offered to existing shareholders based on subscription rights and 1 785 714 share was a public offering to Swedish shareholders in relation to the listing on NASDAQ Stockholm. The share issue was oversubscribed by NOK 10 million, hence a shortening was carried out for the shareholders not holding subscription rights.

The new share capital registered as per June 30th 2015 is NOK 51 419 799 based on a total number of shares issued equal to 17 139 933 each with a face value of NOK 3.

Other issues

For transactions between related parties, see note no. 6.

Furthermore, a loan of Euro 450 000 was made to EuroPharma Alliance Sp. z.o.o. as per April 16th with repayment October 16th 2015. The agreed interest rate is 2 % p.a. The loan has been repaid with Euro 100 000, remaining balance + interest is prolonged until end of Q4 2015.

The financial statement is prepared under the assumption of going concern.

Outlook

Business expansion

NattoPharma will continue to build a portfolio of supplement customers on a global basis. It expects growth in all its main markets: USA, Europe, and Australia. The awareness of the substance vitamin K2 is increasing. Based on recent scientific papers and discussions and comments in “nutraceutical communications”, the understanding of vitamin K2 mechanisms and potential positive protective vitamin K2 effects for bone health and arterial functionality, several pioneers within the dietary supplement industry predict a near-term huge growth in sales of vitamin K2. NattoPharma has experienced that it takes longer time than expected before scientific and consumer awareness are substantiated into sales and commercial results. However, today, NattoPharma is the major commercial player in the vitamin K2 market. We believe that the “break through” for the vitamin K2 segment will take place in 2016. NattoPharma is positioned to take a substantial part of this expected growth. Based on the current outlook and sales plans, the company has an objective to realize a profit for our supplement business in 2016.

Listing on Oslo Axess and NASDAQ Stockholm

NattoPharma is listed on Oslo Axess and First North NASDAQ Stockholm. As of September 30th, the company had approx. 1 224 shareholders. The official opening of the NattoPharma listing at First North Nasdaq was successfully accomplished on May 18th 2015.

Høvik, November 24th 2015

Board of Directors

Frode M. Bohan
Chairman of the Board

Katarzyna Maresz
Board Member

Christopher Von Schirach-Szmigiel
Board Member

Consolidated Income statement for the 3rd Quarter 2015

NattoPharma ASA					
<i>(Numbers in 1 000 NOK)</i>	Note	07.01-09.30 2015	07.01-09.30 2014	01.01-09.30 2015	01.01- 09.30 2014
REVENUE					
Revenue	4	6 151	5 121	20 660	14 797
Other revenue		-	-	-	-
TOTAL REVENUE AND OTHER INCOME		6 151	5 121	20 660	14 797
OPERATING EXPENSES					
Cost of goods sold	4	-4 729	-3 958	-15 157	-11 611
Salaries and benefits	4	-3 438	-2 049	-8 868	-5 301
Depreciation and amortisation	4	-1 475	-1 358	-4 293	-4 076
Other operating expenses	4	-7 662	-4 188	-16 512	-12 640
TOTAL OPERATING EXPENSES		-17 264	-11 553	-44 830	-33 628
OPERATING PROFIT / LOSS		-11 113	-6 432	-24 170	-18 831
FINANCE INCOME AND EXPENSES					
Interest income		53	17	105	57
Other finance income		3 221	-	4 812	-
Interest expense		-	22	-107	17
Other finance expense		-456	287	-559	285
NET FINANCE		2 818	326	4 251	359
(LOSS)/PROFIT BEFORE INCOME TAX		-8 295	-6 106	-19 919	-18 472
Income tax		173	156	499	468
NET (LOSS)/PROFIT		-8 122	-5 950	-19 420	-18 004
Loss allocated to shareholders of parent company		-8 122	-5 950	-19 420	-18 004
Loss per share		-0,47	-0,60	-1,26	-1,49

TOTAL RESULT	07.01-09.30 2015	07.01-09.30 2014	01.01-09.30 2015	01.01- 09.30 2014
Loss for the period	-8 122	-5 950	-19 420	-18 004
Other comprehensive income to be reclassified to profit or loss in subsequent period				
Translation difference	2 938	825	1 348	-1 590
Total other comprehensive income	2 938	825	1 348	-1 590
Total comprehensive income for the period	-5 184	-5 125	-18 072	-19 594
Allocated to the shareholders of parent company	-5 184	-5 125	-18 072	-19 594

Balance sheet – Assets

NattoPharma ASA			
<i>(Numbers in 1 000 NOK)</i>	Note	09.30.2015	12.31.2014
NON CURRENT ASSETS			
INTANGIBLE ASSETS			
Goodwill	7	7 188	6 819
Other intangible assets	7	47 678	49 663
TOTAL INTANGIBLE ASSETS		54 866	56 482
OTHER NON-CURRENT ASSETS			
Property, plant & equipment		261	9
TOTAL OTHER NON-CURRENT ASSETS		261	9
TOTAL NON CURRENT ASSETS		55 127	56 491
CURRENT ASSETS			
Inventory		7 505	5 085
Trade and other receivables		23 465	14 076
Cash and cash equivalents		26 915	13 101
TOTAL CURRENTS ASSETS		57 885	32 262
TOTAL ASSETS		113 012	88 753

Balance sheet – Equity and liabilities

NattoPharma ASA			
<i>(Numbers in 1 000 NOK)</i>	Note	09.30.2015	12.31.2014
EQUITY			
Paid in equity			
Share Capital	2	51 420	40 706
Share premium reserve		113 331	78 737
Non-registered equity		-	-
TOTAL PAID IN EQUITY		164 751	119 443
Other equity			
Accumulated loss		-66 749	-47 329
Translation adjustment		4 953	3 605
TOTAL EQUITY		102 955	75 719
NON-CURRENT LIABILITIES			
Other long term debt		7	29
Deferred tax		5 870	6 081
TOTAL NON-CURRENT LIABILITIES		5 877	6 110
CURRENT LIABILITIES			
Trade payable		1 242	5 394
Social security, public fees etc.		264	410
Other current liabilities		2 674	1 120
TOTAL CURRENT LIABILITIES		4 180	6 924
TOTAL DEBT		10 057	13 034
TOTAL EQUITY AND LIABILITIES		113 012	88 753

Cash Flow Statement

(Numbers in 1 000 NOK)	01.01-09.30 2015	01.01-09.30 2014
OPERATING ACTIVITIES		
Loss before tax	-19 919	-18 472
Depreciation and amortization	4 294	4 077
<i>Changes in working capital items:</i>		
Trade and other receivables	-9 389	-6 609
Trade payables	-2 744	-639
Other short term items	-2 444	-5 096
NET CASH FLOW FROM OPERATION ACTIVITIES	-30 202	-25 461
INVESTMENT ACTIVITIES		
Investments in property, plant & equipment	-257	-776
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	-257	-776
FINANCING ACTIVITIES		
Proceeds from share issue	45 308	17 388
Proceeds share issue - unregistered	-	-
Proceeds from short term loans	5 000	-
Repayment of short term loans	-5 000	-
NET CASH FLOW FROM FINANCIAL ACTIVITIES	45 308	17 388
Net change in cash and cash equivalents	14 849	-8 499
Effect of currency	-1 036	-85
Cash and cash equivalents 1.1	13 101	21 918
CASH AND CASH EQUIVALENTS AS PER 30 SEPTEMBER	26 914	12 984

Changes in Equity

(Numbers in 1 000 NOK)	Share capital	Share premium	Non controlling interest	Accumulated deficit	Balance recalculations	Total Equity
Equity as per 01.01.2014	29 109	38 502	34 456	-26 108	481	76 440
Total comprehensive income for the period	0	0	0	-18 004	-1 590	-19 594
Share issue registration of equity	7 008	27 448	-34 456			-
Share issue	4 589	13 000	-	-	-	17 589
Transaction costs		-201				-201
EQUITY AS PER 09.30.2014	40 706	78 749	0	-44 112	-1 109	74 234
Equity as per 01.01.2015	40 706	78 737	-	-47 329	3 605	75 719
Total comprehensive income for the period	-	-	-	-19 420	1 348	-18 072
Share issue	10 714	39 296				50 000
Share issue transaction costs		-4 692				-4 692
EQUITY AS PER 09.30.2015	51 420	113 331	0	-66 749	4 953	102 955

Notes to consolidated accounts as per 30 September 2015

1. ACCOUNTING PRINCIPLES

Interim reports are prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The report does not contain all information necessary in a full annual report, and must be read in conjunction with the consolidated financial statements for NattoPharma ASA for the fiscal year leading up to and including 31. December 2014. From Q3 2013, the company is a group with subsidiaries in the USA and Cyprus, respectively NattoPharma USA, Inc. and NattoPharma R&D Ltd. (Vitasynth Ltd).

The interim report, which is not audited, was approved by the company's board of directors on 24. November 2015.

2. SHARE CAPITAL

As per 30 June 2015, the share capital is NOK 51 419 799 based on a total number of shares issued equal to 17 139 933 each with a face value of NOK 3.

3. SHAREHOLDER INFORMATION

List of the 20 major shareholders as of 30 September 2015:

Shareholder list 20 major NattoPharma ASA	09.30.2015	
	No. Of shares	Owner- ship
Shareholder		
1 Svenska Handelsbanken Stockholm	2 164 954	12,63 %
2 Six Sis AG	1 747 191	10,19 %
3 Novel Nutrition Network Ltd, Cyprus	1 436 000	8,38 % 1)
4 KG Investment Comp AS	918 691	5,36 %
5 Bohan & Co AS	783 455	4,57 % 2)
6 Pro AS	726 925	4,24 %
7 Avanza Bank AS, Meglerkto	682 824	3,98 %
8 Institusjonen Fritt Ord	623 586	3,64 %
9 Eng AS	556 480	3,25 % 3)
10 Skandinaviska Enskilda Banken	432 972	2,53 %
11 TG Montgomery AS	385 186	2,25 %
12 Gjersvik, Karstein	321 738	1,88 %
13 MP Pensjon	313 647	1,83 %
14 Nielsen, Trygve	288 640	1,68 %
15 Bjerkenes Holding, Jan Fredrik Bjerkenes	245 000	1,43 %
16 Gjersvik, Anne-Britt Sander	201 840	1,18 %
17 Universal Exports AS	201 000	1,17 %
18 NxT Capital Ltd	200 000	1,17 % 2)
19 Citibank N.A.	187 060	1,09 %
20 Nordnet Livsforsikring AS	158 063	0,92 %
Sum 20 major shareholders	12 575 252	73,37 %
Other shareholders	4 564 681	26,63 %
Sum 20 major sharholders	17 139 933	100,00 %

- 1.) Shares controlled by Piotr Jandziak, VP Operations
- 2.) Shares controlled by Frode Marc Bohan, Chairman of the Board
- 3.) Shares controlled by Hogne Vik, CEO

4. SEGMENT REPORTERING

The Company has two operating segments, respectively supplements and pharma. The company's operations are concentrated around buying and selling, as well as research and development related to Vitamin K2.

Geographic segment information related to the company's sales and operating activities is shown in the table below:

(Numbers in 1 000 NOK)	01.01-09.30 2015		01.01-09.30 2014		01.01-09.30 2013	
	Pharma	Supplement	Pharma	Supplement	Pharma	Supplement
USA	0	6 916	0	4 917	0	2 893
Europe	0	8 841	0	8 500	0	7 820
ROW+ others	0	4 903	0	1 380	0	765
TOTAL REVENUE	0	20 660	0	14 797	0	11 478
Cost of goods		-15 157		-11 611		-6 911
Net income	0	5 503	0	3 186	0	4 567
Gross margin in %		26.7 %		21.5 %		41.0 %
Operating expenses	-4 120	-25 553	-12 990	-9 027	-7 179	-6 081
RESULT BEFORE FINANCE	-4120	-20 050	-12 990	-5 841	- 7 179	-1 514

5. SALES AND ACCOUNTS RECEIVABLES

Accounts receivable applies essentially to strategic and profitable customers, incl. CMG Group and EuroPharma Alliance Sp. zoo which play a central role in the structuring of production of MenaQ7® Pure. CMG Group in Australia has purchased goods from NattoPharma for the equivalent of NOK 2 million as per 30 June 2015 which is equal to approx. 13.8 % of total sales as per 30 June 2015. Please also see discussion under note 6 Related Parties.

6. RELATED PARTIES

Company	Closely related party	Transaction amount
1. EuroPharma Alliance Sp Zoo, Poland	Piotr Jandziak	NOK 6 264 010
2. Eng AS	Hogne Vik	NOK 5 000 000
3. ImmunoPharma AS	Hogne Vik/Frode Bohan	NOK 662 500
4. Universal Export AS	Frank Erikstad Bjordal	NOK 531 250
5. Seminarium Spolka Jawna	Piotr Jandziak	NOK 262 093
6. Eqology ASA	Frode Bohan	NOK 500 000

Description:

1. EuroPharma Alliance Sp zoo, Poland has a longstanding customer relationship with NattoPharma ASA has from fall 2014 been engaged in the production of the Company's new synthetic vitamin K2 product. Piotr Jandziak is the CEO of both EuroPharma Alliance Sp zoo and Vitasynth SP zoo, which is 100 % owned by NattoPharma's subsidiary NattoPharma R&D Ltd. Cyprus and he also serves as Vice President Head of production and logistics in NattoPharma.
2. Eng AS provided a short term loan to NattoPharma ASA end of March. Eng AS is controlled by the CEO of NattoPharma ASA, Hogne Vik. The loan was repaid in May 2015.

3. ImmuunoPharma AS has supplied graphical and R&D Skattefunn services for NOK 662 500 including VAT as per 30. September 2015. Frode Bohan is the Chairman in both ImmuunoPharma AS and NattoPharma ASA and Hogne Vik is a shareholder in both companies.
4. Universal Exports AS has supplied consultancy services related to the share issue in May 2015. Frank Erikstad Bjordal was a board member of NattoPharma ASA up until 25. June 2015 and chairman of the board of directors in Universal Exports AS.
5. Seminarium Spolka Jawna is supplying services related to the production of the Company's new synthetic vitamin K2 product. The company is controlled by Piotr Jandziak and he is the CEO of Vitasynth SP zoo, 100 % owned by NattoPharma's subsidiary NattoPharma R&D Ltd. Cyprus and he also serve as Vice President Head of production and logistics in NattoPharma.
6. NattoPharma ASA has contributed with NOK 500 000 to Eqology ASA with respect to a R&D Program related to adding Vitamin K2 to an Omega3 oil product. Forde Bohan is chairman of the board of directors in both NattoPharma ASA and Eqology ASA.

7. NATTOPHARMA R&D LTD., CYPRUS (VITASYNTH LTD.)

NattoPharma acquired NattoPharma R & D Ltd., Cyprus (Vitasynth Ltd.) 100% through a settlement in shares and partial payment in Euro and where the settlement in shares was registered in February 2014. The investment is booked with NOK 54.8 million as per 30 September 2015 of which Goodwill is booked with NOK 7.2 million. Depreciation amounts to NOK 4.3 million as per 30 September 2015.

8. EVENTS AFTER BALANCE DATE

NattoPharma ASA announced August 12th 2015 that they had signed an agreement with TG Montgomery where the brand MenaQ7 will be used in a marketing campaign for vitamin K2 in Sweden during 2015 and 2016.

NattoPharma announced August 20th that Mercola, a leading health education company offering premium products, selected NattoPharma as their preferred supplier partner. Not only has Mercola included NattoPharma's MenaQ7[®] Vitamin K2 as MK-7 as a featured ingredient in the prestigious Dr. Mercola Premium Products line, but the two companies have combined their resources to educate consumers about the clinically validated health benefits of Vitamin K2. Mercola.com is currently the world's #1 natural health website.

Other than this, no material events have taken place after the balance date which is not accounted for above.

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