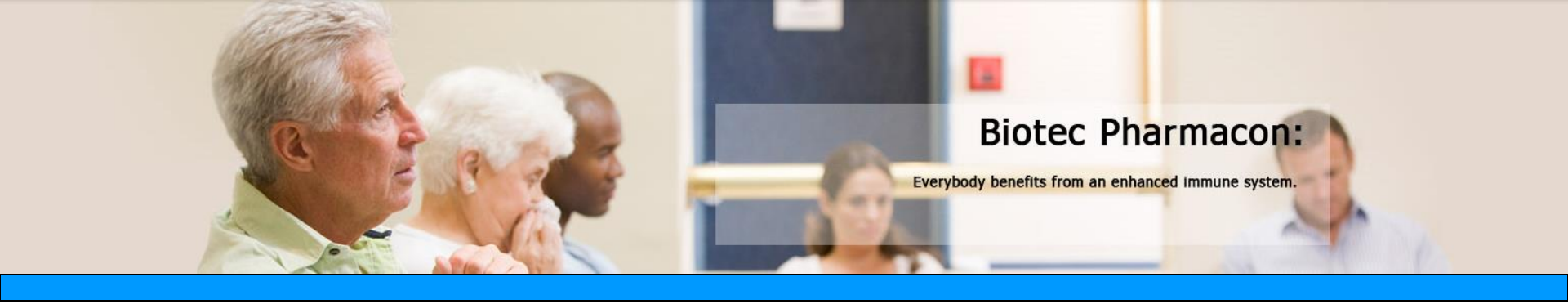

BIOTEC PHARMACON

Second Quarter and First Half Year 2013

8 August 2013

Svein W. F. Lien – CEO

Agenda

- Highlights
- Q2 and H1 financials
- Beta-Glucans
  - advanced wound care
- Enzymes
  - molecular testing
- Summary and Outlook

Highlights

BetaGlucans

- Obtained ISO 13485 certification
- Successfully validated the Woulgan® Biogel production
- Awaiting decision regarding CE-marking of Woulgan® Biogel as medical device
- Product launch and market evaluation process with Smith & Nephew to start upon CE-marking

Enzymes

- Signed enzyme supply agreement with GE Healthcare Life Science
- Seeking to sign more enzyme supply agreements with global leaders in molecular biology
- Continuing development of user-friendly enzyme kits
- Expecting year-on-year increasing enzyme revenue in Q3

Financials

- Highlights
- **Q2 and H1 financials**
- Beta-Glucans
  - advanced wound care
- Enzymes
  - molecular testing
- Summary and Outlook

Financial Highlights

NOK million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Enzymes	2.7	3.4	7.2	6.5	12.8
Beta-Glucans	1.8	1.2	3.2	4.9	8.7
Sales revenues	**4.6**	**4.5**	**10.4**	**11.5**	**21.5**
Enzymes	-1.0	-1.0	-2.0	-3.4	-7.8
Beta-Glucans	-3.7	-4.4	-8.8	-6.4	-14.8
EBITDA	**-4.7**	**-5.4**	**-10.8**	**-9.8**	**-22.6**
Profit before tax	-4.9	-5.9	-11.5	-10.6	-24.3

Cash Flow and Cash Position

(Amounts in NOK 1.000)	Q2 2013	Q2 2012	H1 2013	H1 2012
Operating activities	**-2,366**	**-5,873**	**-9,723**	**-14,181**
Investing activities	**-338**	**-960**	**-639**	**-2,186**
Financing activities	**76**	**0**	**43,259**	**0**
Changes in cash and cash equivalents	**-2,629**	**-6,833**	**32,897**	**-16,367**
Cash and cash equivalents at the beginning of period	44,905	26,541	9,379	36,075
Cash and cash equivalents at end of period	**42,276**	**19,708**	**42,276**	**19,708**

Biotec BetaGlucans

- Highlights
- Q2 and H1 financials
- **Beta-Glucans**
  - **– advanced wound care**

- Enzymes
  - – molecular testing
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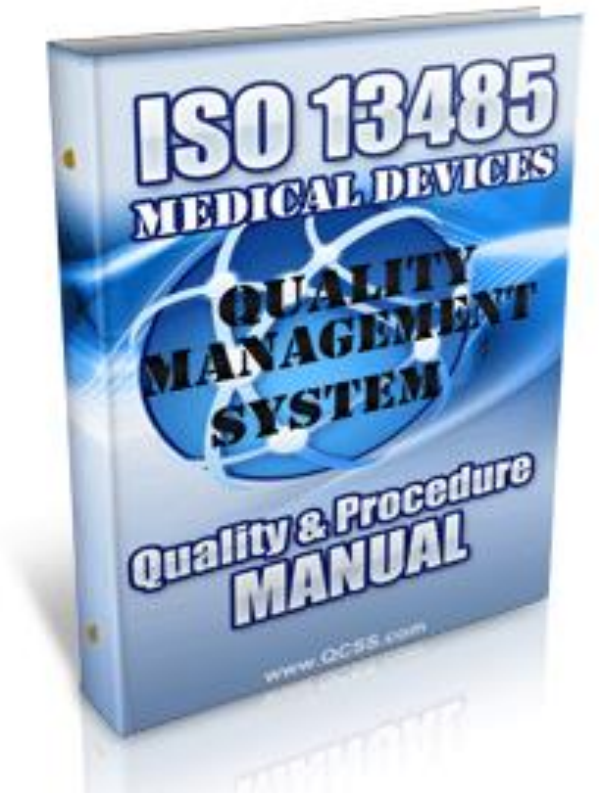
Biotec BetaGlucans

Segment numbers

NOK million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Sales Revenue	**1.8**	**1.2**	**3.2**	**4.9**	**8.7**
Other income	0.5	0.4	0.8	1.2	1.1
Operating expenses	-6.0	-5.9	-12.9	-12.5	-24.6
EBITDA	**-3.7**	**-4.4**	**-8.8**	**-6.4**	**-14.8**
Depreciation	-0.3	-0.3	-0.6	-0.6	-1.1
EBIT	**-4.0**	**-4.7**	**-9.4**	**-7.0**	**-15.9**

ISO 13485 certified by DNV

- Comprehensive quality management system standard for design and manufacture of medical devices
- Biotec BetaGlucans has obtained certification for development, production and sales of soluble beta-glucans
- Requirement for CE-marking and commercial sales of Woulgan® Biogel



Validated production process finalized

- Manufactured three real-scale validation batches at the specialty pharma company Sanochemia Pharmazeutika AG in Austria
- Third and final validation batch was successfully produced in May
- The manufactured products will be used in the trial and evaluation period planned following CE-mark

Awaiting CE-marking of Woulgan® Biogel as medical device

- Woulgan® Biogel was filed for approval as medical device in July 2012
  - Presafe as Notified Body
  - The UK Medicines and Healthcare products Regulatory Authority (MHRA) as Competent Authority with regards to the medicinal substance SBG
- Advanced classification (Class III, rule 13) to ensure product uniqueness and enable efficacy claims
- Approval process would normally take about 1 year and was filed in July 2012, but the novelty of SBG has resulted in a somewhat extended evaluation period at MHRA

smith&nephew collaboration

- Market evaluation commencing upon receipt of the CE-mark
  - Evaluation in limited number of centres across Europe in H2-2013
  - Seeking to establish end-user efficacy in routine clinical setting
  - Smith & Nephew holds exclusive, non-transferable/sublicenseable technology rights until end of trials
- Trial preparations and other collaboration activities are developing as planned

Targeting a mass market in wounds

- Partner Smith & Nephew shares the vision of making Woulgan® Biogel a mass product
- Large market in need of new and cost-effective wound healing solutions
- First indications; Diabetic ulcers, leg ulcers, pressure ulcer and burns

Our goal is to make Woulgan® a cost effective and high volume advanced wound care product

Woulgan® claims and market

Regulatory classification frames:

Medical Device - Class III rule 13 opens for claims related to “Medicinal Product”

Product characteristics approved by Notified Body and Medical Agency - CE Mark

Approved Product and Claims give description and arguments to be used in marketing

Market Segments:	**Paid by:**
Hospitals and Wound Clinics	Budget
Primary Care	Reimbursement
OTC/Individuals	Reimbursement and individuals

BIOTEC PHARMACON

ArcticZymes

- Highlights
- Q2 and H1 financials
- Beta-Glucans
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- **Enzymes**
  - **molecular testing**



- Summary and Outlook

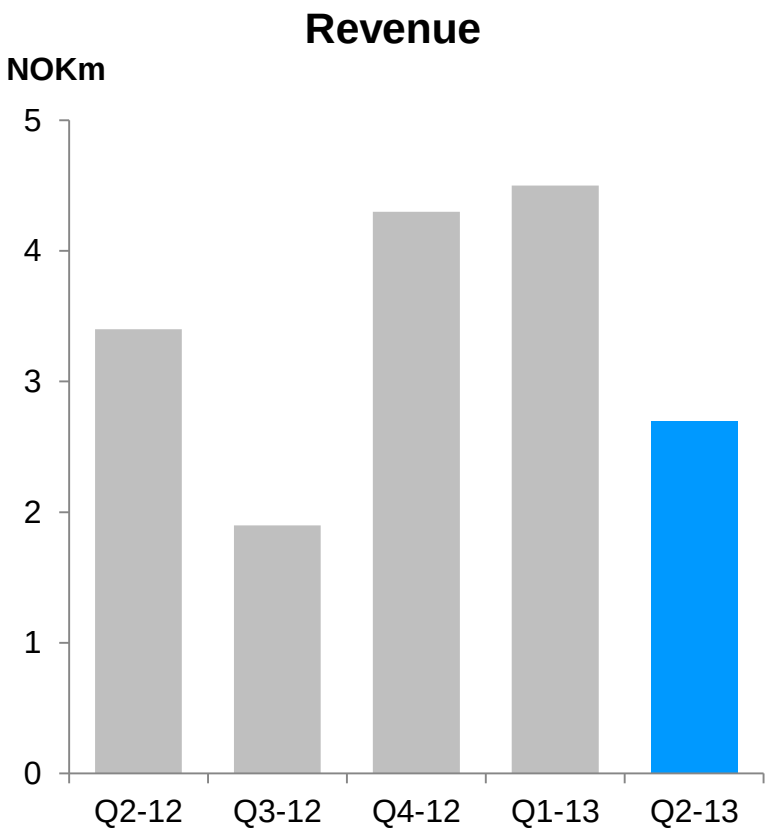
ArcticZymes

Segment numbers

NOK million	Q2 2013	Q2 2012	H1 2013	H1 2012	2012
Sales Revenue	**2.7**	**3.4**	**7.2**	**6.5**	**12.8**
Other income	1.5	1.3	2.7	2.4	4.4
Operating expenses	-5.3	-5.7	-11.9	-12.2	-24.9
EBITDA	**-1.0**	**-1.0**	**-2.0**	**-3.4**	**-7.8**
Depreciation	-0.3	-0.3	-0.5	-0.5	-1.1
EBIT	**-1.3**	**-1.3**	**-2.5**	**-3.9**	**-8.9**

Revenue development

- Revenue volatility reflects fluctuations in SAP deliveries to our largest customer
- Underlying growth in the sale of products
- Sales revenue and operating results in Q3-13 are expected to show improvement from Q3-12



Signed supply agreement with GE

- Signed enzyme supply agreement with GE Healthcare Life Science in July
- Agreement adds to expanding customer base already counting industry leaders such as New England Biolabs and Affymetrix
- Continued focused on the top-end of three distinct customer segments:

1. **Tier 1 Key Accounts**; Large multi-national companies with scope and scale to integrate ArcticZymes products and key components in branded kits
2. **Tier 2 Accounts**; Direct sales towards clients with geographical strength and/or channel ownership
3. **End-user segment** execution; primarily a low-cost pull strategy serving to develop brand online web-shop

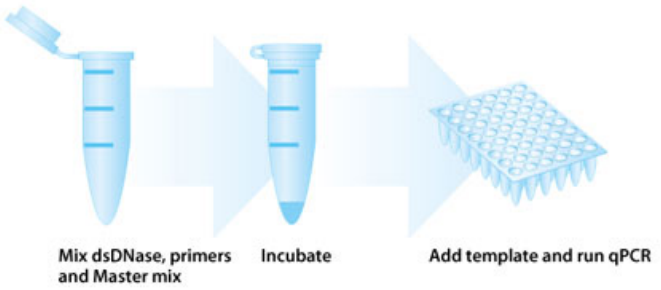
Focus on user-friendly enzyme kits

PCR Decontamination kit

The PCR Decontamination Kit removes contaminating DNA in PCR master mixes, without reduction of PCR sensitivity.

- The double-strand specific property of the dsDNase allows decontamination with primers and probe present.
- Efficient for end-point PCRs and probe based qPCR mixes, and for some SYBR based qPCR mixes.
- Contaminating bacterial DNA is reduced to levels below detection limit
  - flat NTCs!
- The sensitivity of the PCR is not affected.
- Fast and easy protocol.

Protocol:



- Ready-to-use PCR decontamination kit in March 2013
- Heat&Run® gDNA removal kit launched in August 2012
- Grants from the Norwegian Research Council will support development of further kits to meet demands an requests from both OEM customers and researchers

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Outlook

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- Continuing development of user-friendly enzyme kits
- Expecting continuing year on year growth in enzyme revenue


Questions?
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