Agenda

- **Highlights**
- **Q3 financials**
- **Beta-Glucans**
  - **– advanced wound care**
- **Enzymes**
  - **– molecular testing**
- **Outlook**

Highlights

- International market evaluation for Woulgan® Biogel by Smith & Nephew continues at several sites in UK and Germany
- Woulgan® Biogel survey ongoing in Norway shows positive results
- ArcticZymes awarded "Biology Supplier of the Year" by Thermo Fisher Scientific
- Strengthened organization with two new senior management hires

Financials

- Highlights
- **Q3 financials**
- Beta-Glucans
  - – advanced wound care
- Enzymes
  - – molecular testing
- Outlook

Financial Highlights

NOK million	Q3 2014	Q3 2013	9M 2014	9M 2013
Enzymes	3.4	4.7	11.9	11.9
Beta-Glucans	6.2	1.7	11.1	4.9
Sales revenues	**9.6**	**6.3**	**23.0**	**16.8**
Enzymes	-2.2	-0.1	-2.7	-2.1
Beta-Glucans	-3.9	-4.3	-12.7	-13.1
EBITDA	**-6.0**	**-4.4**	**-15.4**	**-15.2**
Profit before tax	**-6.2**	**-4.8**	**-16.2**	**-16.2**

* The segment figures reflect that all costs are allocated to the two operating units

Cash Flow and Cash Position

NOK million	Q3 2014	Q3 2013	9M 2014	9M 2013	2013
Operating activities	-4.1	-6.8	-22.5	-16.5	-17.4
Investing activities	0.8	0	-1.4	-0,7	-1.6
Financing activities	1.0	0	76.9	43.3	43.2
Changes in cash and cash equivalents	**-2.3**	**-6.8**	**53.0**	**26.1**	**24.3**
Cash and cash equivalents at the beginning of period	89.0	42.3	33.6	9.4	9.4
Cash and cash equivalents at end of period	**86.7**	**35.5**	**86.7**	**35.5**	**33.7**

- Strengthened cash balance and equity through share issue raising gross proceeds of NOK 78 million in April and NOK 1 million in August

Biotec BetaGlucans

- Highlights
- Q3 financials
- **Beta-Glucans**
  - **– advanced wound care**

- Enzymes
  - – molecular testing
- Outlook

Biotec BetaGlucans

Segment numbers

NOK million	Q3 2014	Q3 2013	9M 2014	9M 2013
Sales Revenue	6.2	1.7	11.1	4.5
Gross profit	**2.4**	**1.4**	**5.0**	**3.2**
Other income	0.4	0.2	0.5	1.4
Personnel expenses	-4.3	-3.6	-10.4	-10.1
Operating expenses	-2.4	-2.4	-7.8	-7.6
EBITDA	**-3.9**	**-4.3**	**-12.7**	**-13.1**
Depreciation & Amortization	-0.4	-0.3	-1.2	-0.9
EBIT	**-4.3**	**-4.6**	**-13.9**	**-14.0**

* The segment figures reflect that all costs are allocated to the two operating units

- Sales revenue increase reflecting start of deliveries to the Animal Health market and a limited sale of Woulgan® Biogel.

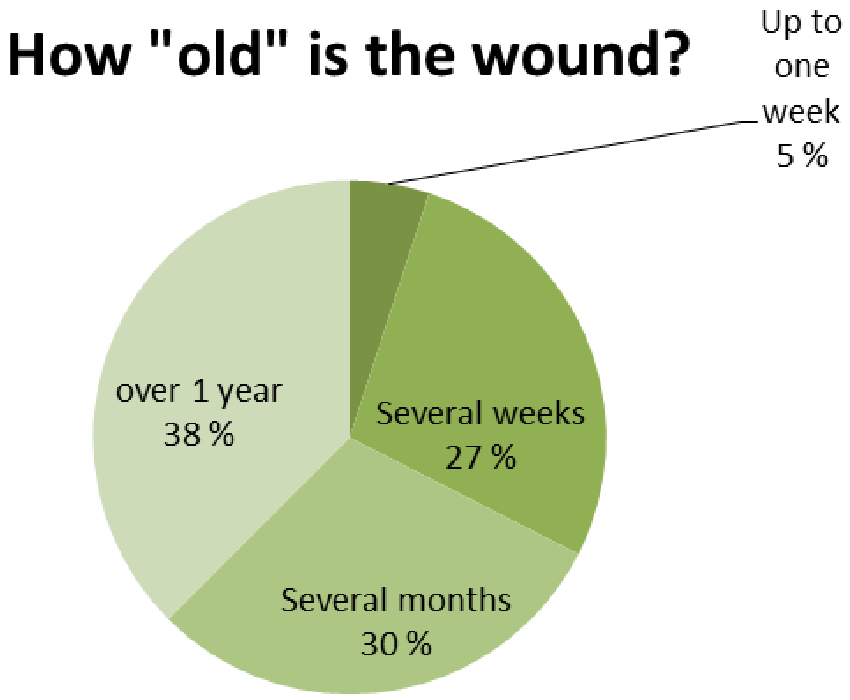
Smith & Nephew study is delayed!

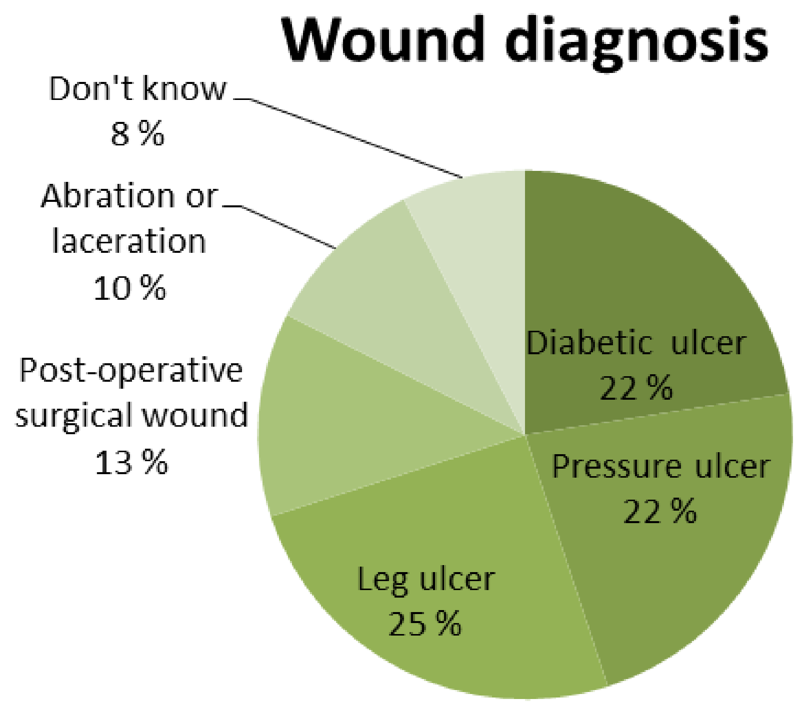
- The market evaluation study carried out by Smith & Nephew is continuing at several sites in UK and Germany but is delayed
- The enrollment into the study takes longer than expected
- The study is now expected to be completed by the end of first quarter 2015
- Biotec Betaglucan will continue its communication with Smith & Nephew to clarify the basis for a long term agreement while the study is being completed

Woulgan® Biogel status Norwegian survey:

- Biotec Betaglucans is in parallel to the S&N study running a survey among Norwegian healthcare professionals (HCP) that are currently testing out Woulgan® Biogel in clinical settings
- So far about 40 individual patient cases have been reported, the majority of which are from treatment of chronic and hard to heal wounds
- The results are very promising as the preponderance of the patient cases showing positive progressions and HCPs satisfaction is high

What kind of wounds:

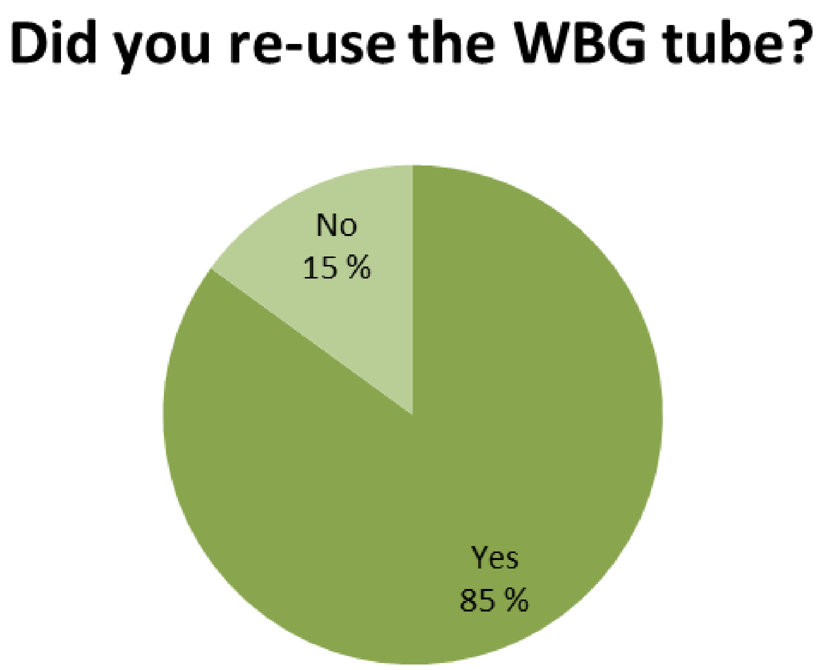


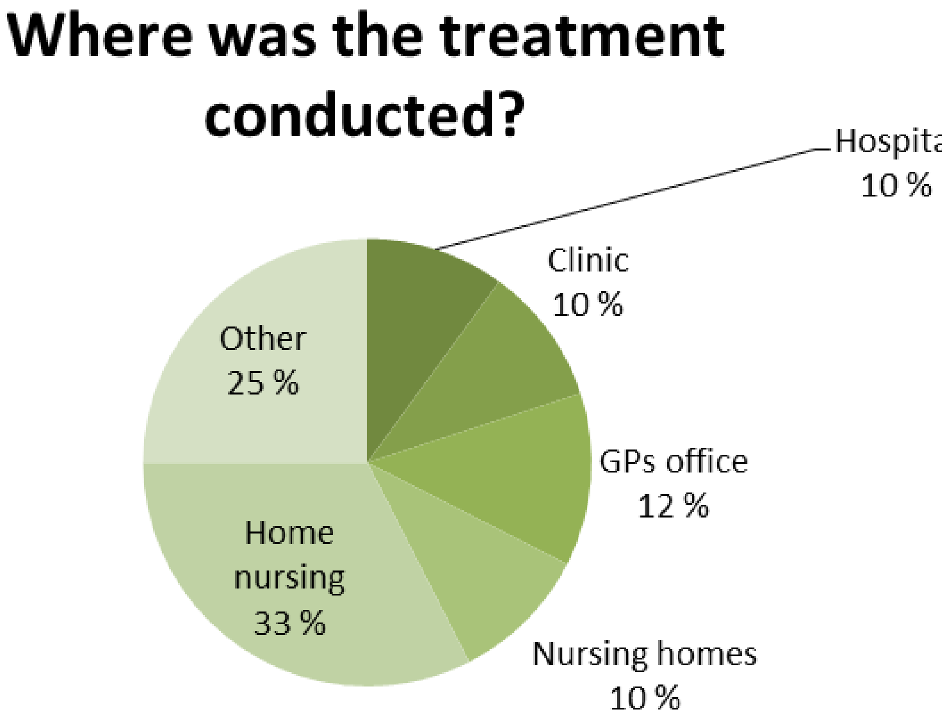


The majority are hard to heal wounds!

Survey Norway (40 pasients pr 30.Oct)

Most outpatient treatments
High degree of re-use:

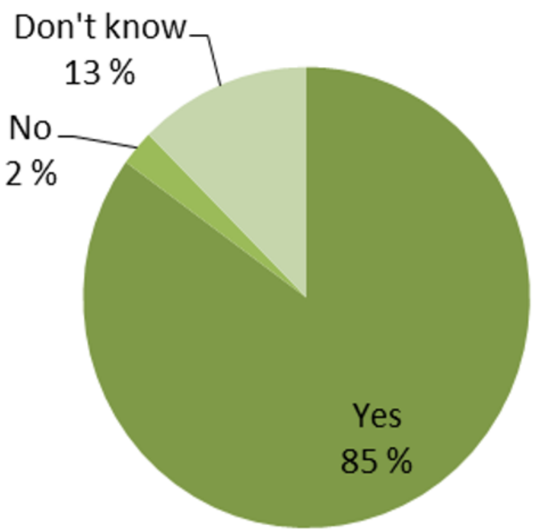




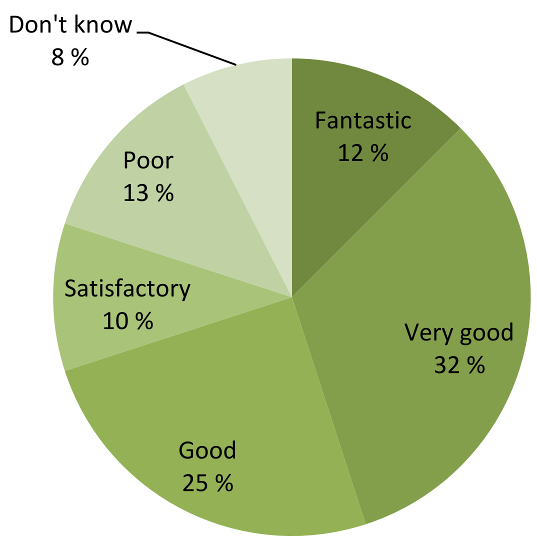
Survey Norway (40 pasients pr 30.Oct)

Very high degree of user satisfaction:

Do you want to continue to use WBG?



How would you rate WBGs effect?



Survey Norway (40 pasients pr 30.Oct)

Preliminary summary of Norwegian survey :

- Old chronic, hard to heal wounds mostly (DFU, VLU and PUs)
- Diabetic ulcers most chronic (63%> 1 year)
- Around 70-80% overall positive feedback
- Positive effect on all types of wounds tested

Outcome supports the potential of Woulgan® Biogel as a unique high volume product!

Broad indication area
-large wound healing market opportunity

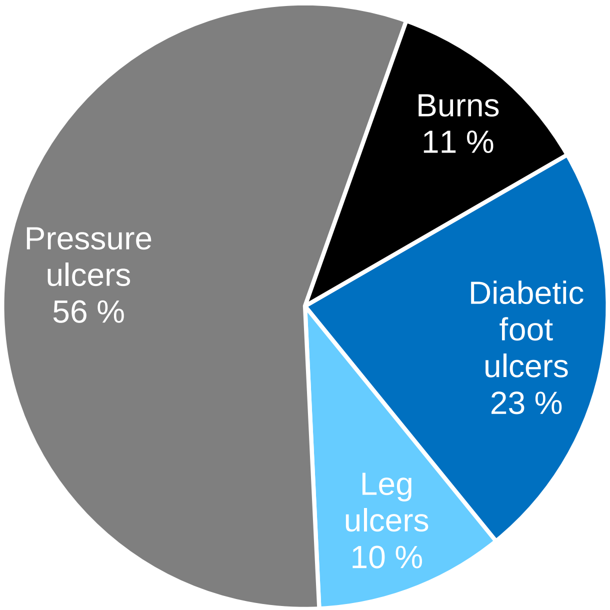
- The European market counts ~9 million wounds in the initial indication areas

  Diabetic ulcers, leg ulcers, pressure ulcers, burns

- Approved also for other major wound areas

  Post-surgery wounds, trauma wounds, lacerations, and abrasions

Europe;
9 million wounds annually



Europe represents ~1/3 of the total available global wound market

Woulgan® Biogel market approach

Penetration:

Market Segments:	Paid by:	Primary driver:
Hospitals and Wound Clinics	Normally budget- funded, depending on country	Pull from Key Opinion leaders
Primary Care	Reimbursement - National application and process	Push/Pull
OTC/Individuals	Reimbursement and/or individual payment	Push from partners with marketing power

Animal health and Nutrition

- Market outlook looks good
- New Scientific Product Manager for Animal Health and Nutrition just started
- Will increase the focus on both these areas going forward

BIOTEC PHARMACON

Important patent for Woulgan® Biogel

- Received US patent with a broad protection for soluble beta-glucans from yeast in wound healing
- This patent, which in it's original form was applied for in 2000, goes in together with two other patent applications which was filed after the reformulation in 2010. Together this represent a broad and strong protection within wound healing

- The company's patent applications US13/933,459, entitled «Method of Skin Treatment and Use of Water-Soluble Beta-1,3-Glucans as Active Agents for Producing Therapeutical Skin Treatment Agents» has received a Notice of Allowance.
- The main claim of this patent is directed towards a method of treating a subject suffering from an ulcer applying to the ulcer a preparation comprising a water-soluble branched beta-(1,3)-glucan. The ulcers are further exemplified as diabetic ulcer, decubitus ulcer, and venous ulcer together with a number of other defined ulcers thus covering the general concept behind Woulgan® Biogel. The patent also provides protection of potential follow-up products containing soluble beta-glucans from yeast.

ArcticZymes

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



- Outlook

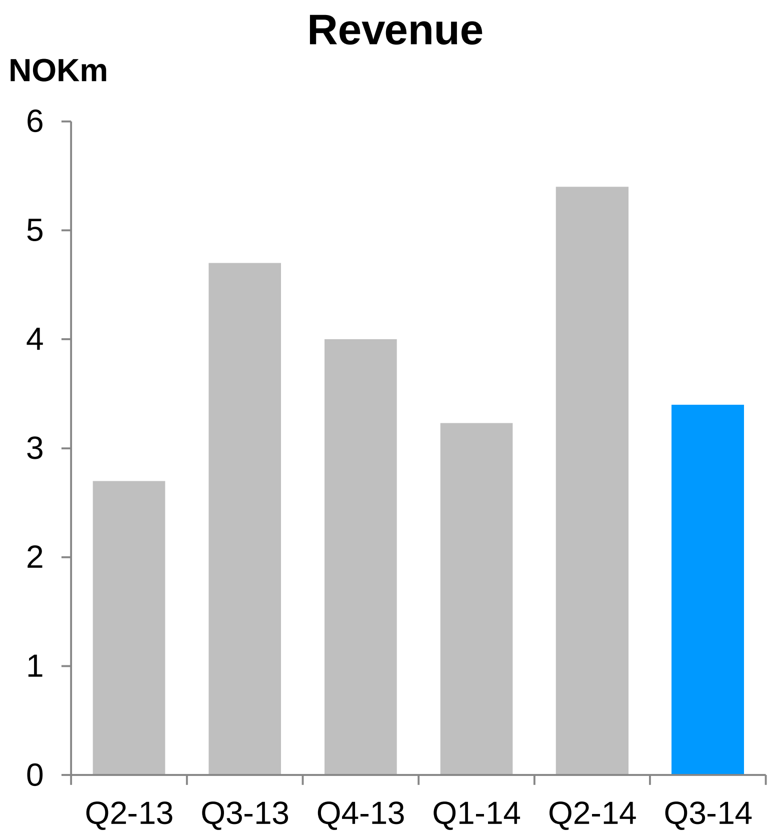
ArcticZymes (Segment numbers)

NOK million	Q3 2014	Q3 2013	9M 2014	9M 2013
Sales Revenue	3.4	4.7	11.9	11.9
Gross profit	**3.2**	**4.4**	**11.1**	**11.1**
Other income	1.0	1.1	3.2	3.8
Personnel expenses	-4.0	-3.7	-10.0	-9.5
Other Operating expenses	-2.4	-1.9	-7.0	-7.5
EBITDA	**-2.2**	**-0.1**	**-2.7**	**-2.1**
Depreciation & Amortization	-0.2	-0.3	-0.7	-0.8
EBIT	**-2.4**	**-0.4**	**-3.4**	**-2.9**

* The segment figures reflect that all costs are allocated to the two operating units

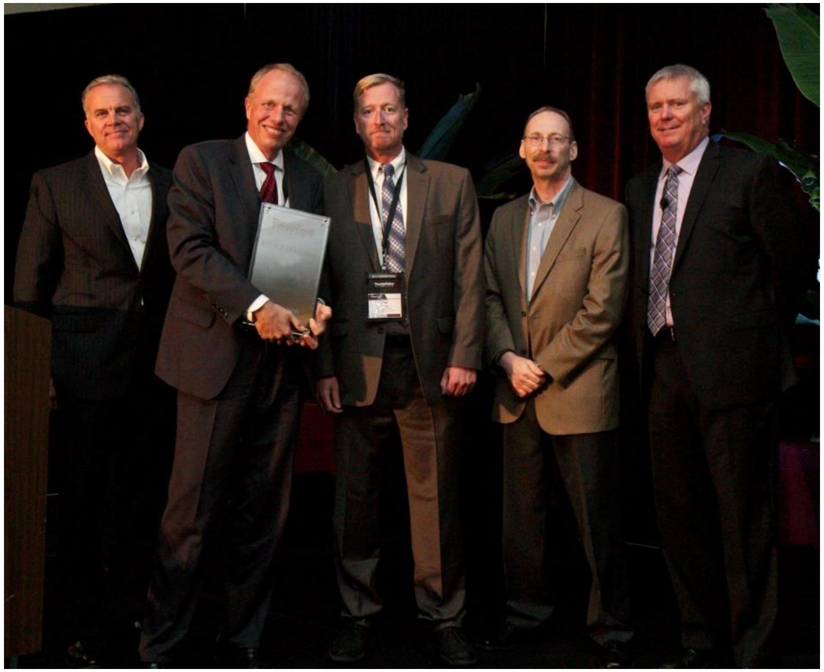
Revenue development

- Fluctuating rSAP sales to key OEM customers in Q3'14 v.s. Q2'14
- Increasing end-user awareness and steady growth in end-user sales



Broadening the distribution

- Received the award as “Supplier of the Year for Biologics” by the worlds largest company in Life Science, Thermo Fisher Scientific
- ArcticZymes continue to broadening its interaction with the largest companies in the molecular research and diagnostic industry
- China will be an important market going forward



Broadening the market

- Focus on implementing products into OEM customers technologies
- Several ongoing projects for inclusion of Heat-labile enzymes into novel technologies and diagnostic kits
- Develop add-on products to broadening the use of the novel enzymes to new markets

Scalable model for partnering

The following combination represents a powerful mix with high potential:

- Exclusive access to bioprospecting activities through close collaboration with the Arctic University of Norway
- Good public funding of research projects
- Advanced scientific skills in genetic engineering of enzymes
- Strong interaction with the largest companies in the life science industry

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Outlook

- Market evaluation for Woulgan® Biogel by Smith & Nephew expected to be concluded by the end if Q1 2015
- Continue to expand operation in both beta-glucans and enzymes
- Expect overall revenue growth going forward:
  - For ArcticZymes we expect Q4 revenues in line with Q3
  - For beta-glucans we expect further revenue growth in Q4 compared with Q3 2014 due to strong market in feed ingredients

Questions?

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