



Biotec Pharmacon ASA

Carnegie Healthcare Seminar

12th March 2015

Svein W. F. Lien – CEO

Outline

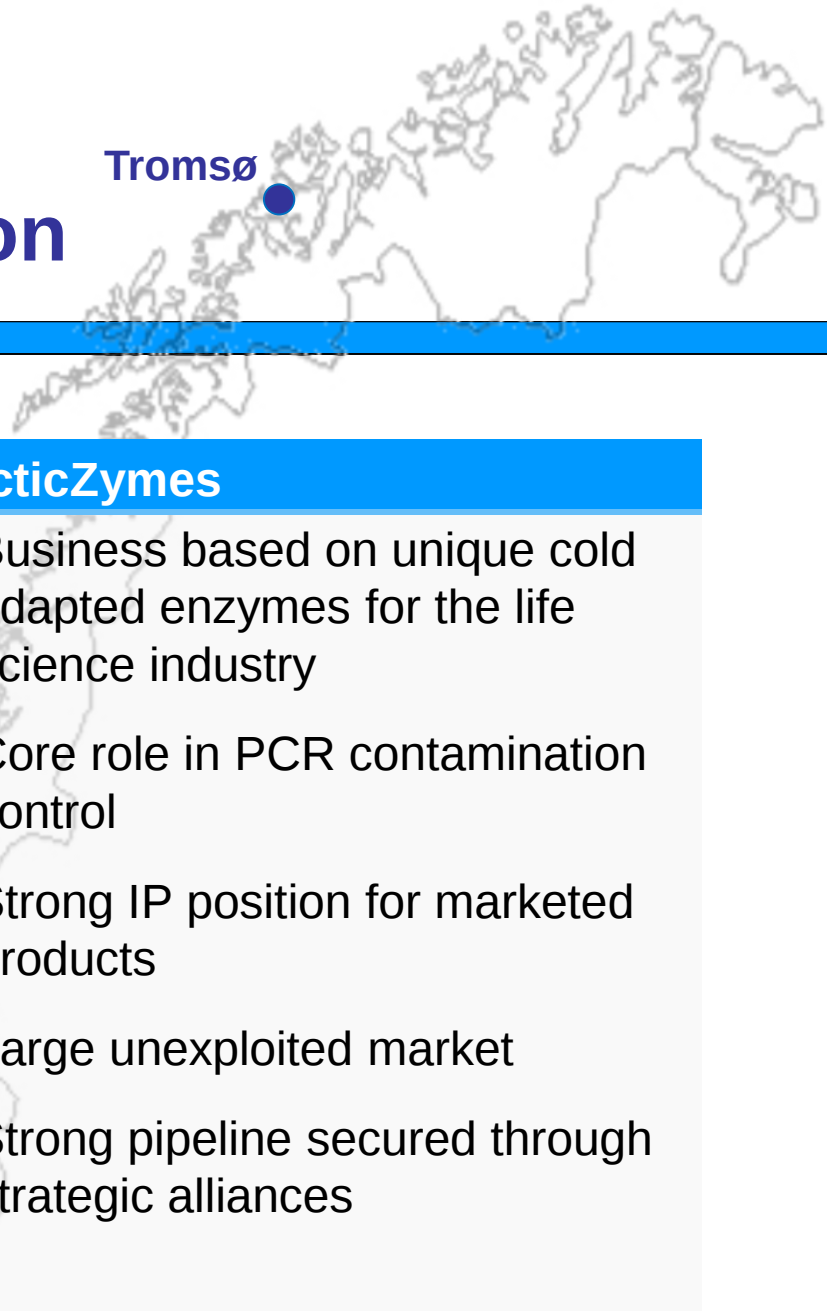
Company overview

Financial highlights

Business areas

Summary





Tromsø

This is Biotec Pharmacon

Biotec BetaGlucans

- Proprietary Beta-Glucans. Immunomodulatory substance activating the immune system
- Focus on Wolugan® Gel, an advanced “medical device” for treatment of advanced wounds
- A large market in need of new product
- Supply of Beta-Glucans to animal health and nutrition

ArcticZymes

- Business based on unique cold adapted enzymes for the life science industry
- Core role in PCR contamination control
- Strong IP position for marketed products
- Large unexploited market
- Strong pipeline secured through strategic alliances

25 years of research in key areas – strong IP based science

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Financial highlights

NOK million	Q4 2014	Q4 2013	2014	2013
Enzymes	4.3	4.0	16.3	15.8
Beta-Glucans	5.7	1.3	16.8	6.3
Sales revenues	10.0	5.3	33.0	22.1
Enzymes	-1.1	-0.5	-3.8	-2.6
Beta-Glucans	-4.7	-5.8	-17.4	-18.9
EBITDA	-5.8	-6.3	-21.2	-21.6
Profit before tax	-5.8	-6.7	-22.0	-22.9

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

Solid financial head room

NOK million	Q4 2014	Q4 2013	2014	2013
Operating activities	1.3	-0.9	-21.2	-17.4
Investing activities	-0.5	-0.9	-1.9	-1.6
Financing activities	0.9	0	77.7	43.2
Changes in cash and cash equivalents	1.6	-1.8	54.6	24.3
Cash and cash equivalents at the beginning of period	86.7	35.5	33.7	9.4
Cash and cash equivalents at end of period	88.3	33.7	88.3	33.7

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Different products – one source



Woulgan® Biogel

- Unique product based on proprietary beta-glucans
- Advanced medical device; Class 3, Rule 13 – can argue for an ancillary medicinal product effect
- CE mark approved in April 2014
- Main initial indications will be diabetic ulcers, leg ulcers, pressure ulcers and burns



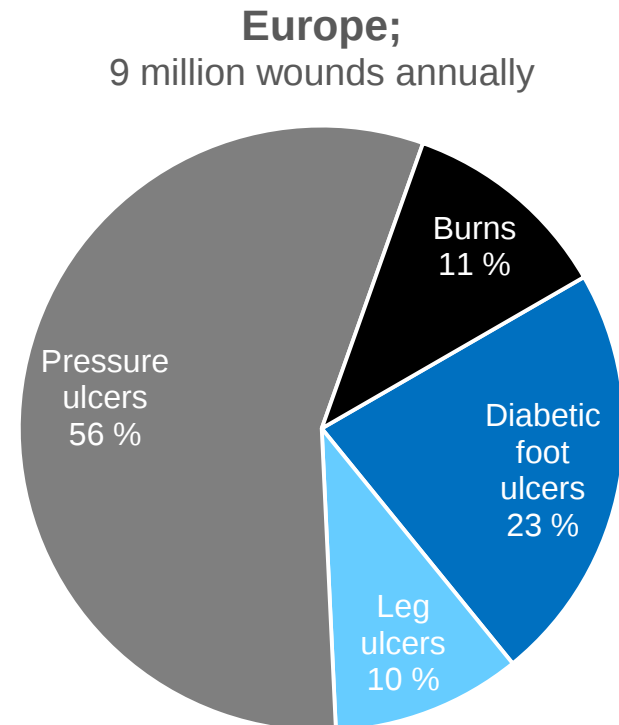
Broad indication area

- 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

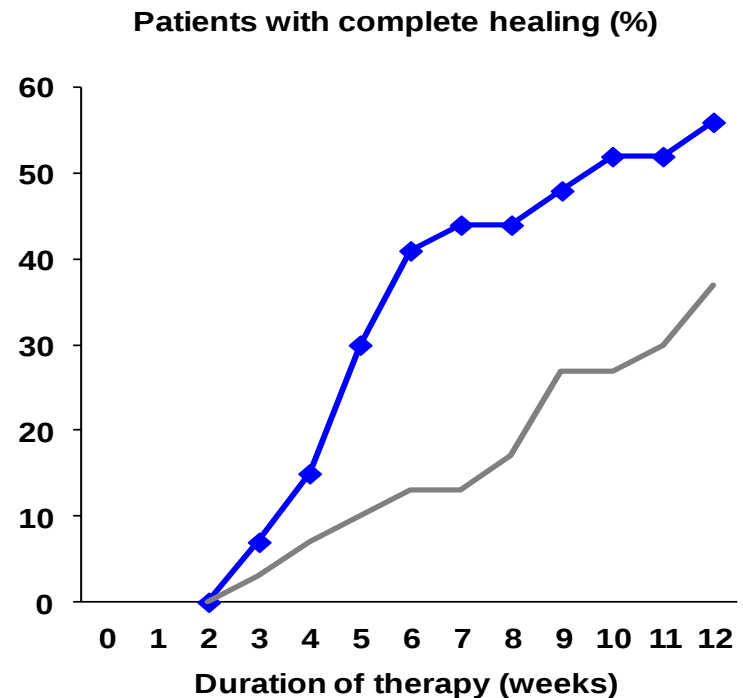


➡ **Europe represents ~1/3 of the total available global wound market**

Clear beneficial effects

SBG™ effect in healing of diabetic foot ulcers covered in article published in the 2014 Journal of Diabetes:

“Macrophage stimulating agent soluble yeast β -1,3/1,6-glucan as a topical treatment of diabetic foot and leg ulcers: A randomized, double blind, placebo-controlled phase II study” –Zykova et al 2014

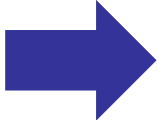


44% healing after 8 weeks vs 17% with placebo
56% healing after 12 weeks vs 37% with placebo

Woulgan[®] Biogel market penetration route



Market Segments:	Paid by:
Hospitals and Wound Clinics	Dependent on country but normally funded by Budget
Primary Care	Reimbursement = National application and process
OTC/Individuals	Reimbursement and individuals

 Opinion leader support is key to create demand!

Smith & Nephew evaluation study

- The market evaluation study carried out by Smith & Nephew is continuing at 8 sites in UK and 10 sites in Germany
- The study is expected to be completed by the end of Q1 2015
- Preliminary results from the evaluation study published at “Wounds UK” in December
- Biotec and Smith & Nephew continue the process to clarify the basis for a long-term agreement while the study is being completed

Strong strategic position

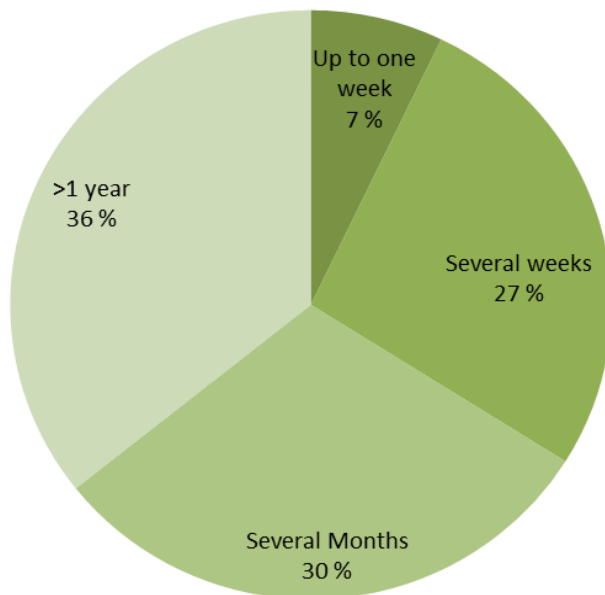
- As the exclusivity agreement with Smith & Nephew has expired, consequently strengthening the Company's strategic position, parallel and attractive routes to commercialize Woulgan® Biogel are pursued
- With the strong test feedback for Woulgan® Biogel, the company is confident that the product can obtain a strong market position in the advanced wound care market
- Several regional and global alternatives exist
- However, being a novel advanced product, it will require a clear focus and a strong priority by any partner(s) to obtain a high market penetration and to receive the market position the product deserves. This focus and priority is key when selecting the market channels going forward

Woulgan® Biogel status Norway

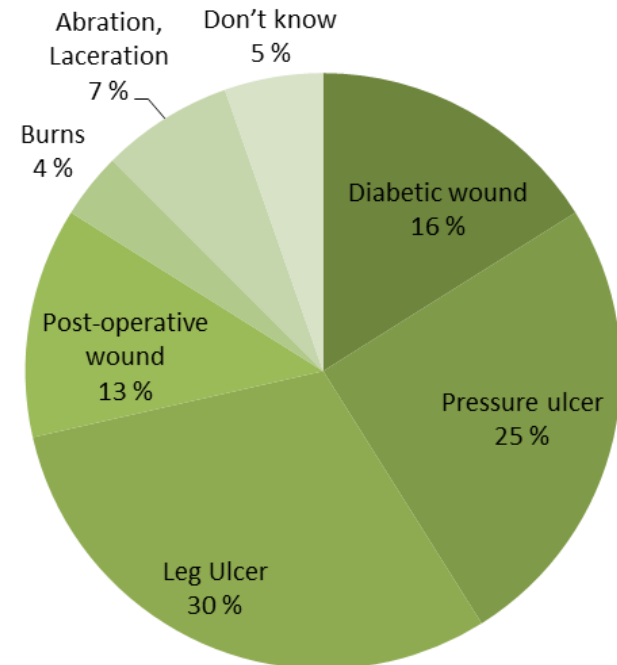
- Biotec facilitated a soft launch in Norway at the annual conference of the Norwegian Wound Healing Society 5-6th of February 2015
- More than 400 delegates attended the event
- The intention of the launch is to facilitate Norwegian health care professionals to use the product and test the market potential for Woulgan Biogel in a limited market without disturbing the overall partner process
- At the launch event, Biotec BetaGlucans presented the results from a survey among Norwegian healthcare professionals (HCP) whom have tested Woulgan® Biogel in a clinical setting

Survey design and specifics

How “old” is the wound?



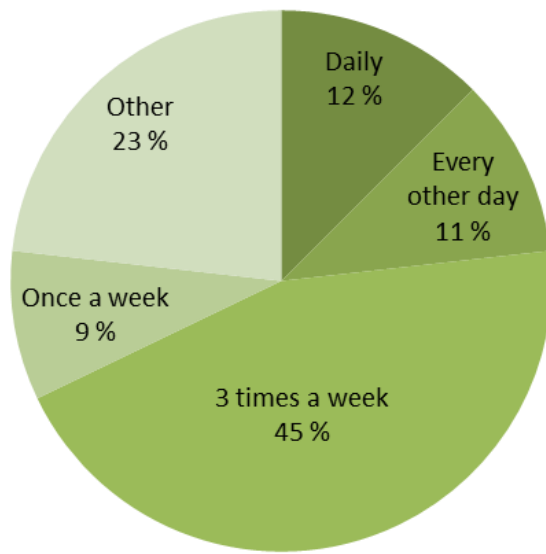
Wound Diagnosis



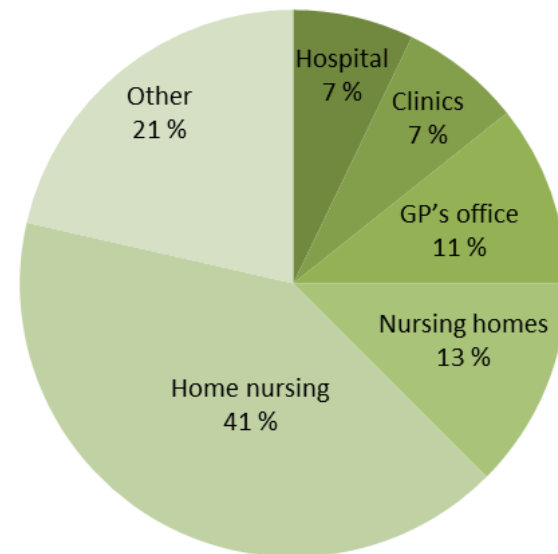
Survey Norway (56 pasients pr 13.Febr)

Survey design and specifics II

How often was Woulgan Biogel applied?

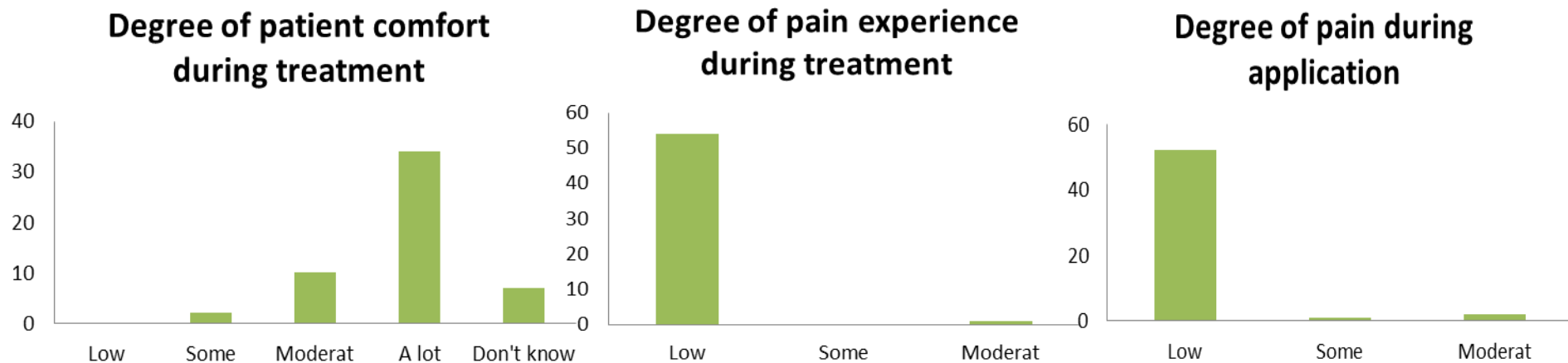


Where was the treatment conducted?



Survey Norway (56 pasients pr 13.Febr)

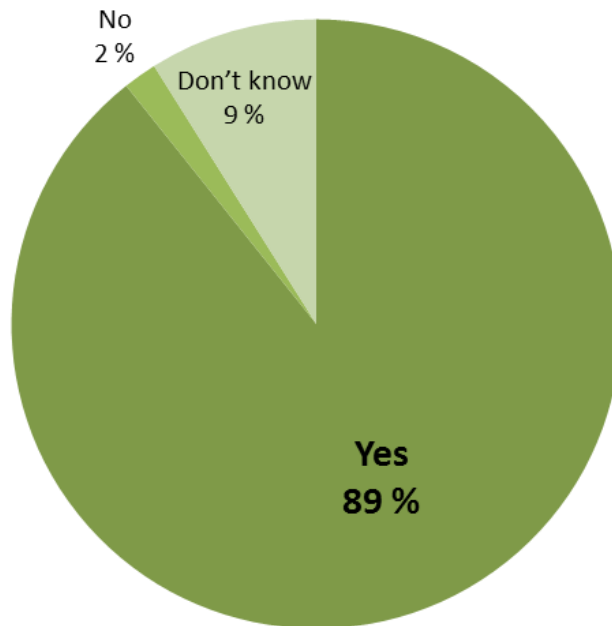
Results: High degree of patient comfort



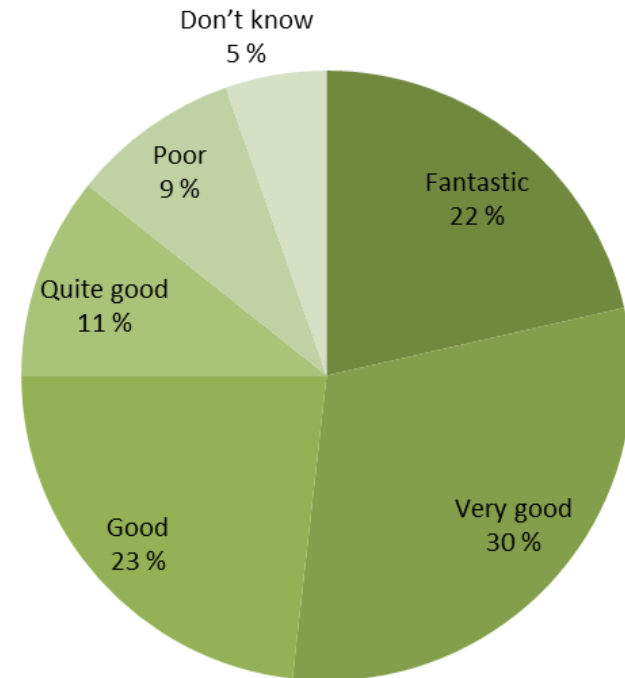
Survey Norway (56 pasients pr 13.Febr)

Results verify Woulgan® Biogel potential

Do you want to continue using Woulgan?



How would you rate Woulgan's effect?



Survey Norway (56 pasients pr 13.Febr)

The other Biotec BetaGlucan areas

- Cancer
 - Continue cooperation with Memorial Sloan Kettrin Cancer Center in New York and explore other opportunities for drug adjuvant
- Nutrition
 - Exclusive agreement expires January 2016
 - Explore opportunities and consider positioning
- Animal health
 - Reentered the market during 1st half of 2014
 - Supply agreement with Skretting
 - Seeking other business alternatives



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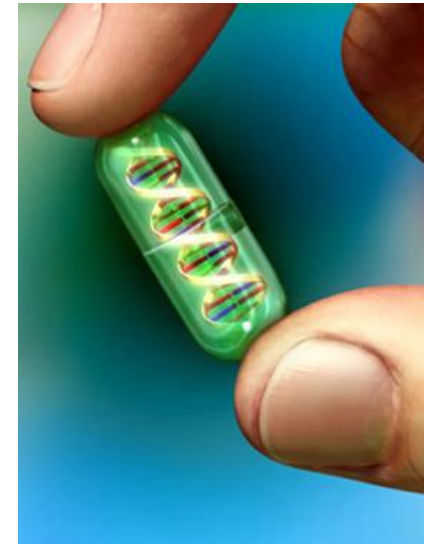
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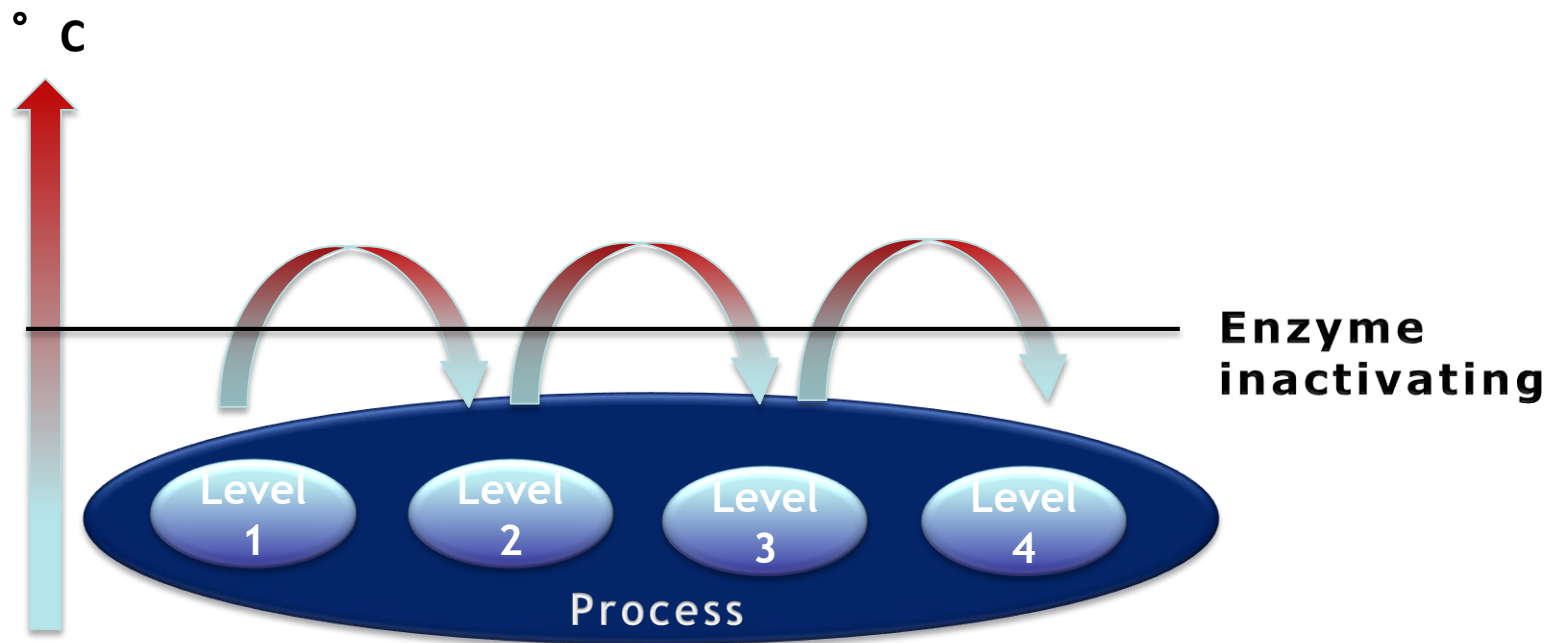


ArcticZymes

Develops, manufactures and sells unique marine enzymes for molecular DNA/RNA analysis used in research and diagnostics



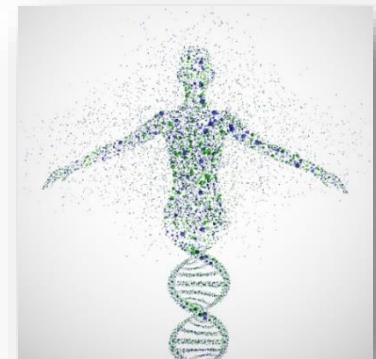
Cold adapted enzymes - beneficial properties



Cold adapted enzymes can be inactivated easily by heat after use, providing simpler workflow, safer and more sensitive assays

Marine bioprospecting in practice

- Unique enzymes based on genetic information from the marine Arctic
- In close cooperation with academic institutions
- ArcticZymes formulates, develops and manufacture customized applications



B2B partnering means long term focus

- The majority of molecular biology business is related to large multinational corporations and specialised diagnostic players
- ArcticZymes shall be a creative and reliable long term partner to these companies
- The future is a mix of own unique products and customer initiated development
- ArcticZymes access to bioprospecting and library is unique and key to success



It's not just products – it's partnering 25

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Summary and 2015 outlook

Biotec BetaGlucans

- Woulgan® Biogel represents a game changer for the company
 - Market evaluation for Woulgan® Biogel by Smith & Nephew expected to be concluded by the end of Q1 2015
 - Following the completion of the study, Biotec Pharmacon expects to enter into agreement(s) with distribution partner(s)

ArcticZymes

- Establishing commercial relations with most of the larger players in the molecular diagnostics and research market. Appointing a limited number of regional distributors for sale of own label products

Q&A

WOULGAN® BIOGEL

is now available via our web store

BUY NOW



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