

WOULGAN® BIOGEL

is now available via our web store



Fourth Quarter 2014

17th February 2015

Svein W. F. Lien – CEO

Børge Sørvoll - CFO

Agenda

- **Highlights**
- **Q4 financials**
- **Beta-Glucans**
 - advanced wound care
- **Enzymes**
 - molecular testing
- **Outlook**



Highlights Q4 2014

- Group revenues almost doubled in Q4 to NOK 10.0 million, and increased by 50 percent for the full year. Group EBITDA marginally improved
- Evaluation study for Woulgan[®] Biogel progresses according to plan with several new study centers included in Germany and UK. Expected to be completed at the end of Q1 2015
- ArcticZymes certified according to ISO 9001:2008 for product development, sales and marketing, manufacturing and distribution of rSAP and Cod UNG
- Solid financial head room with cash balance exceeding NOK 88 million at the end of 2014

Financials

- Highlights
- **Q4 financials**
- **Beta-Glucans**
 - advanced wound care
- **Enzymes**
 - molecular testing
- Outlook



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

Cash flow and cash position

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

Biotec BetaGlucans

- Highlights
- Q4 financials
- **Beta-Glucans**
 - advanced wound care
- Enzymes
 - molecular testing
- Outlook



Biotec BetaGlucans (segment numbers)

NOK million	Q4 2014	Q4 2013	2014	2013
Sales Revenue	5.7	1.4	16.8	6.3
Gross profit	1.7	1.1	6.7	4.7
Other income	1.1	0.2	1.6	1.3
Personnel expenses	-4.8	-3.9	-15.2	-14.0
Operating expenses	-2.7	-3.2	-10.5	-10.8
EBITDA	-4.7	-5.8	-17.4	-18.9
Depreciation & Amortization	-0.3	-0.3	-1.5	-1.3
EBIT	-5.0	-6.1	-18.9	-20.2

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

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

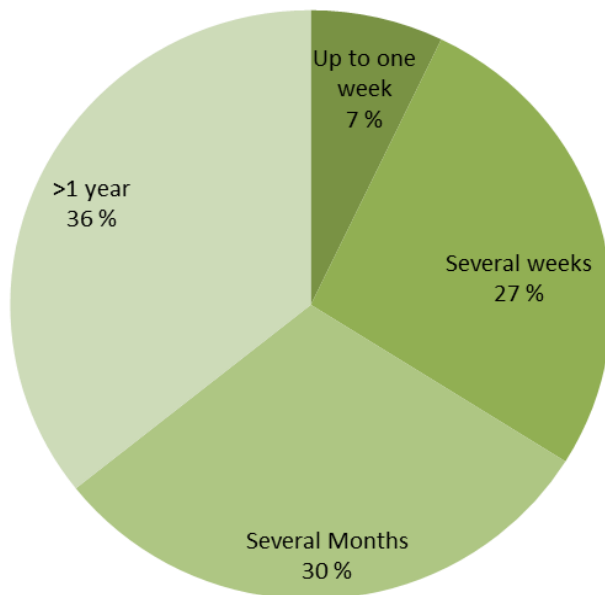
- As the exclusivity agreement with Smith & Nephew has expired, consequently strengthening the Company's strategic position, parallel and attractive routes to commercialize Woulgan[®] Biogel are pursued
- With the strong test feedback for Woulgan[®] Biogel, the company is confident that the product can 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

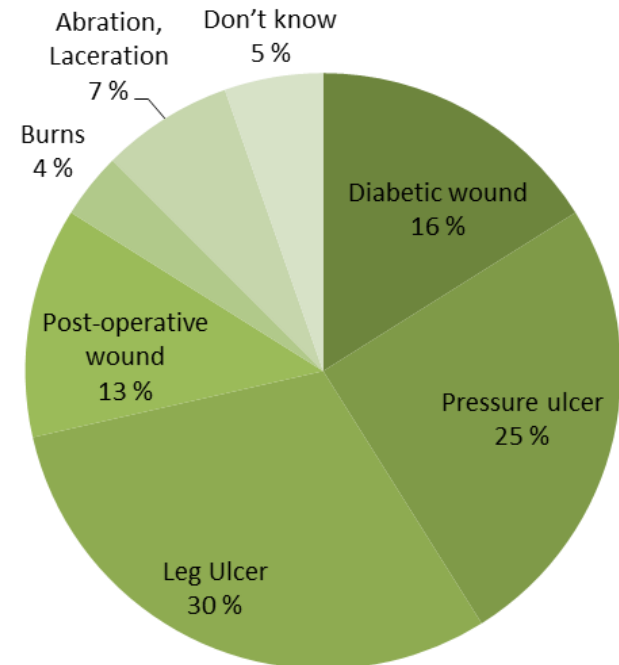
- Biotec facilitated a soft launch in Norway at the annual conference of the Norwegian Wound Healing Society at Fornebu 5-6th of February
- More than 400 delegates attended the event
- The intention of the launch is to facilitate Norwegian health care professionals to use the product and test the market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

Survey design and specifics

How “old” is the wound?



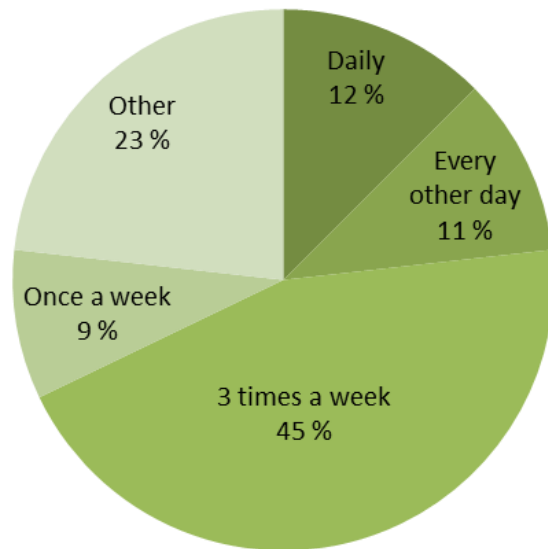
Wound Diagnosis



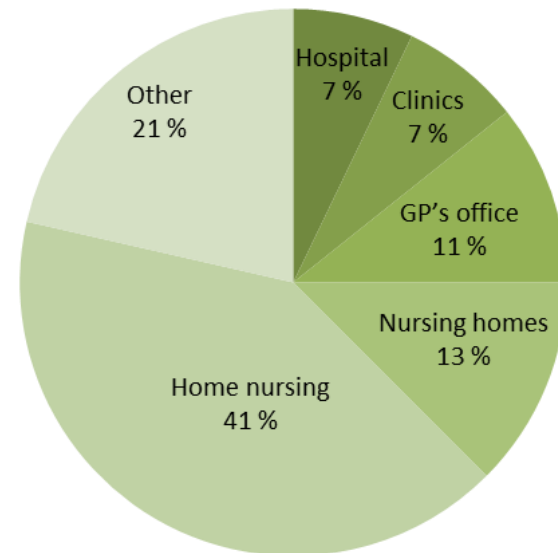
Survey Norway (56 pasients pr 13.Febr)

Survey design and specifics II

How often was Woulgan Biogel applied?



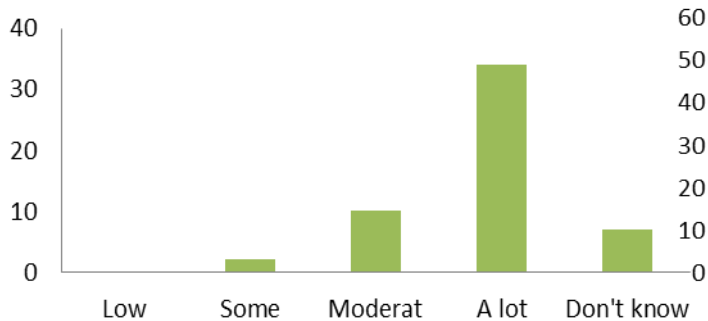
Where was the treatment conducted?



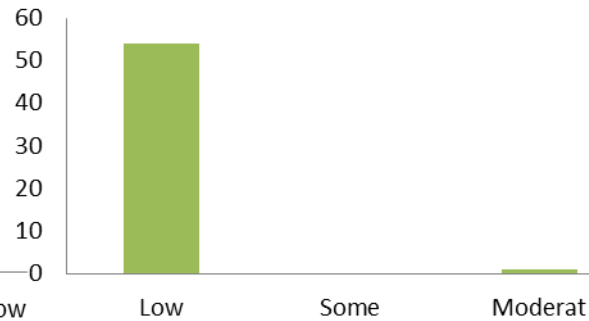
Survey Norway (56 pasients pr 13.Febr)

Results: High degree of patient comfort

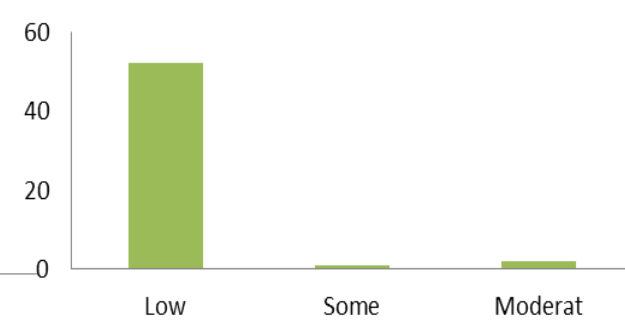
Degree of patient comfort during treatment



Degree of pain experience during treatment



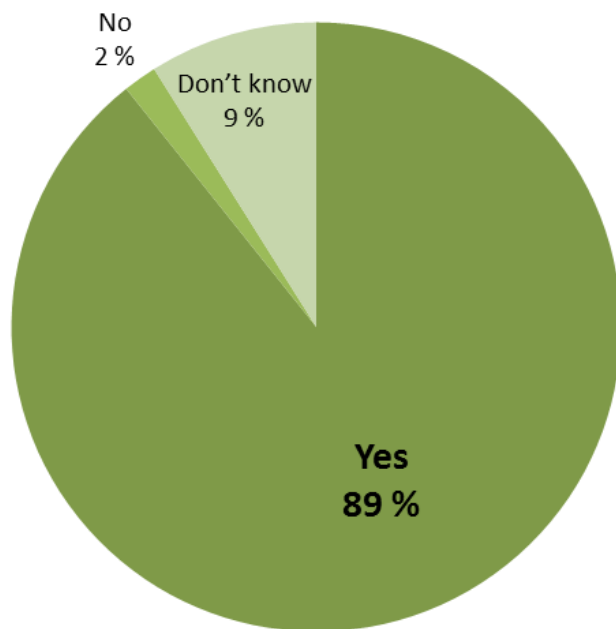
Degree of pain during application



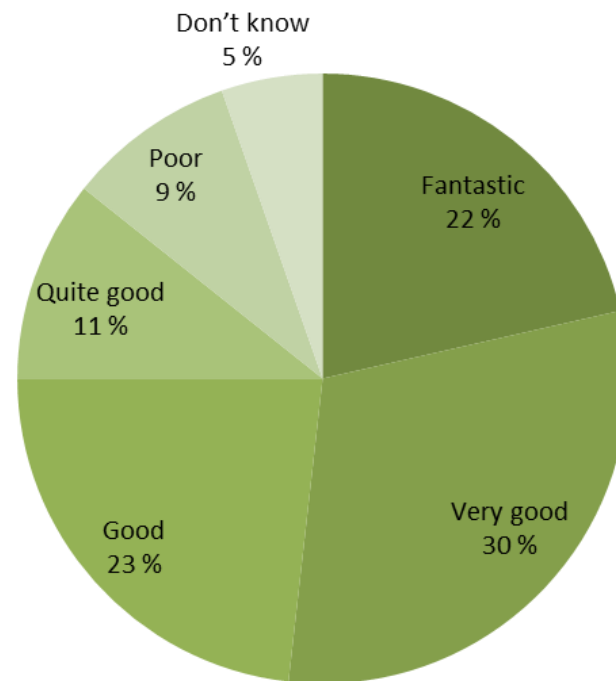
Survey Norway (56 pasients pr 13.Febr)

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)

Broad indication area

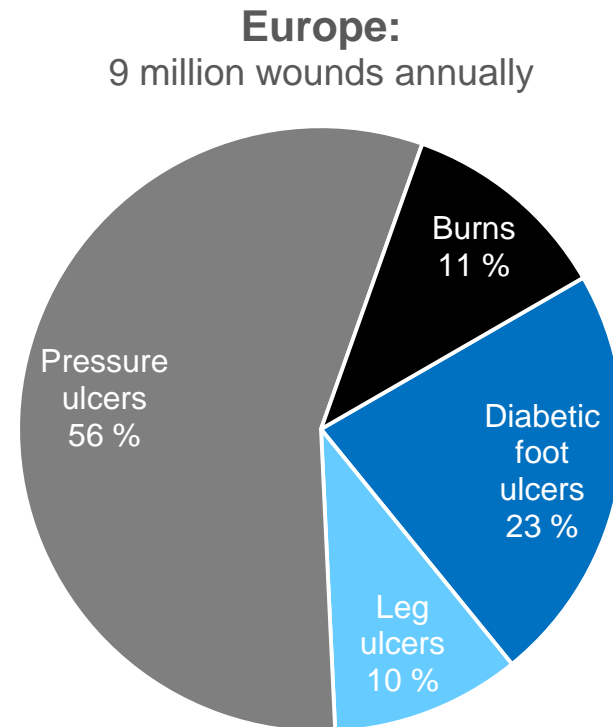
- large wound healing market opportunity

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

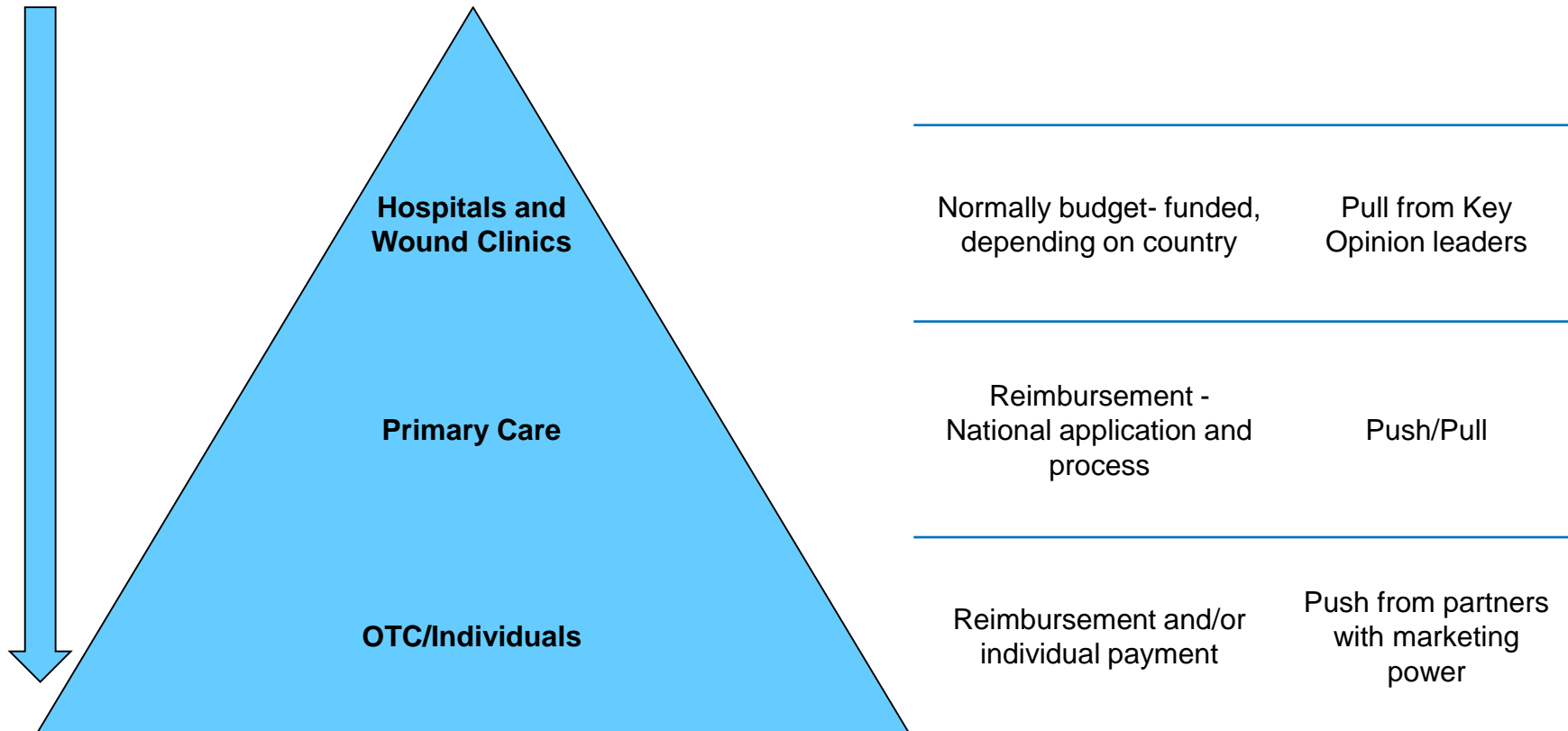
Woulgan[®] Biogel market approach: Work with KOL's are crucial to success

Penetration:

Market Segments:

Paid by:

Primary driver:





- Highlights
- Q4 financials
- Beta-Glucans
 - advanced wound care

- Enzymes
 - molecular testing



- Outlook

Enzymes (segment numbers)

NOK million	Q4 2014	Q4 2013	2014	2013
Sales Revenue	4.3	4.0	16.3	15.8
Gross profit	4.2	3.9	15.3	14.9
Other income	0.9	1.3	4.0	5.1
Personnel expenses	-3.8	-3.7	-13.9	-13.2
Other Operating expenses	-2.4	-2.0	-9.3	-9.4
EBITDA	-1.1	-0.5	-3.8	-2.6
Depreciation & Amortization	-0.2	-0.3	-1.0	-1.0
EBIT	-1.3	-0.8	-4.8	-3.6

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

ArcticZymes highlights Q4 2014

- ArcticZymes continue to strengthen its interaction with the largest companies in the molecular research and diagnostic industry
- Its B2B strategy resulted in new product introductions by two of our largest B2B customers in Q4
- Continued growth in its three top products; rSAP, Cod UNG, and the DNase product portfolio
- LOI signed with 2 potential Chinese partners. Other discussions ongoing

Enzyme solutions gaining momentum in Molecular biology solutions

- Large companies in molecular biology solution supplies are increasing focus on enzymes
- Also we see traditional diagnostic companies shifting towards molecular diagnostics
- Both will lead to increased opportunities for ArcticZymes

Succeeding in 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



Scalable model for partnering



- A number of R&D projects for new enzymes and applications through the Norwegian Research Council founded projects “MarFunk” and “NextZyme
- ArcticZymes aims to expand the product portfolio including more partner oriented projects
- Quality standard is key:
 - ISO 9001 obtained for main products
 - will be expanded to rest of the operation
 - ISO 13485 capabilities as part of the Biotec Pharmacon Group

- **Highlights**
- **Q4 financials**
- **Beta-Glucans**
 - advanced wound care
- **Enzymes**
 - molecular testing
- **Outlook**



Outlook 2015

- 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).
 - The main focus is to enter into agreement(s) with partner(s) securing the full commercial potential of Woulgan[®] Biogel
- Main growth driver for ArcticZymes is to broaden the ongoing interaction with the largest companies in the molecular research and diagnostic industry

Q&A

WOULGAN® BIOGEL

is now available via our web store

BUY NOW



Svein W. F. Lien
Mob: +4792289323
Email: sl@biotec.no
www.biotec.no