Analyst/Press Conference

BIOTEC PHARMACON

Immunity for Life™

June 12, 2007
Biotec Pharmacon ASA enters phase III with their clinical development program (details to follow)
Current Business Model Pharmaceuticals

• **Complete phase II clinical studies** (human proof-of-concept); retain ownership and strategic flexibility until such studies are completed

• **Partner** with suitable international pharmaceutical and/or biotechnology companies with competence and capabilities in late stage clinical development, regulatory, marketing and sales

• **Income stream** through up-front licence fees, milestone payments, royalty and bulk sales
Pharmaceutical Concept

The Product: SBG (Soluble Beta Glucan)
- a unique, highly bioactive, soluble beta-1,3/1,6-glucan
- from cell walls of yeast
- alien to the human body

How it works:
- stimulates the body’s innate immune system
- enhances the body’s adaptive immune system
- can address a wide range of diseases
Importance of Innate Immunity
Ulcers and Wounds

Success factor for healing of chronic diabetic ulcers and oral mucositis:
Stimulation of the innate immune system with SBG
Stimulation of the Innate Immune System

Mechanism of Action

- Peptides (cytokines etc.) produced by macrophages act as "messenger" molecules,

- "Instruct" the immune system how to react

- Growth factors speed up the healing process

Adapted from Ryan et al, 2001
SBG Clinical Development Program
By Therapeutic Area

Immunotherapy of cancer

- Neuroblastoma, SBG+3F8 mAb
- Breast cancer, SBG+Herceptin
- Non-Hodgkin’s lymphoma, SBG + Rituxan

Ulcers and wounds

- Diabetic ulcers, SBG
- Oral mucositis, SBG
Diabetic Ulcer
A Serious and Debilitating Disease

The problem:
Impact macrophage activity in patients with diabetes leading to chronic foot ulcers

Proof of concept:
SBG reactivates macrophages and enhances wound healing

Status:
• Recently completed phase II study with 60 patients
• New study with 120 patients just initiated
Healing of Diabetic Ulcers
Promising Effects from Recently Completed Trial

Patients with complete healing (%)

Weeks

Percent

SBG

Control

p=0.14

p<0.05
Diabetic Ulcer
Market Description

- 70 million patients with diabetes in OECD
- 3.5 million patients require treatment for diabetic foot ulcers annually
- Limited treatment options;
  - Standard wound care (GWC)
  - Regranex (Johnson & Johnson) (>\$ 1.000 per treatment)
- High cost of treatment (hospitalization); wound healing products account for only 10% of total treatment cost
- High number of amputations
- Potential market of USD 3.5 billion
Prevention of Oral Mucositis

• **The problem:**

Conventional cancer treatment *damages immune cells* involved in protection and regeneration of mucosal tissues
A common and very painful *complication to treatment*

• **Proof of concept:**

*SBG* acts on the mucosal immune system and *prevents* development of oral mucositis

• **Status:**

New study in preparation
Prevention of Oral Mucositis
Promising Effects from Recently Completed Trial

Accumulated percentage of patients developing oral mucositis
(n = 14)
Oral Mucositis
Market Description

- Estimated 400 – 600,000 incidents of oral mucositis per year
- Normal complication to treatment of head and neck cancer and leukemia (treated with bone marrow transplantation)
- Many remedies in use, however, no effective therapy available
- Amgen has a product in development/on the market for limited indication (> $8,000 per treatment)
Today's Good News

Biotec Pharmacon ASA enters phase III with their clinical development program
Good News for SBG and Biotec Pharmacon: Clinical Development Program in Phase III

- Consultations with EMEA completed
- Needs for pivotal studies clarified
- Diabetic Ulcer
  - phase III study started
- Oral Mucositis
  - preparing for phase III
Good News for SBG and Biotec Pharmacon: Clinical Development Program in Phase III

Consequences of moving into phase III:

• Improvements vs. anticipated/planned:
  – timelines
  – costs
  – creation of additional value

• Pending Board decisions:
  – complete phase III on own books?
    • value creation?
    • competence?
    • capacity?
    • capital requirement?
  – partner with suitable international companies?
<table>
<thead>
<tr>
<th>Indication</th>
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<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
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### SBG Clinical Development Program

#### Study Timelines

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- = Clinical trial
- = Conclusion of patient treatment and expected results
- = Regulatory clarification