BIOTEC PHARMACON

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Immunity for Life ™

Second Quarter 2007

CEO Lars Viksmoen
CFO Finn Samuelsen

9 August 2007

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Operational Highlights

- Initiated clinical phase III studies for diabetic ulcers
- Announced start of clinical phase III for oral mucositis
- Obtained positive safety results from clinical phase I/II cancer trial at Memorial Sloan-Kettering Cancer Center (MSKCC)
- Promising preliminary evaluation of SBG as adjuvant to 3F8 (monoclonal antibody) in MSKCC-study
- Launched promising new marine enzyme in the non-pharmaceutical segment

Financial Highlights for Q2 2007

- Flat revenues for non-pharmaceuticals
  - NOK 17.5 million in Q2 07 versus NOK 18.2 million in Q2 06
- Net operating expenses in line with expectations
- EBITDA-loss of NOK 7.2 million in Q2 07 (MNOK 2.5)
  - Non-pharmaceuticals NOK +0.9 million (MNOK +3.8)
  - R&D NOK -5.6 million (MNOK -6.0)
  - Unallocated costs NOK -2.5 million (MNOK -0.3)
- Net loss of NOK 5.3 million (MNOK 2.1), compared with loss of NOK 5.1 million in the first quarter 2007

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Financial Highlights, continued

- Strengthened equity and cash position through shares issue and sale of own shares in June
  - Raised NOK 116 million (net) in oversubscribed shares issue and secondary sale
  - Net cash position of NOK 163 million and equity ratio of 93.4 percent per 30 June 2007
- Secured financing of phase III studies for diabetic ulcers and oral mucositis, although potential partnerships will be pursued on a continuous basis

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Our Technology Platform Revisited

Technology platform	Disease area	Therapeutic area
SBG (soluble beta-glucan) which stimulates the immune system in general	**Ulcers and wounds**	Diabetic Ulcers Oral Mucositis
	Immunotherapy of cancer	Neuroblastoma: 3f8 mAb+SBG Breast Cancer: Herceptin+SBG Non-Hodgkins Lymphoma: Rituxan+SBG

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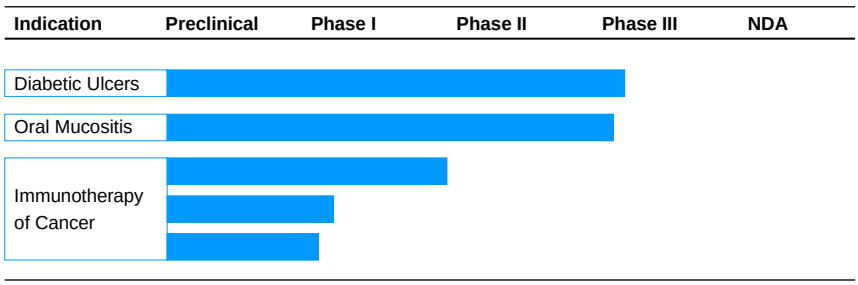
The SBG Clinical Development Program



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SBG Clinical Development Program
Status report per Q2 2007

Diabetic ulcers	Announced and initiated phase III, following positive regulatory discussions with EMEA
Oral mucositis	Announced phase III studies, following positive regulatory discussions with EMEA
Cancer	Positive safety data from US, and promising preliminary evaluation of 3f8 mAb + SBG. Started phase I/II Herceptin trial at Ullevaal

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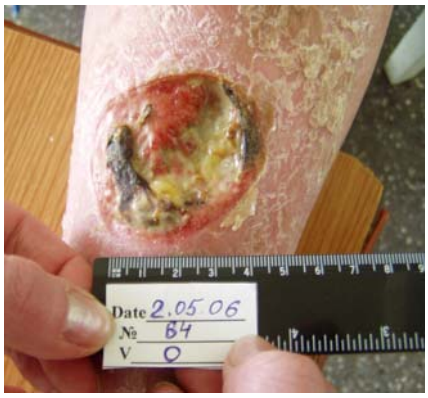
Diabetic Ulcers
A seriously debilitating disease

Fact sheet

- Diabetic patients are vulnerable to developing ulcers due to impaired immune functions
- On an annual basis, 3.5 million diabetics in the OECD region develop foot ulcers
- No standard drug treatments have been established. Drugs available in certain markets are priced at up to USD 1,200 per treatment
- **Biotec Pharmacon's SBG reactivates immune cells in the skin and enhances the body's own wound healing capabilities**



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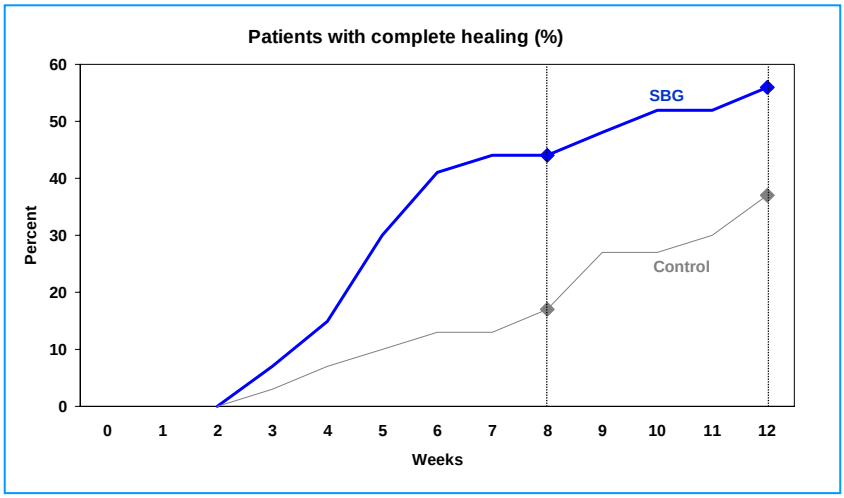
Diabetic Ulcers
Promising effects from completed trials



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Diabetic Ulcers
Initiated phase III studies

- EMEA in June confirmed that Biotec Pharmacon may apply for marketing authorisation based on two positive, confirmatory phase III studies
- Initiated first phase III study
- Planning of second phase III study
- Indicative target filing for marketing authorisation in Europe: End 2009

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Diabetic Ulcers
Clinical program timelines

Clinical phase	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Nottingham, UK												
Phase III, second trial												

- First phase III study already started
  - Progresses as planned at Nottingham City Hospital
  - A total of 120 patients will be included in the trial
  - Up to 12 centres in the UK and Ireland will participate in the study
  - 8 weeks treatment, plus follow-up
  - Interim analysis upon inclusion of 80 patients
  - Study completion expected by the end of Q2 2008, with results expected to be available by the end of 2008
- Planning of second phase III study initiated

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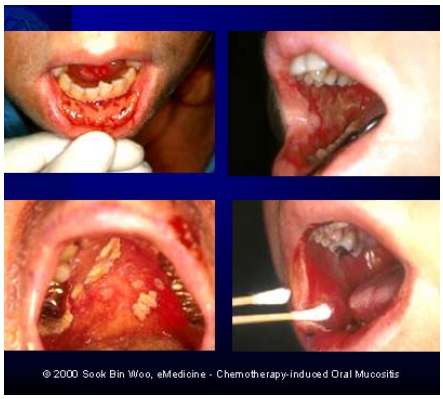
Oral Mucositis
A painful side effect of radiation and chemotherapy

Fact sheet

- Common and potentially serious side effect of cancer therapies, particularly common with head and neck cancers and leukemia
- App. 400,000-600,000 incidents annually in the OECD area
- No established standard treatment. Drugs available in certain markets are priced at up to USD 8,000 per patient
- **Biotec Pharmacon's SBG stimulates the immune system and helps prevent the development of oral mucositis**



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Oral Mucositis
Initiated phase III studies

- EMEA in June confirmed that Biotec Pharmacon may apply for marketing authorisation based on two positive, confirmatory phase III studies
- SBG has also obtained European ‘orphan drug’ designation in patients with oral mucositis undergoing radiation treatment of head and neck cancer
- Indicative target filing for marketing authorisation in Europe: End 2009
- A process has been initiated with the FDA to obtain Investigational New Drug status in the US

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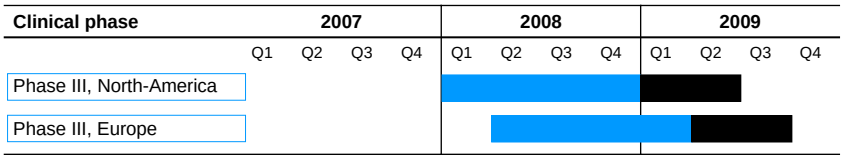
Oral Mucositis
Clinical program timelines



- Planned initiation of phase III study with 80-100 patients in North America starting by the end of 2007 or early 2008
- Preparations for a similar sized study in Europe will be initiated by the end of the year

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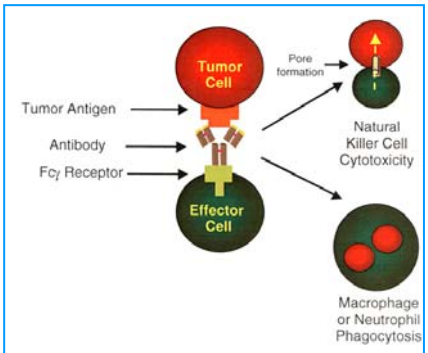
Immunotherapy of Cancer

A novel approach to boost monoclonal antibodies

Fact sheet

- An estimated 5 million new patients are diagnosed with cancer annually in the OECD area
- Conventional cancer treatments include surgery, chemotherapy and radiotherapy
- Development of monoclonal cancer antibodies has made immunotherapy of cancer one of the fastest growing segments in the pharmaceutical industry
- Typical treatment costs could be in the range of USD 20,000-45,000 per patient
- **As an adjuvant to monoclonal antibodies, Biotec Pharmacon's SBG renders the immune system more effective in killing cancer cells**



Antibody-dependent cellular cytotoxicity. The antibody engages the tumor antigen, and the Fc domain binds to cellular Fc receptors to bridge effector and target cells. This bridging induces effector cell activation, resulting in natural killer cell cytotoxicity or phagocytosis by neutrophils, monocytes, or macrophages.

Cheng et al. 2004 "Monoclonal Antibodies" in Cancer Principles & Practice of Oncology. Figure 16. 4-2

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Immunotherapy of Cancer

Phase I/II trial at Memorial Sloan-Kettering

- Received positive preliminary data that SBG is well tolerated in combination with the injected monoclonal antibody (mAb) 3f8
  - 24 children with metastatic neuroblastoma have been treated at escalating doses of 10, 20, 40, 80, 100 and 120 mg/kg
  - Study has been extended to 140 mg/kg in six patients due to one single incident of liver enzyme elevation, to assess maximum tolerated dose
- Preliminary data also suggests an improved effect from the combination of orally administered SBG with the injected mAb 3f8
  - Objective response observed in 8 of 20 patients
- The decision on how to proceed will depend on the final report due in the second half of 2007

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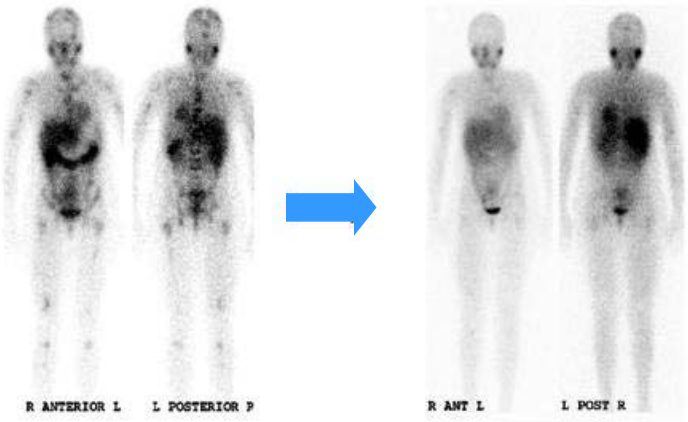
Response Example*
Neuroblastoma patient

Before **After**



* Pictures from Memorial Sloan Kettering (not from current study)

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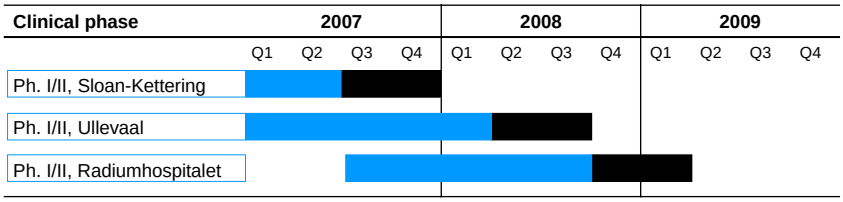
Immunotherapy of Cancer
Clinical program timelines



Norwegian studies update:

- Slow patient recruitment in the phase I/II clinical trial with orally administered SBG in combination with the mAb Herceptin against breast cancer
- Initiating patient inclusion in phase I/II clinical trial with orally administered SBG in combination with the mAb Rituxan against non-Hodgkin's lymphoma
- Received NOK 2 million grant for the two studies

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Non-pharmaceuticals

Consumer Health, Animal Health and Marine Biochemicals

- **Consumer Health**
  - Immutol® dietary supplements
  - Immuderm® skin treatment
  - Q2: Reduced sales in North America, mainly due to phasing of marketing activities
    Norway still in introductory phase
- **Animal Health**
  - MacroGard® immune stimulation
  - Q2: Good test results reported for sealice, which is a serious problem for salmon farmers
- **Marine Biochemicals**
  - DNA-modifying enzymes
  - Q2: Launched Cod-UNG (Cod Uracil DNA-glycosylase)

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Financial Figures
Second Quarter and First Half 2007

Summary of P&L
Second Quarter 2007 versus Second Quarter 2006

Q2 2007 (NOK '000)	Biotec Pharmacon Group	Non-pharma	R&D	Non-allocated
Sales	17.5	17.5	-	-
Net operating expenses	-24.7	-16.5	-5.6	-2.5
EBITDA	-7.2	0.9	-5.6	-2.5
Depreciation	-0.9	-0.6	-0.3	-
EBIT	-8.1	0.3	-5.9	-2.5

Q2 2006 (NOK '000)	Biotec Pharmacon Group	Non-pharma	R&D	Non-allocated
Sales	18.2	18.2	-	-
Net operating expenses	-20.7	-14.4	-6.0	-0.3
EBITDA	-2.5	3.8	-6.0	-0.3
Depreciation	-0.9	-0.5	-0.3	-
EBIT	-3.4	3.3	-6.3	-0.3

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Summary of P&L
First Half 2007 versus First Half 2006

H1 2007 (NOK '000)	Biotec Pharmacon Group	Non-pharma	R&D	Non-allocated
Sales	36.6	36.6	-	-
Net operating expenses	-50.6	-33.5	-11.1	-6.1
EBITDA	-14.1	3.1	-11.1	-6.1
Depreciation	-1.9	-1.2	-0.7	-
EBIT	-15.9	1.9	-11.8	-6.1

H1 2006 (NOK '000)	Biotec Pharmacon Group	Non-pharma	R&D	Non-allocated
Sales	36.6	36.6	-	-
Net operating expenses	-44.3	-29.7	-11.9	-2.7
EBITDA	-7.7	6.9	-11.9	-2.7
Depreciation	-1.8	-1.1	-0.7	-
EBIT	-9.5	5.8	-12.6	-2.7

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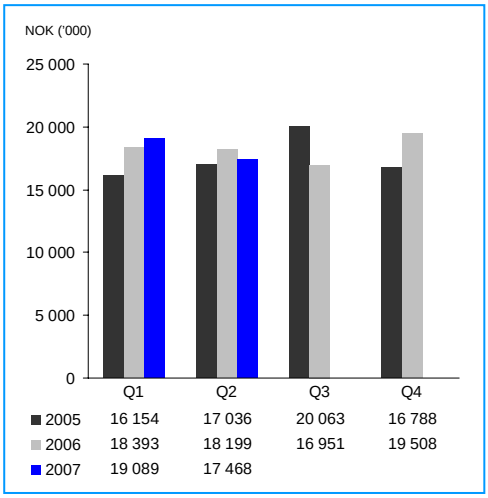
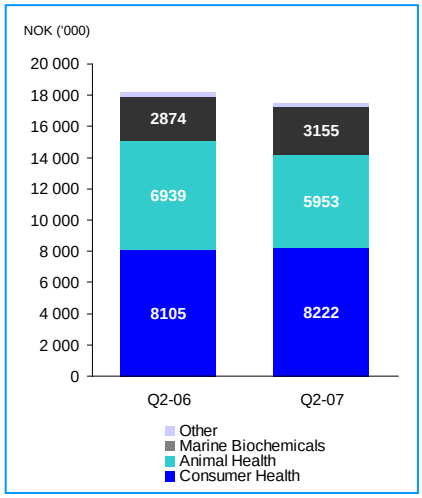
Revenues (non-pharmaceutical)

By Quarter



By Product Group



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Summary of P&L

Non-Pharmaceutical

(NOK '000)	Q2 2007	Q2 2006	H1 2007	H1 2006	2006
Sales	17 468	18 199	36 558	36 592	72 973
Cost of goods sold	-4 180	-3 452	-8 808	-6 578	-14 694
Gross profit	13 288	14 747	27 750	30 014	58 279
Gross margin	*76.1 %*	*81.0%*	*75.9%*	*82.0%*	*79.9%*
Other OPEX (net)	-12 339	-10 933	-24 653	-23 136	-50 594
EBITDA	949	3 814	3 096	6 878	7 685
EBITDA margin	*5.4%*	*21.0%*	*8.5%*	*18.8%*	*10.5%*
Depreciation	-597	-543	-1 198	-1 087	-2 331
EBIT	351	3 271	1 897	5 791	5 354
EBIT margin	*2.0%*	*18.0%*	*5.2%*	*15.8%*	*7.3%*

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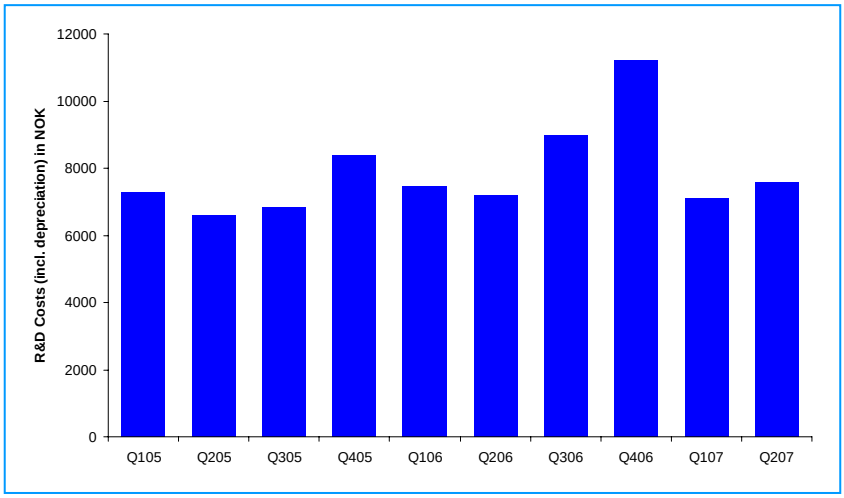
Research & Pharmaceutical Development
Quarterly Costs (incl. depreciation)



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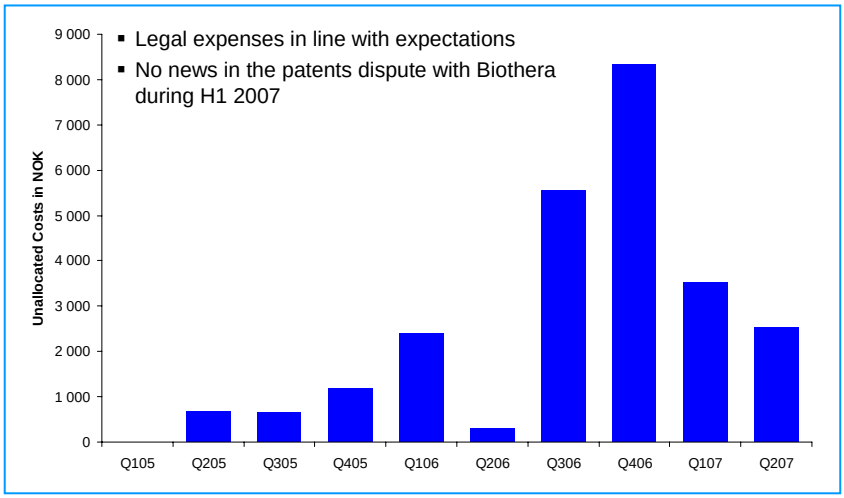
Unallocated
Quarterly Costs (net)



- Legal expenses in line with expectations
- No news in the patents dispute with Biothera during H1 2007

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Consolidated Balance Sheet
Condensed figures

(NOK '000)	30 June 2007	31 Mar 2007	31 Dec 2006	30 June 2006
Non-current assets	45 513	42 485	41 119	30 608
Cash and cash equivalents	163 397	55 869	63 969	77 609
Other current assets	19 456	18 323	18 659	20 386
Total current assets	182 853	74 192	82 628	97 995
Total Assets	**228 336**	**116 676**	**123 746**	**128 603**
Equity	213 284	100 784	105 711	118 409
Liabilities	15 083	15 892	18 035	10 149
Total Equity and Liabilities	**228 366**	**116 676**	**123 746**	**128 603**
Cash Flow (in reporting period)	108 042	-7 903	30 297	-6 635
Equity Ratio	93%	86%	85%	92%

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Shareholder Structure
850 shareholders - added 150 in Q2

Shareholders	Number of shares	Percent
Paro AS	3 483 280	14.7
Verdane Private Equity AS	2 203 110	9.3
Odin Norge	1 896 950	8.0
Ludwig Mack AS	1 766 640	7.5
Hartvig Wennberg AS	858 503	3.6
SEB Private Bank S.A.	780 000	3.3
Nordea Bank Denmark	761 818	3.2
Gunnar Rørstad	604 920	2.6
Oslo Pensjonsforsikring	520 600	2.2
Norgesinvestor Proto AS	511 300	2.2
Sum 10 largest shareholders	**10 250 789**	**43.4**
Other Shareholders	**13 387 121**	**56.6**
Total number of shares outstanding	**23 637 910**	**100.0**

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Thank you!

Welcome back at our third quarter presentation
on 31 October 2007