BIOTEC PHARMACON

Immunity for Life ™

Third quarter 2009

CEO Lars Viksmoen
CFO Jørn Lunde

13 November, 2009

Highlights

- ✓ Completed data collection and closed databases in both phase III studies with SBG for treatment of diabetic foot ulcer

  Study results expected already in November 2009 – a crucial milestone in the development of the SBG portfolio

- ✓ Completed patient inclusion in phase III study with SBG for prevention and treatment of oral mucositis

  Study results expected in Q1 2010

- ✓ R&D costs in line with earlier communication
- ✓ Settled patent dispute – obtained freedom to operate in the US

Non-pharma: Growth continuing in Biotec Marine Biochemicals, revenue decline to be met with cost measures in Immunocorp

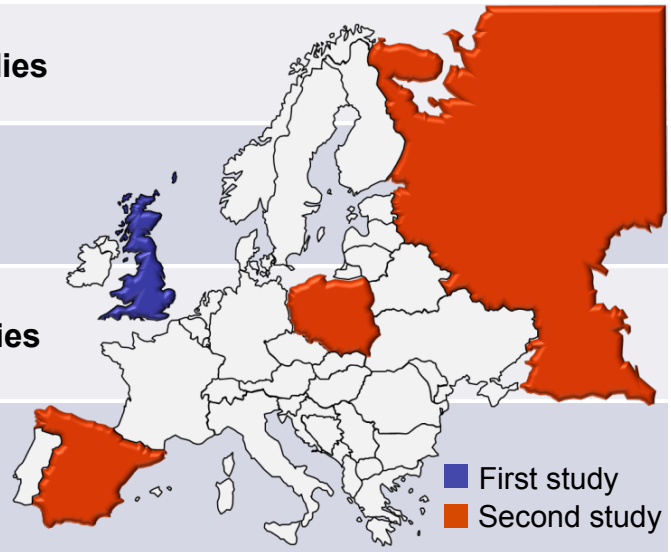
Phase III – diabetic foot ulcer

Two pivotal studies

Clinical phase	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Nottingham, UK												
Phase III, Europe/Eastern Europe												

Blue area = periods of patient inclusion, black areas = periods of study completion and reporting

1H 2009	•	**Completed patient inclusion in both phase III studies**
Q3 2009	•	**Completed treatment and follow-up programs**
Q4 2009	•	**Final results expected to be ready from both studies**
July 2010	•	**Filing for marketing approval in Europe**



Database closed – results in November

- Data collection completed and databases closed in both studies on 2 November – **results expected already in November**
- Two CROs currently working to analyse the data
  - **Primary endpoint:**
    - Proportion of patients with target ulcers that heal within 8 weeks
  - **Secondary endpoints:**
    - Proportion of patients with target ulcers that heal within 12 weeks
    - Time to healing of target ulcers
    - Percent change in target ulcer area
    - Recurrence of healed target ulcers within 12 weeks post healing

Continuing preparations for filing of Market Authorisation Application (MAA)

- **Decentralized process for filing of MAA in Europe**
  - More flexible than the alternative filing procedures
  - Allocated slot for filing of MAA in UK in July 2010; MHRA will coordinate simultaneous review of application files among EU/EAA members
  - Review expected to take 12-18 months
- **Working closely with third party experts to**
  - Develop trade name
  - Obtain waiver for Paediatric Investigation Plan (PIP)
  - Develop Registration Dossier
- **Upgrading facilities to ensure commercial production according to Good Manufacturing Practise (GMP)**
  - Aims to obtain Commercial Manufacturing Authorisation in 1H'10
  - Will be included in the application file for Market Authorisation

Preparation of MAA

A challenging task for a small company

- **General information**
  - Summary of Product Characteristics
  - Patient Information Leaflet and Labeling
  - Pharmacovigilance System
  - Risk Management Plan
  - Pediatric Investigation Plan
  - Environmental Assessment
- **Data and complete reports**
  - Product, manufacturing and control
  - Pre-clinical data on pharmacology, pharmacokinetics & toxicology
  - Clinical
- **Summaries and expert reports**

Approximately 15.000 pages

- **Electronic file**
- **Hard copies**

Partnering process for diabetic ulcers

- **Study results and established timeline expected to trigger action**
  - Established >100 company contacts and entered into >20 confidentiality agreements
- **Partnering decisions will be crucial for commercial success**
  - In no hurry to rush into agreement(s)
- **From an operational viewpoint a partner should ideally be secured approximately one year ahead of product launch**
  - Given current timeline, partnership arrangements should be concluded during the second half of 2010

Addressing major unmet medical needs

Sizeable markets*:	250+ million adult diabetics, growing at ~2.5% p.a. 1 in 6 diabetics develop an ulcer at some stage
Serious condition*:	15%-25% of diabetics with foot ulcer require amputation 85% of diabetics' leg amputations are preceded by ulcers 70% of all leg amputations happen to diabetics People with diabetes are 25 times more likely to amputate a leg
Therapies:	No standard drug treatment, only hygiene/general wound care
SBG approach:	SBG reactivates skin immune cells and enhances the body's own wound healing capabilities

* Source, International Diabetes Federation

Oral Mucositis – Clinical Program

Clinical phase	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Phase III, Europe												
Phase III, Eastern Europe												

2nd study put on hold awaiting results from the 1st study

Blue area represent periods of patient inclusion, black areas represent periods of study completion and reporting

- **Patient enrolment completion in Q3 2009**
  - 130 patients at 20 centres in 3 countries in Europe
- **Treatment follow-up will be completed in Q4 2009**
- **Study results expected in Q1 2010**
  - Possible second study and timing of filing pending these results

Pipeline developments

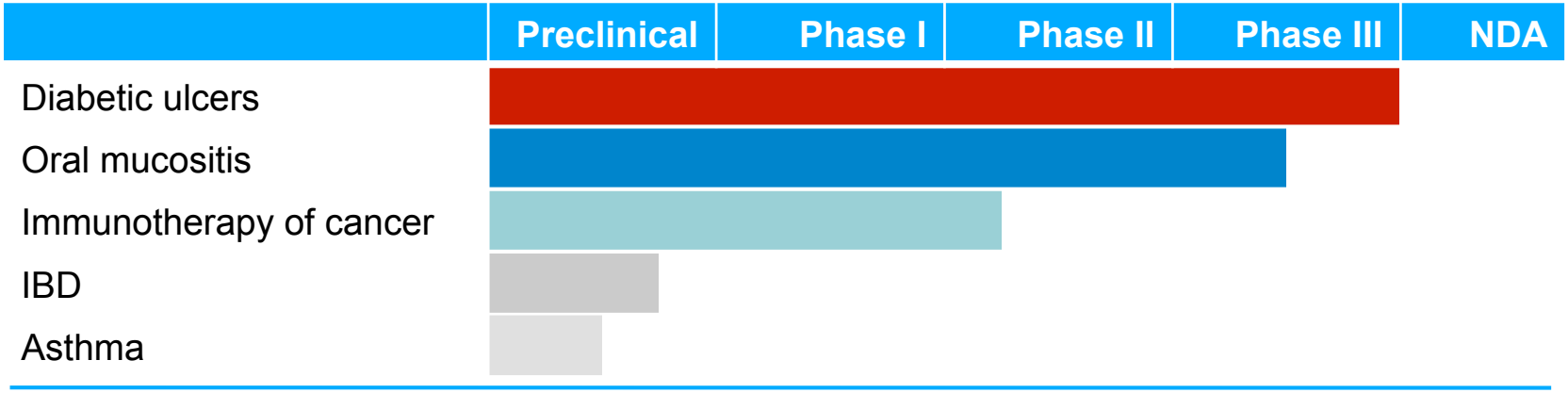
Immunotherapy of cancer:

- Phase I/II studies with SBG in combinations with mAbs for;
  - Neuroblastoma
  - Non-Hodgkins' lymphoma
  - Breast cancer
- Been granted patent for SBG for various types of cancer together with Memorial Sloan-Kettering Cancer Center
- Further progress pending strategic decisions

Other potential indications:

- Filed patent application with SBG for **inflammatory bowel disease** (IBD)
- Filed patent application with SBG for **asthma**, based on pre-clinical work done in collaboration with Mount Sinai Medical Center

SBG - Clinical development portfolio



- Addressing unresolved medical problems in major disease areas
- Commercial aspects of SBG:
  - Innovative products - attractive pricing,
  - Underdeveloped market - high growth potential,
  - Hospital products - easier market access

Financial Figures

Third quarter and first nine months 2009

Financial Highlights

	Q3 09	Q3 08	9M 09	9M 08	2008	Q2 09
Revenue	11.1	11.9	34.8	37.6	51.7	11.4
EBITDA, non-pharma	-0.6	1.0	-1.2	-3.2	-5.6	0.2
EBITDA, pharma R&D	-22.1	-15.6	-58.1	-36.1	-72.0	-20.1
EBITDA, unallocated	-7.1	-4.3	-8.2	-9.4	-10.3	-0.9
EBITDA, total	-29.7	-18.8	-67.4	-48.7	-87.9	-20.8
EBIT	-30.5	-19.6	-69.7	-51.2	-91.3	-21.6
Net financials	0.5	1.6	2.9	5.5	8.3	1.0
Profit before tax, continued operations	-30.1	-18.0	-66.8	-45.7	-83.0	-20.6
Net profit, continued operations	-30.1	-13.8	-66.8	-41.5	-78.8	-20.6
Net profit, discontinued operations	-	27.2	-	27.2	26.6	-
Net result for the period	-30.1	13.4	-66.8	-14.3	-52.2	-20.6

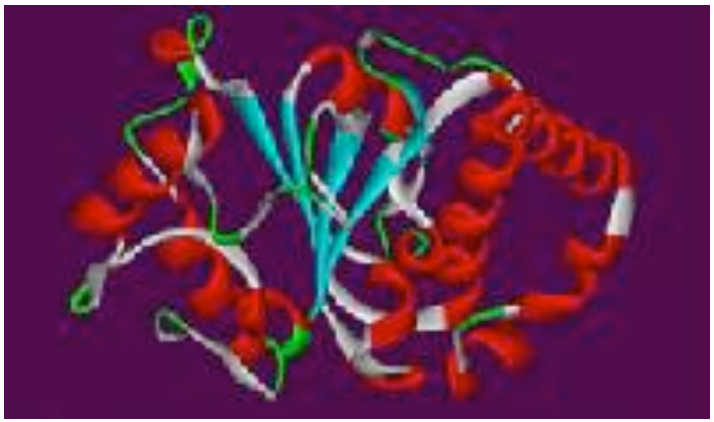
Non-pharmaceuticals

	Q3'09	Q3'08	Growth	9M'09	9M'08	Growth	2008	Q2'09
Consumer Health	**6.7**	9.3	-29%	**22.0**	29.9	-26%	38.9	6.8
Marine Biochemicals	**4.2**	3.0	42%	**12.0**	7.6	59%	11.6	4.4
Other	**0.2**	-0.4		**0.7**	0.2		1.1	0.1
Revenue non-pharma	**11.1**	11.9	-7%	**34.8**	37.6	-8%	51.7	11.4
OPEX (net)	**-11.7**	-10.9		**-35.9**	-40.9		-57.3	-11.2
EBITDA	**-0.6**	1.0		**-1.2**	-3.2		-5.6	0.2
Depreciation	**-0.5**	-0.5		**-1.4**	-1.5		-2.0	-0.5
EBIT	**-1.1**	0.5		**-2.6**	-4.7		-7.7	-0.3

Marine Biochemicals

Enzymes for genetic R&D and diagnostics

- Revenue increase of 42% in Q3'09 and 59% first 9M'09
- Strong growth for both SAP (+54%) and Cod-UNG (+73%)
- Positive contribution to operating profit; EBITDA-margin of ~40% on stand-alone basis
- Expected to exceed the previously communicated revenue target of NOK 15 million in 2009
- Management remains committed to longer-term target of more than double revenues over the next three years



Molecular structure of cod Uracil-DNA N-glycosylase
(Leiros, et al. 2003)

Immunocorp Consumer Health

nbg® 24:7 series - dietary supplements and skin creams

- Revenue decline of 29% in Q3'09 and decline of 26% in the first 9M'09
- Taking cost actions to compensate for lower revenue

Norway:

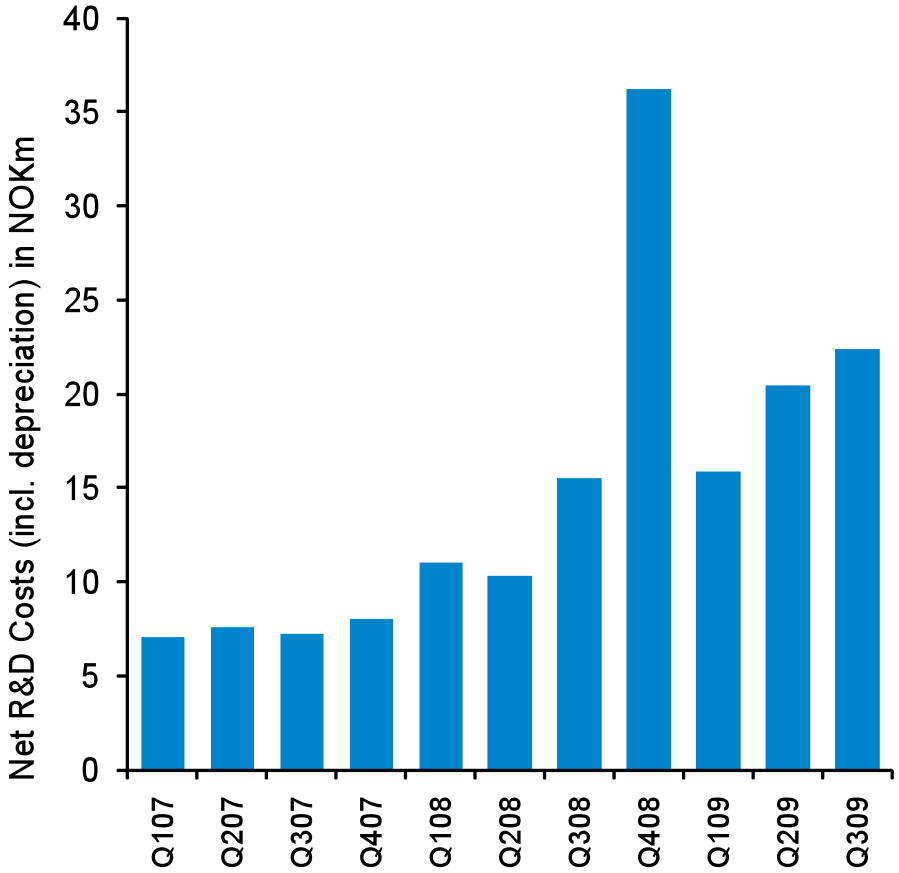
- Sales decline for both third quarter and ytd.
- Almost flat in skin care ytd, but weak third quarter
- Sales mix roughly 1/3 skin care and 2/3 dietary supplements
- Distribution through new International sales agreements delayed

US:

- Significant revenue decline, mainly in skincare
- Weak demand and reduced marketing efforts
- Sales mix roughly 1/3 skin care and 2/3 dietary supplements

R&D and Pharmaceutical Development

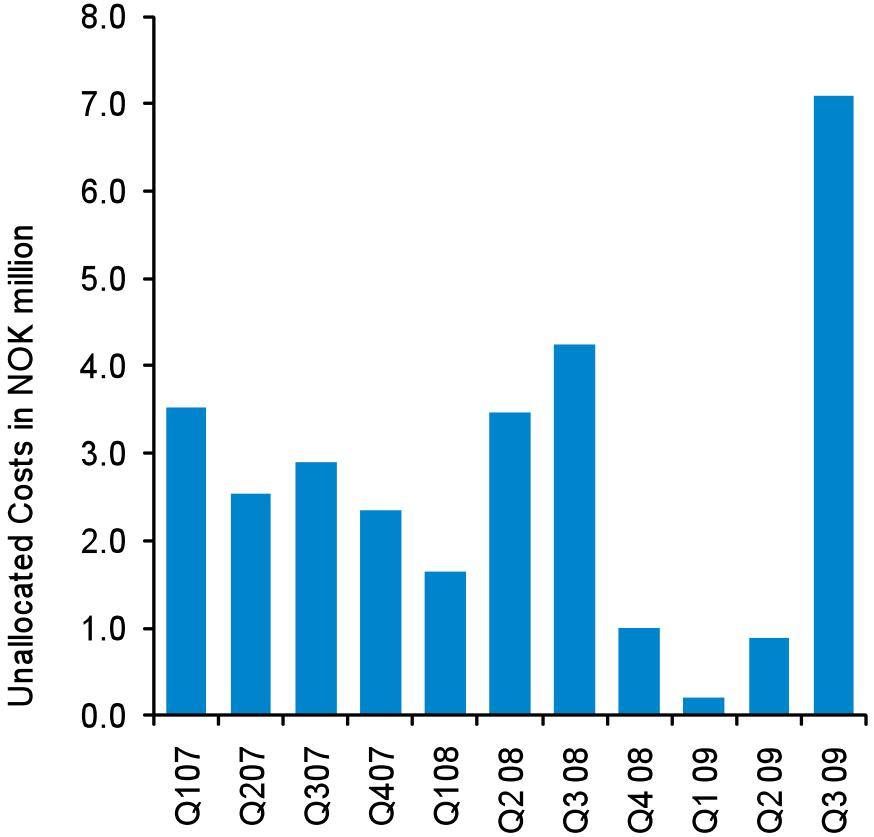
Increasing with breadth of phase III program



- 9M'09 cost level in line with company expectations
- FY'09 estimate for R&D remains unchanged at NOK 85-90 million
- The spending covers;
  - R&D
  - Extensive pre-clinical and clinical development program
  - Regulatory
  - Upgrade of facilities to obtain Commercial Manufacturing Authorisation (GMP compliant)
  - Business development

Unallocated Costs

- High cost level in Q3’09
  - Preparations for trial
  - Costs related to out-of-trial settlement of the patent dispute in August
- Secured freedom to operate in the US market
- Very limited unallocated costs going forward
  - Some costs in Q4’09, related to closing of legal processes and counsel



Cash Flow

NOK ('000)	Q3 09	Q3 08	9M'09	9M'08	2008	Q2 09
CF from operating activities	-29 580	-10 043	-70 999	-30 867	-65 657	-26,715
CF from investing activities	-642	32 684	-3 829	31 206	36 491	-1,553
CF from financing activities	-	-	-	-	-45	-
Cash flow in the period	-30 222	22 641	-74 828	339	-29 211	-28,268
Currency conversion differences	-108	290	-310	96	683	-98
Cash and cash equivalents, beginning of period	79 782	129 204	124 589	151 700	149 641	108,148
Cash and cash equivalents, end of period	49 452	152 135	49 452	152 135	121 113	79,782

Consolidated Balance Sheet
Condensed figures

(NOK '000)	30.09.09	31.12.08
Non-current assets	47 394	47 818
Cash and cash eq.	49 452	124 589
Other current assets	19 436	15 359
Total current assets	68 889	139 938
Assets	**116 283**	**187 766**
Equity	92 611	159 273
Liabilities	23 671	28 493
Equity & Liabilities	**116 283**	**187 766**
Equity Ratio	80%	85%

- Working to increase financial flexibility and secure financing through 2010
- Received loan commitment of NOK 15 million from Innovasjon Norge
  - Final terms and conditions yet to be settled
- Exploring opportunities to untied funds deployed in the non-pharma businesses
  - Hired advisors to assist in preparing for potential structural transactions

Summary & Outlook

Q4'09: Results from both phase III studies for diabetic foot ulcer, expected already in November

Completing treatment and follow-up of oral mucositis patients

Q1'10: Results from first phase III study for oral mucositis

Q3'10: Filing for MAA in Europe for diabetic foot ulcers in July 2010

2H'10: Securing commercial partner for launch of SBG for treatment of diabetic foot ulcer

- FY'09 estimate for R&D cost unchanged at NOK 85-90 million
- Processes ongoing to secure funding through 2010