BIOTEC PHARMACON

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Immunity for Life ™

Presentation
Third quarter 2005

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15 November 2005

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Highlights

- First patients enrolled in the clinical phase I/II trial at Memorial Sloan-Kettering Cancer Center in New York
- Clinical trial with SBG and Herceptin (Roche) being planned at Ullevaal University Hospital in Oslo
- Good progress in patient recruitment in the phase II clinical trial for prevention of oral mucositis in London
- Good progress in patient recruitment in the phase II clinical trial for treatment of diabetic ulcers in Russia
- Good growth in sales of non-pharmaceutical products in the third quarter
- IPO completed

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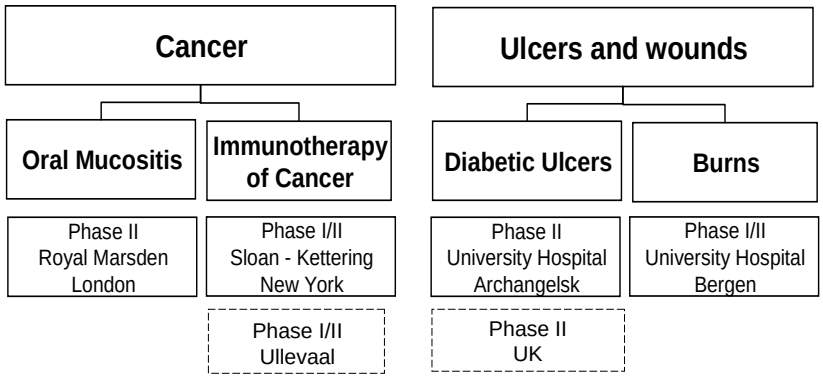
Overview of clinical trials with SBG



SBG is applied on mucous surfaces and on skin - and not by injection!

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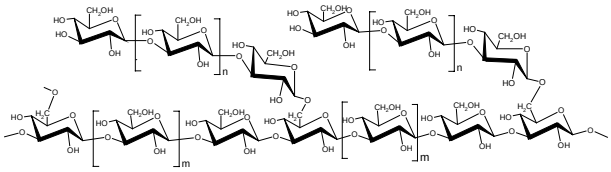
The pharmaceutical product candidate

SBG – Soluble Beta-Glucan

- Beta-glucans: a diverse group of natural polysaccharides found in the cell wall of yeast, fungi and certain bacteria
- SBG: a unique yeast-derived beta-1,3/1,6-glucan with high bioactivity and a well-documented safety profile



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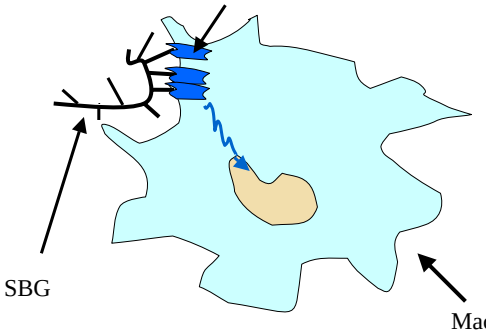
The pharmaceutical product candidate
SBG – Soluble Beta-Glucan

SBG binds to specific receptors on macrophages and other white blood cells in the body's innate front-line defence



Effect of SBG activated macrophages in...

Cancer:

Induce enhanced antibody-dependent tumour regression and enhance the activity of vaccines

Ulcers:

Become more effective in repairing damaged tissue

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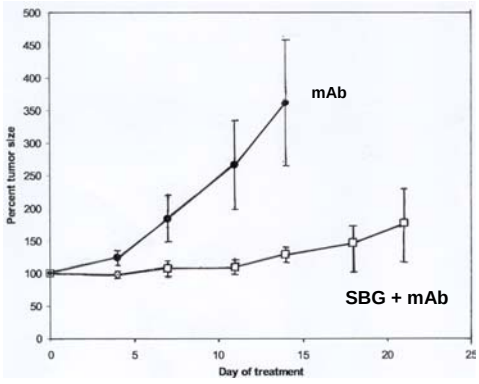
Immunotherapy of cancer

- Monoclonal antibodies (mAbs) target e.g antigens on cancer cells
- SBG activates immune mechanisms which may lead to enhanced tumour regression and killing of cancer cells "tagged" by mAbs



Effect of a monoclonal antibody (mAb) alone and in combination with oral SBG on tumour development in mice inoculated with human cancer cells

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Immunotherapy of cancer
Third quarter update

- FDA granted the investigational new drug application in September
- The study is a phase I/II clinical trial with 15 patients suffering from neuroblastoma that will receive oral treatment with SBG in combination with injected mAbs (3F8)
- Patient enrollment has been initiated at Memorial Sloan-Kettering Cancer Center in New York (”Sloan-Kettering”)
- Additional studies at Sloan-Kettering will be discussed in line with the existing agreement
- Clinical trial with SBG in combination with Herceptin (Roche) being planned at Ullevaal University Hospital in Oslo

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Market potential - cancer immunotherapy

- Almost 5 million new cancer incidents each year in North-America, Europe and Japan
- The number of patients treated with mAbs is still relatively low, but is likely to increase sharply with the approval of new products now being developed
- It is believed that SBG will be proven effective in combination with certain mAbs, but not with all, depending on specificity and/or mode of action
- Higher efficacy in responders to mAb therapy, and synergy with mAbs in low-responders, will prompt the use of the mAb/SBG-combination
- New developments in the mAbs market are driven by biotechnology companies; most likely partners are either big pharma with prominent market positions or biotech companies with mAb pipelines

Cancer mAbs market was USD 5 billion in 2004

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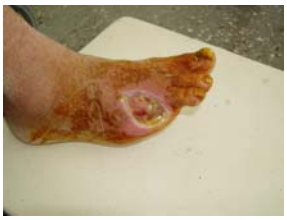
SBG in diabetic ulcers

- Wounds will normally heal without complications in individuals with normal immune functions and active macrophages
- Macrophages play a key role in regeneration of damaged tissues and in infection defence
- In diabetics, small insignificant wounds often become chronic (ulcers)
- Macrophage activity is impaired in individuals with diabetes - a reason for the reduced ability of diabetic patients to repair wounds and ulcers (in particular leg and foot ulcers)
- Huge medical problem



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Treatment of diabetic ulcers
Third quarter update

- On basis of early clinical results, Biotec Pharmacon has initiated a double-blinded Phase II (therapeutic exploratory) study with diabetic ulcer patients in Russia
- The trial was initiated in July 2005, and more than 30% of the 60 patients to be included in the study have been enrolled to date
- Discussions are ongoing with a leading UK hospital regarding a second phase II trial on diabetic ulcers

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Market potential – diabetic ulcers

- Chronic ulcers are painful and disabling
- About 10% of diabetes patients will develop chronic ulcers (6-15%)
- Currently at least 3 million diabetic ulcers patients in North America, Europe and Japan (approximately 50 million diabetes patients)
- The number of patients will grow due to demographic developments and the general increase in the incidence of diabetes
- Several treatments per patient may be required
- No efficient treatment exists today for complicated ulcers, and the cost of treatment is high (overall 5-7 billion US$ per year in USA)
- Most likely partners for Biotec Pharmacon include the major players in this therapeutic area, which is dominated by a handful companies with pharmaceuticals and devices (e.g. dressings)

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Other ongoing clinical trials

- Oral mucositis
  - A clinical phase II trial is ongoing at the Royal Marsden & The Institute of Cancer Research in London for the prevention of oral mucositis in cancer patients
  - More than 85% of the 40 patients to be included in the study have been enrolled to date.
  - EMEA has granted Orphan drug designation for SBG used in the prevention of oral mucositis
- Burn wounds
  - A clinical phase I/II trial on patients with burn wounds has been approved at Haukeland Sykehus in Bergen
  - No patients have been enrolled to date

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Business model – pharmaceuticals

- Complete phase II clinical studies (human proof-of-principle), and retain ownership and strategic flexibility until such studies are completed
- Partner with suitable international pharmaceutical or biotechnology companies with capabilities in late stage clinical development, regulatory compliance, marketing and sales
- Income stream through up-front licence fees, milestone fees, royalty and product sales

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Non-pharmaceutical products

High-margin products with good growth potentials, based on immune modulating compounds and DNA-modifying enzymes

Consumer Health

Biochemicals

Animal Health & Nutrition

MACROGARD®
IMMUNITY FOR LIFE

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Non-pharmaceutical products
Third quarter update

- Generally good sales performance in the third quarter
- Sales of MacroGard has improved due to good demand from the aquaculture and animal farm sectors. Prohibition of feed antibiotics may positively affect sales
- Temporary halt in launch of NBG in pharmacies in Norway pending final classification by the Norwegian Medicines Agency
- Expect sales and profit contribution to fluctuate from quarter to quarter
  - Inventory levels at distributors
  - Sales mix
  - Marketing campaigns

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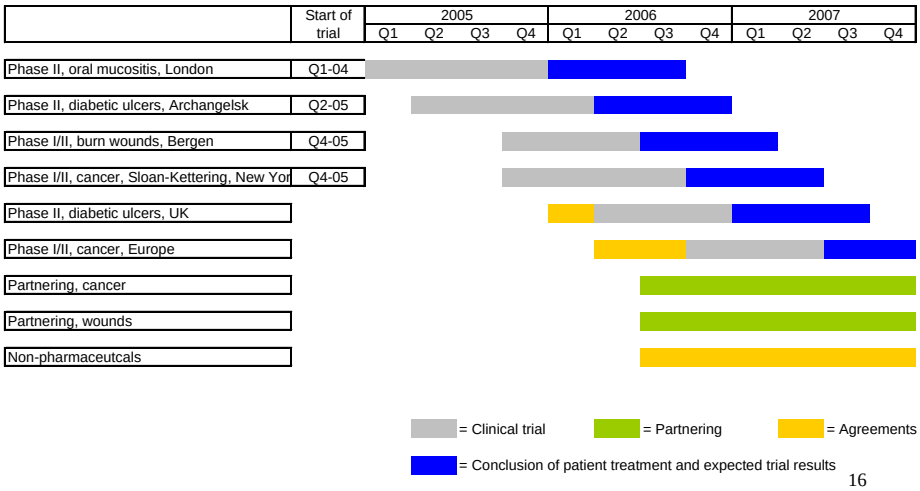
Tentative time line, 2006 -2007



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Financials

Key ratios

Sales growth Q3-05/Q3-04:	45,9 %
Sales growth Q3-05/Q2-05:	17,1 %
Sales growth 9M-2005/9M-2004	-3,2 %
Increase in R&D expenses 9M-2005/9M-2004	23,7 %
R&D exp. in % of operating income (9M-2005)	37,2 %
Equity in % of total assets	83,4 %
Liquidity reserve (MNOK) 30.09.2005	16,0

Distribution of sales revenues

Amounts in NOK 1.000	3Q 2005	3Q 2004	Jan. - Sept. 2005	Jan. - Sept. 2004
Consumer health products	9 308	8 012	25 941	34 079
Animal health products	6 833	3 127	18 200	13 009
Biochemicals	3 676	2 435	8 466	6 959
Other	246	179	703	1 005
	20 063	13 753	53 310	55 052

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Consolidated income statement
by segment

Amounts in NOK 1.000	3Q 2005	3Q 2004	Jan. - Sept. 2005	Jan. - Sept. 2004	Year 2004
Non-pharma sales revenues	20 062	13 752	53 310	55 052	70 209
Cost of goods sold	3 880	2 702	10 795	10 185	12 107
Gross profit, non-pharma	16 183	11 050	42 515	44 867	58 102
Gross margin, non-pharma	*80,7 %*	*80,4 %*	*79,8 %*	*81,5 %*	*82,8 %*
Other operating exp. non-pharma (ex depr.)	10 676	10 272	31 266	32 183	43 347
EBITDA, non-pharma	5 507	778	11 249	12 684	14 755
EBITDA, margin	*27,4 %*	*5,7 %*	*21,1 %*	*23,0 %*	*21,0 %*
Depreciation (non-pharma)	526	1 060	2 876	3 121	4 243
Operating profit, non-pharma	4 981	-282	8 373	9 563	10 511
Net research & pharma. development exp.	6 457	5 813	18 280	14 798	19 625
Group operating profit	-1 475	-6 095	-9 907	-5 235	-9 114
Net financial items	76	89	183	382	196
Profit before tax	-1 400	-6 005	-9 725	-4 853	-8 918
Tax	-566	-1 565	-2 502	-1 178	-2 562
Profit after tax	-834	-4 440	-7 223	-3 675	-6 357

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Consolidated balance sheet
Summary

Amounts in NOK 1.000	30.09.2005	30.09.2004	31.12.2004
Non-current assets	25 989	26 825	26 833
Cash and cash equivalents	6 123	21 630	20 141
Other current assets	18 479	14 666	13 674
Total current assets	24 602	36 296	33 815
Total assets	50 590	63 122	60 648
Equity	42 174	55 699	51 253
Liabilities	8 416	7 423	9 395
Total equity and liabilities	50 590	63 122	60 648

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IPO completed

- 3,922,000 new shares issued
- Net proceeds NOK 92.2 million
- Issue price NOK 24.50 per share
- Number of shares after issue: 21,489,010
- New share capital: 21,489,010

10 largest shareholders per 14 November 2005:

Piro AS	17.84%
Four Seasons Private Equity AS	10.25%
Odin Norge	9.01%
Ludwig Mack AS	8.92%
Gunnar Rørstad	4.56%
Nordea Bank Danmark	3.79%
Jan Raa	3.25%
Annexstad Hartvig Wennberg AS	3.04%
Knut Eirik Andersen	2.37%
Biotec Pharmacon ASA	2.01%

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