

Q1 Presentation

Oslo, 19th April 2016

Svein W. F. Lien – CEO

Stuart Devine – VP Marketing Woulgan



Agenda

- **Highlights**
- **Q1 Financials**
- **BetaGlucans**
 - Advanced wound care
- **Enzymes**
 - Molecular testing
- **Outlook**

Highlights Q1

- Group revenues amounted to NOK 17.3 million in the first quarter 2016, compared to NOK 12.3 million in the first quarter 2015
- EBITDA showed a loss of NOK 3.5 million in the quarter, compared to a loss of NOK 2.8 million in the first quarter 2015
- Signed a two-year supplier agreement for supply of beta-glucans to the animal health segment
- Woulgan submitted first Nordic tender in Finland
- NHS Drug Tariff Authorities started reviewing Woulgan for UK reimbursement





Q1 financials

Financial highlights Q1

NOK million	Q1 2016	Q1 2015	12M 2015
Enzymes	8.1	7.6	23.5
BetaGlucans	9.2	4.7	29.7
Sales revenues	17.3	12.3	53.3
Enzymes	2.6	2.5	4.3
BetaGlucans	-4.2	-2.8	-9.5
Unallocated expenses	-1.9	-2.5	-9.2
EBITDA	-3.5	-2.8	-14.4
EBIT	-4.0	-3.5	-17.3

Unallocated expenses are remaining corporate overhead not allocated to the segments. Segment figures for 2015 are adjusted for comparison purposes.

Cash flow and cash position

NOK million	Q1 2016	Q1 2015	12M 2015
Operating activities	-10.6	-9.2	-12.9
Investing activities	0	0	-1.5
Financing activities	0	0	4.4
Changes in cash and cash equivalent	-10.6	-9.2	-9.9
Cash and cash equivalents at the beginning of period	78.3	88.3	88.3
Cash and cash equivalents at the end of period	67.7	79.1	78.3



Beta-Glucans

Advanced wound care

BetaGlucans – segment numbers

NOK million	Q1 2016	Q1 2015	12M 2015
Sales Revenue	9.2	4.7	29.7
Gross profit	5.0	2.2	14.8
Other income	0.6	0.5	1.3
Personnel expenses	-5.6	-3.3	-13.4
Operating expenses	-4.2	-2.3	-12.2
EBITDA	-4.2	-2.8	-9.5
Depreciation & Amortization	-0.3	-0.4	-2.0
EBIT	-4.5	-3.3	-11.4

Unallocated expenses are remaining corporate overhead not allocated to the segments. Segment figures for 2015 are adjusted for comparison purposes.

Positioning & Commercial Strategy



- Woulgan is positioned for stalled wounds
- Literature defines wounds as stalled when they don't close by 40% after 4 weeks
- Estimated >60% of chronic wounds are stalled
- Positioning for stalled wounds allows Woulgan to show:
 - more healing benefit versus standard of care
 - stronger, positive clinician experiences
- Clear, clean and credible message on when to use and when to not use Woulgan across multiple wound types

Bioactive Beta-Glucan technology demonstrated ability to kick-start "stalled wounds" where healing slowed or stopped:



Woulgan® Value Proposition



Patients

Comfortable, effective therapy proven to accelerate healing



Clinicians

Delivering improved quality of care, proven to give faster results

Existing technique, product in familiar format, easy to apply & well tolerated by patients



Payers

Demonstrated value release from adoption of effective therapy & associated improved outcomes

Woulgan.com & Social Media

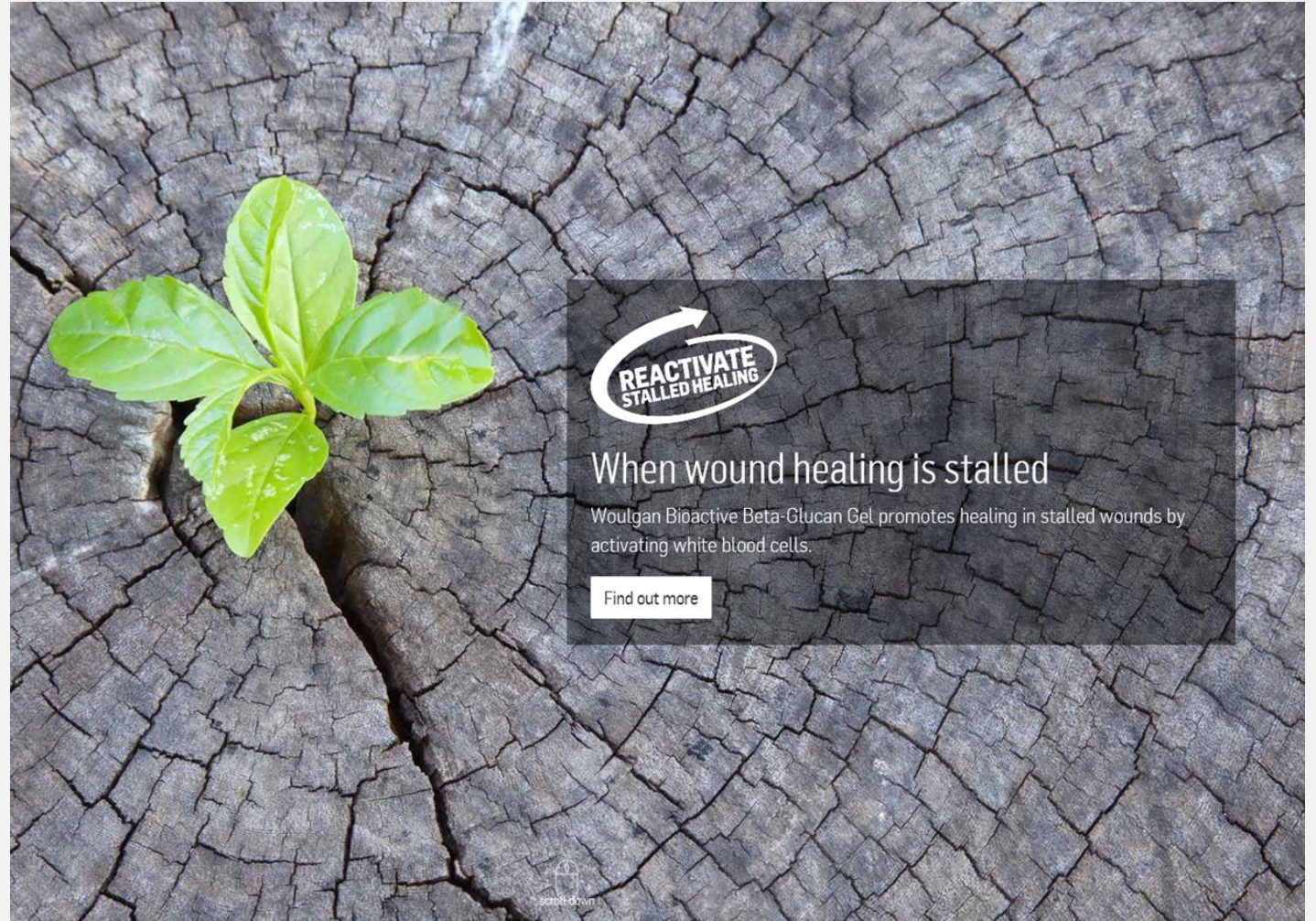


Increasingly engage clinicians and patients using Woulgan.com & Social Media

Deliver content across multiple platforms:

- Congresses/events
- Company news
- Clinical education (incl. webinars)
- Case stories/clinician testimonials (preferably video)
- Surveys/quizzes
- Guest authors
- 3rd party content

Please visit and share



UK Launch



Q1 Achievements

Next Steps

Clinical Practice	<ul style="list-style-type: none">• X20 clinicians trained• X10 active evaluation sites• 30 patients being treated with Woulgan• Launched Woulgan.com	<ul style="list-style-type: none">• Adding more clinical evaluation sites• Focus Group holding evaluation review June• Begin commercial evaluations (less restrictive criteria)• Engage clinicians/patients with Woulgan benefits
Market Access	<ul style="list-style-type: none">• NHS Prescription Services reviewing Drug Tariff (DT) application	<ul style="list-style-type: none">• Monitor & support process• DT listing is required for launch
Go-to-Market	<ul style="list-style-type: none">• Recruited additional clinical sales specialist• Poster at Congress Wound Healing 2016	<ul style="list-style-type: none">• Drive commercial evaluations• Q3 full launch targeting specialists

Nordic Launch



Q1 Achievements

Next Steps

Clinical Practice	<ul style="list-style-type: none">• >70 clinical meetings• About 50 patients being treated with Woulgan®	<ul style="list-style-type: none">• Continue to drive commercial evaluations• Manage positive trials for clinician endorsement• Meetings in all wound centres
Market Access	<ul style="list-style-type: none">• Submitted first tender bid Finland• Engaging tender co-ordinators• Mapping patient flow to guide focus	<ul style="list-style-type: none">• Submit more tender bids to increase access• Focus on Specialist nurses in Wound Care Centres
Go-to-Market	<ul style="list-style-type: none">• 8 Sellers trained January-March• Attended NIFs & Finnish Wound congresses	<ul style="list-style-type: none">• Norwegian e-blast campaign; more markets as product becomes available via distribution network• SISS Congress, Umeå, Sweden• Continued expansion with market access

German Market & Update



Market size

- 240K stalled wounds*; acute and primary care
- €86m stalled wound opportunity

Market Access (reimbursement/tenders)

- In community 'dressings' are prescribed and reimbursed
- National decision on outpatient reimbursement by G-BA
- 132 Sick Funds reimburse agreed outpatient treatments

Ongoing processes Germany

Clinical Practice

- Enthusiastic clinicians requesting to treat more patients

Market Access

- Engaged reimbursement & clinical specialists kicking off reimbursement activities

Go-to-Market

- Discussions progressing well with shortlisted companies

US Update



- Finalizing the “510K application” for Woulgan®
 - Expect it to be submitted to the FDA during the second quarter of 2016
 - FDA approval typically takes 6-9 months
- Represents first step in process to position Woulgan® in most attractive global market

EWMA Congress



Great opportunity

- The most important annual European Wound Care event (>4,000 delegates)
- In Bremen, Germany, our current focus for distributor selection

Aims/Goals

- Build Woulgan® brand
- Generate sales leads in key markets
- Expand on the BBG-owned clinician database

English & German language (team & marketing materials)



Activities outside Woulgan®

- Signed a new supply agreement for (animal health product) M-Glucan with estimated value of 20 MNOK over the next 24 months
- Continue to document the M-glucan® effect as a feed ingredient
 - Received NOK 200.000 in VRI funding (2016)
 - Received NOK 558.000 in MABIT funding (2016/2017)
 - Promising preliminary results





Enzymes

Molecular testing

Enzymes – segment numbers

NOK million	Q1 2016	Q1 2015	12M 2015
Sales Revenue	8.1	7.6	23.5
Gross profit	8.0	7.4	22.3
Other income	1.4	1.3	6.0
Personnel expenses	-5.2	-4.4	-17.3
Operating expenses	-1.6	-1.8	-6.8
EBITDA	2.6	2.5	4.3
Depreciation & Amortization	-0.1	-0.2	-0.8
EBIT	2.5	2.3	3.4

Unallocated expenses are remaining corporate overhead not allocated to the segments.
Segment figures for 2015 are adjusted for comparison purposes.

Commercial update

- A new supply agreement was formalized with a new commercial partner who operates in the molecular biology market segment. The agreement builds on securing long-term value for ArcticZymes, by expanding our strategic partners, in the growing field of molecular biology.
- Two new product launches



Glycerol-free Cod UNG: will satisfy the evolving requirement of the Molecular Diagnostics market segment. The introduction of the new formulation will allow ArcticZymes to further accelerate the growth in this important product portfolio.



New version in the rSAP portfolio: was released which will allow ArcticZymes to provide even better technologies to current and future OEM/B2B customers.

R&D: New Funding

- ArcticZymes was successful in receiving a new grant – “Viral Metagenomics for Innovation Value” (Virus-X) Project
- AZ will receive EUR 460.000 in funds over the next four years through the European Framework Programme for Research and Innovation, Horizon 2020.
- Large collaborative effort between a total of 15 partners from European research institutes, universities and industry with a total budget of nearly 8 M€.
- Through a discovery pipeline, new enzymes for molecular biotechnology will be developed. ArcticZymes is one of the industrial partners to participate in bringing new commercially attractive viral enzymes to market.





Outlook



OUTLOOK 2016

- Enter into distribution agreement(s) for Woulgan® in Germany
- Finalize the UK reimbursement process in the high-end category of the market
- Full launch and growing revenues in UK and Scandinavia
- Grow business further in Animal Health and Nutrition
- Achieve important milestones in the development of the ArcticZymes business and in the new enzyme development projects



Contact: Børge Sørvoll

bsø@biotec.no

Tlf: 95290187

www.biotec.no

www.woulgan.com