

# Q1 2017 Presentation

27.04.2017, Oslo

# Agenda

- **Highlights**
- **Q1 Financials**
- **BetaGlucans**
  - Animal- and Consumer health
  - Cancer
  - Advanced wound care
- **Enzymes**
  - Molecular research and diagnostics
- **Outlook**



# Highlights for Q1 2017

- Solid quarter sales of NOK 18.2 mill (NOK 17.3 mill)
- Slightly weaker EBITDA NOK -4.1 mill (NOK -3.6 mill)
- Q1 Woulgan<sup>®</sup> sales NOK 0.4 mill
- ArcticZymes sales of NOK 8.9 mill 10% above the strong Q1 2016



# Q1 Financials

# Financial highlights Q1 2017

NOK million	Q1 2017	Q1 2016	3M 2017	3M 2016
Sales Enzymes	8.9	8.1	8.9	8.1
Sales BetaGlucans	9.3	9.2	9.3	9.2
Other revenues	1.6	1.9	1.6	1.9
<b>Total revenues</b>	<b>19.8</b>	<b>19.2</b>	<b>19.8</b>	<b>19.2</b>
Enzymes	2.6	2.6	2.6	2.6
BetaGlucans	-4.6	-4.2	-4.6	-4.2
Corporate unallocated	-2.1	-1.9	-2.1	-1.9
<b>EBITDA</b>	<b>-4.1</b>	<b>-3.5</b>	<b>-4.1</b>	<b>-3.5</b>
<b>EBIT</b>	<b>-4.6</b>	<b>-3.9</b>	<b>-4.6</b>	<b>-3.9</b>

# Cash flow and cash position

NOK million	Q1 2017	Q1 2016	3M 2017	3M 2016
Operating activities	-9.8	-10.7	-9.8	-10.7
Investing activities	-1.4	0	-1.4	0
Financing activities	0	0	0	0
<b>Changes in cash and cash equivalent</b>	<b>-11.2</b>	<b>-10.7</b>	<b>-11.2</b>	<b>-10.7</b>
Cash and cash equivalents at the beginning of period	57.7	78.3	57.7	78.3
<b>Cash and cash equivalents at the end of period</b>	<b>46.5</b>	<b>67.7</b>	<b>46.5</b>	<b>67.7</b>

# Beta-glucans

# Beta-glucans – segment numbers

NOK million	Q1 2017	Q1 2016	3M 2017	3M 2016
Sales Animal & Consumer Health	8.9	9.2	8.9	9.2
Sales Woulgan	0.4	0	0.4	0
Other revenues	0.7	0.5	0.7	0.5
<b>Total revenues</b>	<b>10.0</b>	<b>9.7</b>	<b>10.0</b>	<b>9.7</b>
Cost of Goods	-5.9	-4.1	-5.9	-4.1
Personnel expenses	-5.7	-5.6	-5.7	-5.6
Operating expenses	-3.1	-4.2	-3.1	-4.2
<b>EBITDA</b>	<b>-4.6</b>	<b>-4.2</b>	<b>-4.6</b>	<b>-4.2</b>
Depreciation & Amortization	-0.3	-0.3	-0.3	-0.3
<b>EBIT</b>	<b>-4.9</b>	<b>-4.6</b>	<b>-4.9</b>	<b>-4.6</b>

# Activities outside Woulgan®

- Good sales in animal health products continues
- A number of commercial activities within consumer health generating leads and opportunities for the M-Gard® product
- About 120 patients treated with the vaccine/SBG combination at Memorial Sloan Kettering Cancer Center - plan to publish later this year. Ongoing discussions how to move forward



# Woulgan<sup>®</sup> Positioning & Highlights

*Substantial potential: ability to kick-start “stalled wounds”*

*Woulgan positioned for stalled wounds not closed by 40% after 4 weeks of standard care*



## Highlights

- Repeating Woulgan Gel sales
  - Positive experiences lead to continued use
- FDA confirm Woulgan Gel as Class I
- Dry dressing product
  - Testing production methods



# Highlights Germany



- More Homecare companies evaluating Woulgan<sup>®</sup>
- Prepared sales campaign targeting high wound care prescribers in GP channel
- VLU case series recruiting & expert opinion progressing
- Bundestag refined definition of “dressing” for reimbursement
  - Sick funds continuing to pay for Woulgan

# Highlights UK

- Replied to further questions on health economic analysis from Drug Tariff at the end of February
- First orders via NHS supply chain (outside of Drug Tariff)
  - Building sales pipeline-creating sales leads
- UK case series published in Journal of Wound Care (JoWC) in Feb.
- Woulgan article published in March's Diabetic Foot Journal
- Woulgan health economic article to be published in May's JoWC



# Highlights Nordics



- 2017 targeting 30% tender access
- Most sales in Finland so far
- Running many evaluations at county level in all countries
- Active at wound congresses (Sweden, Finland and Norway)
- Recruitment to the Nordic evaluation series started. Promising results so far.

# Highlights Central Marketing



## Brand building

- Exhibiting at EWMA (May) – Europe's largest WC conference
- 3 publications
- 2 KOL webinars- Germany & UK
- Regular posting & content (Facebook, Twitter & Blog)

## Sales leads

- Campaigns- Facebook (testimonials), Google Ads for EWMA & wound specialists E-blasts
- Woulgan symposium at EWMA with leading KOLs
- Developing distributor training programme



# US opportunity and PMCF study

## **US opportunity**

- FDA confirmed Woulgan Gel as class 1 exempt
- Likely 1st step towards a higher classification and reimbursement later
- Developing U.S. strategy and in parallel seeking U.S. partner for strategic alliance



## **PMCF (post market clinical follow up):**

- Adding new UK site to accelerate progress

# Business Development – other areas



- Dutch evaluation on track for summer reimbursement application
- Australia regulatory application in progress
- Canada registration analysis complete

# ArcticZymes

Molecular research and diagnostics

# Enzymes – segment numbers

NOK million	Q1 2017	Q1 2016	3M 2017	3M 2016
Sales enzymes	8.9	8.1	8.9	8.1
Other revenues	0.9	1.4	0.9	1.4
<b>Total revenues</b>	<b>9.8</b>	<b>9.5</b>	<b>9.8</b>	<b>9.5</b>
Cost of goods	0.3	-0.2	0.3	-0.2
Personnel expenses	-5.4	-5.2	-5.4	-5.2
Operating expenses	-2.1	-1.6	-2.1	-1.6
<b>EBITDA</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>
Depreciation & Amortization	-0.1	-0.1	-0.1	-0.1
<b>EBIT</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>	<b>2.5</b>

# Commercial Update

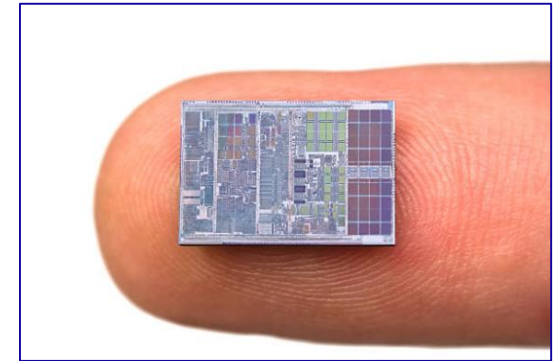
## Recently Launched Product Updates

- **Heat-Labile Exonuclease I (HL-ExoI)**

- Launched in Q4
- Complements our Shrimp Alkaline Phosphatase portfolio
- 1<sup>st</sup> customer has already integrated enzyme into their sequencing kits
- Interest for use in Sanger and Next Generation Sequencing (NGS)

- **Polymerases**

- Continue to gain interest from other new potential partners
- Main interest so far is for utility in NGS platforms
- Potential partners identify with the unique properties the IsoPol™ enzymes can bring to their next generation technologies
- Door opener for ArcticZymes other enzymes
- On track to launch 2 new IsoPol™ enzymes during 2017



# Commercial Update

## New Product Developments: SAN Portfolio

- Continued growing interest in SAN for use in bio-manufacturing (*e.g. production of viruses for utility in gene therapy*)
- ArcticZymes will fast track 2 new product developments for 2017 launch to serve immediate commercial demands



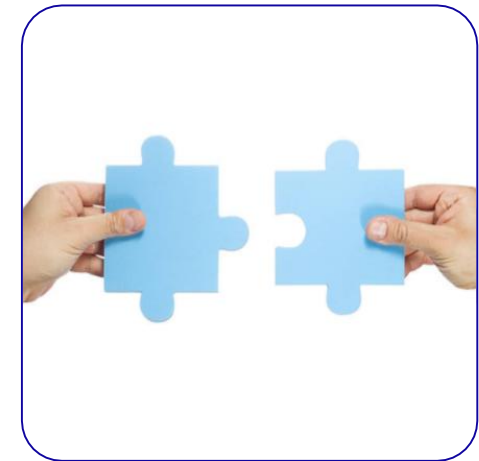
**SAN Bio-manufacturing Grade**

+



**SAN ELISA Immunoassay**

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**Complete Solution Offering**

# Outlook 2017

# Outlook 2017

- Woulgan: Drive commercial traction in core markets including favorable reimbursement in UK
- Retain position in the Animal Health market with a modest growth
- Build commercial platform in Consumer Health
- Launch further products in ArcticZymes including Polymerases
- Continue to widen ArcticZymes' commercial platform with new agreements, customers and markets

A night photograph of a coastal town, likely in Norway, with a bridge and mountains. The sky is dark, and a vibrant green aurora borealis is visible, illuminating the scene. The town's lights are reflected in the water.

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