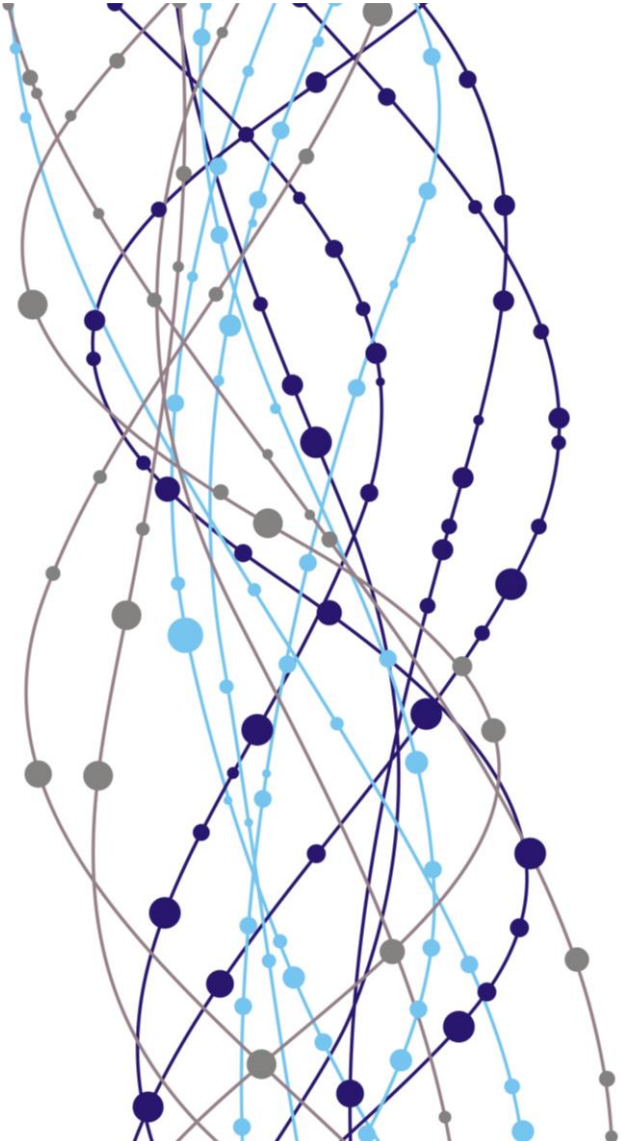


Presentation by the management on the status of the Group AGM 2017

11.05.2017

Agenda



- **Highlights**
- **Financial highlights**
- **Beta-Glucans**
- **Enzymes**
- **Outlook**

Highlights for 2016 and Q1 2017

- 30% Revenue growth in 2016 to NOK 78.6M (60.5)
- Started commercial sale of Woulgan in Germany and Nordic markets
- Strong clinical feedback from UK focus groups
- UK Drug Tariff rejected Woulgan for reimbursement in May 2017
- Cleared in arbitration for Nutrition leave opportunity to sell these products world wide
- Strong growth in demand for Feed ingredient in 2016 and into 2017
- Promising development in the cancer area. Study at MSKCC expanded population from 115 to 145 patients
- ArcticZymes launched 6 new products in 2016
- ArcticZymes 22% revenue growth and MNOK 3.9 in 2016 EBITDA



Financial highlights 2016 and Q1 2017

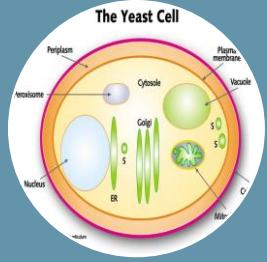
NOK million	Q1 2017	Q1 2016	2016	2015
Sales Enzymes	8.9	8.1	28.7	23.5
Sales BetaGlucans	9.3	9.2	43.2	29.7
Other revenues	1.6	1.9	6.7	7.3
Total revenues	19.8	19.2	78.6	60.5
Enzymes	2.6	2.6	3.8	3.1
BetaGlucans	-4.6	-4.2	-17.1	-8.5
Corporate unallocated	-2.1	-1.9	-5.8	-9.1
EBITDA	-4.1	-3.5	-19.0	-14.4
EBIT	-4.6	-3.9	-21.0	-17.3

Cash flow 2016 and Q1 2017

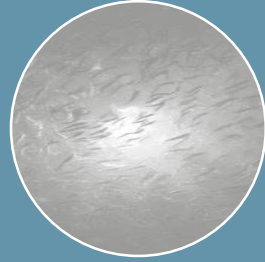
NOK million	Q1 2017	Q1 2016	2016	2015
Operating activities	-9.8	-10.7	-19.3	-12.9
Investing activities	-1.4	0	-1.3	-1.5
Financing activities	0	0	0	4.4
Changes in cash and cash equivalent	-11.2	-10.7	-20.7	-9.9
Cash and cash equivalents at the beginning of period	57.7	78.3	78.3	88.3
Cash and cash equivalents at the end of period	46.5	67.7	57.7	78.3

Beta-Glucans

Beta-Glucan product portfolio



Yeast cell walls
from yeast
extract
production



M-Glucan®
Feed ingredient



M-Gard
Nutrition



M-Gard Cos
Cosmetics



SBG®
Soluble Beta-
Glucan
(Medicinal
product)



Woulgan®
Bioactive beta-
glucan gel
Wound healing



Woulgan®

Woulgan[®] positioning



- Positioned towards stalled wounds, meaning wounds not closed by 40% after 4 weeks of standard care
- Defined as a premium priced product no comparative gel products with an active substance
- A new product with a unique mode of actions
- Obtained very strong claims when approved in EU

2016 Woulgan® summary

	Nordics	Germany	UK
Go-to-market:	Navamedic increased Woulgan headcount to 9 heads	Trained 12 distributor reps and 30 key account wound care nurses	Distributor hired Woulgan Sales Specialist
Market access	Woulgan listed on 3 tenders	Reimbursed by multiple sick funds in several regions	Gained listing on NHS Supply Chain Framework for Acute hospitals
Clinical practice	Participated 10 congresses 2 Publications	Participated 4 congresses	Participated 6 congresses 10 Posters
Market metrics	130 clinicians tested Woulgan in 80 sites	30 clinicians tested Woulgan	35 clinicians tested Woulgan in 30 sites
	2,000 tubes sampled	2,000 tubes sampled	1,200 tubes sampled
	2,560 tubes purchased	3,350 tubes purchased	
	About 300 patients treated	About 250 patients treated	About 120 patients treated

UK Drug Tariff process

- Mail received May 2nd 2017 from DT where the application was rejected because they consider the evidence provided to be insufficient to document cost effectiveness
- The short term effect is that the sales growth we had planned for in the UK market will be delayed. There are no effect on other markets
- Going forward we will focus on two parallel processes:
 - Consider an appeal according to NHS guidelines
 - Prepare for a new submission when we have concluded on further studies that are either ongoing or about start. Potential timing Q1 2018

Other Highlights UK

- Confirmed Woulgan to be listed on NHS Supply Chain for hospitals & some off-Drug Tariff community trusts
- Will generate some sales
- UK case series published in Journal of Wound Care in Feb. 2017. Two additional published March and May 17



Highlights Germany



- Repeated homecare company (HCC) sales
- Several other HCC's in process
- Hosted German advisory board
- Recruited several KOLs to participate in case evaluation series
- A 40 patient VLU case study in process
- Woulgan added into wound specialist training centres in Germany

Highlights Nordics



- Sales growing
- 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

Woulgan (2% SBG) – clinical documentation

Studiedesign	Indikasjon	Antall pasienter	Alder på sår	Hovedfunn	Referanse
Randomisert, placebokontrollert	Diabetiske legg og fotsår	60	>4 uker	44% vs 17% full tilheling etter 8 uker 59% vs 37% full tilheling etter 12 uker.	Zykova et al 2014. J Diabet Invest 5.
Randomisert, placebokontrollert	Diabetiske fotsår (DFU)	42 (122)	>4 uker	52% vs 33% full tilheling etter 8 uker (subanalyse)	Haider et al. 2010 LINK rapport
Case-serie UK	(Venøse) leggsår (22) DFU	26	50 uker (gj. snitt)	27% full tilheling etter 12 uker, 38% etter 20 uker	King et al 2017 J Wound Care 26
Evalueringsstudie UK	(V)LU & DFU	16	>6 uker	93% veldig god tilheling	Joy 2014. Wounds UK
Evalueringsstudie N	Ulike kroniske sår (LU, PU, DFU m.m.)	58	>4 uker	72% god til særdeles god tilheling	Engstad & Skjæveland 2015 EWMA, London
Case-studier EU	Ulike kroniske sår	> 13	>4 uker	God tilheling – flertall full tilheling	Woulgan .com; EWMA; Wounds UK; NIFS
Randomisert, kontrollert PMCF	DFU	80	> 4 uker	Pågår (UK & Sverige)	
Case-serie	Ulike kroniske sår	Ca 100	>4 uker	Pågår (Tyskland, Sverige & Norge)	

Woulgan® in other markets

- US – Product registered in “claimless” preliminary class. Focus on:
 - Clinical and registration strategy to obtain favourable reimbursement
 - Partner process
- Australia – Applied for registration
- Canada – Under evaluation
- Asia – Process started
- Some additional European markets under considerations

Other Beta-Glucan areas

M-Gard® - Nutrition product

- Cleared in arbitration means right to sell products world wide
- Utilize production capacity in existing facilities = about NOK 20M revenue potential
- A number of commercial activities within consumer health generating leads and opportunities
- Strategy to sell directly to production and trade mark owners makes us very competitive
- Will launch a web-shop for sales of M-Gard® to consumers in 2017



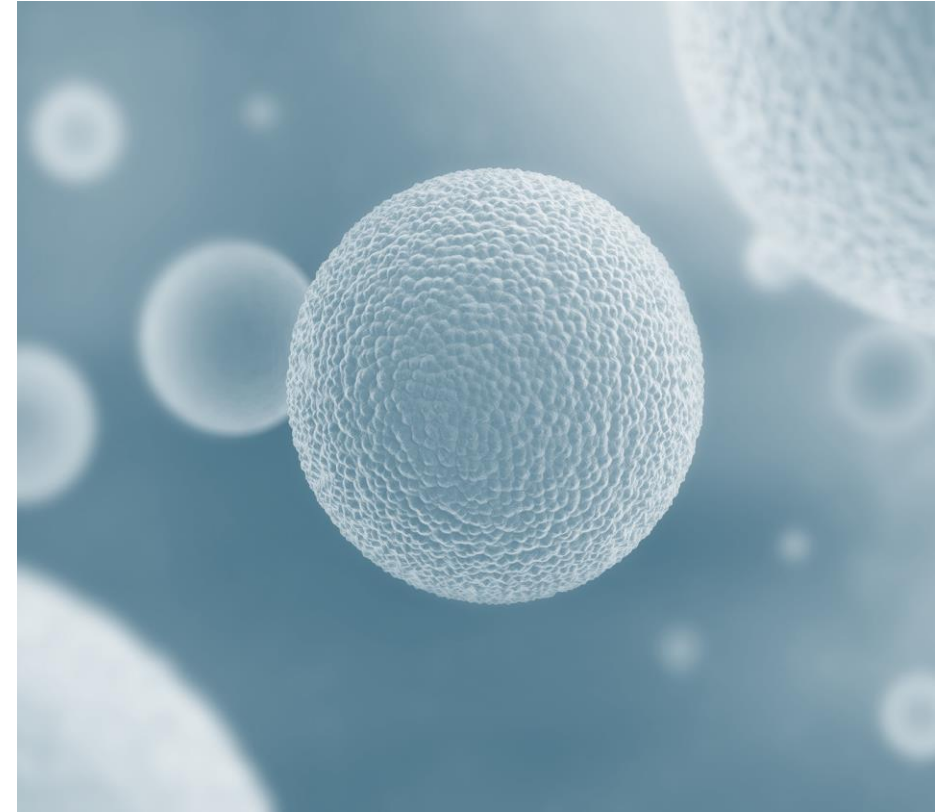
M-Glucan® - Animal health



- Experienced solid growth in demand from 2015 to 2016 and into Q1 2017
- Close to production capacity of supplier. Collaborating to expand production capacity to meet expected further increase
- May 2016, signed an additional 2 year supply agreement with an indicated value of MNOK 20

Cancer adjuvant

- Memorial Sloan Kettering Cancer Center (MSKCC) expand their Neuroblastoma study to 145 patients due to positive results. 120 patients are enrolled
- MSKCC plan to publish results in the second half of 2017
- Biotec and MSKCC are discussing how to move forward
- Exploring other areas where SBG can be used as an adjuvant
- In general, experience increased awareness of combination treatments and use of adjuvants



Enzymes

Commercialising the Arctic's Uniqueness

Leveraging uniqueness



ArcticZymes
Enzyme innovations from the Arctic
your OEM partner to deliver novel solutions for cosmetics and consumer products

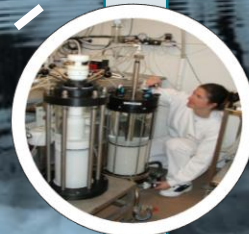
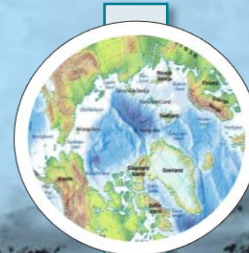


HEAT LABILE

COLD ACTIVE

SALT TOLERANT

UNIQUE SPECIFICITY



Arctic Bioprospecting

- Driven by University of Tromsø (UiT)
- Large biobank of novel enzymes

Discovery

- Identifying commercially attractive & novel enzymes
- Engineering & formulation to enhance desired features

Product Development & Manufacturing

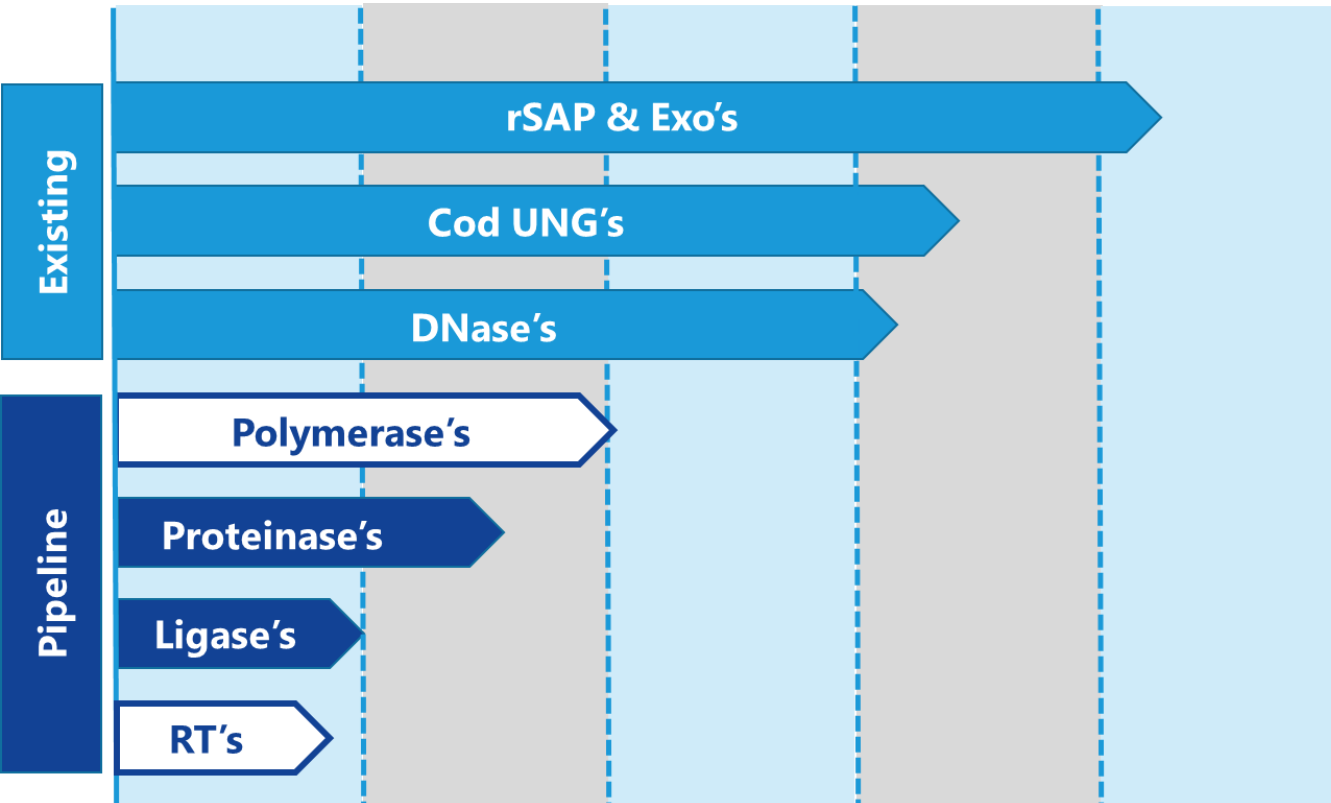
- Cost efficient manufacturing
- Scalability & customisation

Commercialisation

- B2B product offering => Early access
- Support for application development (integration into customer workflows)

Products and segments

Products and Pipeline



Segments



Molecular research



Molecular diagnostics



Other markets



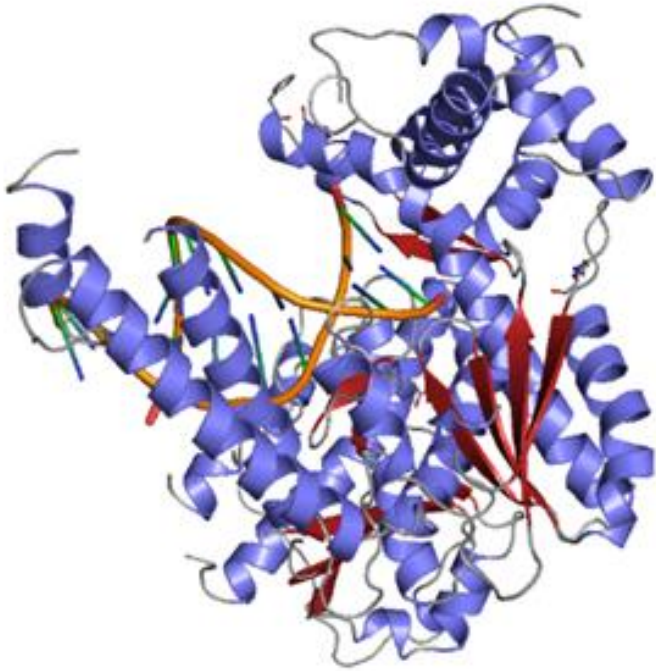
Product development

6 product launches in 2016

- HL-ExoI
- Glycerol-free dsDNase
- Glycerol-free HL-dsDNase
- IsoPol DNA polymerase
- Glycerol-free COD UNG
- One tubed ASAP



Commercial



ArcticZymes Polymerase
(courtesy of A. Larsen, NorStruct, UiT)

- Signed a new 5 year supply agreement with a European based global molecular diagnostic developer in 2016
- Signed in total 3 supply agreements global molecular diagnostic market
- IsoPol Polymerase gaining interest and several evaluations conducted in 2016 and into 2017
- Polymerase's as a "portfolio of diverse enzymes" represents the largest potential for ArcticZymes.

Outlook 2017

Outlook 2017

- Drive commercial traction in core markets for Woulgan®
- Retain position in the Animal Health market with a modest growth
- Build commercial platform in Consumer Health
- Explore commercial opportunities for use of SBG as an adjuvant
- Launch further products in ArcticZymes including Polymerases
- Continue to widen ArcticZymes' commercial platform with new agreements, customers and markets