

# Fourth quarter 2016 results

Biotec Pharmacon ASA ("Biotec", OSE: BIOTEC) reported sales of NOK 18.2 million (13.1) in the fourth quarter of 2016, and a negative EBITDA of NOK 8.1 million (-7.1). Woulgan® generated sales of NOK 0.6 million during the fourth quarter and expects further sales growth going into 2017. ArcticZymes launched three new products, which will complement existing product offering in the market.

With 39% sales growth in Q4 from Q4 2015 it is a boost for further growth. ArcticZymes had a strong quarter with a doubling of sales and the M-Glucan feed ingredient continues to go well. We are also pleased to see sales of Woulgan® finally starting to pick up even though numbers still are low, says Svein Lien, Chief Executive Officer of Biotec.

Sales in the fourth quarter 2016 ended at NOK 18.2 million (13.1) with an EBITDA of NOK -8.1 million (-7.1). Sales from beta-glucans and enzymes were NOK 11.4 and 6.8 million, respectively. Woulgan® had sales of NOK 0.6 million in the quarter with Germany as the primary market for sales. The company has a good financial position with a cash balance of NOK 57.7 million at the end of the year.

Biotec received additional questions from "UK Drug Tariff" at the end of January 2017, delaying the UK reimbursement process while Germany is developing better than expected. The Nordic countries represents a limited market potential but acts as an important market reference for further expansion. New tender listings and key opinion leader support will be important going forward. ArcticZymes continues its sales growth and product offering.

We are very pleased how we are able to move the business units forward. The strong sales growth in ArcticZymes, the positive market response from Woulgan® customers and how the animal health business develops is very encouraging. We had of course hoped our latest response to the UK Drug Tariff would have been acceptable to them, but it is a new product category so the authorities need a strong level of confidence before they will reimburse Woulgan®. We aim to respond quickly to shorten the process as much as possible, says Lien

Biotec's operational targets for 2017 are to finalize UK reimbursement, drive commercial sales for Woulgan®, expand business opportunities within the consumer and animal health segment. ArcticZymes targets to develop new products and continuous sales growth.