



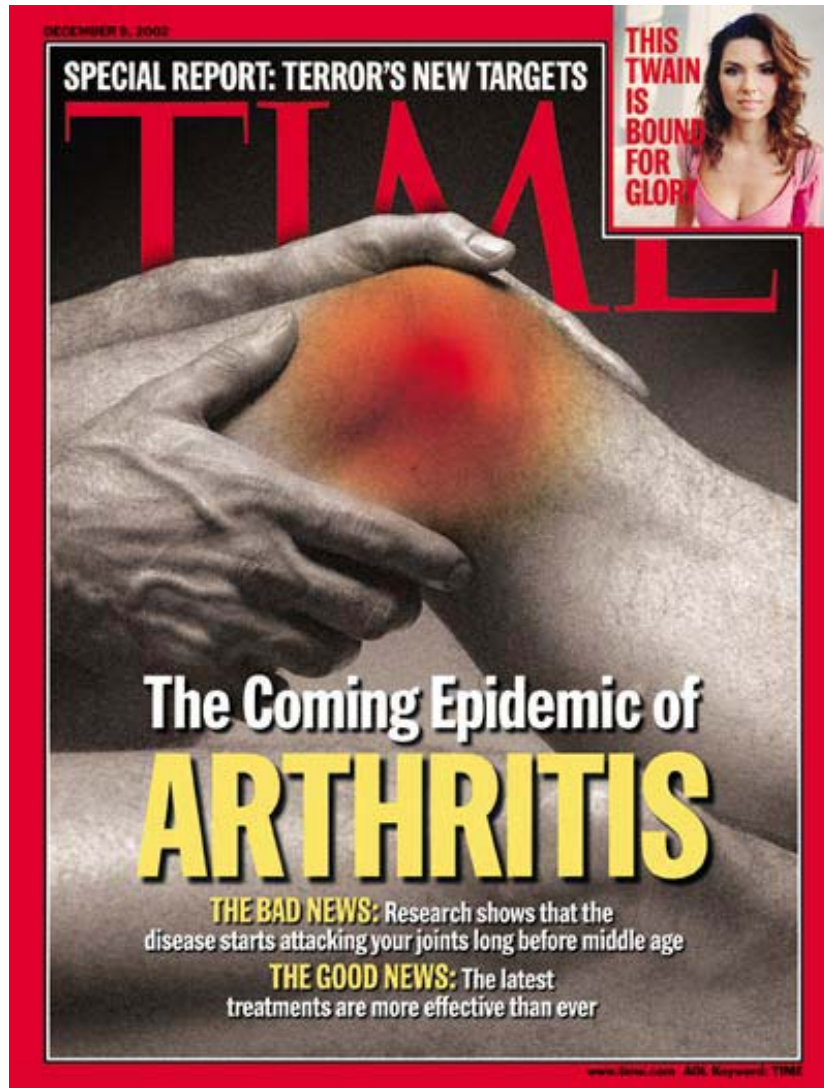
GENERAL COMPANY PRESENTATION

- **Positioned to:**
 - Become the first player with Marketing Authorization in all EU/EEA-countries for glucosamine
 - Become the first vertically integrated pharmaceutical glucosamine player
 - Become one of the leading glucosamine players globally, building on our strong partners

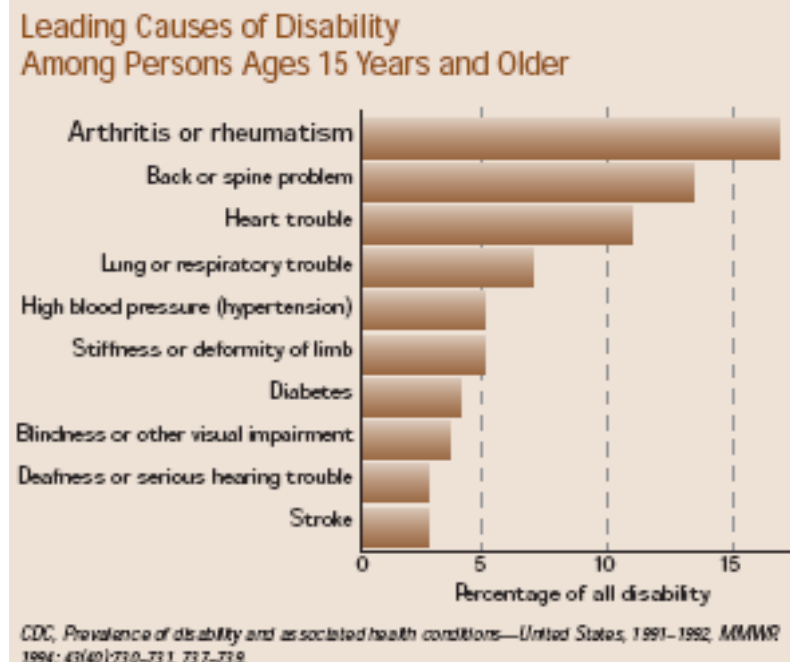


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- Osteoarthritis is the most widespread form of arthritis – affects 50% of those above 65
- High growth expectations
 - Demographics indicate rapid increase in the elderly population
 - Increased prevalence of obesity



An attractive market

- Arthritis drugs have a global retail value of NOK ~150-200 billion
 - Traditional medication may have severe side-effects

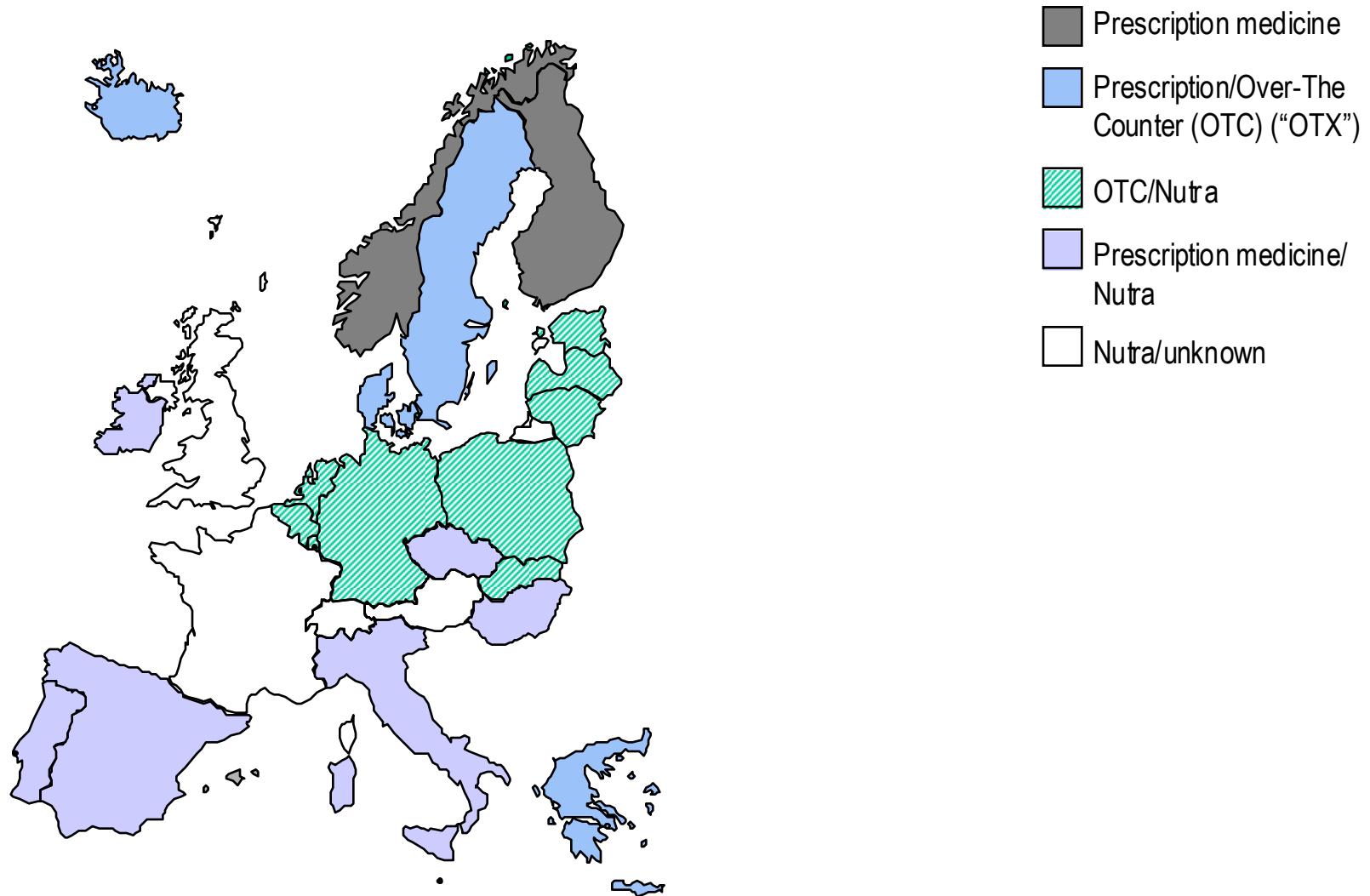
- Glucosamine offers a good alternative
 - Relieves pain and improves function
 - Naturally occurring in the body
 - Favourable safety profile

- The current glucosamine market is more than NOK 10 billion
 - Grows by 10%-15%

- Current pharma grade glucosamine market of NOK >1.5 billion
 - Will grow at a faster pace than the overall market:
 - New countries approving Glucomed as a pharmaceutical
 - Glucosamine is being reclassified from health supplement to pharmaceutical in more countries

Current EU/EEA regulatory status (2006)

Market



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Success criteria in generic markets:

- Strong distribution partners
- Product differentiation, unique selling points
 - Easier to take
 - No salt *
- Competitive cost structure



8 * A large share of OA patients also have high blood pressure (hypertension)

Positioned to become a leading player

Company



Shrimp shells



Chitin powder



Glucosamine powder



Glucomed®

■ Building unique glucosamine value chain

Access to scarce raw material

+ Proprietary low-cost production technology (Brekke-method)

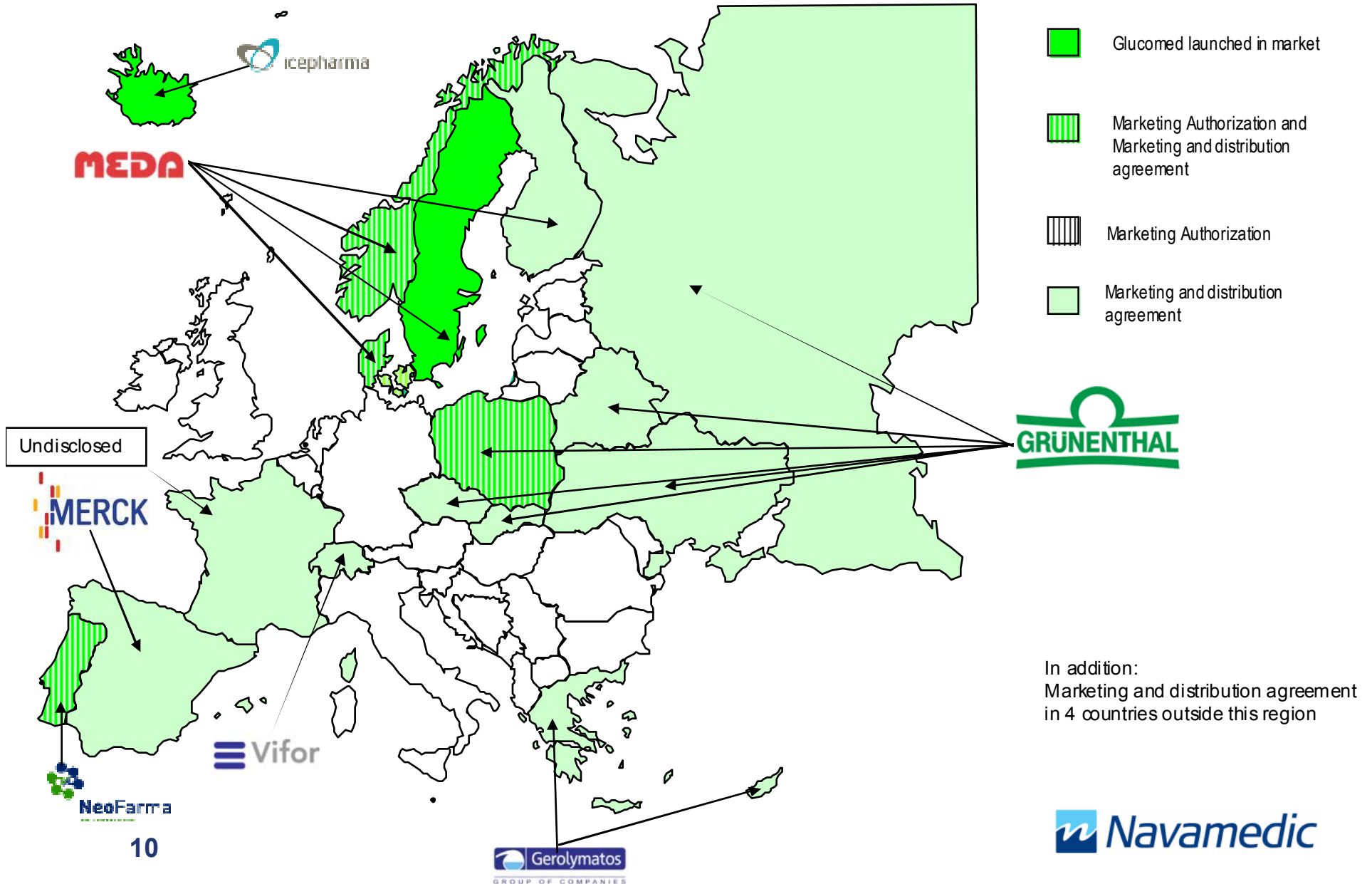
+ Product approval across the EU/EAA region

+ Extensive sales and marketing network: 11 partners in 21 countries

= A highly competitive product offering

Marketing Authorization and Marketing and Distribution agreements

Company



- **Builds own chitin factory**
 - Strengthens value chain control and secures access to feedstock for glucosamine production
 - Adjacent to Nergård Gruppen's shrimp peeling plant at Senjahopen in Troms
 - Construction progresses timely and on budget
- **Chitin investments is less than NOK 10 million**
 - Significantly lower than greenfield alternatives
 - Granted support from Innovasjon Norge
 - Up to NOK 2 million support
 - Up to NOK 2 million in loans
- **In operation early 2007**
 - Sold first year's production, until own proprietary glucosamine production is up and running



Shrimp shells



Chitin powder

Cost advantage: Unique glucosamine production method Company

- **Pilot-scale production in Q1 2007**
 - Based on the Brekke-method
 - Will be based on chitin from own plant
 - Performed by Cambrex, based on retained documentation from Hydro Organics

- **Pilot-project objectives**
 - Verification of lab results;
 - Improved yield
 - Pharmaceutical quality
 - Test scalability of production method
 - Form basis for volume-production tenders



Chitin powder



Glucosamine powder

Establishment: 2001 – 2002

- Establishment of strategic partnerships
- Project development

Commercialisation: 2003 – 2006

- Secure access to glucosamine (API) through long term agreement
- Develop a pharmaceutical finished product and prepare complete documentation, and file application for Marketing Authorisation
- Establish first international distribution agreements for Glucomed® with strong distribution partners
- The "Brekke method" for production of glucosamine HCl verified
- August 2005 , Glucomed® approved by Swedish Medical Products Agency
- September 2005 to September 2006: Regulatory process in 24 further countries
- Glucomed® launched in the Swedish market by the end of 2005
- September 2006: Glucomed® approved by CHMP

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Key milestones

Milestones

- Regulatory

Conclusion in EU/EEA product approval process 18-21 September 06 ✓

Ratification of conclusion in the EU-commission Q1 2007

Marketing Authorization (MA) in EU/EEA-countries Q1 2007

- Sales and marketing:

Further Marketing and distribution agreements Q4 2006 ->

Launch of finished product in markets where MA and Marketing and distribution agreement Q2 2007 ->

- Production

Chitin factory in production Q1 2007

Production with novel glucosamine production method 2008

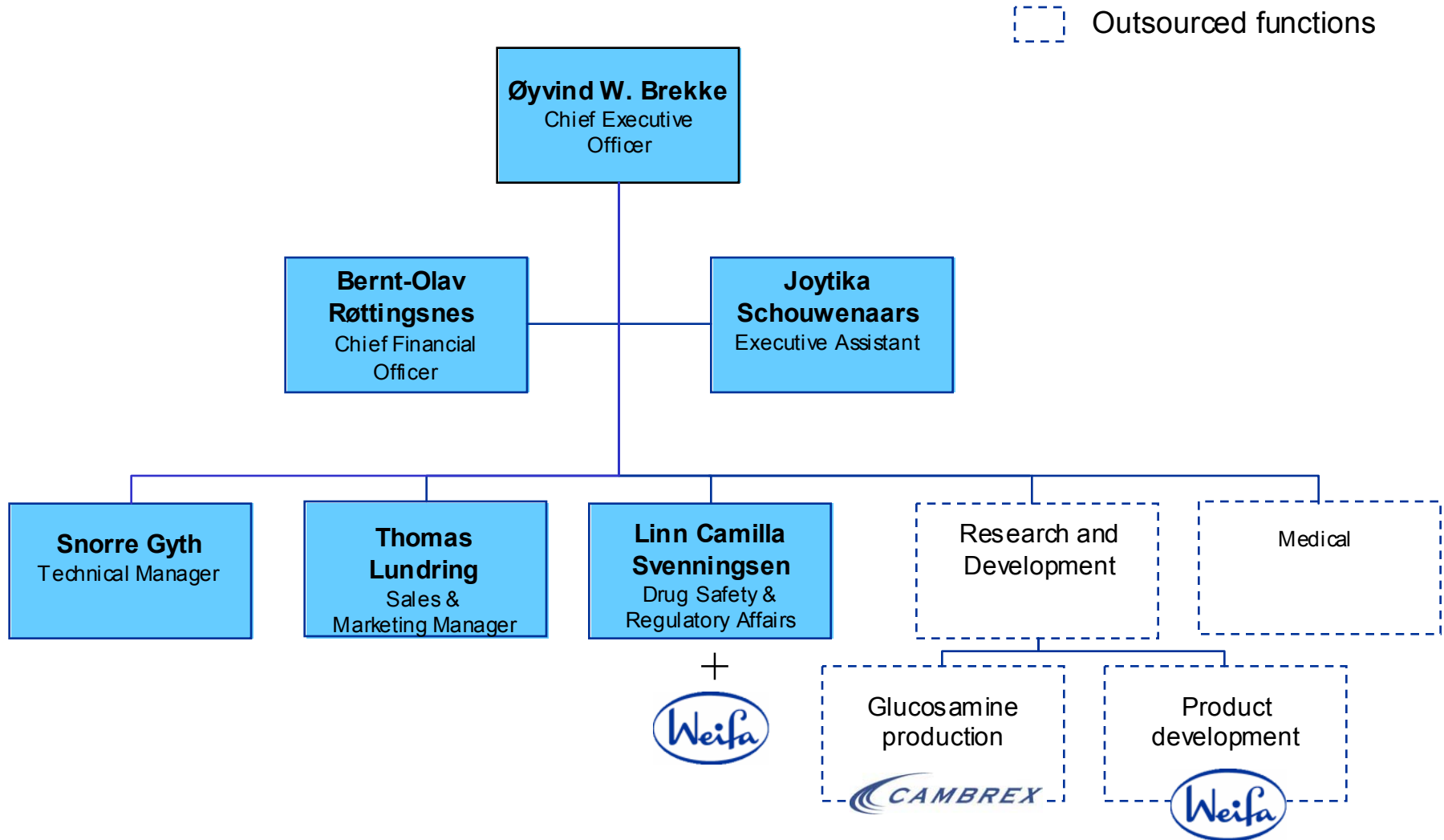
- **Summary:**

- Important milestones in short time
- Short time-to-market
- Become the first vertically integrated pharmaceutical glucosamin player
- Become the first player with Marketing Authorization in all EU/EEA-countries
- Become one of the leading glucosamine players globally, building on our strong partners

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Organisational structure



Øyvind W. Brekke – Chief Executive Officer (CEO) – M.Sc. (Civil Engineer) in Process Engineering NTNU/Berkeley, Project Manager ABB, consultant at McKinsey & Company, Project Management consultant in Terramar

Bernt-Olav Røttingsnes – Chief Financial Officer (CFO) – Master of Management and degree in economics and administration from the Norwegian School of Economics. Previous experience as Finance Manager in the Norwegian Ski Federation and PricewaterhouseCoopers as an auditor and business controller

Thomas Lundring – Sales and Marketing Manager. M.Sc in Marketing from Norwegian School of Management and Executive MBA from Norwegian School of Economics. Previous experience from Pfizer as Sales Representative, Product Specialist and Product Manager

Linn Camilla Svenningsen – Manager Drug Safety and Regulatory Affairs. M.Sc.Pharm from Rheinische Friedrich Wilhelms Universität Bonn, Germany. Previous experience as Manager Drug Safety and from product registration in Pronova Biocare

Snorre Gyth – Technical Manager. Agronomist from Vefsn Landbruksskole with additional courses in Business Administration. More than 20 years of industrial experience, including Manager of large chitin plant in Northern Norway

- **Thorleif Thormodsen**, Chairman of the Board. Master of Business and Economics (Siviløkonom NHH) from Norges Handelshøyskole (NHH) in Bergen, Norway with 16 years experience in corporate finance mainly within the bio marine industry. Chairman of the Board of Zirconia AS, Board member of Seagarden AS.
- **Benedicte H. Fossum**, Vice-Chairman of the Board. Veterinary from Norwegian School of Veterinarian Science. Senior Director of Market Development and Member of the Board in Pharmaq AS. Experience among others from Alpharma and the Norwegian Medicines Agency. Member of the Board of Foinco Invest AS, Foinco AS, Mittas AS and Arkana AS.
- **Anders Bade**. Master of Science from the Institute of Industrial Business and Administration at NTNU, Trondheim, Norway, Chief Financial Officer in Save the Children Norway since March 2003, following 3 years as Associate in McKinsey & Company
- **Øyvind Sandvold**. Master of Business and Economics (Siviløkonom BI) from Norwegian School of Management (Handelshøyskolen BI) with additional diploma in IT Software and Services. Director Business Development in Weifa AS with 17 years of experience within IT and management consulting, hereof 13 years in Accenture
- **Karen Marie Ulshagen**. Cand. Pharm.. from the University of Oslo; Master of Management from the Norwegian School of Management. Institute Director at the School of Pharmacy at the University of Oslo. More than 20 years of experience in the life science industry, including Aventis Pharma, the Norwegian Medicines Agency, Glaxo Wellcome and Alpharma. Member of the Board of Forskningsparken AS and Serviceproduksjon AS