

NattoPharma®

4th Quarter 2015
CEO Daniel H. Rosenbaum
CFO Kjetil Ramsøy

26th of February 2016

Disclaimer

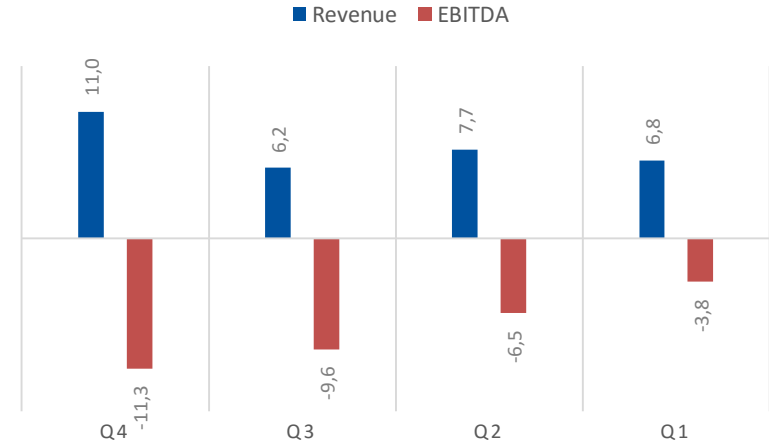
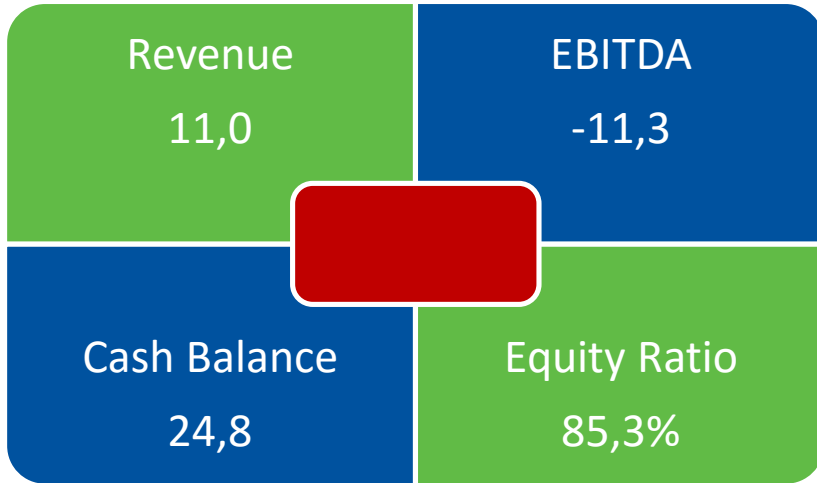
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Q4 Highlights

Highlights in the fourth quarter of 2015

- ✓ Record quarterly revenue, coming in at NOK 11,0 million
- ✓ Appointed a new management team, lead by the new CEO Daniel H. Rosenbaum
- ✓ Completed an internal restructuring as the company shifts its focus from research to commercialization;
- ✓ Successfully transitioned to the commercial phase in the scale-up of the synthetic PURE production
- ✓ Conducted the first industry educational seminar during the Supply Side West international industry supplement show in Las Vegas, Nevada, USA.

Key Figures Q4 in million NOK



Income Statement Summary

Income Statement Summary <i>(unaudited)</i>	4th Quarter		Full Year	
	2015	2014	2015	2014
Revenue	11 027	10 712	31 687	25 509
Gross Margin in % of Revenue	30,82 %	40,54 %	28,09 %	29,52 %
EBITDA	-11 318	-3 745	-31 194	-18 499

Balance Sheet - Current Assets

Balance Sheet Summary <i>(unaudited)</i>	2015	2014
Inventory	6 327	5 085
Trade & Other Receivables	20 578	14 076
Cash	24 761	13 101

Financials

Q4 & Preliminary FY 2015

(unaudited)

Income Statement

(in 1 000 NOK)

	Q4'15	Q4'14	2015	2014
Total Revenue	11 027	10 712	31 687	25 509
Cost of Goods	7 629	6 369	22 786	17 980
Personnel Expenses	5 150	3 325	14 018	8 242
Other Operating Expenses	9 566	4 763	26 077	17 787
Earning Before Interest, Tax & Deprecations (EBITDA)	-11 318	-3 745	-31 194	-18 499
Depreciation and Amortization	1 536	1 406	5 829	5 482
Earnings Before Interest & Tax (EBIT)	-12 854	-5 151	-37 023	-23 981
Earning Before Interest, Tax & Deprecations (EBITDA)	-11 318		-31 194	
Non-recurring cost	7 200		10 500	
Adjusted EBITDA	-4 118		-20 694	

- Q4 revenue 2,9% higher than same period 2014
- Full year revenue growth of 24,2%
- Gross Margin Q4 30,8% (40,5%)
- Gross Margin 2015 28,1% (29,5%)
- Gross Margin 2015 still impacted by ramp up pricing on raw materials from factory - price reductions materializes as of Q1'16
- EBITDA Q4 impacted by non-recurring cost of approx. 7,2 million
- EBITDA full year impacted by non-recurring cost of 10,5 million

Other OpEx & Non-Recurring Cost

OpEx Category (numbers in NOK 1,000)	2015	2014
Rent	539	400
Research & Development	7 685	3 848
Travel	1 538	1 308
Legal and Accounting Fee's	9 972	9 025
Sales & Marketing	2 144	1 704
Other Expenses	4 198	1 502
Total Other OpEx	26 076	17 787
Non-recurring cost	10 500	
Normalized Other OpEx	15 576	17 787

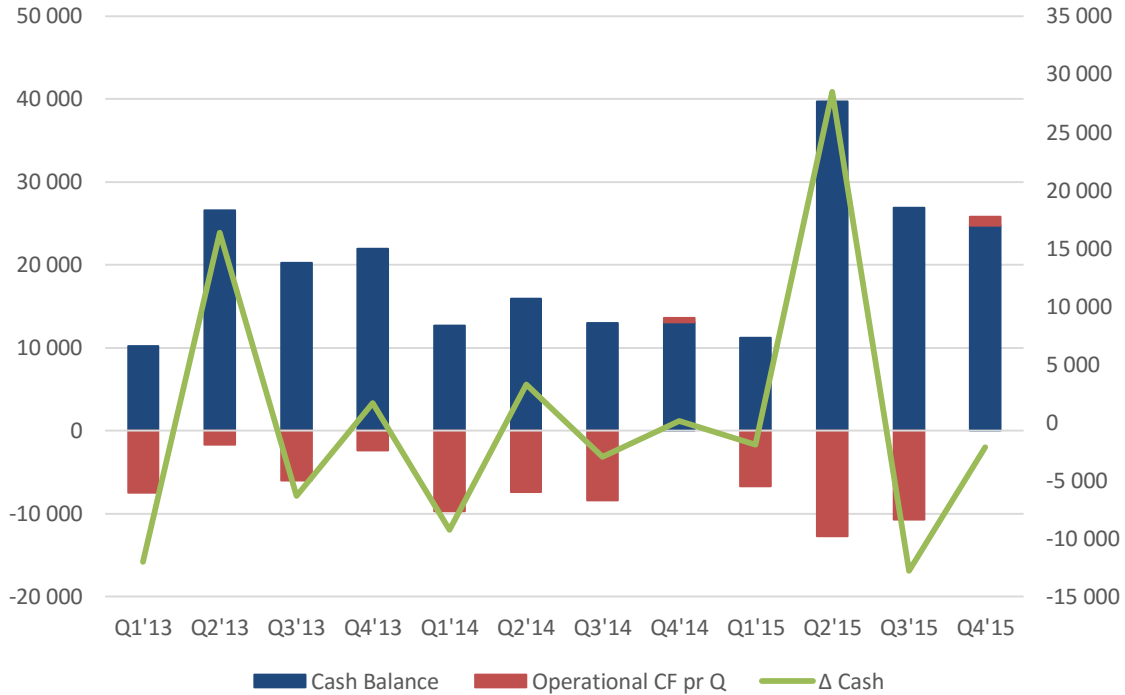
Other Operating Expenses below 2014 level, after correction for non-recurring items.

Balance Sheet

	2015	2014		2015	2014
Intangible Assets			Paid In Capital		
Goodwill	7 259	6 819	Share Capital	51 398	40 706
Other Intangible Assets	46 599	49 663	Share Premium	113 269	78 737
Total Intangible Assets	53 858	56 482	Total Paid in Capital	164 667	119 442
			Retained Earnings	-77 090	-47 329
Tangible Assets			Translation Difference	5 225	3 605
Property, Plant & Equipment	3 195	9	Total Equity	92 802	75 719
Total Tangible Assets	3 195	9			
			Long Term Liability		
Total Fixed Assets	57 053	56 491	Deferred Tax Liability	5 747	6 081
			Long Term Debt	0	29
Current Assets			Current Liabilities		
Inventory	6 327	5 085	Trade Payables	3 509	5 394
Trade Receivables	20 578	14 076	Other Short Term Payables	6 661	1 530
Cash & Cash Equivalents	24 761	13 101	Total Liabilities	15 917	6 924
Total Current Assets	51 666	32 262	Total Equity & Liabilities	108 719	88 753
Total Assets	108 719	88 753			

- EQ ratio 85,3% compared to 85,3% end of 2014
- Gross receivables 20,6 million, compared to 14,1 million at year end 2014
- Cash balance 24,7 million, up from 13,1 million at end of 2014
- No long term debt, expect from Deferred Tax Liability arising from acquisition of NattoPharma R&D Ltd (Vitasynth Ltd) in 2013

Cash

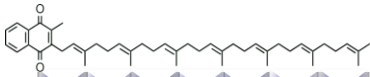


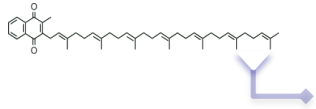
- Cash balance at the end of Q4 was 24,7 million
- Cash "burn" in Q4 came in at 2,1 million, compared to break even in the same quarter last year
- Cash Flow from operational activities were positive with 0,5 million in Q4, which is equal compared to Q4 2014

Strategic Imperatives for Profit and Performance

NATTOPHARMA STRATEGIC IMPERATIVES

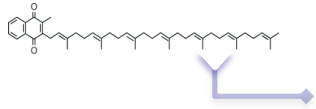
PROFIT & PERFORMANCE

- 
- 1 Cash Management
 - 2 Highest quality MK-7 at globally competitive cost
 - 3 Revenue growth: current markets and new geographies
 - 4 MK-7 clinical research, focus on consumer-relevant indications
 - 5 Resource prioritization and expense management
 - 6 Strategic partnerships: market access, supply chain, application development
 - 7 Superb execution, highly capable global team



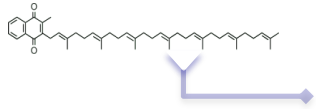
1. CASH MANAGEMENT

- Revenue growth at an improved margin
- Lower, more sustainable expense base
- Greater attention on working capital management
- Continuous improvement with stronger focus on key operating metrics



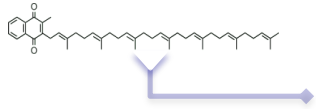
2. HIGHEST QUALITY MK-7 AT GLOBALLY COMPETITIVE COST

- Proprietary production process resulting in *ONLY* 100% Trans isomer synthetic MK-7;
- Only clinically validated vitamin K2
- Highly cost-effective production process with potential for further optimization
- Only company offering both natural (CRYSTAL) and synthetic (PURE)



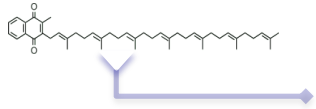
3. REVENUE GROWTH: CURRENT MARKETS, NEW GEOGRAPHIES

- New clinical data driving sales in cardio-health segment
- Aggressive media outreach increasing consumer recognition
 - Growing awareness of calcification and blood pressure
 - MenaQ7 highly relevant in health conversation
 - Medical community endorsement and education
- Strategic channel partners in major new geographies
- MenaQ7 health benefits excellent fit with emerging consumer health concerns



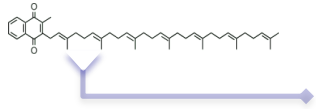
4. CLINICAL RESEARCH AND INTELLECTUAL PROPERTY

- Leading sponsor of clinical research on vitamin K2
- Focus on indications with high relevance to consumers
- Active program targeted on specific pharmaceutical applications
- Partnerships with leading universities, medical facilities
- High priority on developing new intellectual property and expanding patent portfolio



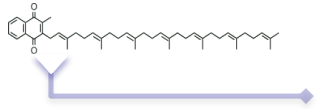
5. EXPENSE MANAGEMENT AND RESOURCE PRIORITIZATION

- Aggressively manage expenses and use of critical resources
- Systems in place to drive efficiencies in supply chain, project management and technical support
- Increased accountability and performance tracking



6. STRATEGIC PARTNERSHIPS

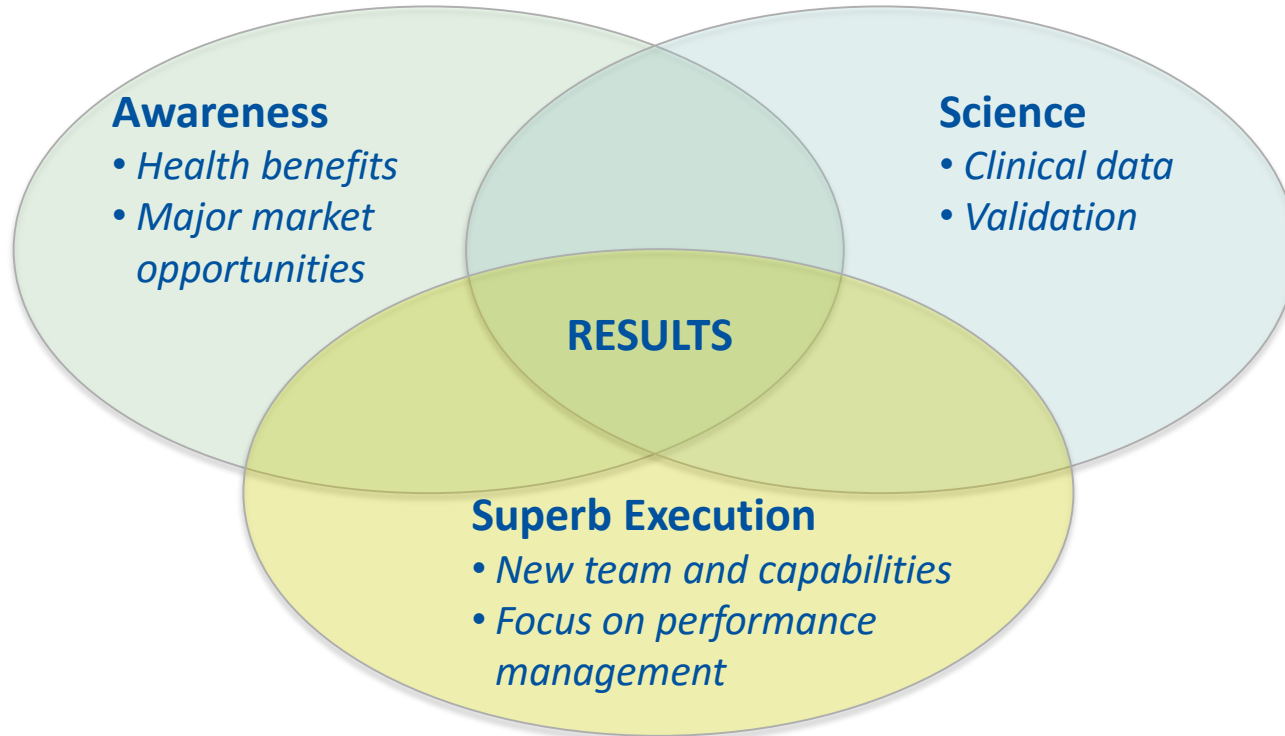
- Enhanced market access with leading channel players
- Integrated Supply chain:
 - Active ingredient manufacturing
 - Formulations and logistics
 - Proprietary process technology
- Application development leveraging best-in-class technologies
- Multi-year funding of clinical research projects with leading universities



7. SUPERB EXECUTION, HIGHLY CAPABLE TEAM

- Enter 2016 with added capabilities, strong team
 - CFO
 - VP of Global Development, Regulatory
 - VP sales & business development - EU, Asia, ME
 - Scientific officer
- Global presence with locations in EU, Nordics, United States.
- Functional and industry expertise
- Clearly defined roles, objectives and accountabilities

Summary



Thank you!