



Norsk Innovasjonskapital

Investor presentation

January 2011

CONFIDENTIAL

Norsk Innovasjonskapital AS – A new venture investment company from an established team



TELEVENTURE



NORSK INNOVASJONSKAPITAL

Managed by
TeleVenture

- One of the most experienced venture teams in Norway and chosen as the sole manager by Campus Kjeller AS
- Established Fund I in 1993 – Long and proven track record
- 7 prior portfolio companies with sales/exit value above NOK 1 bn

“Cherry picked”
portfolio companies

- Portfolio of 11 “cherry picked” mature companies derived from Norway’s leading research communities
- Business development since April 2009
- Secured future deal-flow through contractual agreement

Entry on favorable
terms

- Total portfolio is currently valued at NOK 165 million (100%), of which NIK’s share is valued at NOK 87.9 million
- Historically invested in excess of NOK 220 million in the portfolio (100%) including R&D grants

Great potential

- Portfolio of companies with key competitive advantages
- Active ownership and selective allocation of capital
- Considerable potential for growth and value increase
- Repatriation of capital from each company exit

Secured deal flow – contractual agreement between CK and NIK

7 R&D Institutions

- Norwegian Defence Research Establishment (FFI)
- Norwegian Institute for Air Research (NILU)
- Institute for Energy Technology (IFE)
- Norwegian Geotechnical Institute (NGI)
- Geo-Science Research Foundation (NORSAR)
- Bio Sciences, Ås (Bioparken)
- Norwegian Metrology Services (JV)

- More than 5 000 employees
- Research & Development based on industry requests and requirements
- Public and industry funding

1 Commercial hub

Campus Kjeller AS

- Commercialisation hub owned by the R&D institutions, amongst others
- Incubation and preliminary financing, early business development

Value creation & realisation

TELEVENTURE

NK

NORSK INNOVASJONSKAPITAL

Helix Technologies AS	Odin Aero AS
Hepmarin AS	Clarity WTS AS
Genetic Analysis AS	Hybrid Energy AS
Franatech AS	Wavetrain Systems AS
Nicarnica Aviation AS	Lenco Systems AS
Light Structures AS	

- “Cherry picked” companies in portfolio
- Managed by Televenture Management

Thorough screening process - mature portfolio of “cherry picked” companies



Risk profile of portfolio

Current structure and new equity requirement

Televenture Management IX AS

Owner of 20% in NIK
Management contract with NIK



Norsk Innovasjonskapital AS

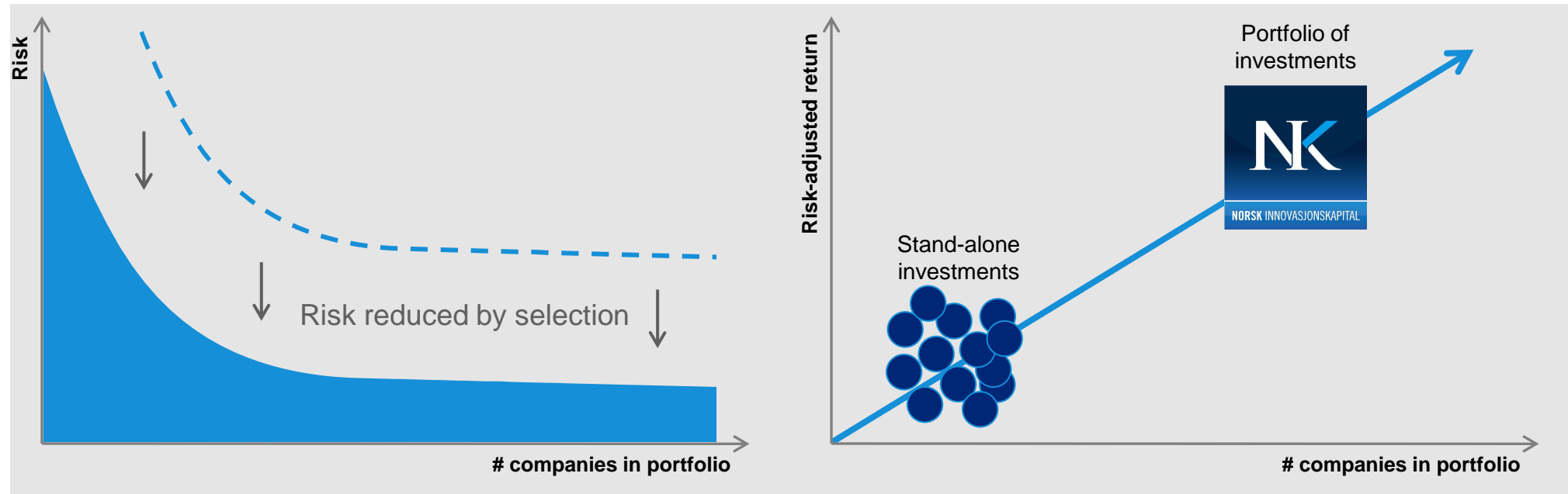
Pre-money valuation: 87,9 MNOK
New equity: Up to 150 MNOK } 238

Helix Technologies AS	25,64%	69,43%	Odin Aero AS
Hepmarin AS	53,81%	27,75%	Clarity WTS AS
Genetic Analysis AS	70,75%	30,57%	Hybrid Energy AS
Franatech AS	89,15%	50,08%	Wavetrain Systems AS*
Nicarnica Aviation AS	34,78%	49,00%	Lenco Systems AS
		23,08%	Light Structures AS

Up to 150 MNOK in new equity to finance value creation in the portfolio companies and potential new investments

* Includes option to acquire an additional 25.08% for NOK 450,000

Risk & portfolio diversification



A portfolio of several assets that are less than perfectly correlated, will reduce risk while maintaining expected return

This will result in higher expected risk-adjusted return

Therefore, investment in a portfolio of companies should outperform stand-alone investments in single companies

TeleVenture has a long and proven track record

Experienced venture player...

- Established in 1993 as the Venture capital arm of Telenor group
- 7 funds under management since start-up
- Has evaluated over 1,500 companies
- More than 150 transactions carried out

...with proven track record

- IRR in the range of 23%¹ and 136% on closed funds
- 7 companies previously under TeleVenture management achieved sales or exit value above NOK 1 billion
- Prior investments have generated extreme returns
- Historical survival rate: 74% of managed companies



Opplysningen 1881
Return: 419%
Fund closing
Exit: 2010



Q-Free ASA
Return: 44%
Listed on Oslo Børs
Exit: 2005



Data Respons ASA
Return: 1204%
Listed on Oslo Børs
Exit: 2005



Eltek ASA
Return: 305%
Listed on Oslo Børs
Exit: 2000



SCM Microsystems Inc.
Return: 396%
Listed on NASDAQ
Exit: 1999



Cell Networks AB
Return: 454%
Listed in Stockholm
Exit: 1999

NAVIA ASA

Navia ASA
Return: 470%
Listed on Oslo Børs
Exit: 1997

TANDBERG

Tandberg
Return: 3800%
Listed on Oslo Børs
Exit: 1995

Norwegian venture team with considerable experience



L. Rune Rinnan

Managing Partner and Founder

- Master of Management (Siviløkonom), Norway
- Founder of Telenor Venture and Televenture in 1993
- Executive positions in ABB Group Oil&Gas, Telecom and Finance in two periods 1989-1993 and 1983-1986
- Partner and EVP in a Norwegian investment group 1986-1989



Rune Sørum

Partner

- Master of Management (Siviløkonom), Denmark
- Strategy and Bus. Development in Televenture since 1999
- Executive position as founder and partner in a Norwegian investment company and as an independent investor and advisor 1985 - 1999
- Senior adviser for European companies in the Far East and the Middle East 1983 - 1985



Sverre Slåttsveen

CFO & Partner

- BS Finance (Siviløkonom) and MBA, USA
- CFO of Wega Mining ASA and Metallica Mining ASA 2006-2009
- CFO and Senior Vice President of Aker Solutions Subsea Group world wide 2001-2006, Business manager 1996-2001



Jørgen André Nilsen

Partner

- Bachelors Degree in Computer Science and Master studies in Political Science and International Economics, Norway
- Founder of Several ICT and energy service companies in US and Norway
- Previous Investment Director at the Technology Transfer Office in Campus Kjeller AS and Technology Advisor for the Norwegian Trade Council in San Francisco



Dag Terje Rian

Partner

- Masters Degree (Siv.Ing) in Petroleum Engineering from NTNU, Norway
- Active involvement in M&A through Hitec Vision and Altor Equity Partners
- CEO and founder of Scandpower Petroleum Technology (SPT group) 1984-2006

...managing a diversified portfolio of companies across industries and development stage

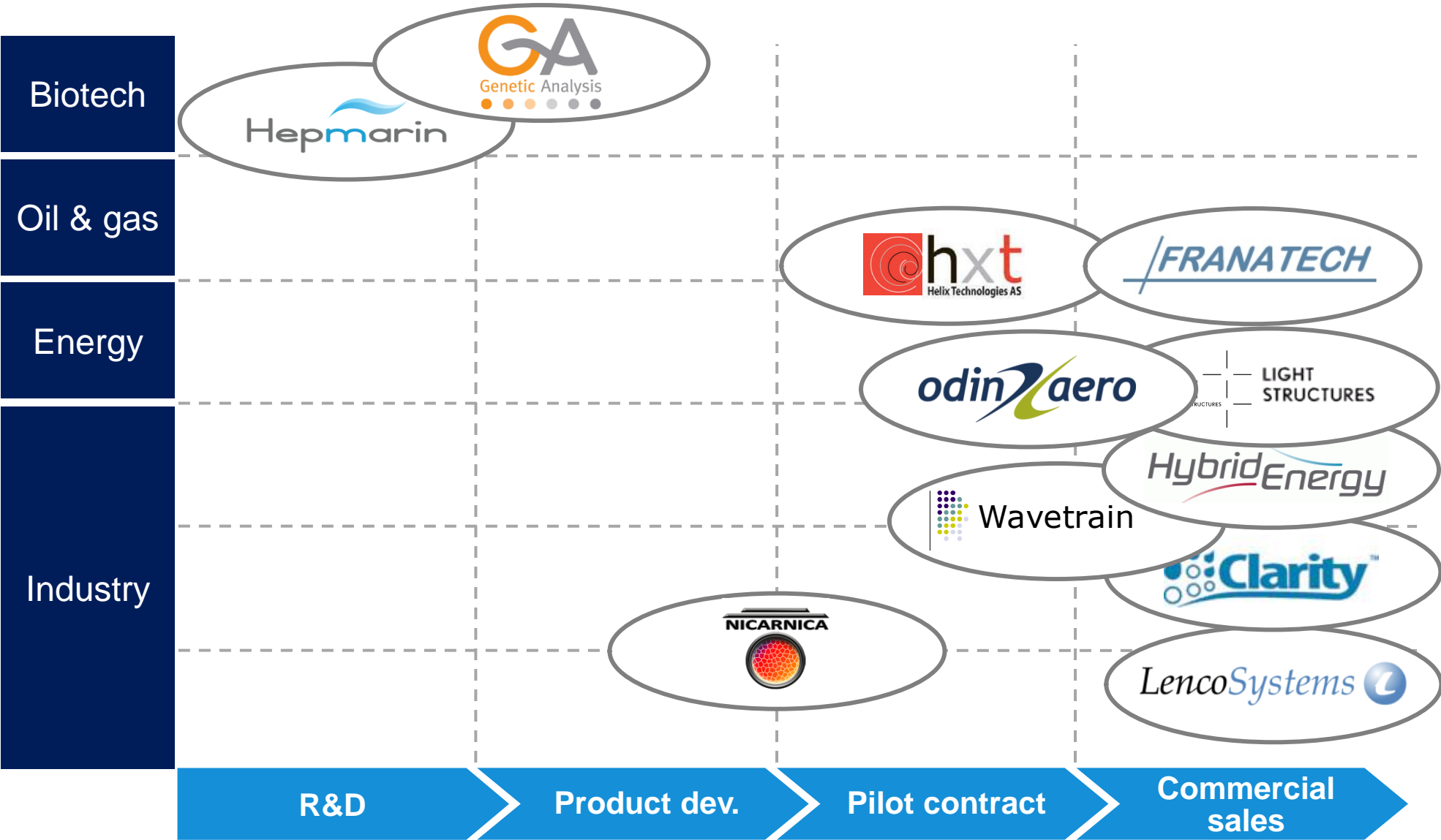
The logo consists of the letters 'NK' in a white, serif font. The letter 'K' is stylized with a blue diagonal stroke that extends from the top right of the letter.

NORSK INNOVASJONSKAPITAL

A solid dark blue vertical rectangular bar on the left side of the slide.

PORTFOLIO COMPANIES

Portfolio maturity stage - opportunistic timing of exit



Description

- Technology platform for extracting high yield Heparin from bi-products of fisheries and aquaculture
- Substance that prevents blood from coagulating
- Low COGS-process with documented promising pre-clinical data



Stage



Market

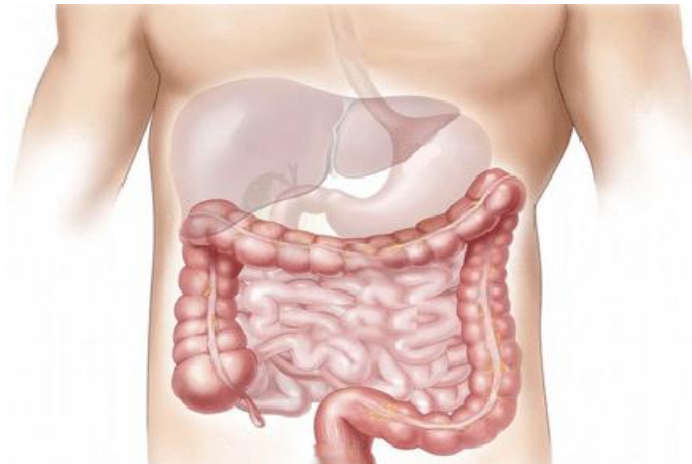
- Heparin, made from pigs, is already one of the world's most sold pharmaceutical product
- Global market size: Approx. NOK 30 billion annually
- Market Growth: 10% – 20% annually

Positioning

- Hepmarin produces Heparin from fish, a more effective and cost efficient process
- Allows for identification of raw materials' source of origination
- Heparin of marine origin is less vulnerable to infection-related and ethical/religious issues than heparin derived from animals
- The company holds a strong IPR position with protection for both products and processes
- Typical exit in 2 years at end of pre-clinical trial to large pharma

Description

- In vitro test method for diagnosis of health conditions based on analysis of gut bacterias
- Patented DNA-based technology platform originally developed at Nofima Mat, Ås
- Enables early discovery of Necrotizing Enterocolitis (NEC)
 - The disease affects 10% - 15% of all preterm infants
 - In the industrialized world, about 1 million children are born prematurely every year
- Enables early discovery of Inflammatory bowel diseases, in addition to asthma, allergies, diabetes and more



Stage



Market

- Scientific research
- Pharmaceutical industry
- Doctors and Hospitals
- Food industry

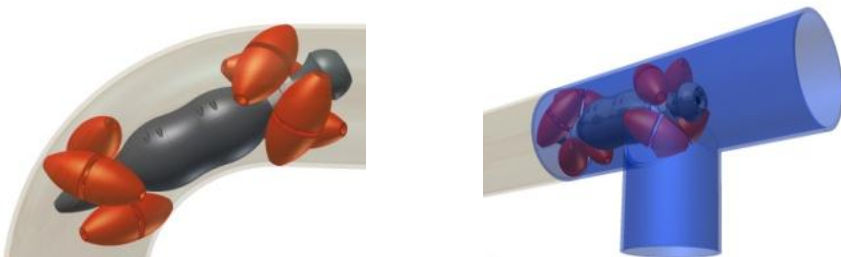
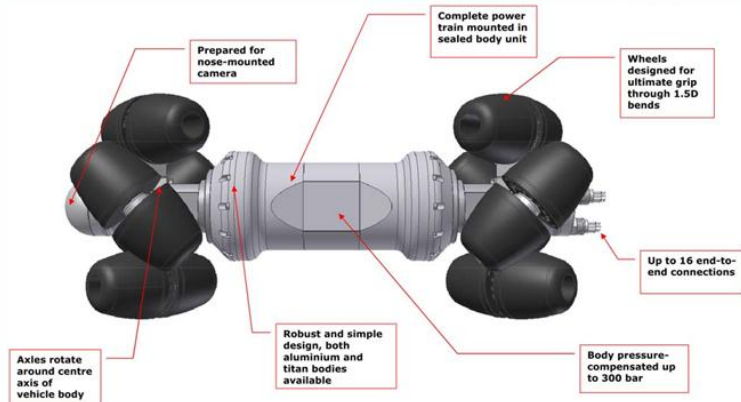
Positioning

- First company that can offer this technology
- Proven for diagnosis of NEC
- Users can effectively analyze a large number of samples at a moderate cost
- Wide variety of applications

Description

- Developed a versatile, stable and powerful vehicle for piping inspection
- Patented technology

TECHNICAL DESCRIPTION



Stage



Market

- Growing volume of pipelines
- Existing pipelines are aging
- Subsea and offshore, water and nuclear installations

Positioning

- Easily passes T-joints
- Capable of inspecting pipe sizes under 8 inches
- No upper limit on pipe size
- Powerful and vertical climbing skills

Pilot Contract

- The Helix Crawler is prequalified for inspection of Petrobras pipe facilities in Brazil Q3 2011

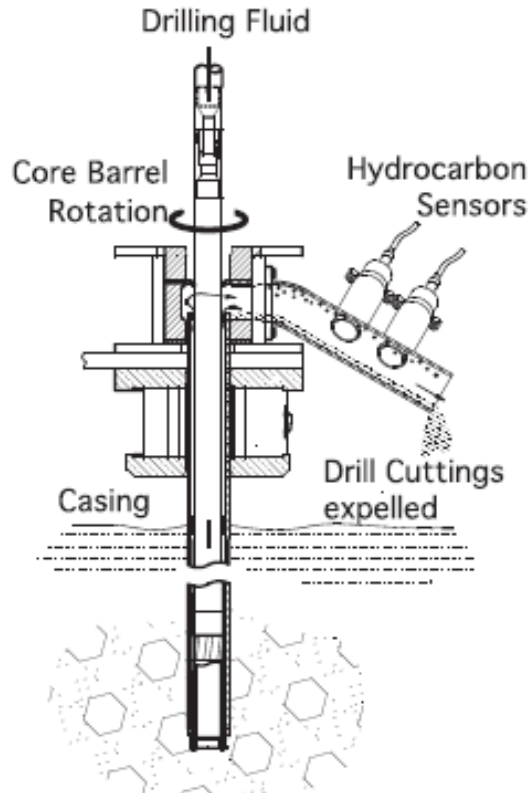


Description

- Developed leading underwater sensors for measurement and discovery of environmental gases



Methane Sensor



Stage



Market

- Discovery of explosive gases and leaks of hazardous gases
 - Mexican Gulf platform leakage could have been discovered pre-explosion
- Subsea production systems / offshore / onshore drilling
- Methane measurement in drinking water reservoirs
- World market for “Environmental Sensing” US\$ 4.2 billion
- Growing at 22% p.a

Positioning

- Unique membrane technology
- High sensitivity and response on existing sensors
- New generation of long lived and stable laser based sensors under development and in customer testing

Selected customers



Description

- IR based camera technology for identification of ash and turbulence in the air
- Either ground or airplane installations
- Developed by NILU



Stage



Market

- Aviation industry including airports
- Commercial airlines and private planes
- Contract with METS (UK)
- LOI with EasyJet and Airbus
- Negotiations with Boeing

Positioning

- Unique patented technology
- Proven in ground based systems
- Accurate detection from long distances
- High resolution real time 3D images
- Not interrupted by extreme climates

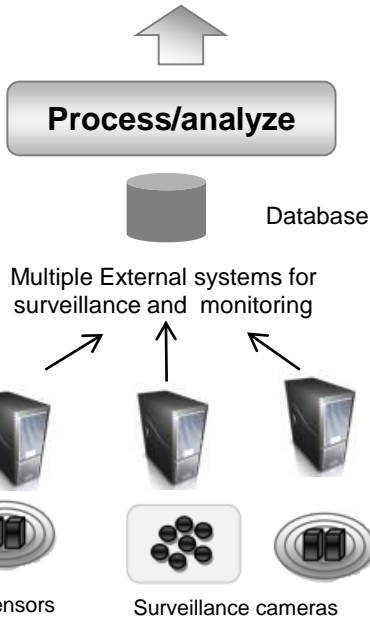
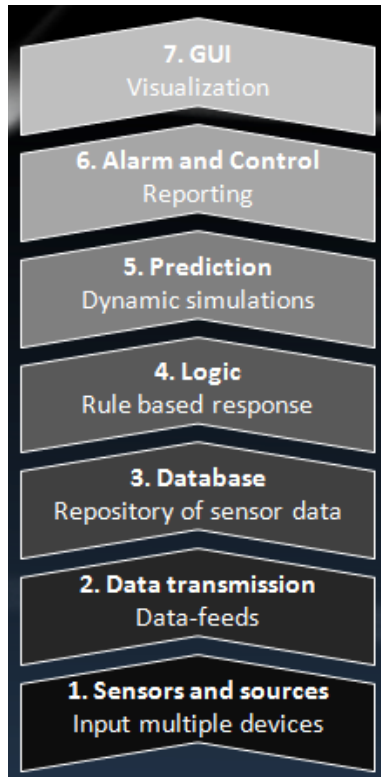
Letter of intent



easyJet

Description

- Central Management Software for connecting and presenting information from multiple sensor platforms
- Integration, storage, prediction, visualizing and notifications



Stage



Market

- Strong growth in demand for civilian integrated surveillance systems
- Military installations (Camp Force Protection)
- Industrial installations

Positioning

- Enhances detection and facilitates early warning
- Cost reductions, reduces number of monitoring systems
- Adds value to and increases life-span of existing security and monitoring infrastructure

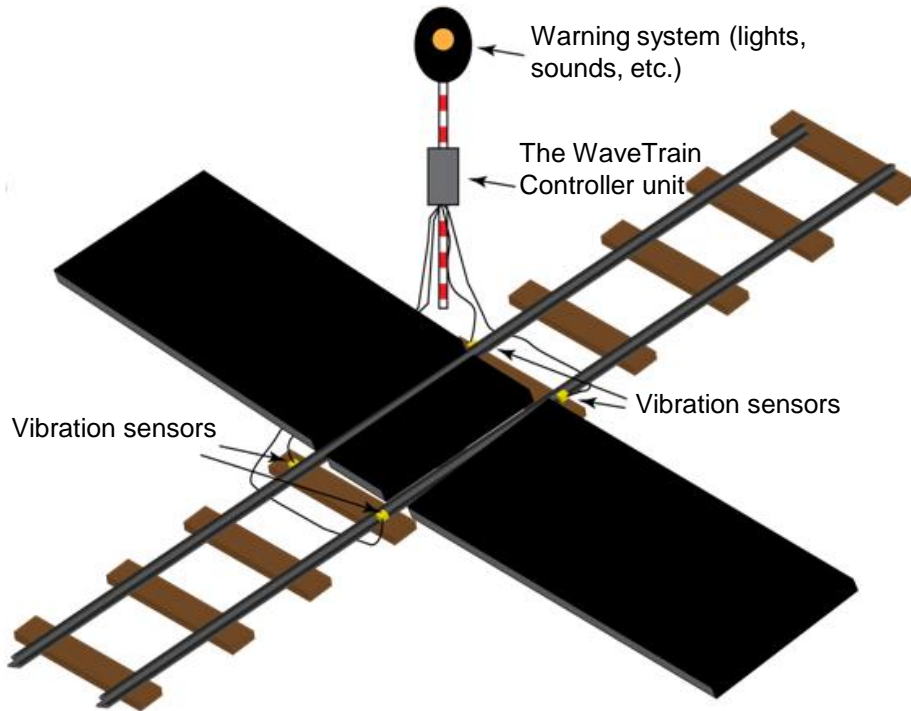
Selected customers





Description

- Safety solution for railway crossings
- Can be fitted to existing solutions
- Based on seismology and sound detection technology from NORSAR, Kjeller
- Wireless



Stage



Market

- Railway crossings in Europe = 121,000
- Railway crossings in Norway = 3,000

Positioning

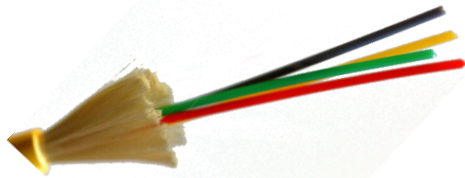
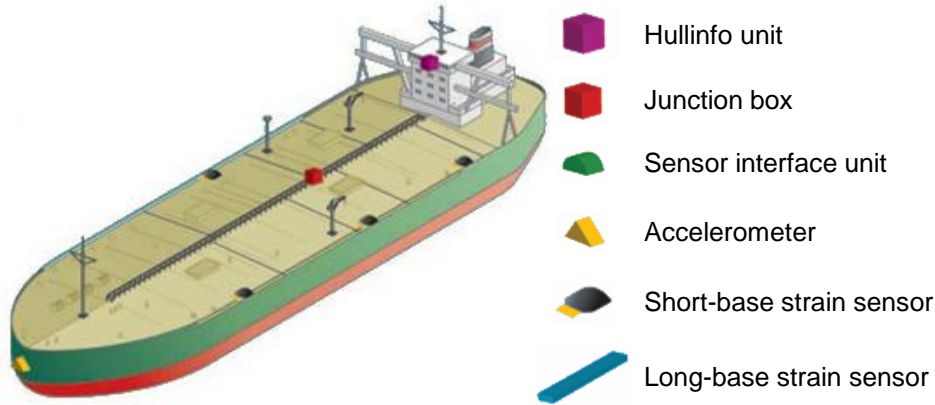
- No competitors within the wireless solution market
- 60 – 80 % cheaper than existing solutions
- Can also work as a mobile solution
- JBV Norway accepted pilot test Sept. 2010
 - Potential order of minimum 20 systems in 1H 2011
- Strong interest from Portugal, Sweden, UK, Romania, Czecho Rep., and Germany

Selected customers



Description

- Systems for surveillance of stress in hulls and constructions
- Based on fibre optics
- Originates from FFI, Kjeller



Stage



Market

- Maritime vessels such as ships and tankers
- Windmills, offshore rigs and pipes, bridges and other infrastructure
- Used by the Norwegian Navy

Positioning

- 70 systems delivered to the shipping market
- Unique system that enables real time surveillance of constructions
- Enables extension of maintenance intervals → Cost saving
- Stores data for use in subsequent analysis
- Approved for use in explosive hazardous environments, for example inside oil and gas tanks (LNG ships)

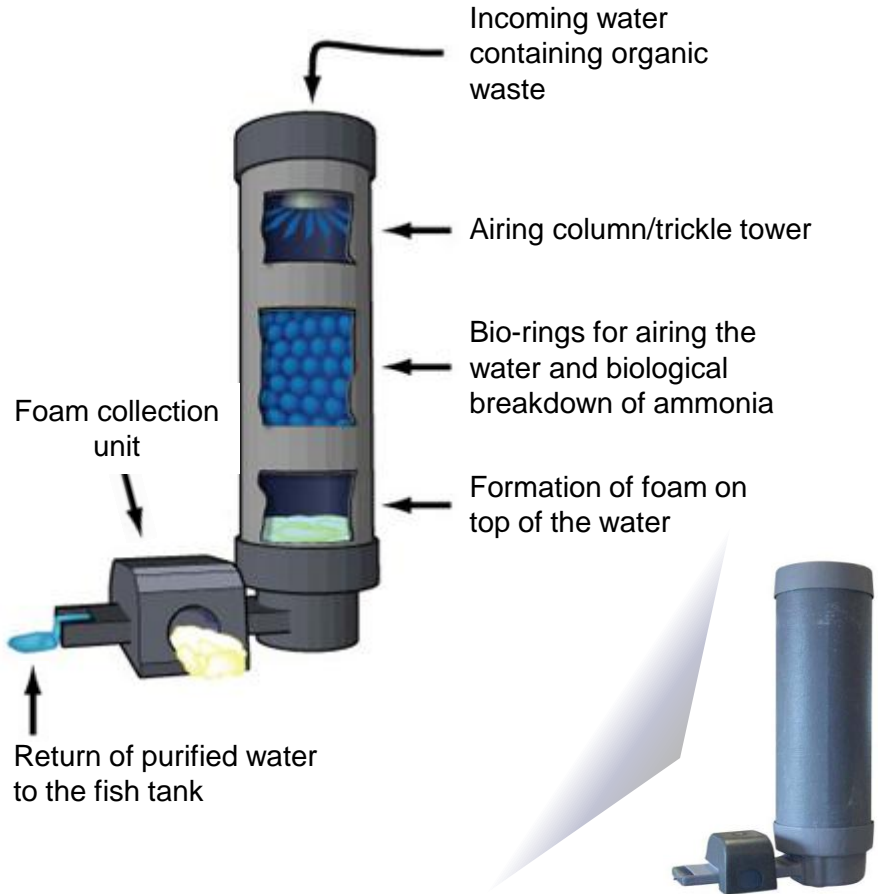
Selected customers



Statoil

Description

- Offers unique patented technology for water purification
- The product reduce organic waste from fresh- and salt water, such as phosphor, nitrogen and nitrate



Stage



Market

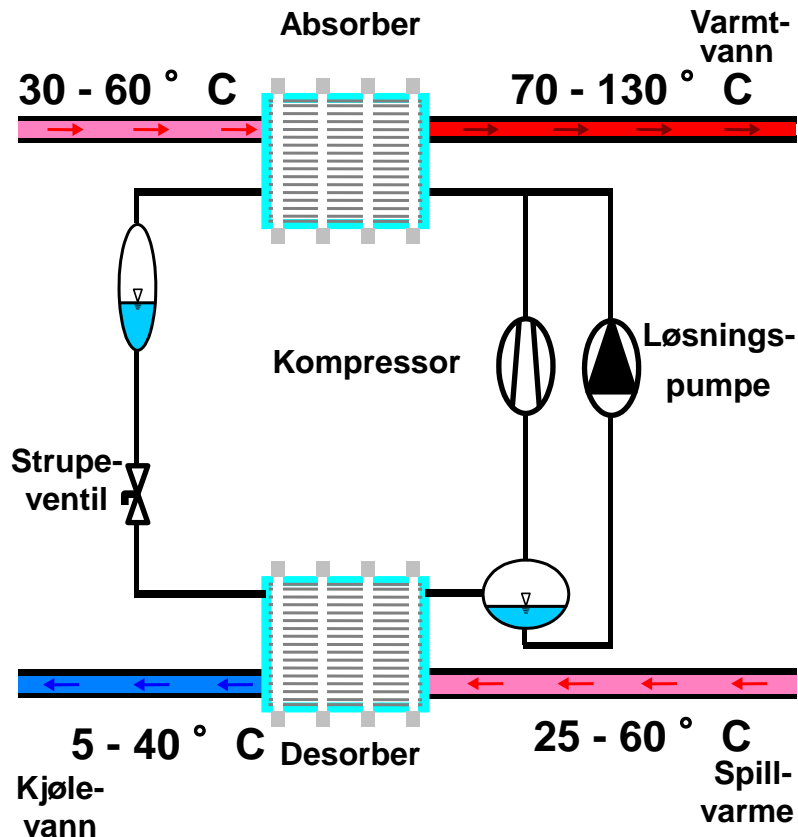
- Fish farms (smolt fish tanks)
- Koi dams and aquariums
- Public water utilities
- Purification plants
- Deliveries made to USA, Sweden, UK, Denmark, Holland, Germany, Malta, South-Africa, Singapore, Australia and Spain

Positioning

- Only purifier/skimmer that works both in fresh- and salt water
- More efficient than competitors according to site tests
- Competitive price and low operational expenses
- Long lived and minor maintenance

Description

- High temperature energy systems/heat pumps for industrial waste-heat recovery
- Originally developed at IFE, Kjeller
- Unique patented technology confirmed by the Danish Technological Institute



Stage



Market

- International Food and processing industry
- Companies with waste heat and a need of hot water and cooling
- Delivered 7 systems to companies such as Nortura, Tine and Bekkelaget sewage plant

Positioning

- Effective and affordable heat recovery
- Exploits temperatures of 30-60°C and delivers hot water up to 130°C under normal pressure conditions
- Up to 80% reduction in energy costs
→ 1-2 years payback period
- Refrigerates down to 5°C
- Strongly reduces CO2 emissions

Selected customers



Description

- Complete supplier of unmanned aerial vehicles (UAV) operations



Stage



Market

- UAV platform for capturing electromagnetic and geophysical data
 - Enabling search for precious metal and mineral discovery in difficult accessible areas at lower cost
- Other markets: Metrological observations , Inspection of infrastructure, Seek and rescue missions

Positioning

- No personnel at risk
- Reduces capex and opex
- Low speed → High quality data
- Able to operate 24/7

Partner



Term Sheet

Size:	NOK 100,000,000 to NOK 150,000,000
Minimum subscription:	NOK 1,000,000
Number of shares before issue:	5,000
Indicative subscription price per share	NOK 17,580
Closing of subscription period:	February 9 th 2011*
Settlement:	February 16 th 2011**
Repatriation of capital	At exit from each portfolio company

* The Board of Directors reserves the right to close the subscription period at its sole discretion at any time.

** 1st settlement date to be one week after closing.



Disclaimer

This material has been prepared exclusively for the benefit of and the internal use of the receiver in order to evaluate the feasibility of one or more potential transactions. Argo Securities holds all rights related to the contents of this material and the receiver is not entitled to publish or otherwise disclose its contents to a third party without the prior written consent of Argo Securities. This material may only be used for the purpose of evaluating the potential of one or more transactions.

In preparing this material we have obtained and relied upon, without independent verification, information available from publicly available sources and registers. Even if these sources are deemed reliable, Argo Securities cannot vouch for the accuracy and completeness of their contents. In any case, this material is incomplete if not regarded and read in conjunction with the oral briefings and/or other documentation provided by Argo Securities. We emphasize that opinions expressed in this material reflect Argo Securities' judgement at this date, all of which are accordingly subject to change. Argo Securities holds no obligation to update this material.

Any transaction involves risk and forward-looking statements concerning future earnings, margins and returns are forecasts subject to risk, uncertainties and other factors, and Argo Securities assume no guarantee of any forward-looking statement concerning future earnings, margin, return or others referred to in this material. In general Argo Securities accepts no liability whatsoever arising directly or indirectly from the use of this material.

Argo Securities and/or their employees may hold shares, options or other securities of any issuer referred to in this material, and may as brokerage firm, buy or sell such securities. Further, as the case may be, it can not either be excluded that Argo Securities may have other financial interests in transactions involving the securities in question.