

Navamedic ASA

Company Presentation

Kathrine Gamborg Andreassen, CEO



Navamedic at a glance

Nordic pharma and Medtech company with high growth ambitions



Navamedic ASA provides a state-of-the-art market access platform for delivering healthcare products to patients, hospitals and pharmacies in the Nordics



Navamedic is also commercializing Sippi®, our proprietary digital, wireless system for prevention of infections and urine measurement, to the global markets



Presence in all Nordic countries, the Baltics and Benelux, and sales in the UK and Greece. Headquartered in Oslo, Norway



Team of 30 people with strong competence in regulatory, reimbursement, marketing and sales

REVENUE

45.4 MNOK

2018: 183.9 MNOK

GROSS PROFIT

27.3%

2018: 33.1%

EBITDA*

-2.0 MNOK

2018: 8 MNOK

Our strategy

Building a leading Nordic pharma company

1

Strengthen the core

- Untapped potential within existing products, categories and territories
- Ongoing negotiations for attractive new distribution agreements
- Launch of Navamedic proprietary products, with RX to OTC switch potentials

2

Secure and increase the value through ownership to products and brands

- Innovative pipeline for in-licensing of new RX or OTC
- Develop own brands
- Acquisitions of portfolios or small companies

3

Commercialise Sippi® technology

- Capitalise on the agreements in the Nordics and Germany
- Launch of Sippi® through existing partners in selected markets – US pri 1
- Partnering / out-licensing ROW



Distribution agreement for gastro/IBS product in Denmark, Norway and Iceland with launch in September 2019

Pharma and Healthcare - The preferred partner

Highly scalable pharma marketing and distribution platform and competence-driven value creation across categories



Our market access platform ensures optimal market penetration



Key competence in attractive product categories



Adding value to our customers and patients



Navamedic

- Market access platform
 - Economies of scale
 - Sales excellence and regulatory expertise
- Navamedic's team is geared for partnership across different stages of product launches, through the product lifecycle
- Category focus to the benefit of partners, customers and consumers
 - Understanding and delivering on underlying consumer and customer needs

Pharma and Healthcare – The products

Growth in all key categories

CARDIOLOGY



MEDICAL NUTRITION



OBESITY



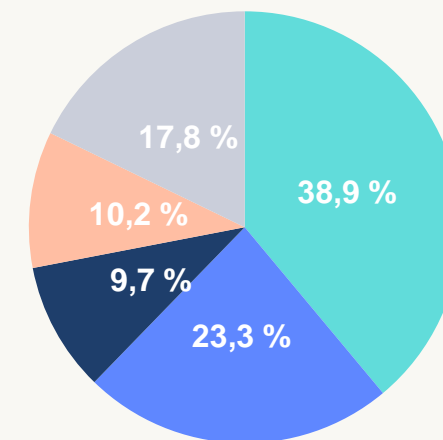
UROLOGY & WOMEN'S HEALTH



OTHER



% of total revenue per category Q1 2019



- Cardiology
- Medical nutrition
- Obesity
- Urology & Women's Health
- Other

SIPPI®

Simplifies Patient care – Prevents Infections

-  Global potential for next generation digital, wireless, urine measurement and infection prevention system
-  Innovative, patented technology addressing a global market need
-  Ongoing commercialisation with long-term revenue potential



Addressing two major problems

Hospital acquired infections

- 2.5 million Europeans die every year from hospital acquired infections
- Treatment of infections is a major burden on hospital budgets
- Urinary infections is the nr 1 of all hospital acquired patient problems

Source: Pasientsikkerhetsprogrammet/The Norwegian Directorate of Health

Stressed out personnel

- Improved working conditions key to bridge future needs for healthcare personnel
- One in four considers quitting due to stress and poor working conditions



One in five nurses are working outside the healthcare sector amid rapidly growing demand. Stress is a key factor.

Source: SSB

Sippi®

One concept – multiple market opportunities

Sippi®

- Automated urine meter for ICUs, OR*s and wards
- Launched at selected hospitals
- Potential: 500k base units + 20 mill disposables/year - a **NOK 4 billion market** globally



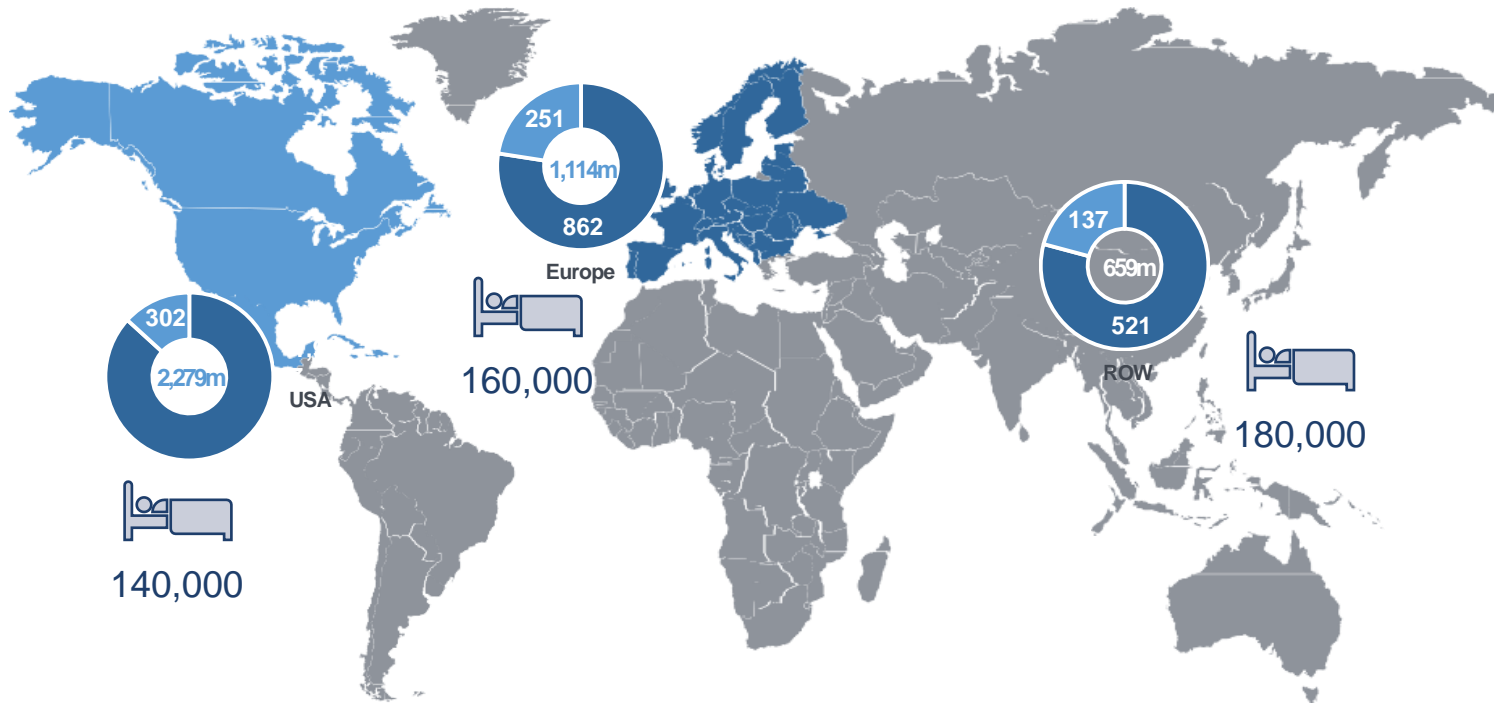
Sippbag®

- Urine bags in hospitals, care centres and for home use
- Launch or license ready in 2020
- Potential: 500 mill bags/year a **NOK 20 billion market** globally



*OR: Operating Room

Addressing a global market representing 250 MNOK in annual revenue potential



- Base units
 - Disposable units
-  ICU beds

Snapshot of Sippi® roll-out

- **Nordic region:** Potential of 450 Base units
- **Germany:**
 - **Neubrandenburg Regional Hospital:** 8 Base units installed, potential for 40, awaits connectivity to further increase.
 - **Testing with new PDMS supplier COPRA:** Starting with one hospital in Berlin. Potential for 50 hospitals and 5-700 Base units

Demerger

- **BoD will propose a split of Navamedic ASA with separate listing and IPO of the Medtech division**

Navamedic Summary

Pharma platform

- Navamedic will exploit the existing platform to **strengthen the core**. Rising demand for main products, combined with a **unique and exciting pipeline** are key drivers for long-term growth
- **Secure and increase the value through ownership to products and brands**
- The goal is to build on the strong position to become a **leading Nordic pharmaceutical company**

Medtech - Sippi®

- Based on a **high-retention business model**, Navamedic is approaching attractive markets with a unique, clinically validated and regulatory approved product which meets a significant medical need
- Attractive NOK 4 billion global market for Sippi® and NOK 20 billion global market for Sippbag
- Plan demerger and IPO of Medtech division

Takk for oppmerksomheten!

Appendices

Appendix

Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q1 2019	Q1 2018	2018
Operating revenues	45 459	42 638	184 022
Cost of materials	-33 073	-29 713	-122 636
Gross profit	12 386	12 925	61 385
<i>Gross profit %</i>	<i>27.2 %</i>	<i>30.3 %</i>	<i>33.4 %</i>
Payroll expense	-8 420	-8 123	-30 332
Other operating cost	-5 964	-9 818	-29 412
Operating costs	-14 384	-17 942	-59 744
EBITDA	-1 999	-5 017	1 641
<i>EBITDA %</i>	<i>-4.4 %</i>	<i>-11.8 %</i>	<i>0.9 %</i>
Depreciation	-386	-34	-120
Amortization	-1 535	-1 565	-6 092
Operating result (EBIT)	-3 919	-6 615	-4 571
<i>Financial income and expenses</i>			
Financial income	455	956	555
Change fair value contingent consideration	-557	-1 074	14 009
Financial expenses	-474	-608	-1 808
Net currency gain/losses	-611	-285	-1 174
Net financial result	-1 187	-1 012	11 582
Result before tax	-5 106	-7 627	7 011
Tax on ordinary result	-294	321	273
Net profit / loss (-)	-5 400	-7 306	7 284
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>			
Currency translations differences	-5 299	-8 528	-4 795
Total comprehensive income for the period	-10 699	-15 834	2 489

Appendix

Segments

	Pharma incl. Navamedic ASA			Medtech		
<i>(in NOK million)</i>	Q1 2019	Q1 2018	2018	Q1 2019	Q1 2018	2018
Operating revenues	45.4	42.6	183.9	0.0	0.0	0.1
Gross profit	12.4	12.9	60.8	0.0	0.0	
EBITDA before other items	0.7	1.4	15.6	-2.7	-2.3	-7.8
Other expenses		4.1	6.1			
EBITDA	0.7	-2.7	9.5	-2.7	-2.3	-7.8

- Pharma segment on track focusing on profitable products and leveraging on the growth platform
- Underlying positive EBITDA in Pharma segment
- Other expenses includes corporate strategic projects not related to the ordinary operations

Appendix

Condensed consolidated financial position - Assets

<i>(in NOK '1000)</i>	31.03.2019	31.03.2018	31.12.2018
Intangible assets	27 675	31 544	30 060
Goodwill	89 154	76 918	79 550
Deferred tax assets	9 958	8 928	9 944
Tangible assets	2 033	572	109
Non-current assets	128 819	117 963	119 664
Inventories	48 010	41 740	38 146
Trade and other receivables	36 821	41 041	38 903
Prepaid income taxes	6 800	5 488	6 971
Cash at hand, in banks	12 752	8 316	11 046
Current assets	104 382	96 584	95 067
Total assets	233 201	214 547	214 731

Appendix

Condensed consolidated financial position – Equity and liabilities

<i>(in NOK '1000)</i>	31.03.2019	31.03.2018	31.12.2018
Equity	101 316	80 866	99 322
Total equity	101 316	80 866	99 322
<i>Liaibilities</i>			
Contingent consideration	12 734	27 260	12 177
Long term part of license liabilities	10 075	11 789	10 235
Loans and borrowings	1 915	0	0
Deferred tax	204	335	213
Non-current liabilities	24 929	39 385	22 625
Trade and other payables	60 634	50 379	41 087
Short term liabilities to financial institutions	26 739	20 158	32 576
Short term part of license liabilities	6 359	4 266	6 601
Income taxes payable	2 042	985	2 064
Short term liabilities	11 183	18 509	10 457
Current liabilities	106 956	94 297	92 784
Total liabilities	131 885	133 681	115 409
Total shareholders equity and liabilities	233 201	214 547	214 731

Appendix

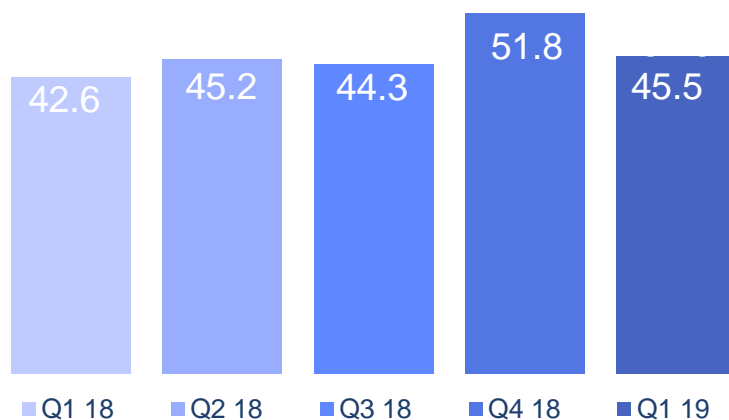
Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q1 2019	Q1 2018	2018
Profit/loss(-) before tax	-5 106	-7 627	7 011
Taxes paid	-285	-3 577	-5 335
Depreciation, amortization and write off	1 921	1 598	6 212
Interest and contingent consideration without cash effect	155	820	-13 483
Changes in inventory	-9 863	2 958	6 552
Changes in trade receivables	3 189	915	1 842
Changes in trade payables	19 547	-21 731	-31 023
Changes in other current items	-380	-958	-7 800
Net cash flow from operating activities	9 178	-27 602	-36 024
<i>Cash flow from investments</i>			
Purchase / disposal of tangible and intangible assets	-319	-281	-2 162
Net cash flow from investing activities	-319	-281	-2 162
<i>Cash flow from financing</i>			
Short term liabilities to financial institutions	-5 836	7 951	25 218
Cash received/spend for issue of shares	-445	0	0
Long term liabilities to financial institutions and other	0	0	-4 851
Payments of lease liabilities	-358	0	0
Net cash flow from financing activities	-6 640	7 951	20 368
Changes in currency	-513	-1 997	-1 383
Net change in cash	1 706	-21 930	-19 200
Cash and cash equivalents start period	11 046	30 246	30 246
Cash and cash equivalents end period	12 752	8 316	11 047

Financials

Sound foundation for growth

Revenues
(MNOK)



Revenues increased by 6.6% or MNOK 2.8
(Q1 19 vs Q1 18)

Gross profit
(MNOK)



Gross profit decline of 0.5 MNOK (Q1 19 vs
Q1 18) following product mix

Appendix

Definitions of Alternative Performance Measures (APM)

Navamedic's financial information is prepared in accordance with international financial reporting standards as adopted by the EU (IFRS). In addition, the company presents alternative performance measures (APMs). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance. APMs presented may be determined or calculated differently by other companies.

APMs:

EBITDA is equal to earnings before interest, tax, depreciation and amortization. EBITDA is a sub-total in the condensed consolidated statement of comprehensive income.

EBITDA margin is equal to EBITDA as a percentage of total operating revenues.

Gross profit is equal to total revenues minus cost of materials. Gross profit is a sub-total in the condensed consolidated statement of income.

Gross margin is equal to gross profit as a percentage of total operating revenues.

Equity ratio is equal to total equity as a percentage of total shareholders' equity and liabilities.

EBITDA before other items; In EBITDA before other items the costs related to evaluation of strategic alternatives is not included. Navamedic believe that the measure provides useful and necessary information to investors and other parties because it provides additional information on underlying growth of the business without the effect of revenues from products unrelated to Navamedic's performance in the future.

Appendix

Copyright and disclaimer

Copyright

Copyright of all published material including photographs, drawings and images in this document remains vested in Navamedic and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about economic. Navamedic ASA believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Navamedic ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Navamedic ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use. Navamedic ASA consists of several legally independent entities, constituting their own separate identities. Navamedic is used as the common brand or trade mark for most of these entities. In this presentation we may sometimes use “Navamedic”, “we” or “us” when we refer to Navamedic companies in general or where no useful purpose is served by identifying any particular Navamedic company.