



Second Quarter 2017

July 28th, 2017

Tom Rönnlund, CEO

Agenda

- Q2 highlights and key figures
- Pharma & Healthcare commercial update
- Medtech commercial update
- Financials
- Outlook



Q2 Highlights and key figures

- Navamedic reported revenues of NOK 89.7 million in Q2 2017, up from NOK 66.7 million in Q2 2016, representing a 34.4% growth
- EBITDA of NOK 5.5 million in the quarter (NOK -1.6 million in Q2 2016)
- Strong cash generation and an end-of-quarter cash balance of NOK 41.8 million
- Revenue growth in the quarter fuelled by Imdur® and increased sales of Aspen products ahead of contract transfer July 1st 2017
- Entered into agreement with Orexigen Therapeutics for Nordic launch of anti-obesity pharmaceutical Mysimba®
- Sippi® progressing well with two tenders won in Sweden, initial introduction in Italy, successful tests with Patient Data Management Systems (PDMS) and a number of scheduled trials throughout the European market

(NOK million)	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Revenue	89.7	66.7	167.8	127.5
Gross profit	20.4	14.3	37.7	31.3
EBITDA	5.5	-1.6	8.8	0.5
EBIT	2.2	-14.0	2.3	-15.8
Result before tax	-1.8	-14.3	-4.5	-18.7

About Navamedic

A growth-oriented, risk-balanced Norwegian medtech and pharmaceutical company, marketing and distributing healthcare and pharma products as well as innovative medtech technologies



PHARMA & HEALTHCARE

Marketing and distribution of pharmaceuticals, non-prescription drugs and healthcare products

- Well-established market position and track record, main focus on Nordic region
- Strategic partnership and distribution agreements providing cash flow and margins
- Products are sold to pharmacies, hospitals and to medical professionals



MEDTECH

Navamedic Medtech's vision is to develop innovative technology products that benefit patients and healthcare professionals

- Global potential for next generation digital urine measurement, the Sippi® product family
- Innovative, patented technology addressing a global market need
- Ongoing commercialisation with multiple future revenue streams and significant annual long-term revenue opportunity

Pharma & Healthcare Commercial Update

(NOK million)	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Revenue	89.6	66.7	167.7	127.2
Gross profit	20.4	14.4	37.8	31.4
EBITDA	7.6	1.0	13.2	5.3
EBITDA margin	8.5%	1.5%	7.9%	4.1%

- Pharma & Healthcare revenues of NOK 89.6 million in the quarter, up from NOK 66.7 million in Q2 2016, representing a 34.3% growth
- Further strengthened portfolio by entering 5-year agreement with Orexigen Therapeutics Ltd. for Nordic distribution of pharmaceutical anti-obesity treatment, Mysimba® (naltrexone HCl/bupropion HCl prolonged release)
- Preparing distribution launch of Imdur® in Greece, in addition to the thirteen markets initiated following the partnership with TopRidge Pharma in 2016
- Quarterly gross margin of 22.8%, compared to 21.6% in Q2 2016, mainly due to changes in the product mix
- Improved EBITDA driven by increased revenues in combination with lower operating costs
- Second quarter marked the start of transferring products back to Aspen; transfer process on track
- Focus on developing new and additional strategic partnerships and exploring new products and markets

Pharma & Healthcare Product Portfolio

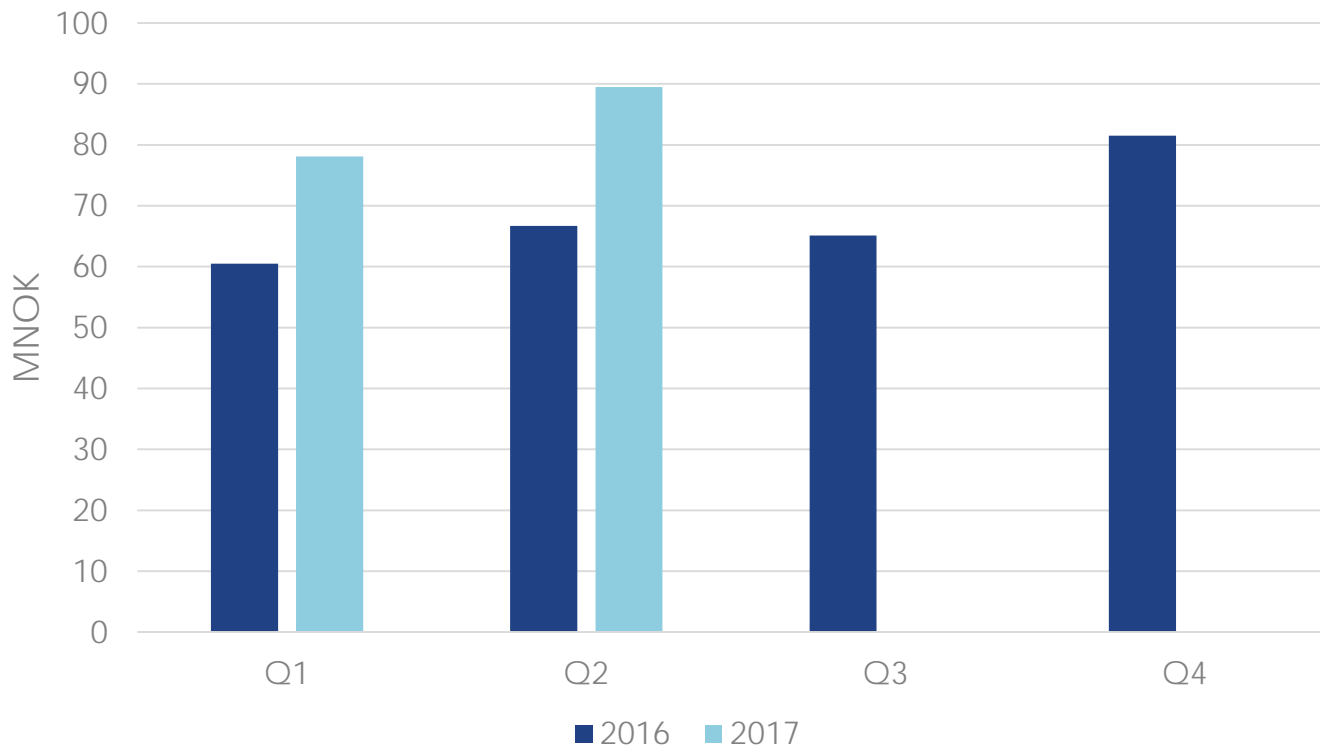
- **Imdur**[®] revenues were 8.2% higher compared to first quarter of 2017 and is currently Navamedic's largest single brand
- The **Medical Nutrition** portfolio continued strong revenue growth in the second quarter, 10.1% higher revenues, compared to Q2 2016
- **NYDA**[®], head-lice treatment sold in pharmacies, had a 32.9% decline in revenue, compared to Q2 2016 – following an introduction of a white label copy in Swedish pharmacies. **NYDA**[®] accounts for less than 2% of total sales
- **Uracyst**[®], treatment for painful bladder syndrome, 7.4% revenue growth, compared to Q2 2016
- **Nitrolingual**[®] – declined by 5.2% compared to Q2 2016. Supply issues affected the sales in the quarter
- **Woulgan**[®] - sales at low levels. Focus on ensuring inclusion in regional tenders
- Preparations for launch of **Mysimba**[®] during 2nd half of 2017

Active growth strategy: driving organic growth in existing portfolio coupled with strategic inflow of new products and partnerships



Pharma & Healthcare Commercial Update

Pharma and Healthcare Business
2016-2017 Quarterly Sales



- Strong performance in the Nordic region with a growth of 26% compared to Q2 2016
- Growth driven by Imdur® and other prioritised brands plus increased sales of Aspen products ahead of contract transfer
- Excluding Imdur®, revenues in the Nordic market grew by 8%, compared to Q2 2016

Agreement with Orexigen Therapeutics

- Orexigen Therapeutics is a biopharmaceutical company focused on the treatment of obesity
- Founded in 2002 and located in San Diego, California
- Public company traded on NASDAQ under the symbol: OREX
- Orexigen developed the prescription pharmaceutical Contrave® (naltrexone HCl and bupropion HCl extended release) in the U.S. In Europe the treatment has been approved under the brand name Mysimba®
- The treatment is approved in combination with a reduced-calorie diet and increased physical activity for patients who are overweight or struggling with obesity, in the presence of one or more weight-related co-morbidities (e.g. type 2 diabetes, dyslipidaemia, or controlled hypertension)

Mysimba® targets significant market need

World Health Organisation: 10-30% of adults overweight in the EU

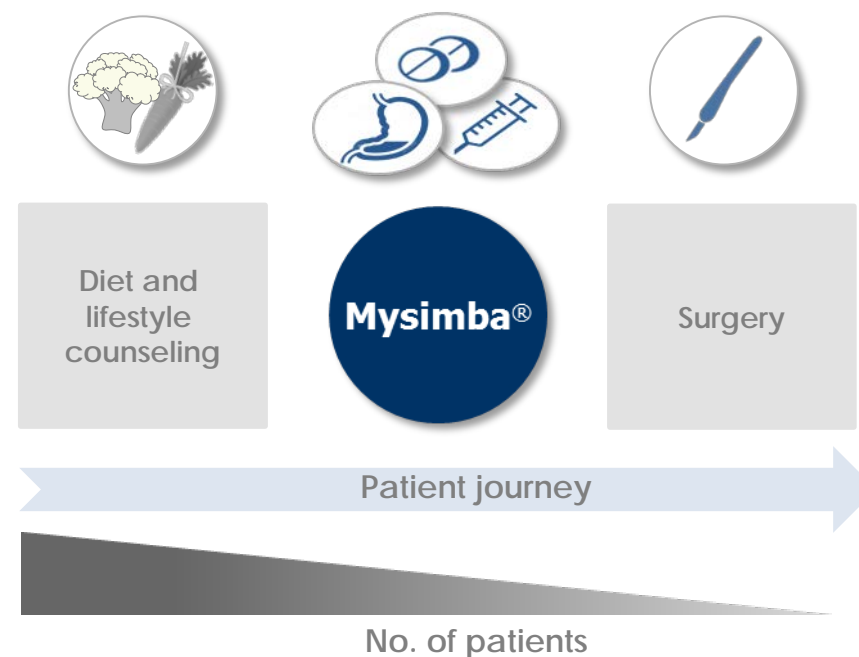
Definition: Overweight: BMI of 25-29.9 kg/m²
Obese: BMI of greater than 30 kg/m²

Obesity in the Nordics*:

Country	Men	Women
Sweden (16-84 years)	15,5%	14,4%
Norway (30+ years)	20,4%	20,2%
Denmark** (30-60 years)	12,5%	11,3%
Finland (25-64 years)	20,4%	19%

Prevalence between 15-20% across the Nordic countries
Data indicates less than 1% of patients treated with Rx pharmaceuticals today

Continuum of Treatment Modalities for Obesity



*Source: World Obesity Federation (www.worldobesity.org)

** Danish data from 1992 – prevalence likely higher today

Medtech: Sippi® Developments

- Continued development and commercialisation activities in the quarter
- Becoming increasingly attractive to hospitals and potential markets with unique ability for wireless data transfer of urinometer data and expanded compatibility with existing monitoring systems:
 - Successful initial tests of Sippi®-BLE (low-energy Bluetooth) with iMDSoft's major data monitoring system, Metavision, at Uppsala University Hospital in Sweden
 - Clinical testing of connectivity to GE Healthcare's monitoring system, Centricity, underway at hospitals in Finland and Sweden
- Commercial expansion continuing according to plan through Q2, securing two tenders in Sweden and successful initial introduction in Italy through partner, SIM Italia. Additional tests planned in Czech Republic and the UK during second half of 2017
- New Sippcoat™ patent secured during Q1 2017 for the use of silicone oil in urine handling systems in the EU represents potential additional market opportunity. If clinical evaluation of Sippcoat™ is successful, use in proprietary systems and/or licensing opportunities to other manufacturers will be evaluated



Sippi® - a new standard for urine monitoring by enabling automated digital measurement.

Sippi® also prevents biofilm build-up via its proprietary technology and alerts healthcare professionals if biofilm reaches critical levels

The Sippi® Portfolio

The Sippi® portfolio is a family of innovative products with global market potential. Multiple products, multiple potential revenue streams:

- **Sippi®: digital urine measurement**
 - First available solution for fully digitalized fluid balance measurement
- **Sippcoat™: biofilm prevention**
 - Patented technology preventing the build-up of biofilm in the Sippi® system and any patient collection system
- **Sippbag™: allowing use of Sippicoat® bags in any care situations**
 - Protects patients in all clinical settings
- **Sipplink™: innovative communication tool**
 - Wireless connectivity and data transfer to the most common PDMS systems on the market under development – currently in tests with two major PDMS suppliers



Setting the stage for accelerated Sippi® growth

Based on the continued promising developments in the second quarter and the multimarket growth platform for Sippi®, Navamedic expects to enter onto an accelerated growth path towards the long-term annual revenue potential of over NOK 250 million:

1. Leading technology

Q2 development: Sippi®-BLE (low-energy Bluetooth) ready for continued clinical tests with expanded compatibility with existing data monitoring systems.

2. Strong partnerships

Q2 development: Secured commitment from additional hospitals in the UK and the Czech Republic to initiate patient tests. Two tenders secured in Sweden. Successful launch of distribution agreement with SIM Italia to positive feedback in the Italian market.

3. Strong market interest

Q2 development: Commercial expansion and marketing continuing according to plan with strong market interest and opportunities from patent secured for Sippcoat® in Q1 2017, both as a proprietary system and for licensing to use in regular urine collection bags.

Profit and Loss Statement

(NOK million)	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Revenue	89.7	66.7	167.8	127.5
Gross profit	20.4	14.3	37.7	31.3
Gross margin	22.7%	21.4%	22.4%	24.6%
Operating costs	-14.8	-15.9	-28.8	-30.8
EBITDA	5.5	-1.6	8.8	0.5
EBITDA margin	6.2%	-2.4%	5.3%	0.4%
EBIT	2.2	-14.0	2.3	-15.8
Net profit	0.5	-13.1	-2.1	-17.2

Balance Sheet

(NOK million)	Q2 2017	Q2 2016	FY 2016
Non-current assets	133.6	142.7	132.8
Current assets	139.4	154.4	154.9
-of which is cash and cash equivalents	41.8	32.9	26.8
Equity	109.1	105.0	105.7
Long-term liabilities	43.2	59.1	38.6
Short-term liabilities	120.7	132.9	143.4
Total balance	273.0	297.1	287.7
Equity ratio (%)	40.0%	35.4%	36.8%

Cash flow statement

(NOK million)	Q2 2017	Q2 2016
Profit (loss) before tax	-1.8	-14.3
Net cash from operations	42.2	1.1
Net cash from investments	-1.3	-0.9
Net cash from financing	-14.5	16.8
Net currency effects	-0.5	-0.3
Net change in cash during period	25.9	16.6
Cash at end of period	41.8	32.9

Outlook

- Transformational and value-creating journey expected to continue in 2017:
 - Driving post-Aspen revenue growth through new partnerships and products
 - Continued commercialisation of Sippi®
- Partnership with TopRidge Pharma Limited proceeding according to plan:
 - The company expects to initiate Imdur® distribution in additional selected European markets during 2017, including Greece
 - Annual revenue potential in range of NOK 70-100 million, depending on the number of Imdur®-markets managed
- Offsetting effects of discontinued Aspen contract by boosting portfolio with additional products and partnerships. Working on pipeline of new and original products with launches scheduled for next 6-24 months
 - If successful, the revenue will offset effects of Aspen-discontinuation and bring the company back on a growth track in the medium term perspective
- The company remains committed to executing on strategy of ongoing commercialisation and continued development of the Sippi® product family, creating opportunities for multiple revenue streams
- Sippi® commercialisation continues to be on a good track. Based on Q2 developments and a multimarket growth platform in place, the company expects higher revenues during 2017 and 2018, and entering onto an accelerated growth path towards the annual long-term revenue potential for Sippi® of over NOK 250 million



Thank you

Welcome back to our Q3 2017 presentation

10 November 2017