

First Quarter 2016 Results

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Tom Rönnlund - CEO





Q1 2016 HIGHLIGHTS

- 16% revenue growth (excluding Benelux) in Q1 2016.
 - *Reported revenues of NOK 60.8m in Q1 (61.8)*
 - *Gross margin of 28% (24.5%)*
- EBITDA of NOK 2.1 million (4.1), reflecting business development activities and ongoing commercialisation of Sippi®.
- Entered into agreement with Pennine Healthcare for the launch of Sippi® in the UK, Ireland, and Northern Ireland. The product is now in initial introduction phase in ten European markets.
- First public presentation of wireless communication capabilities for Sippi®.
- Expanded cooperation with Pohl-Boskamp for distribution of Nitrolingual® pumpspray in the Nordic markets.



NAVAMEDIC PROFIT AND LOSS STATEMENT

NOK million	Q1 2016	Q1 2015	2015
Income	60.8	61.8	248.3
Gross profit	17.0	15.1	60.9
Gross margin	28.0%	24.5%	24.5%
Operating costs	15.0	11.0	52.1
EBITDA	2.1	4.1	8.8
EBITDA margin	3.4%	6.6%	3.6%
EBIT	-1.9	1.4	-3.8
EBT	-4.4	1.8	-10.3
Net result	-4.1	1.5	-10.9



BALANCE SHEET

NOK million	31 March 2016	31 March 2015	31 Dec 2015
Fixed assets	154.0	97.4	161.0
Current assets	131.4	120.0	114.6
- of which is cash	16.3	4.4	12.3
Equity	110.2	105.1	118.3
Long term liabilities	59.4	20.8	60.7
Short term liabilities	115.8	91.5	96.6
Total balance	285.3	217.4	275.3
Equity ratio (%)	38.6%	48.3%	43.0%



CASH FLOW STATEMENT

NOK million	Q1 2016	Q1 2015
Cash at beginning of period	12.2	6.2
Net cash from operations	-11.3	1.8
Net cash from investments	-0.3	-0.7
Net cash from financing	15.9	-3.8
Net currency effects	-0.3	0.8
Net change in cash during period	4.0	-1.8
Cash at end of period	16.3	4.4

NAVAMEDIC SNAPSHOT



A growth oriented, risk balanced Pharma and Healthcare Partnership Brands and Medtech company

PHARMA AND HEALTHCARE PARTNERSHIP BRANDS

- Distribution of pharma, medical device and medical nutrition brands to Healthcare Professionals, hospitals and pharmacies
- Main focus on Nordic markets
- Well-established market position and track record
- Partnership business providing cash flow and margins
- Targeting continued Nordic sales growth and margin improvements

MEDTECH



- Groundbreaking new digital urine measurement system, Sippi®, with wireless capabilities
- New and proprietary technology
- Addressing a global market need
- Product under introduction in ten European markets



KEY PHARMA AND HEALTHCARE Q1 HIGHLIGHTS

- First quarter 2016 figures does not include sales from the Benelux region, as the distribution agreement for the region ended at 31 December 2015
- 15.8% revenue growth in Q1 (excluding the ended Aspen partnership in Benelux), through the addition of new products and growth in prioritized product areas
- Gross margin improved in Q1, reflecting changes in market and product mix

NOK million	Q1 2016	Q1 2015	2015
Income	60.5	61.0	248.2
Gross margin	27.8%	24.5%	24.5%
EBITDA	4.3	4.1	15.1
EBITDA margin	7.0%	6.6%	6.1%

PHARMA AND HEALTHCARE PORTFOLIO Q1 HIGHLIGHTS

- The *Ovestin* brand continued its positive development with a 3.6% growth compared to Q1 2015
- The Medical Nutrition portfolio of products saw a sales increase in the quarter of 8.6%.
- *Uracyst*, for treatment of painful bladder syndrome, had a very strong first quarter with 43.1% growth, driven by increase in demand as well as price
- Launch activities initiated for three new brands:

Nitrolingual® Pumpspray
Nitroglycerin Sublingual Spray

WOULGAN®
Bioactive Beta-Glucan 



MEDTECH – SIPPI®



- Sippi® is the first available solution for fully digitalized fluid balance measurement
- Sippi® incorporates hourly diuresis, data storage and automatic emptying, greatly reducing the risk of biofilm build-up
- Sippi® with Bluetooth connectivity feature to enter production during Q3 2016.
- Compatibility with other major PDMS suppliers in planning – focus on major markets.



Sipsense, our unique biosensor, is designed to detect bacterial build-up before it reaches significant levels. As soon as a critical level of biofilm build-up is detected in the measurement chamber, an alert to change the cassette is given.



Sippcoat, our patent-pending smart biofilm inhibitor, actually impedes the build-up of biofilm in the cassette by coating it with inert silicon oil, considerably prolonging its service lifetime.



Sippbag® is the one urine collection system for all your clinical needs. Once connected, it follows the patient in all clinical settings without the need for disconnection. Sippbag is the only system on the market using Sippcoat biofilm-inhibitor as barrier, and is as much as 10 times more efficient than systems without an intraluminal biofilm inhibitor.



Sippi is prepared for and will release wireless connectivity to the most common PDMS systems on the market in the coming year.



KEY MEDTECH Q1 HIGHLIGHTS

- Agreement with Pennine Healthcare for the launch of Sippi® in the UK, Ireland and Northern Ireland
- The product is now in initial introduction phase in ten European markets
- First public presentation of wireless communication capabilities for Sippi® urine volume measurement system
- Completion of clinical evaluation of Sippcoat® as a biofilm inhibitor. The full results will be published during spring 2016
- Navamedic is currently working with GE Healthcare to test Sipplink® in clinical settings, and expects the communication tool to be available for the leading PDMS systems in the coming year

NOK mill	Q1 2016	Q3-Q4 2015
Income	0.3	0.1
EBITDA	-2.1	-6.3



NAVAMEDIC OUTLOOK

- Continued underlying growth for the Healthcare and Pharma business in the Nordics:
 - *New products in the Nordics compensating parts of Benelux discontinuation*
 - *Continued emphasis on gross margin and EBITDA improvements*
 - *Continuously evaluating new partnerships and products*
- Revenues from Medtech Business Area expected to be in the range of NOK 15-25 million in 2018, provided successful entry of Sippi® in targeted markets
- Long term potential for Sippi® product family is significant, with targeted annual sales revenues of approximately NOK 250 million within 10 years

Welcome back

Second Quarter 2016 Presentation

18 August, 2016

