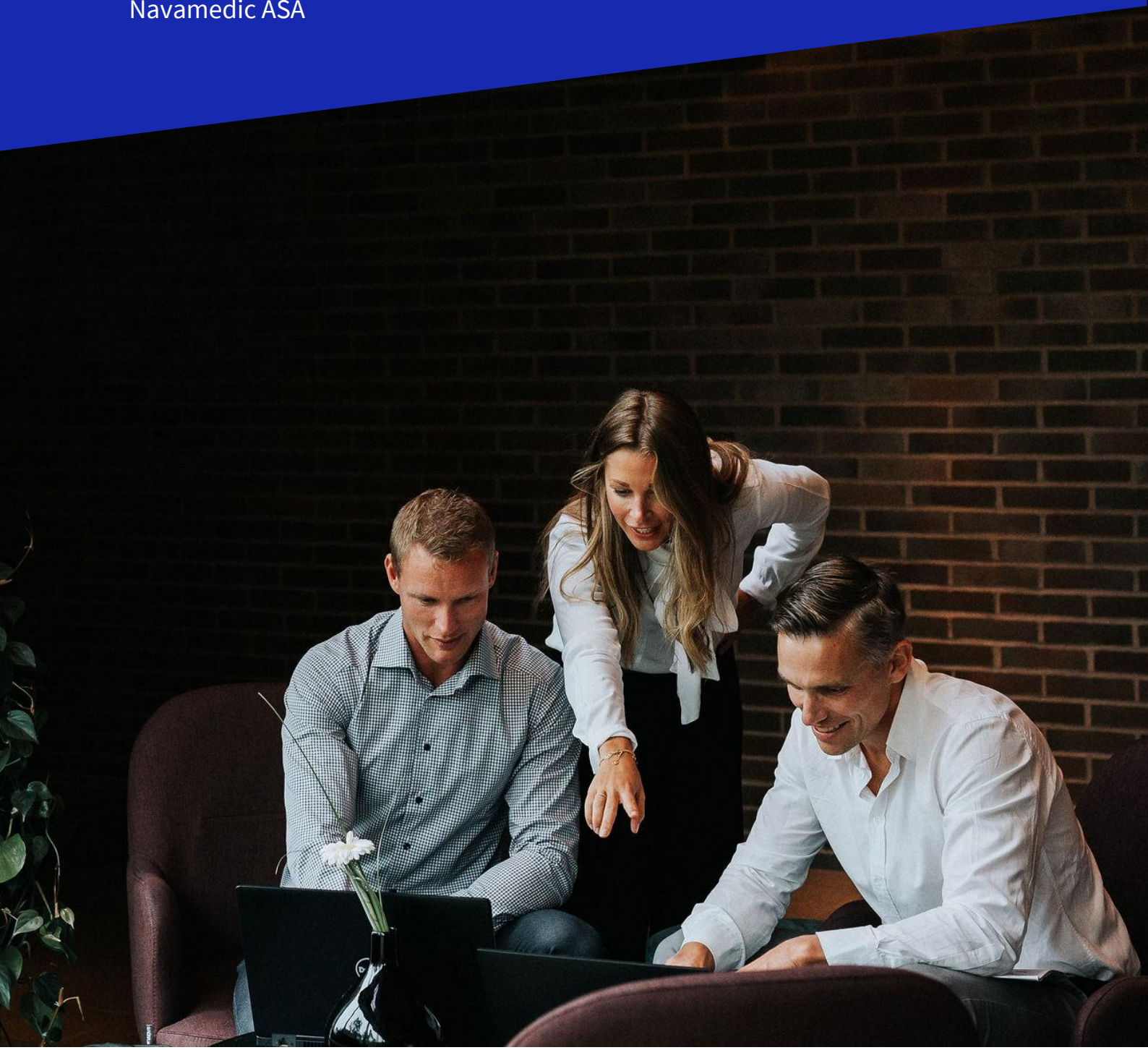




Q2/1H 2021

Second quarter and half year results
Navamedic ASA



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Highlights for the first half year 2021

- In the first half of 2021, Navamedic's revenues increased by 27.5% to NOK 124.7 million (NOK 97.8 million in the same period last year). The Group's EBITDA came in at NOK 6.9 million (negative NOK 1.4 million).
- Changed product mix resulted in a gross margin of 39.5% in the first half of 2021 (31.1%).
- Continued strong performance for products like Mysimba®, Alflorex®, ThermaCare® and key Medical nutrition products more than offsetting lower sales of Imdur®.
- Entered into an exclusive long term distribution agreement with Novozymes for PrecisionBiotics Zenflores® in the Nordics.
- Launched Cysticina®, the first non-prescription drug for alleviating urinary tract infections in the Norwegian market.

Key figures

<i>(in NOK '1000)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	2020
Total revenue	66 014	42 135	124 659	97 776	209 877
Gross profit *	25 967	14 658	49 180	30 380	70 339
Operating profit before Depreciation and Amortization (EBITDA)	4 308	-2 075	6 859	-1 409	-1 267
Operating profit (EBIT)	2 928	-2 962	4 137	-3 138	-4 926
Profit before tax continuing operations	3 329	362	37	-11 804	-16 596
Net profit / loss (-) Total operations	3 189	509	-485	-11 139	-16 460
Total assets	288 987	259 743	288 987	259 743	260 038
Total equity	148 894	131 527	148 894	131 527	129 486
Gross margin (%) *	39,3 %	34,8 %	39,5 %	31,1 %	33,5 %
EBITDA margin (%) *	6,5 %	-4,9 %	5,5 %	-1,4 %	-0,6 %
Equity ratio (%) *	51,5 %	50,6 %	51,5 %	50,6 %	49,8 %

* Alternative performance measures (APMs)

Comment from the CEO

In the first half of 2021, we continued the implementation of our growth strategy, leveraging our scalable market access platform to strengthen the core, continue our push for growth in our existing portfolio and through launch of new products. Mysimba® continued to drive growth in our Specialty pharma category, resulting in a category sales growth of 89%, while Alflorex® and Thermacare® continued its strong development contributing to growth in the Consumer health product category of 65%.

The strong performance of these important products displays Navamedic's solid position in prioritized areas such as gastro, obesity and other lifestyle related issues. The accelerated growth comes as a result of targeted investments in our platform, patient support programs, local category expertise and customer stakeholder infrastructure. These investments will be key going forward as we accelerate our activities across our key geographies.

In the first half of 2021, we continued to expand our portfolio by launching Cysticina®, the first non-prescription drug for alleviating urinary tract infections in the Norwegian market. The product represents an important addition to our Women's health offering, an area where we see significant opportunities going forward. Also, in the first half of the year, we entered into an exclusive long term distribution agreement with Novozymes for PrecisionBiotics Zenflore® in the Nordics. Zenflore® further strengthens our position in gastro, and in this case in stress and mental health in particular.

In the period, we also launched new products in the Medical nutrition product category, enhancing our strategy of delivering a complete range of products for patients with metabolic disorders or drug-resistant epilepsy. Navamedic also reached an important

milestone for the now fully integrated portfolio of antibiotics products, acquired from ACS Dobfar in 2020. In June, we secured our first tender, for the entire Norwegian market for four major antibiotics. The tender will secure a substantial amount of the projected sales volumes for the Navamedic antibiotics portfolio through 2023. The tender displays the strength of our hospital offering, including winning factors like our state-of-the-art environmental documentation and user-friendly packaging.

These important new product additions and portfolio developments show the quality of portfolio, the strength of our team and expertise and execution power in sourcing new products. I am proud to say we are following our plan of building a leading Nordic pharma company. We are also proud of our engaged and committed shareholders, joining us on our next stage of our journey. I am certainly looking forward to the road ahead.



Kathrine Gamborg Andreassen
Chief Executive Officer

Operational review

Financial highlights

Navamedic is a Nordic-based pharmaceutical company providing high-quality products to hospitals and pharmacies. The company meets the needs of patients and consumers by leveraging its highly scalable market access platform, leading product category competence and in-depth local market knowledge. Navamedic is present in all the Nordic countries, the Baltics and Benelux, with sales representation in the UK and Greece. The company's vision is to become a leading pharmaceutical company in Northern Europe, by providing access to high-quality products for patients and delivering sustainable growth both organically and through acquisitions.

Navamedic's strategy is to maximize the potential of its existing products, entering into new distribution and in-licensing agreements and by making bolt-on acquisitions of products, brands and portfolios. In the first half of 2021, revenues were NOK 124.7 million, up from NOK 97.8 million in the same period last year, while the gross margin was 39.5%, compared to 31.1% in the first half of 2020. The EBITDA ended at NOK 6.9 million in the first half of 2021, up from negative NOK 1.4 million.

Turning to the operational development of Navamedic's product areas, Specialty pharma grew revenues to NOK 47.0 million (24.9 million) due to improved sales of Mysimba® in the first half of 2021. Consumer health increased revenues to NOK 19.8 million (NOK 12.0 million) in the first half of 2021, mainly driven by strong performance of ThermaCare® and Alflorex®. Medical Nutrition had revenues of NOK 25.5 million in the first half of 2021 (NOK 25.6 million in the same period last year). In the first half of 2021, Branded generics came in at NOK 32.2 million (NOK 34.8 million) as a result of volatility for Imdur® while the antibiotics portfolio is developing according to plan.

Group financial review for the second quarter of 2021

Income statement data

Revenues in the second quarter of 2021 increased by 56.7% from NOK 42.1 million in the second quarter last year to NOK 66.0 million this period, mainly driven by growth in the Specialty pharma and Consumer health product categories. The gross margin improved to 39.3% in the second quarter of 2021 from 34.8% in the second quarter of 2020. EBITDA for the quarter was NOK 4.3 million, up from negative NOK 2.1 million in the corresponding quarter last year.

The operating result (EBIT) for the second quarter was NOK 2.9 million, compared to negative NOK 3.0 million in the second quarter of 2020. Net financials were NOK 1.4 million in the second quarter of 2021, a decrease from NOK 2.6 million in the corresponding quarter last year.

Profit before tax was NOK 3.3 million in the second quarter 2021, up from NOK 0.4 million in the second quarter last year.

Net profit / loss was NOK 3.2 million in the second quarter 2021, up from NOK 0.5 million in the corresponding quarter last year.

The total comprehensive income was NOK 3.1 million in the second quarter 2021, compared to NOK 0.5 million in the corresponding quarter last year, following currency translation differences in the periods of NOK 0.1 million and negative NOK 0.1 million, respectively.

Cash flow statement data

The group's cash flow from operating activities was negative NOK 4.3 million in the second quarter of 2021. The negative cash flow was mainly affected by changes in trade payables and increased inventory.

The group's cash flow from investing activities was negative NOK 0.2 million, while the cash flow from financing activities was negative NOK 1.2 million.

Financial review for the first half of 2021

Income statement data

For the first half of 2021, the Group report revenues of NOK 124.7 million, up from NOK 97.8 million in the first half of 2020, representing an increase of 27.5%, mainly driven by growth in the Specialty pharma and Consumer health product categories.

The EBITDA in the first half of 2021 was NOK 6.9 million, compared to negative NOK 1.4 million in the corresponding period last year.

The operating result (EBIT) for the first half of 2021 was NOK 4.1 million, compared to negative NOK 3.1 million in the same period last year. Net financials were negative NOK 2.3 million in the first half of 2021, compared to negative NOK 8.5 million in the same period last year, mainly due to currency effects on balance sheet items. Profit before tax was NOK 0.04 million in the first half of 2021, up from negative NOK 11.8 million in the corresponding period last year.

Net profit / loss was negative NOK 0.5 million in the first half of 2021, up from negative NOK 11.1 million in the same period last year.

The total comprehensive income was negative NOK 0.7 million in the first half of 2021, compared to negative NOK 2.8 million in the same period last year, following currency translation differences in the periods of negative NOK 0.2 million and NOK 8.3 million, respectively.

Financial position data

The Group's consolidated total assets were NOK 288.9 million at 30 June 2021, up from NOK 260.0 million at year-end 2020, of which non-current assets were NOK 159.2 million. Current assets increased to NOK 129.8 million from NOK 117.8 million at 31 December 2020. The increase in non-current assets is mainly related to the increase of Other intangible assets due to the acquisition and booking of the marketing authorizations related to the antibiotics portfolio.

Non-current liabilities are NOK 28.8 million per 30 June 2021, an increase from NOK 25.1 million at 31 December 2020, primary due to increase of non-current license liabilities. At the end of the first half 2021, Navamedic had an equity of NOK 148.9 million, compared to NOK 129.5 million per 31 December 2020, representing an equity ratio of 51.5%. The increased equity is mainly due to share premium from the ACS share issue.

The Group had current liabilities of NOK 111.3 million compared to NOK 105.5 million at 31 December 2020. The increase is mainly related to trade and other payables mostly due to increase in inventory.

Cash flow statement

The Group had a net cash flow from operating activities in the first half of 2021 of negative NOK 16.8 million compared to negative NOK 21.6 million in the same period in 2020, as changes in trade payables and increased inventory contributed negatively this period. Net cash from investing activities ended at negative NOK 0.2 million in the first half of 2020, compared to negative NOK 2.8 million in the same period last year. The net cash flow from financing activities was negative NOK 2.0 million in the first half of 2021, compared to negative NOK 53.5 million in the corresponding period last year. The change in net cash from financing activities in the first half of 2020 was mainly due to the share capital increase in the private placement. The cash and cash equivalents were NOK 20.9 million at 30 June 2021.

Corporate development

On 4 January 2021, the board resolved to settle the first tranche of the acquisition of marketing authorizations for a series of antibiotics products from ACS Dobfar and InfoRlife. This first tranche of the purchase price in the amount of NOK 19 million was settled by issuing new shares. The share capital increase was registered with the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret), on January 18, 2021.

Risks and uncertainties

Navamedic is a pharmaceutical company providing high-quality products to hospitals and pharmacies. The nature of such business is that the distributor obtains the marketing rights for a product in certain geography for a given period of time at certain conditions. To obtain long-term agreements with as high margins as possible is of key importance. Products sourced from product owners/suppliers can stand the risk to be taken over by the product owner/supplier at the end of the contractual period. In addition, Navamedic is exposed to normal financial and operational risks, such as market development, long term financing and exchange rate fluctuations. This risk is natural and inherent in the business model and is compensated for by securing continuous inflow of new products to the company's portfolio.

Related parties

Navamedic procures goods for a significant amount from Top Ridge Pharma /CMS controlled companies (Imdur). TopRidge owns 8.69% of the shares in Navamedic. The terms in the agreements between the parties are based on arm's length principles.

In accordance with IAS 28, the investment in Observe Medical ASA is classified as an associated company of Navamedic. As at 30 June 2021 Navamedic has an outstanding loan to Observe Medica ASA.

Subsequent events

Subsequent to the reporting period end on 30 June 2021 and up to the date these condensed consolidated financial statements have been approved for issue, no events have been identified that require disclosure.

Outlook

Navamedic has the goal of becoming a leading pharmaceutical company in Northern Europe. Growth shall be achieved by developing the existing product portfolio, licensing new products and through acquisitions

We see major potential for including more products in the existing distribution platform in the Nordic region, Baltic States and the Benelux countries. With a well- functioning system of logistics and distribution, as well as skilled salespeople who regularly meet with hospitals, specialists, general practitioners and pharmacies, we have the strength to launch new prescription and non-prescription pharmaceuticals.

The company will also actively work to build and retain value through ownership and further development of assets, both short- and long-term. Through licensing rights and developing and purchasing products, the company will increase its share of pharmaceuticals that we ourselves own the marketing rights and trademarks to. The company has solid expertise and capacity within this field and is in the process of building up its portfolio of potential products to be launched in the coming years. If the conditions are right, we will also consider further merger and acquisition options.

Based on the growth strategy and outlook, the board of Navamedic expects that the company will continue the positive development in the second half of 2021 and show growth in the coming years.

Forward looking statements

This report contains statements regarding the future in connection with the Group's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Outlook" contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual results and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to the Group's activities described in Navamedic ASA's 2020 Annual Report.

Responsibility statement

We confirm to the best of our knowledge that the condensed consolidated financial statements for the period 1 January to 30 June 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as approved by the EU and gives a true and fair view of the Group's assets, liabilities, financial position and profit and loss as a whole. We also confirm, to the best of our knowledge, that the interim report includes a fair review of important

events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related party transactions.

Oslo, 13 August 2021



Terje Bakken (sign.)

Chair of the Board



Inger Johanne Solhaug (sign.)

Board member



Annika Kallén (sign.)

Board member



Jostein Davidsen (sign.)

Board member



Narve Reiten (sign.)

Board member



Kathrine Gamborg Andreassen (sign.)

CEO

Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Year 2020
Operating revenues	66 014	42 135	124 659	97 776	209 877
Total revenue	66 014	42 135	124 659	97 776	209 877
Cost of materials	-40 048	-27 477	-75 479	-67 397	-139 538
Gross profit	25 967	14 658	49 180	30 380	70 339
<i>Gross profit %</i>	39,3 %	34,8 %	39,5 %	31,1 %	33,5 %
Payroll expense	-9 169	-6 243	-18 752	-13 757	-32 574
Other operating cost	-12 489	-10 490	-23 569	-18 032	-39 031
Operating costs	-21 658	-16 733	-42 321	-31 789	-71 606
EBITDA	4 308	-2 075	6 859	-1 409	-1 267
<i>EBITDA %</i>	6,5 %	-4,9 %	5,5 %	-1,4 %	-0,6 %
Depreciation	-312	-361	-694	-749	-1 551
Amortization	-1 068	-526	-2 027	-980	-2 108
Impairment	0	0	0	0	0
Operating result (EBIT)	2 928	-2 962	4 137	-3 138	-4 926
Income from associated companies	-967	705	-1 821	-177	-4 528
Financial income	696	656	1 393	1 194	2 846
Financial expenses	-820	-893	-1 654	-1 945	-3 844
Net currency gain/losses	1 492	2 856	-2 019	-7 737	-6 144
Net financial income and expenses	1 368	2 619	-2 280	-8 489	-7 142
Profit before tax	3 329	362	37	-11 804	-16 596
Income taxes	-140	147	-522	665	136
Net profit / loss (-)	3 189	509	-485	-11 139	-16 460
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>					
Currency translation differences	-101	-54	-237	8 307	8 867
Total comprehensive income for the period	3 087	455	-722	-2 832	-7 593
<i>Attributable to:</i>					
Shareholders in the parent company	3 087	455	-722	-2 832	-7 593
Earnings per share net profit / loss (NOK)	0,20	0,04	-0,03	-0,96	-1,14

Condensed consolidated statement of financial position

<i>(in NOK '1000)</i>	30.06.2021	30.06.2020	31.12.2020
Assets			
Non-current assets			
Intangible non-current assets			
Goodwill	62 602	64 288	64 472
Deferred tax assets	9 168	9 242	9 168
Other intangible assets	29 983	8 704	9 689
Total intangible non-current assets	101 753	82 234	83 330
Other non-current assets			
Property, plant & equipment	208	147	174
Right of use assets	827	2 100	1 903
Shares in associated companies	20 202	15 123	22 022
Non-current loans to associated companies	36 213	36 509	34 821
Total other non-current assets	57 450	53 880	58 919
Total non-current assets	159 203	136 114	142 249
Current assets			
Prepaid taxes	8 705	7 306	7 614
Inventories	54 563	45 762	41 945
Trade and other receivables	45 553	23 891	28 646
Cash and cash equivalents	20 962	46 670	39 584
Total current assets	129 784	123 629	117 789
Total assets	288 987	259 743	260 038

<i>(in NOK '1000)</i>	30.06.2021	30.06.2020	31.12.2020
Equity			
<i>Paid in equity</i>			
Share capital	12 096	11 189	11 316
Share premium reserve	165 830	146 301	147 610
Total paid in equity	177 926	157 490	158 926
<i>Retained earnings</i>			
Retained earnings	-29 032	-25 963	-29 441
Total retained earnings	-29 032	-25 963	-29 441
Total equity	148 894	131 527	129 486
Liabilities			
<i>Non-current liabilities</i>			
Non-current license liabilities	8 385	8 383	3 343
Non-current liabilities to financial institutions	20 120	20 796	20 870
Non-current right of use liabilities	307	703	842
Total non-current liabilities	28 813	29 882	25 055
<i>Current liabilities</i>			
Trade account payables	74 073	61 042	66 956
Current liabilities to financial institutions	0	5 199	0
Current right of use liabilities	528	1 413	1 078
Current license liabilities	14 365	12 224	16 500
Taxes payable	3 309	470	2 795
Other current liabilities	19 005	17 986	18 168
Total current liabilities	111 280	98 333	105 497
Total liabilities	140 092	128 216	130 552
Total equity and liabilities	288 987	259 743	260 038

Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	Year 2020
Cash flow from operating activities					
Profit before tax	3 329	362	37	-11 804	-16 596
Taxes paid	-372	-653	-830	-1 306	-287
Depreciation, amortization and impairment	1 380	887	2 722	1 729	3 659
Financial income / expenses without cash flow effect	2 443	-936	4 815	2 003	5 907
Payment of license liabilities	0	0	0	0	-117
Changes in inventory	-6 934	7 640	-12 618	-13 778	-9 962
Changes in trade and other receivables	-3 853	16 644	-16 907	120	-8 674
Changes in trade and other payables	1 266	-20 386	7 118	18 338	24 818
Changes in other current items	-1 581	-9 863	-1 091	-16 921	-1 928
Net cash flow from operating activities	-4 322	-6 305	-16 756	-21 620	-3 180
Cash flow from investing activities					
Acquisition of tangible and intangible assets	-153	-1 763	-153	-2 763	-4 994
Loans granted to associated companies	0	0	0	0	-9 902
Loans repaid from associated companies	0	0	0	0	3 000
Interest received	0	0	0	0	9
Purchase of shares in other companies	0	0	0	0	-11 250
Net cash flow from investing activities	-153	-1 763	-153	-2 763	-23 137
Cash flow from financing activities					
Payment of loans	0	0	0	0	-5 251
Interest paid	-353	0	-714	0	-1 844
Share issues	0	4 904	0	59 011	60 447
Payment of lease liabilities	-892	-366	-1 271	-777	-1 594
Net cash flow from financing activities	-1 245	4 539	-1 985	53 495	51 759
Changes in currency	54	563	272	6 119	2 703
Net change in cash	-5 666	-2 967	-18 622	35 231	28 145
Cash and cash equivalents start period	26 628	49 637	39 584	11 439	11 439
Cash and cash equivalents end period	20 962	46 670	20 962	46 670	39 584

Condensed consolidated statement of changes in equity

<i>(in NOK '1000)</i>	Share capital	Share premium reserve	Retained earnings	Total
Balance as at 1 January 2020	8 782	66 037	4 411	79 231
Correction opening balance		23 659	-23 659	0
Net profit / loss (-)			-11 139	-11 139
Currency translation differences			8 307	8 307
Capital increase	2 407	56 277	-4 413	54 271
Capital increase not registered		327		327
Share options			530	530
Balance as at 30 June 2020	11 189	146 301	-25 963	131 527
Balance as at 1 January 2021	11 316	147 610	-29 441	129 486
Net profit / loss (-)			-485	-485
Currency translation differences			-237	-237
Capital increase	780	18 220		19 000
Share options			1 131	1 131
Balance as at 30 June 2021	12 096	165 830	-29 032	148 894

Notes to the condensed consolidated interim financial statements

1. General information

Navamedic is a public limited liability company domiciled in Norway. The business of the Group is associated with development, distribution, marketing and sales of pharmaceutical products and related technical medical equipment. The Company's shares are listed on the Oslo Stock Exchange under the ticker NAVA. The Company's registered office is Henrik Ibsens gate 90, 0255 Oslo, Norway. Navamedic Group comprises Navamedic ASA and the 100% owned subsidiaries Navamedic AB (Sweden), Navamedic A/S (Denmark) and Novicus Pharma AS.

2. Nature of operation

Navamedic ASA is a Nordic pharma company with a footprint in Northern Europe listed on the Oslo Stock Exchange. The company is a reliable supplier of high-quality products, delivered to hospitals and through pharmacies, meeting the specific medical needs of patients and consumers. The product portfolio consists of prescription and non-prescription pharmaceuticals as well as other healthcare products registered as medical nutrition, medical devices, food supplements or cosmetics. Navamedic is present in all Nordic countries, the Baltics and Benelux and has sales of specific products even in other European countries like UK and Greece. Through its subsidiary Navamedic AB, the group distributes more than 40 products from 20 international producers and brand owners in the European market. Navamedic's ambition is to grow by expanding its product portfolio and launching existing products in new markets.

3. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 (the Annual Financial Statements), as they provide an update of previously reported information. The accounting policies used are consistent with those used in the Annual Financial Statements.

The condensed consolidated interim financial statements have not been subject to an audit. Navamedic's Board of Directors and CEO approved these condensed consolidated interim financial statements on 13 August 2021.

Navamedic ASA's functional currency is NOK and the presentation currency for the consolidated financial statements. In the absence of any statement to the contrary, all financial information is reported in NOK thousands. As a result of rounding adjustments, the figures in the financial statements and notes may not add up to the totals.

4. Critical accounting estimates and discretionary assessments

Estimates and discretionary assessments are evaluated on an ongoing basis and are based on past experience and other factors, including expectations concerning future events regarded as probable under current circumstances. The group prepares estimates and makes assumptions about the future. The accounting estimates that follow from these will, by definition, seldom be fully in line with the final outcomes. In preparing these interim condensed consolidated financial statements, the estimates and assumptions that represent a risk of material changes to the carrying values for assets and liabilities during the next accounting year are the same as those applied to the annual consolidated financial statements for 2020

5. Change in accounting policies

The group has not implemented any changes in accounting policies for the first half year of 2021. The same accounting policies are applied for the interim report as are applied in the annual financial statements.

6. Earnings per share

Earnings per share (EPS) are calculated on the basis of net profit (loss) (result allocated to shareholders of the company). This result is divided by a weighted average number of outstanding shares over the periods, reduced by treasury shares (none for the periods presented). Dilutive EPS are the same as ordinary EPS for all periods presented in the table below.

<i>(in NOK '1000)</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	2020
Net profit / loss (-) total operations	3 189	509	-485	-11 139	-16 460
Weighted average shares issued	16 346	13 691	16 247	11 652	11 706
Ordinary earnings per share total operations	0,20	0,04	-0,03	-0,96	2,39

7. Segment information

Navamedic has only one segment, the Pharma and Healthcare division. The reporting structure reflects the company's business and product composition.

The Pharma and Healthcare Segment consists of pharmaceuticals and medical nutrition products that Navamedic markets, sells and distributes to hospitals, pharmacies and patients, bought from product suppliers and manufacturers in Europe and other countries.

From the first quarter of 2020, Navamedic has implemented a new classification of its products, divided into four product areas:

- **Specialty pharma**, including obesity and urology products such as Mysimba® (prescription pharmaceutical for treatment of obesity) and Elmiron® and Gepan® (products for the treatment of painful bladder syndrome).

- **Consumer health**, including gastro, oral, dermatology and pain products such as Alflorex[®], Thermacare[®], Gelorevoice[®], Aftamed and Nyda[®].
- **Medical nutrition**, including a broad portfolio of medical nutrition products. Navamedic is a Nordic distributor of products purchased from the UK based company Vitaflo International Ltd, a subsidiary of Nestlé. The product range also includes products within carbohydrate metabolism, fat metabolism (MCT products) and renal disease.
- **Branded generics**, including cardiology products and generics such as Imdur[®] (used to prevent angina attacks), Nitrolingual (treatment for angina pectoris) and antibiotics.

8. Share options

Key management personnel in Navamedic ASA receive parts of their salary as share-based remuneration.

Reconciliation outstanding options

	Number of instruments	Weighted average strike price
Outstanding options 1 January 2020	536 875	9,44
Granted	510 000	19,00
Exercised	-446 875	8,68
Terminated	-15 000	6,96
Total outstanding options 31 December 2020	585 000	18,42
Outstanding options 1 January 2021	585 000	18,42
Granted		
Exercised		
Terminated		
Total outstanding options 30 June 2021	585 000	18,42

Outstanding options 31 December 2020

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 14,46	75 000	25 000	2,50
Strike price 19,00	510 000		3,46
Total outstanding options 31 December 2020	585 000	25 000	3,34

Outstanding options 30 June 2021

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 14,46	75 000	25 000	2,00
Strike price 19,00	510 000	160 000	2,96
Total outstanding options 30 June 2021	585 000	185 000	2,84

All the options granted in 2020 vest 1/3 every 12 months after the grant date (if the option holder is still employed). Options that have not been exercised will lapse 4 years after grant date.

Shares received from exercised options are subject to a lock-up period of 12 months, with the exception of 125 000 options with strike price of 8,88 granted in 2019, which are subject to a lock-up period of 24 months. The lock-up obligations shall not prevent the option holders from selling an amount of the option shares necessary to finance the exercise price, as well as the tax payable as a consequence of the exercise of options.

9. Significant events subsequent to the end of the reporting period

Subsequent to the reporting period end on 30 June 2021 and up to the date these condensed consolidated financial statements have been approved for issue, no events have been identified that require disclosure.

Oslo, 13 August 2021



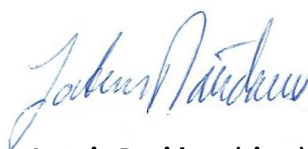
Terje Bakken (sign.)
Chair of the Board



Inger Johanne Solhaug (sign.)
Board member




Annika Kollén (sign.)
Board member



Jostein Davidsen (sign.)
Board member



Narve Reiten (sign.)
Board member



Kathrine Gamborg Andreassen (sign.)
CEO

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 the 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 consolidated statement of comprehensive income.
- **EBITDA margin** is equal to EBITDA as a percentage of total operating revenues.
- **EBITDA before other items** are EBITDA excluding One-Off cost related restructuring or to strategic projects
- **Gross profit** is equal to total revenues minus cost of materials. Gross profit is a sub-total in the condensed consolidated income statement.
- **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.



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