



# Q2/1H 2023

Second quarter and half year results  
Navamedic ASA



## Contents

Highlights for the first half year 2023 .....	2
Key figures .....	3
Comment from the CEO .....	4
Business overview .....	6
Group financial review for the second quarter of 2022 .....	6
Income statement .....	6
Cash flow statement .....	7
Financial review for the first half of 2023 .....	7
Income statement .....	7
Financial position .....	8
Cash flow .....	8
Corporate events .....	8
Environmental, Social and Governance (ESG) .....	9
Risks and uncertainties .....	10
Related parties .....	10
Subsequent events .....	10
Outlook .....	10
Forward looking statements .....	11
Responsibility statement .....	12
Condensed consolidated statement of comprehensive income .....	13
Condensed consolidated statement of financial position .....	14
Condensed consolidated statement of cash flows .....	16
Condensed consolidated statement of changes in equity .....	17
Notes to the condensed consolidated interim financial statements .....	18
Definitions of Alternative Performance Measures (APM) .....	25

## Highlights for the first half year 2023

- In the first half of 2023, Navamedic's revenue grew by 41.7 per cent YoY and amounted to NOK 245.7 million
- Adjusted EBITDA\* amounted to NOK 26.3 million (NOK 23.3 million)
- The Company's gross margin remained high at 40.9 per cent (42.9 per cent)
- Navamedic launched the Modifast product range in Norway in January
- The Modifast product range has contributed significantly to the Consumer Health segment
- In April, Navamedic acquired the rights to distribute and sell Alflorex®, a food supplement providing everyday support for gut and digestive health in Sweden, further expanding the company's market share in Sweden
- In May, Navamedic acquired Sweden-Based Sensidose AB, and rapidly added its unique and individualised treatment for advanced Parkinson's Disease to its marketing and distribution channels. Commercial activities are now well underway in Europe

\*EBITDA net of NOK 12.3 million transaction costs (acquisition of Sensidose AB)

## Key figures

<i>(in NOK '1000)</i>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>YTD 2023</b>	<b>YTD 2022</b>	<b>2022</b>
Total revenue	123 967	110 361	245 686	173 357	382 135
Gross profit *	50 134	49 468	100 382	74 303	163 519
Adjusted EBITDA (less transaction costs) *	10 501	23 708	26 288	23 295	51 686
EBITDA *	-1 834	23 708	13 953	23 295	51 686
Operating profit (EBIT) *	-4 038	21 878	9 916	19 635	44 444
Profit before tax	-17 076	9 575	491	10 096	42 506
Net profit / loss (-)	-15 774	7 289	-2 607	6 579	29 431
Total assets	455 247	425 030	455 247	425 030	382 772
Total equity	211 444	185 692	211 444	185 692	209 720
Gross margin (%) *	40.4 %	44.8 %	40.9 %	42.9 %	42.8 %
EBITDA margin (%) *	-1.5 %	21.5 %	5.7 %	13.4 %	13.5 %
Equity ratio (%) *	46.4 %	43.7 %	46.4 %	43.7 %	54.8 %

\* Alternative performance measures (APMs)

## Comment from the CEO

Since kicking off Navamedic's growth strategy in 2018, we have steadily been delivering on our goals. The first half of 2023 has been no exception. It has also been a period where we experienced a lot of market activity in some of our core treatment areas, yielding positive outcomes for Navamedic.

Recently, obesity has received a considerable amount of attention as a highly undertreated disease. In the Nordics, our home market, only 1-2 per cent of patients were medically treated in 2021. We hope to see these numbers increase and will do our job to make treatment options more accessible to patients.

At Navamedic, we are passionate about people and health, and last year's acquisition of Impolin AB demonstrated our commitment to treating obesity and considering the individual needs of patients. Not all treatment options will be equally effective for all patients; the key is treating the disease with the individual in mind.

We now have a portfolio of treatment options that can individually support patients throughout their weight loss journey. Modifast, a range of low calorie meal replacement products, is now available via online and physical pharmacies in Sweden and online pharmacies in Norway. We have Mysimba, a first-in-line prescription treatment for obesity in Norway, and currently, the only obesity medication approved for reimbursement in Norway. We offer help and guidance through our patient support programs, MyControl Support and Lättare tillsammans. Experts in the field have carefully put together these programs and initiatives, and we are experiencing a steady increase in participants each year.

Our over-the-counter products for gastrointestinal conditions have delivered strong growth in the first half of 2023.

The portfolio was strengthened in April, when we acquired the rights to distribute and sell Alflorex®, a product for irritable bowel syndrome, in Sweden.

Our efforts to increase consumer awareness of available treatments for everyday gastro troubles have continued. In June, we launched our new advertisement campaign featuring one of our key OTC gastro products, SmectaGo, which has been featured across TV screens and online. We have seen a highly positive effect of these ads, as many of our partnering pharmacies has experienced high demand for SmectaGo.

Additionally, the first six months of 2023 saw us venturing into neurology through the acquisition of Sensidose AB, adding its unique and individualised Parkinson's Disease (PD) treatment, Flexilev, to our portfolio of prescription drugs. PD is a progressive neurological condition that causes involuntary or uncontrollable movements, such as shaking and difficulty with coordination, and there is currently no cure. Today, 1.2 million patients live with PD across Europe, and this number is estimated to double by 2030. In other words, it is a significant public health and socio-economic challenge that we would like to help tackle.

We see immense potential in Flexilev, which currently has market approval in a total of 10 European countries, including the Nordics, where it has been granted reimbursement in all four countries. This is an excellent starting point for Navamedic. Our team has previously proven its ability to rapidly improve product sales when adding products to our marketing and distribution channels. In the short term, we will ramp up commercialisation efforts across the Nordics and attend neurology conferences alongside the Sensidose team throughout the rest of 2023. In the longer term, we see growth potential for Flexilev in the remainder of Europe, which would expand Navamedic's geographical footprint outside the core Nordic market.

To summarise, the last six months have seen the Navamedic team succeed across various workstreams, from product and company acquisitions to product launches and marketing campaigns. I am proud of the Navamedic team, who repeatedly prove themselves highly competent and excellent at spotting and realising growth opportunities.

We are fortunate to have a group of supportive shareholders, and an active Board of Directors, which have helped facilitate the growth we have seen so far this year. As we look forward, Navamedic is in an excellent position to achieve its ambitious growth targets and to continue delivering high-quality products to hospitals and pharmacies.



**Kathrine Gamborg Andreassen**  
Chief Executive Officer

## Business overview

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 the Nordics with footprint 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 2023, revenues amounted to NOK 245.7 million, up from NOK 173.4 million in the same period last year, while the gross margin was 40.9%, compared to 42.9% in the first half of 2022. Adjusted EBITDA ended at NOK 26.3 million in the first half of 2023, up from NOK 23.3 million.

In the period, Navamedic launched an offer for all shares and completed the acquisition of Sensidose AB, a Sweden-based pharmaceutical company that sell drugs (Flexilev) in combination with an innovative device for individual dosing for patients with advanced Parkinson's disease. The addition of Sensidose broadens Navamedic's RX portfolio and opens up for Navamedic to take up market share in the European neurology treatment area. Navamedic will now ramp up commercial efforts by adding Flexilev to its marketing and distribution channels, starting with the Nordics and a product launch in Finland. Navamedic will also explore additional European markets and consider opportunities outside of Europe.

Looking at the operational development of Navamedic's product categories, Prescription Drugs (Rx) grew to NOK 134.9 million in revenues (NOK 98.4 million) due to strong demand for Mysimba®. The Consumer Health segment delivered revenues of NOK 59.2 million, representing an increase of 103% from the previous year. The growth was driven by strong sales of Modifast, and Thermacare. Navamedic's third segment, Hospital, grew its revenues by 11% to NOK 50.8 million (NOK 45.6 million) and continues to deliver steady growth across the antibiotics and medical nutrition portfolio.

## Group financial review for the second quarter of 2023

### Income statement

Revenues in the second quarter of 2023 were NOK 124.0 million, an increase of 12.3% from NOK 110.4 million in the record high second quarter last year. The increase is driven by broad-based growth across Navamedic's three segments, Prescription Drugs, Consumer Health and Hospital. The gross margin remained high at 40.4% in the second quarter of 2023 compared to 44.8% in 2022. Adjusted EBITDA for the quarter was NOK 10.5 million, down from NOK 23.7 million in the corresponding quarter last year and is partly explained by a significant investment in

marketing activities during the quarter to spur future growth as well as an increase in personnel expenses following the acquisition of Impolin AB.

The operating result (EBIT) for the second quarter was negative NOK 4.0 million, compared to NOK 21.9 million in the second quarter of 2022, mostly as a result of the transaction costs related to the Sensidose AB acquisition. Net financials were negative NOK 13.0 million in the second quarter of 2023, compared to negative NOK 12.3 million in the corresponding quarter last year.

Profit before tax was negative NOK 17.1 million in the second quarter 2023, down from NOK 9.6 million in the second quarter last year.

Net loss was NOK 15.8 million in the second quarter of 2023, compared to profit of NOK 7.3 million in the corresponding quarter last year.

The total comprehensive income was negative NOK 16.8 million in the second quarter 2023, compared to NOK 8.2 million in the corresponding quarter last year following currency translation differences in the period.

## Cash flow

The Group's cash flow from operating activities was negative NOK 1.0 million in the second quarter of 2023. The main items within operating cash flow were net profits less non-cash adjustments and movements in the main working capital items.

The Group's cash flow from investing activities was negative NOK 89.1 million due to the purchase of shares of Sensidose AB.

The cash flow from financing activities was NOK 69.7 million, stemming mostly from the new financing related to the Sensidose AB acquisition coupled with the repayment of existing debt.

# Group financial review for the first half of 2023

## Income statement

For the first half of 2023, the Group revenues were NOK 245.7 million, up from NOK 173.4 million in the first half of 2022, representing an increase of 41.7%. The growth is the result of significant growth across all of Navamedic's three business segments, with the most important growth contribution from the Consumer Health segment.

Adjusted EBITDA in the first half of 2023 was NOK 26.3 million, up from NOK 23.3 million in the corresponding period last year.

The operating result (EBIT) for the first half of 2023 was NOK 9.9 million, compared to NOK 19.6 million in the same period last year mostly as a result of the transaction costs related to the Sensidose AB acquisition. Net financials were negative NOK 9.4 million in the first half of 2023, compared to negative NOK 18.0 million in the same period last year. Profit before tax was NOK 0.5 million in the first half of 2023, down from NOK 10.1 million in the corresponding period last year.

Net loss was NOK 2.6 million in the first half of 2023, compared to net profit of NOK 6.6 million in the same period last year.

The total comprehensive income was negative NOK 2.6 million in the first half of 2023, compared to positive NOK 8.7 million in the same period last year.

## Financial position

The Group's consolidated total assets were NOK 455.2 million at 30 June 2023, up from NOK 425.0 million at year-end 2022, of which non-current assets were NOK 235.8 million. Current assets decreased to NOK 219.4 million from NOK 243.5 million at 31 December 2022. The increase in total assets is primarily driven by goodwill and other intangible assets addition following the Sensidose AB acquisition. On the asset side of balance sheet at 30 June 2023, Navamedic has the loan to Observe Medical ASA in the amount of NOK 42.2 million. Observe Medical ASA has communicated to the market that the company is working on securing financing. As at 30 June, 2023, Navamedic does not believe the information warrants a write-down of the asset, however we will monitor the situation closely going forward.

Non-current liabilities are NOK 112.1 million per 30 June 2023, an increase from NOK 47.0 million at 31 December 2022, primarily due to an increase of loans and borrowings. At the end of the first half 2023, Navamedic had an equity of NOK 211.4 million, compared to NOK 209.7 million per 31 December 2022, representing an equity ratio of 46.4%.

The Group had current liabilities of NOK 131.7 million compared to NOK 126.1 million at 31 December 2022. The decrease is mainly related to a decrease in payables.

## Cash flow

The Group had a net cash flow from operating activities in the first half of 2023 of NOK 2.1 million, (negative NOK 13.1 million in 2022), as changes in trade payables and increased trade receivables contributed negatively this period. Net cash from investing activities ended at negative NOK 89.2 million in the first half of 2023, compared to negative NOK 23.4 million in the same period last year, as Navamedic completed the purchase of the shares in Sensidose AB. The net cash flow from financing activities was NOK 65.8 million in the first half of 2023, compared to NOK 22.7 million in the corresponding period last year. The cash and cash equivalents were NOK 33.3 million at 30 June 2023.

## Corporate events

In March 2023, Navamedic announced it had submitted a recommended cash offer to acquire Sensidose AB, a Sweden-based pharmaceutical that sell drugs in combination with an innovative device for individual dosing for patients with advanced Parkinson's Disease (PD). At the end of May, Navamedic owned a total of 96.33% of the shares in Sensidose AB. Navamedic has since acquired all remaining Sensidose shares through a mandatory squeeze-out. Sensidose was delisted from the Spotlight Stock Market exchange in Stockholm, Sweden, in June 2023.



Flexilev, Sensidose's prescription treatment for advanced PD, contains two active substances, levodopa and karbidopa, and is administered as micro tables through My FID™, a tablet delivery device. With the combination of Flexilev and My FID™, patients receive individualized treatment and are provided with the correct dose at the correct time.

Following Navamedic ASA's acquisition of Sensidose AB, Åsa Kornfeld, previous Board member in Sensidose AB, was elected as a new Navamedic ASA Board member in addition to Terje Bakken (Chairman), Narve Reiten, Jostein Davidsen, Annika Kollén and Edmée Steenken on the Annual General Meeting on 1 June 2023.

## Environmental, Social and Governance (ESG)

Navamedic is committed to operate the business in a responsible and sustainable manner over time, and in a way that contributes to a positive, trust-based relationship between Navamedic, our stakeholders and society as a whole. During 2022, we identified the areas of United Nations global development goals where we see our contribution and structured the measures and initiatives to support this contribution in the future. By assessing the whole value chain and having a comprehensive view on our impact, Navamedic sustainability team laid a good foundation for establishing concrete measures, initiatives and focus areas. Together with our management and the Board, we lifted our focus on sustainability of our operations to the top of our agenda for the future. Navamedic does not produce or manufacture the products we sell, and the operation of our business is limited to office work and a limited sales force visiting health care professionals. In addition, only a limited number of products are owned by Navamedic itself. Thus, our environmental efforts are focused on our direct operations and the elements of our partners' business and products that we can affect.

Within the Environmental area Navamedic has specific targets within certain focus areas to reduce and minimize our environmental footprint. Some of the areas are packaging optimization, product transportation as well as our own direct affect areas such as company car policy and travel policy. Navamedic has sought and achieved ISO 14001 environmental certification through its initiatives and efforts in the environmental area.

Navamedic supports equal opportunity and diversity along with transparency in its social responsibility. In June, the company published its Norwegian Transparency act report on the Navamedic.com website, detailing more of our work and initiatives in this area. Flexibility of our employees and work-life balance is also high on the agenda. All new employees go through a comprehensive onboarding program to meet all the departments and the top management. This program is evaluated by new employees as a great start of the journey in Navamedic. We also support our employees in their skills development plan, and we want our employees to grow their competence in desired areas. Navamedic aims to continue to be a responsible employer that does not discriminate and that assesses all employees on an equal basis with respect to career opportunities and rights, regardless of gender, ethnicity, disability, or sexual orientation.

As far as Governance goes, Navamedic is committed to conducting its business keeping the highest ethical standards and ensuring compliance with applicable laws and regulations. We have therefore structured our governance on transparent principles that shall be followed by our suppliers, employees and management. The key tools and policies implemented in this area are the Navamedic Code of Conduct, which provides guidelines for all employees related to business ethics, bribery/anticorruption and other behavioral standards. It also includes information on Navamedic's whistle blowing procedures, an important channel to encourage transparency where the whistle-blower may remain anonymous if desired. The last important policy related to the governance is the Navamedic Supplier Code, a comprehensive document covering the key areas like human and labor rights, health &

safety, sustainability, anti-bribery, child labor etc for our key suppliers. We believe this document, which is also signed by our partners, further strengthens our goal to work with the suppliers whose business is run according to the highest standards.

For more details regarding ESG, see Navamedic's annual report for 2022 and the Norwegian Transparency act report, both available on the Navamedic.com website.

## Risks and uncertainties

Navamedic is a pharmaceutical company providing high-quality products to hospitals and pharmacies. The operational and financial risks Navamedic is exposed to differ little from what would be considered normal risks as a distributor of pharmaceuticals. The Company is not directly exposed to the risk of the development and production of the products it sells.

In general, the Group's operation exposes it to both operational risk, financial risks and other risks. Operations risk factors include increased competition, out-of-stock situations and/or disruption in the supply chain and price reductions. Financial risks include currency risk, interest rate risk, credit risk, liquidity risk and long term financing and exchange rate fluctuations. Note that the above is not an exhaustive list of risks and uncertainties the company may be exposed to.

## Related parties

Navamedic procures goods for a significant amount from Top Ridge Pharma /CMS controlled companies (Imdur). As at the end of Q2, TopRidge owns 5.3% of the shares in Navamedic. The terms in the agreements between the parties are based on arm's length principles. ACS Dobfar is also a significant partner and supplier of products to Navamedic. At the end of Q2, ACS Dobfar owned 6.5% of the shares in Navamedic.

## Subsequent events

Subsequent to the reporting period ended on 30 June 2023, no events have been identified that require disclosure.

## Outlook

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

We see significant potential to add 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.

Further to the above, the acquisitions of Impolin AB in 2022 and Sensidose AB in 2023 have expanded and solidified the Navamedic platform, enabling the company to explore opportunities for its products both in Europe and globally. As an integral part of the Navamedic strategy, we will continue to seek accretive acquisition opportunities.

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 2023. The company reiterates its ambition of 20% annual organic growth and building a NOK 1 billion revenue company mid-term including M&A, with a gross margin of at least 40% and an EBITDA margin of 15%

## 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 2022 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 2023 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.

The Board of Directors and CEO of Navamedic ASA

Oslo, 11 August 2023



**Terje Bakken (sign.)**  
Chairman



**Jostein Davidsen (sign.)**  
Board member



**Edmée Steenken  
(sign.)**  
Board member



**Narve Reiten (sign.)**  
Board member



**Annika Kollén (sign.)**  
Board member



**Åsa Kornfeld (sign.)**  
Board member



**Kathrine Gamborg Andreassen (sign.)**  
CEO

## Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Year 2022
Operating revenue	123 967	110 361	245 686	173 357	382 135
<b>Total revenue</b>	<b>123 967</b>	<b>110 361</b>	<b>245 686</b>	<b>173 357</b>	<b>382 135</b>
Cost of materials	-73 834	-60 893	-145 305	-99 054	-218 615
<b>Gross profit</b>	<b>50 134</b>	<b>49 468</b>	<b>100 382</b>	<b>74 303</b>	<b>163 519</b>
<i>Gross profit %</i>	40.4 %	44.8 %	40.9 %	42.9 %	42.8 %
Payroll expense	-13 539	-11 135	-29 563	-21 246	-48 088
Other operating cost excluding transactions cost	-26 094	-14 625	-44 531	-29 762	-63 745
<b>Adjusted EBITDA (excluding transaction cost)</b>	<b>10 501</b>	<b>23 708</b>	<b>26 288</b>	<b>23 295</b>	<b>51 686</b>
<i>Adjusted EBITDA %</i>	8.5 %	21.5 %	10.7 %	13.4 %	13.5 %
Transaction cost	-12 335	0	-12 335	0	0
<b>EBITDA</b>	<b>-1 834</b>	<b>23 708</b>	<b>13 953</b>	<b>23 295</b>	<b>51 686</b>
<i>EBITDA %</i>	-1.5 %	21.5 %	5.7 %	13.4 %	13.5 %
Depreciation	-1 009	- 598	-1 654	-1 171	-2 392
Amortization	-1 195	-1 232	-2 383	-2 489	-4 850
<b>Operating result (EBIT)</b>	<b>-4 038</b>	<b>21 878</b>	<b>9 916</b>	<b>19 635</b>	<b>44 444</b>
Income from associated companies	0	0	0	-1 101	-1 101
Gain/loss on disposal of associated companies	0	0	0	9 514	9 514
Financial income	953	753	1 789	1 513	19 464
Financial expenses	-4 826	-1 492	-6 475	-2 720	-3 416
Net currency gain/losses	-7 607	- 669	598	-5 289	-9 242
Net change in fair value current financial assets	-1 558	-10 895	-5 338	-11 457	-17 158
<b>Net financial income and expenses</b>	<b>-13 038</b>	<b>-12 302</b>	<b>-9 426</b>	<b>-17 952</b>	<b>-10 351</b>
<b>Profit before tax</b>	<b>-17 076</b>	<b>9 575</b>	<b>491</b>	<b>10 096</b>	<b>42 506</b>
Income taxes	1 301	-2 286	-3 098	-3 517	-13 074
<b>Net profit / loss (-)</b>	<b>-15 774</b>	<b>7 289</b>	<b>-2 607</b>	<b>6 579</b>	<b>29 431</b>
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>					
Currency translation differences	-1 036	955	6	2 085	2 982
<b>Total comprehensive income for the period</b>	<b>-16 810</b>	<b>8 245</b>	<b>-2 601</b>	<b>8 664</b>	<b>32 413</b>
<i>Attributable to:</i>					
Shareholders in the parent company	-16 810	8 245	-2 601	8 664	32 413
Earnings per share basic (NOK)	-0.92	0.44	-0.15	0.40	1.75
Earnings per share diluted (NOK)	-0.89	0.43	-0.15	0.40	1.73

## Condensed consolidated statement of financial position

(in NOK '1000)

	30.06.2023	30.06.2022	31.12.2022
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible non-current assets</b>			
Goodwill	142 839	98 175	100 743
Deferred tax assets	835	9 168	835
Other intangible assets	83 732	31 659	30 537
<b>Total intangible non-current assets</b>	<b>227 406</b>	<b>139 003</b>	<b>132 115</b>
<b>Other non-current assets</b>			
Property, plant & equipment	1 735	679	607
Right of use assets	6 679	6 772	6 511
<b>Total other non-current assets</b>	<b>8 414</b>	<b>7 451</b>	<b>7 118</b>
<b>Total non-current assets</b>	<b>235 820</b>	<b>146 454</b>	<b>139 233</b>
<b>Current assets</b>			
Tax receivables	14 947	28 662	14 909
Inventories	67 229	70 814	79 642
Trade and other receivables	55 674	84 752	42 985
Current loans receivable	42 239	39 111	40 615
Cash and cash equivalents	33 303	39 445	55 296
Other current financial assets	6 035	15 793	10 092
<b>Total current assets</b>	<b>219 427</b>	<b>278 576</b>	<b>243 539</b>
<b>Total assets</b>	<b>455 247</b>	<b>425 030</b>	<b>382 772</b>

(in NOK '1000)

	30.06.2023	30.06.2022	31.12.2022
<b>Equity</b>			
<b><i>Paid in equity</i></b>			
Share capital	12 749	12 749	12 749
Share premium reserve	190 408	190 408	190 408
<b>Total paid in equity</b>	<b>203 157</b>	<b>203 157</b>	<b>203 157</b>
<b><i>Retained earnings</i></b>			
Retained earnings	8 287	-17 465	6 563
<b>Total retained earnings</b>	<b>8 287</b>	<b>-17 465</b>	<b>6 563</b>
<b>Total equity</b>	<b>211 444</b>	<b>185 692</b>	<b>209 720</b>
<b>Liabilities</b>			
<b><i>Non-current liabilities</i></b>			
Non-current license liabilities	3 781	6 039	3 762
Non-current liabilities to financial institutions	103 647	53 042	38 368
Non-current right of use liabilities	4 676	5 179	4 861
<b>Total non-current liabilities</b>	<b>112 104</b>	<b>64 260</b>	<b>46 991</b>
<b><i>Current liabilities</i></b>			
Trade account payables	49 673	89 553	65 574
Current liabilities to financial institutions	23 259	9 644	13 623
Current right of use liabilities	2 230	1 757	1 865
Current license liabilities	231	15 834	221
Taxes payable	3 327	17 682	4 708
Other current liabilities	52 980	40 609	40 071
<b>Total current liabilities</b>	<b>131 699</b>	<b>175 078</b>	<b>126 061</b>
<b>Total liabilities</b>	<b>243 803</b>	<b>239 338</b>	<b>173 052</b>
<b>Total equity and liabilities</b>	<b>455 247</b>	<b>425 030</b>	<b>382 772</b>

## Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	<b>Q2 2023</b>	<b>Q2 2022</b>	<b>YTD 2023</b>	<b>YTD 2022</b>	<b>Year 2022</b>
<b><i>Cash flow from operating activities</i></b>					
Profit before tax continuing operations	-17 113	9 575	491	10 096	42 506
Taxes paid	0	-7 748	-4 801	-8 849	-10 967
Depreciation, amortization and impairment	2 204	1 830	4 037	3 660	7 242
Financial and other income / expenses without cash flow effect	12 666	13 507	13 705	8 115	7 717
Income and gain from the disposal of associated companies	0	0	0	0	-8 413
Payment of license liabilities	0	0	0	-107	-112
Changes in inventory	15 994	-17 330	14 217	-8 932	-17 761
Changes in trade and other receivables	-7 330	-53 782	-10 028	-47 023	-5 255
Changes in trade and other payables	-462	43 872	-17 861	19 020	-4 959
Changes in other current items	-6 945	15 435	2 353	10 885	7 944
<b>Net cash flow from operating activities</b>	<b>-988</b>	<b>5 359</b>	<b>2 112</b>	<b>-13 135</b>	<b>17 941</b>
<b><i>Cash flow from investing activities</i></b>					
Acquisition of tangible and intangible assets	0	0	-165	-93	-2 251
Interest received	73	0	150	1	70
Purchase of shares in other companies net of cash acquired	-87 902	-23 264	-87 902	-23 264	-23 264
Investment in financial instruments	-1 280	0	-1 280	0	0
<b>Net cash flow from investing activities</b>	<b>-89 109</b>	<b>-23 263</b>	<b>-89 197</b>	<b>-23 356</b>	<b>-727</b>
<b><i>Cash flow from financing activities</i></b>					
Loans received	124 828	24 033	124 828	24 033	24 033
Payment of loans	-52 752	0	-55 265	0	-9 511
Interest paid	-1 713	-828	-2 504	-1 411	-3 272
Share issues	0	1 198	0	1 198	1 198
Payment of lease liabilities	-633	-563	-1 215	-1 105	-2 373
<b>Net cash flow from financing activities</b>	<b>69 730</b>	<b>23 840</b>	<b>65 844</b>	<b>22 715</b>	<b>10 074</b>
Changes in currency	-3 061	1 297	-752	600	105
<b>Net change in cash</b>	<b>-23 428</b>	<b>7 233</b>	<b>-21 993</b>	<b>-13 176</b>	<b>2 676</b>
Cash and cash equivalents start period	56 729	32 212	55 296	52 620	52 620
<b>Cash and cash equivalents end period</b>	<b>33 303</b>	<b>39 444</b>	<b>33 303</b>	<b>39 444</b>	<b>55 296</b>



## Condensed consolidated statement of changes in equity

<i>(in NOK '1000)</i>	Share capital	Share premium reserve	Retained earnings	Total
<b>Balance as at 1 January 2022</b>	<b>12 096</b>	<b>165 830</b>	<b>-26 689</b>	<b>151 237</b>
Net profit / loss (-)			6 579	6 579
Currency translation differences			2 085	2 085
Capital increase	653	24 578		25 231
Share options			560	560
<b>Balance as at 30 June 2022</b>	<b>12 749</b>	<b>190 408</b>	<b>-17 465</b>	<b>185 692</b>
<b>Balance as at 1 January 2023</b>	<b>12 749</b>	<b>190 408</b>	<b>6 563</b>	<b>209 720</b>
Net profit / loss (-)			-2 607	-2 607
Currency translation differences			6	6
Share options			4 324	4 324
<b>Balance as at 30 June 2023</b>	<b>12 749</b>	<b>190 408</b>	<b>8 287</b>	<b>211 444</b>

# Notes to the condensed consolidated interim financial statements

## 1. General information

Navamedic ASA 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 100, 0255 Oslo, Norway. Navamedic Group comprises Navamedic ASA and the 100% owned subsidiaries Navamedic AB (Sweden), Navamedic AS, Impolin AB and Sensidose AB.

## 2. Nature of operation

Navamedic ASA is a Nordic pharma company with 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 subsidiaries Navamedic AB, Navamedic AS, Impolin AB and Sensidose 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 2022 (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 audited. Navamedic's Board of Directors and CEO approved these condensed consolidated interim financial statements on 10 August 2023.

Navamedic ASA's functional currency and the presentation currency for the financial statements 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 experiences 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 2022.

#### 5. Change in accounting policies

The Group has not implemented any changes in accounting policies for the first half year of 2023. 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 2023	Q2 2022	YTD 2023	YTD 2022	2022
Net profit / loss (-)	-15 774	7 289	-2 607	6 579	29 431
Weighted average shares issued	17 227 777	16 608 204	17 227 777	16 378 684	16 806 720
Dilutive potential ordinary shares	485 939	202 308	486 314	182 012	215 693
Basic earnings per share	-0.92	0.44	-0.15	0.40	1.75
Diluted earnings per share	-0.89	0.43	-0.15	0.40	1.73

#### 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 2023, Navamedic has implemented a new classification of its products, divided into three product categories:

- **The RX area** comprises Navamedic's prescription products and categories, including obesity, urology, neurology, and cardiology products such as Mysimba<sup>®</sup> (prescription pharmaceutical for treatment of obesity), Elmiron<sup>®</sup>/Gepan<sup>®</sup> (products for the treatment of painful bladder syndrome), Flexilev (microtablets for the treatment of Parkinson's disease) and cardiology products such as Imdur<sup>®</sup> (used to prevent angina pectoris), Nitrolingual (acute relief of angina pectoris)
- **The Consumer Health area** comprises Navamedic's over-the-counter products, available to patients without a prescription in the pharmacies or drugstore (NL only), the area includes obesity (Modifast – products for meal replacement), gastro (brands such as Alflorex, SmectaGo and Forlax), pain (ThermaCare), cough&cold and intimate (female) health
- **Hospital**, products included in tenders such as a broad portfolio of niched medical nutrition products for rare diseases such as Phenylketonuria, and intravenous antibiotics for hospital use

## 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
<b>Outstanding options 1 January 2022</b>	<b>585 000</b>	<b>18.42</b>
Exercised	-75 000	15.97
<b>Total outstanding options 31 December 2022</b>	<b>510 000</b>	<b>18.78</b>
<b>Outstanding options 1 January 2023</b>	<b>510 000</b>	<b>18.78</b>
Granted	1 400 000	33.00
<b>Total outstanding options 30 June 2023</b>	<b>1 910 000</b>	<b>29.20</b>

### Outstanding options 30 June 2022

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 14,46	25 000	25 000	0.50
Strike price 19,00	485 000	315 000	1.46
<b>Total outstanding options 30 June 2022</b>	<b>510 000</b>	<b>340 000</b>	<b>1.41</b>

### Outstanding options 30 June 2023

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 14,46	25 000	25 000	0.00
Strike price 19,00	485 000	475 000	0.46
Strike price 33,00	1 400 000	0	2.67
<b>Total outstanding options 30 June 2023</b>	<b>1 910 000</b>	<b>500 000</b>	<b>2.07</b>

All the options granted in 2023 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 the grant date.

Shares received from exercised options are subject to a lock-up period of 12 months. The lock-up obligations shall not prevent the option holders from selling the 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. Preliminary business combination

On 29 March 2023, Navamedic submitted a cash offer to acquire all shares in Sensidose AB, a Sweden-based pharmaceutical company that sells drugs in combination with an innovative device for individual dosing, targeting patients with advanced Parkinson's disease. By 22 April, Navamedic acquired 57.2% of the shares and launched a mandatory public tender offer (MTO) for the remaining outstanding shares. Following the expiry of MTO on 26 May, Navamedic acquired 96.33% of the shares in Sensidose AB as well as 93.16% of the series T01 warrants (reported as other current financial assets in the statement of financial position).

IFRS is not specifically addressing the accounting for an acquisition where, in the first transaction, the acquirer gains control over another entity, and which is followed by acquisition of an additional ownership interest shortly after. Since the MTO was part of the same transactions in which Navamedic gained control over Sensidose AB, and Navamedic had no discretion to reject acceptances of the offer, Navamedic considered the initial acquisition of 57.8% and the acquisition of the additional 38.53% under the MTO as one transaction as of the acquisition date 22 April 2023. The total transaction price for 96.33% of the shares was NOK 97.4 million. Acquisition related cost (transaction cost) of NOK 12.3 million are reported as other operating cost.

According to the Limited Liability Companies Act in Sweden, the remaining minority shareholders had a right to demand their shares redeemed and Navamedic had a right to redeem these shares at "the fair price". Navamedic has assessed that it had had present ownership interest over the shares in Sensidose held by the non-controlling interests and no non-controlling interests remain in the statement of financial position as of 30 June 2023. A liability of NOK 3,7 million was recorded as of 30 June 2023 based on the same price per share as in the MTO, to reflect the redemption amount.

For the period between the date of acquisition and 30 June 2023, Sensidose AB contributed NOK 0.8 million to the Group's revenues and negative NOK 0.4 million to profit before tax. If the business combination had taken place at the beginning of the year, the Group's revenues would have been NOK 248 million and profit before tax would have been negative NOK 3.5 million.

Following the preliminary purchase price allocation (PPA), the fair value of other intangible assets is established based on estimated royalty rates and relates to the patents Sensidose owns, while residual amount of NOK 38.5 million is allocated to goodwill.

The fair value of the identifiable assets and liabilities of the business as of acquisition date is presented in the table below.

<i>(in NOK '1000)</i>	<b>Sensidose AB</b> <b>30.04.2023.</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Other intangible assets	58 173
Property, plant and equipment	1 232
<b>Total non-current assets</b>	<b>59 404</b>
<b>Current assets</b>	
Inventories	1 803
Trade and other receivables	2 661
Cash	9 467
<b>Total current assets</b>	<b>13 931</b>
<b>Total assets</b>	<b>73 335</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Loans and borrowings	1 810
<b>Total non-current liabilities</b>	<b>1 810</b>
<b>Current liabilities</b>	
Trade and other payables	1 961
Other current liabilities	6 852
<b>Total current liabilities</b>	<b>8 813</b>
<b>Total liabilities</b>	<b>10 623</b>
<b>Net identifiable assets</b>	<b>62 712</b>
Goodwill	38 537
Non-controlling interests	-3 879
<b>Total consideration for the shares</b>	<b>97 370</b>

## 10. Significant events subsequent to the end of the reporting period

After the reporting period ended on 30 June 2023 and up to the date these condensed consolidated financial statements have been approved for issue, no events have been identified that require disclosure.

The Board of Directors and CEO of Navamedic ASA

Oslo, 11 August 2023



**Terje Bakken (sign.)**  
Chairman



**Jostein Davidsen (sign.)**  
Board member



**Edmée Steenken  
(sign.)**  
Board member



**Narve Reiten (sign.)**  
Board member



**Annika Kollén (sign.)**  
Board member



**Åsa Kornfeld (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 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 consolidated statement of comprehensive income.
- **EBITDA margin** is equal to EBITDA as a percentage of total operating revenues.
- **Adjusted EBITDA** is EBITDA (as defined above) excluding acquisition related cost ("transaction cost").
- **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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