



# Q2/1H 2022

Second quarter and half year results  
Navamedic ASA



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## Highlights for the first half year 2022

- In the first half of 2022, Navamedic's revenues increased by 39.1% to NOK 173.4 million (NOK 124.7 million in the same period last year). The Group's EBITDA came in at NOK 23.3 million (NOK 6.9 million).
- Solid performance in key product areas resulted in a gross margin of 42.9% in the first half of 2022 (39.5%).
- Strong performance for the Branded generics and Specialty pharma categories, including solid growth for Mysimba® and antibiotics.
- Acquired Impolin AB to strengthen the product portfolio and reinforce Navamedic's position in the market for obesity treatment.
- Successful product launches in the gastro field: SmectaGo®, an innovative on-the-go product for treatment of diarrhea, and Forlax, a drug for constipation.
- In August 2022, Navamedic signed an agreement with Vectans Pharma, which gives Navamedic the exclusive right to market and sell an innovative and unique tablet for treatment of cold sores (herpes labialis) in the Nordic and Benelux regions.

## Key figures

<i>(in NOK '1000)</i>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>	<b>2021</b>
Total revenue	110 361	66 014	173 357	124 659	278 439
Gross profit *	49 468	25 967	74 303	49 180	111 744
Operating profit before Depreciation and Amortization (EBITDA)	23 708	4 308	23 295	6 859	18 171
Operating profit (EBIT)	21 878	2 928	19 635	4 137	11 455
Profit before tax continuing operations	9 575	3 329	10 096	37	2 358
Net profit / loss (-) Total operations	7 289	3 189	6 579	-485	618
Total assets	425 030	288 987	425 030	288 987	330 179
Total equity	185 692	148 894	185 692	148 894	151 237
Gross margin (%) *	44.8 %	39.3 %	42.9 %	39.5 %	40.1 %
EBITDA margin (%) *	21.5 %	6.5 %	13.4 %	5.5 %	6.5 %
Equity ratio (%) *	43.7 %	51.5 %	43.7 %	51.5 %	45.8 %

\* Alternative performance measures (APMs)

## Comment from the CEO

During first half of 2022, we continued to progress well along our strategic path. We have strengthened our existing portfolio by leveraging our strong market position, further built our position by adding distribution and marketing rights for attractive products, and strengthened our platform through M&A.

Operationally, the period was excellent, with 39 percent revenue growth and record-high EBITDA margin of 13 percent, driven by high demand in our key focus areas obesity, gastro and antibiotics. Navamedic has produced eight consecutive quarters of revenue growth on a rolling 12 months basis and consistent improvement in EBITDA. The results come from systematic investments in our platform, including consumer insights, patient support, and development of local category expertise.

Navamedic operates in markets with solid underlying growth driven by trends within health and lifestyle related issues. Obesity, gastro and antibiotics are identified as particularly interesting segments.

Obesity is a global disease and increasing awareness and acceptance for medical treatment of obesity implies rapid growth in the demand for effective drugs. Navamedic is perfectly positioned for this trend in the Nordics. Within our Specialty Pharma area, the obesity drug Mysimba continued its strong development. Despite supply chain issues outside Navamedic's control during parts of the period, the business area grew by close to 60 percent.

In the Consumer Health area, Navamedic sees significant potential in the gastro category. Nearly half of the population suffer from gastro related problems during a year, but only 20 percent of them treat themselves. This segment is underdeveloped in the Nordics compared to other geographies, but with new and innovative products, we experience growing interest in treatment options. We believe the potential is vast in the years to come. Our IBS product Alflorex® is developing strongly, and we have during the first half-year successfully launched SmectaGo® and Forlax® for diarrhea and constipation, respectively.

Within antibiotics, we have been able to almost double the revenue of the product portfolio we acquired only two years ago through systematic sales initiatives and product innovation.

In June, we were delighted to welcome the Swedish company Impolin to the Navamedic family. Through the acquisition, we reinforced our position in the market for obesity treatment with Modifast, a range of diet and meal replacement products, and MedMade, a multivitamin and minerals tablet for post-bariatric surgery supplementation. The acquisition is a good example of how Navamedic can leverage our existing platform to accelerate growth of existing products. In August, we entered into an exclusive agreement with Vectans Pharma for marketing and distribution of the unique cold sore treatment product Sitavig®

Even though the first half-year of 2022 was solid, we have only just started on our value creation journey. We are planning numerous product launches in the months to come, and we have a rich pipeline of potential new distribution and marketing partnerships and acquisitions. Navamedic has a competent and highly motivated team and an excellent product portfolio, and the momentum we currently have makes me confident that we will reach our mid-term revenue target of NOK 1 billion including carefully selected acquisitions. Together with our committed and competent shareholders, we are all looking forward to taking Navamedic to the next level.



**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 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 2022, revenues were NOK 173.4 million, up from NOK 124.7 million in the same period last year, while the gross margin was 42.9%, compared to 39.5% in the first half of 2021. The EBITDA ended at NOK 23.3 million in the first half of 2022, up from NOK 6.9 million.

In May 2022, Navamedic announced the acquisition of Impolin AB, a Swedish independent distributor of products that benefit the health and wellbeing of consumers and patients. Impolin's portfolio of products includes Modifast, a range of diet and meal replacement products, and MedMade, a multivitamin and minerals tablet for post-bariatric surgery. These products are aimed at supporting patients during weight loss or obesity treatment, including pre and post bariatric surgery. Impolin's third product is Absolut Torr/Absolute Dry, extra effective antiperspirants primarily for hyperhidrosis, excessive sweating. The addition of Modifast and MedMade is set to broaden Navamedic's current product offering within the area of obesity treatment and enables Navamedic to support patients throughout the entire weight loss journey. Impolin AB, which was consolidated as of 1 June 2022 contributed with revenues of NOK 5.2 million and EBITDA of NOK 0.6 million in Navamedic's accounts.

Turning to the operational development of Navamedic's product categories, Specialty Pharma grew revenues to NOK 75.3 million (47.1 million) due to improved sales of Mysimba® in the first half of 2022. Consumer health increased revenues to NOK 25.7 million (NOK 19.5 million) in the first half of 2022, mainly driven by strong performance of Alflorex®. Medical Nutrition had revenues of NOK 30.6 million in the first half of 2022 (NOK 25.7 million in the same period last year) as the category displays a positive trend for new products. In the first half of 2022, Branded generics came in at NOK 41.7 million (NOK 32.4 million) as the antibiotics portfolio is developing according to plan.

## Group financial review for the second quarter of 2022

### Income statement data

Revenues in the second quarter of 2022 increased by 67.2% from NOK 66.0 million in the second quarter last year to NOK 110.4 million this period, driven by broad-based growth across Business Areas, particularly from the Specialty pharma and Consumer health Business Areas. The gross margin increased to 44.8% in the second quarter of 2022

from 39.3% in 2021. EBITDA for the quarter was NOK 23.7 million, up from NOK 4.3 million in the corresponding quarter last year.

The operating result (EBIT) for the second quarter was NOK 21.9 million, compared to NOK 2.9 million in the second quarter of 2021. Net financials were negative NOK 12.3 million in the second quarter of 2022, a decrease from NOK 1.4 million in the corresponding quarter last year.

Profit before tax was NOK 9.6 million in the second quarter 2022, up from NOK 3.3 million in the second quarter last year.

Net profit / loss was NOK 7.3 million in the second quarter 2022, up from NOK 3.2 million in the corresponding quarter last year.

The total comprehensive income was NOK 8.2 million in the second quarter 2022, compared to NOK 3.1 million in the corresponding quarter last year, following currency translation differences in the periods of NOK 1.0 million and negative NOK 0.1 million, respectively.

### Cash flow statement data

The group's cash flow from operating activities was NOK 5.4 million in the second quarter of 2022. The positive cash flow was mainly affected by the strong results coupled with changes in working capital (inventory, trade receivables and trade payables).

The group's cash flow from investing activities was negative NOK 23.3 million due to the acquisition of Impolin, while the cash flow from financing activities was NOK 23.8 million, related to the financing of the Impolin acquisition.

## Financial review for the first half of 2022

### Income statement data

For the first half of 2022, the Group revenues were NOK 173.4 million, up from NOK 124.7 million in the first half of 2021, representing an increase of 39.1%. The growth was broad based across Business Areas, with the most important growth contribution from the Specialty pharma, Branded generics and Consumer health product categories.

The EBITDA in the first half of 2022 was NOK 23.3 million, compared to NOK 6.9 million in the corresponding period last year.

The operating result (EBIT) for the first half of 2022 was NOK 19.6 million, compared to NOK 4.1 million in the same period last year. Net financials were negative NOK 8.4 million in the first half of 2022, compared to negative NOK 2.3 million in the same period last year. Profit before tax was NOK 10.1 million in the first half of 2022, up from NOK 0.0 million in the corresponding period last year.

Net profit was NOK 6.6 million in the first half of 2022, up from negative NOK 0.5 million in the same period last year.

The total comprehensive income was NOK 8.7 million in the first half of 2022, compared to negative NOK 0.7 million in the same period last year, following currency translation differences in the periods of NOK 2.1 million and negative NOK 0.2 million, respectively.

### Financial position data

The Group's consolidated total assets were NOK 425.0 million at 30 June 2022, up from NOK 330.2 million at year-end 2021, of which non-current assets were NOK 146.4 million. Current assets increased to NOK 278.6 million from NOK 205.5 million at 31 December 2021. The increase in total assets is due to several items, including an increase in trade receivables as well as goodwill from the Impolin transaction.

Non-current liabilities are NOK 64.3 million per 30 June 2022, an increase from NOK 53.0 million at 31 December 2021, primary due to increase of loans and borrowings. At the end of the first half 2022, Navamedic had an equity of NOK 185.7 million, compared to NOK 151.2 million per 31 December 2021, representing an equity ratio of 43.7%.

The Group had current liabilities of NOK 175.1 million compared to NOK 126.0 million at 31 December 2021. The increase is mainly related to an increase in payables.

### Cash flow statement

The Group had a net cash flow from operating activities in the first half of 2022 of negative NOK 13.1 million, (negative NOK 16.8 million), as changes in trade payables and increased inventory contributed negatively this period. Net cash from investing activities ended at negative NOK 23.4 million in the first half of 2022, compared to negative NOK 0.2 million in the same period last year, as Navamedic completed the purchase of the shares in Impolin AB. The net cash flow from financing activities was NOK 22.7 million in the first half of 2022, compared to negative NOK 2.0 million in the corresponding period last year. The change in net cash from financing activities in the first half of 2022 was mainly due to loans received to finance the Impolin acquisition. The cash and cash equivalents were NOK 39.4 million at 30 June 2022.

### Corporate development

On 5 May 2022, Navamedic entered into a share purchase agreement with to acquire 100% of the shares in Impolin AB for a purchase price of SEK 50 million on a debt and cash free basis. In addition, the seller may be entitled to an additional consideration in the amount of SEK 5 million if certain pre-agreed milestones for Impolin AB are reached for 2022.

The transaction was closed 1 June 2022. Navamedic settled SEK 25 million of the purchase price by way of issuing new shares to the seller through conversion of an account receivable to be issued by Navamedic to the seller at closing. The remaining portion of the purchase price was settled in cash by way of a new loan facility.

Impolin AB is a Swedish-based, independent distributor of products that benefit the health and wellbeing of consumers and patients, and its product portfolio broadens Navamedic's offering for obesity treatment.

## Environmental, Social and Governance (ESG)

Navamedic will comply with all applicable environmental laws and regulations as we work to limit and reduce emissions and consumption of energy from our operations. Accordingly, Navamedic has established an Environmental Policy, which states that we shall continuously reduce the environmental impact of our business and products and ensure that we live up to the environmental regulations and the demands and expectations of our customers, end-users and partners.

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 actually affect.

Navamedic has during the first half of 2022 taken further steps to ensure continuous improvement of the company's environmental focus.. In April, an internal audit and the annual environmental management review were performed. Company-specific environmental routines have been implemented and the compliance obligations have been expanded to reflect the national authorities' requirements.

In May, the Company was audited and subsequently re-certified as holder of ISO 14001 by the Notified Body KIWA.

The largest portfolio of products owned by Navamedic is the portfolio of antibiotics for hospital use in the Nordic territory. Navamedic has won several tenders for these antibiotics where the environmental documentation has been an important factor for the award. Thus, in May, the Company was audited by LIS (the government hospital procurement organization in Norway) to ensure that all environmental guarantees and documentation were in place.

The Company continues to focus on minimizing the negative environmental impact from its own operations as well as its business partners.

## 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 9.39% of the shares in Navamedic. The terms in the agreements between the parties are based on arm's length principles.

ACS Dobfar S.p.A., which owns 3 424 212 shares in Navamedic ASA, is also a supplier to Navamedic. ACS Dobfar became a shareholder in Navamedic in 2021.

### Subsequent events

Subsequent to the reporting period ended on 30 June 2022, 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. 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 2022. 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 2021 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 2022 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, 12 August 2022



**Terje Bakken (sign.)**

Chairman



**Jostein Davidsen (sign.)**

Board member



**Edmée Steenken (sign.)**

Board member



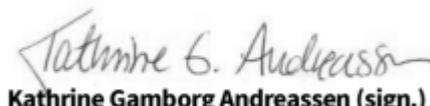
**Narve Reiten (sign.)**

Board member

*Annika Kollén*

**Annika Kollén (sign.)**

Board member



**Kathrine Gamborg Andreassen (sign.)**

CEO

## Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>	<b>Year 2021</b>
Operating revenues	110 361	66 014	173 357	124 659	278 439
<b>Total revenue</b>	<b>110 361</b>	<b>66 014</b>	<b>173 357</b>	<b>124 659</b>	<b>278 439</b>
Cost of materials	-60 893	-40 048	-99 054	-75 479	-166 695
<b>Gross profit</b>	<b>49 468</b>	<b>25 967</b>	<b>74 303</b>	<b>49 180</b>	<b>111 744</b>
<i>Gross profit %</i>	44.8 %	39.3 %	42.9 %	39.5 %	40.1 %
Payroll expense	-11 135	-9 169	-21 246	-18 752	-44 455
Other operating cost	-14 625	-12 489	-29 762	-23 569	-49 118
<b>Operating costs</b>	<b>-25 761</b>	<b>-21 658</b>	<b>-51 008</b>	<b>-42 321</b>	<b>-93 573</b>
<b>EBITDA</b>	<b>23 708</b>	<b>4 308</b>	<b>23 295</b>	<b>6 859</b>	<b>18 171</b>
<i>EBITDA %</i>	21.5 %	6.5 %	13.4 %	5.5 %	6.5 %
Depreciation	-598	-312	-1 171	-694	-2 169
Amortization	-1 232	-1 068	-2 489	-2 027	-4 547
Impairment	0	0	0	0	0
<b>Operating result (EBIT)</b>	<b>21 878</b>	<b>2 928</b>	<b>19 635</b>	<b>4 137</b>	<b>11 455</b>
Income from associated companies	0	-967	-1 101	-1 821	-3 185
Financial income	753	696	1 513	1 393	4 035
Financial expenses	-1 492	-820	-2 720	-1 654	-4 424
Net currency gain/losses	-669	1 492	-5 289	-2 019	-5 523
Net change in fair value current financial assets	-10 895	0	-1 943	0	0
<b>Net financial income and expenses</b>	<b>-12 302</b>	<b>1 368</b>	<b>-8 438</b>	<b>-2 280</b>	<b>-5 912</b>
<b>Profit before tax</b>	<b>9 575</b>	<b>3 329</b>	<b>10 096</b>	<b>37</b>	<b>2 358</b>
Income taxes	-2 286	-140	-3 517	-522	-1 740
<b>Net profit / loss (-)</b>	<b>7 289</b>	<b>3 189</b>	<b>6 579</b>	<b>-485</b>	<b>618</b>
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>					
Currency translation differences	955	-101	2 085	-237	348
<b>Total comprehensive income for the period</b>	<b>8 245</b>	<b>3 087</b>	<b>8 664</b>	<b>-722</b>	<b>967</b>
<i>Attributable to:</i>					
Shareholders in the parent company	8 245	3 087	8 664	-722	967
Earnings per share basic (NOK)	0.44	0.20	0.40	-0.03	0.04
Earnings per share diluted (NOK)	0.43	0.20	0.39	-0.03	0.04

## Condensed consolidated statement of financial position

<i>(in NOK '1000)</i>	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>31.12.2021</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Intangible non-current assets</b>			
Goodwill	98 175	62 602	61 031
Deferred tax assets	9 168	9 168	9 168
Other intangible assets	31 659	29 983	27 342
<b>Total intangible non-current assets</b>	<b>139 003</b>	<b>101 753</b>	<b>97 541</b>
<b>Other non-current assets</b>			
Property, plant & equipment	679	208	745
Right of use assets	6 772	827	7 567
Shares in associated companies	0	20 202	18 837
Non-current loans to associated companies	0	36 213	0
<b>Total other non-current assets</b>	<b>7 451</b>	<b>57 450</b>	<b>27 149</b>
<b>Total non-current assets</b>	<b>146 454</b>	<b>159 203</b>	<b>124 690</b>
<b>Current assets</b>			
Tax receivables	28 662	8 705	15 652
Inventories	70 814	54 563	61 882
Trade and other receivables	84 752	45 553	37 730
Current loans	39 111	0	37 606
Cash and cash equivalents	39 445	20 962	52 620
Other current financial assets	15 793	0	0
<b>Total current assets</b>	<b>278 576</b>	<b>129 784</b>	<b>205 489</b>
<b>Total assets</b>	<b>425 030</b>	<b>288 987</b>	<b>330 179</b>

<i>(in NOK '1000)</i>	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>31.12.2021</b>
<b>Equity</b>			
<b><i>Paid in equity</i></b>			
Share capital	12 749	12 096	12 096
Share premium reserve	190 408	165 830	165 830
<b>Total paid in equity</b>	<b>203 157</b>	<b>177 926</b>	<b>177 926</b>
<b><i>Retained earnings</i></b>			
Retained earnings	-17 465	-29 032	-26 689
<b>Total retained earnings</b>	<b>-17 465</b>	<b>-29 032</b>	<b>-26 689</b>
<b>Total equity</b>	<b>185 692</b>	<b>148 894</b>	<b>151 237</b>
<b>Liabilities</b>			
<b><i>Non-current liabilities</i></b>			
Non-current license liabilities	6 039	8 385	8 171
Non-current liabilities to financial institutions	53 042	20 120	38 980
Non-current right of use liabilities	5 179	307	5 824
<b>Total non-current liabilities</b>	<b>64 260</b>	<b>28 813</b>	<b>52 976</b>
<b><i>Current liabilities</i></b>			
Trade account payables	89 553	74 073	70 532
Current liabilities to financial institutions	9 644	0	0
Current right of use liabilities	1 757	528	1 839
Current license liabilities	15 834	14 365	13 158
Taxes payable	17 682	3 309	10 713
Other current liabilities	40 609	19 005	29 724
<b>Total current liabilities</b>	<b>175 078</b>	<b>111 280</b>	<b>125 967</b>
<b>Total liabilities</b>	<b>239 338</b>	<b>140 092</b>	<b>178 943</b>
<b>Total equity and liabilities</b>	<b>425 030</b>	<b>288 987</b>	<b>330 179</b>

## Condensed consolidated statement of cash flows

(in NOK '1000)

	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
<b>Cash flow from operating activities</b>					
Profit before tax	9 575	3 329	10 096	37	2 358
Taxes paid	-7 748	-372	-8 849	-830	-2 700
Depreciation, amortization and impairment	1 830	1 380	3 660	2 722	6 716
Financial income / expenses without cash flow effect	13 507	2 443	8 115	4 815	6 323
Payment of license liabilities	0	0	-107	0	-110
Changes in inventory	-17 330	-6 934	-8 932	-12 618	-19 937
Changes in trade and other receivables	-53 782	-3 853	-47 023	-16 907	-9 084
Changes in trade and other payables	43 872	1 266	19 020	7 118	3 577
Changes in other current items	15 435	-1 581	10 885	-1 091	11 556
<b>Net cash flow from operating activities</b>	<b>5 359</b>	<b>-4 322</b>	<b>-13 135</b>	<b>-16 756</b>	<b>-1 300</b>
<b>Cash flow from investing activities</b>					
Acquisition of tangible and intangible assets	0	-153	-93	-153	-728
Loans granted to associated companies	0	0	0	0	0
Loans repaid from associated companies	0	0	0	0	0
Interest received	0	0	1	0	2
Purchase of shares in other companies	-23 264	0	-23 264	0	0
<b>Net cash flow from investing activities</b>	<b>-23 263</b>	<b>-153</b>	<b>-23 356</b>	<b>-153</b>	<b>-727</b>
<b>Cash flow from financing activities</b>					
Loans received	24 033	0	24 033	0	19 500
Payment of loans	0	0	0	0	0
Interest paid	-828	-353	-1 411	-714	-1 469
Share issues	1 198	0	1 198	0	0
Payment of lease liabilities	-563	-892	-1 105	-1 271	-2 100
<b>Net cash flow from financing activities</b>	<b>23 840</b>	<b>-1 245</b>	<b>22 715</b>	<b>-1 985</b>	<b>15 931</b>
Changes in currency	1 297	54	600	272	-868
<b>Net change in cash</b>	<b>7 233</b>	<b>-5 666</b>	<b>-13 176</b>	<b>-18 622</b>	<b>13 036</b>
Cash and cash equivalents start period	32 212	26 628	52 620	39 584	39 584
<b>Cash and cash equivalents end period</b>	<b>39 444</b>	<b>20 962</b>	<b>39 444</b>	<b>20 962</b>	<b>52 620</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 2021</b>	<b>11 316</b>	<b>147 610</b>	<b>-29 441</b>	<b>129 486</b>
Net profit / loss (-)			-485	-485
Currency translation differences			-237	-237
Capital increase	780	18 220		19 000
Share options			1 131	1 131
<b>Balance as at 30 June 2021</b>	<b>12 096</b>	<b>165 830</b>	<b>-29 032</b>	<b>148 894</b>
<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		25 230
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>

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

## 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 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 2021 (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 12 August 2022.

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 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 2021.

#### 5. Change in accounting policies

The group has not implemented any changes in accounting policies for the first half year of 2022. 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 2022	Q2 2021	YTD 2022	YTD 2021	2021
Net profit / loss (-)	7 289	3 189	6 579	-485	618
Weighted average shares issued	16 608 211	16 345 660	16 477 661	16 246 687	16 296 580
Dilutive potential ordinary shares	203 420	0	216 658	0	133 910
Basic earnings per share	0.44	0.20	0.40	-0.03	0.04
Diluted earnings per share	0.43	0.20	0.39	-0.03	0.04

#### 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 categories:

- **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
<b>Outstanding options 1 January 2021</b>	<b>585 000</b>	<b>18.42</b>
Granted		
Exercised		
Terminated		
<b>Total outstanding options 31 December 2021</b>	<b>585 000</b>	<b>18.42</b>
<b>Outstanding options 1 January 2022</b>	<b>585 000</b>	<b>18.42</b>
Granted		
Exercised	-75 000	15.97
Terminated		
<b>Total outstanding options 30 June 2022</b>	<b>510 000</b>	<b>18.78</b>

### Outstanding options 31 December 2021

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 14,46	75 000	50 000	1.50
Strike price 19,00	510 000	170 000	2.46
<b>Total outstanding options 30 June 2021</b>	<b>585 000</b>	<b>220 000</b>	

### Outstanding options 30 June 2022

	Number of options	Of which vested	Weighted Average remaining contractual life (years)
Strike price 14,46	25 000	0	0.50
Strike price 19,00	485 000	330 000	1.46
<b>Total outstanding options 30 June 2022</b>	<b>510 000</b>	<b>330 000</b>	<b>1.41</b>

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 NOK 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. Preliminary business combination

On 5 May 2022, Navamedic entered into a share purchase agreement with to acquire 100% of the shares in Impolin AB for a purchase price of SEK 50 million on a debt and cash free basis. In addition, the seller may be entitled to an additional consideration in the amount of SEK 5 million if certain pre-agreed milestones for Impolin AB are reached for 2022. The closing date for the transaction was June 1 2022.

Navamedic settled SEK 25 million of the purchase price by way of issuing new shares to the seller through conversion of an account receivable to be issued by Navamedic to the seller at closing. The remaining portion of the purchase price was settled in cash by way of a new loan facility. The below table shows the preliminary statement of financial position for the business combination.

### Preliminary statement of financial position

(in NOK '1000)

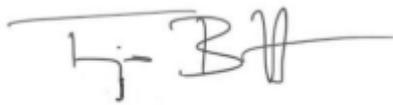
	<b>Impolin</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Other intangible assets	6 809
<b>Total non-current assets</b>	<b>6 809</b>
<b>Current assets</b>	
Inventories	6 515
Trade and other receivables	6 023
Cash	3 865
<b>Total current assets</b>	<b>16 404</b>
<b>Total assets</b>	<b>23 212</b>
<b>Equity</b>	
Share capital	96
Other paid in equity	6 809
Retained earnings	2 864
<b>Total equity</b>	<b>9 769</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
Loans and borrowings	3 845
<b>Total non-current liabilities</b>	<b>3 845</b>
<b>Current liabilities</b>	
Trade and other payables	7 778
Taxes payable	743
Other current liabilities	1 076
<b>Total current liabilities</b>	<b>9 598</b>
<b>Total liabilities</b>	<b>13 443</b>
<b>Total equity and liabilities</b>	<b>23 212</b>

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

After the reporting period ended on 30 June 2022 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, 12 August 2022



**Terje Bakken (sign.)**

Chairman



**Jostein Davidsen (sign.)**

Board member



**Edmée Steenken (sign.)**

Board member



**Narve Reiten (sign.)**

Board member

*Annika Kollén*

**Annika Kollén (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** is 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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