

Q2/15

Second Quarter and First Half 2015 Report



Highlights

- Observe Medical acquisition post quarter reaffirms Navamedics strategy to build own product portfolio
- New CEO Tom Rönnlund appointed May 2015
- 19% sales growth in H1, quarterly sales at par with Q2 2014
- Improved profitability – quarterly EBITDA improved vs Q2 2014
- Operational cash flow 19.0 MNOK in first half – significant improvement from previous year

Key Figures

(NOK mill)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	FY 2014
Income	59.6	59.5	121.5	102.4	223.1
Gross profit	14.7	13.5	29.8	26.2	54.3
EBITDA	3.5	3.0	7.7	5.0	13.2
Operating Result (EBIT)	1.1	1.1	2.9	1.1	4.7
Result before tax (EBT)	1.0	0.2	2.5	0.5	2.7
Net result	0.8	0.4	2.1	0.4	1.3
Gross margin (%)	24.6 %	22.7 %	24.6 %	25.6 %	24.3 %
EBITDA Margin (%)	5.9 %	5.1 %	6.4 %	4.9 %	5.9 %
Assets	203.5	204.8	203.5	204.8	213.2
Equity	112.6	105.2	112.6	105.2	111.2
Liabilities	90.9	99.6	90.9	99.6	102.0
Equity ratio (%)	55.4 %	51.4 %	55.4 %	51.4 %	52.2 %

Operational and Financial Update

Post quarter Navamedic announced the acquisition of Observe Medical International AB (OM), representing an important step in Navamedics strategy to invest in proprietary products and technologies. OM's unique technology for urine measurement in intensive care wards has been launched in Germany and the Nordics.

Navamedic's revenues in the second quarter 2015 were in line with the same quarter last year, while sales for the first half of the year saw a 19% growth compared to previous year.

Profitability compared to previous year improved, in the second quarter as well as year to date. Inventories were reduced, and cash flow from operations improved considerably.

Financial results

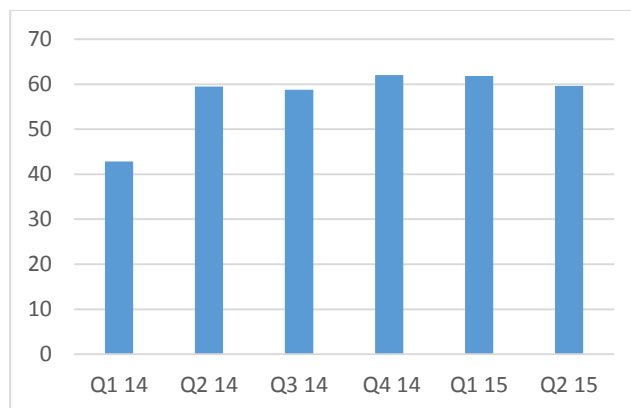
Navamedic had sales of NOK 59.6 million in the second quarter, compared to NOK 59.5 million in the corresponding quarter last year. While the sales revenues were at the same level as Q2 2014, the composition of the revenues has shifted towards the more profitable strategic product groups defined in the Company's strategy.

Hence, Navamedic's gross margin improved from 22.7% last year's second quarter to 24.6% in the second quarter 2015.

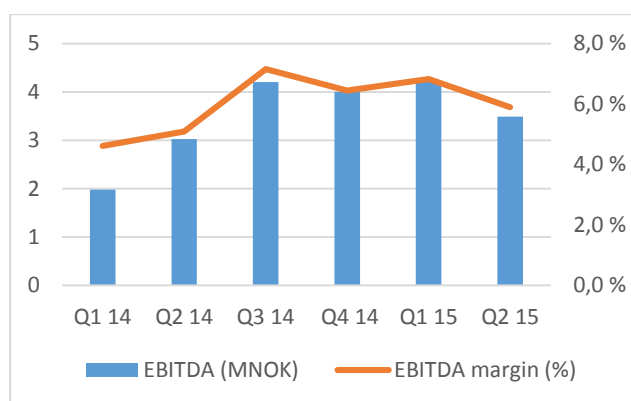
EBITDA for the quarter ended at NOK 3.5 million, up from NOK 3.0 million in last year's second quarter. This represents an improvement in EBITDA margin from 5.1% last year to 5.9% in the second quarter of 2015. Net result was NOK 0.8 million, against NOK 0.4 million last year.

For the first half of 2015, sales increased by 19%, from NOK 102.4 million last year to NOK 121.5 million. EBITDA for the first half improved from NOK 5.0 million to NOK 7.7 million, corresponding to an EBITDA margin improvement from 4.9% to 6.4%. Net result for the first half 2015 was NOK 2.1 million, compared to NOK 0.4 million last year.

While sales increased by 19% in the first half, Navamedic's operating costs (cost of goods for sale not included) grew by only 4%, once again demonstrating the benefits of Navamedic's scalable business model.



Sales development, last six quarters.



EBITDA development, last six quarters.

Over the last few months, Navamedic has successfully managed to reduce its inventory which had peaked in the fourth quarter 2014, following the introduction of several new products from Aspen Pharma, one of Navamedics main suppliers. Since the end of 2014 inventories has been reduced by 19%

The Company's cash flow has improved significantly in the first half of 2015, caused by improved margins and reduced inventory. The cash flow from operations was NOK 19.0 million in the first half, compared to NOK -10.8 million in the same period last year. The improved cash flow enabled the Company to reduce its use of available credit lines in the second quarter.

Operational update

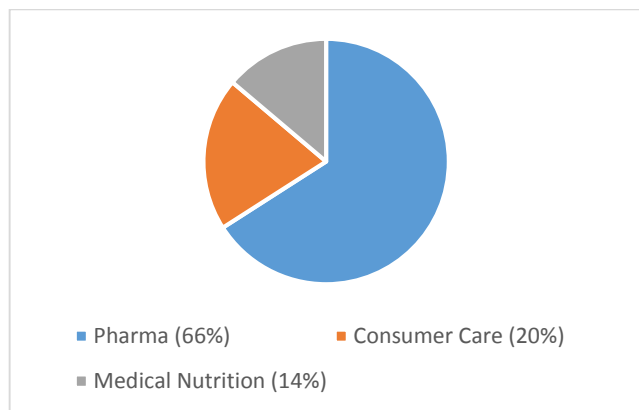
Navamedic markets and distributes pharmaceutical, medical device and medical nutrition products, primarily in the Nordic markets. The company handles regulatory processes, pricing and tendering strategies as well as sales and marketing activities for over 80 products from more than 20 suppliers.

Navamedic's current portfolio of products is divided into three segments (Pharma, Medical Nutrition and Consumer Care) and five strategic therapy areas (Female

Care, Urology, Dermatology, Oral Medicine and Medical Nutrition).

PHARMA

The Pharma segment saw a 3% revenue growth in the second quarter. The growth was driven by new products and new hospital contracts. Profitability in the pharma segment improved significantly in the quarter, EBITDA doubled from same period in 2014.



Pharma is Navamedic's largest segment.

Of Navamedic's strategic therapy areas, Urology, Female care and Dermatology products are found within the Pharma segment.

In the quarter, the main growth contributor to the Pharma segment was in **Urology**: Uracyst had a strong quarter with +19% sales growth. Uracyst is one of Navamedic's main products with attractive margins.

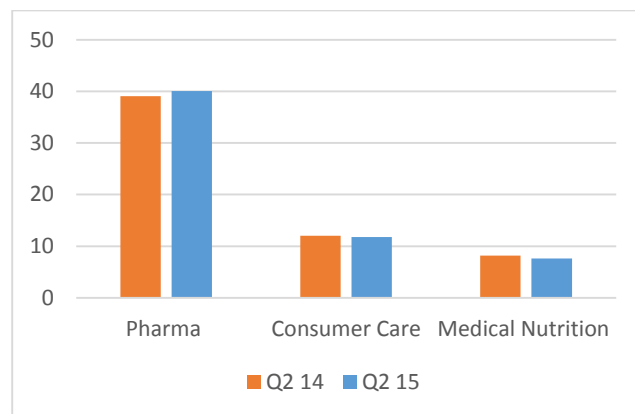
The generic gastrointestinal drug *Esomeprazole Navamedic* was launched in Finland and Sweden in the second quarter.

CONSUMER CARE

Female care is the main category in the Consumer Care segment, representing almost 17% of Navamedic's total sales in the quarter mainly through sales of *Ovestin* from Aspen Pharma. *Ovestin* is the Company's largest individual product, which grew by 5% in the quarter. Navamedic announced an expanded collaboration with the Swedish supplier Ellen in the second quarter, and launched their new probiotic intimate crème in Norway, Sweden and Denmark.

The **Oral Medicine** category, also part of the Consumer Care segment, contains several products which are still in the launch phase. Nevertheless, this category had an increase in sales compared to last year. Sales of *Gelorevioce/Gelositin* were strong in Sweden and Finland, while sales results for Snoreeze were weaker in the second quarter, following a strong performance the previous quarter.

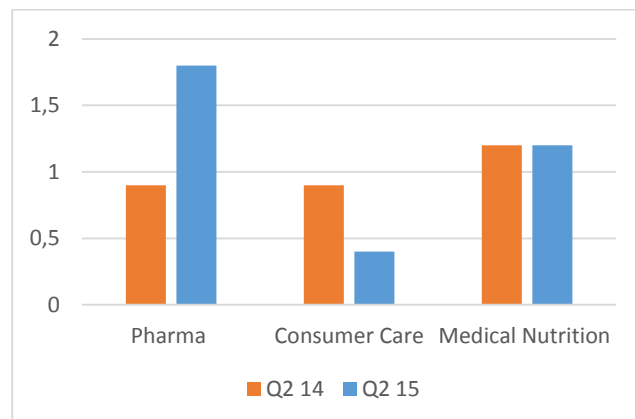
The head lice remedy NYDA more than doubled its revenues in the quarter compared to Q2 2014, this contributed to growth in the **Dermatology** therapy area.



Sales development segments, Q2 14 vs Q2 15.

MEDICAL NUTRITION

Medical Nutrition, representing 13% of Navamedic's total sales in the second quarter, experienced a slow period at the beginning of the year. However, sales picked up again in the second quarter as sales increased in Finland with main products *Renastart* and *Lipistart*, ending the quarter with a sales increase compared to last year. The sales team for medical nutrition has been strengthened and the products *Atylet Plus* and *Bramino* have been added to the portfolio.



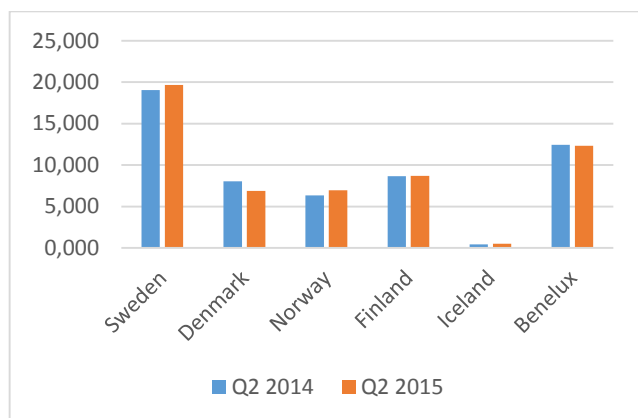
EBITDA development segments, Q2 14 vs Q2 15.

	Sales Q2 15	Sales Q2 14	EBITDA Q2 15	EBITDA Q2 14
NOK mill.				
Pharma	40,2	39,3	1,8	0,9
Medical Nutrition	7,6	8,2	1,2	1,2
Consumer Care	11,8	12	0,4	0,9

GEOGRAPHICAL MARKETS

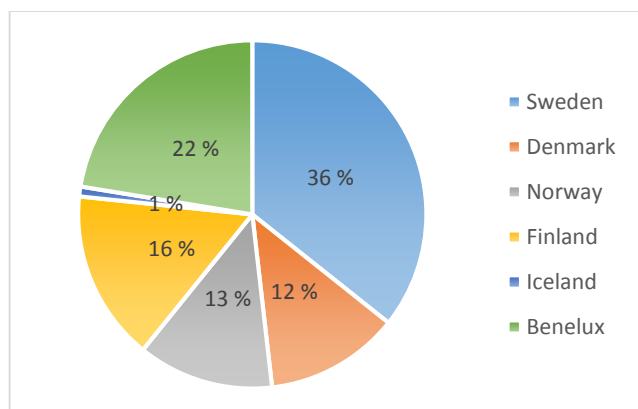
The Nordic region is Navamedic's core market, representing 78% of sales and offering the most attractive margins.

All Nordic markets except Denmark experienced sales growth in the second quarter 2015 compared to the same quarter last year.



All Nordic markets except Denmark experienced sales growth in the second quarter.

Sweden remains Navamedic's single largest market, with 36% of the sales in the second quarter. Denmark, Finland and Norway are all in the 12-16% range. The Benelux region represented 22% of the Company's sales in the second quarter. As earlier communicated Navamedic will discontinue its operations in the Benelux region by 1 January 2016, allowing the company to focus further on the Nordic operations and new products that will be added to the portfolio in early 2016.



Sweden remains Navamedic's single largest market.

Navamedic is continuously evaluating new products for its sales and distribution channels across the Nordic region. The company currently offers products owned and manufactured by more than different 20 suppliers. Navamedic has identified additional products with strategic fit and attractive margins which will be launched during the fall.

Currency effects

Navamedic's currency risk was reduced in the second quarter as a larger part of the Company's sales were made in EUR. More than 60% of Navamedic's purchases are made in EUR, while other purchases are made in USD, CAD, GBP and Scandinavian currencies.

Following the sales growth in Finland and Benelux, 38% of Navamedic's sales were made in EUR in the second quarter, while 62% of sales were in Scandinavian currencies.

The net currency effect of currency fluctuations on Navamedic's first six months 2015 financial results was NOK 0.5 million.

Financial position

Navamedic's cash flow was significantly strengthened in the second quarter 2015. The Company had available cash of NOK 8.2 million at the end of the quarter. During the second quarter, the Company reduced its use of available credit lines and improved cash flow from operations.

Inventory was reduced by NOK 6.5 million in the quarter to NOK 54.8 million. Navamedic's short term debt was reduced by NOK 4.2 million in the second quarter. The Company has no interest bearing long term debt.

The Company's equity ratio at the end of the second quarter stood at 55.4%, an improvement from the previous quarter, which ended with an equity ratio of 52.2%.

In total, Navamedic's financial position was significantly strengthened in the second quarter 2015.

New CEO

Tom Rönnlund was on 18 May 2015 appointed new CEO of Navamedic ASA, bringing additional business development and general management experience from the international healthcare industry to Navamedic. He joined from IMS Health Inc, a global analytics and technology services company focused on the healthcare sector, where he held the position of General Manager for the Nordic & Baltic Region. Prior to joining IMS Health, Tom has served in sales, marketing and general management roles with biopharmaceutical companies such as Bristol-Myers Squibb and Eli Lilly.

Post quarter event:

Acquisition of Observe Medical International AB

After the end of the second quarter, on August 4 2015, Navamedic announced the acquisition of Swedish medtech company Observe Medical International AB (OM). The acquisition of OM is in line with Navamedic's strategy to expand its business and increase the proportion of owned products with considerable growth potential.

OM has developed a unique digital urine meter for use in intensive care wards (ICU's) in hospitals – Sippi®. The highly innovative product was launched in the German and Nordic markets earlier this year and a strong sales growth is expected.

OM has signed a distribution agreement with the market leading distributor PFM Medical AG for the sales and marketing of Sippi in the German market. The product is also sold and marketed in the Nordic countries through well-established distributors.

Patients in today's intensive care units (ICU's) are continually monitored electronically by automated instruments. Vital parameters such as heart rate, blood pressure, arterial saturation and fluid input are all monitored and documented electronically. The only vital parameter still manually registered and documented in the ICU is urine output, a vital measurement to patient health and safety as it indicates a potential physiological failure. Today's methods for monitoring the urine production are manual, labor intensive and might provide inaccurate readings.

The introduction of Sippi® represents an innovative digital solution to urine monitoring with improved accuracy and user friendliness. It saves time for health care personnel, while also adding benefits to measurement accuracy and patient safety.

Additionally, Sippi's patent protected measurement sensor technology (SippSense®) and biofilm prevention system (Sippcoat®) are additional key differentiators versus existing manual systems.

Sippi® has been under development since 2009 and has been clinically evaluated at Karolinska University Hospital¹ in Stockholm, Sweden and additional 20 clinics across 5 countries in more than 1000 patients. Approval has been obtained for hospital use in Europe (CE-marked) and the United States (FDA approved).

Upon completion of the transaction, Observe Medical International AB will be a 100% owned subsidiary of Navamedic ASA. OM's founders and management will remain with the company.

OM estimates that global sales of traditional urine monitoring kits amounts to 20 million units annually, representing a global market of approximately NOK 2 billion.

Navamedic aims at establishing OM's product line as the global niche leader, through building a network of

distributors in key markets. The product has been launched in the Nordic region and Germany, evaluation of introduction into additional European markets has started. There are approximately 25,000 ICU beds in the initial launch markets (Nordics and Germany) and an additional 25,000 ICU beds across other prioritized European markets. The number of ICU beds globally is estimated at 360,000.

Outlook

The acquisition of Observe Medical is an important step in Navamedics strategy to leverage its specialized healthcare market understanding and capabilities in transactions targeted at ownership of technologies and products with considerable revenue potential.

While Sippi is currently being launched in Germany and the Nordics with positive customer feedback the combined team of Observe Medical and Navamedic will during the fall initiate negotiations with distributors for other major European markets.

Another important priority is the Sippi development program for wireless transmission of the urine output data via Bluetooth Low Energy. This will allow wireless communication between Sippi and the ICU's electronic Patient Monitoring Systems. Besides being the first commercially available system with this future feature it also adds additional benefits to user friendliness and patient safety.

In Navamedics distribution operation, the key priority is to focus our efforts on high margin products in key areas with additional growth opportunities and attractive margins. New products in female care and oral medicines are being targeted for launch during the fall.

Overall profitability in Navamedics distribution operation is expected to further improve as a result of this, and continued sales growth on the basis of the existing product portfolio can be expected in the longer term. However, financial and human resources will be required to drive the commercial success of Sippi and is expected to affect the profitability in the short to medium term.

With the acquisition of OM, Navamedic has achieved a first step in decreasing its business risk by further diversification of revenue sources and future revenue potential. The company will continuously evaluate additional opportunities with similar future positive impact within its financial capabilities.

¹ Eklund et al. Critical Care (2015) 19:173

Profit and Loss Statement

<i>(In NOK '000)</i>	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014
Operating revenues	59 641	59 478	121 475	102 356	223 068
Cost of goods sold	44 943	45 969	91 637	76 147	168 809
Gross profit	14 698	13 509	29 838	26 209	54 259
<i>Gross profit %</i>	<i>24,6 %</i>	<i>22,7 %</i>	<i>24,6 %</i>	<i>25,6 %</i>	<i>24,3 %</i>
Payroll expense	5 684	4 856	11 080	9 940	19 431
Other operating cost	5 614	4 909	11 263	10 445	19 104
Other (losses)/gains - net	-93	719	-222	821	2 514
Operating costs	11 206	10 484	22 121	21 205	41 049
EBITDA	3 492	3 026	7 716	5 004	13 210
<i>EBITDA %</i>	<i>5,9 %</i>	<i>5,1 %</i>	<i>6,4 %</i>	<i>4,9 %</i>	<i>5,9 %</i>
Depreciation	9	3	9	7	14
Amortization	2 420	1 908	4 823	3 864	8 546
OPERATING RESULT (EBIT)	1 064	1 114	2 885	1 133	4 650
Financial income	422	726	848	1 303	2 211
Financial expenses	-472	-1 606	-1 199	-1 982	-4 164
Net financial result	-50	-881	-351	-682	-1 953
ORDINARY RESULT BEFORE TAX	1 014	233	2 534	451	2 698
Tax on ordinary result	-249	166	-467	-42	-1 392
NET PROFIT	765	399	2 067	408	1 306

Balance Sheet Statement

<i>(In NOK '000)</i>	30 June 2015	30 June 2014	31 December 2014
Assets			
Intangible assets	75 460	79 930	80 318
Deferred tax assets	8 186	11 154	9 220
Tangible assets	43	7	52
Non-current assets	83 688	91 090	89 590
Inventories	54 793	59 826	67 401
Short term receivables	56 766	46 338	50 034
Cash at hand, in banks	8 239	7 553	6 177
Current assets	119 799	113 718	123 612
Total assets	203 487	204 808	213 202
Equity and liabilities			
Equity			
Equity	112 635	105 175	111 232
Total equity	112 635	105 175	111 232
Liabilities			
Deferred tax	5 244	6 827	6 263
Non-current liabilities	5 244	6 827	6 263
Trade account payables	60 690	65 560	60 190
Short term debt to Financial Institutions	11 318	17 867	27 380
Other short term debt	13 599	9 380	8 137
Current liabilities	85 608	92 806	95 707
Total liabilities	90 851	99 633	101 970
Total shareholders equity and liabilities	203 487	204 808	213 202

Cash Flow Statement

<i>(In NOK '000)</i>	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Profit (loss) before tax	1 014	451	2 534	2 698
Taxes paid	-310	-1 550	-1 276	-2 698
Depreciation	2 429	3 871	4 831	8 560
Changes in inventory	6 484	-19 513	12 608	-27 087
Changes in receivables	2 462	-5 514	-634	-7 021
Changes in payables	5 093	27 420	500	22 051
Changes in other current items	-26	-4 612	400	-7 316
Net cash flow from operations	17 145	553	18 963	-10 814
Cash flow from investments		0		
Purchase/disposal of intangible assets	-112	-628	-784	-813
Net cash flow from investments	-112	-628	-784	-813
Cash flow from financing		0		
Share option scheme		0	0	
Short term debt to Financial Institutions	-12 278	5 384	-16 062	14 897
Share capital	0	505	0	505
Net cash flow from financial activities	-12 278	5 889	-16 062	15 402
Changes in currency	-900	-253	-55	156
Net change in cash	3 855	5 561	2 062	3 931
Cash and cash equivalents start period	4 384	2 245	6 177	2 245
Cash and cash equivalents end period	8 239	7 553	8 239	6 177

Changes in Equity

	Paid in capital	Other paid in capital/ reserves	Translation differences	Retained earnings	Total
<i>NOK 1000</i>					
Balance at 1. January 2014	139 112	-362	12 185	-43 677	107 258
Share option scheme	505	-		-	505
Translation difference	-	-	2 163	-	2 163
Net profit of the period	-	-		1 306	1 306
Balance at 1 January 2015	139 617	-362	14 348	-42 371	111 232
Issue of shares, net of share issue cost	-	-			-
Share option scheme	-	-	-	-	-
Translation difference	-	-	-663	-	-663
Net profit of the period	-	-	-	2 067	2 067
Balance at end period	139 617	-362	13 685	-40 304	112 636

Explanatory Notes to the Financial Statement

General information

Navamedic ASA is a public limited 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 Fornebuveien 42, 1366 Lysaker, Norway. Navamedic comprises Navamedic ASA and the wholly owned subsidiary Navamedic AB in Sweden.

1. Nature of operation

Navamedic is a distributor of pharmaceuticals and health care products, focusing on sales to hospitals, physicians, pharmacies and health product stores in the Nordic and Benelux regions. Today the company does not develop new pharmaceuticals, but collaborates with a number of manufacturers in bringing their products within selected therapeutic areas to the market. Navamedic aims at being the partner of choice for pharma manufacturers looking to enter the Northern European market. Navamedic currently offers more than 120 products from 21 suppliers.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014 (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 presentation of the interim financial statements is consistent with the Annual Financial Statements. The interim report has not been subject to an audit. Navamedic's Board of Directors approved the interim financial statements on 20 August 2015.

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

3. Summary of significant accounting policies

The accounting policies applied and the presentation of the interim condensed consolidated financial information are consistent with the financial statement for the year ended 31 December 2014. A number of new standards, amendments to standards and interpretations are not effective for the company for the period ending 30 June 2015, and have not been applied in preparing these consolidated financial statements:

- IFRS 9 Financial instruments becomes mandatory for the group's 2018 consolidated financial statements. The new standard can change the classification and measurement of financial assets. The group does not plan to adopt this standard early and the extent of the impact has not been determined.
- IFRS 14 Regulatory Deferral Accounts becomes mandatory for the group's 2016 consolidated financial statements. The new standard do not expect to have any material effects of the financial statement.
- IFRS 15 Revenue recognition was issued in May 2014. The standard is effective from January 2018 .The new standard is expected to impact Navamedic financial statement however the extent to which the standard will impact Navamedic revenue and profit recognition has not yet been assessed.

4. Earnings per share

	Q2 2015	Q2 2014	2015	2014	FY 2014
Result allocated to shareholders (in NOK '000)	765	399	2 067	408	1 306
Weighted average of outstanding shares (in '000)	8 562	8 562	8 562	8 562	8 562
Earnings per share (NOK per share)	0,09	0,05	0,24	0,05	0,15

Diluted earnings per share:

	Q2 2015	Q2 2014	2015	2014	FY 2014
Result allocated to shareholders (in NOK '000)	765	399	2 067	408	1 306
Weighted average of outstanding shares (in '000)	8 587	8 562	8 592	8 587	8 587
Earnings per share (NOK per share)	0,09	0,05	0,24	0,05	0,15

Earnings per share (EPS) are calculated on the basis of the profit/loss for the year after tax but excluding other comprehensive items. The result is divided by a weighted average number of outstanding shares over the year, reduced by acquisition of treasury shares. The diluted earnings per share is calculated by adjusting the average number of outstanding shares by the number of employee options that can be exercised. Anti-dilution effects are not taken into consideration. As of 30 of June 2015 all options in the employee options scheme are exercised and paid for.

5. Segment information

Navamedic's financial reporting will display three business segments: Pharma Products, Medical Nutrition and Consumer Care. The reporting structure will reflect the Company's business and product composition.

Within the three business areas the company operates in these product categories:

- Female Care
- Medical Nutrition
- Oral Medicine
- Urology
- Dermatology
- Tender/Hospital
- Rheumatology
- Oncology
- Cardiology
- Antibiotics
- Immunology
- Abuse
- Neurology
- Endocrinology
- Gastro

The product categories combine growth possibilities and high profit potential with Navamedic's core expertise and distribution capabilities.

Consumer care

The business area consists of a large variety of non-prescription drugs, pharmaceuticals, and health care products mainly sold via pharmacies and drugstores. It consist of several strong own and in-licensed brand names in our respective knowledge areas. Some important Consumer product brands are:

- NYDA (Dermatology)
- Ovestin and Vitakalk, (Female Care)
- Bifolac and Importal, (Gastroenterology)
- Aftamed, Gelerovoice and Dentofix , (Oral Medicin)

Medical Nutrition

The Medical Nutrition business area is a traditional market segment. Navamedic is the Nordic distributor for the UK based Company Vitaflo International Ltd, a subsidiary of Nestlé, with more than 30 years of experience in producing specialist nutritional products for inborn errors of metabolism (IEM). Navamedic can offer a complete range of products for over 8 different metabolic disorders (for example Phenylketonuria, Tyrosinemia, Maple Sirup Urine Disease, Homocystinuria, Methylmalonic Acidemia (MMA), Propionic Acidemia (PA), Glutaric Aciduria Type 1 (GA1). The product range also includes products within carbohydrate metabolism, fat metabolism (MCT products) and renal disease.

Our nutrition products treat different disorders in connection with IEM (Inborn errors of metabolism). Many different types of disorders may affect metabolism.

The disorders develop from lack of a certain type of amino acid or enzyme that is crucial for metabolism of nutrients; disorders of fat metabolism, protein metabolism and carbohydrate metabolism. The food they eat contains minimal amounts of protein. They drink protein substitute to make sure that they get all the essential amino acids that they need. Through established relationships with specialists and patient leaders, nutritionists and doctors Navamedic markets protein substitutes.

Pharma Products

Navamedic's Pharma product segment includes subscription pharmaceuticals sold in pharmacies as well as hospital pharmaceuticals.

6. Related party transactions

Navamedic is relying on services provided by third parties, as a result of its organizational structure and in-house expertise. None of these third parties are considered related parties.

7. Credit risk and foreign currency risk

Credit risk

Navamedic trades only with recognized, creditworthy third parties, of whom most companies are large, profitable pharmaceutical companies and wholesalers. Receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. As per 31 March 2015, there is no offset of bad debt.

Maturity profile on short-term receivables as per 30 June 2015:

NOK 1000	Not due	Less than 3 months	3 to 12 months	Total
Trade receivables	31 486	10 183	3 099	44 768
Other receivables	11 998			11 998
Total receivables	43 484	10 183	3 099	56 766

Foreign currency risk

Navamedic has transactional currency exposure arising from sales and purchases in currencies other than the functional currencies (NOK and SEK). Purchases of products from manufacturer are made in several currencies; mainly EUR, but also USD, CAD and GBP. Sales are made in Scandinavian currencies and EUR. The net impact of currency fluctuations on Navamedic's financial results is currently at a level which in the Company's opinion does not call for currency hedging mechanisms.

8. Tangible assets

NOK 1000	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Carrying value at the beginning of the period	52	11	52	14
Additions	-	-	-	-
Depreciation in the period	-9	-7	-9	-7
Exchange differences	-	3	-	-
Carrying value at the end of the period	43	7	43	7

9. Intangible assets

Intangible assets

NOK 1000	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Carrying value at the beginning of the period	75 897	82 254	80 306	85 773
Additions/disposal (-)	-112	424	784	628
Amortization in the period	-2 420	-1 908	-4 823	-3 864
Exchange differences	2 095	-840	-808	-2 607
Carrying value at the end of the period	75 460	79 930	75 459	79 930

10. Deferred tax and deferred tax assets

Defferd Tax Assets

NOK 1000	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Carrying value at the beginning of the period	8 657	11 154	9 220	11 154
Income statement charge	-472	0	-1 034	0
Carrying value at the end of the period	8 185	11 154	8 186	11 154

Defferd Tax

NOK 1000	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Carrying value at the beginning of the period	5 364	7 387	6 263	8 026
Income statement charge	-405	-422	-847	-861
Exchange differences	285	-138	-172	-338
Carrying value at the end of the period	5 244	6 827	5 244	6 827

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

11. Share options

As per 30 June the company has 25,000 Share options outstanding. Acting CEO Håkan Josephsson was on 14 November 2014 granted 25,000 share options at an exercise price of NOK 12.50 per share.

All options are equity settled and valued at the date of award. The value is expensed over the vesting period, which is usually three years. The exercise price of the granted options is equal to the market price on the date of the grant.

The option program has had the following expiry date and exercise prices:

Share options	Price	2015	2014
October, 2014	12,5	25 000	25 000
Total share options outstanding		25 000	25 000

12. Bank arrangement and credit facility

The Company has access to bank agreements and credit facilities totaling NOK 45 million to cover credits and guarantees. NOK 23.6 million of the credit facility was utilized at the end of the second quarter. Towards a selected group of suppliers, the company has issued letter of credit of a total of NOK 0.5 million. This standby letter of credit is issued as security for the applicant's payment obligations under distribution agreements.

13. Material events subsequent to the end of the reporting period

Post quarter the Company has acquired Observe Medical AB which is further explained in the second quarter report. To Navamedic's knowledge, there are no events subsequent to the end of the reported interim period that would have influence on the financial statements included in this report.

14. Shareholder Information

As of 30 June 2015 the Company had 557 shareholders, compared to 520 at the end of second quarter 2014. The total numbers of outstanding shares were 8,562,051.

The largest shareholders per 30 June 2015 were:

	<i>Shareholder</i>	<i>Shares</i>	<i>Ownership</i>
1.	NOBELSYSTEM SCANDINAVIA	1 820 595	21,3 %
2.	WEIFA AS	405 046	4,7 %
3.	DANSKE INVEST NORGE	262 660	3,1 %
4.	HARDING INVEST AS	244 400	2,9 %
5.	ADVANCE INVEST & CONSULTING	240 000	2,8 %
6.	SANDVOLD SHIPPING INVEST	216 000	2,5 %
7.	KRAEBER VERWALTUNG G	214 850	2,5 %
8.	DIRECTMARKETING INVEST	206 844	2,4 %
9.	STORVESTRE RIKARD	200 000	2,3 %
10.	SALTO MEDIA	150 555	1,8 %
11.	LID OLAV TARJEI HIORTH	150 000	1,8 %
12.	MP PENSJON	149 708	1,7 %
13.	RO LARS	130 000	1,5 %
14.	ROSENFONN INVESTERING	129 162	1,5 %
15.	SILAN INVEST AS	120 594	1,4 %
16.	RØTTINGSNES BERNT OLAV	109 141	1,3 %
17.	JGB EIENDOM AS	101 011	1,2 %
18.	EILERAAS KARL ANSKAR	100 500	1,2 %
19.	BATJAK AS	100 000	1,2 %
20.	AALL FINANS	93 470	1,1 %
	20 largest shareholders	5 144 536	60,1 %

Responsibility statement

We confirm to the best of our knowledge that the condensed set of financial statements for the period 1 January to 30 June 2015 has been prepared in accordance with IAS 34 'Interim Financial Reporting' 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 three months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining nine months of the financial year, and major related parties transactions.

Fornebu, 20 August 2015

Johan Reinsli (sign)
Chairman

Masha Strømme (sign)
Board Member

Synne H. Røine (sign)
Board Member

Svein Erik Nicolaysen (sign)
Board Member

Tom Rönnlund (sign)
CEO

Navamedic ASA

Fornebuveien 42-44

PO Box 107

1325 Lysaker

Telephone +47 6711 2540

E-mail firma@navamedic.com

www.navamedic.com