

# NattoPharma®

2<sup>nd</sup> Quarter 2016  
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17<sup>th</sup> August 2016

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# Financial highlights in Q2 2016

- ✓ Another quarter with record revenue, coming in at **NOK 13.3 million** (73% growth compared to Q2'15)
- ✓ Continued strong Gross Margin, coming in at **50.2%** in the quarter (vs 28,2% in same quarter 2015)
- ✓ EBITDA, adjusted for non-cash share and options cost, at **NOK -0,35 million**
  - Q2 EBITDA of NOK -1,6 million including share and options cost

# Operational highlights Q2 2016

- ✓ Revenue growth across all regions including initial sales into Brazil and China
- ✓ Active media outreach: press releases and news coverage referencing K2 deficiency concerns, cardiovascular disease
- ✓ Dispute with former vendor settled,
  - no expected impact to the P&L as a result of the settlement
- ✓ Capacity increases underway for synthetic PURE line
- ✓ Strengthened commercial team:
  - 2 additions to our sales and marketing team
  - Redesign and enhancement of customer care and services capabilities

# Progress on Operating and Strategic Plans

- ✓ Stronger focus on financial performance and metrics
- ✓ Operating highlights (revenue growth, capacity expansion, global team) aligned with 7-Point Operating plan as presented in January
- ✓ Focus on key elements of strategic plan:
  - Advance Delivery Platform launched in May
  - Progressing on new indication areas and pharmaceutical trials, including potential for multiple patent filings
  - Included in final stages of additional prestigious EU grants

# Financials Q2 & YTD June 2016

(unaudited)

# Income Statement Q2

Profit & Loss	Q2 2016	Q2 2015		
	Actual	Actual	Δ	% Change
Total Revenue	13 335	7 724	5 611	72,6 %
Cost of Sales	-6 644	-5 546	-1 098	19,8 %
<b>Gross Profit</b>	<b>6 690</b>	<b>2 178</b>	4 512	207,2 %
<i>Gross Margin as % of Revenue</i>	<i>50,2 %</i>	<i>28,2 %</i>		
Adjusted Personnel Cost	-3 470	-2 511	-959	
Adjusted Other OpEx	-3 577	-6 153	2 576	
<b>Adjusted Total Operating Expenses</b>	<b>-7 047</b>	<b>-8 664</b>	1 617	-18,7 %
<b>Adj. Earnings Before Interest, Tax &amp; Depreciations (EBITDA)</b>	<b>-356</b>	<b>-6 486</b>	6 130	
Share & Option cost to BoD and Mgmt	-1 264	0		
<b>Earnings Before Interest, Tax &amp; Depreciations (EBITDA)</b>	<b>-1 620</b>	<b>-6 486</b>		
<i>EBITDA as % of Revenue</i>	<i>-2,7 %</i>	<i>-84,0 %</i>		
D & A Intangible Assets	-1 733	-1 391	-342	
<b>Earnings Before Interest &amp; Tax (EBIT)</b>	<b>-3 353</b>	<b>-7 877</b>	4 524	

## Key indicators Q2:

- Revenue



- Gross Margin



- EBITDA



# Income Statement YTD June

Profit & Loss	Q2 2016	Q2 2015		
	YTD	YTD	Δ	% Change
Total Revenue	25 803	14 509	11 294	77,8 %
Cost of Sales	-12 829	-10 428	-2 401	23,0 %
<b>Gross Profit</b>	<b>12 974</b>	<b>4 081</b>	8 893	217,9 %
<i>Gross Margin as % of Revenue</i>	<i>50,3 %</i>	<i>28,1 %</i>		
Adjusted Personnel Cost	-7 598	-5 430	-2 168	
Adjusted Other OpEx	-7 812	-8 890	1 078	
<b>Adjusted Total Operating Expenses</b>	<b>-15 410</b>	<b>-14 320</b>	-1 090	7,6 %
<b>Adj. Earnings Before Interest, Tax &amp; Depreciations (EBITDA)</b>	<b>-2 436</b>	<b>-10 239</b>	7 803	
Share & Option cost to BoD and Mgmt	-912	0		
<b>Earnings Before Interest, Tax &amp; Depreciations (EBITDA)</b>	<b>-3 348</b>	<b>-10 239</b>		
<i>EBITDA as % of Revenue</i>	<i>-13,0 %</i>	<i>-70,6 %</i>		
D & A Intangible Assets	-3 381	-2 818	-563	
<b>Earnings Before Interest &amp; Tax (EBIT)</b>	<b>-6 729</b>	<b>-13 057</b>	6 328	

## Key indicators YTD:

- Revenue



- Gross Margin



- EBITDA





# Balance Sheet – 30.06.2016

Assets	30.06.2016	31.12.2015	Δ
Goodwill	7 019	7 259	-240
Patents & Trademarks	42 085	46 599	-4 514
Property, Pland & Equipment	2 968	3 195	-227
Other Assets	0	0	0
<b>Total Non-Current Assets</b>	<b>52 071</b>	<b>57 053</b>	<b>-4 982</b>
Inventory	8 702	6 327	2 375
Trade & Other Receivables	22 107	20 578	1 529
Cash & Cash Equivalent	20 755	24 761	-4 006
<b>Total Current Assets</b>	<b>51 564</b>	<b>51 666</b>	<b>-102</b>
<b>Total Assets</b>	<b>103 635</b>	<b>108 719</b>	<b>-5 084</b>

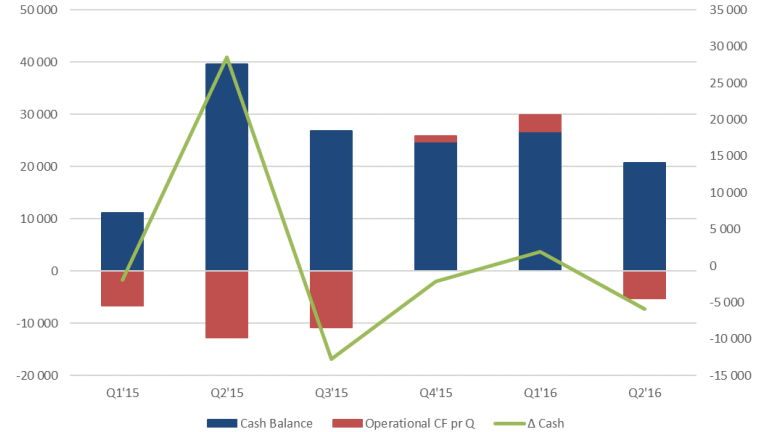
EQ & Liabilities	30.06.2016	31.12.2015	Δ
Paid-In Equity	51 398	51 398	0
Share Premium	113 101	113 269	-168
Translation Reserve	5 088	5 225	-137
Retained Earnings	-85 805	-77 090	-8 715
<b>Total Equity</b>	<b>83 782</b>	<b>92 802</b>	<b>-9 020</b>
Deferred Tax Liability	5 206	5 747	-541
Trade Payables	6 507	3 509	2 998
Other Payables	8 140	6 661	1 479
<b>Total Liabilities</b>	<b>19 853</b>	<b>15 917</b>	<b>3 936</b>
<b>Total Equity &amp; Liabilities</b>	<b>103 635</b>	<b>108 719</b>	<b>-5 084</b>

Working Capital	36 917 ▲	41 496
Working Capital - Cash Adjusted	16 161 ▲	16 735
Equity Ratio	80,8 % ▬	85,4 %

- Strong balance sheet, with no long term debt and solid EQ ratio
- Increased investment in accounts receivables and inventory results in net cash outflow through the second quarter
- Cash balance expected to be sufficient to sustain expected business growth the coming period

# Cash

- Management focus on working capital is still a priority
- Investment in working capital in the second quarter is due to YTD growth and increased inventory levels
- Current cash level expected to be sufficient for near term cash need, supporting the 2016 expected sales growth



# Q & A