

March 19, 2023

Full-Year Results 2022

Novolog Group



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Delivering Health

Novolog operates to improve the field of healthcare in Israel and adapt it to the challenges of the future through three key segments: Healthcare logistics, Homecare and personalized healthcare and Medical information technological tools



Founded in 1966



Listed on the Tel-Aviv Stock Exchange in 2017 (TA125)



Major stakeholders:

Udi Puzis, Mori Arkin, Eli Dahan and institutional investors



Approximately 950 employees



Strong, stable, debt-free financial balance



Dividend distribution policy on 70% of net profit

Our Vision is Based on Our Values

Creating the future of healthcare

The Novolog Group is committed to be a leading healthcare services group in Israel and to support patients, physicians and healthcare organizations in Israel and internationally through our innovative, advanced, technology-based basket of products and services that are adaptable to trends and anticipated changes in the healthcare services sector



Well-defined Strategy to Drive Growth



Operate complex and supplementary logistics services for medicines, medical devices, and clinical trials



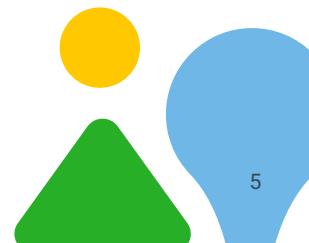
Reduce public healthcare organizations' costs, thereby helping them improve the quality of the services that they provide



Improve the public's access to high-quality, innovative, and personalized healthcare services



Provide physicians and patients with the advanced technological resources they need for high-quality, personalized healthcare





Logistics

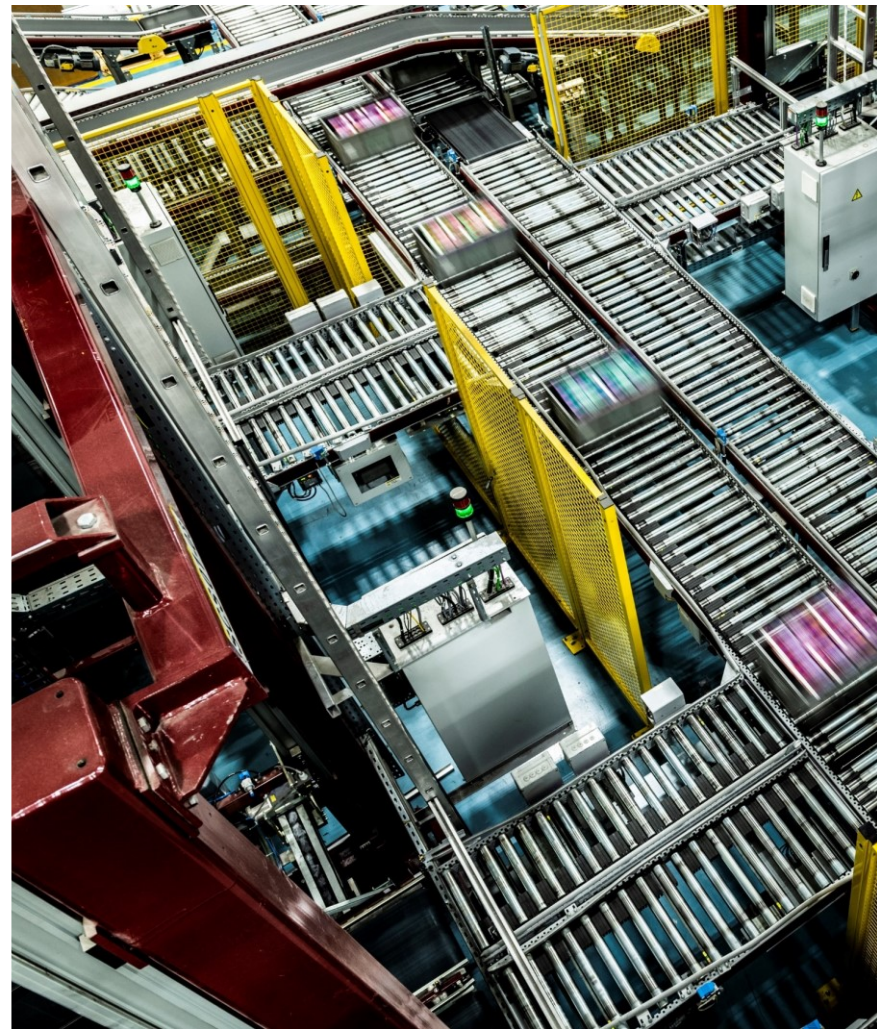
Complex logistics services including import and distribution of pharmaceuticals and medical devices, as well as clinical trial logistics management

Healthcare

High quality medical care based on innovation, compassion, and personalized care

DigitalHealth

Medical information technological tools, and digital services to patients, physicians, and medical institutions



Senior Strategic Logistics Partner of Global Pharma and Medical Device companies

Novolog group is a senior strategic logistics partner of global pharma companies operating in Israel. Novolog uses state-of-the-art technologies to operate a variety of services for these companies, while complying with the most stringent quality assurance procedures



The logistics division allows healthcare professionals to do their best work by providing a comprehensive set of customized advanced supply chain, management services and solutions

Pharma logistic services

Specializes in storage, distribution and logistic services for the pharmaceutical, Medical Device and narcotics industries and operates a state-of-the-art logistics center

Clinical trial logistical services

While adhering to the strictest quality control procedures, Novolog delivers the medication and medical devices for hundreds of clinical trials each year, including comprehensive logistical support

Supplementary pharma and biotech services

Providing comprehensive quality control and validation services, regulation and clinical trial services and supplementary services to biomed companies and to the pharma, medical device and life sciences industries throughout the life cycle of medical products

EO sterilization

Novolog has sterilization chambers in a range of volumes, all using advanced EO sterilization technologies, specially designed for the medical device industry



Healthcare

by NovoLog



Improving Quality of Care

Novolog's Healthcare Division works with hospitals, leading insurance providers, pharmaceutical companies, and all of the Israeli national HMOs to provide technology-based healthcare services to patients in their homes and in the community

Hundreds

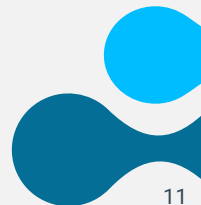
of patients intubated at home

Hundreds

of home medical visits per month

Millions

of laboratory tests



Improving Healthcare Access and Convenience



Home Care Services

At-home hospitalization, ambulatory homecare, providing respiratory care, sleep medicine services.



Healthcare Management

Building and operating customized management systems for the insurance sector and manage patient support programs



National Healthcare Projects

Partnerships with national organizations

Making Healthcare Personal



Personalized Concierge Medicine

Established Israel's first personalized healthcare management center, providing comprehensive testing and expert treatment services in clinics and in patients' homes., as well as operating Israel's largest private gastroenterology, hepatology, and nutrition clinic

Advanced Ophthalmology Centers

Operates Israel's largest network of clinics dedicated exclusively to eye care and surgery, with over 50 leading ophthalmologists performing more than 10,000 surgeries per year

Full Private Laboratory Services

Manages private medical laboratory, providing full laboratory services to medical and veterinary centers, private patients, research institutions, and the Israeli and international medical and biotech industries



Enabling Patient Access

Novolog's digital health division is providing patients with unprecedented access to treatment information, scheduling, and communication with care providers, giving them newfound control over their therapeutic process and their interactions with the medical system

The result: a high-quality, accessible treatment experience that goes beyond public medical care



Millions

of content views per month

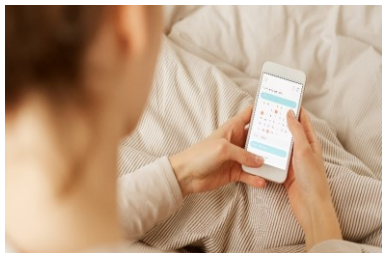
Thousands

of telemedicine video appointments

Millions

of visits scheduled through smart scheduling

Technological Tools Suitable for the New Era of Healthcare Services



Smart Scheduling platform

- Enables patient self-scheduling
- Customizable
- Minimizes no-shows



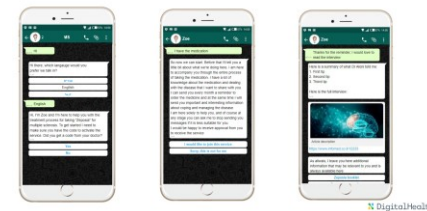
Telemedicine platform

- Video consultations
- Digital prescriptions
- Real-time file sharing



Medical content platforms

- Healthcare provider reviews
- Expert information for patients
- Forums and search features



Enhance chronic disease treatment

- Support patients in continuing treatment with advanced
- accessible programs (e.g. WhatsApp)

International Healthcare



Growth Through Innovation

Novolog has partnered with medflex, one of Germany's leading telemedicine providers

medflex is a fast-growing telemedicine company based in Konstanz, Germany. The certified medical messenger and video consultation service enables doctors and other health professionals to communicate with patients and among each other through one seamless, intuitive, and secure platform. Its reimbursable video consultation solution is end-to-end encrypted and certified according to the guidelines by the association of Statutory Health Insurance Physicians (KBV)

The health sector in Germany is the largest of its kind in Europe and is considered one of the most promising markets with high growth-potential globally. Healthcare spending in Germany exceeds €400 Billion, in a population amounting to 83 million people. In 2019, the German parliament passed the Digital Care Act (DVG) to accelerate digitalization and innovation within the German healthcare market. The act also paves the way to broaden usage and reimbursable of digital health applications, such as medflex' telemedicine solution

The last year has led to a steep increase in the usage of video consultations among physicians. Thus, telehealth has rapidly evolved from a nice-to-have into a necessity for doctors as well as patients

Financial Overview

FY 2022



Pronto operates clinical laboratories that provide human molecular genetic diagnostics, onco-genetic tests, pregnancy tests (such as NIPT), genetic sequencing tests, and viral and bacterial analyses. They also engage in the sales of kits and reagents for molecular genetic diagnostics.

The transaction includes a payment in the amount of NIS 10 million and an additional contingent payment based on Pronto's financial results for 2023.

Novolog intends to take action to contribute to Pronto's growth by expanding its services and entering additional collaborations, while utilizing the synergies between its operations and those of AML's laboratory and the activities in our healthcare division.

In February 2023, the agreement was consummated after all pending conditions were fulfilled



Significant business developments

- **In March 2023**, the company announced the distribution of a dividend in the amount of NIS 16.9 million
- **In February 2023**, the company acquired 75% of the shares of Pronto
- **In November 2022**, the company announced the distribution of a dividend in the amount of NIS 16.5 million
- **In September 2022**, the company acquired 60% of the shares of Gsap for NIS 33 million with an additional approximately NIS 12 million contingent on performance

Q4-2022

Results Including IFRS16

	Q4-2022	Q4-2021	(NIS millions) % Change
Revenues	383.5	299.7	28.0%
Gross Profit	48.6	38.2	27.1%
Operating Profit	21.7	16.8	29.4%
Net Profit	15.2	9.8	54.5%
Adjusted EBITDA (*)	36.2	30.2	20.0%

GROSS PROFIT

+27%

OPERATING PROFIT

+29%

ADJUSTED EBITDA

+20%

(*) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

Results Excluding IFRS16

	Q4-2022	Q4-2021	(NIS millions) % Change
Revenues	383.5	299.7	28.0%
Gross Profit	46.9	38.5	21.9%
Operating Profit	20.4	16.5	23.2%
Net Profit	15.9	10.8	47.7%
Adjusted EBITDA (*)	29.7	25.1	18.0%

GROSS PROFIT

+22%

OPERATING PROFIT

+23%

ADJUSTED EBITDA

+18%

(*) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

2022

Results Including IFRS16

	2022	2021	(NIS millions) % Change
Revenues	1,507.9	1,255.2	20.1%
Gross Profit	176.1	149.0	18.3%
Operating Profit	78.8	69.9	12.6%
Net Profit (*)	51.4	44.8	14.7%
Adjusted EBITDA (**)	136.5	119.3	14.4%

GROSS PROFIT

+18%

OPERATING PROFIT

+13%

ADJUSTED EBITDA

+14%

(*) Net Profit in the reporting period after adjusting equity losses is NIS 56 million. Net Profit in the previous period after adjusting equity losses is NIS 46.5 million, increase of 20.5%

(**) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

2022

Results Excluding IFRS16

	2022	2021	(NIS millions) % Change
Revenues	1,507.9	1,255.2	20.1%
Gross Profit	174.3	148.9	17.1%
Operating Profit	74.7	67.6	10.5%
Net Profit (*)	54.6	47.2	15.7%
Adjusted EBITDA (**)	112.5	99.1	13.5%

GROSS PROFIT

+17%

OPERATING PROFIT

+11%

ADJUSTED EBITDA

+14%

(*) Net Profit in the reporting period after adjusting equity losses is NIS 59.2 million. Net Profit in the previous period after adjusting equity losses is NIS 48.9 million, increase of 21.2%

(**) Adjusted EBITDA is EBITDA after neutralizing expenses unrelated to the routine operation of the Company's businesses

Results By Segment Excluding IFRS16

(NIS millions)

	Revenues			Adjusted EBITDA		
	Q4-2022	Q4-2021	%	Q4-2022	Q4-2021	%
Logistics (*)	330.2	254.5	29.7%	21.7	16.4	32.2%
Health Care (**) (***)	47.3	38.5	22.9%	6.0	6.4	(6.7%)
Digital Health	6.4	6.9	(7.5%)	2.0	2.3	(13.5%)
Intercompany Transactions	(0.4)	(0.2)		-	-	
Total	383.5	299.7	28.0%	29.7	25.1	18.0%

(*) Gsap is consolidated as of September 2022

(**) Ein Tal is consolidated as of the first quarter of 2022

(***) During the reporting period, the healthcare division experienced a decrease in profits due to changes in the competitive environment of the respirator market, as well as a decline in profits from laboratory services resulting from the termination of a project related to coronavirus vaccines

Results By Segment Excluding IFRS16

(NIS millions)

	Revenues			Adjusted EBITDA		
	2022	2021	%	2022	2021	%
Logistics (*)	1,281.7	1,097.8	16.8%	75.0	63.1	18.8%
Health Care (**)	201.8	140.8	43.3%	28.8	27.9	3.4%
Digital Health	26.0	25.8	0.6%	8.7	8.1	6.9%
Intercompany Transactions	(1.6)	(9.2)		-	-	
Total	1,507.9	1,255.2	20.1%	112.5	99.1	13.5%

(*) Gsap is consolidated as of September 2022

(*) AML is consolidated as of the second quarter of 2021 and Ein Tal company is consolidated as of the first quarter of 2022

2022

Balance Sheet Including IFRS16

(NIS millions)

	31/12/2022	31/12/2021
Cash	173	239
Current assets	1,719	1,742
Non-current assets	716	546
Current liabilities	1,757	1,689
Non-current liabilities	216	169
Equity	462	430
Total assets	2,435	2,288

CASH

NIS **173M**

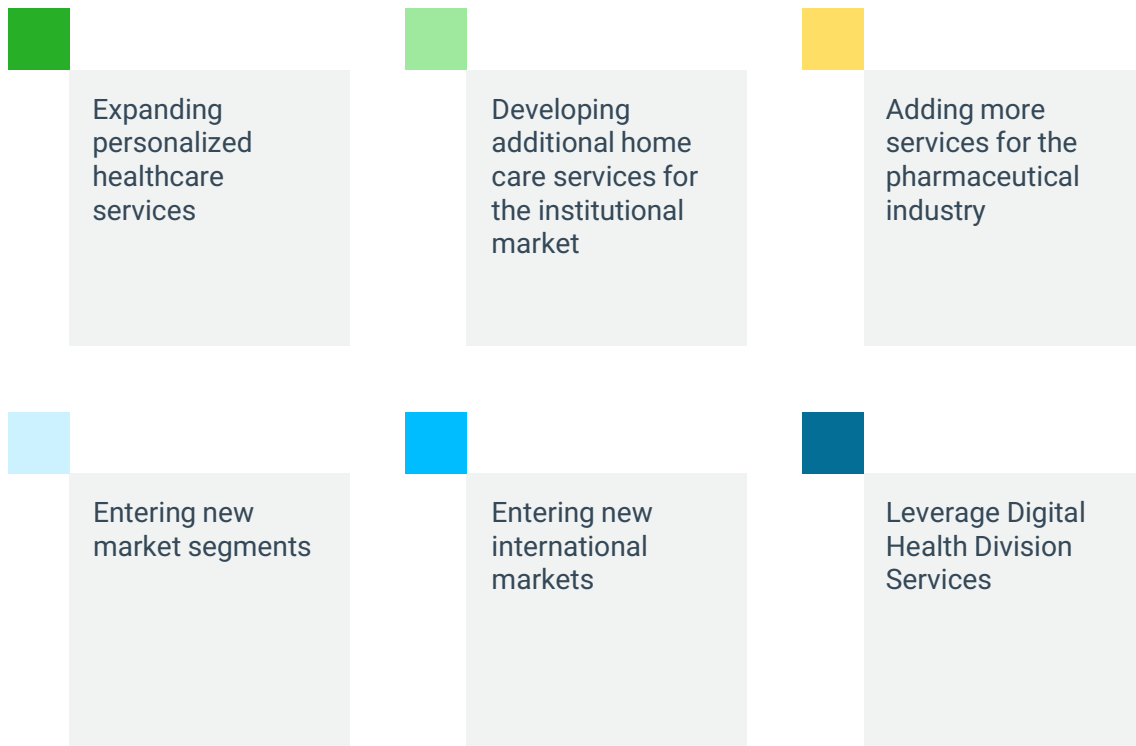
EQUITY

NIS **462M**

DEBT

NIS **2.1M**

Growth Engines



Uniquely Positioned To Deliver Value To Stakeholders

As part of our long-range growth plan,
we estimate that Novolog will double
its Adjusted EBITDA (Excluding IFRS16)
with respect to 2021, within 4 years,
mainly from its activities in Israel





Strong financial performance

Novolog has a consistent track record of delivering strong and stable financial performance



Diversification

Future growth will be fueled by all three divisions



Responsible approach

The Company is not leveraged and invests responsibly. The Group strengthened its capital structure last year



Capital allocation priorities

Investing for continued growth and maximizing value to our shareholders



Reinvest for growth

Investing in processes and ventures that lead to organic growth and generate higher profits



Acquisitions

Acquisitions that support our strategies



Returns to our shareholders

Dividend policy –
70% of the net profit



Thank you!

info@Novolog.co.il | www.Novolog.co.il

