



November 19, 2023

# Q3-2023 Results

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 and institutional investors



Approximately 1,000 employees



Strong, stable, debt-free financial balance

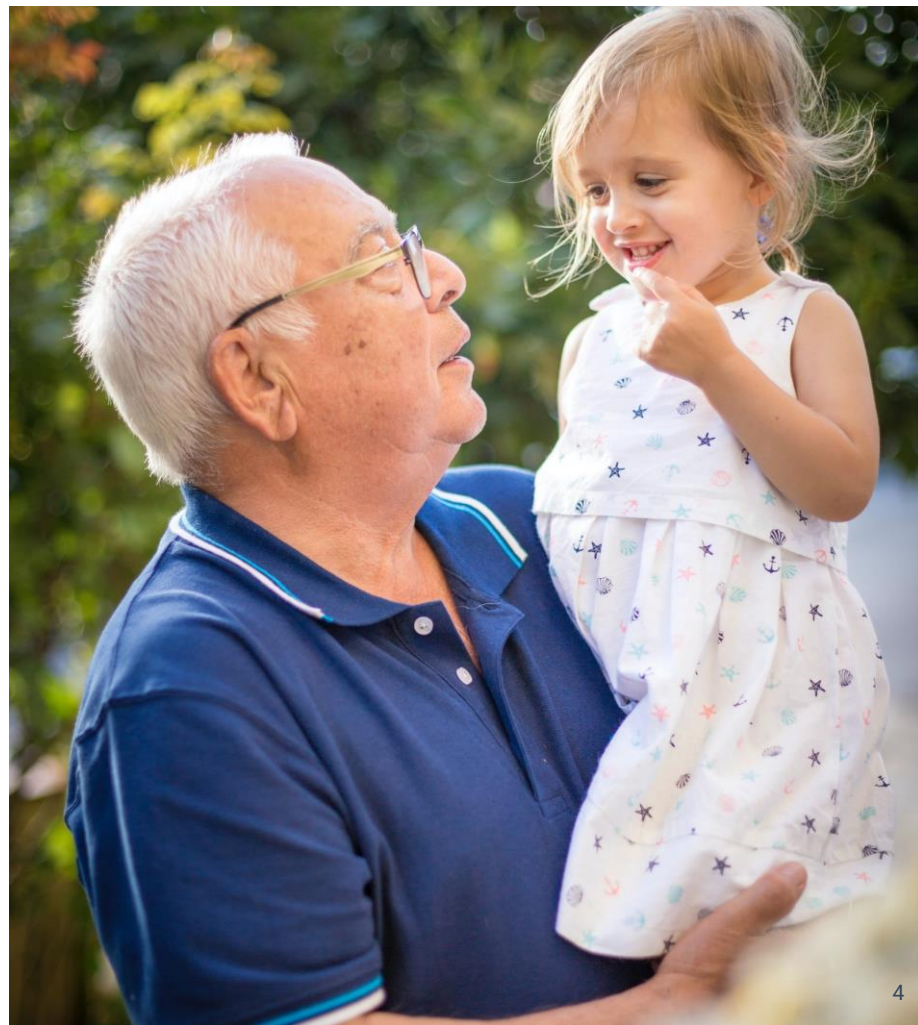


Dividend distribution policy on 70% of net profit

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



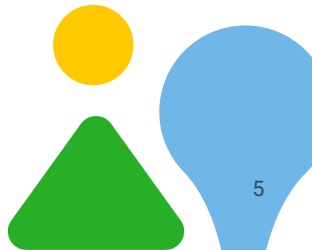
Reduce public healthcare organizations' costs, thereby helping them improve the quality of the services that they provide



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

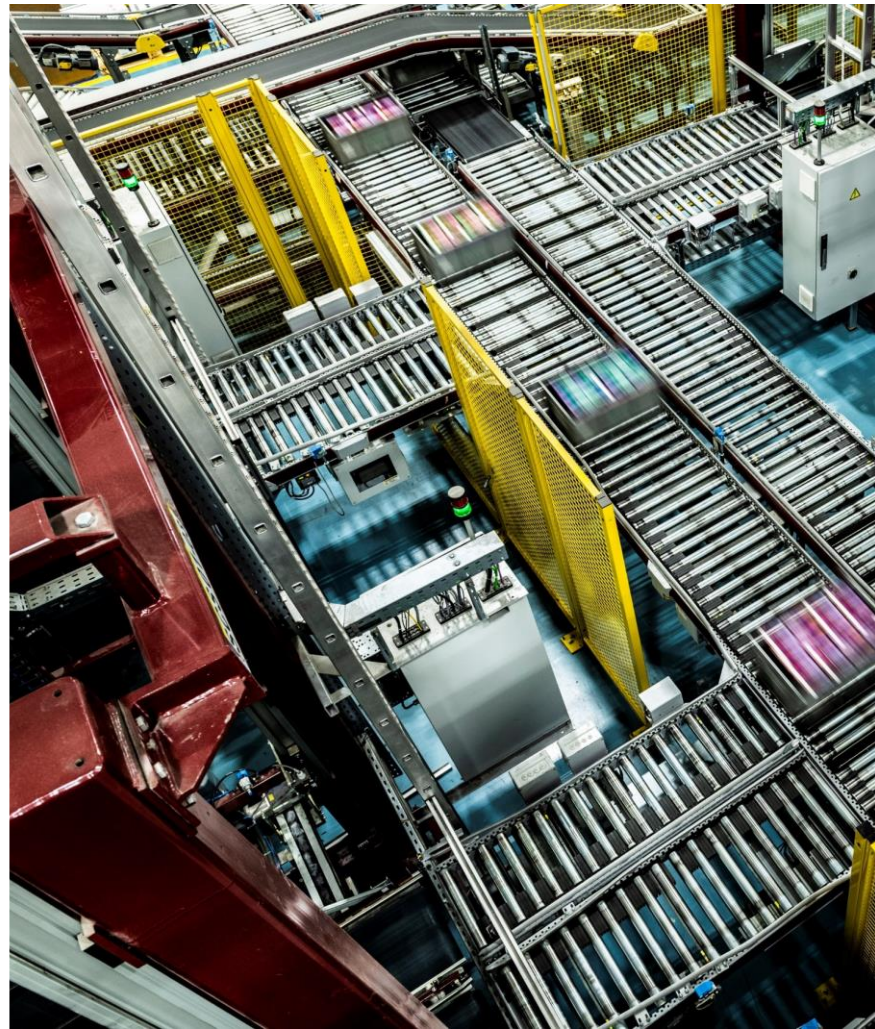
Complex logistics services including import and distribution of pharmaceuticals and medical devices, as well as clinical trial logistics management

## 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

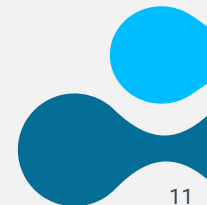
### **EO sterilization**

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



# 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



# 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**

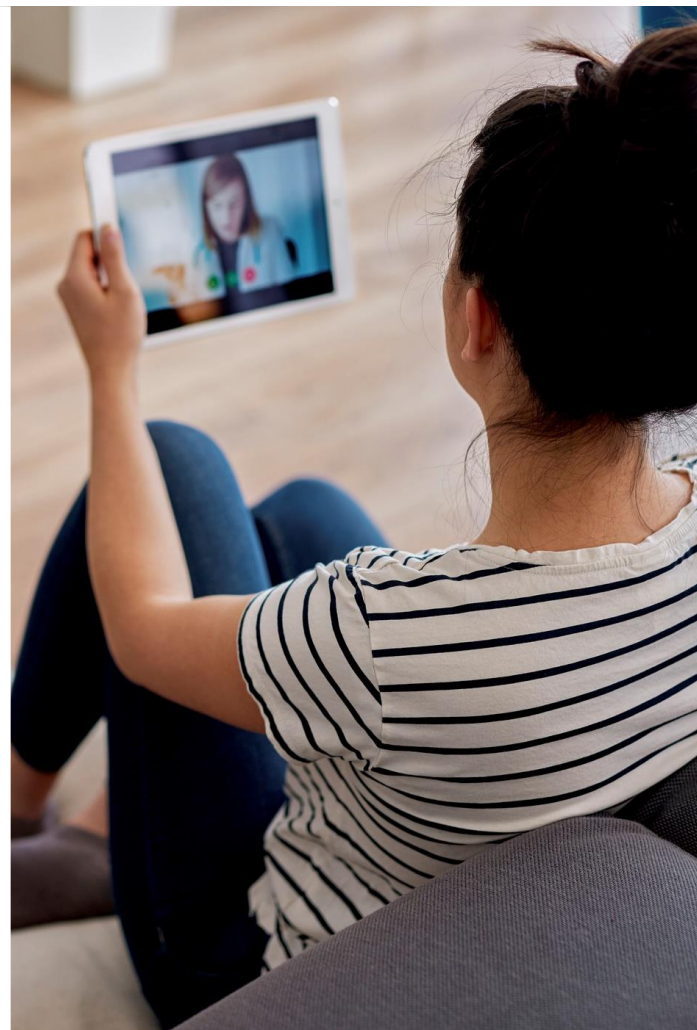
Established Israel's first personalized healthcare management center, providing comprehensive testing and expert treatment services in clinics and in patients' homes, as well as operating Israel's private gastroenterology, hepatology, and nutrition clinic

## **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

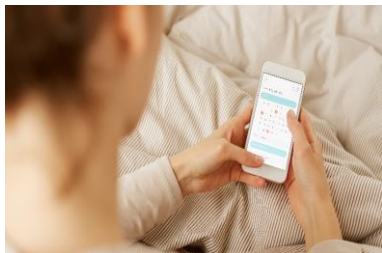
of telemedicine video appointments

## Millions

of visits scheduled through smart scheduling



# Technological Tools Suitable for the New Era of Healthcare Services



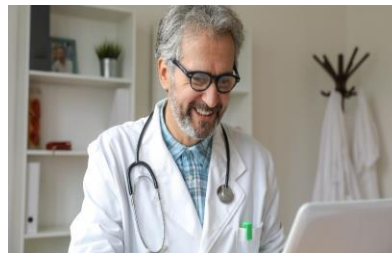
## Smart Scheduling platform

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



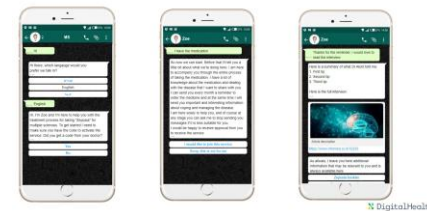
## Telemedicine platform

- 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)

Financial Overview

# Q3-2023



## Significant business developments

- In the third quarter of 2023, the company recorded a provision of NIS 9.9 million for the impairment of its holding in the Gsap subsidiary, on the other hand, the company recorded an update to the contingent consideration of 5 million NIS in the Gsap subsidiary
- In October 2023, a PUT option was exercised of additional 8.81% of Ein Tal in the amount of approximately NIS 8 million
- In November 2023, a PUT option was exercised of additional 25% of AML in the amount of NIS 6.3 million

1-9.2023

# Results Including IFRS16

	(NIS millions)		
	1-9.2023	1-9.2022	% Change
Revenues	1,247.0	1,124.5	10.9%
Gross Profit	131.7	127.4	3.4%
Operating Profit	40.1	56.9	(29.5%)
Profit after taxes (*)	31.2	39.4	(21.0%)
Net Profit	4.0	36.1	(89.0%)
Adjusted EBITDA (**)	91.1	100.2	(9.1%)

GROSS PROFIT

**+3%**

OPERATING PROFIT

**-30%**

ADJUSTED EBITDA

**-9%**

(\*) Profit after taxes is before equity loss from unconsolidated affiliated companies

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

Q3-2023

# Results Including IFRS16

(NIS millions)

	Q3-2023	Q3-2022	% Change
Revenues	420.8	387.7	8.5%
Gross Profit	39.0	42.8	(9.0%)
Operating Profit	2.5	18.2	(86.3%)
Profit after taxes (*)	1.9	12.2	(84.2%)
Net Profit	1.0	10.7	(90.8%)
Adjusted EBITDA (**)	25.4	32.8	(22.7%)

GROSS PROFIT

**-9%**

OPERATING PROFIT

**-86%**

ADJUSTED EBITDA

**-23%**

(\*) Profit after taxes is before equity loss from unconsolidated affiliated companies

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

1-9.2023

# Results Excluding IFRS16

	(NIS millions)		
	1-9.2023	1-9.2022	% Change
Revenues	1,247.0	1,124.5	10.9%
Gross Profit	130.3	127.2	2.4%
Operating Profit	36.1	54.2	(33.4%)
Profit after taxes (*)	33.1	41.9	(21.0%)
Net Profit	5.9	38.6	(84.6%)
Adjusted EBITDA (**)	70.7	82.9	(14.7%)

GROSS PROFIT

**+2%**

OPERATING PROFIT

**-33%**

ADJUSTED EBITDA

**-15%**

(\*) Profit after taxes is before equity loss from unconsolidated affiliated companies

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

Q3-2023

# Results Excluding IFRS16

(NIS millions)

	Q3-2023	Q3-2022	% Change
Revenues	420.8	387.7	8.5%
Gross Profit	38.7	42.9	(9.7%)
Operating Profit	1.1	16.9	(93.5%)
Profit after taxes (*)	2.4	12.9	(81.7%)
Net Profit	1.4	11.4	(87.5%)
Adjusted EBITDA (**)	18.4	26.6	(30.7%)

GROSS PROFIT

**-10%**

OPERATING PROFIT

**-94%**

ADJUSTED EBITDA

**-31%**

(\*) Profit after taxes is before equity loss from unconsolidated affiliated companies

(\*\*) 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		
	1-9.2023	1-9.2022	%	1-9.2023	1-9.2022	%
Logistics (*)	1,066.6	951.5	12.1%	49.2	53.4	(7.8%)
Health Care (**) (***)	162.0	154.6	4.8%	14.6	22.8	(36.0%)
Digital Health	19.9	19.6	1.9%	6.9	6.7	2.7%
Intercompany Transactions	(1.5)	(1.2)		-	-	
<b>Total</b>	<b>1,247.0</b>	<b>1,124.5</b>	<b>10.9%</b>	<b>70.7</b>	<b>82.9</b>	<b>(14.7%)</b>

(\*) Gsap is consolidated as of September 2022

(\*\*) Pronto is consolidated as of the first quarter of 2023

(\*\*\*) During the reporting period, the healthcare division experienced a decrease in profits due to changes in the competitive environment of the respirator market, non-recurring expenses and a decrease in revenues related to the corona virus

# Results By Segment Excluding IFRS16

(NIS millions)

	Revenues			Adjusted EBITDA		
	Q3-2023	Q3-2022	%	Q3-2023	Q3-2022	%
Logistics (*)	359.2	334.8	7.3%	12.3	17.9	(31.3%)
Health Care (**) (***)	54.3	46.8	16.1%	3.8	6.6	(41.4%)
Digital Health	6.7	6.5	3.2%	2.3	2.1	8.0%
Intercompany Transactions	(0.6)	(0.4)		-	-	
<b>Total</b>	<b>420.8</b>	<b>387.7</b>	<b>8.5%</b>	<b>18.4</b>	<b>26.6</b>	<b>(30.7%)</b>

(\*) Gsap is consolidated as of September 2022

(\*\*) Pronto is consolidated as of the first quarter of 2023

(\*\*\*) During the reporting period, the healthcare division experienced a decrease in profits due to changes in the competitive environment of the respirator market and non-recurring expenses

1-9.2023

# Balance Sheet Including IFRS16

(NIS millions)

	30/09/2023	31/12/2022
Cash	287	173
Current assets	2,282	1,719
Non-current assets	702	718
Current liabilities	2,331	1,754
Non-current liabilities	199	218
Equity	454	465
Total Balance	2,984	2,437

CASH

NIS **287M**

EQUITY

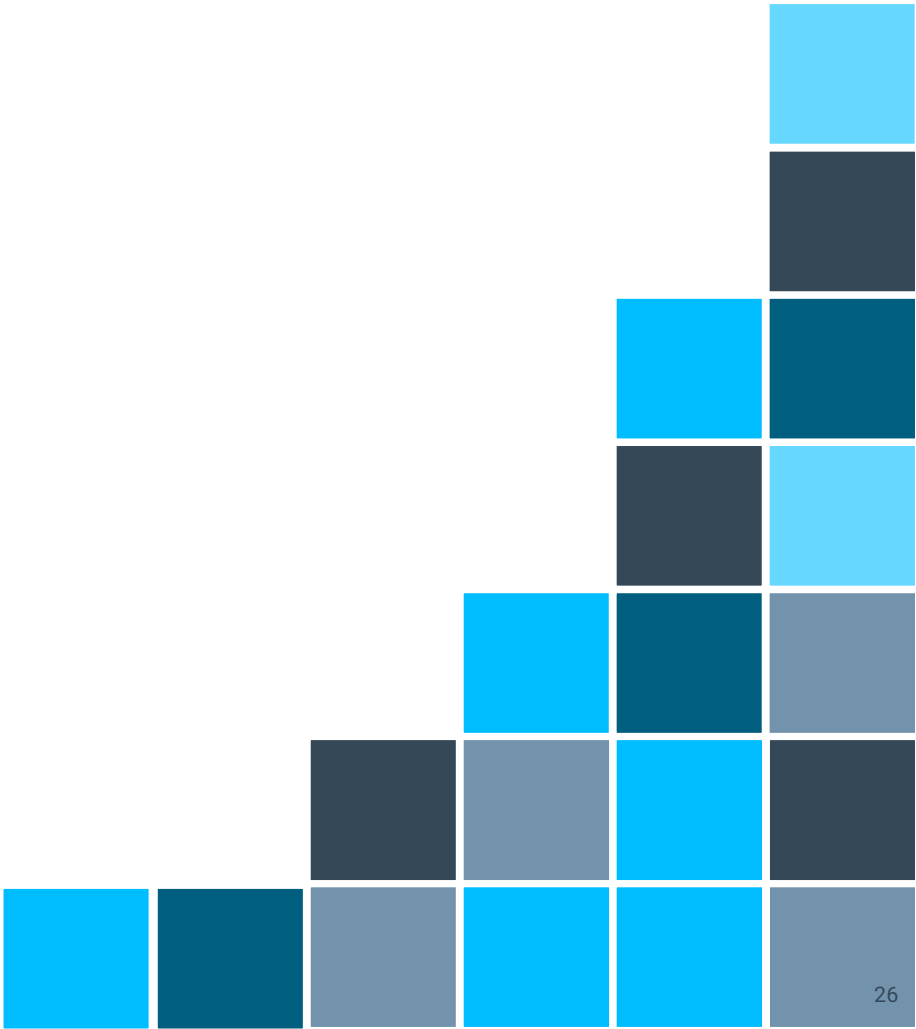
NIS **454M**

DEBT

NIS **1.3M**

# Long Term growth strategy

In 2024, the company will review and update its long-term business strategy





### **Strong financial performance**

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



### **Diversification of businesses and services**

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!

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