

# 1H/Q2 2021

First half and  
second quarter results 2021  
Navamedic ASA

Kathrine Gamborg Andreassen, CEO  
Lars Hjarrand, CFO





## Strong underlying portfolio performance and exciting new product additions

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### REVENUE

**66.0 MNOK**

Up 56.7% YoY

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### GROSS MARGIN

**39.3%**

34.8% Q2 20

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### EBITDA

**4.3 MNOK**

-2.1 MNOK Q2 20

#### Operations and sales

In 1H 2021, revenues grew by 27.5% compared to the same period last year

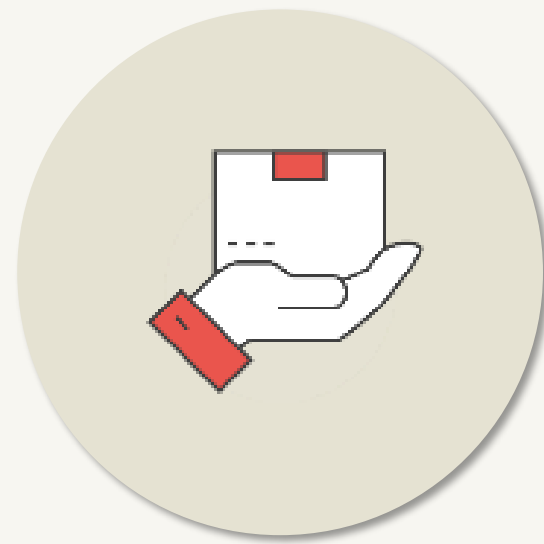
Strong growth for Mysimba<sup>®</sup>, Alflorex<sup>®</sup> and ThermaCare<sup>®</sup>

Launched Cysticina<sup>®</sup>

Entered into long-term distribution agreement for PrecisionBiotics Zenflore<sup>®</sup> in the Nordics

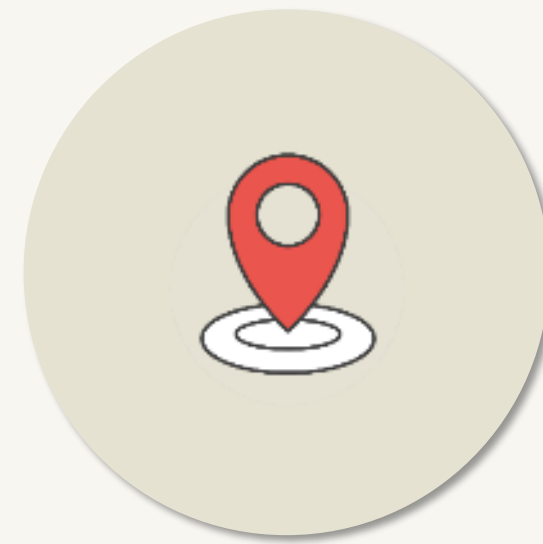
Won tender for the Norwegian market for four major antibiotics

## Nordic pharma company targeting growth in Northern Europe



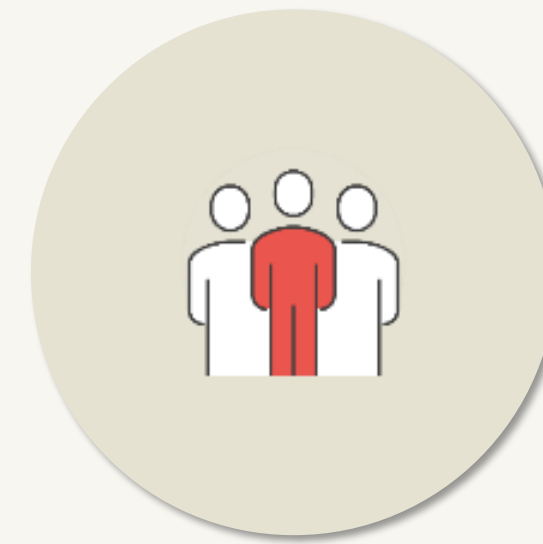
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A reliable supplier of **high-quality consumer health, medical nutrition, specialty pharma and branded generics products**, delivered to hospitals and through pharmacies



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Presence in all **Nordic** countries, **Baltics** and **Benelux**, and sales in the **UK** and **Greece**. Headquartered in Oslo, Norway



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~ **30 professionals** with strong local competence in regulatory, reimbursement, marketing and sales



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Ambitious growth strategy, **high-potential pipeline** and **M&A capabilities**

# Ambition of building a leading Nordic pharma company targeting growth in Northern Europe

## OUR TARGET

**20% annual growth** from 2021 with a mid-to long-term ambition of **building a 500 MNOK** company with a gross margin of 40% and an EBITDA margin of 15%

HOW →

1

### STRENGTHEN THE CORE

Untapping potential within existing products and territories.

Ongoing negotiations for attractive new agreements.

2

### SECURE AND INCREASE THE VALUE THROUGH OWNERSHIP

Innovative pipeline for in-licensing of new RX or OTC, including products with RX to OTC switch potential.

Develop own brands.

3





### GROWTH THROUGH M&A

Bolt-on acquisitions of products and portfolios.

Acquisitions of smaller companies where Navamedic has the competence of creating further growth, to broaden our categories or geographical territory.

Key portfolio developments

# Continued growth for key products in H1 2021, and Mysimba®, ThermaCare® and Alflorex® in particular

<h2>MEDICAL NUTRITION</h2> <p>Medical nutrition products for treatment of IEM*</p>	<h2>CONSUMER HEALTH</h2> <p>Gastro, pain, urology, other</p>	<h2>BRANDED GENERICS</h2> <p>Antibiotics, cardiology, generics</p>	<h2>SPECIALTY PHARMA</h2> <p>Obesity, urology</p>
			
<p>YTD 2021 revenue, <b>25.5mnok</b> YoY revenue growth: <b>(0%)</b></p> <ul style="list-style-type: none"> <li>Upgoing trend for newly launched products</li> </ul>	<p>YTD 2021 revenue, <b>19.8mnok</b> YoY revenue growth: <b>(65%)</b></p> <ul style="list-style-type: none"> <li>ThermaCare® better than expected in several markets</li> <li>Strong performance of Alflorex®</li> </ul>	<p>YTD 2021 revenue, <b>32.2mnok</b> YoY revenue growth: <b>(-7.5%)</b></p> <ul style="list-style-type: none"> <li>Antibiotics portfolio developing according to plan</li> <li>Volatility for Imdur® due to stock out</li> </ul>	<p>YTD 2021 revenue, <b>47.0mnok</b> YoY revenue growth: <b>(89%)</b></p> <ul style="list-style-type: none"> <li>Strong performance of Mysimba®, and Norway in particular</li> </ul>

\*IEM

Products for treatment of Inborn Errors of Metabolism (IEM), a lifelong, genetic disorder where body cannot properly turn food into energy. Includes distribution of UK-based VitaFlo in the Nordics, based on over 30 years experience with IEM



# Medical nutrition – Positive development across markets



Q2 2021 REVENUE  
**13.3** MNOK  
(Q2 2020: 11.1 MNOK)

## GROWTH DRIVERS

- Launched three new products in the quarter: Glycosade Lemon, K. Flo and K. Yo
- Upgoing trend for key products



### IEM

Products for treatment of Inborn Errors of Metabolism (IEM), a lifelong, genetic disorder where body cannot properly turn food into energy. Includes distribution of UK-based Vitaflo in the Nordics, based on over 30 years experience with IEM



# Consumer Health - launch of new and unique products

Q2 2021 REVENUE

**8.3** MNOK

(Q2 2020: 4.2 MNOK)

### GROWTH DRIVERS

- ThermaCare® developed as planned
- Strong performance of Alforex®
- Cysticina® launched





## Branded Generics – Stable development and new products introduced

Q1 2021 REVENUE

**17.9** MNOK

(Q2 2020: 14.6 MNOK)

### GROWTH DRIVERS

- Won the tender for certain antibiotics to the Norwegian market in the quarter
- Volatility for Imdur® due to out-of-stock situation





# Specialty pharma – very strong growth

Q2 2021 REVENUE

**26.5** MNOK

(Q2 2020: 12.1MNOK)

## GROWTH DRIVERS

- Strong performance of Mysimba® both in Norway and Sweden
- Successful rollout of Patient Support Program



THE ONLY ORAL MEDICINE FOR TREATMENT OF OBESITY WITH DUAL MODE OF ACTION

REDUCES HUNGER AND CRAVINGS & PROVIDES CONTROL OVER FOOD INTAKE

## KNOWLEDGE BASE AND SUPPORT PROGRAM SUPPLEMENTING OBESITY TREATMENT



### FOR PATIENTS

Digital support in lifestyle and behavioral change  
Support from healthcare system  
Custom-made support program during treatment  
Additional treatment

### FOR HEALTHCARE PROFESSIONALS

Structured care taking  
Prescription of medicaments  
Supervise medical treatment



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# FINANCIALS



## Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Year 2020</b>
<b>Operating revenues</b>	<b>66 014</b>	<b>42 135</b>	<b>124 659</b>	<b>97 776</b>	<b>209 877</b>
<b>Gross profit</b>	<b>25 967</b>	<b>14 658</b>	<b>49 180</b>	<b>30 380</b>	<b>70 339</b>
<i>Gross profit %</i>	<i>39,3 %</i>	<i>34,8 %</i>	<i>39,5 %</i>	<i>31,1 %</i>	<i>33,5 %</i>
<b>Operating costs</b>	<b>-21 658</b>	<b>-16 733</b>	<b>-42 321</b>	<b>-31 789</b>	<b>-71 606</b>
<b>EBITDA</b>	<b>4 308</b>	<b>-2 075</b>	<b>6 859</b>	<b>-1 409</b>	<b>-1 267</b>
<i>EBITDA %</i>	<i>6,5 %</i>	<i>-4,9 %</i>	<i>5,5 %</i>	<i>-1,4 %</i>	<i>-0,6 %</i>
Depreciation	-312	-361	-694	-749	-1 551
Amortization	-1 068	-526	-2 027	-980	-2 108
<b>Operating result (EBIT)</b>	<b>2 928</b>	<b>-2 962</b>	<b>4 137</b>	<b>-3 138</b>	<b>-4 926</b>
Income from asociated companies	-967	705	-1 821	-177	-4 528
<b>Net financial income and expenses</b>	<b>1 368</b>	<b>2 619</b>	<b>-2 280</b>	<b>-8 489</b>	<b>-7 142</b>
<b>Profit before tax</b>	<b>3 329</b>	<b>362</b>	<b>37</b>	<b>-11 804</b>	<b>-16 596</b>
Income tax	-140	147	-522	665	136
<b>Net profit / loss (-)</b>	<b>3 189</b>	<b>509</b>	<b>-485</b>	<b>-11 139</b>	<b>-16 460</b>

In Q2 2021, revenues grew by 56.7% compared to Q2 last year and 27.5% in H1 vs last year

Continued strong Gross Profit of 39.3% due to favorable product mix and successful Cogs reduction initiatives

Opex is above last year as we continue to invest in growth initiatives and our platform

EBITDA for the quarter of NOK 4.3 million

Income from associated companies is Navamedic's share of the estimated result in Observe Medical for Q2 2021



## Financials

# Assets

<i>(in NOK '1000)</i>	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>31.12.2020</b>
Goodwill	62 602	64 288	64 472
Deferred tax assets	9 168	9 242	9 168
Other intangible assets	29 983	8 704	9 689
Property, plant & equipment	208	147	174
Right of use assets	827	2 100	1 903
Shares in associated companies	20 202	15 123	22 022
Non-current loans to associated companies	36 213	36 509	34 821
<b>Total non-current assets</b>	<b>159 203</b>	<b>136 114</b>	<b>142 249</b>
Prepaid taxes	8 705	7 306	7 614
Inventories	54 563	45 762	41 945
Trade and other receivables	45 553	23 891	28 646
Cash and cash equivalents	20 962	46 670	39 584
<b>Total current assets</b>	<b>129 784</b>	<b>123 629</b>	<b>117 789</b>
<b>Total assets</b>	<b>288 987</b>	<b>259 743</b>	<b>260 038</b>

Change in Goodwill is due to minor currency effects

Increase in Other intangible assets is due to the acquisition/booking of the marketing authorizations related to the antibiotics portfolio in Q1

Inventory has increased mostly due to the take-over of the antibiotics portfolio and large quantities received towards the end of the quarter

Trade receivables increase is due to high volume sales at the end of the quarter

Cash decrease is due to Net profit coupled with changes in Net working capital



## Equity and liabilities

<i>(in NOK '1000)</i>	30.06.2021	30.06.2020	31.12.2020
<b>Total equity</b>	<b>148 894</b>	<b>131 527</b>	<b>129 486</b>
Non-current license liabilities	8 385	8 383	3 343
Non-current liabilities to financial institutions	20 120	20 796	20 870
Non-current right of use liabilities	307	703	842
<b>Total non-current liabilities</b>	<b>28 813</b>	<b>29 882</b>	<b>25 055</b>
Trade account payables	74 073	61 042	66 956
Current liabilities to financial institutions	0	5 199	0
Current right of use liabilities	528	1 413	1 078
Current license liabilities	14 365	12 224	16 500
Taxes payable	3 309	470	2 795
Other current liabilities	19 005	17 986	18 168
<b>Total current liabilities</b>	<b>111 280</b>	<b>98 333</b>	<b>105 497</b>
<b>Total liabilities</b>	<b>140 092</b>	<b>128 216</b>	<b>130 552</b>
<b>Total equity and liabilities</b>	<b>288 987</b>	<b>259 743</b>	<b>260 038</b>

Equity ratio of 51.5%

Increase in Equity is mainly due to share premium from ACS share issue

Trade payables is up mostly due to increase in inventory

## Cash flow Group – total operations

<i>(in NOK '1000)</i>	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Year 2020</b>
Net cash flow from operating activities	-4 322	-6 305	-16 756	-21 620	-3 180
Net cash flow from investing activities	-153	-1 763	-153	-2 763	-23 137
Net cash flow from financing activities	-1 245	4 539	-1 985	53 495	51 759
Changes in currency	54	563	272	6 119	2 703
Net change in cash	-5 666	-2 967	-18 622	35 231	28 145
Cash and cash equivalents end period	20 962	46 670	20 962	46 670	39 584

The cash flow from Operating Activities is due to Net profit coupled with changes in Net Working Capital

The Cash at the end of the period is 21.0 MNOK



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# SUMMARY & OUTLOOK

## Summary and outlook

### Building a leading Nordic pharma company targeting growth in Northern Europe

In Q2 2021, we have

- Strengthened the core by driving underlying growth in the existing portfolio
- Entered into distribution agreement for PrecisionBiotics Zenflore®
- Secured tender for antibiotics products in the Norwegian market
- Continued our push for growth of key products in our markets

We will build on our solid foundation and

- Strengthen the existing business by leveraging our highly scalable market access platform
- Launch new products in at least one country in each launch window going forward
- Increase value by acquiring, as well as strengthening our own products and brands

...targeting 20% annual growth from 2021 with a mid- to long-term ambition of building a 500 MNOK company with a gross margin of 40% and an EBITDA margin of 15%



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Q&A

Thank you for  
your attention!

Navamedic's Q3 2021 presentation will be on  
4 November 2021



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# APPENDIX

## Basis for preparation

This presentation provides financial highlights for the quarter for Navamedic Group. The financial information is not reported according to the requirements in IAS 34 (Interim Financial Reporting) and the figures are not audited. The same measurement principles as presented in the Annual Report 2019 have been used preparing this presentation.

## Definitions of Alternative Performance Measures (APM)

The APMs are regularly reviewed by management and their aim is to 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 condensed consolidated statement of comprehensive income. EBITDA margin is equal to EBITDA as a percentage of total operating revenues. Gross profit is equal to total revenues minus cost of materials. Gross profit is a sub-total in the condensed consolidated statement of income.

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. EBITDA before other items; In EBITDA before other items the costs related to strategic projects are not included.

Navamedic believe that the measures provide useful and necessary information to investors and other parties because it provides additional information on underlying growth of the business without the effect from one offs items.



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