

Q1 2021

First quarter results 2021
Navamedic ASA

Kathrine Gamborg Andreassen, CEO
Lars Hjarrand, CFO



Q1 2021 highlights

Growth driven by new products and overall positive performance in underlying portfolio

REVENUE

58.6 MNOK

Up 5.4% YoY

GROSS MARGIN

39.6%

28.3% Q1 20

EBITDA

4.3%/2.6 MNOK

0.7 MNOK Q1 20

Operations and sales

In Q1 2021, revenues grew by 5.4% compared to the same period last year

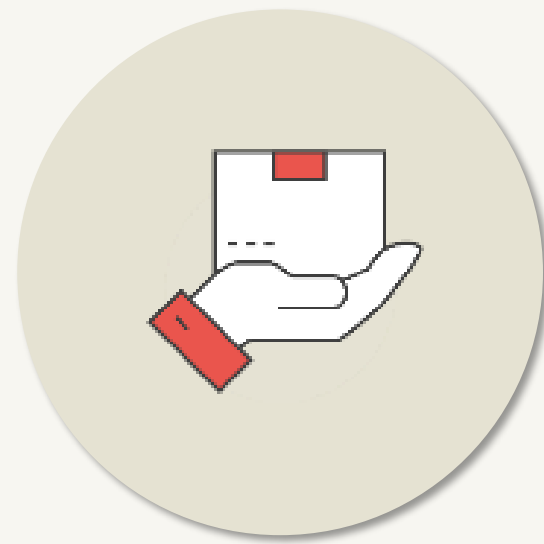
Strong growth for Mysimba[®], Alflorex[®] and ThermaCare[®]

Launched the new and unique UTI product Cysticina[®]

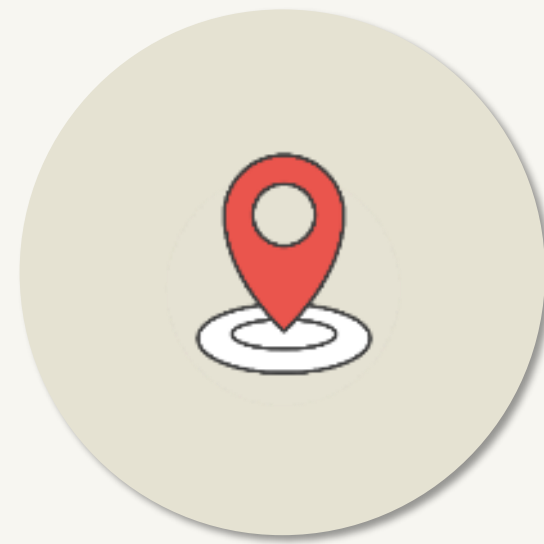
Subsequent events

Entered into long-term distribution agreement for PrecisionBiotics Zenflore[®] in the Nordics

Nordic pharma company targeting growth in Northern Europe



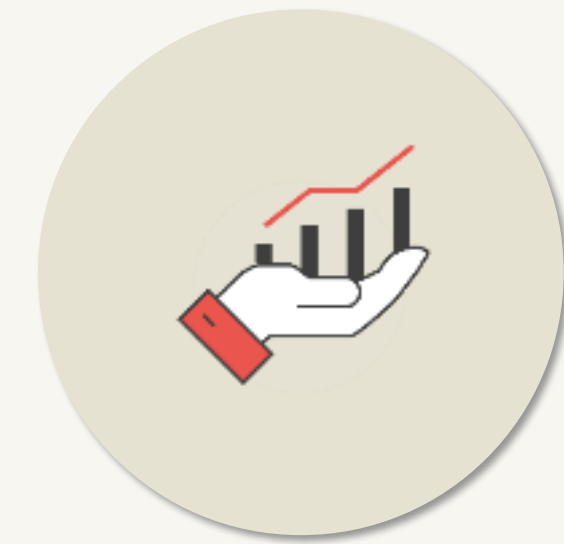
A reliable supplier of **high-quality consumer health, medical nutrition, specialty pharma and branded generics products**, delivered to hospitals and through pharmacies



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



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



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

Key portfolio developments

Continued growth for key products in Q1 2021 and Mysimba® and Alflorex® in particular

MEDICAL NUTRITION

Medical nutrition products for treatment of IEM*



Q1 21 revenue in mill. NOK (YoY growth): **12.2** (-16%)

- Positive trend for new products
- New patients in Finland and improved sales in Norway

CONSUMER HEALTH

Gastro, pain, urology, other



Q1 21 revenue in mill. NOK (YoY growth): **11.4** (+45%)

- Strong performance of Alflorex®
- ThermaCare® developed as planned

BRANDED GENERICS

Antibiotics, cardiology, generics



Q1 21 revenue in mill. NOK (YoY growth): **14.4** (-23%)

- Volatility for Imdur®
- Antibiotics portfolio developing according to plan

SPECIALTY PHARMA

Obesity, urology



Q1 21 revenue in mill. NOK (YoY growth): **20.4** (+61%)

- Strong performance of Mysimba®, and Norway in particular
- Growth for Elmiron®

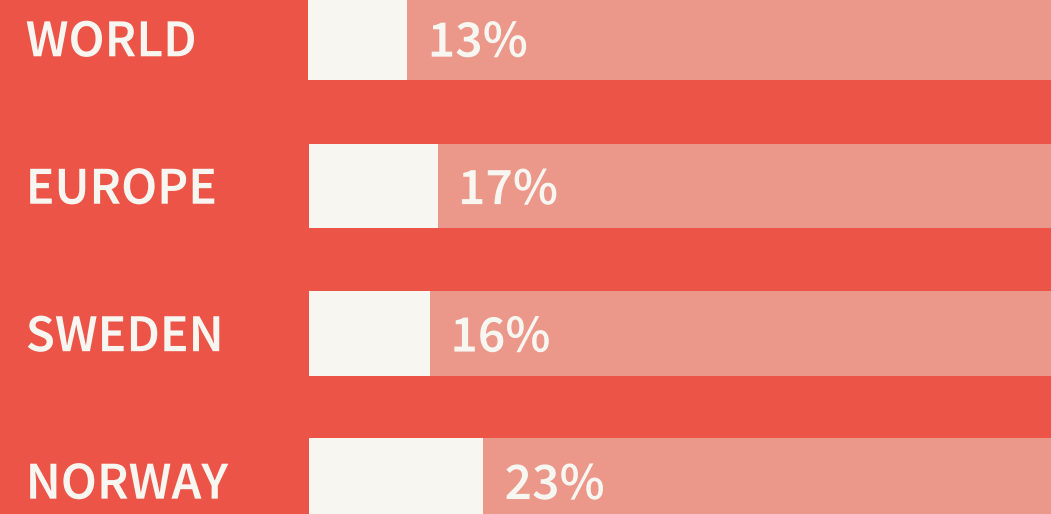
*IEM

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

Obesity – a global disease with severe health risks

13% OF THE GLOBAL POPULATION SUFFER FROM OBESITY

Contributing risk factor for diseases such as cardiovascular diseases, diabetes, musculoskeletal disorders and some cancers¹



World Health Organization (WHO) defines obesity as abnormal or excessive fat accumulation that presents a risk to health, with a Body Mass Index (BMI) over 30¹

TREATMENT OPTIONS



LIFESTYLE INTERVENTION



MEDICINE



SURGERY

1) World Health Organization, 2021



Key portfolio developments

First obesity treatment of its kind in the Nordics – combining medicine and support



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

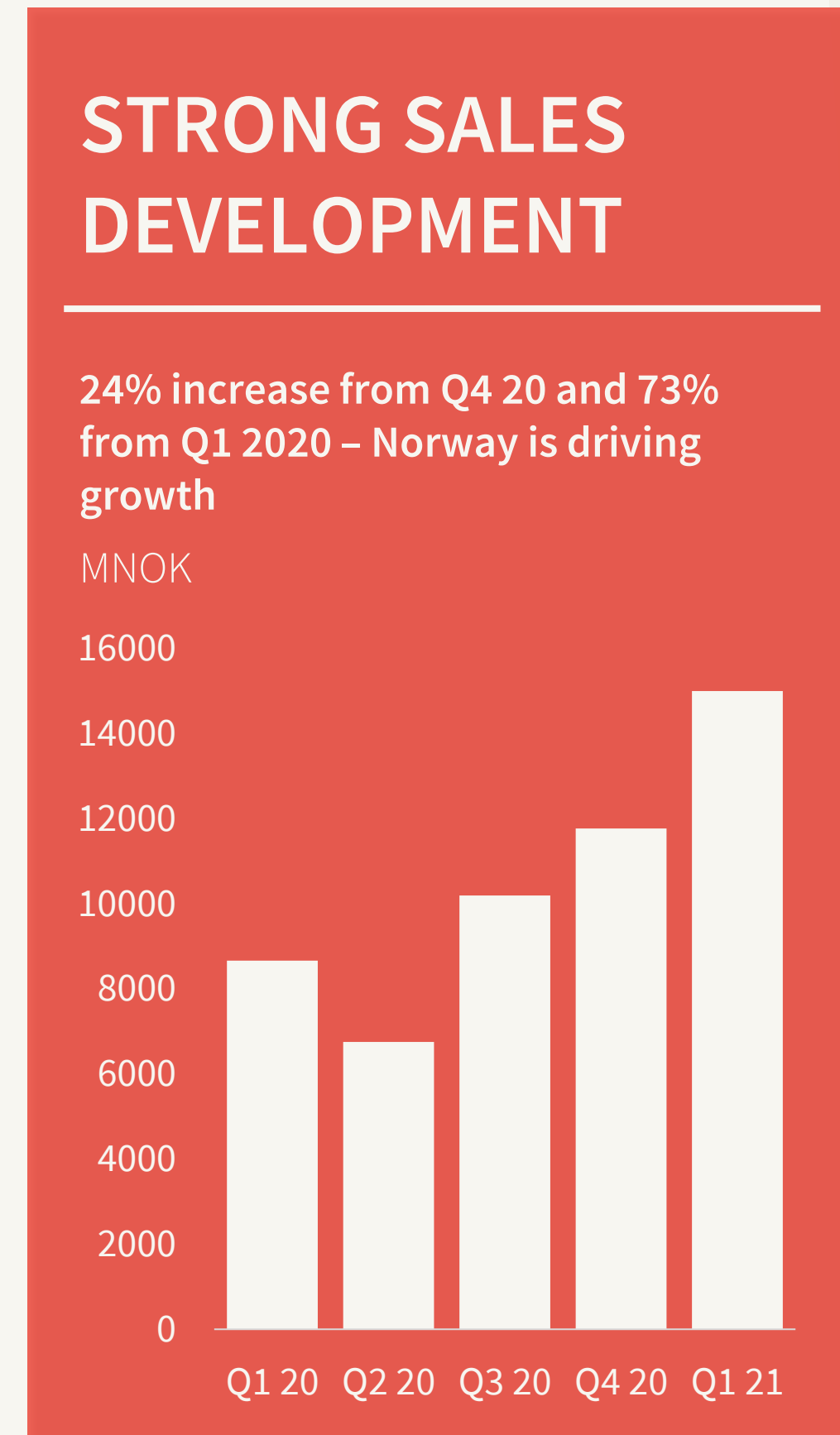
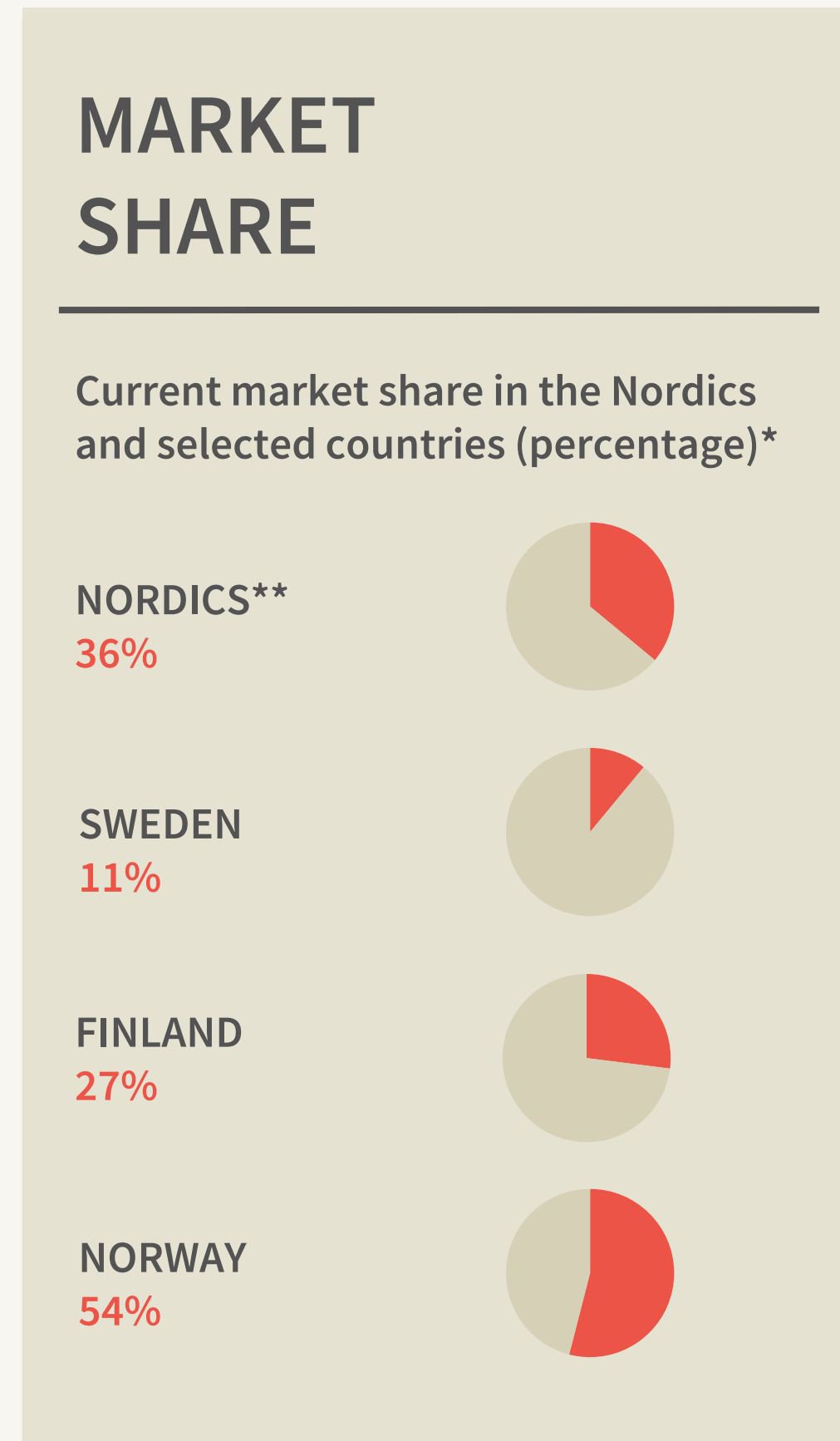
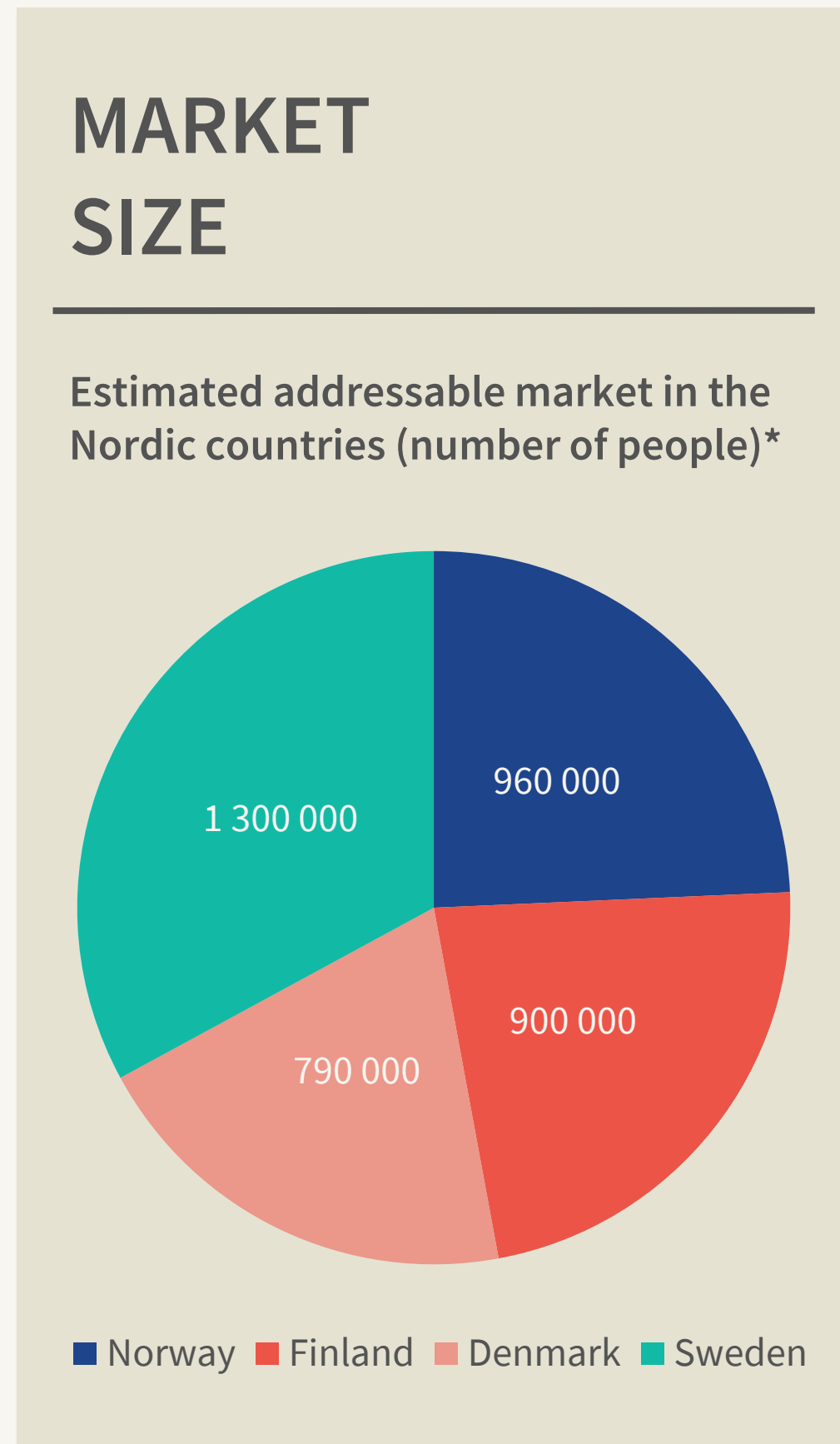
- Digital support in lifestyle and behavioral change
- Support from healthcare system
- Custom-made support program during treatment
- Additional treatment

FOR HEALTHCARE PROFESSIONALS

- Structured care taking
- Prescription of medicaments
- Supervise medical treatment

Key portfolio developments

Efforts resulting in increased adoption and traction of Mysimba®



*Company estimates
**Excluding Denmark

FINANCIALS

Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	Q1 2021	Q1 2020	Year 2020
Operating revenues	58 644	55 642	209 877
Total revenues	58 644	55 642	209 877
Cost of materials	-35 432	-39 920	-139 538
Gross profit	23 213	15 722	70 339
<i>Gross profit %</i>	39,6 %	28,3 %	33,5 %
Operating costs	-20 663	-15 056	-71 606
EBITDA	2 550	666	-1 267
<i>EBITDA %</i>	4,3 %	1,2 %	-0,6 %
Depreciation/Amortization	-1 341	-842	-3 659
Operating result (EBIT)	1 209	-176	-4 926
Income from associated companies	-853	-882	-4 528
Financial income	696	538	2 846
Financial expenses	-834	-1 052	-3 844
Net currency gain/losses	-3 510	-10 594	-6 144
Net financial income and expenses	-4 501	-11 990	-11 670
Profit before tax	-3 292	-12 166	-16 596
Income tax	-381	518	136
Net profit / loss (-)	-3 674	-11 648	-16 460

- Revenues increase of 5.4% over Q1 2020
- Strong Gross Profit % due to:
 - Favorable product mix driven by Mysimba and ThermaCare
 - Positive effect from CoGS reduction initiatives
- Operating costs reflect continued investment in growth initiatives and our platform
- EBITDA of 2.6 MNOK
- Income from associated companies is Navamedic's share of the estimated Q1 result in Observe Medical
- Net Financials is negative mostly due to negative currency effect

Assets

<i>(in NOK '1000)</i>	31.03.2021	31.03.2020	31.12.2020
Assets			
Non-current assets			
Goodwill	61 121	64 328	64 472
Deferred tax assets	9 168	9 242	9 168
Other intangible assets	30 913	7 580	9 689
Property, plant & equipment	153	49	174
Right of use assets	1 094	1 869	1 903
Shares in associated companies	21 169	14 418	22 022
Non-current loans to associated companies	35 517	29 353	34 821
Total non-current assets	159 135	126 839	142 249
Current assets			
Prepaid taxes	7 809	6 658	7 614
Inventories	47 630	53 401	41 945
Trade and other receivables	41 700	38 728	28 646
Cash	26 628	49 638	39 584
Total current assets	123 766	148 425	117 789
Total assets	282 901	275 264	260 038

- Change in Goodwill is due to currency effect
- Increase in Other intangible assets is due to the acquisition/booking of the marketing authorizations related to the antibiotics portfolio
- Inventory has increased mostly due to the take-over of the antibiotics portfolio
- 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>	31.03.2021	31.03.2020	31.12.2020
Total equity	145 269	125 542	129 486
Liabilities			
<i>Non-current liabilities</i>			
Non-current license liabilities	6 049	12 746	3 343
Loans and borrowings	19 526	20 812	20 870
Non-current right of use liabilities	426	604	842
Total non-current liabilities	26 002	34 162	25 055
<i>Current liabilities</i>			
Trade and other payables	72 808	81 428	66 956
Current liabilities to financial institutions	0	5 203	0
Current right of use liabilities	681	1 299	1 078
Current license liabilities	16 316	8 831	16 500
Taxes payable	3 153	617	2 795
Other current liabilities	18 673	18 181	18 168
Total current liabilities	111 631	115 559	105 497
Total liabilities	137 633	149 722	130 552
Total equity and liabilities	282 901	275 264	260 038

- Equity ratio of 51.3%
- 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 MNOK)</i>	Q1 2021	Q1 2020	Year 2020
Cash flow from operating activities	-12,4	-15,3	-3,2
Cash flow from investing activities	0,0	-1,0	-23,1
Cash flow from financing activities	-0,7	49,0	51,8
Changes in currency	0,2	5,6	2,7
Net change in cash	-13,0	38,2	28,1
Cash and cash equivalents end period	26,6	49,6	39,6

- 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 26.6 MNOK

SUMMARY & OUTLOOK

Summary and outlook

Building a leading Nordic pharma company targeting growth in Northern Europe

In Q1 2021, we have

- Strengthened the core by driving underlying growth in the existing portfolio
- Launched new consumer health product Cysticina® in Norway
- Entered into distribution agreement for PrecisionBiotics Zenflore®
- Secured uptake of newly launched and introduced products and 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 and strengthening 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%

Q&A

Thank you for
your attention!

Navamedic's half-year and Q2 2021
presentation will be on 13 August 2021

APPENDIX

Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q1 2021	Q1 2020	Year 2020
Operating revenues	58 644	55 642	209 877
Total revenue	58 644	55 642	209 877
Cost of materials	-35 432	-39 920	-139 538
Gross profit	23 213	15 722	70 339
<i>Gross profit %</i>	39,6 %	28,3 %	33,5 %
Payroll expense	-9 583	-7 514	-32 574
Other operating cost	-11 080	-7 542	-39 031
Operating costs	-20 663	-15 056	-71 606
EBITDA	2 550	666	-1 267
<i>EBITDA %</i>	4,3 %	1,2 %	-0,6 %
Depreciation	-382	-388	-1 551
Amortization	-959	-454	-2 108
Operating result (EBIT)	1 209	-176	-4 926
Income from associated companies	-853	-882	-4 528
Financial income	696	538	2 846
Financial expenses	-834	-1 052	-3 844
Net currency gain/losses	-3 510	-10 594	-6 144
Net financial income and expenses	-4 501	-11 990	-11 670
Profit before tax	-3 292	-12 166	-16 596
Income tax	-381	518	136
Net profit / loss (-)	-3 674	-11 648	-16 460
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	-136	8 361	8 867
Total comprehensive income for the period	-3 810	-3 287	-7 593

Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q1 2021	Q1 2020	Year 2020
Cash flow from operating activities			
Profit before tax continuing operations	-3 292	-12 166	-16 596
Adjusted for:			
Depreciation, amortization and impairment	1 341	842	3 659
Financial income / expenses without cash flow effect	926	2 939	1 379
Other P&L items without cash flow effect	593	0	0
Income from associated companies	853	882	4 528
Taxes paid	-459	-653	-287
Payment of license liabilities	0	0	-117
Changes in inventory	-5 685	-21 418	-9 962
Changes in trade and other receivables	-13 054	-16 525	-8 674
Changes in trade and other payables	5 852	38 724	24 818
Changes in other current items	490	-7 940	-1 928
Net cash flow from operating activities	-12 435	-15 314	-3 180
Cash flow from investing activities			
Acquisition of tangible and intangible assets	0	-1 000	-4 994
Loans granted to associated companies	0	0	-9 902
Loans repaid by associated companies	0	0	3 000
Interest received	0	0	9
Purchase of shares in other companies	0	0	-11 250
Net cash flow from investing activities	0	-1 000	-23 137
Cash flow from financing activities			
Loans paid	0	0	-5 251
Interest paid	-361	0	-1 844
Share issues	0	49 367	60 447
Payment of lease liabilities	-379	-411	-1 594
Net cash flow from financing activities	-740	48 956	51 759
Changes in currency	218	5 557	2 703
Net change in cash	-12 956	38 199	28 145
Cash and cash equivalents start period	39 584	11 439	11 439
Cash and cash equivalents end period	26 628	49 637	39 584

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 measure provides 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.

Copyright and disclaimer

Copyright

Copyright of all published material including photographs, drawings and images in this document remains vested in Navamedic and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about economic. Navamedic ASA believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Navamedic ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Navamedic ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use. Navamedic ASA consists of several legally independent entities, constituting their own separate identities. Navamedic is used as the common brand or trade mark for most of these entities. In this presentation we may sometimes use “Navamedic”, “we” or “us” when we refer to Navamedic companies in general or where no useful purpose is served by identifying any particular Navamedic company.