

Q1 2023

First quarter 2023 results
Navamedic ASA

11 May 2023

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 **Navamedic**



Significant growth across the business

**Q1
2023**

REVENUE

121.7 MNOK

Up 93.3% YoY

GROSS MARGIN

41.3%

39.4% in Q1 22

EBITDA

15.8 MNOK

-0.4 MNOK in Q1 22

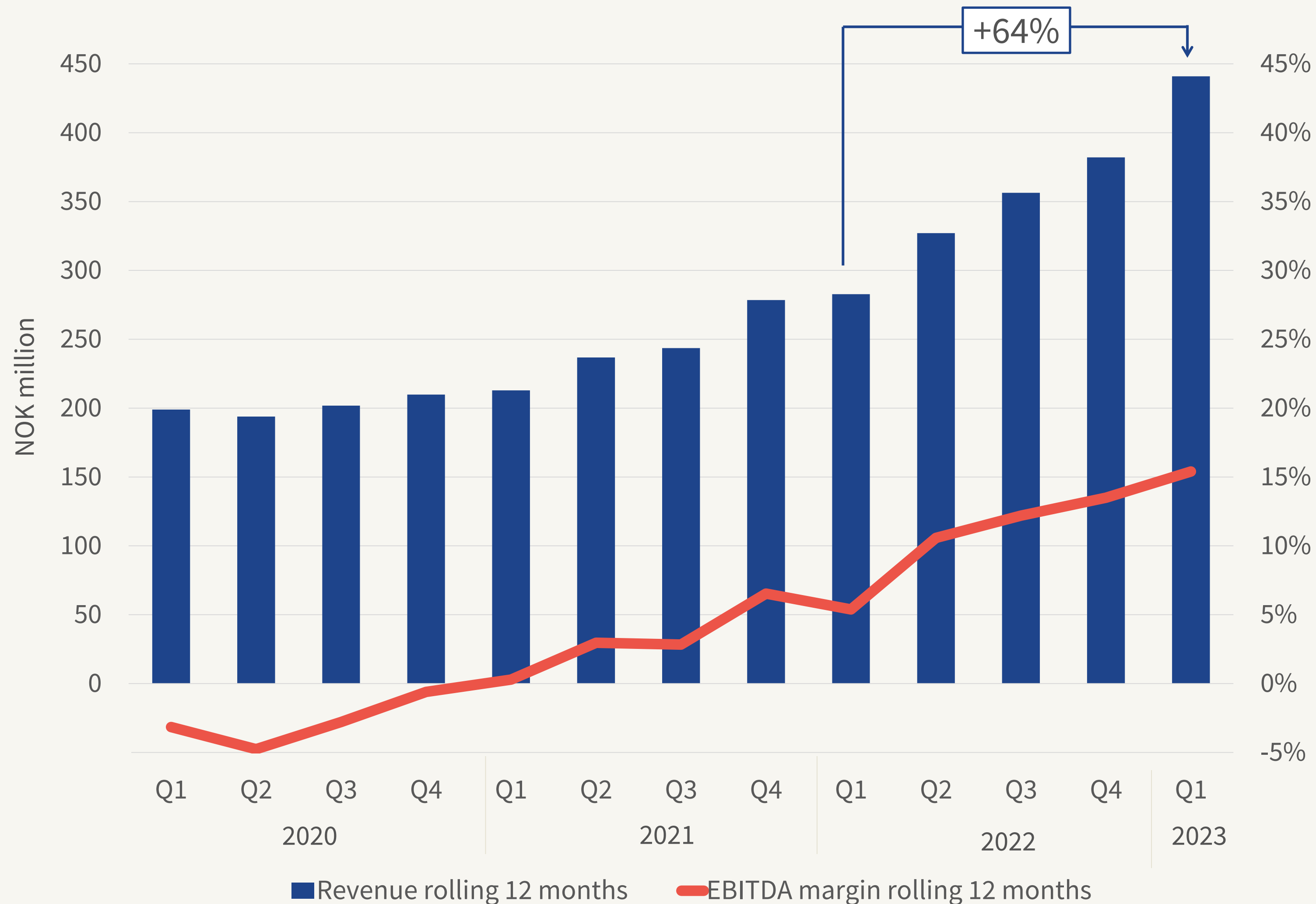
Growth across all business areas and core brands

Post-period:
Submitted recommended cash offer to acquire all shares in Sensidose AB

Acquired the rights to distribute and sell Alflorex™ in Sweden

On track towards 20% organic Y/Y revenue growth target

Consistent positive trend in revenue and EBITDA



Strong revenue growth driven by successful build-up of product categories, positive market trends and consumer demand

Normal fluctuation in revenue growth between quarters due to seasonality and stock build-up/down effects

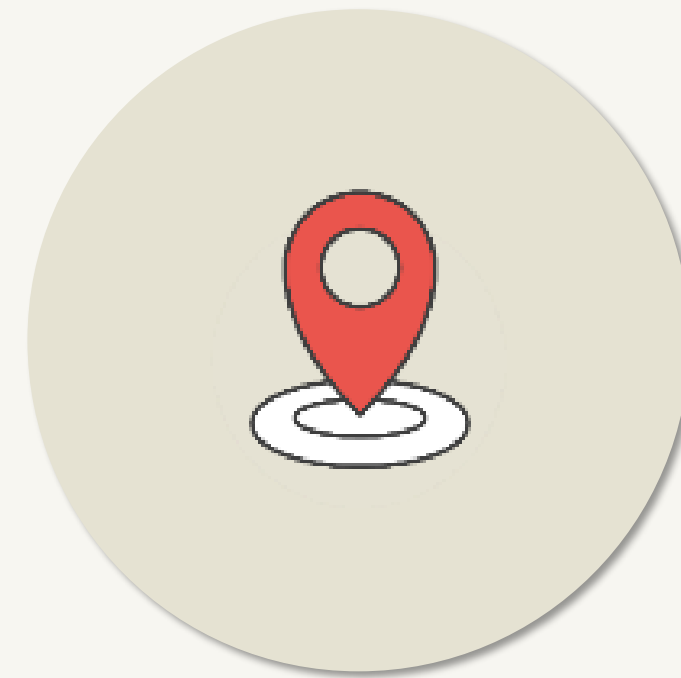
Scalable business platform leads to increasingly positive EBITDA as revenue grows

Inorganic revenues of 14.4 MNOK in Q1

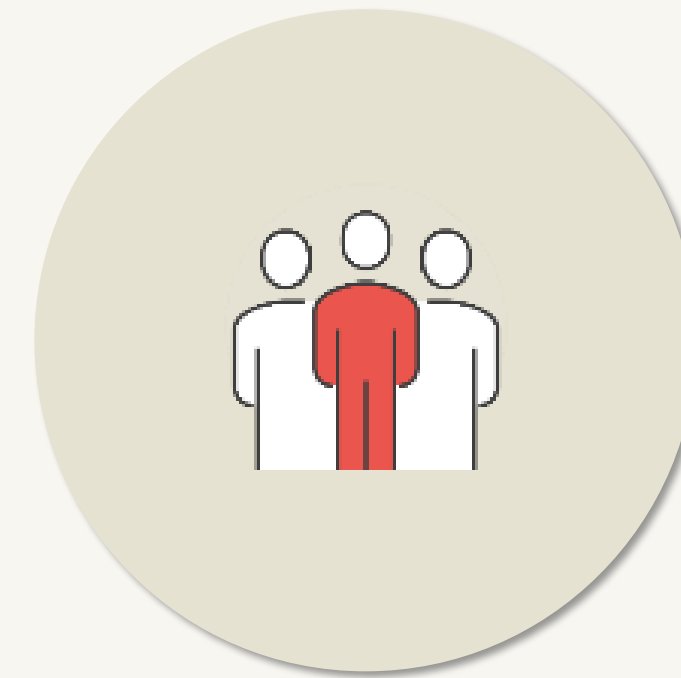
Nordic pharma company targeting further growth in Northern Europe



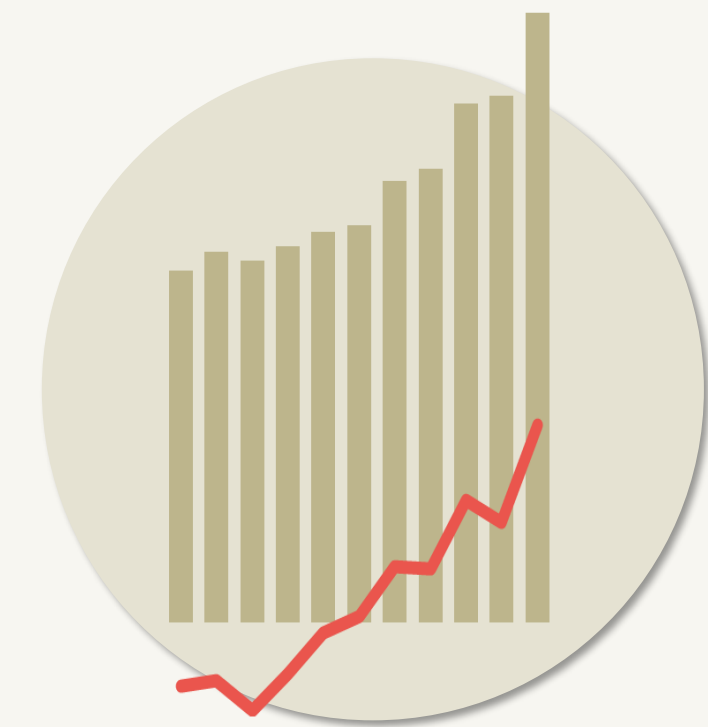
A reliable supplier of **high-quality pharma products**, within Prescription drugs, Consumer Health, and Hospital products, and Medical nutrition



Presence and sales in all **Nordic** countries, **Benelux**, the **Baltics** and **Greece**.



Strong local competence in regulatory, reimbursement, marketing and sales
~35 employees



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

On track to becoming a NOK 1 billion revenue company

STRATEGY

1 STRENGTHEN THE CORE

Untapping the 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

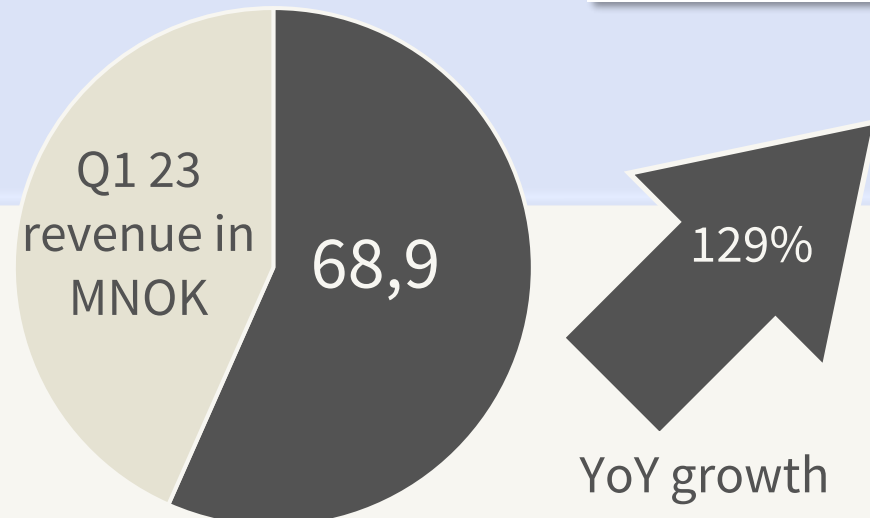
Bolt-on acquisitions of products and portfolios. Acquisitions of smaller companies where Navamedic has the competence of creating further growth, to broaden our categories or geographical territory.



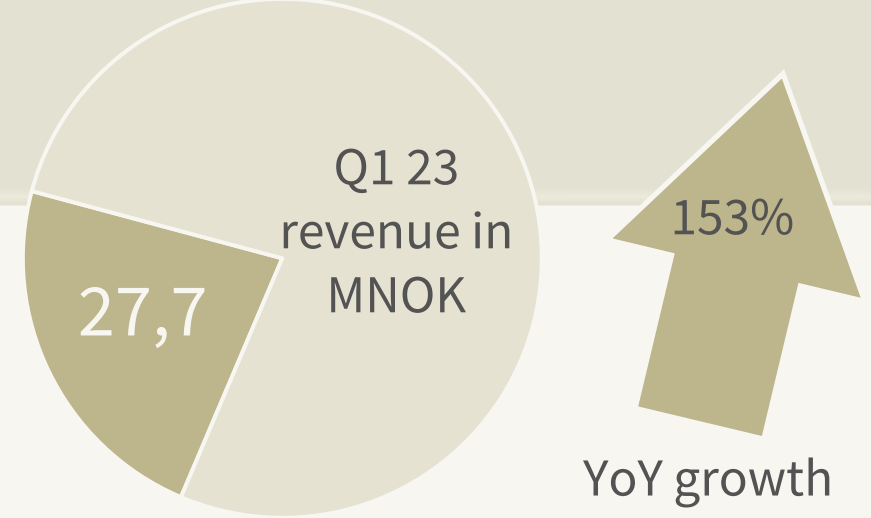
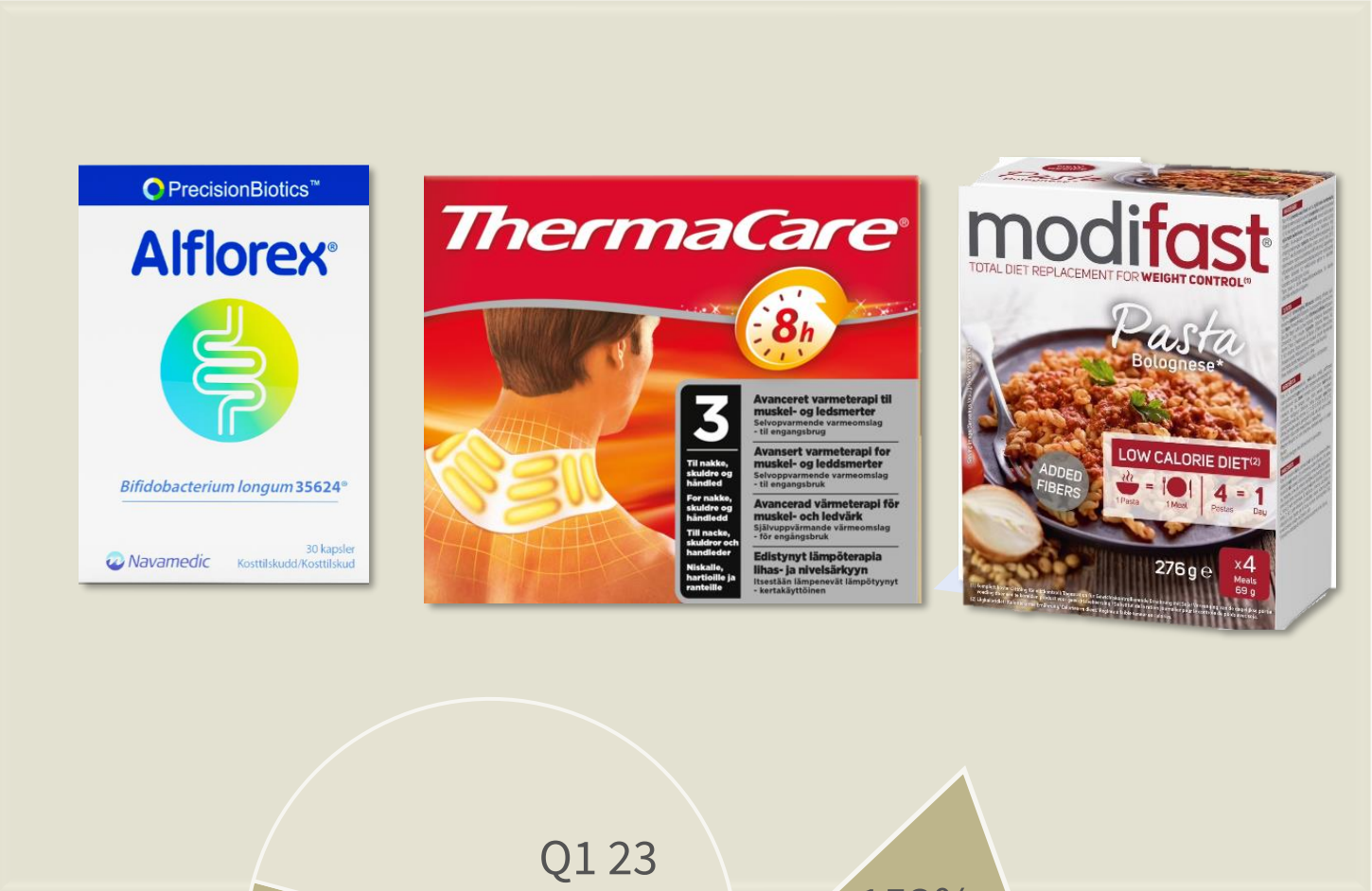
**Newly acquired Clindamycin bags added to the Hospital category*

High-quality portfolio with several hero products

Prescription Drugs (RX)
Sold through pharmacies



Consumer Health
Sold through pharmacies



Hospital
Tenders incl. medical nutrition*



*IEM Products for treatment of Inborn Errors of Metabolism (IEM), a lifelong, genetic disorder where body cannot properly turn food into energy.

Strong sales across the RX category

Q1 2023 REVENUE

68.8 MNOK

(Q1 2022: 30.1 MNOK)

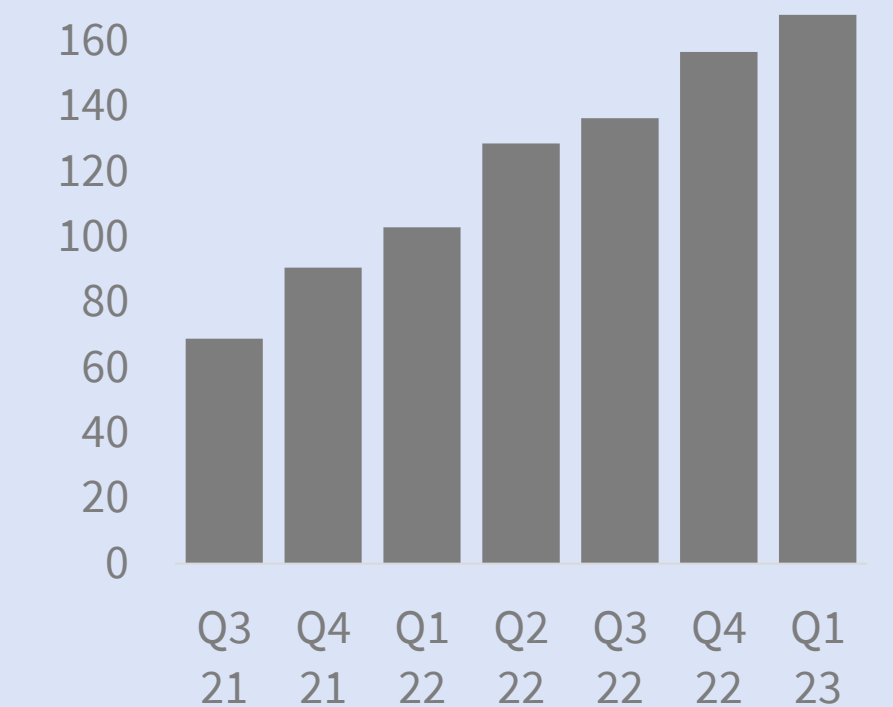
- Mysimba[®] contributed to significant growth in the obesity treatment area
- Reduced revenue due to temporary supply challenges in Q1 2022
- New tenders in the Netherlands led to strong sales of Imdur
- Strong sales of Nitrolingual



CONTINUED STRONG MYSIMBA WHOLESALE DEVELOPMENT

63% growth YOY

MNOK



Iqvia data; Norway, Sweden, Finland
Sales to retailers, rolling 12 months

Growth across all core brands

Q1 2023 REVENUE
27.7 MNOK
(Q1 2022: 10.9 MNOK)

- The Modifast product range contributed significantly to the category
- Alflorex™ and Gelorevoice® delivered solid growth in the fourth quarter
- Post-period, Navamedic acquired the rights to distribute and sell Alflorex® in Sweden



Hospital

Strengthened antibiotics portfolio

Q1 2023 REVENUE
25.0 MNOK
(Q1 2022: 21.9 MNOK)

- Strong development of the antibiotic portfolio
- Stable development in medical nutrition



Status acquisition of Sensidose AB



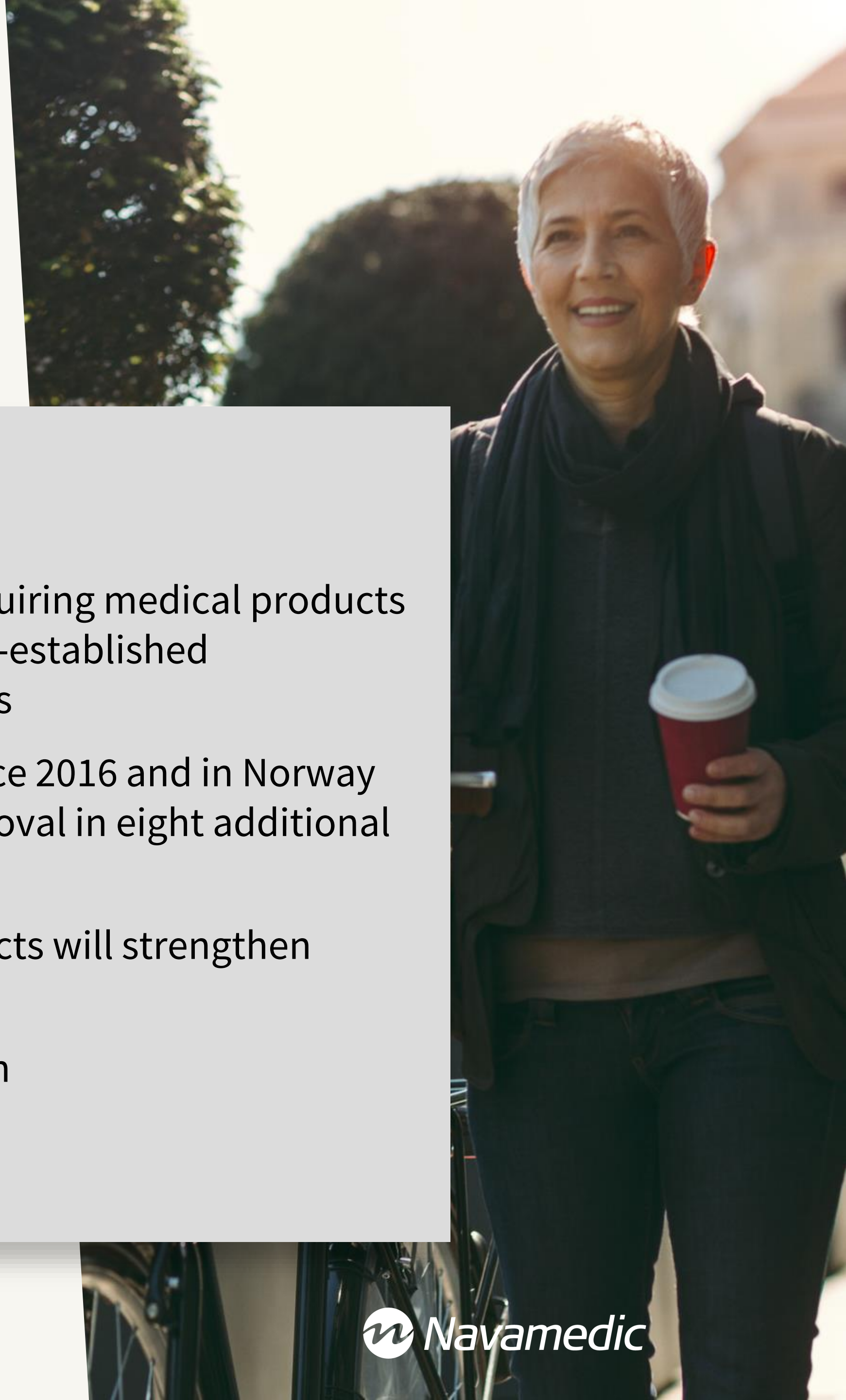
Transaction rationale

Sensidose AB

- A Sweden-based pharmaceutical company
- Targeting patients with advanced Parkinson's disease
- Sells drugs in combination with an innovative device for individual dosing

Why Sensidose AB

- In line with Navamedic's M&A strategy: Acquiring medical products with significant potential for growth in well-established Navamedics sales and distribution channels
- Products approved and sold in Sweden since 2016 and in Norway and Denmark since 2018, with market approval in eight additional countries
- The planned addition of Sensidose's products will strengthen Navamedic's product offering
- Strong management team and organisation

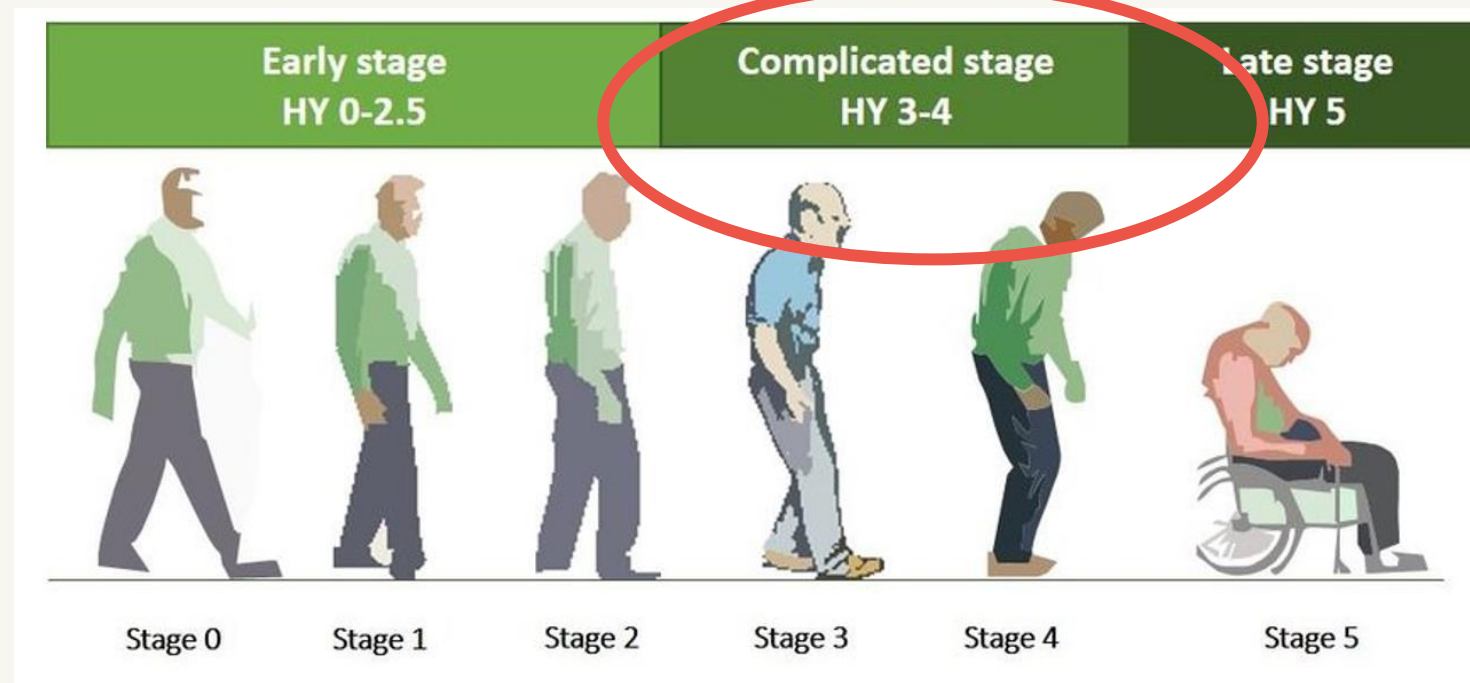


Parkinson's disease – a major public health and socio-economic challenge

- **PD affects 1-2 per 1000** of the population at any time and the prevalence increases with age. **PD affects 1% of the population above 60 years.**
- Globally, disability and death due to PD are increasing faster than for any other neurological disorder
- There are currently more than **1.2 million people** living with Parkinson's in **Europe** and this number is forecasted to double by 2030. Worryingly the global prevalence of Parkinson's disease is increasing over time, and it is expected to double within the next 20 years (up to 2% in people over the age of 60 and 6% of in people over 80 years).



The five stages of Parkinson's disease



Key dates and significant events

Acquires **57.2%** of Sensidose's shares and amends cash offer to **SEK 8.00** per share

Declaring the offer unconditional and the acceptance period expiring on **8 May 2023**

Navamedic requests Sensidose BoD to call an extraordinary general meeting with the objective of electing **new members of the board**

Amends offer to **SEK 8.50** per share and extends acceptance period to 25 May

27
March

Announces unanimously recommended cash offer of **SEK 6.27** per Sensidose share.

Acceptance period to end on/about **21 April 2023**

22 25
April April

Expands its offer to include warrants of a series of **TO 1** at a price of **SEK 0.38** per warrant

Extends the acceptance period up to and including **15 May 2023**

10
May

Navamedic holds **6.9 million** (ca 58%) of Sensidose shares and **426k** warrants of series TO 1

25
May

Acceptance period ends

FINANCIALS

Key consolidated profit and loss figures

| <i>(in NOK '1000)</i> | Q1 2023 | Q1 2022 | FY 2022 |
|--|----------------|----------------|-----------------|
| Operating revenues | 121 787 | 62 996 | 382 135 |
| Gross profit | 50 318 | 24 835 | 163 519 |
| <i>Gross profit %</i> | 41.3 % | 39.4 % | 42.8 % |
| Operating costs | -34 495 | -25 248 | -111 833 |
| EBITDA | 15 824 | -413 | 51 686 |
| <i>EBITDA %</i> | 13% | -0.7 % | 13.5 % |
| Depreciation | -645 | -572 | -2 392 |
| Amortization | -1 187 | -1 257 | -4 850 |
| Operating result (EBIT) | 13 991 | -2 242 | 44 444 |
| Income from associated companies | 0 | -1 101 | -1 101 |
| Gain/loss on disposal of associated companies | 0 | 9 514 | 9 514 |
| Net financial income and expenses | 3 613 | -5 649 | -10 351 |
| Profit before tax continuing operations | 17 604 | 521 | 42 506 |
| Income taxes, continuing operations | -4 399 | -1 231 | -13 074 |
| Net profit / loss (-) Total operations | 13 205 | -710 | 29 431 |
| Currency translation differences | 1 004 | 1 130 | 2 982 |
| Total comprehensive income for the period | 14 210 | 420 | 32 413 |

In Q1 2023, revenues grew by 93% compared to the same quarter last year (organic growth was 70.5%)

Gross Profit came in at 41.3% due to product mix

Operating costs are higher than last year mostly due to continued investments in growth initiatives and employee expense

EBITDA for the quarter was NOK 15.8M compared to negative 0.4M LY

Net profit of NOK 13.2M for the quarter

Total comprehensive income of NOK 14.2M

Assets

| <i>(in NOK '1000)</i> | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|---------------------------------------|-------------------|-------------------|-------------------|
| Goodwill | 107 073 | 59 280 | 100 743 |
| Deferred tax assets | 835 | 9 168 | 835 |
| Other intangible assets | 29 816 | 26 031 | 30 537 |
| Property, plant & equipment | 671 | 762 | 607 |
| Right of use assets | 6 168 | 7 055 | 6 511 |
| Total non-current assets | 144 564 | 102 297 | 139 233 |
| Tax receivables | 14 819 | 15 581 | 14 909 |
| Inventories | 81 419 | 53 484 | 79 642 |
| Trade and other receivables | 45 683 | 30 970 | 42 985 |
| Cash | 56 729 | 32 212 | 55 296 |
| Current loans to associated companies | 41 427 | 38 358 | 40 615 |
| Other current financial assets | 6 313 | 26 688 | 10 092 |
| Total current assets | 246 391 | 197 294 | 243 539 |
| Total assets | 390 955 | 299 591 | 382 772 |

The increase in Goodwill is mainly due to currency changes

Inventory is only slightly higher than at the beginning of the quarter

Trade receivables is in line with expectations

Cash level is mostly the combination of the net result and changes in working capital

Other current financial assets is the Observe Medical shares at market value

Equity and liabilities

| <i>(in NOK '1000)</i> | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|---|-------------------|-------------------|-------------------|
| Total equity | 225 389 | 151 953 | 209 720 |
| Non-current license liabilities | 3 713 | 8 017 | 3 762 |
| Loans and borrowings | 36 923 | 28 182 | 38 368 |
| Non-current right of use liabilities | 4 488 | 5 418 | 4 861 |
| Total non-current liabilities | 45 124 | 41 617 | 46 991 |
| Trade and other payables | 48 175 | 45 681 | 65 574 |
| Current liabilities to financial institutions | 16 107 | 9 394 | 13 623 |
| Current right of use liabilities | 1 937 | 1 770 | 1 865 |
| Current license liabilities | 236 | 13 272 | 221 |
| Taxes payable | 4 618 | 10 730 | 4 708 |
| Other current liabilities | 49 369 | 25 174 | 40 071 |
| Total current liabilities | 120 441 | 106 021 | 126 061 |
| Total liabilities | 165 565 | 147 638 | 173 053 |
| Total equity and liabilities | 390 955 | 299 591 | 382 772 |

Equity ratio of 57.7%

Total loans and borrowings is mostly unchanged

Trade payables has decreased from a high level at the end of last quarter

Cash flow Group – total operations

| (in NOK '1000) | Q1 2023 | Q1 2022 | Year 2022 |
|---|---------------|----------------|---------------|
| Net cash flow from operating activities | 3 099 | -18 494 | 17 941 |
| Net cash flow from investing activities | -88 | -93 | -25 444 |
| Net cash flow from financing activities | -3 886 | -1 125 | 10 074 |
| Changes in currency | 2 309 | -697 | 105 |
| Net change in cash | 1 433 | -20 409 | 2 676 |
| Cash and cash equivalents end period | 56 729 | 32 212 | 55 296 |

The cash flow from Operating Activities is mainly the result of Net profit coupled with changes in net working capital.

The cash flow from financing activities is interest expenses and loan amortization/pay down

The cash at the end of the period was NOK 56.7M

SUMMARY & OUTLOOK

Continued strong growth supported by a scalable platform

- Record high NOK 121.7 million revenue in the quarter, an increase of 93.3% Y-o-Y (Q1), underpinned by M&A and continued sales growth across the entire portfolio
- Continued to strengthen the core by driving underlying growth

We are building on our solid foundation

- Strengthen the existing business by leveraging our highly scalable market access platform
- Increase value by acquiring and strengthening own products and brands while increasing gross margins through careful management of product portfolio

TARGETS AND AMBITIONS

On track to reach growth target **20%** annual organic growth

Mid-term ambition

Building a **NOK 1 billion** revenue company with **15% EBITDA** margin

Long-term vision

We are building a leading Nordic pharmaceutical company – targeting growth in Northern Europe

Q&A

Thank you for your attention!

Navamedic's Q2 2023 presentation will be held on
August 11th, 2023

APPENDIX

Condensed consolidated statement of comprehensive income

| (in NOK '1000) | Q1 2023 | Q1 2022 | FY 2022 |
|--|----------------|----------------|-----------------|
| Operating revenues | 121 787 | 62 996 | 382 135 |
| Total revenue | 121 787 | 62 996 | 382 135 |
| Cost of materials | -71,468 | -38 161 | -218 615 |
| Gross profit | 50 318 | 24 835 | 163 519 |
| Gross profit % | 41.3 % | 39.4 % | 42.8 % |
| Operating costs | -34 495 | -25 248 | -111 833 |
| EBITDA | 15 824 | -413 | 51 686 |
| EBITDA % | 13.0 % | -0.7 % | 13.5 % |
| Depreciation | -645 | -572 | -2 392 |
| Amortization | -1 187 | -1 257 | -4 850 |
| Operating result (EBIT) | 13 991 | -2 242 | 44 444 |
| Income from associated companies | 0 | -1 101 | -1 101 |
| Gain/loss on disposal of associated companies | 0 | 9 514 | 9 514 |
| Financial income | 836 | 761 | 19 464 |
| Financial expenses | -1 649 | -1 228 | -3 416 |
| Net currency gain/losses | 8 205 | -4 620 | -9 242 |
| Net change in fair value current financial assets | -3 779 | -562 | -17 158 |
| Net financial income and expenses | 3 613 | -5 649 | -10 351 |
| Profit before tax continuing operations | 17 604 | 521 | 42 506 |
| Income taxes, continuing operations | -4 399 | -1 231 | -13 074 |
| Net profit / loss (-) continuing operations | 13 205 | -710 | 29 431 |
| Net profit / loss (-) Total operations | 13 205 | -710 | 29 431 |
| Other comprehensive income that may be reclassified subsequently to profit or loss | | | |
| Currency translation differences | 1 004 | 1 130 | 2 982 |
| Total comprehensive income for the period | 14 210 | 420 | 32 413 |

Condensed consolidated statement of cash flows

| (in NOK '1000) | Q1 2023 | Q1 2022 | Year 2022 |
|---|----------------|----------------|------------------|
| Cash flow from operating activities | | | |
| Profit before tax | 17 604 | 521 | 42 506 |
| Adjusted for: | | | |
| Depreciation, amortization and impairment | 1 833 | 1 830 | 7 242 |
| Financial income / expenses without cash effect | -415 | 3 252 | 6 878 |
| Other income / expenses without cash flow effect | 1 460 | 296 | 839 |
| Income and gain from the disposal of associated companies | 0 | -8 413 | -8 413 |
| Taxes paid | -4 806 | -1 628 | -10 967 |
| Payment of license liabilities | 0 | -107 | -112 |
| Changes in inventory | -1 777 | 8 398 | -17 761 |
| Changes in trade and other receivables | -2 698 | 6 759 | -5 255 |
| Changes in trade and other payables | -17 399 | -24 851 | -4 959 |
| Changes in other current items | 9 298 | -4 550 | 7 944 |
| Net cash flow from operating activities | 3 099 | -18 494 | 17 941 |
| Cash flow from investing activities | | | |
| Acquisition of tangible and intangible assets | -165 | -93 | -2 251 |
| Interest received | 77 | 0 | 70 |
| Purchase of shares in other companies | 0 | 0 | -23 264 |
| Net cash flow from investing activities | -88 | -93 | -25 444 |
| Cash flow from financing activities | | | |
| Loans received | 0 | 0 | 24 033 |
| Loans paid | -2 513 | 0 | -9 511 |
| Interest paid | -791 | -583 | -3 272 |
| Share issues | 0 | 0 | 1 198 |
| Payment of lease liabilities | -582 | -542 | -2 373 |
| Net cash flow from financing activities | -3 886 | -1 125 | 10 074 |
| Changes in currency | 2 309 | -697 | 105 |
| Net change in cash | 1 433 | -20 409 | 2 676 |
| Cash and cash equivalents start period | 55 296 | 52 620 | 52 620 |
| Cash and cash equivalents end period | 56 729 | 32 212 | 55 296 |

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 2021 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.

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