

Q1 2024

Highlights and key figures

30 April 2024

Kathrine Gamborg Andreassen, CEO

Lars Hjarrand, CFO



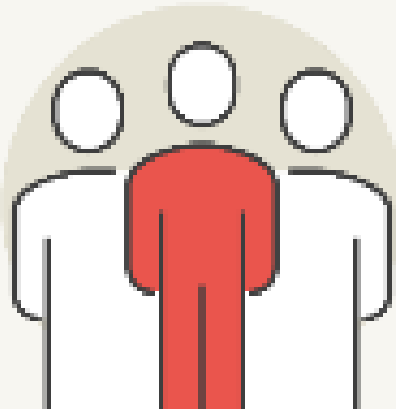
Our edge explained

A reliable supplier of high-quality pharma products, within Prescription drugs (RX), Consumer Health, and Hospital products including Medical nutrition



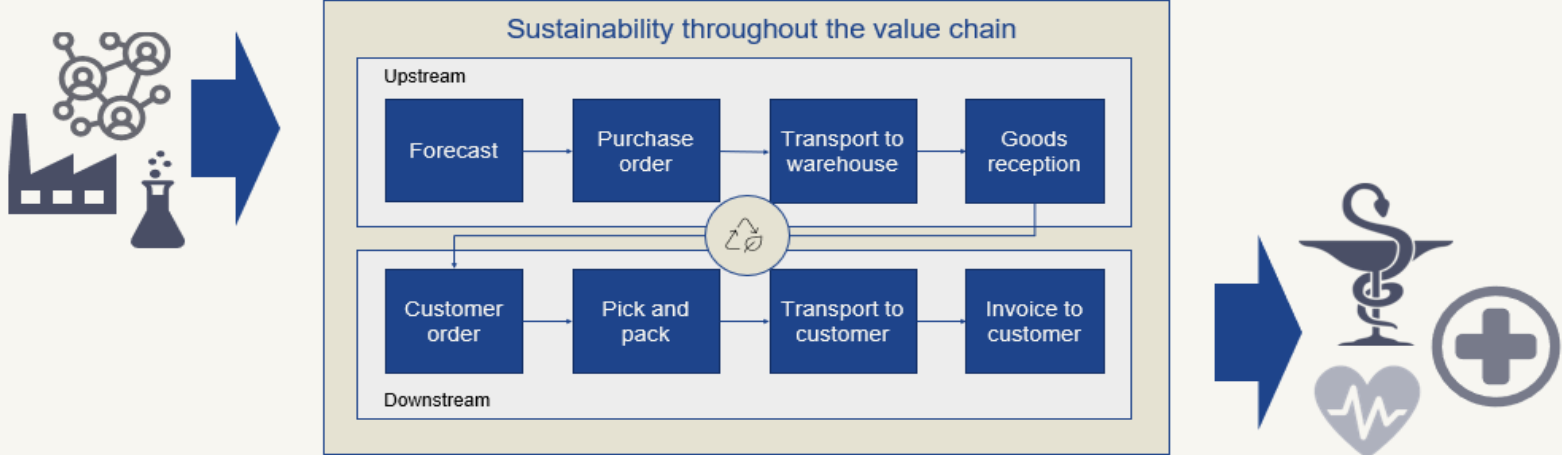
Presence and sales across the Nordics

With a product portfolio approved and ready for wider distribution across Europe



Strong local insight and understanding of patients' needs

Strong local competence (~42 employees) in regulatory, reimbursement, marketing and sales
Understanding patients, their situation and challenges, increasing customer loyalty through guidance and inspiration



Ambitious growth strategy

High-potential pipeline and M&A capabilities
Maximising product potential throughout the value chain, focusing on economies of scale, sales excellence and regulatory expertise

A quarter marked by a successful product launch, and steady operational progress

| | <u>REVENUE</u> | <u>GROSS MARGIN</u> | <u>Adjusted EBITDA</u> |
|-------------|-------------------|---------------------|------------------------|
| Q1 | 120.9 MNOK | 38.7% | 8.5 MNOK |
| 2024 | - 0.7% YoY | 41.3% in Q1 23 | 15.8 MNOK in Q1 23 |

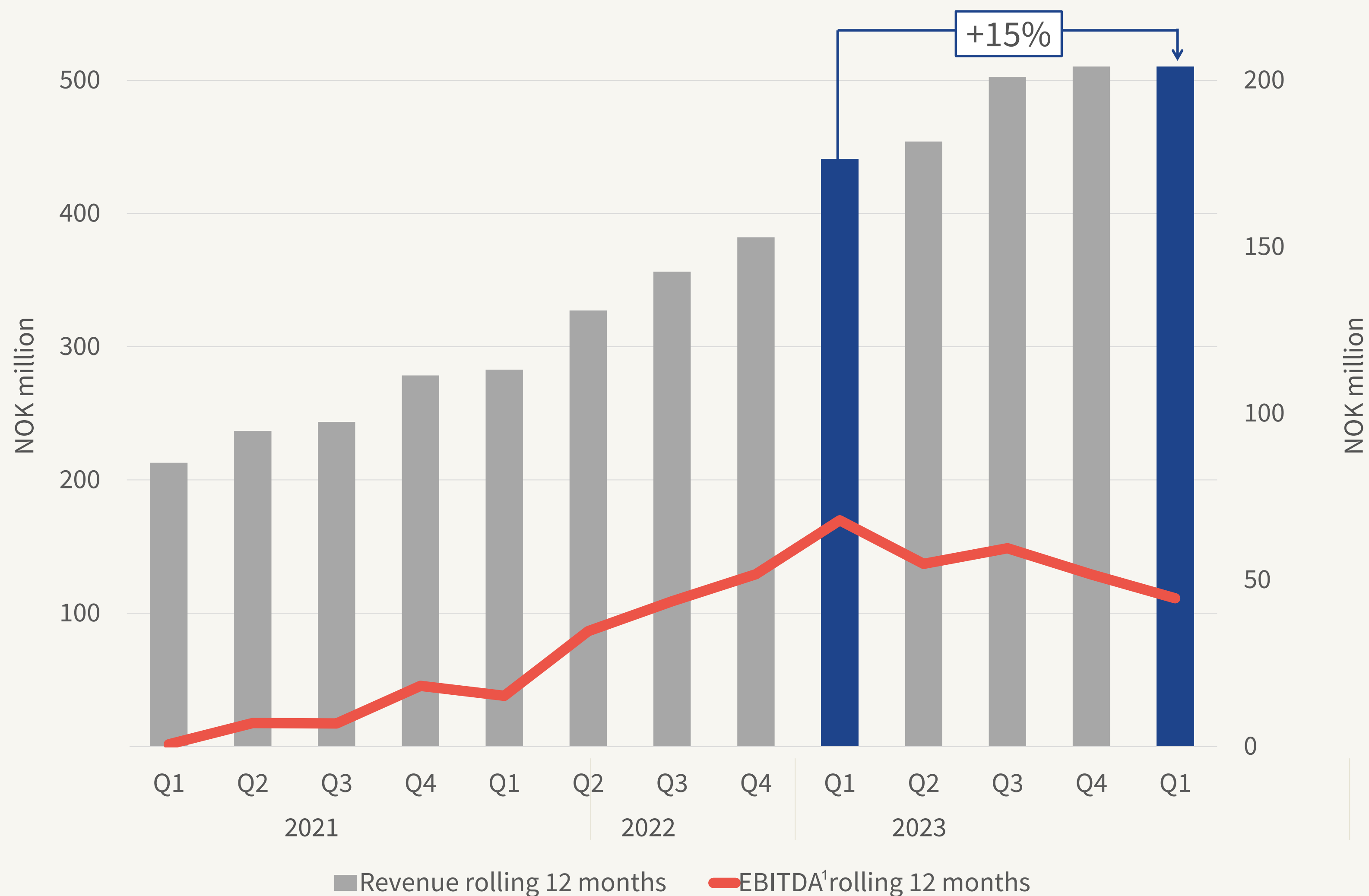
Revenues in Q1 2024 were on same level as in previous year. Out of stock for Imdur in some markets

Adjusted EBITDA in line with previous quarter, but below last year

Successful launch of Eroxon in Norway in Q1. Launch in Sweden in May

The longer perspective

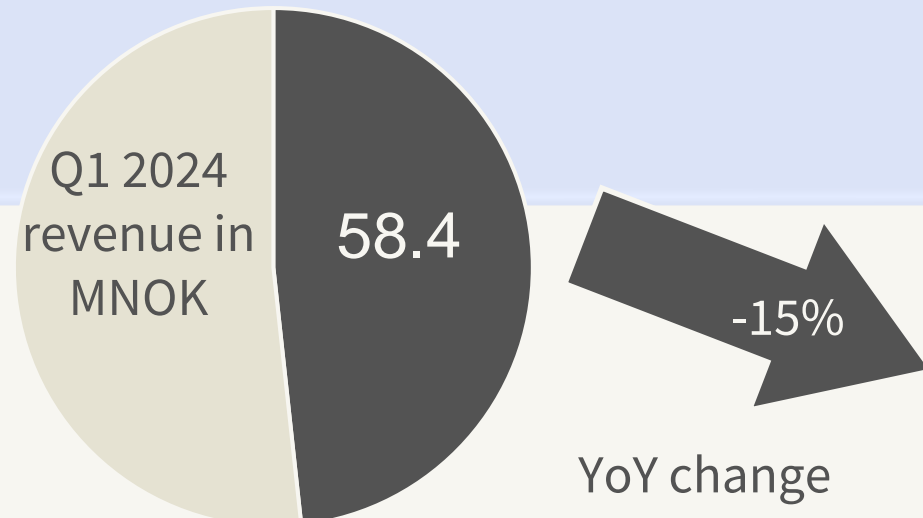
Growth on a scalable platform and through M&A



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

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 the body cannot properly turn food into energy.

Prescription Drugs (RX)

Strong product growth across various therapeutic areas

The **RX segment** comprises Navamedic's prescription products

Q1 2024 REVENUE

58.4 MNOK

(Q1 2023: 68.9 MNOK)

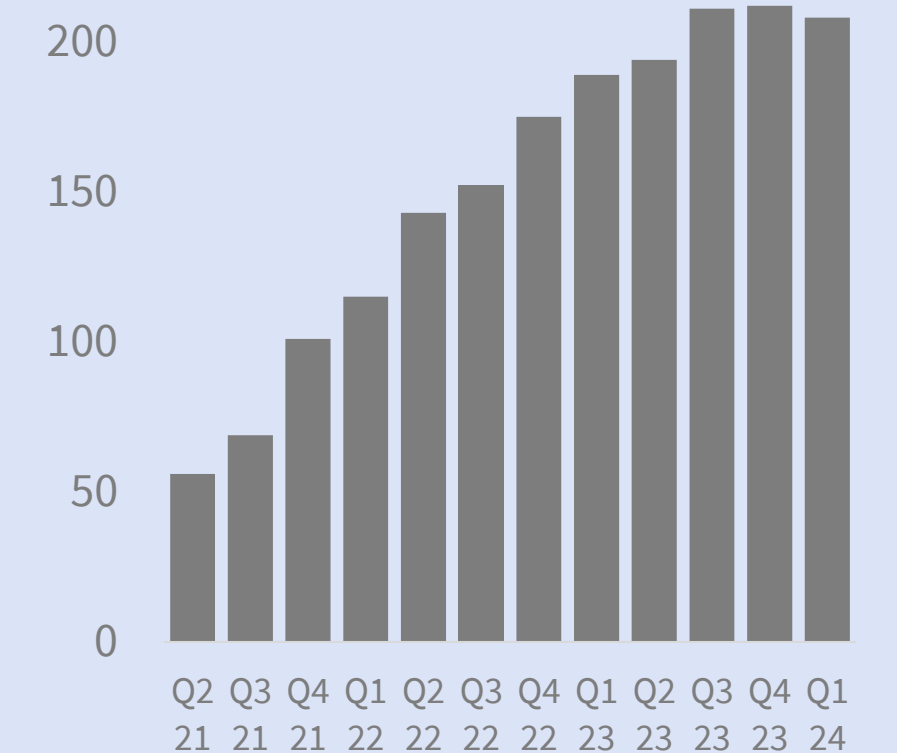
- **Mysimba**[®] lower sales due to stock up in Q4. Increased sales in Finland
- **Imdur** out of stock in most markets in Q1, expected delivery in Q2
- **Forlax** sales grows quarter by quarter, up 75% yoy

Strategy for growth

- Focusing on individual reimbursement in NO/FI and the unique positioning for Mysimba in a growing market
- Commercialization and out-licensing activities for Flexilev (MyFID[®] and OraFID[®])

10% YOY GROWTH IN MYSIMBA[®] WHOLESALER VOLUME

Vol. (units 000)



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

Implementing commercialisation strategy for growth following the Sensidose acquisition

- Targeting patients with advanced Parkinson's disease
- PD affects 1-2% of population above 60 years
- Navamedic is targeting 20% of total patient population
- Sells drugs in combination with an innovative device for individual dosing
- Products will be sold from Navamedic's current platform in the Nordics, and out-licensed in rest of Europe, Japan and the US

- Marketing authorization for **Flexilev** in **MyFID**[®] already in place in 10 European countries
- Regulatory strategy for approval of Flexilev[®] in the new **OraFID**[®] dispenser in process
- Estimated time for launch for Flexilev in OraFID[®] in the Nordics is Q2/2025
- Negotiation of final agreement with **Orion** for a licensing and supply agreement for Flexilev[®] with OraFID[®] in Europe



Hospital

Continued growth across the portfolio

The **Hospital segment** comprises Navamedic's antibiotics portfolio and medical nutrition products for the treatment of Inborn Errors of Metabolism (IEM)

Q1 2024 REVENUE

28.8 MNOK

(Q1 2023: 25.0 MNOK)

- Double digit growth for segment as a whole
- Steady growth for **Medical Nutrition** and double-digit growth for **Antibiotics**
- Preparing the antibiotics portfolio for future growth and demand
- Renewal of antibiotics tenders in Norway confirmed

Strategy for growth

- Expand and secure new antibiotic marketing authorization in countries outside the Nordics
- New profitable products and new concepts in Medical Nutrition



Hero brands continue to deliver double digit growth

The **Consumer Health segment** comprises Navamedic's over-the-counter products, available to patients without a prescription

Q1 2024 REVENUE

33.8 MNOK

(Q1 2023: 27.9 MNOK)

- **Modifast** has rebound after two slightly weaker quarters
- Strong growth for **Thermacare** and **Aftamed** in the quarter
- Successful launch of **Eroxon** in Norway in February, Sweden to follow in May

Strategy for growth

- Launch, distribute, in-license and build unique profitable hero brands in own countries
- Out-licensing of own products to other markets



Launching breakthrough treatment for erectile dysfunction

Successful rollout of Eroxon® in Norway, Sweden to follow in May

- Navamedic markets and distributes Eroxon® in the Nordics. A clinically proven local treatment of erectile dysfunction, which can be bought without a doctor's prescription
- Launched in Norway mid-February 2024, Eroxon® was bestseller at www.boots.no after only two weeks in the market
- With continued strong sales in the rest of the first quarter, Eroxon® ranked third on Navamedic's Consumer Health top seller list in Q1
- Broad launch in Sweden starting on 6 May. Eroxon® will be the only non-prescription treatment for erectile dysfunction in Sweden



Eroxon® launch

Massive attention, strong sales



Nordmenn får ikke nok av det nye, reseptfrie potensmiddelet.
ELISABETH DALSGO
Kjærlighet er den første ingrediensen i et godt forhold. Men det er også en god del av livet som ikke er det. Vi trenger ikke reklame for produktet, det selger seg selv, sier Nancy Nygren Skjoldstad, kategoriassistent i Boots, i Oslo. Hun forteller at vi er en av dem som bruker produkter som dette. Vi kjøper det nye potensmiddelet, noe som gjør det lettere for oss å finne ut av det. At produktet har hatt en god salg på nett, er på ingen måte overraskende. I Norge har det fram til nå hatt en sterkere salgsprosent enn i andre land. Nettsalget trekker opp. Andre apotekkjeder som Apotek 1 og Helse er også på markedet. Helse Apotek er det største nettapoteket i Norge, og de har allerede lansert Eroxon på sine nettsider. De har også lansert Eroxon på sine nettsider. De har også lansert Eroxon på sine nettsider.



NETTSALGET TREKKER OPP
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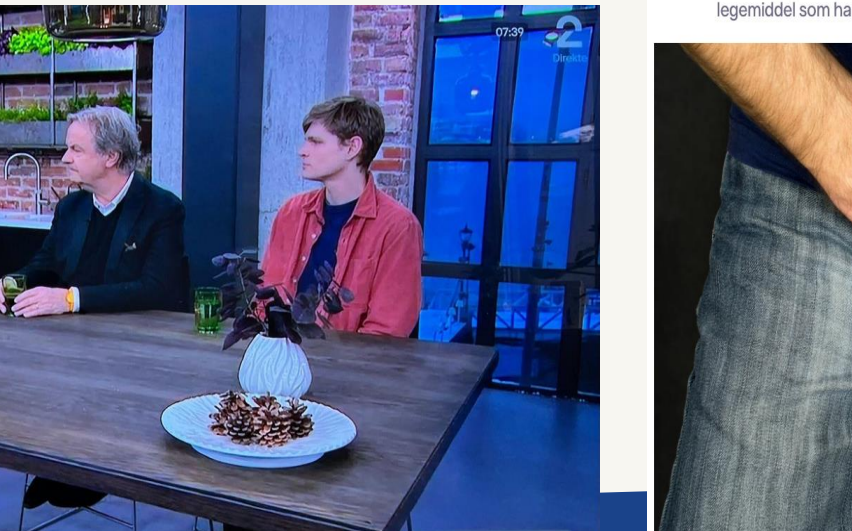


Nytt middel mot ereksjonssvikt hylles

Stadig flere menn sliter med manglende ereksjon. Eksperten roper at problemet vanligvis sitter et helt annet sted enn du tror - og deler suppreget som hjelper.



400.000 har dette sexproblemet – ny krem kan hjelpe
Problemet er mye større enn man er klar over, ifølge ekspertene. Et nytt legemiddel som har kommet til Norge kan være til stor hjelp.



TABU: Problemet rammer flere hundre tusen, men blir sjeldent snakket om. Foto: AdobeStock

TV 2 Nyheter
4 d ·
400.000 menn sliter med dette legene med gode råd



tv2.no
Dette hjelper på ereksjonssvikt

32 92 c



Ny gel skal gjøre det enklere å ta en kjøppis: - Virker på ti minutter

Lytt til saken • 4 minutter

Ny ereksjonsgel virker på ti minutter, lokker produsent. - Det finnes gratis og enklere måter, mener fastlege.



Ereksjonsproblemer er vanlig blant norske menn. Nå mener produsenten at en gel kan hjelpe. Foto: Produksjonen



Peniskremen tar landet med storm: - Men vi har kun solgt én

Boots Apotek Kristiansand Seksualitet Medisin Ereksjonssvikt

Peniskremen tar landet med storm: - Men vi har kun solgt én



POPULÆRT: Kremen Eroxon har blitt en salgsvinner hos Boots apotek. FOTO: ESPEN SANDEN JOHANNESEN



Salget har faktisk vært ganske bra hos oss

Apotek 1 Elverum, Jeanette Mølleberg, bekrefter at selv uten markedsføring har potenslegemiddelet blitt en av apotekets mest populære varer. Foto: Anita Halby Gøthehus



POPULÆRT: Kremen Eroxon har blitt en salgsvinner hos Boots apotek. FOTO: ESPEN SANDEN JOHANNESEN

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Salget av peniskremen gikk rett til topps: Slik går det i arendalsbutikkene

Arendalitter er avventende, men interesserte i den nye, og så mye omtalte, peniskremen.



POPULÆRT: Kremen Eroxon har blitt en salgsvinner hos Boots apotek. FOTO: ESPEN SANDEN JOHANNESEN



Rives ut av hyllene

Apotek 1 Elverum, Jeanette Mølleberg, bekrefter at selv uten markedsføring har potenslegemiddelet blitt en av apotekets mest populære varer. Foto: Anita Halby Gøthehus



POPULÆRT: Kremen Eroxon har blitt en salgsvinner hos Boots apotek. FOTO: ESPEN SANDEN JOHANNESEN

Bjørn selger nytt potensmiddel: - Seksuell helse er viktig

Apotek 1 Elverum, Jeanette Mølleberg, bekrefter at selv uten markedsføring har potenslegemiddelet blitt en av apotekets mest populære varer. Foto: Anita Halby Gøthehus



POPULÆRT: Kremen Eroxon har blitt en salgsvinner hos Boots apotek. FOTO: ESPEN SANDEN JOHANNESEN

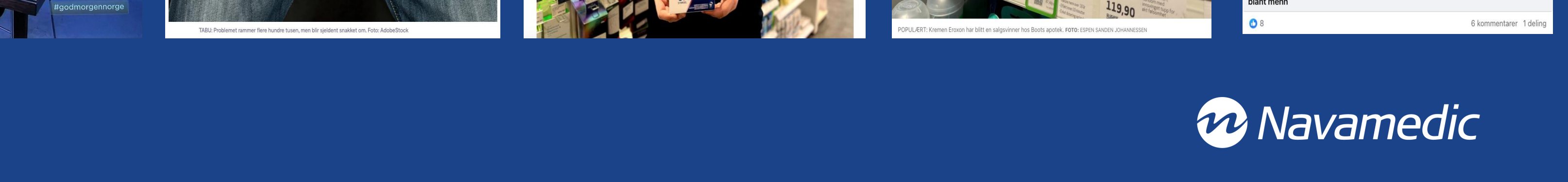


Det nye produktet rives vekk fra apotekhyllene:



H-A.NO (+) Ved siden av kondomene har det dukket opp et nytt produkt som har slått an blant menn

6 kommentarer 1 deling



Delivering on our strategy for becoming a NOK 1 billion revenue company

- 1 GROWTH BASED ON A STRONG FOUNDATION**

Untapping the potential within existing products, categories and territories. Strengthening the core with a disciplined approach to portfolio management, including adding attractive new products in our distribution model
- 2 PORTFOLIO EXPANSION WITH PRODUCT OWNERSHIP**

Proactively securing and increasing the portfolio value through in-licensing of products and brands. Explore market growth opportunities outside own territory with own, unique products in cooperation with distributors or partners
- 3 CONTINUING GROWTH THROUGH M&A**

Acquisitions of smaller companies and product portfolios that have significant growth potential, both through Navamedic's existing platform, and in new markets in collaboration with distributors or partners



FINANCIALS

Key consolidated profit and loss figures

| <i>(in NOK '1000)</i> | Q1 2024 | Q1 2023 | FY 2023 |
|---|----------------|----------------|-----------------|
| Operating revenues | 120 873 | 121 719 | 511 997 |
| Gross profit | 46 814 | 50 248 | 199 054 |
| <i>Gross profit %</i> | 38.7 % | 41.3 % | 38.9 % |
| Operating cost | -38 355 | -34 461 | -147 487 |
| Adjusted EBITDA (excluding transaction cost) | 8 459 | 15 787 | 51 566 |
| Adjusted EBITDA % | 7.0 % | 13.0 % | 10.1 % |
| Transaction cost | 0 | 0 | -16 061 |
| EBITDA | 8 459 | 15 787 | 35 505 |
| <i>EBITDA %</i> | 7.0 % | 13.0 % | 6.9 % |
| Depreciation | -928 | -645 | -3 939 |
| Amortization | -2 634 | -1 187 | -7 986 |
| Operating result (EBIT) | 4 897 | 13 954 | 23 580 |
| Net financial income and expenses | -5 699 | 3 613 | -12 746 |
| Profit before tax | -802 | 17 567 | 10 834 |
| Income taxes | -780 | -4 399 | -7 529 |
| Net profit / loss (-) Total operations | -1 582 | 13 167 | 3 305 |

In Q1 2024, revenues were relatively flat compared to last year partly due to stock build-up of Mysimba at wholesalers/pharmacies, and out-of-stock on some products

Gross Profit came in at 38.7% for Q1 mostly due to product mix and currency effects

Operating costs are higher than last year mostly due to investments in future growth initiatives, including Eroxon launch and Sensidose operating expenses

Adjusted EBITDA was NOK 8.5M for the quarter, in line with last quarter but below LY.

Net Financial items was negative NOK 5.7m due to interest expense and currency effects

Profit before tax was negative NOK 0.8m

Net profit of negative NOK 1.6M for the quarter

Assets

| <i>(in NOK '1000)</i> | 31.03.24 | 31.03.23 | 31.12.2023 |
|---------------------------------|-----------------|-----------------|-------------------|
| Goodwill | 157 057 | 107 073 | 156 729 |
| Deferred tax assets | 930 | 835 | 930 |
| Other intangible assets | 95 839 | 29 816 | 97 627 |
| Property, plant and equipment | 3 599 | 671 | 3 692 |
| Right of use assets | 5 715 | 6 168 | 6 060 |
| Non-current loans receivable | 0 | 0 | 49 149 |
| Total non-current assets | 263 139 | 144 564 | 314 186 |
| Tax receivables | 13 028 | 14 819 | 14 858 |
| Inventories | 121 399 | 81 419 | 105 200 |
| Trade and other receivables | 58 182 | 45 683 | 50 631 |
| Cash | 29 094 | 56 729 | 38 036 |
| Current loans receivable | 50 290 | 41 427 | 0 |
| Other current financial assets | 1 774 | 6 313 | 1 393 |
| Total current assets | 273 768 | 246 391 | 210 118 |
| Total assets | 536 908 | 390 955 | 524 304 |

Loan receivable is loan to Observe Medical (moved from non-current to current in table)

Inventory has increased but will gradually decrease throughout the year

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> | 31.03.24 | 31.03.23 | 31.12.2023 |
|---|-----------------|-----------------|-------------------|
| Total equity | 226 157 | 225 389 | 222 391 |
| Non-current interest-bearing borrowings | 95 481 | 36 923 | 95 479 |
| Non-current license liabilities | 4 046 | 3 713 | 3 988 |
| Non-current right of use liabilities | 3 460 | 4 488 | 3 892 |
| Deferred tax liabilities | 9 031 | 0 | 9 271 |
| Total non-current liabilities | 112 018 | 45 124 | 112 629 |
| Current interest-bearing borrowings | 48 797 | 16 107 | 51 067 |
| Trade and other payables | 79 635 | 48 175 | 68 300 |
| Current right of use liabilities | 2 557 | 1 937 | 2 453 |
| Current license liabilities | 16 899 | 236 | 16 861 |
| Taxes payable | 8 124 | 4 618 | 8 149 |
| Other current liabilities | 42 720 | 49 369 | 42 454 |
| Total current liabilities | 198 732 | 120 441 | 189 284 |
| Total liabilities | 310 750 | 165 565 | 301 913 |
| Total equity and liabilities | 536 908 | 390 955 | 524 304 |

Equity ratio of 42%

Total loans and borrowings are mostly unchanged since last quarter

Trade payables has increased due to inventory build-up

Cash flow Group – total operations

| (in NOK '1000) | Q1 2024 | Q1 2023 | YTD 2023 |
|---|---------------|---------------|----------------|
| Net cash flow from operating activities | - 5 563 | 3 099 | 2 179 |
| Net cash flow from investing activities | -185 | -88 | -104 583 |
| Net cash flow from financing activities | -1 913 | -3 886 | 83 235 |
| Changes in currency | -1 281 | 2 309 | 1 909 |
| Net change in cash | -8 941 | 1 433 | -17 260 |
| Cash and cash equivalents end period | 29 094 | 56 729 | 38 036 |

The cash flow from Operating Activities is mainly the result of Net profit coupled with changes in working capital items, Inventories in particular

The cash flow from financing activities is mostly interest payments

The cash at the end of the period was NOK 29.1M

SUMMARY & OUTLOOK

A quarter marked by a successful product launch, and steady operational progress

- Navamedic delivered NOK 120.9 million in revenue in Q1 2024, relatively stable compared to prior year
- Q1 marked by stock build-up at wholesalers in Q4 and out of-stock on other products
- Overall steady operational progress and growth on a scalable platform and through M&A. 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
- Exploring opportunities for market expansion with own products with European/global rights
- Increase value by acquiring and strengthening own products and brands while increasing gross margins through careful management of product portfolio

TARGETS AND AMBITIONS

Targeting **20%** annual growth

Mid-term ambition

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

Long-term vision

Building a leading Nordic pharmaceutical company

Q&A

Want to know more?

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info@navamedic.com

 **Navamedic**



Thank you for your attention!

Navamedic's Q2 2024 presentation will be held on
16 August 2024

APPENDIX

Basis for preparation

This presentation provides financial highlights for the quarter for Navamedic Group. The financial information is reported according to the requirements in IAS 34 (Interim Financial Reporting) and the figures are not audited. The 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. Adjusted EBITDA means normal EBITDA less acquisition transaction costs.

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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