

Q2 and H1 2023

Second quarter and
first half year 2023 results

11 August 2023

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Significant growth across the business

**Q2
2023**

REVENUE

124.0 MNOK

Up 12.3% YoY

GROSS MARGIN

40.4%

44.8% in Q2 22

Adjusted EBITDA¹

10.5 MNOK

23.7 MNOK in Q2 22

**H1
2023**

245.7 MNOK

Up 41.7% YoY

40.9%

42.9% in H1 22

26.3 MNOK

23.3 MNOK in H1 22

¹ EBITDA net of MNOK 12.3 transaction costs

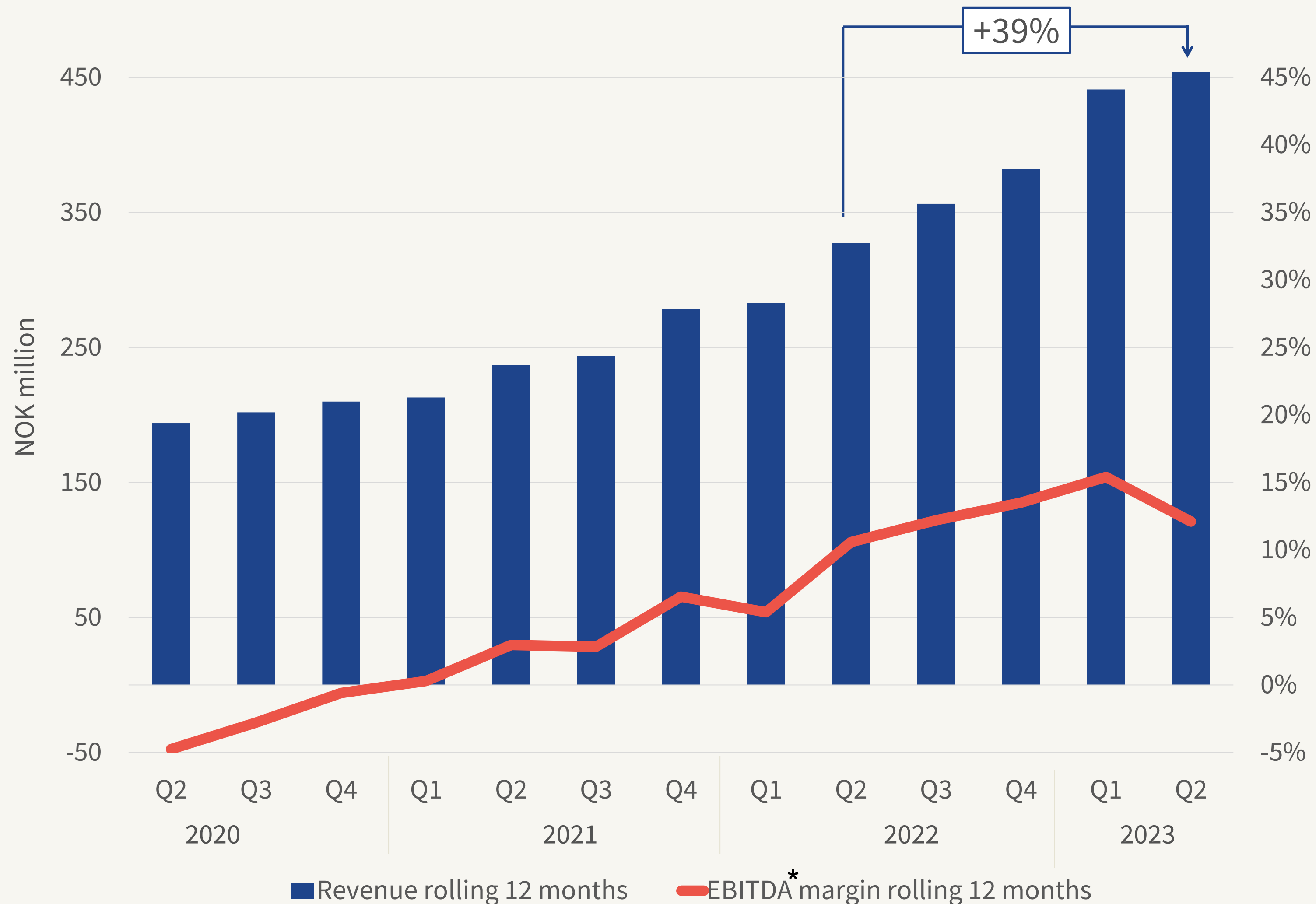
Growth across all business areas in H1

Navamedic successfully acquired Sensidose AB in May, providing significant growth potential in the Nordics and Europe

Significant investment in marketing activities during the quarter to spur future growth

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

Consistent positive trend in revenue and EBITDA*



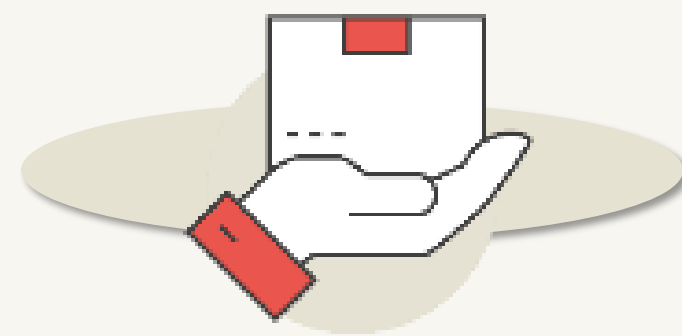
Strong revenue growth driven by successful build-up of product categories, positive market trends and consumer demand

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

Organic revenues growth YTD of 30.6%

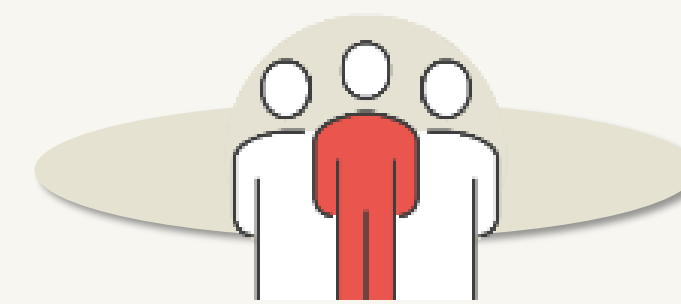
Nordic pharma company targeting further growth in Northern Europe



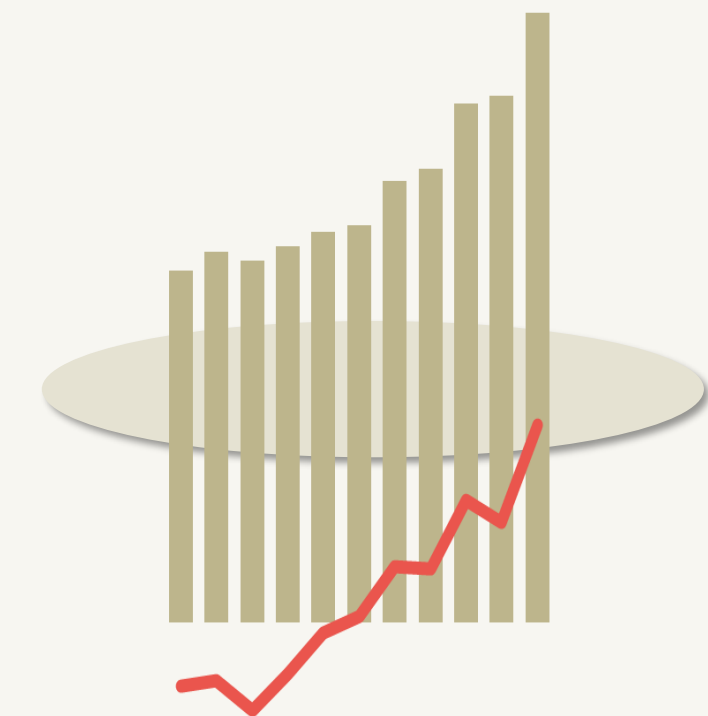
A reliable supplier of **high-quality pharma products**, within Prescription drugs, Consumer Health, and Hospital products, and Medical nutrition



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



Strong local competence in regulatory, reimbursement, marketing and sales
~45 employees



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

On track to becoming a NOK 1 billion revenue company

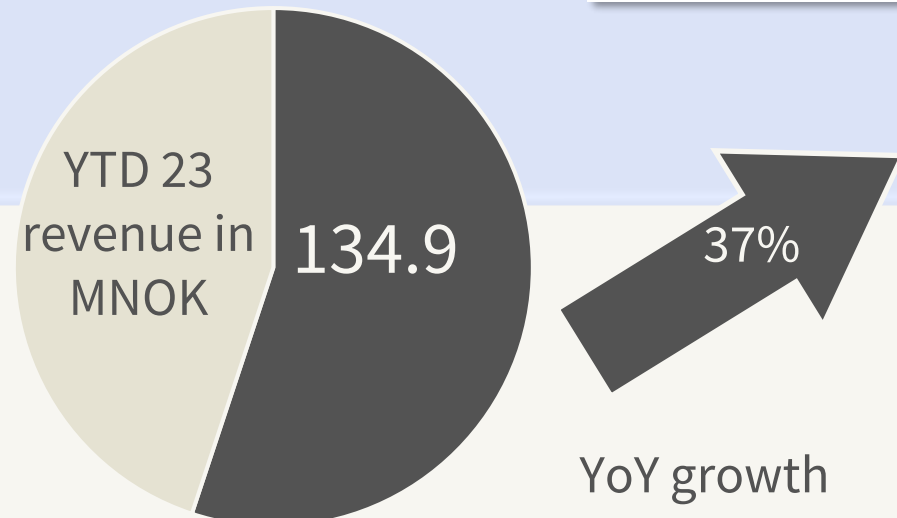
STRATEGY

- 1 STRENGTHEN THE CORE**
Untapping the potential within existing products, categories and territories.
- 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.

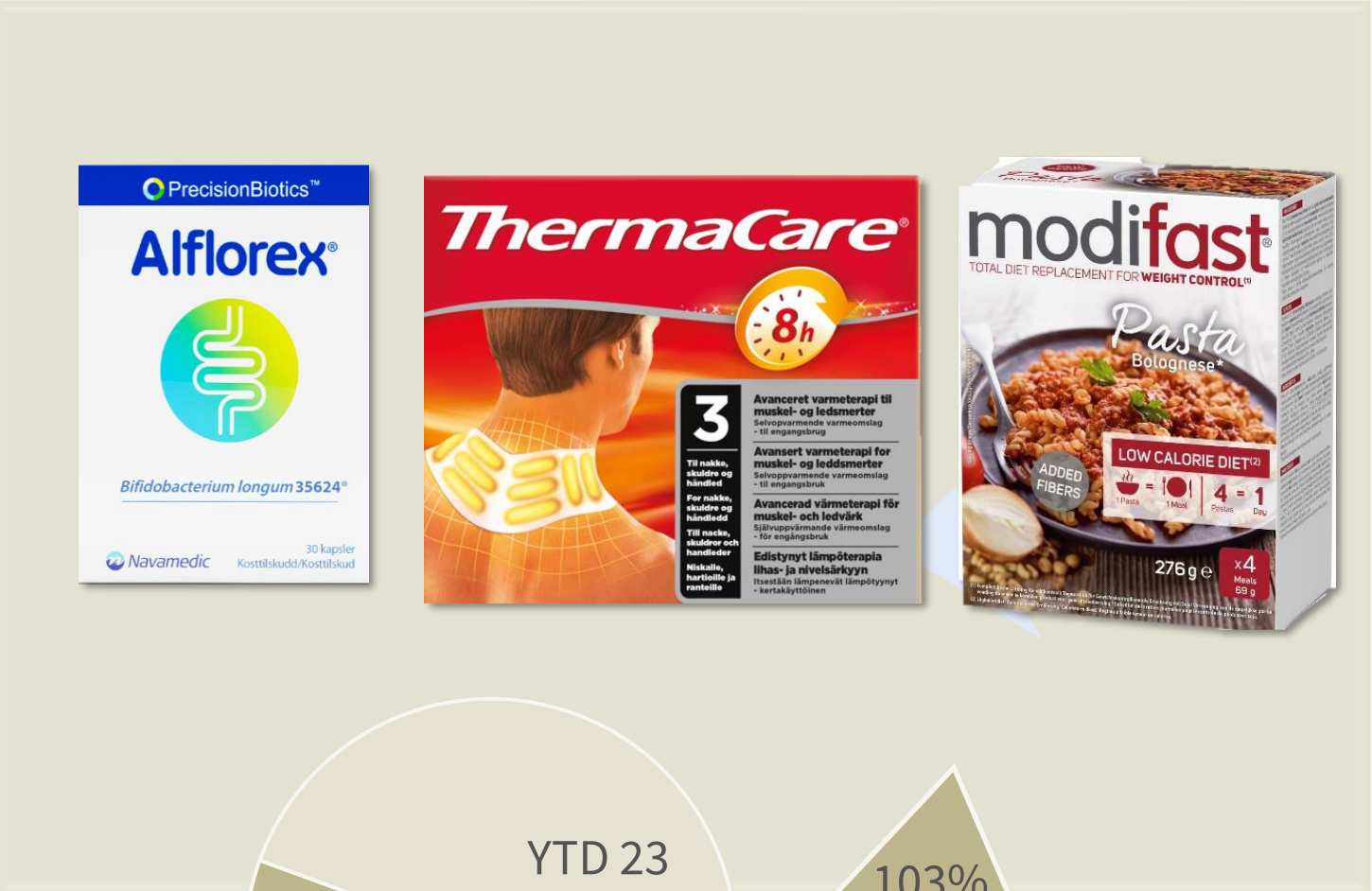


High-quality portfolio with several hero products

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.

Note: Segment figures do not include Sensidose AB figures

Prescription Drugs (RX)

Continued growth for Mysimba

The RX segment comprises Navamedic's prescription products

Q2 2023 REVENUE

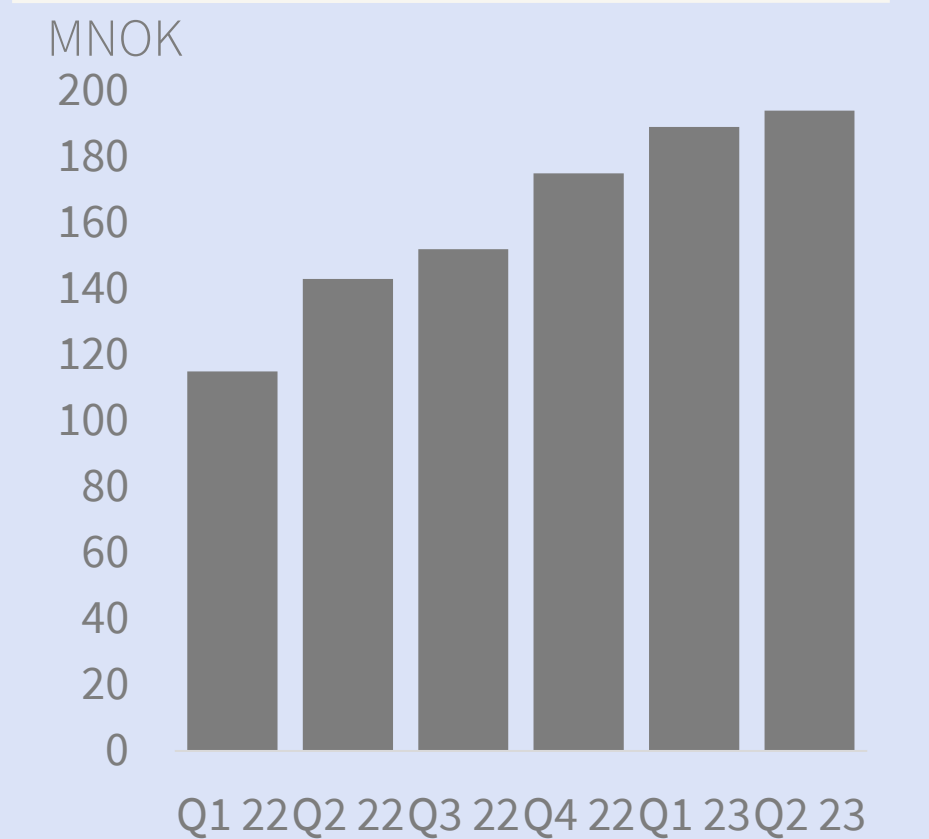
66.0 MNOK

(Q2 2022: 68.3 MNOK)

- Continued and strong demand for Mysimba[®], 34% increase YTD in revenue
- Strong sales of Nitrolingual and Forlax



36% YOY GROWTH IN MYSIMBA WHOLESALER VALUE



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

Strong sales across Consumer Health brands

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

Q2 2023 REVENUE

31.3 MNOK

(Q2 2022: 18.3 MNOK)

- Modifast contributed significantly to the category
- SmectaGo delivered significant sales growth - supported by new ad concept
- Continued strong sales of ThermaCare and Absolut Törr
- Rights acquired to distribute and sell Alflorex® in Sweden



Hospital

Strong growth of medical nutrition products

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

Q2 2023 REVENUE

25.8 MNOK

(Q2 2022: 23.7 MNOK)

- The medical nutrition products delivered double digit growth
- The antibiotics portfolio delivered steady growth

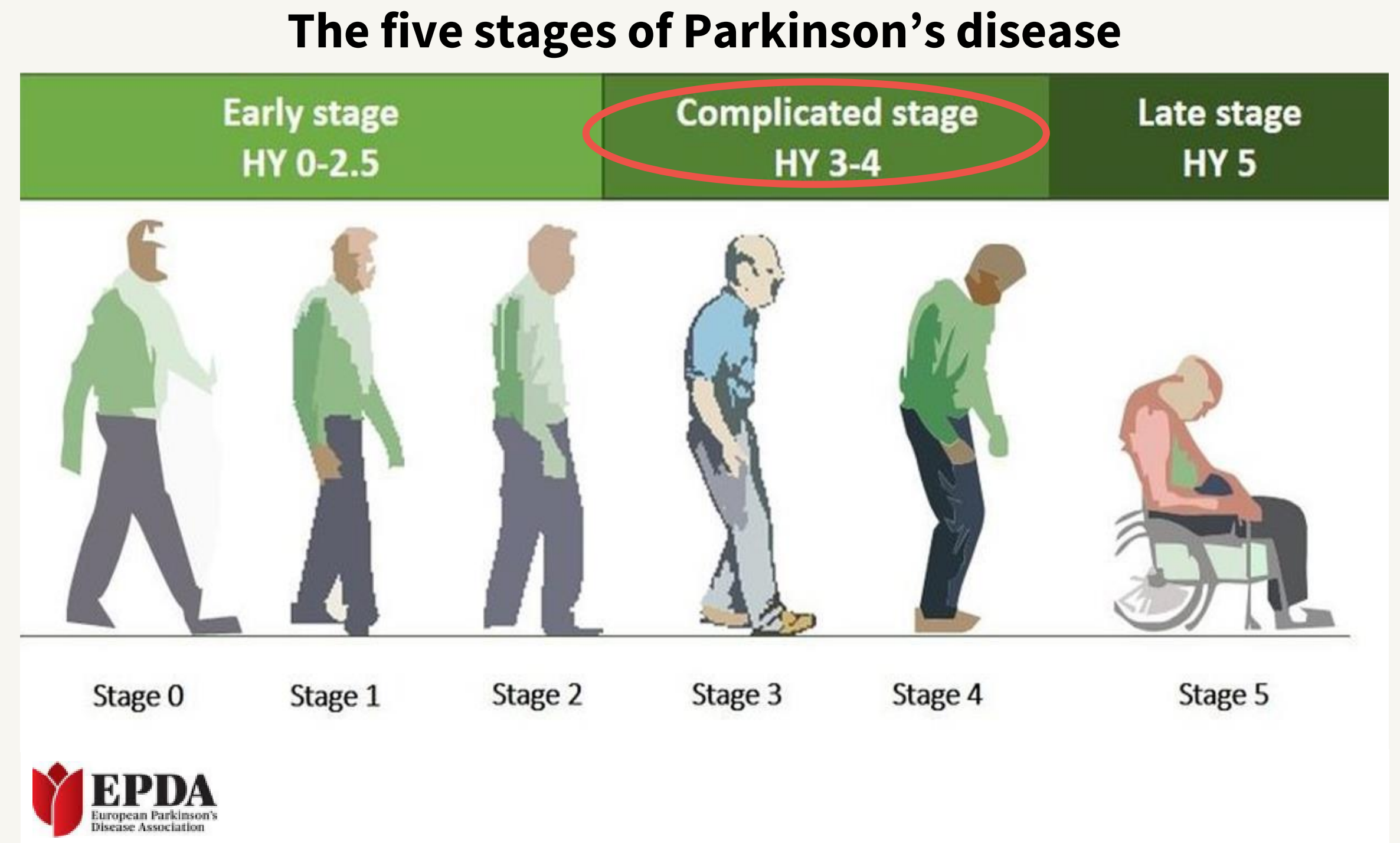


Successful acquisition of Sensidose AB



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

- PD is a complex progressive **neurodegenerative disease** characterised by tremors, rigidity, and slowness of movement
- **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



Successful acquisition of Sensidose AB

Commercial strategy and activities underway

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

- Sensidose's treatment against Parkinson's disease, Flexilev, is available in Norway, Sweden and Denmark
- Flexilev has market access in a total of 10 countries and is reimbursed in the Nordics
- Navamedic will ramp up commercial efforts by adding Flexilev to its marketing and distribution channels
 - Initial ramp-up in the Nordics and product launch in Finland
 - Exploring additional European markets, including opportunities outside of Europe



FINANCIALS

Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	Q2 2023	Q2 2022	YTD 2023	YTD 2022	FY 2022
Operating revenues	123 967	110 361	245 686	173 357	382 135
Gross profit	50 134	49 468	100 382	74 303	163 519
<i>Gross profit %</i>	40.4 %	44.8 %	40.9 %	42.9 %	42.8 %
Payroll expense	-13 539	-11 135	-29 563	-21 246	-48 088
Other operating cost excluding transactions cost	-26 094	-14 625	-44 531	-29 762	-63 745
Adjusted EBITDA (excluding transaction cost)	10 501	23 708	26 288	23 295	51 686
<i>Adjusted EBITDA %</i>	8.5 %	21.5 %	10.7 %	13.4 %	13.5 %
Transaction cost	-12 335	0	-12 335	0	0
EBITDA	-1 834	23 708	13 953	23 295	51 686
<i>EBITDA %</i>	-1.5 %	21.5 %	5.7 %	13.4 %	13.5 %
Depreciation	-1 009	-598	-1 654	-1 171	-2 392
Amortization	-1 195	-1 232	-2 383	-2 489	-4 850
Operating result (EBIT)	-4 038	21 878	9 916	19 635	44 444
Income from associated companies	0	0	0	-1 101	-1 101
Gain/loss on disposal of associated companies	0	0	0	9 514	9 514
Net financial income and expenses	-13 038	-12 302	-9 426	-17 952	-10 351
Profit before tax continuing operations	-17 076	9 575	491	10 096	42 506
Income taxes, continuing operations	1 301	-2 286	-3 098	-3 517	-13 074
Net profit / loss (-) Total operations	-15 774	7 289	-2 607	6 579	29 431
Currency translation differences	-1 036	955	6	2 085	2 982
Total comprehensive income for the period	-16 810	8 245	-2 601	8 664	32 413

Note: Sensidose numbers included for 2 months (May and June)

In Q2 2023, revenues grew by 12.3% compared to the same quarter last year, and 41.7% YTD (organic growth was 30.6% YTD)

Gross Profit came in at 40.4% mostly due to product mix but also some currency effect

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

Adjusted EBITDA was NOK 10.5m for the quarter, compared to NOK 23.7m LY

Net Financial items was negative NOK 13.0m due to currency effects and interest expense

Net profit of negative NOK 15.8M for the quarter

Total comprehensive income of negative NOK 16.8MNOK

Assets

<i>(in NOK '1000)</i>	30.06.2023	30.06.2022	31.12.2022
Goodwill	142 839	98 175	100 743
Deferred tax assets	835	9 168	835
Other intangible assets	83 732	31 659	30 537
Property, plant & equipment	1 735	679	607
Right of use assets	6 679	6 772	6 511
Total non-current assets	235 820	146 454	139 233
Tax receivables	14 947	28 662	14 909
Inventories	67 229	70 814	79 642
Trade and other receivables	55 674	84 752	42 985
Cash	33 303	39 445	55 296
Current loans receivable	42 239	39 111	40 615
Other current financial assets	6 035	15 793	10 092
Total current assets	219 427	278 576	243 539
Total assets	455 247	425 030	382 772

Note: The balance sheet includes consolidated Sensidose AB numbers

The increase in Goodwill is mainly due to the Sensidose acquisition

Intangible assets are up due to Sensidose acquisition

Inventory was at a fairly low level at the end of Q2

Trade receivables is in line with expectations

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

Current loans receivable is the loan to Observe Medical

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

Equity and liabilities

<i>(in NOK '1000)</i>	30.06.2023	30.06.2022	31.12.2022
Total equity	211 444	185 692	209 720
Non-current license liabilities	3 781	6 039	3 762
Loans and borrowings	103 647	53 042	38 368
Non-current right of use liabilities	4 676	5 179	4 861
Total non-current liabilities	112 104	64 260	46 991
Trade and other payables	49 673	89 553	65 574
Current liabilities to financial institutions	23 259	9 644	13 623
Current right of use liabilities	2 230	1 757	1 865
Current license liabilities	231	15 834	221
Taxes payable	3 327	17 682	4 708
Other current liabilities	52 980	40 609	40 071
Total current liabilities	131 699	175 078	126 061
Total liabilities	243 803	239 338	173 053
Total equity and liabilities	455 247	425 030	382 772

Equity ratio of 46.4%

Total loans and borrowings is increased due to new financing related to Sensidose acquisition, NOK 110M bank loan and NOK 35M draft facility

Trade payables is in line with end of last quarter

Cash flow Group – total operations

(in NOK '1000)	Q2 2023	Q2 2022	Year 2022
Net cash flow from operating activities	-988	5 359	17 941
Net cash flow from investing activities	-89 109	-23 263	-25 444
Net cash flow from financing activities	69 730	23 840	10 074
Changes in currency	-3 061	1 297	105
Net change in cash	-23 428	7 233	2 676
Cash and cash equivalents end period	33 303	39 444	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 mostly from the refinancing of debt related to the Sensidose acquisition

The cash at the end of the period was NOK 33.3M

SUMMARY & OUTLOOK

Continued strong growth supported by a scalable platform

- Navamedic delivered NOK 245.7 million in revenue in the first half of 2023, representing an increase of 41.7% YoY
- The growth is 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
- Exploring opportunities for 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

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

Q&A

Thank you for your attention!

Navamedic's Q3 2023 presentation will be held on
November 1st, 2023

APPENDIX

Navamedic ASA

Condensed consolidated statement of cash flows

(in NOK '1000)	Q2 2023	Q2 2022	YTD 2023	YTD 2022	Year 2022
Cash flow from operating activities					
Profit before tax	-17 113	9 575	491	10 096	42 506
Adjusted for:					
Depreciation, amortization and impairment	2 204	1 830	4 037	3 660	7 242
Financial income / expenses without cash effect	12 666	13 507	13 705	8 115	7 717
Other income / expenses without cash flow effect	2 865	264	4 324	560	839
Income and gain from the disposal of associated companies	0	0	0	0	-8 413
Taxes paid	0	-7 748	-4 801	-8 849	-10 967
Payment of license liabilities	0	0	0	-107	-112
Changes in inventory	15 994	-17 330	14 217	-8 932	-17 761
Changes in trade and other receivables	-7 330	-53 782	-10 028	-47 023	-5 255
Changes in trade and other payables	-462	43 872	-17 861	19 020	-4 959
Changes in other current items	-6 945	15 435	2 353	10 885	7 944
Net cash flow from operating activities	-988	5 359	2 112	-13 135	17 941
Cash flow from investing activities					
Acquisition of tangible and intangible assets	0	0	-165	-93	-2 251
Interest received	73	0	150	1	70
Purchase of shares in other companies	-87 902	-23 264	-87 902	-23 264	-23 264
Investment in financial instruments	-1 280	0	-1 280	0	0
Net cash flow from investing activities	-89 109	-23 263	-89 197	-23 356	-25 444
Cash flow from financing activities					
Loans received	124 828	24 033	124 828	24 033	24 033
Loans paid	-52 752	0	-55 265	0	-9 511
Interest paid	-1 713	-828	-2 504	-1 411	-3 272
Share issues	0	1 198	0	1 198	1 198
Payment of lease liabilities	-633	-563	-1 215	-1 105	-2 373
Net cash flow from financing activities	69 730	23 840	65 844	22 715	10 074
Changes in currency	-3 061	1 297	-752	600	105
Net change in cash	-23 428	7 233	-21 993	-13 176	2 676
Cash and cash equivalents start period	56 729	32 212	55 296	52 620	52 620
Cash and cash equivalents end period	33 303	39 444	33 303	39 444	55 296

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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