

# Q3 2021

Third quarter results 2021  
Navamedic ASA

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## Strong portfolio performance and growth

**Q3  
2021**

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**REVENUE**

**63.6 MNOK**

Up 12.0% YoY

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**GROSS MARGIN**

**38.9%**

31.0% Q3 20

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**EBITDA**

**3.7 MNOK**

3.8 MNOK Q3 20

**YTD  
2021**

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**REVENUE**

**188.3 MNOK**

Up 21.8% YoY

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**GROSS MARGIN**

**39.3%**

31.1% YTD 20

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**EBITDA**

**10.6 MNOK**

2.4 MNOK YTD 20

### Operations and sales

Continued strong performance for Mysimba® and extended exclusive distribution rights in the Nordics.

Received conditional reimbursement for Mysimba® in Finland

Strong performance for the antibiotic portfolio. New tenders won in several countries

## 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



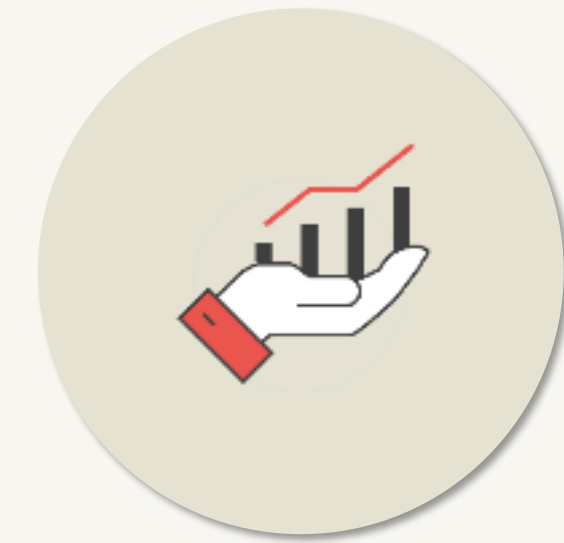
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Presence in all **Nordic** countries, **Baltics** and **Benelux**, and sales in the **UK** and **Greece**. Headquartered in Oslo, Norway



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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 MID-TERM TARGET

**20% annual organic growth** from 2021 with a mid-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, further accelerated growth for Mysimba®

## MEDICAL NUTRITION

Medical nutrition products for treatment of IEM\*



YTD 2021 revenue (YoY growth): **38.4** (2%)

## CONSUMER HEALTH

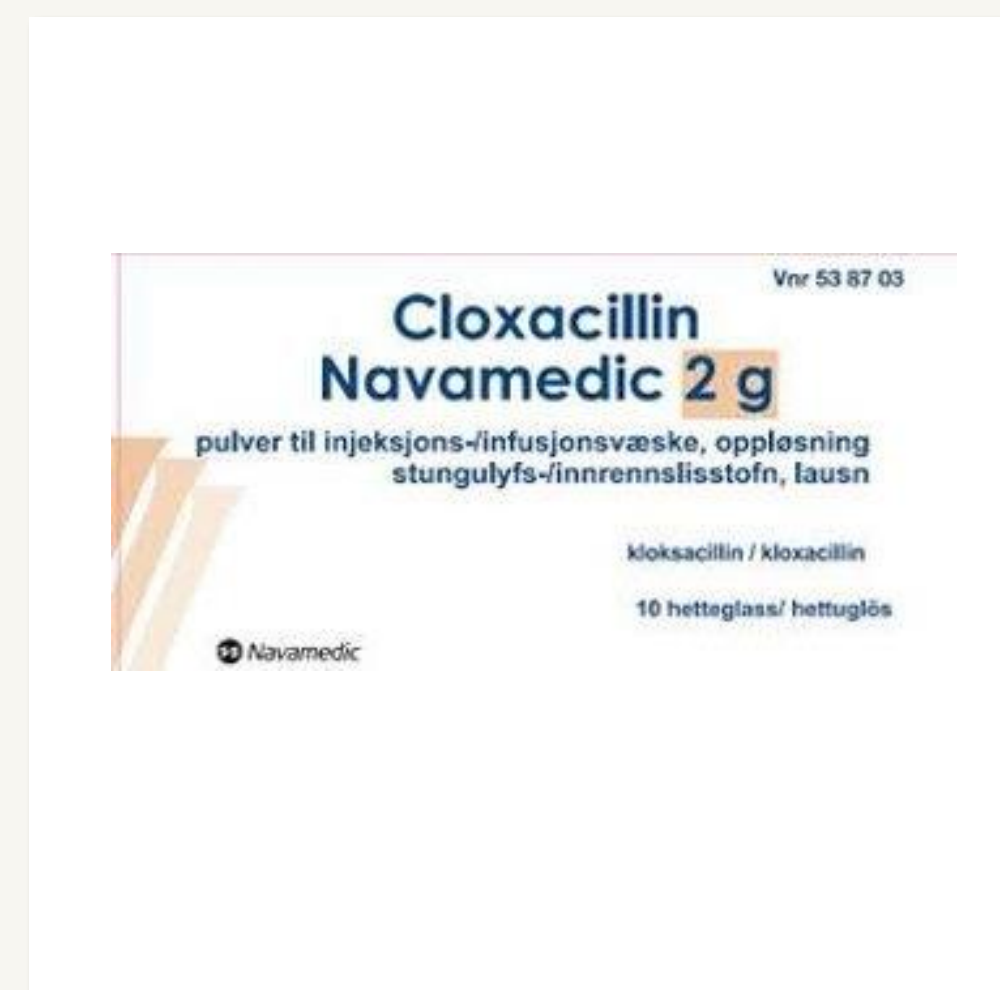
Gastro, pain, urology, other



YTD 2021 revenue (YoY growth): **31.7** (49%)

## BRANDED GENERICS

Antibiotics, cardiology, generics



YTD 2021 revenue (YoY growth): **49.0** (-11%)

## SPECIALTY PHARMA

Obesity & urology



YTD 2021 revenue (YoY growth): **69.2** (74%)

\*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

Q3 2021 REVENUE  
**12.9** MNOK  
(Q3 2020: 12.1 MNOK)

## GROWTH DRIVERS

- New products for PKU, Ketogenic Diet and renal disease contributes to the growth
- Stable sales in key areas



### 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



## Branded Generics – Strong performance for the antibiotics portfolio

Q3 2021 REVENUE

**16.8** MNOK

(Q3 2020: 20.2 MNOK)

### GROWTH DRIVERS

- Strong performance for the antibiotic portfolio. Tenders won in Finland and a general Nordic tender (Norway and Denmark)
- Slower sales for Imdur® due to out-of-stock situation





# Specialty pharma – continued strong growth



## Q3 2021 REVENUE

**22.3** MNOK

(Q3 2020: 15.0MNOK)

## GROWTH DRIVERS

- Mysimba® grew by around 77% in Q3 2021 compared to Q3 2020
- Extended exclusive distribution rights for Mysimba® in the Nordics
- Reimbursement for Mysimba® in Finland



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

Reduces hunger and cravings, and 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>Q3 2021</b>	<b>Q3 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>	<b>Year 2020</b>
<b>Operating revenues</b>	<b>63 620</b>	<b>56 799</b>	<b>188 279</b>	<b>154 575</b>	<b>209 877</b>
<b>Gross profit</b>	<b>24 768</b>	<b>17 635</b>	<b>73 947</b>	<b>48 014</b>	<b>70 339</b>
<i>Gross profit %</i>	38,9 %	31,0 %	39,3 %	31,1 %	33,5 %
<b>Operating costs</b>	<b>-21 072</b>	<b>-13 832</b>	<b>-63 393</b>	<b>-45 621</b>	<b>-71 606</b>
<b>EBITDA</b>	<b>3 695</b>	<b>3 803</b>	<b>10 554</b>	<b>2 394</b>	<b>-1 267</b>
<i>EBITDA %</i>	5,8 %	6,7 %	5,6 %	1,5 %	-0,6 %
Depreciation	-296	-381	-991	-1 130	-1 551
Amortization	-1 134	-629	-3 161	-1 609	-2 108
<b>Operating result (EBIT)</b>	<b>2 265</b>	<b>2 793</b>	<b>6 402</b>	<b>-346</b>	<b>-4 926</b>
Income from associated companies	-672	-2 692	-2 492	-2 869	-4 528
<b>Net financial income and expenses</b>	<b>-1 251</b>	<b>-332</b>	<b>-3 531</b>	<b>-8 821</b>	<b>-7 142</b>
<b>Profit before tax continuing operations</b>	<b>342</b>	<b>-231</b>	<b>379</b>	<b>-12 035</b>	<b>-16 596</b>
Income taxes, continuing operations	-2 264	0	-2 786	665	136
<b>Net profit / loss (-) Total operations</b>	<b>-1 922</b>	<b>-231</b>	<b>-2 406</b>	<b>-11 370</b>	<b>-16 460</b>

In Q3 2021, revenues grew by 12% compared to the same quarter last year, contributing to a YTD revenue growth of 21.8%

Gross Profit came in at a solid 38.9% due to favorable product mix and successful Cogs reduction initiatives

Operating costs are higher than last year mostly due to investments in growth initiatives

EBITDA for the quarter was NOK 3.7M and YTD NOK 10.6M

Income from associated companies is Navamedic's share of the estimated result in Observe Medical for Q3 2021

## Assets

<i>(in NOK '1000)</i>	<b>30.09.2021</b>	<b>30.09.2020</b>	<b>31.12.2020</b>
Goodwill	62 288	64 802	64 472
Deferred tax assets	9 168	9 242	9 168
Other intangible assets	28 773	9 690	9 689
Property, plant & equipment	551	196	174
Right of use assets	8 080	1 710	1 903
Shares in associated companies	19 530	23 627	22 022
Non-current loans to associated companies	36 910	34 174	34 821
<b>Total non-current assets</b>	<b>165 299</b>	<b>143 441</b>	<b>142 249</b>
Tax receivables	9 314	8 037	7 614
Inventories	72 623	51 276	41 945
Trade and other receivables	43 680	41 036	28 646
Cash	22 153	32 227	39 584
<b>Total current assets</b>	<b>147 770</b>	<b>132 576</b>	<b>117 789</b>
<b>Total assets</b>	<b>313 069</b>	<b>276 017</b>	<b>260 038</b>

The slight 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

Right of use assets has increased due to new office lease (IFRS 16)

Inventory has increased mostly due to large quantities of Imdur coming in after being out-of-stock

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

Cash is in line with Q2 and is mostly the result of Net profit coupled with changes in Net working capital

## Equity and liabilities

<i>(in NOK '1000)</i>	30.09.2021	30.09.2020	31.12.2020
<b>Total equity</b>	<b>147 566</b>	<b>134 146</b>	<b>129 486</b>
Non-current license liabilities	8 752	8 368	3 343
Loans and borrowings	19 994	21 002	20 870
Non-current right of use liabilities	6 267	573	842
<b>Total non-current liabilities</b>	<b>35 013</b>	<b>29 943</b>	<b>25 055</b>
Trade and other payables	90 984	71 333	66 956
Current liabilities to financial institutions	0	5 251	0
Current right of use liabilities	1 584	1 155	1 078
Current license liabilities	13 866	12 671	16 500
Taxes payable	3 310	474	2 795
Other current liabilities	20 747	21 044	18 168
<b>Total current liabilities</b>	<b>130 491</b>	<b>111 928</b>	<b>105 497</b>
<b>Total liabilities</b>	<b>165 503</b>	<b>141 871</b>	<b>130 552</b>
<b>Total equity and liabilities</b>	<b>313 069</b>	<b>276 017</b>	<b>260 038</b>

Equity ratio of 47.1%.

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

Non-current right of use liabilities has increased due to IFRS 16, new office lease

Trade payables is up mostly due to temporary increase in inventory

## Cash flow Group – total operations

<i>(in NOK '1000)</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
Net cash flow from operating activities	4 172	-6 299	-12 585	-18 016	-3 180
Net cash flow from investing activities	-303	-10 006	-456	-22 671	-23 137
Net cash flow from financing activities	-380	2 225	-2 365	55 719	51 759
Changes in currency	-2 298	-364	-2 026	5 755	2 703
<b>Net change in cash</b>	<b>1 190</b>	<b>-14 445</b>	<b>-17 432</b>	<b>20 788</b>	<b>28 145</b>
<b>Cash and cash equivalents end period</b>	<b>22 152</b>	<b>32 226</b>	<b>22 152</b>	<b>32 227</b>	<b>39 584</b>

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 NOK 22.2 million

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# SUMMARY & OUTLOOK

## Summary and outlook

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

In Q3 2021, we have

- Strengthened the core by driving underlying growth in the existing portfolio
- Secured conditional reimbursement for Mysimba® in Finland
- Continued our push for growth of key products in our markets, and for Mysimba® in Norway in particular

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-term ambition of building a 500 MNOK company through organic growth 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 full-year and Q4 2021  
presentation will be on 17<sup>th</sup> of February 2022

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# APPENDIX

## Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
<b>Operating revenues</b>	<b>63 620</b>	<b>56 799</b>	<b>188 279</b>	<b>154 575</b>	<b>209 877</b>
<b>Total revenue</b>	<b>63 620</b>	<b>56 799</b>	<b>188 279</b>	<b>154 575</b>	<b>209 877</b>
Cost of materials	-38 852	-39 164	-114 332	-106 560	-139 538
<b>Gross profit</b>	<b>24 768</b>	<b>17 635</b>	<b>73 947</b>	<b>48 014</b>	<b>70 339</b>
<i>Gross profit %</i>	38,9 %	31,0 %	39,3 %	31,1 %	33,5 %
<b>Operating costs</b>	<b>-21 072</b>	<b>-13 832</b>	<b>-63 393</b>	<b>-45 621</b>	<b>-71 606</b>
<b>EBITDA</b>	<b>3 695</b>	<b>3 803</b>	<b>10 554</b>	<b>2 394</b>	<b>-1 267</b>
<i>EBITDA %</i>	5,8 %	6,7 %	5,6 %	1,5 %	-0,6 %
Depreciation	-296	-381	-991	-1 130	-1 551
Amortization	-1 134	-629	-3 161	-1 609	-2 108
<b>Operating result (EBIT)</b>	<b>2 265</b>	<b>2 793</b>	<b>6 402</b>	<b>-346</b>	<b>-4 926</b>
Income from associated companies	-672	-2 692	-2 492	-2 869	-4 528
Financial income	1 022	994	2 414	2 188	2 846
Financial expenses	-1 063	-822	-2 717	-2 767	-3 844
Net currency gain/losses	-1 210	-504	-3 228	-8 242	-6 144
<b>Net financial income and expenses</b>	<b>-1 251</b>	<b>-332</b>	<b>-3 531</b>	<b>-8 821</b>	<b>-7 142</b>
<b>Profit before tax continuing operations</b>	<b>342</b>	<b>-231</b>	<b>379</b>	<b>-12 035</b>	<b>-16 596</b>
Income taxes, continuing operations	-2 264	0	-2 786	665	136
<b>Net profit / loss (-) Total operations</b>	<b>-1 922</b>	<b>-231</b>	<b>-2 406</b>	<b>-11 370</b>	<b>-16 460</b>
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>					
Currency translation differences	259	1 083	22	9 390	8 867
<b>Total comprehensive income for the period</b>	<b>-1 662</b>	<b>852</b>	<b>-2 385</b>	<b>-1 980</b>	<b>-7 593</b>

# Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q3 2021	Q3 2020	YTD 2021	YTD 2020	Year 2020
<b>Cash flow from operating activities</b>					
Profit before tax	342	-231	379	-12 035	-16 596
Adjusted for:					
Depreciation, amortization and impairment	1 430	1 011	4 152	2 740	3 659
Financial income / expenses without cash effect	528	-1 404	2 391	599	1 379
Other income / expenses without cash flow effect	334	0	1 465	0	0
Income from associated companies	672	2 692	2 492	2 869	4 528
Taxes paid	-3 418	-576	-4 249	-1 882	-287
Payment of license liabilities	-110	0	-110	-117	-117
Changes in inventory	-18 059	-5 515	-30 678	-19 293	-9 962
Changes in trade and other receivables	1 873	-17 146	-15 034	-21 064	-8 674
Changes in trade and other payables	16 910	10 882	24 028	29 219	24 818
Changes in other current items	3 670	3 989	2 579	949	-1 928
<b>Net cash flow from operating activities</b>	<b>4 172</b>	<b>-6 299</b>	<b>-12 585</b>	<b>-18 016</b>	<b>-3 180</b>
<b>Cash flow from investing activities</b>					
Acquisition of tangible and intangible assets	-303	-1 756	-456	-4 519	-4 994
Disposal of tangible and intangible assets	0	0	0	0	0
Loans granted to associated companies	0	0	0	-9 902	-9 902
Loans repaid by associated companies	0	3 000	0	3 000	3 000
Interest received	0	0	0	0	9
Purchase of shares in other companies	0	-11 250	0	-11 250	-11 250
Sale of shares in other companies	0	0	0	0	0
<b>Net cash flow from investing activities</b>	<b>-303</b>	<b>-10 006</b>	<b>-456</b>	<b>-22 671</b>	<b>-23 137</b>
<b>Cash flow from financing activities</b>					
Loans received	0	0	0	0	0
Loans paid	0	0	0	0	-5 251
Interest paid	-380	0	-1 095	0	-1 844
Share issues	0	2 624	0	56 895	60 447
Payment of lease liabilities	0	-399	-1 271	-1 176	-1 594
<b>Net cash flow from financing activities</b>	<b>-380</b>	<b>2 225</b>	<b>-2 365</b>	<b>55 719</b>	<b>51 759</b>
Changes in currency	-2 298	-364	-2 026	5 755	2 703
<b>Net change in cash</b>	<b>1 190</b>	<b>-14 445</b>	<b>-17 432</b>	<b>20 788</b>	<b>28 145</b>
Cash and cash equivalents start period	20 962	46 671	39 584	11 439	11 439
<b>Cash and cash equivalents end period</b>	<b>22 152</b>	<b>32 226</b>	<b>22 152</b>	<b>32 227</b>	<b>39 584</b>

## 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.

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