

# Q3 2022

Third quarter 2022 results  
Navamedic ASA

1 November 2022

Kathrine Gamborg Andreassen, CEO  
Lars Hjarrand, CFO



Growth continues

## Another quarter with solid revenues and EBITDA

**Q3  
2022**

### REVENUE

**92.8 MNOK**

Up 46% YoY

### GROSS MARGIN

**42.5%**

38.9% in Q3 21

### EBITDA

**12.7 MNOK**

3.7 MNOK in Q3 21

**YTD  
2022**

**266.2 MNOK**

Up 41% YoY

**42.7%**

39.3% Q3 21

**36.0 MNOK**

10.6 MNOK Q3 21

### Solid growth achieved across the portfolio

#### Obesity

Continued strong demand for Mysimba®

Further strengthened footprint in obesity with acquisition of Impolin

#### Gastro

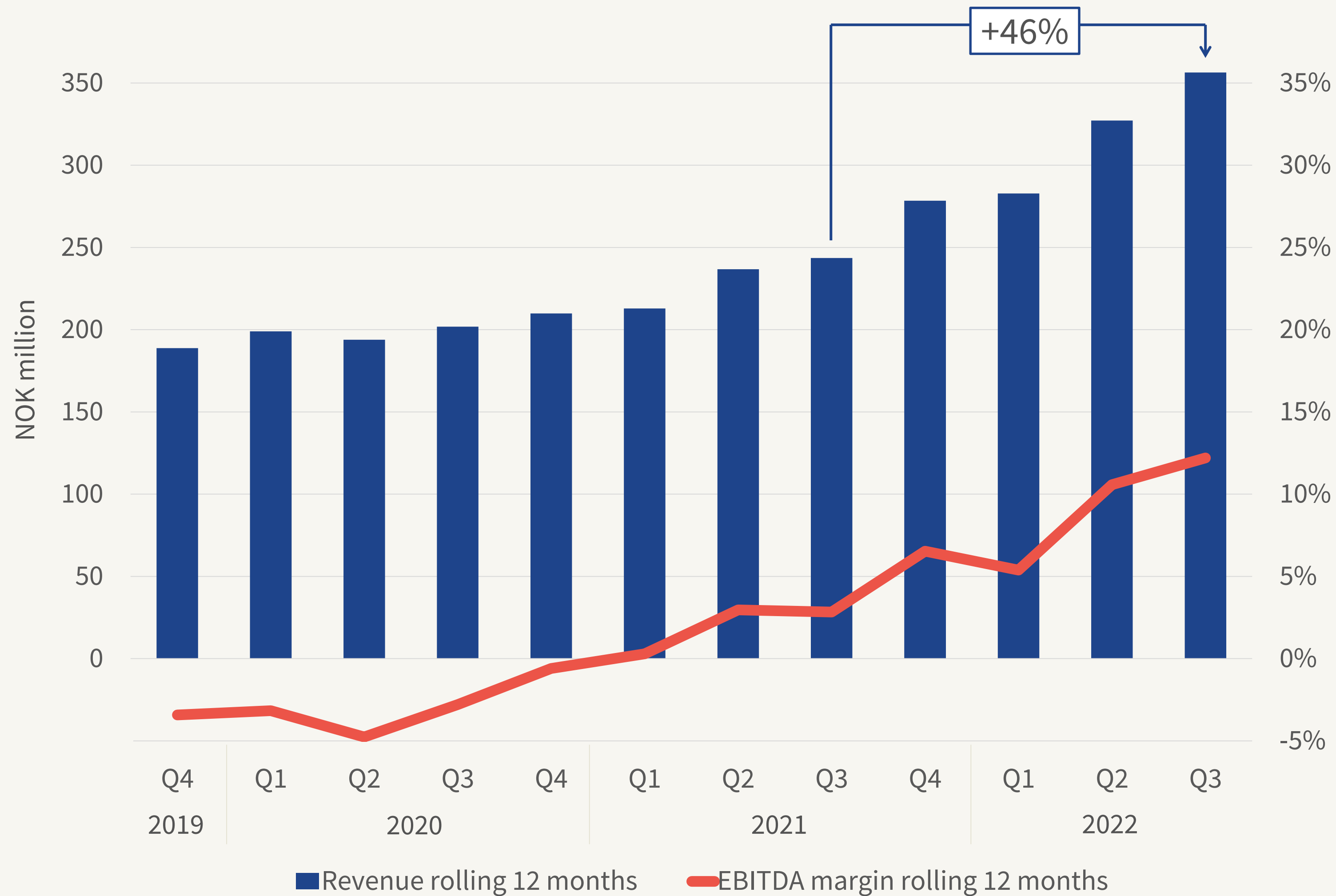
ForlaxGo® successfully launched

#### Antibiotics

Continued growth and revenue visibility throughout 2023 due to public tender wins

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

## Continued positive trend in revenue and EBITDA



Consistent strong revenue growth over time driven by positive market trends, successful build-up of new categories, M&A and distribution partnerships

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

Positive rolling 12 months EBITDA for 7 consecutive quarters

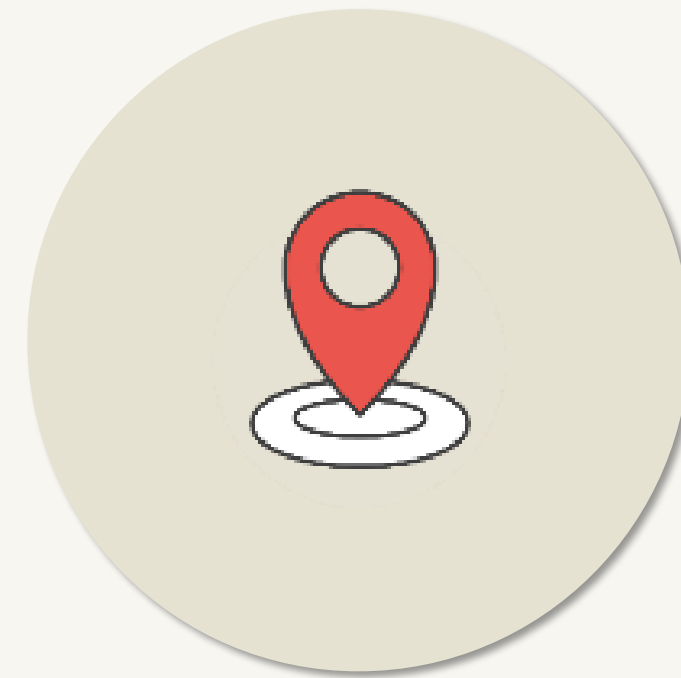
Impolin AB revenues in Q3 was MNOK 11.3

## Nordic pharma company targeting growth in Northern Europe



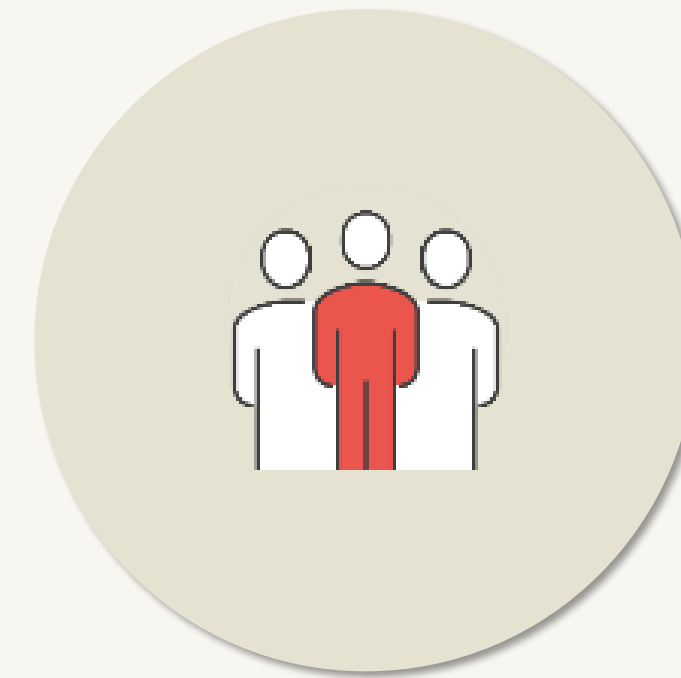
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A reliable supplier of **high-quality pharma products**, within consumer health, medical nutrition, specialty pharma and branded generics



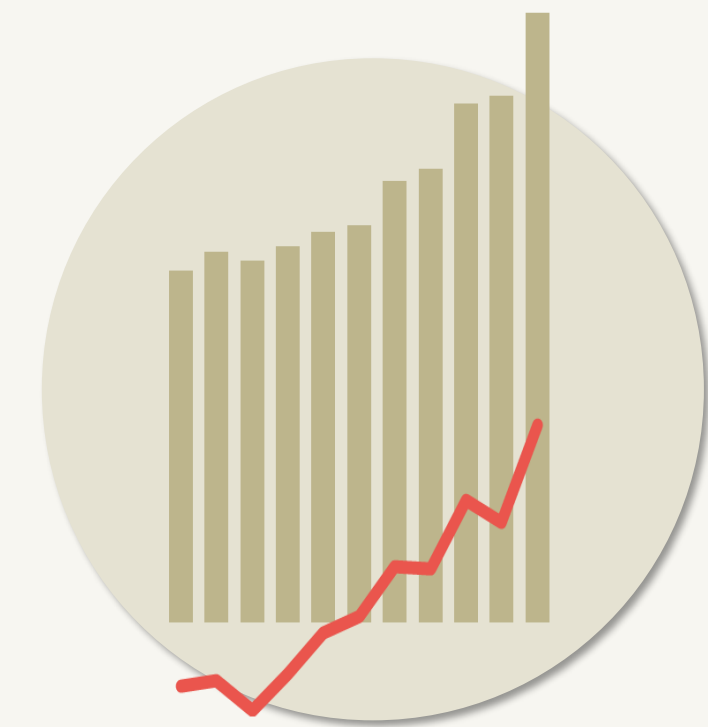
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Presence and sales in all **Nordic** countries, **Benelux**, the **Baltics** and **Greece**.



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**Strong local competence** in regulatory, reimbursement, marketing and sales



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

# Ambition to build a NOK 1 bn revenue company

## STRATEGY

1

### STRENGTHEN THE CORE

Untapping the potential within existing products and territories. Ongoing negotiations for attractive new agreements.

2

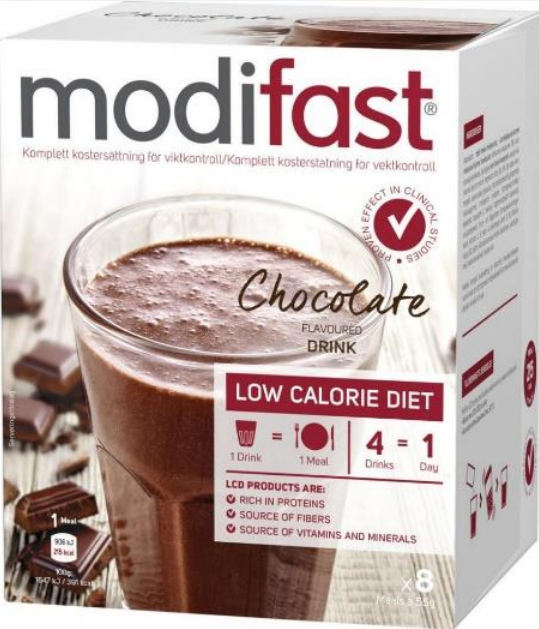
### SECURE AND INCREASE THE VALUE THROUGH OWNERSHIP

Innovative pipeline for in-licensing of new RX or OTC, including products with RX to OTC switch potential. Develop own brands.

3

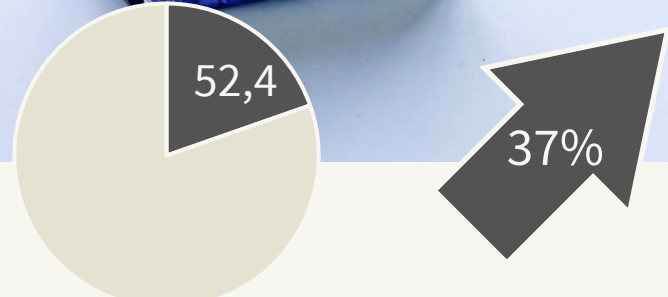
### GROWTH THROUGH M&A

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.



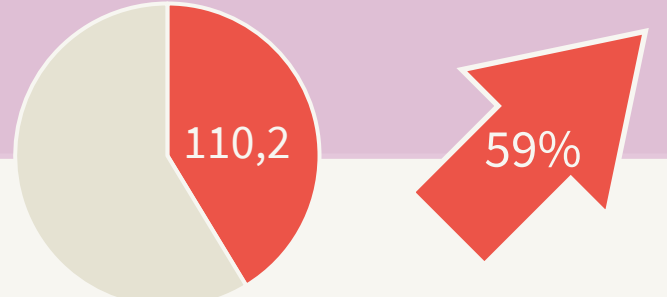
# High-quality portfolio with several hero products

**MEDICAL NUTRITION**  
 Medical nutrition products for treatment of IEM\* and weight loss



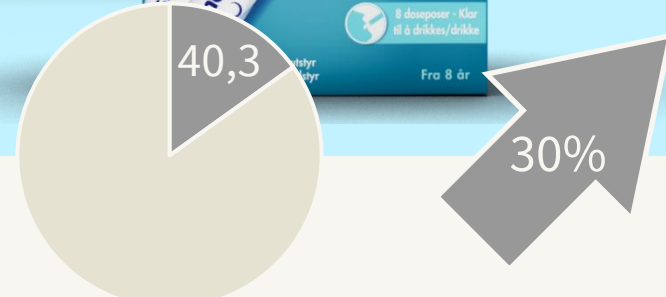
Jan-Sep 2022 revenue in NOK million  
 Year-over-year growth

**SPECIALTY PHARMA**  
 Obesity & urology



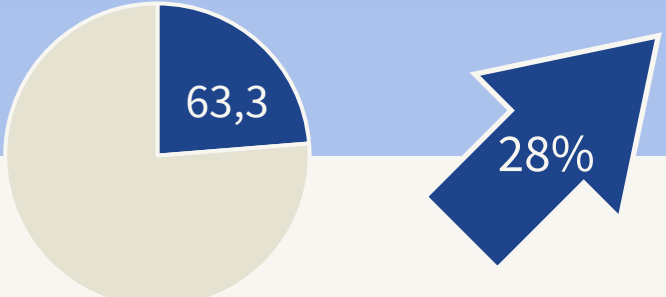
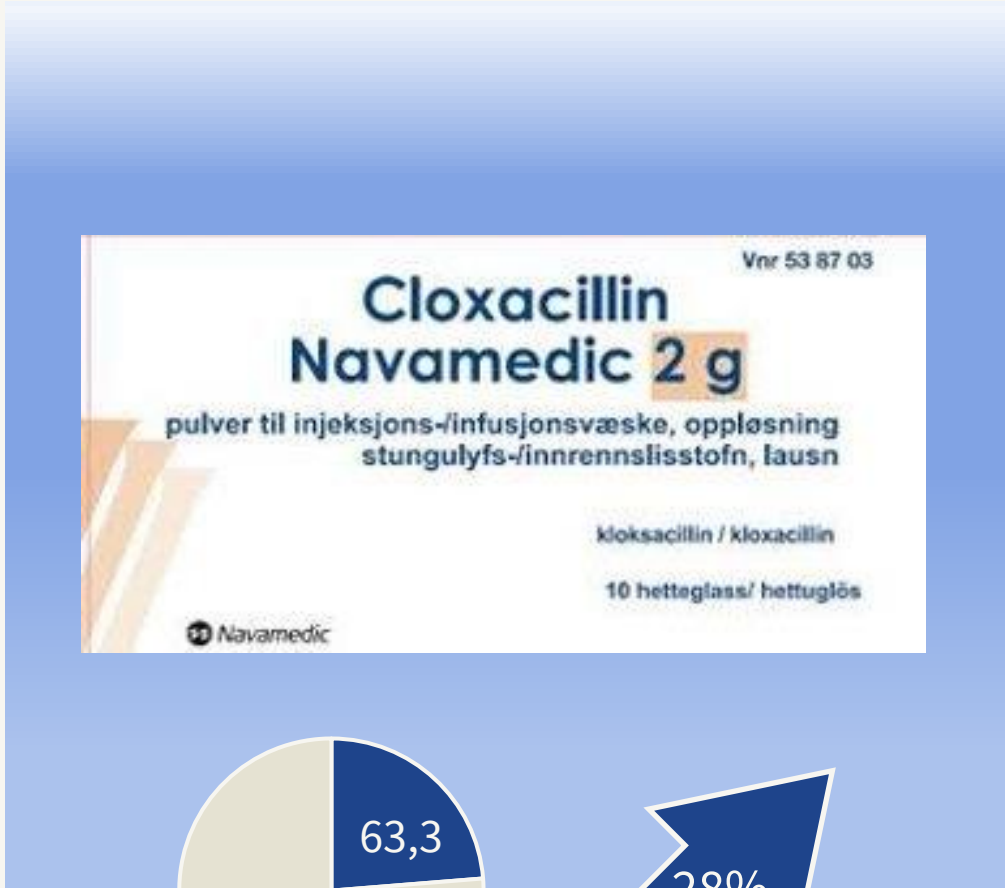
Jan-Sep 2022 revenue in NOK million  
 Year-over-year growth

**CONSUMER HEALTH**  
 Gastro, pain, urology & other



Jan-Sep 2022 revenue in NOK million  
 Year-over-year growth

**BRANDED GENERICS**  
 Antibiotics, cardiology, generics



Jan-Sep 2022 revenue in NOK million  
 Year-over-year growth

## Stable growth continues – driven by Modifast

Q3 2022 REVENUE

**21.6** MNOK

(Q3 2021: 12.9 MNOK)

- Sales of Modifast supporting continued growth in the category
- Modifast product range to be updated with new formula and packaging in Q4



## Strong growth in obesity

Q3 2022 REVENUE

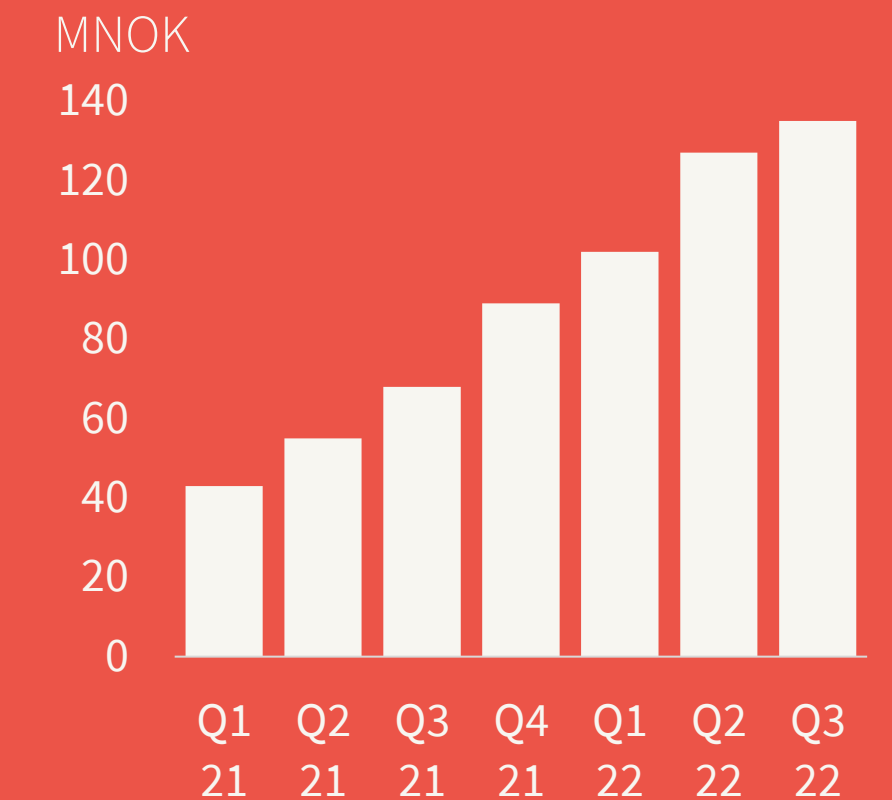
**34.9** MNOK

(Q3 2021: 22.3 MNOK)

- Key product category for Navamedic with solid growth expected going forward
- Increased production capacity going forward, with new packaging line installed
- Urology products remains stable



### CONTINUED STRONG MYSIMBA WHOLESALE DEVELOPMENT



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



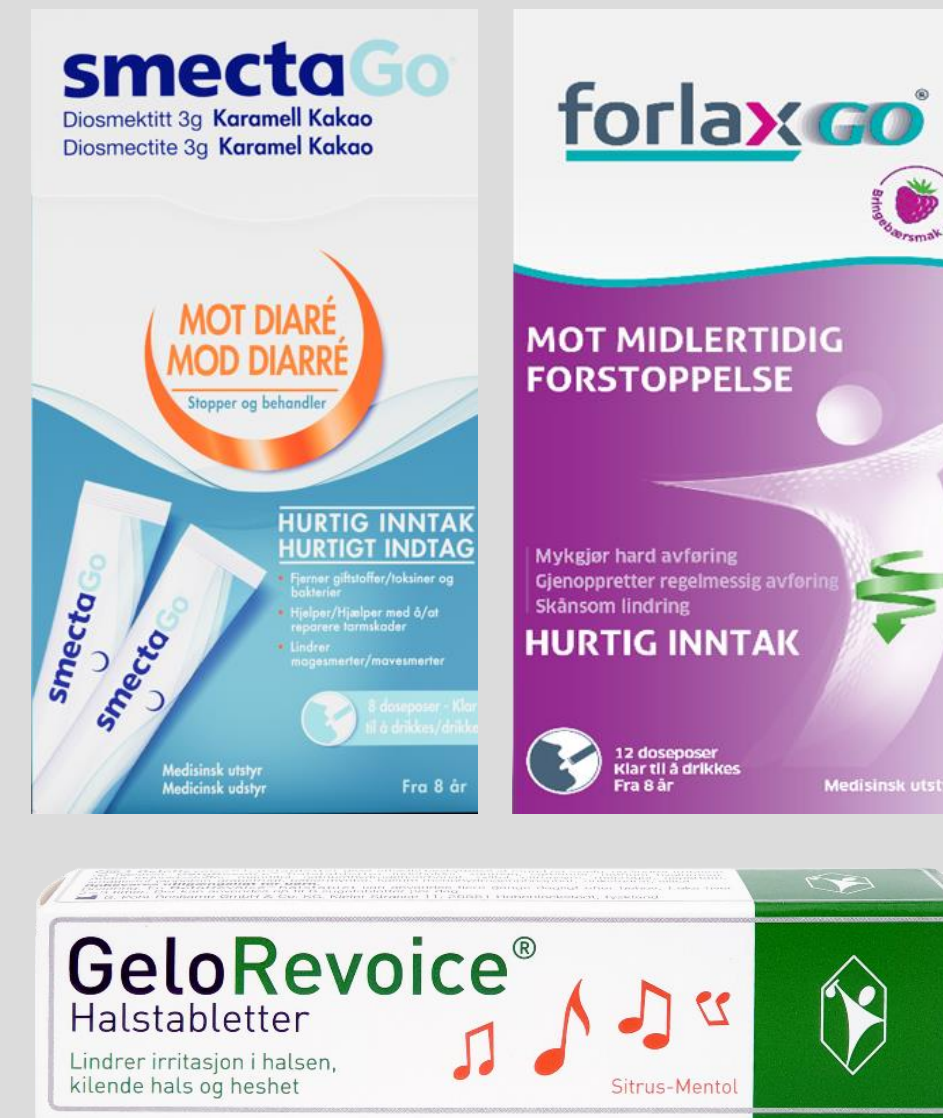
# Gastro category developing strongly, continued strong potential for Navamedic going forward

Q3 2022 REVENUE

**14.9** MNOK

(Q3 2021: 11.5 MNOK)

- Successful launch of ForlaxGo in Norway and Sweden
- Alflorex® and GeloRevoice® have delivered solid growth in the quarter
- Absolut Tørr has also contributed to the growth



## Antibiotics portfolio with solid growth

Q3 2022 REVENUE

**21.6** MNOK

(Q3 2021: 16.9 MNOK)

- Long-term tenders secured for the antibiotic's portfolio
- Providing increased revenue visibility
- Sales of the antibiotics portfolio near doubled in the quarter compared to Q3 last year



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# FINANCIALS

## Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	<b>Q3 2022</b>	<b>Q3 2021</b>	<b>YTD 2022</b>	<b>YTD 2021</b>	<b>FY 2021</b>
<b>Operating revenues</b>	<b>92 811</b>	<b>63 620</b>	<b>266 168</b>	<b>188 279</b>	<b>278 439</b>
<b>Gross profit</b>	<b>39 453</b>	<b>24 768</b>	<b>113 757</b>	<b>73 947</b>	<b>111 744</b>
<i>Gross profit %</i>	42,5 %	38,9 %	42,7 %	39,3 %	40.1 %
<b>Operating costs</b>	<b>-26 780</b>	<b>-21 072</b>	<b>-77 788</b>	<b>-63 393</b>	<b>-93 573</b>
<b>EBITDA</b>	<b>12 673</b>	<b>3 695</b>	<b>35 969</b>	<b>10 554</b>	<b>18 171</b>
<i>EBITDA %</i>	13,7 %	5,8 %	13,5 %	5,6 %	6.5 %
Depreciation	-608	-296	-1 779	-991	-2 169
Amortization	-1 174	-1 134	-3 663	-3 161	-4 547
<b>Operating result (EBIT)</b>	<b>10 892</b>	<b>2 265</b>	<b>30 527</b>	<b>6 402</b>	<b>11 455</b>
Income from associated companies	0	-672	-1 101	-2 492	-3 185
Gain/loss on disposal of associated companies	0	0	9 514	0	0
<b>Net financial income and expenses</b>	<b>-5 648</b>	<b>-1 251</b>	<b>-23 600</b>	<b>-3 531</b>	<b>-5 912</b>
<b>Profit before tax</b>	<b>5 244</b>	<b>342</b>	<b>15 340</b>	<b>379</b>	<b>2 358</b>
Income taxes	-2 579	-2 264	-6 096	-2 786	-1 740
<b>Net profit / loss (-) Total operations</b>	<b>2 665</b>	<b>-1 922</b>	<b>9 244</b>	<b>-2 406</b>	<b>618</b>
Currency translation differences	198	259	2 284	22	348
<b>Total comprehensive income for the period</b>	<b>2 863</b>	<b>-1 662</b>	<b>11 528</b>	<b>-2 385</b>	<b>967</b>

In Q3 2022, revenues grew by 46% compared to the same quarter last year

Gross Profit came in at 42.5% mostly due to product mix and focused efficiency efforts in supply chain

Operating costs are higher than last year mostly due to continued investments in growth initiatives but is in line with previous quarters

EBITDA for the quarter was NOK 12.7M, 36.0M YTD

Net Financial Income is negative as a result of reduction in Observe Medical share price

Net profit of NOK 2.7M for the quarter

Total comprehensive income of NOK 2.9M

# Assets

<i>(in NOK '1000)</i>	<b>30.09.2022</b>	<b>30.09.2021</b>	<b>31.12.2021</b>
Goodwill	98 771	62 288	61 031
Deferred tax assets	9 168	9 168	9 168
Other intangible assets	32 593	28 773	27 342
Property, plant & equipment	650	551	745
Right of use assets	7 060	8 080	7 567
Shares in associated companies	0	19 530	18 837
Non-current loans to associated companies	0	36 910	0
<b>Total non-current assets</b>	<b>148 243</b>	<b>165 299</b>	<b>124 690</b>
Tax receivables	34 992	9 314	15 652
Inventories	74 042	72 623	61 882
Trade and other receivables	35 503	43 680	37 730
Cash	46 488	22 153	52 620
Current loans to associated companies	39 863	0	37 606
Other current financial assets	10 303	0	0
<b>Total current assets</b>	<b>241 191</b>	<b>147 770</b>	<b>205 489</b>
<b>Total assets</b>	<b>389 434</b>	<b>313 069</b>	<b>330 179</b>

The increase in Goodwill is due to the Impolin acquisition but is unchanged during the quarter

Shares in associated companies is moved to financial assets as Observe Medical no longer is considered an associated company

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>	<b>30.09.2022</b>	<b>30.09.2021</b>	<b>31.12.2021</b>
<b>Total equity</b>	<b>188 699</b>	<b>147 566</b>	<b>151 237</b>
Non-current license liabilities	6 198	8 752	8 171
Loans and borrowings	53 411	19 994	38 980
Non-current right of use liabilities	5 331	6 267	5 824
<b>Total non-current liabilities</b>	<b>64 939</b>	<b>35 013</b>	<b>52 976</b>
Trade and other payables	51 370	90 984	70 532
Current liabilities to financial institutions	9 711	0	0
Current right of use liabilities	1 937	1 584	1 839
Current license liabilities	15 840	13 866	13 158
Taxes payable	25 837	3 310	10 713
Other current liabilities	31 101	20 747	29 724
<b>Total current liabilities</b>	<b>135 795</b>	<b>130 491</b>	<b>125 967</b>
<b>Total liabilities</b>	<b>200 735</b>	<b>165 503</b>	<b>178 943</b>
<b>Total equity and liabilities</b>	<b>389 434</b>	<b>313 069</b>	<b>330 179</b>

Equity ratio of 48.5%

The increase in Loans and borrowings is due to the financing of the Impolin acquisition but is unchanged in the quarter

Trade payables has decreased during the quarter

Other current liabilities increase is in line with previous quarters (Q2-22 exceptionally high) and in line with expectations

## Cash flow Group – total operations

<i>(in NOK '1000)</i>	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Net cash flow from operating activities	11 148	4 172	-1 987	-12 585	-1 300
Net cash flow from investing activities	-2 114	-303	-25 470	-456	-727
Net cash flow from financing activities	-2 005	-380	20 709	-2 365	15 931
Changes in currency	15	-2 298	615	-2 026	-868
<b>Net change in cash</b>	<b>7 043</b>	<b>1 190</b>	<b>-6 133</b>	<b>-17 432</b>	<b>13 036</b>
<b>Cash and cash equivalents end period</b>	<b>46 488</b>	<b>22 152</b>	<b>46 488</b>	<b>22 152</b>	<b>52 620</b>

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

The Cash at the end of the period was NOK 46.5 million

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# SUMMARY & OUTLOOK



## We are building a leading Nordic pharma company targeting growth in Northern Europe

- Solid growth achieved across the entire portfolio
- Continued to strengthen the core by driving underlying growth in the existing portfolio, and delivered successful product launches
- Increased revenues by 46% Y-o-Y (Q3) to NOK 92.8 million

### **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**

Becoming a leading Nordic pharmaceutical company – targeting growth in Northern Europe

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# Q&A

# Thank you for your attention!

Navamedic's Q4 2022 presentation will be held on  
February 16, 2023

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# APPENDIX

## Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Operating revenues	92 811	63 620	266 168	188 279	278 439
<b>Total revenue</b>	<b>92 811</b>	<b>63 620</b>	<b>266 168</b>	<b>188 279</b>	<b>278 439</b>
Cost of materials	-53 358	-38 852	-152 411	-114 332	-166 695
<b>Gross profit</b>	<b>39 453</b>	<b>24 768</b>	<b>113 757</b>	<b>73 947</b>	<b>111 744</b>
<i>Gross profit %</i>	42.5 %	38.9 %	42.7 %	39.3 %	40.1 %
<b>Operating costs</b>	<b>-26 780</b>	<b>-21 072</b>	<b>-77 788</b>	<b>-63 393</b>	<b>-93 573</b>
<b>EBITDA</b>	<b>12 673</b>	<b>3 695</b>	<b>35 969</b>	<b>10 554</b>	<b>18 171</b>
<i>EBITDA %</i>	13.7 %	5.8 %	13.5 %	5.6 %	6.5 %
Depreciation	-608	-296	-1 779	-991	-2 169
Amortization	-1 174	-1 134	-3 663	-3 161	-4 547
<b>Operating result (EBIT)</b>	<b>10 892</b>	<b>2 265</b>	<b>30 527</b>	<b>6 402</b>	<b>11 455</b>
Income from associated companies	0	-672	-1 101	-2 492	-3 185
Gain/loss on disposal of associated companies	0	0	9,514	0	0
Financial income	755	1 022	2 268	2 414	4 035
Financial expenses	-2,134	-1 063	-4 854	-2 717	-4 424
Net currency gain/losses	1 221	-1 210	-4 068	-3 228	-5 523
Net change in fair value current financial assets	-5 490	0	-16 947	0	0
<b>Net financial income and expenses</b>	<b>-5 648</b>	<b>-1 251</b>	<b>-23 600</b>	<b>-3 531</b>	<b>-5 912</b>
<b>Profit before tax continuing operations</b>	<b>5 244</b>	<b>342</b>	<b>15 340</b>	<b>379</b>	<b>2 358</b>
Income taxes, continuing operations	-2 579	-2 264	-6 096	-2 786	-1 740
<b>Net profit / loss (-) Total operations</b>	<b>2 665</b>	<b>-1 922</b>	<b>9 244</b>	<b>-2 406</b>	<b>618</b>
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>					
Currency translation differences	198	259	2 284	22	348
<b>Total comprehensive income for the period</b>	<b>2 863</b>	<b>-1 662</b>	<b>11 528</b>	<b>-2 385</b>	<b>967</b>

## Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
<b>Cash flow from operating activities</b>					
Profit before tax	5 244	342	15 340	379	2 358
Adjusted for:					
Depreciation, amortization and impairment	1 782	1 430	5 442	4 152	6 716
Financial income / expenses without cash effect	6 209	528	23 238	2 391	1 353
Other income / expenses without cash flow effect	144	334	704	1 465	1 784
Income and gain from the disposal of associated companies	0	672	-8 413	2 492	3 185
Taxes paid	-561	-3 418	-10 471	-4 249	-2 700
Payment of license liabilities	0	-110	-107	-110	-110
Changes in inventory	-3 228	-18 059	-12 160	-30 678	-19 937
Changes in trade and other receivables	49 249	1 873	2 226	-15 034	-9 084
Changes in trade and other payables	-38 183	16 910	-19 162	24 028	3 577
Changes in other current items	-9 508	3 670	1 377	2 579	11 556
<b>Net cash flow from operating activities</b>	<b>11 148</b>	<b>4 172</b>	<b>-1 987</b>	<b>-12 585</b>	<b>-1 300</b>
<b>Cash flow from investing activities</b>					
Acquisition of tangible and intangible assets	-2 114	-303	-2 207	-456	-728
Interest received	0	0	1	0	2
Purchase of shares in other companies	0	0	-23 264	0	0
<b>Net cash flow from investing activities</b>	<b>-2 114</b>	<b>-303</b>	<b>-25 470</b>	<b>-456</b>	<b>-727</b>
<b>Cash flow from financing activities</b>					
Loans received	0	0	24 033	0	19 500
Interest paid	-1 332	-380	-2 743	-1 095	-1 469
Share issues	0	0	1 198	0	0
Payment of lease liabilities	-673	0	-1 778	-1 271	-2 100
<b>Net cash flow from financing activities</b>	<b>-2 005</b>	<b>-380</b>	<b>20 710</b>	<b>-2 365</b>	<b>15 931</b>
Changes in currency	15	-2 298	615	-2 026	-868
<b>Net change in cash</b>	<b>7 043</b>	<b>1 190</b>	<b>-6 133</b>	<b>-17 432</b>	<b>13 036</b>
Cash and cash equivalents start period	39,444	20,962	52,620	39,584	39,584
<b>Cash and cash equivalents end period</b>	<b>46 488</b>	<b>22 152</b>	<b>46 488</b>	<b>22 152</b>	<b>52 620</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 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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