

Q3 2023

Third quarter 2023 results

1 November 2023

Kathrine Gamborg Andreassen, CEO
Lars Hjarrand, CFO



Record high quarter with above 50% growth

**Q3
2023**

REVENUE

141.0 MNOK

Up 51.9% YoY

GROSS MARGIN

37.6 %

42.5% in Q3 22

Adjusted EBITDA

17.4 MNOK¹

12.7 MNOK in Q3 22

¹ EBITDA net of MNOK 1.1 transaction costs

**YTD
2023**

386.7 MNOK

Up 45.3% YoY

39.7%

42.7% YTD 22

43.6 MNOK²

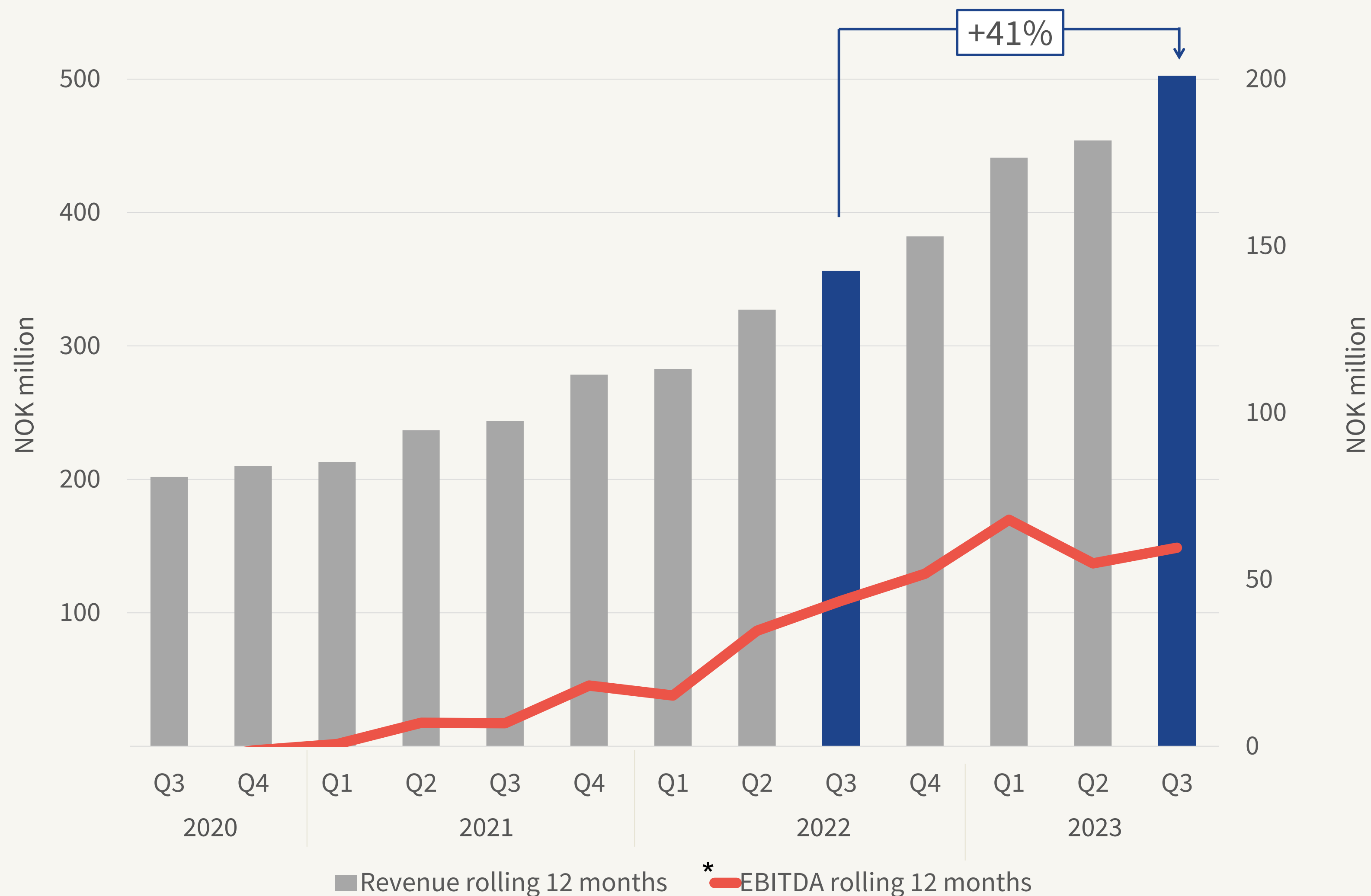
36.0 MNOK YTD 22

² EBITDA net of MNOK 13.5 YTD transaction costs

Revenue growth YTD driven by increased sales of several products across all three product areas, especially in the RX and Consumer Health

Ahead of 20% organic Y/Y revenue growth target

Consistent positive trend in revenue and EBITDA*



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

Organic revenue growth YTD of 34.8%

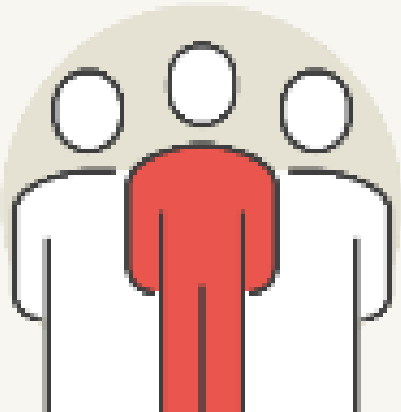
Our edge explained

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



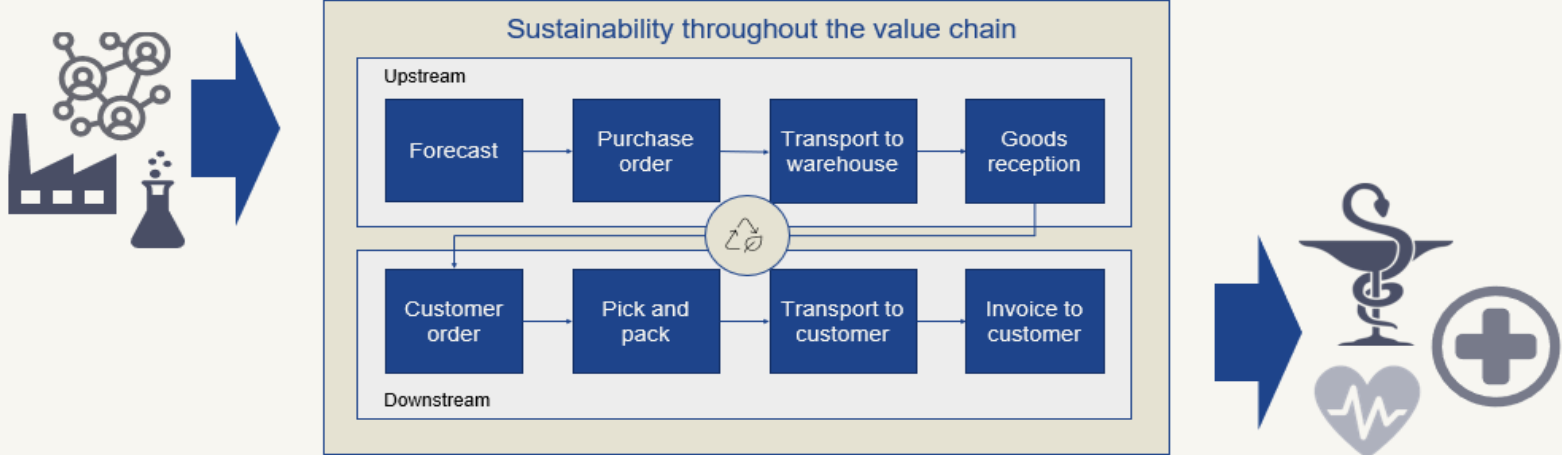
Presence and sales across the Nordics

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



Strong local insight and understanding of patients' needs

Strong local competence (~45 employees) in regulatory, reimbursement, marketing and sales. Understanding patients and 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

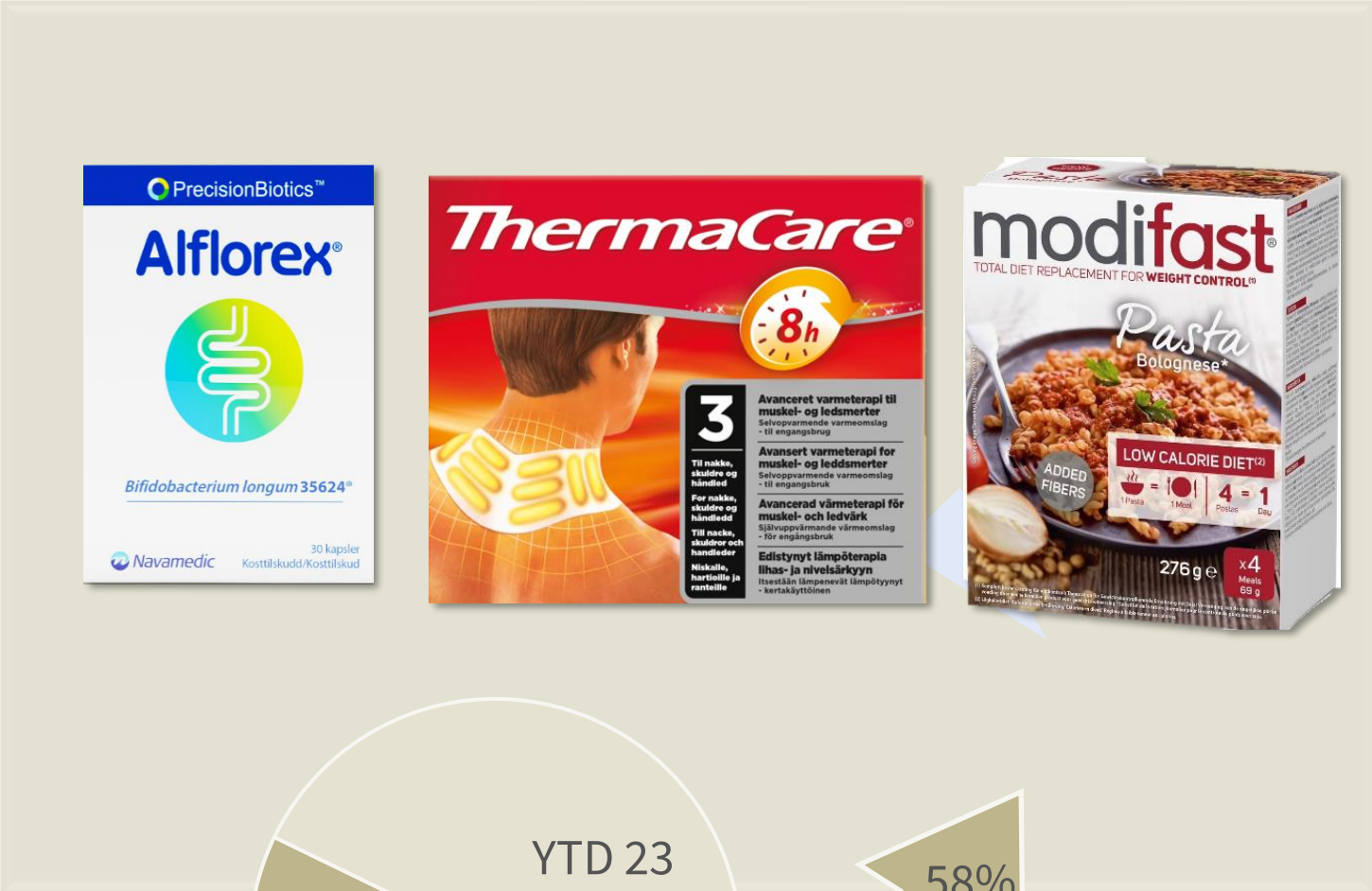
High-quality portfolio with several hero products

Prescription Drugs (RX)
Sold through pharmacies



57%
YoY growth

Consumer Health
Sold through pharmacies



58%
YoY growth

Hospital
Tenders incl. medical nutrition*



10%
YoY growth

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

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

Q3 2023 REVENUE

25.0 MNOK

(Q3 2022: 24.1 MNOK)

- **Modifast** has gained traction across Norway and Sweden, delivering another quarter with strong growth (13%)
- Continued strong sales of **ThermaCare** (28%) and **SmectaGo**
- **Virono** (previously Sitavig) was approved as an OTC product in Finland



Hospital

Continued 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)

Q3 2023 REVENUE

24.0 MNOK

(Q3 2022: 22.1 MNOK)

- Steady and double-digit YTD growth across the portfolio
- Preparing the antibiotics portfolio for future growth and demand



Prescription Drugs (RX)

Strong product growth across various therapeutic areas

The RX segment comprises Navamedic's prescription products

Q3 2023 REVENUE

92.1 MNOK

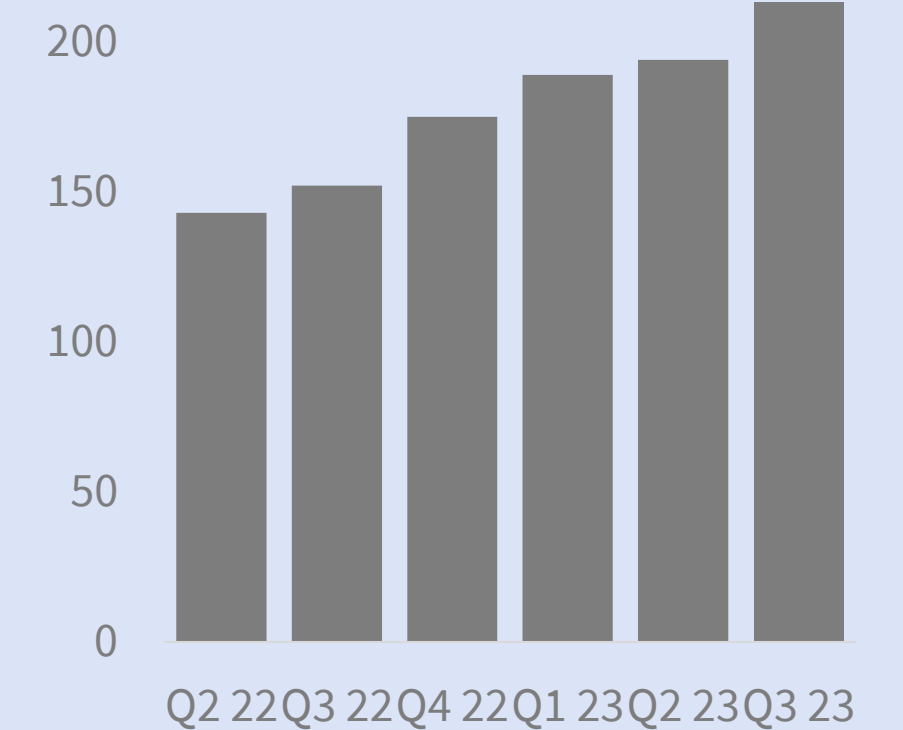
(Q3 2022: 46.7 MNOK)

- **Mysimba**[®] remains in high demand with a 40% increase YTD in revenue
- Strong sales of **Imdur** and **Nitrolingual**
- First quarter with **Flexilev** as part of the RX segment



40% YOY GROWTH IN MYSIMBA[®] WHOLESALER VOLUME

Vol. (units 000)



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

Commercial strategy and activities underway

- Parkinson's disease is a complex progressive neuro-degenerative disease, which affects 1-2% of the population above 60 years
- Targeting patients with advanced Parkinson's disease, approx. 20% of total patient population
- Estimate to target up to 20% of eligible patients

- Flexilev (Myfid) has marketing authorisation 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
- Regulatory strategy for approval of Flexilev in the new Orafid dispenser is now established, based on scientific advice from Swedish medicinal product agency (Läkemedelsverket)



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

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 unique products

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>	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Year 2022
Operating revenues	140 999	92 811	386 686	266 168	382 135
Gross profit	52 970	39 453	153 351	113 757	163 519
Gross profit %	37.6 %	42.5 %	39.7 %	42.7 %	42.8 %
Operating cost	-35 604	-26 780	-109 697	-77 788	-111 833
Adjusted EBITDA (excluding transaction cost)	17 366	12 673	43 654	35 969	51 686
Adjusted EBITDA %	12.3 %	13.7 %	11.3 %	13.5 %	13.5 %
Transaction cost	-1 118	0	-13 453	0	0
EBITDA	16 248	12 673	30 201	35 969	51 686
EBITDA %	11.5 %	21.5 %	7.8 %	13.4 %	13.5 %
Depreciation	-1 207	-608	-2 861	-1 779	-2 392
Amortization	-2 290	-1 174	-4 673	-3 663	-4 850
Operating result (EBIT)	12 751	10 892	22 667	30 527	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	-2 527	-5 648	-11 953	-23 600	-10 351
Profit before tax continuing operations	10 224	5 244	10 715	15 340	42 506
Income taxes, continuing operations	-3 452	-2 579	-6 550	-6 096	-13 074
Net profit / loss (-) Total operations	6 772	2 665	4 165	9 244	29 431

In Q3 2023, revenues grew by 51.9% compared to the same quarter last year, and 45.3% YTD (organic growth was 34.8% YTD)

Gross Profit came in at 37.6% 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 17.4m for the quarter, compared to NOK 12.7m LY

Net Financial items was negative NOK 2.5m mainly due to interest expense

Net profit of NOK 6.8M for the quarter

Assets

<i>(in NOK '1000)</i>	30.09.2023	30.09.2022	31.12.2022
Goodwill	140 825	98 771	100 743
Deferred tax assets	835	9,168	835
Other intangible assets	80 821	32 593	30 537
Property, plant & equipment	1 548	650	607
Right of use assets	6 579	7 060	6 511
Total non-current assets	230 608	148 243	139 233
Tax receivables	15 128	34 992	14 909
Inventories	79 393	74 042	79 642
Trade and other receivables	60 358	35 503	42 985
Cash	46 768	46 488	55 296
Current loans receivable	47 566	39 863	40 615
Other current financial assets	5 030	10 303	10 092
Total current assets	254 243	241 191	243 539
Total assets	484 851	389 434	382 772

The increase in Goodwill is mainly due to the Sensidose acquisition

Intangible assets are up due to Sensidose acquisition

Inventory was at normalized level at the end of Q3

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>	30.09.2023	30.09.2022	31.12.2022
Total equity	218 269	188 699	209 720
Non-current license liabilities	3 945	6 198	3 762
Loans and borrowings	103 292	53 411	38 368
Non-current right of use liabilities	4 102	5 331	4 861
Total non-current liabilities	111 339	64 939	46 991
Trade and other payables	72 860	51 370	65 574
Current liabilities to financial institutions	20 455	9 711	13 623
Current right of use liabilities	2 227	1 937	1 865
Current license liabilities	228	15,840	221
Taxes payable	6 724	25 837	4 708
Other current liabilities	52 750	31 101	40 071
Total current liabilities	155 243	135 795	126 061
Total liabilities	266 582	200 735	173 052
Total equity and liabilities	484 851	389 434	382 772

Equity ratio of 45%

Total loans and borrowings increased in Q2 due to financing related to Sensidose acquisition

Trade payables is in line with end of last quarter

Cash flow Group – total operations

(in NOK '1000)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Year 2022
Net cash flow from operating activities	25 416	11 148	27 528	-1 987	17 941
Net cash flow from investing activities	-9 833	-2 114	-99 030	-25 470	-25 444
Net cash flow from financing activities	-2 589	-2 005	63 255	20 709	10 074
Changes in currency	472	15	-280	615	105
Net change in cash	13 466	7 043	-8 527	-6 133	2 676
Cash and cash equivalents end period	46 770	46 488	46 770	46 488	55 296

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

Cash flow from investing activities is the earn-out payment related to the Impolin acquisition and a short-term loan to Observe Medical

The cash flow from financing activities is related to the overdraft facility, interest payments and options exercised during the quarter

The cash at the end of the period was NOK 46.8M

SUMMARY & OUTLOOK

Continued strong growth and new expansion opportunities

- Navamedic delivered NOK 141.0 million in revenue in the third quarter of 2023, representing an increase of 51.9% 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 market expansion with own products 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

Ahead of growth target of **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 Q4 2023 presentation will be held on
February 15, 2024

APPENDIX

Navamedic ASA

Condensed consolidated statement of cash flows

(in NOK '1000)	Q3 2023	Q3 2022	YTD 2023	YTD 2022	Year 2022
Cash flow from operating activities					
Profit before tax	10 224	5 244	10 715	15 340	42 506
Adjusted for:					
Depreciation, amortization and impairment	3 497	1 782	7 534	5 442	7 242
Financial income / expenses without cash effect	-2 130	6 209	7 251	23 238	6 878
Other income / expenses without cash flow effect	2 805	144	7 129	704	839
Income and gain from the disposal of associated companies	0	0	0	-8 413	-8 413
Taxes paid	14	-561	-4 787	-10 471	-10 967
Payment of license liabilities	0	0	0	-107	-112
Changes in inventory	-12 164	-3 228	2 053	-12 160	-17 761
Changes in trade and other receivables	-4 684	49 249	-14 712	2 226	-5 255
Changes in trade and other payables	23 187	-38 183	5 325	-19 162	-4 959
Changes in other current items	4 667	-9 508	7 020	1 377	7 944
Net cash flow from operating activities	25 416	11 148	27 528	-1 987	17 941
Cash flow from investing activities					
Acquisition of tangible and intangible assets	-591	-2 114	-756	-2 207	-2 251
Loans granted	-4 475	0	-4 475	0	0
Interest received	71	0	221	1	70
Purchase of shares in other companies	-4 838	0	-92 740	-23 264	-23 264
Investment in financial instruments	0	0	-1 280	0	0
Net cash flow from investing activities	-9, 833	-2 114	-99 030	-25 470	-25 444
Cash flow from financing activities					
Loans received	-2 789	0	122 039	24 033	24 033
Loans paid	997	0	-54 268	0	-9 511
Interest paid	-2 431	-1 332	-4 935	-2 743	-3 272
Share issues	2 262	0	2 262	1 198	1 198
Payment of lease liabilities	-628	-673	-1 843	-1 778	-2 373
Net cash flow from financing activities	-2 589	-2 005	63 255	20 709	10 074
Changes in currency	472	15	-280	615	105
Net change in cash	13 466	7 043	-8 527	-6 133	2 676
Cash and cash equivalents start period	33 303	39 444	55 296	52 620	52 620
Cash and cash equivalents end period	46 770	46 488	46 770	46 488	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.

Copyright and disclaimer

Copyright

Copyright of all published material including photographs, drawings and images in this document remains vested in Navamedic and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about economic. Navamedic ASA believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. Navamedic ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither Navamedic ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use. Navamedic ASA consists of several legally independent entities, constituting their own separate identities. Navamedic is used as the common brand or trademark for most of these entities. In this presentation we may sometimes use “Navamedic”, “we” or “us” when we refer to Navamedic companies in general or where no useful purpose is served by identifying any particular Navamedic company.