

# Q4 2020

Fourth quarter results 2020  
Navamedic ASA

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## Strong growth driven by both new products and overall positive performance in underlying portfolio

REVENUE	GROSS MARGIN	EBITDA
<b>55.3 MNOK</b>	<b>40.4%</b>	<b>-3.7 MNOK</b>
Up 17% YoY	29.7% Q4 19	-8.0 MNOK Q4 19

- In Q4 2020, revenues grew by 17% compared to the same period last year
- Strong growth for Mysimba<sup>®</sup>, Alflorex<sup>®</sup> and ThermaCare<sup>®</sup>
- Positive development for key products in the Netherlands as a result of growth investments made during 2020
- Launched the new and unique women's health product Cysticina<sup>®</sup> in Q1 2021

# Nordic pharma company targeting growth in Northern Europe



Navamedic - a reliable supplier of high-quality consumer health, medical nutrition, specialty pharma and branded generics products, delivered to hospitals and through pharmacies, meeting the specific medical needs for patients and consumers



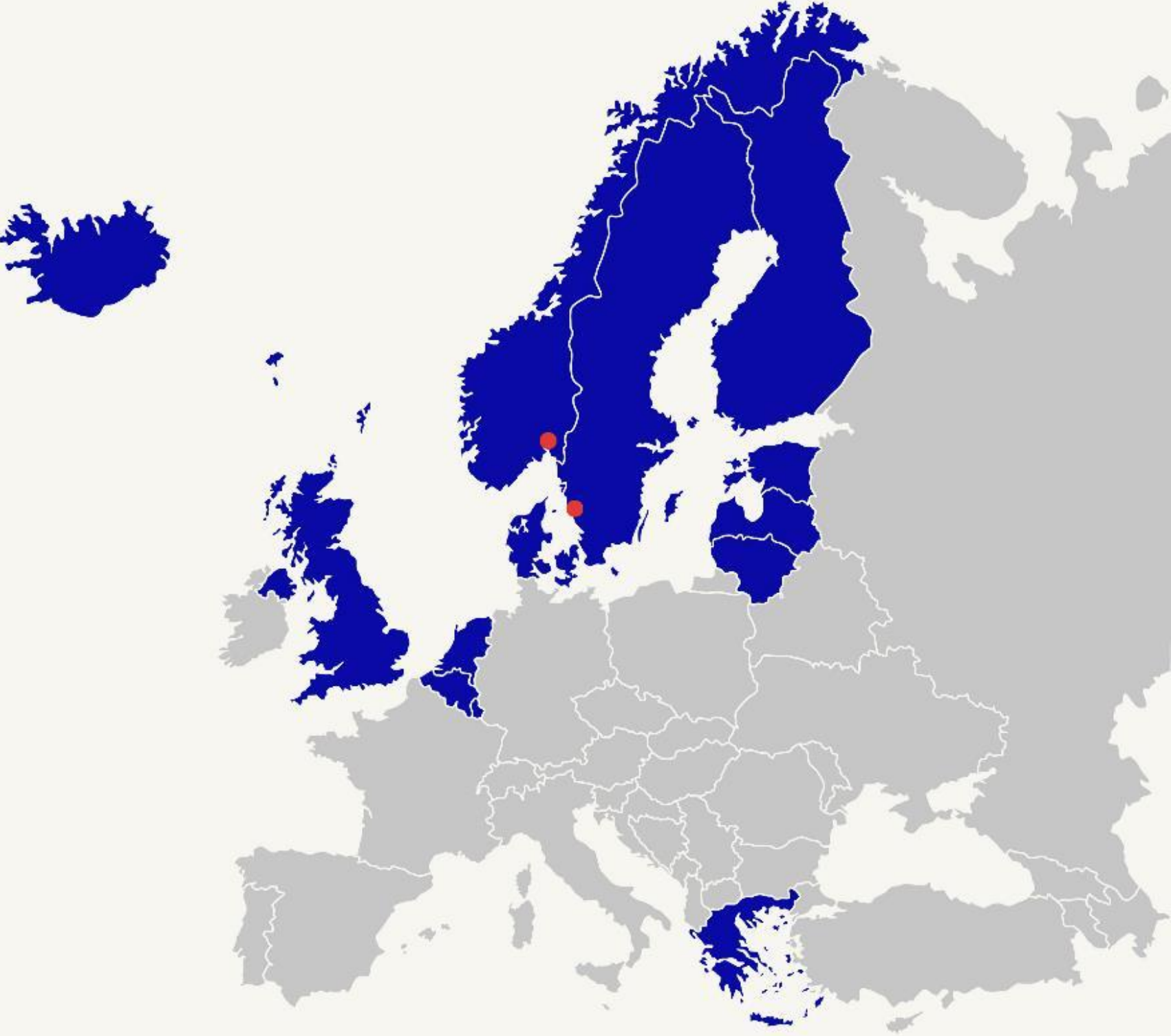
Presence in all Nordic countries, the Baltics and Benelux, and sales in the UK and Greece. Headquartered in Oslo, Norway



~ 30 professionals with strong competence in regulatory, reimbursement, marketing and sales, dedicated to securing market access through local expertise



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



Our growth strategy

## Ambition of building a leading Nordic pharma company targeting growth in Northern Europe

# 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 companies or geographical territory

- Launched the new and unique women's health product Cysticina® in Q1 2021
- Will launch products in at least one country in each launch window going forward



Q4 2020

## Continued growth for key products

### Medical nutrition

Medical nutrition product portfolio



Q4 2020 YoY revenue growth: **6%**

- Positive development across markets despite COVID-19 restrictions at hospitals

### Consumer health

Gastro, pain, urology



Q4 2020 YoY revenue growth: **100%**

- Strong performance of Alflorex®
- ThermaCare® developed as planned

### Specialty pharma

Obesity, urology



Q4 2020 YoY revenue growth: **27%**

- Obesity product Mysimba® continued its strong performance
- Positive Elmiron® development

### Branded generics

Cardiology, generics



Q4 2020 YoY revenue growth: **-11%**

- Volatility for Imdur® due to out of stock situation in Q4
- Antibiotic portfolio introduced

# Medical nutrition – Positive development in most markets



Q4 2020 REVENUE  
**13.1** MNOK  
(Q4 2019: 12.4 MNOK)

### GROWTH DRIVERS

- Continued growth for PKU Sphere, without cannibalization of other PKU products.
- Launch of PKU products in Finland.



**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

# Consumer Health - Launch of new and unique products

Q4 2020 REVENUE

**11.7** MNOK

(Q4 2019: 5.8 MNOK)

## GROWTH DRIVERS

- Launched the new and unique UTI product Cysticina® in Norway, with an estimated addressable market of approx. NOK 100 million\*
- ThermaCare® developing as planned
- Strong performance of Alflorex®



SOS

# Specialty pharma – Building awareness and loyalty

Q4 2020 REVENUE

**17.2** MNOK

(Q4 2019: 13.6 MNOK)

## GROWTH DRIVERS

- Strong performance of Mysimba® and Elmiron®
- New extended indication criteria for individual reimbursement in Norway
- Information platform for health care professionals launched in Norway

Navamedic

### KAN FEDME BEHANDLES?

23% av alle nordmenn lever med fedme (obesitas), en kronisk, men behandlingsbar sykdom. På denne siden kan du lese mer om hva legemiddelet Mysimba® (naltrekson/bupropion) kan bety for dine pasienters mulighet til å gå ned i vekt.

- KAN ET LEGEMIDDEL ØKE SJANSENE FOR Å LYKKE?
- BEHANDLING AV FEDME – HVILKE MULIGHETER FINNES?
- HVORFOR KAN IKKE HVER FEMTE NORDMANN SI STOPP?

## Oppdaterte retningslinjer for individuell refusjon av fedmelegemidler

Send som e-post

Pasienter med KMI  $\geq 40$  eller KMI  $\geq 35$  med tilleggslidelse kan nå få fedmelegemiddel på individuell refusjon. Via en enkel portal får legen direkte svar på søknaden.

MER FRA NAVAMEDIC

### Undervurdert og underdiagnostisert: Dette er smertefullt blæresyndrom

I dag lever mer enn 100 000 personer med smertefullt blæresyndrom bare i EU. Mange vet ikke at de har sykdommen, eller at det finnes behandlinger som virker.

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## Branded Generics – Stable development and new products introduced

Q4 2020 REVENUE

**13.2** MNOK

(Q4 2019: 14.8 MNOK)

### GROWTH DRIVERS

- Volatility for Imdur® due to out-of-stock situation in Q4
- Antibiotics portfolio introduced



# Financials

## Financials

# Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>YTD 2020</b>	<b>YTD 2019</b>
<b>Operating revenues</b>	<b>55 302</b>	<b>47 261</b>	<b>209 877</b>	<b>188 755</b>
<b>Gross profit</b>	<b>22 324</b>	<b>14 014</b>	<b>70 339</b>	<b>57 603</b>
<i>Gross profit %</i>	<i>40.4 %</i>	<i>29.7 %</i>	<i>33.5 %</i>	<i>30.5 %</i>
<b>Operating costs</b>	<b>-25 985</b>	<b>-22 036</b>	<b>-71 606</b>	<b>-64 060</b>
<b>EBITDA</b>	<b>-3 661</b>	<b>-8 022</b>	<b>-1 267</b>	<b>-6 457</b>
<i>EBITDA %</i>	<i>-6.6 %</i>	<i>-17.0 %</i>	<i>-0.6 %</i>	<i>-3.4 %</i>
Depreciation	-420	-629	-1 551	-1 602
Amortization	-499	-448	-2 108	-2 027
<b>Operating result (EBIT)</b>	<b>-4 580</b>	<b>-9 099</b>	<b>-4 926</b>	<b>-10 086</b>
Income from asociated companies	-1 659	-700	-4 528	-700
<b>Net financial income and expenses</b>	<b>19</b>	<b>-1 680</b>	<b>-11 670</b>	<b>-5 391</b>
<b>Profit before tax continuing operations</b>	<b>-4 561</b>	<b>-10 779</b>	<b>-16 596</b>	<b>-15 477</b>
Income taxes, continuing operations	-529	-25	136	-820
<b>Net profit / loss (-) continuing operations</b>	<b>-5 090</b>	<b>-10 804</b>	<b>-16 460</b>	<b>-16 297</b>
<b>Net profit / loss (-) discontinued operations</b>	<b>0</b>	<b>53 237</b>	<b>0</b>	<b>44 232</b>
<b>Net profit / loss (-) Total operations</b>	<b>-5 090</b>	<b>42 433</b>	<b>-16 460</b>	<b>27 935</b>

- In Q4 2020, revenues increased by 17% compared to the same quarter last year and 11% for the full year
- Gross Profit % came in above last year both in Q4 and YTD 2020, at 40.4% and 33.5%, partly due to reclassification of royalties and outgoing freight to opex (NOK 3.0M), but also favorable mix
- Opex was higher than previous quarters due to spend on growth initiatives and platform (ERP system) as well as the reclassification from cogs.
- EBITDA for the quarter then came in at negative 3.7M for Q4 and negative 1.3M for the year.
- Income from associated companies is Navamedic's share of the estimated result in Observe Medical for Q4 2020

## Financials

### Assets

<i>(in NOK '1000)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
Goodwill	64 472	59 520
Deferred tax assets	9 168	9 242
Other intangible assets	9 689	6 631
Property, plant & equipment	174	55
Right of use assets	1 903	1 901
Shares in associated companies	22 022	15 300
Non-current loans to associated companies	34 821	25 565
<b>Total non-current assets</b>	<b>142 249</b>	<b>118 213</b>
Prepaid taxes	7 614	5 449
Inventories	41 945	31 983
Trade and other receivables	28 646	19 972
Cash	39 584	11 439
<b>Total current assets</b>	<b>117 789</b>	<b>68 843</b>
<b>Total assets</b>	<b>260 038</b>	<b>187 056</b>

- Goodwill increase is due to currency effect, little change from Q1 onwards
- Shares in Associated companies has increased as a result of Navamedic's participation in Observe Medical's private placement
- Loan to Assoc. comp. is the loan to Observe Medical where Navamedic now has fulfilled its obligation from the demerger. The loan has a 3 yr maturity.
- Inventory increase due to stock-out in Q4 2019 but is lower than previous quarters
- The increase in Cash is due to the private placement, offset by the participation in OM's private placement, but also net profit and changes in net working capital

## Equity and liabilities

<i>(in NOK '1000)</i>	<b>31.12.2020</b>	<b>31.12.2019</b>
<b>Total equity</b>	<b>129 486</b>	<b>79 231</b>
Non-current license liabilities	3 343	9 568
Loans and borrowings	20 870	16 092
Non-current right of use liabilities	842	781
<b>Total non-current liabilities</b>	<b>25 055</b>	<b>26 441</b>
Trade and other payables	66 956	42 704
Current liabilities to financial institutions	0	7 513
Current right of use liabilities	1 078	1 150
Current license liabilities	16 500	8 831
Taxes payable	2 795	1 092
Other current liabilities	18 168	20 095
<b>Total current liabilities</b>	<b>105 497</b>	<b>81 385</b>
<b>Total liabilities</b>	<b>130 552</b>	<b>107 826</b>
<b>Total equity and liabilities</b>	<b>260 038</b>	<b>187 056</b>

- Equity ratio of 49.8%
- Increase in Equity is mainly due to cash increase from the private placement
- Total long-term and short-term Loans and borrowings is down due to the redemption of the short-term part upon its due date in Q4
- Trade and other Payables is up from 31.12.2019 partly due to Inventory build-up in Q1 but it is lower than previous quarters

## Cash flow Group – total operations

<i>(in NOK '1000)</i>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>Year 2020</b>	<b>Year 2019</b>
<b>Net cash flow from operating activities</b>	<b>14 884</b>	<b>1 545</b>	<b>-3 132</b>	<b>12 722</b>
<b>Net cash flow from investing activities</b>	<b>-2 316</b>	<b>-144</b>	<b>-24 987</b>	<b>-1 869</b>
<b>Net cash flow from financing activities</b>	<b>-2 116</b>	<b>-5 392</b>	<b>53 603</b>	<b>-10 901</b>
Changes in currency	-3 094	1 387	2 661	440
<b>Net change in cash</b>	<b>7 358</b>	<b>-2 603</b>	<b>28 145</b>	<b>393</b>
Cash and cash equivalents start period	32 227	14 042	11 439	11 046
<b>Cash and cash equivalents end period</b>	<b>39 584</b>	<b>11 439</b>	<b>39 584</b>	<b>11 439</b>

- The cash flow from Operating Activities is mostly Profit before taxes coupled with the changes in Net Working Capital items
- The cash flow from investing activities is mainly due to investments in intangible assets
- The cash flow from financing activities is repayment of short-term loan partly offset by employee options exercised
- The Cash at the end of the period is 39,6MNOK

# Summary and outlook

## Summary and outlook

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

In Q4 2020, we have

- Strengthened the core by driving underlying growth in the existing portfolio
- Launched new consumer health product Cysticina® in Norway
- Secured uptake of newly launched and introduced products and continued our push for growth of key products in the important Dutch market

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- to long-term ambition of building a 500 MNOK company with a gross margin of 40% and an EBITDA margin of 15%



# Q&A

# Thank you for your attention!

Navamedic's Q1 2021 presentation will be  
on 11 May, 2021

# Appendix

## Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q4 2020	Q4 2019	YTD 2020	YTD 2019
Operating revenues	55 302	47 261	209 877	188 755
<b>Total revenue</b>	<b>55 302</b>	<b>47 261</b>	<b>209 877</b>	<b>188 755</b>
Cost of materials	-32 978	-33 247	-139 538	-131 152
<b>Gross profit</b>	<b>22 324</b>	<b>14 014</b>	<b>70 339</b>	<b>57 603</b>
<i>Gross profit %</i>	40.4 %	29.7 %	33.5 %	30.5 %
<b>Operating costs</b>	<b>-25 985</b>	<b>-22 036</b>	<b>-71 606</b>	<b>-64 060</b>
<b>EBITDA</b>	<b>-3 661</b>	<b>-8 022</b>	<b>-1 267</b>	<b>-6 457</b>
<i>EBITDA %</i>	-6.6 %	-17.0 %	-0.6 %	-3.4 %
Depreciation	-420	-629	-1 551	-1 602
Amortization	-499	-448	-2 108	-2 027
<b>Operating result (EBIT)</b>	<b>-4 580</b>	<b>-9 099</b>	<b>-4 926</b>	<b>-10 086</b>
Income from asociated companies	-1 659	-700	-4 528	-700
Financial income	658	327	2 846	331
Financial expenses	-1 077	-1 102	-3 844	-2 442
Net currency gain/losses	2 097	-205	-6 144	-2 580
<b>Net financial income and expenses</b>	<b>19</b>	<b>-1 680</b>	<b>-11 670</b>	<b>-5 391</b>
<b>Profit before tax continuing operations</b>	<b>-4 561</b>	<b>-10 779</b>	<b>-16 596</b>	<b>-15 477</b>
Income taxes, continuing operations	-529	-25	136	-820
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<b>Net profit / loss (-) discontinued operations</b>	<b>0</b>	<b>53 237</b>	<b>0</b>	<b>44 232</b>
<b>Net profit / loss (-) Total operations</b>	<b>-5 090</b>	<b>42 433</b>	<b>-16 460</b>	<b>27 935</b>
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>				
Currency translation differences	-523	4 078	8 867	-2 377
<b>Total comprehensive income for the period</b>	<b>-5 613</b>	<b>46 511</b>	<b>-7 593</b>	<b>25 557</b>

## Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q4 2020	Q4 2019	Year 2020	Year 2019
<b><i>Cash flow from operating activities</i></b>				
Profit before tax continuing operations	-4 561	-1 773	-16 596	-15 477
Taxes paid	1 643	2 080	-239	329
Depreciation, amortization and impairment	919	-1 061	3 659	3 629
Other income / expenses without cash flow effect	780	-147	1 379	2 066
Income from associated companies	1 659	700	4 528	700
Payment of license liabilities	0	0	-117	0
Changes in inventory	9 331	5 062	-9 962	3 601
Changes in trade and other receivables	12 391	14 864	-8 674	16 721
Changes in trade and other payables	-4 402	-10 607	24 818	1 617
Changes in other current items	-2 877	2 909	-1 928	10 017
Cash flows from operating activities discontinued operations	0	-10 481	0	-10 481
<b>Net cash flow from operating activities</b>	<b>14 884</b>	<b>1 545</b>	<b>-3 132</b>	<b>12 722</b>
<b><i>Cash flow from investing activities</i></b>				
Purchase / disposal of tangible and intangible assets	-2 316	1 004	-6 835	-721
Loans to / from associated companies	0	0	-6 902	0
Purchase / disposal of shares in other companies	0	0	-11 250	0
Demerger of Observe Medical	0	-1 147	0	-1 147
<b>Net cash flow from investing activities</b>	<b>-2 316</b>	<b>-144</b>	<b>-24 987</b>	<b>-1 869</b>
<b><i>Cash flow from financing activities</i></b>				
Net proceeds from borrowing	-5 251	-5 084	-5 251	-8 971
Share issues	3 552	143	60 447	-359
Payment of lease liabilities	-418	-450	-1 594	-1 571
<b>Net cash flow from financing activities</b>	<b>-2 116</b>	<b>-5 392</b>	<b>53 603</b>	<b>-10 901</b>
Changes in currency	-3 094	1 387	2 661	440
<b>Net change in cash</b>	<b>7 358</b>	<b>-2 603</b>	<b>28 145</b>	<b>393</b>
Cash and cash equivalents start period	32 227	14 042	11 439	11 046
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## 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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