

Q4 2022

Fourth quarter 2022 results
Navamedic ASA

16 February 2023

Kathrine Gamborg Andreassen, CEO
Lars Hjarrand, CFO



Record high revenues

**Q4
2022**

REVENUE

116.0 MNOK

Up 29% YoY

GROSS MARGIN

42.9%

41.9% in Q4 21

EBITDA

15.7 MNOK

7.6 MNOK in Q4 21

**2022
Full year**

382.1 MNOK

Up 37% YoY

42.8%

40.1% 2021

51.7 MNOK

18.2 MNOK 2021

Solid growth achieved across the portfolio

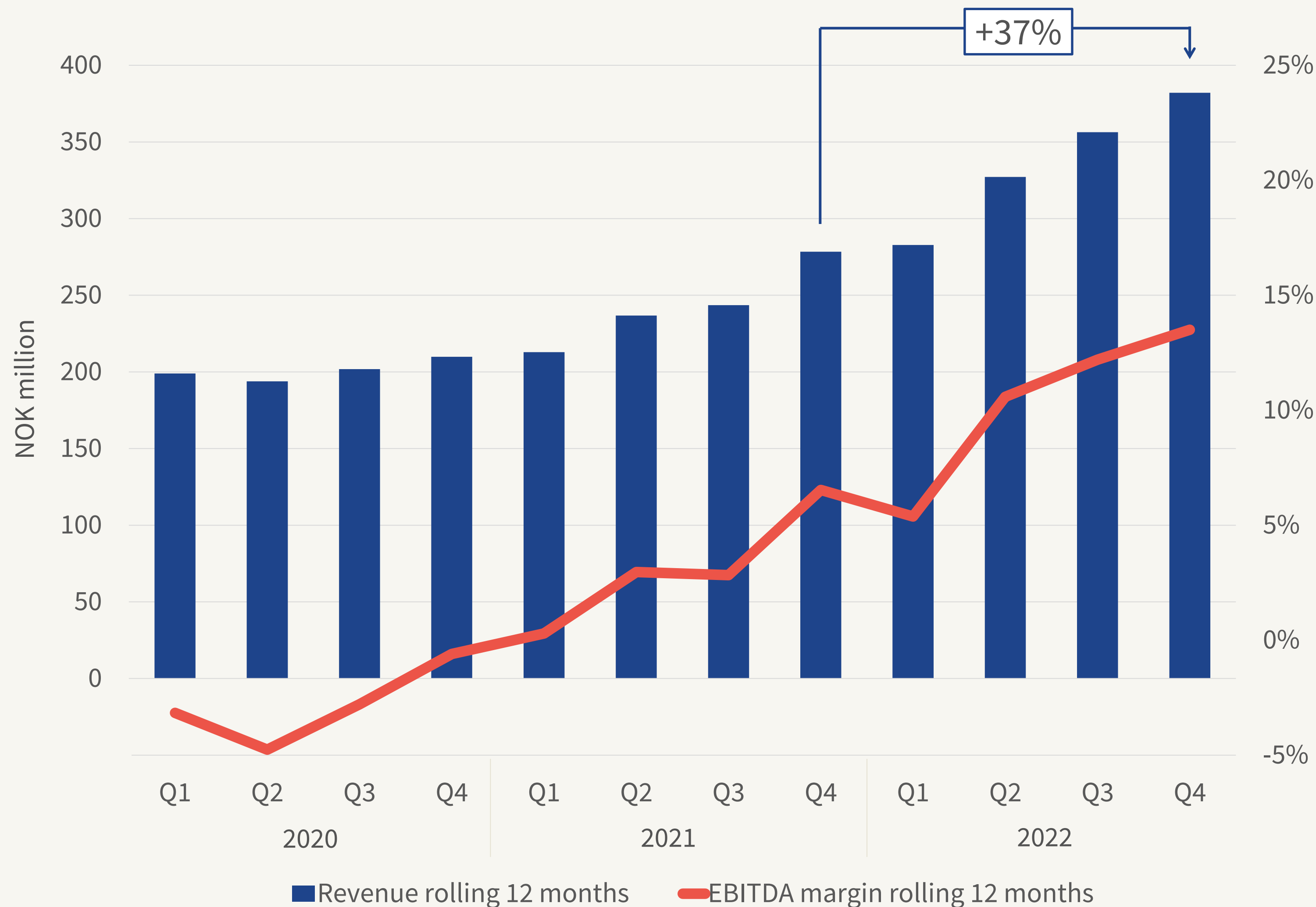
Continued strong demand for Mysimba®

Modifast launched in Norway

Innovative antibiotic product acquired for hospital use in the Nordic region

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

Consistent positive trend in revenue and EBITDA



Consistent strong revenue growth over time driven by successful build-up of new categories and positive market trends

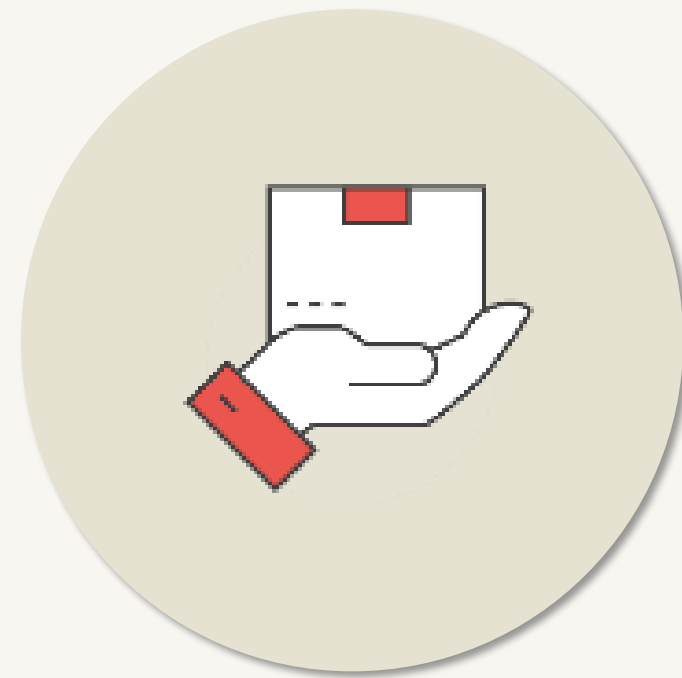
Normal fluctuation in revenue growth between quarters due to seasonality and stock build-up/down effects

Scalable business platform leads to increasingly positive EBITDA as revenue grows

Organic growth of 27% YOY

Impolin revenues in Q4 was 12.2 MNOK and 28.0 MNOK for the year (from June)

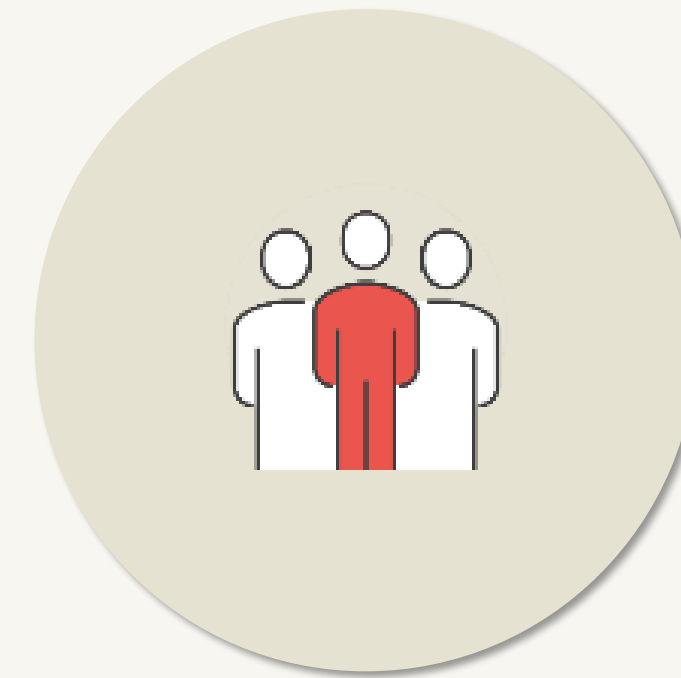
Nordic pharma company targeting growth in Northern Europe



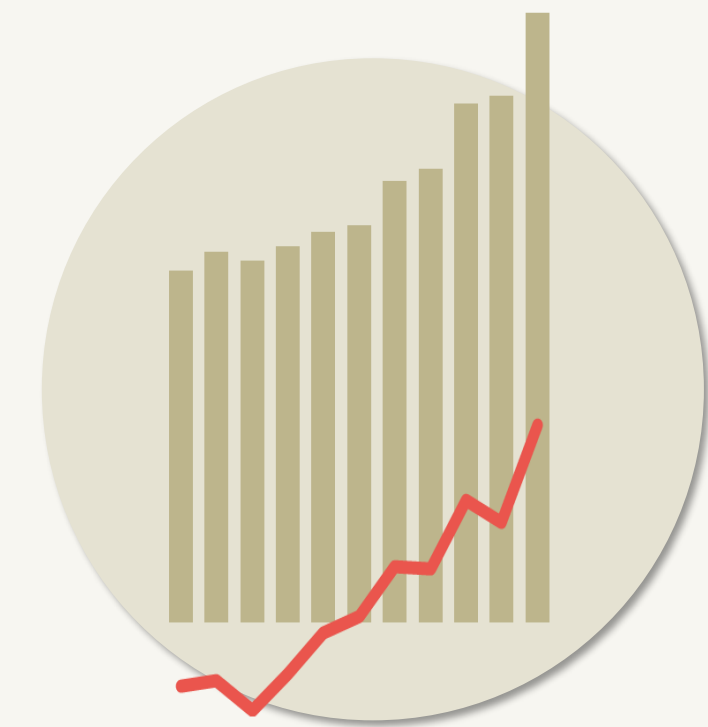
A reliable supplier of **high-quality pharma products**, within consumer health, medical nutrition, specialty pharma and branded generics



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



Strong local competence in regulatory, reimbursement, marketing and sales
~35 employees



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

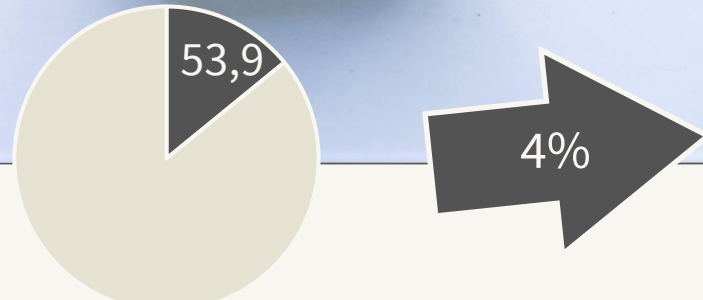
GROWTH THROUGH M&A

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.



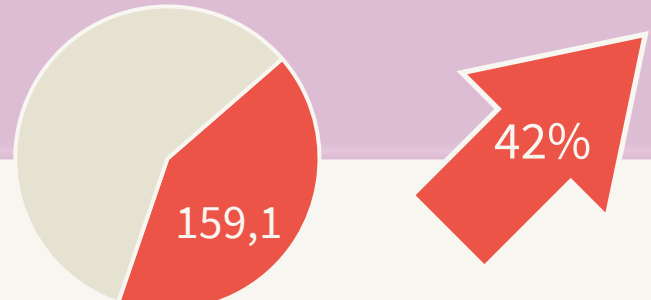
High-quality portfolio with several hero products

MEDICAL NUTRITION
 Medical nutrition products for treatment of IEM*



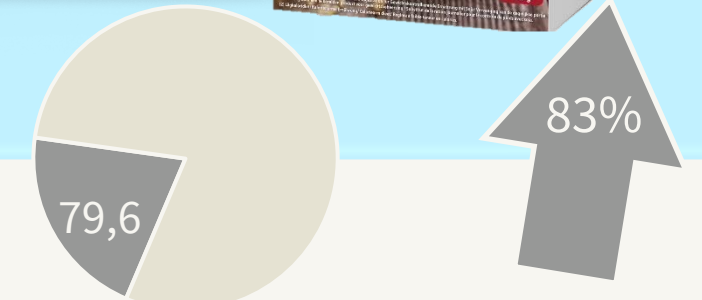
2022 sales in NOK million Year-over-year growth

SPECIALTY PHARMA
 Obesity & urology



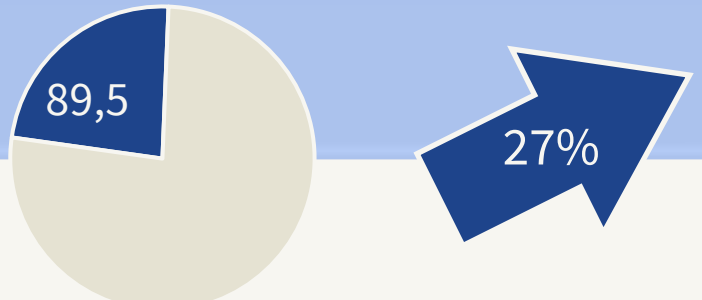
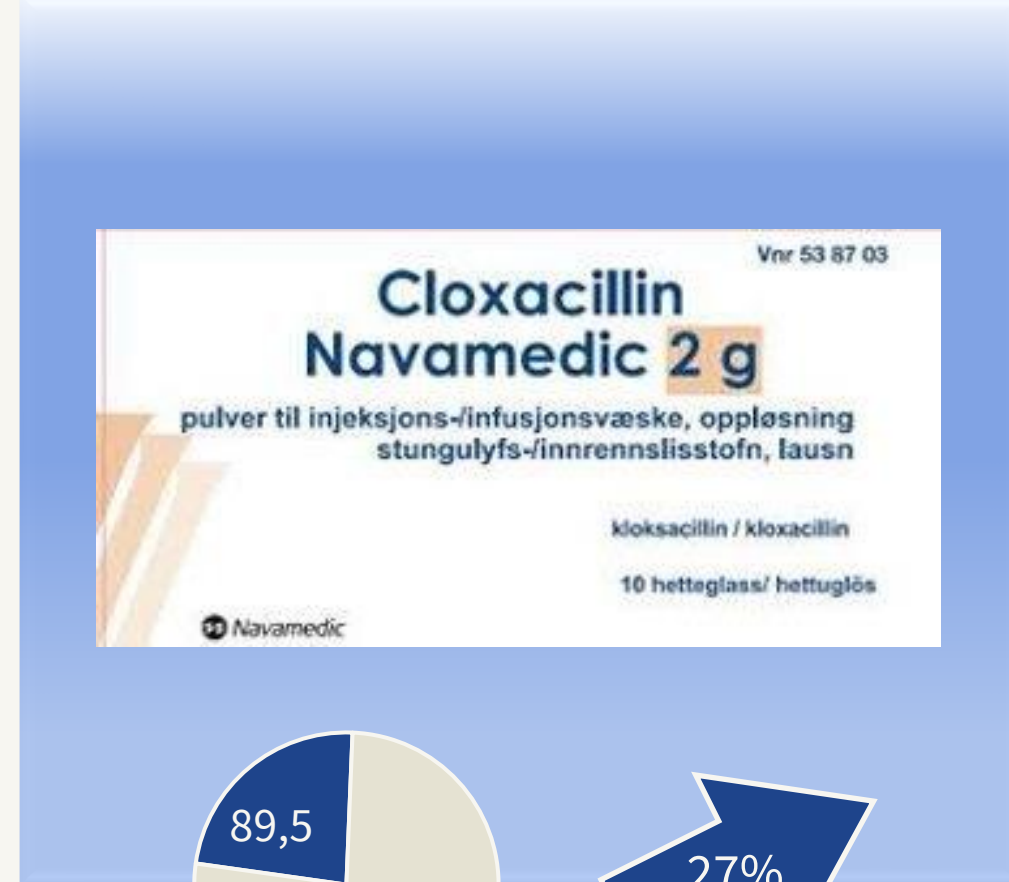
2022 sales in NOK million Year-over-year growth

CONSUMER HEALTH
 Obesity, gastro, pain & other



2022 sales in NOK million Year-over-year growth

BRANDED GENERICS
 Antibiotics, cardiology, generics



2022 sales in NOK million Year-over-year growth

*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

Stable growth continues

Q4 2022 REVENUE

14.4 MNOK

(Q4 2021: 13.3 MNOK)

FY 2022 REVENUE

53.9 MNOK

(FY 2021: 51.9 MNOK)

- The two main areas driving growth in the segment
- 13% increase in sales of PKU in the quarter



Strengthened antibiotic portfolio

Q4 2022 REVENUE

26.2 MNOK

(Q4 2021: 21.3 MNOK)

FY 2022 REVENUE

89.5 MNOK

(FY 2021: 70.6 MNOK)

- Clindamycin bags, an innovative antibiotic product, was acquired in the fourth quarter
- Nitrolingual & Forlax contributed to the segment
- Long-term tenders secured for the antibiotic's portfolio



Obesity and gastro category developing strongly

Q4 2022 REVENUE

26.3 MNOK

(Q4 2021: 12.6 MNOK)

FY 2022 REVENUE

79.6 MNOK

(FY 2021: 43.5 MNOK)

- The Modifast product range was the main contributor to the segment
- Increased campaign activities has led to strong sales of Thermacare
- Alflorex[®] and Gelorevoice[®] have delivered solid growth in the fourth quarter



Diaré passer aldrig
Husk SmectaGo



Growing obesity market

Q4 2022 REVENUE

48.9 MNOK

(Q4 2021: 42.8 MNOK)

FY 2022 REVENUE

159.1 MNOK

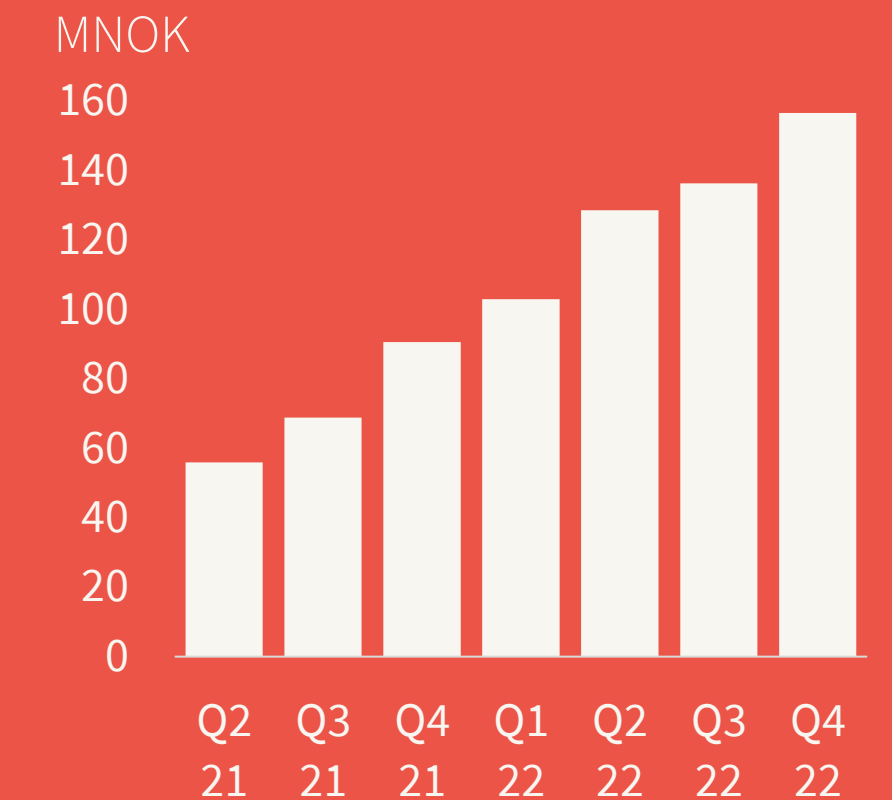
(FY 2021: 112.3 MNOK)

- Mysimba contributes to obesity market growth
- Urology products remains stable



CONTINUED STRONG MYSIMBA WHOLESALE DEVELOPMENT

73% grpwth YOY



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

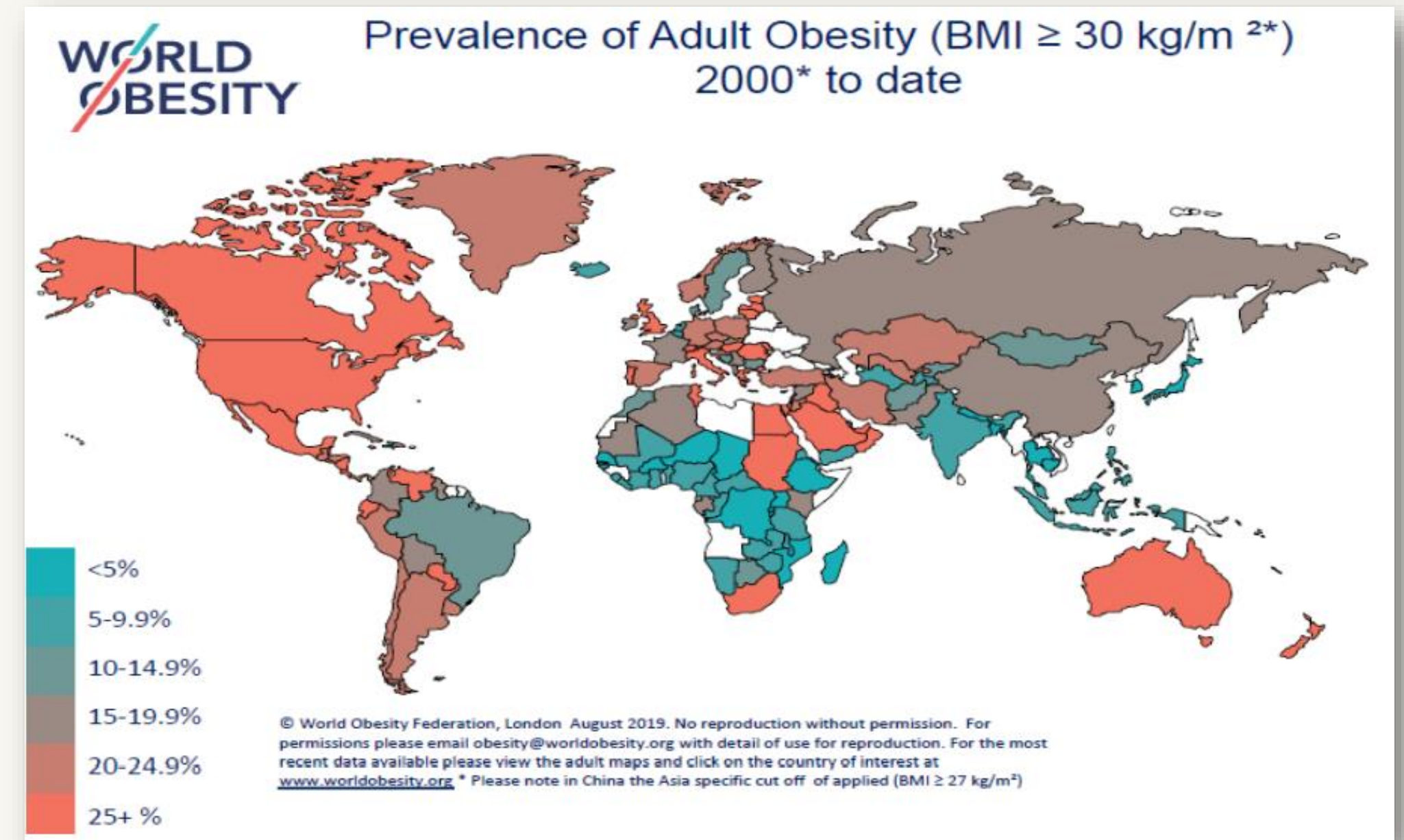
Obesity market update



Obesity – a global disease with severe health risks

The challenge

- Obesity is an increasingly growing public health challenge which has nearly tripled since 1975 (The WHO)
- 13% of the global population suffer from obesity and 1 billion people are estimated to be obese globally by 2030
- In 2020, the Global Obesity Forum and WHO came together to acknowledge the complexity of the disease and developed the ROOTS approach – an integrated, equitable, comprehensive, and person-centered approach to address obesity



Source: World Obesity Federation, 2019

Anti-obesity drugs – the addressable market

- The global anti-obesity drug market was valued at USD 1.9 bn in 2021
- The market is expected to grow from USD 2.82 bn in 2022 to USD 13.26 bn in 2029 – representing a CAGR of 25%
- The Nordic obesity market was valued at NOK 911 million in 2022
- The Nordic market is anticipated to follow a similar growth pattern to that of the US and to reach NOK 2 200 million by 2026, representing a CAGR of 25%

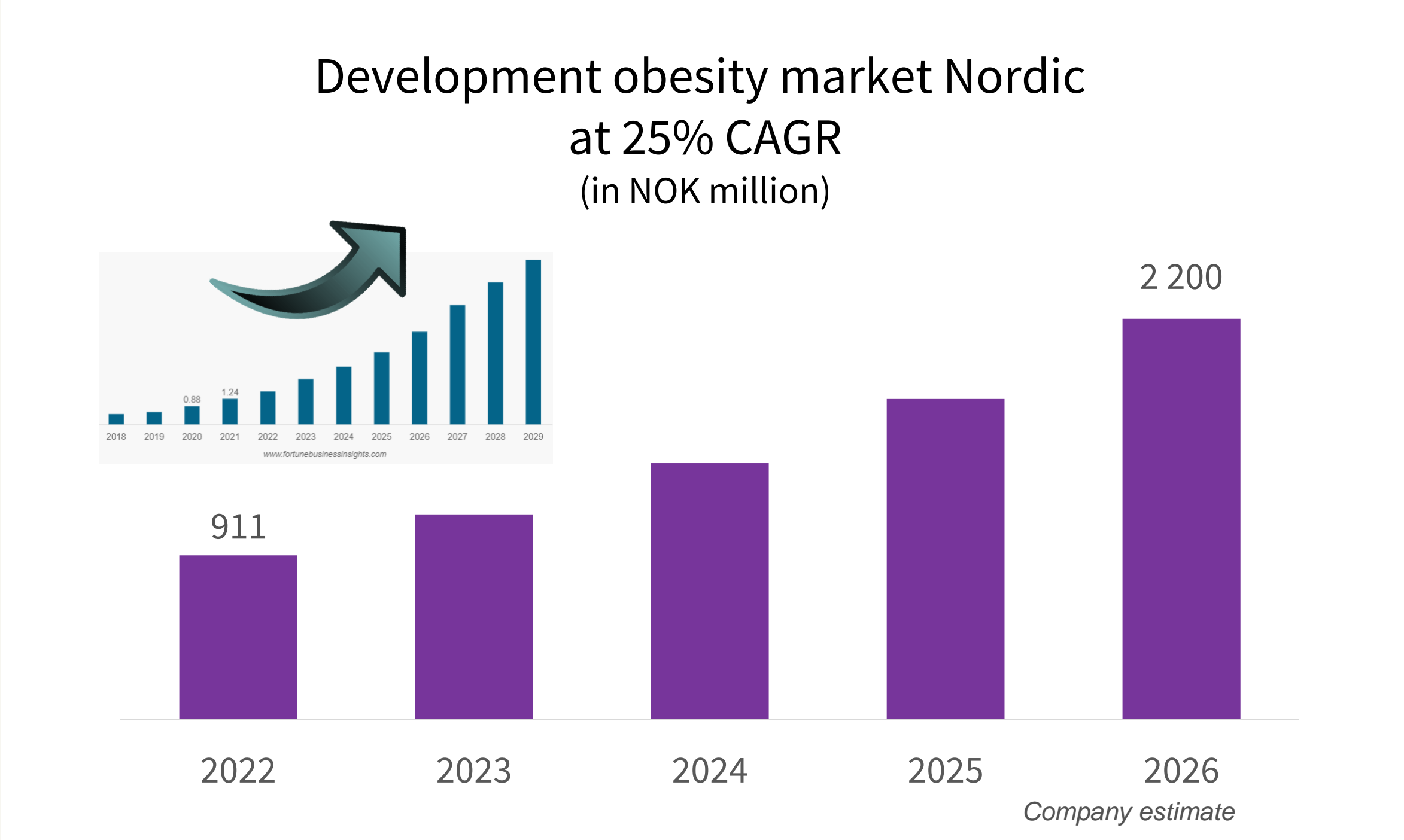


Chart insert: North America anti-obesity drugs market size 2018-2029 (USD billion)
Source: www.fortunebusinessinsights.com

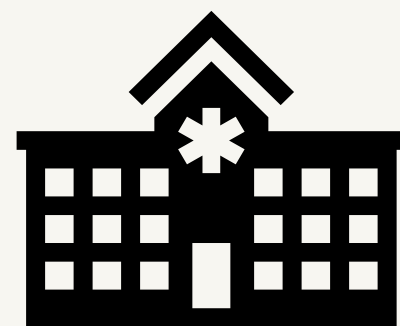
The treatment landscape



**Lifestyle
intervention**



Medicine



Surgery

- Obesity remains a significantly undertreated disease
- Each patient represents a set of individual needs and not all forms of treatment will be equally effective for all patients
- An estimated 1-2% of obesity patients were treated with obesity drugs in the Nordics in 2021, showing a similar pattern to the US market
- Steady increase of bariatric surgeries being carried out across the Nordic region
- Between 1 100 – 1 500 bariatric surgeries are carried out annually in Norway, Denmark and Finland. In Sweden, nearly 4 000 surgeries are performed each year

Navamedic's approach to treating obesity and overweight

Mysimba, a first-in-line treatment for obesity drugs (Norway)

- Dual mode of action with two active substances that reduce appetite and the amount that patients eat, and increase energy expenditure, helping them to stick to a calorie-controlled diet and to reduce their body weight
- New drug entries represent growth opportunities for existing treatments by increasing the total share of patients receiving medical treatment



Mysimba
(naltrexon/bupropion)

Følelsen af kontroll.

Årsagen til, at en person udvikler fedme (adipositas), afhænger af en række biologiske og adfærdsmæssige faktorer, hvor såkaldt følelsesmæssig spising (emotional hunger) er en almindelig årsag¹. Mysimba[®] er en tabletbehandling mod fedme, som gennem sine to indholdstoffer, naltrexon og bupropion, påvirker sultcentret og belønningssystemet i hjernen²⁻⁴. Udover at mindske sultfølelsen kan Mysimba[®] øge patientens kontrol over deres fødeindtag, hvilket udover en kalorie reduceret diæt og øget fysisk aktivitet kan føre til betydeligt og varigt vægttab.^{4,5}

Hjælp din patient med at genvinde kontrollen. Lær mere om faktorerne bag en vellykket vægttabbehandling. Scan QR-koden og få adgang til resultaterne af Action-studien her: online.barycenter.com/doi/10.1002/obv.23120

1)Kilde: Forskning i behandling af overvægt og fedme. 2)Kilde: Forskning i behandling af overvægt og fedme. 3)Kilde: Forskning i behandling af overvægt og fedme. 4)Kilde: Forskning i behandling af overvægt og fedme. 5)Kilde: Forskning i behandling af overvægt og fedme.

Navamedic AB, Gårdsgrändagen 74, Svedala, +46 31 135 1100, www.navamedic.com, www.mysimbapatient.dk

Navamedic

Navamedic's pan-Nordic positioning and information campaign directed at GPs and specialists: *Help your patient to regain control*



Navamedic's approach to treating obesity and overweight

Modifast, lifestyle intervention

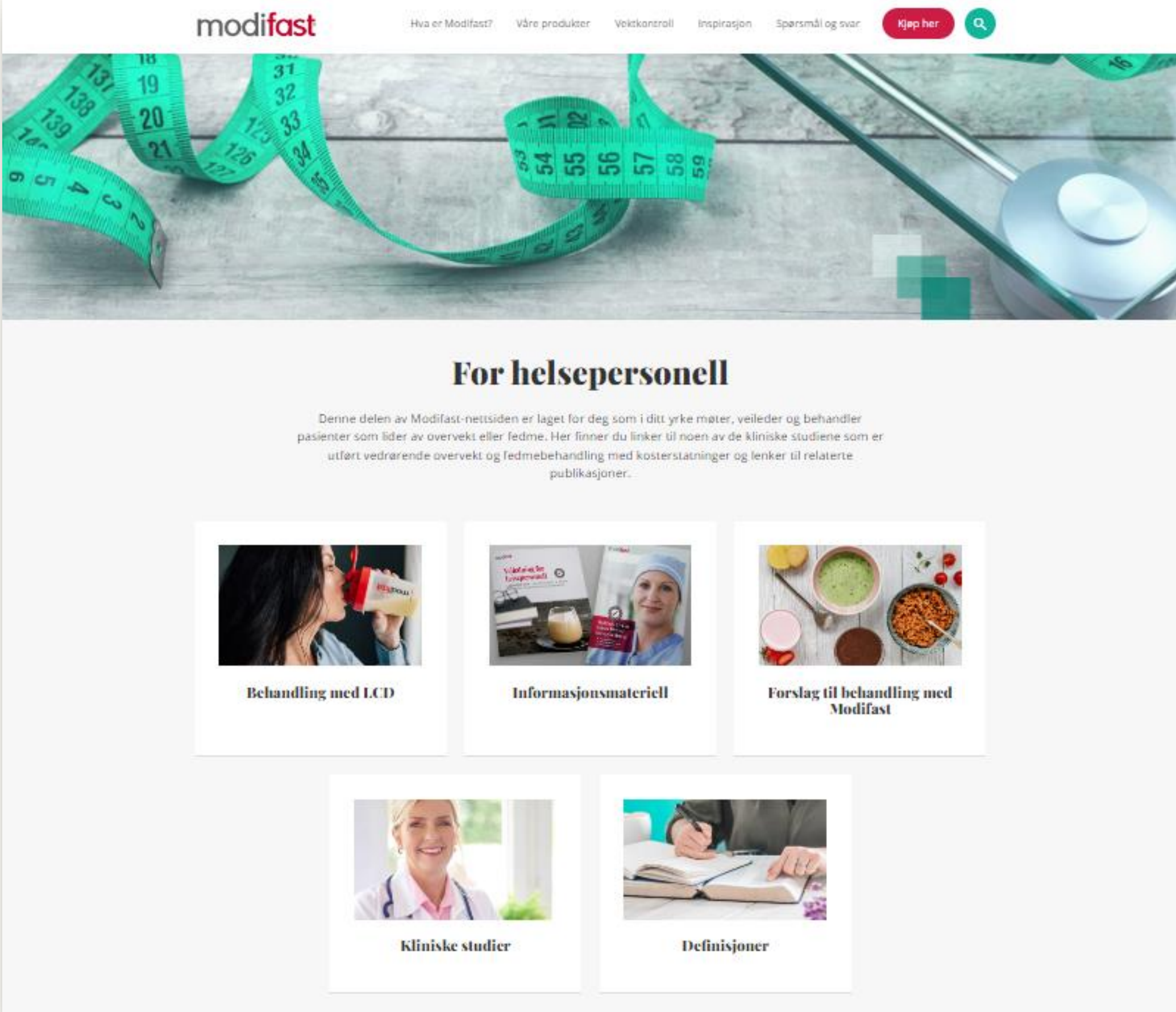


A range of low-calorie diet (LCD) meals, providing 800-1200 calories per day if all regular food is replaced

Modifast can be used to:

- lose weight,
- control weigh, or
- to lose weight before bariatric surgeries

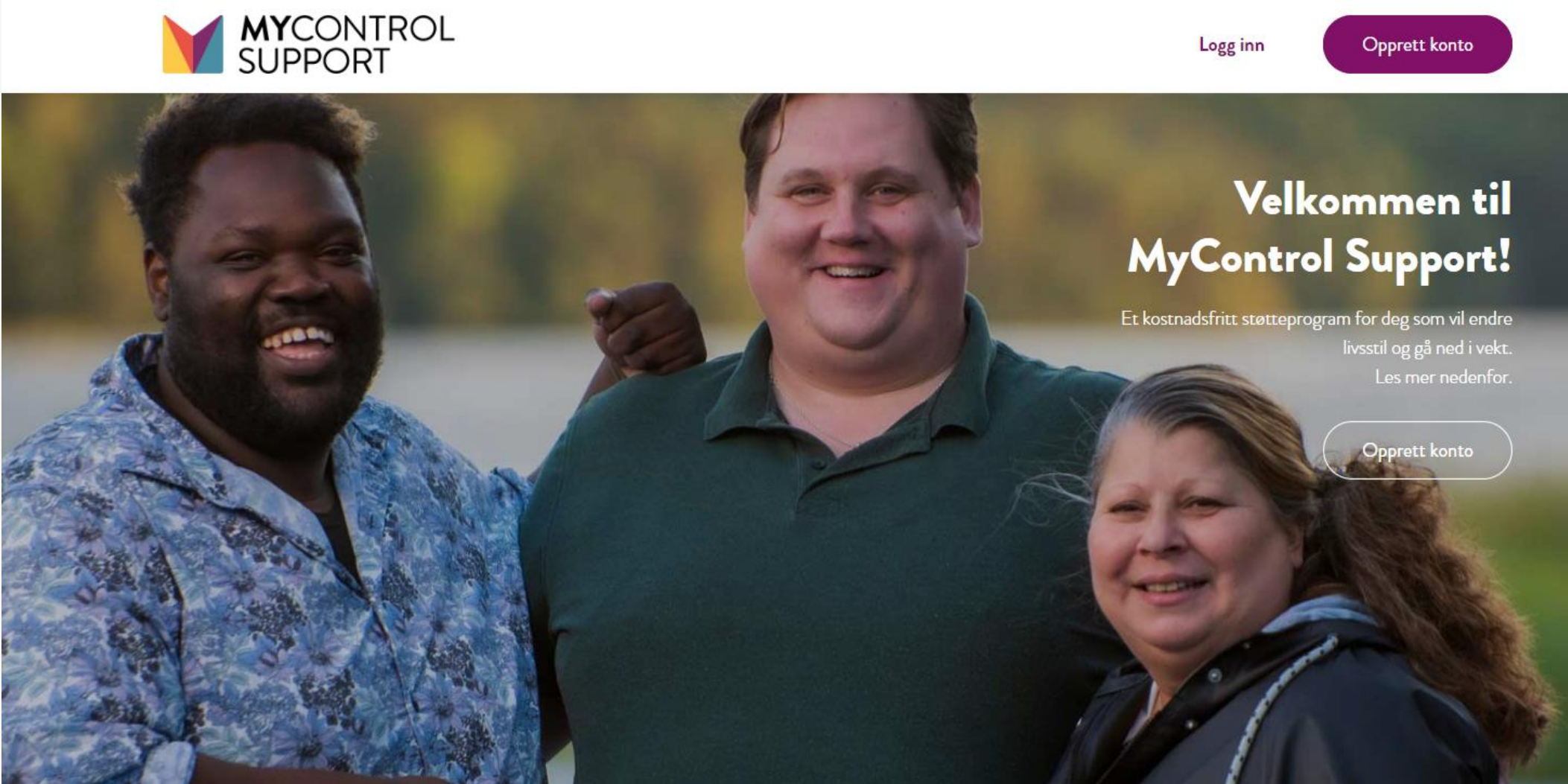
Navamedic launched the product range in Norway in January 2023 through Farmasiet.no



Navamedic's approach to treating obesity and overweight

Seeing the needs of each individual

- Dedicated to meeting each individual patient need, Navamedic has developed MyControl Support – a tailored knowledge and patient support program
- Lättare tillsammans (right) – a knowledge-based 6-week program using Modifast to achieve weight loss



FINANCIALS

Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	Q4 2022	Q4 2021	FY 2022	FY 2021
Operating revenues	115 966	90 160	382 135	278 439
Gross profit	49 762	37 797	163 519	111 744
<i>Gross profit %</i>	42.9 %	41.9 %	42.8 %	40.1 %
Operating costs	-34 045	-30 180	-111 833	-93 573
EBITDA	15 717	7 617	51 686	18 171
<i>EBITDA %</i>	13.6 %	8.4 %	13.5 %	6.5 %
Depreciation	-613	-1 178	-2 392	-2 169
Amortization	-1 187	-1 386	-4 850	-4 547
Operating result (EBIT)	13 917	5 053	44 444	11 455
Income from associated companies	0	-693	-1 101	-3 185
Gain/loss on disposal of associated companies	0	0	9 514	0
Net financial income and expenses	13 248	-2 382	-10 351	-5 912
Profit before tax continuing operations	27 165	1 979	42 506	2 358
Income taxes, continuing operations	-6 978	1 046	-13 074	-1 740
Net profit / loss (-) Total operations	20 187	3 025	29 431	618
Currency translation differences	698	326	2 982	348
Total comprehensive income for the period	20 885	3 351	32 413	967

In Q4 2022, revenues grew by 29% compared to the same quarter last year and 37% growth for the full year (organic growth was 27%)

Gross Profit came in at 42.9% mostly due to product mix and continued efficiency efforts in the supply chain

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

EBITDA for the quarter was NOK 15.7M and NOK 51.7M for the full year

Net Financial Items is positive 13.2M mostly due to the reversal of license liabilities for products no longer marketed

Net profit of NOK 20.2M for the quarter

Total comprehensive income of NOK 20.9M

Assets

<i>(in NOK '1000)</i>	31.12.2022	31.12.2021
Goodwill	100 743	61 031
Deferred tax assets	835	9 168
Other intangible assets	30 537	27 342
Property, plant & equipment	607	745
Right of use assets	6 511	7 567
Shares in associated companies	0	18 837
Total non-current assets	139 233	124 690
Tax receivables	14 909	15 652
Inventories	79 642	61 882
Trade and other receivables	42 985	37 730
Cash	55 296	52 620
Current loans to associated companies	40 615	37 606
Other current financial assets	10 092	0
Total current assets	243 539	205 489
Total assets	382 772	330 179

The increase in Goodwill is mostly due to the Impolin acquisition

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>	31.12.2022	31.12.2021
Total equity	209 720	151 237
Non-current license liabilities	3 762	8 171
Loans and borrowings	42 539	29 235
Non-current right of use liabilities	4 861	5 824
Total non-current liabilities	51 161	43 231
Trade and other payables	65 574	70 532
Current liabilities to financial institutions	9 453	9 745
Current right of use liabilities	1 865	1 839
Current license liabilities	221	13 158
Taxes payable	4 708	10 713
Other current liabilities	40 071	29 724
Total current liabilities	121 891	135 712
Total liabilities	173 053	178 943
Total equity and liabilities	382 772	330 179

Equity ratio of 54.8%

Total loans are reduced from Q3 due to the amortization/payback of 9.5MNOK

Trade payables is mostly in line with expected levels

Other current liabilities is mostly in line with expectations

Cash flow Group – total operations

(in NOK '1000)	Q4 2022	Q4 2021	Year 2022	Year 2021
Net cash flow from operating activities	19 929	11 284	17 941	-1 300
Net cash flow from investing activities	26	-270	-25 444	-727
Net cash flow from financing activities	-10 635	18 296	10 074	15 931
Changes in currency	-510	1 158	105	-868
Net change in cash	8 808	30 468	2 676	13 036
Cash and cash equivalents end period	55 296	52 620	55 296	52 620

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 due to the payback of loans according to the amortization schedule

The Cash at the end of the period was NOK 55.3M

SUMMARY & OUTLOOK

Strong and scalable foundation in place to become a leading Nordic pharma company

- Record high NOK 116.0 million revenue in the quarter, an increase of 29% Y-o-Y (Q4), 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
- 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 – targeting growth in Northern Europe

Q&A

Thank you for your attention!

Navamedic's Q1 2023 presentation will be held on
May 11th, 2023

APPENDIX

Condensed consolidated statement of comprehensive income

(in NOK '1000)	Q4 2022	Q4 2021	FY 2022	FY 2021
Operating revenues	115 966	90 160	382 135	278 439
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Cost of materials	-66 204	-52 363	-218 615	-166 695
Gross profit	49 762	37 797	163 519	111 744
Gross profit %	42.9 %	41.9 %	42.8 %	40.1 %
Operating costs	-34 045	-30 180	-111 833	-93 573
EBITDA	15 717	7 617	51 686	18 171
EBITDA %	13.6 %	8.4 %	13.5 %	6.5 %
Depreciation	-613	-1 178	-2 392	-2 169
Amortization	-1 187	-1 386	-4 850	-4 547
Operating result (EBIT)	13 917	5 053	44 444	11 455
Income from associated companies	0	-693	-1 101	-3 185
Gain/loss on disposal of associated companies	0	0	9 514	0
Financial income	17 196	1 621	19 464	4 035
Financial expenses	1 438	-1 708	-3 416	-4 424
Net currency gain/losses	-5 174	-2 295	-9 242	-5 523
Net change in fair value current financial assets	-211	0	-17 158	0
Net financial income and expenses	13 248	-2 382	-10 351	-5 912
Profit before tax continuing operations	27 165	1 979	42 506	2 358
Income taxes, continuing operations	-6 978	1 046	-13 074	-1 740
Net profit / loss (-) continuing operations	20 187	3 025	29 431	618
Net profit / loss (-) Total operations	20 187	3 025	29 431	618
Other comprehensive income that may be reclassified subsequently to profit or loss				
Currency translation differences	698	326	2 982	348
Total comprehensive income for the period	20 885	3 351	32 413	967

Condensed consolidated statement of cash flows

(in NOK '1000)	Q4 2022	Q4 2021	Year 2022	Year 2021
Cash flow from operating activities				
Profit before tax	27 165	1 979	42 506	2 358
Adjusted for:				
Depreciation, amortization and impairment	1 800	2 564	7 242	6 716
Financial income / expenses without cash effect	-16 360	-1 038	6 878	1 353
Other income / expenses without cash flow effect	136	320	839	1 784
Income and gain from the disposal of associated companies	0	693	-8 413	3 185
Taxes paid	-496	1 549	-10 967	-2 700
Payment of license liabilities	-5	0	-112	-110
Changes in inventory	-5 600	10 741	-17 761	-19 937
Changes in trade and other receivables	-7 482	5 950	-5 255	-9 084
Changes in trade and other payables	14 204	-20 451	-4 959	3 577
Changes in other current items	6 567	8 977	7 944	11 556
Net cash flow from operating activities	19 929	11 284	17 941	-1 300
Cash flow from investing activities				
Acquisition of tangible and intangible assets	-44	-272	-2 251	-728
Interest received	70	2	70	2
Purchase of shares in other companies	0	0	-23 264	0
Net cash flow from investing activities	26	-270	-25 444	-727
Cash flow from financing activities				
Loans received	0	19 500	24 033	19 500
Loans paid	-9 511	0	-9 511	0
Interest paid	-529	-375	-3 272	-1 469
Share issues	0	0	1 198	0
Payment of lease liabilities	-595	-830	-2 373	-2 100
Net cash flow from financing activities	-10 635	18 296	10 074	15 931
Changes in currency	-510	1 158	105	-868
Net change in cash	8 808	30 468	2 676	13 036
Cash and cash equivalents start period	46 488	22 152	52 620	39 584
Cash and cash equivalents end period	55 296	52 620	55 296	52 620

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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