

# Q4 and FY 2023

Fourth quarter  
and full year 2023 results

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# Our edge explained

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



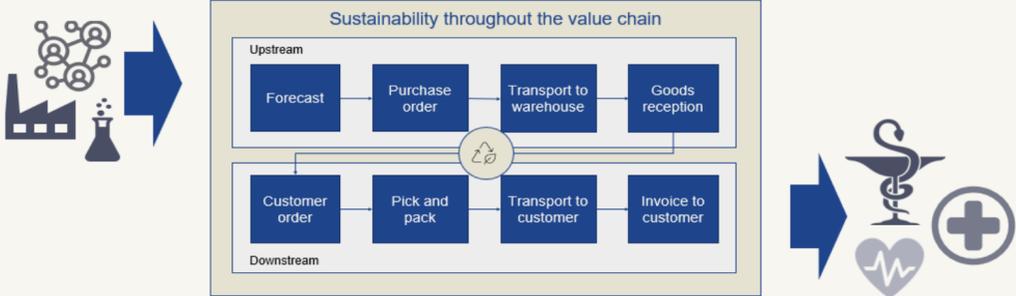
## Presence and sales across the Nordics

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, 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

## A year marked by new records and transformative growth initiatives

	REVENUE	GROSS MARGIN	Adjusted EBITDA
<b>2023</b> <b>Full year</b>	<b>512.0 MNOK</b> Up 34.0% YoY	<b>38.9%</b> 42.8% FY 22	<b>51.6 MNOK<sup>1</sup></b> 51.7 MNOK FY22 <small><sup>1</sup> EBITDA net of MNOK 16.1 YTD transaction costs</small>
<b>Q4</b> <b>2023</b>	<b>125.3 MNOK</b> Up 8.1% YoY	<b>36.5%</b> 42.9% in Q4 22	<b>7.9 MNOK<sup>2</sup></b> 15.7 MNOK in Q4 22 <small><sup>2</sup> EBITDA net of MNOK 2.6 transaction costs</small>

Growth across all business areas. All categories passed the NOK 100 million mark

Profitable growth. EBITDA at 10 per cent

Acquisition of Sensidose completed

Term sheet signed with Orion for out-licensing of Flexilev in Orafid in Europe

Virono switched from RX to OTC in Sweden

Launch of Eroxon

# Delivering on our 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 in our distribution model
- 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



# High-quality portfolio with several hero products

**Prescription Drugs (RX)**  
Sold through pharmacies



42%  
YoY growth

**Consumer Health**  
Sold through pharmacies



36%  
YoY growth

**Hospital**  
Tenders incl. medical nutrition\*



13%  
YoY growth

\*IEM Products for treatment of Inborn Errors of Metabolism (IEM), a lifelong, genetic disorder where the 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

FY 2023 REVENUE

**108.4** MNOK

(FY 2022: 79.6 MNOK)

Q4 2023 REVENUE

**24.2** MNOK

(Q4 2022: 26.3 MNOK)

- **Modifast** cemented its position in consumer health category with continued strong sales in Sweden
- **Absolut Torr** gained traction in Q4 (54% y-o-y)
- **Cysticina** and **Forlax** continued their positive trend

### Strategy for growth

- Launch and build unique profitable hero brands in own countries
- Out-licensing of own products to other markets

Hospital

## Continued growth across the portfolio

The Hospital segment comprises Navamedic's antibiotics portfolio and medical nutrition products for the treatment of Inborn Errors of Metabolism (IEM)

FY 2023 REVENUE

**102.8** MNOK

(FY 2022: 90.9 MNOK)

Q4 2023 REVENUE

**28.0** MNOK

(Q4 2022: 23.1 MNOK)

- Steady growth for Medical Nutrition and double-digit YTD growth for antibiotics
- Preparing the antibiotics portfolio for future growth and demand
- Renewed exclusive rights to **VitaFlo's** medical nutrition products across the Nordic for 5 years

### Strategy for growth

- Expand and secure new antibiotic marketing authorization in countries outside the Nordics
- New profitable products and new concepts in Medical Nutrition



Prescription Drugs (RX)

## Strong product growth across various therapeutic areas

The RX segment comprises Navamedic's prescription products

FY 2023 REVENUE

**300.8** MNOK

(FY 2022: 211.7 MNOK)

Q4 2023 REVENUE

**73.0** MNOK

(Q4 2022: 66.5 MNOK)

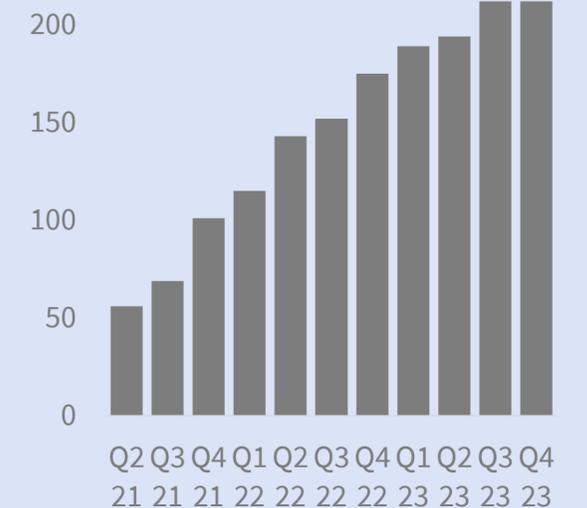
- **Mysimba**<sup>®</sup> remains in high demand with a 24% increase YTD in revenue, some variations month-by-month
- Strong sales of **Imdur**, **Nitrolingual** and **Forlax (RX)**. Two-year Imdur extension agreed for NL
- First quarter with **Flexilev** as part of the RX segment

### Strategy for growth

- Focusing on the unique position and secure continued growth for Mysimba in a growing market
- Commercialization and out-licensing activities for Flexilev (MyFID<sup>®</sup> and OraFID<sup>®</sup>)

### 20% YOY GROWTH IN MYSIMBA<sup>®</sup> WHOLESALER VOLUME

Vol. (units 000)



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

Successful acquisition of Sensidose AB

## Implementing commercialisation strategy for growth following the Sensidose acquisition

- Transaction placed Navamedic in highly promising position for treatment of advanced Parkinson's disease (PD)
- PD affects 1-2% of population above 60 years
- Navamedic is targeting 20% of total patient population
- Products will be sold from Navamedic's current platform in the Nordics, and out-licensed in rest of Europe, Japan and the US

- Marketing authorization for **Flexilev** in **MyFID**<sup>®</sup> already in place in 10 European countries
- Regulatory strategy for approval of Flexilev<sup>®</sup> in the new **OraFID**<sup>®</sup> dispenser in process
- Estimated time for launch for Flexilev in OraFID<sup>®</sup> in the Nordics is Q2/2025
- Negotiation of final agreement with **Orion** for a licensing and supply agreement for Flexilev<sup>®</sup> with OraFID<sup>®</sup> in Europe



Launching breakthrough treatment for erectile dysfunction

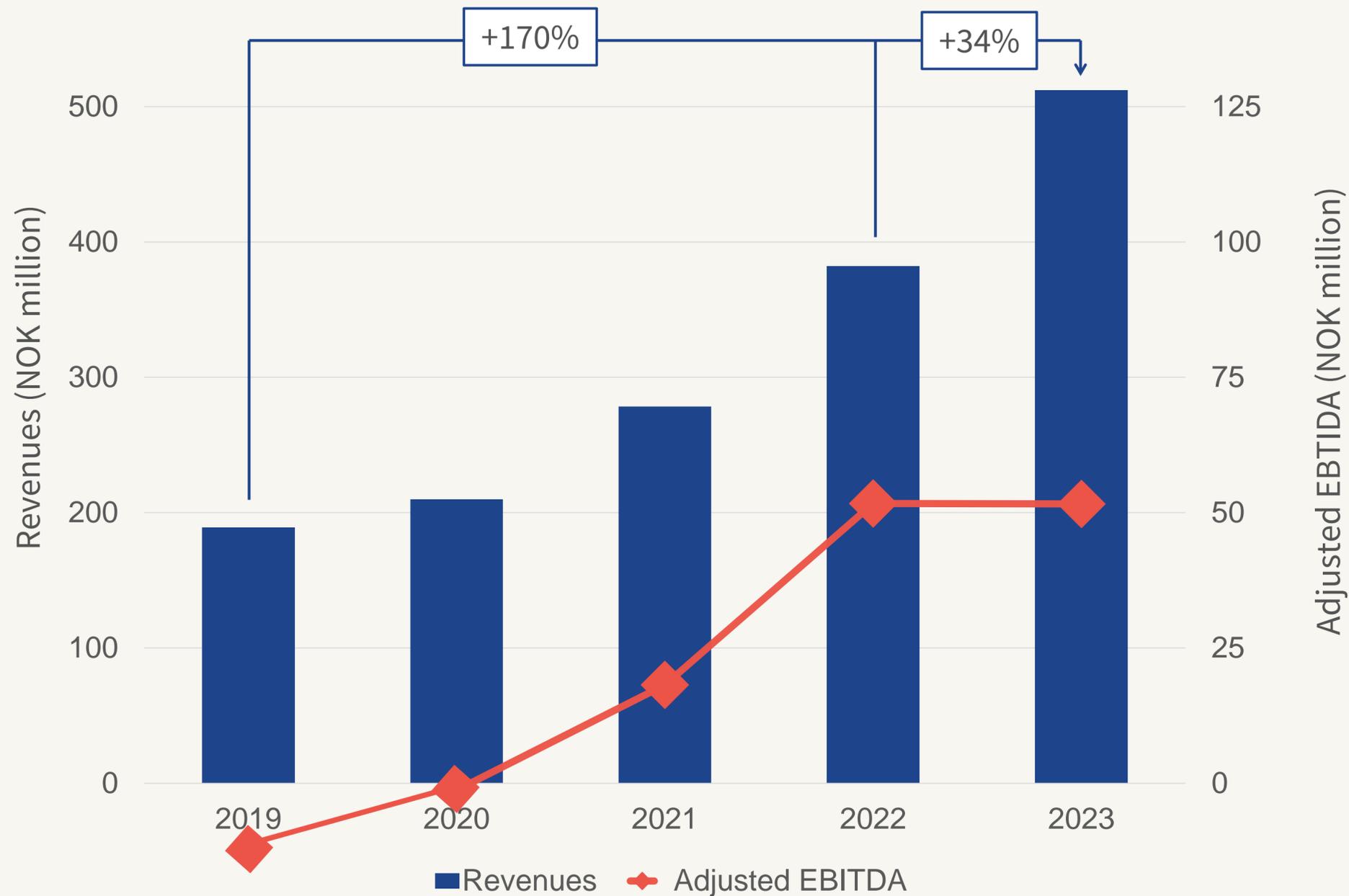
## Broad rollout of Eroxon® in Norway, Sweden to follow in May

- Navamedic has acquired rights to market and distribute Eroxon® in the Nordic, a clinically proven treatment of erectile dysfunction
- Launched in the UK in April 2023 and already a success with around 17 per cent share of the total market for nonprescription erectile dysfunction treatment
- In the corresponding Norwegian market, the total wholesale value (nonprescription) for the category leader is estimated at NOK 75 million per year
- A local treatment that can be bought without a doctor's prescription
- Eroxon® offers a range of distinguishing features. It is fast-acting, highly efficient, no systematic absorption and few and mild side effects
- 1 of 5 men have experienced erectile dysfunction\*



Well ahead of 20 % YoY revenue growth target

## Consistent positive trend in revenue and EBITDA



**Revenue growth** YoY of 34 percent in 2023, and up 170 percent from 2019

**Growth will continue**, with some short-term fluctuations due to planned and prioritised marketing efforts and seasonality effects

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# FINANCIALS

## Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	Q4 2023	Q4 2022	FY 2023	FY 2022
<b>Operating revenues</b>	<b>125 312</b>	<b>115 966</b>	<b>511 998</b>	<b>382 135</b>
<b>Gross profit</b>	<b>45 702</b>	<b>49 762</b>	<b>199 054</b>	<b>163 519</b>
<i>Gross profit %</i>	36.5 %	42.9 %	38.9 %	42.8 %
Operating cost	<b>-37 790</b>	<b>-34 045</b>	<b>-147 487</b>	<b>-111 833</b>
<b>Adjusted EBITDA (excluding transaction cost)</b>	<b>7 912</b>	<b>15 717</b>	<b>51 566</b>	<b>51 686</b>
Adjusted EBITDA %	6.3 %	13.6 %	10.0%	13.5 %
Transaction cost	-2 608	0	<b>-16 061</b>	0
<b>EBITDA</b>	<b>5 304</b>	<b>15 717</b>	<b>35 505</b>	<b>51 686</b>
<i>EBITDA %</i>	4.2 %	13.6 %	6.9 %	13.5 %
Depreciation	-1 078	-613	-3 939	-2 392
Amortization	-3 313	-1 187	-7 986	-4 850
<b>Operating result (EBIT)</b>	<b>913</b>	<b>13 917</b>	<b>23 580</b>	<b>44 444</b>
Income from associated companies	0	0	0	-1 101
Gain/loss on disposal of associated companies	0	0	0	9 514
<b>Net financial income and expenses</b>	<b>-794</b>	<b>13 248</b>	<b>-12 746</b>	<b>-10 351</b>
<b>Profit before tax continuing operations</b>	<b>119</b>	<b>27 165</b>	<b>10 834</b>	<b>42 506</b>
Income taxes, continuing operations	-470	-6 978	-7 020	-13 074
<b>Net profit / loss (-) Total operations</b>	<b>-351</b>	<b>20 187</b>	<b>3 814</b>	<b>29 431</b>

In Q4 2023, revenues grew by 8% compared to the same quarter last year, and 34% for the full year

Gross Profit came in at 36.5% for Q4 and 38.9% for the year. The decrease from LY is due to product mix and currency effect. Currency effect of approx. 2 percentage points in Q4 and 1.7 for the year (approx 8.8MNOK)

Operating costs are higher than last year mostly due to investments in growth initiatives, including Sensidose operating expenses

Adjusted EBITDA was NOK 7.9M for the quarter and NOK 51.6M for the year, in line with LY. Sensidose contributed negative 4.8MNOK for the year

Net Financial items was negative NOK 0.8m due to interest expense, change in value of shares in Observe Medical, partly offset by currency effects

Net profit of negative NOK 0.4M for the quarter and NOK 3.8M for the year

## Assets

<i>(in NOK '1000)</i>	<b>31.12.2023</b>	<b>31.12.2022</b>
Goodwill	156 729	100 743
Deferred tax assets	930	835
Other intangible assets	97 627	30 537
Property, plant and equipment	3 692	607
Right of use assets	6 060	6 511
Non-current loans receivable	49 149	0
<b>Total non-current assets</b>	<b>314 186</b>	<b>139 233</b>
Tax receivables	14 858	14 909
Inventories	105 200	79 642
Trade and other receivables	50 631	42 985
Cash	38 036	55 296
Current loans receivable	0	40 615
Other current financial assets	1 393	10 092
<b>Total current assets</b>	<b>210 118</b>	<b>243 539</b>
<b>Total assets</b>	<b>524 304</b>	<b>382 772</b>

The increase in Goodwill is mainly due to the Sensidose acquisition

Intangible assets are up due to Sensidose acquisition as well as Mysimba milestone

Loan receivable is loan to Observe Medical

Inventory was increased due to Mysimba and other products in anticipation of 2024

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 was moved to the non-current section

Other current financial assets is the Observe Medical shares at market value

## Equity and liabilities

<i>(in NOK '1000)</i>	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Total equity</b>	<b>222 900</b>	<b>209 720</b>
Non-current license liabilities	3 988	3 762
Non-current interest-bearing borrowings	95 479	38 368
Non-current right of use liabilities	3 892	4 861
Deferred tax liability	9 271	0
<b>Total non-current liabilities</b>	<b>112 629</b>	<b>46 991</b>
Trade and other payables	68 300	65 574
Current interest-bearing borrowings	51 067	13 623
Current right of use liabilities	2 453	1 865
Current license liabilities	16 861	221
Taxes payable	8 496	4 708
Other current liabilities	41 945	40 071
<b>Total current liabilities</b>	<b>188 775</b>	<b>126 061</b>
<b>Total liabilities</b>	<b>301 404</b>	<b>173 052</b>
<b>Total equity and liabilities</b>	<b>524 304</b>	<b>382 772</b>

Equity ratio of 43%

Total loans and borrowings increase is mostly related to the financing of the Sensidose acquisition, but also inventory increase

Trade payables is in line with end of last quarter

Current license liabilities is the result of Mysimba sales triggering a milestone payment

## Cash flow Group – total operations

(in NOK '1000)	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Net cash flow from operating activities	-25 348	19 929	2 179	17 941
Net cash flow from investing activities	-5 553	26	-104 583	-25 444
Net cash flow from financing activities	19 980	-10 635	83 235	10 074
Changes in currency	2 189	-510	1 909	105
<b>Net change in cash</b>	<b>-8 733</b>	<b>8 808</b>	<b>-17 260</b>	<b>2 676</b>
<b>Cash and cash equivalents end period</b>	<b>38 036</b>	<b>55 296</b>	<b>38 036</b>	<b>55 296</b>

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

Cash flow from investing activities is partly due to the acquisition of the last shares of Sensidose

The cash flow from financing activities is related to drawing up the overdraft facility as well as interest payments

The cash at the end of the period was NOK 38.0M

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# SUMMARY & OUTLOOK

## Continued strong growth and new expansion opportunities

- Navamedic delivered NOK 512.0 million in revenue in 2023, representing an increase of 34.0 % from 2022. All categories were above NOK 100 million
- 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**

Targeting **20%** annual growth

#### **Mid-term ambition**

Building a **NOK 1 billion** revenue company with **15% EBITDA** margin

#### **Long-term vision**

Building a leading Nordic pharmaceutical company

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# Q&A

# Thank you for your attention!

Navamedic's Q1 2024 presentation will be held on  
30 April 2024

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# APPENDIX

## Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q4 2023	Q4 2022	YTD 2023	YTD 2022
<b>Cash flow from operating activities</b>				
Profit before tax	119	27 165	10 834	42 506
Adjusted for:				
Depreciation, amortization and impairment	4 391	1 800	11 926	7 242
Financial income / expenses without cash effect and not related to operating activities	-1 071	-16 360	6 180	6 878
Other income / expenses without cash flow effect	- 526	136	6 603	839
Income and gain from the disposal of associated companies	0	0	0	-8 413
Taxes paid	- 342	- 496	-5 129	-10 967
Payment of license liabilities	- 120	- 5	- 120	- 112
Changes in inventory	-25 807	-5 600	-23 754	-17 761
Changes in trade and other receivables	9 728	-7 482	-4 985	-5 255
Changes in trade and other payables	-4 560	14 204	765	-4 959
Changes in other current items	-7 161	6 567	- 140	7 944
<b>Net cash flow from operating activities</b>	<b>-25 348</b>	<b>19 929</b>	<b>2 179</b>	<b>17 941</b>
<b>Cash flow from investing activities</b>				
Acquisition of tangible and intangible assets	-1 442	- 44	-2 198	-2 251
Loans granted	- 525	0	-5 000	0
Interest received	393	70	614	70
Purchase of shares in other companies	-3 979	0	-97 999	-23 264
<b>Net cash flow from investing activities</b>	<b>-5 553</b>	<b>26</b>	<b>-104 583</b>	<b>-25 444</b>
<b>Cash flow from financing activities</b>				
Loans received	23 071	0	145 110	24 033
Loans paid	0	-9 511	-54 268	-9 511
Interest paid	-2 293	- 529	-7 228	-3 272
Share issues	0	0	2 262	1 198
Payment of lease liabilities	- 798	- 595	-2 641	-2 373
<b>Net cash flow from financing activities</b>	<b>19 980</b>	<b>-10 635</b>	<b>83 235</b>	<b>10 074</b>
Changes in currency	2 189	- 510	1 909	105
<b>Net change in cash</b>	<b>-8 732</b>	<b>8 808</b>	<b>-17 260</b>	<b>2 676</b>
Cash and cash equivalents start period	46 769	46 488	55 296	52 620
<b>Cash and cash equivalents end period</b>	<b>38 036</b>	<b>55 296</b>	<b>38 036</b>	<b>55 296</b>

## 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.

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