

Q3 2020

Third quarter results 2020
Navamedic ASA

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

REVENUE

56.8 MNOK

Up 16% YoY

GROSS MARGIN

31.0%

30.6% Q3 19

EBITDA

3.8 MNOK

0.2 MNOK Q3 19

- In Q3 2020, revenues grew by 16% compared to the same period last year
- Strong growth for Mysimba[®] and launch of the MyControl patient support program and information platform
- Launch of ThermaCare[®] in the Nordics and Netherlands with ramp-up of revenues during the quarter
- The acquired portfolio of antibiotics for hospital use was included in the quarter and onboarding of revenues started

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



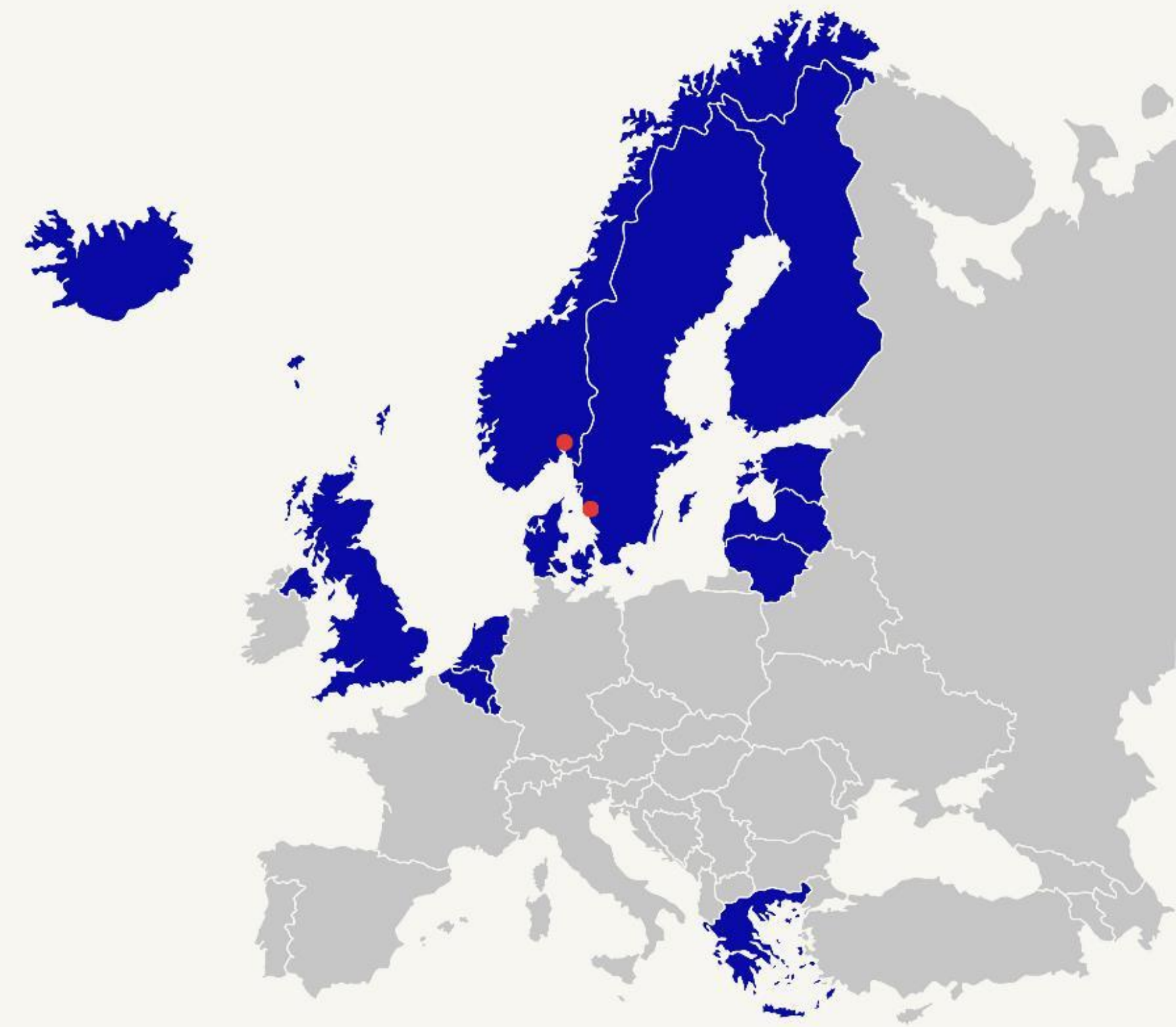
Presence in all Nordic countries, the Baltics and Benelux, and sales in the UK and Greece. Headquartered in Oslo, Norway



~ 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

- Alflorex launched in the Netherlands with listing in pharmacies and drug stores
- ThermaCare® launched in Q3
- Will launch products in at least one country in each launch window going forward

Q3 2020

Continued growth for key products

Medical nutrition

Medical nutrition product portfolio



Q3 2020 YoY revenue growth:

4%

- Positive development across markets, except from Norway

Consumer health

Gastro, oral, dermatology, pain



Q3 2020 YoY revenue growth:

57%

- Strong performance of Alflorex® and Aftamed®
- Introduced ThermaCare® in Q3

Branded generics

Cardiology, generics



Q3 2020 YoY revenue growth:

3%

- Stable development for Imdur® and Nitrolingual®
- Antibiotic portfolio introduced in Q3

Specialty pharma

Obesity, urology



Q3 2020 YoY revenue growth:

29%

- Obesity product Mysimba® continued its strong growth

Consumer Health - Launch of new and unique products

Q3 2020 REVENUE

9.1 MNOK

Q3 2019: 5.8 MNOK

57% growth

GROWTH DRIVERS

- Alflorex® launched in the Netherlands with listings in pharmacies and drug stores
- Strong performance of Aftamed®
- Exclusive distribution of ThermaCare® in the Nordics and Netherlands from July 2020



Specialty pharma – Building awareness and loyalty

Q3 2020 REVENUE

15.0 MNOK

Q3 2019: 11.7 MNOK

29% growth

GROWTH DRIVERS

- Strong performance of Mysimba®
- New reimbursable prescription in Norway
- New patient support program and information platform launched



SIGNA UPP FÖR ATT GÅ NER

MyControl Support är ett kostnadsfritt stödprogram för dig som vill förändra dina levnadsvanor.

SMSa JA till 0737 49 45 95

Gå med i programmet genom att skicka ett sms med ordet JA till nummer 0737 49 45 95
Du kan också registrera dig på mycontrolsupport.se

DET HÄR INGÅR I MYCONTROL SUPPORT

- Telefonsupport av en sjuksköterska*
- Startkit med information om beteendeförändring, kost och motion
- Habit Tracker som hjälper dig att hålla koll på dina vanor över tid
- SMS-stöd med nyhetsbrev om förändring

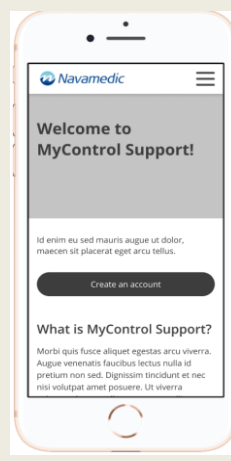
*Gäller dig som fått ett särskilt läkemedel utskrivet som del av din behandling.

Navamedic AB, Göteborgsvägen 74, 433 63 Sivedalen

Onola, APOTEK, Navamedic

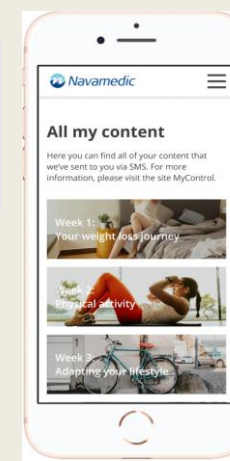
Lätt att gå med via SMS

Skicka "Ja" till 0737 49 45 95




Webbida

Där patienter har tillgång till informationsmaterial för viktnedgång




SMS påminnelser

För ökad interaktion – samt att hjälpa patienter komma ihåg att ta sitt läkemedel (Mysimba patienter)



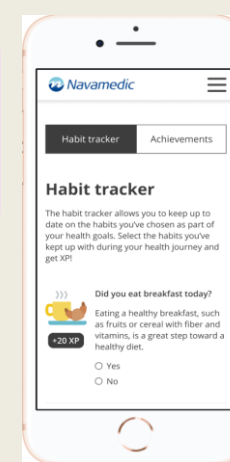
Digitalt startkit

Med information till nytta för den som vill gå ner i vikt



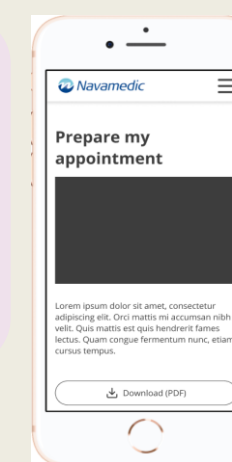
Habit tracker

För att hjälpa patienter synliggöra och förändra vanor



Mitt vårdbesök

För att hjälpa patienter förbereda sig för återbesök hos sjukvården



Medical nutrition – Positive development in most markets

Q3 2020 REVENUE

12.1 MNOK

Q3 2019: 11.6 MNOK

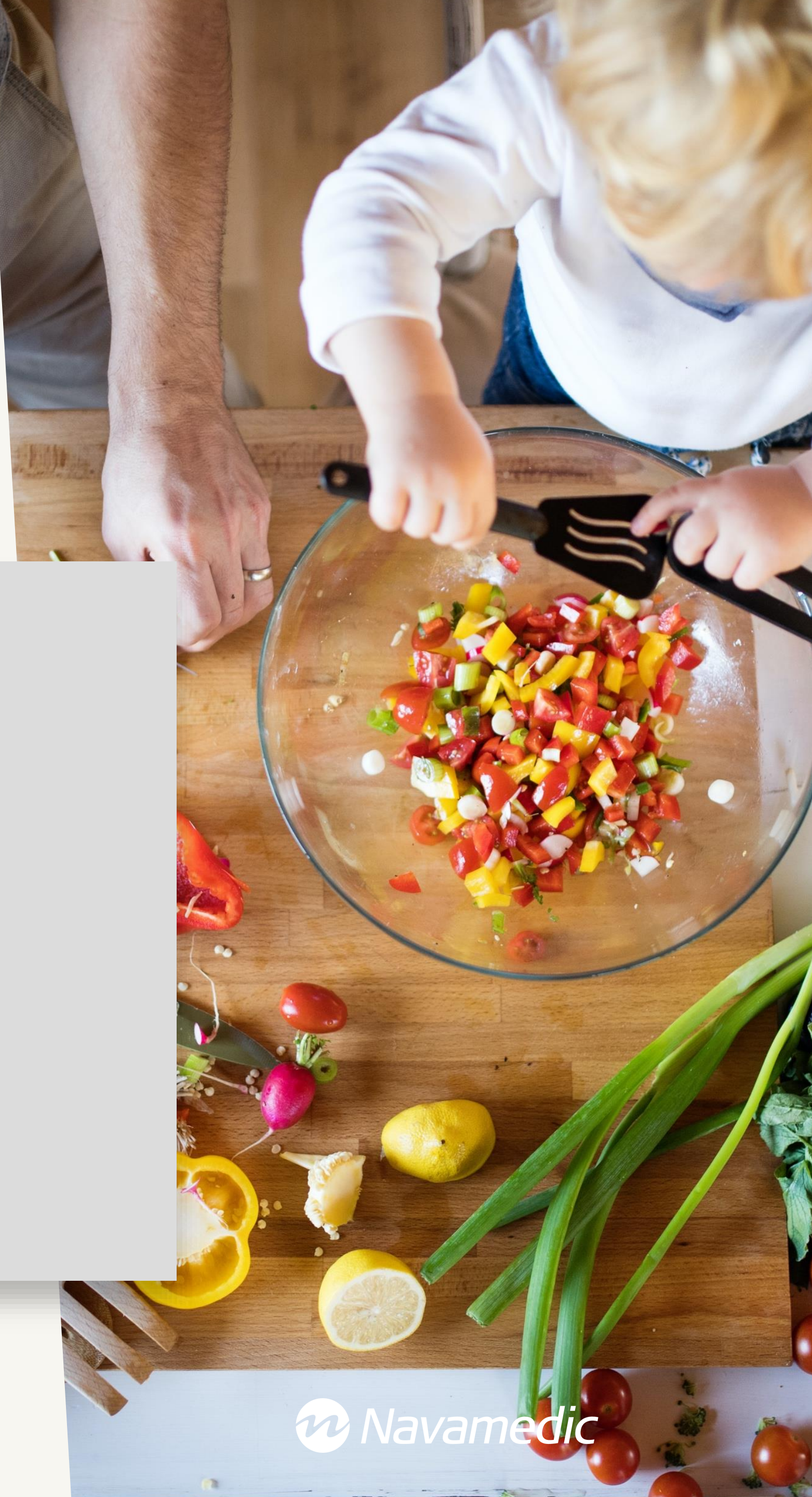
4% growth

GROWTH DRIVERS

- Upgoing trend for newly launched products
- Weaker growth in Norway compared to other markets due to Covid-19 and increased competition from Orphan drugs for PKU



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



Branded Generics – Stable development and new products introduced

Q3 2020 REVENUE

20.2 MNOK

Q3 2019: 19.7 MNOK

3% growth

GROWTH DRIVERS

- Stable development for existing portfolio – Imdur® and Nitrolingual®
- Antibiotics portfolio introduced in Q3



Financials

Financials

Key consolidated profit and loss figures

<i>(in NOK million)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	Year 2019
Operating revenues	56.8	48.8	154.6	141.5	188.8
Gross profit	17.6	14.9	48.0	43.6	57.6
<i>Gross profit %</i>	<i>31.0 %</i>	<i>30.6 %</i>	<i>31.1 %</i>	<i>30.8 %</i>	<i>30.5 %</i>
Operating costs	-13.8	-14.7	-45.6	-42.0	-64.1
EBITDA	3.8	0.2	2.4	1.6	-6.5
<i>EBITDA %</i>	<i>6.7 %</i>	<i>0.4 %</i>	<i>1.5 %</i>	<i>1.1 %</i>	<i>-3.4 %</i>
Depreciation and Amortisation	-1.0	-0.8	-2.7	-2.6	-3.6
Impairment	0.0	0.0	0.0	0.0	0.0
Operating result (EBIT)	2.8	-0.6	-0.3	-1.0	-10.1
Income from associated companies	-2.7	0.0	-2.9	0.0	-0.7
Net financial result	-0.3	-1.9	-8.8	-3.7	-4.7
Profit before tax continuing operations	-0.2	-2.5	-12.0	-4.7	-15.5
Income taxes, continuing operations	0.0	0.1	0.7	-0.8	-0.8
Net profit / loss (-) continuing operations	-0.2	-2.5	-11.4	-5.5	-16.3
Net profit / loss (-) discontinued operations	0.0	-2.1	0.0	-9.0	44.2
Net profit / loss (-) Total operations	-0.2	-4.5	-11.4	-14.5	27.9

- In Q3 2020, revenues grew by 16% compared to the same quarter last year, contributing to a YTD 2020 revenue growth of 9%
- Gross Profit % came in above last year both in Q3 and YTD 2020, at 31.0% and 31.1%, respectively
- Coupled with lower operating costs this resulted in an EBITDA for the quarter of NOK 3.8 million.
- Income from associated is Navamedic's share of the estimated result in Observe Medical for Q3 2020

Financials

Assets

<i>(in NOK million)</i>	30.09.2020	30.09.2019	31.12.2019
Goodwill	64.8	59.1	59.5
Deferred tax assets	9.2	9.3	9.2
Other intangible assets	9.7	7.3	6.6
Property, plant & equipment	0.2	0.1	0.1
Right of use assets	1.7	1.8	1.9
Shares in associated companies	23.6	0.0	15.3
Non-current loans to associated companies	34.2	0.0	25.6
Total non-current assets	143.4	77.6	118.2
Prepaid taxes	8.0	8.1	5.4
Inventories	51.3	37.1	32.0
Trade and other receivables	41.0	36.0	20.0
Cash	32.2	13.8	11.4
Assets held for distribution	0.0	55.2	0.0
Total current assets	132.6	150.2	68.8
Total assets	276.0	227.8	187.1

- Goodwill increase is due to currency effect, mostly unchanged since Q1
- Shares in Associated companies has increased as a result of Navamedic's participation in the Observe Medical 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.
- Inventories is up from 31.12 where we had an out-of-stock situation, but there is also an increase due to Thermacare®
- The increase in Cash is due to the Private placement, however it decreased from Q2 mostly due to the participation in OM's private placement and changes in Net working capital

Financials

Equity and liabilities

<i>(in NOK million)</i>	30.09.2020	30.09.2019	31.12.2019
Total equity	134.1	91.7	79.2
Non-current license liabilities	8.4	8.5	9.6
Loans and borrowings	21.0	0.0	16.1
Non-current right of use liabilities	0.6	0.8	0.8
Deferred tax	0.0	0.2	0.0
Total non-current liabilities	29.9	9.5	26.4
Trade and other payables	71.3	52.4	42.7
Current liabilities to financial institutions	5.3	28.7	7.5
Current right of use liabilities	1.2	1.0	1.2
Current license liabilities	12.7	8.5	8.8
Taxes payable	0.5	1.9	1.1
Other current liabilities	21.0	18.2	20.1
Liabilities held for distribution	0.0	16.0	0.0
Total current liabilities	111.9	126.7	81.4
Total liabilities	141.9	136.2	107.8
Total equity and liabilities	276.0	227.8	187.1

- Equity ratio of 48.6%
- Increase in Equity is mainly due to cash increase from the private placement
- Loans and borrowings including lease is up from 31.12.2019 due to exchange rate effects but is lower compared to Q2 2020
- Trade and other Payables is up from 31.12.2019 partly due to Inventory increase from Q2, but it is lower than at end of Q1

Financials

Cash flow Group – total operations

<i>(in NOK million)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	Year 2019
Net cash flow from operating activities	-6.3	4.8	-18.0	11.2	12.7
Net cash flow from investing activities	-10.0	-0.9	-22.7	-1.7	-1.9
Net cash flow from financing activities	2.2	3.1	55.7	-5.5	-10.9
Changes in currency	-0.4	-0.1	5.8	-0.9	0.4
Net change in cash	-14.4	6.9	20.8	3.0	0.4
Cash and cash equivalents end period	32.2	14.0	32.2	14.0	11.4

- The change in cash from Operating Activities is mostly a result of the Net Working Capital items coupled with the Profit Before Taxes
- The change in cash from Investing Activities is mostly from the participation in OMs private placement
- The Cash at the end of the period is 32.2MNOK

Summary and outlook

Summary and outlook

Building a leading Nordic pharma company targeting growth in Northern Europe

In Q3 2020, we have

- Strengthened the core by driving underlying growth in the existing portfolio
- Launched ThermaCare® with ramp-up of revenues during the quarter
- Included the acquired portfolio of antibiotics for hospital use, and started onboarding of revenues

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 organic growth from 2021, and 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 Q4 and full year 2020
presentation will be on February 18, 2021

Appendix

Navamedic ASA

Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	Year 2019
Operating revenues	56 799	48 841	154 575	141 494	188 755
Total revenue	56 799	48 841	154 575	141 494	188 755
Cost of materials	-39 164	-33 898	-106 560	-97 905	-131 152
Gross profit	17 635	14 943	48 014	43 589	57 603
<i>Gross profit %</i>	31.0 %	30.6 %	31.1 %	30.8 %	30.5 %
Operating costs	-13 832	-14 748	-45 621	-42 024	-64 060
EBITDA	3 803	195	2 394	1 565	-6 457
<i>EBITDA %</i>	6.7 %	0.4 %	1.5 %	1.1 %	-3.4 %
Depreciation	-381	-263	-1 130	-973	-1 602
Amortization	-629	-578	-1 609	-1 580	-2 027
Impairment	0	0	0	0	0
Operating result (EBIT)	2 793	-646	-346	-987	-10 086
Income from associated companies	-2 692	0	-2 869	0	-700
Financial income	994	-817	2 188	4	331
Financial expenses	-822	-94	-2 767	-1 341	-2 442
Net currency gain/losses	-504	-990	-8 242	-2 374	-2 580
Net financial income and expenses	-3 024	-1 901	-11 690	-3 711	-5 391
Profit before tax continuing operations	-231	-2 547	-12 035	-4 698	-15 477
Income taxes, continuing operations	0	65	665	-795	-820
Net profit / loss (-) continuing operations	-231	-2 483	-11 370	-5 493	-16 297
Net profit / loss (-) discontinued operations	0	-2 067	0	-9 005	44 232
Net profit / loss (-) Total operations	-231	-4 550	-11 370	-14 498	27 935
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>					
Currency translation differences	1 083	550	9 390	-6 455	-2 377
Total comprehensive income for the period	852	-4 000	-1 980	-20 953	25 557

Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q3 2020	Q3 2019	YTD 2020	YTD 2019	Year 2019
Cash flow from operating activities					
Profit before tax continuing operations	-231	-4 614	-12 035	-13 703	-15 477
Taxes paid	-576	-794	-1 882	-1 751	329
Depreciation, amortization and impairment	1 011	937	2 740	4 691	3 629
Other income / expenses without cash flow effect	-1 404	1 067	599	2 213	2 066
Income from associated companies	2 692	0	2 869	0	700
Payment of license liabilities	0	0	-117	0	0
Changes in inventory	-5 515	-4 827	-19 293	-1 461	3 601
Changes in trade and other receivables	-17 146	-1 362	-21 064	1 857	16 721
Changes in trade and other payables	10 882	11 442	29 219	12 224	1 617
Changes in other current items	3 989	2 994	949	7 108	10 017
Cash flows from operating activities discontinued operations	0	0	0	0	-10 481
Net cash flow from operating activities	-6 299	4 842	-18 016	11 177	12 722
Cash flow from investing activities					
Purchase / disposal of tangible and intangible assets	-1 756	-910	-4 519	-1 725	-721
Loans to / from associated companies	3 000	0	-6 902	0	0
Purchase / disposal of shares in other companies	-11 250	0	-11 250	0	0
Demerger of Observe Medical	0	0	0	0	-1 147
Net cash flow from investing activities	-10 006	-910	-22 671	-1 725	-1 869
Cash flow from financing activities					
Net proceeds from borrowing	0	3 506	0	-3 886	-8 971
Share issues	2 624	0	56 895	-502	-359
Payment of lease liabilities	-399	-415	-1 176	-1 121	-1 571
Net cash flow from financing activities	2 225	3 091	55 719	-5 509	-10 901
Changes in currency	-364	-119	5 755	-948	440
Net change in cash	-14 445	6 904	20 788	2 995	393
Cash and cash equivalents start period	46 671	7 138	11 439	11 046	11 046
Cash and cash equivalents end period	32 227	14 042	32 227	14 042	11 439

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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