

# Q2 and H1 2024

Highlights and key figures

16 August 2024

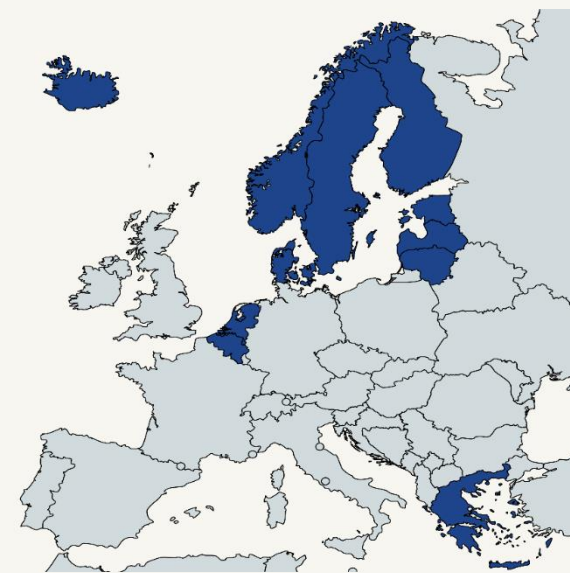
Kathrine Gamborg Andreassen, CEO

Lars Hjarrand, CFO



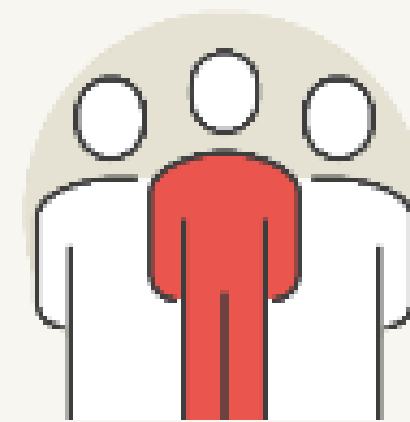
# Our edge explained

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



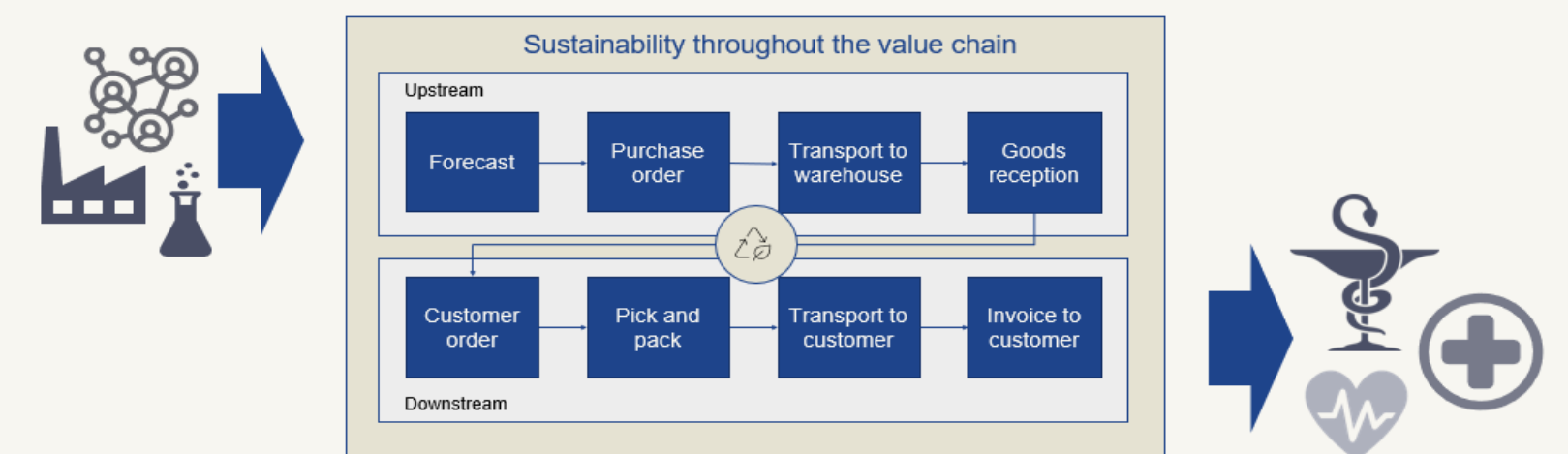
## Presence and sales across the Nordics

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



## Strong local insight and understanding of patients' needs

Strong local competence (~42 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

## Stable growth continues and is supported by a new licensing and supply agreement

	<u>REVENUE<sup>1</sup></u>	<u>GROSS MARGIN<sup>1</sup></u>	<u>Adjusted EBITDA<sup>1</sup></u>
<b>Q2</b> <b>2024</b>	<b>156.3 MNOK</b> +26.2% YoY	<b>46.1%</b> 40.4% in Q2 23	<b>32.7 MNOK</b> 10.5 MNOK in Q2 23
<b>H1</b> <b>2024</b>	<b>277.2 MNOK</b> +12.8% YoY	<b>42.9%</b> 40.9% in H1 23	<b>41.1 MNOK</b> 26.3 MNOK in H1 23

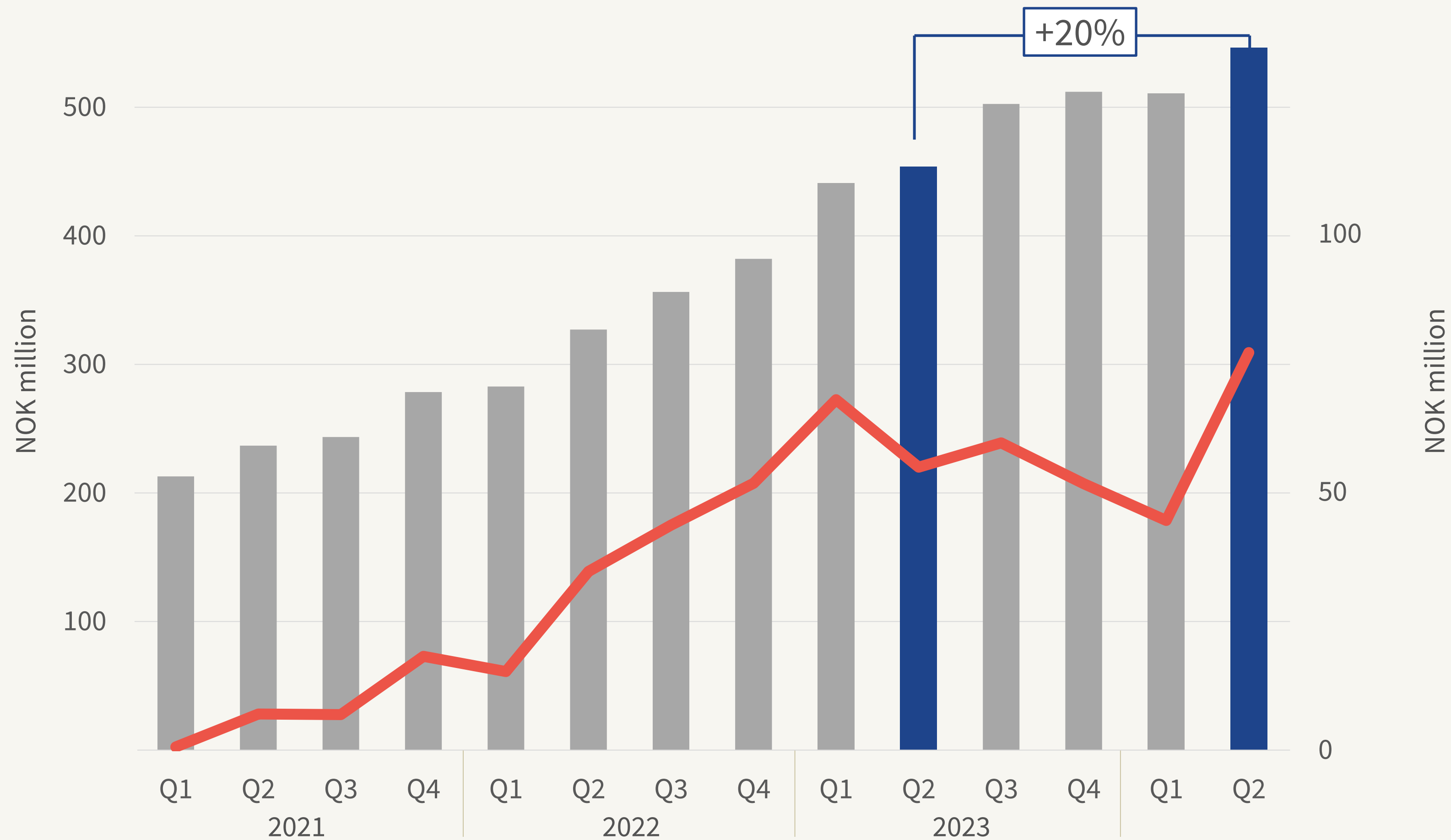
<sup>1</sup> Including milestone of 22.7 MNOK from Orion Corporation in Q2 2024

Signed a license and supply agreement for Flexilev<sup>®</sup> and OraFID<sup>®</sup> with Orion Corporation

Revenues in Q2 have had a healthy jump from the previous year. Explained by steady growth and a milestone payment from Orion Corporation.

The longer perspective

## Growth on a scalable platform and through M&A



■ Revenue rolling 12 months    — Adjusted EBITDA rolling 12 months  
Milestone revenues of 22.7 MNOK from Orion Corporation is included in Q2 2024

Revenue growth and EBITDA fluctuations from quarter to quarter mainly due to seasonality and stock build-up/down effects

Milestone revenues from Orion agreement main reason for spike in Q2

## Commercialisation in Europe

- License & Supply Agreement with Orion Corporation (Orion).
  - Orion has paved the way for Parkinson's disease treatment in Europe, making them a strong commercial partner
  - The right to market and sell Flexilev in the OraFID container across Europe, excluding Norway, Sweden, Denmark and Iceland
  - Milestone payment of 2mEUR to Navamedic
  - Navamedic is entitled to receive milestone payments of up to EUR 3.5 million upon reimbursement approval in several key countries, in addition to royalties from net revenue and sales milestone payments
- Regulatory strategy
  - Current Marketing Authorisations (10 countries) will be extended with the OraFID packaging and subsequently new MAs will be applied for in remaining European countries
- Planned launch timelines:
  - 2025 in Finland by Orion and Sweden, Norway, Denmark, Iceland by Navamedic
  - Rest of Europe by Orion: 2027 onwards



### Flexilev in OraFID

- Multidose container with dose dispenser (Class 1m Medical Device)
- Unique drug-device combination product
- Patient guidance by digital app

Commercialisation strategy for Flexilev®

## Commercialization outside Europe

- Licensing outside Europe will be for Flexilev in the OraFID packaging (like Orion)
- Navamedic is currently exploring regulatory requirements and market access opportunities for such a drug/device combination product in the US, Japan and other RoW territories.
- Earliest potential launch timelines
  - US: 2027
  - Japan: 2028
  - RoW: (2027 onwards)
- Market potential\*
  - Europe (Orion territory): Appr. 1.2 million PD patients, 195 000 potentially eligible for Flexilev
  - US: Appr. 940 000 PD patients, 130 000 potentially eligible for Flexilev
  - Japan: Appr. 600 000 PD patients, 165 000 potentially eligible for Flexilev

*\*) GlobalData estimates for 2025*

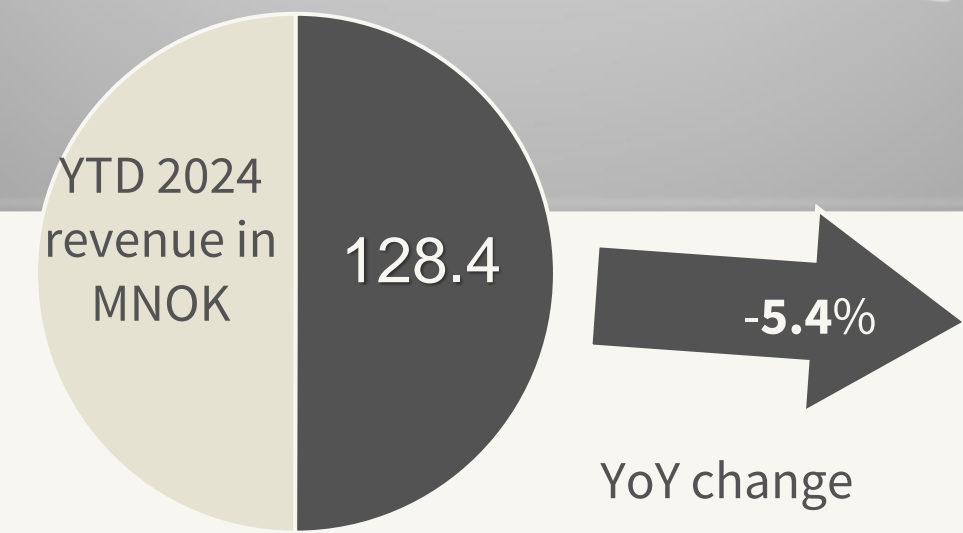


### OraFID patent granted

- A patent for OraFID has been granted by PRV, the Swedish Patent and Trademark Office.
- The international patent application (PCT) has also been published by WIPO with a clean search report.
- National phases (formal application in selected countries) must start within 30 months from priority date (28 Oct 2022)

# High-quality portfolio with several hero products

## Prescription Drugs (RX) Sold through pharmacies



## Consumer Health Sold through pharmacies



## Hospital Tenders incl. medical nutrition\*



\*IEM Products for treatment of Inborn Errors of Metabolism (IEM), a lifelong, genetic disorder where the body cannot properly turn food into energy. Non-recurring milestone fee payment 22.7 MNOK in Q2 2024 not included in revenues

Prescription Drugs (RX)

## Stable demand for key products

The **RX segment** comprises Navamedic's prescription products

Q2 2024 revenue

**70.1** MNOK

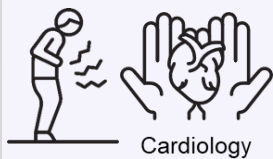
(Q2 2023: 66.8 MNOK)

### Q2 highlights



Obesity

Stable demand for **Mysimba**<sup>®</sup> continued with healthy levels of sales in an increasingly competitive market



Gastro

Cardiology

**Imdur**<sup>®</sup> and **Forlax**<sup>®</sup> delivered double digit growth YoY



Parkinson's

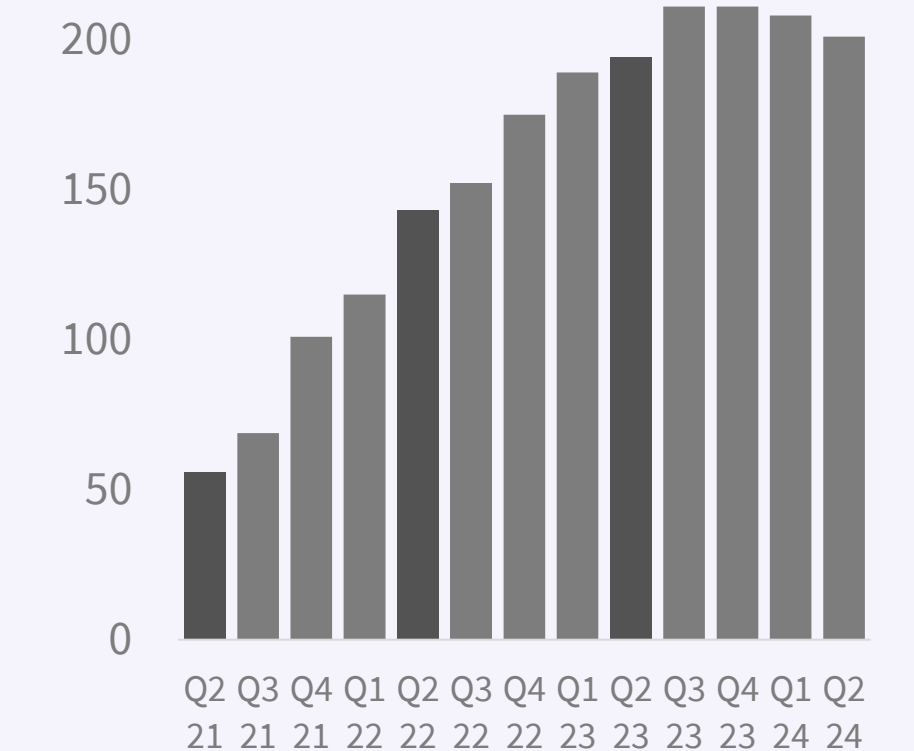
License and supply agreement signed with Orion to market and sell **Flexilev**<sup>®</sup> and **OraFID**<sup>®</sup> dispenser

### Strategy for growth

- Focusing on individual reimbursement in NO/FI and the unique positioning for Mysimba<sup>®</sup> in a growing market
- Commercialization and out-licensing activities for Flexilev (MyFID<sup>®</sup> and OraFID<sup>®</sup>)

### 4% YOY GROWTH IN MYSIMBA<sup>®</sup> WHOLESALER VOLUME

Vol. (units 000)



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



Hospital

## Continued growth across the portfolio

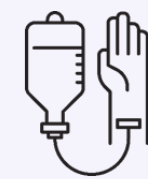
The **Hospital segment** comprises Navamedic's antibiotics portfolio and medical nutrition products for the treatment of Inborn Errors of Metabolism (IEM)

Q2 2024 revenue

**28.9** MNOK

(Q2 2023: 25.8 MNOK)

### Q2 highlights



Infections

The **Antibiotics portfolio** continues to deliver good growth



Infections

Renewed contract with the The Norwegian Hospital Procurement Trust on behalf of the four health regions in Norway to deliver antibiotics to hospitals



Medical nutrition

Steady growth for the **Medical Nutrition portfolio**, new products launched in Finland

### Strategy for growth

- Expand and secure new antibiotic MA's in the Nordics and Netherlands, explore opportunities for launch in other Northern European countries
- New product and concept launches in Medical Nutrition

Consumer Health

## Broad product portfolio with stable growth

The **Consumer Health segment** comprises Navamedic's over-the-counter products, available to patients without a prescription

Q2 2024 revenue

**34.6** MNOK

(Q2 2023: 31.3 MNOK)



### Q2 highlights



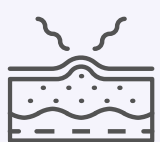
Intimate health

**Eroxon** launched in Sweden in May, becoming the first and only non-prescription treatment for erectile dysfunction in the country



Obesity

Strong quarter for several hero products, including **Absolut Torr** and **GeloRevoice** with double digit growth YoY. Stable sales of **ThermaCare** and **Modifast**



### Strategy for growth

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

# 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 own, unique products in cooperation with distributors or partners

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

**IMPOLIN**



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# FINANCIALS

## Financials

# Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	Q2 2024	Q2 2023	YTD 2024	YTD 2023	FY 2023
<b>Operating revenues</b>	<b>156 305</b>	<b>123 967</b>	<b>277 178</b>	<b>245 686</b>	<b>511 997</b>
<b>Gross profit</b>	<b>72 109</b>	<b>50 134</b>	<b>118 923</b>	<b>100 382</b>	<b>199 054</b>
<i>Gross profit %</i>	46.1 %	40.4 %	42.9 %	40.9 %	38.9 %
Operating cost	<b>-39 432</b>	<b>-39 632</b>	<b>-77 787</b>	<b>-74 094</b>	<b>-147 487</b>
<b>Adjusted EBITDA (excluding transaction cost)</b>	<b>32 678</b>	<b>10 501</b>	<b>41 136</b>	<b>26 288</b>	<b>51 566</b>
Adjusted EBITDA %	20.9 %	8.5 %	14.8 %	10.7 %	10.1 %
Transaction cost	0	-12 335	0	-12 335	-16 061
<b>EBITDA</b>	<b>32 678</b>	<b>-1 834</b>	<b>41 136</b>	<b>13 953</b>	<b>35 505</b>
<i>EBITDA %</i>	20.9 %	-1.5 %	14.8 %	5.7 %	6.9 %
Depreciation	-1 083	-1 009	-2 011	-1 654	-3,315
Amortization	-2 678	-1 195	-5 312	-2 383	-8,610
<b>Operating result (EBIT)</b>	<b>28 917</b>	<b>-4 038</b>	<b>33 814</b>	<b>9 916</b>	<b>23 580</b>
<b>Net financial income and expenses</b>	<b>-4 070</b>	<b>-13 038</b>	<b>-9 770</b>	<b>-9 426</b>	<b>-12 746</b>
<b>Profit before tax</b>	<b>24 846</b>	<b>-17 076</b>	<b>24 044</b>	<b>491</b>	<b>10 834</b>
Income taxes	-4 536	1 301	-5 316	-3 098	-7 529
<b>Net profit / loss (-)</b>	<b>20 311</b>	<b>-15 774</b>	<b>18 728</b>	<b>-2 607</b>	<b>3 305</b>

In Q2 2024, revenues were 26.2% higher than last year, including milestone revenues from the Orion agreement. Without this, revenues were 7.8% higher than last year

Gross Profit came in at 46.1% for Q2 due to milestone revenues, product mix, scrap and currency effect. Currency effect and scrap has a negative impact of 2.3pp

Operating costs are in line with last year and we continue to invest in future growth initiatives, including Eroxon launch in Sweden

Adjusted EBITDA was NOK 32.7M for the quarter, significantly higher than last year

Net financial items was negative NOK 4.1m due to loan payments, interest expense and currency effects

Profit before tax was NOK 24.8m

Net profit of NOK 20.3M for the quarter

## Financials

# Assets

<i>(in NOK '1000)</i>	<b>30.06.2024</b>	<b>30.06.2023</b>	<b>31.12.2023</b>
Goodwill	155 347	142 839	156 729
Deferred tax assets	930	835	930
Other intangible assets	92 316	83 732	97 627
Property, plant and equipment	3 497	1 735	3 692
Right of use assets	5 884	6 679	6 060
Non-current loans receivable	0	0	49 149
<b>Total non-current assets</b>	<b>257 975</b>	<b>235 820</b>	<b>314 186</b>
Tax receivables	12 927	14 947	14 858
Inventories	113 897	67 229	105 200
Trade and other receivables	80 978	55 674	50 631
Cash	28 320	33 303	38 036
Current loans receivable	51 432	42 239	0
Other current financial assets	1 862	6 035	1 393
<b>Total current assets</b>	<b>289 416</b>	<b>219 427</b>	<b>210 118</b>
<b>Total assets</b>	<b>547 391</b>	<b>455 247</b>	<b>524 304</b>

Inventory has decreased since Q1 and is anticipated to decrease further throughout the year

Trade receivables was higher due to Orion milestone fee, which was received in July

Cash level is mostly the combination of the net result and changes in working capital

Loan receivable is loan to Observe Medical

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

## Equity and liabilities

<i>(in NOK '1000)</i>	<b>30.06.24</b>	<b>30.06.23</b>	<b>31.12.2023</b>
<b>Total equity</b>	<b>244 102</b>	<b>211 444</b>	<b>222 391</b>
Non-current interest-bearing borrowings	87 078	103 647	95 479
Non-current license liabilities	4 105	3 781	3 988
Non-current right of use liabilities	2 914	4 676	3 892
Deferred tax liabilities	8 666	0	9 271
<b>Total non-current liabilities</b>	<b>102 763</b>	<b>112 104</b>	<b>112 629</b>
Current interest-bearing borrowings	49 208	23 259	51 067
Trade and other payables	73 445	49 673	68 300
Current right of use liabilities	3 284	2 230	2 453
Current license liabilities	16 699	231	16 861
Taxes payable	10 632	3 327	8 149
Other current liabilities	47 257	52 980	42 454
<b>Total current liabilities</b>	<b>200 525</b>	<b>131 699</b>	<b>189 284</b>
<b>Total liabilities</b>	<b>303 288</b>	<b>243 803</b>	<b>301 913</b>
<b>Total equity and liabilities</b>	<b>547 390</b>	<b>455 247</b>	<b>524 304</b>

Equity ratio of 45%

Total loans and borrowings are mostly unchanged since last quarter

Trade payables is slightly up since 31.12, but down since Q1

## Cash flow Group – total operations

(in NOK '1000)	Q2 2024	Q2 2023	Year 2023
Net cash flow from operating activities	11 104	- 987	2 179
Net cash flow from investing activities	- 187	-89 109	-104 583
Net cash flow from financing activities	-13 081	69 730	83 235
Changes in currency	1 390	-3 061	1 909
<b>Net change in cash</b>	<b>- 775</b>	<b>-23 427</b>	<b>-17 260</b>
<b>Cash and cash equivalents end period</b>	<b>28 320</b>	<b>33 303</b>	<b>38 036</b>

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

The cash flow from financing activities is related to loan payments as well as interest payments

The cash at the end of the period was NOK 28.3M



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# SUMMARY & OUTLOOK

## All business areas and new partnership support continued growth

- Navamedic delivered NOK 156.3 million in revenue in Q2 2024, representing a 26.2% increase year-over-year
- The growth in Q2 is supported by growth across all three business areas and the licensing and supply agreement for Flexilev®
- Navamedic continues to deliver steady operational progress and growth on a scalable platform and through M&A. 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 with European/global rights
- Increase value by acquiring and strengthening own products and brands while increasing gross margins through careful management of product portfolio

Ambition of building a **NOK one billion** revenue company

... and vision of building a leading Nordic pharmaceutical company

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# Q&A

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 **Navamedic**



# Thank you for your attention!

Navamedic's Q3 2024 presentation will be held on  
31 October 2024

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# APPENDIX

## 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. 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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