

Q4 2021

Fourth quarter results 2021
Navamedic ASA

Kathrine Gamborg Andreassen, CEO
Lars Hjarrand, CFO



Highlights

Revenue growth exceeding target significantly;
Specialty Pharma key growth driver

**Q4
2021**

REVENUE

90.2 MNOK

Up 63.0% YoY

GROSS MARGIN

41.9%

40.4% Q4 20

EBITDA

7.6 MNOK

-3.7 MNOK Q4 20

**FY
2021**

REVENUE

278.4 MNOK

Up 32.7% YoY

GROSS MARGIN

40.1%

33.5% FY 20

EBITDA

18.2 MNOK

-1.3 MNOK FY 20

Operations and sales

Accelerated growth for Mysimba[®] and extended exclusive distribution rights in the Nordics

Solid growth in Consumer Health, Launch of unique products in Gastro

Strong performance for the antibiotic portfolio. New tenders won in several countries

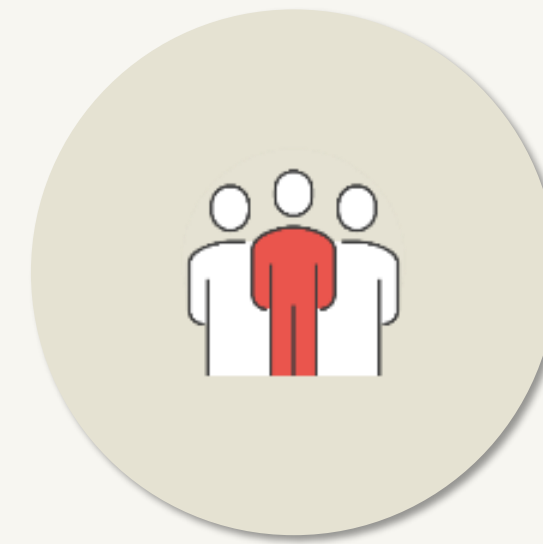
Nordic pharma company targeting growth in Northern Europe



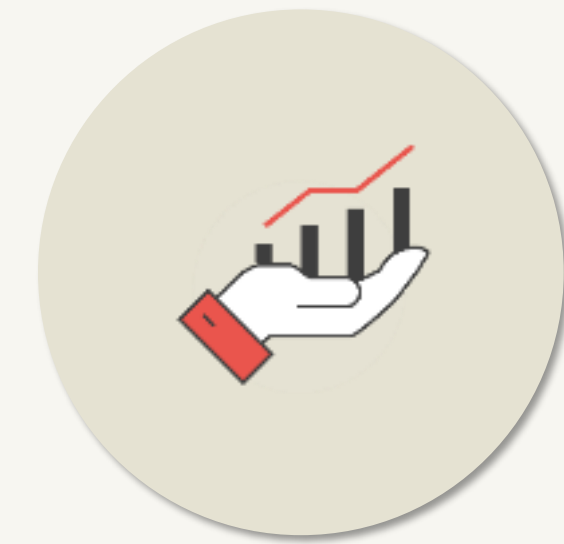
A reliable supplier of **high-quality consumer health, medical nutrition, specialty pharma and branded generics products**, delivered to hospitals and through pharmacies



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



~ **30 professionals** with strong local competence in regulatory, reimbursement, marketing and sales



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

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

OUR MID-TERM TARGET

20% annual organic growth with a mid-term ambition of **building a 500 MNOK** company with a gross margin of 40% and an EBITDA margin of 15%

HOW →

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 categories or geographical territory.

Key portfolio developments

Solid growth in key product areas in 2021

MEDICAL NUTRITION

FY 2021 revenue (YoY growth): **51.9** (2%)



Medical nutrition products for treatment of IEM*

CONSUMER HEALTH

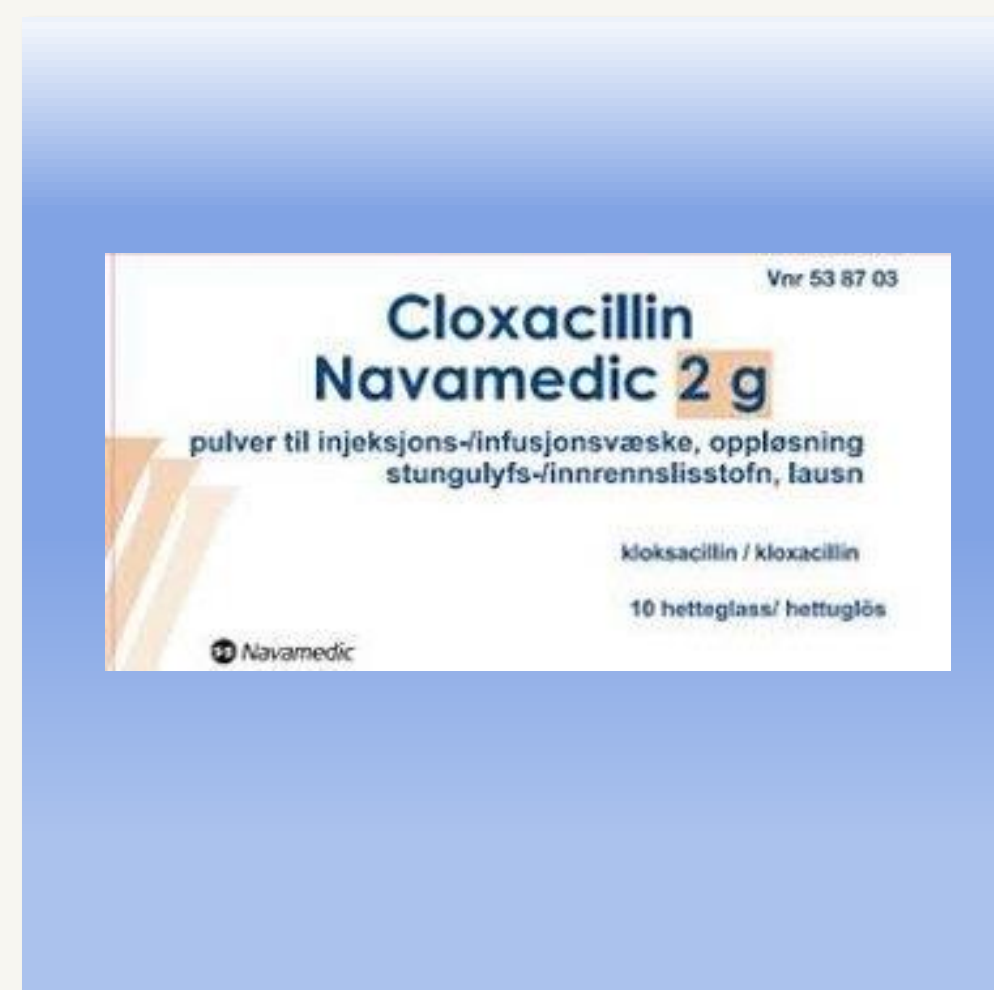
FY 2021 revenue (YoY growth): **43.7** (31%)



Gastro, pain, urology, other

BRANDED GENERICS

FY 2021 revenue (YoY growth): **70.6** (6%)



Antibiotics, cardiology, generics

SPECIALTY PHARMA

FY 2021 revenue (YoY growth): **112.3** (90%)



Obesity & urology

*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

Strong development for Mysimba® in Q4

Q4 2021 REVENUE

42.8 MNOK

(Q4 2020: 17.7 MNOK)

112.3 (90%)

FY 2021 revenue

(YoY growth)

GROWTH DRIVERS

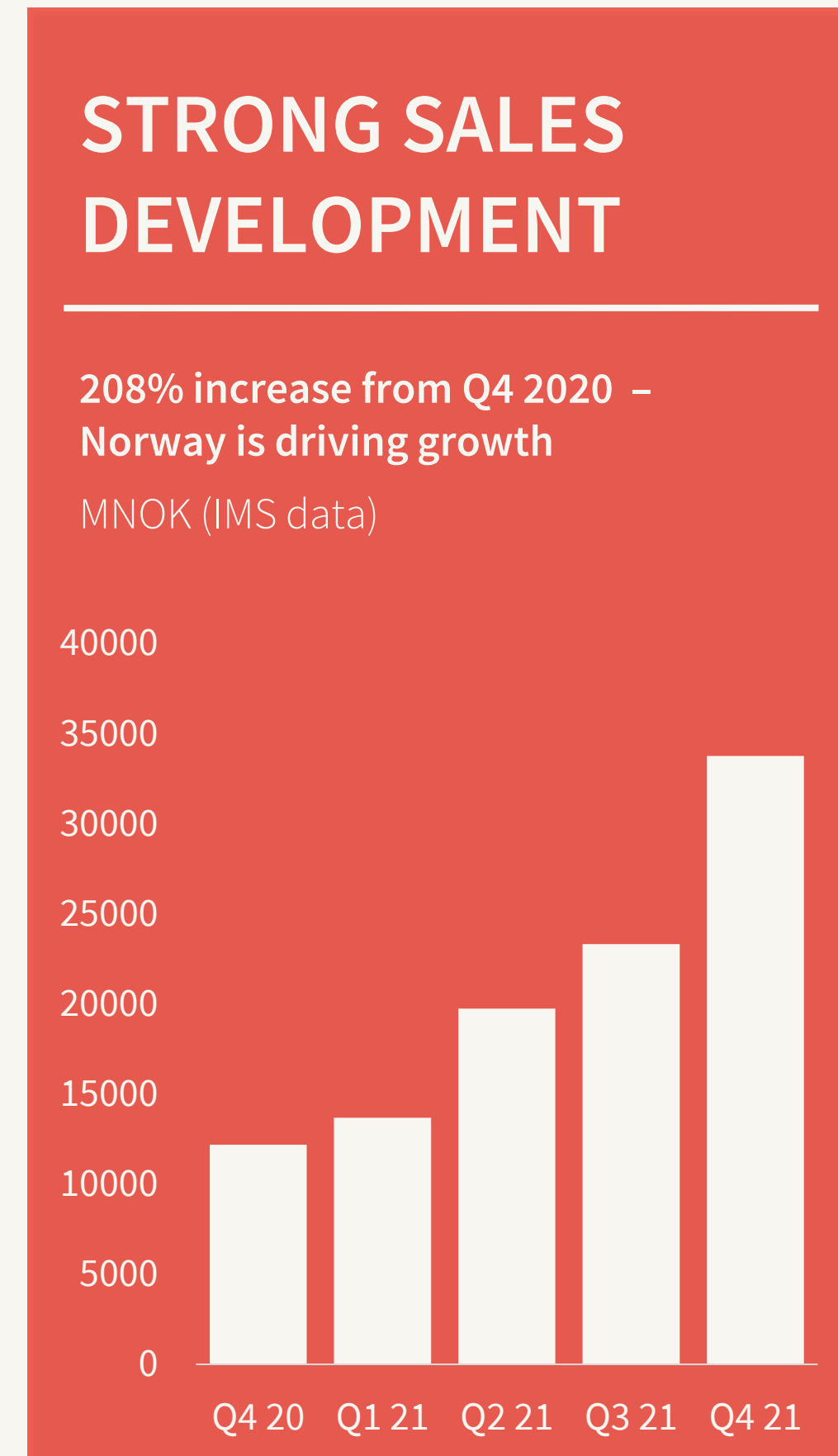
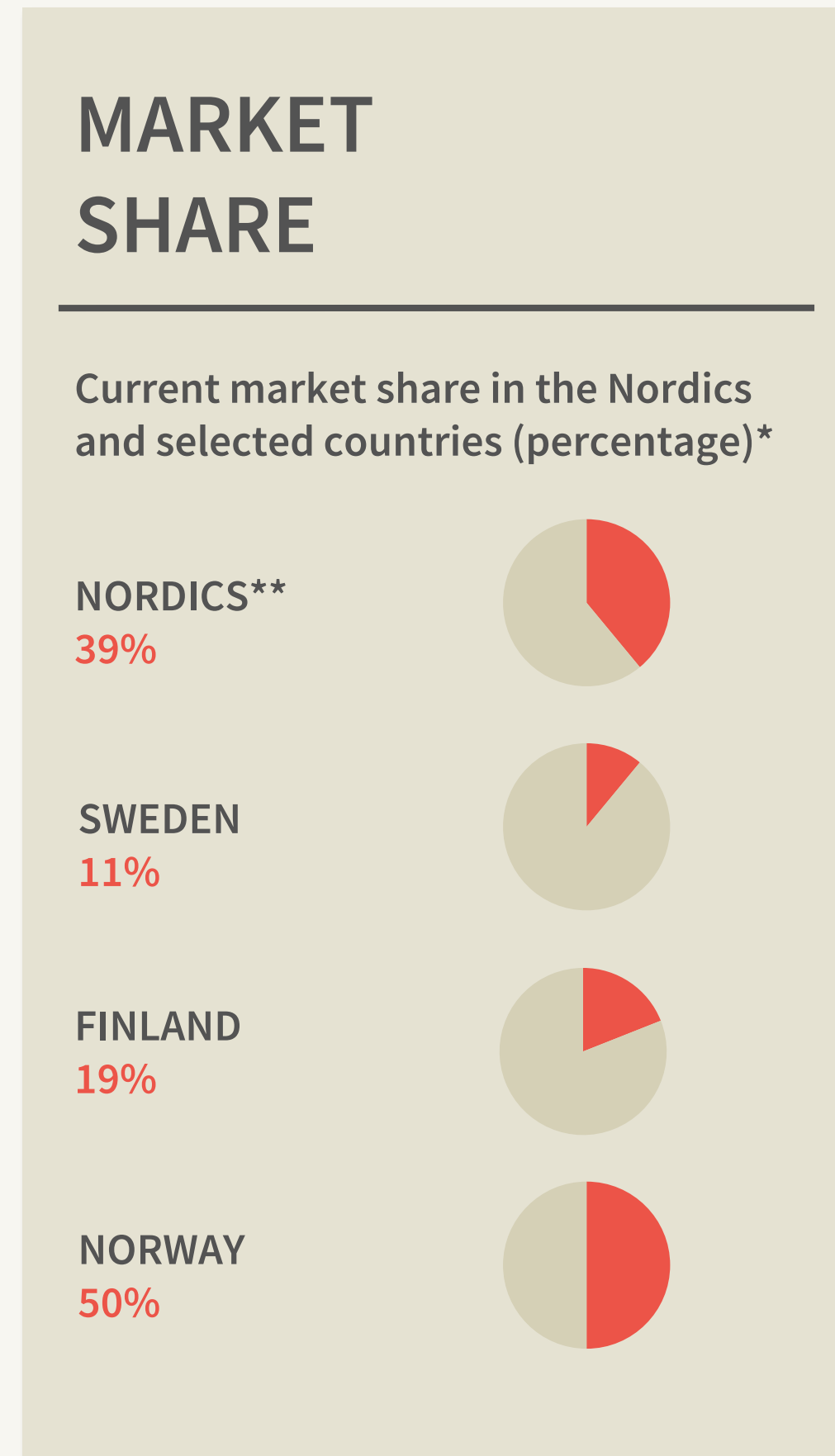
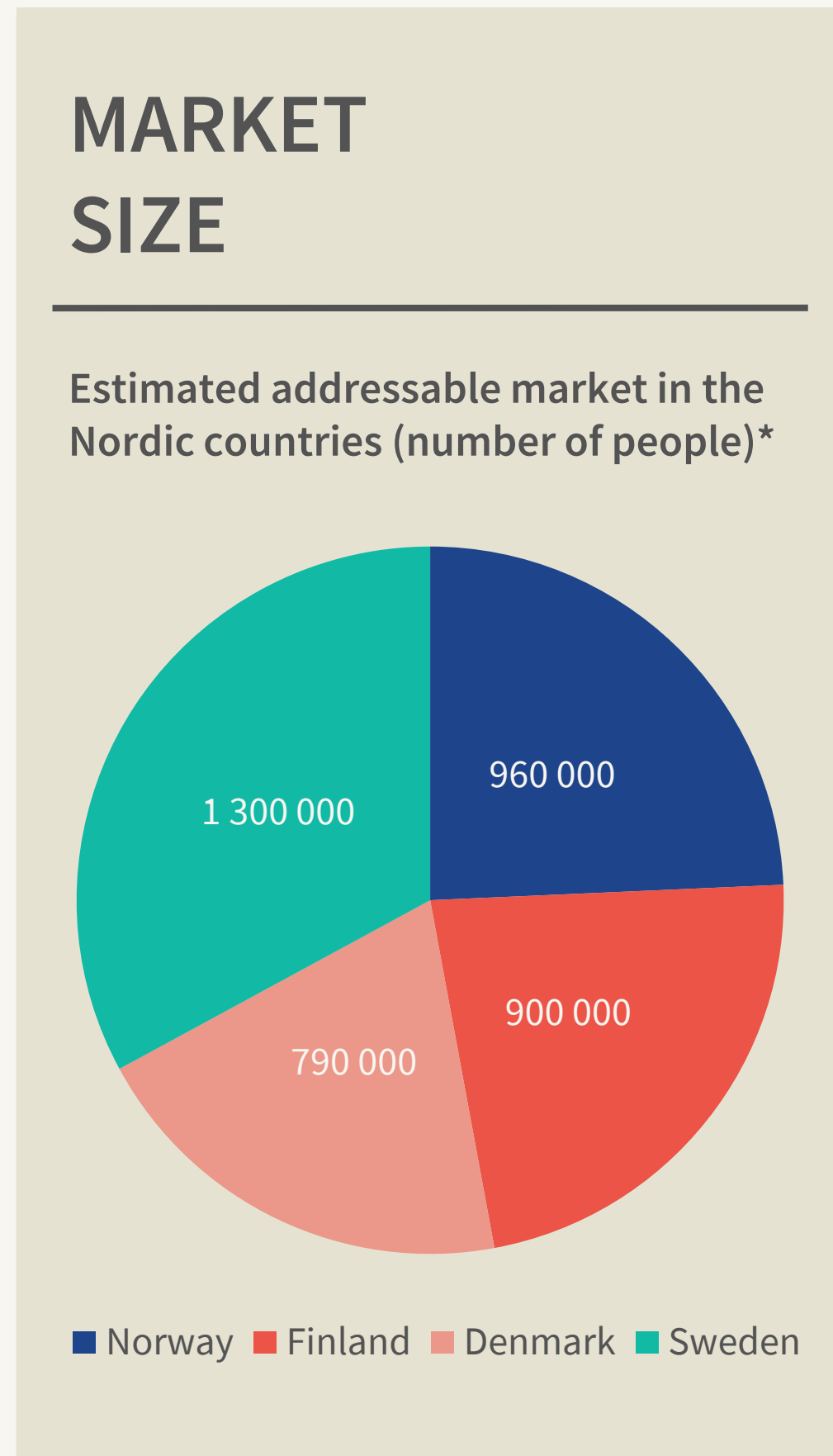
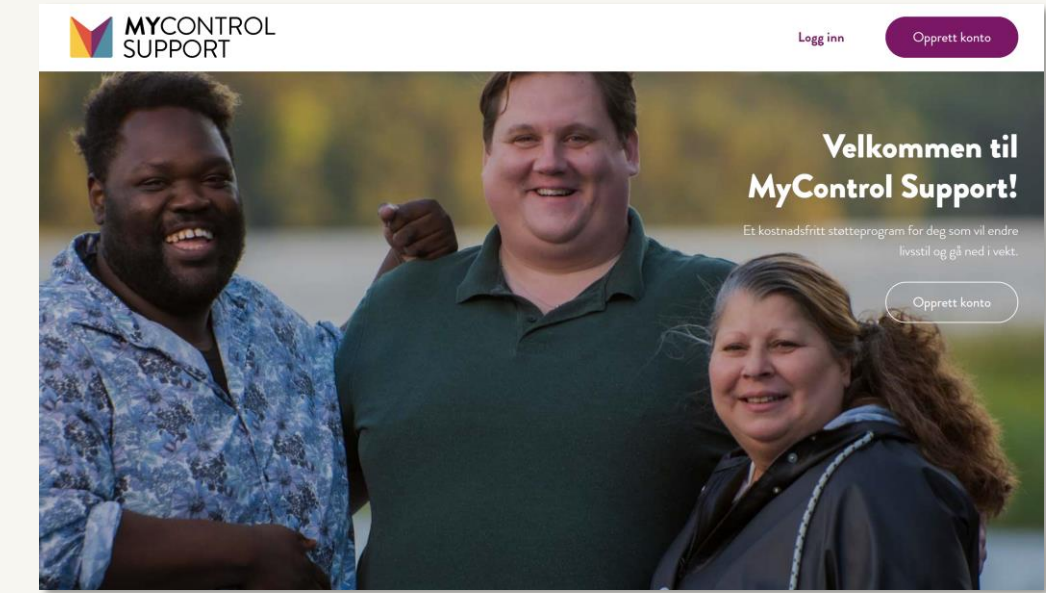
- Long-term strong development of obesity category
- Mysimba® growth exceptionally strong in Q4 2021



**THE ONLY ORAL
MEDICINE FOR
TREATMENT OF OBESITY
WITH DUAL MODE OF
ACTION**

Reduces hunger and cravings,
and provides control over food
intake

Rapid adoption of Mysimba®



KNOWLEDGE BASE AND SUPPORT PROGRAM SUPPLEMENTING OBESITY TREATMENT

FOR PATIENTS

- Digital support in lifestyle and behavioral change
- Support from healthcare system
- Custom-made support program during treatment

FOR HEALTHCARE PROFESSIONALS

- Structured care taking
- Prescription of medicaments
- Supervise medical treatment

*Company estimates
 **Excluding Denmark

Good development for new product ranges

Q4 2021 REVENUE

13.3 MNOK

(Q4 2020: 13.2 MNOK)

51.9 (2%)

FY 2021 revenue
(YoY growth)

GROWTH DRIVERS

- New products for PKU, the most important part of the medical nutrition area
- Slight slowdown in growth due to more competition from pharma and medical nutrition companies



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

Launch of new and unique products contribute to growth

Q4 2021 REVENUE

12.6 MNOK

(Q4 2020: 11.8 MNOK)

43.7 (31%)

FY 2021 revenue
(YoY growth):

GROWTH DRIVERS

- Strong performance for ThermaCare® and GeloRevoice®
- Alflorex® with solid growth during the quarter



Gastro

Launch of SmectaGo® and Forlax® in segment with unmet medical and consumer needs

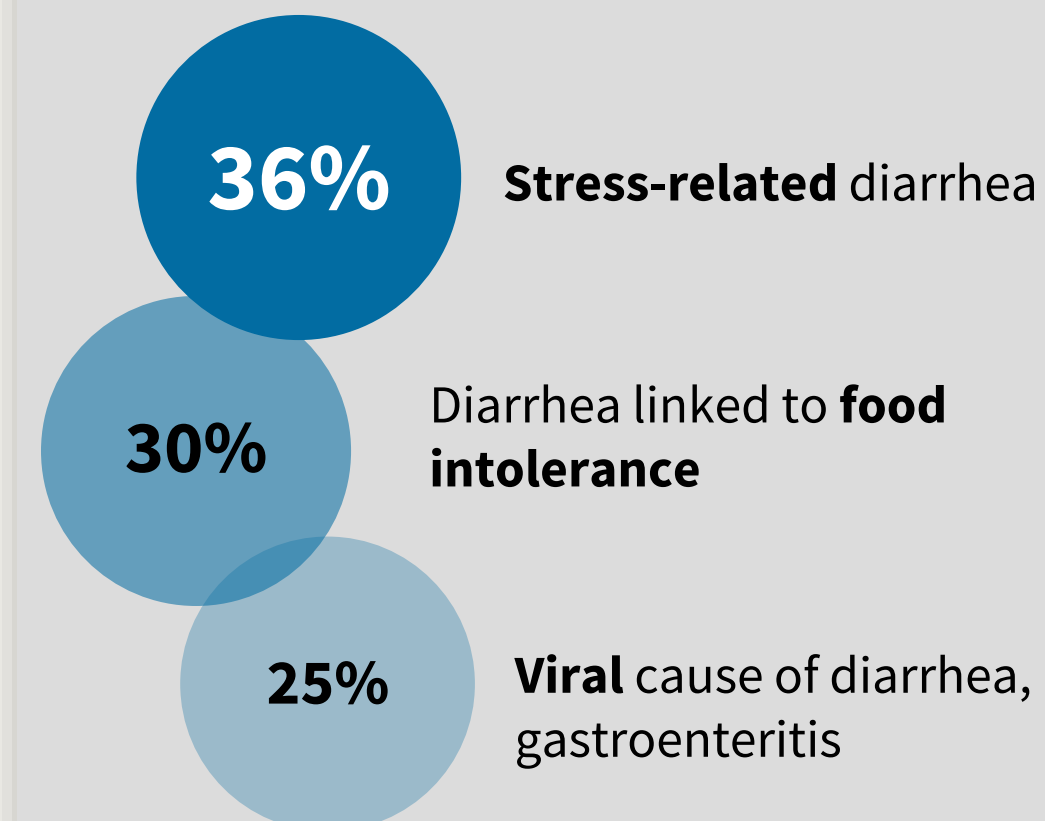
- Nearly half of the population suffer from gastro related problems each year
- Only 20% of them treat themselves
- Important focus area with high potential for Navamedic
- Executing on ambitious plans for new product launches in the Nordics

Further category development through product launches in Q1 2022:

- SmectaGo® launched in the Nordics - Unique product developed to treat acute and chronic diarrhea
- Forlax® launched in Sweden - Prescription/non-prescription drug for treatment of constipation



Top three causes of diarrhea among adults:



"Smebiocta LCM Probiotics MR" IPSEN, Opinion way survey 2020

smectaGo®

Diosmektitt 3g **Karamell Kakao**
Diosmectite 3g **Karamel Kakao**

MOT DIARÉ MOD DIARRÉ

Stopper og behandler



HURTIG INNTAK HURTIGT INDTAG

- Fjerner giftstoffer/toksiner og bakterier
- Hjelper/Hjælper med å/at reparere tarmskader
- Lindrer magesmerter/mavesmerter

8 doseposer - Klar til å drikkes/drikke

Medisinsk utstyr
Medicinsk udstyr

Fra 8 år

Antibiotics portfolio growing rapidly

Q4 2021 REVENUE

21.3 MNOK

(Q4 2020: 12.6 MNOK)

70.6 (6%)

FY 2021 revenue
(YoY growth):

GROWTH DRIVERS

- Strong performance for the antibiotic portfolio with several new tenders won
- Imdur® back to growth in Q4 from low levels due to previous out-of-stock situation



FINANCIALS

Key consolidated profit and loss figures

<i>(in NOK '1000)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenues	90 160	55 302	278 439	209 877
Gross profit	37 797	22 324	111 744	70 339
<i>Gross profit %</i>	<i>41.9 %</i>	<i>40.4 %</i>	<i>40.1 %</i>	<i>33.5 %</i>
Operating costs	-30 180	-25 985	-93 573	-71 606
EBITDA	7 617	-3 661	18 171	-1 267
<i>EBITDA %</i>	<i>8.4 %</i>	<i>-6.6 %</i>	<i>6.5 %</i>	<i>-0.6 %</i>
Depreciation	-1 178	-420	-2 169	-1 551
Amortization	-1 386	-499	-4 547	-2 108
Operating result (EBIT)	5 053	-4 580	11 455	-4 926
Income from associated companies	-693	-1 659	-3 185	-4 528
Net financial income and expenses	-2 382	1 678	-5 912	-7 142
Profit before tax continuing operations	1 979	-4 561	2 358	-16 596
Income taxes, continuing operations	1 046	-529	-1 740	136
Net profit / loss (-) Total operations	3 025	-5 090	618	-16 460

In Q4 2021, revenues grew by 63% compared to the same quarter last year, contributing to a full year revenue growth of 32.7%

Gross Profit came in at a solid 41.9% due to favorable product mix and successful Cogs reduction initiatives throughout 2021

Operating costs are higher than last year due to investments in growth initiatives and personnel expense

EBITDA for the quarter was NOK 7.6M and NOK 18.2M for the full year

Income from associated companies is Navamedic's share of the estimated result in Observe Medical for Q4 2021

Net profit of 3.0M for the quarter

Assets

<i>(in NOK '1000)</i>	31.12.2021	31.12.2020
Goodwill	61 031	64 472
Deferred tax assets	9 168	9 168
Other intangible assets	27 342	9 689
Property, plant & equipment	745	174
Right of use assets	7 567	1 903
Shares in associated companies	18 837	22 022
Non-current loans to associated companies	0	34 821
Total non-current assets	124 690	142 249
Tax receivables	15 652	7 614
Inventories	61 882	41 945
Trade and other receivables	37 730	28 646
Cash	52 620	39 584
Current loans to associated companies	37 606	0
Total current assets	205 489	117 789
Total assets	330 179	260 038

The change in Goodwill is due to currency effect

Increase in Other intangible assets is due to the acquisition/booking of the marketing authorizations related to the antibiotics portfolio in Q1

Right of use assets has increased due to new office lease (IFRS 16)

Shares in associated companies is the booked value of Navamedic's share of Observe Medical

Inventory is up from LY but is lower than in Q3

Trade receivables increase is the result of revenues growth

Cash increase is due to a combination of the net results, changes in working capital and increased loan

Equity and liabilities

<i>(in NOK '1000)</i>	31.12.2021	31.12.2020
Total equity	151 237	129 486
Non-current license liabilities	8 171	3 343
Loans and borrowings	38 980	20 870
Non-current right of use liabilities	5 824	842
Total non-current liabilities	52 976	25 055
Trade and other payables	70 532	66 956
Current right of use liabilities	1 839	1 078
Current license liabilities	13 158	16 500
Taxes payable	10 713	2 795
Other current liabilities	29 724	18 168
Total current liabilities	125 967	105 497
Total liabilities	178 943	130 552
Total equity and liabilities	330 179	260 038

Equity ratio of 45.8%.

Increase in Equity is mainly due to share premium from ACS share issue in Q1

Non-current right of use liabilities has increased due to IFRS 16, new office lease

Trade payables is slightly up from last year but is lower than at Q3

Cash flow Group – total operations

<i>(in NOK '1000)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Net cash flow from operating activities	11 284	14 836	-1 300	-3 180
Net cash flow from investing activities	-270	-466	-727	-23 137
Net cash flow from financing activities	18 296	-3 961	15 931	51 759
Changes in currency	1 158	-3 052	-868	2 703
Net change in cash	30 486	7 358	13 036	28 145
Cash and cash equivalents end period	52 620	39 584	52 620	39 584

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

Cash flow from financing activities is due to increased loan

The Cash at the end of the period is NOK 52.6 million

SUMMARY & OUTLOOK

Summary and outlook

Building a leading Nordic pharma company targeting growth in Northern Europe

In Q4 2021, we have

- Continued to strengthen the core by driving underlying growth in the existing portfolio
- Increased revenues by 63% Y-o-Y
- Continued our push for growth of key products in our markets, and for Mysimba® in Norway in particular

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 with a mid-term ambition of building a 500 MNOK company through organic growth with a gross margin of 40% and an EBITDA margin of 15%

Q&A

Thank you for your attention!

Navamedic's annual report for 2021 be available on
29th of April 2022

Navamedic's Q1 2022 presentation will be on
10th of May 2022

APPENDIX

Condensed consolidated statement of comprehensive income

<i>(in NOK '1000)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Operating revenues	90 160	55 302	278 439	209 877
Total revenue	90 160	55 302	278 439	209 877
Cost of materials	-52 363	-32 978	-166 695	-139 538
Gross profit	37 797	22 324	111 744	70 339
<i>Gross profit %</i>	41.9 %	40.4 %	40.1 %	33.5 %
Operating costs	-30 180	-25 985	-93 573	-71 606
EBITDA	7 617	-3 661	18 171	-1 267
<i>EBITDA %</i>	8.4 %	-6.6 %	6.5 %	-0.6 %
Depreciation	-1 178	-420	-2 169	-1 551
Amortization	-1 386	-499	-4 547	-2 108
Operating result (EBIT)	5 053	-4 580	11 455	-4 926
Income from associated companies	-693	-1 659	-3 185	-4 528
Financial income	1 621	658	4 035	2 846
Financial expenses	-1 708	-1 077	-4 424	-3 844
Net currency gain/losses	-2 295	2 097	-5 523	-6 144
Net financial income and expenses	-2 382	1 678	-5 912	-7 142
Profit before tax continuing operations	1 979	-4 561	2 358	-16 596
Income taxes, continuing operations	1 046	-529	-1 740	136
Net profit / loss (-) Total operations	3 025	-5 090	618	-16 460
<i>Other comprehensive income that may be reclassified subsequently to profit or loss</i>				
Currency translation differences	326	-523	348	8 867
Total comprehensive income for the period	3 351	-5 613	967	-7 593

Condensed consolidated statement of cash flows

<i>(in NOK '1000)</i>	Q4 2021	Q4 2020	FY 2021	FY 2020
Cash flow from operating activities				
Profit before tax	1 979	-4 561	2 358	-16 596
Adjusted for:				
Depreciation, amortization and impairment	2 564	919	6 716	3 659
Financial income / expenses without cash effect	-1 038	780	1 353	1 379
Other income / expenses without cash flow effect	320	0	1 784	0
Income from associated companies	693	1 659	3 185	4 528
Taxes paid	1 549	1 595	-2 700	-287
Payment of license liabilities	0	0	-110	-117
Changes in inventory	10 741	9 331	-19 937	-9 962
Changes in trade and other receivables	5 950	12 391	-9 084	-8 674
Changes in trade and other payables	-20 451	-4 402	3 577	24 818
Changes in other current items	8 977	-2 877	11 556	-1 928
Net cash flow from operating activities	11 284	14 836	-1 300	-3 180
Cash flow from investing activities				
Acquisition of tangible and intangible assets	-272	-475	-728	-4 994
Disposal of tangible and intangible assets	0	0	0	0
Loans granted to associated companies	0	0	0	-9 902
Loans repaid by associated companies	0	0	0	3 000
Interest received	2	9	2	9
Purchase of shares in other companies	0	0	0	-11 250
Sale of shares in other companies	0	0	0	0
Net cash flow from investing activities	-270	-466	-727	-23 137
Cash flow from financing activities				
Loans received	19 500	0	19 500	0
Loans paid	0	-5 251	0	-5 251
Interest paid	-375	-1 844	-1 469	-1 844
Share issues	0	3 552	0	60 447
Payment of lease liabilities	-830	-418	-2 100	-1 594
Net cash flow from financing activities	18 296	-3 961	15 931	51 759
Changes in currency	1 158	-3 052	-868	2 703
Net change in cash	30 468	7 358	13 036	28 145
Cash and cash equivalents start period	22 152	32 227	39 584	11 439
Cash and cash equivalents end period	52 620	39 584	52 620	39 584

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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