



Vistin Pharma - Second quarter and first half 2020

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28 August 2020

Agenda

Highlights

Operational review - pharmaceuticals

Financial review

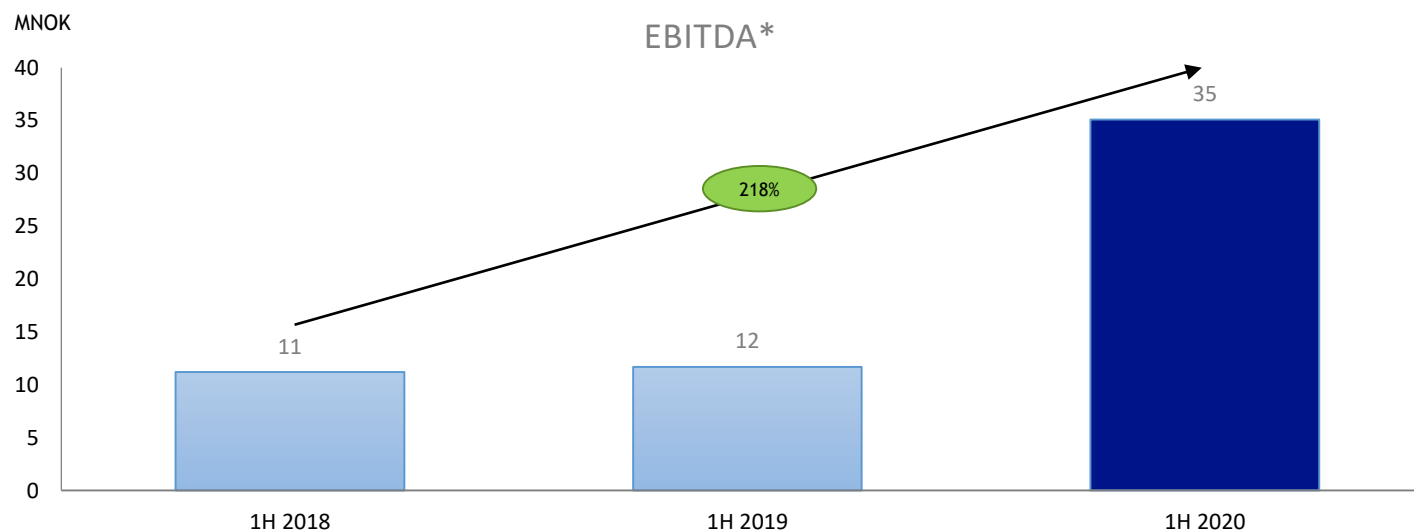
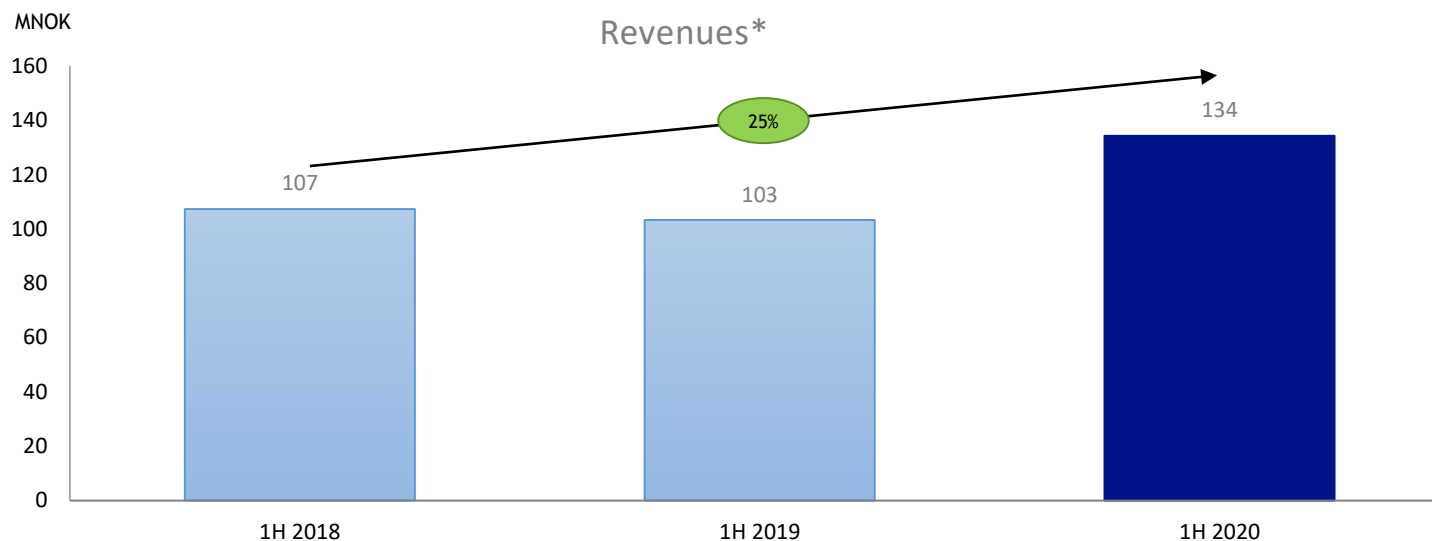
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Second quarter 2020

- **20% increase in revenue vs 2nd quarter 2019 and highest sales ever in a quarter**
 - Revenue of MNOK 73 for the quarter vs. MNOK 61.1 in Q2 2019
 - Revenue of MNOK 134.4 in first half of 2020, compared to MNOK 103.3 in first half of 2019, a growth of 30%
- **EBITDA MNOK 20.9 vs. MNOK 13.3 in Q2 2019, a 58% increase**
 - First half 2020 EBITDA for pharmaceuticals of MNOK 35.1 versus MNOK 11.7 in first half 2019, a 200% increase
- **Metformin capacity expansion Project (MEP)**
 - Project initiated, first commercial batch from the 2nd production line expected in Q2 2022
- **Energy Trading: All positions closed in March and settled in April**
 - A positive effect of MNOK 3.9 for settlement of oil derivative contracts in Q2 vs. accrual for loss booked in Q1 (no cash effect).
- **Other financials**
 - Dividend of NOK 1 per share (MNOK 44.4) paid out to shareholders in June
 - Cash balance as of 30 June of MNOK 109
 - No interest-bearing debt (excl. MNOK 1.9 in lease liabilities)

2018-2020 Strong revenue and EBITDA development



*Only pharmaceuticals

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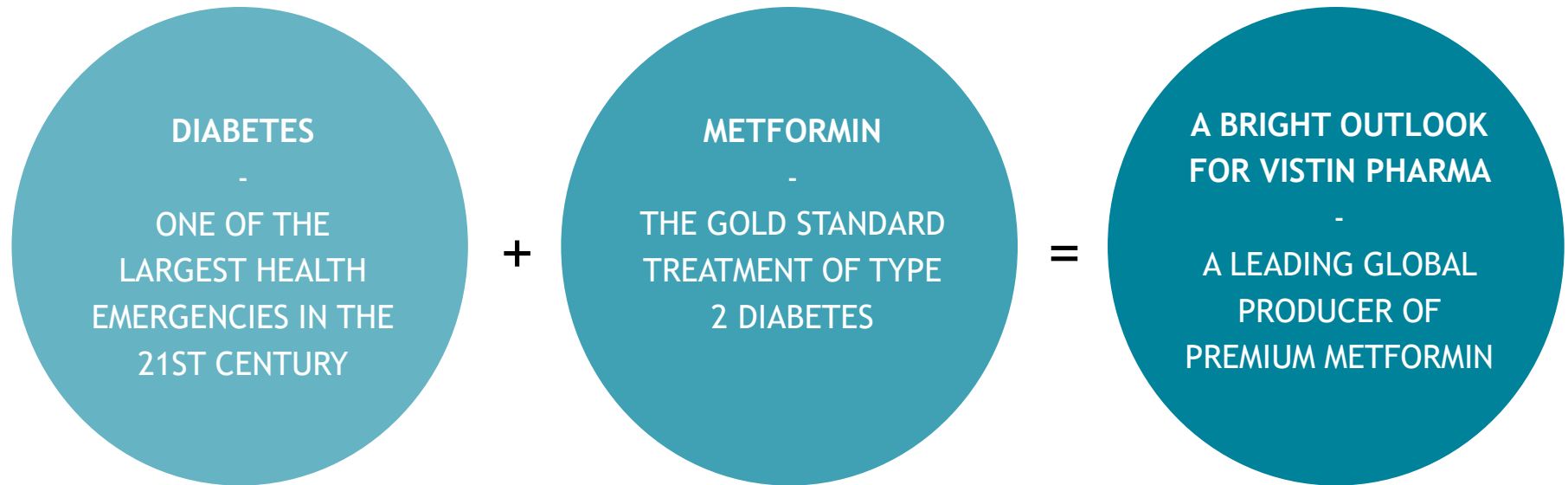
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Vistin Pharma a dedicated metformin producer with a bright outlook



Diabetes - A global emergency

- Diabetes in perspective:

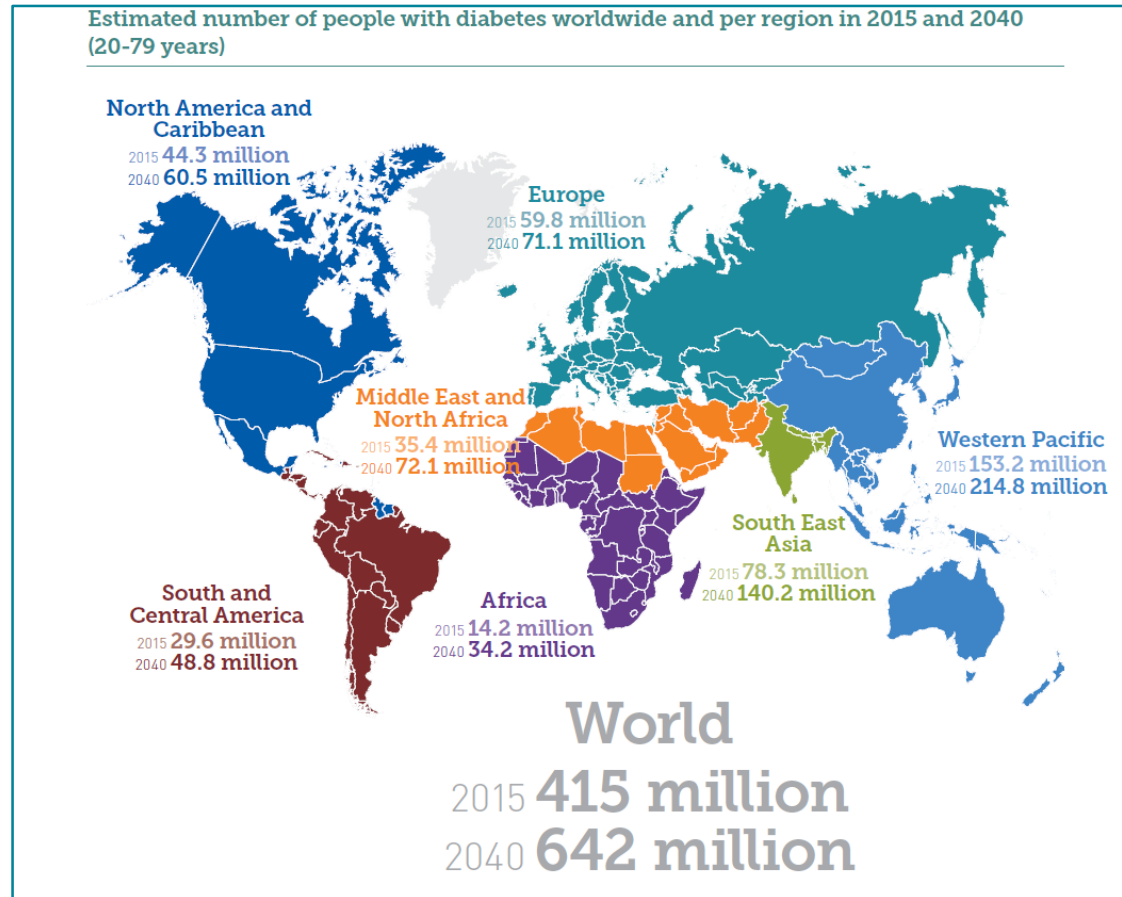
- 1 of 7 births is affected by gestational diabetes



- 1 in 11 adults has diabetes



- Every 6 seconds a person dies from diabetes



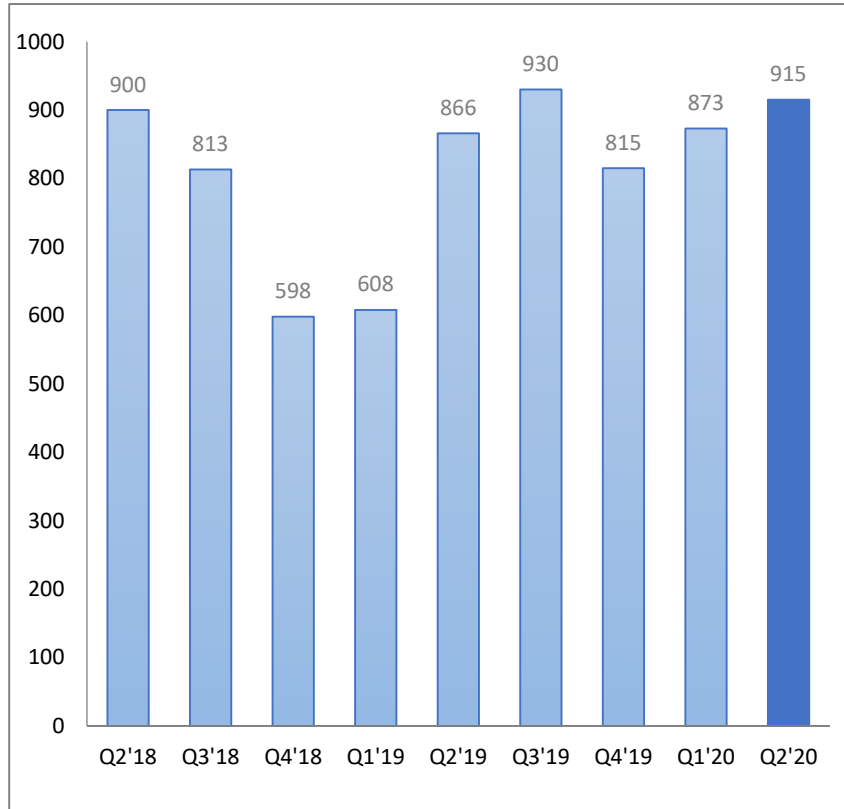
Number of people living with diabetes

Source International Diabetes Federation, IDF Diabetes Atlas, seventh edition, 2015

→ 12% of global health expenditure is spent on diabetes

6% increase in sales volume vs Q2'19

Sales volume metformin (HCl & DC)



- Sales volume for the second quarter was 915MT, up by 6% vs Q2 2019 (866MT)
- The production plant has been running at full capacity
- Efficiency program to stretch production capacity to >3850MT is on track
 - A 2nd reactor will be installed during Q3 2020 which will increase the capacity by approx. 300MT annually

Business update and Corona virus epidemic consequences

- The Fikkjebakke plant is running at full capacity
 - Successful actions have been taken to secure the supply of critical raw materials and to build security stocks during the Covid-19 outbreak
- There are no reported corona infected employees in Vistin Pharma as of today
 - The company are strictly following the guideliens from the authorities and have taken active measures to reduce the risk of virus spread in the factory
- The demand in the market for metformin from Vistin is still high and is not affected by the corona epidemic
- The vulnerability for drug supplies during the corona epidemic has been an 'eye opener' for the authorities and the need for 'short travelled medicines' will be high on the agenda going forward
 - Vistin is strategically well positioned to benefit from the expected increase in local supplies

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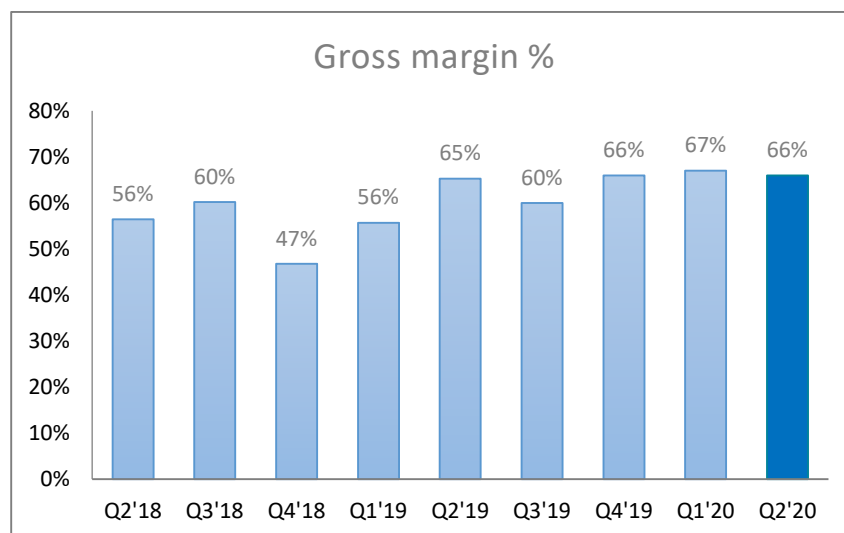
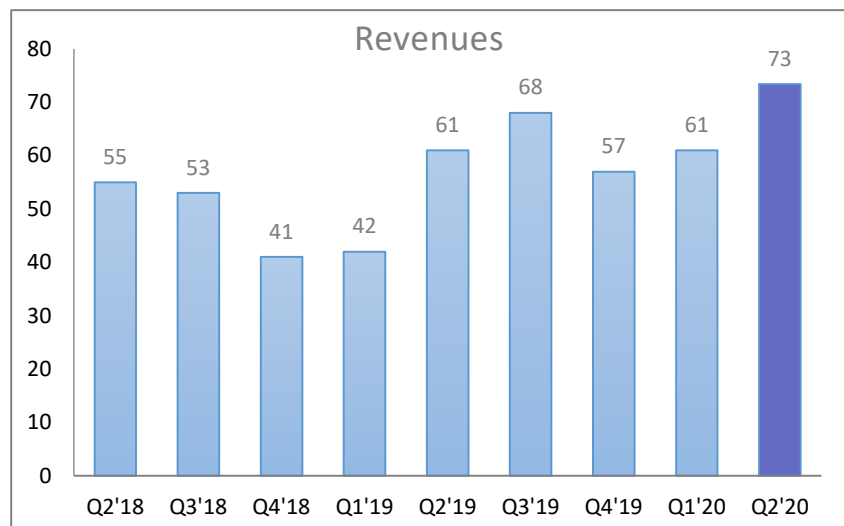
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Key quarterly figures for Vistin Pharma

Revenue (pharmaceuticals)

NOK million

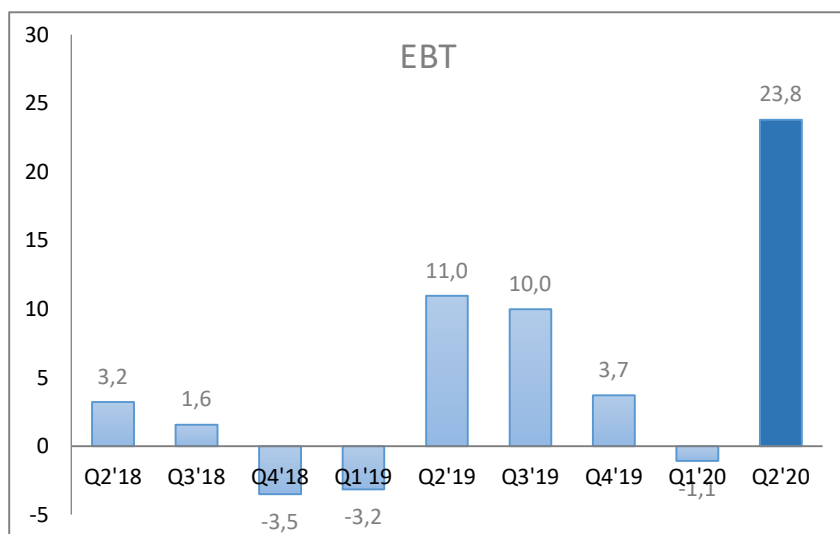
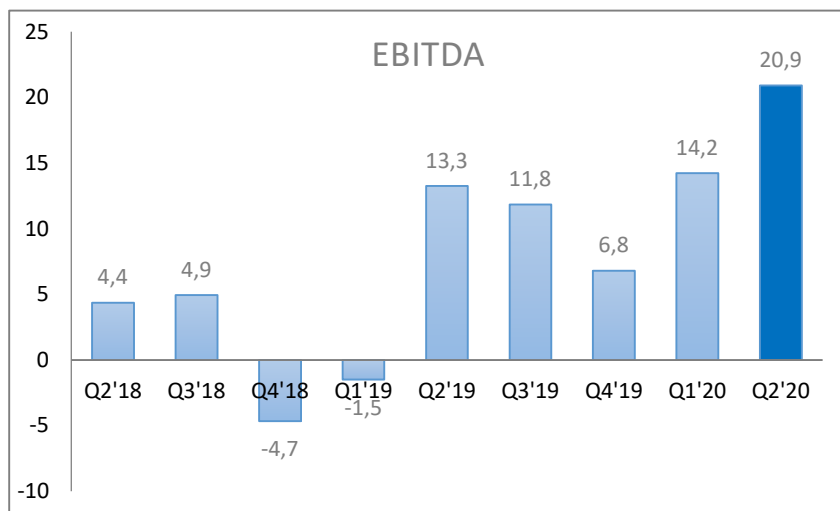


- MNOK 12 (+20%) higher revenue YoY - driven by higher sales volume and favourable EUR/NOK exchange rate
- MNOK 31 (+30%) higher revenue in 1H 2020 vs 1H 2019
 - Q1 19 was affected by an extended maintenance stop
- Slightly higher gross margin (66% vs. 65%) compared to similar quarter last year, above 2019 annual average of 62%. Driven by better yield in production.
- Gross profit MNOK 89 in 1H 2020 vs MNOK 62 in 1H 2019, +45% increase

Key quarterly figures for Vistin Pharma

Results (pharmaceuticals)

NOK million



- EBITDA from pharmaceuticals MNOK 20.9 vs MNOK 13.3 in Q2 2019, an increase of 58%.
- 1H 2020 EBITDA increased by MNOK 23 vs 1H 2019, (+200%).
- EBITDA impacted by positive effects from higher sales volumes, favorable EURNOK and good operational cost control.
- Q2 EBT positively affected by reversal of accrued unrealized FX loss on EUR cash flow hedges booked in Q1. Unrealized loss as of Q2 equals approx. MNOK 4.7.

Consolidated income statement

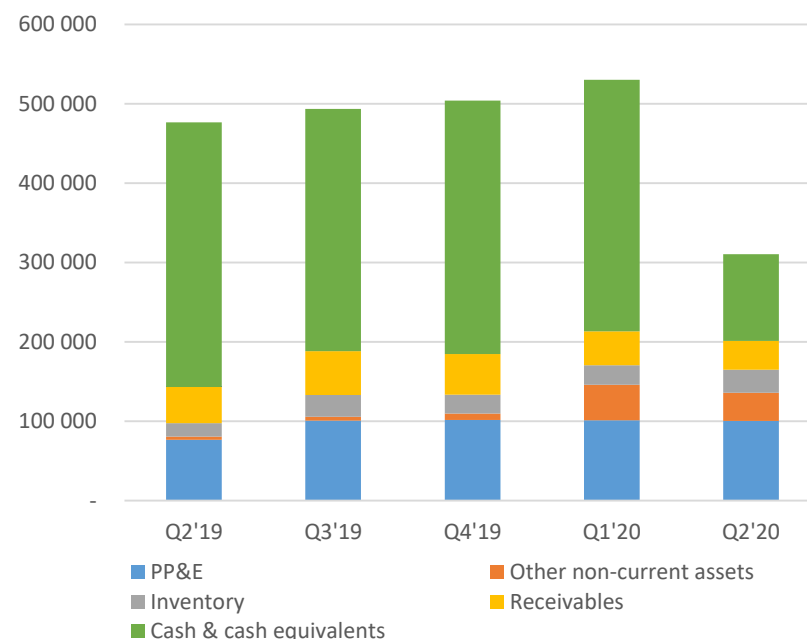
(NOK 1 000)	Q2 2020	Q2 2019	YTD 2020	YTD 2019	FY 2019
<i>Total revenue and income</i>					
Pharmaceuticals	73 021	61 103	134 428	103 337	228 130
Energy Trading	-	-	-	-	-
HQ & other	-	-	-	-	-
Total revenue and income	73 021	61 103	134 428	103 337	228 130
<i>EBITDA</i>					
Pharmaceuticals	20 903	13 255	35 141	11 713	30 358
Energy Trading	(213)	(285)	(139)	(1 002)	(1 611)
HQ & other	(760)	(680)	(1 389)	(1 379)	(3 020)
EBITDA	19 930	12 290	33 613	9 332	25 726
<i>EBT</i>					
Pharmaceuticals	23 754	10 952	22 666	7 787	21 493
Energy Trading	3 885	(10 039)	(161 905)	(4 045)	63 752
HQ & other	(1 082)	(365)	(1 925)	(648)	(1 203)
EBT	26 556	548	(141 164)	3 094	84 043
Depreciation, amortisation and impairment	(2 461)	(2 103)	(4 912)	(2 103)	(8 956)
Net finance income/(expense)	9 088	(9 639)	(169 815)	(9 639)	67 272
Profit/(loss) before tax from continuing operations	26 556	548	(141 164)	548	84 043
Profit/(loss) for the period	20 714	427	(110 097)	2 414	66 202

Balance sheet Vistin Pharm

Assets

NOK 1000

	30.06.2020	30.06.2019	31.12.2019
ASSETS			
Non-current assets			
Property, plant & equipment	100 296	102 369	101 802
Right -of-use-assets	672	(0)	(0)
Deferred tax assets	35 003	23 015	7 733
Total non-current assets	135 971	125 384	109 535
Current assets			
Inventory	29 038	26 061	24 107
Trade receivables	33 587	42 842	38 277
Other receivables	2 801	10 467	12 573
Cash & cash equivalents	109 027	290 708	319 672
Total current assets	174 454	370 079	394 629
Total Assets	310 425	495 464	504 165



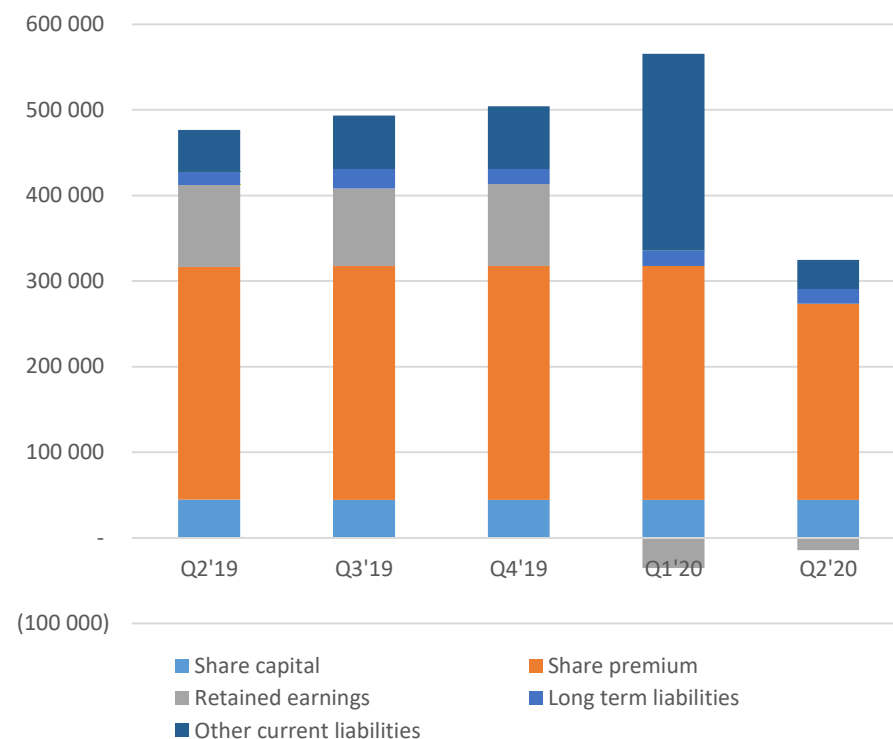
- Deferred tax asset in relation to realized loss for Energy Trading in Q1 2020
- Favourable development in working capital driven by reduction in receivables
- Decrease in cash balance driven by settlement of derivative contracts in April and dividend pay-out of MNOK 44.5 in June

Balance sheet Vistin Pharm

Equity and liabilities

NOK 1000

	30.06.2020	30.06.2019	31.12.2019
EQUITY AND LIABILITIES			
Equity			
Share capital	44 345	44 345	44 345
Share premium	229 056	273 401	273 401
Retained earnings	(14 448)	30 743	95 649
Total equity	258 954	348 490	413 396
Non-current liabilities			
Other non-current liabilities	939	5 827	1 222
Pension liabilities	16 309	17 069	16 309
Inter-company borrowings	-	-	-
Total non-current liabilities	17 249	22 896	17 531
Current liabilities			
Trade payables	14 808	20 853	23 612
Derivative financial instruments	-	88 817	31 616
Other current liabilities	19 415	14 408	18 011
Total current liabilities	34 223	124 079	73 239
Total liabilities	51 471	146 974	90 770
Total Equity and Liabilities	310 425	495 464	504 165



- Share premium reduced due to dividend pay-out in June
- No interest bearing debt, MNOK 1.9 in obligations related to lease contracts that are recognized in the balance sheet according to IFRS 16 (MNOK 3.3).
- Strong balance sheet with 83 % equity ratio

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- Metformin market expected to continue to grow by 4-5% annually
 - Diabetes is one of the largest health crises of the 21st century
 - Metformin is expected to maintain its position as the Gold Standard treatment for T2D in the foreseeable future
- Attractive growth potential from existing customer base and expansion into new markets and customer segments
- Investment in a significant capacity expansion at the Fikkjebakke plant will fuel future revenue growth
 - Short/Medium term growth of 300-500MT stretch capacity initiatives under way
 - Investment in +/-3500MT capacity increase approved. Project kick off in Q3 2020
 - First commercial batch from new production line is expected in Q2 2022



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Top 20 shareholders as of 30 June 2020

NAME	SHAREHOLDING	% SHARE
INTERTRADE SHIPPING AS*	7 766 539	17,51 %
PACTUM AS*	3 519 733	7,94 %
HOLMEN SPESIALFOND	3 250 000	7,33 %
SAGA TANKERS ASA*	2 284 280	5,15 %
SPAREBANK 1 MARKETS AS	2 060 034	4,65 %
MP PENSJON PK	1 752 913	3,95 %
DNB Markets Aksjehandel/-analyse	1 249 402	2,82 %
NORDA ASA	880 000	1,98 %
AWILCO AS	850 099	1,92 %
NORDNET LIVSFORSIKRING AS	710 980	1,60 %
AUGUST RINGVOLD AGENTUR AS	596 453	1,35 %
INNOVATION HOLDING AS	500 000	1,13 %
IVAR LØGES STIFTELSE	500 000	1,13 %
MORTEN ARNE FLOOD	500 000	1,13 %
BERGEN KOMMUNALE PENSJONSKASSE	495 000	1,12 %
BORGEN INVESTMENT GROUP NORWAY AS	400 000	0,90 %
TOM RAGNAR PRESTEGÅRD STAAVI	369 737	0,83 %
TRAPESA AS	324 325	0,73 %
ØYSTEIN STRAY SPETALEN*	323 650	0,73 %
BERIT HELENE DYBDAHL	321 200	0,72 %
TOTAL 20 LARGEST SHAREHOLDERS	28 654 345	64,6%
OTHER SHAREHOLDERS	15 690 247	35,4%
TOTAL NUMBER OF SHARES	44 344 592	100,0%

* Board members of Vistin Pharma, or companies controlled by Board members

Thank you for your attention!

