



Vistin Pharma

Capital Markets Day



Agenda

- Vistin history and long-term strategy
- Vistin metformin business
- The Fikkjebakke plant; Operations and strategy
- Plant Tour

A mound of white powder is centered on a blue surface. The background is a blurred laboratory with various pieces of equipment and bright light sources.

Vistin – A leading
global, fully integrated
supplier of metformin



Producer of two different metformin products

- Metformin HCl (bulk API, “fine, dry powder”)
- Metformin DC (“directly compressible”, a granulated pre-tablet form)
- Metformin tablet dossiers and know-how

Manufacturing capacity

- Decided in April ‘20 to invest MNOK 100 to increase the capacity up to 7000MT
- Installed ~5 500MT at end 2022 – six shifts (24/7)
Expected to increase to approx. 7 000MT by end 2023

Positioned as a premium producer in a competitive market

- Sales to reputable international pharmaceutical companies
- State-of-the-art, fully automated manufacturing plant in Kragerø
- Certified by all significant international regulatory bodies

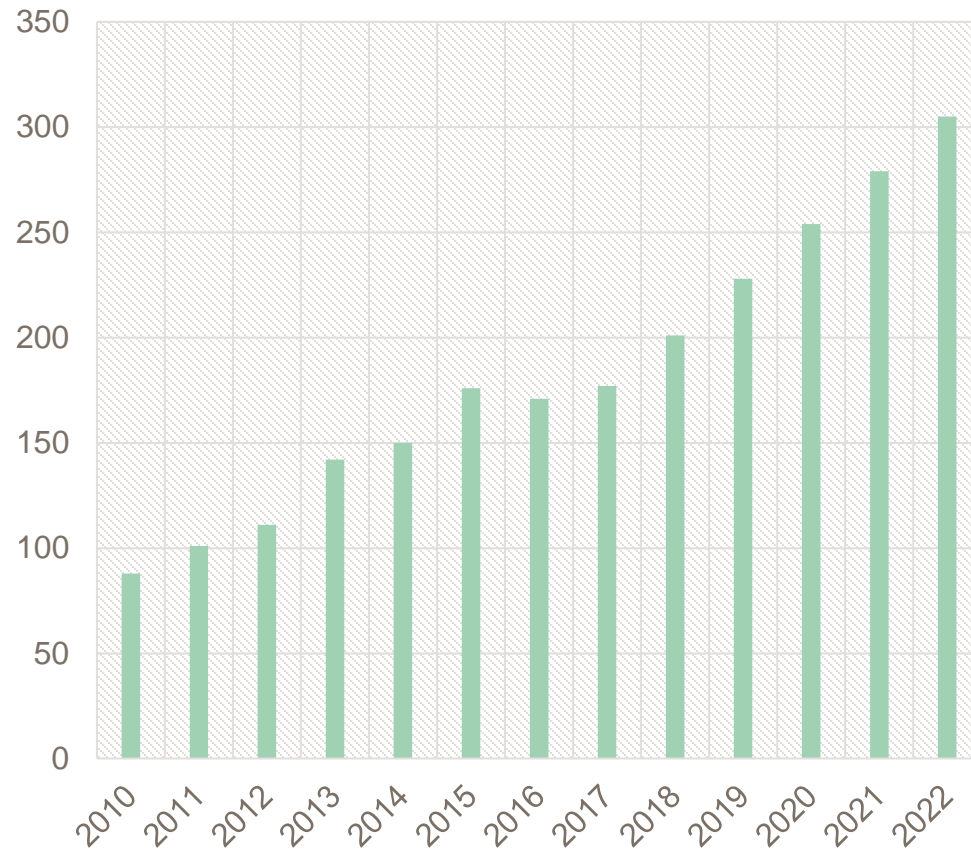
Strategically positioned with proximity to key customers

- Delivery time less than 24 hours
- Competitive edge over Asian producers

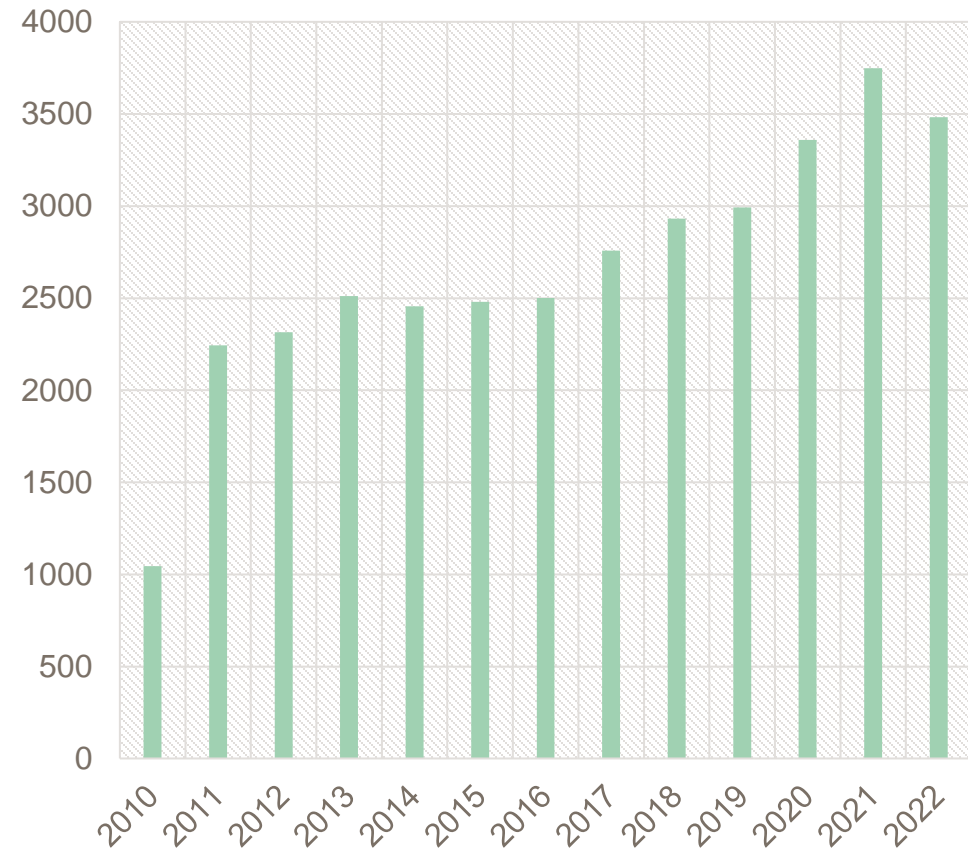


Long and successful growth track record

Revenues Vistin Metformin (MNOK)








Sales volume (MT)





Experienced management team

Name	Role	Experience
 Kjell-Erik Nordby	Chief Executive Officer	<ul style="list-style-type: none">• Previous experience includes several years in top management positions at Alharma, a leading international generic pharmaceutical company• Holds a Master's degree in Pharmacy and Master's degree in Business Administration
 Alexander Karlsen	Chief Financial Officer	<ul style="list-style-type: none">• 10 years at GE Healthcare in various financial management roles, latest role as Country Finance Manger (CFO) for GE Healthcare in Norway• Holds a Master's degree in Finance from Norwegian School of Management (BI)
 Vegard Heggem	VP Operations	<ul style="list-style-type: none">• Extensive experience from different managerial positions within operations, engineering and investment projects• Holds a Master's degree in Chemical Engineering from The Norwegian University of Science and Technology (NTNU)
 Magnus Tolleshaug	Chief Commercial Officer	<ul style="list-style-type: none">• 20 years experience from International Pharmaceutical industry, covering various managerial positions in Global Manufacturing Operations and R&D• Holds a MSc in Chemistry and Chemical Technology from The Norwegian University of Science and Technology (NTNU)
 Hilde Merete Hagen	VP QA	<ul style="list-style-type: none">• Previously spent 20 years at Pronova BioPharma, where she held several management positions within Quality Assurance• Holds a Master of Science in Chemistry and a Master of Management



Strategic intent:

Optimize and grow our current business, strengthen our premium metformin supplier position...

Metformin leadership

- Build a >7000 metformin business through world class operations and strategic customer partnerships
- Make Fikkjebakke the most technology advanced and environmentally sustainable state of the art metformin plant
- Investing in a 2nd production line at the Fikkjebakke site and expand the capacity by additional >3500+ MT
- Become a front runner on sustainability by continuous focus and innovations on reduction of emissions and waste production



Strategic intent:

...and plan for the next wave of growth





2nd wave of growth

- Build a multi product API European Contract Development and Manufacturing business(API CDMO)
- A strong high margin API focus where the company is a leading player
- Supplier of “short travelled” European APIs to international pharmaceutical companies
- Offering should include contract development/tech transfer services to companies that either need API supply/synthetic process expertise for their clinical programs and/or want to outsource the manufacturing of their APIs for strategic reasons

CDMO market is divided into 4 activities according to drug product development stage – API production and FDF as main segments



Overview of CDMO activities

Drug production value chain	Description	Main services provided	Share of total CDMO market [%]
Development 	<ul style="list-style-type: none"> > Formulation development, incl. dosage forms > Scale-up methods definition 	<ul style="list-style-type: none"> > Process analytics to monitor quality processes > Quality assurance > Quality control 	<p>~5</p> <p><i>(Development & primary packaging)</i></p>
API Production 	<ul style="list-style-type: none"> > Development and implementation of API manufacturing process, e.g. chemical synthesis (small molecules), fermentation (large molecules) 	<ul style="list-style-type: none"> > Enhance the purity level of API > API production for clinical development (early and late phases) and commercialization > Quality assurance control 	<p>~60</p>
FDF Production 	<ul style="list-style-type: none"> > Manufacturing of final formulated drug product/ final dosage form 	<ul style="list-style-type: none"> > Association of API and excipients > Fill-finish: final formulated product filled into primary packaging > Quality assurance and control 	<p>~25</p>
Packaging 	<ul style="list-style-type: none"> > Secondary and tertiary packaging 	<ul style="list-style-type: none"> > Secondary and tertiary packaging 	<p>~10</p> <p><i>(Secondary packaging only)</i></p>

Key highlights

"Development goes together with both API manufacturing and FDF production.

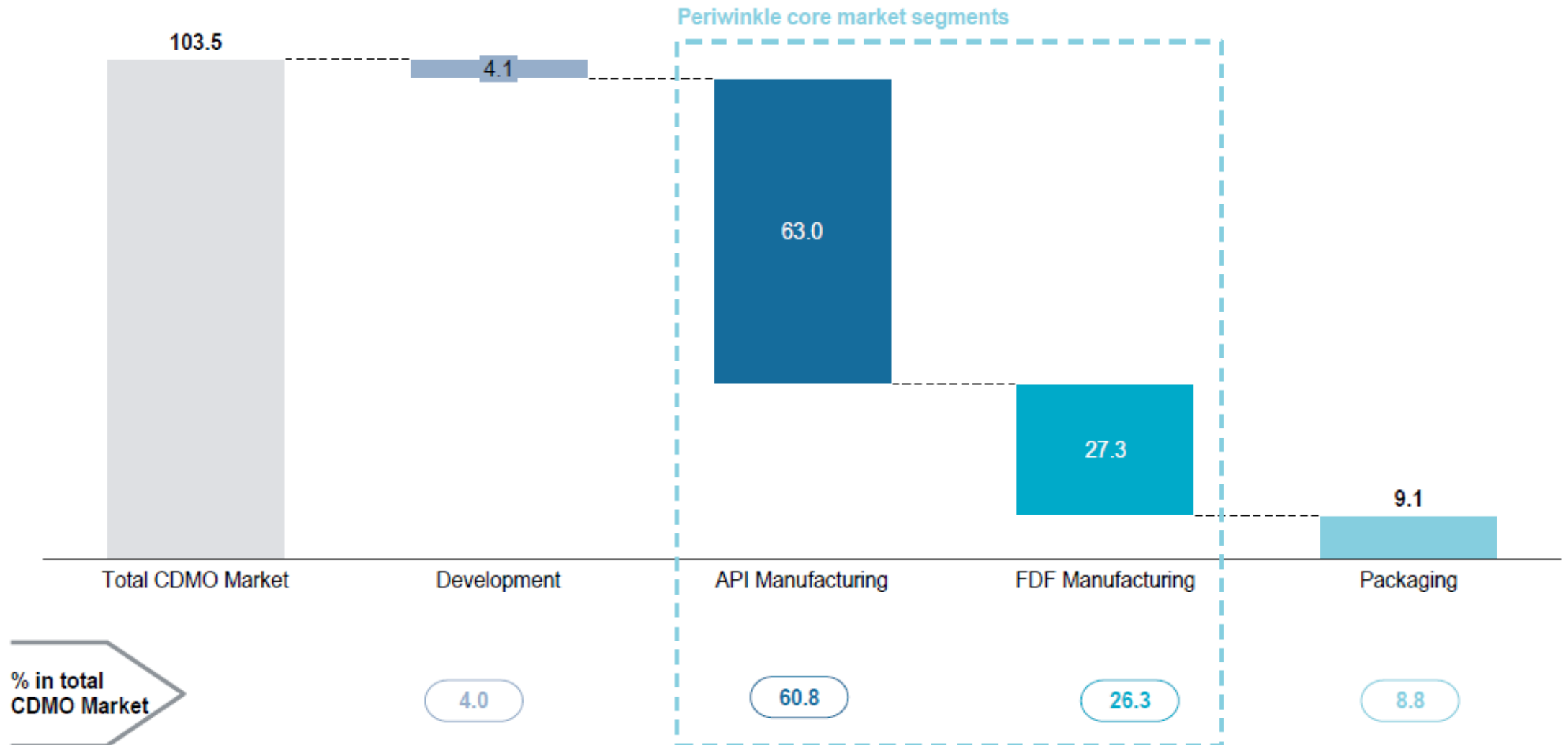
Even if development represents a small share of CDMO market, it is increasingly necessary for CDMOs to include development services in their offer to attract clients."

[CDMO Market Director]

2019 CDMO global market reaches ~EUR 100 bn with API manufacturing accounting for the largest market share (~60%)



CDMO market breakdown by activity [EUR bn; 2019; worldwide]





Vistin metformin business





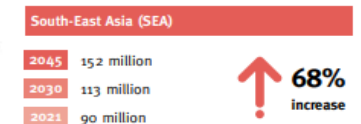
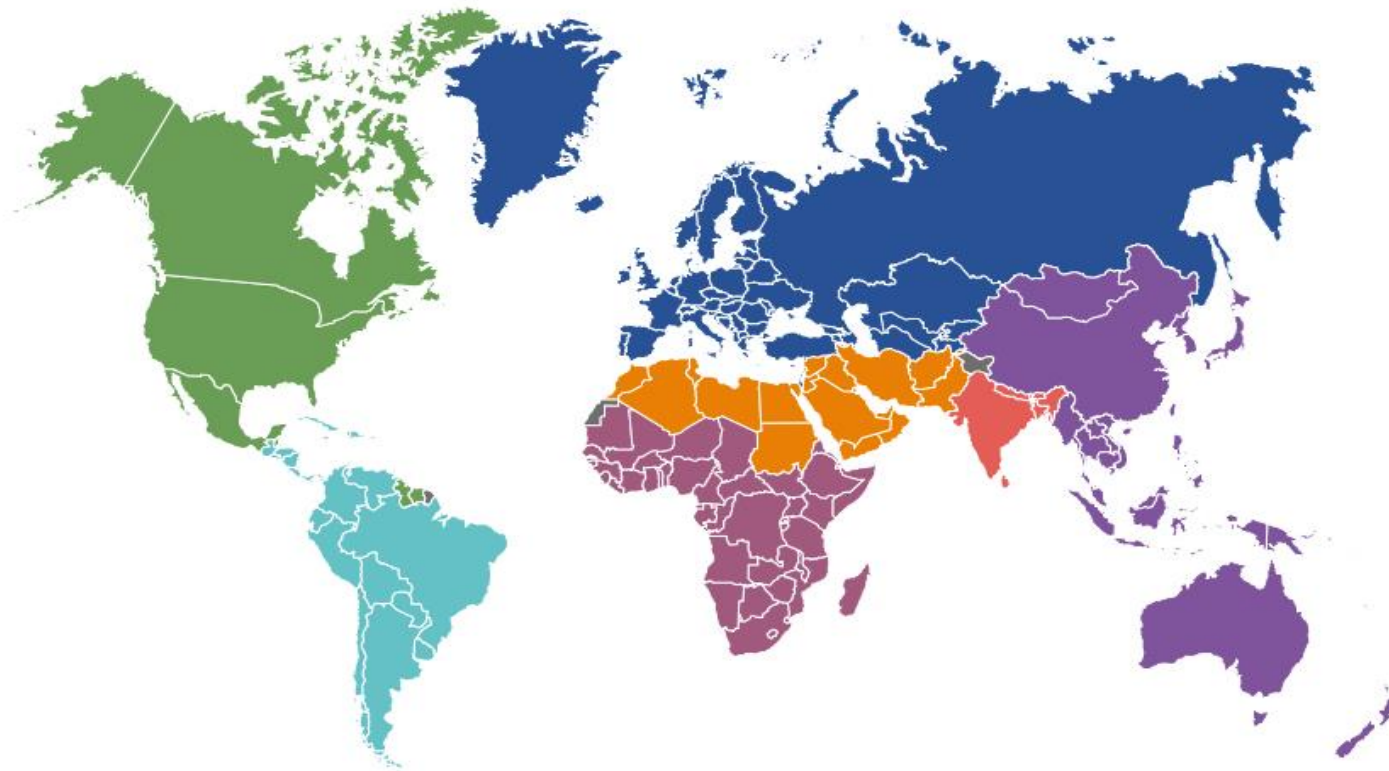
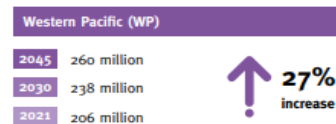
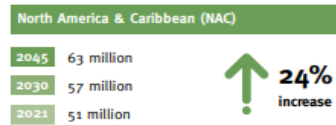
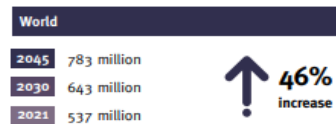
Metformin is the 1st-line treatment for type 2 diabetes, being cost-efficient with limited side effects

An estimated 537 million adults aged 20–79 years are currently living with diabetes. This represents 10.5% of the world's population

Today Vistin contribute to deliver Metformin diabetes type 2 medication to more than 50 million patients every day



Total number of diabetes patients expected to rise to 783 million by 2045 (+46%)

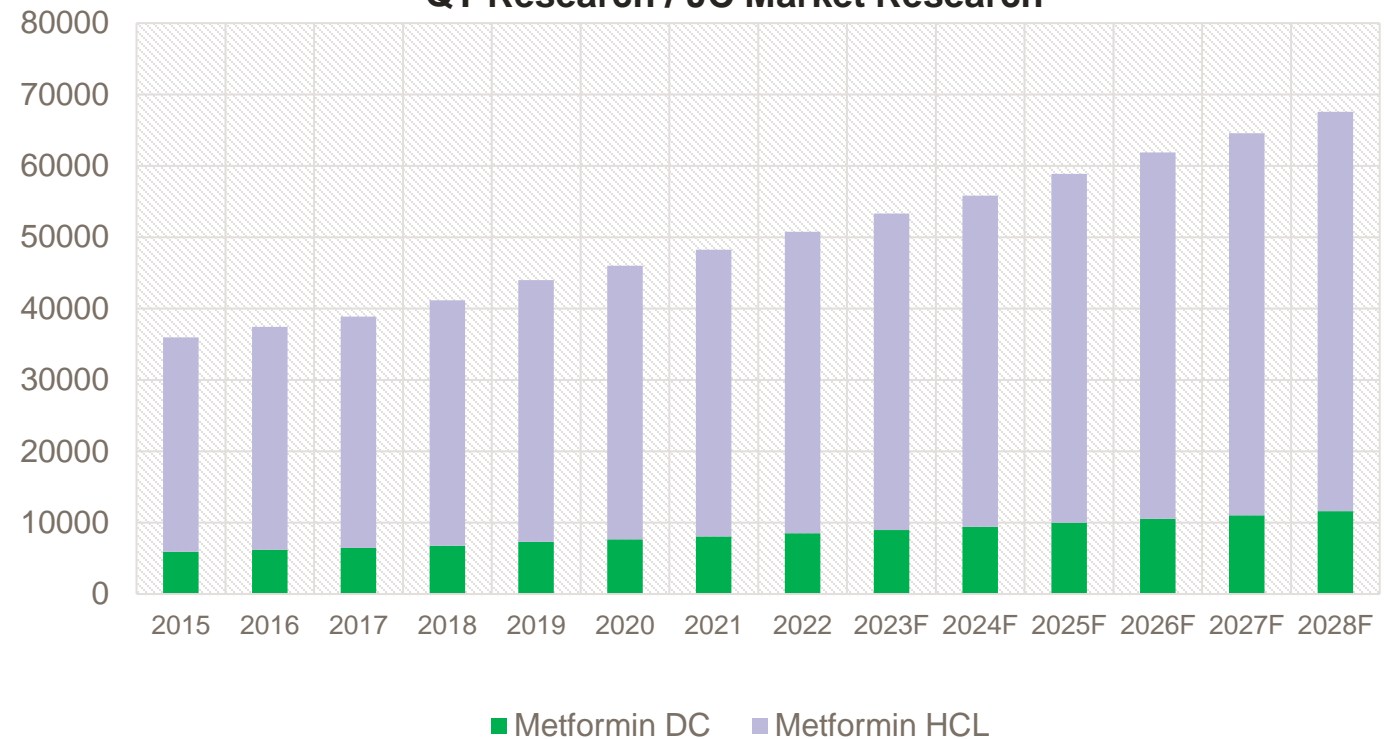




Global metformin demand expected to grow by approximately 16.000MT to 67.000MT by 2028

- Steady 4-6% annual CAGR growth
- Asia Pacific (APAC) is the leading region with the largest expected volume growth
- Estimated volume growth by product category in the period 2022-2028
 - HCL: +33% (+13.700 MT)
 - DC: +36% (+3.100 MT)

Global sales development by product (MT) 2015 - 2028
QT Research / JC Market Research





Successfully transformed from sales via agents & distributors to direct sales to customer





New sales volume from 3 main pillars

1. Existing customers

- Grow with existing customer demands
- Increase volume share from existing multi sourced customers to achieve preferred/primary supplier status via competitive pricing and satisfied customers

2. “Switch market”

- Recruit new generic high-volume customers to fill available capacity and ensure capacity utilization
- Recruit new premium customers by adopting Vistin API as alternative source for supply security

3. New R&D pipeline market

- Early introduction as primary API source in new customer R&D pipeline products





The Fikkjebakke plant;

Operations and strategy





Continued increase in production volum

2010-2016, installed capacity @3000MT

- Full utilisation of capacity in 2015
- Development of Creep 1 project during 2016

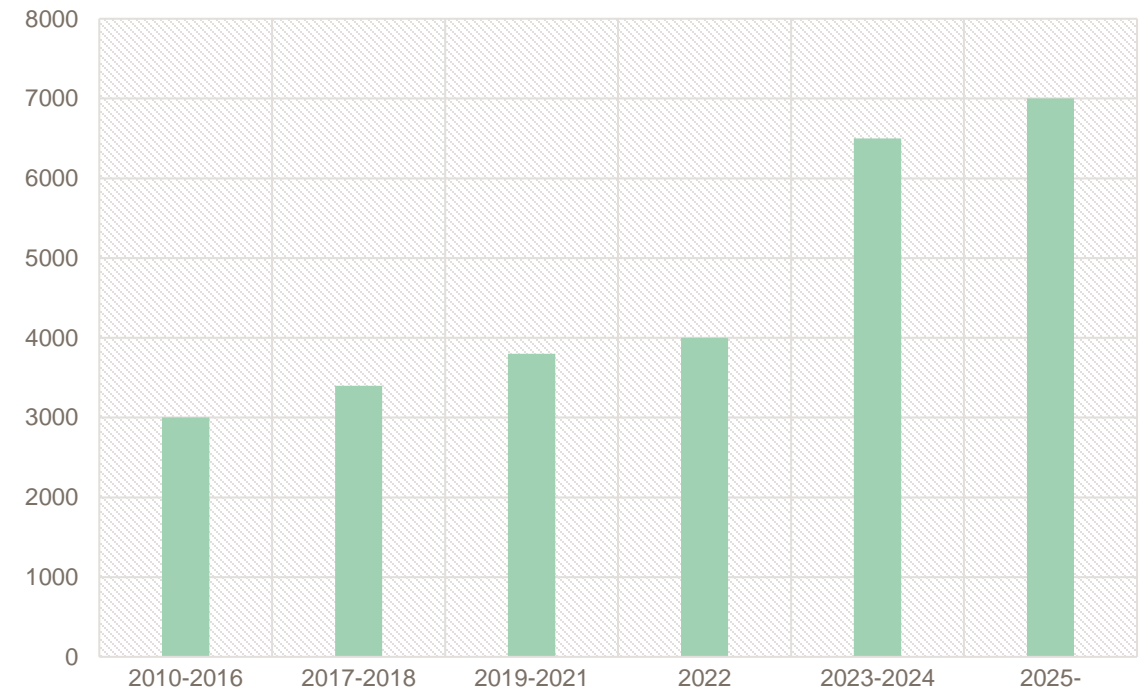
2017-2018, Creep 1 project

- Process stabilisation and Debottlenecking of existing process

2019-2021, Creep 2 project incl 2nd Reactor

- Further debottlenecking and installation of 2nd Reactor

Capacity development 2010-2025 (MT)





Continued increase in production volum

2022, MEP installation, Q1&Q2

- Utilisation of new line excl. solvent recovery part

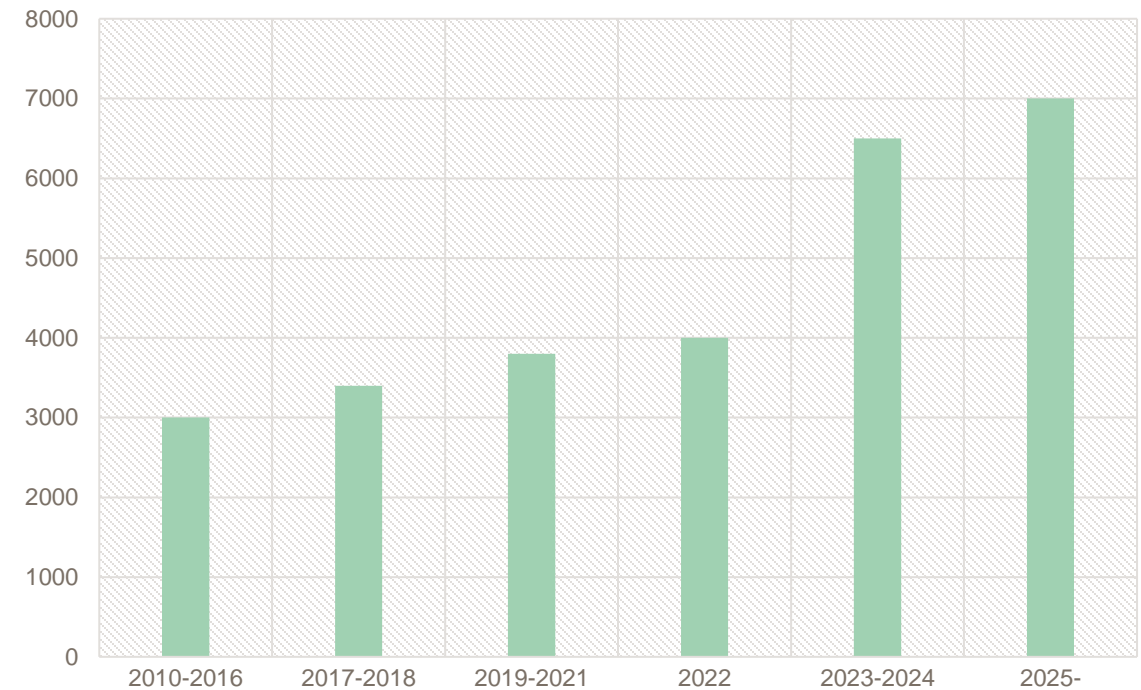
2023, Ramp up solvent recovery

- New equipment and debottlenecking

2024-2025, Full effect from MEP

- Ramp up of production in accordance with sales volume

Capacity development 2010-2025 (MT)





Production facility, -"beyond" state of the art

Competitive edge by:

- Fully automated process. Cost effective, accuracy in operations
- Use of non-hazardous solvents. Butanol, not Xylene/Tolouen, etc
- One step synthesis. Cost effective, low loss – high yield
- Inhouse designed filtering unit. Particle contamination of raw materials removed
- Real time online analyzers (PAT) to be installed in 2023
 - Integrations with process control system. Global frontrunner and first in Norway
 - Prepared for Industry 4.0 / 5.0 & AI
- R&D lab installed in 2023 for process and product development
- Two parallel production lines to reduce risk of product shortage



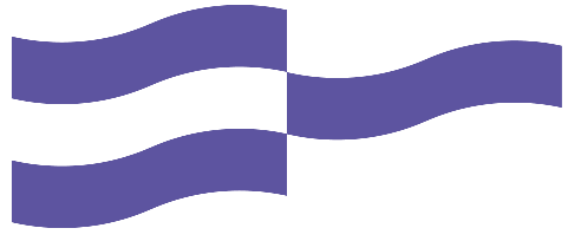
Vistin has high focus on reducing local and global emissions, and programs are in place to consume responsibly and recycle where possible





Sustainable Operations, HSE and ESG

- Zero impact on surrounding environment and safe workplace
- Double production volume without increased impact on environment
- Invested more than EUR 4 mill in sustainable initiatives, 2020-2023
- Reduced emissions to air by 90%
- Recycle cooling water project in 2023 to reduce consumption by ~90%
- Cooling water project provides energy available for Kragerø Industrial area
- Close cooperation with waste treatment receivers to optimize waste to raw materials
- Biannual effluent surveillance of Kragerø fjords since 2017. 2022 report concludes, no trace of Vistin in fjords of Kragerø
- Target to reach United Nations sustainability vision of zero emission when planning for the future



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