Annual report 2023

Vistin Pharma

Directors' report for 2023

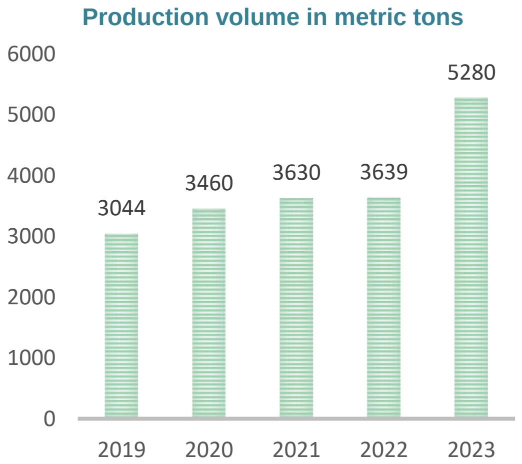
Operating performance

Vistin Pharma is a one of the leading suppliers of metformin, the gold standard treatment for type II diabetes.

Diabetes is one of the most serious diseases of this century. The number of diabetes II patients are by WHO expected to grow from approximately 500 million today to > 750 million in 20 years. About 10% of the world's population in the age group between 25 – 70 years are suffering from diabetes. Vistin Pharma is proud to play a major role in the world in treating this disease. We treat about 40 million diabetes patients annually with our metformin product. The global demand for metformin is expected to grow by approximately 23.000 MT to 85.000MT by 2028.

Vistin Pharma´s ambition is to strengthen its position as one of the leading global suppliers in the metformin market and take advantage of the expected growing market demand in the coming years.

Vistin Pharma believes that the quality of its metformin products, its advanced fully automated production facility, continuous focus and investment in sustainable operations, its service and delivery performance, strategic position in Europe and close proximity to its key premium customers are competitive advantages and drivers for increased sales and future growth.



Metformin capacity expansion project (MEP)

Vistin announced in April 2020 that the Board of Directors had approved a Metformin Capacity Expansion Project (MEP). The objective was to build a 2nd parallel production line and establish a total capacity of approximately 7000MT metformin HCl annually to take advantage of the growing need for metformin, to treat diabetes II patients and to supply existing and future customers increasing product demands. The new line was installed in 1H 2022 but was not fully operational before in 2023. The ramp-up program to achieve approximately 7000MT installed capacity has been a primary focus throughout the year. The manufacturing capacity by end 2023 is approximately 6000MT of metformin hydrochloride.

Strategy

Vistin is positioned as a premium supplier in the metformin market. To strengthen the position, Vistin is committed to invest in process and product quality development and take advantage of Best Available Techniques (BAT) in its production environment. Vistin has a separate department consisting of four highly competent engineers dedicated to work with process, productivity-, and quality improvements.

Vistin Pharma's long-term ESG vision is to have no negative impact on environment, people and local community by the Company's presence. Vistin Pharma are proud of the sustainability achievements, the track record of deliverables and ongoing ESG focus and investments to further reduce the Company's carbon footprint. During the last years Vistin has invested more than 25 million NOK in different ESG projects to further reduce discharges from our manufacturing plant in Kragerø and continuous surveillance programs to measure any impact on the environment from our manufacturing activities. We are proud to say that we have found no traces of pollution or negative impact on the surroundings and local Kilfjord (ocean).

In 2024 we will finish our water recirculation project which will reduce the water consumption in the plant with approximately 80%. In addition, we have in 2023 implemented a cooling system to condense hydrocarbons. This is expected to reduce the emission of greenhouse gases with more than 95% compared to historical levels.

In December 2022 Vistin Pharma entered into a long-term renewable hydropower energy supply agreement with Statkraft (the largest European supplier of re-useable energy) on competitive terms lasting from January 2023 until 2032. We have experienced positive effect from this agreement in 2023 both with respect to energy cost, stability and long-term predictability.

High demand

The demand in the market for metformin is still high. The raw material prices have decreased during 2023 following the Covid-19 pandemic. The delivery situation of raw materials has been stable during 2023, however Vistin has chosen to keep certain elevated levels of safety stock of key raw materials to reduce the risk of temporary raw material shortages.

Vistin has during 2023 both renewed long term supply agreements with existing customers and signed supply agreements with new customers. The company is therefor well on track to fill the additional manufacturing volume from our expansion project going forward.

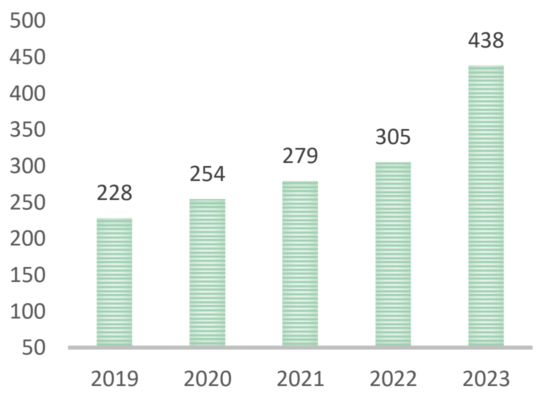
The company also has a strategic intent to become a European multiproduct Contract Development and Manufacturing Organization (CDMO) as part of its growth strategy.

Presentation of financial results for the group

Total revenue and other income for Vistin Pharma in 2023 amounted to MNOK 438.3 (MNOK 304.9). The revenue for both 2023 and 2022 relate exclusively to sales of metformin.

The operating profit for 2023 was MNOK 68.6 million (MNOK negative 6.1). Vistin had a net profit of MNOK 45.6 million (net loss MNOK 4.7 million). The net profit in 2023 is driven by a significant increase in sales volume, with production from two lines. The loss for 2022 was driven by a planned production stop in Q1 due to installation of a new production line and record high electricity prices.

Revenue & other income in MNOK



Liquidity, financial position and investments

2023 net cash flow from operating activities was positive with MNOK 90.6. Net cash flow from operating activities in same period of 2022 was negative with MNOK 10.5

Net cash flow from investing activities in 2023 was negative with MNOK 17.7, which represents capital expenditure and leasing repayments. Net cash flow from investing activities in the same period last year was negative with MNOK 64.3 (mainly MEP 2'nd manufacturing line investment).

Net cash flow from financing activities in 2023 was negative with MNOK 48.1, which mainly are related to down payment of the bank overdraft. Net cash flow from financing activities in the same period last year was positive with MNOK 40.5 (call on bank facility for MEP project).

Change in cash and cash equivalents YTD 2023 was positive with MNOK 24.8. In the same period last year, there was a net decrease in cash and cash equivalents of MNOK 34.3.

Vistin Pharma had total assets of MNOK 403.4 as of 31 December 2023 (MNOK 407.2). The company has a deferred tax asset of MNOK 14.6 (MNOK 28.6). Based on the financial forecasts for the company, the deferred tax asset is expected to be fully utilized, and thus the full amount has been included as carrying value in the balance sheet.

Equity by the end of December was MNOK 322.8. This equals an equity ratio of 81%.

The Financial Statements of Vistin Pharma ASA have been prepared in accordance with the International Financial Accounting Standards (IFRS®) as adopted by the EU and are valid on or after 1 January 2018.

In accordance with the Norwegian accounting act § 3-3a, the Board of Directors confirm that the Financial Statements have been prepared under the assumption of going concern and that this assumption is valid based on the Group's budgets and financial projections.

Events after the balance sheet date

There have not been events subsequent to the closing date of 31 December 2023, that affects the financials or the Company's operational activities.

Additional dividend of NOK 0.75 per share approved and paid in January 2024.

The Board of Directors will propose for the AGM an ordinary dividend of total NOK 1 per share, to be paid partly with NOK 0.5 in June and NOK 0.5 in November

Vistin Pharma announced on the 4th of March 2024 an acquisition of a 15% share in CF Pharma Kft. CF Pharma is an API CDMO located in Budapest, Hungary. The transaction price consists of a base price and an earn-out-element, with an agreed cap of MEUR 1.6.

Organizational matters

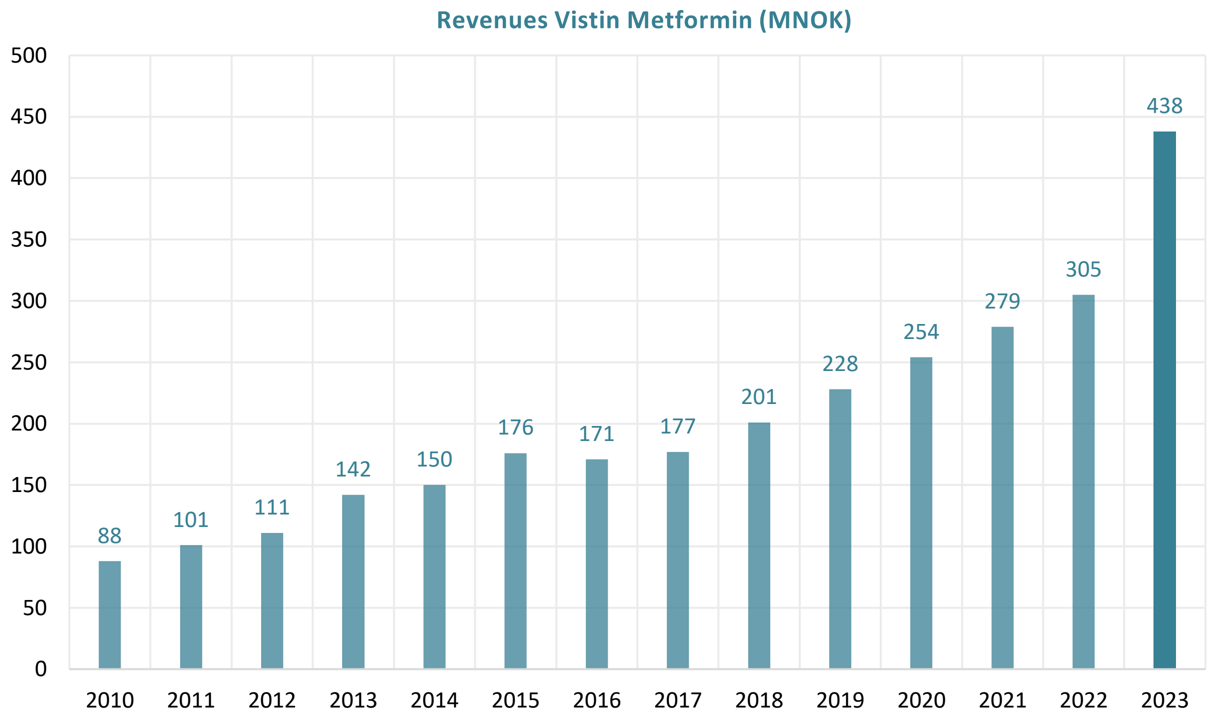
Organization

At the end of 2023, the Group had 77 employees.

Board of Directors

At year end the board consisted of Øyvin A. Brøymer (chairman), Bettina Banoun, Kari Krogstad, Espen Marcussen, Øystein Stray Spetalen, Espen Lia Gregoriussen (employee representative) and Åse Musum (employee representative).

Long and successful growth track record



No harm vision

- Our vision is to have no negative impact on environment, people, and local community by our presence
- Vistin is a green and environmentally friendly pharmaceutical company with a no harm vision and front runner ambition
- Our goal is to increase our manufacturing capacity without increased environmental impact on water, air, and soil

Sustainability report

Corporate social responsibility (CSR), the environment and employees

Vistin Pharma aspires to achieve sustainable development by having a good balance between serving customer needs, financial results, value creation, sustainability, and CSR. The Board of Directors have the overall responsibility for aligning Vistin's strategy and sustainability considerations, while the day-to-day responsibility lies with the CEO, supported by the Leadership Team. The statement of corporate social responsibility required under Section 3-3c of the Norwegian Accounting Act follows below.

Corporate social responsibility

Vistin Pharma is committed to conduct its business in a manner that adheres to the highest industry standards within the pharmaceutical industry, and strictly in accordance with international and local laws and regulations. Vistin Pharma is a socially responsible company dedicated to promoting decent working and environmental conditions in the supply chains. Vistin Pharma has adopted the general principles of UN Global Compact with universally accepted principles for human rights, working conditions, environment, and anti-corruption. In pursuit of this the Group has developed a 'NO HARM VISION' consisting of:

A vision to have no negative impact on environment, people, and local community by the Company's presence

A «green» and environmentally friendly pharmaceutical company with a "no harm" vision and "front runner" ambition

A goal to increase manufacturing capacity without increased environmental impact on water, air, and soil

ESG achievements and initiatives

Vistin Pharma has during the last years invested in, completed, and implemented several projects that significantly reduce the environmental footprint. Building on this success, Vistin Pharma has several ESG initiatives ongoing:

- Vistin continues to use only 100% hydro powered energy to minimize carbon footprint.
- Vistin is completing a project in 2024 with aim to reduce the water consumption in the plant by >80% through recycling, incl. reusing the hot water for heating.
- Vistin is working on a technology project where distillation will be fractionated into components that can be used as raw materials for other companies.
- Vistin has, since 2017, been part of a national program for surveillance of industrial impact on fjords and effluents. Surveillance program and ecotoxicology test confirm that Vistin do not impact the effluent negatively.
- Vistin has invested MNOK 10 in a cooling system to condense hydrocarbons. This has reduced the total emission to air with more than 95 % compared to historical levels.

The Company's manufacturing plant is located in Kragerø, Stuttlidalen 4, Sannidal, Norway, and its head office is located at Østensjøveien 27, Oslo, Norway. Vistin Pharma has dedicated considerable resources to identify, analyze, control and reduce the emission levels at its manufacturing plant. Vistin Pharma has established a system in which all process water is being collected and analyzed, and only discharged if the water quality is within approved levels. The system has been fully operational during 2023.

Vistin has a strict surveillance regime when it comes to emission from the plant and is on a quarterly basis reporting status to the environmental department ('Miljødepartementet').

Vistin only use well know international freight providers for both inbound and outbound transportation. The freight suppliers also need to be an approved supplier according to the Company's internal guidelines which is based on Good Distribution Practice (GDP) and Supplier Code of Conduct. Vistin Pharma expects its suppliers and business partners to make efforts to ensure compliance to the above principles and national laws and regulations, and to ensure similar compliance by their sub-suppliers.

Vistin Pharma does not accept violation of laws against corruption, bribery, and fraud. Suppliers and business partners shall under no circumstance be involved in business practice which hinders free competition. Suppliers and business partners shall not offer Vistin Pharma employee's gifts or favorable conditions. Vistin Pharma seeks to form long term relationship with business partners, who share the values and focus on promoting decent working and environmental conditions in the supply chain. Vistin Pharma's Code of Conduct is built on Vistin Pharma's values and provides a framework for what the Group considers responsible conduct. The document has been approved by the Board of Directors, and applies to all employees, as well as to board members of Vistin Pharma, and can be found at www.vistin.com.

Vistin Pharma's 7 goals for achieving increased sustainability.

1. Aim to reduce the water consumption in the plant by >80% through recycling
2. Reduce emission of VOC to air by 95%
3. Reduce pharmaceutical content in waste
4. No increase in discharge to sea from doubled production capacity. Innovative process design in expansion project
5. Program for monitoring effluents in the environment and living species
6. Change of packaging material in DC granulate product that will reduce environmental footprint in fabrication of material, transportation and customer waste generation
7. Reduction of plant energy consumption by optimizing of steam and condensate system by heat integration

Vistin in the future.

CO2 footprint
During 2022 Vistin started to measure the Scope 1 and Scope 2 greenhouse gass (GHG) emissions from our manufacturing and energy consumption which is included in this report*. Producing Metformin HCl is a very energy consuming process (>1 Million kWh/month).

Metric	2019	2020	2021	2022
VOC to air [kg/kg API]	0,016	0,014	0,009	0,009
Water use [m^3/kg API]	0,13	0,13	0,13	0,096
Butanol to water [g/kg API]	0,03	0,03	0,03	0,03
Metformin to water [g/kg API]	0,002	0,002	0,001	0,0001
KOF to water [g/kg API]	0,085	0,092	0,10	0,088
Lost time injuries (LTI)@70FTE	0	0	9h	0
Sick leave [%]	4,7	5,3	4,8	3,8
Production Volume (Metric ton)	**3048**	**3454**	**3630**	**3640**
Scope 1 CO^2e [kg/kg API]	-	-	-	0,03
Scope 2 CO^2e [kg/kg API]	-	-	-	0,01

Scope 1 definition: CO^2 equivalents caused by consumption of gas, oil, petrol, diesel in relation to energy production. In 2022 Vistin used some diesel to ensure stable energy from an extra generator during installation of our 2'nd manufacturing line corresponding to 30 grams of CO^2e per kg produced API.

Some examples of sustainability activities already in operation

Compliance with the new 2022 Norwegian Transparency act where all companies in Norway are to analyse the risk of Sosial discrepancy and risk of potential violation of human rights or poor working conditions not following local employer rules and regulations.
The report is published on the Vistin website.

New freshwater recycling plant
Investment of € 1,5 million In a new freshwater recycling plant to reduce water consumption by >80%

Vistin is located in Norway and use only 100% pure sustainable hydropower (rainwater falling from the mountains by gravity and driving electric generators) and therefore the CO^2 equivalents from our energy consumption are limited to as little as 10 grams CO^2e per produced kg of Metformin API.

This is likely the most environmentally friendly and sustainable production of Metformin API in the world. Vistin Pharma has also started the detailed work to analyse our complete Scope 3 emissions in our global supply chain of suppliers, and aspire to include this in the future.

*As baseline for calculations Vistin is using the GHG Protocol and the Science based approach framework to calculate our CO^2e

2023	2024 Target	2030 Vision	Permit 2023
0,004	0,005	0,003	-
0,078	≤0,030	0,024	-
0,025	≤0,025	≤0,015	0,09
0,00004	≤0,001	≤0,0005	0,05
0,061	≤0,09	≤0,01	0,45
1	0	0	-
4,7	<5	<4,5	-
5300	**5000-7000**	**7000**	-
≤0,03	0	0	-
≤0,01	≤0,01	0	-

Scope 2 definition: CO^2 equivalents caused by purchased energy consumption. Vistin consumption of energy is >1 Million kWh/month, and Vistin use only 100% sustainable hydropower from Norway in our manufacturing.

Investment in wastewater discharge tank
To avoid any uncontrolled discharge to the local community sewer.

National surveillance program
Industrial impact on fjords and effluents. Started in 2017.

New VOC investment, Technology development project
Invested approx. € 1 mill to establish a new state of the art VOC to reduce the emission of solvents (butanol) to air by > 95%

ESG targets and expected financial impact

Concrete actions to meet emission target and vision:

2024:

- Fine tuning and optimization of already installed process equipment in production that create emission
- Feasibility study to reduce waste and re-use waste as energy source (heating)
- Continued optimalization of VOC equipment to further reduce emissions to air
- Installation and start-up of water recycling facility

2025-30:

- Installation of equipment to reduce waste and use as energy. Both for internal use and selling Vistin's waste fractions as raw materials to potential customers. Take a leading position on waste handling and circular economy.
- Stoichiometry – optimize addition of raw materials when producing Metformin
- Reduce butanol consumption in production by upgrading and optimizing process equipment

Expected costs / investments to meet target and vision:

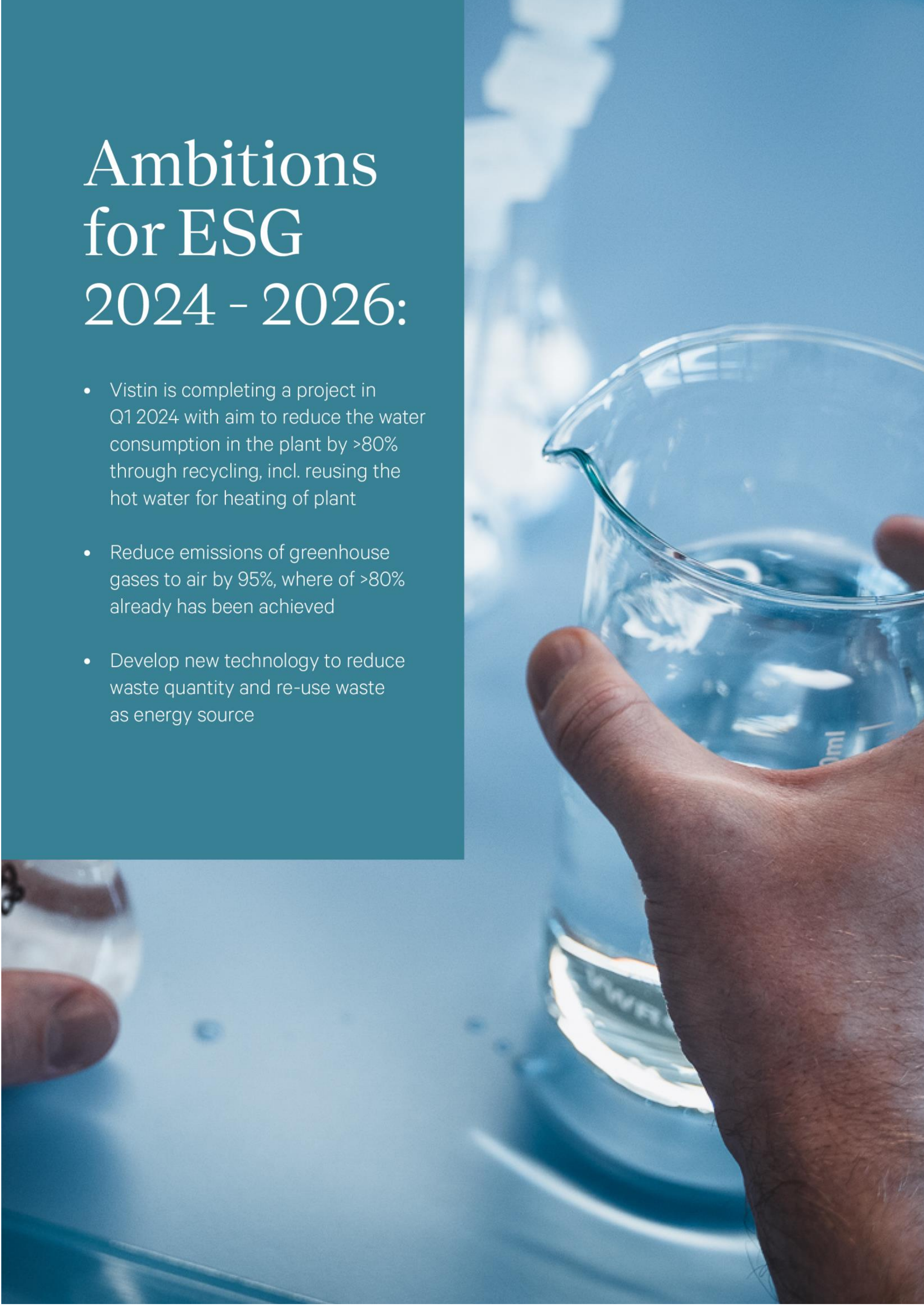
2024: Machines & Equipment MNOK 10. Internal resources (MNOK 3)
2025: Machines & Equipment MNOK 10 Internal resources (MNOK 3)
2026-30: Machines & Equipment MNOK 25. Internal resources (MNOK 15)

Ambitions for ESG 2024 - 2026:

- Vistin is completing a project in Q1 2024 with aim to reduce the water consumption in the plant by >80% through recycling, incl. reusing the hot water for heating of plant

- Reduce emissions of greenhouse gases to air by 95%, where of >80% already has been achieved

- Develop new technology to reduce waste quantity and re-use waste as energy source



People

Equal opportunities

Vistin is committed to being a responsible employer and promotes an open and strong corporate culture. The Company has established practices to ensure equal opportunities between female and male employees, as well as between different races. The Group had 77 employees at year-end 2023, of which 20 are females. Four employees were part-time workers according to their own decision. All employees are offered equal opportunities with regards to hiring, compensation, training and promotion regardless of gender, age, ethnic and national origin, religion, sexual orientation, social background or other distinguishing characteristics. Vistin offers full pay during parental leave for both men and women, and in 2023 none of Vistin's female and two of the male employees took parental leave. On average, the length of the parental leave was 15 weeks.

The Executive Management group in 2023 consists of four members, of which one member is female. The Board of Directors currently has three female members out of seven. The Board does not consider it necessary to take further measures to ensure equal opportunities.

Salary comparison*

Category	Females	Males	Females share of males salary
Category 1	1	4	78 %
Category 2	4	6	100 %
Category 3	4	3	97 %
Category 4	3	36	83 %
Category 5	4	4	98 %
Category 6	4	2	96 %

**Vistin completed in 2023 a salary survey to benchmark female's salary compared to their male colleagues. Adjusted for age, number of years' experience and formal competence the female's salary is on a similar level as their males.*

Vistin has not registered any involuntarily overtime or part-time work during 2023. Approximately 35% of the leadership roles in the middle level is held by females.

Environment, Health and Safety (EHS)

Vistin Pharma has established a formal code of conduct, as well a set of policies and procedures for handling quality, health, safety and environment. The Company is committed to a work environment where all employees feel safe and are valued for the diversity they bring to the business. Vistin Pharma honors domestic and internationally accepted labor standards and support the protection of human rights. The Company does not tolerate any harassment or any act of violence or threatening behavior in the workplace, including any sexual, age-related, or racial harassment.

The people employed at Vistin Pharma are the most important resource for success, and the Company strives to create a healthy and safe environment for all employees and contractors. All employees are entitled to an annual review with its immediate supervisor. For new employees individual training programs are set up when onboarding or after individual evaluations. The training is tailored to each role, tasks and duties and can include both internal and external courses, seminars, and other relevant arrangements.

For Vistin Pharma, QHSE (quality, health, safety, and environment) is an integrated element of its business, and an electronic system is in place to monitor and follow-up any accident incidents. Key safety indicators, such as TRI's (total recordable incidents), are continuously monitored, reported and reviewed on a continuously basis. One work-related incident was registered in 2023.This was the first reported TRI in Vistin, for the preceding six years.

The statistics of only one TRI and LTI (lost time injury) for several consecutive years show that the company's focus on creating an EHS culture and establishing barriers to minimize the risk of accidents has been successful. Sick leave for the year totaled 4.7% compared to 3,8%, which is well below industry average. In order to improve the working environment, actions are taken to reduce static load for the operators in production and reduce exposure towards dust, gases and chemicals.

Employee skills and job engagement

The ability to attract and retain a skilled workforce is important for Vistin to succeed in the long-term. Vistin's organization and culture are key drivers for the stakeholder value creation. The culture is built on three core values, which guide the daily activities:

Agile - *Means being engaged, ambitious, flexible and attentive towards the market to make sure customers and partners succeed*

Responsive - *Means responding quickly, act jointly to develop the best possible products and solutions and deliver as agreed*

Genuine - *Means to be open and inquisitive, perform with integrity and responsibility and share our knowledge, skills and experience with customers and alliances*

The company has developed a competence matrix which clarifies required competence and resources needed to ensure the right quality of the products and services provided and to meet customers' needs. Individual training programs are set up for each employee, either when onboarding new workers or after individual evaluations. The training is tailored to each role, tasks and duties and includes tutoring and participation at internal and external courses, seminars, and other relevant arrangements.

	2023	*2022*
Number of employees	***77***	79
Number of part-time workers	***3***	2
Turnover (number of employee's)	***2***	2
Sick leave	***4,7 %***	3,8 %
LTI (Injury w/absence)	***1***	0
MTC (injury w/medical treatment)	***1***	0
Number of hours worked since last LTI	***122 959***	174 185
% Females	***26 %***	28 %
% Females in management positions	***34 %***	40 %
% Male parental leave	***4 %***	4 %
% Female parental leave	***0%***	0 %
Reported whistleblower incidents	***0***	0
Reported incidents of other concerns	***0***	0
Number of employee's GMP trained	***77***	79

Contribution to UN Sustainability Goals

The Sustainable Development Goals (SDGs) have been agreed by all 193 UNmember states in 2015 and guide governments, civil society and the private sector in a collaborative effort for change towards a sustainable development. Vistin support the UN sustainability goals and has through 2023 worked closely with its internal and external stakeholders to define where Vistin can have the greatest impact, but also contribute to others. These SDGs are described below:

Vistin influence several of the UN SDG's by its operations.

1. No poverty
Vistin contributes by producing and delivering affordable Diabetes type 2 API medication to more than 50 million patients worldwide every day through global customers of pharmaceutical companies. Affordable medication is key to fight poverty.

3. Good Health and wellbeing
Vistin contribute by producing and selling affordable, safe and efficacious medication API.

5. Gender equality and 10. Reduced inequalities
Vistin has equal rights and gender equality in its company. Vistin is located in the Nordics where equal rights between sexes are high in both culture and society in general.

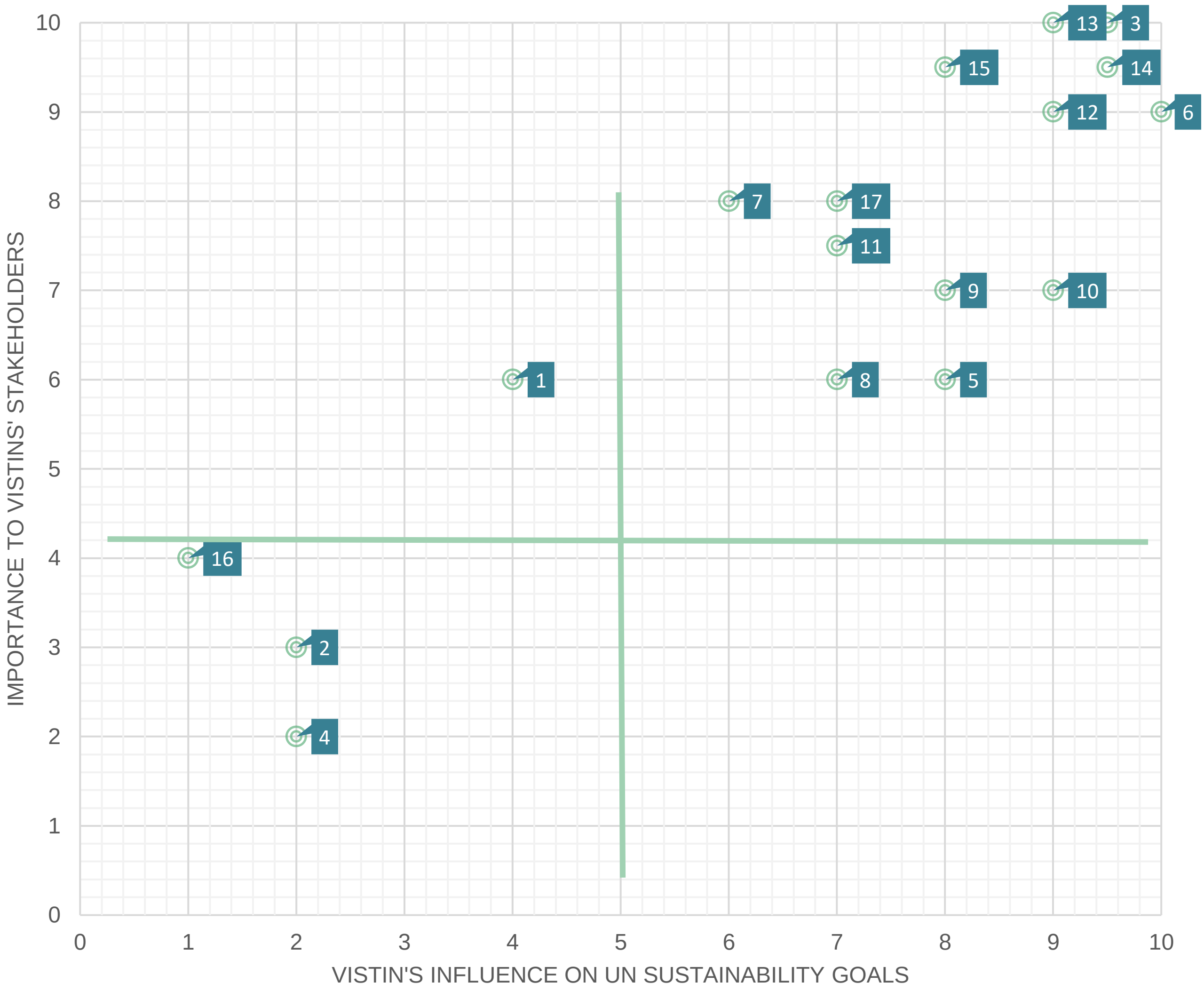
6. Clean Water and sanitation, 13. Climate action, 14. Life below water and 15. Life on land
Vistin has a very high focus on avoiding effluents to water, air and soil. Vistin has set tough goals for itself by reducing the environmental footprint to levels far below permits granted. Vistin aspires to be a front runner in this area.

7. Affordable clean energy
Vistin has shifted from oil-based energy to 100% hydropower energy which is the most environmentally friendly energy source.
The more companies that demand sustainable clean energy in their operations, the more this fosters further development and investments in this area.

9. Industry, Innovation and Infrastructure, 11. Sustainable communities and Cities and 12. Responsible consumption and production
Vistin wants to be a good corporate citizen and a good neighbor for the local community. The company has high focus on reducing local and global emissions, and programs are in place to consume responsibly and recycle where possible.

17. Partnerships for the goals
Vistin's business model is to have long-term relationships with the customers, and together set goals and expectations to the company's operations, cutosmers and suppliers.

Vistin impacts on UN's 17 goals to sustainability



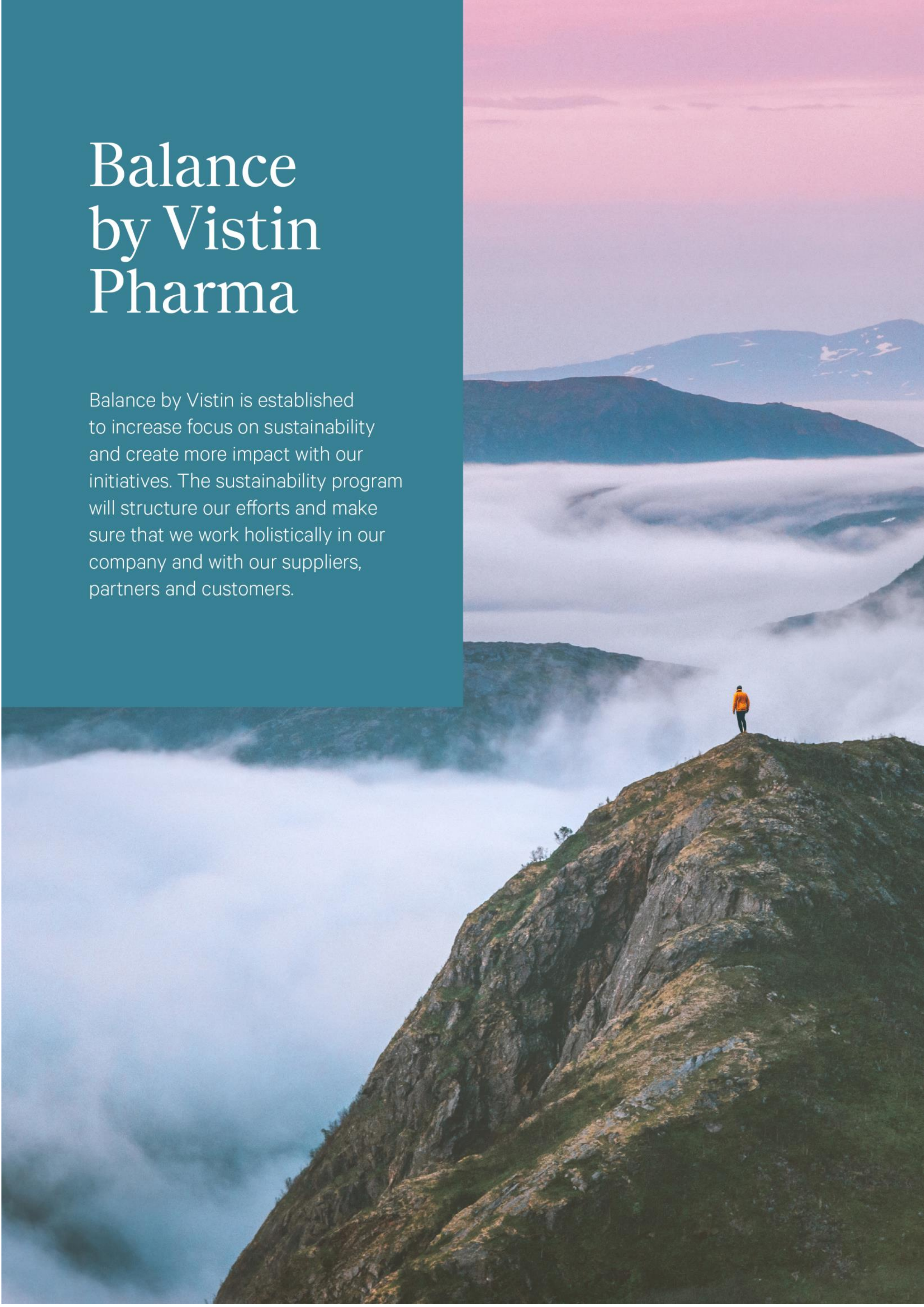
WHO:

Diabetes is a chronic, metabolic disease characterized by elevated levels of blood glucose (or blood sugar), which leads over time to serious damage to the heart, blood vessels, eyes, kidneys and nerves. The most common is type 2 diabetes, usually in adults, which occurs when the body becomes resistant to insulin or doesn’t make enough insulin. In the past 3 decades the prevalence of type 2 diabetes has risen dramatically in countries of all income levels. For people living with diabetes, access to affordable treatment is critical to their survival

Source: Diabetes (who.int)

Vistin:

Metformin is the 1st-line treatment for type 2 diabetes and is expected to continue to be so in the foreseeable future, due to the cost-efficient treatment with limited side effects and long-term safety profile. Today Vistin Contributes to deliver Metformin diabetes type 2 medication to millions of patients every day.



Balance by Vistin Pharma

Balance by Vistin is established to increase focus on sustainability and create more impact with our initiatives. The sustainability program will structure our efforts and make sure that we work holistically in our company and with our suppliers, partners and customers.

The Balance concept

Healthy environment
Vistin is a «green» and environmentally friendly pharmaceutical company with a "no harm" vision. We have ambitions to be a "front runner" within production and production processes that are environmentally friendly compared to the industry standard. We want to increase production to serve more diabetes 2 patients, but without increased environmental impact on water, air and soil.

People in focus
As a global supplier of key pharmaceutical products Vistin is committed to good governance and committed to be a responsible member of the society. With our culture and ethical guidelines, we rely on all employees to make the right choices and act according to the company's Code of Conduct.

Clean operations
At Vistin we belive in a healthy work environment with happy employees. We have a policy to ensure that all employees have equal opportunities. We assure safe work conditions and nurture a sound business culture for our employees and partners to feel well. We support the development of employees as well as local communities. We expect our suppliers and business partners to support the development and well-being of their employees and contribute to society at large.

Product governance
Product quality and safety

Vistin produce Metformin Active Pharmaceutical Ingredient (API) that improve Diabetes 2 patients' quality of life. Metformin API is supporting effective health care with high efficacy and very good safety profile, and at an affordable price to patients and health authorities. Vistin's mission has been to provide safe and efficacious medicine to patients all over the world. Today Vistin contributes to deliver diabetes type 2 medicine to millions of patients every day. The products from Vistin are subject to high quality and safety requirements and require high competence and excellent quality systems. Vistin's quality management system (EQMS) ensures that its products and services are delivered in accordance with relevant acts, regulations, and requirements. The company's QMS is based on the cGMP regulations, and complies with national and international standards, rules and regulations for manufacturers and suppliers of medicinal products. The QMS consists of a set of policies, standard operation procedures, forms, and work instructions to ensure that the products meet required quality and safety standards.

Product life cycle and environmental footprint

Vistin operates in a highly regulated market with regards to product quality and compliance with requirements. The product and the production plant are annually audited by different national health organizations like, NOMA, EMA, FDA, PDMA, etc. The company has a history of delivering high quality API to customers and a very good track record from government audits. This is all key and an important contributing factor to the long-term growth and value creation for stakeholders.

Vistin has prepared a sustainability report, last updated in 2023, to increase

environmental focus, ensure sustainable operations and reduce its environmental footprint. The company's direct environmental impact relates primarily to the production facilities at Fikkjebakke in Kragerø. Norway, the distribution to European countries and Asia as well as some travelling in connection with sales and quality/HMS audit activities. Employees are encouraged to take environmentally friendly options into considerations, like minimize number of flights. Employees are further encouraged to reduce consumption and waste generated from their daily business activities. Vistin has established routines for management of chemicals and waste.

The company's indirect environmental impact is mainly through the purchase of needed key starting materials from Europe, India, and China to be able to produce Metformin API. Some key starting materials are produced in far east and are transported to Europe and Norway by long-sea. Vistin has a very low environmental footprint compared to peers due to use of 100% hydropower in manufacturing and very low levels of emission to air, soil, and water.

Transportation of containers of raw materials inbound and product to customers outbound also influence the company's indirect environmental footprint. Metformin API is a high-volume product and approximately 250-300 forty feet freight containers enter and leave the factory on annual basis.

Vistin has a long-term relationship with the raw material suppliers, and work with them to continuously improve. Vistin has clear expectations towards the suppliers in relation to EHS matters, through supply agreements and supplier code of conduct. Vistin aims to increase its collaboration with freight forwarders and raw material suppliers who shows dedicated focus on reducing their environmental footprint, contributing to Vistin's long-term goals.

Ethical business

Vistin complies with the new Norwegian Transparency Act ('Åpenhetsloven') introduced by the Norwegian Government in 2022. The Company has published a detailed due diligence assessment of its raw-material and service suppliers according to the principles in the Transparency Act. The report is available on the company's homepage: www.vistin.com.

Transparency Act – Vistin policy

VISTIN PHARMA is a Norwegian producer of medicines and one of the leading world suppliers of Metformin API. Metformin is the 1st-line treatment for type 2 diabetes.

Vistin is subjected to strict international guidelines for production of medicines (GMP= Good Manufacturing Practise), to ensure the highest level of quality in production and in everything we do. Vistin Pharma works with many different suppliers and partners that we need to be sure make strong efforts to ensure compliance to human rights, national laws & regulations, and to ensure similar compliance by their suppliers. Vistin has established a formal "Code of Conduct" which we require our employees to adhere to and our suppliers and partners to follow.

Transparency Act – Vistin policy

Vistin's values is, **agile, responsive and genuine**, which represents characteristics which guide the daily activities. Everyone that represents the brand Vistin Pharma in production, processing, sales & marketing, distribution, negotiations or in any other way represents the brand Vistin Pharma, are expected to abide the same values and promises that the brand represents.

- The Transparency Act aims to promote companies respect for basic human rights and decent working conditions. It requires businesses to carry out an annual due diligence assessment. Vistin Pharma has established an annual systematic evaluation process to comply with this.

- Responsible supplier management as a principle is something we work with. We prioritize long-term and developing collaborations with our suppliers, where many of our most important partners have delivered goods to us for up to 20 years. We believe that this not only ensures good quality and safety in our deliveries, but also good knowledge of the company's working and environmental conditions.
  Routine inspections of factories that supply various input factors to Vistin are included as an important part of our ongoing supplier evaluation and partnership development.

- One of our implemented measures is implementation of supplier contracts with specific requirements linked to Vistin's Code of Conduct. The Code of Conduct include references to relevant laws and regulations, as well as an obligation to comply with Vistin's ethical guidelines, which include requirements and principles related to fair pay, working hours, anti-corruption, working environment and safety (EHS).

- Vistin has also prepared a sustainability report with concrete targets for improving our sustainability in the coming years. Vistin is a company focused on protecting the local environment and the safety of its employees. We have a continuous focus on improving the working environment for our employees and have a zero vision in relation to work-related injuries.
  Our sickness absence has been and should be lower than the industry average in Norway.

- Vistin aims to limit the impact of the climate change by only use renewable energy, investing in measures to reduce energy consumption, water consumption and waste from our operations as well as implementing environmentally friendly transport/logistics solutions.

- Vistin is concerned that our suppliers of goods and services focus on sustainability, and we work continuously with our partners to achieve common goals.

Whistle blowing

Vistin has established routines for reporting concerns related to illegal or unethical conduct, including a whistle blowing channel for discrete and confidential handling of any potential reports. There were no reported concerns during 2023.

Responsible selling practices

The company's products are sold either directly to customers (B2B) or through distributors in all continents. A standardized sales process has been established to ensure truthful and responsible selling practices as well as qualification of all customers. All customer communication is done by trained and authorized personnel.

Data security and customer privacy

As a healthcare company, Vistin may gather and store personal data as part of its operations. Vistin recognizes its responsibility of managing the data collected in a responsible manner and keeping the data safe. The company is subject to laws and regulations that stipulate how personal data can be collected and managed, such as General Data Protection Regulation (GDPR). Strict guidelines and procedures have been implemented to ensure compliance. This involves regularly reviews and development of the company's internal control systems and risk management processes to continuously improve and address existing and emerging data security and privacy threats. To ensure a modern, secure, and well-functioning IT platform, the company has outsourced its IT management to a professional service provider. Any breaches to data security and consumer privacy will be reported and followed up immediately. Vistin registered no data and GDPR breaches and no wrongful sharing of personal customer data incidents in 2023.

Climate changes and financial impact on Vistin's financials

Vistin consider the short to medium term climate impact on the company's financials to be rather limited. The production plant at Fikkjebakke is highly automated and following local strict policies in relation of emissions and local environmental impact. The company also have several project's ongoing that will reduce the climate footprint in the future. Vistin signed a 10-year renewable power supply agreement with Statkraft in December 2022, which includes a Guarantee of Origin (GOG) for renewable power. Statkraft is Europe's largest provider of clean renewable energy.

For the long-term the risk is more uncertain. However, Vistin believe it is well prepared for adopting to a future with lower emissions, reduced climate footprint and other environmental changes. Metformin is expected to maintain its position as the Gold Standard treatment for Diabetes 2 in the foreseeable future. Today, approx. 12% of global health expenditure is spent on diabetes and the disease is by WHO look at as one of the most severe epidemics in the world today, with 500-600 million people living with the disease. Most of these patients are dependent on a daily intake of Metformin to have a good quality of life.

The risk of more unpredictable weather phenomena is currently not expected to have any significant impact on Vistin's supply chain and production facility. It is likely that cost of transportation and usage of fossil transportation sources will increase going forward, however such cost increases and/or cost of transformation to new sustainable substitutions is expected to be compensated by increased sales prices to customers.

Risk exposure and risk management

Vistin Pharma's regular business activities entail exposure to various types of risk. The Group proactively manages such risks, and the Board regularly analyses its operations and potential risk factors and takes measures to reduce risk exposure. Vistin Pharma places a strong emphasis on Quality Assurance and has quality systems implemented, in line with the requirements for the pharmaceutical industry.

Operational risk

As a pharmaceutical manufacturing company, Vistin Pharma is exposed to several types of risk. Fluctuations in the price and availability of raw materials and the development in foreign exchange (USD and EUR) are among the most prominent. In addition, risk related to potential regulatory changes, new medications for the treatment of diabetes II, and environmental issues connected to emission permits at the Company's plant, represent central risk factors to the Company.

Financial risk

The financial risk of the company is principally related to liquidity risk, credit, and risk foreign currency risk.

Company's main strategy to manage liquidity risk is to maintain a strong balance sheet. Vistin has an equity ratio of 81%. Vistin has no interest-bearing debt of as of end December 2023. Net cash was MNOK 26.2. Vistin has a revolving credit facility to handle the planned liquidity effects from ongoing growth and investments. The Company's liquidity is considered solid.

Vistin has no major financial assets other than cash and cash equivalents and trade receivables. The trade receivables relate to customers, the Company is tightly managing these receivables. The Company's overall credit risk is considered moderate to low.

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to Vistin Pharma's operating activities.

Vistin Pharma offers metformin to the global market and the Company is exposed to currency exchange fluctuations, as most sales are in EUR, while raw-material purchases are mainly denominated in USD. The Group also have foreign currency denominated cash deposits. The Company may enter currency hedging contracts to reduce the foreign exchange risk.

Further details on financial risk, including the sensitivity analysis required by IFRS, can be found in Note 14 to the Consolidated Financial Statements

Shareholder relations and corporate governance

Corporate governance

The Board of Directors and Executive Management are committed to complying with rules and regulations that apply to Vistin Pharma's business. Vistin Pharma's corporate governance guidelines, (the "CCGP"), have been prepared to comply with the current Norwegian Code of Practice for Corporate Governance (the "Code"). The CCGPs has been prepared in accordance with Section 3-3b of the Norwegian Accounting Act and are available on Vistin Pharma's website. A report on Vistin Pharma's corporate governance is provided in a separate section of the annual report for 2023.

Dividend policy

The company has an ambition to pay out 50 percent of net annual profit as dividend. However, the size of the dividend will be dependent on the company's' financial capability and capital requirements for future growth.

Investor relations

The Board of Directors and the Executive Management of Vistin Pharma place considerable importance on providing the shareholders and the financial market in general with timely, relevant, and current information regarding the Company and its activities, in accordance with the laws and regulations imposed by the Norwegian Securities Trading Act and the Oslo Stock Exchange.

The share price has moved from NOK 15.80 per share at year end 2022, and to NOK 23.20 as of 31 December 2023, a 47% increase.

General Market Outlook

Diabetes is one of the largest global health crises of the 21st century, and the demand for Metformin medication is expected to continue to grow by 5-6% annually, as it remains the gold-standard treatment for type 2 diabetes. Global metformin HCl demand is forecasted to grow by approx. 23.000MT to 85.000MT by 2028. Most of Vistin Pharma's key customers are international pharmaceutical companies that sell innovative and plain Metformin drug products to the end market. The demand for the Company's Metformin will be dependent on the market performance of these companies. The demand for Metformin was not affected by the corona epidemic or has been affected by the current situation in Ukraine. The vulnerability for drug supplies during both the corona epidemic and the Ukraine situation 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 stronger demand for local supplies from Europe going forward.

VIstin Pharma ASA (parent company)

The parent company, Vistin Pharma ASA (the "Company"), is a holding company, with financial activities, but no operating activities. The Company had a net negative profit of MNOK 3 (negative MNOK 1.9) in 2023. Total assets as of 31 December 2023 were MNOK 266.2 (MNOK 269.1), and the long-term intercompany interest-bearing receivables were MNOK 62.2 (MNOK 58) at year end 2023. The Company's cash balance at year end 2023 was MNOK 1.8 (MNOK 1.4). Total shareholders' equity at 31 December 2023 was MNOK 265.1 million (MNOK 268.1), and the equity ratio at 31 December 2023 was 99.6% (99.6%).

The Board of Directors will propose for the AGM an ordinary dividend of total NOK 1 per share, to be paid partly with NOK 0.5 in June and NOK 0.5 in November.

Oslo, 23 April 2024

Øyvin A. Brøymer
Chairman

Øystein Stray Spetalen
Board member

Espen Marcussen
Board member

Kari Krogstad
Board member

Åse Musum
Board member

Espen Lia Gregoriussen
Board member

Bettina Banoun
Board member

Magnus Tolleshaug
CEO

Annual report is signed electronically.

Responsibility Statement

We confirm that, to the best of our knowledge, the Financial Statements of 2023, which have been prepared in accordance with IFRS Accounting Standards as adopted by EU, gives a true and fair view of the Company's assets, liabilities, financial position, and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-5.

Oslo, 23 April 2024

Øyvin A. Brøymer
Chairman

Øystein Stray Spetalen
Board member

Espen Marcussen
Board member

Kari Krogstad
Board member

Åse Musum
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Board member

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Corporate governance policy and annual review

1. Implementation and reporting of Corporate Governance

In accordance with the Norwegian Code of Practice for Corporate Governance (the "Code of Practice), cf. the latest version dated 17 October 2018, the Board of Directors of Vistin Pharma ASA ("Vistin Pharma" or the "Company") has prepared a Corporate Governance policy document. Vistin Pharma aspires to follow the Code of Practice as closely as possible and in situations where the Company's practice might diverge from the code, an explanation or comment will be provided.

The Board reviews the overall position of the Company in relation to the latest version of the Code of Practice annually and reports thereon in the Company's annual report in accordance with the requirements of the continuing obligations of stock exchange listed companies and the Code of Practice.

The Company's compliance with the Code of Practice is detailed in this section of the Annual Report and section numbers refer to the Code of Practice's articles. Vistin Pharma' Corporate Governance guidelines are published in full at the Company's website (www.vistin.com).

2. Business

Vistin Pharma ASA is a holding company for Vistin Pharma AS. Vistin Pharma AS is a pharmaceutical company producing Active Pharmaceutical Ingredients (APIs).

Vistin Pharma's business purpose is included in the Company's Articles of Association.

The Board evaluates the Company's strategy annually. The strategy process is followed by the approval of the budgets and key operating indicators for the following year, which is used as an important tool in evaluating the continuous performance of the Company. Vistin Pharma's strategy, objectives and risk management is further described in the Directors' Report.

3. Equity and dividends

Equity

The Company's consolidated equity at 31 December 2023 was NOK 322.8 million, representing an equity ratio of 81%. The Board aims to maintain an equity ratio that remains satisfactory in light of the Company's goals, strategy and risk profile.

Increases in share capital

The Board will only propose increases in the share capital when this is beneficial over the long term for the shareholders of the Company. At the Annual General Meeting held in May 2023, the Company received a general authority to increase the share capital by up to NOK 8,868,918 (representing up to 20% of the existing share capital) through the issue of new shares for general corporate purposes, including financing of investments, mergers and acquisitions and employee incentive plans.
The Company's strategy is to grow its business organically, and potentially through acquisitions, and the Board believes that a general authority, without a specific purpose, is necessary to give the Company the required flexibility to secure the necessary financing, at the lowest possible

costs, and that this is in the best interest of the Company’s shareholders. The authority is limited in time to 15 months from the date of the general meeting or up to the Annual General Meeting in 2024.

Vistin Pharma has also been given an authorization to purchase its own shares, for a number of shares limited to 10% of the total issued shares of the Company. The authority was given at the Annual General Meeting held in May 2023 and is limited in time to the Annual General Meeting in 2024.

Dividend policy

It is the Company’s objective to generate growing predictable annual returns to the shareholders in the form of dividends and share appreciation. This translates to an ambition to pay out 50 percent of net annual profit as dividend. However, the size of the dividend will be dependent on the company’s’ financial capability and capital requirements for future growth. The Board of Directors will propose for the AGM an ordinary dividend of total NOK 1 per share, to be paid partly with NOK 0.5 in June and NOK 0.5 in November.

4. Equal treatment of shareholders and transactions with close associates

The Company has only one class of shares. Each share entitles the holder to one vote and there are no voting restrictions. Each share has a nominal value of NOK 1.00. Any potential purchase of own shares shall be carried out via a stock exchange at market prices.

Where the Board resolves to carry out an increase in share capital based on an authority given to the Board, and waive the pre-emption rights of existing shareholders, the justification will be publicly disclosed in connection with the increase in share capital.

Transactions with related parties shall be at arm’s length and at fair value which, in the absence of any other pertinent factors, shall be at market value. All not immaterial transactions with related parties shall be valued by an independent third party, unless assessed and resolved upon by the General Meeting. Transactions with related parties are described in Note 24 to the Consolidated Financial Statements.

5. Freely negotiable shares

There are no limitations on trading of shares and voting rights in the Company, and each share gives the right to one vote at the Company's General Meeting.

6. General Meeting

Annual General Meeting

The General Meeting is the Company’s supreme body and elects the members of the Board.

The call for the General Meeting

The Company observes the minimum notice period set out in the Norwegian Public Limited Companies Act, i.e., providing 21 days minimum notice period. The call for the General Meeting is issued in writing via mail, or electronically through VPS, to all shareholders with registered addresses. Transmitted with the summons are documents, which have sufficient detail for the shareholders to take a position on all the cases to be considered. Documents relating to matters which shall be considered at a General Meeting need not be sent to the shareholders if the documents have been made available to the shareholders on the Company’s website. This also includes documents that according to law shall be incorporated into or be attached to the notice of the General Meeting. A shareholder may require that documents, which shall be considered at a General Meeting, are sent to the shareholder.

The summons also addresses the shareholder’s right to propose resolutions to the matters to be resolved upon at the General Meeting and gives information regarding the required steps necessary to exercise the shareholder's rights. The summons and the said documents are made available on the Company's website at least 21 days prior to the relevant General Meeting.

To register for the General Meeting, a shareholder is requested to submit a confirmation in writing via mail or fax, or by electronic registration directly through VPS.

The 2024 Annual General Meeting is scheduled for 23 May in Oslo, Norway.

Voting at the General Meeting

Any shareholder is entitled to vote at the General Meeting, and to cast a vote, a shareholder must attend, or give a proxy, to someone who is attending. The proxy form will be distributed with the summons to the General Meeting. A proxy will only be accepted if submitted by mail, fax, or e-mail (provided the proxy is a scanned document with signature) or registered directly through VPS. It is not possible to vote via the Internet, or in any other way. For shareholders who cannot attend the General Meeting, the Board will nominate the Chairman or the CEO to vote on behalf of shareholders as their proxy. To the extent possible, the Company uses a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

The attendance at the General Meeting

The Board and the management of the Company seek to facilitate the largest possible attendance at the General Meeting. The chairman of the Board and the CEO will always attend the Annual General Meeting. In addition, the chairman of the Election Committee may also attend the Annual General Meeting, and other members of the Board and the Election Committee will attend whenever practical.
The Code of Practice recommends that all Board members and the chairman of the Election Committee are present at the annual general meeting.

Chairman of the meeting and minutes

The chairman of the Board, or another person nominated by the Board, will declare the General Meeting for open. The Code of Practice recommends that an independent person is appointed to chair the General Meeting. Considering the Company's organization and shareholder structure the Company considers it unnecessary to appoint an independent chairman for the General Meeting, and this task will for practical purposes normally be performed by the chairman of the Board. However, the need for an independent chairman is evaluated in advance of each General Meeting based on the items to be considered at the General Meeting.
The minutes from the General Meeting are made available at the Company's website on the day of the General Meeting.

7. Election Committee

The Company's Election Committee is regulated by article 11 if the articles of association.
The Election Committee is elected by the General Meeting, which also appoints the chairman of the Election Committee. The members of the Election Committee should be selected to ensure there is a broad representation of shareholders' interests.

The work

The Election Committee's task is to propose candidates for election to the Board of Directors and to suggest remuneration for the Board.
The election Committee usually have direct contact with the largest shareholders, existing Board members and the CEO of the Company as part of their proposal for Board members at the annual general meeting. Shareholders may propose board members through the chairman

of the Election Committee. Any proposals to the Election Committee should be submitted in writing to the chairman of the Election Committee no later than 15 April. The recommendations by the Election Committee shall be justified.

The Election Committee currently consists of two members, who shall be shareholders or representatives of the shareholders, and no more than one member of the Election Committee shall be a member of the Board. The members of the Election Committee are elected for a period of two years at a time. Further information on the duties of the Election Committee can be found in the Instructions to the Election Committee, which has been approved by the General Meeting and made available on the Company’s website.

The Election Committee’s composition is designed to maintain its independence from the Company’s administration.

The Election Committee currently consists of the following members:

Eivind Devold, Chairman (member since 2021 up for election in 2025)

Nils Erling Ødegaard, (member since 2017; up for election in 2025)

Further information on the membership is available on the Company’s webpage.

8. The Board of Directors – composition and independence

The chairman and the other members of the Board are elected for a period of two years at a time, and the Board currently consists of five shareholder elected members. In addition, two members are elected by the employees of the Group. All members of the Board may be re-elected for a period of up to two years at a time. The Company’s Executive Management is not represented on the Board of Directors. All the current members of the Board are independent of the Company’s Executive Management.

The Chairman Øyvin A. Brøymer controls directly approx. 28% of the shares in the Company. In electing members to the Board, it is emphasized that the Board has the required competence to independently evaluate the cases presented by the Executive Management as well as the Company's operations. It is also considered important that the Board functions well as a body of colleagues.

The current composition of the Board, including Board members’ shareholding in Vistin Pharma per the date of this annual report, is detailed on the next page.

Name	Position in the Board	Member since (year)	Up for election (year)	Committee membership	Shareholding in Vistin Pharma*
Øyvin A. Brøymer	Chairman	2020	2024	Rem. Comm.	12 575 000 (1)
Bettina Banoun	Member	2018	2024	Rem. Comm.	-
Kari Krogstad	Member	2020	2024		-
Espen Marcussen	Member	2020	2024		3 519 733 (2)
Øystein Stray Spetalen	Member	2015	2025		1,557,930 (3)
Espen Lia Gregoriussen	Member	2017	2025		-
Åse Musum	Member	2015	2025		2,201

* At 31 December 2023

1. Shares owned by Intertrade Shipping AS, which is controlled by Chairman Øyvin A. Brøymer
2. Shares owned by Pactum Vekst AS where Espen Marcussen is the CEO.
3. Shares owned by Øystein Stray Spetalen, or companies controlled by, or associated with him.

Brief biographies on the Board members can be found on the Company's web page.

9. The work of the Board

The Board's work follows an annual plan for its work. The annual plan is generally revised in December each year and includes the number of meetings to be held and specific tasks to be handled at the meetings. Typical tasks that are handled by the Board during the year includes an annual strategic review, review and approval of the following year's budget, evaluation of management and competence required, and continuous financial, operational and risk reviews based on budget or prognosis. The Board has held five meetings since the Annual General Meeting in 2023, and to the date of this report.

The Board members attended all the Board meetings, either in person or through digital presence.

The instructions to the Board of Directors are available on the Company's website.

Remuneration Committee

The Remuneration Committee, appointed by the Board, makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO, and other members of Executive Management, as well as the details of any bonus plan for the employees. These proposals are also relevant for other management entitled to variable salary payments. The Board's instructions to the Remuneration Committee are available on the Company's website. The Remuneration Committee currently consists of Øyvin Brøymer (Chairman) and Bettina Banoun.

Audit Committee

The Company must have an Audit Committee appointed by the Board, for practical purposes the full Board constitutes the Audit Committee.

10. Risk management and internal control

The Board and the Executive Management shall at all times see to that the Company has adequate systems and internal control routines to handle any risks relevant to the Company and its business, hereunder that the Company's ethical guidelines, corporate values and guidelines for corporate social responsibility are maintained and safeguarded.

The Board carries out regular reviews of the Company's most important areas of exposure to risk and its internal control systems. The risk areas, changes in risk levels and how the risk is being managed, are regularly reviewed at Board meetings.

The company has director and officer's liability insurance. The insurance covers the board of directors' and management officers' legal personal liability for pure property damage related to the duties performed as directors and officers.

Vistin Pharma manufactures and sells pharmaceutical products through its subsidiary Vistin Pharma AS. These products are produced and sold in compliance with relevant international and local laws and regulations governing the pharmaceutical industry. Accordingly, the Company has implemented risk management systems in accordance with e.g. GMP and EHS guidelines.

11. Remuneration of the Board of Directors

Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the business. The remuneration needs to be sufficient to attract both Norwegian and foreign Board members with the right expertise and competence. The compensation shall be a fixed annual amount and shall be determined by the Annual General Meeting based on a proposal from the Election Committee. At the Annual General Meeting in 2023 a resolution was passed approving the following fees until the next Annual General Meeting in 2024: Chairman NOK 420,000, shareholder elected Board members and employee elected board members NOK 210,000.

For more information on remuneration of the Board see note 23 to the Consolidated Financial Statements.

12. Remuneration of the Executive Management

The Board sets out the guidelines for remuneration of Executive Management and determines the salary and other compensation of the CEO, pursuant to relevant laws and regulations.

The statement regarding the determination of salary and other remuneration to Executive Management are presented as a separate agenda item at the Annual General Meeting, and any proposals for shared-based compensation (i.e., share option, share purchase plan or similar) would usually be included as a separate agenda item. The statement regarding the determination of salary and other remuneration to Executive Management has been included in Note 12 to the Financial Statements for Vistin Pharma ASA.

For more information on remuneration of the CEO and other members of Executive Management see Note 23 to the Consolidated Financial Statements.

13. Information and communication

The Board of Directors and the Executive Management of the Company assign considerable importance to giving the shareholders and the financial market in general timely, relevant, and current information about the Company and its activities, while maintaining sound commercial judgement in respect of any information which, if revealed to competitors, could adversely influence the value of the Company.

Regular information is published in the form of Annual Reports and interim reports and presentations. It is the Company's aim to publish these reports within four weeks of the end of the relevant period in at least three of the four financial quarters. Vistin Pharma distributes all information relevant to the share price to the Oslo Stock Exchange in accordance with applicable laws and regulations.

The Company publishes all information concerning the Annual General Meeting, interim reports and presentations and other presentations on the Company website, as soon as they are made publicly available.

The CEO and CFO hold a presentation each quarter in connection with the release of the interim reports, which is open to all interested parties. The Executive Management also holds regular meetings with shareholders and other interested investors.

14. Take-overs

The Board shall not without specific reasons attempt to hinder or exacerbate any attempt to submit a takeover bid for the Company's activities or shares, hereunder make use of any proxy for the issue of new shares in the Company. In situations of takeover or restructuring, it is the Board's particular responsibility to ascertain that all shareholders' values and interests are protected. If a take-over offer is made, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board will arrange a valuation from an independent expert that shall be made public no later than the disclosure of the Board's recommendation.

15. Auditor

The Company's external Auditor is EY.
The Auditor participates in the Board meeting that approves the annual financial statements, and otherwise when required. The Auditor meets with the Board, without the Company's Executive Management being present, at least once a year.

The Auditor each year presents a plan for the implementation of the audit work, and following the annual statutory audit presents a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

The full Corporate Governance Policy is published on Vistin Pharma' home page: www.vistin.com.

Vistin Pharma Group financial statements and notes

Consolidated Statement of Comprehensive Income

For the year ended 31 December

(NOK 000's)	Note	2023	2022
Revenue	4	435 391	287 675
Other income	5	2 937	17 177
Total revenue and other income		**438 329**	**304 853**
Cost of materials		176 644	138 064
Payroll expenses	6	93 135	78 972
Depreciation, amortization and impairment	12	17 347	12 280
Other operating expenses	8	82 605	81 632
Operating profit (EBIT)		**68 598**	**-6 095**
Finance income	9	20 841	9 554
Finance costs	9	30 920	9 466
Profit/(loss) before tax		**58 518**	**-6 008**
Income tax expense	10	12 923	1 293
Profit/(loss) for the period		**45 596**	**-4 716**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial losses on defined benefit plan	7	4 731	2 933
Income tax effect		-1 041	-722
Total comprehensive income for the period		**49 285**	**-2 505**
Comprehensive income attributable to:			
Equity holders of the parent company		49 285	-2 505
Earnings per share (NOK):			
Basic, profit attributable to equity holders of the parent	11	1,03	-0,11

Consolidated Statement of Financial Position

As at 31 December

(NOK 000's)	Note	2023	2022
ASSETS			
Non-current assets			
Property, plant & equipment	12	219 984	219 430
Deferred tax assets	10	14 638	28 601
Total non-current assets		**234 622**	**248 031**
Current assets			
Inventories	15	80 171	83 446
Trade receivables	16	47 023	66 155
Other receivables	16	15 376	8 146
Cash and cash equivalents	17	26 204	1 435
Total current assets		**168 774**	**159 182**
Total assets		**403 396**	**407 213**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	44 345	44 345
Share premium		206 885	206 885
Retained earnings		71 540	22 256
Total equity		**322 770**	**273 486**
Non-current liabilities			
Other non-current liabilities	22	2 287	2 956
Pension liabilities	7	8 864	13 199
Total non-current liabilities		**11 151**	**16 155**
Current liabilities			
Trade payables	14	18 916	25 906
Short term debt		-	45 141
Other current liabilities	20/22	50 558	46 526
Total current liabilities		**69 473**	**117 573**
Total liabilities		**80 624**	**133 728**
Total equity and liabilities		**403 396**	**407 213**

Oslo, 23 April 2024

Øyvin A. Brøymer
Chairman

Øystein Stray Spetalen
Board member

Espen Marcussen
Board member

Kari Krogstad
Board member

Åse Musum
Board member

Espen Lia Gregoriussen
Board member

Bettina Banoun
Board member

Magnus Tolleshaug
CEO

Annual report is signed electronically.

Consolidated Statement of Changes in Equity

For the year ended 31 December

			Attributable to equity holders of the parent		
(NOK 000's)	Note	Share capital	Share premium	Retained earnings	Total
Equity as at 01.01.2022		44 345	206 885	24 538	275 768
Correction				*221*	221
Profit (loss) for the period				*-4 716*	-4 716
Other comprehensive income				*2 211*	2 211
Total comprehensive income				***-2 505***	***-2 505***
Equity as at 31.12.2022	18	**44 345**	**206 885**	**22 254**	**273 486**
Equity as at 01.01.2023		44 345	206 885	22 254	273 486
Profit (loss) for the period				*45 596*	45 596
Other comprehensive income				*3 690*	3 690
Total comprehensive income				***49 285***	***49 285***
Equity as at 31.12.2023	18	**44 345**	**206 885**	**71 540**	**322 770**

Consolidated Statement of Cash flows

For the year ended 31 December

(NOK 000's)	Note	2023	2022
Cash flow from operating activities			
Net profit/(loss) before income tax from operations		58 518	-6 008
Net profit/(loss) before income tax		**58 518**	**-6 008**
Adjustments to reconcile profit before tax to net cash flow:			
Income tax paid		-	-
Non-cash adjustment to reconcile profit before tax to cash flow:			
Depreciation, amortization, and impairment	12	17 347	12 280
Changes in working capital:			
Changes in trade receivables and trade payables	13/16	12 141	-20 811
Changes in inventories	15	3 275	-40 540
Changes in other accruals and prepayments		-689	44 569
Net cash flow from operating activities		**90 592**	**-10 510**
Cash flow from investing activities			
Purchase of equipment and intangibles	12	-17 901	-64 290
Interest received		220	28
Net cash flow from investing activities		**-17 681**	**-64 262**
Cash flow from financing activities			
Repayment of lease liabilities	22	-904	-2 589
Dividend paid		-	-
Short term debt	21	-45 141	45 141
Interest paid		-2 098	-2 092
Cash flow from financing activities		**-48 143**	**40 460**
Net change in cash and cash equivalents		24 768	-34 312
Cash and cash equivalents beginning period		1 435	35 746
Cash and cash equivalents end period	17	**26 204**	**1 435**

Notes to the Financial Statement

Note 1. Corporate information

Vistin Pharma ASA ("Vistin Pharma" or the "Company") is a limited liability company, with its registered office at Østensjøveien 27, Oslo, Norway. Vistin Pharma's shares are listed on Oslo Børs in Norway under the ticker VISTN. The Company was incorporated on 6 March 2015.

The consolidated financial statements of Vistin Pharma for the year ended 31 December 2023 were approved for release by the Board of Directors on 23 April 2024.

Vistin Pharma is principally engaged in the production and sale of metformin active pharmaceutical ingredient (API) and direct compressive granulate (DC) for the international pharmaceutical industry.

Note 2. Summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements and directors' report are prepared in English only.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as approved by the European Union and are mandatory for fiscal years beginning on or after 1 January 2020, their interpretations adopted by the International Accounting Standards Board (IASB) and Norwegian disclosure requirements listed in the Norwegian Accounting Act. Furthermore, the consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. Any change in the fair value of these instruments is recognized in the statement of profit or loss as a finance income or cost.

The functional currency of Vistin Pharma ASA is the Norwegian krone (NOK), and the Group's presentation currency is NOK. All values are rounded to the nearest thousand (NOK 000), except when otherwise indicated.

2.2 Basis for consolidation

The Group's consolidated financial statements comprise Vistin Pharma ASA, and entities in which Vistin Pharma ASA has a controlling interest. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2.3 Revenue recognition

In general revenue is measured at the fair value of the consideration received, and represents the amount received for goods supplied, and if applicable stated net of discounts, returns and value added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met, as described below.

Revenue from contract with customers

The Group apply IFRS 15 in its accounting for contracts with customers.

The Company produce and sell metformin API, the principal ingredient in Diabetes drugs. The product is sold in bulk for further processing into consumer grade products. The Company produce to inventory and the product is then subsequently sold to the customer based on individual orders for the product. Metformin API is a commodity which can be readily sourced world-wide from different producers, however, with different quality and the reliability in supply.

Vistin has several customers, but the material part of its production is sold to a limited number of customers (note 4). These customers indicate their needed volume on a rolling forecast basis and Vistin allocate its planned production accordingly. However, a binding performance obligation only arise when an actual purchase order (PO) is placed and accepted. The typical purchasing pattern is

Note 2. Summary of accounting policies (continued)

several smaller orders throughout the year and normally the binding order length is supply over the next 3-6 months.

Metformin API is a commodity widely produced and sold around the world and the price is determined based on overall worldwide supply and demand, product quality and security of supply. The Company typically negotiate price annually with each of its main customers, and order by order with smaller customers. The supply agreements do open for price adjustments throughout the year if specific threshold is met (i.e., significant increased raw materials, freight, FX, etc). The selling price is mainly in EUR and reflects the current market price. Volume discounts, bonus incentives or other variable price elements are not applied. The purchase conditions are normally net 30-60 days, and the Company does not consider any financing elements to the transaction.

The Company consider each individual delivery based on individual purchasing orders as delivered when the order is shipped from its warehouse. The Company used widely accepted incoterms for its delivery and recognize the sale in accordance with the individual sales term, normally when the metformin has been shipped from the warehouse, or when the metformin is loaded on-board in departing ships at port.

The Company does not consider having any contract assets or liabilities in relation to its customer contracts. Metformin API is produced for inventory, delivered from inventory to the customer, and invoiced when shipped. All balance sheet items are related to normal short-term sales cycles.

Government grants

Government grants, including SkatteFunn, are recognized when it is reasonably certain that the grant will be received, and all conditions have been complied with. When the grant relates to actual expenses incurred, it is normally recognized as income over the period necessary to match the grant on a systematic basis to the cost that is intended to compensate. Grants are generally recognized in Other Income in the consolidated statement for profit and loss.

2.4 Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency (NOK) of the entity by applying the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the balance sheet date. Foreign exchange gain or losses resulting from the settlement of such transactions, as well as unrealized gain or losses on monetary assets and liabilities, are recognized as financial income/cost in the consolidated statement of profit and loss.

2.5 Balance sheet classification

Vistin presents assets and liabilities in consolidated statement of financial position on current/non-current classification. An asset is current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when it is expected to settle in normal operating cycle, it is held for primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Note 2. Summary of accounting policies (continued)

2.6 Property, plant, and equipment

Land, buildings, and fixtures comprise mainly of the metformin production facility in Kragerø. The production facility is used in production of pharmaceutical products sold by Vistin Pharma AS. Other equipment is mainly made up of machines used in production, as well as office related equipment and vehicles.

Property, plant, and equipment is stated at historical cost, less depreciation and/or impairment losses, if any. Such cost includes expenditures that are directly attributable to the acquisition of the items.

Costs accrued for major replacements and upgrades to equipment are added to cost if it is probable that the costs will generate future economic benefits and if the costs can be reliably measured, and assets replaced are retired.

Expenditures for maintenance, repairs and periodic maintenance applicable to production facilities and production equipment are capitalized in accordance with IAS 16. Expenditures that regularly occur at shorter intervals are expensed as incurred.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings and fixtures: 20 - 25 years

Other equipment: 3 - 10 years

The residual values, useful lives, and methods of depreciation of production and lab equipment and other equipment are reviewed at each financial year end and adjusted, if appropriate.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in-first-out (FIFO) method. The cost of finished goods comprises materials, direct labor, other direct. Costs and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less variable selling expenses.

Inventories include finished goods and work-in-progress produced by the Group. The cost of finished goods comprises materials, direct labor, other direct costs and related production overheads. The allocation of labor costs and other direct and indirect production costs are estimated based on a standard cost model assuming normal operating capacity and production volumes, and any changes in these assumptions could result in adjustments to the carrying amount of inventories. The Group has in 2023 done quarterly unit cost updates to best reflect the value of inventory at hand.

2.8 Financial assets

IFRS 9 contains three principal classification categories for financial assets; measured at amortized cost, fair value through Other Comprehensive Income and fair value through profit or loss.

The classification of financial assets of the Group at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Note 2. Summary of accounting policies (continued)

Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets at fair value through profit

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and other short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, any bank overdrafts are shown within short-term debt in current liabilities.

Trade receivables and other receivables

Trade and other receivables are classified at amortized cost and recognized at the original invoiced amount less an allowance for doubtful receivables. The group applies a simplified approach to provide for lifetime Expected Credit Losses (ECL) in accordance with IFRS 9.

Note 2. Summary of accounting policies (continued)

2.9 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group’s financial liabilities principally include trade and other payables, loans and borrowings including bank overdrafts.

Trade and other payables

Trade payables are recognized at the original invoiced amount. Other payables are recognized initially at fair value.

Interest bearing liabilities

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest rate (EIR) method.

2.10 Financial derivatives

The Group may use forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any change in the fair value of these instruments is recognized in the statement of profit or loss as a finance income or cost.

2.11 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Current and deferred income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Note 2. Summary of accounting policies (continued)

A deferred tax asset is recognized to the extent that is probable that future taxable profit will be available against for which unused tax losses and unused tax credits can be utilized. A deferred tax assets arising from unused tax losses or tax credit are only recognized to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence supporting the utilization of the tax losses and tax credits. The carrying amount of deferred tax asset is reviewed at the end of each reporting period. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity or taxation authority.

2.13 Employee benefits

The Group has a mandatory defined contribution plan for all employees. In addition, the Company has an unfunded defined benefit plan for the CEO.

A defined contribution plan is a pension plan under which the Company pays fixed contributions to pension insurance plans. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is available. The pension obligation is funded through the Company's operations and changes is incorporated into the P&L.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

2.14 Share-based compensation

The Group has a long-term incentive plan (LTIP) where the executive management, in total, can purchase shares for up to MNOK 6, at a 25% discount, with three years of binding time. The 25% discount is earned progressively with 1/36 per month. The cost of the discount is taken through the P&L quarterly and booked to other salary cost. The annual cost of the incentive program is not considered material.

The General meeting in May 2023 also approved a loan facility of MNOK 6 for purchase of shares. The loan facility has a duration of three years and can only be used as financing for purchasing of shares in the company. If the finance option is used to purchase shares, the standard interest rate for employee loans determined by the Norwegian Tax Administration, will be used. The potential interest income of the financing element is taken through the P&L and booked as other interest income quarterly. Additional information about compensation for the executive management in 2023 can be found in the Remuneration Report.

Note 2. Summary of accounting policies (continued)

2.15 Provisions

General
Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of the money and the risks specific to the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.16 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payment that are based on an index or a rate
• amounts expected to be payable by the lessee under any residual value guarantees
• the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company’s incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

In the cash flow statement, the part of lease payments that relates to repayment of the lease liability is reclassified from cash flows from operations to cash flows from financing.

2.17 Events after the balance sheet date

New information on the Group’s positions at the balance sheet date is considered in the annual financial statements. Events after the balance sheet date that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are stated if significant. Please refer to the note: Events after the report.

2.18 New standards, interpretations, and disclosures

The IASB has amended IAS 1 and PS 2 to add guidance on applying materiality judgment to accounting policy disclosures. Changes are adopted accordingly to this financial report, however, is not considered to have material effect on the reporting for the Group.

Except the amendments to IAS 1 and PS 2 mentioned above, there are no new standards not yet taken into use that is expected to materially impact the financial statements for the Group.

Note 3. Critical accounting estimates and judgements in terms of accounting policies

The preparation of the Group's consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Inventories
Inventories include finished goods and work-in-progress produced by the Group. The cost of finished goods comprises materials, direct labor, other direct costs and related production overheads. The allocation of labor costs and other direct and indirect production costs are estimated based on a standard cost model assuming normal operating capacity and production volumes, and any changes in these assumptions could result in adjustments to the carrying amount of inventories. The Group has in 2023 done quarterly unit cost updates to best reflect the value of inventory at hand. This is driven by volatile raw material prices and a strong increase in production volume which drives economies of scale.

Deferred tax asset
The group is experiencing a strong demand for its Metformin product and is doubling its production capacity to meet demand from both existing and potential new customers. Driven by the expected market growth and the financial forecasts for the Group, the deferred tax asset at 31 December 2023 is expected to be fully utilized, and thus the full amount has been included as carrying value in the balance sheet at year-end.

Long-term renewable energy supply agreement with Statkraft
In December 2022 Vistin entered into a long-term renewable energy supply agreement with Statkraft. The agreement will secure a significant part of Vistin's electricity demand on competitive terms from 1st of January 2023 and until 2032. There has been conducted a thorough consideration on how to handle the accounting of the agreement. The agreement can either be treated as a Power Purchase Agreement («PPA») or a Virtual PPA («VPPA»). The agreement with Statkraft is physical delivery of electricity, based on a fixed baseload every hour, every day, throughout the year. Vistin operates its manufacturing plant continuously throughout day and night (24/7) and is expected to utilize mainly all of the physical baseload of electricity delivered by Statkraft, with limited ability to settle in cash. Based on interpretation of IFRS 9 and other considerations it has been concluded that the energy supply agreement with Statkraft is entered; with the goal of purchase electricity, only for own use. This means that the agreement should be treated as a PPA, meaning a sales and purchase agreement were Vistin book the electricity cost and any potential sales of the electricity, monthly and on a running base.

Note 4. Revenue Information

Geographic information

(NOK 000's)	2023	2022
Revenue from contracts with customers:		
Africa	65 697	37 478
Europe	338 867	195 984
Asia	29 323	19 798
North and South America	1 505	34 415
Total revenue from contracts with customers	**435 391**	**287 675**

The information above is based on the location of the receiving Site of the customer.

Vistin has four customers with sales that amount to 10% or more of the Group's revenue, the customers are typically large global pharmaceutical corporations:

(NOK 000's)	2023	2022
Customer A	179 174	125 001
Customer B	65 697	50 276
Customer C	61 978	37 478
Customer D	47 461	35 435

See also note 2.3 for general revenue accounting principles.

Note 5. Other income

(NOK 000's)	2023	2022
Other income	2 937	17 177
Total	**2 937**	**17 177**

Other income for 2023 mainly relates to sundry services rendered to customers. Other income in 2022 is mainly a liquidated damage compensation of MNOK ~13, in relation to delayed ramp-up of MEP volume. The amount was part of the final settlement agreement with Afry agreed in December ‘22.

Note 6. Payroll expenses

(NOK 000's)	2023	2022
Salaries	67 459	60 948
Payroll tax	11 294	9 246
Pension costs - defined contribution plans	4 981	4 669
Pension costs - defined benefit plan	396	301
Other payroll costs incl. bonuses	9 006	3 809
Total payroll and payroll related costs	**93 135**	**78 972**
Average number of FTE's	**75**	**75**

**FTE: Full-time equivalent*

Vistin Pharma are required to have an occupational pension plan ("tjenestepensjon"), and the Company has a plan that meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). The Company also has a defined benefit plan for the CEO of Vistin Pharma. Further information on the pension costs related to the defined benefit plan can be found in Note 7.

Note 7. Post-employment benefits

The Group operates an unfunded defined benefit early retirement plan for the CEO. The plan is a pension plan, which provides benefits in the form of a certain level of pension payable from the age of 62. The pension plan is funded through the Group's operations, which means that the Group meets the benefit payment obligation as it falls due. Additional disclosure is provided in Note 23.

The amounts recognized in the balance sheet are determined as follows:

(NOK 000's)	2023	2022
Fair value of plan assets	-	-
Present value of unfunded obligations	8 864	13 199
Liability in the balance sheet (including local tax)	**8 864**	**13 199**

The change in the accrual for the benefit plan for the CEO of Vistin Pharma, who retired 31.12.2023, is based on changes in assumptions for the estimated liability.

Note 7. Post-employment benefits (continued)

The movement in the defined benefit liability over the year is as follows:

(NOK 000's)	2023	2022
At 1 January*	13 199	15 831
Current service cost	-	-
Local tax	49	37
Interest expense/(income)	347	264
	13 595	**16 132**
Remeasurements:		
(Gain)/Loss from changes	-4 731	-2 933
	-4 731	**-2 933**
At 31 December	**8 864**	**13 199**
Net expense recognized in the Income Statement	**396**	**301**

The significant actuarial assumptions were as follows:

	31.12.2023	31.12.2022
Discount rate	3,10 %	3,00 %
Inflation	2,25 %	1,75 %
Salary growth rate	3,50 %	3,50 %
Pension growth rate	0.00 %	3,25 %

Nordea has issued a guarantee of NOK 14.2 million to cover future pension payments under the defined befit plan for the CEO. The guarantee is covered by a pledge over the fixed assets of the Company.

Note 8. Other operating expenses

(NOK 000's)	2023	2022
Production costs	56 506	61 812
Sales & marketing costs	7 014	6 291
General & admin. expenses	19 085	13 529
Other operating expenses	**82 605**	**81 632**

Remuneration to the Auditors

(NOK 000's)	2023	2022
Statutory audit	635	505
Other attestation services	200	27
Tax advisory services	174	104
Total remuneration to auditors	**1 099**	**636**

Note 9. Financial items

(NOK 000's)	2023	2022
Interest income from bank deposits	220	28
Other financial income	105	44
Profit on derivative financial instruments		
Net foreign exchange gain	20 516	9 482
Total finance income	**20 841**	**9 554**
Interest expenses	2 098	2 092
Interest expenses leasing	168	48
Other financial expenses	216	356
Net foreign exchange loss	28 437	6 971
Total finance costs	**30 920**	**9 466**
Net finance	**-10 079**	**88**

Note 10. Tax

Income tax calculation:

(NOK 000's)	2023	2022
Profit/(loss) before tax from operations	58 518	-6 008
Profit/(loss) before taxes	**58 518**	**-6 008**
Permanent differences	221	130
Permanent differences recognized to equity	-	-
Changes in temporary differences	141	-48
Basis for income tax	**58 880**	**-5 926**
Income tax payable	-	-
Tax effect of change in net deferred income tax liability/asset	-13 963	743
Income tax expense	**-13 963**	**743**
Income tax expense reported in the statement of comprehensive income	*12 923*	*-1 293*

Reconciliation of income tax

(NOK 000's)	2023	2022
Profit before tax	58 518	-6 008
Tax assessed at the expected tax rate (22%)	12 874	-1 322
Tax effect permanent differences, profit & loss	49	29
Income tax	**12 923**	**-1 293**

Recognized deferred tax assets & liabilities

(NOK 000's)	2023	2022
Fixed assets	56 306	43 419
Current assets	6 411	4 064
Pension liabilities	-8 862	-13 197
Derivatives	3 552	-358
Tax losses carried forward (1)	-123 942	-163 973
Other (2)	-	40
Net income tax reduction/increase	**-66 536**	**-130 005**
Net deferred tax asset/-liability	**14 638**	**28 601**
Tax rate applied	**22 %**	**22 %**

Note 10. Tax (continued)

The Group is experiencing a strong demand for its Metformin product and is doubling its production capacity to meet demand from both existing and potential new customers. Driven by the expected market growth and the financial forecasts for the Group, the deferred tax asset at 31 December 2023 is expected to be fully utilized, and thus the full amount has been included as carrying value in the balance sheet at year-end.

(1) Mainly related to realized loss for closing the oil derivative contracts in Vistin Trading in 2020.

(2) Other items mainly relate to pension costs recognized directly through equity.

Note 11. Earnings per share

Basic earnings per share (EPS) are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

The following reflects the income and share data used in the basic EPS computations:

	2023	2022
Profit attributable to owners of the company	45 596	-4 716
Total	**45 596**	**-4 716**
Weighted average number of ordinary shares (in thousands)	44 345	44 345
Basic earnings per share (NOK)	1,03	-0,11

Note 12. Property, plant and equipment and right-of-use assets

(NOK 000's)	Property & plants	Constructions in progress	Machines & equip-ment etc.	Right of use assets	Total
Cost					
At 1 January 2022	28 700	83 020	91 545	5 346	208 614
Additions	14 040	8 349	37 953	3 948	64 290
Reclassified	-	-81 133	81 133	-	-
At 31 December 2022	42 741	10 236	210 631	9 294	272 904
Additions	2 357	-	15 543	-	17 900
Reclassified	-366	7 678	-7 376	-	-64
At 31 December 2023	44 732	17 914	218 798	9 294	290 740
Depreciation and impairment					
At 1 January 2022	**-8 155**	**-**	**-29 307**	**-3 731**	**-41 194**
Depreciation charge for the year	-1 681	-	-9 746	-853	-12 280
Reclassified depreciations	-	-	-	-	-
At 31 December 2022	-9 836	-	-39 053	-4 584	-53 474
Depreciation charge for the year	-2 284	-	-14 013	-1 051	-17 348
Reclassified depreciations	-	-	64	-	64
At 31 December 2023	-12 118	-	-53 002	-5 635	-70 756
Net book value					
At 31 December 2023	32 615	17 914	165 796	3 659	219 984
At 31 December 2022	32 905	10 236	171 578	4 710	219 430
Useful life	20-25 years		3-10 years	3 years	

Note 13. Financial assets and liabilities

Set out below is a comparison by class of carrying amounts and fair values of all financial instruments that are carried in the financial statements.

The financial assets principally consist of trade receivables and cash and cash equivalents obtained through the operating business. The financial liabilities principally consist of trade and other payables arising directly from its operations. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Note 13. Financial assets and liabilities (continued)

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As of 31 December 2023:

(NOK 000's)	Fair value level	Loans and receivables at amortized cost	Other financial liabilities at amortized cost	Total book value	Fair value
Financial assets					
Trade receivables	3	47 023	-	47 023	47 023
Other receivables	3	15 376	-	15 376	15 376
Cash at bank	3	26 204	-	26 204	26 204
Total		**88 603**	**-**	**88 603**	**88 603**
Financial liabilities					
Trade payables	3	-	18 916	18 916	18 916
Other payables	3	-	50 558	50 558	50 558
Total		**-**	**69 473**	**69 473**	**69 473**

31 December 2022:

(NOK 000's)	Fair value level	Fair value through profit and loss	Loans and receivables at amorti-zed cost	Other financial liabilities at amortized cost	Total book value	Fair value
Financial assets						
Trade receivables	3	-	66 155	-	66 155	66 155
Other receivables	3	-	8 146	-	8 146	8 146
Cash at bank	3	-	1 435	-	1 435	1 435
Total		**-**	**75 736**	**-**	**75 736**	**75 736**
Financial liabilities						
Trade payables	3		-	25 906	25 906	25 906
Short term debt	3		-	45 141	45 141	45 141
Other payables	3		-	46 526	46 526	46 526
Total			**-**	**117 573**	**117 573**	**117 573**

For trade receivables, accounts payable and other short-term items, fair values are equal to carrying values due to their short-term nature. The short-term debt in 2022 has been paid down in full during 2023 with positive operational cash flow.

Note 14. Financial risk management

The Group is exposed to a variety of financial risks, principally credit, currency, price and liquidity risks, which are summarized below. The Group's senior management oversees the management of these risks, which is being reviewed by the Board of Directors on a regular basis.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under related to a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing and financing activities, principally deposits with banks.

Customer credit risk

Customer credit risk is managed by established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed on an individual basis, and outstanding trade receivables are regularly monitored. Sales to customers with an unacceptable credit risk are covered by letter of credits, and all sales are settled in cash. For trade receivables the Group applies a simplified approach to provide for expected credit losses as prescribed by IFRS 9. There are no provisions for losses on trade receivables as of 31 December 2023, and there are no historic losses of significance. The risk of counterparties not meeting their contractual obligations will normally be related to the quality of the goods supplied.

Year ended 31.12	2023	2022
Trade receivables (NOK 000's)	47 023	66 155
Number of customers	19	16
Top 5 customers as a % of total trade receivables	85 %	83 %

Financial credit risk

Cash deposits are principally with Nordea.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. Vistin’s exposure to the risk of changes in foreign exchange rates relates primarily the Group's pharmaceutical business (when revenue or expense is denominated in a different currency from the Group's presentation currency), and the Group's foreign currency denominated cash deposits.

The Group's sales and raw material purchases are mainly denominated in EUR and USD respectively. Vistin monitors its foreign currency exposure, both related to outstanding financial assets and liabilities and to future foreign currency denominated operating cash flow, on an ongoing basis. The Group utilizes foreign currency denominated bank accounts to match sales and purchases in the same currency, and thus providing a natural hedge. The Group may enter currency hedging contracts to reduce the foreign exchange risk.

Note 14. Financial risk management (continued)

Year ended 31.12	2023		2022	
(Currency 000's)	EUR	USD	EUR	USD
Trade Receivables	3 429	832	5 513	115
Bank accounts	38	203	-48	39
Trade Payables	-132	-406	-156	-709
Net assets in EUR / USD	**3 336**	**629**	**5 309**	**-555**
Currency rates 31.12	11,24	10,17	10,51	9,86
Net assets/liabilities in NOK	**37 493**	**6 400**	**55 797**	**-5 469**

Assuming foreign currency to be reduced/increased by 5%

Foreign currency (reduction)/increase	-5 %	-5 %	-5 %	-5 %
Foreign currency rate	10,68	9,66	9,98	9,37
Net assets in NOK	**35 618**	**6 080**	**53 007**	**-5 195**
Potential P&L effect (before tax) NOK	**-1 875**	**-320**	**-2 790**	**273**

No potential effect on OCI

Liquidity risk

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. Vistin monitors its risk to a shortage of funds using rolling monthly cash flow forecasts. The Group had cash and cash equivalents of MNOK 26.2 at 31 December 2023 (2022: MNOK 1.4) and no interest-bearing debt. The Group has sufficient credit facilities available if needed, and the Company assesses the liquidity risk to be low.

Year ended 31.12.2023 (NOK 000's)	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
Trade Payables	18 916	-	-	-	18 916
Other Payables	50 558	-		-	50 558
Total	**69 473**	**-**	**-**	**-**	**69 473**

Year ended 31.12.2022 (NOK 000's)	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
Trade Payables	25 906	-	-	-	25 906
Short-term debt		45 141		-	45 141
Other Payables	46 526				46 526
Total	**72 432**	**45 141**	**-**	**-**	**117 573**

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Groups' capital management is to maximize the shareholder value.

Note 14. Financial risk management (continued)

It has been the Boards' strategy to maintain a strong balance sheet in a period with volatile external circumstances and a strong growth for the Group. It is expected that the annual CAPEX will be lower going forward as the final payments for the MEP project was completed in 2023. Working capital requirements is also expected to stabilize going forward. Vistin has a credit facility available if needed.

The Group manages its capital structure and make adjustments in light of changes in the financial performance and development of the Group. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, sell assets or issue new shares.

Note 15. Inventories

(NOK 000's)	2023	2022
Raw materials in transit (incl. inventory at 3rd party warehouse)	22 683	25 209
Raw materials	27 159	33 924
Produced finished goods (incl. WIP)	30 329	24 541
Provision for obsolescence	-	-227
Total inventories	**80 171**	**83 446**
Cost of materials	**176 644**	**138 064**

Cost of material included in the statement of comprehensive income consists of purchase of raw materials for production, purchase of finished goods for sale, net movements in inventory, and any inventory write-offs or adjustments.

Note 16. Trade receivables and other receivables

Trade receivables

(NOK 000's)	2023	2022
Trade receivables	47 023	66 155
Trade receivables (net)	**47 023**	**66 155**

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. As at 31 December, the ageing analysis of trade receivables is, as follows:

AGING			PAST DUE NOT IMPAIRED			
(NOK 000's)	Total	Current	< 30 days	30-60 days	60- 90 days	> 90 days
2023	47 023	45 300	1 339	384	0	0
2022	66 155	52 053	11 733	2 369	0	0

See Note 14 on credit risk of trade receivables, which explains how the Group manages credit risk.

Note 16. Trade receivables and other receivables (continued)

Other receivables

(NOK 000's)	2023	2022
Prepayments	2 812	3 135
Other	12 564	5 011
Total other receivables	**15 376**	**8 146**

Note 17. Cash and cash equivalents

(NOK 000's)	2023	2022
Cash at banks	26 204	1 435
Cash and cash equivalents	**26 204**	**1 435**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Note 18. Issued shares and share capital

The Company's registered share capital is NOK 44,344,592 divided into 44,344,592 shares. The share capital is fully paid. All shares have the same rights.

	Number of shares (thousands)	Share capital (NOK 000's)
At 1 January 2022	44 345	44 345
At 31 December 2022	**44 345**	**44 345**
At 1 January 2023	44 345	44 345
At 31 December 2023	**44 345**	**44 345**

Each share has a par value of NOK 1 per share.

20 largest shareholders as registered as of 31 December 2023:

Name	Note	Total no of shares	Ownership share
INTERTRADE SHIPPING AS*	1	12 575 000	28,36 %
HOLMEN SPESIALFOND		3 842 055	7,94 %
PACTUM AS*	2	3 519 733	7,94 %
MP PENSJON PK		1 719 848	3,88 %
FERNCLIFF LISTED DAI AS*	3	1 234 280	1,77 %
STORKLEIVEN AS		751 000	1,69 %
AUGUST RINGVOLD AGENTUR AS		750 315	1,69 %
LUCELLUM AS		720 000	1,50 %
HENRIK MIDTTUN HAAVIE		601 516	1,45 %
IVAR LØGES STIFTELSE		550 000	1,40 %
TOM RAGNAR PRESTEGÅRD STAAVI		526 324	1,26 %
CORTEX AS		508 989	1,16 %
WEM INVEST AS		500 000	1,15 %
DNB BANK ASA		471 881	1,14 %
SANDEN EQUITY AS		468 947	1,13 %
DELTA AS		410 000	1,06 %
GINKO AS		400 000	1,03 %
ØYSTEIN STRAY SPETALEN*	3	323 650	0,90 %
NIELS CATO BECKETT AALL		301 658	0,78 %
NICOLAI ANDREAS EGER		284 040	0,73 %
Other shareholders		14 166 497	31,95 %
Total number of shares		**44 344 592**	**100,0 %**

Shares owned by the Board of Directors and management as of 31 December 2023:

Intertrade shipping AS (1)	12 575 000
Pactum Vekst AS (2)	3 519 733
Ferncliff Listed DAI AS (3)	1 234 280
Magnus Tolleshaug (4)	75 000
Heggem Vegard (5)	77 360
Alexander Karlsen (6)	50 000
Hilde Hagen (7)	40 000
Åse Musum (2)	2 201

1. Chairman of the Board of Directors
2. Member of the Board of Directors
3. Controlled by board member Øystein Stray Spetalen
4. Chief Executive Officer from 01.01.2024
5. VP Operations
6. Chief Financial Officer
7. VP Quality

Note 19. Share-based payments

The annual general meeting in May 2023 approved a long-term incentive plan (LTIP) where the executive management, in total, can purchase shares for up to MNOK 6, at a 25% discount, with three years of binding time. The General meeting also approved a loan facility of MNOK 6 for purchase of shares. The loan facility has a duration of three years and can only be used as financing for purchasing of shares in the company. If the finance option is used to purchase shares, the standard interest rate for employee loans determined by the Norwegian Tax Administration, will be used.

Note 20. Other payables

(NOK 000's)	2023	2022
Withholding tax	3 203	3 013
Social security taxes	2 013	1 734
Allowance for holiday pay	8 925	7 883
Accrued expenses	5 665	5 057
Other liabilities	30 761	28 838
Total other payables	**50 558**	**46 526**

Note 21. Borrowings

The Group had no interest-bearing debt as of 31 December 2023 (2022: MNOK 45.1). The Group has a revolving credit facility in Nordea which is used when needed. The debt from 2022 has been paid down in full during 2023 with positive operational cash flow.

Nordea has issued a guarantee of MNOK 14.2 to cover future pension payments under the defined benefit plan for the CEO, as well as a guarantee for income tax deducted salaries of MNOK 6.5. The guarantees are covered by a pledge of MNOK 15 in the Property (plant) located in Kragerø municipality.

Note 22. Leasing and commitments

The Group has not applied the two recognition exemptions in the standard, for low value items and short-term leases. There are only a few leasing agreements in total (<10), and all agreements has been incorporated into the balance sheet. Detailed lease commitments divided by category:

Detailed Lease commitments at 31 December 2023	(NOK 000's)
Property rental	3 115
Cars & trucks	493
Production equipment	53
Other office equipment	256
Future minimum lease payments	**3 916**

Note 22. Leasing and commitments (continued)

Maturity profile of lease commitments (NOK 000's)	<12 months	12-24 months	24-36 months	>48 months
Property rental	930	930	878	376
Cars & trucks	124	83	83	202
Production equipment	53	-	-	
Other office equipment	67	67	67	54
Future minimum lease payments	**1 175**	**1 081**	**1 029**	**631**

Details for right of use assets and leasing liabilities	Right of use assets	Leasing liabilities
Opening balance at 1 Jan 2022	**1 614**	**1 389**
Depreciation	-853	
Interest expense		48
Additions	3 948	
Repayment of lease liabilities		2 589
Value at year end 2022	**4 710**	**4 026**
Opening balance at 1 Jan 2023	**4 710**	**4 026**
Depreciation	-1 051	
Interest expense		168
Additions	461	
Repayment of lease liabilities		-904
Value at year end 2023	**4 120**	**3 290**

Of which are:	
Other current lease liabilities (2023)	1 003
Other non-current lease liabilities (2023)	2 287
	3 290

There are no residual guaranties or right of termination that have significant effect on any of the lease agreements. Incremental borrowing rate to estimate leasing interest expense is approximately 5%.

Note 23. Board of Directors and Executive Management compensation

Board of Directors remuneration

(NOK 000's)	2023 Board fees	2023 Other*	2022 Board fees	2022 Other*
Øyvin A. Brøymer Chairman**	420	21	400	20
Bettina Banoun	210	21	200	20
Øystein Stray Spetalen	210	-	200	-
Espen Marcussen**	210	-	200	-
Kari Krogstad**	210	-	200	-
Espen Lia Gregoriussen	210	-	200	-
Åse Musum	210	-	200	-
Total	**1 680**	**42**	**1 600**	**40**

*Both Bettina Banoun and Øyvin Brøymer received NOK 21 000 in 2023 and 20 000 in 2022 as members of the Remuneration Committee.

Executive Management remuneration

2023

(NOK 000's)	Base salary	Bonus paid*	Pension	Other**	Total	Proportion of fixed and variable
Kjell Erik Nordby, CEO	2 790	-	509	266	**3 565**	100% / 0%
Alexander Karlsen, CFO	1 877	60	164	240	**2 341**	97% / 3%
Hilde Merethe Hagen, VP Quality	1 538	49	165	169	**1 921**	97% / 3%
Magnus Tolleshaug, CCO	1 812	58	162	206	**2 238**	97% / 3%
Vegard Heggem, VP Operations	1 789	58	168	162	**2 176**	97% / 3%
Total Executive Management	**9 805**	**225**	**1 168**	**1 043**	**12 241**	-

**Bonus paid is related to bonus earned for 2022 and paid out in 2023*
***Mainly fixed monthly car allowance*

2022

(NOK 000's)	Base salary	Bonus paid*	Pension	Other**(*)	Total	Proportion of fixed and variable
Kjell Erik Nordby, CEO	2 667	864	415	192	**4 138**	79% / 21%
Alexander Karlsen, CFO	1 765	425	151	172	**2 513**	83% / 17%
Hilde Merethe Hagen, VP Quality	1 462	237	152	145	**1 996**	88% / 12%
Magnus Tolleshaug, CCO	1 638	234	154	477*	**2 503**	91% / 9%
Vegard Heggem, VP Operations	1 707	276	153	148	**2 284**	88% / 12%
Total Executive Management	**9 239**	**2 036**	**1 025**	**1 134**	**13 434**	**-**

**Bonus paid is related to bonus earned for 2021 and paid out in 2022*

***Mainly fixed monthly car allowance*
****Magnus Tolleshaug received a one-time compensation of NOK 300' as interim CEO in 1H of 2022*

Note 23. Board of Directors and Executive Management compensation (continued)

The CEO, Kjell-Erik Nordby is tied up to the Company's defined contribution plan. In addition, he has the right to retire at the age of 62 and is entitled to a salary equal to 60% of his salary at date of retirement and until he reaches the age of 67, less any public pension entitlements. In addition, he has the right to a certain level of pension from the age of 67. Refer to Note 7 for further details. Mr. Nordby has a 24-month termination benefit in the case of involuntary termination of his employment. Kjell-Erik Nordby retired 31.12.2023.

According to the Norwegian Public Limited Companies Act section 6-16a, the Board of Directors have prepared a statement on the establishment of wages and other remuneration for the CEO and other senior employees.

Note 24. Transactions with related parties

Related party relationships are those involving control, joint control or significant influence. Related parties are in a position to enter into transactions with the Group that would not be undertaken between unrelated parties. All transactions within the Group have been based on arm's length principle.

The Group's ultimate parent is Vistin Pharma ASA. The shares of Vistin Pharma ASA are listed on Oslo Børs. The subsidiary is listed in note 25. Any transactions between the parent company and the subsidiary are shown line by line in the separate statements of the parent company and are eliminated in the group financial statements.

See note 23 for more information on remuneration to executive management and the board.

Note 25. Subsidiary

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Ownership interest 2023	Voting power 2023	Ownership interest 2022	Voting power 2022
Vistin Pharma AS	Norway	Pharmaceutical products	100 %	100 %	100 %	100 %

The financial figures of Vistin Pharma AS has been included in the consolidated financial statements of the Group.

Note 26. Events after the reporting date

There have not been events subsequent to the closing date of 31 December 2023, that currently affects the financials or the Group's operational activities.

Additional dividend of NOK 0.75 per share approved and paid in January 2024.

The Board of Directors will propose for the Annual General Meeting an ordinary dividend of total NOK 1 per share, to be paid partly with NOK 0.5 in June and NOK 0.5 in November 2024.

Vistin Pharma announced on the 4th of March 2024 an acquisition of a 15% share in CF Pharma Kft. CF Pharma is an API CDMO located in Budapest, Hungary with a broad customer base of recognized international pharmaceutical companies. CF Pharma has a proven track record in developing and commercializing Active Pharmaceutical Ingredients (APIs). The group/company currently has five commercial APIs on the market, with another eight APIs under development. The transaction price consists of a base price and an earn-out- element, with an agreed cap of MEUR 1.6.

Vistin Pharma ASA - financial statements and notes

Statement of Comprehensive Income

For the year ended 31 December

(NOK 000's)	Note	2023	2022
Other income		-	-
Total operating income		**-**	**-**
Payroll and payroll related costs	3	2 147	1 962
Other operating costs	4	4 831	2 232
Operating profit/(loss)		**-6 978**	**-4 193**
Finance income	5	3 247	1 835
Finance costs	5	95	15
Profit/(loss) before tax		**-3 826**	**-2 373**
Income tax expense	6	-842	-522
Profit/(loss) for the year		**-2 984**	**-1 851**
Total comprehensive income		**-2 984**	**-1 851**

Statement of Financial Position

As at 31 December

(NOK 000's)	Note	2023	2022
ASSETS			
Non-current assets			
Investment in subsidiaries	7	48 825	48 825
Group interest-bearing receivables	7	62 183	58 024
Deferred tax assets	6	2 105	1 263
Total non-current assets		**113 113**	**108 112**
Current assets			
Intercompany receivables	7	151 155	159 537
Other receivables		127	47
Cash and cash equivalents	9	1 849	1 388
Total current assets		**153 131**	**160 972**
Total assets		**266 244**	**269 084**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	44 345	44 345
Share premium		206 885	206 885
Retained earnings		13 918	16 902
Total equity		**265 147**	**268 131**
Non-current liabilities			
Total non-current liabilities		**-**	**-**
Current liabilities			
Accounts payables	8	2	42
Other current liabilities	8	1 094	911
Total current liabilities		**1 096**	**953**
Total liabilities		**1 096**	**953**
Total equity and liabilities		**266 244**	**269 084**

Oslo, 23 April 2024

Øyvin A. Brøymer
Chairman

Øystein Stray Spetalen
Board member

Espen Marcussen
Board member

Kari Krogstad
Board member

Åse Musum
Board member

Espen Lia Gregoriussen
Board member

Bettina Banoun
Board member

Magnus Tolleshaug
CEO

Annual report is signed electronically.

Statement of Changes in Equity

For the year ended 31 December

(NOK 000's)	Share capital	Share premium	Retained earnings	Total
	Attributable to equity holders of the parent			
Equity as at 01.01.2022	**44 345**	**206 885**	**18 753**	**269 982**
Profit (loss) for the year			-1 851	
Total comprehensive income			-1 851	-1 851
Dividend				
Equity as at 31.12.2022	**44 345**	**206 885**	**16 902**	**268 131**
Profit (loss) for the year			-2 984	
Total comprehensive income			-2 984	-2 984
Equity as at 31.12.2023	**44 345**	**206 885**	**13 918**	**265 147**

Statement of Cash flows

For the year ended 31 December

(NOK 000's)	Note	2023	2022
Cash flow from operating activities			
Profit before income tax		-3 826	-2 373
Adjustments to reconcile profit before tax to net cash flow:			
Net interest (income)/expense	5	3 158	1 807
Income tax paid		-	-
Changes in working capital:			
Changes in trade receivables and trade payables		-39	41
Changes in other payables, receivables, accruals		5 327	-20 608
Net cash flow from operating activities		**4 620**	**-21 133**
Cash flow from investing activities			
Loan subsidiary		-4 159	
Net cash flow from investing activities		**-4 159**	
Cash flow from financing activities			
Dividend paid		-	
Net cash flow from financing activities		**-**	
Net change in cash and cash equivalents		461	-21 133
Cash and cash equivalents beginning period		1 388	22 521
Cash and cash equivalents end period	9	**1 849**	**1 388**

Notes to the Financial Statement

Note 1. Corporate information

Vistin Pharma ASA is a limited liability company and its registered office is Østensjøveien 27, Oslo, Norway. The Company's shares are listed on Oslo Børs in Norway under the ticker VISTN.

The financial statements were approved for release by the Board of Directors on 23 April 2024.

Reference is made to note 1 in the consolidated statement of Vistin Pharma ASA.

Note 2. Summary of significant accounting policies

Vistin Pharma ASA's ("Vistin Pharma" or "the Company") financial statements and directors' report are prepared in English only.

Basis of preparation

The financial statement has been prepared in accordance with the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS® Accounting Standards issued by the Ministry of Finance in 2014.

The functional currency of Vistin Pharma is the Norwegian krone (NOK). All values are rounded to the nearest thousand (NOK: 000), except when otherwise indicated.

Vistin Pharma's principles are consistent to the accounting principles for the Company, as described in Note 2 of the consolidated financial statements. Where the note for the parent company is substantially different from the note for the Company, these are shown separately. Otherwise refer to the note in the consolidated financial statement.

Investments in subsidiaries

Investments in subsidiaries and associates are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value is recognized under impairment in the income statement.

Recognition for group contributions

Company contributions from wholly owned subsidiaries are recorded as financial income as long as the contributions do not exceed the accumulated results from the date of acquiring the subsidiary. The income is recorded net of tax. Company contributions relating to the result prior the date of acquisition is recorded as a reduction against the investment (net of tax). If company contributions exceed accumulated profits in the subsidiary after the acquisition, the payment is treated as a reduction of the carrying value of the investment.

Note 3. Payroll and payroll related expenses

(NOK 000's)	2023	2022
Other payroll costs	2 147	1 962
Total payroll and payroll related costs	**2 147**	**1 962**
Average number of man-years:	**-**	**-**

The Company had no employees as of 31 December 2023 (2022: 0). Other payroll costs relate to board fees.

Note 4. Other operating expenses

(NOK 000's)	2023	2022
External fees	728	1 505
Other operating expenses	4 103	726
Other operating expenses	**4 831**	**2 232**

Remuneration to the Auditors

(NOK 000's)	2023	2022
Statutory audit	315	320
Other assurance services	348	163

All fees are exclusive of VAT.

Note 5. Financial items

(NOK 000's)	2023	2022
Interest income from bank deposits	89	28
Interest income from Group companies	3 158	1 807
Total finance income	**3 247**	**1 835**
Other interest expenses	95	15
Total finance costs	**95**	**15**
Net finance	**3 152**	**1 820**

Note 6. Tax

(NOK 000's)	2023	2022
Profit before taxes	-3 826	-2 373
Permanent differences	-	-
Changes in temporary differences	-	-
Permanent differences recognized to equity	-	-
Basis for income tax	**-3 826**	**-2 373**
Income tax payable	-	-
Tax effect of change in net deferred income tax liability/asset	-842	522
Tax effect permanent differences recognized to equity	-	-
Tax effect tax rate reduction	-	-
Income tax expense	**-842**	**522**

Reconciliation of income tax

(NOK 000's)	2023	2022
Tax assessed at the expected tax rate	842	522
Tax effect permanent differences, profit & loss	-	-
Income tax	**842**	**522**

Temporary differences

(NOK 000's)	2023	2022
Losses carried forward	-9 567	-5 741
Net income tax reduction temporary differences	-9 567	-5 741
Net deferred tax asset	2 105	1 263

Note 7. Investments in group companies

2023

(NOK 000's)	Registered office	Share capital	Ownership interest 2023	Voting rights 2023	Carrying amount	Result 2023	Equity 2023
Vistin Pharma AS	Oslo, Norway	NOK	100 %	100 %	48 825	48 579	106 448
Total					**48 825**	**48 579**	**106 448**

2022

(NOK 000's)	Registered office	Share capital	Ownership interest 2022	Voting rights 2022	Carrying amount	Result 2022	Equity 2022
Vistin Pharma AS	Oslo, Norway	NOK	100 %	100 %	48 825	-2 864	54 178
Total					**48 825**	**-2 864**	**54 178**

Transactions between related parties

2023

(NOK 000's)	Long term receivables to subsidiaries	Short term receivables to subsi-diaries	Interest income from subsidiaries	Short term payables to subsidiaries	Group contribution receivable	Group contribution payable
Vistin Pharma AS	62 183	151 155	3 158	-	-	-
Total	**62 183**	**151 155**	**3 158**	**-**	**-**	**-**

2022

(NOK 000's)	Long term receivables to subsidiaries	Short term receivables to subsidiaries	Interest income from subsidiaries	Short term payables to subsidiaries	Group contribution receivable	Group contribution payable
Vistin Pharma AS	58 024	159 537	1 807		-	-
Total	**58 024**	**159 537**	**1 807**		**-**	**-**

The loan to Vistin Pharma AS carries an annual interest rate of 3 months NIBOR + 1.25%, to be paid quarterly in arrears.

Note 8. Financial assets and liabilities

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As of 31 December 2023

(NOK 000's)	Fair value level	Fair value through profit and loss	Loans and receivables at amortized cost	Other financial liabilities at amortized cost	Total book value	Fair value
Financial assets						
Group interest-bearing receivables	3	-	62 183	-	62 183	62 183
Intercompany receivables	3	-	151 155	-	151 155	151 155
Other receivables	3	-	127	-	127	127
Cash and cash deposits	3	-	1 849	-	1 849	1 849
Total		**-**	**215 315**	**-**	**215 315**	**215 315**
Financial liabilities						
Intercompany payables	3	-	-	-	-	-
Trade payables	3	-	-	2	2	2
Other payables	3	-	-	1 094	1 094	1 094
Total		**-**	**-**	**1 096**	**1 096**	**1 096**

As of 31 December 2022

(NOK 000's)	Fair value level	Fair value through profit and loss	Loans and recei-vables at amortized cost	Other financial liabilities at amortized cost	Total book value	Fair value
Financial assets						
Group interest-bearing receivables	3		58 024	-	58 024	58 024
Intercompany receivables	3	-	159 537	-	159 537	159 537
Other receivables	3	-	47	-	47	47
Cash and cash deposits	3	-	1 388	-	1 388	1 388
Total			**218 996**	**-**	**218 996**	**218 996**
Financial liabilities						
Intercompany payables	3	-	-	-	-	-
Trade payables	3	-	-	-	-	-
Other payables	3	-	-	911	911	911
Total		**-**	**-**	**911**	**911**	**911**

Note 8. Financial assets and liabilities (continued)

Set out above is a comparison by class of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements. For trade receivables, accounts payable and other short-term items, fair values are considered to be equal to carrying values due to their short-term nature.

Note 9. Cash and cash equivalents

(NOK 000's)	2023	2022
Cash at banks	1 849	1 388
Total	**1 849**	**1 388**

Cash at banks earns interest at floating rates based on daily bank deposit rates. All bank accounts are nominated in NOK.

Note 10. Issued shares and share capital

The Company's registered share capital is NOK 44,344,592 divided into 44,344,592 shares. The share capital is fully paid. All shares have the same rights.

	Number of shares (thousands)	Share capital (NOK 000's)
At 1 January 2022	44 345	44 345
At 31 December 2022	**44 345**	**44 345**
At 1 January 2023	44 345	44 345
At 31 December 2023	**44 345**	**44 345**

Each share has a par value of NOK 1 per share.

Note 10. Issued shares and share capital (continued)

20 largest shareholders as registered as of 31 December 2023:

Name	Note	Total no of shares	Ownership share
INTERTRADE SHIPPING AS*	1	12 575 000	28,36 %
HOLMEN SPESIALFOND		3 842 055	7,94 %
PACTUM AS*	2	3 519 733	7,94 %
MP PENSJON PK		1 719 848	3,88 %
FERNCLIFF LISTED DAI AS*	3	1 234 280	1,77 %
STORKLEIVEN AS		751 000	1,69 %
AUGUST RINGVOLD AGENTUR AS		750 315	1,69 %
LUCELLUM AS		720 000	1,50 %
HENRIK MIDTTUN HAAVIE		601 516	1,45 %
IVAR LØGES STIFTELSE		550 000	1,40 %
TOM RAGNAR PRESTEGÅRD STAAVI		526 324	1,26 %
CORTEX AS		508 989	1,16 %
WEM INVEST AS		500 000	1,15 %
DNB BANK ASA		471 881	1,14 %
SANDEN EQUITY AS		468 947	1,13 %
DELTA AS		410 000	1,06 %
GINKO AS		400 000	1,03 %
ØYSTEIN STRAY SPETALEN*	3	323 650	0,90 %
NIELS CATO BECKETT AALL		301 658	0,78 %
NICOLAI ANDREAS EGER		284 040	0,73 %
Other shareholders		14 166 497	31,95 %
Total number of shares		**44 344 592**	**100,0 %**

Shares owned by the Board of Directors and management as of 31 December 2023:

Intertrade shipping AS (1)	12 575 000
Pactum Vekst AS (2)	3 519 733
Ferncliff Listed DAI AS (3)	1 234 280
Magnus Tolleshaug (4)	75 000
Heggem Vegard (5)	77 360
Alexander Karlsen (6)	50 000
Hilde Hagen (7)	40 000
Åse Musum (2)	2 201

1. Chairman of the Board of Directors
2. Member of the Board of Directors
3. Controlled by board member Øystein Stray Spetalen
4. Chief Executive Officer from 01.01.2024
5. VP Operations
6. Chief Financial Officer
7. VP Quality

Note 11. Events after the reporting period

There have not been events subsequent to the closing date of 31 December 2023, that affects the financials or the company’s operational activities.

The Board of Directors will propose for the Annual General Meeting an ordinary dividend of total NOK 1 per share, to be paid partly with NOK 0.5 in June and NOK 0.5 in November 2024.

Note 12. Statement regarding the determination of salary and other remuneration to Executive Management

According to the Norwegian Public Limited Companies Act (section 6-16a), the Board of Directors shall prepare a statement regarding the establishment of wages and other remuneration for the Chief Executive Officer and other senior management.

The Company’s salary policy for the executive management – main principles

The purpose of the Company's remuneration policy is to attract and retain personnel with the competence that the Group requires with a view to achieve Vistin Pharma's goal of becoming a leading and a profitable producer of selected API's for the international pharmaceutical market. The general policy is to pay fixed salaries and pensions, while at the same time offering bonuses, or other types of remuneration, which aligns the interest of senior management and the shareholders of the Company.

The Company has a separate remuneration committee appointed by the Board of Directors. The present remuneration committee consists of Øyvin A. Brøymer (Chairman) and Bettina Banoun. The CEO, and other representatives of the senior management, regularly participates in the remuneration committee's meetings.

The remuneration committee functions as an advisory body for the Board of Directors and its main duties and responsibilities are to:

i. Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives and set the compensation level for the CEO based on this evaluation. In determining the long-term incentive component of the CEO compensation, if any, the Committee may consider the Company’s performance and relative shareholder return, the value of similar incentive awards given to CEOs at comparable companies and the awards given to the CEO in past years.

ii. Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans.

iii. Assist the Board in developing and evaluating potential candidates for executive positions, including the CEO, and oversee the development of executive succession plans.

iv. Review and approve Senior Executive employment agreements, severance arrangements and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.

Note 12. Statement regarding the determination of salary and other remuneration to Executive Management (continued)

v. Review major organizational and staffing matters.

Further information on the function of the remuneration committee can be found in the instructions to the remuneration committee, included on the Company's website: www.vistin.com.

Salaries and other remuneration

Fixed salary

It is the Company's policy that salaries to the CEO and senior management primarily shall take the form of a fixed monthly salary, reflecting the level of the position and experience of the person concerned and the results achieved.

Bonuses

The Group has a system of annual performance-based bonuses for all employees. The maximum bonus payable to the CEO is 40% of the annual salary. The maximum bonus payable to other members of the Executive Management team is 30% of the annual salary, depending on individual employment contracts. The Board of Directors evaluates and determines annually the bonus system for Vistin Pharma, based on recommendations from the Remuneration Committee. The bonuses are linked to the achievement of certain targets for financial results, as well other performance targets which are defined at the beginning of the financial year. The bonus targets shall reflect both short-term financial parameters, and operational and strategic performance targets that are expected to give a positive long-term financial effect.

Pension plan

Principally, pension plan shall be the same for senior management as what is generally agreed for other employees. The Group has a defined contribution plan for all employees. Under this plan the Group contributes 5.5% of the salary between 1G and 7.1G, and 15%, for the salary between 7.1G and 12G. The CEO per 31.12.2023 (Kjell-Erik Nordby) has an additional "top-hat" to cover salary above 12G, as well as an early retirement plan from the age of 62.

Notice period

The CEO has a six-month termination period, and the remaining executive management team has a three-month termination period.

Share based incentive plans

The annual general meeting in May 2023 approved a long-term incentive plan (LTIP) where the executive management, in total, can purchase shares for up to MNOK 6, at a 25% discount, with three years of binding time. The General meeting also approved a loan facility of MNOK 6 for purchase of shares. The loan facility has a duration of three years and can only be used as financing for purchasing of shares in the company. If the finance option is used to purchase shares, the standard interest rate for employee loans determined by the Norwegian Tax Administration, will be used.

Remuneration policy in the preceding financial year (2023)

The management remuneration policy in the preceding financial year has been conducted in accordance with the prevailing principles for 2023.

Vistin Pharma

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Vistin Pharma ASA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Vistin Pharma ASA (the Company) which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the financial position as at 31 December 2023 and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the financial position as at 31 December 2023 statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable legal requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act,
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the audit committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 9 years from the election by the general meeting of the shareholders in 2015 for the accounting year 2015.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Recognition and measurement of inventories

Basis for the key audit matter
As at 31 December 2023 inventories amounted to NOK 80 171 million, 19.9% of total assets. These inventories consist of raw materials, work in progress and finished goods. Inventories are stated at the lower of cost and net realizable value. The cost of finished goods comprises materials, direct labor, other direct costs and allocation of related production overheads. The allocation of direct and indirect costs and the assessment of the net realizable value are significantly impacted by management's assumptions. Due to management's estimates and its significance, recognition and measurement of inventories is a key audit matter.

Our audit response
We assessed the cost of inventories including comparing the costs of raw materials to a sample of invoices, evaluated the allocation of labor cost and indirect cost, and recalculated the cost prices for a sample of units. We assessed the allocation keys used for the allocation of production overheads. For evaluation of net realizable value, we performed margin analysis subsequent of year-end, analyzed the inventory turnover and compared that to management's estimates on obsolete inventories and tested the accuracy of management's prior year assumptions. We refer to note 15 in the consolidated financial statements related to inventories.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility contain the information required by applicable legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that the other information is materially inconsistent with the financial statements, there is a material misstatement in this other information or that the information required by applicable legal requirements is not included in the board of directors' report, the statement on corporate governance or the statement on corporate social responsibility, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report, the statement on corporate governance and the statement on corporate social responsibility are consistent with the financial statements and contain the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated

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financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Vistin Pharma ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Vistinpharmaasa-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Oslo, 24 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Erik Søreng
State Authorised Public Accountant (Norway)

Søreng, Erik

State Authorised Public Accountant (Norway)

On behalf of: ERNST & YOUNG AS

Serial number: no_bankid:9578-5999-4-1529830

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