

# Q4

and 2024  
preliminary  
results

2025



Vistin Pharma

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# Highlights

- MNOK 114 in revenue vs. MNOK 111 in Q4 2023. Good operational performance resulted in more volumes available for sale in the quarter (+11% vs Q4'23).
- 2024 full year revenue ended at MNOK 430 compared to MNOK 438 last year
- Sales volume increased by 4% in 2024, even with an unplanned stop on line 2 in Q1
- EBITDA of MNOK 28 vs. MNOK 25 in Q4 2023. EBITDA positively affected by increased sales volume and good cost control in the quarter
- 2024 full year all-time high EBITDA of MNOK 104 compared to MNOK 86 last year, a 21% increase
- Close to 1500MT produced in quarter, included a planned maintenance stop in October, reflecting good operational utilization of both production lines
- Strong balance sheet with equity ratio of 80% and net cash position of MNOK 13 as of year end
- The Board of Directors will propose for the AGM an ordinary dividend of total NOK 1.25 per share, to be paid in June

**4th quarter report and preliminary financial results for 2024**

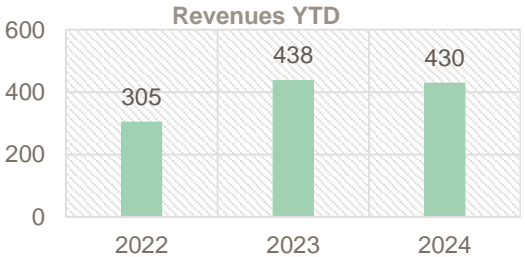
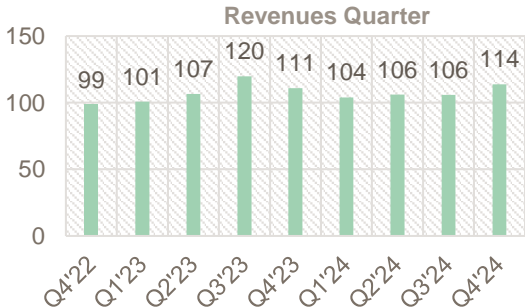
The financial report as per December 2024 has been prepared according to the IFRS (International Financial Reporting Standard) and follows IAS 34 for interim financial reporting, as do the comparable numbers for 2023.

**Financial development**

(Comparative numbers for 2023 in parenthesis)

**Revenue**

Revenue in the fourth quarter of MNOK 114 compared to MNOK 111 in Q4'23, which is an increase of 3%. The revenue increase was driven by increased sales volume (+11%). Good operational performance has resulted in more volumes available for sale. Global Metformin prices came down in 2023 and have stabilized in 2024, as raw material prices have decreased from high post pandemic levels. Full year 2024 revenue ended at MNOK 430 compared to MNOK 438 last year. Sales volume increased by 4% in 2024, even with an unplanned stop on line 2 in Q1.

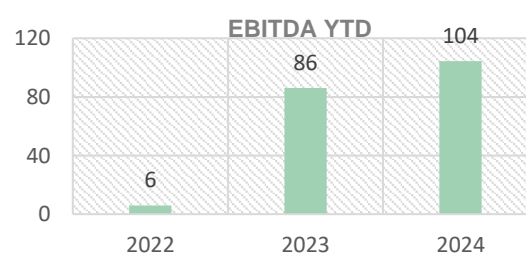
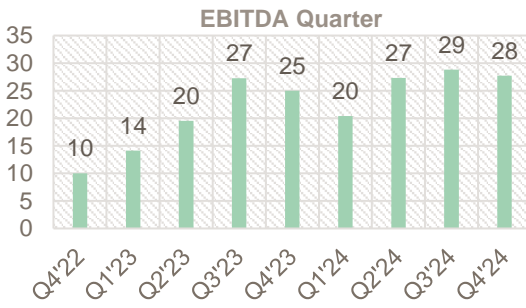


**Cost of goods sold**

Cost of goods sold (COGS) in the quarter ended at MNOK 86 (MNOK 86). The cost of producing Metformin has decreased from the same quarter last year, mainly driven by lower raw material costs. Raw material and freight prices stabilized in Q4 2023 after a decline in 1-3Q 2023. Freight cost have however spiked in Q2'24 due to consequential damages after partly closing the Suez Canal but has started to stabilize again in Q3/Q4. Volume leverage on costs is expected with increasing production volume.

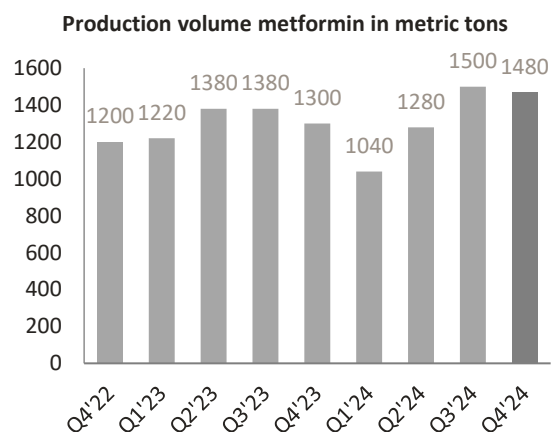
**Earnings**

EBITDA ended at close to record high MNOK 27.7 (MNOK 25) for the quarter. EBITDA was positively affected by increased sales volume. Decreased raw material costs also contributed positively, in addition to good cost control. Incentive plan expense of MNOK 2 booked in quarter (2.9 in Q4'23). 2024 full year all-time high EBITDA of MNOK 104 compared to MNOK 86 last year, a 21% increase. Revenue is reflecting lower realized sales prices, however at higher margins.



## Production

Production output in the fourth quarter ended at 1 480 MT produced metformin. There was a planned bi-annual maintenance stop in October and the output in the quarter is reflecting good operational utilization of both production lines.



## Financial items

Net finance ended positive with MNOK 1.7 for the fourth quarter of 2024, compared to positive with MNOK 2.6 in same quarter of 2023. Finance income and loss is generally related to realized and unrealized losses from customers receivables, currency hedging contracts in EUR and interest expense from credit overdraft. Net finance income in Q4 2024 was mainly related to unrealized gain of MNOK ~2.5 on FX hedging contracts, partly offset by MNOK ~1 of realized loss on FX hedging contracts for the quarter. The unrealized gain is driven by future EUR FX hedging contracts for 2025 and 2026.

## Cash flow

2024 net cash flow from operating activities was positive with MNOK 105. Net cash flow from operating activities in the same period of 2023 was positive with MNOK 90.6.

Net cash flow from investing activities in 2024 was negative with MNOK 40.8. This is

constituted by capital expenditure, leasing repayments and acquisition of 15% in CF Pharma. Approximately MNOK 9 of the CAPEX spend in 2024 is final payments for the water recycling project. Net cash flow from investing activities in the same period last year was negative with MNOK 17.7.

Net cash flow from financing activities in 2024 was negative with MNOK 77.6, driven by dividend payments of total NOK 1.75 per share. Net cash flow from financing activities in the same period last year was negative with MNOK 48.1, reflecting repayment of the bank overdraft.

Net change in cash and cash equivalents in 2024 was negative with MNOK 13.4. In the same period last year, there was a net increase in cash equivalents of MNOK 24.8.

## Balance sheet

### Assets

Vistin Pharma had total assets of MNOK 385 as of 31 December 2024 (MNOK 403.4). The company has fully utilized the deferred tax asset by 2024 end (MNOK 14.6).

### Equity

Equity by the end of December was MNOK 309.5 (MNOK 322.8). This equals an equity ratio of 80%.

### Liabilities

The Company had no net interest-bearing debt as of end December 2024. Net cash position was MNOK 12.8 compared to net cash of MNOK 26.2 as of end December 2023. MNOK 2.2 (MNOK 3.3) in obligations related to lease contracts are recognized in the balance sheet according to IFRS 16.

## Operational status

### Market

The global Metformin market has a strong underlying demand and is by industry experts expected to grow by 4-6% annually (CAGR) in the foreseeable future. The global demand for metformin HCl is forecasted to increase by approximately 27.000MT to 98.000MT by 2029. Metformin is the standard first-line treatment of Type 2 Diabetes, which represents around 90% of the global diabetes cases. Vistin Pharma's key customers are leading pharmaceutical companies that use our API into innovative and generic metformin drug products to the end market. The product demand will therefore be dependent on the performance of these products in the market. Key drivers for future growth are the number of diabetes patients diagnosed and treated with metformin-containing products, continued growth in sales volume from existing international customers, as well as adding new customers to Vistin's portfolio. The company is currently experiencing good demand for its products.

### Strategy

After installation of the new second production line (MEP) in Q1 2022, the company has been focusing on ramping up volume from the two production lines. A significant part of the company's resources is involved in optimizing output and building efficient and robust processes to achieve up to 7000MT of annual Metformin HCl output, and sales volume accordingly.

Higher manufacturing and sales volumes going forward are expected to increase working capital requirements, however this will fluctuate from quarter to quarter. In addition, Vistin's further growth ambitions will require some additional CAPEX to support the growth, increased productivity and sustainability. Vistin has a strategy of keeping additional safety stock of critical raw materials, to secure future supply and support

the MEP ramp-up plan. Such safety stock is planned to mitigate potential uncertainties or delays around delivery lead times of raw material from Asia and/or any negative effects from the ongoing war in Ukraine.

Vistin's Metformin strategy is to grow with our existing and new customers, fulfilling their demands and gradually utilize all available production capacity by increasing our market share via active sales Business to Business.

### Research and Development (R&D)

Vistin is positioned as a premium supplier in the market. To strengthen this 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.

### Strategic intent and acquisition of 15% in CF Pharma

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

Vistin acquired in Q1 2024 a share of 15% in CF Pharma at a transaction price cap of MEUR 1.6, which consists of a base price and an earn-out- element. CF Pharma is an API CDMO located in Budapest, Hungary, with a broad customer base of recognized international pharmaceutical companies. CF Pharma has an extensive production site in Budapest. The company has a proven track record in developing and commercializing Active Pharmaceutical Ingredients (APIs). CF Pharma currently has 5 commercial APIs on the market, with another 8 APIs under development. CF Pharma has approximately 170 employees, and an extensive R&D department for development of new products and processes.

# 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.



# Vistin Pharma's 7 goals for achieving increased sustainability.

1

Aim to reduce the water consumption in the plant by 90% 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

## Corporate social responsibility, the environment and employees

Vistin Pharma aspires to achieve sustainable development by having a good balance between 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 the Norwegian Accounting Act was published in June on the Company's website.

### 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 Company has developed a 'NO HARM VISION'.

## 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 hydro powered energy to minimize carbon footprint.
- Vistin completed in 2024 an investment project with the aim of reducing the water consumption in the plant by >80% through recycling, incl. reusing the hot water for heating of plant.
- 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 emission to air with more than 95%.



## Risks and uncertainties

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. Majority of the sales are done in EUR, while all primary raw material purchases are in USD. 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.

## Basis of presentation

This financial information should be read together with the financial statements for the year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards ("IFRS"). The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Additional disclosures supplementing the financial statements are included in this report on pages 2–5. The figures are unaudited.

## Events after the reporting date

There have not been events after the reporting date that affect the Company's financials.

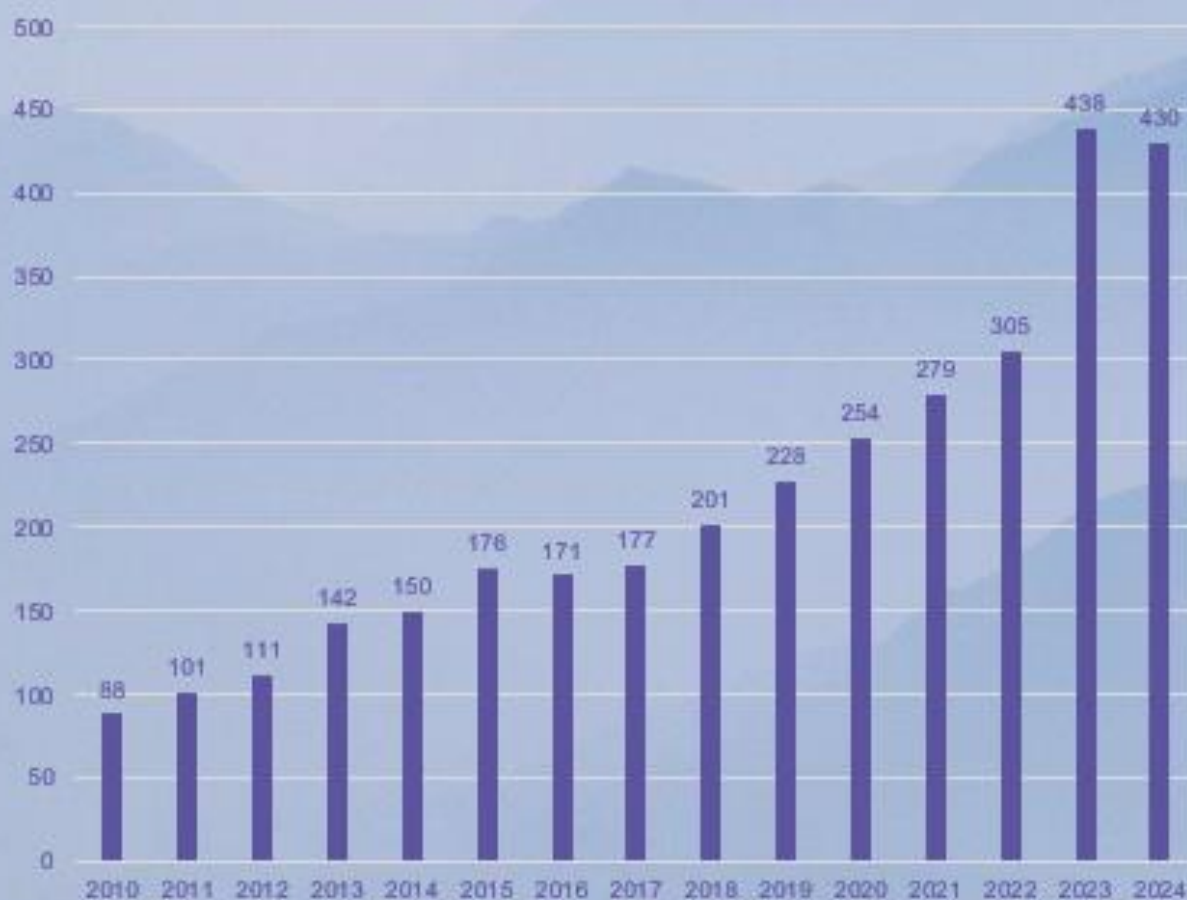
## General market outlook

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 4-6% annually, as it remains the gold-standard baseline treatment for type 2 diabetes. The demand for Metformin in the market has not been affected by the corona epidemic or 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 near shoring seems only to increase. Vistin is strategically well positioned to benefit from the expected stronger demand for local supplies from Europe going forward.

GLP-1 agonists have recently become quite popular in high income countries to treat obesity and diabetes type 2. It is quite common to use for example the GLP-1 agonist Semaglutide in combination with metformin for managing type 2 diabetes. This combination is often prescribed because the two medications complement each other in controlling blood sugar levels. Semaglutide helps by stimulating insulin secretion, suppressing glucagon release, slowing digestion, and reducing liver glucose production. Metformin primarily works by decreasing glucose production in the liver and improving insulin sensitivity.

# Long and successful growth track record

Revenues Vistin Metformin (MNOK)



### Shareholder information

The Company had 44 344 592 issued shares as of 31 December 2024. The five largest shareholders were Intertrade Shipping AS with 12,575,000 shares, Holmen Spesialfond with 4,200 379 shares, Pactum Vekst AS with 2,991,773 shares, MP Pensjon PK with 1,719,848 shares, and Ferncliff Listed DAI AS with 1,234,280 shares.

The share price has moved from NOK 27.90 per share at 30 of September 2024, to NOK 23.70 as of 31 December 2024. A dividend of NOK 0.5 per share was paid in November.

### 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.

Cash dividend of NOK 1.75 per share has been distributed in 2024.

The Board of Directors will propose for the AGM, in May 2025, an ordinary dividend of total NOK 1.25 per share, to be paid in June.

VISTIN PHARMA ASA – FOURTH QUARTER AND PRELIMINARY 2024 FINANCIAL RESULTS

Condensed financial statement (P&L)	Q4 2024	Q4 2023	FY 2024	FY 2023
All numbers in NOK 1000				
<b>Total revenue and income</b>	<b>113 700</b>	<b>110 721</b>	<b>429 503</b>	<b>438 328</b>
Cost of materials	39 375	38 357	149 969	176 644
Salary and social expenses	24 871	26 170	94 224	93 135
Other operating expenses	21 735	21 188	80 985	82 605
Total operating expenses	85 981	85 715	325 178	352 384
<b>Operating result before depr. (EBITDA)</b>	<b>27 719</b>	<b>25 005</b>	<b>104 325</b>	<b>85 944</b>
<i>Operating result before depr. %</i>	<i>24,4 %</i>	<i>22,6 %</i>	<i>24,3 %</i>	<i>19,6 %</i>
Depreciation	4 573	4 488	19 029	17 347
<b>Operating result</b>	<b>23 146</b>	<b>20 517</b>	<b>85 296</b>	<b>68 597</b>
<i>Operating result in %</i>	<i>20,4 %</i>	<i>18,5 %</i>	<i>19,9 %</i>	<i>15,6 %</i>
Financial income	3 415	7 407	9 410	20 841
Financial expenses	-1 728	-4 805	-14 252	-30 920
<b>Net finance</b>	<b>1 687</b>	<b>2 603</b>	<b>-4 843</b>	<b>-10 080</b>
<b>Pre-tax profit</b>	<b>24 833</b>	<b>23 120</b>	<b>80 453</b>	<b>58 518</b>
Tax	5 463	5 086	17 770	12 923
<b>Result</b>	<b>19 370</b>	<b>18 034</b>	<b>62 753</b>	<b>45 596</b>
<b>Comprehensive income</b>				
Result after tax	19 370	18 034	62 753	45 596
Other comprehensive income	1 598	3 690	1 598	3 690
<b>Total comprehensive income</b>	<b>20 968</b>	<b>21 723</b>	<b>64 351</b>	<b>49 285</b>

Key figures	Q4 2024	Q4 2023	FY 2024	FY 2023
Equity share	80%	70 %	80%	80 %
Earnings per share	0,44	0,41	1,42	1,03
Average shares outstanding in 1000	44 345	44 345	44 345	44 345

**Condensed financial statement  
(balance sheet)**

31.12.2024

31.12.2023

All numbers in NOK 1000

**Assets**

Fixed assets	229 603	219 984
Financial assets	12 154	-
Deferred tax assets	-	14 638
<b>Total tangible and fixed assets</b>	<b>241 757</b>	<b>234 622</b>
Inventory	76 665	80 171
Trade receivables	44 279	47 023
Other receivables	9 449	15 376
Cash	12 794	26 204
<b>Total current assets</b>	<b>143 187</b>	<b>168 774</b>
<b>Total assets</b>	<b>384 945</b>	<b>403 396</b>
<b>Equity and liability</b>		
Share capital	44 345	44 345
Share premium reserve	129 298	206 885
Retained earnings	135 893	71 540
<b>Total equity</b>	<b>309 536</b>	<b>322 770</b>
Pension liabilities	6 602	8 864
Other non-current liabilities	1 326	2 287
<b>Total long-term liabilities</b>	<b>7 928</b>	<b>11 151</b>
Trade payables	13 054	18 916
Other current liabilities	54 426	50 558
<b>Total short-term liabilities</b>	<b>67 481</b>	<b>69 473</b>
<b>Total equity and liability</b>	<b>384 945</b>	<b>403 396</b>

**Change in equity**

31.12.2024

31.12.2023

All numbers in NOK 1000

<b>Equity start of period</b>	<b>322 769</b>	<b>273 486</b>
Result for the period	62 753	45 595
Other comprehensive income	1 598	3 690
Dividend	-77 587	-
<b>Equity end of period</b>	<b>309 536</b>	<b>322 770</b>

**Cash flow analysis YTD****31.12.2024**      **31.12.2023**

All numbers in NOK 1000

Result for the period	80 453	58 517
Depreciations	19 029	17 347
Working capital changes	5 498	14 726
<b>Cash flow from operation</b>	<b>104 981</b>	<b>90 592</b>
Purchase of equipment and intangibles	-40 803	-17 681
<b>Cash flow from investments</b>	<b>-40 803</b>	<b>-17 681</b>
Finance activities	-	-48 143
Dividends	-77 587	-
<b>Cash flow finance activities</b>	<b>-77 587</b>	<b>-48 143</b>
Change in cash for the period	-13 409	24 768
Cash at start of period	26 204	1 435
<b>Cash by the end of period</b>	<b>12 794</b>	<b>26 204</b>



# Vistin Pharma

**Vistin Pharma ASA**

Østensjøveien 27

NO-0661 Oslo

Norway

Tel: +47 35 98 42 00

E-mail: [vistin@vistin.com](mailto:vistin@vistin.com)

[www.vistin.com](http://www.vistin.com)