

Vistin Pharma - Fourth Quarter 2019



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28 February 2020

Agenda

Highlights

Operational review - pharmaceuticals

Operational review - energy trading

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Fourth quarter 2019

- Pharmaceuticals: 40% increase in revenue
 - Revenue of NOK 56,8 million for the quarter vs. NOK 40,6 million in Q4 2018
 - Sales volumes 36% higher than Q4 2018, however 2018 volumes were affected by a planned plant closure in December
 - EBITDA NOK 7.8 million for Q4 2019 before bonus provisions vs. negative NOK 4.7 for Q4 2018

- Energy Trading: Marginal net change in market to market value for the quarter compared to the third quarter
 - The net financial effect (realised and unrealised) from the portfolio of oil derivatives in Q4 19 was a gain of 0.6 million
 - EBITDA negative NOK 0.3 million for Q4 vs. negative NOK 3.9 million for Q4 2018
 - Subsequent to the closing date
 - Spread positions for 45,000MT expired or were closed with an expected net loss of 43 million
 - Positions in ICE low sulphur Gasoil was reduced with 30,000MT to further manage the risk in the portfolio with a loss of 46.5 million

Other financials

- Cash balance as of 31 December of NOK 319.7 million, and no interest-bearing debt (excluding lease liabilities)

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Operational review - pharmaceuticals

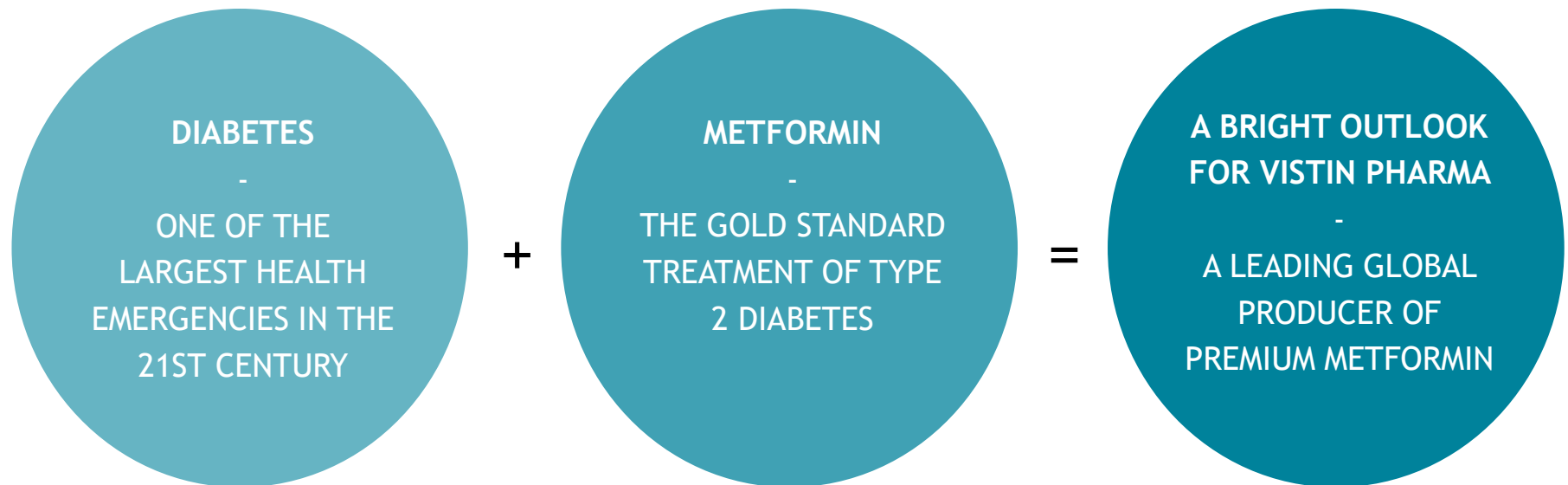
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Vistin Pharma a dedicated metformin producer with a bright outlook



Diabetes - A global emergency

- Diabetes in perspective:

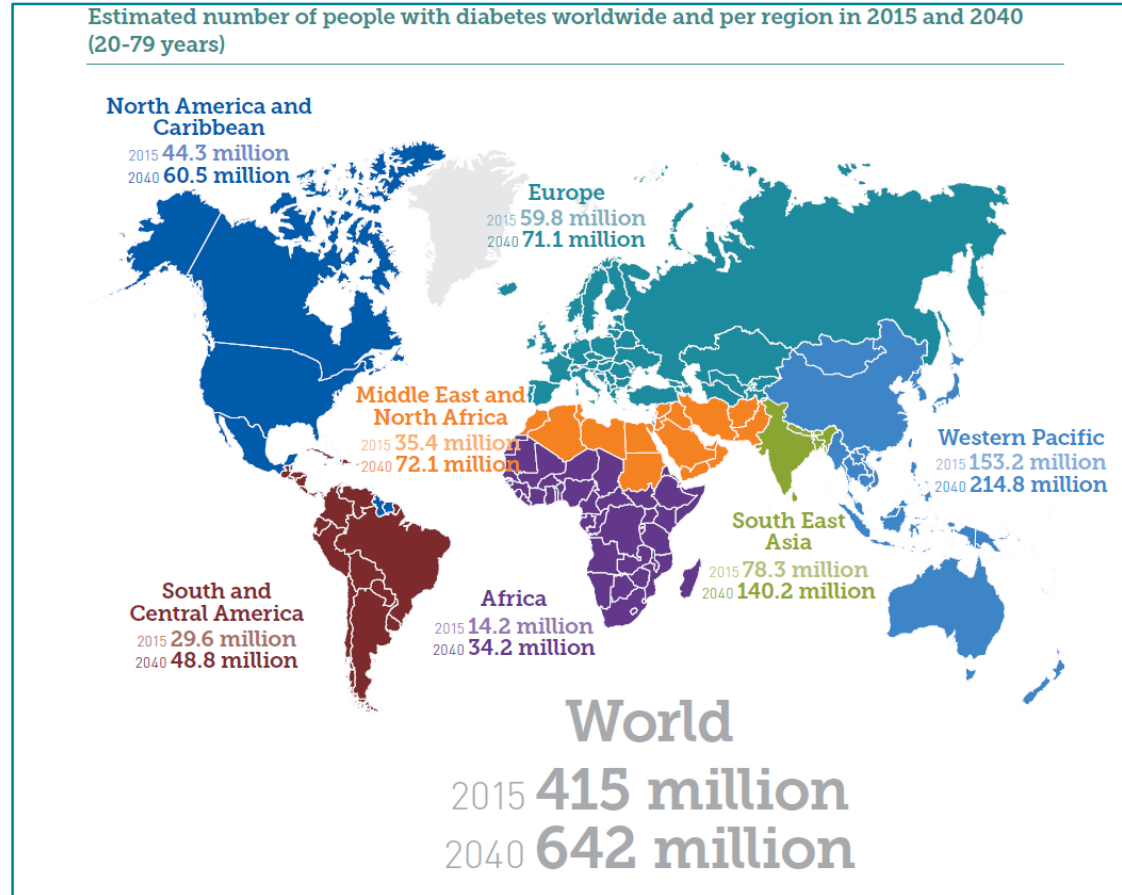
- 1 of 7 births is affected by gestational diabetes



- 1 in 11 adults has diabetes



- Every 6 seconds a person dies from diabetes



Number of people living with diabetes

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

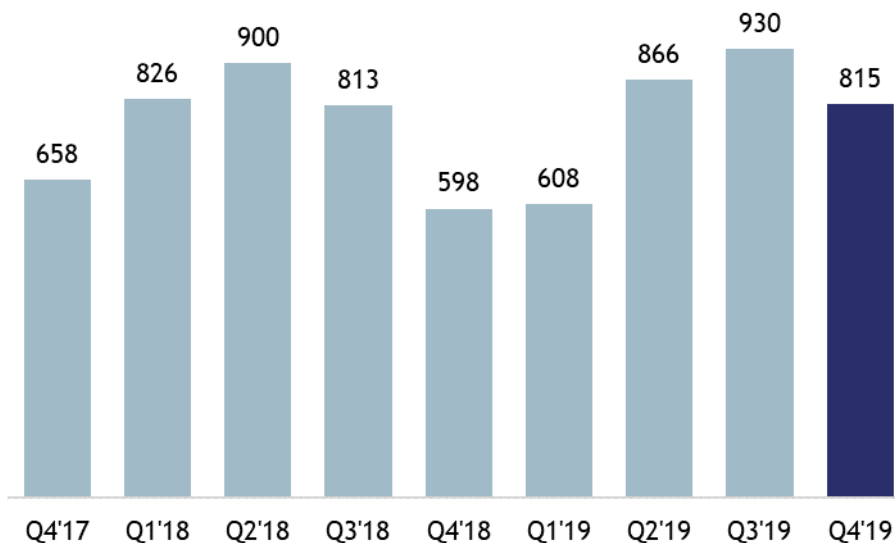
→ 12% of global health expenditure is spent on diabetes

36% increase in sales volume vs Q4-18

- Sales volume for fourth quarter was 815MT (598MT Q4 2018)
- The production plant has been running at full capacity during the fourth quarter
- All the production capacity for Q1 2020 has been fully allocated according to customer orders
- Efficiency programme to stretch production capacity up to 3800MT is on track
 - The installed capacity at year end is 3300MT (+200MT)
 - A 2nd reactor will be installed during Q2 2020 which will increase the capacity by approx. 300MT, measured on a yearly basis

Sales volume metformin (HCl & DC)

Metric tonnes per quarter



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Marginal overall changes in Q4 in the value of IMO 2020 derivative positions

- NOK 0.6 million in the net change of value on trading positions in Q4-19
 - 15,000MT realised in December with a portfolio gain of NOK 2.5 mill
 - However, unrealised losses on open positions offset most of the gain
- Accumulated unrealised loss of NOK 21.5 million as of 31 December 2019, including the 31 December expiring contracts
- Exposure to the IMO 2020 fuel regulation change through oil derivative contracts has been changed subsequent to the closing date
 - Risk reducing measures have been implemented
 - 30,000MT of spread exposure has been closed
 - Contracts for 12,400MT in February and 11,100MT in March will expire
 - ICE low sulphur gasoil exposure have been reduced with 30,000MT to further manage the risk in the portfolio
 - Remaining open positions not including February contracts are long in the spread between Gasoil versus Sing380 with 47,600MT and short on Sing380 with 30,000MT
 - Depending on general market developments the Company may decide to close some or all of these contracts at an earlier date, if the Company believes this to be in the best interest of its shareholders.
- The net loss on the closed positions of the contract portfolio is approximately 87 million including the post Q4-19 transactions (not including February contracts)

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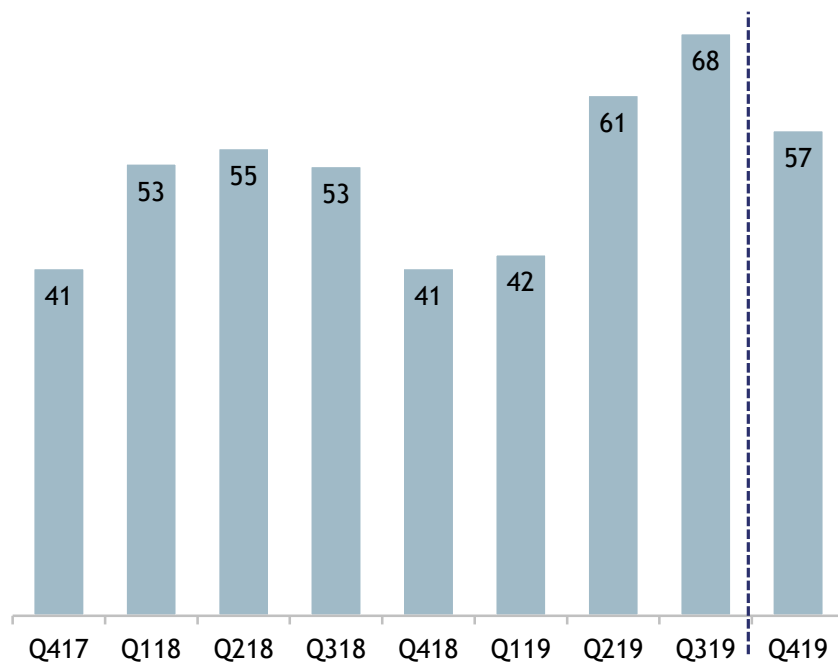
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Key quarterly figures for Vistin Pharma

(figures for continuing operations)

Revenue (pharmaceuticals)

NOK million



- NOK 16 million (+40%) higher revenue YoY - higher sales volume and favourable EUR/NOK exchange rate
 - Q4 18 was affected by a planned plant closure
 - Volume increase was 157MT
- Marginally lower gross margin (67% vs. 69%) compared to last year, but above annual average of 63%

Consolidated income statement

(NOK 1 000)	Q4 2019	Q4 2018	FY 2019	FY 2018
<i>Total revenue and income</i>				
Pharmaceuticals	56 767	40 556	228 129	200 514
Total revenue and income	56 767	40 556	228 129	200 514
<i>EBITDA</i>				
Pharmaceuticals	6 799	(4 654)	30 358	11 523
Energy Trading	(298)	(3 878)	(1 611)	(6 969)
HQ & other	(762)	(1 225)	(3 020)	(3 828)
EBITDA	5 738	(9 757)	25 726	726
<i>EBT</i>				
Pharmaceuticals	3 721	(3 530)	21 493	9 574
Energy Trading	807	(68 727)	63 752	(91 401)
HQ & other	(34)	(1 011)	(1 203)	(3 477)
EBT	4 494	(73 268)	84 042	(85 305)
Depreciation, amortisation and impairment	(2 656)	(1 387)	(8 956)	(5 333)
Net finance income/(expense)	1 411	(62 124)	67 272	(80 697)
Profit/(loss) before tax from continuing operations	4 494	(73 268)	84 043	(85 305)
Profit/(loss) for the period	4 154	(63 974)	66 201	(73 626)

- EBITDA from pharmaceuticals NOK 6.8 million (negative NOK 4.6 million), after employee bonus provision of NOK 1.0 million in Q4 and NOK 2.0 full year
 - EBITDA impacted by positive effects from primarily higher sales volumes
- Energy derivatives does not materially affect the profits in Q4

Financial position

(NOK 1 000)	31.12.2019	31.12.2018
Other non current asset	7 733	-
Property, plant & equipment	101 802	88 550
Inventory	24 107	29 071
Trade receivables	38 277	27 363
Cash & cash equivalents	319 672	320 733
Other	12 573	34 346
Total Assets	504 164	500 062
 Total equity	 413 395	 348 852
Total liabilities	90 771	151 210
Total Equity and Liabilities	504 164	500 062

- Cash balance at 31 December 2019 of NOK 319.7 million (including NOK 113.2 million in margin calls relating to energy derivatives)
- No interest-bearing debt as of 31 December 2019, other than lease liability recognised under IFRS 16 of NOK 2.5 million

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- Metformin market expected to continue to grow by 4-5% annually
 - Diabetes is one of the largest health crises of the 21st century
 - Metformin is expected to maintain its position as the Gold Standard treatment for T2D in the foreseeable future
- Attractive growth potential from existing customer base and expansion into new markets and customer segments
 - Short/Medium term growth of 300-500MT stretch capacity initiatives under way
 - Long term growth from current 3,000MT+ in a new production line is planned - start of execution when sufficient volume and market conditions are secured
- Energy trading positions fluctuate widely - managed to maximise shareholder value overall
 - No new energy trading investments will be made
 - Continue to evaluate if current remaining open positions should be reduced



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Top 20 shareholders as of 31 December 2019

NAME	SHAREHOLDING	% SHARE
SAGA TANKERS ASA*	6 284 280	14,17 %
PACTUM AS	2 678 572	6,04 %
HOLMEN SPESIALFOND	2 471 521	5,57 %
AWILCO AS	1 785 714	4,03 %
FERNCLIFF LISTED DAI AS*	1 764 424	3,98 %
MP PENSJON PK	1 748 779	3,94 %
STATE STREET BANK AND TRUST COMP	1 682 320	3,79 %
SUNDT AS	1 632 416	3,68 %
SOLAN CAPITAL AS	1 600 000	3,61 %
APOLLO ASSET LIMITED	1 600 000	3,61 %
TVENGE	1 232 268	2,78 %
CAMACA AS	940 447	2,12 %
NORDA ASA	880 000	1,98 %
KM HOLDING AS	669 642	1,51 %
NORDNET LIVSFORSIKRING AS	588 121	1,33 %
BERGEN KOMMUNALE PENSJONSKASSE	495 000	1,12 %
GRANT INVEST AS	474 585	1,07 %
HJELLEGJERDE INVEST AS	400 000	0,90 %
BORGEN INVESTMENT GROUP NORWAY AS	400 000	0,90 %
SKANDINAVISKA ENSKILDA BANKEN	334 551	0,75 %
TOTAL 20 LARGEST SHAREHOLDERS	29 662 640	66,9%
OTHER SHAREHOLDERS	14 681 952	33,1%
TOTAL NUMBER OF SHARES	44 344 592	100,0%

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

Thank you for your attention!

www.vistin.com