



# Vistin Pharma - Fourth quarter and preliminary 2020 results

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# Agenda

## Highlights

Operational review

Financial review

Outlook

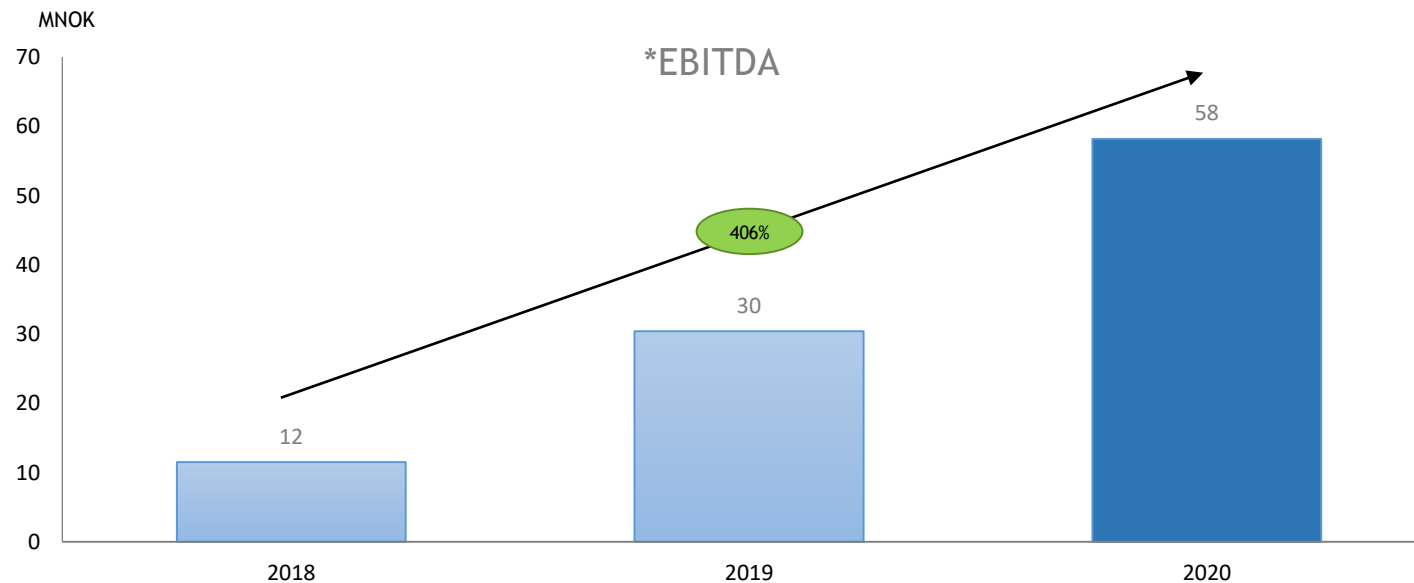
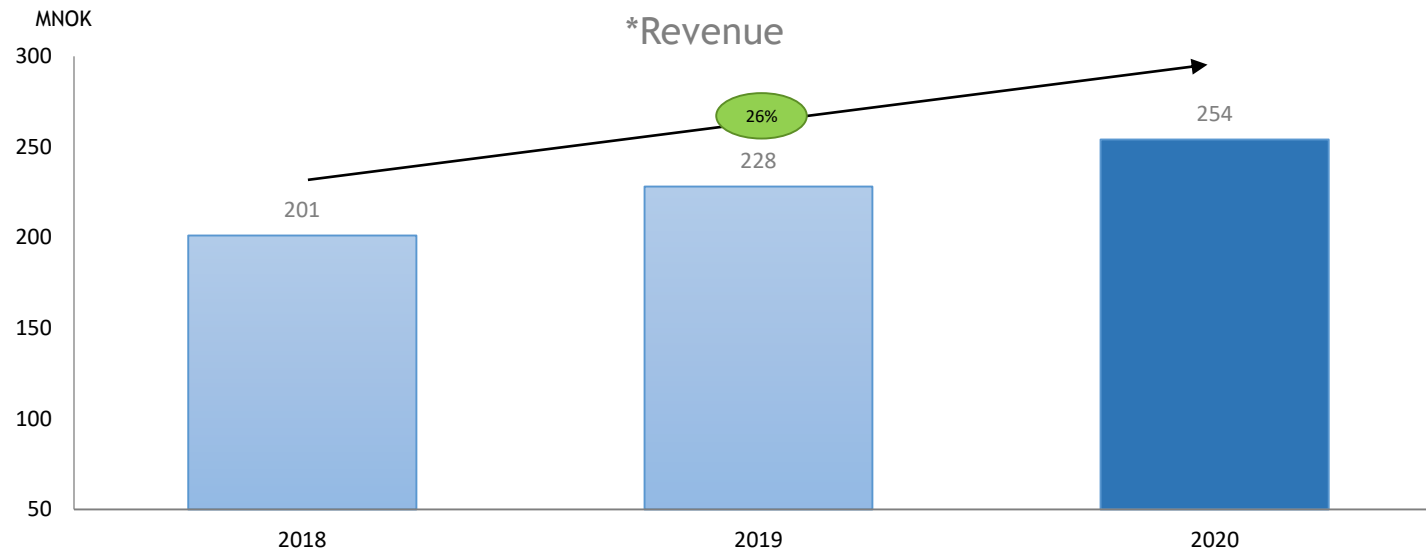
Appendix

## Fourth quarter and preliminary 2020 results

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- **MNOK 64.4 in revenue vs. MNOK 56.8 in Q4 2019**
  - Revenue positively affected by product mix and favourable EURNOK vs last year
  - 2020 revenue MNOK 254 compared to MNOK 228 last year, a 11% growth
- **MNOK 13.9 in EBITDA vs. MNOK 6.8 in Q4 2019**
  - EBITDA in the 4<sup>th</sup> quarter unfavourably affected by bonus accrual of MNOK 2.5 (Q4'19: MNOK 1)
  - EBITDA of MNOK 58 in 2020 versus MNOK 30 in 2019, a 92% increase
- **The Fikkjebakke plant has been running at full capacity during the Covid-19 pandemic**
  - There are no reported corona infected employees in Vistin Pharma as of today
  - The demand for metformin is still high and is currently not affected by the corona epidemic
- **Metformin capacity expansion Project (MEP) is on track**
  - First commercial batch from the 2<sup>nd</sup> production line expected in Q2 2022
  - Approximately 35% of the investment paid as of end December
- **Other financials**
  - Cash balance of MNOK 77 as of 31 December and no interest-bearing debt
  - Dividend proposal for the AGM (20.05.2021) NOK 0.5 per share for 2020

## 2018-2020 Strong revenue and EBITDA development



\*Only pharmaceuticals

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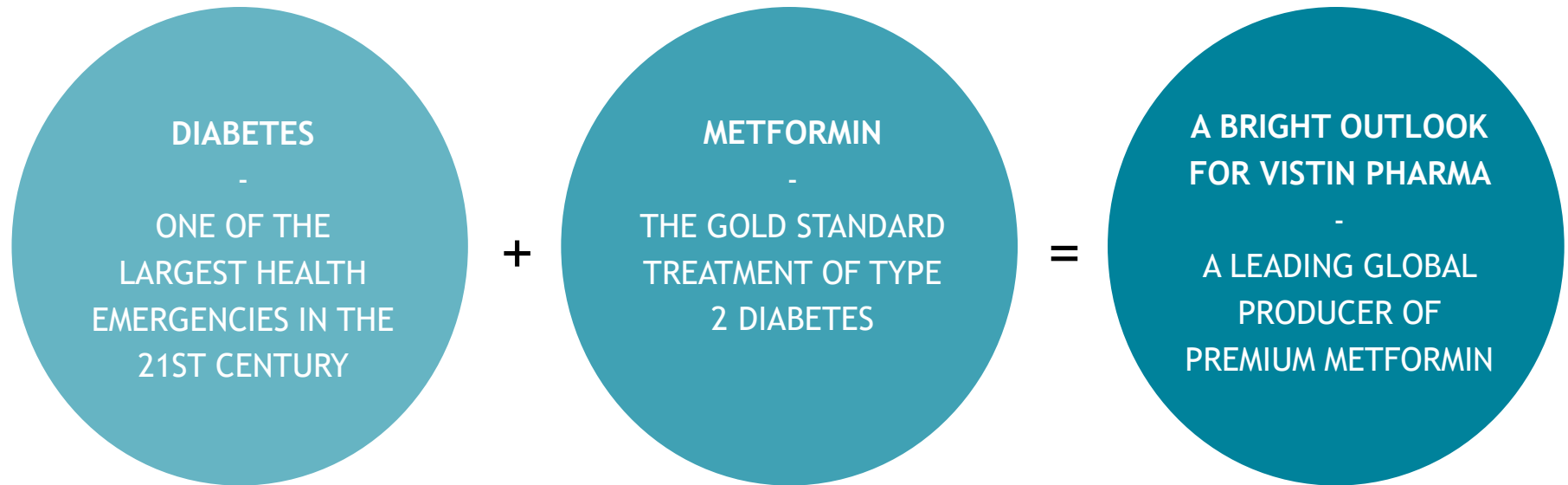
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## Vistin Pharma a dedicated metformin producer with a bright outlook



# Metformin will remain 1st-line treatment for type 2 diabetes in the foreseeable future

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Used to lower glucose (blood sugar) levels

- Reduces the liver's production of glucose
- Delays and reduces absorption of glucose from the intestine
- Increases insulin sensitivity, leading to increased uptake of glucose in the body

Most cost-efficient treatment with limited side effects and long-term safety profile

Comes in tablet form and can be combined with insulin or other glucose-reducing medicines

- Plain metformin is standard first-line treatment (~75% of volume)
- Extended release formulations are growing and expected to cover ~35% of volume by 2026

Metformin in combination with other APIs are second- and third-line treatments, often as higher priced patent-protected fixed dose combination products (~25% of volume)

- Metformin + DDP4-inhibitors - increased insulin production
- Metformin + SGLT2-inhibitors - increased excretion of sugar in urine
- Metformin + DDP4 + SGLT2 - launch 2018 (MSD) and 2019/2020 (BI)

# Diabetes - A global emergency

## Number of adults (20–79 years) with diabetes worldwide

### North America & Caribbean

2045 63 million  
2030 56 million  
2019 48 million

↑ 33% increase

- 1 in 6 adults in this Region is at risk of type 2 diabetes
- 43% of global diabetes-related health expenditure occurs in this Region

### South & Central America

2045 49 million  
2030 40 million  
2019 32 million

↑ 55% increase

- 2 in 5 people with diabetes were undiagnosed
- Only 9% of global diabetes-related health expenditure for diabetes is spent in this Region

### Africa

2045 47 million  
2030 29 million  
2019 19 million

↑ 143% increase

- 3 in 5 people with diabetes are undiagnosed
- 3 in 4 deaths due to diabetes were in people under the age of 60

### Middle East & North Africa

2045 108 million  
2030 76 million  
2019 55 million

↑ 96% increase

- 1 in 8 people have diabetes
- 1 in 2 deaths due to diabetes were in people under the age of 60

### South-East Asia

2045 153 million  
2030 115 million  
2019 88 million

↑ 74% increase

- 1 in 5 adults with diabetes lives in this Region
- 1 in 4 live births are affected by hyperglycaemia in pregnancy

## WORLD

2045 700 million  
2030 578 million  
2019 463 million

↑ 51% increase

### Europe

2045 68 million  
2030 66 million  
2019 59 million

↑ 15% increase

- 1 in 6 live births are affected by hyperglycaemia in pregnancy
- The Region has the highest number of children and adolescents (0–19 years) with type 1 diabetes – 297,000 in total

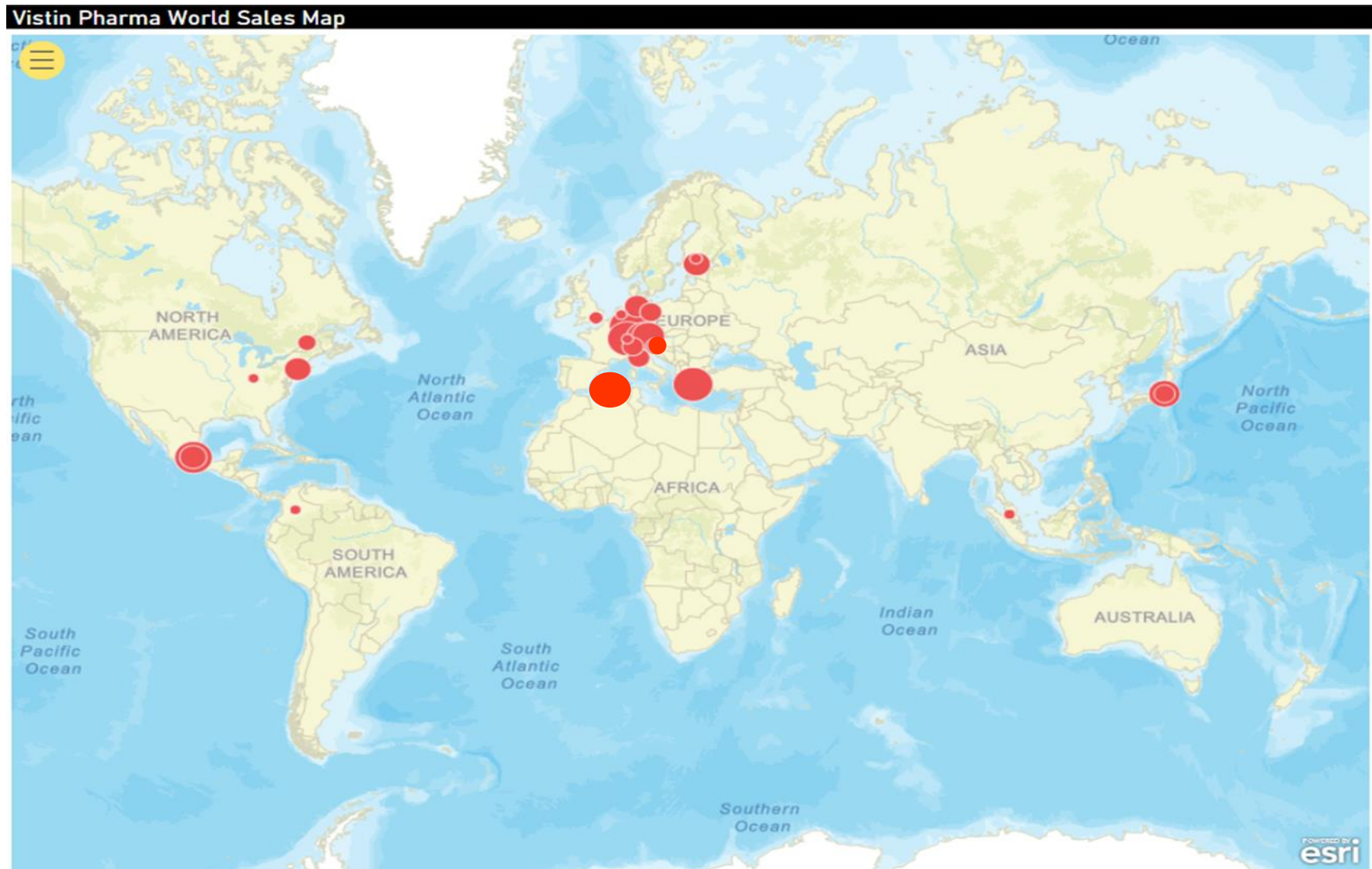
### Western Pacific

2045 212 million  
2030 197 million  
2019 163 million

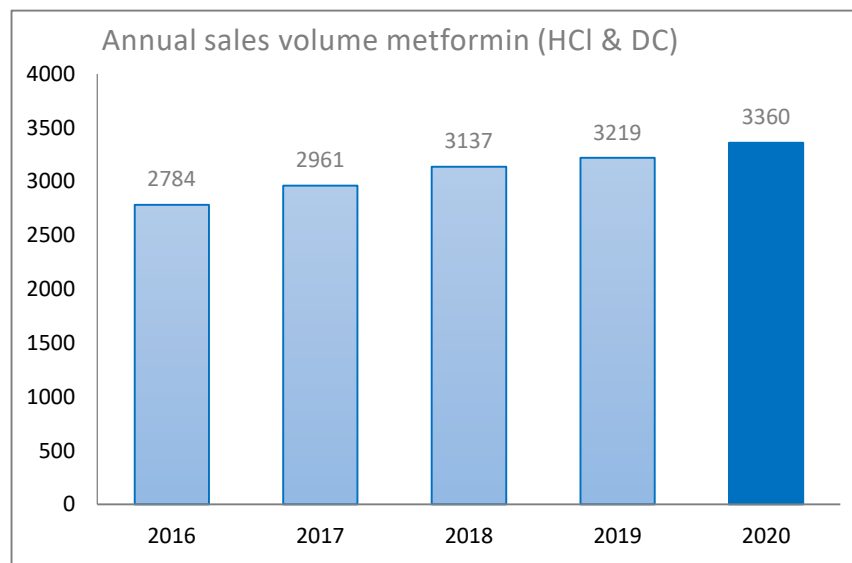
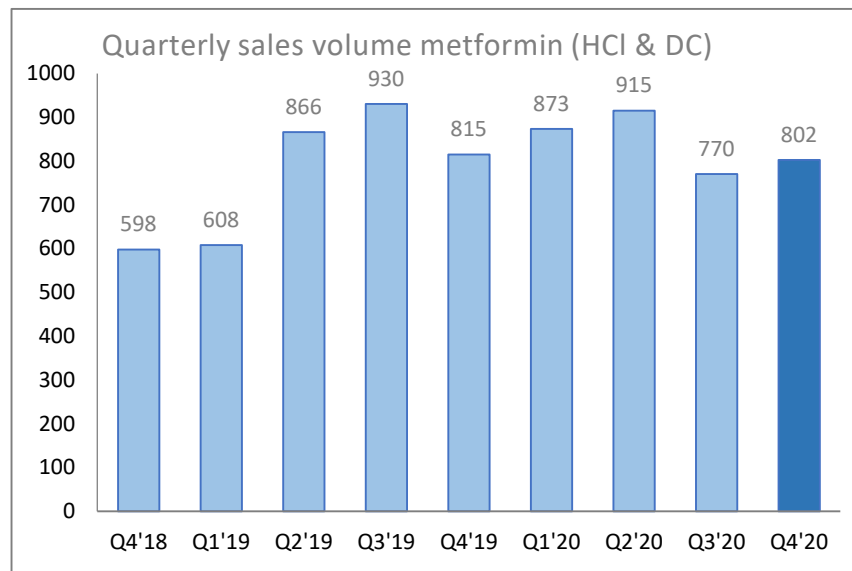
↑ 31% increase

- 1 in 3 adults with diabetes lives in this Region
- 1 in 3 deaths due to diabetes occur in this Region

## Vistin Pharma is a metformin player with a world wide sales coverage



## Less volume available for sales in the quarter to finalize the “Creep” expansion project (3800MT)



- Sales volume for the fourth quarter was 802MT, down by 2% vs Q4 2019 (815MT)
- Less volume available for sale in Q4 due to planned maintenance and 2<sup>nd</sup> reactor installation stop in FW39/40.
- Inventory build during Q4 to support demand in Q1'21
- The creep program to stretch the production capacity with > 500MT to approx. 3800MT from 2018 - 2020 successfully implemented
  - The 2nd reactor was installed in September/October 2020 and is operating according to expectations
  - The new reactor will increase capacity by approx. 300MT annually and fulfill the 3800MT creep target
- 2020 sales volume of 3 360MT vs 3 219MT last year, an increase of 4%.

## Corona pandemic status

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- The Fikkjebakke plant has been running at full capacity throughout the Covid-19 pandemic
  - Successful actions have been taken to secure the supply of critical raw materials and to build security stocks during the Covid-19 outbreak
  - Lack of available containers in Asia has short term significantly increased the freight costs from China and India (across all international businesses and for all goods)
- There are no reported corona infected employees in Vistin Pharma as of today
  - The company are strictly following the guideliens from the authorities and have taken active measures to reduce the risk of virus spread in the factory
- The demand in the market for metformin from Vistin is still high and is not affected by the corona epidemic
- Vistin is strategically well positioned to benefit from the expected increase in local supply demands following the pandemic
- Scientists at the University of Alabama in Birmingham (US) has recently presented a study showing that the risk of death in type 2 diabetic patients treated with metformin following a serious Covid-19 infection are reduced by two third (2/3). The results have been published in the paper “Frontiers in Endocrinology”

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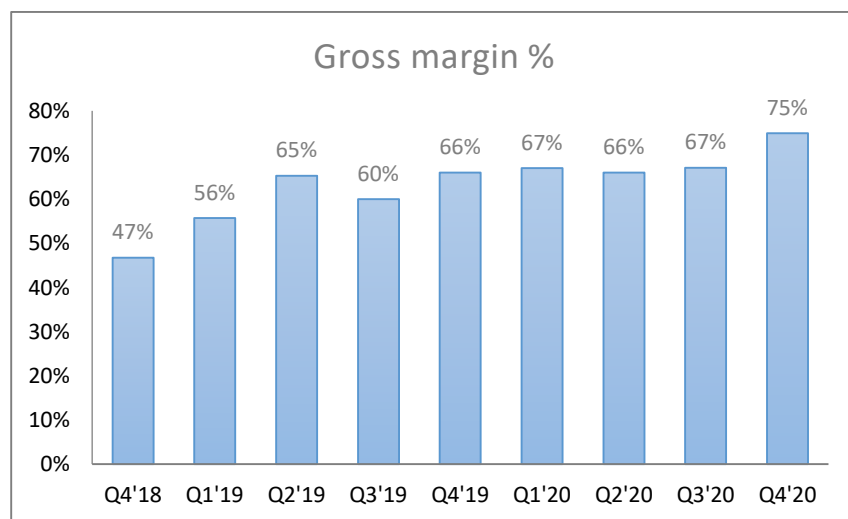
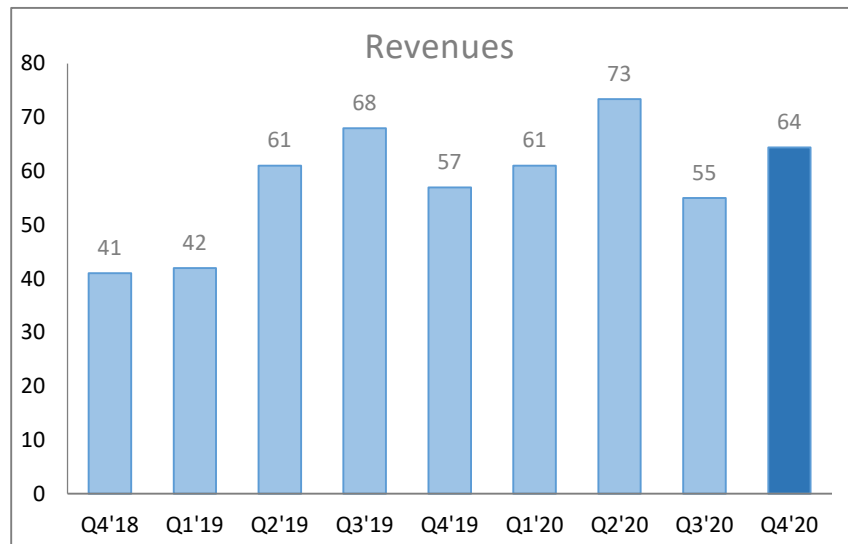
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# Key quarterly figures for Vistin Pharma

## Revenue (pharmaceuticals)

NOK million

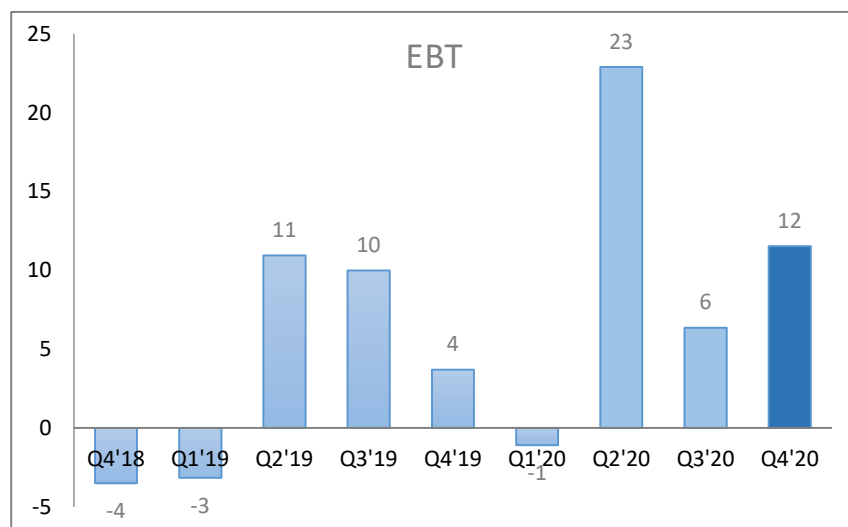
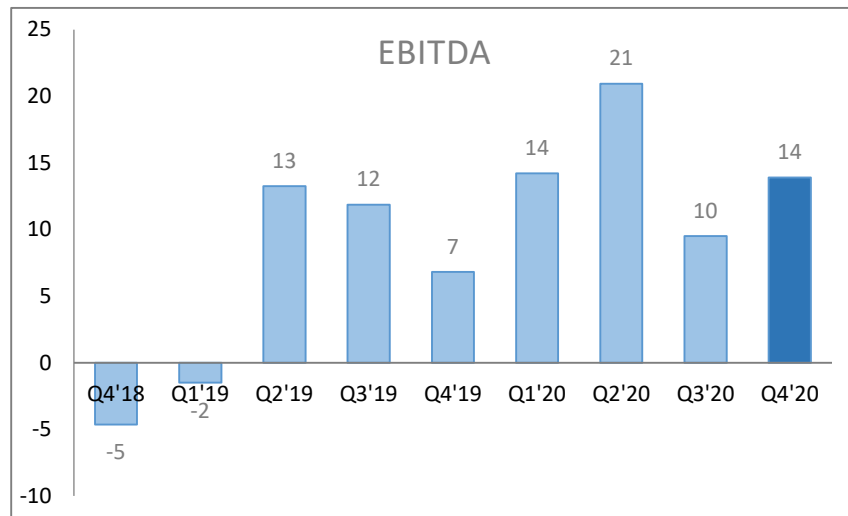


- MNOK 7 (13%) increase in revenue YoY - driven by favourable product mix and EURNOK
- MNOK 26 (+11%) higher revenue in 2020 vs 2019
  - Q1 19 was affected by an extended maintenance stop
  - Q3/Q4 20 affected by 2<sup>nd</sup> reactor installation
- Improved gross margin compared to similar quarter last year, driven by mix, a one-time effect, improved yield in production and operational excellence benefits.
- Gross profit MNOK 174 in 2020 vs MNOK 139 in 2019, +26% increase

# Key quarterly figures for Vistin Pharma

## Results (pharmaceuticals)

NOK million



- EBITDA of MNOK 13.9 vs MNOK 6.8 in Q4 2019
- Bonus accrual of MNOK 2.5 negatively affects EBITDA in Q4'20 (MNOK 1 in Q4'19)
- 2020 EBITDA increased by MNOK 28 compared to 2019, (+92%)
- EBITDA positively affected by higher sales volumes, favorable EURNOK and operational efficiency improvements
- Depreciation of MNOK 2.4 in the quarter, compared to MNOK 2.7 in Q4'19

# Consolidated income statement

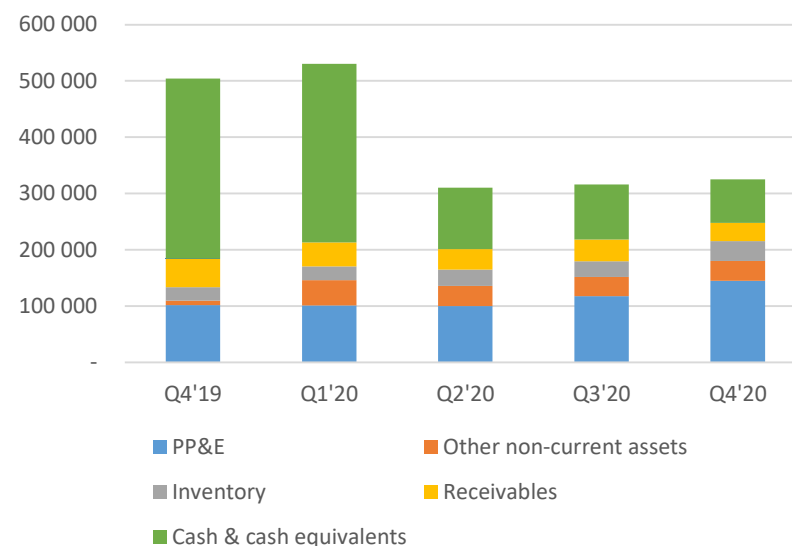
(NOK 1 000)	Q4 2020	Q4 2019	YTD 2020	YTD 2019
<i>Total revenue and income</i>				
Pharmaceuticals	64 421	56 767	253 905	228 129
Energy Trading	-	-	-	-
HQ & other	-	-	-	-
Total revenue and income	64 421	56 767	253 905	228 129
<i>EBITDA</i>				
Pharmaceuticals	13 922	6 799	58 189	30 358
Energy Trading	(51)	(298)	(190)	(1 611)
HQ & other	(664)	(762)	(2 822)	(3 020)
EBITDA	13 207	5 738	55 177	25 726
<i>EBT</i>				
Pharmaceuticals	11 547	3 721	39 805	21 493
Energy Trading	(48)	807	(162 117)	63 752
HQ & other	(415)	(34)	(2 010)	(1 203)
EBT	11 084	4 494	(124 323)	84 043
Depreciation, amortisation and impairment	(2 371)	(2 656)	(9 623)	(8 956)
Net finance income/(expense)	247	1 411	(169 827)	67 273
Profit/(loss) before tax from continuing operations	11 084	4 494	(124 273)	84 043
Profit/(loss) for the period	8 645	4 154	(96 922)	66 201

# Balance sheet Vistin Pharm

## Assets

NOK 1000

	31.12.2020	31.12.2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets	145 261	101 802
Deferred tax assets	34 882	7 733
<b>Total non-current assets</b>	<b>180 144</b>	<b>109 535</b>
<b>Current assets</b>		
Inventory	31 788	24 107
Trade receivables	30 400	38 277
Other receivables	2 302	12 574
Cash & cash equivalents	77 036	319 672
<b>Total current assets</b>	<b>141 526</b>	<b>394 631</b>
<b>Total Assets</b>	<b>321 670</b>	<b>504 166</b>



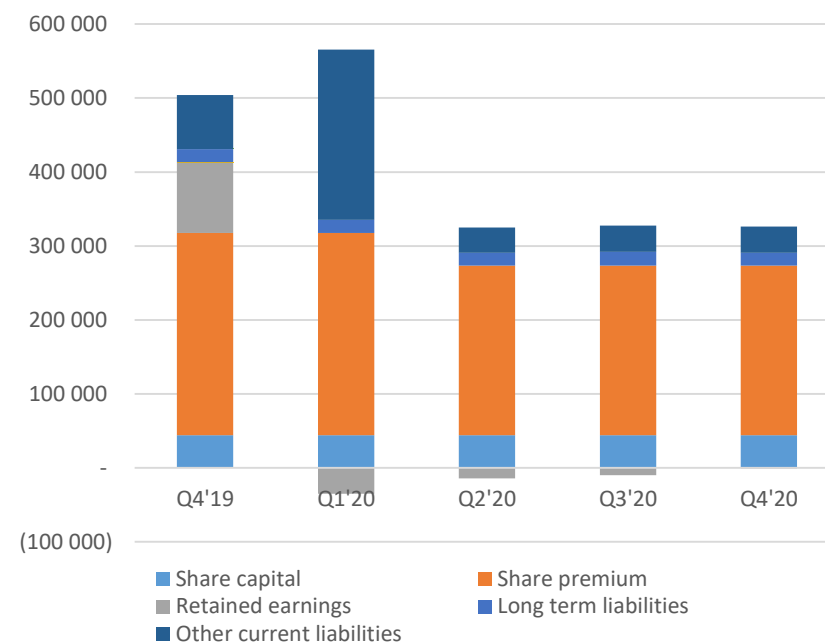
- Deferred tax asset in relation to realized loss for Energy Trading in Q1 2020
- Favourable working capital development driven by reduction in receivables, partly offset by inventory increase due to demand forecast for Q1'21
- Decrease in cash balance mainly driven by settlement of oil derivative contracts in April, dividend pay-out of MNOK 44.5 in June and two instalment payments for MEP of MNOK 35.

# Balance sheet Vistin Pharm

## Equity and liabilities

NOK 1000

	31.12.2020	31.12.2019
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	44 345	44 345
Share premium	229 056	273 402
Retained earnings	(996)	95 649
<b>Total equity</b>	<b>272 405</b>	<b>413 396</b>
<b>Non-current liabilities</b>		
Other non-current liabilities	1 123	1 222
Pension liabilities	16 330	16 309
<b>Total non-current liabilities</b>	<b>17 453</b>	<b>17 531</b>
<b>Current liabilities</b>		
Trade payables	17 893	23 612
Derivative financial instruments	-	31 616
Other current liabilities	13 919	18 011
<b>Total current liabilities</b>	<b>31 812</b>	<b>73 239</b>
<b>Total liabilities</b>	<b>49 264</b>	<b>90 770</b>
<b>Total Equity and Liabilities</b>	<b>321 670</b>	<b>504 166</b>



- Share premium reduced due to dividend pay-out in June
- No interest-bearing debt, MNOK 1.9 in obligations related to lease contracts that are recognized in the balance sheet according to IFRS 16 (MNOK 2.9).
- Strong balance sheet with 85 % equity ratio

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# Outlook

- Metformin market expected to continue to grow by 5-6% annually
  - Diabetes is one of the largest health crises of the 21<sup>st</sup> 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
- The Covid-19 situation has been an «eye opener» to both authorities and the industry leading to large pharma looking for lower risk supply chains and «short travelled medicines»
- Vistin is strategically well positioned in the geopolitically stable Europe
- Investment in a significant capacity expansion at the Fikkjebakke plant will fuel future revenue growth
  - Short/Medium initiatives to stretch the capacity to approx 3800MT implemented
  - Investment in a new parallel production line to further increase the capacity to +/-7000MT approved. First commercial batch from the 2<sup>nd</sup> production line is expected in Q2 2022



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# Top 20 shareholders as of 31 December 2020

NAME	SHAREHOLDING	% SHARE
INTERTRADE SHIPPING AS*	11 075 000	24,97 %
PACTUM AS*	3 414 242	7,70 %
HOLMEN SPESIALFOND	3 250 000	7,33 %
SAGA PURE ASA*	2 284 280	5,15 %
MP PENSJON PK	1 752 913	3,95 %
AUGUST RINGVOLD AGENTUR AS	697 666	1,57 %
NORDNET LIVSFORSIKRING AS	676 227	1,52 %
IVAR LØGES STIFTELSE	583 000	1,31 %
STORKLEIVEN AS	565 000	1,27 %
BERIT HELENE DYBDAHL	540 000	1,22 %
MIKLA INVEST AS	525 000	1,18 %
WEM INVEST AS	500 000	1,13 %
CAM AS	500 000	1,13 %
TIGERSTADEN AS	472 958	1,07 %
LUCELLUM AS	466 354	1,05 %
CORTEX AS	464 525	1,05 %
TOM RAGNAR STAAVI	420 000	0,95 %
BORGEN INVESTMENT GROUP NORWAY AS	400 000	0,90 %
DYVI INVEST AS	355 500	0,80 %
HENRIK MIDTTUN HAAVIE	344 610	0,78 %
TOTAL 20 LARGEST SHAREHOLDERS	29 287 275	66,0%
OTHER SHAREHOLDERS	15 057 317	34,0%
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!

