VISTIN PHARMA

ANNUAL REPORT 2020

DIRECTORS' REPORT FOR 2020

OPERATING PERFORMANCE

During 2020, Vistin Pharma ASA and its subsidiaries ("Vistin Pharma" or the "Group") had one business segment; pharmaceuticals while the energy trading was decided to close in January 2019, and all derivative positions was closed in March 2020.

The strategy is to become the leading supplier of metformin products to customers in the premium finished product segments. Vistin Pharma believes that the quality of its metformin products, and its service and delivery performance, are competitive advantages and drivers for increased sales.

The Group's production plant in Kragerø, Norway, was running at close to full capacity for the whole year, with a record production of 3,460 metric tons (MT) of metformin HCl.

The Covid-19 situation has been an «eye opener» to both authorities and the industry leaders to focus on lower risk supply chains and «short travelled medicines». Vistin is strategically well positioned to benefit from the expected increase in local supply demands following the pandemic.

In Q3/Q4 2020 the last step in the creep project was successfully implemented. A new 2nd reactor was installed, which will increase the capacity by approx. 300MT annually. The new reactor has been operative from mid Q4. The current installed production capacity, after the reactor installation is approximately 3,800MT, compared to apprixametely 3,300MT in 2018, before the creep activities was initiated.

The number of diabetes II patients are by WHO expected to grow from approx. 450 million today to > 650 million in less than 20 years. Metformin is expected to be the gold standard treatment for diabetes II in the foreseeable future. The global demand for metformin could therefore grow from 45.000MT today to 60.000MT by 2026. The long-term business objective is to grow with

our customers and take advantage of this future market growth. As a consequence, Vistin Pharma announces in April that the Board of Directors had approved a Metformin Capacity Expansion Project (MEP). The objective is to build a 2nd parallel production line at the Fikkjebakke site and establish a capacity of total approx. 7000MT metformin HCl annually. Products from the new line are expected to be commercially available from Q2 2022. The estimated CAPEX is MNOK 100, whereof approx. 35% has already been paid as of 31 December. Business development activities to acquire new accounts and to secure increased volumes from existing customers to fill the additional MEP capacity are ongoing.

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

Vistin Pharma long term vision is to have no negative impact on environment, people and local community by our presence. Vistin Pharma are proud of the sustainability achievements, our track record of deliverables and ongoing ESG focus.

The demand in the market for metformin is still high and is not affected by the corona epidemic. Vistin has taken actions to secure the supply of critical raw materials and to build additional security stocks. There are no reported corona infected employees in Vistin Pharma as of today and the company is strictly following the guidelines from the authorities and has successfully taken active measures to reduce the risk of virus spread in the factory.

PRESENTATION OF FINANCIAL RESULTS FOR THE GROUP

Total revenue and income for Vistin Pharma in 2020 amounted to MNOK 253.9 (MNOK 228.1). The revenue and income for both 2019 and 2020 relate exclusively to the Group's pharmaceutical segment.

The operating profit for 2020 was MNOK 55.2 million (MNOK 25.7). The Group had net loss of MNOK 96.9 million (profit MNOK 66.1 million), after net finance loss of MNOK 169.8 (gain of MNOK 67.3), and negative income tax of MNOK 27.3 (MNOK 18 million). The finance costs for 2020 is mainly driven by the realized loss of closing the oil derivatives portfolio in Q1.

Liquidity, financial position and investments

Vistin Pharma's net cash flow from operating activities in 2020 amounted to negative MNOK 145.7 million (positive MNOK 18.9).

The net cash flow from investing activities for 2020 amounted to negative MNOK 53.1 (negative NOK 18.4 million), of which represents capital expenditure for the year, primarily two instalments for the MEP project.

The net cash flow from financing activities for 2020 was negative MNOK 43.8 million (negative MNOK 1.6), driven by dividend pay-out of NOK 1 per share, equal to MNOK 44.4. The board of directors has proposed a dividend of NOK 0.5 per share, for 2020, to be approved by the annual general meeting on the 20 May 2021.

At 31 December 2020, total assets amounted to MNOK 321.9, and the Group had no interest-bearing debt. Cash and cash equivalents amounted to MNOK 77 at 31 December 2020.

As of 31 December 2020, total equity amounted to MNOK 272.4, and the equity ratio at year-end was 85%.

Vistin Pharma expects that cash from operations, together with its liquidity reserves, will be sufficient to cover planned capital expenditures and operational requirements in addition to dividend pay-out in 2021.

The Financial Statements of Vistin Pharma ASA have been prepared in accordance with the International Financial Reporting 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 2020, that affects the financials or the Group's operational activities.

In December 2020 the Board decided to merge Vistin Trading AS into Vistin Pharma AS. The merger where completed on February 2021.

ORGANISATIONAL MATTERS

Organisation

At the end of 2020, the Group had 67 employees.

Board of Directors

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

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 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 in the countries where the Group operates.

The Group believes in socially responsible business and promoting decent working and environmental conditions in our supply chains is part of Vistin Pharma's strategy and efforts to act responsible. The Group cooperates with its suppliers and business partners. 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 VISON' consisting of:

- ***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 double our manufacturing capacity without increased environmental impact on water, air and soil***

ESG achievements and initiatives

The Group has the recent years, with success, completed and implemented several initiatives that significantly reduces the environmental footprint. Building on this success Vistin Pharma has several exiting and significant initiatives ongoing, in addition to the already implemented initiatives:

- *Vistin has shifted from oil-based energy to hydro powered energy to reduce carbon footprint*
- *During 2020 Vistin initiated internal recycling of waste in our manufacturing plant and focus on reusable gear instead of one-time equipment*
- *Vistin is currently running a project with aim to reduce the water consumption in the plant by >80% through recycling.*
- *Vistin is actively taking part in the circular economy as waste generated at Vistin is sent to approved incineration plant where the energy is reused as heat media for local communities and industry*
- *Vistin has started a technology project where distillation will be fractionated into components that can be used as raw materials for other companies. Waste becomes raw material.*
- *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*

ESG Targets 2021 – 2024

Based on the initiated and ongoing initiatives to become even more environmental friendly the Group has set out some though and ambitious goal to further strengthen our status as an environmentally friendly pharmaceutical company with a "no harm" vision and "front runner" ambition. Concrete ambitions for 2021 - 2024:

- *Reduce water consumption in the plant by >80% through recycling by 2022*
- *Reduce the concentration of metformin and butanol in the waste*
- *Reduce emission of carbon to air by 90%*
- *No negative impact on effluent to water and soil*
- *No work-related injuries and sick leave below the average Norwegian industry*

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 violence to 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 employees gifts or favourable conditions. Vistin Pharma seeks to form long term relationship with business partners, who share our 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.

Equal opportunities

The Group has established practices to ensure equal opportunities between female and male employees, as well as between different races. The Group had 67 employees at year-end 2020, of which 19 are female. The Executive Management group into 2020 consists of five 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.

Health, safety and environment

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 Group is committed to a work environment where all employees feel safe and are valued for the diversity they bring to the business. Vistin Pharma honours domestic and internationally accepted labour standards and support the protection of human rights. The Group does not tolerate any harassment or any act of violence of threatening behaviour in the workplace, including any sexual, age-related or racial harassment.

The people employed at Vistin Pharma are our most important resource for success, and the Group strives to create a healthy and safe environment for all employees and contractors. For Vistin Pharma AS, where the employees in the Group are employed, QHSE (quality, health, safety and environment) is an integral element of its business, and an electronic system is in place to monitor and follow-up any accident incidents. Key safety indicators, such as total recordable incidents (TRIs), are continuously monitored, and reported and reviewed on a monthly basis. Vistin Pharma AS reported no TRI, which resulted in restricted work (RWC) for the last four years. The total sick leave for the Group for 2020 was 5.3% (2019: 4.7%) of the total working hours.

The Group'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, analyse, 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 analysed, and only discharged if the water quality is within approved levels. The system has been fully operational during 2020.

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. Most 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.

Financial risk

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

The Group's main strategy to manage liquidity risk is to maintain a strong balance sheet. Vistin Pharma had cash and cash equivalents of MNOK 77 and no interest-bearing debt at 31 December 2020, and the Group's liquidity is considered solid.

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

The Group'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 pharmaceutical market and the Group 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 Group may enter into 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 15 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 2020.

Dividend policy

It is Vistin Pharma's objective to generate predictable annual growing returns to the shareholders in the form of dividends and/or share appreciation, which is at least on the same level as other investment possibilities with comparable risk.

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 Group 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 increased from NOK 10.50 per share at year end 2019, and to NOK 17.45 as of 31 December 2020, equal to an increase of 66%.

OUTLOOK

Diabetes is one of the largest global health emergencies of the 21st century, and the metformin business is expected continue to grow as it remains the gold-standard treatment of type 2 diabetes for the foreseeable future. The majority of Vistin Pharma's key customers are pharmaceutical companies that sell new and innovative metformin products, and the demand for the Group's metformin will be partially dependent on the market performance of the customers' products.

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 profit of MNOK 0.2 (MNOK 3.1 million) in 2020. Total assets as of 31 December 2020 were MNOK 295.7 (MNOK 354.9), and the long-term intercompany receivables were MNOK 98 (MNOK 119) at year-end 2020. The Company's cash balance at year-end 2020 was MNOK 67.7 (MNOK 180.2). Total shareholders' equity at 31 December 2020 was MNOK 294.7 million (MNOK 338.8), and the equity ratio at 31 December 2020 was 99.7% (95.5%).

The board of directors has proposed a dividend of NOK 0.5 per share, for 2020, to be approved by the annual general meeting on the 20 May 2021.

Oslo, 22 April 2021

Øyvin Brøymer Chairman	Bettina Banoun Board member	Kari Krogstad Board member
Espen Marcussen Board member	Øystein Stray Spetalen Board member	Espen Lia Gregoriussen Board member
Åse Musum Board member		Kjell-Erik Nordby CEO

Responsibility Statement

We confirm that, to the best of our knowledge, the Financial Statements 2020, which have been prepared in accordance with IFRS 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, 22 April 2021

Øyvin Brøymer Chairman	Bettina Banoun Board member	Kari Krogstad Board member
Espen Marcussen Board member	Øystein Stray Spetalen Board member	Espen Lia Gregoriussen Board member
Åse Musum Board member		Kjell-Erik Nordby CEO

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 the two subsidiaries, Vistin Pharma AS and Vistin Trading AS. Vistin Pharma ASA announced on 8 January 2019 that it would close down the Energy Trading business. On 30 March 2020 all positions were closed, and all activities has been discontinued.

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 Group's consolidated equity at 31 December 2020 was NOK 272.4 million, representing an equity ratio of 85.0%. 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 2020, 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 2021.

Vistin Pharma has also been given an authorisation 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

2020 and is limited in time to the Annual General Meeting in 2021.

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, which is at least on the same level as other investment possibilities with comparable risk. The Board has proposed a dividend for 2020 of NOK 0.5 per share for approval at the 2021 Annual General Meeting.

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. There were no purchases of own shares during 2020.

Where the Board resolves to carry out an increase in share capital on the basis of an authority given to the Board, and waive the pre-emption rights of existing shareholders, the justification will be publically 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 25 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 web-site 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 2021 Annual General Meeting is scheduled for 20 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 organisation 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:

Martin Nes, Chairman (member since 2015; up for election in 2021)

Nils Erling Ødegaard, (member since 2017; up for election in 2021)

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 Brøymer controls directly approx. 25% of the shares in the Company.

In electing members to the Board, it is emphasised 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 below.

Name	Position in the Board	Member since (year)	Up for election (year)	Committee membership	Shareholding in Vistin Pharma*
Øyvin Brøymer	Chairman	2020	2022	Rem. Comm.	11 075 000 (1)
Bettina Banoun	Member	2018	2022	Rem. Comm.	-
Kari Krogstad	Member	2020	2022		-
Espen Marcussen	Member	2020	2022		3 414 242 (2)
Øystein Stray Spetalen	Member	2015	2021		2,607,930 (3)
Espen Lia Gregoriussen	Member	2017	2021		-
Åse Musum	Member	2015	2021		2,201

* At 31 December 2020

1. Shares owned by Intertrade Shipping AS, which is controlled by Chairman Øyvin Brøymer
2. Shares owned by Pactum 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 four meetings since the Annual General Meeting in 2020, and to the date of this report. The Board members attended all the Board meetings, either in person or through digital presence. In addition, the Board has been involved in all the decisions related to changes in the oil derivative portfolio.

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 may have an Audit Committee appointed by the Board, however 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.

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 2020 a resolution was passed approving the following fees until the next Annual General Meeting in 2021: Chairman NOK 250,000, shareholder elected Board members NOK 200,000 and employee elected board members NOK 125,000.

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 equity-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 13 to the Financial Statements for Vistin Pharma ASA.

For more information on remuneration of the CEO and other members of Executive Management see Note 24 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 publically 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	2020	2019
Revenue	4	253 159	227 186
Other income	5	747	943
Total revenue and other income		**253 906**	**228 130**
Cost of materials		73 288	84 113
Payroll expenses	6	72 499	69 582
Depreciation, amortisation and impairment	12	9 623	8 956
Other operating expenses	8	52 940	48 708
Operating profit (EBIT)		**45 555**	**16 771**
Finance income	9	14 066	72 038
Finance costs	9	183 893	4 766
Profit/(loss) before tax from continuing operations		**-124 272**	**84 043**
Income tax expense	10	-27 317	17 968
Profit/(loss) for the period from continuing operations		**-96 955**	**66 075**
Profit/(Loss) for the period from discontinued operations		**-**	**127**
Profit/(Loss) for the period		**-96 955**	**66 202**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial losses on defined benefit plan	7	-355	-1 435
Income tax effect		78	316
Total comprehensive income for the period		**-96 678**	**67 321**
Comprehensive income attributable to:			
Equity holders of the parent company		-96 678	67 321
Earnings per share (NOK):			
Basic, profit attributable to equity holders of the parent	11	-2,19	1,49
Diluted attributable to equity holders of the parent	11	-2,19	1,49
Earnings per share for continuing operations (NOK):			
Basic, profit attributable to equity holders of the parent	11	-2,19	1,49
Diluted attributable to equity holders of the parent	11	-2,19	1,49

Consolidated Statement of Financial Position

As at 31 December

(NOK 000's)	Note	2020	2019
ASSETS			
Non-current assets			
Property, plant & equipment	12	145 261	101 802
Deferred tax assets	10	35 128	7 733
Total non-current assets		**180 389**	**109 535**
Current assets			
Inventories	15	31 788	24 107
Trade receivables	16	30 400	38 277
Other receivables	16	2 302	12 573
Cash and cash equivalents	17	77 036	319 672
Total current assets		**141 526**	**394 629**
Total assets		**321 915**	**504 165**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	44 345	44 345
Share premium		229 056	273 401
Other paid in capital		-	-
Retained earnings		-996	95 649
Total equity		**272 405**	**413 396**
Non-current liabilities			
Other non-current liabilities	22	976	1 222
Pension liabilities	7	16 330	16 309
Total non-current liabilities		**17 306**	**17 531**
Current liabilities			
Trade payables	14	17 893	23 612
Income tax payable	10	-	3 796 -
Derivative financial instruments		-	31 616
Other current liabilities	20/22	14 311	14 214
Total current liabilities		**32 204**	**73 238**
Total liabilities		**49 509**	**90 769**
Total equity and liabilities		**321 915**	**504 165**

Oslo, 22 April 2020

Øyvin Brøymer
Chairman

Bettina Banoun
Board member

Kari Krogstad
Board member

Espen Marcussen
Board member

Øystein Stray Spetalen
Board member

Espen Lia Gregoriussen
Board member

Åse Musum
Board member

Kjell-Erik Nordby
CEO

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	Other paid in capital	Retained earnings	Total
Equity as at 01.01.2019		44 345	273 401	2 777	28 329	348 852
Profit (loss) for the period					*66 202*	
Other comprehensive income					*1 119*	
Total comprehensive income					67 321	67 321
Share-based payments				-2 777		-2 777
Equity as at 31.12.2019	18	**44 345**	**273 401**	**-**	**95 650**	**413 396**
Equity as at 01.01.2020		44 345	273 401	-	95 650	413 396
Dividend paid			**-44 345**			-44 345
Profit (loss) for the period					*-96 955*	
Other comprehensive income					*277*	
Total comprehensive income					-96 678	-96 678
Share-based payments						-
Equity as at 31.12.2020	18	**44 345**	**229 056**	**-**	**-1 028**	**272 405**

Consolidated Statement of Cash flows

For the year ended 31 December

(NOK 000's)	Note	2020	2019
Cash flow from operating activities			
Net profit/(loss) before income tax from continuing operations		-124 272	84 043
Net profit/(loss) before income tax from discontinued operations		-	127
Net profit/(loss) before income tax		**-124 272**	**84 170**
Adjustments to reconcile profit before tax to net cash flow:			
Income tax paid		-	314
Non-cash adjustment to reconcile profit before tax to cash flow:			
Depreciation, amortisation and impairment	12	9 623	8 956
Share-based payments		-	-2 777
Unrealised financial derivatives (gains)/losses		-	-63 485
Changes in working capital:			
Changes in trade receivables and trade creditors	16	2 159	-16 772
Changes in inventories	15	-7 681	4 964
Changes in other accruals and prepayments		-25 563	3 560
Net cash flow from operating activities		**-145 731**	**18 935**
Cash flow from investing activities			
Purchase of equipment and intangibles	12	-53 103	-18 355
Interest received		1 725	-
Net cash flow from investing activities		**-51 378**	**-18 355**
Cash flow from financing activities			
Repayment of lease liabilities	22	-430	-1 373
Dividende paid		-44 345	-
Interest paid		-753	-268
Cash flow from financing activities		**-45 528**	**-1 641**
Net change in cash and cash equivalents		-242 638	-1 061
Cash and cash equivalents beginning period		319 673	320 733
Cash and cash equivalents end period	17	**77 036**	**319 673**

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 VISTIN. The Company was incorporated on 6 March 2015.

The consolidated financial statements of Vistin Pharma and its subsidiaries (collectively, the Group) for the year ended 31 December 2020 were approved for release by the Board of Directors on 22 April 2021.

The Group 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 significant 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 International Financial Reporting Standards (IFRS) 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 recognised 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 the Group 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. Non-controlling interest are included in the Group's equity.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interest in the acquire. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases. Acquisition-related costs are expensed as incurred and included in operating expenses.

When the Group acquires a business, it assesses the identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions as at the acquisition date.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale and recognised at fair value less cost to sell, and deferred tax assets and liabilities which are recognised at nominal value.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in the income statement as financial income or expense. If the contingent consideration is classified as equity, it will not be remeasured and subsequent settlement will be accounted for within equity.

Note 2 Summary of significant accounting policies (continued)

If the business combination is achieved in stages, the fair value of the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date through the income statement.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the asset is recognised at the equity attributable to the parent.

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognised at the date when the control is lost. Differences between the consideration and the carrying amount of the asset are recognised as a gain or loss in profit or loss. Investments retained, if any, are recognised at fair value, and surplus or deficits, if any, are recognised in profit and loss as a part of gain/loss on subsidiary disposal. Amounts included in other comprehensive income are recognised in profit or loss or directly as equity.

2.3 Segment reporting

For management purposes the Group has historically organised its activities in two operating units; Pharmaceuticals and Energy Trading. All oil derivative contracts in the Energy Trading segment was closed on 30 March 2020, and all the activities in the business segment has ceased. Going forward there will only be one operating unit; Pharmaceuticals. The internal reporting provided to the Board of Directors of Vistin Pharma, which is the Group's chief operating decision maker, is in accordance with this structure. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

2.4 Revenue recognition

In general Revenue is measured at the fair value of the consideration received, and represents the amount received for goods supplied, an if applicable stated net of discounts, returns and value added taxes. The Group recognises 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 company 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 a number of 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 order is placed and accepted. The typical purchasing pattern is several smaller orders throughout the year and normally the binding order length is supply over the next 3-6 months.

Note 2 Summary of significant accounting policies (continued)

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 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 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 related to normal short-term sales cycles.

Government grants

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

2.5 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 unrealised gain or losses on monetary assets and liabilities, are recognised as financial income/cost in the consolidated statement of profit and loss.

2.6 Discontinued operations

A disposal of a business unit qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Note 2 Summary of significant accounting policies (continued)

2.7 Balance sheet classification

The Group 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 realised or intended to sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised 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.

2.8 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. 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 capitalised 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's net sales value and its value in use.

An item of equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.9 Inventories

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

2.10 Financial assets

IFRS 9 contains three principal classification categories for financial assets; measured at amortised 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.

Financial assets at amortised cost

The Group measures financial assets at amortised 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 amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and other short-term deposit. Accounts receivable that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 Revenue from contracts with customers (see further information on trade receivables below).

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 recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised 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

Note 2 Summary of significant accounting policies (continued)

if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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 borrowings in current liabilities.

Trade receivables and other receivables

Trade and other receivables are classified at amortised cost and recognised 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. The invoiced amount is considered to be approximately equal to the value which would be derived under the amortised cost method.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a. the Group has transferred substantially all the risks and rewards of the asset, or

b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The loss is recognised in the consolidated income statement.

Note 2 Summary of significant accounting policies (continued)

2.11 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 recognised 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 recognised at the original invoiced amount. Other payables are recognised initially at fair value. Trade and other payables are valued at amortised cost using the effective interest rate method. The interest rate element is disregarded if it is insignificant, which is the case for the majority of the group's trade payables.

Interest bearing liabilities

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium and costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

2.12 Financial derivatives

The Group may use forward currency contracts to hedge its foreign currency risks and did in 2018 invests in energy related derivative financial instruments. All the energy related derivative financial instruments were closed in Q1 2020, and no new positions will be taken. Such derivative financial instruments are initially recognised 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 recognised in the statement of profit or loss as a finance income or cost.

2.13 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.

2.14 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.

Note 2 Summary of significant accounting policies (continued)

Deferred income tax liabilities are recognised 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.

A deferred tax asset is recognised 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 utilised. A deferred tax assets arising from unused tax losses or tax credit are only recognised to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence supporting the utilisation of the tax losses and tax credits. The carrying amount of deferred tax asset is reviewed at the end of each reporting period. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised 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.

2.15 Employee benefits

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

A defined contribution plan is a pension plan under which the Group pays fixed contributions to pension insurance plans. The Group 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 recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments is available.

Defined benefit plans typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. As the Group operates an unfunded defined benefit plan, they have no plan assets. The pension obligation is funded through the Group'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.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes and curtailments and settlements. Past-service costs are recognised immediately in income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the income statement.

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.

Note 2 Summary of significant accounting policies (continued)

2.16 Share-based compensation

The company had an option program for the two former employees in the Energy Trading business, which was terminated in 2019 when they left the company. The 2.8 million in the share option program in Vistin Trading was cancelled and adjusted to equity.

There where no shared-based compensation plans in 2020.

2.17 Provisions

General
Provisions are recognised when the Group 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 recognised as a finance cost.

2.18 IFRS 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.

2.19 Events after the balance sheet date

New information on the Group's positions at the balance sheet date is taken into account 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.

New standards, interpretations and disclosures

For 2020 the IASB har implemented a change in IFRS 3 business combinations, clarifying the definition of a business. IAS 1 and IAS 8 is updated to clarify materiality more uniform across standards. According to the new definition information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements. IFRS 9 and 17 is updated to reflected changes in reference interest rates. The implementation of those changes did not cause any changes in the financial statements for Vistin Pharma ASA.

There are no new standards not yet taken into use that is expected to materially impact the financial statements for Vistin Pharma ASA.

Note 2 Summary of significant accounting policies (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group 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.

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 labour, other direct costs and related production overheads. The allocation of labour 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.

Pension
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 information including the calculations and assumptions for the obligation is provided in Note 7.

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 2020 is expected to be fully utilized, and thus the full amount has been included as carrying value in the balance sheet at year-end.

Covid-19
The demand in the market for metformin is still high and is not affected by the corona epidemic.
The Covid-19 situation has also been an «eye opener» to both authorities and the industry leaders to focus on lower risk supply chains and «short travelled medicines». Based on this the pandemic has not affected the Group's future financial estimates and other judgements regarding the future.

Note 4 Segment Information

Following the establishment of the energy trading business during 2018, the Group has two operating segments, in addition to HQ & Other, which is the production and sale of metformin products and energy trading. Subsequent to year-end 2019, the Group decided to close down the energy trading business, however the positions were held. In March 2020 all positions were closed and settled in April. Going forward there will be only one operating segment.

Total revenue and other income

(NOK 000's)	2020	2019
Pharmaceuticals	253 906	228 130
Energy Trading	-	-
HQ & other	-	-
Total revenue and other income	**253 906**	**228 130**

EBITDA

(NOK 000's)	2020	2019
Pharmaceuticals	58 189	30 358
Energy Trading	-190	-1 611
HQ & other	-2 822	-3 019
EBITDA	**55 177**	**25 727**

EBT

(NOK 000's)	2020	2019
Pharmaceuticals	41 540	21 493
Energy Trading	-161 953	63 752
HQ & other	-3 859	-1 203
EBT	**-124 272**	**84 042**

Operating assets

(NOK 000's)	2020	2019
Pharmaceuticals	207 449	164 187
Energy Trading*	-	123 530
HQ & Other	79 338	208 715
Total operating assets	**286 787**	**496 432**

** 2019: including margin call deposit of 113,4 million*

Operating liabilities

(NOK 000's)	2020	2019
Pharmaceuticals	32 028	38 124
Energy Trading	-	31 907
HQ & Other	17 236	16 942
Total operating liabilities	**49 264**	**86 974**

Reconciliation of assets

(NOK 000's)	2020	2019
Segment operating assets	286 787	496 431
Deferred tax assets	35 126	7 733
Total operating assets	**321 915**	**504 164**

Reconciliation of liabilities

(NOK 000's)	2020	2019
Segment operating liabilities	49 509	86 973
Tax payable	-	3 796
Total operating liabilities	**49 509**	**90 768**

Note 4 Segment Information (continued)

Geographic information

Revenue and other income

(NOK 000's)	2020	2019
Revenue from contracts with customers:		
Norway	0	7 196
Africa	61 656	51 815
Europe	139 101	143 931
Asia	19 732	3 598
North and South America	33 417	21 589
Total revenue from contracts with customers	**253 905**	**228 129**

The information above is based on the location of the customers.

The Group 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)	2020	2019
Customer A	86 000	64 800
Customer B	59 000	77 100
Customer C	32 500	46 400
Customer D	15 700	11 000

Non-current operating assets:

(NOK 000's)	2020	2019
Norway	145 261	101 802
Non current operating assets	**145 261**	**101 802**

See also note 2.4 for general revenue accounting principles.

Note 5 Other income

(NOK 000's)	2020	2019
Other income	747	943
Total	**747**	**943**

Other income for 2019 and 2020 relates principally to sundry services rendered to customers.

Note 6 Payroll expenses

(NOK 000's)	2020	2019
Salaries	51 492	57 259
Payroll tax	8 162	8 490
Pension costs - defined contribution plans	3 987	3 773
Pension costs - defined benefit plan	375	866
Estimated value of share options granted to employees	-	-2 777
Other payroll costs incl. bonuses	8 482	1 970
Total payroll and payroll related costs	**72 499**	**69 582**
Average number of FTE's	**67**	**64**

**FTE: Full-time equivalent*

Vistin Pharma AS are required to have an occupational pension plan ("tjenestepensjon"), and the Group has a plan that meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). The Group 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 24.

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

(NOK 000's)	2020	2019
Fair value of plan assets	-	-
Present value of unfunded obligations	16 330	16 309
Liability in the balance sheet (including local tax)	**16 330**	**16 309**

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

(NOK 000's)	2020	2019
At 1 January*	16 309	16 877
Current service cost	-	374
Local tax	48	107
Interest expense/(income)	328	385
	16 685	**17 743**
Remeasurements:		
(Gain)/Loss from changes	-355	-1 435
	-355	**-1 435**
At 31 December	**16 330**	**16 309**
Net expense recognised in the Income Statement	**376**	**866**

Note 7 Post-employment benefits (continued)

The significant actuarial assumptions were as follows:

	31.12.2020	31.12.2019
Discount rate	1,70 %	2,30 %
Inflation	1,50 %	1,50 %
Salary growth rate	2,25 %	2,25 %
Pension growth rate	2,00 %	2,00 %

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 Group.

Note 8 Other operating expenses

(NOK 000's)	2020	2019
Production costs	36 928	33 726
Sales & marketing costs	4 402	4 556
General & admin. expenses	11 610	10 426
Other operating expenses	**52 940**	**48 708**

Remuneration to the Auditors

(NOK 000's)	2020	2019
Statutory audit	392	330
Other attestation services	-	-
Tax advisory services	163	75
Total remuneration to auditors	**555**	**404**

All fees are exclusive of VAT.

Note 9 Financial items

(NOK 000's)	2020	2019
Interest income from bank deposits, money-market funds etc.	1 721	3 870
Other financial income	37	6
Profit on derivative financial instruments	-	63 485
Net foreign exchange gain	12 308	4 677
Total finance income	**14 066**	**72 038**
Interest expenses	753	176
Interest expenses leasing	67	40
Other financial expenses	127	480
Losses on derivative financial instruments	146 800	-
Net foreign exchange loss	36 146	4 070
Total finance costs	**183 893**	**4 766**
Net finance	**-169 827**	**67 272**

Note 9 Financial items (continued)

As of 31 December 2019, the market-to-market value ("MTM") of the open contracts was negative NOK 31.6 million, which has been included as a financial liability in the statement of financial position. On the 30th of March 2020 the company closed all its remaining oil derivatives positions. The derivative contracts were settled in April and the total 2020 financial loss of closing the positions was approximately MNOK 184.

Note 10 Tax

(NOK 000's)	2020	2019
Profit/(loss) before tax from continuing operations	-124 272	84 043
Profit/(loss) before tax from discontinued operations	-	127
Profit/(loss) before taxes	**-124 272**	**84 170**
Permanent differences	102	-2 546
Permanent differences recognised to equity	-	-
Changes in temporary differences	-5 091	-64 415
Basis for income tax	**-129 261**	**17 209**
Income tax payable	-	3 797
Tax effect of change in net deferred income tax liability/asset	27 395	14 171
Income tax expense	**27 395**	**17 968**
Income tax expense reported in the statement of comprehensive income	-27 317	17 968
Income tax attributable to discontinued operations	-77	-
	-27 395	17 968

Reconciliation of income tax

(NOK 000's)	2020	2019
Profit before tax	-124 272	84 170
Tax assessed at the expected tax rate (22%)	-27 340	18 517
Tax effect permanent differences, profit & loss	22	-560
Prior year adjustments	-	11
Income tax	**-27 317**	**17 968**

Recognised deferred tax assets & liabilities

(NOK 000's)	2020	2019
Fixed assets	15 550	11 684
Current assets	2 700	973
Pension liabilities	-16 328	-16 308
Derivatives	44	525
Non-deductible interest expense carried forward	-	0
Tax losses carried forward (1)	-162 061	-32 800
Other (2)	425	776
Net income tax reduction/increase	**-159 671**	**-35 150**
Net deferred tax asset/-liability	**35 128**	**7 733**
Tax rate applied	**22 %**	**22 %**

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 2020 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) Related to realized loss for closing the oil derivative contracts in Vistin Trading.

(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 Company 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:

(NOK 000's)	2020	2019
Profit attributable to owners of the parent	-96 955	66 075
Profit/loss from discontinued operations attributable to owners of the parent	0	127
Total	**-96 955**	**66 202**
Weighted average number of ordinary shares (in thousands)	44 345	44 345
Weighted average number of ordinary shares adjusted for the effect of dilution	**44 345**	**44 345**
Basic earnings per share (NOK)	-2,19	1,49
Basic earnings per share from continuing operations (NOK)	-2,19	1,49

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

Construction in progress mainly represents the costs incurred on a new production line. A pre-project incl. detailed engineering was done in 2018, and then the project was put on hold. In April 2020 the board of directors decided to move forward with the investment to build a second parallel production line to approximately double the production capacity. Total investment is expected to be around MNOK 100.

(NOK 000's)	Property and plants	Constructions in progess	Machines and equipment etc.	Right of use assets	Total
Cost					
At 1 January 2019	26 916	35 725	38 072	-	100 714
Accounting principle change				3 853	3 853
At 1 January 2019	26 916	35 725	38 072	3 853	104 567
Additions	359	14 289	3 707	-	18 355
At 31 December 2019	27 275	50 014	41 779	3 853	122 922
Additions	436	41 010	11 657	-	53 103
Finished CiP	-	-30 491	30 491	-	-
At 31 December 2020	27 711	60 533	83 927	3 853	176 025
Depreciation and impairment					
At 1 January 2019	4 179	-	7 985	-	12 164
Depreciation charge for the year	1 374	-	6 017	1 564	8 955
At 31 December 2019	5 553	-	14 002	1 564	21 119
Depreciation charge for the year	1 111	-	7 255	1 257	9 623
At 31 December 2020	6 664	-	21 257	2 821	30 742
Net book value					
At 31 December 2020	21 047	60 533	62 670	1 032	145 261
At 31 December 2019	21 722	50 014	27 777	2 289	101 802
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

Level 2: other techniques for which all inputs that have a significant affect 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 2020:

(NOK 000's)	Fair value level	Fair value through profit and loss	Loans and receivables at amortised cost	Other financial liabilities at amortised cost	Total book value	Fair value
Financial assets						
Trade receivables	3	-	30 400	-	30 400	30 400
Other receivables	3	-	2 302	-	2 302	2 302
Cash at bank	3	-	34 852	-	34 852	34 852
Money-market funds	2	42 184	-	-	42 184	42 184
Total		**42 184**	**67 554**	**-**	**109 738**	**109 738**
Financial liabilities						
Borrowings						
Trade payables	3			17 893	17 893	17 893
Other payables	3		-	14 311	14 311	14 311
Total		**0**	**-**	**32 204**	**32 204**	**32 204**

As of 31 December 2019:

(NOK 000's)	Fair value level	Fair value through profit and loss	Loans and receivables at amortised cost	Other financial liabilities at amortised cost	Total book value	Fair value
Financial assets						
Trade receivables	3	-	38 277	-	38 277	38 277
Other receivables	3	-	12 573	-	12 573	12 573
Cash at bank	3	-	248 158	-	248 158	248 158
Money-market funds	2	71 514	-	-	71 514	71 514
Total		**71 514**	**299 008**	**-**	**370 522**	**370 522**
Financial liabilities						
Borrowings						
Trade payables	3			23 612	23 612	23 612
Derivative financial instruments - currency	2	-524	-	-	-524	-524
Derivative financial instruments - energy	2	31 616	-	-	31 616	31 616
Other payables	3		-	18 011	18 011	18 011
Total		**31 092**	**-**	**41 622**	**72 714**	**72 714**

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 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 the subsidiary Vistin Pharma AS, which is responsible for the pharmaceutical business, subject to 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 2020, 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	2020	2019
Trade receivables (NOK 000's)	30 400	27 363
Number of customers	12	14
Top 5 customers as a % of total trade receivables	90 %	87 %

Financial credit risk

Cash deposits and money market funds are principally with Nordea. The counterparties for money market funds are (indirectly) entities with a credit rating of BBB and above.

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. The Group'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. The Group 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	2020		2019	
(Currency 000's)	EUR	USD	EUR	USD
Trade Receivables	2 348	669	3 545	197
Bank accounts	35	47	136	-568
Trade Payables	-312	-84	-102	-756
Other payables	-	-	-	-
Net assets in EUR / USD	**2 071**	**632**	**3 579**	**-1 127**
Currency rates 31.12	10,50	8,54	9,83	8,78
Net assets/liabilities in NOK	**21 749**	**5 393**	**35 182**	**-9 895**

Assuming the foreign currency to be reduced/increased by 5%:

Foreign currency (reduction)/increase	-5 %	-5 %	-5 %	5 %
Foreign currency rate	9,98	8,11	9,34	9,22
Net assets in NOK	**20 661**	**5 123**	**33 422**	**-10 390**
Potential gain/(loss) NOK	**-1 087**	**-270**	**-1 759**	**-495**

Liquidity risk

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. The Group monitors its risk to a shortage of funds using rolling monthly cash flow forecasts. The Group had cash and cash equivalents of MNOK 77 at 31 December 2020 (2019: MNOK 320). Based on the current cash position, the Group assesses the liquidity risk to be low.

The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments:

Year ended 31.12.2020 (NOK 000's)	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
Trade Payables	17 893	-	-	-	17 893
Other Payables	14 311	-		-	14 311
Total	**32 204**	**-**	**-**	**-**	**32 204**

Year ended 31.12.2019 (NOK 000's)	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
Trade Payables	23 612	-	-	-	23 612
Oil derivative contracts		31 616			31 616
Other Payables	14 214	-		-	14 214
Total	**37 826**	**31 616**	**-**	**-**	**69 442**

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 Group’s capital management is to maximize the shareholder value.

The Group manages its capital structure and makes 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)	2020	2019
Raw materials in transit	9 934	7 815
Raw materials	330	5 629
Work in progress	17 257	707
Produced finished goods	4 266	9 978
Provision for obsolescence	0	-22
Total inventories	**31 788**	**24 107**
Cost of materials	**73 288**	**84 113**

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)	2020	2019
Trade receivables	30 400	38 277
Trade receivables (net)	**30 400**	**38 277**

Trade recievables are non-interestbearing and are generally on terms of 30 to 60 days.

As at 31 December, the ageing analysis of trade receivabels is, as follows

Aging			**Past due not impaired**			
(NOK 000's)	**Total**	**Current**	**< 30 days**	**30-60 days**	**60- 90 days**	**> 90 days**
2020	30 400	29 995	360	45	0	0
2019	38 277	32 835	4 949	0	794	-301

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

Other receivables

(NOK 000's)	2020	2019
VAT receivable	-	-
Prepayments	848	1 919
Other	1 454	10 654
Total other receivables	**2 302**	**12 573**

Note 17 Cash and cash equivalents

(NOK 000's)	2020	2019
Cash at banks	34 852	134 764
Money market funds	42 184	71 514
Deposit margin-call	-	113 394
Cash and cash equivalents	**77 036**	**319 672**

The money market funds represent an investment of surplus cash in Nordea Kort Obligasjon III. This money market fund invests in fixed-income and floating rate debt securities, predominantly Norwegian, with a low credit and interest risk, and can be converted to cash on short notice. The redemption value is based on a net asset value of the fund, rather than a fixed amount of cash, and hence is not necessarily consistent with the definition of cash equivalents. However, the value of the fund is subject to a very low risk of change, and in substance satisfies the definition of cash and cash equivalents.

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 Januar 2019	44 345	44 345
At 31 December 2019	**44 345**	**44 345**
At 1 Januar 2020	44 345	44 345
At 31 December 2020	**44 345**	**44 345**

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

Note 18 Issued shares and share capital (continued)

20 largest shareholders as registered as of 31 December 2020:

Name	Note	Total no of shares	Ownership share
INTERTRADE SHIPPING AS	1	11 075 000	24,97 %
PACTUM AS	1	3 414 242	7,70 %
HOLMEN SPESIALFOND		3 250 000	7,33 %
SAGA PURE ASA	1	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 %
Other shareholders		15 057 317	33,96 %
		44 344 592	**100,0 %**

Shares owned by the Board of Directors and management as of 31 December 2020:

INTERTRADE SHIPPING AS (1)	11 075 000
PACTUM AS (8)	1 764 424
SAGA PURE ASA (3)	2 284 280
Nordby Kjell-Erik (4)	100 000
Heggem Vegard (5)	27 360
Tolleshaug Magnus (6)	10 000
Hagen Hilde Merete (7)	15 000
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
5. VP Operations
6. Commercial director
7. VP Quality & Regulatory Affairs
8. CEO of Pactum: is a member of the Board of Directors

Note 19 Share-based payments

The company had an option program for the two former employees in the Energy Trading segment, which was terminated in 2019 when they left the company. The 2.8 million in the share option program in Vistin Trading was cancelled and adjusted to equity.

As per 31 December 2020 the company have no outstanding share-based payments.

Note 20 Other payables

(NOK 000's)	2020	2019
Withholding tax	2 604	2 652
Social security taxes	1 406	1 449
Allowance for holiday pay	6 470	7 684
Accrued expenses	3 813	2 412
Other liabilities	18	18
Total other payables	**14 311**	**14 214**

Note 21 Borrowings

The Company had no interest-bearing debt as of 31 December 2020 (2019: 0), beyond its lease liabilities. See note 23 for details regarding leasing liabilities.

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, net book value of the property is approx. MNOK 25.

Note 22 Leasing (IFRS 16) 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 2020	(NOK 000's)
Property rental	567
Cars & trucks	411
Production equipment	750
Other office equipment	157
Future minimum lease payments	**1 885**

Maturity profile of lease commitments (NOK 000's)	<12 months	12-24 months	24-36 months	>48 months
Property rental	406	161		
Cars & trucks	195	141	61	14
Production equipment	288	280	182	
Other office equipment	41	39	40	37
Future minimum lease payments	**930**	**621**	**283**	**51**

Note 22 Leasing (IFRS 16) and commitments (continued)

Details for right of use assets and leasing liabilities:

	Right of use assets	Leasing liabilities
Opening balance at 1 Jan 2019	**3 853**	**3 853**
Depreciation	-1 564	
Interest expense		40
Repayment of lease liabilities		-1 373
Value at year end 2019	**2 289**	**2 520**
Opening balance at 1 Jan 2020	**2 289**	**2 520**
Depreciation	-898	
Interest expense		67
Additions	665	
Write down	-201	
Repayment of lease liabilities		-430
Value at year end 2020	**1 855**	**2 157**
Of which are:		
Other current lease liabilities		930
Other non-current lease liabilities		955
		1 885

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

Note 23 Board of Directors and Executive Management compensation

	2020		2019	
(NOK 000's)	**Board fees**	**Other***	**Board fees**	**Other***
Ole Enger, Former Chairman*	250	175	250	300
Øyvin Brøymer Chairman**	-	-	-	-
Bettina Banoun	200	-	150	-
Finn Bjørn Ruyter*	200	-	150	-
Mimi K. Berdal**	200	-	150	-
Øystein Stray Spetalen	200	-	150	-
Espen Marcussen**	-	-	-	-
Kari Krogstad**	-	-	-	-
Espen Lia Gregoriussen	125	-	75	-
Åse Musum	125	-	75	-
Total	**1 300**	**175**	**1 000**	**300**

*In 2020 and 2019, the Chairman Ole Enger, received a consultancy fee of NOK 0.3 million (NOK 25k per month).

**Finn Bjørn Ruyter left the Board on 19 May 2020 (AGM) and was replaced by Espen Marcussen. Ole Enger and Mimi K. Berdal left the Board on 24 June (EGM) 2020 and was replaced with Øyvin Brøymer (new Chairman) and Kari Krogstad.

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

Executive Management remuneration

2020

(NOK 000's)	Salary	Bonus earned	Pension	Other	Total
Kjell Erik Nordby, CEO	2 466	500	464	205	**3 635**
Alexander Karlsen, CFO*	1 281	-	112	313	**1 706**
Hilde Merethe Hagen, VP Quality	1 374	25	135	132	**1 666**
Magnus Tolleshaug, Commercial Director*	1 125	-	112	111	**1 348**
Vegard Heggem	1 600	25	137	129	**1 891**
Total Executive Management	**7 846**	**550**	**960**	**890**	**10 246**

**Salary from March - December.*

2019

(NOK 000's)	Salary	Bonus earned	Pension	Other	Total
Kjell Erik Nordby, CEO	2 397	-	892	186	**3 475**
Gunnar Manum, CFO*	1 634	-	141	128	**1 902**
Hilde Merethe Hagen, VP Quality	1 356	-	134	128	**1 617**
Valborg Godal Vold, COO*	1 426	-	137	190	**1 753**
Vegard Heggem	1 576	-	136	128	**1 839**
Total Executive Management	**8 388**	**-**	**1 439**	**759**	**10 586**

**Left the Group on the 31 December 2019*

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 months termination benefit in the case of involuntary termination of his employment.

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 Company 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 are listed on Oslo Børs. The subsidiaries are listed in note 26. Any transactions between the parent company and the subsidiaries 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 Subsidiaries

The following subsidiaries are included in the consolidated financial statements:

Company	Country of incorporation	Main operations	Ownership interest 2020	Voting power 2020	Ownership interest 2019	Voting power 2019
Vistin Pharma AS	Norway	Pharmacautical products	100 %	100 %	100 %	100 %
Vistin Trading AS	Norway	Energy Trading	100 %	100 %	100 %	100 %

The financial figures of Vistin Pharma AS and Vistin Trading AS have 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 2020, that affects the financials or the Group's operational activities.

In December 2020 the Board decided to merge Vistin Trading AS into Vistin Pharma AS. The merger where completed in February 2021.

VISTIN PHARMA ASA - FINANCIAL STATEMENTS AND NOTES

Statement of Comprehensive Income

For the year ended 31 December

(NOK 000's)	Note	2020	2019
Other income		-	-
Total operating income		**-**	**-**
Payroll and payroll related costs	3	1 740	1 636
Other operating costs	4	1 082	1 384
Operating profit/(loss)		**-2 822**	**-3 020**
Finance income	5	3 313	7 109
Finance costs	5	217	41
Profit/(loss) before tax		**274**	**4 047**
Income tax expense	6	60	922
Profit/(loss) for the year		**214**	**3 125**
Total comprehensive income		**214**	**3 125**

Statement of Financial Position

As at 31 December

(NOK 000's)	Note	2020	2019
ASSETS			
Non-current assets			
Investment in subsidiaries	7	8 825	8 825
Group interest-bearing receivables	7	98 024	119 024
Deferred tax assets	6	20	80
Total non-current assets		**106 869**	**127 929**
Current assets			
Intercompany receivables	7	120 551	46 773
Other receivables		487	25
Cash and cash equivalents	9	67 742	180 237
Total current assets		**188 780**	**227 034**
Total assets		**295 650**	**354 963**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	44 345	44 345
Share premium		229 057	273 402
Other paid in capital		-	-
Retained earnings		21 311	21 097
Total equity		**294 713**	**338 844**
Non-current liabilities			
Other non-current liabilities		-	-
Total non-current liabilities		**-**	**-**
Current liabilities			
Accounts payables		89	81
Intercompany payables	7	29	15 485
Other current liabilities		819	554
Total current liabilities		**936**	**16 121**
Total liabilities		**936**	**16 121**
Total equity and liabilities		**295 650**	**354 964**

Oslo, 22 April 2021

____
Øyvin Brøymer
Chairman

____
Bettina Banoun
Board member

____
Kari Krogstad
Board member

____
Espen Marcussen
Board member

____
Øystein Stray Spetalen
Board member

____
Espen Lia Gregoriussen
Board member

____
Åse Musum
Board member

____
Kjell-Erik Nordby
CEO

Statement of Changes in Equity

For the year ended 31 December

		Attributable to equity holders of the parent			
(NOK 000's)	Share capital	Share premium	Other capital reserves	Retained earnings	Total
Equity as at 01.01.2019	**44 345**	**273 401**	**2 777**	**17 972**	**338 495**
Profit (loss) for the year				3 125	
Total comprehensive income				3 125	3 125
Private placement					
Subsequent repair issue					
Transactions costs share issue (net of tax effect)					
Share-based payments			-2 777		-2 777
Equity as at 31.12.2019	**44 345**	**273 401**	**-**	**21 097**	**338 844**
Profit (loss) for the year				214	
Total comprehensive income				214	214
Dividend		-44 345	-		-44 345
Equity as at 31.12.2020	**44 345**	**229 057**	**-**	**21 311**	**294 713**

Statement of Cash flows

For the year ended 31 December

(NOK 000's)	Note	2020	2019
Cash flow from operating activities			
Profit before income tax		274	4 047
Adjustments to reconcile profit before tax to net cash flow:			
Group contribution		-	-2 777
(Gain)/loss on sale of subsidiary		-	-127
Net interest (income)/expense	5	2 284	5 251
Income tax paid		-	-
Changes in working capital:			
Changes in trade receivables and trade creditors		89	81
Changes in other payables, receivables, accruals		-91 798	-33 506
Net cash flow from operating activities		**-89 152**	**-27 031**
Cash flow from investing activities			
Net proceeds from sale of subsidiary		-	127
Loan subsidiary	7	21 000	65 777
Net cash flow from investing activities		**21 000**	**65 904**
Cash flow from financing activities			
Dividend paid		-44 345	-
Net cash flow from financing activities		**-44 345**	**-**
Net change in cash and cash equivalents		-112 495	38 874
Cash and cash equivalents beginning period		180 237	141 363
Cash and cash equivalents end period	9	**67 742**	**180 237**

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 VISTIN.

The financial statements were approved for release by the Board of Directors on 22 April 2021.

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 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 Group, as described in Note 2 of the consolidated financial statements. Where the note for the parent company are substantially different from the note for the Group, 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.

Segment reporting

Vistin Pharma's activities are currently organized as one operating unit for internal reporting purposes, thus no segment information is presented in these financial statements.

Recognition for group contributions

Group 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. Group contributions relating to the result prior the date of acquisition are recorded as a reduction against the investment (net of tax). If Group contributions exceeds 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)	2020	2019
Other payroll costs	1 740	1 636
Total payroll and payroll related costs	**1 740**	**1 636**
Average number of man-years:	**-**	**-**

The Company had no employees as at 31 December 2020 (2019: 0). Other payroll costs relate to board fees and a monthly consultant fee to the previous Chairman of the Board (consultancy agreement for NOK 25k per month). The current Chairman do not receive a consultant fee.

Note 4 Other operating expenses

(NOK 000's)	2020	2019
External fees	461	958
Other operating expenses	621	426
Other operating expenses	**1 082**	**1 384**

Remuneration to the Auditors

(NOK 000's)	2020	2019
Statutory audit	236	132
Other assurance services	85	85
Tax advisory services	-	-

All fees are exclusive of VAT.

Note 5 Financial items

(NOK 000's)	2020	2019
Interest income from bank deposits and money market funds	1 029	1 857
Interest income from Group companies	2 284	5 251
Total finance income	**3 313**	**7 108**
Other interest expenses	217	41
Total finance costs	**217**	**41**
Net finance	**3 096**	**7 067**

Note 6 Tax

Income tax calculation:

(NOK 000's)	2020	2019
Profit before taxes	274	4 047
Permanent differences	-	143
Changes in temporary differences	-	-
Permanent differences recognised to equity	-	-
Basis for income tax	**274**	**4 190**
Income tax payable	-	-
Tax effect of change in net deferred income tax liability/asset	60	922
Tax effect permanent differences recognised to equity	-	-
Tax effect tax rate reduction	-	-
Income tax expense	**60**	**922**

Reconciliation of income tax

(NOK 000's)	2020	2019
Tax assessed at the expected tax rate	60	890
Tax effect permanent differences, profit & loss	-	31
Income tax	**60**	**922**

Temporary differences

(NOK 000's)	2020	2019
Losses carried forward	-89	-363
Net income tax reduction temporary differences	-89	-363
Net deferred tax asset	20	80

Note 7 Investments in group companies

2020 (NOK 000's)	Registered office	Share capital	Ownership interest 2020	Voting rights 2020	Carrying amount	Result 2020	Equity 2020
Vistin Pharma AS	Oslo, Norway	NOK	100 %	100 %	7 602	29 371	28 248
Vistin Trading AS	Oslo, Norway	NOK	100 %	100 %	1 223	-126 580	-41 762
Total					**8 825**		

2019 (NOK 000's)	Registered office	Share capital	Ownership interest 2019	Voting rights 2019	Carrying amount	Result 2019	Equity 2019
Vistin Pharma AS	Oslo, Norway	NOK	100 %	100 %	7 602	14 720	33 697
Vistin Trading AS	Oslo, Norway	NOK	100 %	100 %	1 223	48 405	49 729
Total					**8 825**		

In 2019, the Company converted a net receivable balance of 4 million against Vistin Trading to Equity. In addition, the 2.8 million in share option programs in Vistin Trading was cancelled and adjusted to equity and the investment in Vistin ASA.

Transactions between related parties

2020 (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	98 024		2 120	29	-	-
Vistin Trading AS		120 551	164	-	-	-
Total	**98 024**	**120 551**	**2 284**	**29**	**-**	**-**

2019 (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	98 024	19 986	2 773	15 485	-	-
Vistin Trading AS	21 000	26 787	2 478	-	-	-
Total	**119 024**	**46 773**	**5 251**	**15 485**	**-**	**-**

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

The loan to Vistin Trading 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.

Set out below 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:

As of 31 December 2020

(NOK 000's)	Fair value level	Fair value through profit and loss	Loans and receivables at amortised cost	Other financial liabilities at amortised cost	Total book value	Fair value
Financial assets						
Group interest-bearing receivables	3	-	98 024	-	98 024	98 024
Intercompany receivables	3	-	120 551	-	120 551	120 551
Other receivables	3	-	487	-	487	487
Money-market funds	2	42 184	-	-	42 184	42 184
Cash and cash deposits	3	-	25 558	-	25 558	25 558
Total		**42 184**	**244 620**	**-**	**286 803**	**286 803**
Financial liabilities						
Intercompany payables	3	-	-	29	29	29
Trade payables	3	-	-	89	89	89
Other payables	3	-	-	819	819	819
Total		**-**	**-**	**936**	**936**	**936**

As of 31 December 2019

(NOK 000's)	Fair value level	Fair value through profit and loss	Loans and receivables at amortised cost	Other financial liabilities at amortised cost	Total book value	Fair value
Financial assets						
Group interest-bearing receivables	3	-	119 024	-	119 024	119 024
Intercompany receivables	3	-	46 773	-	46 773	46 773
Other receivables	3	-	25	-	25	25
Money-market funds	2	71 514	-	-	71 514	71 514
Cash and cash deposits	3	-	108 723	-	108 723	108 723
Total		**71 514**	**274 545**	**-**	**346 058**	**346 058**
Financial liabilities						
Intercompany payables	3	-	-	15 485	15 485	15 485
Trade payables	3	-	-	81	81	81
Other payables	3	-	-	554	554	554
Total		**-**	**-**	**16 121**	**16 121**	**16 121**

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.

The fair-value of money-market funds is based on published market prices by the fund manager, and market prices are published daily.

Note 9 Cash and cash equivalents

(NOK 000's)	2020	2019
Cash at banks	25 558	108 723
Restricted cash	-	-
Money market funds	42 184	71 514
Total	**67 742**	**180 237**

The money market funds represent an investment of surplus cash in Nordea Kort Obligasjon III. This money market fund invests in fixed-income and floating rate debt securities, predominantly Norwegian, with a low credit and interest risk, and can be converted to cash on short notice. The redemption value is based on a net asset value of the fund, rather than a fixed amount of cash, and hence is not necessarily consistent with the definition of cash equivalents. However, the value of the fund is subject to a very low risk of change, and in substance satisfies the definition of cash and cash equivalents.

Cash at banks earns interest at floating rates based on daily bank deposit rates. All bank accounts is 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 Januar 2019	44 345	44 345
At 31 December 2019	**44 345**	**44 345**
At 1 Januar 2020	44 345	44 345
At 31 December 2020	**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 2020:

Name	Note	Total no of shares	Ownership share
INTERTRADE SHIPPING AS	1	11 075 000	24,97 %
PACTUM AS	1	3 414 242	7,70 %
HOLMEN SPESIALFOND		3 250 000	7,33 %
SAGA PURE ASA	1	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 %
Other shareholders		15 057 317	33,96 %
		44 344 592	**100,0 %**

Shares owned by the Board of Directors and management as of 31 December 2020:

INTERTRADE SHIPPING AS (1)	11 075 000
PACTUM AS (8)	1 764 424
SAGA PURE ASA (3)	2 284 280
Nordby Kjell-Erik (4)	100 000
Heggem Vegard (5)	27 360
Tolleshaug Magnus (6)	10 000
Hagen Hilde Merete (7)	15 000
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
5. VP Operations
6. Commercial director
7. VP Quality & Regulatory Affairs
8. CEO of Pactum: is a member of the Board of Directors

Note 11 Events after the reporting period

There have not been events subsequent to the closing date of 31 December 2020, that affects the financials for the year.

The Board of Directors has proposed a dividend of NOK 0.5 per share for 2020, to be approved by the annual general meeting on the 20 May 2021.

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 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 CEO's 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.

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.

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

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 between 20% - 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 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 24 months termination benefit in the case of involuntary termination of his employment. The remaining executive management team has three months termination period.

Share based incentive plans

There are no share-based incentive plans as of 31 Dec 2020.

Remuneration policy in the preceding financial year (2020)

The management remuneration policy in the preceding financial year has been conducted in accordance with the prevailing principles for 2020, with the exception of any items noted above.

VISTIN PHARMA

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Norway

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E-mail: vistin@vistin.com

www.vistin.com

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Kari Eian Krogstad
Styremedlem
Serienummer: 9578-5995-4-132250
IP: 188.95.xxx.xxx
2021-04-22 14:02:52Z
bankID

Åse Musum
Styremedlem
Serienummer: 9578-5997-4-406586
IP: 79.160.xxx.xxx
2021-04-22 14:04:29Z
bankID

Øyvin Anders Brøymer
Styreleder
Serienummer: 9578-5998-4-1591908
IP: 81.175.xxx.xxx
2021-04-22 14:29:37Z
bankID

Espen Weyergang Marcussen
Styremedlem
Serienummer: 9578-5998-4-760563
IP: 128.0.xxx.xxx
2021-04-22 14:34:24Z
bankID

Espen Gregoriussen Lia
Styremedlem
Serienummer: 9578-5999-4-1347565
IP: 46.15.xxx.xxx
2021-04-22 14:44:49Z
bankID

Kjell-Erik Nordby
Daglig leder
Serienummer: 9578-5998-4-3200540
IP: 77.18.xxx.xxx
2021-04-22 14:45:32Z
bankID

Bettina Banoun
Styremedlem
Serienummer: 9578-5998-4-1592771
IP: 188.95.xxx.xxx
2021-04-22 15:02:06Z
bankID

Øystein Stray Spetalen
Styremedlem
Serienummer: 9578-5999-4-3924498
IP: 188.95.xxx.xxx
2021-04-22 19:41:01Z
bankID