



Vistin Pharma - Third quarter and YTD 2020

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30 October 2020

Agenda

Highlights

Operational review - pharmaceuticals

Financial review

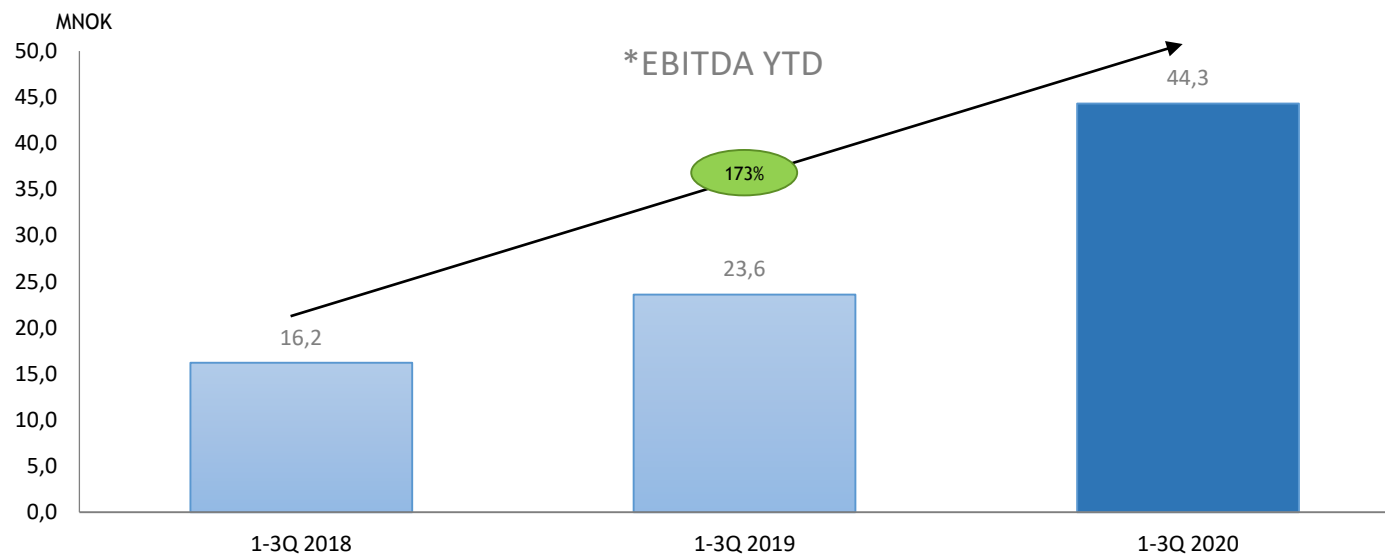
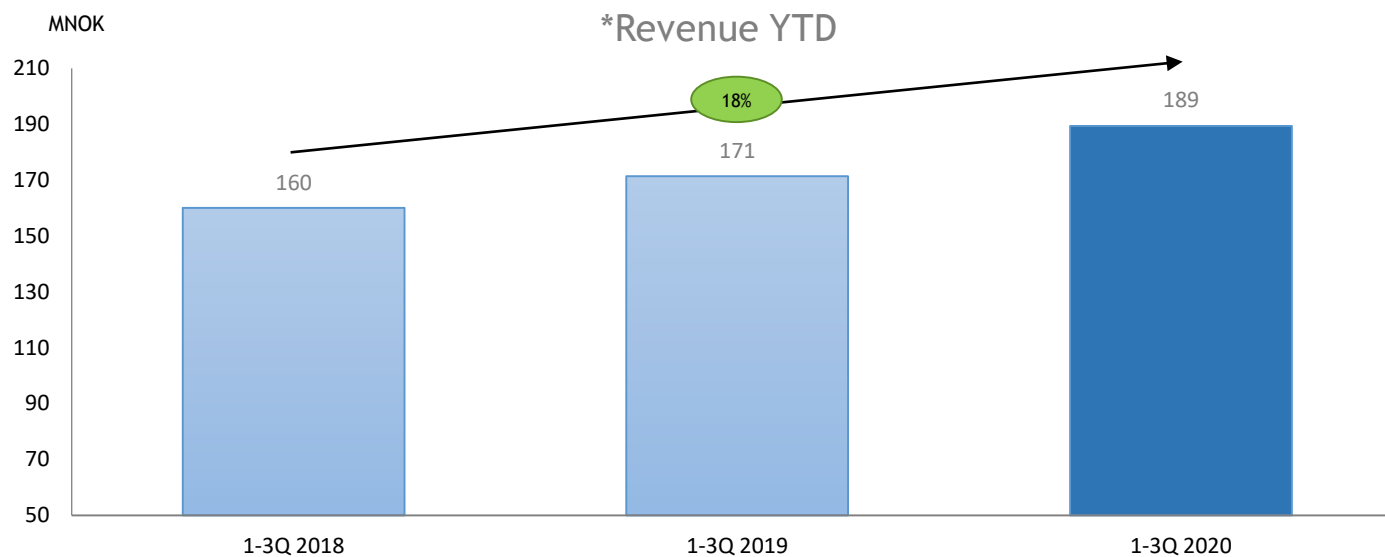
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Third quarter and YTD 2020

- **MNOK 55 in revenue vs. MNOK 68 in Q3 2019**
 - Less volume available for sale due to a planned production stop for installation of a new 2nd reactor
 - The 2nd reactor will further increase the annual capacity by approx. 300MT
 - MNOK 189 in revenue YTD 2020 compared to MNOK 171 YTD last year, a 11% growth
- **MNOK 9.5 in EBITDA vs. MNOK 11.8 in Q3 2019**
 - EBITDA in the 3rd quarter unfavourable affected by bonus accrual of MNOK 2 (Q3'19: MNOK 1)
 - EBITDA of MNOK 44.3 YTD 2020 versus MNOK 23.6 YTD 2019, an 88% increase
- **The Fikkjebakke plant has been running at full capacity during the Covid-19 pandemic**
 - There are no reported corona infected employees in Vistin Pharma as of today
- **Metformin capacity expansion Project (MEP) is on track**
 - First commercial batch from the 2nd production line expected in Q2 2022
 - First instalment of 15% paid in September.
- **Other financials**
 - Cash balance of MNOK 97.5 as of 30 September
 - No interest-bearing debt (excl. MNOK 1.9 in lease liabilities)

2018-2020 Strong revenue and EBITDA development



*Only pharmaceuticals

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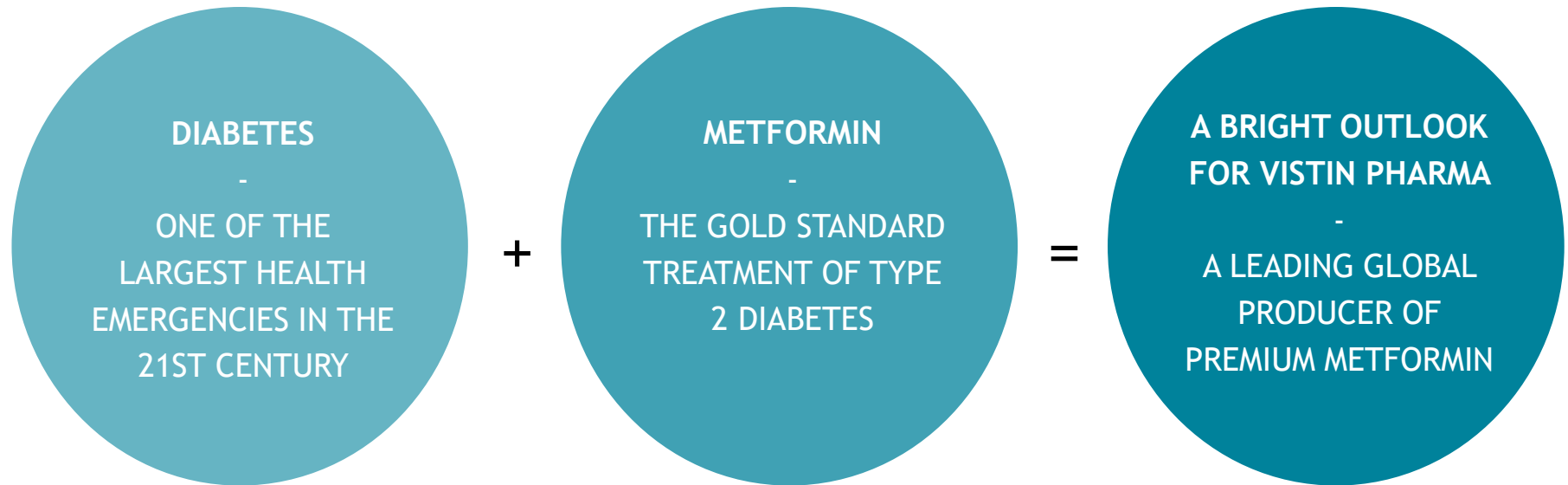
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Vistin Pharma a dedicated metformin producer with a bright outlook



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

Used to lower glucose (blood sugar) levels

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

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

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

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

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

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

Diabetes - A global emergency

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

North America & Caribbean

2045 63 million
2030 56 million
2019 48 million

↑ 33% increase

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

South & Central America

2045 49 million
2030 40 million
2019 32 million

↑ 55% increase

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

Africa

2045 47 million
2030 29 million
2019 19 million

↑ 143% increase

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

Middle East & North Africa

2045 108 million
2030 76 million
2019 55 million

↑ 96% increase

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

South-East Asia

2045 153 million
2030 115 million
2019 88 million

↑ 74% increase

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

WORLD

2045 700 million
2030 578 million
2019 463 million

↑ 51% increase

Europe

2045 68 million
2030 66 million
2019 59 million

↑ 15% increase

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

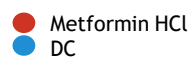
Western Pacific

2045 212 million
2030 197 million
2019 163 million

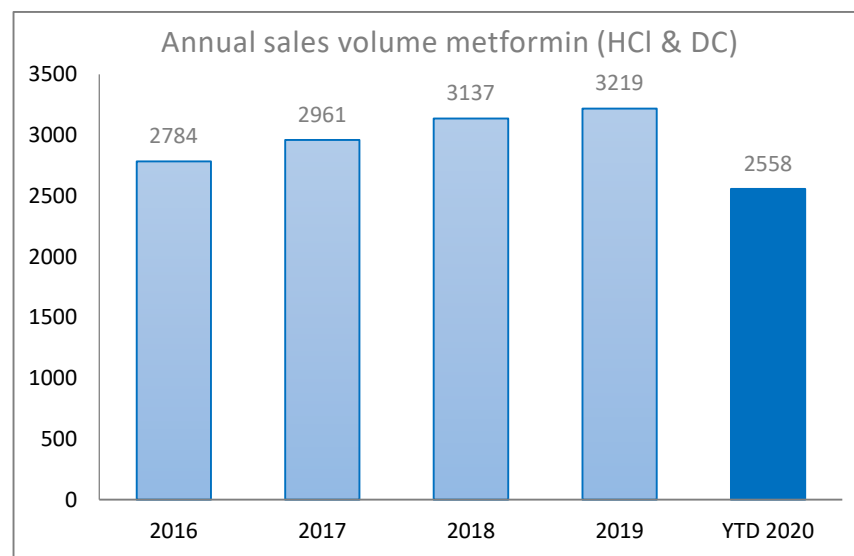
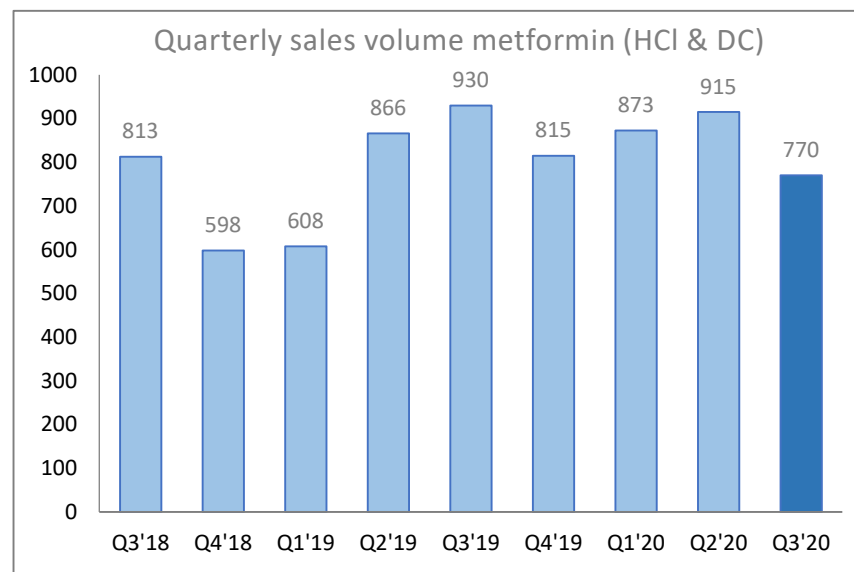
↑ 31% increase

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

Vistin Pharma World Sales Map



Investment in long term capacity expansion lead to less volume available for sale in quarter vs. last year



- Sales volume for the third quarter was 770MT, down by 17.2% vs Q3 2019 (930MT)
- Less volume available for sale in quarter due to production stop in relation to planned maintenance and 2nd reactor installation
- The production plant has been running at full capacity, except for the planned stops
- Efficiency program to stretch production capacity at year end to >3850MT implemented
 - The 2nd reactor was successfully installed at the end of Q3 2020 and will increase the capacity by approx. 300MT annually
- YTD sales volume of 2 558MT vs 2 404MT last year, an increase of 6%.

Corona virus epidemic consequences

- The Fikkjebakke plant has been running at full capacity throughout the Covid-19 pandemic
 - Successful actions have been taken to secure the supply of critical raw materials and to build security stocks during the Covid-19 outbreak
- There are no reported corona infected employees in Vistin Pharma as of today
 - The company are strictly following the guidelines from the authorities and have taken active measures to reduce the risk of virus spread in the factory
- The demand in the market for metformin from Vistin is still high and is not affected by the corona epidemic
- The vulnerability for drug supplies during the corona epidemic has been an 'eye opener' for the authorities and the need for 'short travelled medicines' will be high on the agenda going forward
 - Vistin is strategically well positioned to benefit from the expected increase in local supplies

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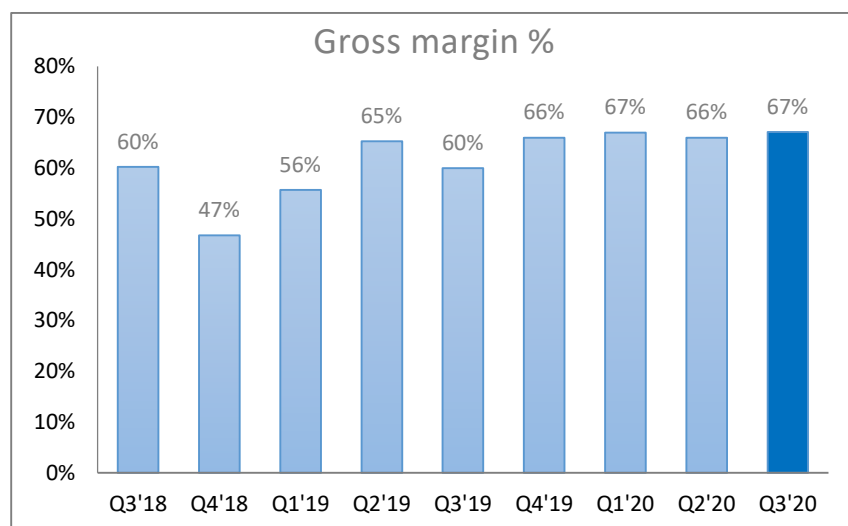
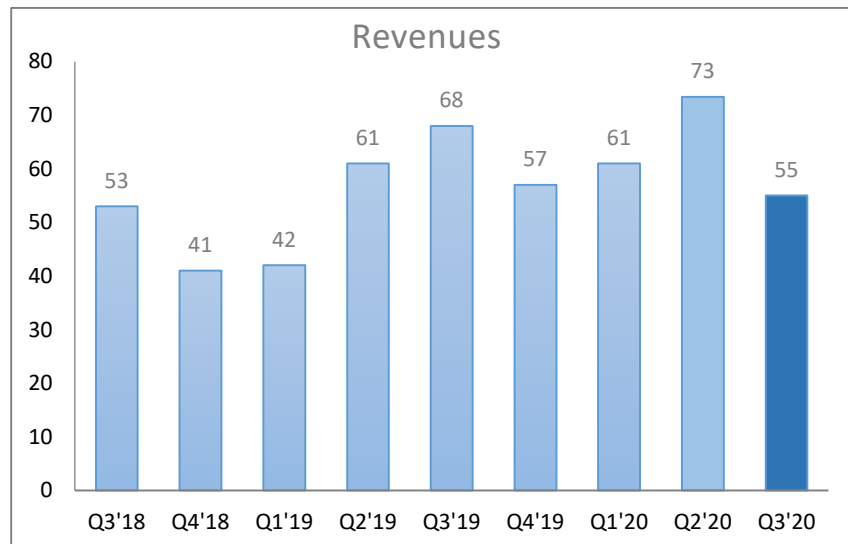
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Key quarterly figures for Vistin Pharma

Revenue (pharmaceuticals)

NOK million

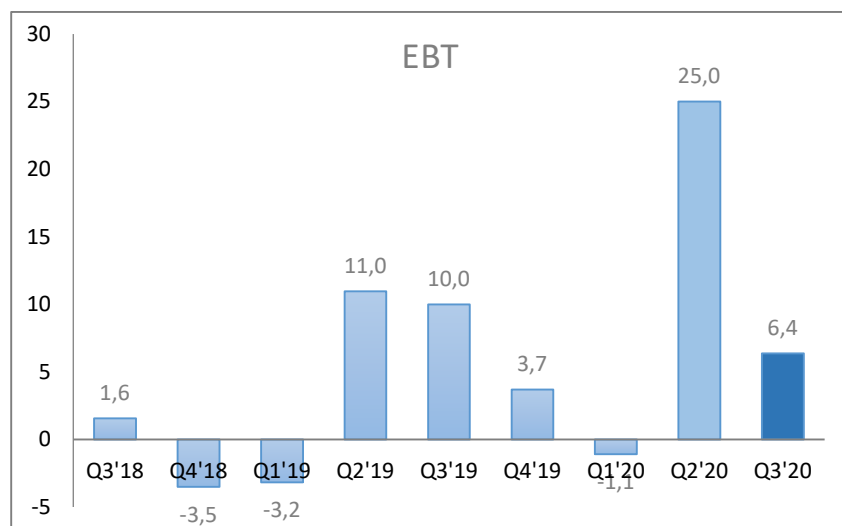
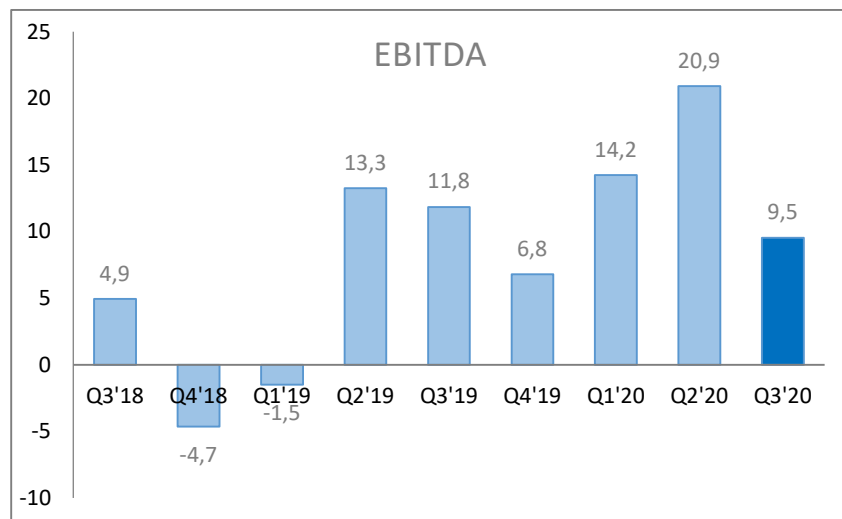


- MNOK 13 (-19%) decrease in revenue YoY - driven by less volume available for sale
- MNOK 18 (+11%) higher revenue in 1-3Q 2020 vs 1-3Q 2019
 - Q1 19 was affected by an extended maintenance stop
 - Q3 20 affected by 2nd reactor installation
- Improved gross margin compared to similar quarter last year, primarily driven by better yield in production and operational excellence benefits
- Gross profit MNOK 126 in 1-3Q 2020 vs MNOK 102 in 1-3Q 2019, +24% increase

Key quarterly figures for Vistin Pharma

Results (pharmaceuticals)

NOK million



- EBITDA of MNOK 9.5 vs MNOK 11.8 in Q3 2019
- Bonus accrual of MNOK 2 negatively affect numbers in Q3'20
- 1-3Q 2020 EBITDA increased by MNOK 20.7 vs 1-3Q 2019, (+88%)
- EBITDA YTD impacted by positive effects from higher sales volumes, favorable EUR/NOK and operational efficiency improvements
- Depreciation of MNOK 2.3 in the quarter, similar as in Q3'19

Consolidated income statement

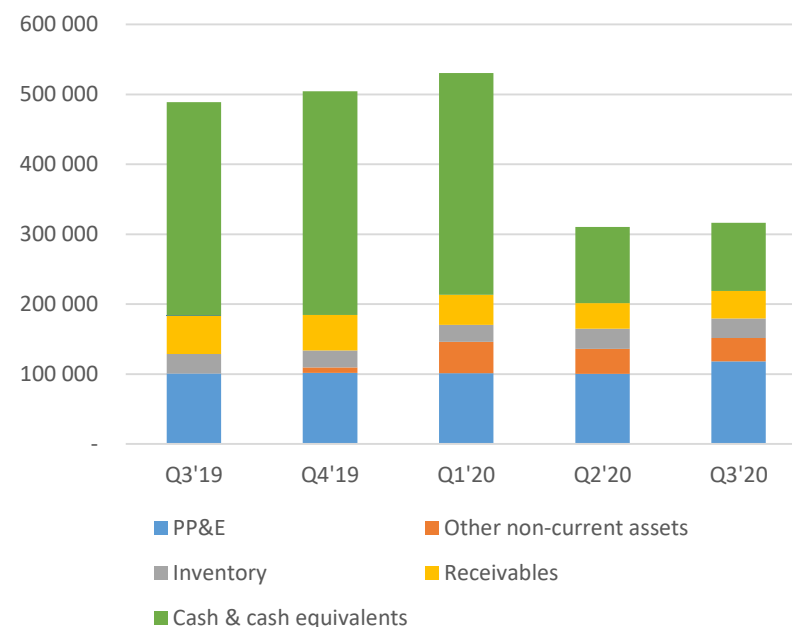
(NOK 1 000)	Q3 2020	Q3 2019	YTD 2020	YTD 2019	FY 2019
<i>Total revenue and income</i>					
Pharmaceuticals	55 056	68 025	189 484	171 362	228 130
Energy Trading	-	-	-	-	-
HQ & other	-	-	-	-	-
Total revenue and income	55 056	68 025	189 484	171 362	228 130
<i>EBITDA</i>					
Pharmaceuticals	9 527	11 846	44 267	23 559	30 358
Energy Trading	-	(311)	(139)	(1 313)	(1 611)
HQ & other	(1 120)	(879)	(2 158)	(2 258)	(3 020)
EBITDA	8 407	10 655	41 970	19 988	25 726
<i>EBT</i>					
Pharmaceuticals	6 358	9 985	28 257	17 772	21 493
Energy Trading	(0)	66 990	(162 069)	62 945	63 752
HQ & other	(550)	(521)	(1 595)	(1 169)	(1 203)
EBT	5 808	76 454	(135 407)	79 548	84 042
Depreciation, amortisation and impairment	(2 340)	(2 304)	(7 252)	(6 300)	(8 956)
Net finance income/(expense)	(259)	68 102	(170 074)	65 861	67 272
Profit/(loss) before tax from continuing operations	5 808	76 454	(135 407)	79 548	84 043
Profit/(loss) for the period	4 530	59 634	(105 567)	62 048	66 202

Balance sheet Vistin Pharm

Assets

NOK 1000

	30.09.2020	30.09.2019	31.12.2019
ASSETS			
Non-current assets			
Fixed assets	117 925	100 825	101 802
Deferred tax assets	33 726	6 195	7 733
Total non-current assets	151 651	107 020	109 535
Current assets			
Inventory	27 970	27 689	24 107
Trade receivables	30 081	44 896	38 277
Other receivables	8 934	10 074	12 573
Cash & cash equivalents	97 543	305 234	319 672
Total current assets	164 528	387 894	394 629
Total Assets	316 179	494 914	504 165



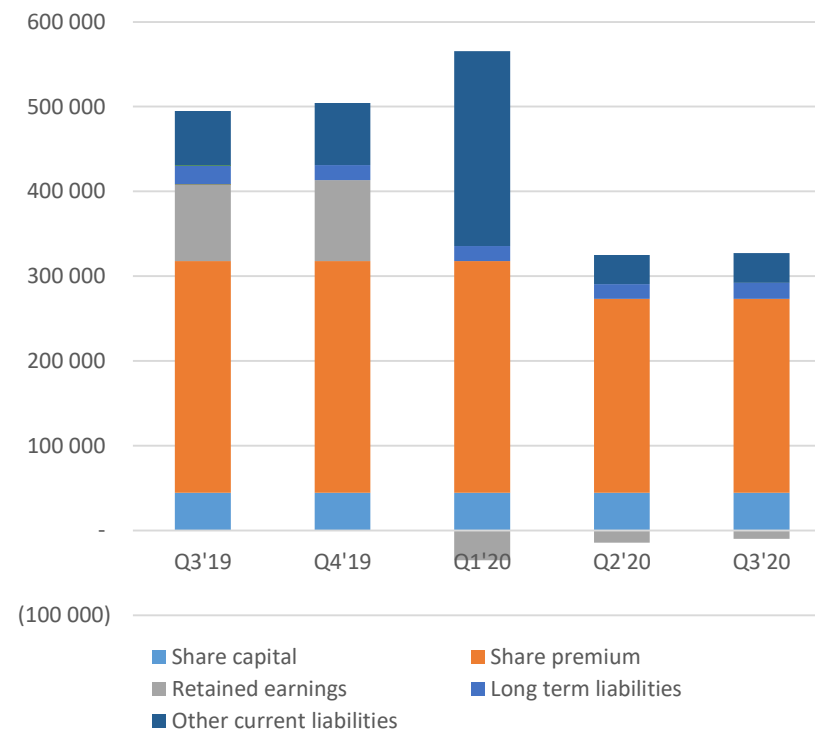
- Deferred tax asset in relation to realized loss for Energy Trading in Q1 2020
- Favourable development in working capital driven by reduction in receivables
- Decrease in cash balance mainly driven by settlement of oil derivative contracts in April, dividend pay-out of MNOK 44.5 in June and payment of first instalment (15%) for MEP in September.

Balance sheet Vistin Pharm

Equity and liabilities

NOK 1000

	30.09.2020	30.09.2019	31.12.2019
EQUITY AND LIABILITIES			
Equity			
Share capital	44 345	44 345	44 345
Share premium	229 056	273 402	273 401
Retained earnings	(9 918)	90 377	95 649
Total equity	263 484	408 124	413 395
Non-current liabilities			
Other non-current liabilities	2 277	2 599	1 222
Pension liabilities	16 309	20 067	16 309
Total non-current liabilities	18 586	22 667	17 531
Current liabilities			
Trade payables	21 306	26 579	23 612
Derivative financial instruments	-	22 100	31 616
Other current liabilities	12 803	15 445	18 011
Total current liabilities	34 109	64 124	73 239
Total liabilities	52 695	86 790	90 770
Total Equity and Liabilities	316 179	494 914	504 165



- Share premium reduced due to dividend pay-out in June
- No interest-bearing debt, MNOK 1.9 in obligations related to lease contracts that are recognized in the balance sheet according to IFRS 16 (MNOK 2.9).
- Strong balance sheet with 83 % equity ratio

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- Metformin market expected to continue to grow by 5-6% annually
 - Diabetes is one of the largest health crises of the 21st century
 - Metformin is expected to maintain its position as the Gold Standard treatment for T2D in the foreseeable future
- Attractive growth potential from existing customer base and expansion into new markets and customer segments
- The Covid-19 situation has been an «eye opener» to both authorities and the industry leading to large pharma looking for lower risk supply chains and «short travelled medicines»
- Vistin is strategically well positioned in the geopolitically stable Europe
- Investment in a significant capacity expansion at the Fikkjebakke plant will fuel future revenue growth
 - Short/Medium term growth of 300-500MT stretch capacity initiatives implemented
 - Investment in +/-3500MT capacity increase approved. First commercial batch from the 2nd production line is expected in Q2 2022



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Top 20 shareholders as of 30 September 2020

NAME	SHAREHOLDING	% SHARE
INTERTRADE SHIPPING AS*	10 926 539	24,64 %
PACTUM AS*	3 446 074	7,77 %
HOLMEN SPESIALFOND	3 250 000	7,33 %
SAGA TANKERS ASA*	2 284 280	5,15 %
MP PENSJON PK	1 752 913	3,95 %
NORDNET LIVSFORSIKRING AS	710 034	1,60 %
AUGUST RINGVOLD AGENTUR AS	672 342	1,52 %
BERIT HELENE DYBDAHL	540 000	1,22 %
STORKLEIVEN AS	520 000	1,17 %
INNOVATION HOLDING AS	500 000	1,13 %
IVAR LØGES STIFTELSE	500 000	1,13 %
MORTEN ARNE FLOOD	500 000	1,13 %
BERGEN KOMMUNALE PENSJONSKASSE	491 000	1,11 %
MIKLA INVEST AS	470 000	1,06 %
TOM RAGNAR PRESTEGÅRD STAAVI	412 500	0,93 %
CORTEX AS	400 000	0,90 %
BORGEN INVESTMENT GROUP NORWAY AS	400 000	0,90 %
LUCELLUM AS	350 000	0,79 %
HENRIK MIDTTUN HAAVIE	339 560	0,77 %
ØYSTEIN STRAY SPETALEN*	323 650	0,73 %
TOTAL 20 LARGEST SHAREHOLDERS	28 788 892	64,9%
OTHER SHAREHOLDERS	15 555 700	35,1%
TOTAL NUMBER OF SHARES	44 344 592	100,0%

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

Thank you for your attention!

