



# Vistin Pharma – Third quarter and YTD 2021 results

Kjell-Erik Nordby (CEO)  
Alexander Karlsen (CFO)

28 October 2021

# Agenda

## Highlights

Operational review

Financial review

Summary

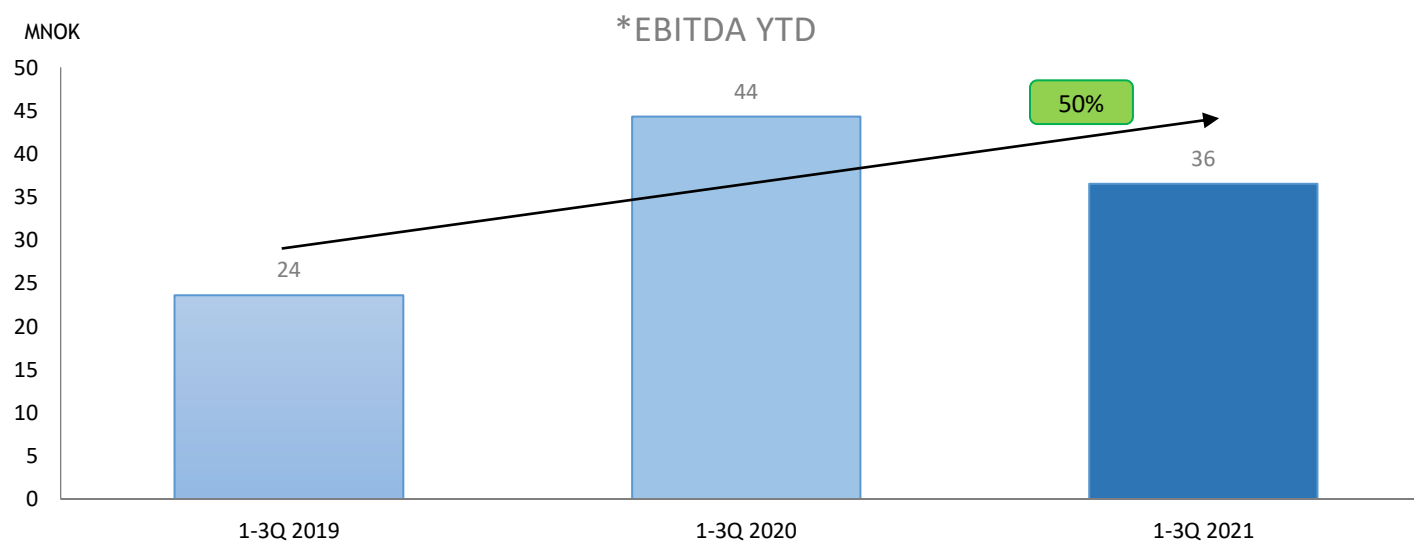
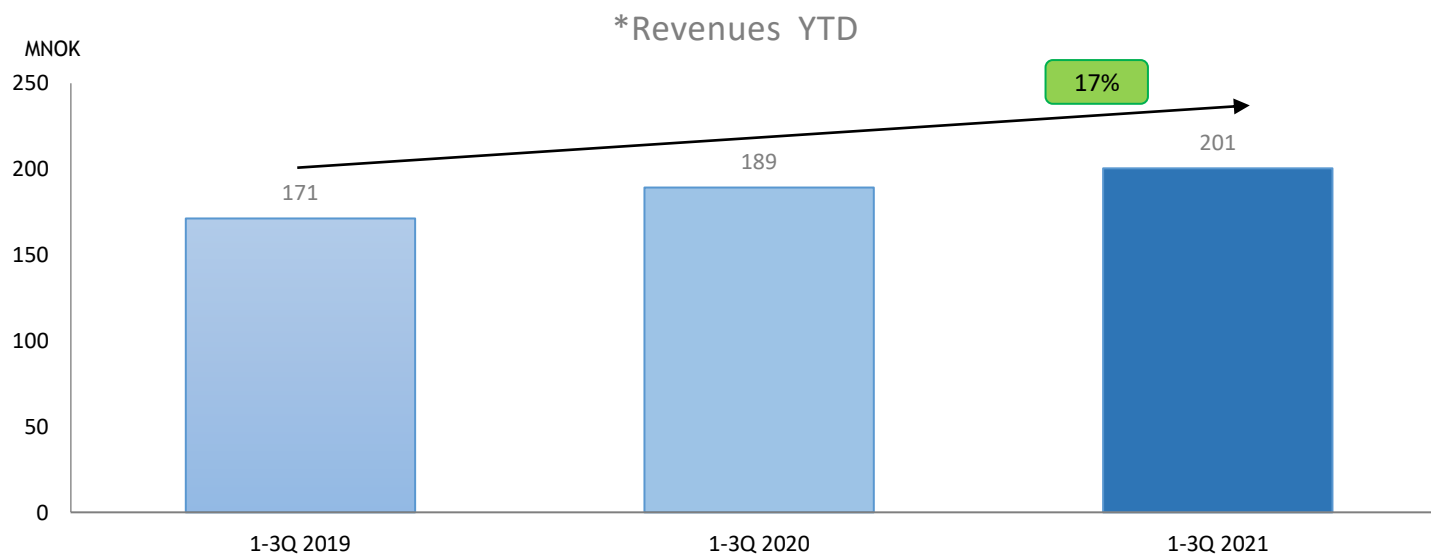
Appendix

# Third quarter 2021 results

---

- **MNOK 63 in revenue vs. MNOK 55 in Q3 2020, a 14% increase**
  - Revenue increase driven by higher sales volume and sales prices, partly offset by a significant stronger NOK vs EUR
  - MNOK 201 in revenue YTD 2021 compared to MNOK 189 YTD last year, a 6% growth despite a strong NOK throughout the year
  - Sales volume YTD up by 6% compared to 2020
- **MNOK 4.6 in EBITDA vs. MNOK 9.5 in Q3 2020, a 52% decrease**
  - EBITDA unfavourably affected by FX, increased raw material costs following the Covid-19 pandemic, record high international freight costs (>600%) and significantly higher electricity prices in the quarter compared to last year
  - EBITDA of MNOK 36.5 YTD 2021 versus MNOK 44.3 YTD 2020
- **On track for an all-time high production volume in 2021**
  - The Fikkjebakke plant has been running at full capacity, except for a 10 days stop due to lack of raw materials (DCDA)
  - Low predictability and significant interruptions in freight lead time from Asia to Europe. Vistin has been pro-actively building security stocks of key raw materials
- **Metformin capacity expansion Project (MEP) is progressing according to time and costs**
  - First commercial batch from the 2<sup>nd</sup> production line expected in Q2 2022
  - Approximately 55% of the investment paid as of end September
- **Other financials**
  - Cash balance of MNOK 52 as of 30 September and no interest-bearing debt

# 2019-2021 Strong revenue and EBITDA development



# Agenda

Highlights

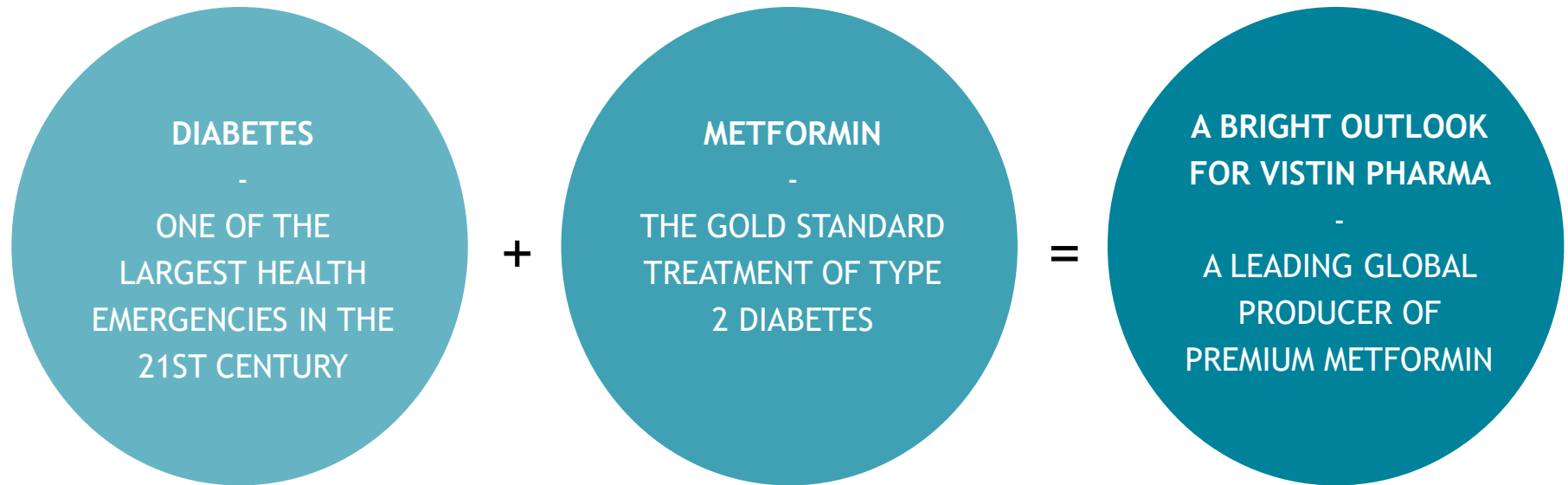
Operational review

Financial review

Summary

Appendix

## 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

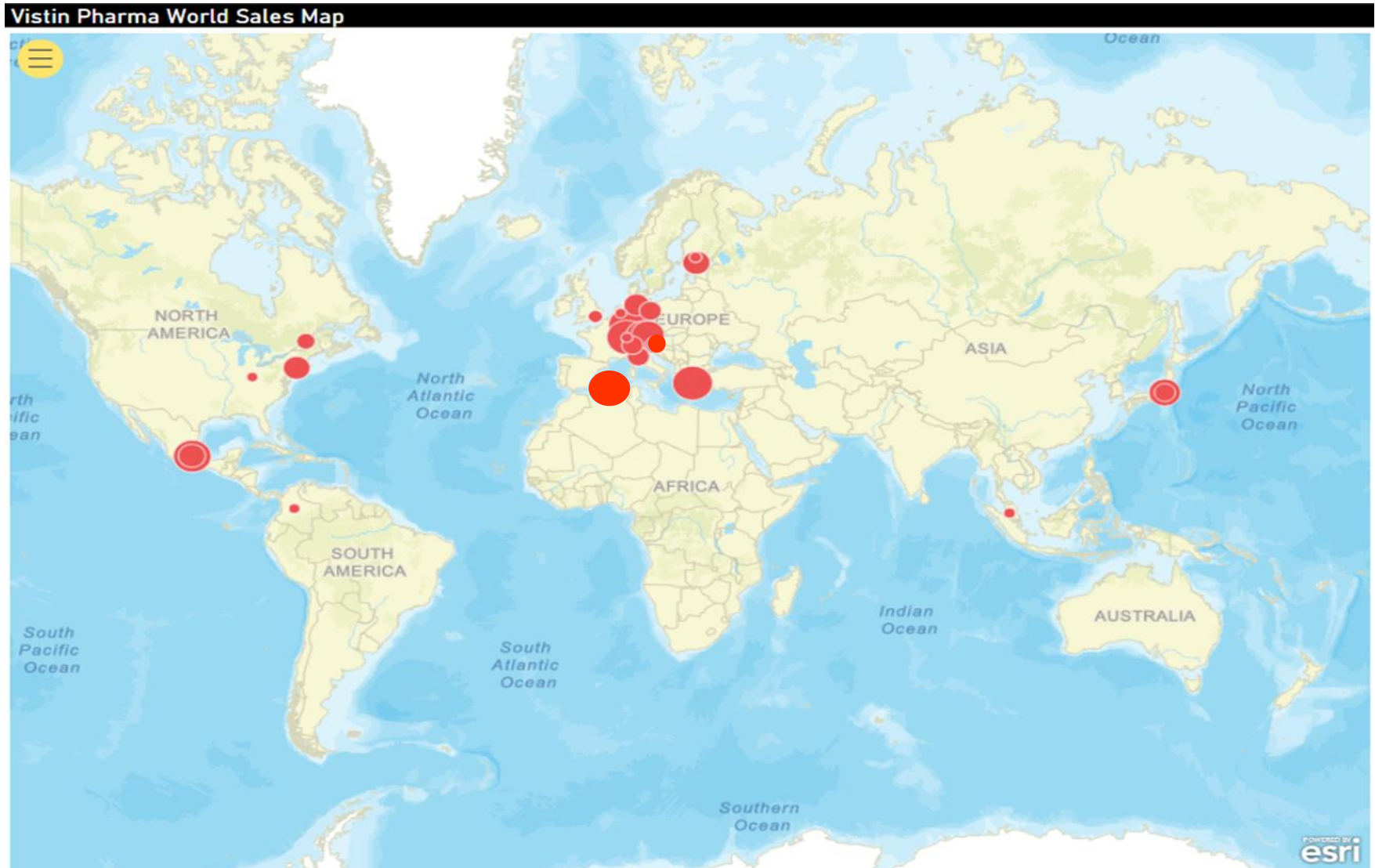
2045 212 million  
2030 197 million  
2019 163 million

↑ 31% increase

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

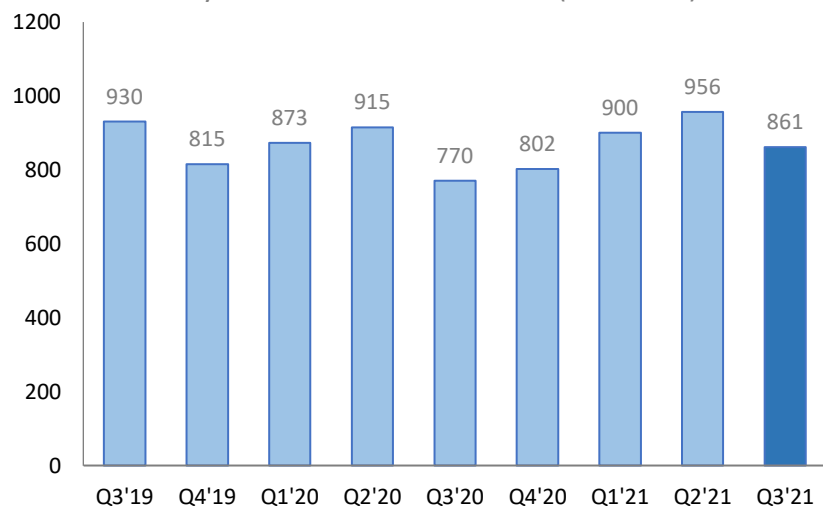


# Vistin Pharma is a metformin player with a world wide sales coverage



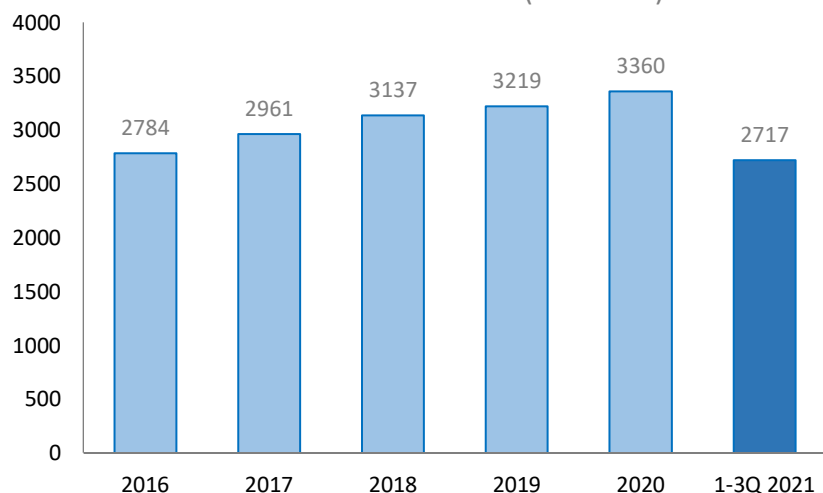
## Record high sales volume YTD compared to 2020 (+6%)

Quarterly sales volume metformin (HCl & DC)

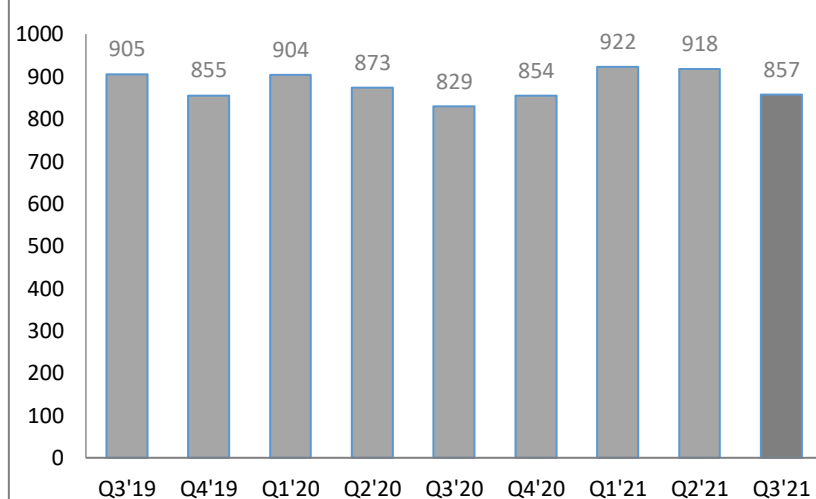


- Sales volume for the third quarter was 861MT, up by 12% vs Q3 2020 (770MT)
- YTD sales volume of 2 717 MT compared to 2 558 MT in 1-3Q of 2020, an increase of 6%
- 3% increase in production volume in quarter compared to similar quarter last year, even with 10 days production stop due to lack of raw materials (DCDA)
- Vistin is taking actions to secure future supply and delivery performance of raw materials from Asia

Annual sales volume metformin (HCl & DC)



Production volume metformin in metric tons



## Corona pandemic status

---

- The Fikkjebakke plant has been running at full capacity throughout the Covid-19 pandemic, except for a short stop in Q3 due to delayed supply of raw material
  - Actions are taken to secure the supply of critical raw materials and to build security stocks
- Lack of available containers in Asia has significantly increased the global freight costs from China and India (across all international businesses and for all goods). The international container freight index is currently approx. 600% higher than last year
- There are no reported corona infected employees in Vistin Pharma as of today
  - The company are strictly following the guideliens from the authorities and have taken active measures to reduce the risk of virus spread in the factory
- The demand in the market for metformin from Vistin is high and is not affected by the corona epidemic
- Vistin is strategically well positioned to benefit from the expected increase in local supply demands following the pandemic

# Agenda

Highlights

Operational review

Financial review

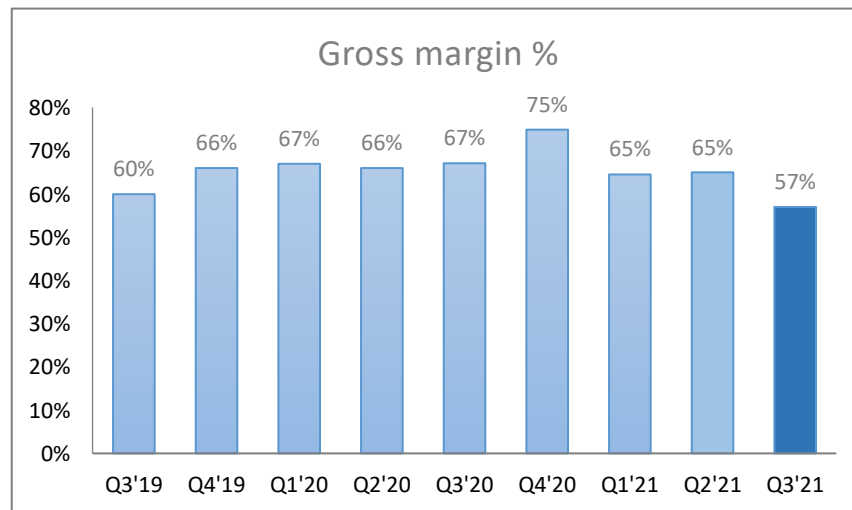
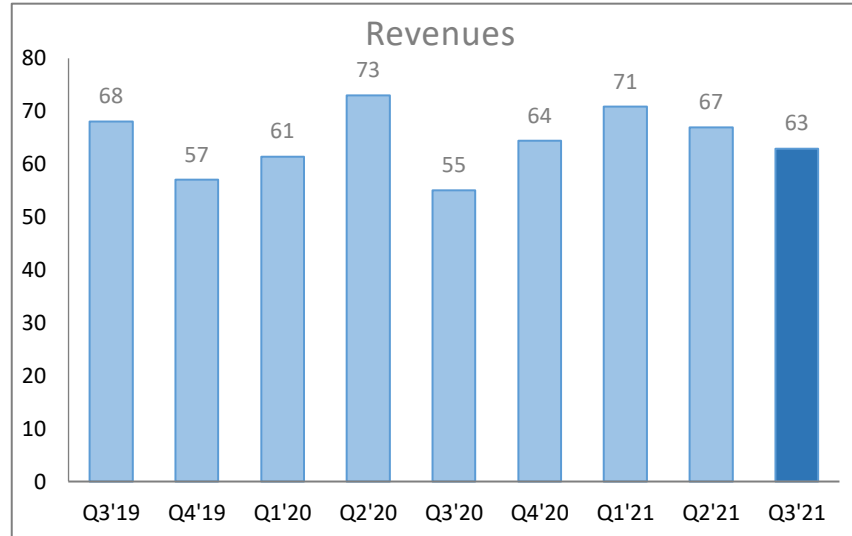
Summary

Appendix

# Key quarterly figures for Vistin Pharma

## Revenue

NOK million



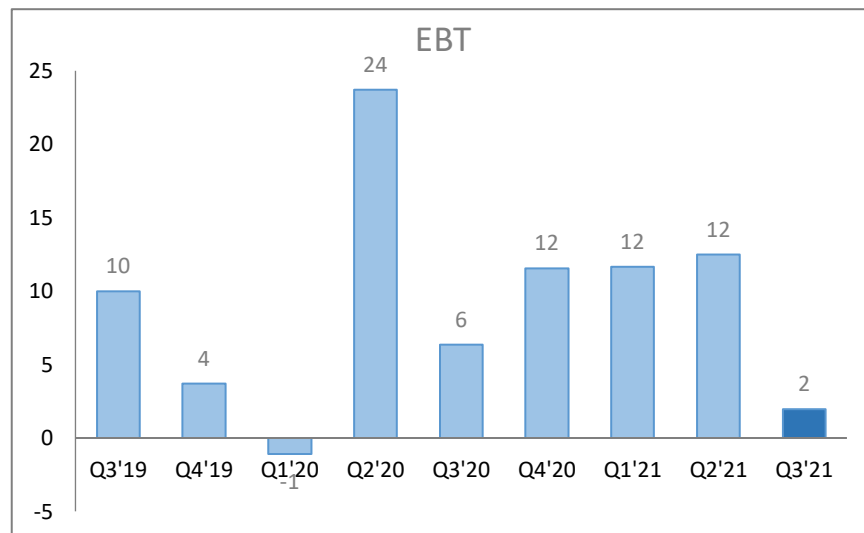
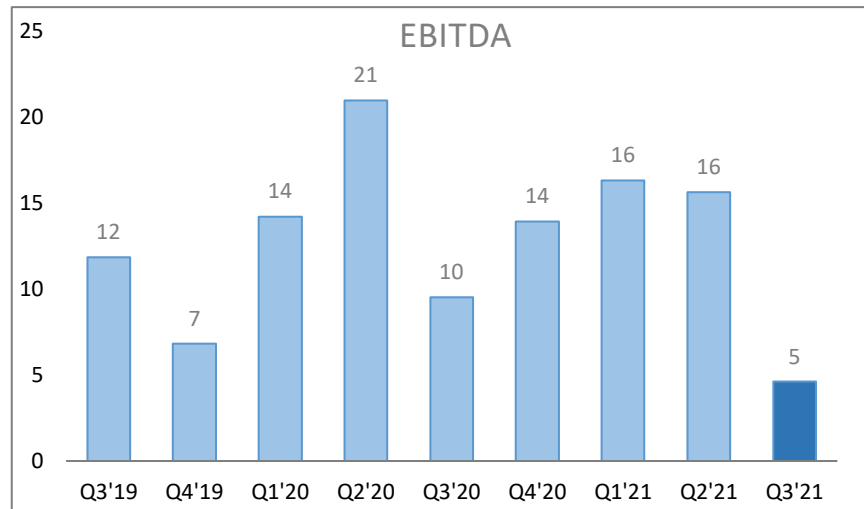
Gross margin include outbound transportation costs

- MNOK 8 and 14% increase in revenue YoY - driven by increased sales volume and increased ASP, partly offset by significantly stronger NOK vs EURO
- Record high inbound transportation cost, higher raw material prices and FX negatively affected gross margin compared to previous year
- Vistin is working closely with its customers to get price compensation for the increased cost of goods.

# Key quarterly figures for Vistin Pharma

## Results (pharmaceuticals)

NOK million



- EBITDA of MNOK 4.6 vs MNOK 9.5 in Q3 2020, a decrease of 52%
- EBITDA negatively affected by significant stronger NOK versus EURO
- Increase in key raw material cost due to general higher demand and increasing global raw material prices
- Record high transportation cost due to lack of containers in Asia and significantly higher raw material demands (Global Freight Index approx. +600% compared to last year)
- Energy costs increase of approx. MNOK 1.5 compared to last year. The prices in the Norwegian energy market has been significantly higher in 2021 compared to last year
- The cost of water to Kragerø municipality has been 20% higher in 2021 compared to 2020
- Depreciation of MNOK 2.4 in the quarter, compared to MNOK 2.3 in Q3'20

# Consolidated income statement

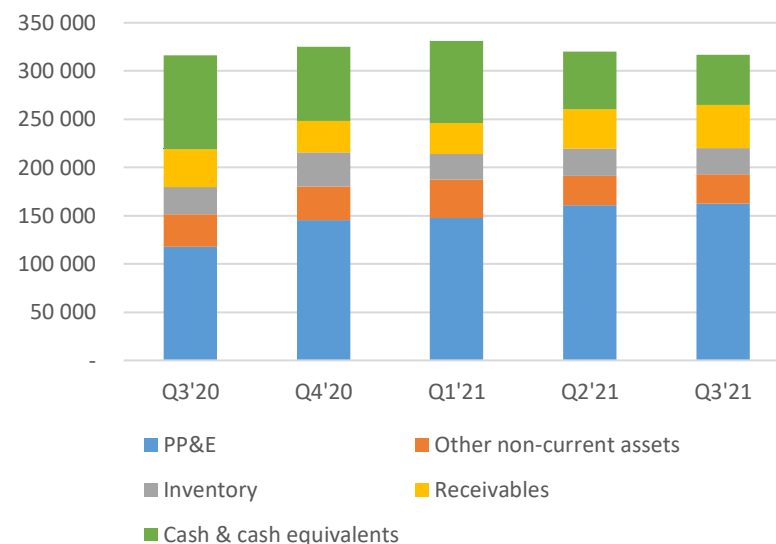
(NOK 1 000)	Q3 2021	Q3 2020	YTD 2021	YTD 2020	FY 2020
<i>Total revenue and income</i>					
Pharmaceuticals	62 854	55 056	200 503	189 484	253 905
Energy Trading	-	-	-	-	-
HQ & other	-	-	-	-	-
Total revenue and income	62 854	55 056	200 503	189 484	253 905
<i>EBITDA</i>					
Pharmaceuticals	4 562	9 527	36 468	44 267	58 189
Energy Trading	-	-	-	(139)	(190)
HQ & other	(798)	(1 120)	(3 935)	(2 158)	(2 822)
EBITDA	3 764	8 407	32 533	41 970	55 177
<i>EBT</i>					
Pharmaceuticals	1 972	6 358	26 514	28 257	39 805
Energy Trading	-	-	-	(162 069)	(162 117)
HQ & other	(758)	(550)	(3 696)	(1 595)	(2 010)
EBT	1 214	5 808	22 817	(135 406)	(124 323)
Depreciation, amortisation and impairment	(2 441)	(2 340)	(8 522)	(7 252)	(9 623)
Net finance income/(expense)	(108)	(259)	(1 194)	(170 074)	(169 827)
Profit/(loss) before tax from continuing operations	1 214	5 808	22 817	(135 356)	(124 273)
Profit/(loss) for the period	947	4 530	17 798	(105 567)	(96 955)

# Balance sheet Vistin Pharm

## Assets

NOK 1000

	30.09.2021	30.09.2020	31.12.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	162 607	117 925	145 261
Deferred tax assets	30 080	33 726	35 128
<b>Total non-current assets</b>	<b>192 687</b>	<b>151 651</b>	<b>180 389</b>
<b>Current assets</b>			
Inventory	27 184	27 970	31 788
Trade receivables	31 637	30 081	30 400
Other receivables	13 075	8 934	2 302
Cash & cash equivalents	52 072	97 543	77 036
<b>Total current assets</b>	<b>123 968</b>	<b>164 528</b>	<b>141 526</b>
<b>Total Assets</b>	<b>316 656</b>	<b>316 179</b>	<b>321 915</b>



- Increase in fixed asset balance driven by MEP
- Deferred tax asset in relation to realized loss for Energy Trading in Q1 2020
- Decrease in cash balance mainly driven by dividend pay-out of MNOK 22.3 in June and approx. MNOK 40 in payments for MEP.

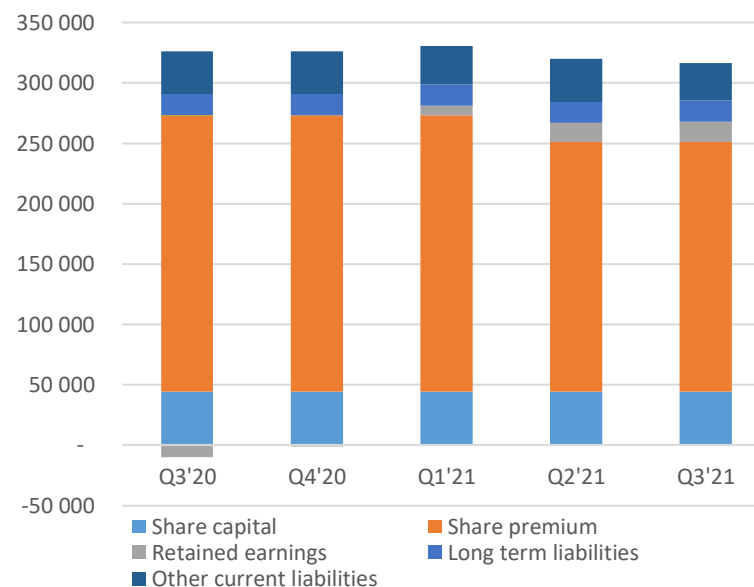


# Balance sheet Vistin Pharm

## Equity and liabilities

NOK 1000

	30.09.2021	30.09.2020	31.12.2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	44 345	44 345	44 345
Share premium	206 885	229 056	229 056
Retained earnings	16 894	(9 918)	(996)
<b>Total equity</b>	<b>268 124</b>	<b>263 484</b>	<b>272 405</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	1 110	2 277	976
Pension liabilities	16 330	16 309	16 330
<b>Total non-current liabilities</b>	<b>17 440</b>	<b>18 586</b>	<b>17 306</b>
<b>Current liabilities</b>			
Trade payables	19 377	21 306	17 893
Other current liabilities	11 714	12 803	14 311
<b>Total current liabilities</b>	<b>31 091</b>	<b>34 109</b>	<b>32 204</b>
<b>Total liabilities</b>	<b>48 531</b>	<b>52 695</b>	<b>49 509</b>
<b>Total Equity and Liabilities</b>	<b>316 655</b>	<b>316 179</b>	<b>321 915</b>



- No interest-bearing debt, MNOK 1.8 in obligations related to lease contracts that are recognized in the balance sheet according to IFRS 16 (MNOK 1.9)
- Share premium reduction due to dividend pay-out in June of approx. MNOK 22
- Strong balance sheet with 85 % equity ratio

# Agenda

Highlights

Operational review

Financial review

Summary

Appendix

## Summary

- Metformin market expected to continue to grow by 5-6% annually
  - Diabetes is one of the largest health crises of the 21<sup>st</sup> century
  - Metformin is expected to maintain its position as the Gold Standard treatment for T2D in the foreseeable future
- Attractive growth potential to be realized when the additional manufacturing capacity is available
- 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 as many European clients prefer supplies with short travel distances
- The project to increase the capacity to +/-7000MT is on track. First commercial batch from the 2<sup>nd</sup> production line is expected in Q2 2022



# Agenda

Highlights

Operational review

Financial review

Summary

Appendix

# Top 20 shareholders as of 30 September 2021

NAME	SHAREHOLDING	% SHARE
INTERTRADE SHIPPING AS*	12 575 000	28,4 %
PACTUM AS*	3 519 733	7,9 %
HOLMEN SPESIALFOND	3 250 000	7,3 %
MP PENSJON PK	1 669 848	3,8 %
FERNCLIFF LISTED DAI AS*	784 280	1,8 %
AUGUST RINGVOLD AGENTUR AS	750 315	1,7 %
STORKLEIVEN AS	721 137	1,6 %
SPAREBANK 1 MARKETS AS	650 000	1,5 %
MIKLA INVEST AS	620 874	1,4 %
IVAR LØGES STIFTELSE	600 000	1,4 %
NORDNET LIVSFORSIKRING AS	591 500	1,3 %
LUCELLUM AS	590 000	1,3 %
TOM RAGNAR PRESTEGÅRD STAAVIE	512 324	1,2 %
WEM INVEST AS	500 000	1,1 %
TIGERSTADEN AS	500 000	1,1 %
SANDEN AS	467 147	1,1 %
CORTEX AS	464 525	1,0 %
HENRIK MIDTTUN HAAVIE	388 085	0,9 %
DELTA AS	370 000	0,8 %
DYVI INVEST AS	355 500	0,8 %
Total 20 largest shareholders	29 880 268	67,4 %
Other shareholders	14 464 324	32,6 %
Total number of shares	44 344 592	100,00 %

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

Thank you for your attention!

