



Vistin Pharma – Second quarter and first half 2021 results

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19 August 2021

Agenda

Highlights

Operational review

Financial review

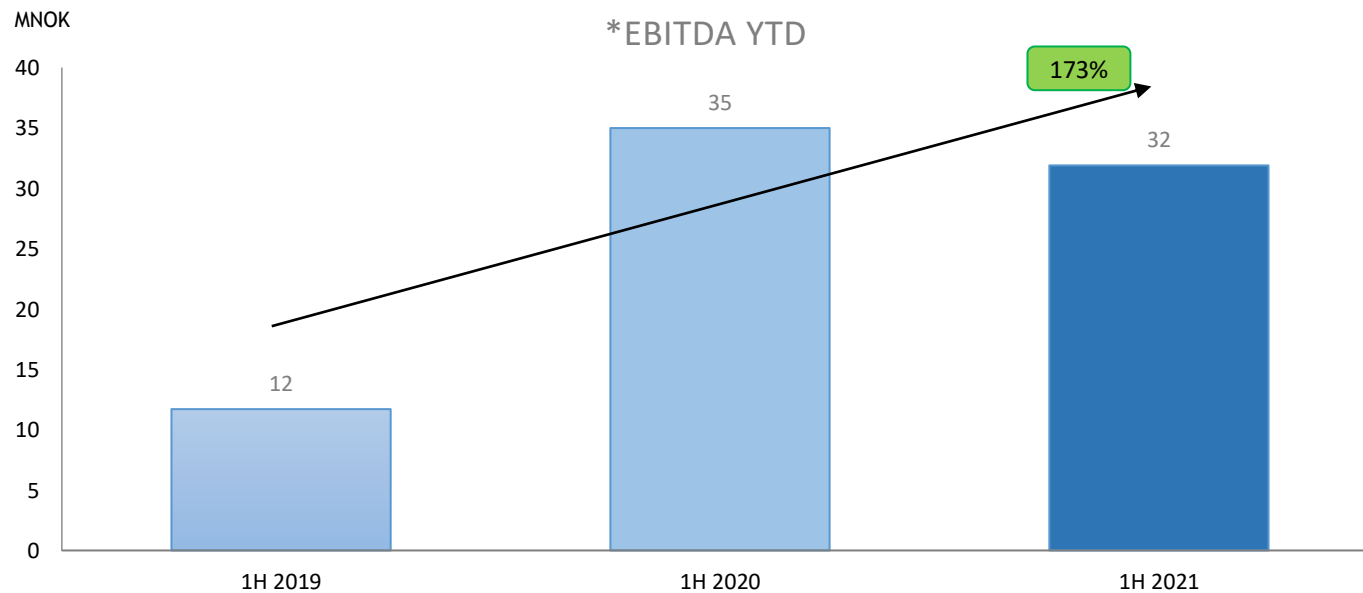
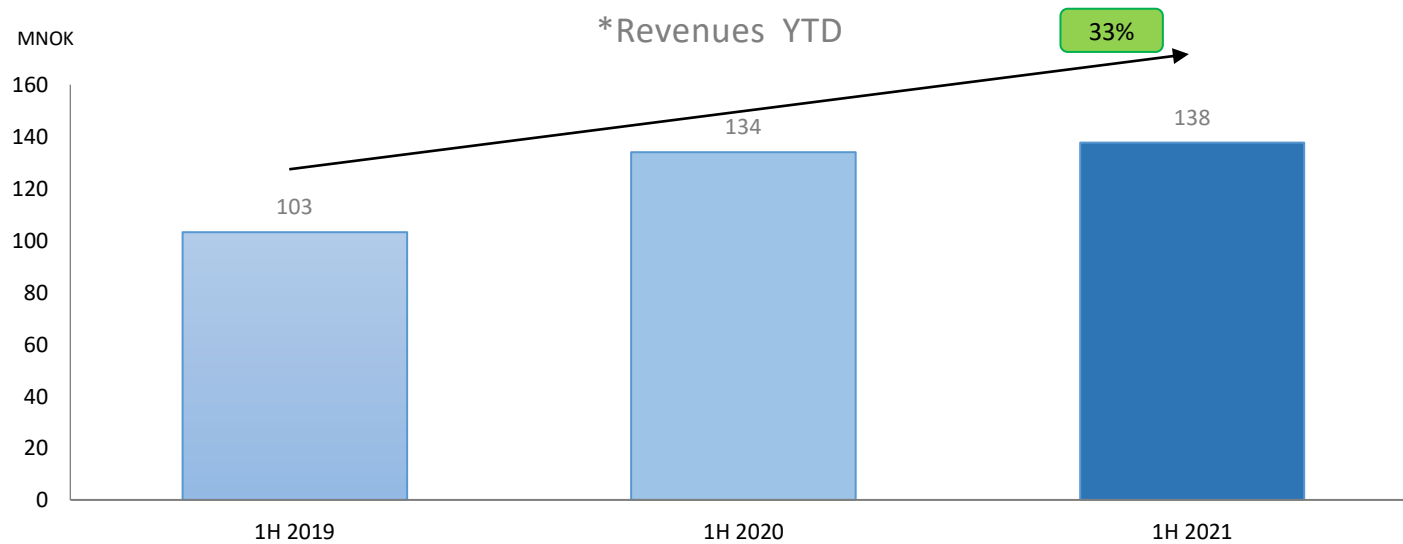
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Second quarter 2021 results

- **Record high sales volume in quarter, however revenue negatively affected by a significantly stronger NOK vs EUR compared to similar quarter last year**
 - MNOK 67 in revenue vs. MNOK 73 in Q2 2020, a 8% decrease
 - MNOK 138 in revenue YTD 2021 compared to MNOK 134 YTD last year, a 2% growth
- **MNOK 15.6 in EBITDA vs. MNOK 20.9 in Q2 2020, a 26% decrease**
 - EBITDA unfavourably affected by FX, record high international freight costs (+500%) due to global constraints following Covid-19 and significantly higher electricity prices in the quarter compared to last year
 - EBITDA of MNOK 31.9 YTD 2021 versus MNOK 35.1 YTD 2020, an 9% decrease
- **All time high production volume in the quarter (adj. for planned maintenance stop)**
 - The Fikkjebakke plant has been running at full capacity
- **Metformin capacity expansion Project (MEP) is on track**
 - First commercial batch from the 2nd production line expected in Q2 2022
 - Approximately 50% of the investment paid as of end June
- **New long term supply agreement with customer signed in August with annual volume expectations of 1000 - 1500 MT**
- **Other financials**
 - Cash balance of MNOK 60 as of 30 June and no interest-bearing debt
 - Dividend of NOK 0.5 per share paid out in June
 - Government grants of MNOK 6 approved in 1H - will be used for productivity increase and ESG projects in coming 18 months

2019-2021 Strong revenue and EBITDA development



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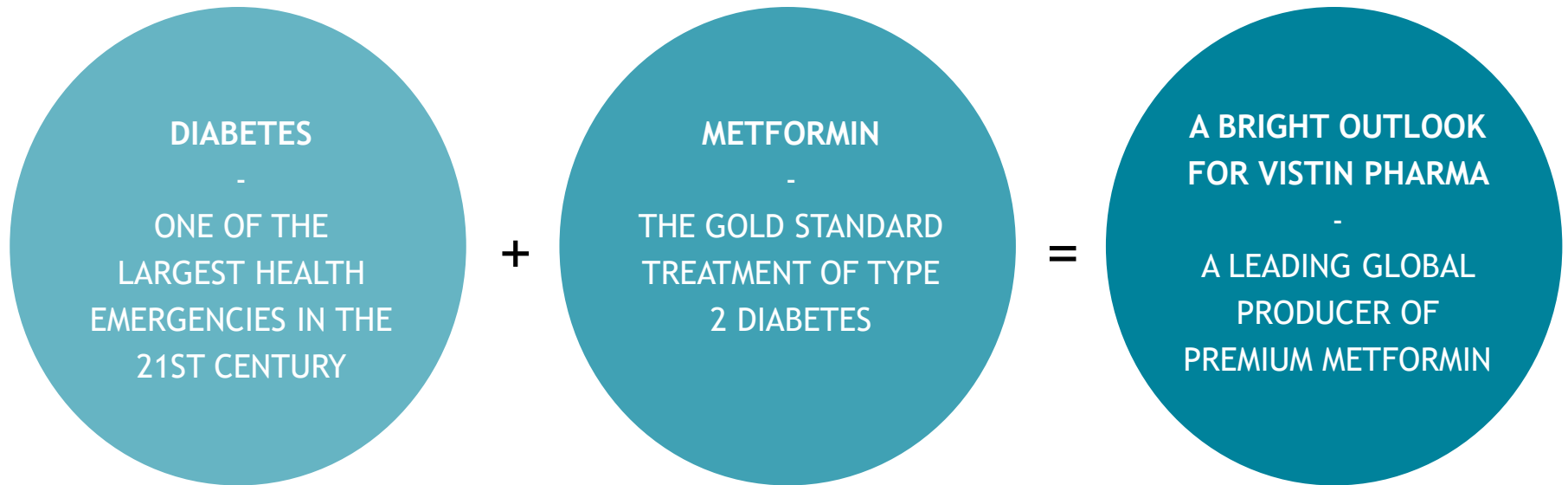
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Vistin Pharma a dedicated metformin producer with a bright outlook



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



- 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



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

Africa



- 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



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

South-East Asia



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

WORLD



Europe



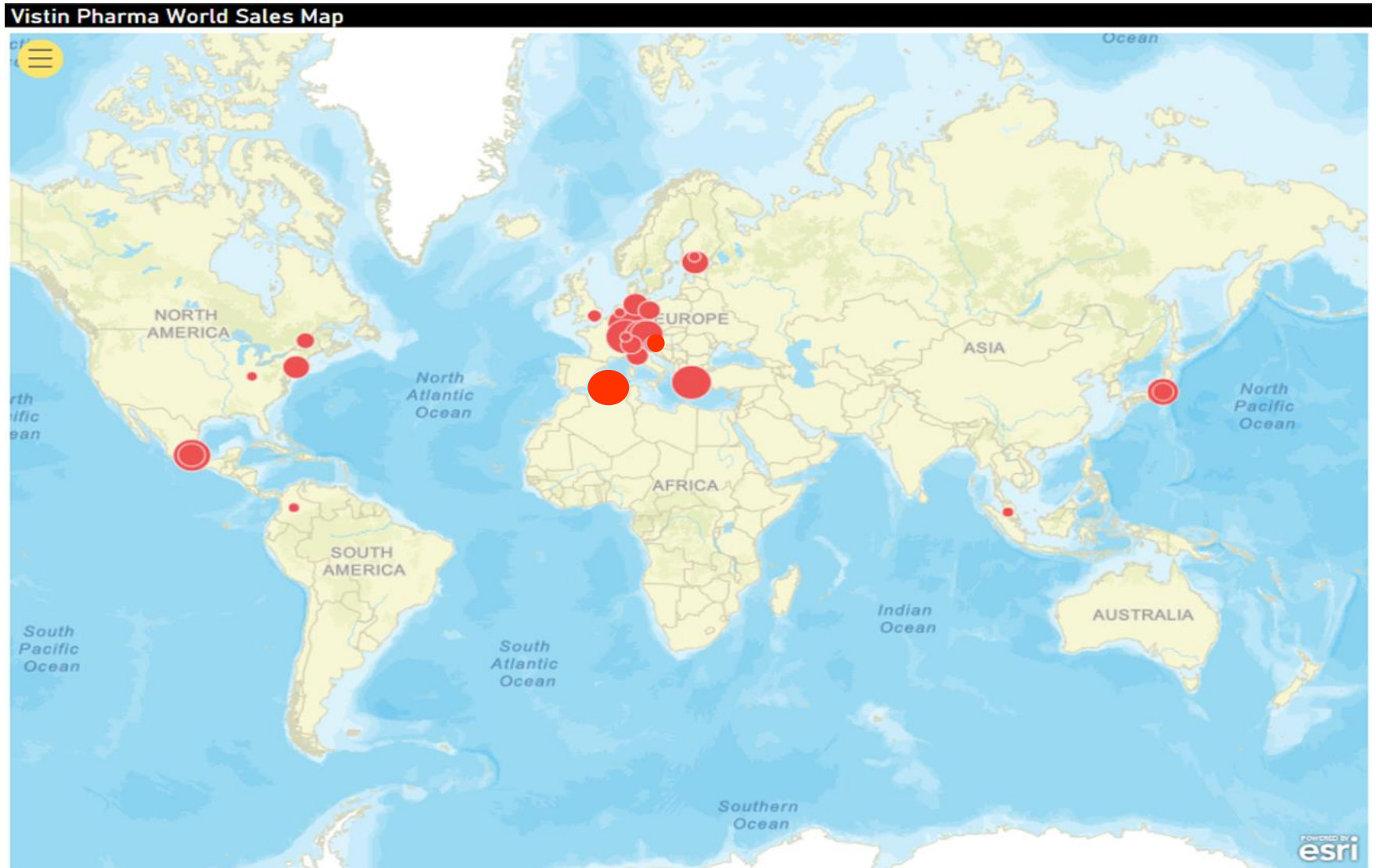
- 1 in 6 live births are affected by hyperglycaemia in pregnancy
- The Region has the highest number of children and adolescents (0–19 years) with type 1 diabetes – 297,000 in total

Western Pacific

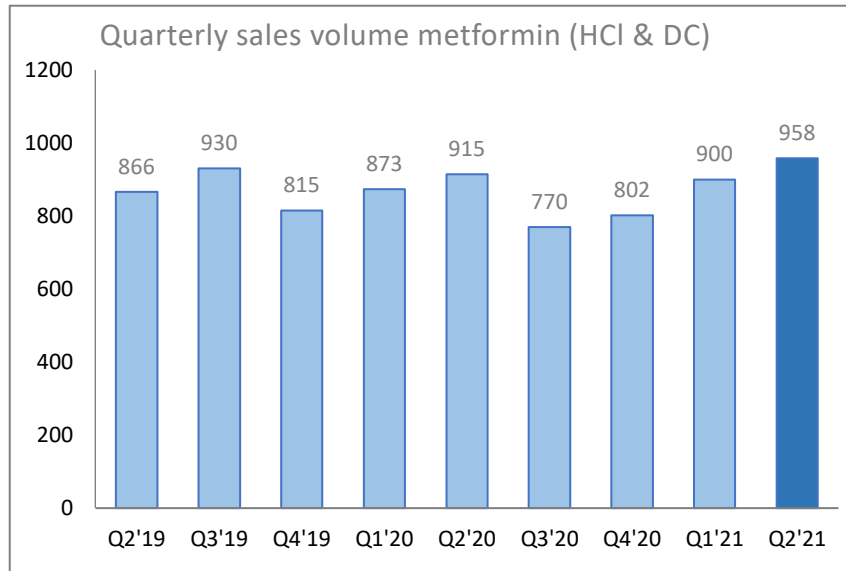


- 1 in 3 adults with diabetes lives in this Region
- 1 in 3 deaths due to diabetes occur in this Region

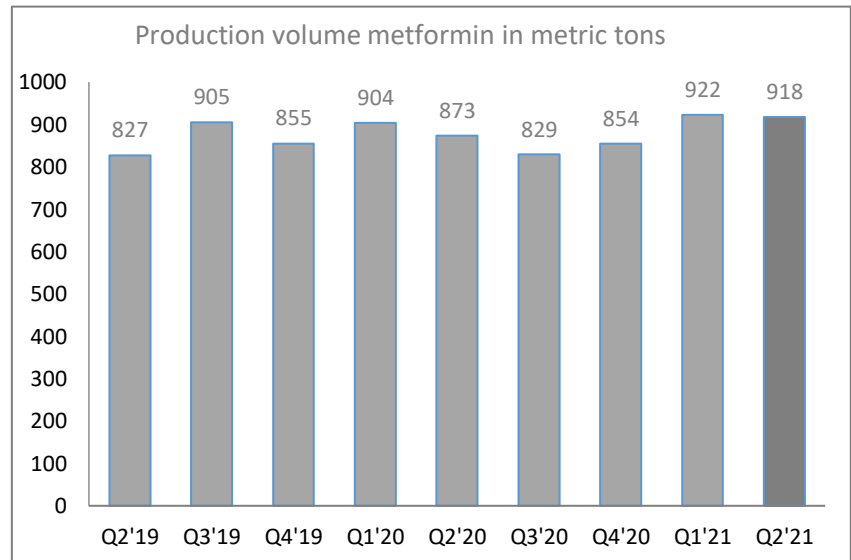
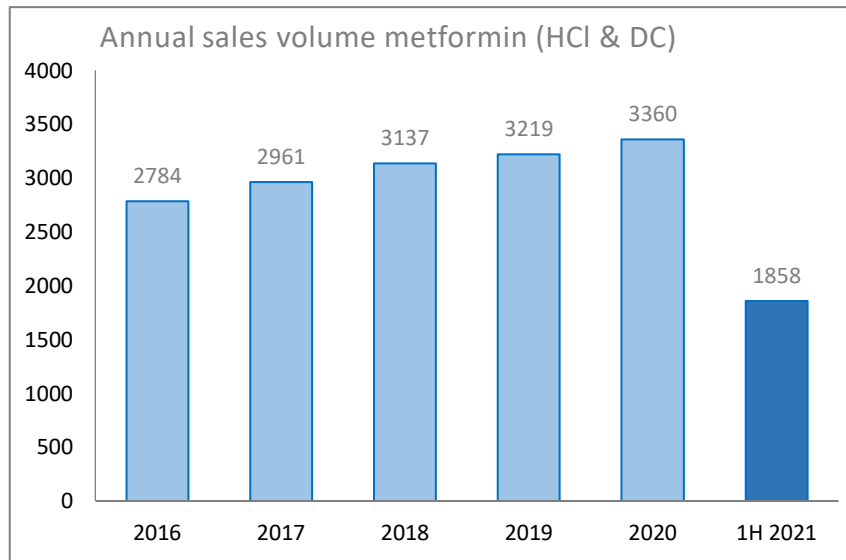
Vistin Pharma is a metformin player with a world wide sales coverage



Record high sales and production volumes in quarter



- Sales volume for the second quarter was 958MT, up by 5% vs Q2 2020 (915MT)
- YTD sales of 1 858 MT compared to 1 788 MT in 1H of 2020, an increase of 4%
- Record high production volume in quarter (918MT), adjusted for 7 days planned maintenance stop in FW15



Corona pandemic status

- The Fikkjebakke plant has been running at full capacity throughout the Covid-19 pandemic
 - Successful actions have been taken to secure the supply of critical raw materials and to build security stocks during the Covid-19 outbreak
- Lack of available containers in Asia has 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 500% 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

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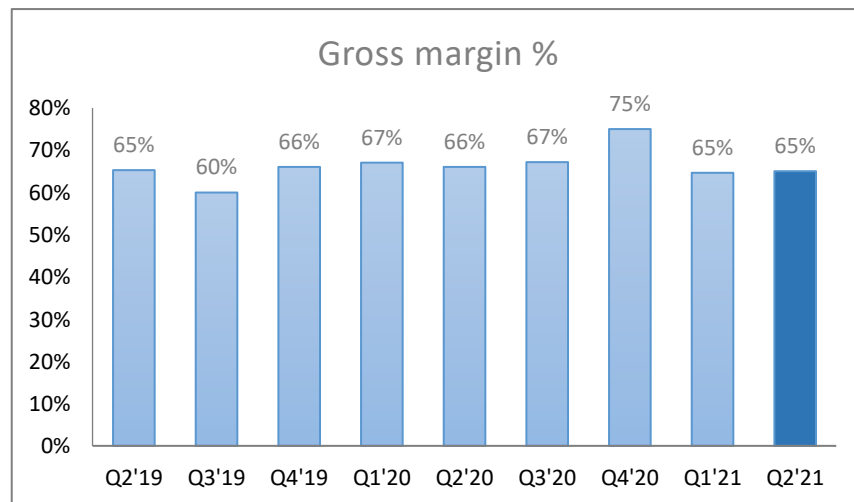
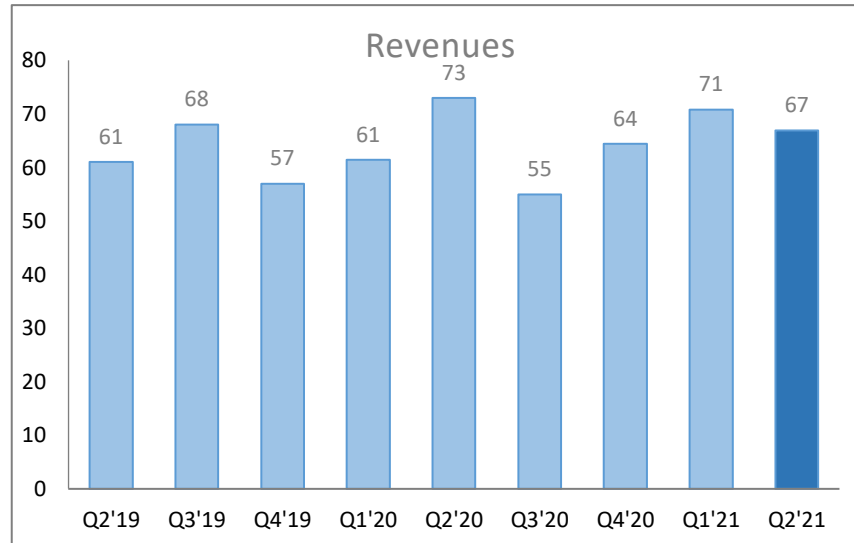
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Key quarterly figures for Vistin Pharma

Revenue

NOK million

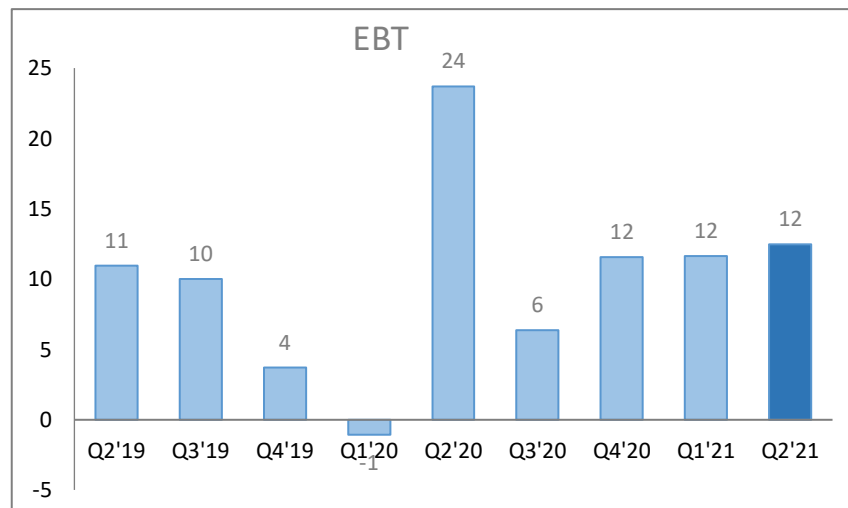
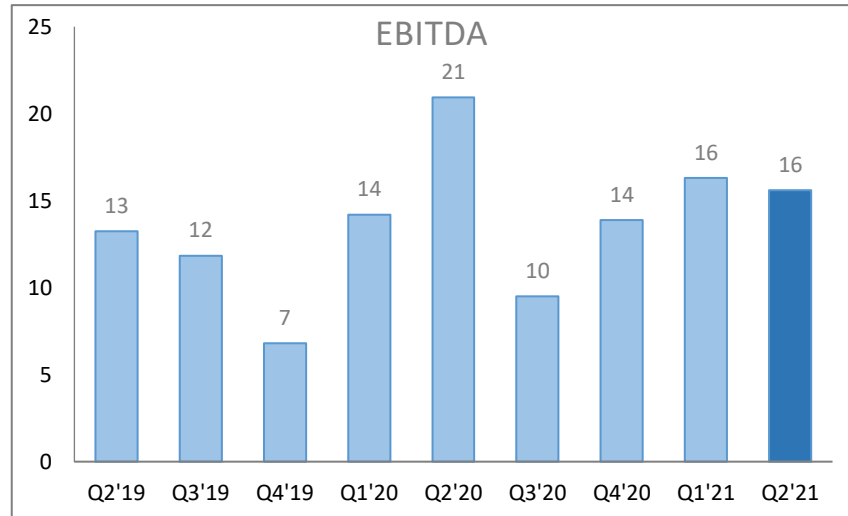


- MNOK 6 and 8% decrease in revenue YoY - driven by significantly stronger NOK vs EURO
- Unfavourable product mix in Q2'21 vs Q2'22 (and Q1'21)
- Record high transportation cost and higher raw material prices negatively affected gross margin compared to previous year

Key quarterly figures for Vistin Pharma

Results (pharmaceuticals)

NOK million



- EBITDA of MNOK 15.6 vs MNOK 20.9 in Q2 2020, a decrease of 26%
- EBITDA negatively affected by significant stronger NOK versus EURO
- Increase in key raw material cost due to general higher demand and increasing raw material costs in the world.
- Record high transportation cost due to lack of containers in Asia (Global Freight Index +500% compared to last year) and a new record was set in June.
- Energy costs increase of approx. MNOK 1 compared to last year due to high electricity prices and increased water fees to Kragerø municipality
- Depreciation of MNOK 3.2 in the quarter, compared to MNOK 2.5 in Q2'20
- EBT in Q2'20 positively affected by reversal of unrealized loss on EUR hedging contracts booked in Q1'20.

Consolidated income statement

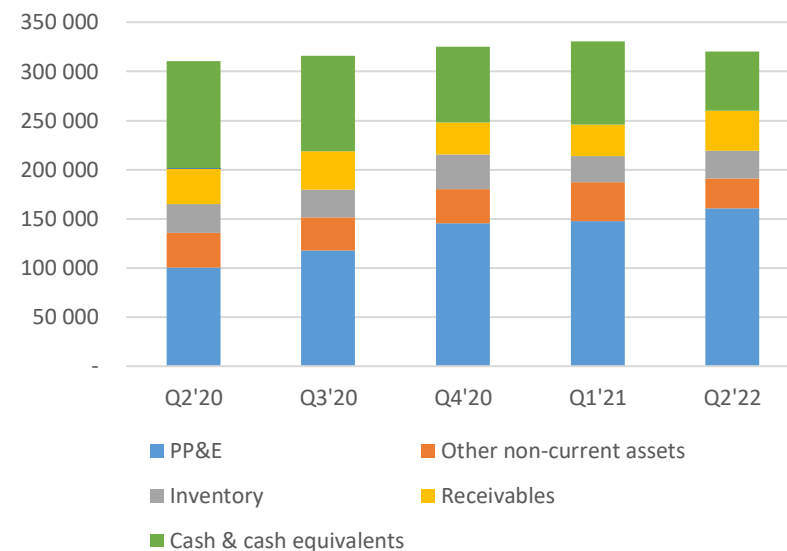
(NOK 1 000)	Q2 2021	Q2 2020	YTD 2021	YTD 2020	FY 2020
<i>Total revenue and income</i>					
Pharmaceuticals	66 847	73 021	137 650	134 428	253 905
Energy Trading	-	-	-	-	-
HQ & other	-	-	-	-	-
Total revenue and income	66 847	73 021	137 650	134 428	253 905
<i>EBITDA</i>					
Pharmaceuticals	15 593	20 903	31 906	35 141	58 189
Energy Trading	-	(213)	-	(139)	(190)
HQ & other	(2 182)	(760)	(3 137)	(1 389)	(2 822)
EBITDA	13 412	19 930	28 769	33 613	55 177
<i>EBT</i>					
Pharmaceuticals	12 465	23 754	24 541	22 666	39 805
Energy Trading	-	3 885	-	(161 905)	(162 117)
HQ & other	(2 127)	(1 082)	(2 938)	(1 925)	(2 010)
EBT	10 338	26 556	21 603	(141 163)	(124 323)
Depreciation, amortisation and impairment	(3 209)	(2 461)	(6 080)	(4 912)	(9 623)
Net finance income/(expense)	136	9 088	(1 086)	(169 815)	(169 827)
Profit/(loss) before tax from continuing operations	10 339	26 556	21 603	(141 163)	(124 273)
Profit/(loss) for the period	8 064	20 714	16 851	(110 097)	(96 955)

Balance sheet Vistin Pharm

Assets

NOK 1000

	30.06.2021	30.06.2020	31.12.2020
ASSETS			
Non-current assets			
Fixed assets	160 642	100 968	145 261
Deferred tax assets	30 347	35 003	35 128
Total non-current assets	190 989	135 971	180 389
Current assets			
Inventory	28 330	29 038	31 788
Trade receivables	34 609	33 587	30 400
Other receivables	6 158	2 801	2 302
Cash & cash equivalents	59 939	109 027	77 036
Total current assets	129 037	174 454	141 526
Total Assets	320 026	310 425	321 915



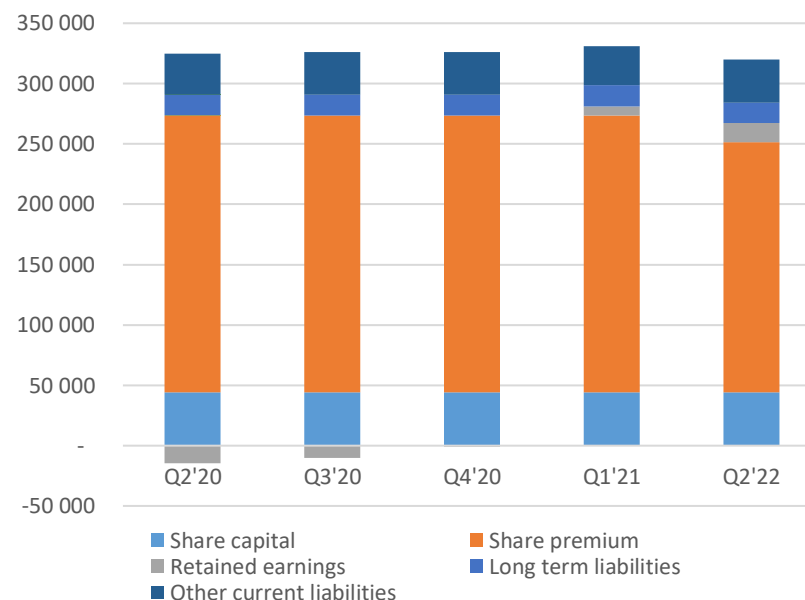
- Increase in fixed asset balance driven by MEP
- Deferred tax asset in relation to realized loss for Energy Trading in Q1 2020
- Decrease in cash balance mainly driven by dividend pay-out of MNOK 22.3 in June and approx. MNOK 50 in payments for MEP.

Balance sheet Vistin Pharm

Equity and liabilities

NOK 1000

	30.06.2021	30.06.2020	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital	44 308	44 345	44 345
Share premium	206 885	229 056	229 056
Retained earnings	15 894	(14 448)	(996)
Total equity	267 086	258 954	272 405
Non-current liabilities			
Other non-current liabilities	1 217	939	976
Pension liabilities	16 330	16 309	16 330
Total non-current liabilities	17 547	17 249	17 306
Current liabilities			
Trade payables	24 849	14 808	17 893
Other current liabilities	10 545	19 415	14 311
Total current liabilities	35 393	34 223	32 204
Total liabilities	52 940	51 471	49 509
Total Equity and Liabilities	320 026	310 425	321 915



- 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 2.1).
- Share premium reduction due to dividend pay-out in June of approx. MNOK 22
- 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 as many European clients prefer supplies with short travel distances
- Investment in a significant capacity expansion at the Fikkjebakke plant will fuel future revenue growth
 - A new parallel production line to increase the capacity to +/-7000MT is under construction. First commercial batch from the 2nd production line is expected in Q2 2022



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Top 20 shareholders as of 30 June 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	1 699 848	3,8 %
TYCOON INDUSTRIER AS*	784 280	1,8 %
AUGUST RINGVOLD AGENTUR AS	750 315	1,7 %
SPAREBANK 1 MARKETS AS	650 000	1,5 %
NORDNET LIVSFORSIKRING AS	646 685	1,5 %
STORKLEIVEN AS	625 000	1,4 %
MIKLA INVEST AS	610 000	1,4 %
IVAR LØGES STIFTELSE	600 000	1,4 %
LUCELLUM AS	525 000	1,2 %
TOM RAGNAR PRESTEGÅRD STAAVIE	512 324	1,2 %
WEM INVEST AS	500 000	1,1 %
TIGERSTADEN AS	500 000	1,1 %
CORTEX AS	464 525	1,0 %
SANDEN AS	426 874	1,0 %
BERIT HELENE DYBDAHL	390 000	0,9 %
HENRIK MIDTTUN HAAVIE	374 508	0,8 %
DYVI INVEST AS	355 500	0,8 %
TOTAL 20 LARGEST SHAREHOLDERS	29 759 592	67,1 %
OTHER SHAREHOLDERS	14 585 000	32,9 %
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!



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