# Q1

## Quarterly result

2025

Vistin Pharma

Published 25 April 2025

# Highlights

- MNOK 115 in revenue vs. MNOK 104 in Q1 2024. Sales volumes up 14% compared to same quarter last year
- Increased operational performance with higher run-rate (units/time) versus Q1’24
- EBITDA of MNOK 30 vs. MNOK 20 in Q1 2024, an increase of 48%. EBITDA positively affected by increased sales volume, product mix and good cost control in the quarter
- Continues focus on cost improvements starting to show effect in quarter
- 1 350MT produced in the first quarter. The reactor on line 1 has been replaced during March according to maintenance plan due to end of its life span
- Without reactor replacement and the idle downtime on line 1, the run-rate equaled ~1 500 MT in the quarter
- Still volatile freight lead times from Asia to Europe of raw materials due to constraints through Suez Canal/Red Sea. However, no impact on production due to safety stock of critical raw materials
- Currently no changes in demand from customers after the US tariff announcements
- Net cash position of MNOK 13 as of March end
- The Board of Directors has proposed for the AGM an ordinary cash dividend of total NOK 1.25 per share, to be paid in June

## First quarter report for 2025

The financial report as per March 2025 has been prepared according to the IFRS (International Financial Reporting Standard) and follows IAS 34 for interim financial reporting, as do the comparable numbers for 2024.

## Financial development

(Comparative numbers for 2024 in parenthesis)

## Revenue

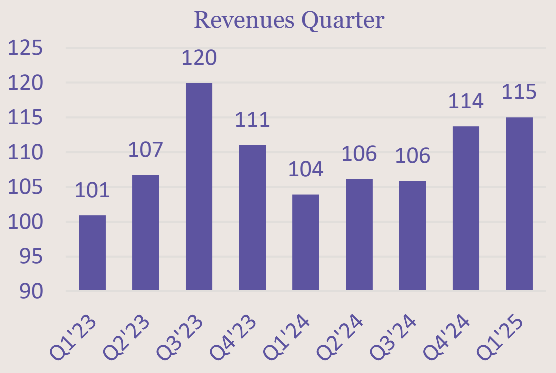
Revenue in the first quarter of MNOK 115 compared to MNOK 103.9 in Q1’24, which is an increase of 11%. The revenue increase was driven by increased sales volume (+14%). Good operational performance has resulted in more volumes available for sale. Sales volume in the same quarter last year was affected by an unplanned stop on line 2.

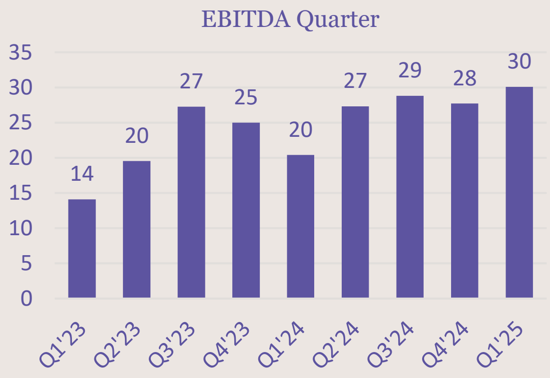
## Cost of goods sold

Cost of goods sold (COGS) in the quarter ended at MNOK 84.8 (MNOK 83.4). Raw material prices have stabilized after declining throughout 2024. Freight costs have moved back to more historical levels after a spike in Q4’24. The decline in cost per produce kg Metformin, compared to same quarter last year, is driven by volume leverage with good operational utilization of both production lines and continues cost optimization. Volume leverage on costs is expected with increasing production volume.

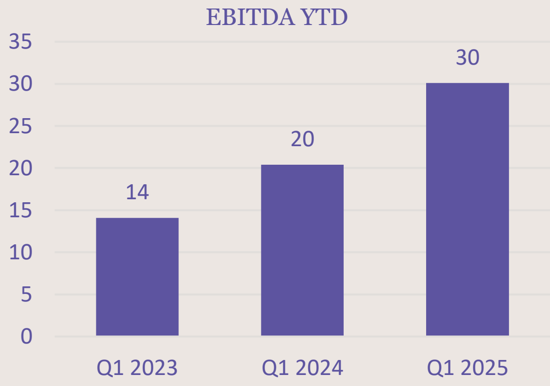
## Earnings

EBITDA ended at record high MNOK 30.2 (MNOK 20.4) for the quarter. EBITDA was positively affected by increased sales volume product mix, in addition to good cost control. EBITDA margin of 26% (20%) in quarter represents good commercial execution in addition to cost control.







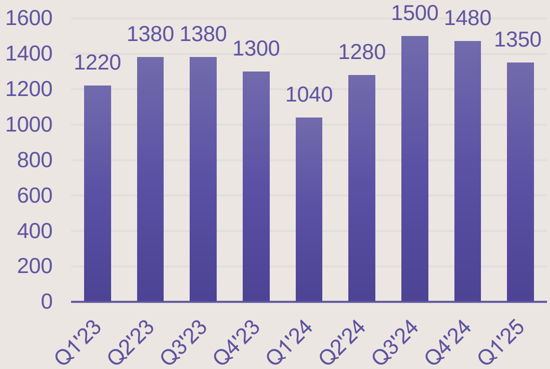



***Figures in MNOK***

## Production

Production output in the first quarter ended at 1 350 MT produced metformin. There was a planned replacement of the reactor on line 1 due to end of its life span, in addition to the bi-annual maintenance stop in March. The output in the quarter is reflecting good operational utilization of both production lines, with a run rate of >1500 MT in the quarter if adjusted for the weeks idle during the reactor replacement.

Production volume metformin in metric tons




## Financial items

Net finance ended positive with MNOK 2.5 for the first quarter of 2025, compared to negative with MNOK 5.9 in same quarter of 2024. Finance income and loss is generally related to realized and unrealized losses from customers receivables, currency hedging contracts in EUR and interest expense from credit overdraft. Net finance income in Q1 2025 was mainly related to unrealized gain of MNOK ~4 on FX hedging contracts. The unrealized gain in Q1 is driven by future EUR FX hedging contracts for 2025 and 2026.

## Cash flow

Q1'25 net cash flow from operating activities was positive with MNOK 5.5. Operational cash flow affected by working capital increase due to higher inventory (increased safety stock) and receivables (higher sales). Net cash flow from operating activities in the same period of 2024 was positive with MNOK 10.6.

Net cash flow from investing activities in Q1'25 was negative with MNOK 5. This is constituted by capital expenditure and leasing repayments. Net cash flow from investing activities in the same period last year was negative with MNOK 22.7 also representing capital expenditure and leasing repayments in addition to the acquisition of 15% in CF Pharma.

Net cash flow from financing activities in Q1'25 was negative with MNOK 0.6. Net cash flow from financing activities in Q1'24 was negative with MNOK 2.7, driven by dividend payment of MNOK 33.3, partly offset by utilizing the bank overdraft.

Net change in cash and cash equivalents in the first quarter of 2025 was negative with MNOK 0.1. In the same period last year, there was a net decrease in cash equivalents of MNOK 14.8.

# Balance sheet

## Assets

Vistin Pharma had total assets of MNOK 411.5 as of 31 March 2025 (MNOK 400.4). The company has fully utilized the deferred tax asset by 2024 end (MNOK 12.5).

## Equity

Equity by the end of March was MNOK 331.2 (MNOK 297.2). This equals an equity ratio of 80%.

## Liabilities

The Company had no net interest-bearing debt as of end March 2025. Net cash position was MNOK 12.7 compared to net cash of MNOK 11.4 as of end March 2024. MNOK 2 (MNOK 3) in obligations related to lease contracts are recognized in the balance sheet according to IFRS 16.

# Operational status

## Market

Diabetes is one of the most serious diseases of this century. The number of diabetes II patients are by WHO expected to grow from approximately 500 million today to > 780 million in approximately 20 years. About 10% of the world's population in the age group between 25 – 70 years are suffering from diabetes. The global demand for Metformin is expected to grow from 58.000MT today to 98.000MT annually by 2029.

Metformin is the standard first-line treatment of Type 2 Diabetes, which represents around 90% of the global diabetes cases. Vistin Pharma's key customers are leading pharmaceutical companies that use our API into innovative and generic metformin drug products to the end market. The product demand will therefore be dependent on the performance of these products in the market. Key drivers for future growth are the number of diabetes patients diagnosed and treated with metformin-containing products, continued growth in sales volume from existing international customers, as well as adding new customers to Vistin's portfolio. The company is currently experiencing good demand for its products.

## Strategy

Vistin's strategy is to build a >7000 MT Metformin business through world class operations and strategic customer partnerships to maintain and grow the market share. Further to make our manufacturing site the most technology advanced and environmentally sustainable state of the art Metformin plant in the world.

Vistin has positioned itself as a premium supplier in the highly competitive metformin market, and to become a front runner on sustainability by continuous focus and innovations on reduction of emissions and waste production. Vistin is one out of two European Metformin manufacturer, and the only one with a dedicated facility.

Vistin Pharma's long-term vision is to have no negative impact on environment, people and local community by the Company's presence. Vistin Pharma are proud of the sustainability achievements, the track record of deliverables and ongoing ESG focus and investments to further reduce the Company's carbon footprint. Vistin Pharma's customers are to a growing extent also requesting and expecting their suppliers to support the shift towards a sustainable future, and Vistin is strategically well positioned to fulfil these needs being situated in Norway with renewable hydropower and stable environmental focus.

Vistin Pharma believes that the quality of its Metformin products, its advanced, fully automated production facility, continuous focus on and investment in sustainable operations, and its service and delivery performance, are competitive advantages and drivers for increased sales and future growth

After installation of the new second production line (MEP) in Q1 2022, the company has been focusing on ramping up volume from the two production lines. A significant part of the company's resources is involved in optimizing output and building efficient and robust processes to achieve up to 7000MT of annual Metformin HCl output, and sales volume accordingly.

Higher manufacturing and sales volumes going forward are expected to increase working capital requirements, however this will fluctuate from quarter to quarter. In addition, Vistin's further growth ambitions will require some additional CAPEX to support the growth, increased productivity and sustainability. Vistin has a strategy of keeping additional safety stock of critical raw materials, to secure future supply and support the ramp-up plan. Such safety stock is planned to mitigate potential uncertainties or delays around delivery lead times of raw material from Asia and/or any negative effects from the ongoing war in Ukraine.

When it comes to market share our Metformin strategy is to grow with our existing and new customers, fulfilling their demands and gradually utilize all available production capacity by increasing our market share via active sales Business to Business.

## Competitive drugs

New diabetes drugs will always enter the market being effective in different ways. This was the case with the DDP4 combination products and the SGLT2 revolution in past years, and now also with the GLP-1 diabetes type 2 treatment with weight reducing effect. However, Metformin is used as baseline treatment and the combination drugs are typically added on top of Metformin. Because Metformin is a safe, efficacious drug product with a monthly treatment cost of 4-5 USD, it is an easy treatment choice for the prescribing doctors.

## Research and Development (R&D)

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

## Strategic intent

Vistin Pharma also has a strategic intent to become a European multiproduct Contract Development and Manufacturing Organization (CDMO) as part of the growth strategy. Other alternative ways to grow the business is also possible, and Vistin has an opportunistic approach in this context.

Vistin Pharma owns 15% of CF Pharma. CF Pharma is an API CDMO located in Budapest, Hungary and has an extensive production site in Budapest, with an experienced R&D department for development of new products and processes. The company has a proven track record in developing and commercializing Active Pharmaceutical Ingredients (APIs).

# World Health Organization:

Diabetes is a chronic, metabolic disease characterized by elevated levels of blood glucose (or blood sugar), which leads over time to serious damage to the heart, blood vessels, eyes, kidneys and nerves. The most common is type 2 diabetes, usually in adults, which occurs when the body becomes resistant to insulin or doesn't make enough insulin. In the past 3 decades the prevalence of type 2 diabetes has risen dramatically in countries of all income levels. For people living with diabetes, access to affordable treatment is critical to their survival

Source: Diabetes (who.int)

# Vistin Pharma:

Metformin is the 1st-line treatment for type 2 diabetes and is expected to continue to be so in the foreseeable future, due to the cost-efficient treatment with limited side effects and long-term safety profile. Today Vistin Contributes to deliver Metformin diabetes type 2 medication to millions of patients every day.

# Vistin Pharma's 8 goals for achieving increased sustainability.

1. 80% recycling of process water.
2. 95% less VOC to air in 2025 vs 2020.
3. Carbon neutral on Scope 1 and Scope 2 by 2030.
4. Reduce scope 3 emissions by selective procurement towards lower carbon footprint.
5. Reduce pharmaceutical content in waste.
6. No increase in discharge to sea from doubled manufacturing capacity. Innovative process design in expansion project.
7. Ensure control of effluents to sea, by continues program for monitoring.
8. Reduction of plant energy consumption.

We believe in balance in life. We want to grow our business, but not at the expense of the environment, people's wellbeing, or sound business principles.

## Balance by Vistin Pharma

Balance by Vistin is established to increase focus on sustainability and create more impact with our initiatives. The sustainability program will structure our efforts and make sure that we work holistically in our company and with our suppliers, partners and customers.

# Key Figures in 2024

| | | |
|---|---|---|
| 90% recycling grade in the plant | 80% less water consumption by recycling | 95% reduction in VOC |
| ~0% effluent to the fjord of Metfomin API | 0,011 kg CO2e/kg API Scope 1 | 0,001 kg CO2e/kg API Scope 2 |
| 100% renewable hydropower usage | | |

## 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 Board of Directors have the overall responsibility for aligning Vistin's strategy and sustainability considerations, while the day-to-day responsibility lies with the CEO, supported by the Leadership Team. The statement of corporate social responsibility required under the Norwegian Accounting Act was published in June on the Company's website.

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. Vistin Pharma is a socially responsible company dedicated to promoting decent working and environmental conditions in the supply chains. 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 Company has developed a 'NO HARM VISION'.

## Risks and uncertainties

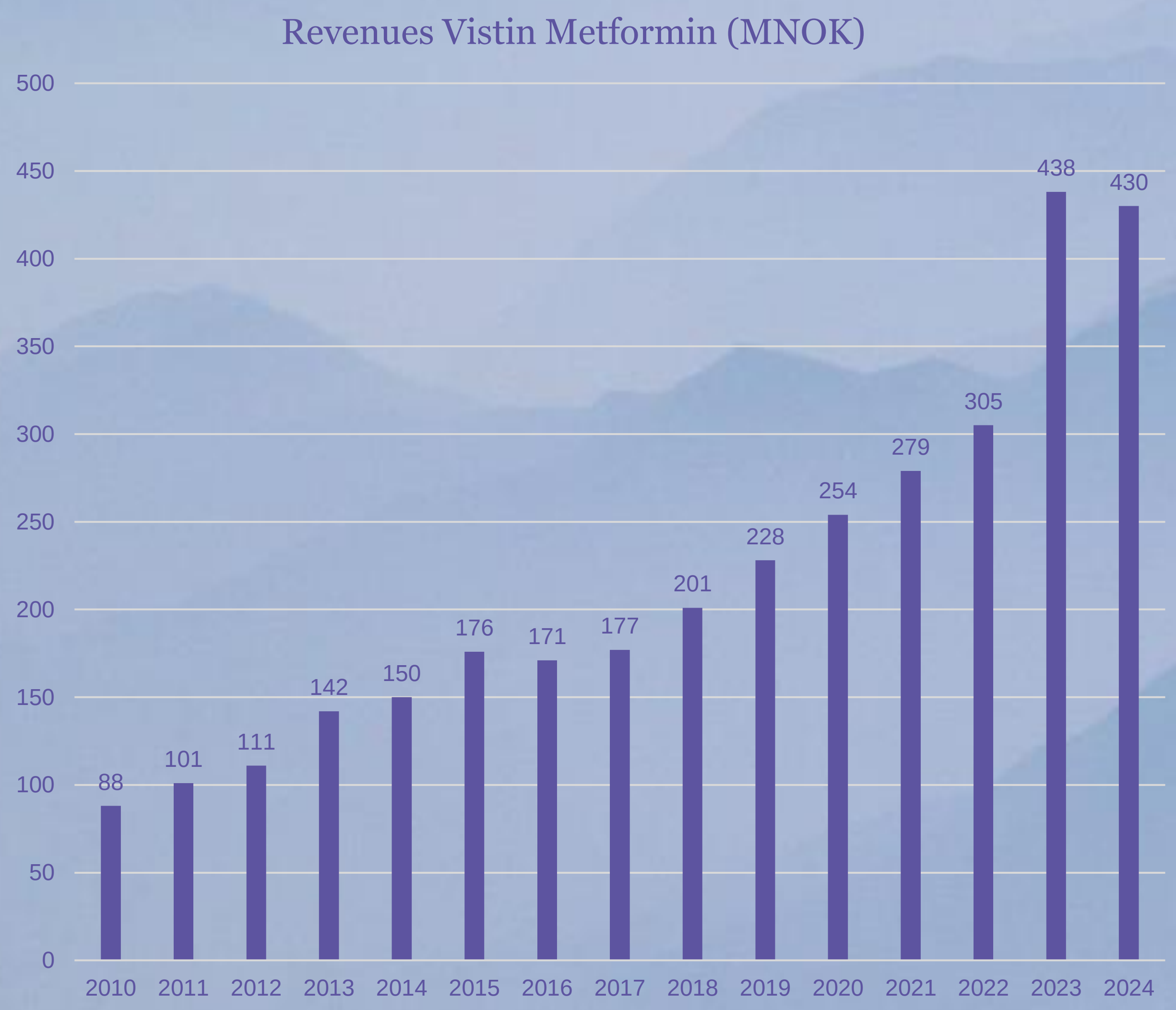
As a pharmaceutical manufacturing company, Vistin Pharma is exposed to several types of risk. Fluctuations in the price and availability of raw materials and the development in foreign exchange (USD and EUR) are among the most prominent. Majority of the sales are done in EUR, while all primary raw material 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.

## General market outlook

Diabetes is one of the largest global health crises of the 21st century, and the demand for Metformin medication is expected to continue to grow by 4-6% annually, as it remains the gold-standard baseline treatment for type 2 diabetes. The demand for Metformin in the market has not been affected by the corona epidemic or the current situation in Ukraine. The vulnerability for drug supplies during both the corona epidemic and the Ukraine situation has been an eye opener for the authorities, and the need for near shoring seems only to increase. Vistin is strategically well positioned to benefit from the expected stronger demand for local supplies from Europe going forward.

GLP-1 agonists have recently become quite popular in high income countries to treat obesity and diabetes type 2. It is quite common to use for example the GLP-1 agonist Semaglutide in combination with metformin for managing type 2 diabetes. This combination is often prescribed because the two medications complement each other in controlling blood sugar levels. Semaglutide helps by stimulating insulin secretion, suppressing glucagon release, slowing digestion, and reducing liver glucose production. Metformin primarily works by decreasing glucose production in the liver and improving insulin sensitivity.

# Long and successful growth track record



## Shareholder information

The Company had 44 344 592 issued shares as of 30 March 2025. The five largest shareholders were Intertrade Shipping AS with 12,575,000 shares, Holmen Spesialfond with 4,200 379 shares, Pactum Vekst AS with 2,991,773 shares, MP Pensjon PK with 1,719,848 shares, and Ferncliff Listed DAI AS with 1,234,280 shares.

The share price has moved from NOK 23.70 per share at 31 of December 2024, to NOK 25.40 as of 31 March 2025.

## Basis of presentation

This financial information should be read together with the financial statements for the year ended 31 December 2024, prepared in accordance with International Financial Reporting Standards ("IFRS"). The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Additional disclosures supplementing the financial statements are included in this report on pages 2–5. The figures are unaudited.

## Dividend policy

The company has an ambition to pay out 50 percent of net annual profit as dividend. However, the size of the dividend will be dependent on the company's' financial capability and capital requirements for future growth.

The Board of Directors has proposed for the AGM, in May 2025, an ordinary cash dividend of total NOK 1.25 per share, to be paid on or about 12th of June.

## Events after the reporting date

There have not been events after the reporting date that affect the Company's financials.

# Condensed financial statement (P&L)

| | Q1 2025 | Q1 2024 | FY 2024 |
|---|---|---|---|
| All numbers in NOK 1000 | | | |
| Total revenue and income | **115 037** | **103 884** | **429 503** |
| | | | |
| Cost of materials | 40 712 | 44 064 | 149 969 |
| Salary and social expenses | 23 066 | 21 328 | 94 224 |
| Other operating expenses | 21 044 | 18 050 | 80 985 |
| Total operating expenses | 84 822 | 83 443 | 325 178 |
| | | | |
| **Operating result before depr. (EBITDA)** | **30 214** | **20 441** | **104 325** |
| *Operating result before depr. %* | *26,3 %* | *19,7 %* | *24,3 %* |
| | | | |
| Depreciation | 4 871 | 4 682 | 19 029 |
| | | | |
| **Operating result** | **25 344** | **15 759** | **85 296** |
| *Operating result in %* | *22,0 %* | *15,2 %* | *19,9 %* |
| | | | |
| Financial income | 7 084 | 1 647 | 9 715 |
| Financial expenses | 4 611 | 7 590 | 14 557 |
| **Net finance** | **2 473** | **-5 943** | **-4 843** |
| | | | |
| **Pre-tax profit** | **27 817** | **9 816** | **80 453** |
| | | | |
| Tax | 6 120 | 2 159 | 17 704 |
| | | | |
| **Result** | **21 697** | **7 656** | **62 749** |

| **Comprehensive income** | | | |
|---|---|---|---|
| Result after tax | 21 697 | 7 656 | 62 749 |
| Other comprehensive income | - | - | 1 598 |
| **Total comprehensive income** | **21 697** | **7 656** | **64 347** |

| **Key figures** | **Q1 2025** | **Q1 2024** | **FY 2024** |
|---|---|---|---|
| Equity share | 80 % | 74 % | 80 % |
| Earnings per share | 0,49 | 0,17 | 1,42 |
| Average shares outstanding in 1000 | 44 345 | 44 345 | 44 345 |

# Condensed financial statement (balance sheet)

| | 31.03.2025 | 31.03.2024 | 31.12.2024 |
|---|---|---|---|
| All numbers in NOK 1000 | | | |
| **Assets** | | | |
| Fixed assets | 229 765 | 226 607 | 229 603 |
| Financial assets | 12 154 | 11 433 | 12 154 |
| Deferred tax assets | - | 12 478 | - |
| **Total tangible and fixed assets** | **241 920** | **250 518** | **241 757** |
| | | | |
| Inventory | 77 036 | 70 707 | 76 665 |
| Trade receivables | 67 074 | 61 082 | 44 279 |
| Other receivables | 12 852 | 6 674 | 9 449 |
| Cash | 12 669 | 11 403 | 12 794 |
| **Total current assets** | **169 630** | **149 866** | **143 187** |
| | | | |
| **Total assets** | **411 549** | **400 384** | **384 945** |
| | | | |
| **Equity and liability** | | | |
| Share capital | 44 345 | 44 345 | 44 345 |
| Share premium reserve | 129 298 | 173 626 | 129 298 |
| Retained earnings | 157 584 | 79 197 | 135 886 |
| **Total equity** | **331 227** | **297 169** | **309 529** |
| | | | |
| Pension liabilities | 6 493 | 8 479 | 6 602 |
| Deferred tax liabilities | 9 639 | - | 3 517 |
| Other non-current liabilities | 1 097 | 2 005 | 1 326 |
| **Total long-term liabilities** | **17 229** | **10 484** | **11 445** |
| | | | |
| Trade payables | 18 603 | 16 665 | 13 054 |
| Short term debt | - | 30 613 | - |
| Other current liabilities | 44 490 | 45 453 | 50 914 |
| **Total short-term liabilities** | **63 093** | **92 732** | **63 969** |
| | | | |
| **Total equity and liability** | **411 549** | **400 384** | **384 945** |

# Change in equity

| | 31.03.2025 | 31.03.2024 | 31.12.2024 |
|---|---|---|---|
| All numbers in NOK 1000 | | | |
| **Equity start of period** | 309 529 | 322 769 | 322 770 |
| Result for the period | 21 697 | 7 656 | 62 749 |
| Other comprehensive income | - | - | 1 598 |
| Dividend | - | -33 258 | -77 587 |
| **Equity end of period** | **331 226** | **297 167** | **309 529** |

# Cash flow analysis YTD

| | 31.03.2025 | 31.03.2024 |
|---|---|---|
| All numbers in NOK 1000 | | |
| Result for the period | 27 817 | 9 816 |
| Depreciations | 4 871 | 4 682 |
| Working capital changes | -27 227 | -3 915 |
| **Cash flow from operation** | **5 460** | **10 583** |
| | | |
| Purchase of equipment and intangibles | -5 033 | -22 738 |
| **Cash flow from investments** | **-5 033** | **-22 738** |
| | | |
| Finance activities | -552 | 30 613 |
| Dividends | - | -33 258 |
| **Cash flow finance activities** | **-552** | **-2 645** |
| | | |
| Change in cash for the period | -125 | -14 800 |
| Cash at start of period | 12 795 | 26 204 |
| **Cash by the end of period** | **12 670** | **11 403** |

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