



Vistin Pharma

**Q1**

# **Presentation 2023**

Kjell-Erik Nordby(CEO) / Alexander Karlsen (CFO)  
27 April 2023



*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*



# Agenda

## Highlights

Operational review

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## Highlights

# First quarter 2023 results

### **MNOK 101 in revenue vs. MNOK 33 in Q1 2022**

- Manufacturing from two production lines in the quarter has resulted in more volumes available for sale, compared to the eight-week production stop in Q1'22 due to the MEP installation

### **MNOK 14 in EBITDA vs. MNOK -18 in Q1 2022**

- EBITDA positively affected by increased sales volume, higher sales prices, competitive electricity costs and a weak NOK vs EUR
- Q1'22 unfavorably affected by limited sales volume available, start-up costs for the new line, and high electricity prices
- Economies of scale has started to materialize as the MEP volume ramps-up

### **Other**

- Net profit negatively affected with MNOK 15 by fair value of FX cash flow hedging contracts (unrealized loss - no cash effect in quarter)
- Improved operational cash flow in the quarter resulted in a significant reduction in net debt from MNOK 43.7 in Q4'22 to MNOK 20.3 by end March
- The Board of Directors has proposed to get a power of attorney from AGM in May to pay up to NOK 0.75 per share in dividend. The power of attorney should be valid until the 2024 AGM
- Kjell-Erik Nordby has informed the Board of Directors that he plans retiring as the CEO at year end
- The Board of Directors will start the recruitment process to find his successor



*Vistin has high focus on reducing local and global emissions, and programs are in place to consume responsibly and recycle where possible*





# Agenda

Highlights

**Operational review**

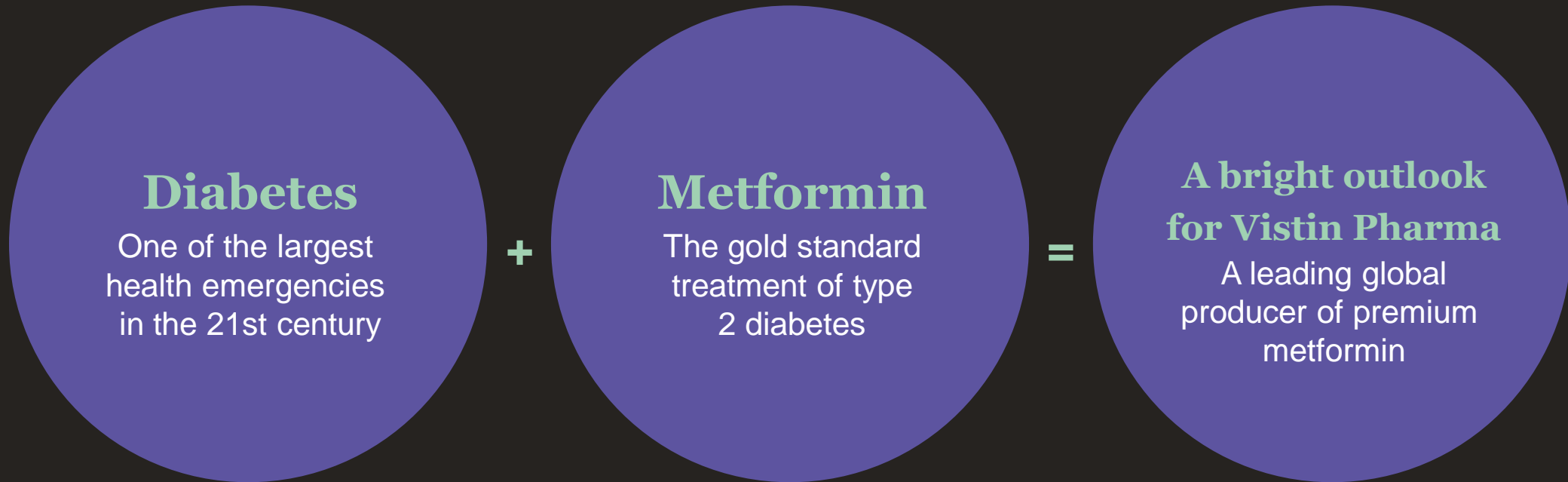
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# We are pure play metformin company with a bright outlook



- Market demand for Metformin is expected to grow 5-6% annually
- Vistin global market share will be approx. 15% with the new capacity





*Vistin Pharma today produce  
about 10% of the world's demand  
for Metformin HCl API*



# 1st-line treatment

## **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*

# Diabetes – a global epidemic



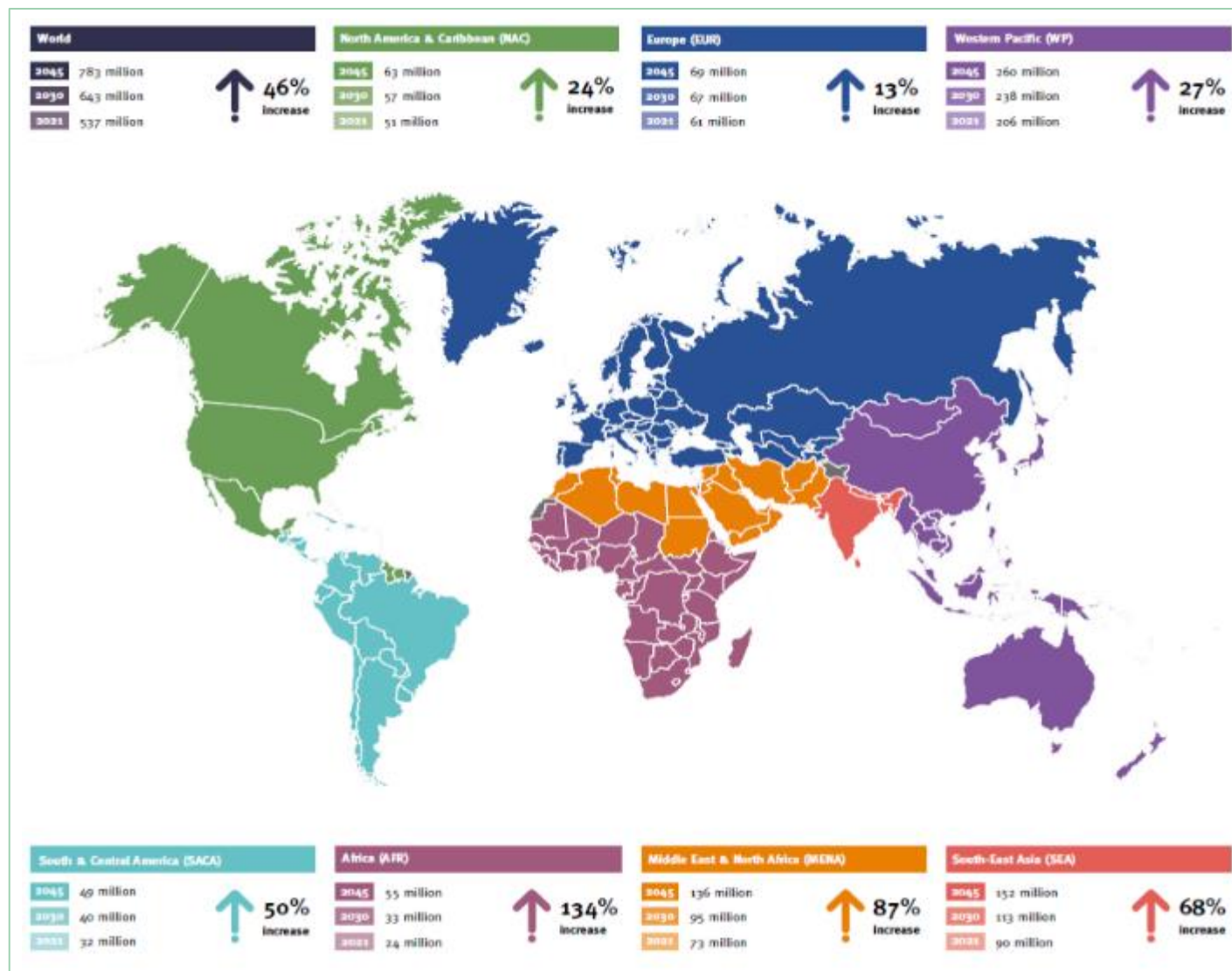
■ An estimated 537 million adults aged 20–79 years are currently living with diabetes. This represents 10.5% of the world's population in this age group

■ The total number is predicted to rise to 643 million (11.3%) by 2030 and to 783 million (12.2%) by 2045

■ An estimated 240 million people are living with undiagnosed diabetes worldwide, meaning almost one-in-two adults with diabetes are unaware they have the condition

■ Almost 90% of people with undiagnosed diabetes live in low- and middle-income countries

■ In Africa, South-East Asia and the Western Pacific more than half of people with diabetes are undiagnosed





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



# World sales map







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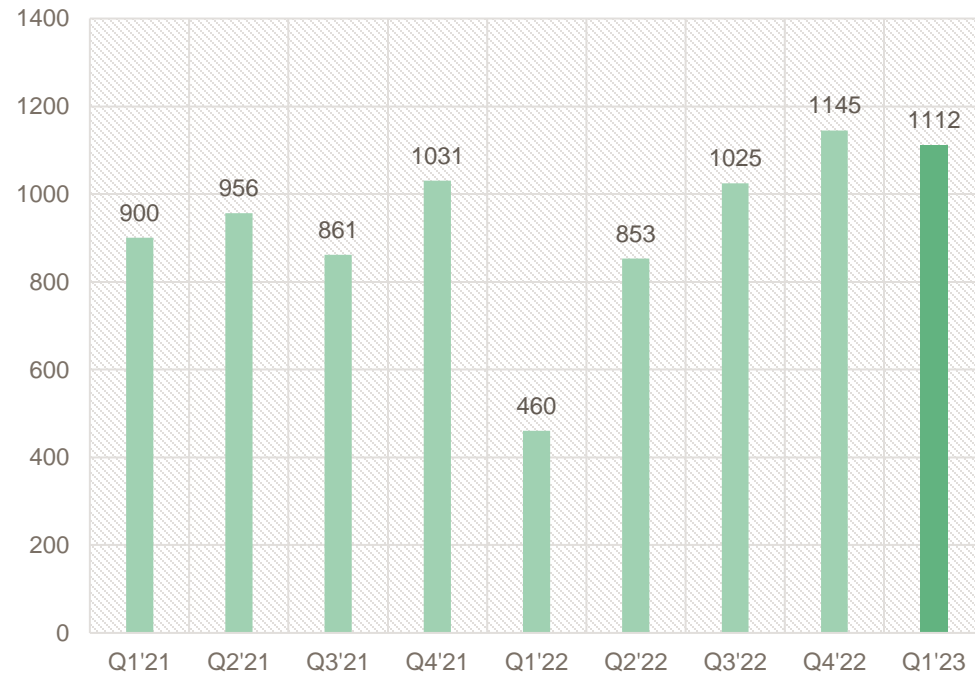




## Financial review

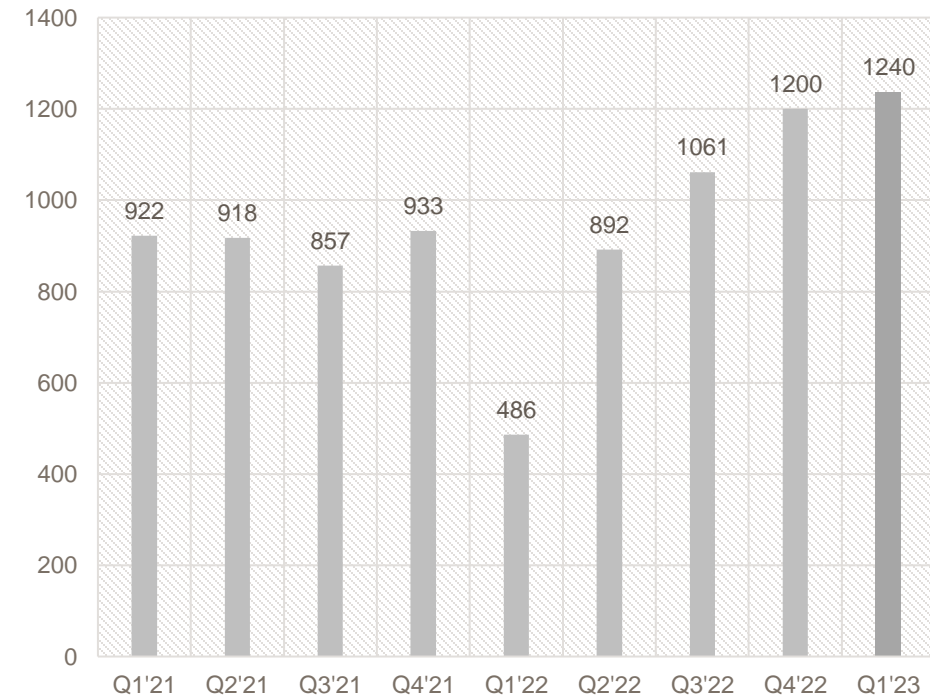
# Production volume continued to increase in Q1, and is expected to continue to increase throughout 2023

Quarterly sales volume metformin (HCl & DC)



- Sales and shipment of 100MT finished goods orders moved from first to second quarter

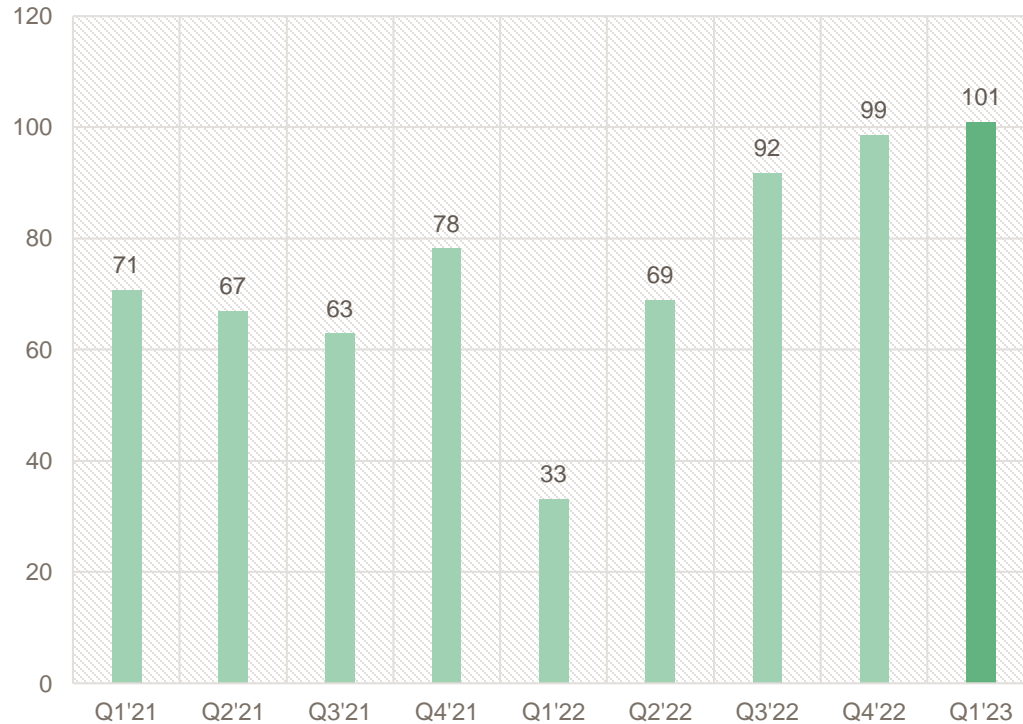
Quarterly production volume metformin HCl



- Line #2 was closed down in 10-days for planned technical improvements during the quarter



# Key quarterly figures - revenue



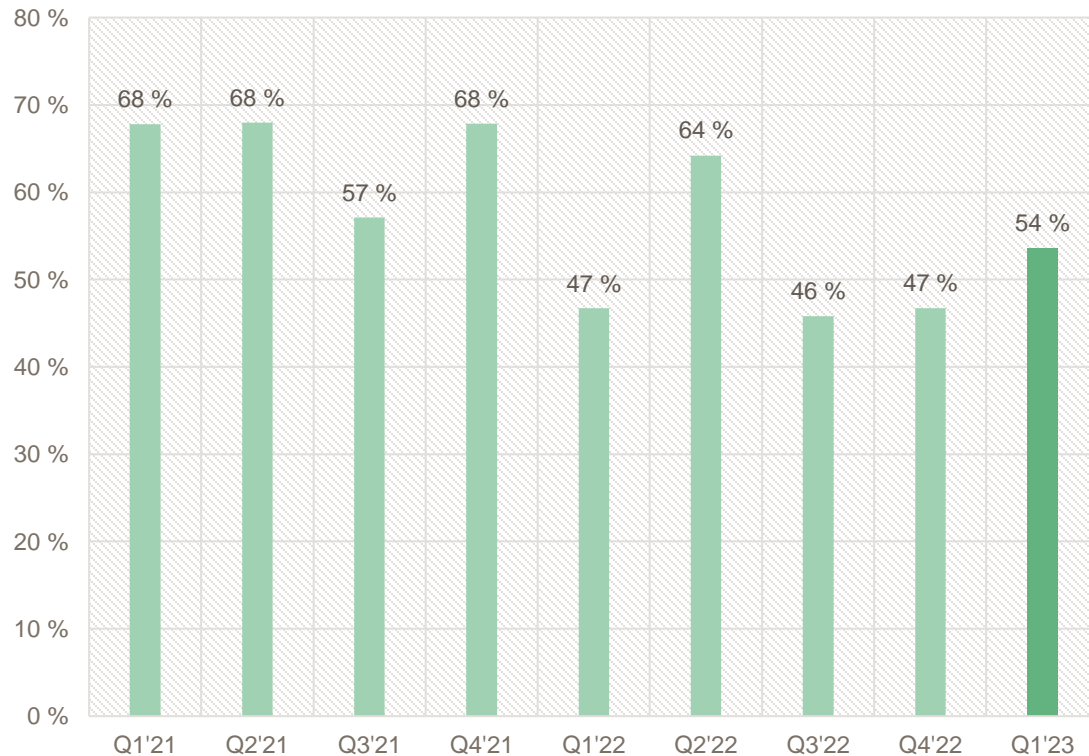
Q4 2022 adjusted for the one time liquidated damage compensation (MNOK ~12.5)

Figures in MNOK

- Revenue increase of 204% compared to Q1'22. Manufacturing from two production lines in the quarter has resulted in more volumes available for sale, compared to the eight-week production stop in Q1'22 due to the MEP installation
- Sales and shipment of 100MT FG orders moved from first to second quarter
- Sales prices reflecting the current raw material and freight costs.



# Key quarterly figures - Gross margin %



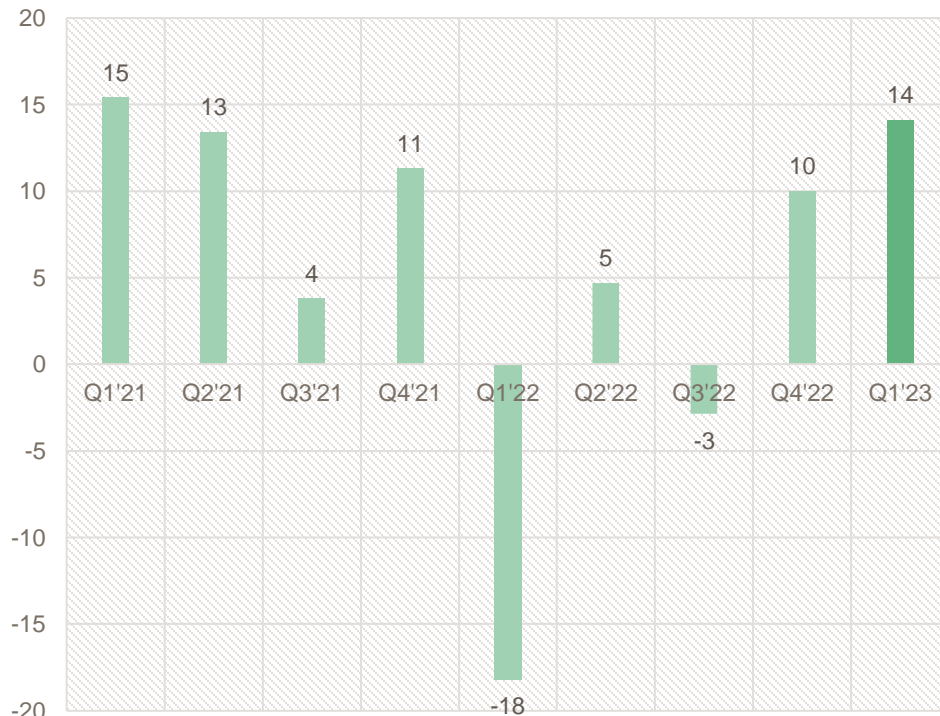
Q4 2022 adjusted for the one time liquidated damage compensation (MNOK ~12.5)

Gross margin (Total revenue and other income – raw materials & freight costs)

- Gross margin in Q1 positively affected by weaker NOK compared to EUR, partly offset by a stronger USD compared to NOK
- Adjusted for currency (EURNOK & USDNOK) and mix, the gross margin is 2-3% better in Q1'23 compared to Q1'22 and Q4'22
- Continued positive signs of decreasing freight and raw material costs during 2023
- Present 'expensive' raw material inventory consumed in Q1. Current raw material at hand (for Q2) and purchases for Q3 and onwards at reduced prices = positive (FX neutral) gross margin development expected during 2023
- Visteon's ambition for long-term gross margin at >60%



# Key quarterly figures - EBITDA



Q4 2022 adjusted for the one time liquidated damage compensation (MNOK ~12.5)

Figures in MNOK

- MNOK 14 in EBITDA vs. MNOK -18 in Q1 2022. EBITDA positively affected by increased sales volume, higher sales prices, competitive energy costs and a weak NOK vs EUR, partly offset by a strong USD vs NOK
- Q1'22 unfavorably affected by limited sales volume available, start-up costs for the new line, and high electricity costs
- One-time costs of approx. MNOK 1.5 in quarter for consultancy fees
- No expected change in manning for the year = volume leverage going forward



# Key figures: income statement

(NOK 1 000)	Q1 2023	Q1 2022	FY 2022
TOTAL REVENUE AND OTHER INCOME			
TOTAL REVENUE AND OTHER INCOME	100 940	33 219	304 853
EBITDA			
EBITDA	14 141	(18 194)	6 184
EBT			
EBT	(3 821)	(19 424)	(6 008)
Depreciation & amortisation	(4 199)	(2 749)	(12 280)
Net finance income/(expense)	(13 763)	1 519	87
Profit/(loss) before tax	(3 821)	(19 424)	(6 008)
Profit/(loss) for the period	(2 980)	(15 151)	(4 716)



# Balance sheet

## Assets

	31.03.2023	31.03.2022	31.12.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	216 648	184 342	219 430
Deferred tax assets	29 270	32 132	28 601
<b>Total non-current assets</b>	<b>245 918</b>	<b>216 474</b>	<b>248 031</b>
<b>Current assets</b>			
Inventory	81 263	45 571	83 446
Trade receivables	55 346	21 425	66 155
Other receivables	1 142	20 813	8 146
Cash & cash equivalents	3 063	12 184	1 435
<b>Total current assets</b>	<b>140 815</b>	<b>99 993</b>	<b>159 182</b>
<b>Total Assets</b>	<b>386 733</b>	<b>316 467</b>	<b>407 213</b>

- Deferred tax asset in relation to realized loss for Energy Trading in Q1 2020
- Inventory consists approx. 50/50 of raw materials and finished good (FG).
- Inventory and receivable increase, and cash decrease driven by MEP volume ramp-up



# Balance sheet

## Equity and liabilities

	31.03.2023	31.03.2022	31.12.2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	44 345	44 345	44 345
Share premium	206 885	206 885	206 885
Retained earnings	19 055	9 387	22 033
<b>Total equity</b>	<b>270 285</b>	<b>260 617</b>	<b>273 263</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	2 721	365	2 956
Pension liabilities	13 199	15 831	13 199
<b>Total non-current liabilities</b>	<b>15 920</b>	<b>16 196</b>	<b>16 155</b>
<b>Current liabilities</b>			
Trade payables	20 671	22 957	25 906
Short term debt	23 384		45 141
Other current liabilities	56 473	16 698	46 748
<b>Total current liabilities</b>	<b>100 528</b>	<b>39 654</b>	<b>117 795</b>
<b>Total liabilities</b>	<b>116 448</b>	<b>55 850</b>	<b>133 950</b>
<b>Total Equity and Liabilities</b>	<b>386 737</b>	<b>316 467</b>	<b>407 213</b>

- Strong balance sheet with an equity ratio of 70%
- Increase in current liabilities driven by working capital requirements due to MEP ramp-up plan
- Short term debt: Revolving credit facility established to handle planned liquidity effects from ongoing expansion and investments

A blurred industrial or laboratory setting. In the center, a cardboard box is visible, wrapped in clear plastic. The text "Metformin HCl" is printed on the box. The background shows various mechanical components and structures, all out of focus. The lighting is somewhat dim, with a blueish tint in some areas.

**Metformin HCl**





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# 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 fully available**

**Large pharma companies are looking for lower risk supply chains**

**Vistin is strategically well positioned as many European clients prefer high quality supplies with short travel distances**

**The expansion project to increase the capacity to +/-7000MT by year end is progressing**

**The long-term renewable energy supply agreement signed with Statkraft until 2032 will significantly improve Vistin's competitive position going forward**

**Fright and raw material prices are expected to gradually decrease during 2023 due to normalization effects post-covid**

**Vistin 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.**

# Capital Markets Day

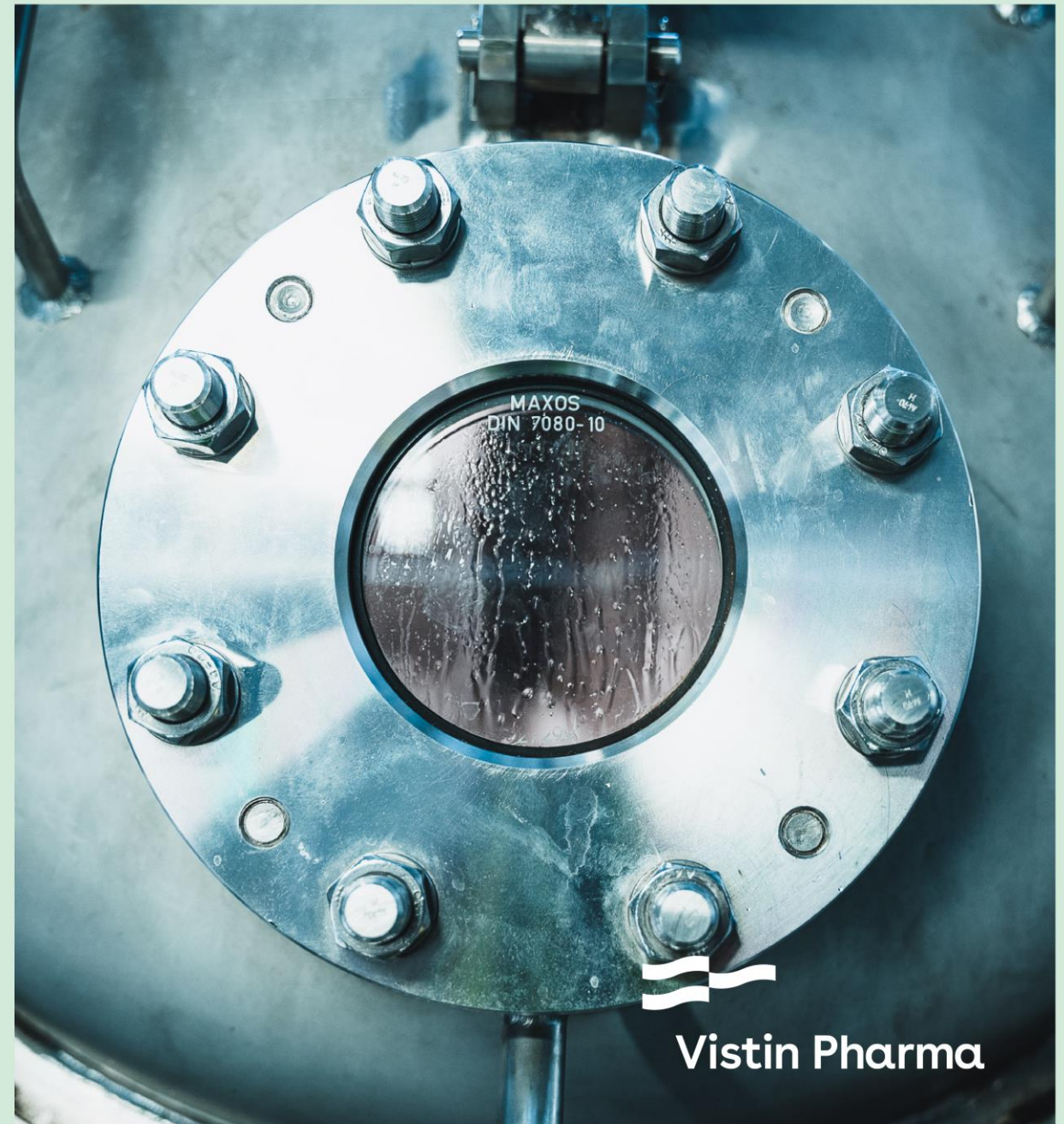
Date / time: June 14, 12:00–14:00

Place: Vistin plant (Stuttlidalen 4)

Key topics (lunch during presentation):

- Vistin long term strategy
- Vistin Metformin Business
- Fikkjebakke Plant; Operations and Strategy
- Plant Tour

Please register your attendance by sending an e-mail to:  
[alexander.karlsen@vistin.com](mailto:alexander.karlsen@vistin.com)



Vistin Pharma





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# Top 20 share- holders as of 31 March 2023

NAME	SHAREHOLDING	% SHARE
INTERTRADE SHIPPING AS*	12 575 000	28,36 %
HOLMEN SPESIALFOND	3 520 243	7,94 %
PACTUM AS*	3 519 733	7,94 %
MP PENSJON PK	1 719 848	3,88 %
FERNCLIFF LISTED DAI AS*	784 280	1,77 %
STORKLEIVEN AS	751 000	1,69 %
AUGUST RINGVOLD AGENTUR AS	750 315	1,69 %
LUCELLUM AS	711 322	1,60 %
MIKLA INVEST AS	620 874	1,45 %
DNB BANK ASA	557 480	1,40 %
IVAR LØGES STIFTELSE	550 000	1,26 %
HENRIK MIDTTUN HAAVIE	535 080	1,16 %
TOM RAGNAR PRESTEGÅRD STAAVIE	519 824	1,15 %
CORTEX AS	508 989	1,14 %
WEM INVEST AS	500 000	1,13 %
SANDEN EQUITY AS	468 947	1,06 %
DELTA AS	410 000	1,03 %
GINKO AS	350 000	0,90 %
ØYSTEIN STRAY SPETALEN*	323 650	0,79 %
NIELS CATO BECKETT AALL	301 658	0,73 %
<b>TOTAL 20 LARGEST SHAREHOLDERS</b>	<b>29 978 243</b>	<b>67,60 %</b>
OTHER SHAREHOLDERS	14 366 349	32,40 %
<b>TOTAL NUMBER OF SHARES</b>	<b>44 344 592</b>	<b>100,00 %</b>

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



**Thank you  
for your attention.**

[www.vistin.com](http://www.vistin.com)

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

**27 April 2023**