

VISTIN

PHARMA



VISTIN PHARMA ASA

SECOND QUARTER 2016 RESULTS

PUBLISHED 30 AUGUST 2016

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Vistin Pharma in brief

Vistin Pharma is a Norwegian pharmaceutical company producing Active Pharmaceutical Ingredients (APIs) and solid dosage forms for the global pharmaceutical industry.

The Group was established in 2015 when Vistin Pharma AS, a wholly owned subsidiary of Vistin Pharma ASA, acquired the B2B business and tablet production assets from Weifa AS. Vistin Pharma also signed a five-year agreement with Weifa AS for the manufacture of its key pain relief brands, such as Paracet, Ibux and Paralgin forte. The transaction was completed on 1 June 2015. Vistin Pharma conducted an equity issue of about NOK 170 million to finance the acquisition and to secure working capital, and the shares of Vistin Pharma ASA were listed on Oslo Axess on 10 June 2015.

With more than 75 years of pharmaceutical industry experience, the Group has built significant capacity and expertise as an API and Solid Dosage Form provider to producers all over the world, and Vistin Pharma's APIs are marketed in more than 50 countries.

Vistin Pharma has key positions and growth potential in the international Metformin and Opioid markets, and a strong foundation for creating a highly efficient CMO business.

The Group has more than 140 employees and two manufacturing facilities in Kragerø, Norway. Both of the facilities are certified in accordance with current Good Manufacturing Practice (cGMP). The company's head office is located in Oslo, Norway.

Overview

Second quarter highlights

- Metformin: Another all-time high quarterly revenue, 23 percent higher than Q2 2015
 - Plant running at full capacity, producing stable and high quality product throughout the quarter
 - The Board has decided to expand the production capacity at the Fikkjebakke site by 3,000MT, to a total production capacity of approx. 6,000MT
 - The capacity expansion will require an investment of approx. NOK 120 million, which will be financed through existing cash reserves, cash generation and debt
 - The new production line is expected to be operational by 2019
- Opioids: Continued increase in finished product tablet sales
 - Tablets contributing to 42 percent of revenue, compared to 34 percent in the same quarter last year
 - Opioids revenue for the second quarter was NOK 24.3 million, up 5 percent from the second quarter of 2015
 - Price pressure and instability in supply - demand in the market
- CMO tablet manufacturing: Solid performance
 - 99 percent service level for the quarter
 - Increase in tablet manufacturing capacity of 15 percent compared to last year without the need for investment in new machinery
 - Strong focus on future cost reductions to grow volume in a competitive market
- Strong financial performance
 - Group EBITDA of NOK 12.6 million for the second quarter
 - Dividend for 2015 of NOK 0.60 per share paid in June
 - Cash balance at 30 June of NOK 55.7 million, and no interest-bearing debt

Key figures

Key financial information for Vistin Pharma ASA (business operations commenced 1 June 2015)

(NOK 1 000)	Q2 2016	Q2 2015	YTD2016	YTD2015	FY 2015
Total revenue and income	109 667	31 370	212 893	31 370	227 892
EBITDA	12 608	2 862	23 639	2 862	27 883
Depreciation, amortisation and impairment	(1 000)	(181)	(1 891)	(181)	(1 568)
Net finance income/(expense)	1 490	225	153	225	(100)
Profit/(loss) before tax	13 098	2 906	21 900	2 906	26 215
Profit/(loss)	9 824	2 122	16 425	2 122	19 122

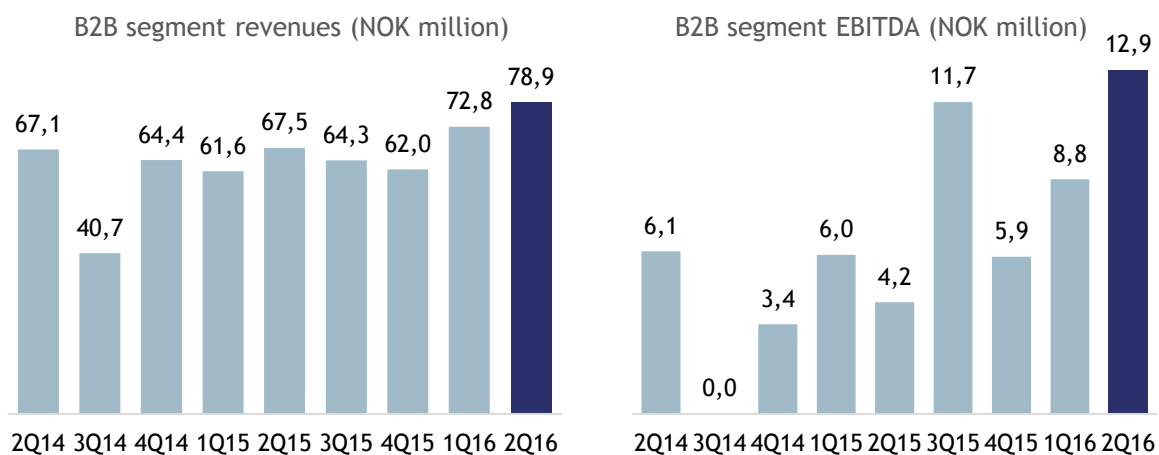
Key figures per segment

(NOK 1 000)	Q2 2016	Q2 2015	YTD2016	YTD2015	FY 2015
Total revenue and income					
B2B	78 889	24 116	151 701	24 116	150 327
CMO	30 778	7 254	61 192	7 254	68 898
HQ & other	-	-	-	-	8 667
Total revenue and income	109 667	31 370	212 893	31 370	227 892
EBITDA					
B2B	12 903	4 387	21 689	4 387	18 907
CMO	175	(195)	2 950	(195)	4 423
HQ & other	(470)	(1 330)	(1 000)	(1 330)	4 553
EBITDA	12 608	2 862	23 639	2 862	27 883

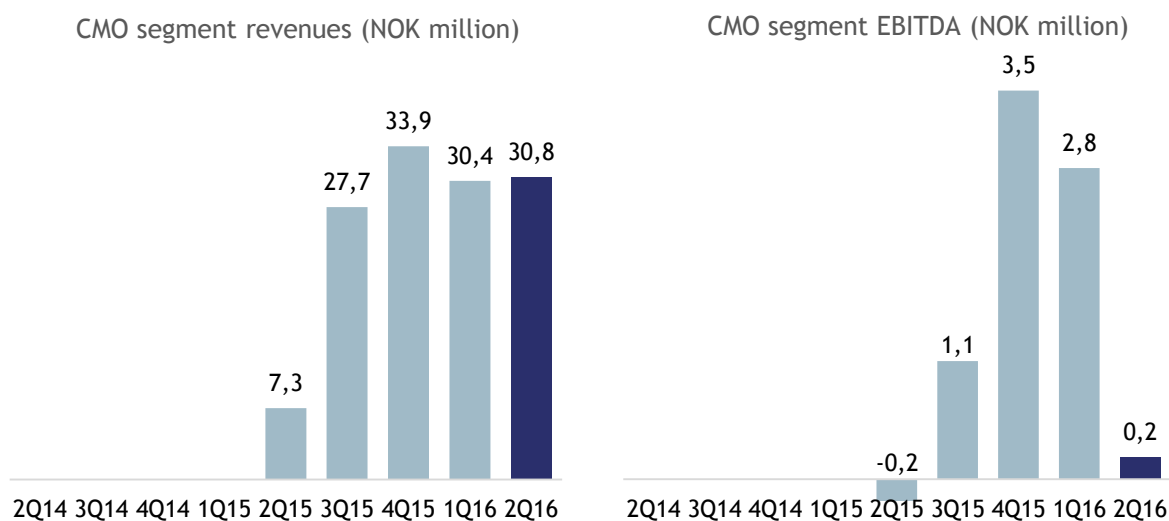
The following information is provided for information purposes and presents the key financial figures for the B2B segment, as reported by Vistin Pharma ASA (from 1 June 2015), Weifa ASA (before 1 June 2015) and Weifa AS (before to 15 August 2014). No additional information is provided for the CMO segment, as this is a new segment following the acquisition of the tablet production assets from Weifa.

(NOK million)	Q2 2016	Q2 2015	YTD 2016	YTD 2015	FY 2015
Revenue	78,9	67,5	151,7	129,0	255,3
EBITDA	12,9	4,2	21,7	10,2	24,8

Historical quarterly performance by segment (as defined above):



Note: The above figures are provided for information purposes and presents the key financial figures for the B2B segment, as reported by Vistin Pharma ASA (from 1 June 2015), Weifa ASA (before 1 June 2015) and Weifa AS (before 15 August 2014).



Financial review

Vistin Pharma ASA was established in February 2015, and the Group had no operating activities prior to Vistin Pharma AS' acquisition of the B2B business and tablet production assets from Weifa AS on 1 June 2015. Hence, most of the figures presented in the consolidated interim financial statements represent the financial result of the B2B and CMO business acquired from 1 June 2015.

Vistin Pharma ASA (Group)

Profit and loss

Vistin Pharma had total revenue and other income of NOK 109.7 million in the second quarter 2016, compared to NOK 31.4 million in the second quarter 2015. Revenue in the second quarter 2015 only represented one month of sales, as the Company commenced operations on 1 June 2015.

EBITDA came to NOK 12.6 million for the second quarter, compared to NOK 2.9 million for the same quarter last year.

Depreciation and amortisation were NOK 1.0 million for the second quarter, compared to NOK 0.2 million for the second quarter last year.

Financial gain was NOK 1.5 million, compared to NOK 0.2 million in the same quarter last year. The financial gain primarily reflects an unrealised foreign exchange gain on outstanding EUR/NOK forward contracts.

Vistin Pharma had an income tax expense of NOK 3.3 million in the second quarter, compared to NOK 0.8 million in the second quarter last year.

Net profit for the quarter was NOK 9.8 million, equal to earnings per share of NOK 0.58.

Cash Flow

Net cash flow from operating activities in the second quarter was positive NOK 0.5 million. A net profit before tax of NOK 13.1 million for the quarter was offset by an increase in working

capital, primarily as a result of large sales during the second half of the quarter, and a tax payment of NOK 2.5 million. Net cash flow from operating activities in the second quarter last year was positive NOK 4.2 million.

Net decrease in cash and cash equivalents amounted to NOK 11.9 million, after a dividend payment of NOK 10.2 million (NOK 0.60 per share), compared to an increase of NOK 43.6 million for the same quarter last year. In the second quarter last year the company carried out a share issue of NOK 170.5 million, of which NOK 120 million were used to acquire the B2B business and tablet production assets from Weifa AS.

Financial position

Vistin Pharma had total assets of NOK 260.0 million as of 30 June 2016. Cash and cash equivalents amounted to NOK 55.7 million. The figures at 30 June 2015 were NOK 221.4 million and NOK 44.6 million, respectively.

Total equity at 30 June 2016 was NOK 190.1 million, compared to NOK 167.0 million at 30 June 2015. This corresponds to an equity ratio of 73.1 percent (75.4 percent).

Vistin Pharma had no interest-bearing debt as of 30 June 2016.

On May 24 May the annual general meeting approved a dividend for 2015 of NOK 0.60 per share. The total dividend of NOK 10.2 million was paid in June, and distributed as a repayment of paid-in capital.

Operational review

Vistin Pharma's operations are divided into the following two segments: B2B (production and sale of active pharmaceutical ingredients) and CMO (contract manufacturing of finished dose tablets). The B2B segment has two major product groups; Metformin and Opioids. The CMO segment started operations on 1 June 2015 and has no comparable figures for periods prior to that. The segment currently only consists of the CMO agreement with Weifa AS. The operations in the B2B segment represent a continuation of activities previously carried out and reported in Weifa ASA. Since Vistin Pharma acquired this business on 1 June 2015, pro-form historical figures have been included for periods prior to that date to provide a better understanding of operational developments. However, these figures are based on data from Weifa ASA and reflect a different corporate structure and cost base, which means they are not directly comparable.

B2B

Vistin Pharma is a recognised supplier of Active Pharmaceutical Ingredients (APIs) and finished dosage forms (FDFs) to the global pharmaceutical industry. The B2B offering is based on two key product areas: metformin and opioids. Metformin is an API used in first-line treatment of type 2 diabetes. Opioids are used in pain treatment as well as in cough suppressants. The APIs are produced at Vistin Pharma's two manufacturing plants in Kragerø (Fikkjebakke and Gruveveien) in southern Norway. Vistin Pharma's B2B customers are international pharmaceutical companies.

Total revenue for the B2B segment in the second quarter was NOK 78.9 million, compared to NOK 67.5 million in the same quarter last year (reported as part of Weifa prior to 1 June 2015).

The increase in revenue for the quarter is mainly explained by a continued strong demand for metformin from new and existing customers, as well as favourable exchange rates. Volumes and prices in USD for opioids API were down, but were compensated for by increased sale of codeine tablets and a stronger USD vs. NOK compared to last year. There is still a tough price pressure and fierce competition in the global market for opioid products, which will continue to have a negative impact on opioid sales in 2016.

Significant fluctuations are typically experienced in B2B sales volumes during the year. However, underlying growth in the B2B segment is strong.

In order to improve business profitability, Vistin Pharma continuously seeks to achieve operational excellence, in part through capacity, quality and cost improvement programs. In addition, it focuses on business development and strategic partnership opportunities to continue growing the business.

Metformin

Revenue from metformin was 54.4 million for the quarter. This is 23.1 per cent higher than the second quarter 2015, primarily as a result of higher sales volumes and a favourable EUR vs. NOK exchange rate. Sales volume for metformin HCl and DC for the second quarter 2016 was 16.5 percent higher than in the second quarter last year

The quarterly revenue from the metformin business was another all-time high, approximately 15 per cent higher than the previous quarter. Vistin Pharma has sales contracts covering approximately 100 percent of its metformin production capacity in 2016. However, lower revenue is expected in H2 compared to H1 due to seasonality effects and different product mix.

In the first quarter, Vistin Pharma reported that the Company had experienced some incidents where the n-butanol level in selected cartons had been found to be too high. During the second quarter the Company has put in place an extended testing regime, and corrective measures have been implemented to ensure that the n-butanol level is within the specified levels for the product produced. The Fikkjebakke plant is now running at full capacity, producing stable and high quality metformin HCl.

Vistin Pharma continues to find that the quality of its metformin products, its service and delivery performance are competitive advantages and drivers for increased sales, and the Group is experiencing a strong underlying growth. Key drivers are continued volume growth from existing multinational customers and successful market expansion in Japan.

Vistin Pharma provides some of the purest and most free-flowing metformin qualities. A free-flowing product is easier to process into tablets than an API which has hardened. The Group's plant at Fikkjebakke is dedicated to manufacturing metformin. It is approved among several international regulatory bodies, by the US Food and Drug Administration (FDA), and Vistin Pharma is currently the only European company with a listed metformin Drug Master File (DMF) in the USA, another premium market, which is the focus of Vistin Pharma.

Vistin Pharma's metformin strategy is to become the dominant supplier of metformin API to customers in the premium product segments.

According to Vistin Pharma's estimates, the Group currently controls about eight percent of the global metformin market with its annual manufacturing capacity of 3,000 metric tonnes.

To secure the necessary production capacity to meet the expected future long-term demand for metformin HCl, both from existing and new customers, the Board has decided to increase the production capacity at the Fikkjebakke site by 3,000 metric tonnes.

The Group has completed a feasibility study concluding that the expansion is both technical feasible and financial sound.

This capacity increase will require an investment of approx. NOK 120 million, which will be financed through existing cash reserves, cash generation and debt. The new production line is expected to be fully operational from 2019.

In parallel, the Company is working on stretching the current capacity by approximately 500 MT (+16-17 percent capacity increase) through an efficiency program, to ensure that Vistin Pharma can meet the expected increase in demand in the short-term.

With the new production capacity, the Company is targeting a share of approx. 15 percent of the global Metformin API market.

Opioids

Opioids revenue for the second quarter was NOK 24.3 million, compared to NOK 23.0 million in the second quarter of 2015. Total volume sold in the second quarter was in line with the volume sold in the second quarter last year, but prices for API sold were down by approximately 10 percent, which were more than off-set by a higher portion of codeine tablets sold. Revenue from the sale of codeine tablets constituted approximately 42 percent of the opioid revenue for the second quarter 2016, compared to approximately 34 percent in the same quarter last year. The Company's efforts to forward integrate in the opioids value chain are continuing to show positive effects.

There is still a considerable price pressure and supply - demand instability in the opioid market, as reported in previous quarters, resulting in lower API prices compared to last year.

The plant in Gruveveien manufactures opioid APIs, as well as finished dose tablets. Vistin Pharma serves the global market for opioid APIs with two key products; codeine (used in strong painkillers and cough medicine) and pholcodine (used in cough medicine). It also produces finished dose painkiller combination tablets such as Paralgin forte (paracetamol plus codeine) for Weifa and several codeine and codeine combination products for a B2B customer.

According to management estimates, Vistin Pharma has a global share of about seven

percent of the codeine API market. About half of the global market is defined as closed markets with import restriction, which Vistin Pharma is currently unable to enter. These include among others USA, South Africa, France and Spain.

CMO

The CMO tablet manufacturing business produces finished products at the Gruveveien multipurpose tablet facility based on a long term supply agreement with Weifa. Vistin Pharma has a five-year agreement with Weifa AS for the manufacture of its key pain relief brands, such as Paracet, Ibux and Paralgin forte. This currently represents the Group's main CMO activity.

CMO tablet manufacturing was not established as a separate business area until 1 June 2015. However, the Vistin Pharma organisation has produced finished dose tablets for Weifa and other external customers for many years, when it was part of Weifa. The Group is therefore an experienced CMO. Revenue for this segment was NOK 30.8 million for the second quarter,

and the corresponding EBITDA was NOK 0.2 million. The revenue and the EBITDA for the previous quarter were NOK 30.4 million and NOK 2.8 million respectively. The service level for the second quarter was 99 percent (customer orders delivered on time and in full).

The reduction in EBITDA is primarily due to higher manufacturing costs as a result of investments in operational excellence activities, which should improve the production capacity and competitiveness of the CMO operations in the long-term. The Company has a strong focus on future cost reductions in a competitive market.

Based on the current production level the annual production capacity is estimated to be approximately 750 million tablets, which is an increase of approximately 15 percent compared to last year. Vistin Pharma's target is to increase the current capacity by another 50 percent through an ongoing operational excellence program, which was initiated in 2015. The additional capacity is targeted to be filled through increased volume from existing and new CMO customers.

Market developments

B2B

Metformin tablets are the most widely prescribed diabetes medication in the world. The majority (approx. 90 percent) of people with diabetes is affected by Type 2 Diabetes (hereinafter T2D). T2D usually occurs in adults, but is increasingly seen in children and adolescents. This growth in T2D is associated with ageing populations, economic development, increasing urbanisation, less healthy diets and reduced physical activity. In T2D, the body is able to produce insulin but becomes resistant so that the insulin is ineffective. Over time, insulin levels may subsequently become insufficient. Both the insulin resistance and deficiency lead to high blood glucose levels. According to the International Diabetes Federation (IDF), more than 387 million people are estimated to be living with this condition today. The number is expected to increase to 592 million by 2035.

Metformin is the preferred first line treatment for T2D patients, due to it having limited side effects, having a long-term safety profile and it being an affordable treatment alternative. Metformin is expected to maintain its position as the Gold Standard treatment in the foreseeable future (GlobalData, 2016). The market is expected to grow by seven to eight percent per annum for many years to come. Global diabetes healthcare costs amounted to USD 612 billion in 2014, representing 11percent of total healthcare costs worldwide in 2014. These costs are projected to exceed USD 627 billion by 2035. Closed to 5 million people died from diabetes last year.

The Metformin's global finished product sales is estimated to increase from USD 2.9 billion USD in 2015 to around USD 4.3 billion in 2025. The significant growth driver is an increasing T2D prevalence.

The market is highly competitive, with manufacturers mainly from India and China, and approximately 65 percent of the global metformin volume is currently produced in India. Many producers of metformin are operating multipurpose facilities, and there is an underlying unused capacity among the metformin producers that can absorb the growing demand for metformin. Vistin Pharma is focusing on customers in the “protected application” and “large account professional generics” market segments, and finds that customers in Europe, Japan and other developed economies value suppliers with short lead times, high quality products, agile operations and regularity of supply.

The global opioid sector is a protected market, tightly controlled by the International Narcotics Control Board (INCB). Several major markets are also subject to import quotas. Growth in the use of opioids is stable worldwide and demand, measured by defined daily doses, has increased more than threefold over 20 years (corresponding to a compound annual growth rate (CAGR) of 6.5 percent). The main industry drivers are longer life expectancies - increasing incidence of chronic diseases, increased worldwide access to pain relief treatments, from moderate to severe grade and new product releases of narcotic derivatives for non-pain treatment such as obesity, alcoholism, constipation and antitumoral. Emerging countries represent the biggest expansion potential, as rising wealth drives demand for pain medication. According to WHO report 2015, only one quarter of the world’s population has access to pain relief treatments. China and India are expected to be the fastest growing opioids markets by 2020. According to INCB, global consumption of opioids for pain relief is unevenly distributed with the US, Western Europe and Oceania, representing only 17 percent of the global population, consuming 92 percent of the volume. Global manufacturing of codeine API has grown by about 6.4 percent annually to more than 400MT. About 70 percent of the volume is

consumed as codeine, while roughly 20 percent is used to make other APIs.

According to the INCB, the global production of opiate raw materials rich in morphine exceeded global demand in 2015, resulting in high inventory levels. For 2016, producing countries have indicated that they plan to increase production, which is expected to increase inventory levels further, and thus could put additional downward pressure on opiate prices.

European opioid API suppliers are few in number. Vistin Pharma’s main competitors have access to their own raw materials, and a small number of raw material producers control most of the global supply. Vistin Pharma is the largest independent company with both in-house API and tablet manufacturing capabilities and competencies (forward integrated).

CMO

Vistin Pharma will seek to increase tablet manufacturing volumes, acting as an independent supplier of generic FDFs to the global generic and proprietary pharmaceutical industry by establishing itself as an FDF contract development and manufacturing organisation (CDMO) strategic partner. According to Mordor Intelligence LLP (Global Pharmaceutical Manufacturing Market), the global CMO market is estimated at USD 41 billion and is expected to grow at a CAGR of 10 - 11 percent by 2017. Key growth drivers are; outsourcing by companies that do not see supply chain as a core business area, margin pressure in both the innovative and generic pharma market, and pharma industry consolidation leading to post-merger cost saving initiatives.

The Group’s focus on maintaining operational excellence to make the supply chain cost-competitive, expand product offerings, and grow volumes and customer base in order to capture additional economies of scale, continues.

Risks and uncertainties

Vistin Pharma is exposed, as a pharmaceutical manufacturing company, to several types of risks, where fluctuations in the price and availability of raw materials and the development in foreign exchange (USD and EUR) are among the most prominent. Risk management is therefore a priority area for the Group. The EUR currency exposure (cash inflow) for 2016 has been hedged at an average rate of EUR/NOK 9.45.

In addition, risk related to regulatory changes and environmental issues concerning emission

levels and emission permits represent central risk factors for the Group.

The Group has currently only one customer, Weifa, in the CMO segment, and any material reduction in the sales of Weifa products produced by Vistin Pharma will have a negative impact on the financial results of the CMO segment.

For further information, please refer to the Annual Report for 2015, available on the Group's website www.vistin.com.

Outlook

The metformin business is experiencing growing demand owing to the overall market developments, with a strong underlying growth for metformin globally, and as a result of Vistin Pharma's position as a premium supplier. Vistin Pharma expects this trend to continue in the foreseeable future. As a result, the Company has decided to increase the current production capacity by another 3,000MT, a doubling from the current capacity. The expansion will be financed through existing cash reserves, cash generation and debt.

Long-term drivers for the opioid market indicate an attractive future growth potential. In the short-term, however, the price pressure

and instability in demand and supply in the global opioid market will affect prices and volumes for Vistin Pharma. This will be partly offset by strategic long-term narcotic raw material supply agreement and business partnership with raw-material producer, securing raw-materials at competitive prices.

The CMO business continues to perform according to plan, and Vistin Pharma foresees a stable profitable performance. However, the Company has initiated an operational excellence program with a strong focus on future cost reductions, to significantly grow the tablet volume in a competitive global market.

Share information

The company had 17 054 935 issued shares on 29 August 2016. The 20 largest shareholders controlled 76 percent of the total number of outstanding shares.

Largest shareholders at 29 August 2016

NAME	SHAREHOLDING	% SHARE
EUROCLEAR BANK S.A.	2 548 810	14,94
STRATA MARINE & OFFSHORE*	1 965 943	11,53
STOREBRAND VEKST	1 372 760	8,05
MP PENSJON PK	877 870	5,15
SOLAN CAPITAL AS	787 482	4,62
SKANDINAVSKE ENSKILDA	780 222	4,57
FERNCLIFF LISTED DAI*	582 282	3,41
HOLBERG NORGE	573 349	3,36
PENSJONSORDNINGEN FOR APOTEKVIKRSOMHET	500 000	2,93
PORTIA AS	450 000	2,64
CIPRIANO AS*	375 538	2,20
DUKAT AS	357 000	2,09
SPETALEN ØYSTEIN STRAY*	323 650	1,90
TVENGE TORSTEIN INGVALD	300 000	1,76
SVENSKA HANDELSBANKEN	240 000	1,41
NORDBY KJELL ERIK**	200 000	1,17
BORGEN INVESTMENT GRUPPEN	196 078	1,15
GRANT INVEST AS	184 407	1,08
VERDIPAPIRFONDET KLP	178 627	1,05
STATOIL PENSJON	166 138	0,97
Total 20 largest shareholders	12 960 156	76,0%
Other shareholders	4 094 779	24,0%
Total number of shares	17 054 935	100,0%

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

** Executive management

Condensed Interim Financial Statements

Consolidated Statement of Comprehensive Income

(NOK 1 000)	Q2 2016	Q2 2015	YTD2016	YTD2015	FY 2015
Revenue	107 761	31 370	210 862	31 370	218 367
Other income	1 906	-	2 031	-	9 525
Total revenue and income	109 667	31 370	212 893	31 370	227 892
Cost of materials	41 681	12 208	83 031	12 208	81 646
Payroll expenses	33 054	9 392	64 406	9 392	71 081
Other operating expenses	22 324	6 908	41 818	6 908	47 282
Depreciation, amortisation and impairment	1 000	181	1 891	181	1 568
Operating profit/(loss)	11 608	2 681	21 747	2 681	26 315
Finance income	-	329	-	329	444
Finance costs	(1 490)	104	(153)	104	544
Profit/(loss) before tax	13 098	2 906	21 900	2 906	26 215
Income tax expense	3 275	785	5 475	785	7 093
Profit/(loss) for the period	9 824	2 122	16 425	2 122	19 122
Total comprehensive income for the period	9 824	2 122	16 425	2 122	19 122
Earnings per share (NOK): basic	0,58	0,12	0,96	0,12	1,12
Earnings per share (NOK): diluted	0,58	0,12	0,96	0,12	1,12

Condensed Interim Financial Statements

Consolidated Statement of Financial Position

(NOK 1 000)	Note	30.06.2016	30.06.2015	31.12.2015
ASSETS				
Non-current assets				
Property, plant & equipment		46 275	33 275	41 331
Deferred tax assets		-	1 311	-
Total non-current assets		46 275	34 586	41 331
Current assets				
Inventory		86 156	91 015	92 712
Trade receivables		64 240	33 197	54 760
Other receivables		7 630	18 061	8 216
Cash & cash equivalents	6	55 710	44 558	61 989
Total current assets		213 736	186 831	217 677
Total Assets		260 011	221 417	259 008
EQUITY AND LIABILITIES				
Equity				
Share capital	4	17 055	17 055	17 055
Share premium		137 514	147 828	147 747
Retained earnings		35 548	2 122	19 122
Total equity		190 116	167 004	183 924
Non-current liabilities				
Deferred tax liabilities		5 527	-	52
Other long-term liabilities		10 332	9 895	10 332
Total non-current liabilities		15 859	9 895	10 384
Current liabilities				
Trade payables		21 097	26 220	28 190
Tax Payables		-	-	4 915
Other current liabilities		32 939	18 298	31 595
Total current liabilities		54 036	44 518	64 700
Total liabilities		69 895	54 413	75 084
Total Equity and Liabilities		260 011	221 417	259 008

Condensed Interim Financial Statements

Statement of Changes in Equity

(NOK 1 000)	Note	Share capital	Share premium	Retained earnings	Total equity
Equity as at 06.03.2015		1 000	-	-	1 000
Total comprehensive income		-	-	2 122	2 122
Issue of share capital					
Rights- and employee offering, June		17 055	153 494	-	170 549
Share capital reduction, June		(1 000)	-	-	(1 000)
Share issue costs		-	(5 667)	-	(5 667)
Equity as at 30.06.2015		17 055	147 828	2 122	167 004
Equity as at 31.12.2015		17 055	147 747	19 122	183 924
Equity as at 01.01.2016		17 055	147 747	19 122	183 924
Total comprehensive income		-	-	16 425	16 425
Dividend paid	7	-	(10 233)	-	(10 233)
Equity as at 30.06.2016		17 055	137 514	35 547	190 116

Condensed Interim Financial Statements

Cash Flow Statement

(NOK 1 000)	Note	Q2 2016	Q2 2015	YTD2016	YTD2015	FY 2015
Cash flow from operating activities						
Net profit/(loss) before income tax		13 098	2 906	21 900	2 906	26 215
Income tax paid		(2 458)	-	(4 915)	-	-
Non-cash adjustment to reconcile profit before tax to cash flow:						
Depreciation, amortisation and impairment		1 000	181	1 891	181	1 568
Unrealised foreign currency (gains)/losses		(3 174)	(21)	(1 438)	(21)	2 421
Changes in working capital:						
Changes in trade receivables and trade creditors		(21 795)	2 405	(16 573)	2 405	(22 612)
Changes in inventory		7 932	(9 354)	6 556	(9 354)	(11 051)
Changes in other accruals		7 376	8 275	3 560	8 275	34 382
Finance (income)/expense		(1 490)	(225)	(153)	(225)	100
Net cash flow from operating activities		488	4 167	10 827	4 167	31 023
Cash flow from investing activities						
Purchase of equipment		(2 152)	(2 397)	(6 835)	(2 397)	(11 840)
Acquisition of business		-	(120 000)	-	(120 000)	(120 000)
Interest received		-	-	-	-	130
Net cash flow from investing activities		(2 152)	(122 397)	(6 835)	(122 397)	(131 710)
Cash flow from financing activities						
Proceeds from share issue		-	170 549	-	171 549	171 549
Transaction costs on the issue of shares		-	(7 761)	-	(7 761)	(7 873)
Repayment of capital		-	(1 000)	-	(1 000)	(1 000)
Dividend paid	7	(10 233)	-	(10 233)	-	-
Interest paid		(14)	-	(38)	-	-
Net cash flow from financing activities		(10 247)	161 788	(10 271)	162 788	162 676
Net change in cash and cash equivalents		(11 911)	43 558	(6 279)	44 558	61 989
Cash and cash equivalents beginning period		67 621	1 000	61 989	-	-
Cash and cash equivalents end period		55 710	44 558	55 710	44 558	61 989

Notes to the Condensed Interim Financial Statement

1. Basis of presentation

The financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). This financial information should be read together with the financial statements for the year ended 31 December 2015 prepared in accordance with International Financial Reporting Standards (“IFRS”). The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. The figures are unaudited.

The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

2. Segment reporting

(NOK 1 000)	Q2 2016	Q2 2015	YTD2016	YTD2015	FY 2015
Total revenue and income					
B2B	78 889	24 116	151 701	24 116	150 327
CMO	30 778	7 254	61 192	7 254	68 898
HQ & Other	-	-	-	-	8 667
Total revenue and income	109 667	31 370	212 893	31 370	227 892
EBITDA					
B2B	12 903	4 387	21 689	4 387	18 907
CMO	175	(195)	2 950	(195)	4 423
HQ & Other	(470)	(1 330)	(1 000)	(1 330)	4 553
EBITDA	12 608	2 862	23 639	2 862	27 883
Operating assets					
(NOK 1 000)	30.06.2016	30.06.2015		31.12.2015	
B2B	141 910	128 087		150 092	
CMO	49 825	36 371		34 936	
HQ & Other	68 276	55 648		73 980	
Total segments	260 011	220 106		259 008	
Operating liabilities					
(NOK 1 000)	30.06.2016	30.06.2015		31.12.2015	
B2B	15 678	10 629		16 415	
CMO	637	1 083		(115)	
HQ & Other	48 053	42 701		53 817	
Total segments	64 368	54 413		70 117	
Reconciliation of assets					
(NOK 1 000)	30.06.2016	30.06.2015		31.12.2015	
Segment operating assets	260 011	220 106		259 008	
Deferred tax assets	-	1 311			
Total operating assets	260 011	221 417		259 008	
Reconciliation of liabilities					
(NOK 1 000)	30.06.2016	30.06.2015		31.12.2015	
Segment operating liabilities	64 368	54 413		70 117	
Tax Payable	-	-		4 915	
Deferred tax liabilities	5 527	-		52	
Total operating liabilities	69 895	54 413		75 084	

3. Share capital

	Number of shares (1 000)	Share capital (NOK 1 000)
At 6 March 2015	1 000	1 000
Rights- and employee offering, June	17 055	17 055
Share capital reduction, June	1 000	1 000
At 30 June 2015	17 055	17 055
At 31 December 2015	17 055	17 055
At 30 June 2016	17 055	17 055

4. Interest-bearing debt

Vistin Pharma ASA has no interest bearing debt as of 30 June 2016. The Group has a credit facility of NOK 25 million with Nordea Bank. No amount was drawn at 30 June 2016.

5. Cash and cash equivalents

(NOK 1 000)	30.06.2016	30.06.2015	31.12.2015
Cash at bank	55 710	44 558	61 989
Cash and cash equivalents	55 710	44 558	61 989

Cash at banks earns interest at floating rates based on daily bank deposit rates. At 31 June 2016 NOK 2.0 million (USD 0.2 million) and NOK 8.8 million (EUR 0.9 million) of the cash at bank was denominated in USD and EUR respectively

The Group has a restricted bank account of NOK 3.0 million relating to employees withholding taxes. In addition, the Group has a guarantee provided by Nordea for the same of NOK 6.5 million.

6. Dividend paid

On 3 June 2016, Vistin Pharma ASA paid a total dividend of NOK 10.2 million for 2015 (NOK 0.60 per share). The dividend was approved by the Annual General Meeting held on 24 May, and was distributed as a repayment of paid-in capital (share premium). No dividend was paid in 2015.

Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the first half year of 2016, which has been prepared in accordance with IAS 34 - Interim Financial Reporting, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the interim management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

The Board of Directors for Vistin Pharma ASA
Oslo, 30 August 2016

Ole Enger
Chairman

Kathrine Gamborg Andreassen
Board member

Einar J. Greve
Board member

Ingrid Elvira Leisner
Board member

Øystein Stray Spetalen
Board member

Jørn-Henning Isaksen
Board Member

Åse Musum
Board member

Kjell-Erik Nordby
CEO