VISTIN PHARMA

Annual Report

2015

Highlights and key financial figures

- The Vistin Pharma group was successfully established in 2015
  - Acquired the B2B business (metformin and opioids APIs) and tablet production assets from Weifa AS for NOK 120 million on 1 June 2015
  - Completed a NOK 170 million equity issue
  - The shares of Vistin Pharma were listed on Oslo Axess on 10 June 2015
- Fifth consecutive year with double digit revenue growth for the metformin business acquired from Weifa
  - Continued strong metformin demand, and supply agreements signed with new customers
  - Strong foothold established in the Japanese market
  - Agreement signed with a distribution agent for the US market
- Stable opioid prices despite continued challenging market
  - Significant revenue (~25%) from sale of codeine tablets
- Vistin Pharma established as an independent CMO with a positive contribution to EBITDA
  - Commenced a five-year supply agreement with Weifa in June 2015 for the manufacture of their key pain relief brands

Key figures from P&L (NOK 000's)	2015 [1]
Total revenue and income	227 892
Cost of materials	81 646
Other operating expenses	47 282
EBITDA	27 883
Profit for the year	19 122

Key figures from the balance sheet (NOK 000's)	
Cash & cash equivalents	61 989
Total assets	259 008
Borrowings	-
Total equity	183 924

Share data	
Earnings per share – diluted (NOK)	1.12
Number of shares outstanding as of 31.12	17 054 935
Share price at 31.12	21.40

1) Business operations commenced 1 June 2015

Financial calendar 2016

EVENT	DATE
First quarter results	28 April
Annual General Meeting	24 May
Second quarter results	30 August
Third quarter results	27 October

Letter from the CEO

Strong prospects for further profitable growth

Dear shareholders,

The year 2015 marked an important milestone in the history of Vistin Pharma. The company was spun off from Weifa, listed on the Oslo Axess stock exchange, and reported at the end of the year as an independent company. In spite of these changes, I am proud that we have managed to keep our attention on running the business. 2015 was a good year for Vistin Pharma, and we have strong prospects for further profitable growth.

Today, Vistin Pharma is solely a B2B company, no longer limited by the strategies of unrelated businesses. Vistin Pharma is now free to develop its business to become a significant global player in the metformin and opioids market. We also have ambitious goals for our CMO tablet business.

There are excellent opportunities for growth. Vistin Pharma products help address some of the world's most serious health challenges. Metformin is the standard first-line treatment for type 2 diabetes – a global public health crisis that threatens patient lives, life quality and the economies of all countries. An aging global population and growing demand for pain treatment, particularly in the developing world, is driving the growth of our opioids products. The CMO market is expected to grow in the years to come. Outsourcing trend creates growth opportunities for high quality producers. These global megatrends will continue to ensure that Vistin Pharma is met with new opportunities for growth.

Our metformin business, the locomotive in Vistin Pharma, experienced another strong year in 2015. This was the fifth consecutive year with double-digit revenue growth. Moreover, our order book is sound, and our capacity for 2016 is already sold out. Due to the strong underlying demand for our metformin products, and significant untapped potential in key markets, Vistin Pharma is carrying out a feasibility study to evaluate the option of expanding our production plant in Kragerø, Norway. Such an expansion could double the current production capacity.

Vistin Pharma provides among the purest and most free-flowing metformin qualities, and our ambition is to become the leading supplier of metformin API (Active Pharmaceutical Ingredients) to customers in the premium product segments.

Our metformin business, the locomotive in Vistin Pharma, experienced another strong year in 2015. This was the fifth consecutive year with double-digit revenue growth. Moreover, our order book is sound, and our capacity for 2016 is already sold out.

Our opioids business recorded another strong year, and despite continued price pressure, the long-term outlook remains positive. Our "powder to pill" strategy is gaining momentum. In 2015, almost 25% of our opioid APIs were converted to tablets.

Our CMO tablet manufacturing was not established as a separate business unit until mid-2015. However, as part of Weifa, the Vistin Pharma organisation has produced finished dose tablets for Weifa and other external customers for almost 75 years. We are therefore an experienced tablet manufacturer with aggressive ambitions for growth. An ongoing operational excellence program aims to increase our production capacity and competitiveness significantly. Increased volume from existing and new CMO customers will fill this increased capacity.

I often get asked how a small, Norwegian player can succeed in a truly global market. Vistin Pharma is based on generations of research and development. Over the last 75 years, we have grown to become a significant supplier of important APIs and finished products to the international pharmaceutical industry. Today, our APIs are marketed in more than 50 countries. We take pride in our position as a recognised premium supplier, but we are not resting on our laurels. We must continuously improve our business to remain a preferred partner for major global pharmaceuticals.

With solid long-term growth potential in all our business segments, our strategy is to grow our business significantly in years to come, both organically and through potential M&A opportunities. With a sound financial basis and encouraging market outlooks, I foresee a bright future for Vistin Pharma.

Thank you for your continued support.

Yours truly,

Kjell-Erik Nordby
CEO

This is Vistin Pharma

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

The Vistin Pharma group was established in June 2015, when Vistin Pharma AS acquired the B2B business and tablet production assets of Weifa AS. 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.

The Group has key positions and growth potential in the international Metformin and Opioid markets (B2B business), and a strong foundation for creating a highly efficient contract manufacturing business (CMO). The Group has around 150 employees and two manufacturing facilities in Kragerø, Norway. Both of the facilities are certified in accordance with current Good Manufacturing Practice (cGMP), and approved by all relevant government bodies. Vistin Pharma's head office is located in Oslo, Norway.

The shares of Vistin Pharma ASA were listed on Oslo Axess in June 2015 (ticker: VISTIN).

Corporate structure

The parent company, Vistin Pharma ASA, was incorporated on 6 March 2015 for the purpose of being the holding company for Vistin Pharma AS, which acquired the B2B business and tablet production assets from Weifa AS. All operational activities and assets are thus held by Vistin Pharma AS.

Proud history

Up until the completion of the acquisition from Weifa AS, the B2B business and tablet production assets had been owned by Weifa AS, which was founded in 1940, as Weiders Farmasøytiske A/S. Weifa AS opened its first production facility in Kragerø in 1952, and moved the remaining manufacturing to this site in 1963. Weifa AS operated as a family owned company until it was acquired by Aqualis ASA (later renamed Weifa ASA) in August 2014, and has since then been a subsidiary of Weifa ASA. Over its 75 year history Weifa AS has grown to become a significant player in the Norwegian pharmaceutical industry with several branded products, such as Paracet, Ibux and Pyrisept.

Weifa AS started manufacturing opioid codeine phosphate (API used in strong pain killers) based on poppy seeds in the 1950's, while pholcodine was added to the opioid product portfolio in the 1980's. These products, including codeine tablets, make up Vistin Pharma's opioid offering. The production of metformin was introduced in 1969, and has since then been developed to include the supply of metformin HCl (hydrochloride), metformin DC (direct compressible) and metformin tablets. These products make up Vistin Pharma's metformin offering. Tablet manufacturing has been a core competence and business of Weifa AS since the early days, including the manufacturing of Paralgin forte, Paracet and Ibux, as well as other brands for recognised international pharmaceutical companies. However, it had not been a separate business area within Weifa AS. The CMO tablet manufacturing business area was therefore established as a separate segment after the acquisition of these assets by Vistin Pharma, and will be further developed going forward.

These are our business areas

Vistin Pharma has two business segments: B2B (business-to-business), which comprises API and tablet manufacturing of metformin and opioids, and CMO (contract manufacturing), which currently only represents the production contract with Weifa, for their key brands within the pain segment such as Paracet and Ibux.

B2B

Metformin

Vistin Pharma currently manufactures about eight percent of the global consumption of metformin API, the active ingredient in the first-line treatment of diabetes 2. The Group's metformin is sold to more than 30 leading international pharmaceutical companies world-wide that use it to make finished products, primarily tablets. Plain generic and branded generic metformin tablets are the most common products sold by our customers, but branded and patented fixed-dose tablet combinations, with other diabetes APIs, are becoming a major growth area.

Metformin tablets are the most widely prescribed diabetes medication in the world. Type 2 diabetes, known as age, or lifestyle related, is a major global epidemic. 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. The metformin 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 approximately 11% of total healthcare costs worldwide in 2014. These costs are projected to exceed USD 627 billion by 2035. Close to 5 million people died from diabetes last year.

The market is very competitive, with manufacturers mainly from India and China, and approximately 65% 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 ("premium market"), 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.

Vistin Pharma's metformin strategy is to become the dominant supplier of metformin API to customers in the premium product segment. Vistin Pharma is experiencing strong interest from both existing and potential new Japanese clients following the registration of a metformin Drug Master File (DMF) in Japan in the first half of 2015. As a result, sales volumes to Japan have more than doubled from 2014. Vistin Pharma signed an agreement with a distribution agent for the US market in the fourth quarter 2015. This is an important milestone in establishing Vistin Pharma on the large US metformin market. Establishing Vistin Pharma as a key supplier in premium markets, like Japan and the USA, is a key objective for the Group going forward.

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, Norway, is dedicated to the manufacturing of metformin. It is approved 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.

According to Vistin Pharma's estimates, the Group currently controls about eight percent of the global metformin market, with its annual manufacturing capacity of approximately 3,000 metric tonnes. Vistin Pharma is in ongoing discussions with potential new customers globally for long-term supply agreements for both HCl and DC, and the Group is in the process of carrying out a feasibility study for the possible expansion of the Fikkjebakke site, which could double the current production capacity.

Opioids

Vistin Pharma serves the world market for opioid APIs with two key products, codeine phosphate (used in analgesics and cough syrup) and pholcodine (used in cough syrup). Our codeine phosphate is sold to more than 40 international pharmaceutical companies. In addition, the Group manufactures Weifa's Paralgin forte tablets containing codeine phosphate (included in the CMO segment), and codeine containing tablets for other pharmaceutical companies. Tablets represented approximately 25% of total sales in the Opioids product segment in 2015.

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 the last 20 years (corresponding to a compound annual growth rate of 6.5%). Emerging countries represent the biggest expansion potential, as rising wealth drives demand for pain medication. China and India are expected to be the fastest growing opioids markets by 2020.

According to the INCB, global consumption of opioids for pain relief is unevenly distributed with the US, Western Europe and Oceania, representing only 17% of the global population, consuming 92% of the volume. Global manufacturing of codeine API has grown by about 6.4% annually to more than 400 metric tonnes. About 70% of the volume is consumed as codeine, while approximately 20% is used to make other APIs. European opioid API suppliers are few in number.

According to management estimates, Vistin Pharma has a global share of about seven percent of the codeine API market with its annual production capacity of 30+ metric tonnes. 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 the USA, South Africa, France and Spain.

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).

The Group has, through the business acquisition from Weifa, a long lasting experience and competencies in handling controlled substances, like opioids. Vistin Pharma's strong position in the opioids segment is built on proven high-quality products, and the ability to handle controlled drugs safely and efficiently. Vistin Pharma offers a swift license process with the Norwegian Medicines Agency, enabling short lead times of orders. Our customers are reputable international

pharmaceutical companies. Europe is the Group's main market for codeine phosphate, however, we also sell codeine API to Asia, Africa and South America. Vistin Pharma has a five-year supply contract for finished dose tablets with a major supplier of strong pain killers for the UK market, which is in line with the Group's "powder to pill" strategy. This demonstrates Vistin Pharma's ability to move up the value chain, and strengthen its position as a major opioids supplier.

Going forward, Vistin Pharma will seek to exploit the Group's market position and customer relationships in key markets to expand the opioids business in general and codeine in particular. The long-term goal is to establish a dominant position in codeine and widen the portfolio of opioid APIs it offers. The Group aims to become a leading global supplier of high-value opioid FDFs (finished dose formulation) through a "powder to pill" strategy, starting with codeine generic formulations including combination products.

Vistin Pharma manufactures its opioid APIs and tablets at the Gruveveien manufacturing plant in Kragerø, Norway. The API syntheses are strictly controlled, and provide high quality codeine phosphate and pholcodine.

CMO

The CMO tablet manufacturing business produces finished products through an agreement with Weifa, at the Gruveveien multipurpose tablet facility. Vistin Pharma has a five-year supply agreement with Weifa, 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, following the acquisition of these assets from Weifa. However, the Vistin Pharma organisation has produced finished dose tablets both for internal use (Weifa) and other external customers for many years. The Group is therefore an experienced CMO.

The current production capacity is estimated to be approximately 650 million tablets. Vistin Pharma's target is to increase the current capacity by at least 50% through an operational excellence program, which was initiated in the second half of 2015. The Group 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) and 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% 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.

Members of the Board

Ole Enger
Chairman

Mr Enger has extensive industrial experience, and is currently on the board of several Norwegian companies. Mr Enger was previously the CEO of REC ASA, a position held from April 2009. Prior to REC ASA, Mr Enger was the president & CEO of SAPA AB, and he has also held the position as president & CEO of Elkem AS and Executive Vice President of Elkem AS. In addition, he has lead Norsk Hydro's Bio-division, including the development of Omega 3 products for both pharmaceutical and food applications, and has been the Chairman of the Board of Borregaard, a producer of fine chemicals for the global pharmaceutical market. Ole Enger holds a degree from the Norwegian University of Life Sciences and a business degree from the Norwegian School of Economics. Mr Enger is a Norwegian citizen, and resides in Oslo, Norway.

Kathrine Gamborg Andreassen
Board member

Ms Andreassen is the CEO of Weifa ASA. She joined Weifa in August 2012, as Vice President of Weifa's Consumer Health business area, and was appointed CEO from June 2015. Ms Andreassen is an experienced marketing professional and she has held several top management positions within the FMCG, food and health business (Orkla, Bakers). Ms Andreassen holds a M.Sc. in Business Strategy & Marketing from the University of Wisconsin. She is a Norwegian citizen and resides in Oslo, Norway.

Einar J. Greve
Board member

Mr Greve works as a strategic advisor at Cipriano AS. Mr Greve has previously worked as head of the legal department of Oslo Børs ASA, as partner at Wikborg Rein & Co and as partner of Arctic Securities ASA. Mr Greve has held various positions in Norwegian listed and unlisted companies. He holds a degree in law (cand.jur) from the University of Oslo. Mr Greve is a Norwegian citizen and resides in Oslo, Norway.

Ingrid Elvira Leisner
Board member

Ms Leisner has previously worked as Head of Portfolio Management for Electric Power in Statoil Norge AS. She also has a background as a trader of different oil and gas products in her 15 years in Statoil ASA. Ms Leisner holds a Bachelor of Business degree (honours) from the University of Texas at Austin. She has served on the board of several companies listed on the Oslo Stock Exchange. Ms Leisner is a Norwegian citizen and resides in Oslo, Norway.

Øystein Stray Spetalen
Board member

Mr Spetalen is the chairman and owner of investment firm Ferncliff TIH AS. He is an independent investor, and has worked in the Kistefos Group as an investment manager, as corporate advisor in different investment banks, and as a portfolio manager in Gjensidige Forsikring. Mr Spetalen is a chartered petroleum's engineer from the Norwegian University of Science and Technology. He is a Norwegian citizen and resides in Oslo, Norway.

Jørn-Henning Isaksen
Board member

Mr Isaksen has been employed at Weifa AS since 1999, and at Vistin Pharma from June 2015. He currently holds the position as Operator at the production facility at Gruveveien, Kragerø. Mr Isaksen has been elected to the Board by the employees of Vistin Pharma. He is a Norwegian citizen and resides in Kragerø, Norway.

Åse Musum
Board member

Ms Musum has been employed at Weifa AS since 2012, and by Vistin Pharma from June 2015. She currently holds the position as QA Supervisor at the production facility at Gruveveien, Kragerø. Ms Musum has been elected to the Board by the employees of Vistin Pharma. She is a Norwegian citizen and resides in Kragerø, Norway.

The Executive Management

Kjell-Erik Nordby
Chief Executive Officer

Mr Nordby has been CEO of Weifa since February 2009, and as of June 2015 CEO of Vistin Pharma. He was Vice President Business Development at Photocure, a Norwegian biotech company. Previous experience includes several years at Alpharma, a leading international generic pharmaceutical company listed on NYSE. He held several top management positions in the company including Head of S&M North Europe Region and as Senior Director API Business Development. Mr Nordby holds a Master's degree in Pharmacy and Master's degree in Business Administration.

Gunnar Manum
Chief Financial Officer

Mr Manum joined Weifa as CFO in August 2014, and as of June 2015 as CFO of Vistin Pharma. He previously held the positions as CFO at Aqualis for 7 years, and prior to that he was a senior advisor at Handelsbanken Capital Markets, Corporate Finance, for 8 years. Mr Manum has a wide ranging experience from several managerial positions within finance and accounting at Stolt Sea Farm and PwC, Australia. He holds a MCom in Finance and Accounting from the University of New South Wales, Sydney.

Valborg Godal Vold
VP B2B

Ms Godal Vold joined Weifa in October 2012 as Vice President B2B Sales & Marketing, and as of June 2015 as VP Sales & Marketing of Vistin Pharma. She is an experienced executive manager within the biotechnology and pharmaceutical industry. Ms Godal Vold holds a BA in Biomedical Laboratory Science (BLS) and an Executive Master in Business & Administration from BI Norwegian Business School /ESCP-EAP Paris.

Hilde Merete Hagen
VP QA

Ms Hagen joined Weifa in March 2015 as VP QA, and as of June 2015 as VP Quality & Regulatory Affairs of Vistin Pharma. She previously held the position as Head of Quality & Regulatory Affairs Global Omega-3 at Pronova BioPharma, where she has held several management positions within QA during her 20 years with the company. She holds a Master of Science in Chemistry from the University of Oslo and a Master of Management from the Norwegian School of Management.

Liesl Hellstrand
VP HR

Ms Hellstrand joined Weifa as Vice President HR in January 2014, and as of June 2015 as VP HR & Organisation of Vistin Pharma. She previously held the position as VP HR of Jordan for five years, and prior to that she spent nine years in Hydro as VP HR in Oslo, and four years as Director HR at Volvo Car Corporation in Gothenburg, Sweden. Ms Hellstrand holds a BSc in Human Resource Development and Labour Relations, specializing in Organization, from Uppsala University, Sweden.

Gitte Jensen Wegge
VP Operations

Ms Wegge joined Weifa as VP Operations in April 2015, and as of June 2015 as VP Operations of Vistin Pharma. She previously held the position as Head of Operations at Bergen Engines AS (Rolls-Royce Power Systems) for three years, and prior to that held several management positions at Elkem, where she was employed for more than 20 years. Ms Wegge holds a Master of Science from the Norwegian Institute of Technology.

Shareholder information

Vistin Pharma is strongly committed to maintaining an open dialogue with its shareholders, potential investors, analysts, investment banks and the financial markets in general. Our goal is for the share price to reflect the underlying value of the Company by providing all price-relevant information to the market.

The Company's total capitalisation at 31 December 2015 was NOK 365 million, based on a closing share price on 30 December 2015 of NOK 21.40.

Dividend policy

The Company's shareholders should over time receive a competitive return on their investment in Vistin Pharma through a combination of an increase in the share price and dividends received. In connection with the release of the financial report for the third quarter on 29 October 2015, the Company announced that the Board will recommend for the annual general meeting in 2016 to approve Vistin Pharma's first dividend of NOK 0.60 per share.

Shares and share capital

At the end of 2015 Vistin Pharma had 17,054,935 ordinary shares outstanding with a par value of NOK 1.00 per share (see Note 17 to the Consolidated Financial Statements). The Company has one share class, and each share carries one vote. At 31 December 2015, the Company had 1,025 shareholders, and 23.7% of the shares of the Company were held by foreign registered shareholders.

Listing

The Company's shares were listed on the Oslo Axess (ticker: VISTIN) in June 2016. The shares are registered in the Norwegian Central Securities Depository (VPS) with Nordea Bank Issuer Service as registrar. The shares carry the securities number ISIN NO0010734122.

Principal shareholders

The top 20 shareholders of Vistin Pharma are predominantly large Norwegian and international investors. A table of the 20 largest shareholders is included in this chapter.

Employee incentive plan

The Company does not currently have a share based incentive plan for employees. However, in connection with the NOK 170 million share issue in Vistin Pharma in June 2015, to finance the acquisition of the business assets transferred from Weifa, all employees were offered to buy shares in Vistin Pharma in a separate tranche directed at the Board members and employees (see Note 17 to the Consolidated Financial Statements for details of shares held by the Board and Executive Management).

Investor relations

Vistin Pharma wishes to maintain an open dialogue with the capital market. Therefore, regular information is published through the Annual Report, interim reports and presentations and stock exchange announcements. The Company distributes all information relevant to the share price to the Oslo Stock Exchange. Such information is distributed without delay and simultaneously to the capital market, the media and is also published on the Company's website.

The CEO and CFO are responsible for the Company's investor relations activities and all communication with the capital markets, and all information is communicated within the framework established by securities and accounting legislation and the rules and regulations of the stock exchange.

All information regarding Vistin Pharma is available on the Company's website: www.vistin.com.

Annual General Meeting

The Annual General Meeting will normally be held in May. Written notice and any additional relevant material, as required by law, will be sent to all the shareholders individually, or to their custodian bank, minimum three weeks before the Annual General Meeting is being held. The notice is also made available on the Company's website. Shareholders are encouraged to participate, and to vote, at the Annual General Meeting. In order to vote, a shareholder must either be physically present, or vote by proxy.

20 largest shareholders at 6 April 2016

NAME	NUMBER OF SHARES	OWNERSHIP SHARE
EUROCLEAR BANK S.A.	2 548 810	14.9%
STRATA MARINE & OFFSHORE	1 965 943	11.5%
STOREBRAND VEKST	1 060 106	6.2%
MP PENSJON	877 870	5.1%
SOLAN CAPITAL AS	787 482	4.6%
FERNCLIFF LISTED DAI	582 282	3.4%
SKANDINAVISKE ENSKILDA	579 376	3.4%
HOLBERG NORGE	573 349	3.4%
PENSJONSORDNINGEN FOR APOTEKVIRKSOMHET	500 000	2.9%
PORTIA AS	450 000	2.6%
CIPRIANO AS	375 538	2.2%
DUKAT AS	375 000	2.2%
SPETALEN ØYSTEIN STRAY	323 650	1.9%
GOLDMAN SACHS & CO	311 994	1.8%
TVENGE TORSTEIN INGVALD	300 000	1.8%
SVENSKA HANDELSBANKEN	215 000	1.3%
STOREBRAND NORGE I	202 664	1.2%
NORDBY KJELL-ERIK	200 000	1.2%
BORGEN INVEST	196 078	1.1%
GRANT INVEST AS	184 407	1.1%
Total 20 largest shareholders	**12 609 549**	**73.9%**
Other shareholders	4 445 386	26.1%
Total number of shares	**17 054 935**	**100.0%**

Ownership structure by geographical region at 6 April 2016

NATIONALITY	NUMBER OF SHARES	OWNERSHIP SHARE
Foreign shareholders	4 007 675	23.5%
Norwegian shareholders	13 047 260	76.5%
Total	**17 054 935**	**100.0%**

Ownership structure by size of holding at 6 April 2016

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	PERCENTAGE OF CAPITAL
1 - 10 000	866	6.3%
10 001 - 100 000	59	12.2%
100 001 - 500 000	21	28.8%
500 001 - 1 000 000	5	19.9%
Over 1 000 000	3	32.7%
Total	**954**	**100.0%**

Corporate governance

Corporate Governance regulates the relationship between the Company's management, its Board of Directors and the shareholders of the Company. Vistin Pharma believes that good corporate governance is an important component of sustainable business conduct and long-term value creation.

1. Implementation and reporting of Corporate Governance

In accordance with the Norwegian Code of Practice for Corporate Governance (the "Code of Practice), cf. the latest version dated 30 October 2014, the Board of Directors of Vistin Pharma ASA has prepared a Corporate Governance policy document. Vistin Pharma aspires to follow the Code of Practice as closely as possible, and in situations where the Company's practice might diverge from the code, an explanation or comment will be provided.

The Board reviews the overall position of the Company in relation to the latest version of the Code of Practice annually and reports thereon in the Company's annual report in accordance with the requirements of the continuing obligations of stock exchange listed companies and the Code of Practice.

The Company's compliance with the Code of Practice is detailed in this section of the Annual Report and section numbers refer to the Code of Practice's articles. Vistin Pharma' Corporate Governance guidelines are published in full at the Company's website (www.vistin.com).

2. Business

Vistin Pharma ASA is a Norwegian pharmaceutical company, supplying finished dose formulations and API's to the pharmaceutical industry globally. The Company is active throughout the value chain – from development, to production, distribution and sales to B2B customers.

Vistin Pharma's business purpose, as presented in the Company's Articles of Association, is as follows:

"The Company's purpose is the development, production and sale of pharmaceuticals and other healthcare products and all activities related hereto, on its own or through ownership in other companies".

Vistin Pharma's business operations are presented in further detail in the "This is Vistin Pharma" section of the Annual Report.

3. Equity and dividends

Equity

The Group's consolidated equity at 31 December 2015 was NOK 186.2 million, representing an equity ratio of 71.5%. The Board aims to maintain an equity ratio that remains satisfactory in light of the Group's goals, strategy and risk profile.

Increases in share capital

The Board will only propose increases in the share capital when this is beneficial over the long term for the shareholders of the Company. At the extraordinary general meeting held in April 2015, the Company received a general authority to increase the share capital by up to NOK 7,750,000 (representing up to 45% of the existing share capital) through the issue of new shares for general corporate purposes, including financing of investments and employee incentive plans. The Company's strategy is to grow its business organically and through potential acquisitions and the Board believes that a general authority, without a specific purpose, is necessary to give the Company the required flexibility to secure the necessary financing, at the lowest possible costs, and that this is in the best interest of the Company's shareholders. The authority is limited in time to the annual general meeting in 2016.

Vistin Pharma has been given an authorisation to purchase its own shares, limited to shares with a total par value of NOK 1,555,493. The authority was given at the extraordinary general meeting held in April 2015, and is limited in time to the annual general meeting in 2016.

Dividend policy

It is the Company's objective to generate returns to the shareholders in the form of dividends and share appreciation, which is at least on the same level as other investment possibilities with comparable risk. In connection with the release of the financial report for the third quarter on 29 October 2015, the Company announced that the Board will recommend for the annual general meeting in 2016 to approve Vistin Pharma's first dividend of NOK 0.60 per share.

4. Equal treatment of shareholders and transactions with close associates

The Company has only one class of shares. Each share entitles the holder to one vote and there are no voting restrictions. Each share has a nominal value of NOK 1.00. Any potential purchase of own shares shall be carried out

via a stock exchange at market prices. There were no purchases of own shares during 2015.

Where the Board resolves to carry out an increase in share capital on the basis of an authority given to the Board, and waive the pre-emption rights of existing shareholders, the justification will be publically disclosed in connection with the increase in share capital.

Transactions with related parties shall be at arm's length and at fair value which, in the absence of any other pertinent factors, shall be at market value. All not immaterial transactions with related parties shall be valued by an independent third party, unless assessed and resolved upon by the General Meeting. Transactions with related parties are described in Note 24 to the Consolidated Financial Statements.

5. Freely negotiable shares

There are no limitations on trading of shares and voting rights in the Company, and each share gives the right to one vote at the Company's General Meeting.

6. General Meeting

Annual General Meeting

The General Meeting is the Company's supreme body and elects the members of the Board.

The call for the General Meeting

The Company observes the minimum notice period set out in the Norwegian Public Limited Companies Act, i.e. providing 21 days minimum notice period. The call for the General Meeting is issued in writing via mail, or electronically through VPS, to all shareholders with registered addresses. Transmitted with the summons are documents, which have sufficient detail for the shareholders to take a position on all the cases to be considered. Documents relating to matters which shall be considered at a General Meeting need not be sent to the shareholders if the documents have been made available to the shareholders on the Company's website. This also includes documents that according to law shall be incorporated into, or be attached to the notice of the General Meeting. A shareholder may require that documents, which shall be considered at a General Meeting, are sent to the shareholder.

The summons also addresses the shareholder's right to propose resolutions to the matters to be resolved upon at the General Meeting, and gives information regarding the required steps necessary to exercise the shareholder's rights. The summons and the said documents are made available on the Company's web-site at least 21 days prior to the relevant General Meeting.

To register for the General Meeting, a shareholder is requested to submit a confirmation in writing via mail or fax, or by electronic registration directly through VPS.

The 2016 Annual General Meeting is scheduled for 24 May in Oslo, Norway.

Voting at the General Meeting

Any shareholder is entitled to vote at the General Meeting, and to cast a vote, a shareholder must attend or give a proxy to someone who is attending. The proxy form will be distributed with the summons to the General Meeting. A proxy will only be accepted if submitted by mail, fax, or e-mail (provided the proxy is a scanned document with signature), or registered directly through VPS. It is not possible to vote via the internet or in any other way. For shareholders who cannot attend the General Meeting, the Board will nominate the Chairman and the CEO to vote on behalf of shareholders as their proxy. To the extent possible, the Company uses a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

The attendance at the General Meeting

The Board and the management of the Company seek to facilitate the largest possible attendance at the General Meeting. The Chairman of the Board, the CEO and the Company's auditor will always attend the Annual General Meeting. In addition, the Chairman of the Election Committee, and other members of the Board and the Election Committee, will attend whenever practical. The Code of Practice recommends that all Board members, members of the Election Committee and the auditor are present at the annual general meeting.

Chairman of the meeting and minutes

The Chairman of the Board, or another person nominated by the Board, will declare the General Meeting for open. The Code of Practice recommends that an independent person is appointed to chair the General Meeting. Considering the Company's organisation and shareholder structure the Company considers it unnecessary to appoint an independent chairman for the General Meeting, and this task will for practical purposes normally be performed by the Chairman of the Board. However, the need for an independent chairman is evaluated in advance of each General Meeting based on the items to be considered at the General Meeting. The minutes from the General Meeting are made available at the Company's website on the day following the General Meeting.

7. Election Committee

The Company's Election Committee is regulated by article 11 of the articles of association. The Election Committee is elected by the General Meeting, which also appoints the Chairman of the Election Committee. The members of the Election Committee should be selected to ensure there is a broad representation of shareholders' interests.

The work

The Election Committee's task is to propose candidates for election to the Board of Directors and to suggest remuneration for the Board. The election Committee usually have direct contact with the largest shareholders, existing Board members and the CEO of the Company as part of their proposal for Board members at the annual general meeting. Shareholders may propose board members through the Chairman of the election committee. Any proposals to the Election Committee should be submitted in writing to the Chairman of the Election Committee no later than 15 April. The recommendations by the Election Committee shall be justified.

The Election Committee currently consists of two members, who shall be shareholders or representatives of the shareholders, and no more than one member of the Election Committee shall be a member of the Board. The members of the Election Committee are generally elected for

a period of two years at a time. Further information on the duties of the Election Committee can be found in the Instructions to the Election Committee, which has been approved by the General Meeting and made available on the Company's website.

Vistin Pharma is not aware of the existence of any agreements or business partnerships between the Company and any third parties in which members of its Election Committee have direct or indirect interests. The Election Committee's composition is designed to maintain its independence from the Company's administration.

The Election Committee currently consists of the following members:

- Martin Nes, Chairman (member since 2015; up for election in 2016)
- Espen Tideman Jørgensen, (member since 2015; up for election in 2016)

8. The Board of Directors – composition and independence

The Chairman and the other members of the Board are elected for a period of two years at a time, and the Board currently consists of five shareholder elected members. In addition, two members are elected by the employees of the Group. All members of the Board may be re-elected for a period of up to two years at a time. The Company's Executive Management is not represented on the Board of Directors. All the current members of the Board are independent of the Company's Executive Management. Ole Enger and Einar J. Greve are board members, and Kathrine Gamborg Andreassen the CEO, of Weifa ASA, the Group's single largest customer. The Board member Øystein Stray Spetalen controls directly, or indirectly, approximately 17.6% of the shares in the Company.

In electing members to the Board, it is emphasised that the Board has the required competence to independently evaluate the cases presented by the Executive Management as well as the Company's operations. It is also considered important that the Board functions well as a body of colleagues.

The current composition of the Board, including Board members' shareholding in Vistin Pharma per the date of this annual report is detailed below.

The female representation among shareholder elected Board members is 43%.

9. The work of the Board

The Board's work follows an annual plan and it will conduct an annual self-evaluation of its performance and expertise, which will be made available to the Election Committee. The annual plan will be revised after each Annual General Meeting, and includes the number of meetings to be held and specific tasks to be handled at the meetings. Typical tasks that are handled by the Board during the year includes an annual strategic review, review and approval of the following year's budget, evaluation of management and competence required, and continuous financial and risk reviews based on budget or prognosis. The Board has held five meetings since the Company was listed on Oslo Axess, and to the date of this report. The Board members attended all the Board meetings, either in person or by phone, with the exception of Einar J. Greve and Øystein Stray Spetalen, who were present at four Board meetings. The employee representatives Jørn-Henning Isaksen and Åse Musum attended all the Board meetings from the time of their election by the employees in October 2015.

Remuneration Committee

The Remuneration Committee, appointed by the Board, makes proposals to the Board on the employment terms and conditions and total remuneration of the CEO, and other members of Executive Management, as well as the details of any employee incentive plans. These proposals are also relevant for other management entitled to variable salary payments. The Board's instructions to the Remuneration Committee are available on the Company's website. The Remuneration Committee currently consists of Ole Enger (Chairman) and Ingrid Elvira Leisner.

Audit Committee

The Company may have an Audit Committee appointed by the Board, however for practical

The Board of Directors – composition and independence

NAME	POSITION IN THE BOARD	MEMBER SINCE (YEAR)	UP FOR ELECTION (YEAR)	COMMITTEE MEMBERSHIP	SHAREHOLDING IN VISTIN PHARMA*
Ole Enger	Chairman	2015	2017	Rem. Comm.	141,471
Kathrine Gamborg Andreassen	Member	2015	2017		-
Einar J. Greve	Member	2015	2017		375,538 [1]
Ingrid Elvira Leisner	Member	2015	2017	Rem. Comm.	-
Øystein Stray Spetalen	Member	2015	2017		2,995,806 [2]
Jørn-Henning Isaksen	Member	2015	2017		-
Åse Musum	Member	2015	2017		1,000

* At the date of the Annual Report

1) Shares owned through Cipriano AS
2) Shares owned by Øystein Stray Spetalen, or companies controlled by, or associated with him, (Strata Marine & Offshore AS, AS Ferncliff, Ferncliff Listed DAI AS)

purposes the full Board currently constitutes the Audit Committee.

10. Risk management and internal control

The Board and the Executive Management shall at all times see to that the Company has adequate systems and internal control routines to handle any risks relevant to the Company and its business, hereunder that the Company's ethical guidelines, corporate values and guidelines for corporate social responsibility are maintained and safeguarded.

The Board carries out an annual detailed review of the Company's most important areas of exposure to risk and its internal control systems. The risk areas, changes in risk levels and how the risk is being managed, are regularly reviewed at Board meetings.

Vistin Pharma manufactures and sells pharmaceutical products through its subsidiary Vistin Pharma AS. These products are produced and sold in compliance with relevant international and local laws and regulations governing the pharmaceutical industry. Accordingly, the Company has implemented risk management systems in accordance with e.g. GMP and EHS guidelines.

11. Remuneration of the Board of Directors

Remuneration of Board members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the business. The remuneration needs to be sufficient to attract Board members with the right expertise and competence. The compensation shall be a fixed annual amount and shall be determined by the Annual General Meeting based on a proposal from the Election Committee. At the Extraordinary General Meeting on 16 April 2015, a resolution was passed approving the following fees for the period from the Extraordinary General Meeting and until the Annual General Meeting in 2016: Chairman NOK 250,000, other Board members NOK 150,000 each.

For more information on remuneration of the Board see note 23 to the Consolidated Financial Statements.

12. Remuneration of the Executive Management

The Board sets out the guidelines for remuneration of Executive Management and determines the salary and other compensation of the CEO, pursuant to relevant laws and regulations.

The statement regarding the determination of salary and other remuneration to Executive Management are presented as a separate agenda item at the Annual General Meeting, and any proposals for equity-based compensation (i.e. share option or share purchase plan) is usually included as a separate agenda item.

For more information on remuneration of the CEO and other members of Executive Management and the statement regarding the determination of salary and other remuneration to Executive Management see Note 23 to the Consolidated Financial Statements.

13. Information and communication

The Board of Directors and the Executive Management of the Company assign considerable importance to giving the shareholders and the financial market in general timely, relevant and current information about the Company and its activities, while maintaining sound commercial judgement in respect of any information which, if revealed to competitors, could adversely influence the value of the Company.

Regular information is published in the form of Annual Reports and interim reports and presentations. It is the Company's aim to publish these reports within four weeks of the end of the relevant period in at least two of the four financial quarters. Vistin Pharma distributes all information relevant to the share price to the Oslo Stock Exchange in accordance with applicable regulations. Such information is distributed without delay and simultaneously to the capital market, the media and on the Company's website.

The Company publishes all information concerning the Annual General Meeting, interim reports and presentations and other presentations on the Company's website, as soon as they are made publically available.

The CEO and CFO hold a presentation each quarter in connection with the release of the interim reports, which is open to all interested parties, and which is also generally accessible through a live webcast posted on the Company's website. The Executive Management also holds regular meetings with shareholders and other investors, and present at domestic and international investor conferences.

The Company's financial calendar for the next financial year is published in December each year through Oslo Børs and the Company's website.

14. Take-overs

The Board shall not without specific reasons attempt to hinder or exacerbate any attempt to submit a takeover bid for the Company's activities or shares, hereunder make use of any proxy for the issue of new shares in the Company. In situations of takeover or restructuring, it is the Board's particular responsibility to ascertain that all shareholders' values and interests are protected. If a take-over offer is made, the Board will issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board will arrange a valuation from an independent expert that shall be made public no later than the disclosure of the Board's recommendation.

15. Auditor

The Company's external Auditor is Ernst & Young AS. The Auditor participates in the Board meeting that approves the annual financial statements, and otherwise when required. The Auditor meets with the Board, without the Company's Executive Management being present, at least once a year.

The Auditor each year presents a plan for the implementation of the audit work, and following the annual statutory audit presents a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

Remuneration to the Auditor is disclosed in Note 7 to the Consolidated Financial Statements.

The full Corporate Governance Policy is published on Vistin Pharma's home page: www.vistin.com.

Directors' report for 2015

In June 2015, Vistin Pharma (the Group), acquired the B2B business and tablet production assets from Weifa AS and became a major Norwegian pharmaceutical company producing Active Pharmaceutical Ingredients (APIs) and solid dosage forms for the global pharmaceutical industry.

THE ESTABLISHMENT OF VISTIN PHARMA AND THE ACQUISITION OF THE B2B AND TABLETT PRODUCTION ACTIVITIES FROM WEIFA AS

In March 2015, Weifa ASA (Weifa) decided to separate the B2B business and tablet production assets from the consumer health business in Weifa AS, into a new pharmaceutical company, Vistin Pharma, which would focus on the production and sale of APIs (B2B segment) and contract manufacturing of tablets (CMO segment).

To facilitate the separation, Vistin Pharma ASA (the Company) was established in March 2015, and the company subsequently acquired 100% of the shares in Vistin Pharma AS, a dormant company, from Weifa ASA. On 1 June 2015, Vistin Pharma AS acquired the B2B business and tablet production assets from Weifa AS for a total cash consideration of NOK 120 million. 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. In June, Vistin Pharma conducted an equity issue of approximately NOK 170 million to finance the acquisition and to secure working capital for the new Group, and the shares of the Company were listed on Oslo Axess on 10 June 2015.

THE OPERATING PERFORMANCE OF VISTIN PHARMA

Vistin Pharma has two business segments; B2B, which comprises the manufacturing of metformin and opioid APIs (Active Pharmaceutical Ingredient) and FDFs (Finished Dose Formulation), and CMO tablet manufacturing, which currently represents the tablet production agreement with Weifa.

In the metformin business area, Vistin Pharma's strategy is to become the dominant supplier of metformin API to customers in the premium product segments. Vistin Pharma sees 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 demand. Based on internal estimates, Vistin Pharma currently has a market share of approximately eight percent of the global metformin market, with its annual manufacturing capacity of 3,000 metric tonnes.

Key drivers for continued growth in the metformin business are volume growth from existing multinational customers, successful market expansion in Japan and establishing a market presence in the USA. Vistin Pharma is experiencing strong interest from both existing and potential new Japanese customers following the registration of a metformin Drug Master File (DMF) in Japan in the first half of 2015. The

Group signed an agreement with a distribution agent for the US market in the second half of 2015, which is an important milestone in establishing Vistin Pharma on the large US metformin market. Establishing Vistin Pharma as a key supplier in premium markets, like Japan and the USA, is a key objective for the Group going forward.

The Group's production plant at Fikkjebakke, Norway, is dedicated to the production of metformin, and is approved by all relevant regulatory bodies, including the US Food and Drug Administration (FDA). Vistin Pharma is in ongoing discussions with potential new customers globally for long-term supply agreements, and the Group is in the process of carrying out a feasibility study for the possible expansion of the production plant at Fikkjebakke, which could double the current production capacity.

The market for metformin is very 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 the premium product segment, which consist of 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.

In the opioids business area, Vistin Pharma's strategy is to become a leading supplier of APIs and finished products, primarily codeine based, to international pharmaceutical companies. The Group's production plant in Kragerø, Norway, manufactures opioid APIs, as well as finished dose tablets. Based on internal estimates, Vistin Pharma has a global market share of approximately seven percent of the codeine API market, with its annual production capacity of 30+ metric tonnes. 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 the USA, South Africa, France and Spain.

The market for the Group's APIs, primarily codeine phosphate, was under pressure in 2015, with lower prices and volumes, which was mainly caused by an excess supply of raw materials used in the production of codeine products. The price pressure is expected to continue in 2016, however, the long-term market prospects appear to be good. Vistin Pharma has, as part of its strategy plan, signed a long-term supply agreement with a raw material supplier, which should enable the Group to maintain its margins in a challenging market. Vistin Pharma is the only independent API supplier, producing FDF for third parties. The Group's strategy is to continue forward integrating in the opioids value chain ("powder to pill" strategy), and to convert a significant part of its codeine API volume into tablets.

In the CMO segment the Group produces finished dose tablets, through a supply agreement with Weifa at its multipurpose tablet facility in Kragerø, Norway. The production facility also produces finished dose metformin and codeine tablets for the B2B segment. Vistin Pharma has 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 current production capacity is estimated to be approximately 650 million tablets. An ongoing operational excellence program aims to increase the production capacity and competitiveness significantly. Increased volume from existing and new CMO customers will fill this increased capacity.

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.

Vistin Pharma does not currently have any dedicated research and development (R&D) resources. However, the Group has considerable focus on process improvement projects related both to optimising existing API processes and finished dose formulations (FDF), as well as processes to continuously improve product quality and cost. This work is carried out by operational staff.

PRESENTATION OF FINANCIAL RESULTS FOR THE GROUP

The Group had no business activities prior to the acquisition of the B2B business and tablet production assets from Weifa AS on 1 June 2015, and thus the financial results for 2015 principally relate to the period from 1 June to 31 December.

For 2015, total revenue and income for Vistin Pharma amounted to NOK 227.9 million. The B2B segment contributed with revenue of NOK 150.3 million, while the CMO segment had revenue of NOK 68.9 million. Other income, which has not been allocated to business segments, amounted to 8.7 million.

The Group had total EBITDA for 2015 of NOK 27.9 million. EBITDA from the B2B and CMO segments were NOK 18.9 million and NOK 4.4 million respectively.

The operating profit for 2015 was NOK 26.3 million, and the Group had a net profit of NOK 19.1 million, after net finance costs of NOK 0.1 million, and income tax expense of NOK 7.1 million.

Liquidity, financial position and investments

Vistin Pharma's net cash flow from operating activities amounted to NOK 31.0 million in 2015.

During 2015 the acquisition of the B2B business and tablet production assets from Weifa AS resulted in a net cash outflow of NOK 120.0 million, and total net cash outflow from investing activities was NOK 131.7 million, after purchases of equipment of NOK 11.8 million.

The business acquisition from Weifa AS was financed through a share issue generating net proceeds of NOK 163.7 million, and the total cash

flow from financing activities for 2015 was NOK 162.7 million.

At 31 December 2015, total assets amounted to NOK 259.0 million and the Group had no interest bearing debt. Cash and cash equivalents amounted to NOK 62.0 million at 31 December 2015.

As of 31 December 2015, total equity amounted to NOK 183.9 million, and the equity ratio at year end was 71.0%.

Vistin Pharma expects that cash from operations, together with its liquidity reserves, will be sufficient to cover planned capital expenditures and operational requirements in 2016.

The Financial Statements of Weifa ASA have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and are valid as of 31 December 2015.

In accordance with the Norwegian accounting act § 3-3a, the Board of Directors confirms that the Financial Statements have been prepared under the assumption of going concern and that this assumption is valid based on the Group's budgets and financial projections.

EVENTS AFTER THE BALANCE SHEET DATE

No material events after the balance sheet date noted.

ORGANISATIONAL MATTERS

Organisation

At the end of 2015, the Group had 151 employees, all of which were employed by Vistin Pharma AS.

Kjell-Erik Nordby, was appointed the Company's first CEO from 1 June 2015.

Board of Directors

The Company was established on 6 March 2015, and Ole Enger was elected as Chairman and Øystein Stray Spetalen and Synne Syrrist as Board members. At an Extraordinary General Meeting (EGM) held on 26 March 2015, Kathrine Gamborg Andreassen was elected as new Board member, while Synne Syrrist Stepped down from the Board. At an EGM held on 16 April 2015, Einar J. Greve and Ingrid Elvira Leisner were elected as Board members effective from the date the Company's shares were listed on Oslo Axess. Subsequently, the employees of Vistin Pharma elected Jørn-Henning Isaksen and Åse Musum as employee representatives to the Board. The Board of Directors now consists of the following: Ole Enger (Chairman), Kathrine Gamborg Andreassen, Einar J. Greve, Ingrid Elvira Leisner, Øystein Stray Spetalen, Jørn-Henning Isaksen and Åse Musum.

CORPORATE SOCIAL RESPONSIBILITY, THE ENVIRONMENT AND EMPLOYEES

Vistin Pharma aspires to achieve sustainable development by striking a good balance between financial results, value creation, sustainability and CSR. The statement of corporate social responsibility required under Section 3-3c of the Norwegian Accounting Act follows below.

Corporate social responsibility

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 in the countries where the Group operates.

The Group believes in social responsible business, and in promoting decent working, and environmental conditions in our supply chains is part of our company's strategy and efforts to act responsible. In pursuit of this aim Vistin Pharma cooperates with its suppliers and business partners. Vistin Pharma has adopted the general principles of UN Global Compact with universally accepted principles for human rights, working conditions, environment and anti-corruption.

Vistin Pharma expects its suppliers and business partners to make efforts to ensure compliance to the above principles and national laws and regulations, and to ensure similar compliance by their sub-suppliers.

Vistin Pharma does not accept violence to laws against corruption, bribery and fraud. Suppliers and business partners shall under no circumstance be involved in business practice which hinders free competition. Suppliers and business partners shall not offer Vistin Pharma employees gifts or favourable conditions. Vistin Pharma seeks to form long-term relationship with business partners who share our values and focus on promoting decent working and environmental conditions in the supply chain.

The Group does not currently have any formalised principals, or procedures, for corporate social responsibility, but is in the process of establishing a formal Code of Conduct for its business operations.

Equal opportunities

The Group has established practices to ensure equal opportunities between female and male employees, as well as between different races. The Group has 151 employees at year-end 2015, of which 54 are female. The Executive Management group consists of six members, of which four members are female. The Board of Directors currently has three female members out of seven. The Board does not consider it necessary to take further measures to ensure equal opportunities.

Health, safety and environment

Vistin Pharma has established a set of policies and procedures for handling quality, health, safety and environment, including a system for reporting and monitoring workplace accidents. Key safety indicators are monitored and reported on a monthly basis.

The Group is committed to a work environment where all employees feel safe and are valued for the diversity they bring to the business. Vistin Pharma honours domestic and internationally accepted labour standards and support the protection of human rights. The Company does not tolerate any harassment or any act of violence of threatening behaviour in the workplace, including any sexual, age-related or racial harassment. The people employed at Vistin Pharma are our most important resource for success, and the Group strives to create a healthy

and safe environment for all employees and contractors. For Vistin Pharma AS, where the employees in the Group are employed, QHSE is an integral element of its business, and systems are in place to monitor and follow-up any accident incidents. The total sick leave for Vistin Pharma AS for the full-year 2015 was 6.1% of the total working hours, and Vistin Pharma AS reported 7 unwanted incidents during the same period. None of these incidents resulted in personal injuries.

The Group has two production plants in Kragerø, Norway, and its head office is located in modern and well equipped offices at Østensjøveien 27, Oslo, Norway.

The manufacturing plants in Kragerø (Gruveveien and Fikkjebakke), which were acquired from Weifa AS, have in the past faced some environmental issues concerning emissions and emission permits. In 2014, the Norwegian Climate and Pollution Agency required a reduction of emissions from both plants to ensure that the plants operated within existing permits. A new permanent emission permit for the Fikkjebakke site was granted in April 2016. An application for a new permanent emission permit for Gruveveien was submitted in Q1 2016, and the permanent emission permit is expected to be received in the second half of 2016. Both plants currently operate within, and are in compliance with, the existing permits.

Vistin Pharma has dedicated considerable resources to identify, analyse, control and reduce the emission levels at both plants. The Company has engaged external consultants and strengthened its competence and resources within HSE. Following the Company's initiatives the risk for unwanted interruption, or reduction of activity in the factories, due to emissions issues is considered to be low.

RISKS

Risk exposure and risk management

Vistin Pharma's regular business activities entail exposure to various types of risk. The Company proactively manages such risks and the Board regularly analyses its operations and potential risk factors and takes measures to reduce risk exposure. Vistin Pharma places a strong emphasis on Quality Assurance and has quality systems implemented, in line with the requirements for the pharmaceutical industry.

Operational risk

Vistin Pharma faces risks and uncertainties within its business operations and in the domestic and international market place. The B2B products are sold world-wide and are primarily commodities, which are available from a large number of international suppliers. This segment is thus exposed to the economic situation in the countries where the customers are located, and to the international competitive situation. The CMO business segment has entered into a CMO agreement with Weifa that constitutes a substantial share of the Group's revenue. The agreement has an initial duration of five years, with the option to extend it for another two years at the discretion of Weifa. In the event that Vistin Pharma fails at maintaining a competitive manufacturing process for the products it supplies to Weifa the contract might not be renewed. If the contract with Weifa is not extended it could negatively influence the Company's business, financial condition and results of operation.

Major incidents relating to HSE could impose significant costs and damage the Company's reputation and Vistin Pharma is also exposed to changing legislation and regulations related to the pharmaceutical industry.

Financial risk

The Group is principally exposed to interest rate risk, credit risk, liquidity risk and foreign currency risk.

The Group had no interest bearing debt at 31 December 2015.

Vistin Pharma has no major financial assets other than cash and cash equivalents and trade receivables. Cash and cash equivalents and trade receivables amounted to NOK 62.0 million and NOK 54.8 million respectively at 31 December 2015. The credit risk relating to these assets is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The counterparties for cash deposits are commercial banks, primarily Nordea. The trade receivables relate to customers of Vistin Pharma AS, and the company is tightly managing these receivables. The Group's overall credit risk is considered moderate to low.

The Group had cash and cash equivalents of NOK 62.0 million at 31 December 2015, and has a credit facility of NOK 25 million with Nordea, of which none were drawn at 31 December 2015. Based on the current cash position, the Company assesses the liquidity risk to be low.

The Group's exposure to the risk of changes in foreign exchange rates relates primarily the Group's operating activities (when revenue or expense is denominated in a different currency from the Company's presentation currency), and the Group's foreign currency denominated cash deposits.

Vistin Pharma offers products to the global pharmaceutical market and the Company is exposed to currency exchange fluctuations, as most sales within the metformin and opioids business are in EUR and USD. Some of these sales are partly covered by a natural hedge, as most of the raw material costs are denominated in USD, and the Group may also enter into currency hedging contracts to reduce the foreign exchange risk. At 31 December 2015 the Group had EUR and USD denominated cash balances of negative NOK 6.7 million and negative NOK 0.2 million respectively.

Further details on financial risk can be found in Note 3 to the Consolidated Financial Statements.

SHAREHOLDER RELATIONS AND CORPORATE GOVERNANCE

Corporate governance

The Board of Directors and Executive Management are committed to complying with rules and regulations that apply to the Company's business. The Company's corporate governance guidelines, (the "CCGP"), were established in April 2015, and have been prepared to comply with the current Norwegian Code of Practice for Corporate Governance (the "Code"). The CCGPs has been prepared in

accordance with Section 3-3b of the Norwegian Accounting Act and are included as a separate section in the Annual Report and are available on the Company's website.

Dividend policy

It is the Company's objective to generate returns to the shareholders in the form of dividends and/or share appreciation, which is at least on the same level as other investment possibilities with comparable risk.

Investor relations

The Board of Directors and the Executive Management of the Company place considerable importance on providing the shareholders and the financial market in general with timely, relevant and current information regarding the Company and its activities, in accordance with the laws and regulations imposed by the Norwegian Securities Trading Act and the Oslo Stock Exchange.

OUTLOOK

Vistin Pharma will seek to expand its businesses producing APIs and solid dosage forms for the global pharmaceutical industry. The Group has key positions and growth potential in the international metformin and opioids market, and a strong foundation for creating an efficient CMO operation.

The metformin business is experiencing growing demand owing to the overall market developments, and Vistin Pharma's position as a high-quality producer. Vistin Pharma expects this trend to continue in 2016.
Long-term drivers for the opioid market indicate an attractive future growth potential. In the short-term, however, the price pressure in the global opioid market may affect prices and volumes for Vistin Pharma.

The Group's strategy is to grow its business significantly going forward, through investments in internal capacity expansion and through potential M&A opportunities. Any potential investments will be financed through an optimised structure of debt and new equity.

VISTIN PHARMA ASA (PARENT COMPANY)

The parent company, Vistin Pharma ASA, is a holding company, with financial activities, but no operating activities. The Company had a net profit of NOK 5.7 million in 2015. Vistin Pharma ASA was incorporated in 2015 and has no comparable figures. Total assets as of 31 December 2015 were NOK 171.2 million, and the long-term intercompany receivables were NOK 140.8 million at year-end 2015. The Company's cash balance at year-end 2015 was NOK 22.0 million. Total shareholders' equity at 31 December 2015 was NOK 170.5 million, and the equity ratio at 31 December 2015 was 99%.

The Board of Directors will propose to the Annual General Meeting that the net profit of NOK 5.7 million is transferred to retained earnings, and that the Company pays a dividend of NOK 0.60 per share for 2015, totalling a payment of NOK 10.2 million, through a repayment of paid-in capital. Following the transfer and payment of dividend, total equity will amount to NOK 160.3 million at 31 December 2015.

Oslo, 27 April 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

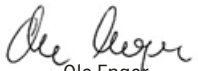
Åse Musum
Board member

Kjell-Erik Nordby
CEO

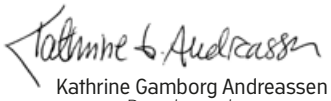
Responsibility statement

We confirm that, to the best of our knowledge, the Financial Statements 2015, which have been prepared in accordance with IFRS as adopted by EU, gives a true and fair view of the Company's assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-5.

Oslo, 27 April 2016



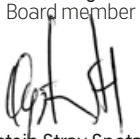
Ole Enger
Chairman



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

Financial statements

and notes

Vistin Pharma Group – Financial statements and notes

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Consolidated Statement of Profit and Loss for the year ended 31 December

(NOK 000'S)	NOTE	2015 [1]
Revenue	5	218 367
Other income	6	9 525
Total revenue and other income		**227 892**
Cost of materials	17	81 646
Payroll expenses	8	71 081
Depreciation, amortisation and impairment	12	1 568
Other operating expenses	7	47 282
Operating profit		**26 315**
Finance income	9	444
Finance costs	9	544
Profit before tax		**26 215**
Income tax expense	10	7 093
Profit for the period		**19 122**
Profit/(Loss) for the year attributable to:		
Equity holders of the parent company		19 122
Total		**19 122**
Earnings per share (NOK):		
Basic, profit attributable to equity holders of the parent	11	1.12
Diluted attributable to equity holders of the parent	11	1.12

1) The Group's business operations commenced on 1 June 2015 after the acquisition of the B2B business and tablet production assets from Weifa AS.

Consolidated Statement of Comprehensive Income for the year ended 31 December

(NOK 000'S)	NOTE	2015
Profit for the year		19 122
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Currency translation differences	21	-
Total OCI to be reclassified to profit or loss		-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Remeasurement of pension plans	26	-
Income tax effect		-
Total OCI not to be reclassified to profit or loss		-
Other comprehensive income for the year, net of tax		-
Total comprehensive income for the year, net of tax		19 122
Comprehensive income attributable to:		
Equity holders of the parent company		19 122
Total		19 122

Consolidated Statement of Financial Position as at 31 December

(NOK 000'S)	NOTE	2015
ASSETS		
Non-current assets		
Property, plant & equipment	12	41 331
Total non-current assets		41 331
Current assets		
Inventories	15	92 712
Trade receivables	14	54 760
Other receivables	14	8 216
Cash and cash equivalents	16	61 989
Total current assets		217 677
Total assets		259 008

(NOK 000'S)	NOTE	2015
EQUITY AND LIABILITIES		
Equity		
Share capital	17	17 055
Share premium		147 747
Retained earnings		19 122
Total equity		183 924
Non-current liabilities		
Deferred tax liabilities	10	52
Pension liabilities	20	10 332
Total non-current liabilities		11 145
Current liabilities		
Trade payables	13	28 190
Income tax payable	10	4 915
Other current liabilities	18	31 595
Total current liabilities		64 700
Total liabilities		75 084
Total equity and liabilities		259 008

Oslo, 27 April 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

Consolidated Statement of Changes in Equity for the year ended 31 December

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
(NOK 000'S)	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL
Equity as at 06.03.2015		1 000	-	-	1 000
Total comprehensive income				19 122	19 122
Issue of share capital					
Share capital reduction, June		-1 000			-1 000
Rights- and employee offering, June		17 055	153 494		170 549
Share issue costs (net of tax effect)			-5 747		-5 747
Equity as at 31.12.2015	17	17 055	147 747	19 122	189 924

Consolidated Statement of Cash flows for the year ended 31 December

(NOK 000'S)	NOTE	2015
Cash flow from operating activities		
Net profit before income tax		26 215
Non-cash adjustment to reconcile profit before tax to cash flow:		
Depreciation, amortisation and impairment	12	1 568
Unrealised foreign currency (gains)/losses	9	2 421
Changes in working capital:		
Changes in trade receivables and trade creditors		-22 612
Changes in inventories		-11 051
Changes in other current liabilities		34 382
Net interest (income)/expense		100
Net cash flow from operating activities		**31 023**
Cash flow from investing activities		
Purchase of equipment and intangibles	12	-11 840
Acquisition of business	22	-120 000
Interest received	9	130
Net cash flow from investing activities		**-131 710**
Cash flow from financing activities		
Proceeds from share issue		171 549
Transaction costs on the issue of shares		-7 873
Repayment of capital		-1 000
Net cash flow from financing activities		**162 676**
Net change in cash and cash equivalents		61 989
Cash and cash equivalents beginning period		-
Cash and cash equivalents end period	16	**61 989**

Note 1 Corporate information

Vistin Pharma ASA is a limited liability company and it's registered office is Østensjøveien 27, Oslo, Norway and it's shares are listed on Oslo Axess in Norway under the ticker VISTIN. The Company was incorporated on 6 March 2015, and the shares of Vistin Pharma ASA were listed on Oslo Axess on 10 June 2015.

In April 2015, the Company acquired 100% of the shares in Vistin Pharma AS, a dormant company, from Weifa AS, and subsequently, on 1 June 2015, Vistin Pharma AS acquired the B2B (business-to-business) business and the tablet production assets of Weifa AS. Vistin Pharma then became a major Norwegian pharmaceutical group producing Active Pharmaceutical Ingredients (APIs) and solid dosage forms for the global pharmaceutical industry. The Group operates in the international Metformin and Opioid markets, as well as being a contract manufacturer of finished dose tablets (CMO).

The consolidated financial statements were approved for release by the Board of Directors on 27 April 2016.

Note 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements and directors' report are prepared in English only.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, and are mandatory for fiscal years beginning on or after 1 January 2015, their interpretations adopted by the International Accounting Standards Board (IASB) and Norwegian disclosure requirements listed in the Norwegian Accounting Act. Furthermore, the consolidated financial statements have been prepared on a historical cost basis.

The Vistin Pharma ASA Group was established when the prior owner of Vistin Pharma ASA, Weifa ASA, established Vistin Pharma ASA as a fully owned subsidiary and sold the B2B business and tablet production assets of its subsidiary Weifa AS to Vistin Pharma AS, a subsidiary of Vistin Pharma ASA.

The purchase of these assets were subject to the completion of an equity issue of NOK 170 million, which, when completed, resulted in a change of control over Vistin Pharma. The acquisition of these assets has thus been accounted for using the acquisition method.

Vistin Pharma ASA was subsequently listed on Oslo Axess under ticker VISTIN.

2.2 Consolidation principles

The Group's consolidated financial statements comprise Vistin Pharma ASA, and entities in which Vistin Pharma ASA has a controlling interest. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Non-controlling interest are included in the Group's equity.

Business combinations

The acquisition method is applied when accounting for business combinations. The acquisition of subsidiaries is accounted for using the acquisition method. Companies which have been bought or sold during the year are included in the consolidated financial statements from the date when control is achieved and until the date when control ceases. Acquisition costs incurred are expensed and included in operating expenses. When the Group acquires a business, it assesses the identifiable assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions as at the acquisition date.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale and recognised at fair value less cost to sell, and deferred tax assets and liabilities, which are recognised at nominal value.

Any goodwill arising on acquisition is recognised as an asset measured at the excess of the sum of the consideration transferred, the fair value of any previously held equity interests and the amount of any non-controlling interests in the aquiree over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the total consideration of the business combination, the excess is recognised in the income statement immediately.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in the income statement as financial income or expense. If the contingent consideration is classified as equity, it will not be remeasured and subsequent settlement will be accounted for within equity.

If the business combination is achieved in stages, the fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The consideration is recognised at fair value and the difference between the consideration and the carrying amount of the asset is recognised at the equity attributable to the parent.

In cases where changes in the ownership interest of a subsidiary lead to loss of control, the consideration is measured at fair value. Assets and liabilities of the subsidiary and non-controlling interest at their carrying amounts are derecognised at the date when the control is lost. Differences between the consideration and the carrying amount of the asset are recognised as a gain or loss in profit or loss. Investments retained, if any, are recognised at fair value, and surplus or deficits, if any, are recognised in profit and loss as a part of gain/loss on subsidiary disposal. Amounts included in other comprehensive income are recognised in profit or loss or directly as equity.

2.3 Segment reporting

For management purposes, the Group is organised into business units based on the nature of the products sold, and has two reportable segments as follows: (1) B2B, which produces and sells APIs (Active Pharmaceutical Ingredients) and (2) CMO, which performs contract manufacturing of finished dose tablets. The internal reporting provided to the Board of Directors of Vistin Pharma, which is the Group's chief decision maker, is in accordance with this structure.

Segment performance is measured by operating profit (EBIT), as included in the internal management reports that are reviewed by management and the Board of Directors.

2.4 Foreign currency translation

Functional and presentational currency

The Group's presentation currency is NOK. This is also the parent Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Group's entities using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the consolidated statement of profit and loss. Monetary assets and liabilities are translated at the closing rate at the reporting date.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met, as described below.

Sales of goods

The Group manufactures and sells a range of pharmaceutical products to the consumer and industrial markets. Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of goods and when there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery is governed by the sales contacts, but usually occurs when the products have been shipped from the warehouse, at which time the ownership of the goods is transferred to the customer, alternatively when the goods arrives at the port designated by the customer.

2.6 Balance sheet classification

The Group presents assets and liabilities in the consolidated statement of financial position on current/non-current classification. An asset is current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when it is expected to settle in normal operating cycle, it is held for primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.7 Property, plant and equipment

Land, buildings and fixtures comprise mainly of production facilities in Kragerø. The production facilities are used in production of pharmaceutical products sold by Vistin Pharma.

Other equipment is mainly made up of machines used in production, as well as office related equipment and vehicles.

Property, plant and equipment is stated at historical cost, less depreciation and/or impairment losses, if any. Such cost includes expenditures that are directly attributable to the acquisition of the items. Costs accrued for major replacements and upgrades to equipment are added to cost if it is probable that the costs will generate future economic benefits and if the costs can be reliably measured. All other repairs and maintenance are charged to the income statement when incurred.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Buildings and fixtures:	20 - 25 years
Other equipment:	3 - 10 years

The residual values, useful lives and methods of depreciation of production and lab equipment and other equipment are reviewed at each financial year-end and adjusted, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's net sales value and its value in use.

An item of equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out (FIFO) method. The cost of finished goods and work in progress comprises materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less variable selling expenses.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and other short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, any bank overdrafts are shown within borrowings in current liabilities.

2.10 Financial assets and financial liabilities

Financial assets and liabilities in the Group consists of investments in other companies, trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowings. The Group initially recognizes borrowings and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The Group's financial assets have mainly been classified as loans and receivables. These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Financial assets at fair value through profit or loss would include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Recognition and measurement

All financial assets are initially recognised at fair value plus transaction costs, except financial assets carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are after initial measurement carried at amortised cost using the effective interest rate methods, less impairment. The effective interest rate amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement as finance cost for loans and in other operating expenses for receivables.

Trade receivables and other receivables

Trade receivables are recognized at the original invoiced amount, less an allowance made for doubtful receivables. Other receivables are recognized initially at fair value. Trade and other receivables are valued at amortized cost using the effective interest rate method, less provision for impairment.

Trade and other payables

Trade payables are recognized at the original invoiced amount. Other payables are recognized initially at fair value. Trade and other payables are valued at amortized cost using the effective interest rate metod. The interest rate element is disregarded if it is insignificant, which is the case for the majority of the Group's trade payables.

Interest bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium and costs that are an integral part of the EIR method. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and other short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, any bank overdrafts are shown within borrowings in current liabilities.

Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The loss is recognised in the consolidated income statement.

2.11 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Current and deferred income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

A deferred tax asset is recognised to the extent that is probable that future taxable profit will be available against for which unused tax losses and unused tax credits can be utilised. A deferred tax assets arising from unused tax losses or tax credit are only recognised to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence supporting the utilisation of the tax losses and tax credits. The carrying amount of deferred tax asset is reviewed at the end of each reporting period. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity or taxation authority.

2.13 Employee benefits

The Group has a mandatory defined contribution plan for all employees. In addition, the Group has an unfunded defined benefit plan for the CEO.

A defined contribution plan is a pension plan under which the Group pays fixed contributions to pension insurance plans. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund, or reduction in future payments is available.

Defined benefit plans typically defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. As the Group operates an unfunded defined benefit plan, they have no plan assets. The pension obligation is funded through the Group's operations.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes and curtailments and settlements.

Past-service costs are recognised immediately in the income statement.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

2.14 Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of the money and the risks specific to the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line-basis over the period of the lease.

2.16 Events after the balance sheet date

New information on the Group's positions at the balance sheet date is taken into account in the annual financial statements. Events after the balance sheet date that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are stated if significant.

2.17 Changes in accounting policies and disclosures

Standards and interpretations that are issued up to the date of issuance of the consolidated financial statements, but not yet effective are disclosed below. The Group's intention is to adopt the relevant new and amended standards and interpretations when they become effective, subject to EU approval before the consolidated financial statements are issued.

IFRS 9 Financial instruments

In July 2014 the IASB published the final element in IFRS 9 and the standard is now complete. IFRS 9 results in amendments to classification and measurement, hedge accounting and impairment. IFRS 9 will replace IAS 39 Financial Instrument: Recognition and Measurement. The parts of IAS 39 that have not been amended as part of this project has been transferred and included in IFRS 9. The standard shall be implemented retrospectively, with the exception of hedge accounting, but it is not a requirement to prepare comparative figures. The rules for hedge accounting shall mainly be implemented prospectively, with certain few exceptions. The Group has no plans regarding early implementation of the standard. The implementation of the Standard is not assumed to have material impact on the Group.

IFRS 15 Revenue from contracts with customers

The IASB and FASB has published a new converged standard for revenue recognition; IFRS 15 Revenue from Contracts with Customers. The standard replaces all existing standards and interpretations relating to revenue recognition. The core principle of IFRS 15 is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. With some few exceptions, the standard is applicable for all remunerative contracts and includes a model for recognition and measurement of sale of individual non-financial assets (e.g. sale of property, plant and equipment). IFRS 15 shall be implemented using either the fully retrospective or modified method. The Standard is not expected to have material impact on the Group.

IFRS 16 Leasing

In January 2016 the IASB issued IFRS 16 Leases. The standard is effective from 1 January 2019, but is not yet adopted by the EU. The standard requires all leases (with the exception of short-term and small asset leases) to be recognised in the statement of financial position as a right-of-use asset with subsequent depreciation. The Group has not yet completed the analysis of the impact of the new standard.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Note 3 Financial risk management objectives and policies

The Group's principal financial liabilities comprise trade and other payables. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents. The Group is principally exposed to credit risk, foreign currency risk and liquidity risk, which are summarised below. The Group's senior management oversees the management of these risks, which are reviewed by the Board of Directors on a regular basis.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, principally deposits with banks and financial institutions.

Customer credit risk is managed by the subsidiary in the Group, subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed on an individual basis, and outstanding trade receivables are regularly monitored. Sales to customers with an unacceptable credit risk are covered by letter of credits. The requirement for impairment is analyzed at each reporting date on an individual basis for major customers. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. At December 2015 the Group had total trade receivables of NOK 57.8 million, which were owed by 31 customers. Six of these customers owed the Group approximately NOK 36.7 million together, accounting for approx. 63% of total trade receivables at year-end.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency), and the Group's foreign currency denominated cash deposits.

The Group's currency risk mainly relates to the Group's B2B segment, where sales and raw material purchases are denominated primarily in USD and EUR. The Group monitors its foreign currency exposure, both related to outstanding financial assets and liabilities and to future foreign currency denominated operating cash flow, on an ongoing basis. The Group utilises foreign currency denominated bank accounts to match sales and purchases in the same currency, and thus providing a natural hedge. There were no hedging instruments outstanding as per 31.12.2015.

A sensitivity calculation have been carried out showing the Group's exposure based on the foreign currency items as of 31.12.2015:

YEAR ENDED 31 DECEMBER 2015 (NOK 000'S)	EUR	USD
Trade Receivables	3 725	1 611
Bank accounts	-28	-696
Trade Payables	-153	-564
Net assets in EUR / USD	**3 544**	**351**
Currency rates 31.12	9.62	8.80
Net assets in NOK	**34 091**	**3 085**

Assuming the foreign currency to be reduced by 5%:

Foreign currency reduction	5%	5%
Foreign currency rate	9.14	8.36
Net assets in NOK	**32 386**	**2 931**
Potential loss	**1 705**	**154**

The Group's exposure to foreign currency changes for all other currencies is not material.

Liquidity risk

Liquidity risk is the potential loss arising from the Group's inability to meet its contractual obligations when due. The Group monitors its risk to a shortage of funds using cash flow forecasts. The Group had cash and cash equivalents of NOK 62 million at 31 December 2015. Based on the current cash position, the Group assesses the liquidity risk to be low.

YEAR ENDED 31 DECEMBER 2015 (NOK 000'S)	LESS THAN 3 MONTHS	3 - 12 MONTHS	1 - 5 YEARS	>5 YEARS	TOTAL
Trade Payables	28 190	-	-	-	28 190
Other Payables	31 595	-	-	-	31 595
Total	**59 785**	**-**	**-**	**-**	**59 785**

The Group has a credit facility of NOK 25 million with Nordea bank. No amount was drawn at 31 December 2015.

Capital management

The primary objective of the Group's capital management is to ensure that the Company maintains a solid capital structure enabling it to develop and build its two business segments to maximise shareholder value. The Group's objective is to maintain a balance of financial assets that reflects the cash requirement of its operations and investments for at least the next 12 - 24 months.

Note 4 Critical accounting estimates and judgements in terms of accounting policies

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. It also requires management to excercise its judgement in the process of applying the Group's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The are no estimates or assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 5 Segment Information

The Board of Directors is the Group's chief decision-maker. The Group's operating segments are in accordance with the internal reporting to the Board of Directors and the management. The operating business are devided into the following two segments:

- B2B (production and sale of active pharmaceutical ingredients)
- CMO (contract manufacturing of finished dose tablets)

The segment information are mainly identified by the character of the resources used under the productions, e.g. goods, labour, etc. The B2B business area has two major product groups, Metformin and Opioids, however, these are partly shared operations with the same sales force and are not considered separate operating segments. The CMO business area relates to the five-year supply agreement with Weifa AS for the manufacturing of their key pain relief brands, such as Paracet, Ibux, and Paralgin forte. The segments CMO and B2B thus comprise the basis for primary segment reporting.

Management monitors the operating results of the operating segments separately for the purpose of decition making and performance assessment.

Segment performances is measured by operating profit before depreciation, amortisation and impairment (EBITDA) and operating profit (EBIT), as included in the internal management reports that are reviewed by management.

Total revenue and income

(NOK 000'S)	2015
B2B	150 327
CMO	68 898
HQ & Other	8 667
Total revenue and other income	227 892

EBITDA

(NOK 000'S)	2015
B2B	18 907
CMO	4 423
HQ & Other	4 553
EBITDA	30 928

EBIT

(NOK 000'S)	2015
B2B	18 517
CMO	3 559
HQ & Other	4 239
EBIT	**26 315**

Operating assets

(NOK 000'S)	2015
B2B	150 092
CMO	34 936
HQ & Other	72 233
Total operating assets	**257 261**

Operating liabilities

(NOK 000'S)	2015
B2B	10 991
CMO	-115
HQ & Other	57 494
Total operating assets	**68 370**

Reconciliation of assets

(NOK 000'S)	2015
Segment operating assets	257 261
Total operating assets	**257 261**

Reconciliation of liabilities

(NOK 000'S)	2015
Segment operating liabilities	68 370
Deferred tax liability	4 915
Tax payable	52
Total operating liabilities	**73 337**

Geographic information

(NOK 000'S)	2015
Norway	68 898
Algeria	36 236
Germany	33 470
Switzerland	26 212
Hong Kong	2 242
Great Britain	24 301
Other countries	27 866
Total revenue per consolidated statement of profit and loss	**219 225**

The information above is based on the location of the customers.

In 2015 the Group had total sales of NOK 68.5 million to one single customer Weifa AS, accounting for approximately 30% of total revenue.

Note 6 Other income

(NOK 000'S)	2015
Tax credit scheme (skattefunn)	161
Settlement re. acquisition from Weifa AS [1)]	8 667
Other income	697
Total	**9 525**

1) In October 2015 Weifa ASA, the holding company of Weifa AS, settled a dispute with the sellers of Weifa AS relating to additional environmental costs incurred at the two production plants in Kragerø subsequent to the acquisition of Weifa AS in August 2014, resulting in a cash payment of NOK 11.2 million from the sellers. Under the Business Transfer Agreement between Vistin Pharma and Weifa, Vistin Pharma has assumed all the rights and obligations relating to these production plants, and the amount of NOK 11.2 million was thus transferred to Vistin Pharma. The income is shown net of NOK 2.5 million in write-downs of sundry balance sheet items relating to the acquisition of the B2B business and tablet production assets from Weifa in June 2015.

Note 7 Other operating expenses

(NOK 000'S)	2015
Direct and indirect production costs	
Freight and export costs on goods sold	2 778
Energy costs	6 008
Waste handling costs	4 723
Public renovation and water fee's	2 954
Maintenance	3 206
External services	4 342
Other production costs	9 507
General, sales & admin. expenses	13 764
Other operating expenses	**47 282**

Remuneration to the Auditors

(NOK 000'S)	2013
Statutory audit	293
Other attestation services	214
Tax advisory services	-
Total remuneration to auditors	**507**

All fees are exclusive of VAT.

Note 8 Payroll expenses

(NOK 000'S)	2015
Salaries	56 436
Payroll tax	7 821
Pension costs - defined contribution plans	3 601
Pension costs - defined benefit plans	437
Other payroll costs	2 786
Total payroll and payroll related costs	**71 081**
Average number of man-years:	149.0

Vistin Pharma meets the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"), refer to Note 20.

Note 9 Financial items

(NOK 000'S)	2015
Interest income from bank deposits etc.	130
Other financial income	4
Net foreign exchange gain	310
Total finance income	**444**
Interest expenses	120
Other financial expenses	424
Total finance costs	**544**
Net finance	**-100**

Note 10 Tax

Income tax calculation

(NOK 000'S)	2015
Profit before taxes	26 214
Permanent differences	71
Changes in temporary differences	-248
Permanent differences recognized to equity	-7 874
Basis for income tax	**18 163**
Income tax payable	4 915
Permanent differences	56
Changes in temporary differences	2 126
Permanent differences recognized to equity	-4
Income tax expense	**7 093**

Reconciliation of income tax

(NOK 000'S)	2015
Profit before tax	26 214
Tax assessed at the expected tax rate (27%)	7 078
Tax effect permanent differences, profit & loss	19
Tax effect tax rate reduction (from 27% to 25%)	-4
Income tax expense	**7 093**

Temporary differences

(NOK 000'S)	2015
Non-current assets	3 287
Current assets	-622
Non-current liabilities	-2 417
Current liabilities	-
Losses carried forward	-40
Net income tax reduction temporary differences	**208**
Net deferred tax liability (25%)	**52**

Note 11 Earnings per share

Basic earnings per share (EPS) are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(NOK 000'S)	2015
Profit attributable to owners of the parent	19 122
Total	**19 122**
Weighted average number of ordinary shares (in thousands)	17 055
Weighted average number of ordinary shares adjusted for the effect of dilution	**17 055**
Basic earnings per share (NOK)	1.12
Diluted earnings per share (NOK)	1.12

Note 12 Property, plant and equipment

2015

(NOK 000'S)	PROPERTY AND PLANTS	MACHINES AND EQUIPMENT ETC.	TOTAL
Cost			
Acquisition from Weifa AS	25 020	6 039	31 059
Additions	1 222	10 619	11 840
At 31 December 2015	26 241	16 658	42 899
Depreciation and impairment			
Depreciation charge for the year	667	901	1 568
Impairment charge for the year	-	-	-
Accumulated depreciation at 31 December 2015	667	901	1 568
Carrying amount at 31 December 2015	25 575	15 756	41 331
Useful life	20-25 years	3-10 years	

Note 13 Financial assets and liabilities by category

Set out below is a comparison by class of carrying amounts and fair values of all financial instruments that are carried in the financial statements:

The financial assets principally consist of cash and cash equivalents obtained through the operating business. The financial liabilities principally consist of trade and other payables arising directly from its operations. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant affect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(NOK 000'S)	CATEGORY	CARRYING AMOUNT 2015
Financial assets		
Trade receivables	Loans and receivables	57 805
Other receivables	Loans and receivables	8 216
Total		66 021
Financial liabilities		
Trade payables	Other financial liabilities at amortised cost	28 190
Other payables	Other financial liabilities at amortised cost	31 595
Total		59 785

The following methods and assumptions were used to estimate the fair values:

- Cash and bank deposits, trade and other current receivables and trade and other current payables approximate their carrying amounts due to the short-terms maturities of these instruments.

Note 14 Trade and other receivables

(NOK 000'S)	2015
Trade recievables	57 805
Provision for impairment of trade receivables	-3 045
Trade receivables (net)	**54 760**

Trade recievables are non-interest bearing and are generally on terms of 15 to 60 days.

As at 31 December 2015, the ageing analysis of trade receivabels is, as follows

		PAST DUE NOT IMPAIRED				
AGING	TOTAL	CURRENT	< 30 DAYS	30-60 DAYS	60- 90 DAYS	> 90 DAYS
2015	54 760	37 896	9 957	4 657	2 260	-

See Note 3 on credit risk of trade receivables, which explains how the Group manages credit risk.

(NOK 000'S)	2015
VAT receivable	1 747
Prepayments	4 858
Other receivables	1 610
Total other receivables	**8 216**

Note 15 Inventories

(NOK 000'S)	2015
Raw materials in transit	5 424
Raw materials	54 229
Work-in-progress	606
Produced finished goods	32 454
Total inventories	**92 712**

Cost of material included in the statement of comprehensive income consists of purchase of raw material for production, purchase of finished goods for sale, net movements in inventory, and the fair value adjustment on inventory described above. The cost of material recognised as an expense amounted to NOK 81.6 million for the year ended 31 December 2015.

Note 16 Cash and cash equivalents

(NOK 000'S)	2015
Cash at bank and in hand	61 989
Cash and cash equivalents	**61 989**

Cash at banks earns interest at floating rates based on daily bank deposit rates. At 31 December 2015 NOK -0.2 million (USD -0.03 million) and NOK -6.7 million (EUR -0.7 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.

The Group has a credit facility of NOK 25 million with Nordea bank. No amount was drawn at 31 December 2015.

Note 17 Share capital and Shareholder information

The Company's registrated share capital is NOK 17,054,935 divided into 17,054,935 shares. The share capital is fully paid. All shares have the same rights.

	NUMBER OF SHARES (THOUSANDS)	SHARE CAPITAL (NOK 000'S)
At 1 January 2015	-	-
Initial share issue, March	1 000	1 000
Rights- and employee offering, June	17 055	17 055
Share capital reduction, June	-1 000	-1 000
At 31 December 2015	**17 055**	**17 055**

Each share has a par value of NOK 1 per share.

20 largest shareholders and ownership interest as at 31 December 2015

NAME	TOTAL NO OF SHARES	OWNERSHIP SHARE
DEUTSCHE BANK AG	2 269 729	13%
STRATA MARINE & OFFSHORE AS	1 965 943	12%
STOREBRAND VEKST	1 035 219	6%
MP PENSJON	877 870	5%
SOLAN CAPITAL AS	787 482	5%
FERNCLIFF LISTED DAI AS	582 282	3%
SKANDINAVISKA ENSKILDA BANKEN AB	579 376	3%
PENSJONSORDNINGEN FOR APOTEKVIRKSOMHET	500 000	3%
VERDIPAPIRFONDET HOLBERG NORDEN	459 971	3%
PORTIA AS	450 000	3%
VERDIPAPIRFONDET STOREBRAND OPTIMA	409 772	2%
CIPRIANO AS	375 538	2%
GOLDMAN SACHS & CO EQUITY SEGREGAT	342 520	2%
SPETALEN, ØYSTEIN STRAY	323 650	2%
DEUTSCHE BANK AG	279 081	2%
DUKAT AS	250 000	1%
NORDBY, KJELL-ERIK	200 000	1%
BORGEN INVESTMENT GROUP NORWAY AS	196 078	1%
GRANT INVEST AS	184 407	1%
VPF NORDEA KAPITAL	179 132	1%
OTHER SHAREHOLDERS	4 806 885	28%
TOTAL NUMBER OF SHARES	**17 054 935**	**100%**

Shares owned by the Board of Directors and management as of 31. December 2015

NAME	NO OF SHARES
STRATA MARINE & OFFSHORE AS [1]	1 965 943
SPETALEN, ØYSTEIN STRAY [2]	323 650
CIPRIANO AS [3]	375 538
NORDBY, KJELL-ERIK [4]	200 000
ENGER, OLE [5]	141 471
FERNCLIFF LISTED DAI AS [1]	582 282
MANUM, GUNNAR [6]	104 887
HELLSTRAND, LIESL [7]	100 000
VOLD, VALBORG GODAL [8]	100 000
AS FERNCLIFF [1]	99 225
HAGEN, HILDE MERETE [9]	15 000
WEGGE, GITTE JENSEN [10]	9 300

1) Controlled by the board member Øystein Stray Spetalen
2) Member of the Board of Directors
3) Controlled by the board member Einar J. Greve
4) Chief Executive Officer
5) Chairman of the Board of Directors
6) Chief Financial Officer
7) VP Human Resources
8) VP Sales and Marketing
9) VP Quality & Regulatory Affairs
10) VP Operations

Note 18 Other payables

(NOK 000'S)	2015
Withholding tax	4 442
Social security taxes	2 451
Allowance for holiday pay	13 225
Accrued expenses	11 448
Other liabilities	29
Total other payables	**31 595**

Note 19 Borrowings

The Company has no interest bearing debt as of 31 December 2015. The Group has a credit facility of NOK 25 million with Nordea bank, which expires on 31 May 2016. No amount was drawn at 31 December 2015.

The interest rate applicable to any amounts drawn is 7 days NIBOR + 1.25%, and the committed amount carries an annual fee of 0.125%. Nordea has a pledge over the Group's inventory, accounts receivable and fixed assets.

Note 20 Post-employment benefits

The Group operates an unfunded defined benefit early retirement plan for the CEO. The plan is a pension plan, which provides benefits in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on the CEO's length of service and his salary in the final years leading up to retirement. The pension plan is funded through the Group's operations, which means that Vistin Pharma meets the benefit payment obligation as it falls due.

The amounts recognised in the balance sheet are determined as follows:

(NOK 000'S)	2015
Fair value of plan assets	-
Present value of unfunded obligations	10 332
Liability in the balance sheet (including local tax)	**10 332**

The movement in the defined benefit liability over the year is as follows:

(NOK 000'S)	PRESENT VALUE OF OBLIGATION
At 1 June 2015	9 895
Current service cost	198
Local tax	130
Interest expense/(income)	109
	10 332
Remeasurements:	
(Gain)/Loss from changes [1]	-
	-
Payments from plans:	
Benefit payments	-
Settlements	-
At 31 December 2015	10 332
Net expense recognized in the Income Statement	437

1) Remeasurement of the net defined benefit liability/asset was included in the liability transferred from Weifa AS at 1 June 2015.

The significant actuarial assumptions were as follows:

(NOK 000'S)	31.12.2015
Discount rate	2.50%
Inflation	1.50%
Salary growth rate	2.50%
Pension growth rate	2.25%

Nordea has issued a guarantee of NOK 11.0 million to cover future pension payments under the defined befit plan for the CEO. The guarantee is covered by a pledge over the fixed assets of the Group, and carries an annual fee of 1.0% of the guaranteed amount.

Note 21 Commitments and contingencies

Operating lease commitments

The Group leases premises and vehicles under non-cancellable operating lease agreements. The lease terms are between 3 and 5 years, and the majority of lease agreements are renewable at the end of the lease period. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Lease commitments at 31 December

(NOK 000'S)	2015
Next 1 year	1 595
1 to 5 years	2 278
After 5 years	-
Future minimum lease payments	3 873

Note 22 Business combinations

Business combinations

The acquisition of the B2B business and tablet production assets from Weifa AS for a total consideration of NOK 120 million was completed on 1 June 2015. In the preliminary purchase price allocation the assets and liabilities acquired have been measured at the estimated fair value at 1 June 2015.

The fair values of the identifiable assets and liabilities as at the date of acquistion were:

(NOK '000)	01.06.2015
ASSETS	
Non-current assets	
Property, plant & equipment	31 059
Total non-current assets	31 059
Current assets	
Inventory	81 661
Trade receivables	39 894
Other receivables	12 789
Total current assets	134 344
Total Assets	165 403
LIABILITIES	
Non-current liabilities	
Other long-term liabilities	9 895
Total non-current liabilities	9 895
Current liabilities	
Trade payables	30 512
Other current liabilities	4 996
Total current liabilities	35 508
Total net assets	120 000

The preliminary purchase price allocation did not identify any fair value adjustments. The financial figures of the acquired net assets have been included in the consolidated financial statements of Vistin Pharma ASA from the date of acquisition, which was 1 June 2015.

No proforma information has been presented, as Vistin Pharma was not established on 01.01.2015.

Note 23 Key management compensation

Board of Directors remuneration

	2015	
(NOK 000'S)	BOARD FEES [1]	OTHER [2]
Ole Enger, Chairman	-	332
Kathrine Gamborg Andreassen	-	-
Einar J. Greve	-	-
Ingrid Elvira Leisner	-	-
Øystein Stray Spetalen	-	-
Jørn-Henning Isaksen	-	-
Åse Musum	-	-
Total	-	332

1) No remunerations for the Board of Directors have been paid during 2015.
2) Consultant fee paid during 2015 (consultancy agreement for NOK 50k per month).

Executive Management remuneration
2015 (June - December)

(NOK 000'S)	SALARY	BONUS EARNED IN 2015	PENSION CONTRI-BUTIONS	OTHER	TOTAL
Kjell-Erik Nordby, CEO	1 098	521	378	129	2 126
Gunnar Manum, CFO	754	174	71	69	1 068
Hilde Merete Hagen, VP Quality & Regulatory Affairs	836	71	71	93	1 071
Liesl Hellstrand, VP HR	660	62	71	70	863
Valborg Godal Vold, VP Sales and Marketing	611	58	71	84	824
Gitte Jensen Wegge, VP Operations	737	60	71	62	930
Total Executive Management	4 696	946	733	508	6 883

The CEO, Kjell-Erik Nordby, is tied up to the Group's defined contribution plan. In addition, he has the right to retire at the age of 62, and is entitled to a salary equal to 60% of his salary at retirement and until he reaches the age of 67, less any public pension entitlements, refer to Note 20. He has a 24 months termination benefit in the case of involuntary termination of his employment.

According to the Norwegian Public Limited Companies Act section 6-16a, the Board of Directors have prepared a statement on the establishment of wages and other remuneration for the CEO and other senior employees, refer to note 12 of the financial statement of Vistin Pharma ASA.

Note 24 Transactions with related parties

Related party relationships are those involving control, joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions within the Group have been based on arm's length principle.

Vistin Pharma Group is listed on Oslo Axess. The Group's ultimate parent is Vistin Pharma ASA. The subsidiaries are listed in note 25. Any transactions between the parent company and the subsidiaries are shown line by line in the separate statements of the parent company, and are eliminated in the Group financial statements.

See note 23 for more information on remuneration to Executive management and the Board.

Note 25 List of subsidiaries

The following subsidiaries are included in the consolidated financial statements:

COMPANY	COUNTRY OF INCORPORATION	MAIN OPERATIONS	OWNERSHIP INTEREST 2015	VOTING POWER 2015
Vistin Pharma AS	Norway	Pharmaceutical products	100%	100%

The financial figures of Vistin Pharma AS have been included in the consolidated financial statements of Vistin Group from 1 June 2015.

Note 26 Events after the reporting period

No material events after the reporting period noted.

Vistin Pharma ASA – Financial statements and notes

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Statement of Comprehensive Income for the year ended 31 December

(NOK 000'S)	NOTE	2015
Total operating income		-
Payroll and payroll related costs	4	682
Other operating costs	3	1 733
Operating profit/(loss)		-2 415
Finance income	5, 7	10 273
Finance costs	5	24
Profit/(loss) before tax		7 834
Income tax expense	6	2 116
Profit/(loss) for the year		5 718
Total comprehensive income		5 718

Statement of Financial Position as at 31 December

(NOK 000'S)	NOTE	2015
ASSETS		
Non-current assets		
Investment in subsidiaries	7	4 722
Group interest-bearing receivables	7	140 750
Deferred tax assets	6	10
Total non-current assets		145 482
Current assets		
Intercompany receivables	7	3 673
Other receivables	9	37
Cash and cash equivalents	10	22 010
Total current assets		25 720
Total assets		171 202

(NOK 000'S)	NOTE	2015
EQUITY AND LIABILITIES		
Equity		
Share capital	11	17 055
Share premium		147 747
Retained earnings		5 718
Total equity		170 520
Non-current liabilities		
Total non-current liabilities		-
Current liabilities		
Other current liabilities	4	682
Total current liabilities		682
Total liabilities		682
Total equity and liabilities		171 202

Oslo, 27 April 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

Statement of Changes in Equity for the year ended 31 December

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
(NOK 000'S)	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL EQUITY
Equity as at 06.03.2015	1 000	-	-	1 000
Total comprehensive income			5 718	5 718
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 (net of tax effect)		-5 747		-5 747
Equity as at 31.12.2015	17 055	147 747	5 718	170 520

Statement of Cash Flows for the year ended 31 December

(NOK 000'S)	NOTE	2015
Cash flow from operating activities		
Profit before income tax		7 834
Changes in working capital:		
Changes in other payables, receivables, accruals		587
Net interest (income)/expense	5	-10 249
Net cash flow from operating activities		-1 828
Cash flow from investing activities		
Investment in subsidiaries	7	-50
Loan to subsidiary	7	-140 750
Interest received	5	1 985
Net cash flow from investing activities		-138 815
Cash flow from financing activities		
Proceeds from share issue		171 549
Transaction costs on issue of shares		-7 873
Repayment of capital		-1 000
Interest paid	7	-23
Net cash flow from financing activities		162 653
Net change in cash and cash equivalents		22 010
Cash and cash equivalents beginning period		-
Cash and cash equivalents end period	9	22 010

Note 1 Corporate information

Vistin Pharma ASA is a limited liability company and its registered office is Østensjøveien 27, Oslo, Norway, and the Company's shares are listed on Oslo Axess in Norway under the ticker VISTIN.

The financial statements were approved for release by the Board of Directors on 27 April 2016.

Reference is made to note 1 in the consolidated statement of Vistin Pharma ASA.

Note 2 Summary of significant accounting policies

Vistin Pharma ASA's financial statements and directors' report are prepared in English only.

2.1 Basis of preparation

The financial statement has been prepared in accordance with the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS issued by the Ministry of Finance in 2014.

Vistin Pharma ASA's principles are consistent to the accounting principles for the Group, as described in note 2 of the consolidated financial statements. Where the note for the parent company is substantially different from the note for the Group, these are shown separately. Otherwise refer to the note in the consolidated financial statement.

2.2 Investments in subsidiaries and associated companies

Investments in subsidiaries and associates are accounted for using the cost method in the parent company accounts. The investments are valued at cost less impairment losses. Write-down to fair value is recognised under impairment in the income statement.

2.3 Segment reporting

Vistin Pharma ASA's activities are currently organised as one operating unit for internal reporting purposes, thus no segment information is presented in these financial statements.

2.4 Recognition for group contributions

Group contributions from wholly owned subsidiaries are recorded as financial income as long as the contributions do not exceed the accumulated results from the date of acquiring the subsidiary. The income is recorded net of tax. Group contributions relating to the result prior the date of acquisition are recorded as a reduction against the investment (net of tax). If Group contributions exceeds accumulated profits in the subsidiary after the acquisition, the payment is treated as a reduction of the carrying value of the investment.

Note 3 Other operating costs

(NOK 000'S)	2015
Audit fees	214
Other external fees	1 433
Other operating expenses	86
Other operating expenses	**1 733**

Remuneration to the Auditors

(NOK 000'S)	2015
Statutory audit	103
Other assurance services	214
Tax advisory services	-
Total remuneration to auditors	**317**

All fees are exclusive of VAT.

Note 4 Payroll and payroll related costs

(NOK 000'S)	2015
Salaries	-
Other payroll costs	682
Total payroll and payroll related costs	**682**
Average number of man-years:	**-**

The Company has no employees as at 31 December 2015. Consultant fee to the Chairman of the Board paid during 2015 is NOK 332 (consultancy agreement for NOK 50k per month). Provision made for remuneration for the Board of Directors, to be paid in 2016.

Note 5 Financial items

(NOK 000'S)	2015
Interest income from bank deposits	86
Interest income from group companies	3 780
Received group contribution	6 400
Other financial income	7
Total finance income	**10 273**
Interest on borrowings	
Other interest expenses	23
Net foreign exchange (gain)/loss	1
Total finance costs	**24**
Net finance	**10 249**

Note 6 Tax

Income tax calculation

(NOK 000'S)	2015
Profit before taxes	7 834
Permanent differences	-
Changes in temporary differences	-
Permanent differences recognized to equity	-7 874
Basis for income tax	**-40**
Income tax payable	-
Tax effect of change in net deferred income tax liability/asset	-10
Tax effect on permanent differences recognized to equity	2 126
Tax effect tax rate reduction	-
Income tax expense	**2 116**

Reconciliation of income tax

(NOK 000'S)	2015
Profit before tax	7 834
Tax assessed at the expected tax rate	2 116
Income tax expense	**2 116**

Temporary differences

(NOK 000'S)	2015
Losses carried forward	-40
Net income tax reduction temporary differences	**-40**
Net deferred tax asset	**10**

Note 7 Investment in group companies

2015

(NOK 000'S)	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP INTEREST 2014	VOTING RIGHTS 2014	CARRYING AMOUNT	RESULT 2015	EQUITY 2015
Vistin Pharma AS	Oslo, Norway	NOK	100%	100%	4 722	20 360	20 410

Transactions between related parties

2015

(NOK 000'S)	LONG TERM RECEIVABLES TO SUBSIDIARIES	SHORT TERM RECEIVABLES TO SUBSIDIARIES	INTEREST INCOME FROM SUBSIDIARIES	GROUP CONTRIBUTION RECEIVABLE	GROUP CONTRIBUTION PAYABLE
Vistin Pharma AS	140 750	3 673	3 780	6 400	4 672
Total	140 750	3 673	3 780	6 400	4 672

The loan to Vistin Pharma AS carries an annual interest rate of 3 months NIBOR + 4%, to be paid quarterly in arrears.

A consultant agreement is entered with the Chairman of the Board of NOK 50k per month, ref. note 4.

Note 8 Financial assets and liabilities by category

Set out below is a comparison by class of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements:

(NOK 000'S)	FAIR VALUE HIERACHY LEVEL	CATEGORY	CARRYING AMOUNT 2015	FAIR VALUE 2015
Financial assets				
Other receivables	Level 1	Loans and receivables	37	37
Cash and cash deposits	Level 1	Loans and receivables	22 010	22 010
Total			22 047	22 047
Financial liabilities				
Other payables	Level 1	Other financial liabilities at amortised cost	682	682
Total			682	682

The financial assets principally consist of cash and cash equivalents obtained through equity issues.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and bank deposits, trade and other current receivables and trade and other current payables approximate their carrying amounts due to the short-terms maturities of these instruments.

The only financial assets defined as financial instruments are investments in money-market funds, and the Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Note 9 Cash and cash equivalents

(NOK 000'S)	2015
Cash at banks	22 010
Total	22 010

Cash at banks earns interest at floating rates based on daily bank deposit rates.
All bank accounts are nominated in NOK.
The Company has no restricted bank accounts.

Note 10 Issued shares and share capital

	NUMBER OF SHARES (THOUSANDS)	SHARE CAPITAL (NOK 000'S)
At 1 Januar 2016	-	-
Initial share issue, March	1 000	1 000
Rights- and employee offering, June	17 055	17 055
Share capital reduction, June	-1 000	-1 000
At 31 December 2015	17 055	17 055

Each share has a par value of NOK 1 per share.

20 largest shareholders and ownership interest as at 31 December 2015

NAME	TOTAL NO OF SHARES	OWNERSHIP SHARE
DEUTSCHE BANK AG	2 269 729	47%
STRATA MARINE & OFFSHORE AS	1 965 943	41%
STOREBRAND VEKST	1 035 219	22%
MP PENSJON	877 870	18%
SOLAN CAPITAL AS	787 482	16%
FERNCLIFF LISTED DAI AS	582 282	12%
SKANDINAVISKA ENSKILDA BANKEN AB	579 376	12%
PENSJONSORDNINGEN FOR APOTEKSVIRKSOMHET	500 000	10%
VERDIPAPIRFONDET HOLBERG NORDEN	459 971	10%
PORTIA AS	450 000	9%
VERDIPAPIRFONDET STOREBRAND OPTIMA	409 772	9%
CIPRIANO AS	375 538	8%
GOLDMAN SACHS & CO EQUITY SEGREGAT	342 520	7%
SPETALEN, ØYSTEIN STRAY	323 650	7%
DEUTSCHE BANK AG	279 081	6%
DUKAT AS	250 000	5%
NORDBY, KJELL-ERIK	200 000	4%
BORGEN INVESTMENT GROUP NORWAY AS	196 078	4%
GRANT INVEST AS	184 407	4%
VPF NORDEA KAPITAL	179 132	4%
OTHER SHAREHOLDERS	4 806 885	100%
TOTAL NUMBER OF SHARES	17 054 935	355%

Shares owned by the Board of Directors and management as of 31 December 2015

NAME	NO OF SHARES
STRATA MARINE & OFFSHORE AS [1]	1 965 943
SPETALEN, ØYSTEIN STRAY [2]	323 650
CIPRIANO AS [3]	375 538
NORDBY, KJELL-ERIK [4]	200 000
ENGER, OLE [5]	141 471
FERNCLIFF LISTED DAI AS [1]	582 282
MANUM, GUNNAR [6]	104 887
HELLSTRAND, LIESL [7]	100 000
VOLD, VALBORG GODAL [8]	100 000
AS FERNCLIFF [1]	99 225
HAGEN, HILDE MERETE [9]	15 000
WEGGE, GITTE JENSEN [10]	9 300

1) Controlled by the board member Øystein Stray Spetalen
2) Member of the Board of Directors
3) Controlled by the board member Einar J. Greve
4) Chief Executive Officer
5) Chairman of the Board of Directors
6) Chief Financial Officer
7) VP Human Resources
8) VP Sales and Marketing
9) VP Quality & Regulatory Affairs
10) VP Operations

Note 11 Events after the reporting period

No material events after the reporting period noted.

Note 12 Statement regarding the determination of salary and other remuneration to Executive Management

According to the Norwegian Public Limited Companies Act (section 6-16a), the Board of Directors shall prepare a statement regarding the establishment of wages and other remuneration for the Chief Executive Officer and other senior management.

The Company's salary policy for the executive management – main principles

The purpose of the Company's remuneration policy is to attract and retain personnel with the competence that the Group requires with a view to achieve Vistin Pharma's goal of becoming a leading and a profitable producer of selected API's for the international pharmaceutical market and a CMO. The general policy is to pay fixed salaries and pensions, while at the same time offering bonuses, or other types of remuneration, which aligns the interest of senior management and the shareholders of the Company.

The Company has a separate remuneration committee appointed by the Board of Directors. The present remuneration committee consists of Ole Enger (Chairman) and Ingrid Elvira Leisner. The CEO, and other representatives of the senior management, regularly participates in the remuneration committee's meetings.

The remuneration committee functions as an advisory body for the Board of Directors and its main duties and responsibilities are to:

(i) Review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the performance of the CEO in light of those goals and objectives and set the compensation level for the CEO based on this evaluation. In determining the long-term incentive component of the CEO compensation, if any, the Committee may consider the Company's performance and relative shareholder return, the value of similar incentive awards given to CEO's at comparable companies and the awards given to the CEO in past years.

(ii) Make recommendations to the Board with respect to incentive-compensation plans and equity-based plans.

(iii) Assist the Board in developing and evaluating potential candidates for executive positions, including the CEO, and oversee the development of executive succession plans.

(iv) Review and approve Senior Executive employment agreements, severance arrangements and change in control agreements and provisions when, and if, appropriate, as well as any special supplemental benefits.

(v) Review major organisational and staffing matters.

Further information on the function of the remuneration committee can be found in the instructions to the remuneration committee, included on the Company's website: www.vistin.com.

Salaries and other remuneration

Fixed salary

It is the Company's policy that salaries to the CEO and senior management primarily shall take the form of a fixed monthly salary, reflecting the level of the position and experience of the person concerned and the results achieved.

Bonuses

The Group has a system of annual performance-based bonuses for all employees. The maximum bonus payable to the CEO is 100% the annual salary. The maximum bonus payable to other members of the Executive Management team is between 20% - 50% of the annual salary, depending on individual employment contracts. The Board of Directors evaluates the and determines annually the bonus system for Vistin Pharma, based on recommendations from the remuneration committee. The bonuses are linked to the achievement of certain targets for financial results, as well other performance targets which are defined at the beginning of the financial year. The bonus targets shall reflect both short-term financial parameters, and operational and strategic performance targets that are expected to give a positive long-term financial effect. In the current performance-based bonus plan, the Group must achieve a return on capital employed (ROCE) that exceeds the required rate of return before the employees, including the CEO and Executive Management, are eligible for any bonuses.

Pension plan

Principally, pension plans shall be the same for senior management as what is generally agreed for other employees. The Group has a defined contribution plan for all employees. Under this plan the Group contributes 5.5% of the salary between 1G (2015: NOK 90k) and 7.1G, and 15%, for the salary between 7.1G and 12G. The CEO has an additional "top-hat" to cover salary above 12G, as well as an early retirement plan from the age of 62.

Share based incentive plans

The Company does not currently have a share based incentive plan.

Remuneration policy in the preceding financial year (2015)

The management remuneration policy in the preceding financial year has been conducted in accordance with the prevailing principles for 2016.

Auditor's report

Statsautoriserte revisorer
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Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
Vistin Pharma ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Vistin Pharma ASA, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company comprise the financial position as at 31 December 2015, the statements of income, cash flows and statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of the Group comprise the consolidated statement of financial position as at 31 December 2015, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway for the financial statements of the Parent Company and the International Financial Reporting Standards as adopted by the EU for the financial statements of the Group, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion on the financial statements of the Parent Company

In our opinion, the financial statements of Vistin Pharma ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the Group

In our opinion, the financial statements of the Group have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and on the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statement on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, 28 April 2016
ERNST & YOUNG AS

Rolf Berge
State Authorised Public Accountant (Norway)

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