Medistim ASA
First Quarter 2017

Kari E. Krogstad, President and CEO
Thomas Jakobsen, CFO
April 27th, 2017

Disclaimer

The information included in this Presentation contains certain forward-looking statements that address activities, events or developments that Medistim ASA ("the Company") expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by the Company, which are beyond its control and are subject to certain additional risks and uncertainties. The Company is subject to a large number of risk factors including but not limited to economic and market conditions in the geographic areas and markets where Medistim is or will be operating, IP risks, clinical development risks, regulatory risks, fluctuations in currency exchange rates, and changes in governmental regulations. For a further description of other relevant risk factors we refer to Medistim's Annual Report for 2016. As a result of these and other risk factors, actual events and our actual results may differ materially from those indicated in or implied by such forward-looking statements. The reservation is also made that inaccuracies or mistakes may occur in this information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Medistim disclaims any an all liability in this respect.

Table of contents

1. Highlights first quarter

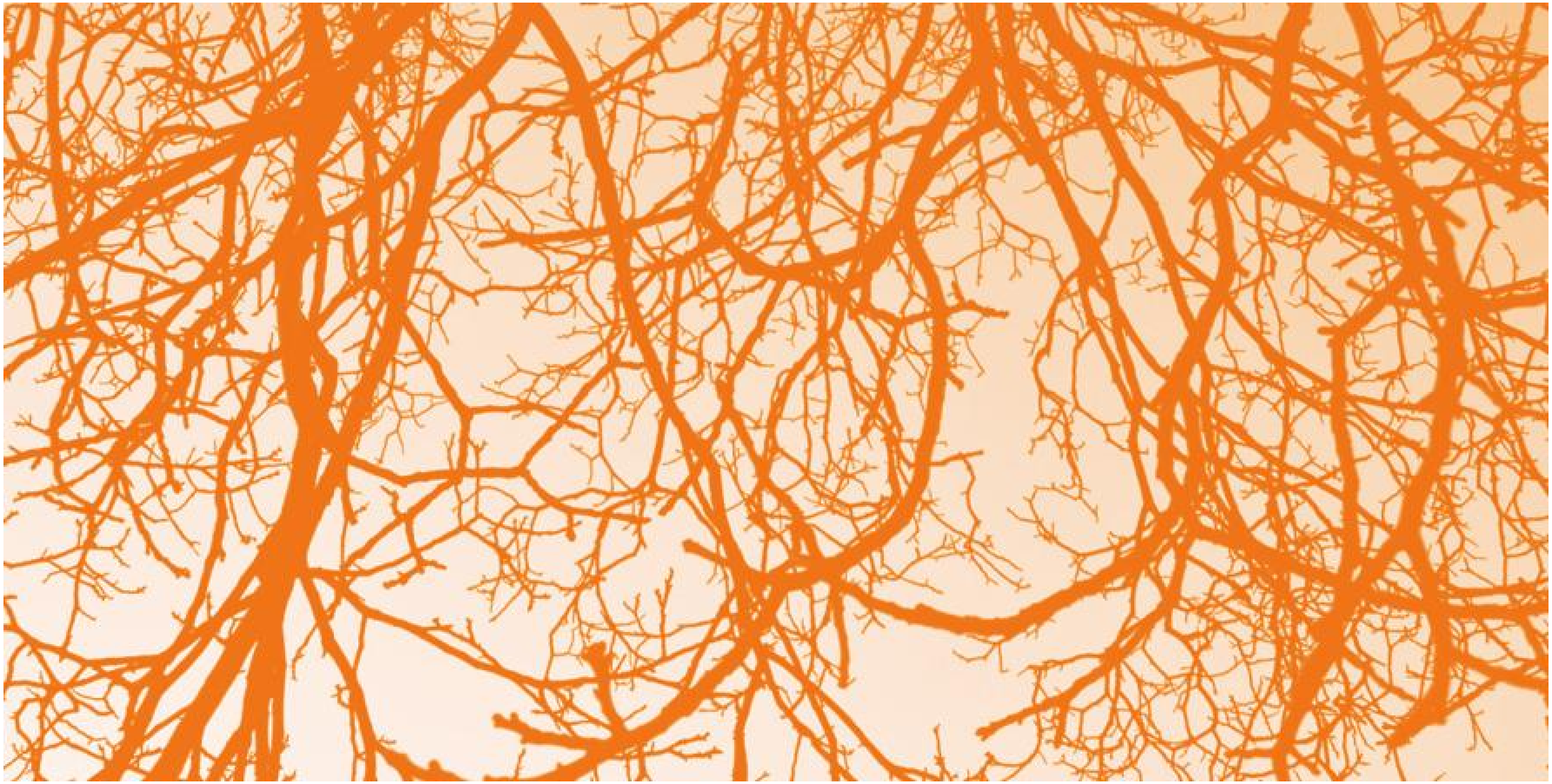
Highlights first quarter 2017

- 13.5 % increase in sales for the quarter
  - Currency neutral total growth is 17.5 %
  - Currency neutral growth of own products is 20.3%
  - Strong increase in flow probe sales as production capacity is ramping up, backorder down to 250 probes
  - Another strong quarter for the USA with currency neutral sales up 9.6 %
- EBIT grows 39% to MNOK 16.0, a margin of 21.5 %
- Medistim goes direct in Spain and establishes own subsidiary
- General Meeting decided a dividend of NOK 1.75 per share.

Q1 2017	Q o Q
Revenue MNOK 74.4 (65.5)	↑ 13.5%
EBIT MNOK 16.0 (13.5)	↑ 39.0 %
Currency	↓ 4.0 %
No of capital units sold:	
Flow systems 23	↑ 35.3 %
Imaging systems 12	↑ 20.0 %
Flow probes 1 899	↑ 26.5 %
Imaging probes 15	↓ 21.0 %
Procedures (USA) 11 898	↑ 12.0 %

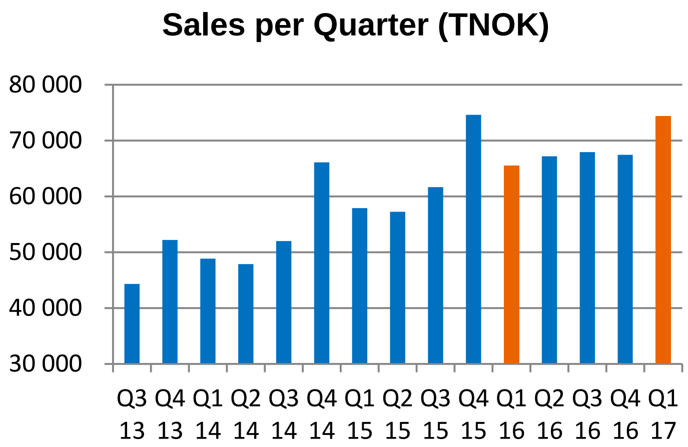
MEDISTIM

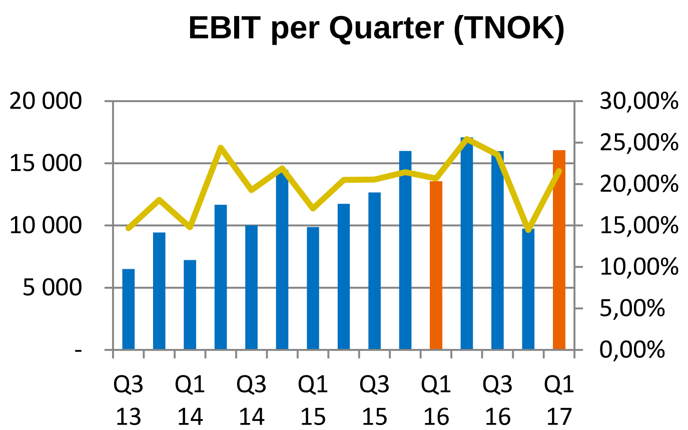
2. Financial statements



Profit and loss Q1 2017

Profit & loss	Q1 2017	Q1 2016	2016
All numbers in NOK 1000			
Sales	**74 360**	**65 500**	**268 061**
Cost of goods sold	17 859	15 686	64 957
Salary and sosial expenses	25 418	22 397	89 719
Other operating expenses	11 922	11 044	45 304
Total operating expenses	55 199	49 127	199 980
Op. res. before depr. and write-offs	**19 161**	**16 373**	**68 081**
EBITDA%	*25,8 %*	*25,0 %*	*25,4 %*
Depreciation	3 119	2 834	11 726
Operating result EBIT)	**16 043**	**13 539**	**56 355**
EBIT%	*21,6 %*	*20,7 %*	*21,0 %*
Financial income	2 113	126	7 506
Financial expenses	1 730	1 065	10 334
Net finance	383	(939)	(2 828)
Pre tax profit	**16 426**	**12 600**	**53 527**
Tax	4 567	3 091	14 429
Result	**11 859**	**9 509**	**39 098**

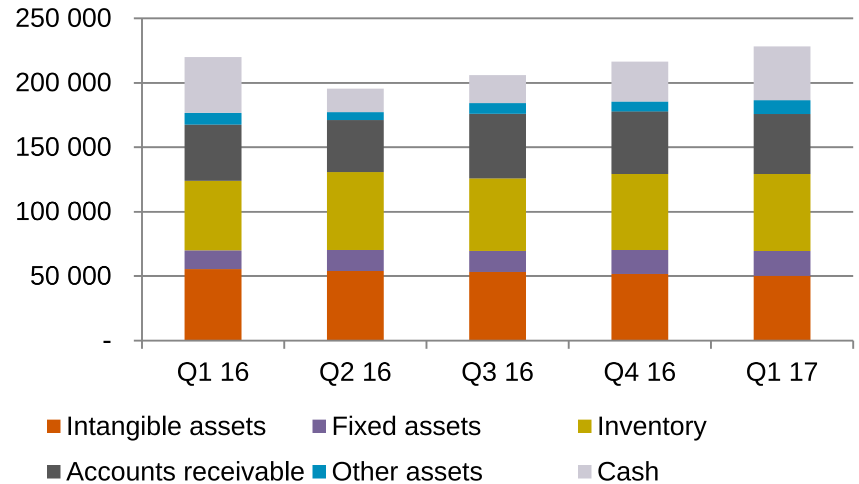




MEDISTIM

Balance sheet - Assets

Balance sheet	**31.03.2017**	**31.12.2016**
All numbers in NOK 1000		
Assets		
Intangible assets	50 220	51 698
Fixed assets	19 208	18 404
Total intangible and fixed assets	**69 428**	**70 102**
Inventory	59 961	59 297
Customers receivables	46 522	48 328
Other receivables	10 471	7 651
Cash	41 871	31 065
Total current assets	**158 826**	**146 341**
Total assets	**228 254**	**216 443**

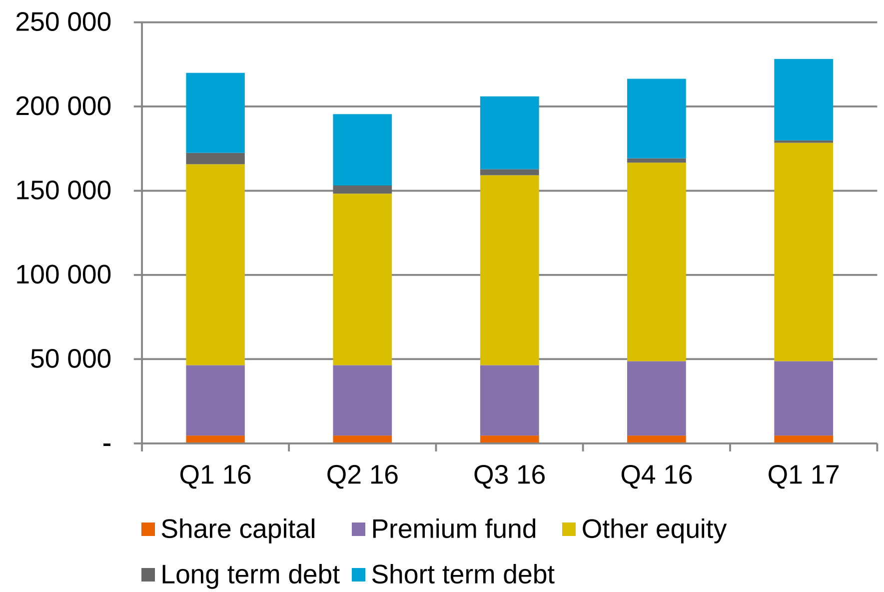


- Inventory level is still high, related to
  - MiraQ product line introduction while maintaining the VeriQ/VeriQC products with last-time-buy of components
  - Increased 3.party consignment inventory of Mentor products related to the Aleris agreement and HINAS tender
  - Securing safety level of critical components

MEDISTIM

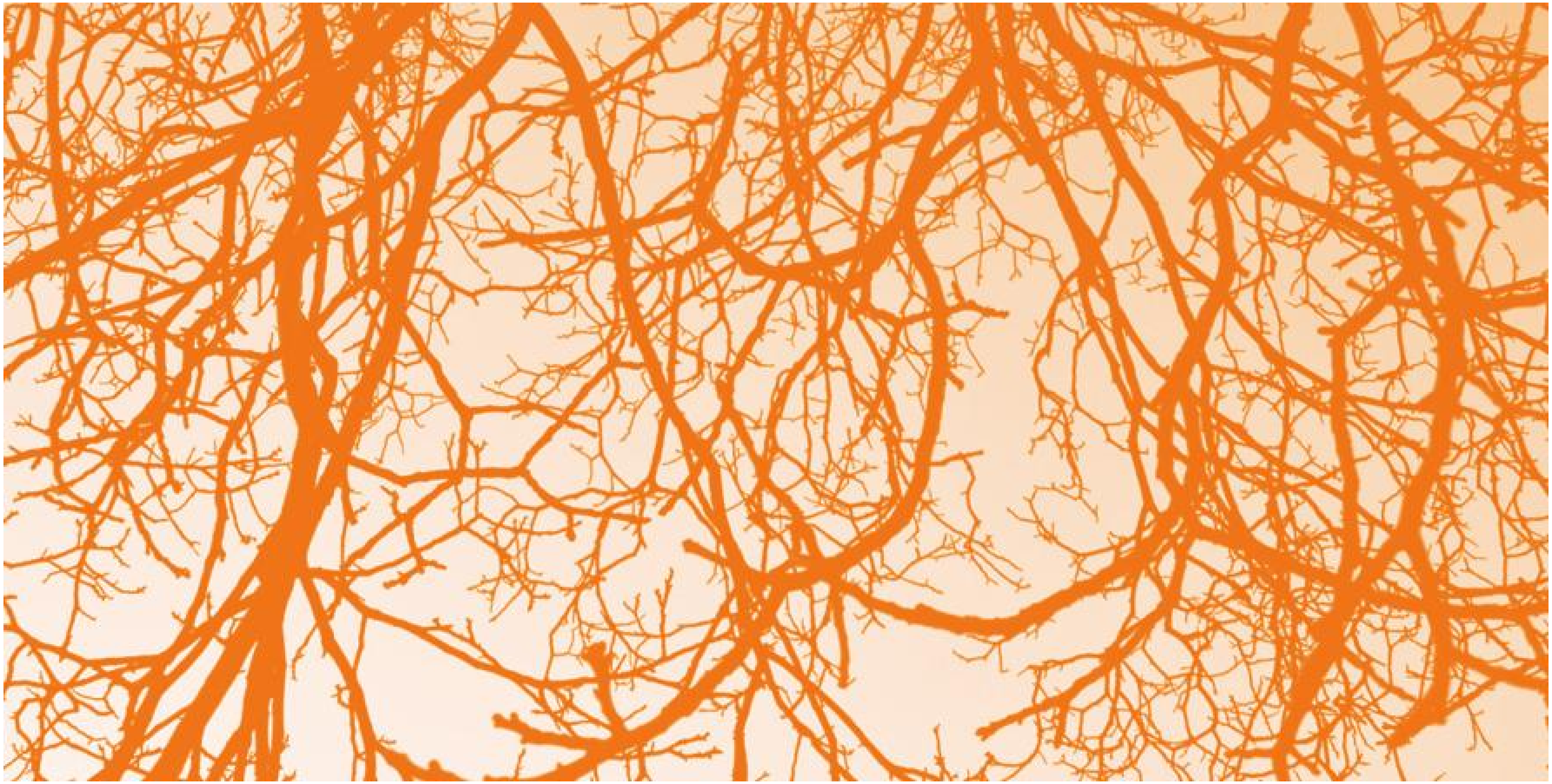
Balance sheet - Equity and liability

Balance sheet	31.03.2017	31.12.2016
All numbers in NOK 1000		
Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	129 696	117 947
Total equity	**178 453**	**166 704**
Total long term debt	**1 440**	**2 552**
Total short term debt	**48 362**	**47 188**
Total equity and liability	**228 254**	**216 444**



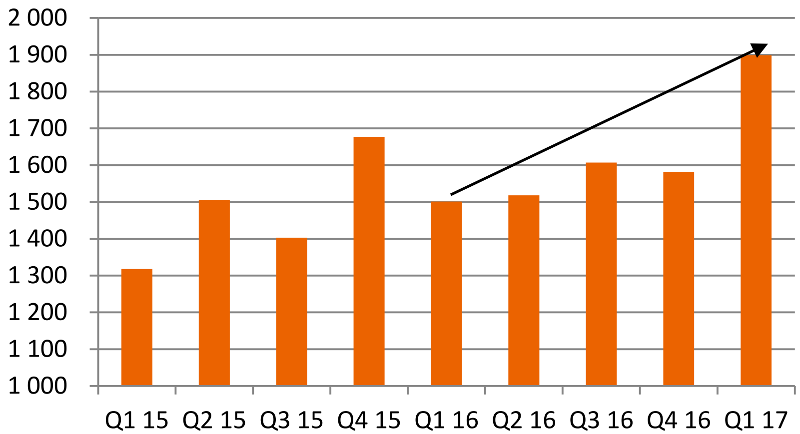
- 4.7 MNOK in interest bearing debt
- Dividend of NOK 1.75 per share is deceided by the General Meeting

3. Business segments update



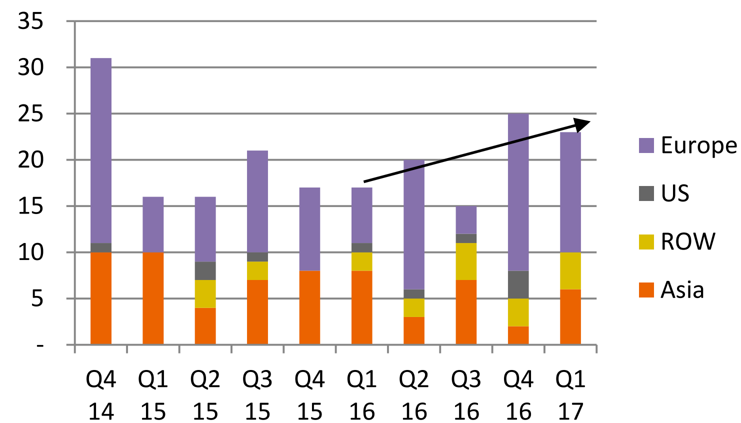
Flow probes and systems in units

Flow probes in units (excl USA)



- Strong 26% increase in flow probe volume sales as production capacity is ramping up to normal and the backorder is reduced to 250 probes (about 2 MNOK)

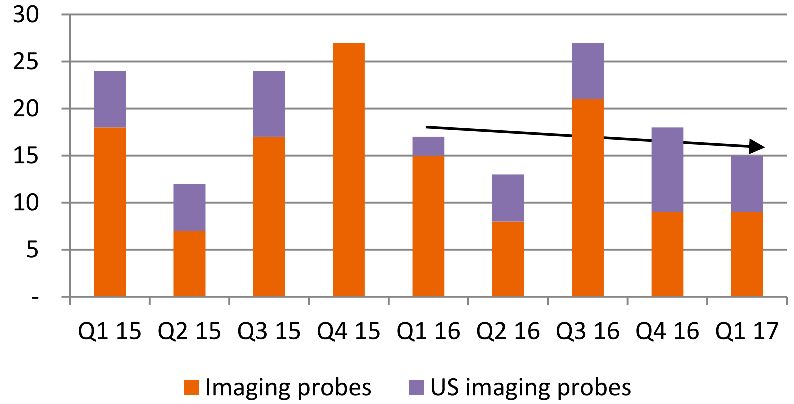
Flow systems in units (VeriQ & MiraQ)



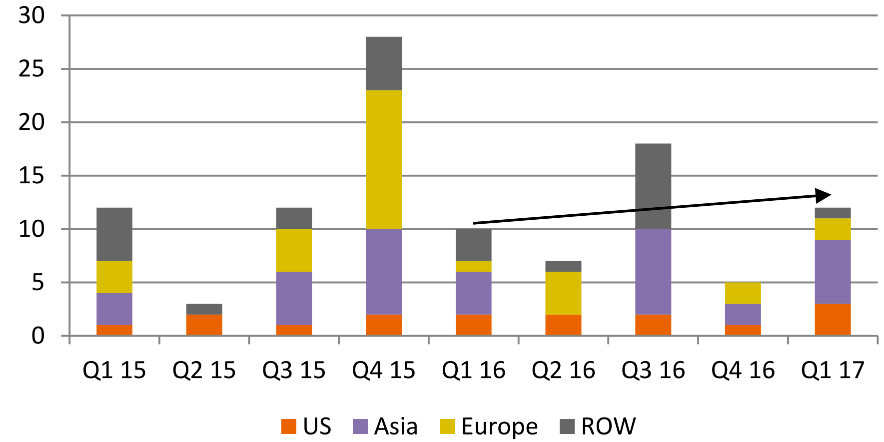
- Strong 116% increase in flow system volume sales in Europe drives the growth for the quarter compared to last year
- 15 of 23 systems sold were on the upgradable MiraQ platform, while the VeriQ is still sold in Asia (6) and Canada (2) where the regulatory approval process for MiraQ is ongoing

Imaging probes and systems in units

Imaging probes in units (incl USA)



Imaging systems in units (VeriQC & MiraQ)



- Probe sales follows the system sales for the quarter

- System sales normalized after a weak fourth quarter in 2016
- Same regulatory situation for the imaging-and-flow systems as for the flow systems

Q1 revenue performance by region

Mill NOK	Q1 '17	Q1 '16	Q / Q	2016
Europe	36,2	31,7	14,2 %	136,4
USA	24,5	23,0	6,9 %	91,0
Asia & Jp	9,6	7,1	34,9 %	24,8
ROW (MEA, CAN, SA, AUS)	4,0	3,7	7,6 %	15,9
Total	**74,4**	**65,5**	**13,5 %**	**268,1**

- In Europe, Q1 was strong due to 19.9 % growth in own products and 8.8 % growth in 3.party products
- In the USA, Medistim delivers yet another good quarter and currency neutral growth was 9.6%
- Both Asia/Japan and ROW are so far smaller sales territories with significant quarter to quarter variation.
    - In Q1, there was strong development in Japan with 45% growth.

Negative currency effects for Q1 with 2.6 MNOK .

Average actual exchange rate for USD 8.44 and EUR 8.98 versus last year USD 8.65 and EUR 9.53.

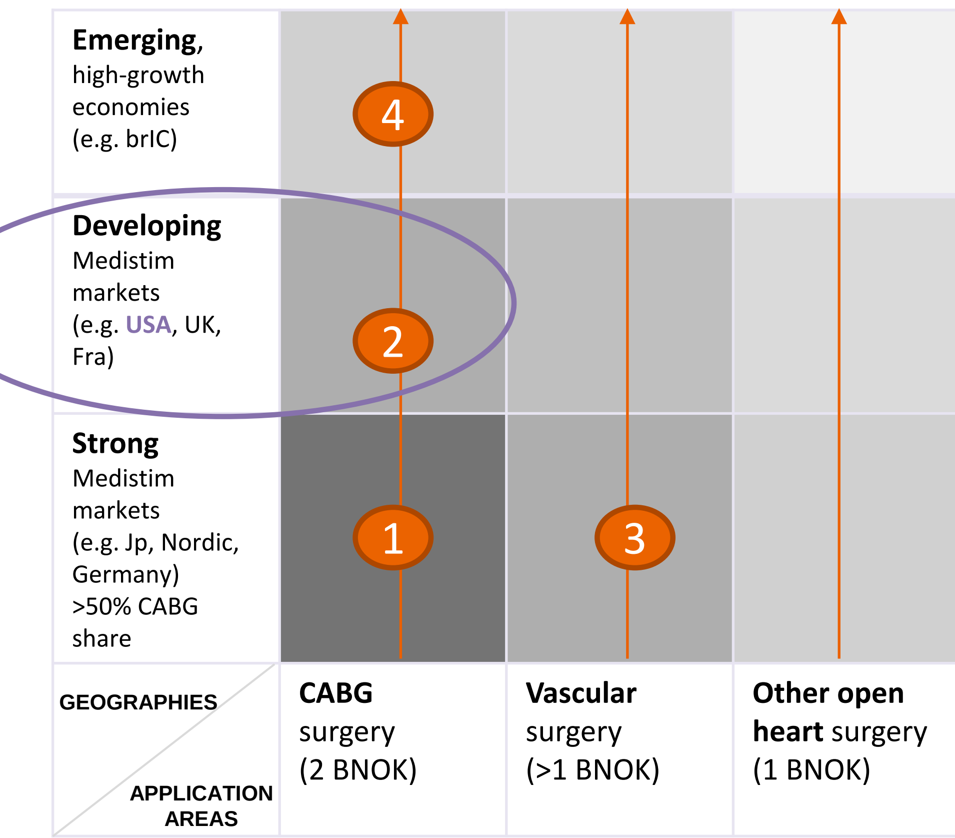
Q1 revenue performance by product

Mill NOK	Q1 '17	Q1 '16	Q/Q	2016
Procedures (USA)	21,5	20,5	5,1 %	81,9
Flow probes	20,9	17,2	21,6 %	70,4
Flow systems (VeriQ & MiraQ)	4,7	4,3	9,9 %	17,7
Imaging systems (VeriQ C & MiraQ)	6,9	5,9	17,2 %	21,0
Imaging probes	0,7	0,8	-15,1 %	3,1
3rd party	17,9	16,4	8,9 %	68,4
Other	1,7	0,4	329,0 %	5,4
Total revenues	**74,4**	**65,5**	**13,5 %**	**268,1**

- Procedure sale in the USA: The total number of procedures grew with 12% in Q1. Flow procedures were up 11.3% while imaging procedures were up 17.8%. The high % volume growth is not equivalent to the growth in NOK, mostly because of a proportionally high number of procedures counted from sale of capital probes as opposed to card based procedures, and the first type has a lower price per procedure than the card based procedures.
- Flow probes revenue: 26.5% growth in units to 1 899 probes, 21.6 % in NOK due to unfavorable currency.
- Flow systems: 35% growth in units. Growth in NOK is at a lower 9,9 %, mainly because most units this quarter were sold to distributors and not to end customers.
- Imaging systems and probes: 20% growth in units, 17.2 % growth in NOK.
- 3rd party products: Good growth and no currency effects.

4. Implementing the strategy

Growth opportunities – in developing Medistim markets



1. **Convert the routine Flow market to a Flow-and-Imaging market** by establishing *Surgical Guidance and Quality Assessment* as the new standard of care through
   - Early adopter & KOL support
   - REQUEST study
   - Ease conversion from flow to imaging with MiraQ

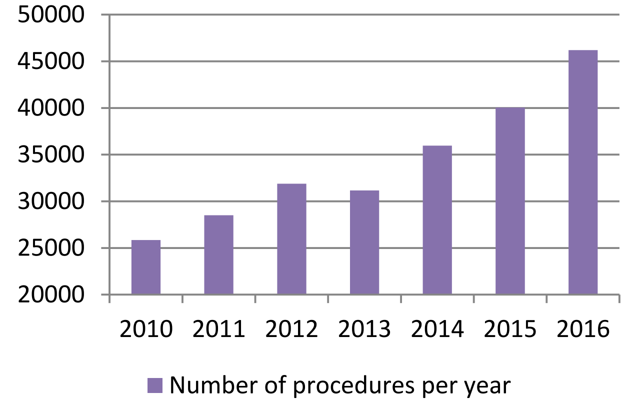
2. **Achieve routine use** of both Flow and Imaging by fighting ignorance, indifference and ease-of-use objections through
   - Clinical marketing & Educational programs
   - Product innovation for ease of use
   - Increased sales force capacaity

3. **Build and strengthen position** in vascular surgery
   - Dedicated system (MiraQ Vascular) & probes
   - Build position with societies and KOLs

4. **Offer an entry-level solution** to reach emerging, price-sensitive, high-growth markets

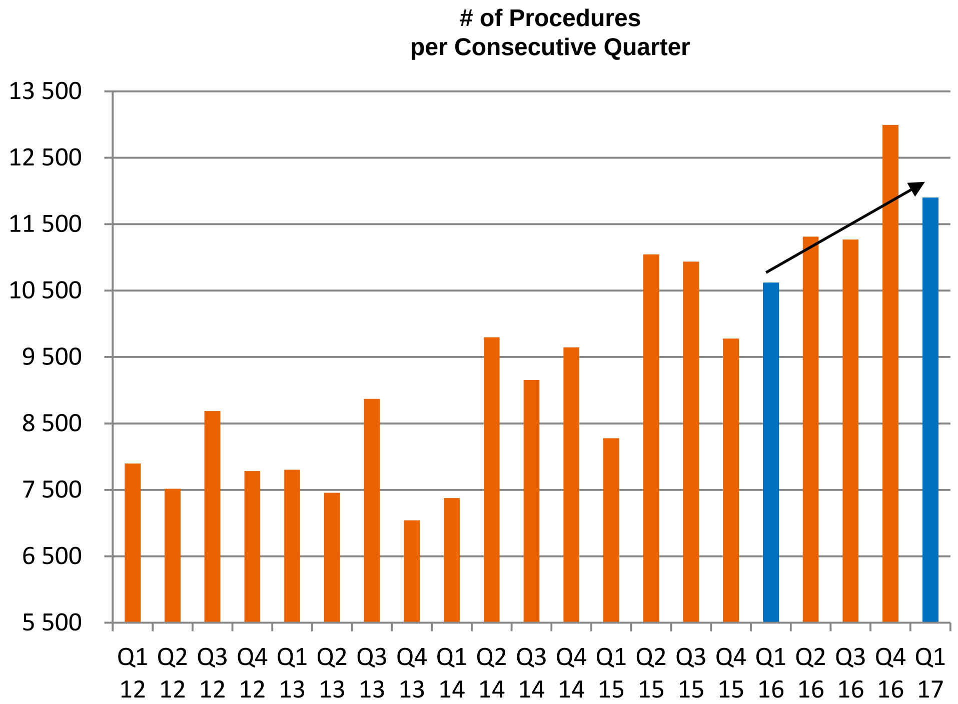
MEDISTIM

High performance US sales organization

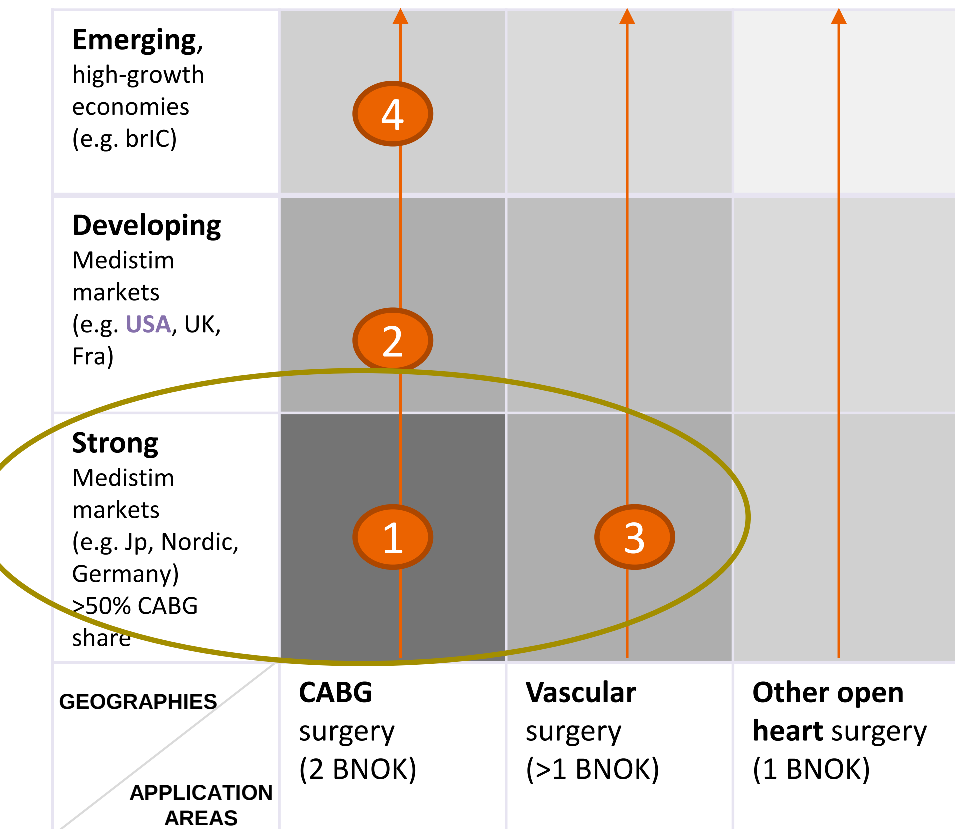


RESULTS Q1

- Revenues up by 6.9 % in NOK
- 9.6 % growth in USD
- Number of procedures up by 12.0 %
  - 11.3 % growth in flow procedures
  - 17.8 % growth in imaging procedures
- 21.9 % increase in capital sales (systems and probes)
- Continued growth in new customers
  - 4 completely new accounts
  - 2 TTFM account converted to Imaging



Growth opportunities – in strong CABG markets



1. **Convert the routine Flow market to a Flow-and-Imaging market** by establishing *Surgical Guidance and Quality Assessment* as the new standard of care through
   - Early adopter & KOL support
   - REQUEST study
   - Ease conversion from flow to imaging with MiraQ

2. **Achieve routine use** of both Flow and Imaging by fighting ignorance, indifference and ease-of-use objections through
   - Clinical marketing & Educational programs
   - Product innovation for ease of use
   - Increased sales force capacaity

3. **Build and strengthen position** in vascular surgery
   - Dedicated system (MiraQ Vascular) & probes
   - Build position with societies and KOLs

4. **Offer an entry-level solution** to reach emerging, price-sensitive, high-growth markets

Medistim establishes direct sales operation in Spain

- Subsidiary setup prepared during the first quarter
- Medistim will recognize end customer revenues from April 2017
- Two sales representatives hired, one in Madrid and one in Barcelona to cover the market with support from Oslo
- Highly penetrated market with large opportunity to convert old flow systems to top model MiraQ with imaging
- Low penetration in the vascular market provides further expansion opportunity

Facts about the Spanish market:

- Number of CABG procedures: 7 000
- Numer of vascular procedures: 8 000
- Medistims market penetration in flow market: 80%
- Medistims market penetration in imaging market: <5%
- Medistims market penetration in vascular market: <5%

20 largest share holders (per 21. April 2017)

Number of shares	Shares in %	Shareholder	Konto type	Statsborger
4 003 500	21,83	INTERTRADE SHIPPING		NOR
1 862 500	10,16	SALVESEN & THAMS INV		NOR
1 347 872	7,35	JPMorgan Chase Bank, NORDEA TREATY ACCOUN	NOM	GBR
1 000 000	5,45	FOLLUM CAPITAL AS		NOR
784 155	4,28	PROTECTOR FORSIKRING Aksjer		NOR
644 493	3,51	Skandinaviska Enskil A/C CLIENTS ACCOUNT	NOM	DNK
629 409	3,43	BNP Paribas Securiti S/A ITALIAN RESIDENT	NOM	ITA
519 936	2,84	BUANES ASBJØRN JOHN		NOR
447 070	2,44	Citibank Europe plc S/A SEB SA UCITS	NOM	LUX
446 154	2,43	DYVI INVEST AS		NOR
420 559	2,29	GRANDEUR PEAK INTERN BROWN BROTHERS		USA
398 656	2,17	HOLBERG NORGE VERDIPAPIRFONDET		NOR
294 321	1,61	REGENTS OF THE UNIVE The Bank of New York		USA
262 419	1,43	SEB PRIME SOLUTIONS SKANDINAVISKA ENSKIL		LUX
250 000	1,36	Danske Invest Norge		NOR
220 589	1,20	RBC Investor service S/A LUX SCV-EXEMPT-U	NOM	LUX
204 109	1,11	THE NORTHERN TRUST C RE IEDP AIF CL. NON	NOM	GBR
200 000	1,09	Bank Julius Bär & Co	NOM	CHE
189 996	1,04	The Bank of New York c/o BNYMSANV RE BNYM	NOM	FRA
188 084	1,03	Danske Bank A/S 3993 NORDIC SETTLEME	NOM	DNK
14 313 822	78,05			


PI 1.9
HR 80
Seeing is believing