Medistim ASA
First quarter 2019

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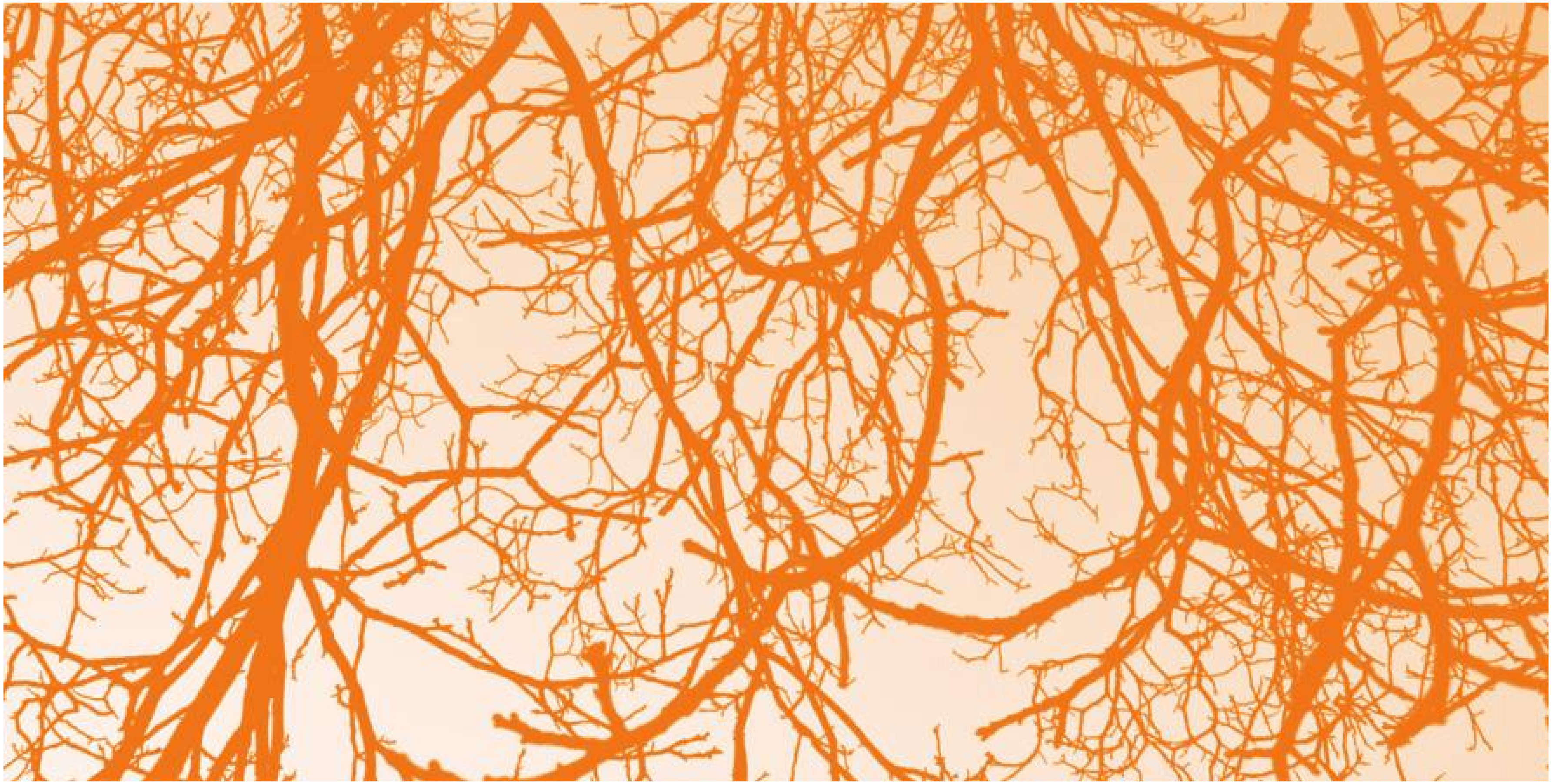
1. Highlights 1st quarter

Highlights 1st quarter 2019

- Sales for the first quarter 2019 ended with a 19.7 % growth over Q1 2018, a strong follow-up after the all time high quarter for Q4 2018
  - Currency neutral sales of own products up 20.0 %
  - 3rd party products flat
  - Growth for the quarter was driven by high performance in the USA with a currency neutral growth of 37.3 %
- EBIT up MNOK 6.4 to MNOK 19.4, a 46.8 % increase
- The general meeting decided a dividend of NOK 2.25 per share

Q1 2019	Q o Q
Revenue MNOK 88.7 (74.1)	↑ 19.7%
EBIT MNOK 19.4 (13.6)	↑ 46.8 %
Currency	↑ 4.6 %
No of capital units sold:	
Flow systems 23	↓ -8.0 %
Imaging systems 24	↑ 71.4 %
Flow probes 1 648	↑ 6.1 %
Imaging probes 29	↑ 180 %
Procedures (USA) 15 245	↑ 21.2 %

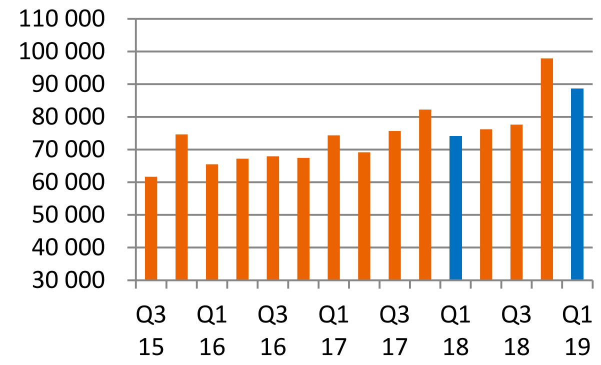
2. Financial statements



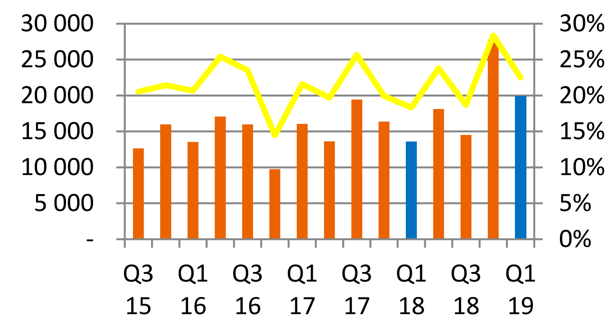
Profit and loss Q1 2019

Profit & loss	Q1 2019	Q1 2018
All numbers in NOK 1000		
Sales	**88 736**	**74 133**
Cost of goods sold	20 694	18 255
Salary and sosial expenses	31 028	26 784
Other operating expenses	12 636	12 519
Total operating expenses	64 358	57 558
Op. res. Before depr. and write-offs (EBITDA)	**24 378**	**16 576**
EBITDA %	*27,5 %*	*22,4 %*
Depreciation	4 434	2 988
Operating result (EBIT)	**19 944**	**13 588**
EBIT %	*22,5 %*	*18,3 %*
Financial income	229	1 387
Financial expenses	10	2 665
Net finance	218	(1 279)
Pre tax profit	**20 162**	**12 309**
Tax	4 191	2 865
Result	**15 971**	**9 444**

Sales per Quarter (TNOK)

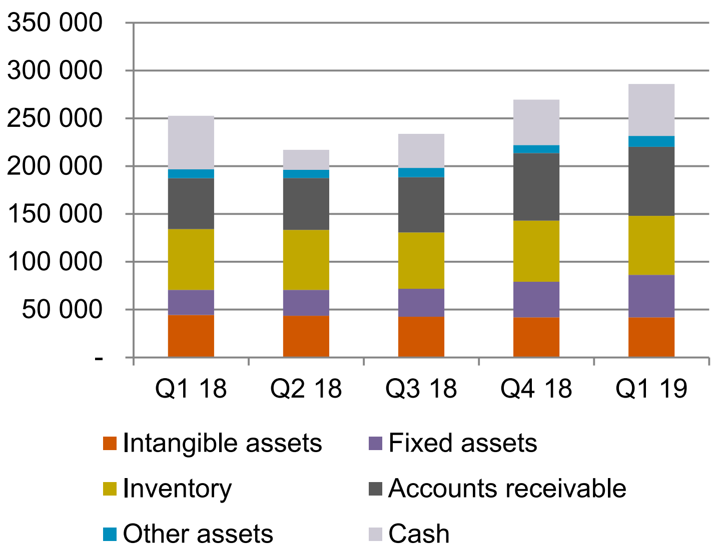


EBIT per Quarter (TNOK)



Balance sheet - Assets

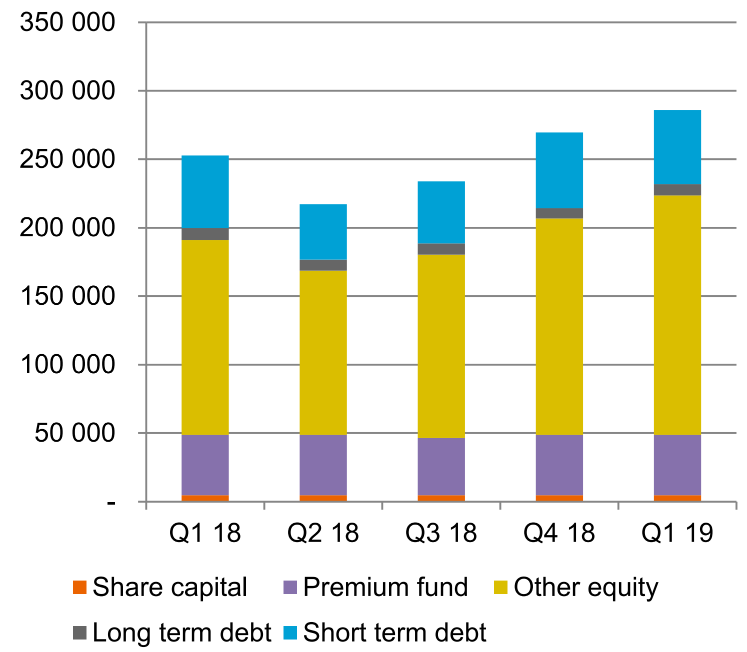
Balance sheet	31.03.2019	31.12.2018
All numbers in NOK 1000		
Assets		
Intangible assets	41 822	41 944
Fixed assets	44 598	37 198
Total intangible and fixed assets	**86 420**	**79 142**
Inventory	61 602	63 843
Customers receivables	72 226	70 807
Other receivables	11 356	8 309
Cash	54 351	47 490
Total current assets	**199 535**	**190 449**
Total assets	**285 955**	**269 591**



- Working capital continues to be high, related to increased customers receivables related to strong sales
- The General Assembly decided a dividend of NOK 2,25 per share

Balance sheet - Equity and liability

Balance sheet	31.03.2019	31.12.2018
All numbers in NOK 1000		
Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	174 801	157 955
Total equity	**223 558**	**206 712**
Total long term debt	**8 230**	**7 500**
Total short term debt	**54 167**	**55 380**
Total equity and liability	**285 955**	**269 592**

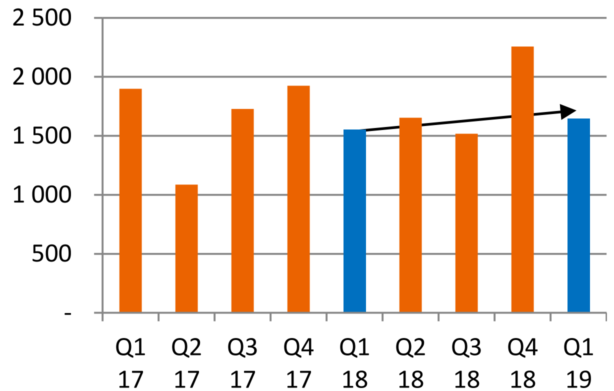


- 10.5 MNOK in interest bearing debt
- Strong balance sheet with 78.2 % equity ratio
- IFRS 16 increases assets and debt in the balance sheet with 6.3 MNOK

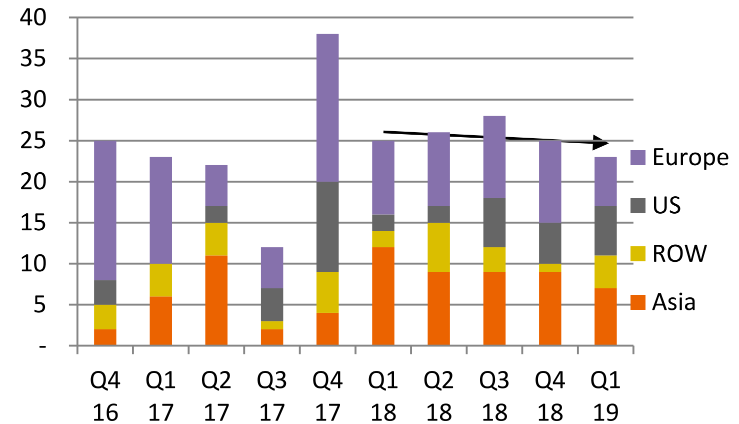
3. Business segments update

Flow probes and systems in units

Flow probes in units (excl USA)



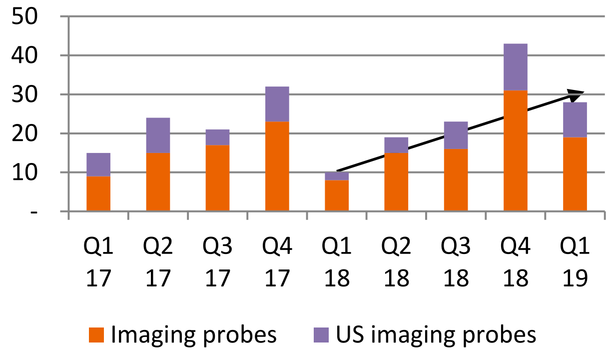
Flow systems in units (VeriQ & MiraQ capital sales)



- 6.1% increase in flow probe sales quarter over quarter driven by continued strong sale of the combined flow-and-imaging system
- Stable sales of flow-only systems

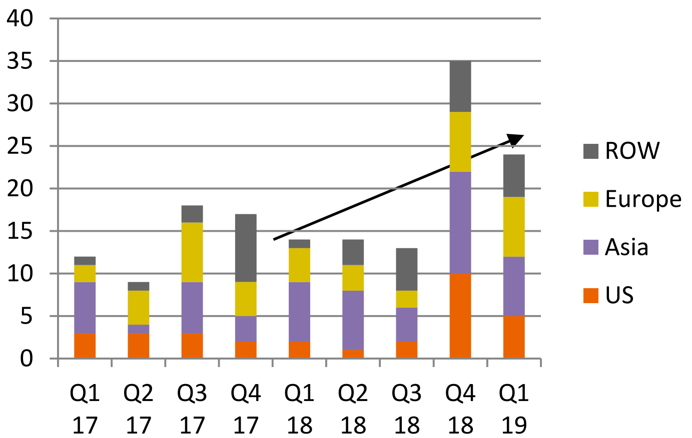
Imaging probes and systems in units

Imaging probes in units (incl USA)



- 180 % increase of imaging probes
- Strong sales after the record quarter in Q4-18

Imaging systems in units (VeriQC & MiraQ capital sales)



- 71.4 % increase in sales of imaging systems
- Continues to drive increased sale of reusable flow probes (‘consumables’)

Q1 revenue performance by region

Mill NOK	Q1 '19	Q1 '18	Q / Q	2018
Europe	38,4	40,2	-4,6 %	154,8
USA	34,6	23,0	50,4 %	113,1
Asia & Jp	7,0	8,5	-17,7 %	38,7
ROW (MEA, CAN, SA, AUS)	8,8	2,4	261,4 %	19,3
Total	**88,7**	**74,1**	**19,7 %**	**325,9**

- In Europe, sales decreased with 4.6 % in Q1. Sale of own products decreased with 9.1 % while 3. party was at the same level as last year. The decrease of own products was due to normal quarterly variation.
- In the USA, sales in NOK increased with 50.4 %, and currency neutral sales was up 37.3 %.
- Both Asia/Japan and ROW are so far smaller sales territories with significant quarter to quarter variation. Q1 2019 was a very strong quarter for Middle-East and Australia.

Positive currency effects for Q1 2019 vs Q1 2018 was 3.4 MNOK .

Average actual exchange rate for USD 8.58 and EUR 9.74 versus last year USD 7.83 and EUR 9.63.

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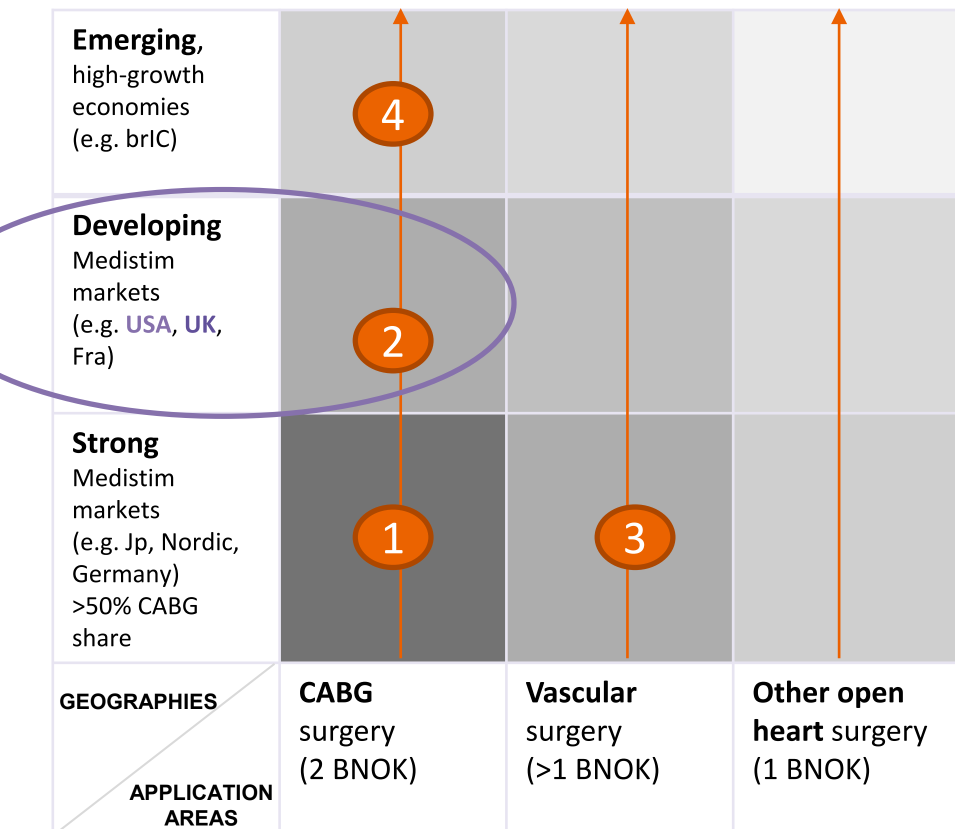
Q1 revenue performance by product

Mill NOK	Q1 '19	Q4 '18	Q/Q	2018
Procedures (USA)	26,3	19,6	34,3 %	89,5
Flow probes	21,9	20,5	7,1 %	85,7
Flow systems (VeriQ & MiraQ)	7,2	6,7	7,8 %	32,5
Imaging systems (VeriQ C & MiraQ)	12,3	7,3	68,6 %	39,9
Imaging probes	1,3	0,6	124,5 %	4,3
3rd party	18,8	18,7	0,5 %	71,1
Other	0,9	0,8	15,7 %	2,9
Total revenues	**88,7**	**74,1**	**19,7 %**	**325,9**

- Procedure sale in the USA: The total number of procedures increased with 21.2 % in Q1. The variation in NOK compared to volume growth is due to mix of procedures coming from probe sales vs card sales, as well as currency.
- Flow probes: 6.1 % increase in units corresponds well with 7.1 % increase in NOK. Little currency impact in Q1 2019.
- Flow systems: 8.0 % decrease in units and 7.8 % increase in NOK for the quarter. The increase is related to higher level of sales through the direct sales channel.
- Imaging systems and probes: Imaging systems increase with 71.4 % in units and 68.6 % in NOK. Imaging probe revenue increases 180 % in units and 124 % in NOK. More sales through distributors creates less revenue.
- 3rd party products: At same level as last year.

4. Implementing the strategy

Growth opportunities – in developing Medistim markets



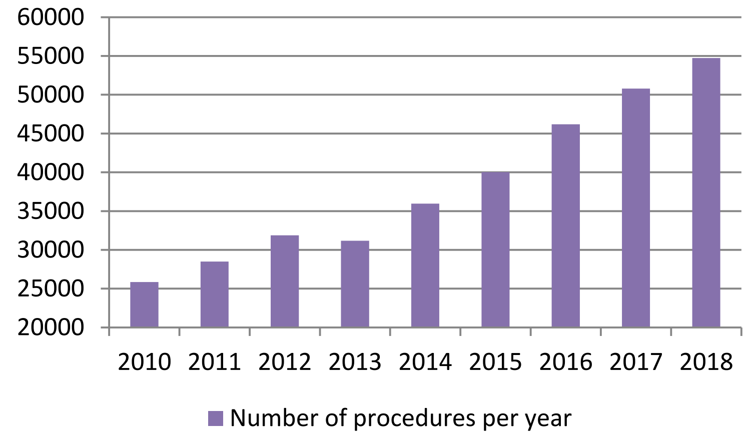
1. **Convert the routine Flow market to a Flow-and-Imaging market** by establishing *Surgical Guidance and Quality Assessment* as the new standard of care through
   - Early adopter & KOL support
   - REQUEST study
   - Ease conversion from flow to imaging with MiraQ

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

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

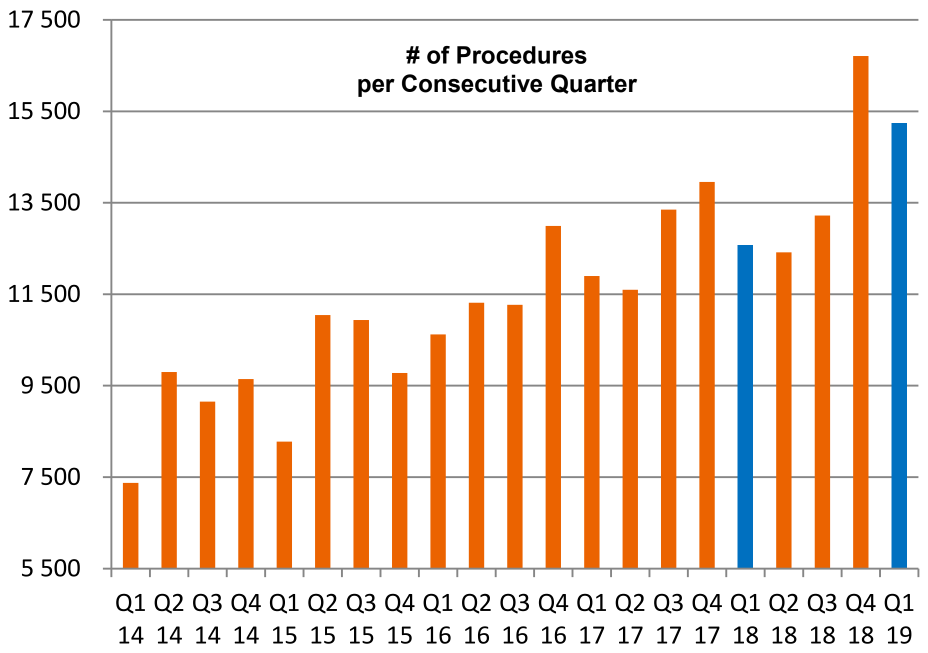
4. **Offer an entry-level solution** to reach emerging, price-sensitive, high-growth markets

Performance US sales organization



RESULTS Q1 2019

- Revenues up 37.3 % in USD
  - Revenues up 50.4 % in NOK, to MNOK 34.6, due to favorable currency
- Total number of procedures up by 21.2 %
  - 15.9 % growth in flow procedures
  - 57.6 % growth in imaging procedures
- Continued growth in new customers
  - 6 completely new accounts in Q1



Outlook

- **Accelerated growth in the CABG segment:**
  - Leverage the REQUEST study results
- **Accelerated growth in the Vascular segment:**
  - Mobilization of sales network
- **Adding value to the customer experience**
  - Product and technology development for improved guidance and ease of use

20 largest shareholders

Number of shares	Shares in %	Shareholder
4 003 500	21,83	INTERTRADE SHIPPING AS
1 862 500	10,16	SALVESEN & THAMS INVEST AS
1 100 246	6,00	SWEDBANK ROBUR SMABOLAGSFOND
1 000 000	5,45	FOLLUM CAPITAL AS
882 111	4,81	State Street Bank and Trust Comp
867 193	4,73	Skandinaviska Enskilda Banken AB
832 843	4,54	Skandinaviska Enskilda Banken S.A.
657 828	3,59	Skandinaviska Enskilda Banken AB
494 936	2,70	BUANES
420 656	2,29	HSBC TTEE MARLB EUROPEAN TRUST
400 000	2,18	HOLBERG NORGE
307 272	1,68	BNP Paribas Securities Services
270 359	1,47	GRANDEUR PEAK INTERNATIONAL OPPORT
257 185	1,40	Danske Bank A/S
250 000	1,36	Danske Invest Norge Vekst
238 310	1,30	Danske Bank A/S
233 425	1,27	RBC INVESTOR SERVICES BANK S.A.
230 591	1,26	Nordnet Bank AB
200 000	1,09	SWEDBANK ROBUR MEDICA
200 000	1,09	Bank Julius Bär & Co. AG