Medistim ASA
Second quarter 2019

Kari E. Krogstad, President and CEO
Thomas Jakobsen, CFO
August 20th, 2019

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 2018. 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

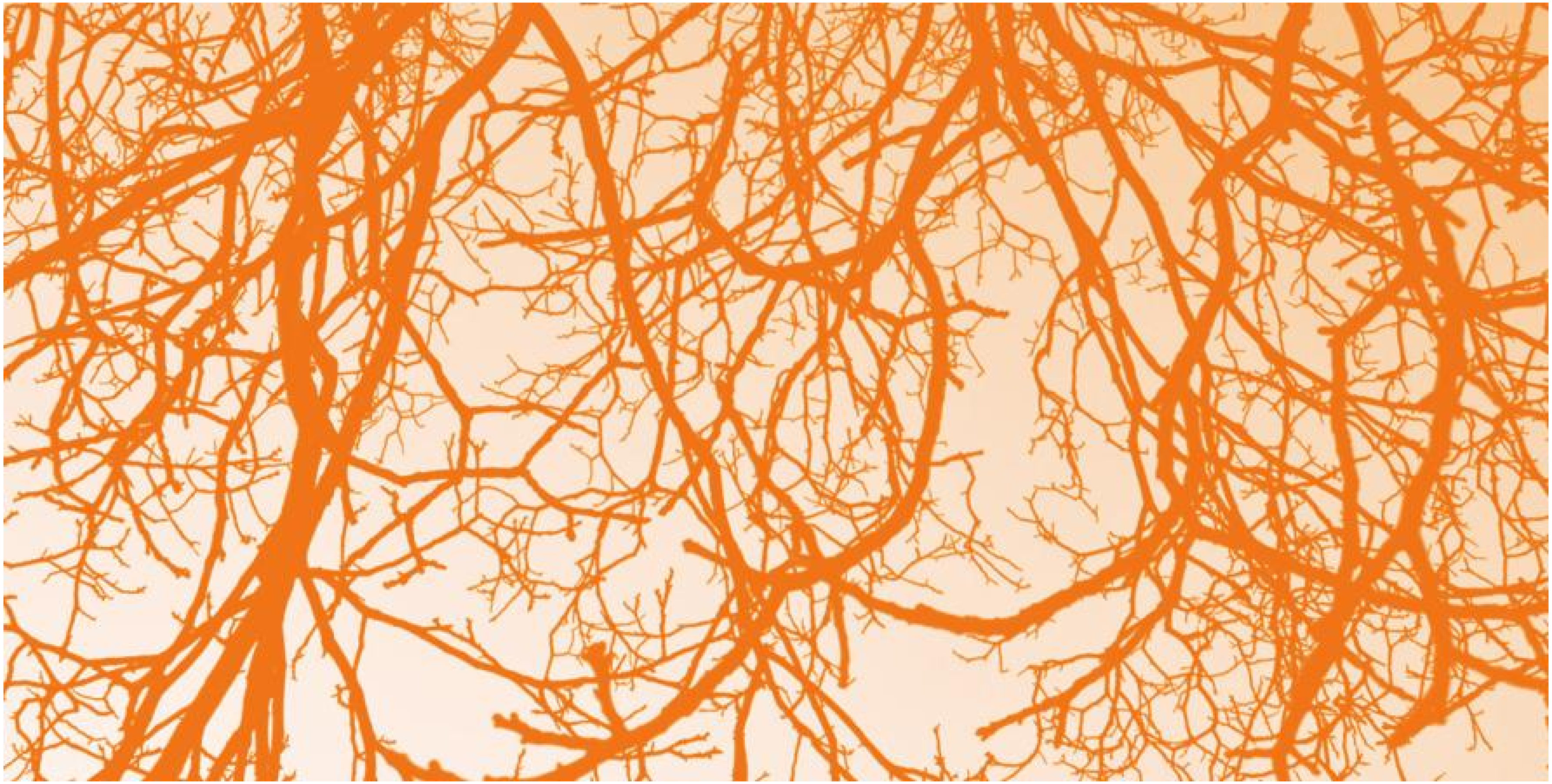
1. Highlights 1st quarter

Highlights 2nd quarter 2019

- Sales for the second quarter 2019 ended with a 23.1 % growth over Q2 2019, a strong follow-up after the all time high quarter for Q4 2018 and 19.7 % growth in Q1 2019
    - Currency neutral sales of own products up 20.5 %
    - 3rd party products up 12.0 %
    - Growth for the quarter was driven by high performance in the USA with a currency neutral growth of 42.2 %
- EBIT up MNOK 12.8 to MNOK 30.9, a 70.4 % increase
- Final REQUEST results presented at the AATS in Toronto
- A dividend of NOK 2.25 per share based upon 2018 results was paid the 3rd of May

Q2 2019	Q o Q
Revenue MNOK 93.8 (76.2)	↑ 23.1%
EBIT MNOK 30.9 (18.1)	↑ 70.4 %
Currency	↑ 4.6 %
No of capital units sold:	
Flow systems 26	→ 0.0 %
Imaging systems 17	↑ 21.4 %
Flow probes 1 967	↑ 19.0 %
Imaging probes 26	↑ 36.8 %
Procedures (USA) 17 267	↑ 39.1 %

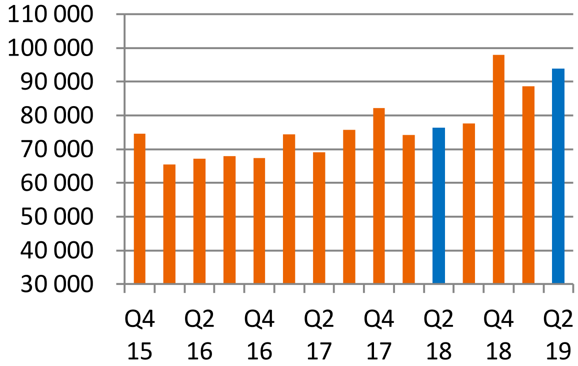
2. Financial statements



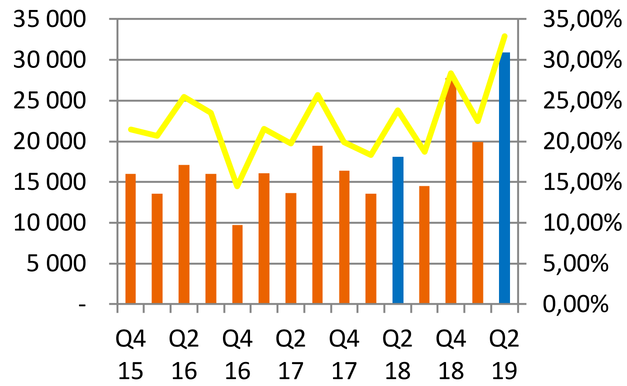
Profit and loss Q2 2019

Profit & loss	Q2 2019	Q2 2018
All numbers in NOK 1000		
Sales	**93 796**	**76 221**
Cost of goods sold	21 145	18 606
Salary and sosial expenses	23 648	20 832
Other operating expenses	13 793	15 474
Total operating expenses	54 912	52 295
Op. res. before depr. and write offs (EBITDA)	**35 210**	**21 309**
EBITDA %	*37,5 %*	*28,0 %*
Depreciation	4 318	3 183
Operating result(EBIT)	**30 892**	**18 126**
EBIT %	*32,9 %*	*23,8 %*
Financial income	677	1 368
Financial expenses	1 472	1 842
Net finance	(795)	(474)
Pre tax profit	**30 098**	**17 652**
Tax	7 969	4 958
Result	**22 129**	**12 693**

Sales per Quarter (TNOK)

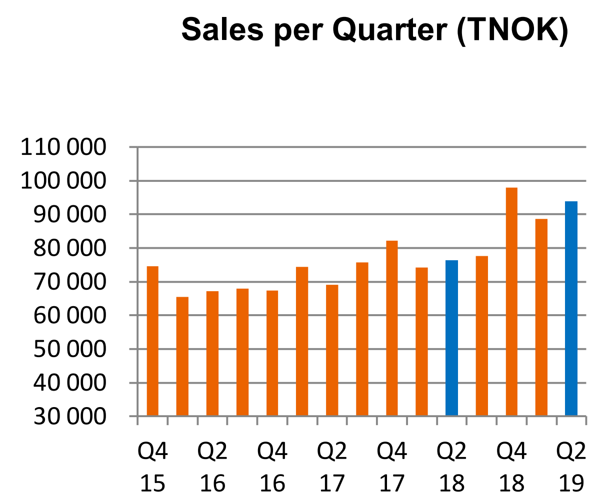


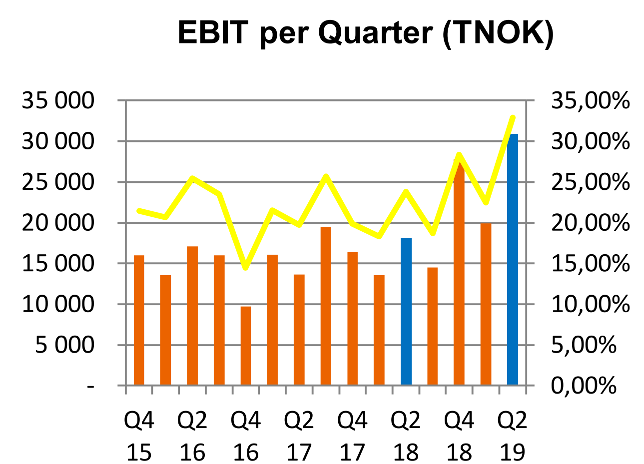
EBIT per Quarter (TNOK)



Profit and loss YTD June 2019

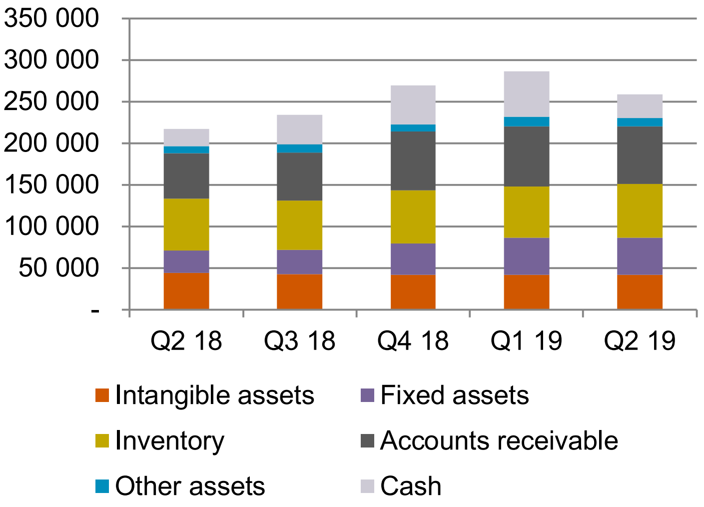
Profit & loss	YTD June 2019	YTD June 2018
All numbers in NOK 1000		
Sales	**182 533**	**150 354**
Cost of goods sold	41 839	36 861
Salary and sosial expenses	54 676	47 616
Other operating expenses	26 429	27 993
Total operating expenses	112 470	107 494
Op. res. before depr. and write offs (EBITDA)	**59 589**	**37 884**
EBITDA %	*32,6 %*	*25,2 %*
Depreciation	8 752	6 171
Write offs and provisions	-	-
Operating result (EBIT)	**50 836**	**31 714**
EBIT %	*27,9 %*	*21,1 %*
Financial income	906	2 754
Financial expenses	1 482	4 507
Net finance	(576)	(1 753)
Pre tax profit	**50 260**	**29 961**
Tax	12 159	7 824
Result	**38 100**	**22 138**





Balance sheet - Assets

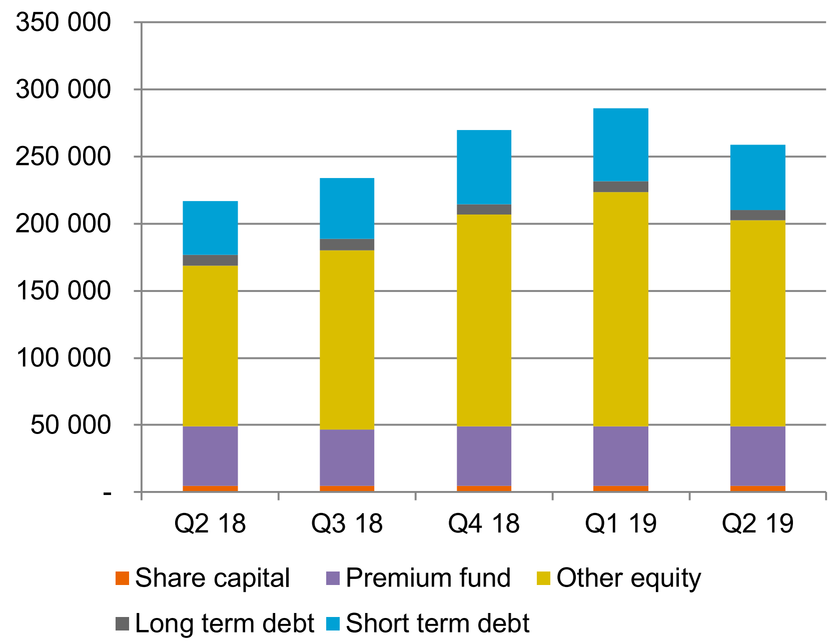
Balance sheet	30.06.2019	31.12.2018
All numbers in NOK 1000		
Assets		
Intangible assets	41 631	41 944
Fixed assets	44 764	37 198
Total intangible and fixed assets	**86 395**	**79 142**
Inventory	64 344	63 843
Customers receivables	69 333	70 807
Other receivables	9 964	8 309
Cash	28 668	47 490
Total current assets	**172 309**	**190 449**
Total assets	**258 704**	**269 591**



- Working capital continues to be high, related to high customers receivables related to strong sales
- A dividend of NOK 2,25 per share was paid in May, a total of MNOK 40.9

Balance sheet - Equity and liability

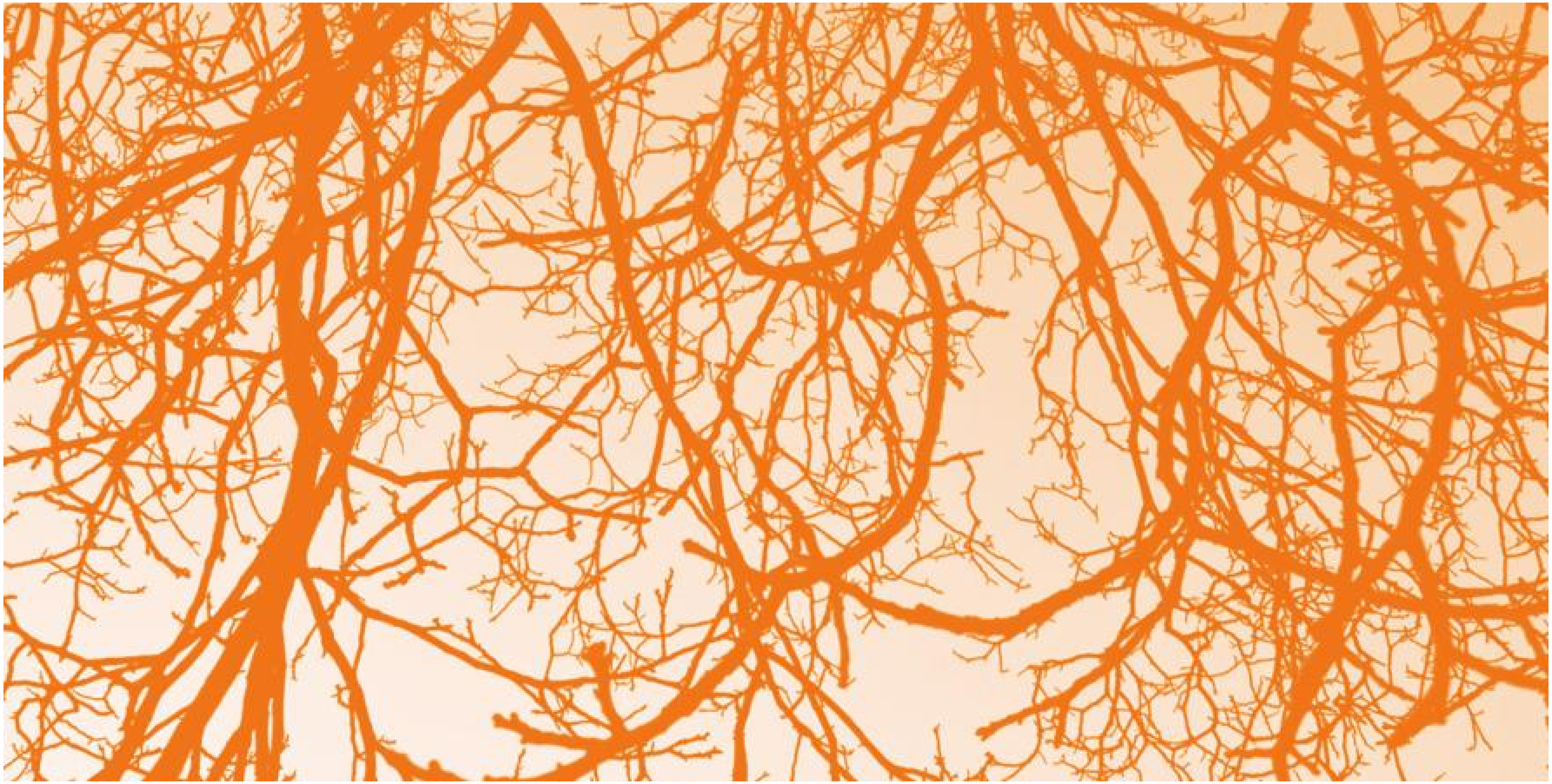
Balance sheet	30.06.2019	31.12.2018
All numbers in NOK 1000		
Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	153 681	157 955
Total equity	**202 438**	**206 712**
Total long term debt	**7 558**	**7 500**
Total short term debt	**48 709**	**55 380**
Total equity and liability	**258 704**	**269 592**



- 9.0 MNOK in interest bearing debt
- Strong balance sheet with 78.3 % equity ratio
- IFRS 16 increases assets and debt in the balance sheet with 4.9 MNOK

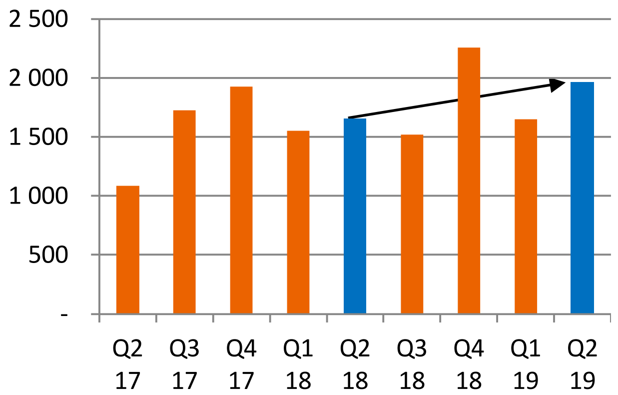
MEDISTIM

3. Business segments update

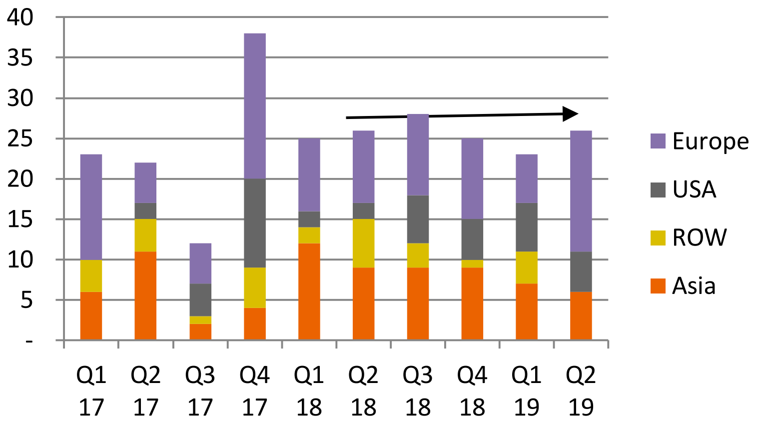


Flow probes and systems in units

Flow probes in units (excl USA)



Flow systems in units (VeriQ & MiraQ capital sales)

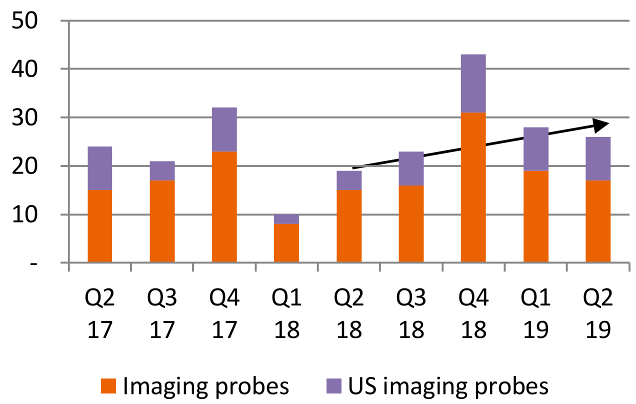


- 19.0% increase in flow probe sales quarter over quarter driven by continued strong sale of the combined flow-and-imaging system
- Good growth in all sales regions

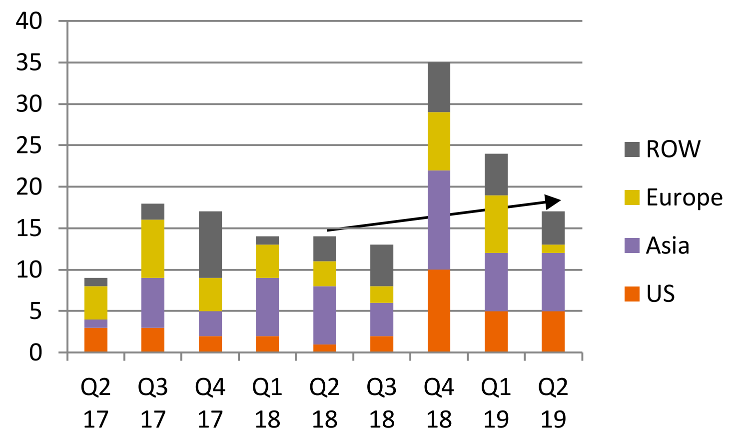
- Stable sales of flow-only systems

Imaging probes and systems in units

Imaging probes in units (incl USA)



Imaging systems in units (VeriQC & MiraQ capital sales)



- 36.8 % increase quarter over quarter
- Increased sale in all regions except Europe this quarter, however all regions show growth in the first half year

- 21.4 % increase in sales of imaging systems
- Continues to drive increased sale of reusable flow probes (‘consumables’)
- Sales increase this quarter is driven by strong sales in the USA

Q2 and H1 revenue performance by region

Mill NOK	Q2 '19	Q2 '18	Q / Q	H1'19	H1'18	H / H
Europe	42,5	38,3	11,2 %	80,9	78,5	3,1 %
USA	36,9	23,9	54,4 %	71,5	46,9	52,5 %
Asia	9,9	9,4	6,1 %	16,9	17,8	-5,2 %
ROW (MEA, CAN, SA, AUS)	4,4	4,7	-5,4 %	13,2	7,1	85,5 %
Total	**93,8**	**76,2**	**23,1 %**	**182,5**	**150,4**	**21,4 %**

- In Europe, sale of own products increased with 10.4 % while 3. party increased with 12.0 %. Sale of own products for first half ended at MNOK 42.5 which is at the same level as last year. 3. party increased with 6.1 % in the first half year.
- In the USA, currency neutral sales was up 42.2 % in the second quarter and 40.4 % for the first half year.
- Both Asia/Japan and ROW are so far smaller sales territories with significant quarter to quarter variation. The first half of 2019 was very strong for Middle-East and Australia.

Positive currency effects for H1 2019 vs H1 2018 was 6.6 MNOK .

Average actual exchange rate for USD 8.61 and EUR 9.73 versus last year USD 7.93 and EUR 9.59.

MEDISTIM

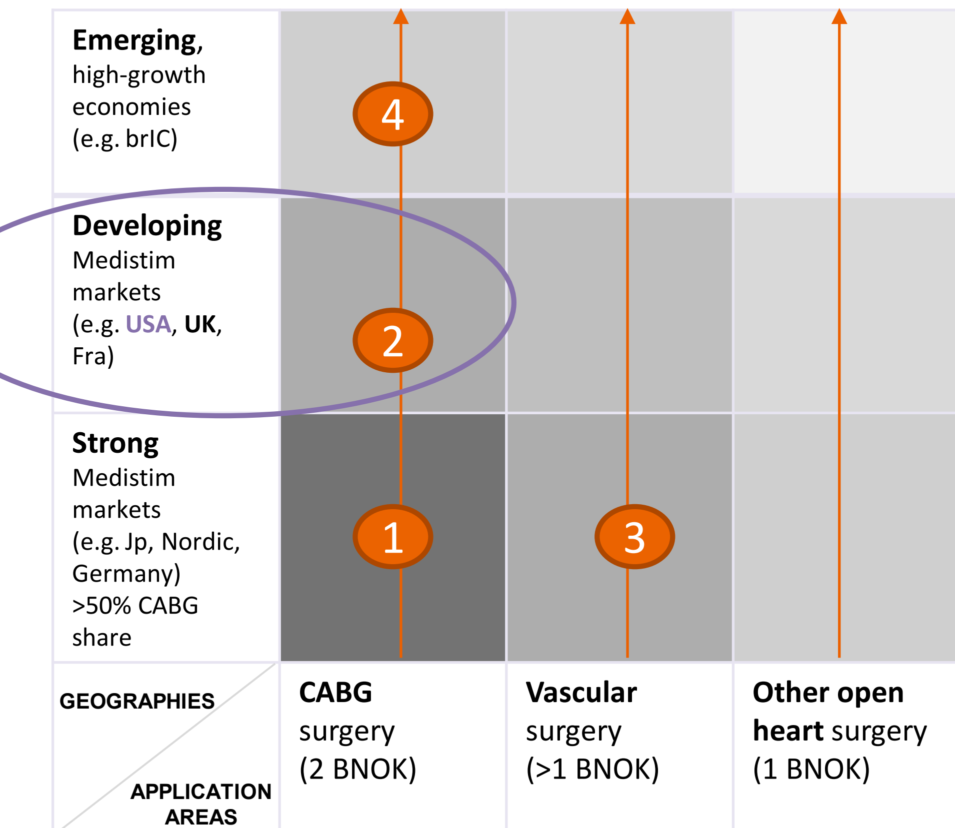
Q2 and H1 revenue performance by product

Mill NOK	Q2 '19	Q2 '18	Q / Q	H'1 19	H1' 18	H / H
Procedures (USA)	27,0	21,6	25,2 %	53,3	41,2	29,5 %
Flow probes	24,0	21,4	12,2 %	45,9	41,8	9,7 %
Flow systems (VeriQ & MiraQ)	9,0	7,0	27,4 %	16,2	13,8	17,8 %
Imaging systems (VeriQ C & MiraQ)	11,3	6,5	72,3 %	23,5	13,8	70,3 %
Imaging probes	1,0	0,9	1,2 %	2,2	1,5	47,3 %
3rd party	19,5	17,4	12,1 %	38,3	36,2	6,1 %
Other	2,1	1,3	58,2 %	3,0	2,1	42,5 %
Total revenues	**93,8**	**76,2**	**23,1 %**	**182,5**	**150,4**	**21,4 %**

- Procedure sale in the USA: The total number of procedures increased with 39.1 % in Q2. The variation in NOK compared to volume growth is due to mix of procedures coming from probe sales vs card sales, where a procedure counted from capital probe sales gives lower revenue than a procedure counted from card sales. For the first half year, the number of procedures increases with 30,1 % and is in line with the growth in revenue. However, adjusted for currency the revenue growth is 18.8 %, again related to product mix.
- Flow probes: 19.0 % increase in units while revenue increases 12 %. For the first half the unit increase is 12,8 % vs 9.7 % in revenue. Little currency impact in H1 2019. Higher sales through distributors gives less revenue.
- Flow systems: 4.0 % increase in units and 27.4 % increase in NOK for the quarter. For the first half number of units decreased with 3.9 % while revenue increased with 17.8 %. The increase is related to higher level of direct sales and currency.
- Imaging systems: Imaging systems increase with 21.4 % in units in Q2 and 50 % in H1. Increased sales through direct channel and currency contributes to higher revenue than growth in units.
- 3rd party products: Steady performance with 12 % growth for the quarter and 6 % growth for the first half.

4. Implementing the strategy

Growth opportunities – in developing Medistim markets



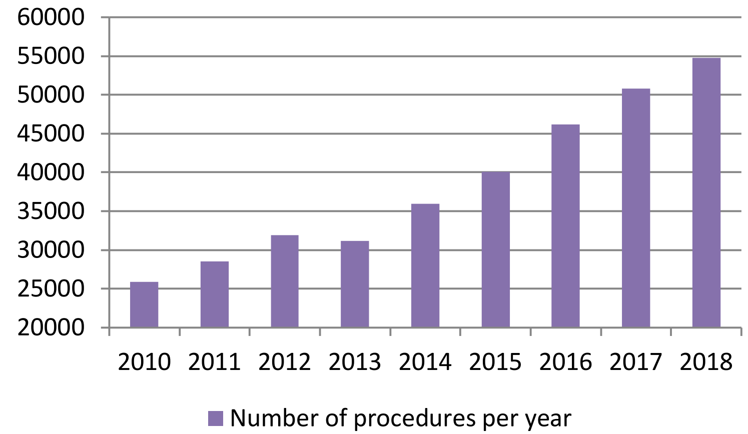
1. **Convert the routine Flow market to a Flow-and-Imaging market** by establishing *Surgical Guidance and Quality Assessment* as the new standard of care through
   - Early adopter & KOL support
   - REQUEST study
   - Ease conversion from flow to imaging with MiraQ

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 capacaity**

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

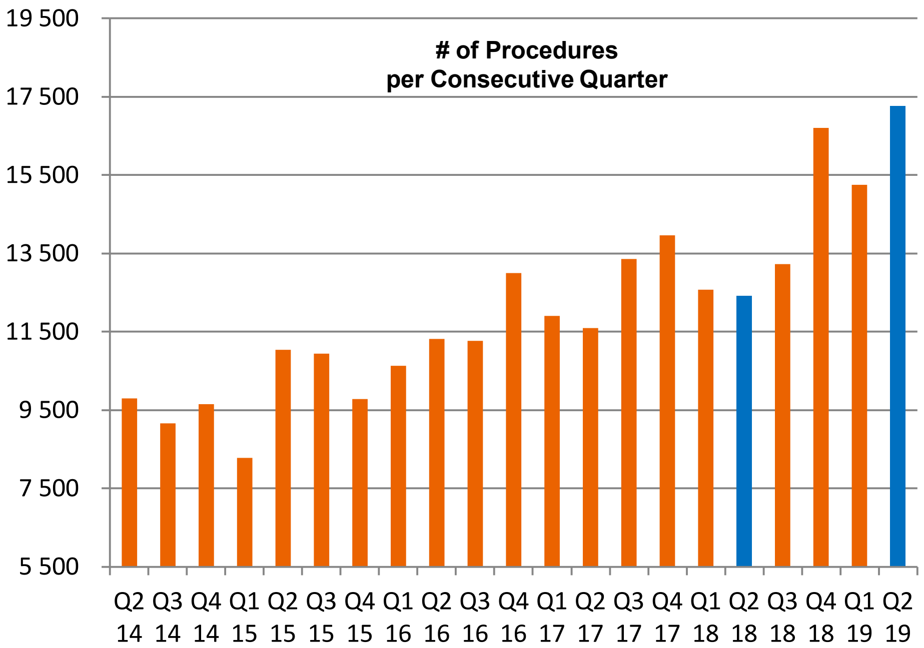
4. **Offer an entry-level solution** to reach emerging, price-sensitive, high-growth markets

Performance US sales organization



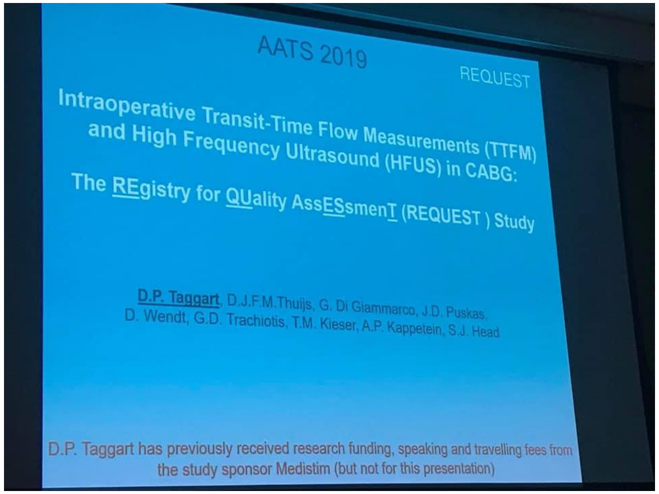
RESULTS Q2 2019

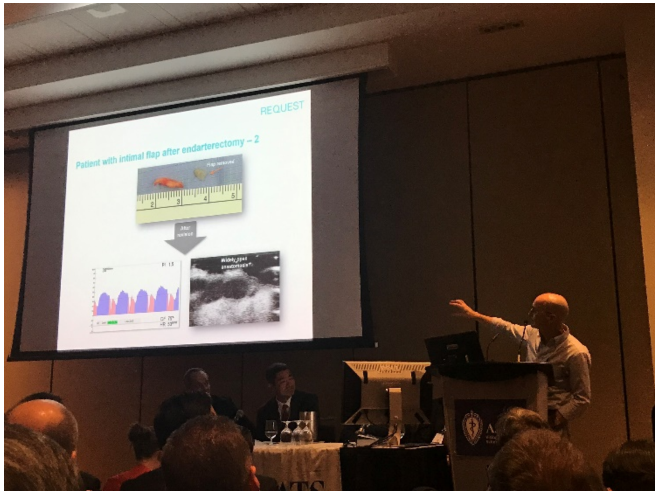
- Revenues up 42.2 % in USD
  - Revenues up 54.4 % in NOK, to MNOK 36.9, due to favorable currency
  - First half up 40.4 % in USD
- Total number of procedures up by 39.1 %
  - 37.2 % growth in flow procedures
  - 50.9 % growth in imaging procedures
  - First half up 30 % in total number of procedures
- Continued growth in new customers
  - 10 completely new accounts in Q2
  - 16 new accounts YTD



Final REQUEST results presented at the AATS

- The American Association of Thoracic Surgery (AATS) is one of the two major US medical associations covering cardiac surgery
- The AATS is a key arena for the presentation and discussion of state of the art and innovation in science and clinical practice
- At the 2019 AATS in Toronto Canada, in May, Prof. David Taggart presented the final REQUEST data in the main program
- Medistim was also present at the industry exhibition:





20 largest shareholders

Rank	Holding	Shares in %	Name
1	4 003 500	21,8	INTERTRADE SHIPPING AS
2	1 862 500	10,2	SALVESEN & THAMS INVEST AS
3	1 000 000	5,5	FOLLUM CAPITAL AS
4	910 246	5,0	SWEDBANK ROBUR SMABOLAGSFOND
5	864 583	4,7	Skandinaviska Enskilda Banken AB
6	844 403	4,6	State Street Bank and Trust Comp
7	715 069	3,9	Skandinaviska Enskilda Banken S.A.
8	587 828	3,2	Skandinaviska Enskilda Banken AB
9	494 936	2,7	BUANES
10	420 656	2,3	HSBC TTEE MARLB EUROPEAN TRUST
11	385 000	2,1	HOLBERG NORGE
12	324 380	1,8	BNP Paribas Securities Services
13	315 897	1,7	Danske Bank A/S
14	310 000	1,7	JPMorgan Chase Bank, N.A., London
15	258 310	1,4	Danske Bank A/S
16	250 000	1,4	Danske Invest Norge Vekst
17	245 917	1,3	Nordnet Bank AB
18	218 403	1,2	RBC INVESTOR SERVICES BANK S.A.
19	205 768	1,1	GRANDEUR PEAK INTERNATIONAL OPPORT
20	200 616	1,1	CORE NY TEKNIK

Seeing is believing