

Welcome to Medistim ASA's 4th quarter 2020 financial presentation

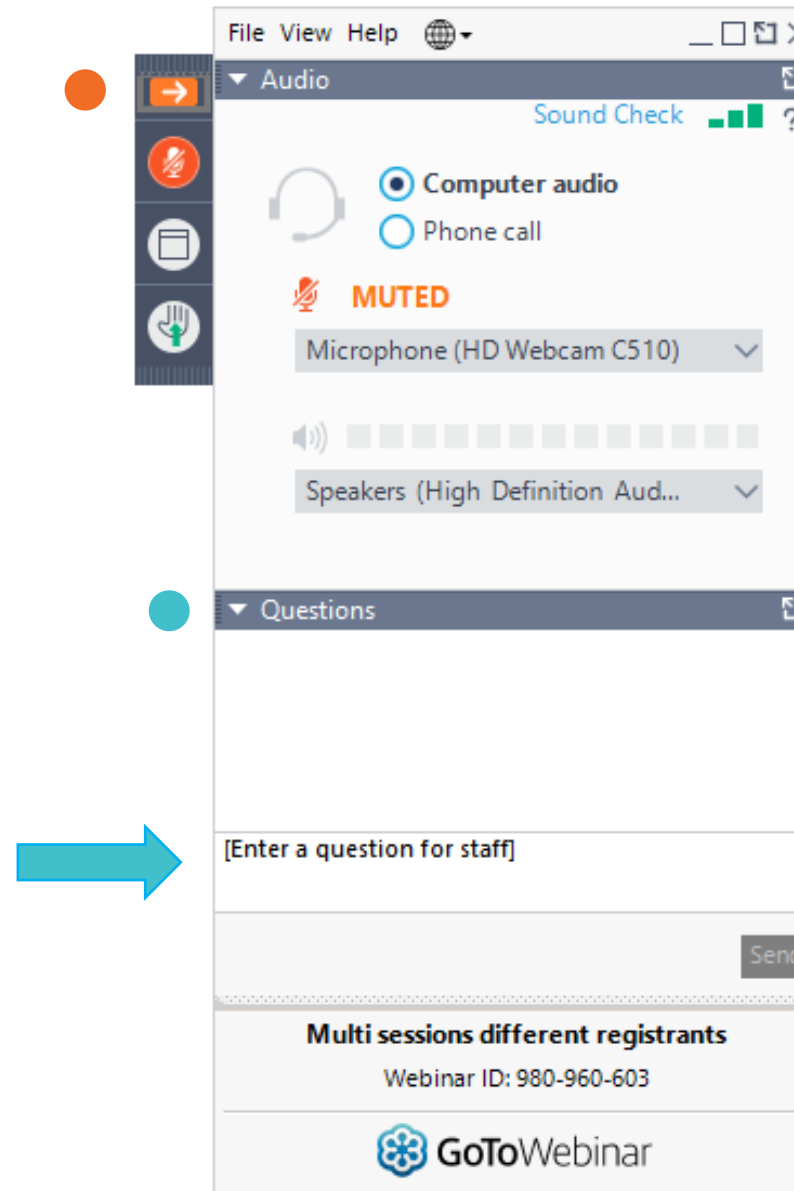
The webinar will begin shortly



Before we start

All questions will be answered at the end of the presentation

- Click on this arrow to expand or minimize your GoToMeeting panel
- Add any questions here in the **questions** panel and we will answer them at the end of the presentation



Medistim ASA Fourth quarter 2020 and preliminary results for 2020

February 26th 2021



Kari E. Krogstad

PRESIDENT & CEO

Thomas Jakobsen

CFO



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 2019. 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 and all liability in this respect.

Table of Contents

- 01 ● Highlights
- 02 ● Financial statements
- 03 ● Business segments update
- 04 ● Implementing the strategy
- 05 ● The COVID-19 pandemic



01 Highlights

Highlights 4th quarter

Q4 2020		% Q o Q	
Revenue	MNOK 94.2 (95.7)		-1.6%
EBIT	MNOK 22.1 (19.8)		+12.1%
Currency			+5.7
No of capital units sold:			
Flow systems	32		-20.0%
Imaging systems	14		-12.5%
Flow probes	1 768		-6.8%
Imaging probes	25		-13.8%
Procedures (USA)	13 899		-11.2%

Fourth quarter sales ended close to last year

- The COVID-19 pandemic continue to postpone elective surgeries and sales revenues were down by 1.6%. Currency neutral decline was 7.2%.
 - **Improvement from Q2 and Q3** which showed 19.3% and 9.7% currency neutral decline, respectively
- **U.S. sales decreased** 23.2% in NOK, 27.8% currency neutral
 - **Sales in Europe increased 19%**, own products were up 12% driven by replacement sale of own products in the Nordic and strong 3. party sales going up 33%
 - **Asia and ROW were down**; 18% and 16%, respectively
- Sales of **vascular** portfolio down 26%
- Sales of **imaging** portfolio down 13%

EBIT margin up from 21.6% to 23.5%

Distribution agreement for India signed with LivaNova

The Board will suggest to the General Meeting to pay a dividend of NOK 3.00 per share

Highlights full year 2020

Total 2020		% H o H	
Revenue	MNOK 363.1 (363.7)		-0.16%
EBIT	MNOK 95.5 (89.8)		+6.4%
Currency			+6.0%
No of capital units sold:			
Flow systems	138		+19.0%
Imaging systems	59		-25.3%
Flow probes	6 218		-13.5%
Imaging probes	101		-11.4%
Procedures (USA)	56 059		-10.2%

Full year sales ended on par with 2019

- Three consecutive quarters with COVID-19 pandemic effects neutralize the sales growth from the record Q1
 - Currency neutral sales down 6.1 %
- **Sales decrease in the U.S.** with 7% and **RoW** with 24% (currency neutral 13% and 30%, respectively)
- **Sales growth in Europe** (own products) and **Asia**, up 10% and 12% respectively (currency neutral 1% and 3%)
- Sales of **vascular** portfolio **up 4%**
- Sales of **imaging** portfolio **down 6%**
- **3rd party** products at same level as last year with MNOK 67.5

Best EBIT result ever

- EBIT margin of 26.3% (24.7%)

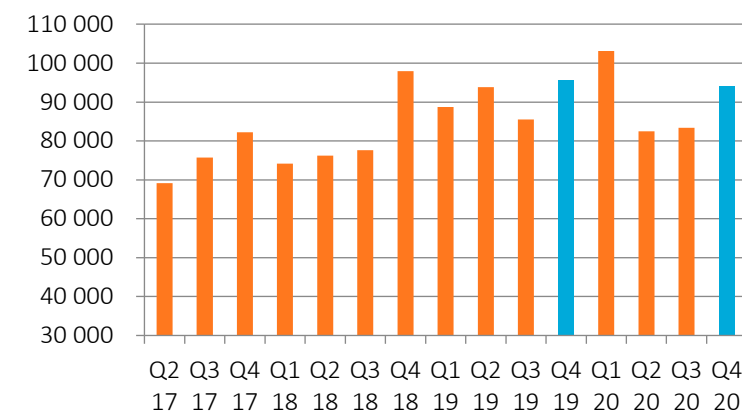


02 Financial Statements

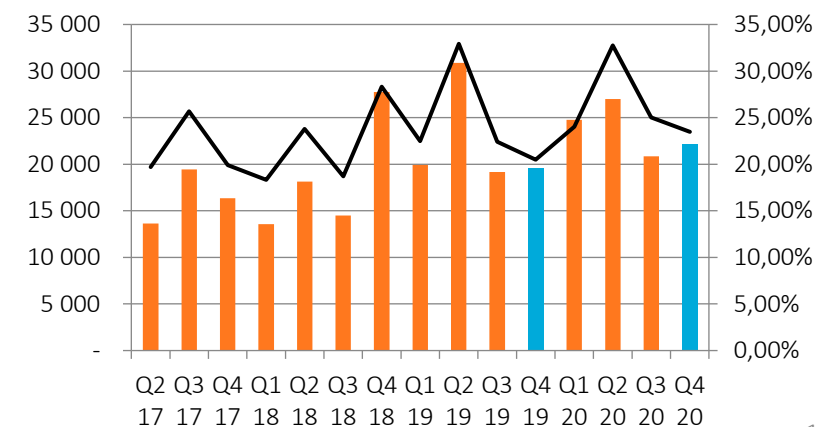
Profit and loss Q4 2020

Profit & loss	Q4 2020	Q4 2019
<i>All numbers in NOK 1000</i>		
Sales	94 184	95 672
Cost of goods sold	22 232	19 836
Salary and sosial expenses	32 177	35 184
Other operating expenses	11 348	16 103
Total operating expenses	65 756	71 123
Op. res. before depr. and write-offs (EBITDA)	28 429	24 549
<i>EBITDA %</i>	<i>30,2 %</i>	<i>25,7 %</i>
Depreciation	6 293	4 796
Operating result (EBIT)	22 136	19 753
<i>EBIT %</i>	<i>23,5 %</i>	<i>20,6 %</i>
Financial income	1 433	7 888
Financial expenses	3 648	7 492
Net finance	(2 216)	397
Pre tax profit	19 920	20 150
Tax	6 352	4 662
Result	13 568	15 488

Sales per Quarter (TNOK)



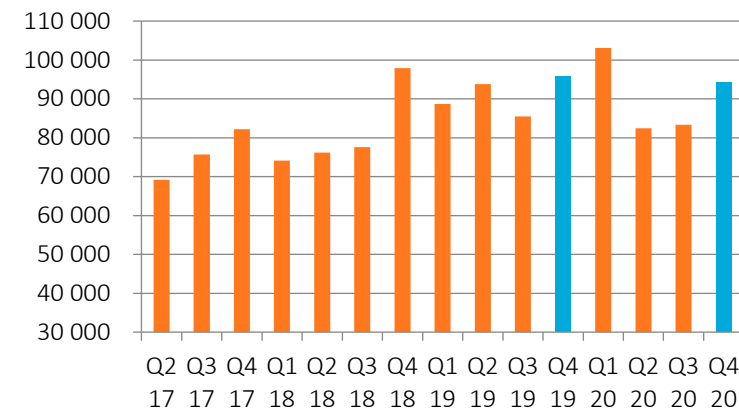
EBIT per Quarter (TNOK)



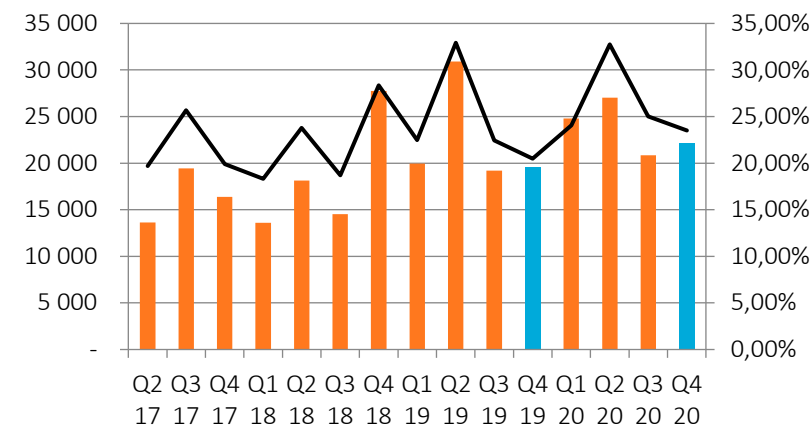
Profit and loss FY 2020

Profit & loss	2020	2019
<i>All numbers in NOK 1000</i>		
Sales	363 133	363 723
Cost of goods sold	76 577	80 138
Salary and sosial expenses	119 066	122 016
Other operating expenses	48 865	53 790
Total operating expenses	244 508	255 944
Op. res. before depr. and write-offs (EBITDA)	118 626	107 778
<i>EBITDA%</i>	<i>32,7 %</i>	<i>29,6 %</i>
Depreciation	23 141	18 010
Operating result (EBIT)	95 484	89 768
<i>EBIT %</i>	<i>26,3 %</i>	<i>24,7 %</i>
Financial income	14 137	6 649
Financial expenses	18 015	5 373
Net finance	(3 878)	1 276
Pre tax profit	91 606	91 044
Tax	22 219	20 738
Result	69 387	70 306

Sales per Quarter (TNOK)



EBIT per Quarter (TNOK)



Balance sheet – Assets

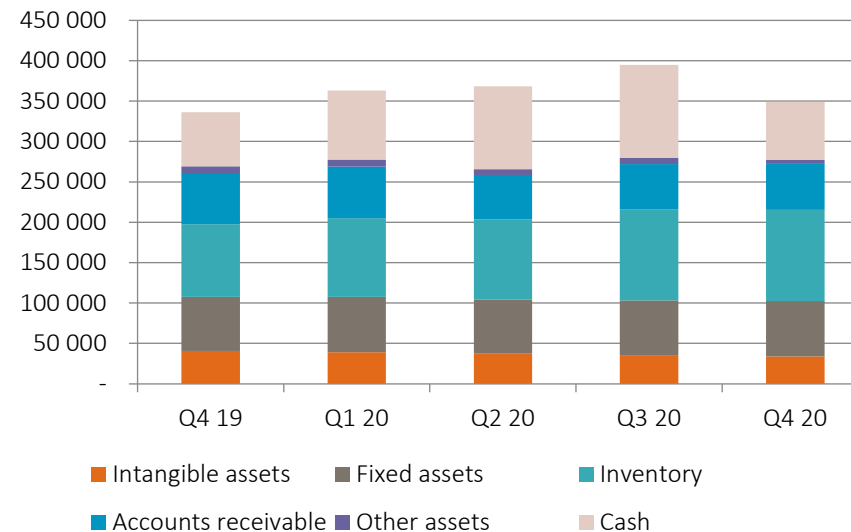
Cash flow from operations was MNOK 74.3

Dividend of MNOK 50.1 paid in the fourth quarter

Securing end-of-life, security stock of components and lower sales due to COVID 19 resulted in increased inventory level

The Board will suggest to the General Meeting in April to pay a dividend of NOK 3.00 per share based upon 2020 results

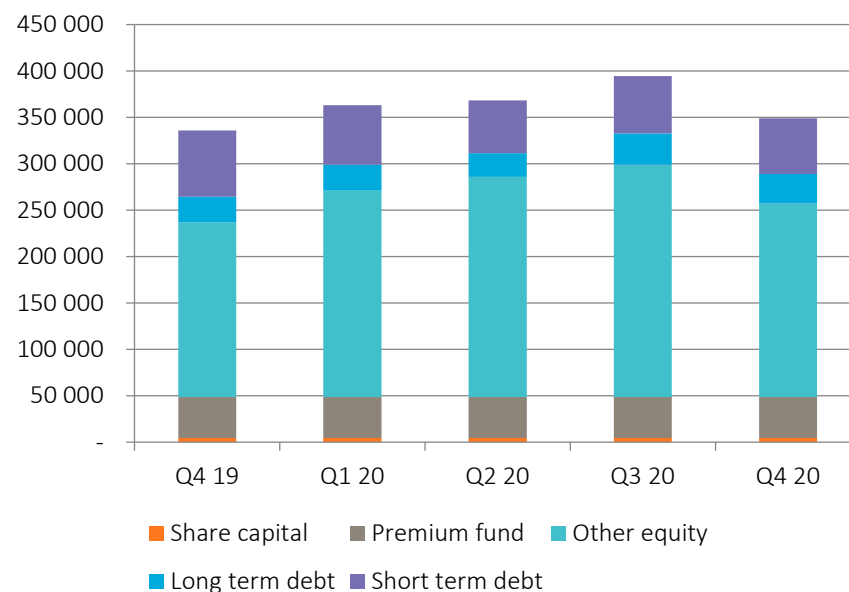
Balance sheet	31.12.2020	31.12.2019
<i>All numbers in NOK 1000</i>		
Assets		
Intangible assets	33 464	40 773
Fixed assets	66 570	66 835
Total intangible and fixed assets	100 034	107 608
Inventory	112 667	90 070
Customers receivables	57 485	62 188
Other receivables	3 744	9 497
Cash	71 891	66 745
Total current assets	245 786	228 501
Total assets	345 820	336 109



Balance sheet **31.12.2020** **31.12.2019**

All numbers in NOK 1000

Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	208 089	188 104
Total equity	256 846	236 861
Total long term debt	29 497	27 801
Total short term debt	59 477	71 447
Total equity and liability	345 820	336 109



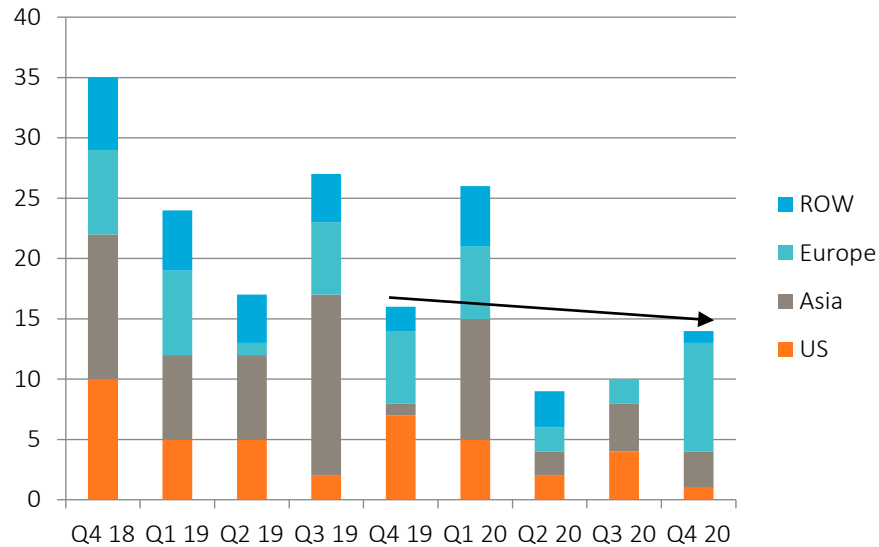
Balance sheet – Equity and Liability

- 10.6 MNOK in interest-bearing debt, of which 6 MNOK is a U.S. Covid-related loan ('Paycheck Protection Program')
- 27.9 MNOK in obligations related to lease contracts where 21.6 MNOK is long term
- Strong balance sheet with 74.1% equity ratio



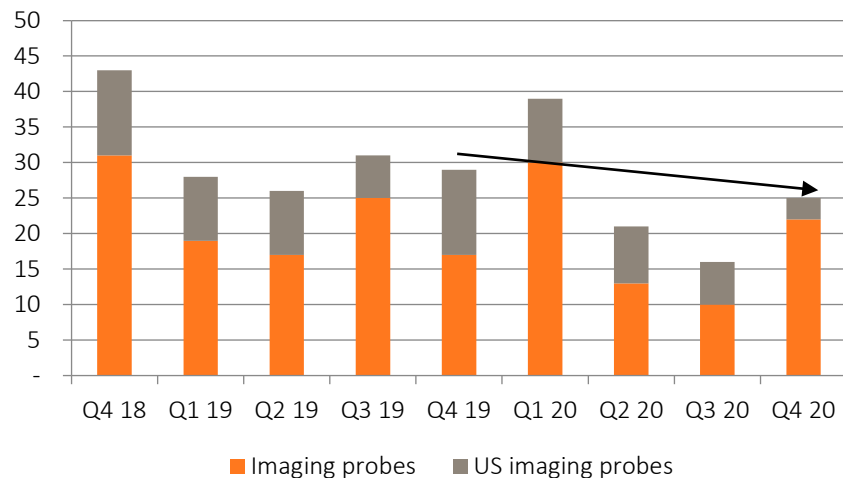
03 Business segments update

Imaging systems in units



Imaging probes and systems in units

Imaging probes in units



The COVID-19 pandemic continues to affect all geographies, seen as a reduced number of elective surgeries and restrictions in access to hospitals for new sales projects, resulting in reduced sales of consumables as well as systems

Number of imaging systems sold in Q4 was down by 12.5% for the full year down by 25.3%

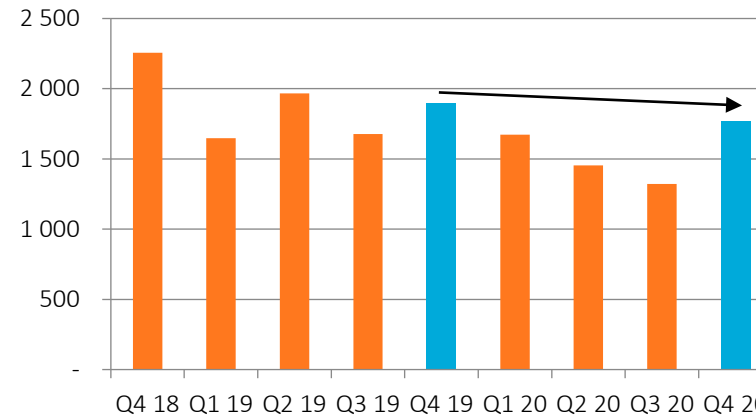
Strong Q4 sales in the Nordic with replacement of old systems

Flow probes and systems in units

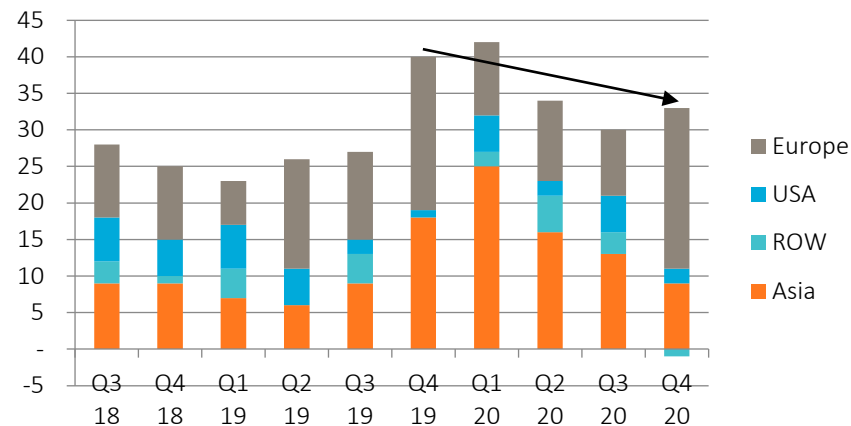
The COVID-19 pandemic continues to affect all geographies, seen as a reduced number of elective surgeries and restrictions in access to hospitals for new sales projects, resulting in reduced sales of consumables as well as systems

The total number of systems (Flow-only and Flow&Imaging combined) continued to grow in 2020, from 195 units in 2019 to 197 in 2020. Continued **growth in installed base**.

Flow probes in units (excl USA)



Flow systems in units (MiraQ capital sales)



Q4 and 2020 revenue performance by region

Mill NOK	Q4 '20	Q4 '19	Q / Q	2020	2019	Y / Y
Europe	55,8	46,8	19,3 %	173,3	163,9	5,7 %
USA	27,0	35,1	-23,2 %	126,4	136,1	-7,1 %
Asia	8,8	10,7	-17,7 %	46,8	41,8	12,0 %
ROW (MEA, CAN, SA, AUS)	2,5	3,0	-15,9 %	16,7	22,0	-24,2 %
Total	94,2	95,7	-1,6 %	363,1	363,7	-0,2 %

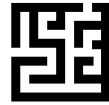
- In Europe, sales of own products increased with 12.1% in Q4 and increased 10.3% for the full year helped by favorable currency. 3. party increased with 33.4% for the quarter and 2020 ended at the same level as 2019.
- In the USA, currency neutral sales decreased with 27.8% for the quarter, and 12.6% for 2020
- In Asia, a slow quarter, but solid growth for the year, driven by strong uptake of MiraQ systems in Japan
- ROW continues to be a small sales territory for Medistim, with significant quarter to quarter variation

*Positive currency effects for 2020 vs 2019 was 21.4 MNOK .
Average actual exchange rate for USD 9.37 and EUR 10.73 versus last year USD 8.81 and EUR 9.85.*

Q4 and 2020 revenue performance by product

Mill NOK	Q4 '20	Q4 '19	Q / Q	2020	2019	Y / Y
Procedures (USA)	23,4	28,3	-17,3 %	99,4	106,7	-6,9 %
Flow probes	22,8	26,6	-14,2 %	92,6	95,0	-2,5 %
Flow systems (MiraQ)	13,5	8,5	57,9 %	47,2	32,9	43,6 %
Imaging systems (MiraQ)	10,0	11,7	-15,0 %	44,2	49,2	-10,3 %
Imaging probes	1,3	1,1	8,5 %	5,2	5,0	4,4 %
3rd party	21,2	15,9	33,4 %	67,5	68,1	-0,8 %
Other	2,0	3,6	-43,8 %	6,9	6,8	1,7 %
Total revenues	94,2	95,7	-1,6 %	363,1	363,7	-0,2 %

- **Procedure sale in the USA:** The total number of **procedures decreased with 11.2% in Q4** and 10.2% for the year. Lower sales in NOK in Q4 is explained by product mix (lower sales of imaging procedures). For the year, the lower decrease in NOK is due to favorable currency.
- **Flow probes:** 6.8% decline in units for the quarter and 13.5% for the year. High sales through distributors in the Q4. Favorable currency in addition to price increase explains the lower decrease in NOK for 2020.
- **Flow systems:** 20% decrease in units for Q4 but increase in NOK due to more units sold through direct channel and currency. **For the full year, unit sales increased by 19%** and growth in NOK even more, again due to direct sales and favorable currency.
- **Imaging systems:** In Q4, imaging systems decreased with 12.5%, in line with sales in NOK. **For the full year, unit sales decreased by 25.3%**, while sales in NOK decreased by 10.3%. Favorable currency and more sales through the direct channel partly compensates for the decline in units.
- **3rd party products:** Strong Q4, and the 2020 sales ends at the same level as the previous year



04 Implementing the strategy

Medistim growth strategy

GEOGRAPHIES	Emerging high-growth economies (e.g. BRIC)	3		
	Developing Medistim markets (e.g. USA, UK, France)	2		
	Strong Medistim markets (e.g. Jp, Nordic, Germany) >50% CABG share	1	4	
		CABG surgery (2 BNOK)	Vascular surgery (>1 BNOK)	Other open heart surgery (1BNOK)
APPLICATION AREAS				

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. **Offer an entry-level solution** to reach emerging, price-sensitive, high-growth markets
4. Build and **strengthen position in vascular surgery**
 - Dedicated system (MiraQ Vascular) & probes
 - Build position with societies and KOLs
5. Expand our **direct** market coverage



Sales expansion in the USA

Performance US sales

- Revenues in USD decreased 27.8% in Q4 and 12.6% in 2020 due to COVID-19

- Signs of recovery in Q3, but US was hit hard again by the pandemic in Q4

- Total number of procedures was down 11% in Q4 and down 10% full year, reflecting the lower surgical activity level

- Flow procedures down 7% Q4, 9% FY

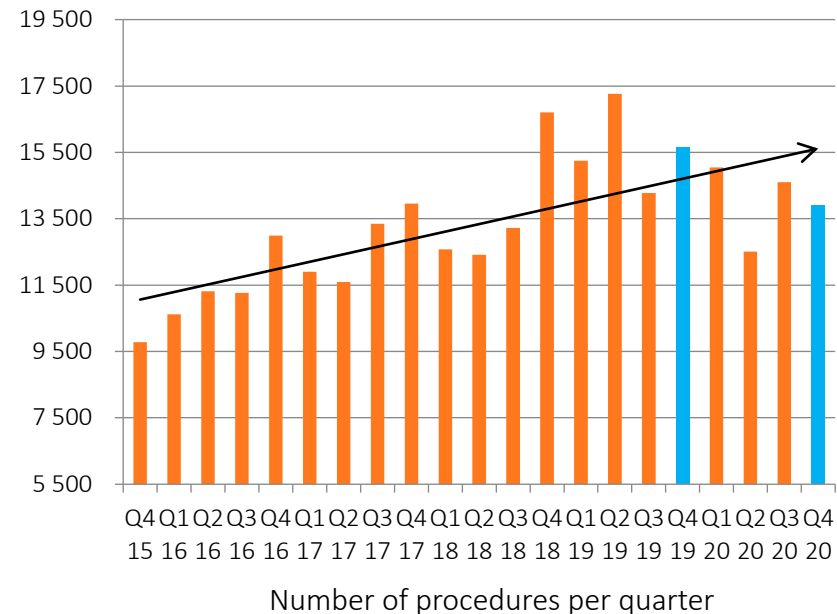
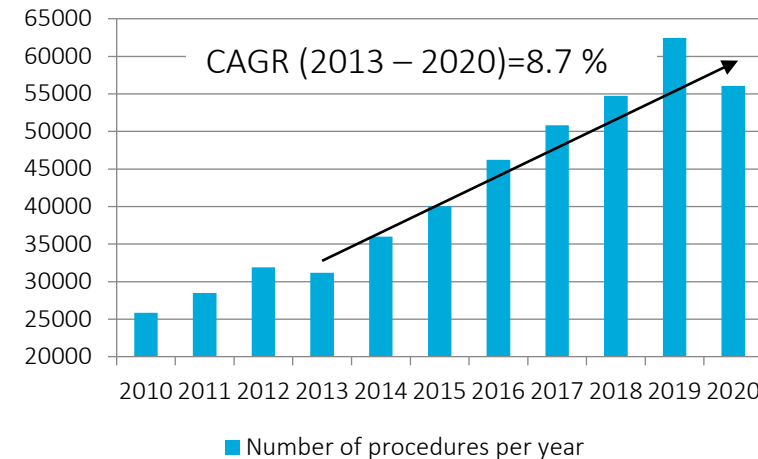
- Imaging procedures down 31% Q4, 14% FY

Slower capital systems sales

- 3 units for Q4 compared to 8 last year
- 26 units in 2020 compared to 33 last year

Continued growth in new customers

- 7 (10) completely new accounts in Q4
- 25 (38) completely new accounts FY





Distributor Agreement for India
signed with LivaNova

Medistim growth strategy

GEOGRAPHIES

Emerging high-growth economies (e.g. BRIC)	3		
Developing Medistim markets (e.g. USA, UK, France)	2		
Strong Medistim markets (e.g. Jp, Nordic, Germany) >50% CABG share	1	4	
	CABG surgery (2 BNOK)	Vascular surgery (>1 BNOK)	Other open heart surgery (1BNOK)

APPLICATION AREAS

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. **Offer an entry-level solution** to reach emerging, price-sensitive, high-growth markets
4. Build and **strengthen position in vascular surgery**
 - Dedicated system (MiraQ Vascular) & probes
 - Build position with societies and KOLs
5. **Expand our direct market coverage**

India as a longer term growth opportunity

Distribution agreement signed with LivaNova



The Indian market

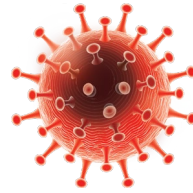
- Large market with ~ 100,000 CABG procedures annually (about half the size of USA)
- 7-8 % annual growth
- Price sensitive private hospital market
 - Cost of CABG \$ 000 – 8 000
- Medistim has <1% of the market

Medistim strategy

- 2-tier product strategy
 - MiraQ Ultimate for high-end
 - Replace SonoQ from 3rd party with MiraQ 'Basic' for low-end
- Bundle deals with hospital chains
- Depending on strong distribution partner

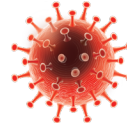
LivaNova partnership

- Global medical device manufacturer
- Strong position in cardiac surgery with their heart-lung machines
- Targeting the same customers
- Good collaborative experience from Australia
- Representing Medistim as of January 1st 2021



05 The COVID-19 pandemic

The COVID-19 pandemic



Continued negative effects on sales revenues in Q4,
but tendency of recovery and lower impact on sales:

- Q2: -12.5% vs LY
- Q3: -2.5% vs LY
- Q4: -1.5% vs LY

No significant negative implications on Medistim

- Healthy employees
- Intact supply chain
- Production running as normal
- Cost containment

- Best operating profit ever for a year
- Solid cash from operations with MNOK 73 in 2020 and a cash position of MNOK 72 after dividend of MNOK 50

Not quite back to normal

- Lock-downs, travel and hospital access restrictions
- Hospital resources and capacity still treating, and keeping ready for, COVID-19 patients
- Elective surgeries being postponed

Continued positive development will take surgical activity back to normal capacity

- Vaccination acceleration
- Improved handling of the COVID situation
- Increasing pressure to treat patients on waiting lists
- Increasing confidence from patients to seek medical care



Shareholders list per 23.02.2021

Rank	Shareholder	# of shares	% of total	Country	Type of account
1	INTERTRADE SHIPPING AS	2 000 000	10,9	Norway	Ordinary
2	SALVESEN & THAMS INVEST AS	1 862 500	10,2	Norway	Ordinary
3	VERDIPAPIRFOND ODIN NORDEN	1 800 000	9,8	Norway	Ordinary
4	State Street Bank and Trust Comp	1 137 778	6,2	United States	Nominee
5	Skandinaviska Enskilda Banken AB	1 038 895	5,7	Sweden	Nominee
6	FOLLUM CAPITAL AS	970 000	5,3	Norway	Ordinary
7	Skandinaviska Enskilda Banken AB	640 775	3,5	Denmark	Nominee
8	State Street Bank and Trust Comp	451 843	2,5	United States	Nominee
9	State Street Bank and Trust Comp	415 227	2,3	United States	Nominee
10	Skandinaviska Enskilda Banken AB	409 723	2,2	Sweden	Nominee
11	State Street Bank and Trust Comp	404 411	2,2	United States	Nominee
12	FD INVT TR: FD SRS INTL SML CP FD	382 845	2,1	United States	Ordinary
13	SKANDINAVISKA ENSKILDA BANKEN AB	382 811	2,1	Luxembourg	Nominee
14	BUANES	379 936	2,1	Norway	Ordinary
15	Danske Bank A/S	258 310	1,4	Denmark	Nominee
16	The Bank of New York Mellon SA/NV	250 000	1,4	Denmark	Nominee
17	Skandinaviska Enskilda Banken AB	238 314	1,3	Sweden	Nominee
18	BNP Paribas Securities Services	236 210	1,3	Italy	Nominee
19	Danske Invest Norge Vekst	228 000	1,2	Norway	Ordinary
20	The Bank of New York Mellon SA/NV	219 431	1,2	Ireland	Nominee
21	FOLKETRYGDFONDET	203 500	1,1	Norway	Ordinary

Total 21 largest shareholders	13 910 509
Total shares outstanding	18 337 336
21 largest in %	75,9 %

MEDUSTIM