Welcome to Medistim ASA's Interim report 1st quarter 2021

The webinar will begin shortly

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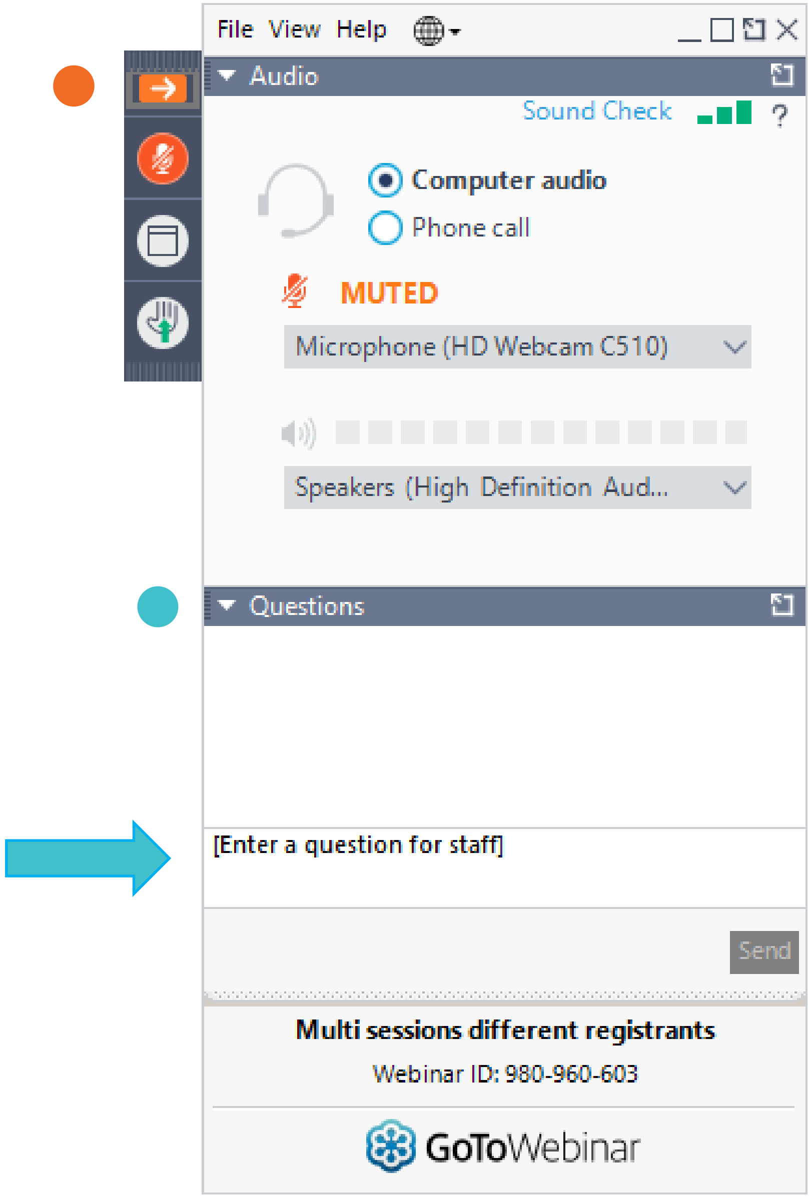
Before we start

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



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Medistim ASA
First quarter 2021

April 28th 2021

Kari E. Krogstad
PRESIDENT & CEO

Thomas Jakobsen
CFO

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01 Highlights

Highlights 1st quarter

	Q1 2021	% Q o Q
Revenue	MNOK 102.6 (103.1)	▼ -0.5%
EBIT	MNOK 29.1 (24.8)	▲ +17.2%
Currency		▼ -4.9%

No of units sold:

Flow systems	39	▼ -7.1%
Imaging systems	22	▼ -15.4%
Flow probes	1 774	▲ **+6.0%**
Imaging probes	31	▼ -20.5%
Procedures (USA)	16 671	▲ **+10.8%**

Q1 sales close to last year's record

- Sales down by 0.5% in NOK, but **currency neutral growth was 4.4%**
  - **Improvement from Q2, Q3 and Q4 2020** which showed 19.3%, 9.7% and 7.2 % currency neutral decline, respectively
- Currency neutral **sales growth of own products**:
  - In the **USA with 2%**, while decreasing 8.6% in NOK
  - In **Europe** (own products) **with 4.8 %** driven by strong sale in UK
  - In **Asia** with **3.4%**

  While **ROW** were **down 26.8%** currency neutral

- **Vascular** sales down 19.6% in NOK
- **Strong 3. party** sales with 20% growth

Second best EBIT ever, margin up from 24.0% to 28.3%

LivaNova is new distributor in India as of January 1st

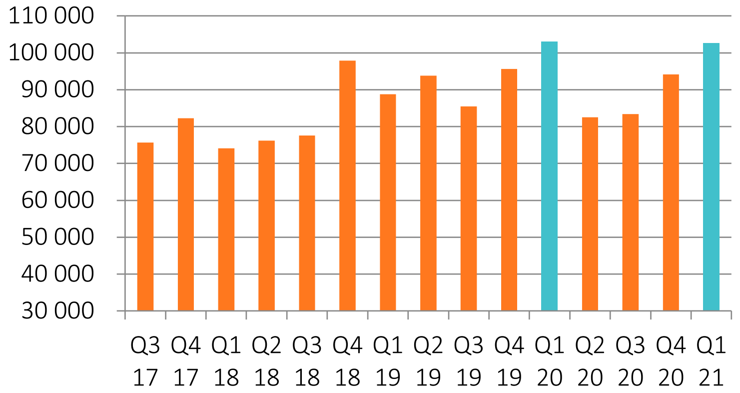
The General Assembly resolved to pay a dividend of NOK 3.00 per share

02 Financial Statements

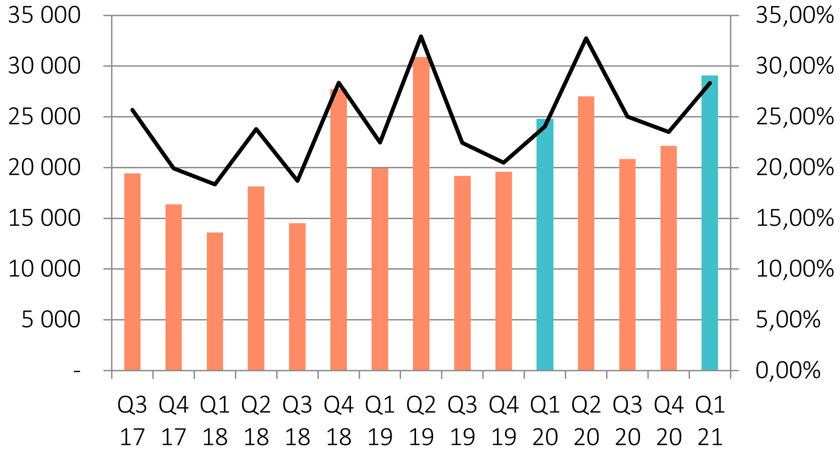
Profit and loss Q1 2021

Profit & loss	Q1 2021	Q1 2020
All numbers in NOK 1000		
Sales	**102 630**	**103 106**
Cost of goods sold	22 801	23 075
Salary and sosial expenses	32 403	33 290
Other operating expenses	12 508	16 464
Total operating expenses	67 711	72 829
Op. profit before depr. and write-offs (EBITDA)	**34 919**	**30 277**
EBITDA%	*34,0 %*	*29,4 %*
Depreciation	5 853	5 493
Operating profit (EBIT)	**29 066**	**24 785**
EBIT%	*28,3 %*	*24,0 %*
Financial income	2 001	6 638
Financial expenses	3 216	3 930
Net finance	(1 215)	2 709
Pre tax profit	**27 851**	**27 493**
Tax	6 029	6 386
Profit after tax	**21 821**	**21 107**

Sales per Quarter (TNOK)



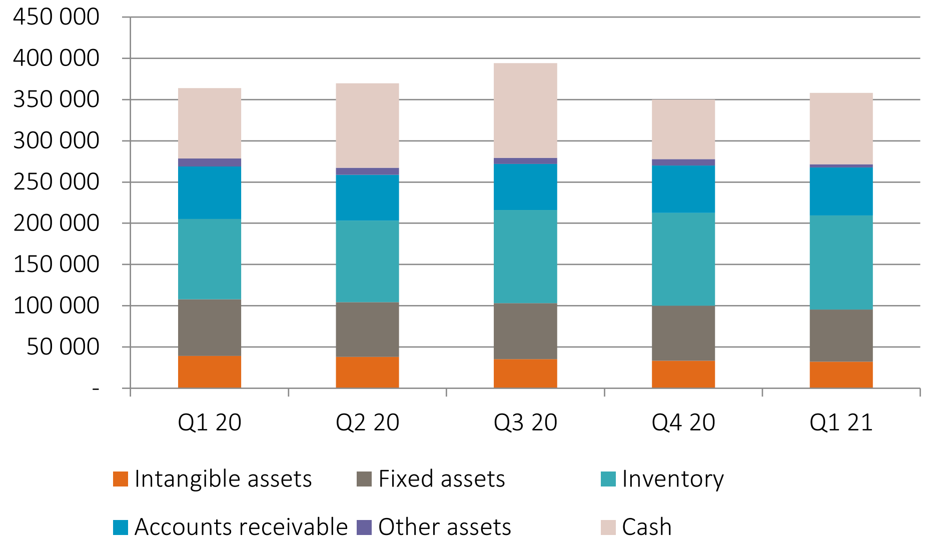
EBIT per Quarter (TNOK)



Balance sheet – Assets

- Cash position by end of quarter was MNOK 86,7
- Securing end-of-life components, security stocks of components and lower sales due to COVID 19 resulted in increased inventory level
- The General Assembly on April 27th decided to pay a dividend of NOK 3.00 per share based upon 2020 results

Balance sheet	**31.03.2021**	**31.12.2020**
All numbers in NOK 1000		
Assets		
Intangible assets	32 045	33 464
Fixed assets	63 372	66 570
Total intangible and fixed assets	**95 417**	**100 034**
Inventory	114 128	112 667
Customers receivables	58 298	57 485
Other receivables	10 591	3 744
Cash	86 657	71 891
Total current assets	**269 673**	**245 786**
Total assets	**365 090**	**345 820**



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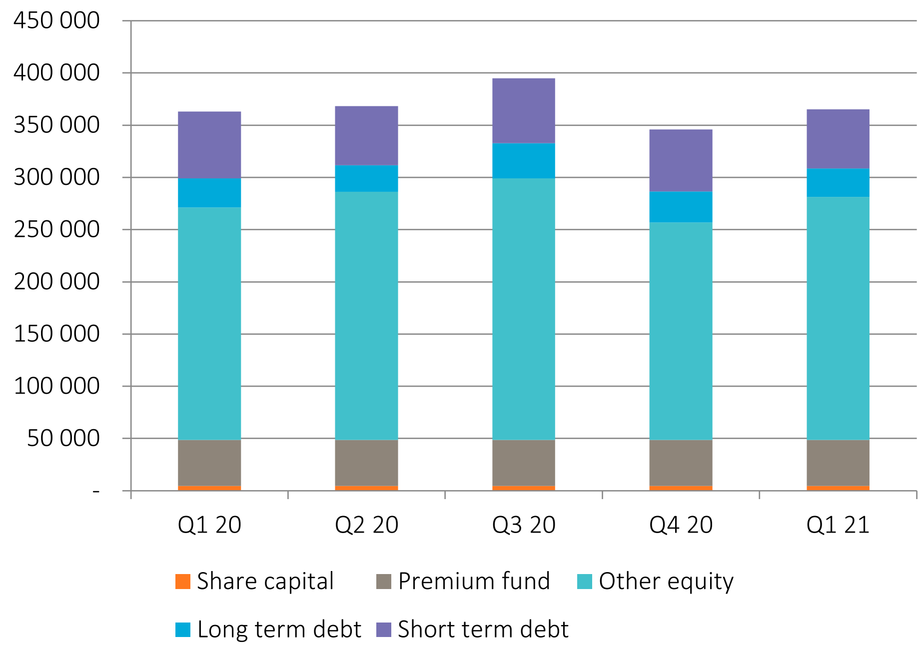
Balance sheet – Equity and Liability

Balance sheet	31.03.2021	31.12.2020
All numbers in NOK 1000		
Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	232 546	208 089
Total equity	**281 303**	**256 846**
Total long term debt	**27 312**	**29 497**
Total short term debt	**56 475**	**59 477**
Total equity and liability	**365 090**	**345 820**

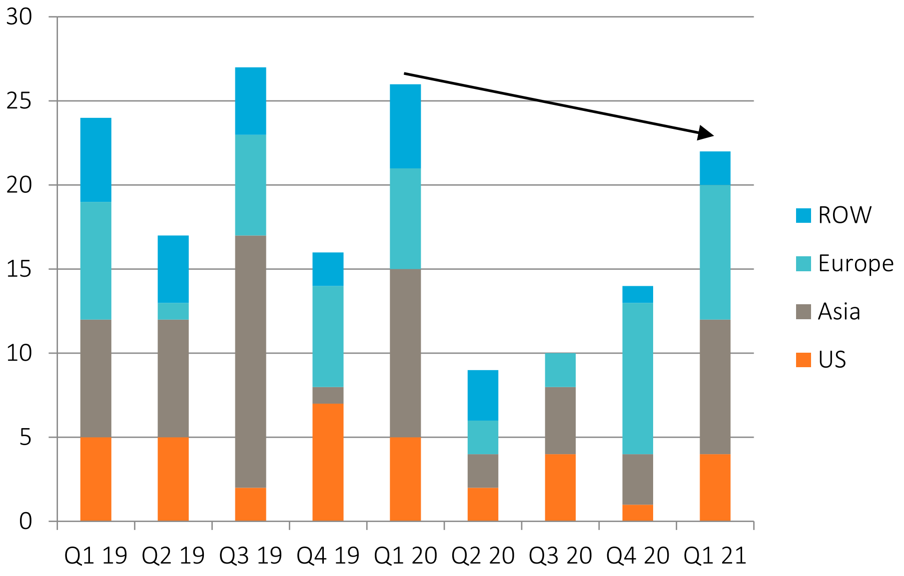


- 9.8 MNOK in interest-bearing debt, of which 6 MNOK is a U.S. Covid-related loan (‘Paycheck Protection Program’)
- 26.7 MNOK in obligations related to lease contracts where 19.9 MNOK is long term
- Strong balance sheet with 77 % equity ratio

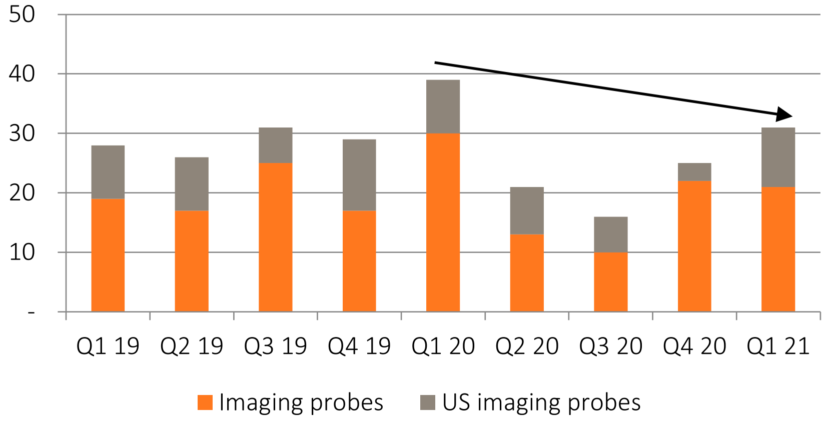
03 Business segments update

Imaging probes and systems in units

Imaging systems in units



Imaging probes in units



- Sales of imaging systems and probes show **recovery from previous 3 quarters**

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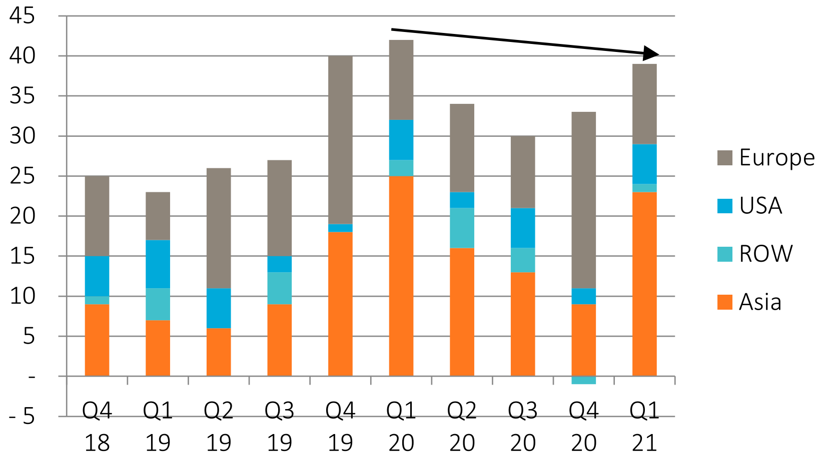
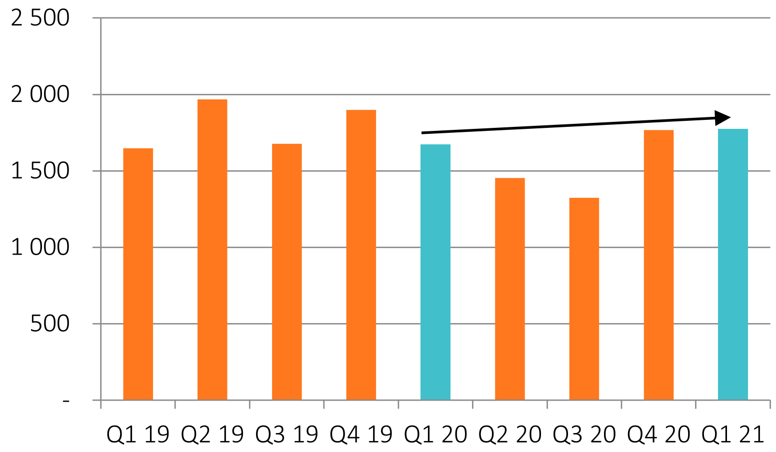
Flow probes and systems in units

- Number of flow systems down 7% from Q1 last year, but signs of **recovery** compared to the previous 3 quarters
- 6% growth in flow probes indicates that the surgical **activity level is getting back to normal levels**

Flow systems in units (MiraQ capital sales)



Flow probes in units (excl USA)



Q1 revenue performance by region

Mill NOK	Q1 '21	Q1 '20	Q / Q	2020	2019	Y / Y
Europe	44,7	40,8	9,5 %	173,3	163,9	5,7 %
USA	35,1	38,4	-8,6 %	126,4	136,1	-7,1 %
Asia	19,5	19,2	1,5 %	46,8	41,8	12,0 %
ROW (MEA, CAN, SA, AUS)	3,4	4,8	-28,2 %	16,7	22,0	-24,2 %
Total	**102,6**	**103,1**	**-0,5 %**	**363,1**	**363,7**	**-0,2 %**

- In Europe, Q1 sales of **own products increased** with 2.8% in NOK and 4.8% currency neutral. **3. party increased** with 20.4% for the quarter.
- In the USA, currency neutral sales increased with **2.0%** for the quarter.
- In Asia, currency neutral growth of **3,4 %.**
- ROW continues to be a small sales territory for Medistim, with significant quarter to quarter variation.

Negative currency effects for 2021 vs 2020 was 5.0 MNOK .
Average actual exchange rate for USD 8.51 and EUR 10.26 versus last year USD 9.49 and EUR 10.46.

Q1 2021 revenue performance by product

Mill NOK	Q1 '21	Q1 '20	Q / Q	2020	2019	Y / Y
Procedures (USA)	25,9	28,3	-8,4 %	99,4	106,7	-6,9 %
Flow probes	26,2	24,7	6,0 %	92,6	95,0	-2,5 %
Flow systems (MiraQ)	13,1	14,1	-7,3 %	47,2	32,9	43,6 %
Imaging systems (MiraQ)	15,5	17,4	-11,2 %	44,2	49,2	-10,3 %
Imaging probes	1,6	2,1	-24,8 %	5,2	5,0	4,4 %
3rd party	18,7	15,5	20,4 %	67,5	68,1	-0,8 %
Other	1,7	1,0	74,9 %	6,9	6,8	1,7 %
Total revenues	**102,6**	**103,1**	**-0,5 %**	**363,1**	**363,7**	**-0,2 %**

- Procedure sale in the USA: The total number of **procedures increased with 10.8%**. Lower sales in NOK is explained by product mix and unfavorable currency.
- Flow probes: **6.0% increase in both units and NOK.**
- Flow systems: About 7% decrease in both units and NOK, compared to our strongest quarter ever, and before COVID 19 affected the business.
- Imaging systems: 15.4% decrease in units, again, compared to a record quarter last year.
- 3rd party products: Strong start to the year with 20 % growth

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04 Implementing the strategy

Medistim growth strategy

GEOGRAPHIES

	CABG surgery (2 BNOK)	Vascular surgery (>1 BNOK)	Other open heart surgery (1BNOK)
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	

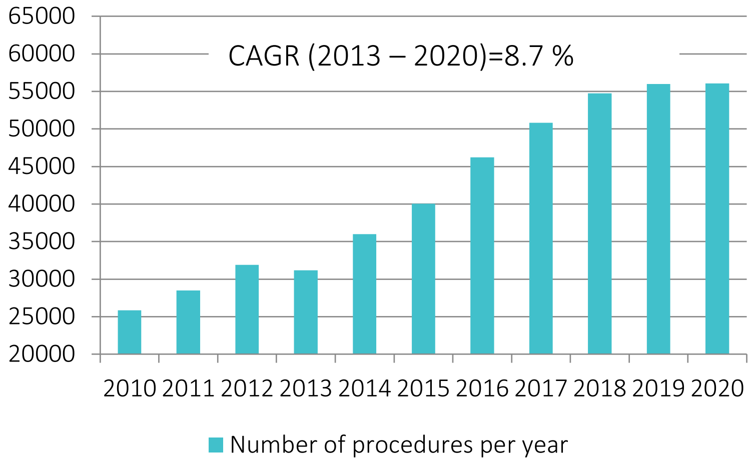
APPLICATION AREAS

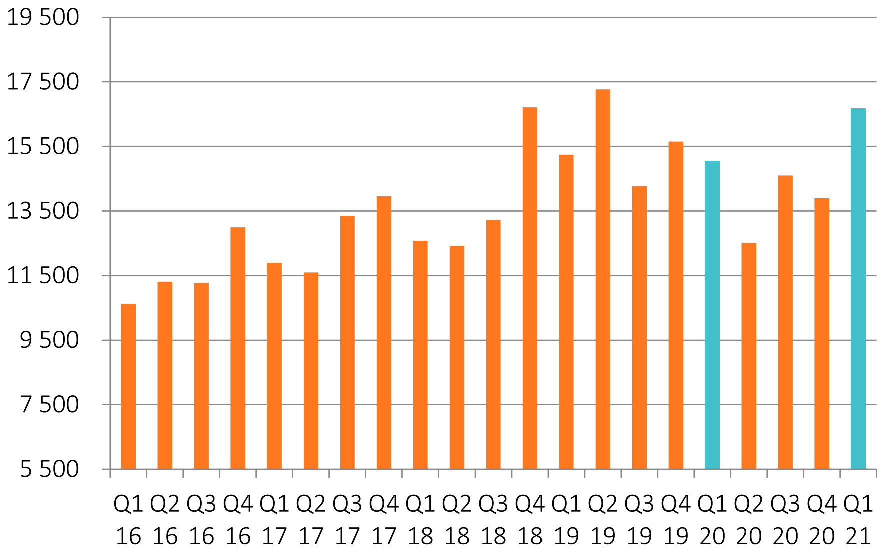
1. **Convert the routine Flow market to a Flow-and-Imaging market** by establishing *Surgical Guidance and Quality Assessment* as the new standard of care through
   - → Early adopter & KOL support
   - → REQUEST study
   - → Ease conversion from flow to imaging with MiraQ
2. Achieve routine use of both 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 increased** 2.0% in Q1
  - Signs of recovery as COVID vaccination program is starting to show effects
- Total **number of procedures was up 10.8%** in Q1, a good indicator of higher activity level
  - **Flow** procedures up 11.3%
  - **Imaging** procedures up 8.5%
- **Recovery of capital systems sales**
  - 9 units for Q1 compared to 10 last year
- Continued growth in **new customers**
  - 10 vs 6 in Q1 last year





Number of procedures per quarter

Medistim growth strategy

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Distributor Agreement for India
signed with LivaNova

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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 $ 2 000 – 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 ‘Entry-Level’ for low-end
- Bundle deals with hospital chains
- Depending on strong distribution partner

LivaNova
Health innovation that matters

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

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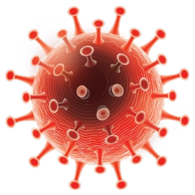

05 The COVID-19 pandemic

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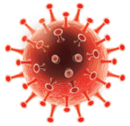
The COVID-19 pandemic



Gradually decreasing impact of COVID over the quarters; illustrated by the currency neutral total sales:

- → Q2-20: -19.3 % vs LY
- → Q3-20: -9.7 % vs LY
- → Q4-20: -7.2 % vs LY
- → **Q1-21: +4.4 % vs LY**

No significant negative implications on Medistim

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

➢ Currency neutral sales in Q1 2021 beat the best sales quarter ever

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 are still being postponed in some countries

Continued positive development is taking surgical activity back to normal levels

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


Q
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Shareholders list per April 26th 2021

Rank	Name	Holding	% of total	Country	Type of account
1	AETERNUM CAPITAL AS	1 862 500	10.2%	Norway	Ordinary
2	VERDIPAPIRFOND ODIN NORDEN	1 800 000	9.8%	Norway	Ordinary
3	INTERTRADE SHIPPING AS	1 285 000	7.0%	Norway	Ordinary
4	SEB EUROPAFOND SMABOLAG	1 032 794	5.6%	Sweden	Ordinary
5	FOLLUM CAPITAL AS	970 000	5.3%	Norway	Ordinary
6	State Street Bank and Trust Comp	929 229	5.1%	USA	Nominee
7	SWEDBANK ROBUR SMABOLAGSFOND NORD	800 000	4.4%	USA	Ordinary
8	Skandinaviska Enskilda Banken AB	643 905	3.5%	Denmark	Nominee
9	State Street Bank and Trust Comp	415 227	2.3%	USA	Nominee
10	State Street Bank and Trust Comp	414 226	2.3%	USA	Nominee
11	SEB NANOCAP	409 723	2.2%	Sweden	Ordinary
12	SEB European Equity Small Caps	384 785	2.1%	Luxembourg	Ordinary
13	FD INVT TR: FD SRS INTL SML CP FD	382 845	2.1%	USA	Ordinary
14	BUANES	379 936	2.1%	Norway	Ordinary
15	SWEDBANK ROBUR MEDICA	335 000	1.8%	USA	Ordinary
16	Danske Bank A/S	258 310	1.4%	Denmark	Nominee
17	MONTANARO EUROPEAN SMALLER COMPANI	250 000	1.4%	UK	Ordinary
18	TIN NY TEKNIK	238 314	1.3%	Sweden	Ordinary
19	BNP Paribas Securities Services	236 210	1.3%	Italy	Nominee
20	Danske Invest Norge Vekst	228 000	1.2%	Norway	Ordinary

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