

INTERIM REPORT

FIRST QUARTER RESULTS 2022

All time high sales for a quarter ending at MNOK 116.1 (MNOK 102.6), an increase of 13.2%

Sales growth driven by USA with currency neutral increase of 34.2%

Vascular business segment grows at 39.8%

Currency neutral sales of own products increased by 10.9% for the quarter

Operating result (EBIT) for the quarter ended at MNOK 33.4 (MNOK 29.1), a 15.0% increase. EBIT margin was 28.8% (28.3%)

Medistim CEO receives Arthur D. Little Nordic Life Science Award for 2021

The General Meeting decided a dividend of NOK 3.75 per share, a total dividend payment of MNOK 68.4

LETTER FROM THE CEO

After a record strong 4th quarter and full year 2021, to follow on with

another all-time high for sales in 1st quarter, with revenue of MNOK 116.1, provides a tremendous start for 2022.

The currency neutral growth of own products is at 11.9 % and the EBIT ended at 28.8 %.

USA continues to drive the strong sales performance, with 34.2 % currency neutral growth.

It is the strong adoption of combined Flow & Imaging systems, and the higher number of systems sold as capital compared to last year, that explain the solid result. Europe and RoW are also contributing nicely, while we experience a decline in Asia this quarter, due to a lengthy regulatory approval process for the upgraded version of our MiraQ with new electronics components. The revenues are not lost but may be further delayed as we wait for the approval, a familiar situation for any MedTech company.

Similar to what we experienced in the 4th quarter last year, the continuous rebound from Covid is bringing sales and marketing activities and travel back to normal, as does the expense level.

Our strategic growth segments of 1) Combined Flow & HFUS (high frequency ultrasound) Imaging products and 2) Vascular products, are both showing great progress this quarter,

with 36.2 % and 39.8 % growth, respectively. Both segments took a hit during the early Covid period, and it is reassuring to see them coming back to a renewed, pre-Covid strength.

As shared in a press release on April 5th, I recently had the pleasure of receiving the 18th annual Arthur D. Little Nordic Life Sciences Award, an award “given to a person in the Nordic region that has demonstrated outstanding management and leadership in the Life Science industry. The recognition was based on the success of building Medistim to become a global niche market leader within ultrasound technology and systematically moving the company from technology oriented to customer/market focused.” With so many equally worthy fellow leaders in the life sciences industry, there is no chance for letting this go to my head, but I admit I felt both happy, humble, and more inspired than ever to carry on with what I love the most; create results together with the most talented people out there. Once again,

I share this award with all my colleagues at Medistim, our Board and partners, and thank them for everything we have achieved together this far. There is more to come!



27th April 2022

Kari E. Krogstad

President and CEO

FIRST QUARTER RESULTS 2022

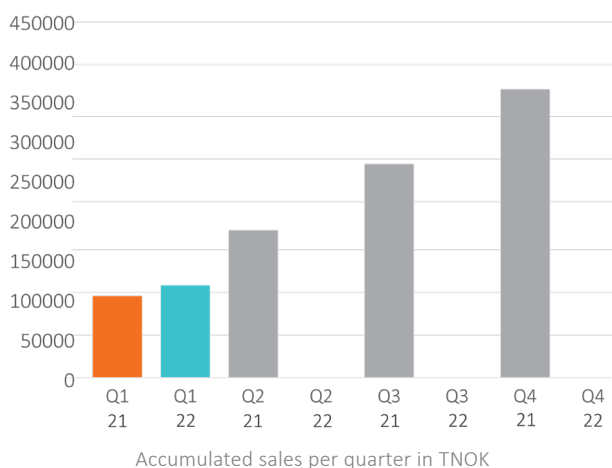
The financial report as per March 31st 2022 has been prepared according to the IFRS (International Financial Reporting Standard) and follows IAS 34 for interim financial reporting, as do the comparable numbers for 2021.

FINANCIAL DEVELOPMENT

(Comparative numbers for 2021 in parenthesis.)

Sales and geographic split

Sales revenues in the first quarter ended at MNOK 116.1 (MNOK 102.6), a 13.2% increase. This represents a new sales record for a quarter. There was growth in NOK in all regions except Asia. Sales in the USA was up 40.2%, while sales in Europe and "Rest of the World" were up 10.6% and 30.5%, respectively. Sales in Asia was down 32.6%.

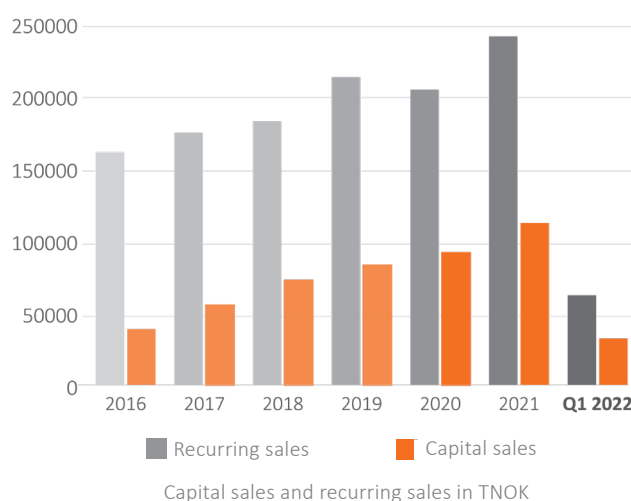


Currency effect

With the same foreign currency exchange rates as in 2021, sales would have amounted to MNOK 114.9 for the quarter, which represents a currency-neutral total growth of 11.9%. Currency-neutral growth of own products was 10.9%, while third party products increased by 16.7% compared to last year.

Split between recurring sales and capital sales

Sales of Medistim's own products can be split into capital sales of systems and repeating sales of probes, smartcards, and lease revenue, which are all defined as recurring revenue. In recent years, recurring sales were around 70% of total sales of own products. For the first quarter 2022, the recurring sales represented 66%.



Split of sales in own products and third-party products

Sales of own products for the quarter amounted to MNOK 94.4 (MNOK 84.0). Sales of third-party products ended at MNOK 21.8 (MNOK 18.7).

Split of sales in Cardiac and Vascular segment

For sales of own products, MNOK 79.1 (MNOK 73.1) was within the cardiac segment and MNOK 15.2 (MNOK 10.9) was within the vascular segment for the quarter, growing at 39.8%.

Cost of goods sold

Cost of goods sold (COGS) ended at MNOK 23.7 for the quarter (MNOK 22.8) and represents 20.4% of total sales (22.2%). This gives a gross margin of 79.6% (77.8%).

The higher level of sales in direct markets explain the improved gross margin compared to last year.

Salary, social and other operating expenses

Salaries and social expenses ended at MNOK 36.4 (MNOK 32.4) for the quarter. Other operating expenses amounted to MNOK 16.7 (MNOK 12.5) for the quarter.

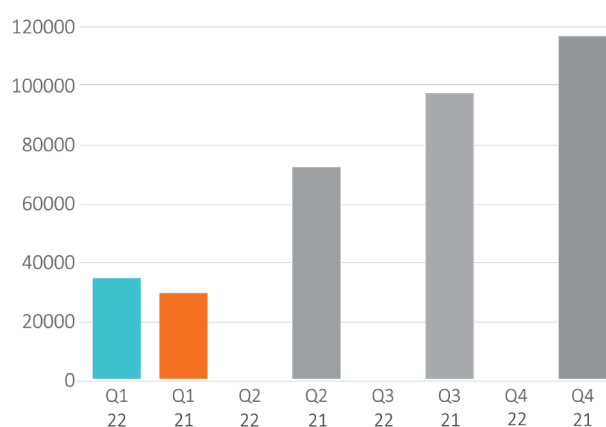
Strong sales result, increased sales commission and bonuses, and higher number of employees also increases salary. Compared to the COVID-affected Q1 last year, the activity level in marketing and sales were higher this quarter, explaining the increase in other operating expenses.

R&D expenses

For the quarter, MNOK 6.3 (MNOK 4.5) was spent on research and development (R&D), of which MNOK 2.0 (MNOK 0.4) was activated in the balance sheet. The result before R&D, depreciation and write-offs was MNOK 43.6 (MNOK 39.0). This equals a margin of 37.5% (38.0%).

Earnings

Operating profit before finance, tax, depreciation, and write-offs (EBITDA) for the quarter ended at MNOK 39.3 (MNOK 34.9). The result before finance and tax (EBIT) ended at MNOK 33.4 (MNOK 29.1).



Accumulated operating profit (EBIT) per quarter in TNOK

Net finance ended negative with MNOK 0.53 for the quarter (negative MNOK 1.21). Net finance was related to realized and unrealized gains or losses related to currency, cash in USD and EUR, and customer receivables.

The result before tax was MNOK 32.9 (MNOK 27.8) for the quarter. The result after tax for the quarter was MNOK 23.7 (MNOK 21.8). The higher tax rate in this period is explained by increased inter-company profit.

The result per share for the quarter was NOK 1.30 (NOK 1.20). Average number of shares outstanding was 18,240,914 (18,213,336) at the end of March 2022.

Balance sheet

Equity by the end of March 2022 was MNOK 327.7 (MNOK 281.3). This equals an equity ratio of 76.7% (77.1%).

The balance sheet ended at MNOK 427.5 from MNOK 403.2 at the beginning of the year.

Inventory levels are still high securing end of life components and security stock of critical components. Still the level is somewhat reduced due to longer lead times for some components.

Cash flow from operations at quarter end, ended at MNOK 22.5. The cash position 31st of March ended at MNOK 147.9. The company had no interest-bearing debt and MNOK 22.9 in obligations related to lease contracts was recognized in the balance sheet the 31st of March according to IFRS 16.

OPERATIONAL STATUS

Europe

For the quarter, there was an increase in third-party sales with MNOK 3.1 as well as in sales of own products, increasing with MNOK 1.6. Number of systems sold was at the same level as last year, while sales of the consumables, the probes, increased with 12 %. Currency neutral sales of own products was up 8.2%.

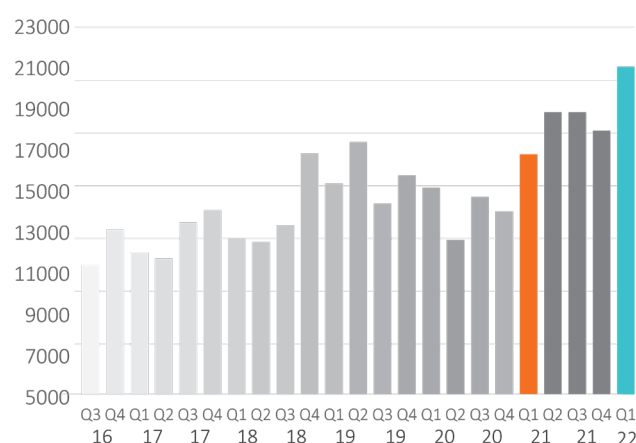
USA

Medistim offers several business models in the USA, including sales of procedures (Pay Per Procedures or 'PPP'), leasing, and capital sales.

For the quarter, sales revenues in NOK increased by 40.2 % to NOK 49.2. Currency neutral sales increased with 34.2%.

The number of new lease agreements and capital sales for the quarter was 22 (13).

For the quarter, a total of 20,920 procedures were sold, compared to last year's 16,671. 3,928 (2,780) were imaging procedures and 16,992 (13,891) flow procedures. Capital sales were 14 (9) units.



Number of procedures per quarter in the USA

In the USA, about 70% of bypass surgeries are performed with no quality assurance of blood flow other than surgeons using their fingertips to check for a pulse. It is clinically proven that this method is not reliable.

There is therefore a large potential and need for Medistim's products, and the company has high ambitions in the U.S. market. So far, Medistim has achieved a market penetration of more than 25% of the total market of approximately 200,000 bypass surgery procedures performed annually. Medistim has a market penetration of about 80% in Germany, Scandinavia, and Japan. Medistim expects that the market penetration in the USA will develop in the same manner over time.

Asia

Asia saw a 32.6% decrease in sales for the quarter. The reason for the decline was mainly driven by China. There has been a delay in the regulatory approval of the updated MiraQ with new electronics. Revenue is therefore delayed. Currency neutral sales was down 31.4%.

Rest of the World

Sales in 'Rest of the World' (MEA, Canada, South America and Australia) increased from MNOK 3.4 to MNOK 4.5 for the quarter. These markets constitute a relatively small sales region for Medistim so far and is subject to considerable variation in sales from quarter to quarter. Currency neutral sales was up 32.9% for the quarter.

Arthur D. Little Nordic Life Science Award 2021

On April 4th, the 18th annual Arthur D. Little Nordic Life Sciences Award was awarded to Kari E. Krogstad, CEO of Medistim ASA. The award is given to a person in the Nordic region that has demonstrated outstanding management and leadership in the Life Science industry.

The justification for the award was: *"Kari Krogstad has successfully built Medistim to become a global niche market leader within ultrasound technology, systematically moving the company from technology oriented to customer/market focused."*

Kari has dedicated her whole career to the industry, and is a true source of inspiration to many life science professionals in the Nordics. She is persistent, has great long-term vision, and is well-respected in the Norwegian life sciences sector."

PROSPECTS, TRENDS AND RISKS

Goals and vision

The company aims to develop products to meet surgeons' growing need for quality control of cardiac bypass surgery, peripheral vascular surgery, and transplant surgery. Our vision is that Medistim's solutions shall represent the "standard of care" in clinical practice and that blood flow measurements and intraoperative ultrasound imaging are made available to the benefit of every patient.

Strategy

Medistim's focus is to strengthen the company's ability to effectively commercialize its product portfolio on a global basis. One of the key routes to achieve this is closer contact with customers through a highly competent and effective sales and marketing organization. Another important strategic pathway is to engage with key opinion leaders in clinical research and produce enhanced clinical documentation for marketing purposes. Further, to grow the attention and interest in blood flow measurements, ultrasound imaging, surgical guidance and quality assurance and ensure these topics are on the agenda of the medical associations and in other relevant forums and channels.

Continuous technology and product development will secure Medistim's products and leading position within cardiac and vascular surgery in the future.

Market size and trends

On a global basis, more than 700,000 heart bypass surgeries are performed each year. The USA represents the largest market for Medistim's products, with almost 1/3 of the world market. The global number of procedures has kept stable over the past several years. The decrease in the number of procedures performed in the Western countries has been compensated by an increase in emerging markets such as China, Russia, and India. A stable to growing trend is therefore expected in the years to come.

Adding intraoperative ultrasound imaging to flow measurements more than doubles Medistim's market potential thanks to new applications and relevance and higher pricing compared to traditional flow measurement technology alone. The total market opportunity within CABG surgery is estimated to be NOK 2 billion annually.

The imaging functionality makes MiraQ™ relevant in other cardiac surgeries and not just bypass surgery. Medistim estimates this additional potential to be NOK 1 billion.

The company also has a significant potential within the global vascular market, which is estimated to be more than 900,000 vascular procedures annually. Total market opportunity within vascular surgery is estimated to be over NOK 1.5 billion.

The general trend in surgery is moving towards minimally invasive and keyhole procedures, which gives the surgeon less workspace and ability to verify in a traditional way. There is therefore an increased need to verify the desired result in the future.

Global demographic trends are an important driving force for the many cost-efficiency initiatives around the world. Focus on quality is growing, driven by the need to reduce costs, particularly related to correction of errors, the need for repeated treatments and repeated hospital admissions. Medistim therefore has a good opportunity to position its products as an important contributor to achieving these goals.

Position and Competition

Medistim's flowmeters have been in use in more than two million patients worldwide since entering the market, and the company is the clear leader in its niche. In total, Medistim has installed 3,000 systems in more than 60 countries. The equipment is used today in about 33% of the total number of bypass surgeries performed worldwide. Medistim's penetration and market share are expected to grow gradually as quality assurance in surgery is getting increasing attention and acceptance.

There are competitors that use the transit time measurement principle. Equipment from competitors is estimated to be in use in about 7% of the procedures performed. This means that in about 60% of the cases where bypass surgery is performed there is no equipment in use to verify blood flow. This market represents Medistim's largest opportunity.

With Medistim's ultrasound imaging technology and MiraQ™ platform, the company has acquired another edge compared to its competitors, with unique and differentiated products that are currently alone in their segment.

Exposure towards currency

The company is exposed to EUR and USD. Exposure can vary depending on the share of its revenues and costs in USD and EUR relative to its total income and expenses. For 2021, a 10% change in the exchange rate against USD and EUR would result in an 8.2% change in sales and a 13.0% change in operating result. The company partly secures its positions with hedging contracts.

The COVID-19 pandemic

Cardiac bypass surgery is to a large extent an elective procedure that can be scheduled with some time delay. When the outbreak of the COVID pandemic was a fact, several by-pass surgeries were postponed. Therefore, the number of bypass procedures was reduced compared to the normal level. While Medistim has over several years shown a currency neutral growth of 7% to 10 % per year, 2020 ended without growth compared to 2019, all due to the pandemic.

Since the pandemic started to affect the Medistim business in second quarter of 2020, the effect has become gradually smaller, and in the second quarter of 2021, there was a strong rebound in procedures performed and hence in the sales revenues. This rebound continues in the first quarter of 2022 and the company continues to experience strong growth in revenues due to the increase in number of CABG procedures performed. This increase corresponds with the reduction in hospitalizations of patients with COVID disease, which is again an effect of the growing vaccination rates in Medistim's core markets, Europe, and USA, and to some degree also in Japan and China.

While Medistim has been affected by the COVID situation, the company have been able to deliver solid profit and cash flow. The need for Medistim's products has not changed, and the strong recovery seen through 2021 and that continues in 2022, may indicate that cardiac bypass surgeries are at large back to normal. However, there are still some uncertainties related to new variants of the virus.

The Russian and Ukrainian conflict

The Russian and Ukrainian conflict is expected to have minor impact on Medistim business. Sales to these countries was less than 2% of total sales in 2021.

In general, both the continued Covid situation and the ongoing Russian-Ukrainian war create increased uncertainty in global supply chains and the world economy at large. Medistim is monitoring the situation closely.

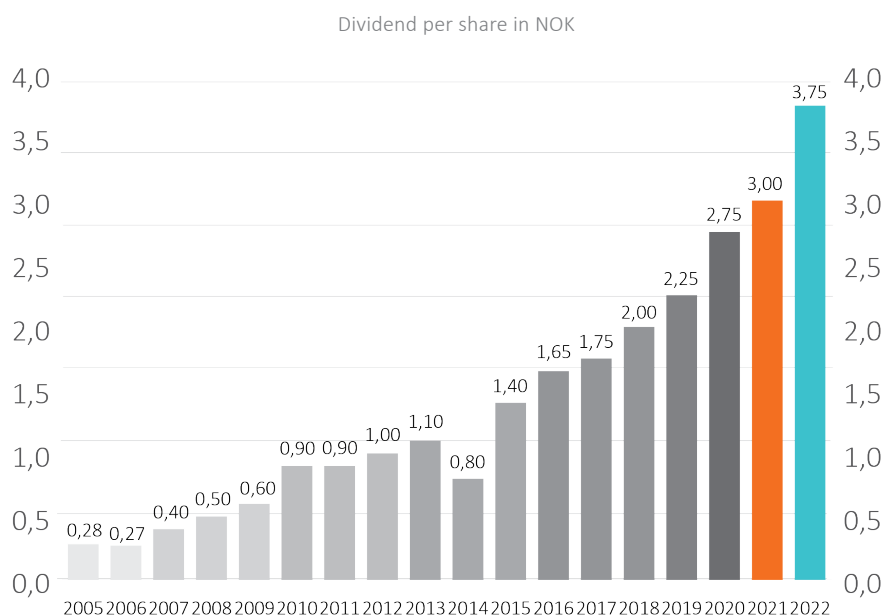
SHAREHOLDER INFORMATION

The company had 96,422 Medistim shares by the end of March 2022. The share price was NOK 263.00 per share at the end of first quarter 2022. For comparison, entering 2022 the share price was 367.50 per share.

The number of shares sold in the first quarter of 2022 totaled 712,499. The five largest shareholders

were Aeternum Capital with 1,862,500 shares, Odin Fondene with 1,800,000 shares, Fløtemarken AS with 1,285,000 shares, State Street Bank with 1,206,680 shares and State Street Bank with 1,063,851 shares.

The General meeting decided a dividend of NOK 3.75 per share, total MNOK 68.4 based upon the 2021 results. The dividend is expected to be paid within the 9th of May 2022.



Oslo, April 27th, 2022

Board of Directors and CEO of Medistim ASA

Øyvind A. Brøymer

Chairman

Sign.

Anthea Arff-Pettersen

Board member

Sign.

Siri Fürst

Board member

Sign.

Torben Jørgensen

Board member

Sign.

Tove Raanes

Board member

Sign.

Lars Rønn

Board member

Sign.

Kari Eian Krogstad

CEO

Sign.

PROFIT & LOSS	Q1 2022	Q1 2021	FY 2021
1=NOK 1000			
Sales revenue	116 129	102 630	421 984
Other revenue	-	-	5 292
Total revenue	116 129	102 630	427 276
Cost of goods sold	23 681	22 801	97 114
Salary and social expenses	36 411	32 403	134 507
Other operating expenses	16 744	12 508	55 950
Total operating expenses	76 837	67 711	287 571
Op. res. before depr. and write-offs (EBITDA)	39 292	34 919	139 705
EBITDA%	33,8 %	34,0 %	33,1 %
Depreciation	5 872	5 853	23 427
Operating profit (EBIT)	33 420	29 066	116 278
EBIT %	28,8 %	28,3 %	27,6 %
Financial income	1 165	2 001	8 173
Financial expenses	1 698	3 216	10 380
Net finance	(533)	(1 215)	(2 207)
Pre tax profit	32 887	27 851	114 071
Tax	9 162	6 029	23 171
Profit after tax	23 725	21 821	90 900
Dividend	-	-	54 640
Comprehensive income:			
Profit after tax	23 725	21 821	90 900
Exchange differences arising on translation of foreign operations	(2 052)	2 636	5 357
Total comprehensive income	21 673	24 457	96 257
KEY FIGURES	Q1 2022	Q1 2021	FY 2021
1=NOK 1000			
Equity share	76.7 %	77.1 %	75.9 %
Earnings per share	kr 1.30	kr 1.20	kr 4.99
Earnings per share diluted	kr 1.30	kr 1.20	kr 4.98
Average shares outstanding in 1000	18 241	18 213	18 216
Average shares outstanding in 1000 diluted	18 269	18 246	18 249

SPLIT OF EBIT PER SEGMENT	Q1 2022	Q1 2021	FY 2021
1 =NOK 1000			
EBIT from Medistim products	29 719	25 545	102 741
EBIT margin Medistim products	31.5 %	30.4 %	29.6 %
EBIT from 3 rd party products	3 701	3 521	13 537
EBIT margin 3 rd party products	17.0 %	18.9 %	18.2 %
Total EBIT	33 420	29 066	116 278
Total EBIT margin %	28.8 %	28.3 %	27.2 %

BALANCE SHEET	3/31/2022	3/31/2021	12/31/2021
1=NOK 1000			
Assets			
Intangible assets	33 850	32 045	33 410
Fixed assets	60 097	63 372	63 337
Total tangible and fixed assets	93 947	95 416	96 747
Inventory	97 426	114 128	97 413
Customers receivables	69 258	58 298	68 634
Other receivables	18 917	10 591	10 960
Cash	147 943	86 657	129 490
Total current assets	333 543	269 674	306 497
Total assets	427 490	365 090	403 244
Equity and liability			
Share capital	4 585	4 585	4 585
Share premium reserve	44 172	44 172	44 172
Other equity	278 968	232 546	257 295
Total equity	327 725	281 303	306 052
Lease obligations	15 290	19 899	17 079
Deferred income	3 288	235	2 510
Other long term debt	-	7 178	-
Total long term debt	18 578	27 312	19 589
Total short term debt	81 187	56 474	77 603
Total equity and liability	427 490	365 090	403 244

CHANGE IN EQUITY	3/31/2022	3/31/2021	12/31/2021
1=NOK 1000			
Equity start of period	306 052	256 846	256 846
Result for the period	23 725	21 821	90 900
Dividend		-	(54 640)
Other		-	7 589
Changes in exchange rates	(2 052)	2 636	5 357
Equity end of period	327 725	281 303	306 052

CASH FLOW ANALYSIS	3/31/2022	3/31/2021	12/31/2021
1=NOK 1000			
Result for the period	23 725	21 821	90 900
Other cash flow from operation	(1 262)	(3 713)	37 238
Cash flow from operation	22 463	18 108	128 138
Cash flow from investments	(2 222)	(838)	(11 486)
Cash flow from lease obligations	(1 788)	(2 503)	(59 053)
Change in cash for the period	18 453	14 767	57 599
Cash at start of period	129 490	71 891	71 891
Cash by the end of period	147 943	86 657	129 490

Geographic split of sales	Q1 2022	Q1 2021	FY 2021
1=NOK 1000			
USA	49 148	35 064	154 135
Asia	13 109	19 462	66 805
Europe	49 402	44 678	190 190
Rest of the world	4 470	3 426	16 146
TOTAL REVENUE	116 129	102 630	427 276

SPLIT OF SALES PER SEGMENT	Q1 2022	Q1 2021	FY 2021
1=NOK1000			
USA			
Procedural revenue flow	22 706	19 483	81 974
Procedural revenue Imaging and flow	9 751	6 424	29 780
Capital sales flow systems	3 699	4 379	18 108
Capital sales imaging and flow systems	12 991	4 778	18 984
Outside USA			
Flow systems	7 792	8 719	32 898
Imaging and flow systems	7 760	10 673	38 912
Imaging probes	1 422	1 565	7 118
Flow probes	27 231	26 242	115 704
Other	1 008	1 711	4 169
Total sales of Medistim products	94 360	83 974	347 646
Other USA		-	5 290
Sales of 3 rd party products	21 769	18 656	74 340
TOTAL REVENUE	116 129	102 630	427 276
SPLIT OF SALES BETWEEN CORONARY AND VASCULAR SURGERY AND 3rd PARTY PRODUCTS	Q1 2022	Q1 2021	FY 2021
1=NOK1000			
Sales within coronary surgery	79 125	73 070	293 027
Sales within vascular surgery	15 235	10 904	54 619
Other	-	-	5 290
Sales of 3 rd party products	21 769	18 656	74 340
TOTAL REVENUE	116 129	102 630	427 276

GEOGRAPHIC SPLIT OF SALES IN NUMBER OF UNITS	Q1 2022	Q1 2021	FY 2021
USA			
Procedures flow measurements	16 992	13 891	59 397
Procedures imaging and flow	3 928	2 780	12 635
Capital sales flow systems	4	5	22
Capital sales imaging and flow systems	10	4	16
Lease flow systems	5	3	9
Lease imaging and flow systems	3	1	10
Asia			
Flow systems	13	23	59
Imaging and flow systems	6	8	34
Imaging probes	4	12	46
Flow probes	564	678	2 683
Europe			
Flow systems	13	10	54
Imaging and flow systems	6	8	27
Imaging probes	15	7	50
Flow probes	1 062	941	4 524
Rest of the world			
Flow systems	3	1	12
Imaging and flow systems	2	2	6
Imaging probes	1	2	11
Flow probes	218	155	781
Total sales outside the US in units			
Flow systems	29	34	125
Imaging and flow systems	14	18	67
Imaging probes	20	21	107
Flow probes	1 844	1 774	7 988

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