

Welcome to Medistim ASA's Interim report for second quarter and first half 2022

The webinar will begin shortly

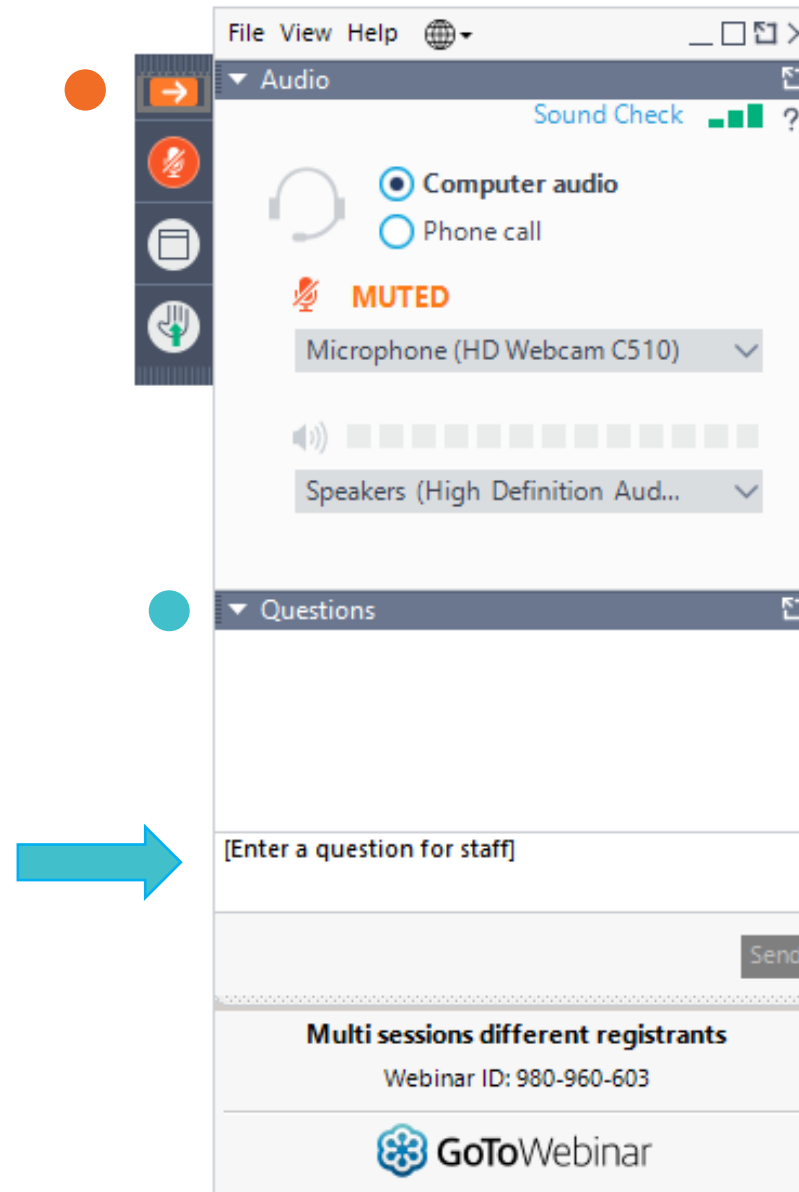


Before we start

You will be kept on mute during the presentation.

All questions will be answered at the end of the presentation

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



Medistim ASA Q2 and First Half 2022

August 23rd 2022



Kari E. Krogstad

PRESIDENT & CEO

Thomas Jakobsen

CFO



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01 Highlights

Highlights 2nd Quarter

Q2 2022		Q o Q	
Revenue	MNOK 117.5 (109.8)		+7.0 %
EBIT	MNOK 37.3 (42.7)		-12.5 %
Currency			+ 2.6 %
Number of units sold or outplaced:			
Flow systems	38		+ 18.7 %
Imaging systems	26		- 3.7 %
Flow probes (ex USA)	1 658		- 15.3 %
Imaging probes	55		+ 57.1 %
Procedures (USA)	23 592		+ 26.0 %









Another all-time high for quarterly sales

- 6th quarter in a row above MNOK 100 in sales revenues
 - Imaging sales up 65.4 % in NOK, Flow sales at same level as last year
 - Vascular sales up 44.5 % in NOK, Cardiac sales up 12.4 % in NOK
- Moderate 7 % total revenue growth due to the extraordinary revenue in Q2 2021 of MNOK 5.3 from the COVID-related Paycheck Protection Program from the U.S. federal government ('the PPP grant'), boosting both revenue and EBIT in Q2 2021
- Currency neutral total growth was 4.4 % incl. PPP and 9.7 % excl. PPP
 - Currency neutral growth for own products was 13.4 % (excl. PPP grant):
 - USA up 28.0 % (excl PPP grant) and Asia up 17.7 %
 - Europe down 4.0 % and "Rest of the world" down 13.2 %
 - Third-party products down by 5.5 %

Second highest EBIT result ever, margin at 31.8 % (38.9 %)

A dividend of NOK 3.75 per share paid in May

Highlights 1st Half

	H1 2022	H o H
Revenue	MNOK 233.6 (212.4)	 +10.0%
EBIT	MNOK 70.8 (71.7)	 -1.4%
Currency		 +2.7%
Number of units sold or outplaced:		
Flow systems	73	 +7.3%
Imaging systems	51	 +18.6%
Flow probes (ex USA)	3 502	 -6.1%
Imaging probes	92	 +39.4%
Procedures (USA)	44 512	 +25.8%

Best first half ever for revenue

- Sales revenue grows 12.8 % in NOK to MNOK 233.6 (MNOK 207.1) when excluding the PPP grant revenue of MNOK 5.3 in first half 2021
 - Imaging sales up 50 %, Flow up 2.8 % in NOK
 - Vascular sales up 42.2 %, Cardiac up 10.3 % in NOK
- 10.0 % total revenue growth (incl. the PPP grant in Q2 2021)
- Currency neutral total revenue growth was 7.3%
 - Currency neutral growth for own products was 11.2 % (excl. PPP grant)
 - USA up 29.4 %, Europe up 1.7%, RoW up 7.7 %
 - Asia down 10.9 %
 - Third-party products up 5.2 %

First half EBIT margin ends at 30.3 % (33.8 %)

A dividend of NOK 3.75 per share

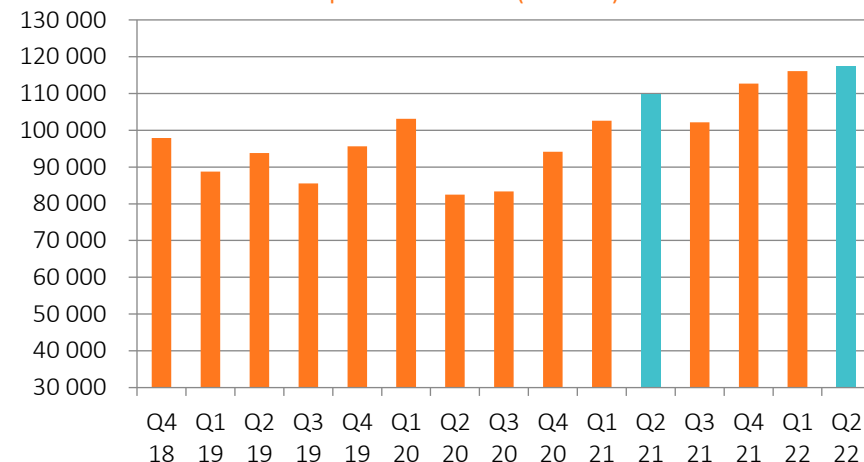


02 Financial Statements

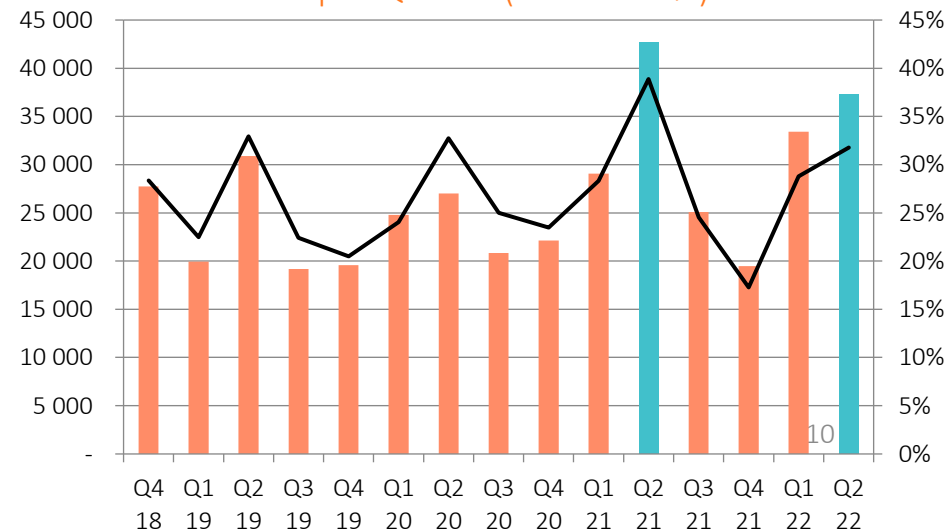
Profit and loss Q2 2022

Profit & loss	Q2 2022	Q2 2021
<i>All numbers in NOK 1000</i>		
Sales revenue	117 495	104 476
Other revenue	-	5 292
Total revenue	117 495	109 768
Cost of goods sold	28 141	22 637
Salary and sosial expenses	28 241	25 208
Other operating expenses	17 973	13 611
Total operating expenses	74 356	61 456
Op. res. before depr. and write-offs (EBITDA)	43 139	48 312
<i>EBITDA %</i>	<i>36,7 %</i>	<i>44,0 %</i>
Depreciation	5 800	5 637
Operating result (EBIT)	37 339	42 675
<i>EBIT %</i>	<i>31,8 %</i>	<i>38,9 %</i>
Financial income	8 472	1 250
Financial expenses	5 077	1 103
Net finance	3 395	147
Pre tax profit	40 734	42 821
Tax	7 610	8 653
Result	33 124	34 168

Sales per Quarter (TNOK)



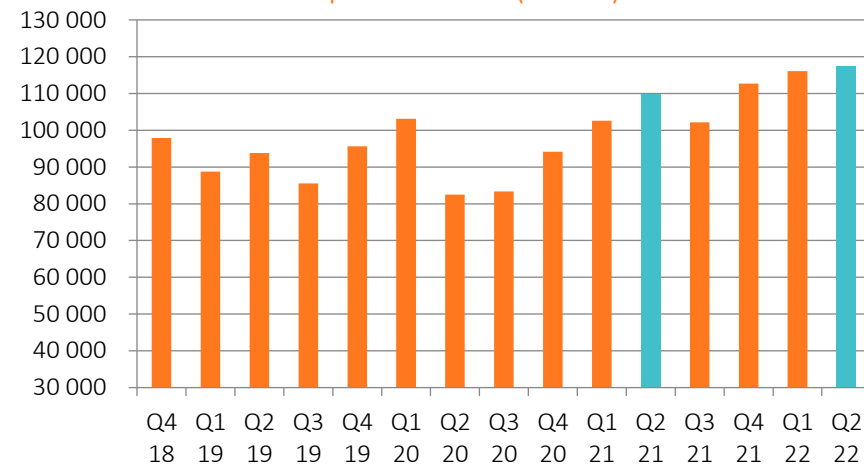
EBIT per Quarter (TNOK and %)



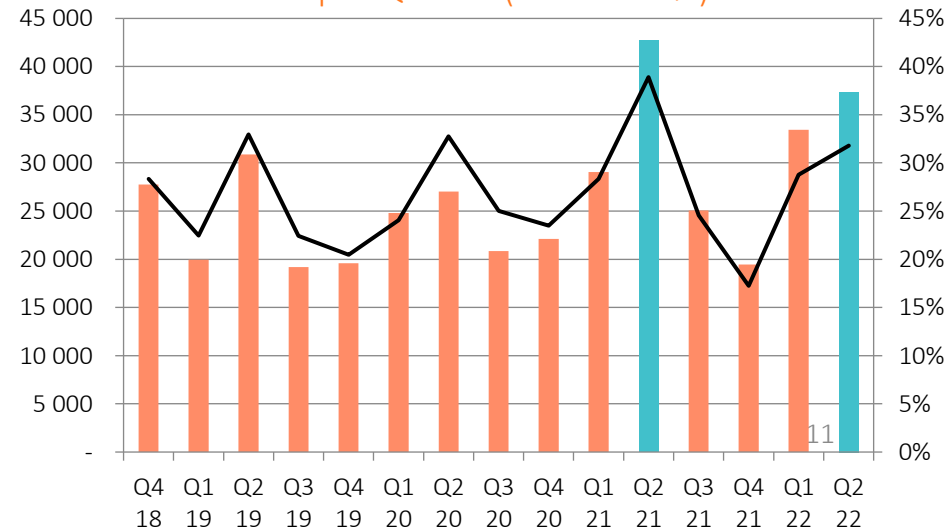
Profit and loss H1 2022

Profit & loss	YTD 2022	YTD 2021
<i>All numbers in NOK 1000</i>		
Sales revenue	233 623	207 106
Other revenue	-	5 292
Total revenue	233 623	212 398
Cost of goods sold	51 823	45 438
Salary and social expenses	64 652	57 611
Other operating expenses	34 717	26 118
Total operating expenses	151 192	129 167
Op. res. before depr. and write-offs (EBITDA)	82 431	83 231
<i>EBITDA %</i>	<i>35,3 %</i>	<i>39,2 %</i>
Depreciation	11 672	11 491
Operating result (EBIT)	70 759	71 741
<i>EBIT %</i>	<i>30,3 %</i>	<i>33,8 %</i>
Financial income	9 637	3 251
Financial expenses	6 775	4 320
Net finance	2 862	(1 069)
Pre tax profit	73 621	70 672
Tax	16 773	14 682
Result	56 849	55 990

Sales per Quarter (TNOK)



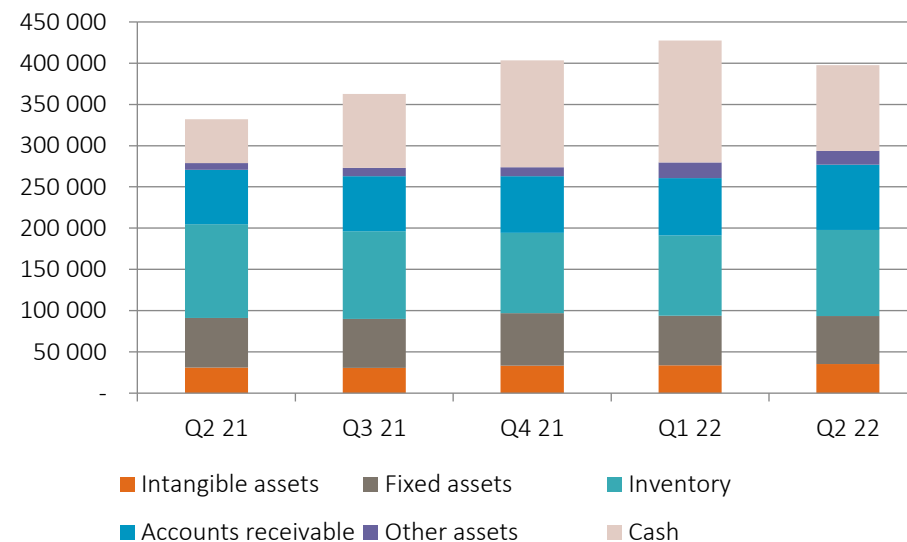
EBIT per Quarter (TNOK and %)



Balance sheet – Assets

- Cash position by end of the quarter was MNOK 104.0
- Securing end-of-life components and keeping security stocks explain the high inventory level
- A dividend of NOK 3.75 per share, total MNOK 68.4 was paid in May

Balance sheet	30.06.2022	31.12.2021
<i>All numbers in NOK 1000</i>		
Assets		
Intangible assets	35 146	33 410
Fixed assets	58 274	63 337
Total intangible and fixed assets	93 420	96 747
Inventory	104 492	97 413
Customers receivables	79 189	68 634
Other receivables	16 514	10 960
Cash	104 026	129 490
Total current assets	304 221	306 497
Total assets	397 641	403 244



Balance sheet **30.06.2022** **31.12.2021**

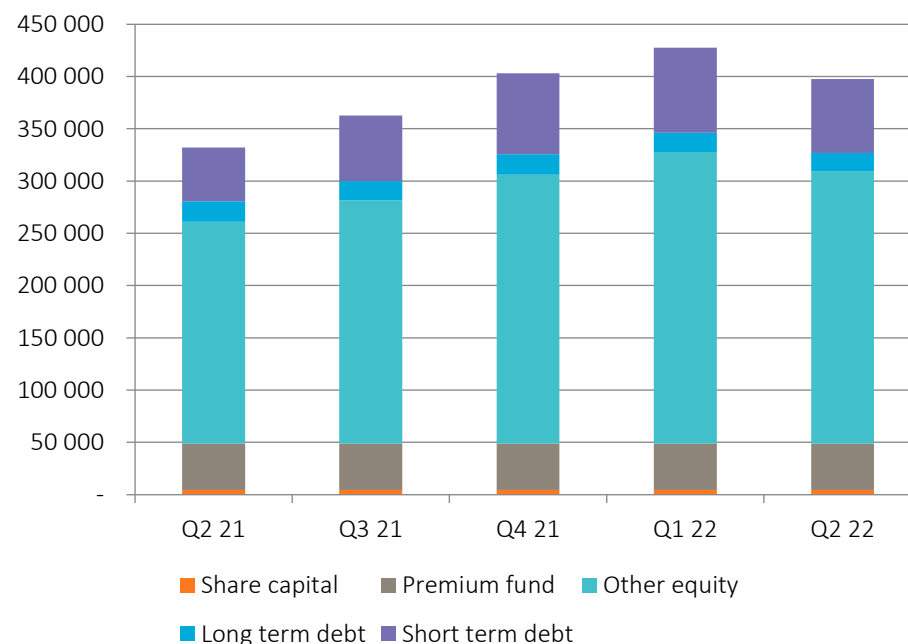
All numbers in NOK 1000

Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	260 323	257 295
Total equity	309 080	306 052

Total long term debt	17 759	19 589
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Total short term debt	70 803	77 603
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Total equity and liability	397 641	403 244
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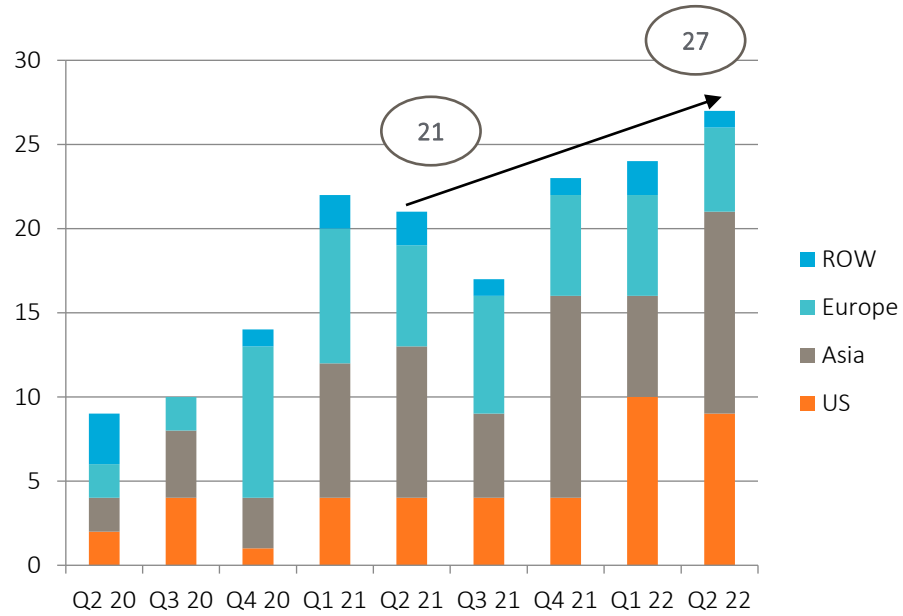
Balance sheet – Equity and Liability

- No interest-bearing debt
- 21.2 MNOK in obligations related to lease contracts where 13.5 MNOK is long term
- Strong balance sheet with 77.7 % equity ratio



03 Business segments update

Imaging systems in units (capital sales)

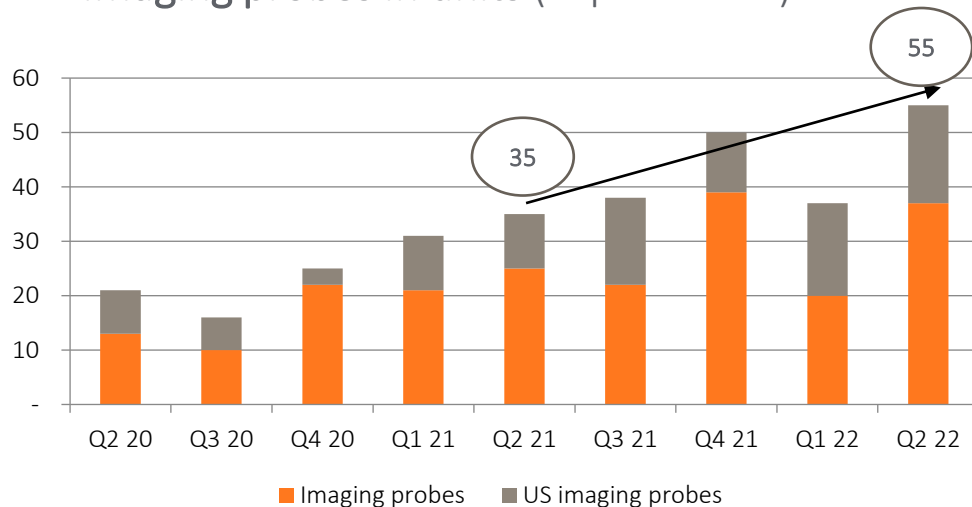


Imaging probes and systems in units

Unit sales of imaging systems sold as capital equipment continue to be strong, **growing 28.6 %** this quarter

Unit sales of imaging probes is **growing 57.1 %**

Imaging probes in units (capital sales)



Flow probes and systems in units

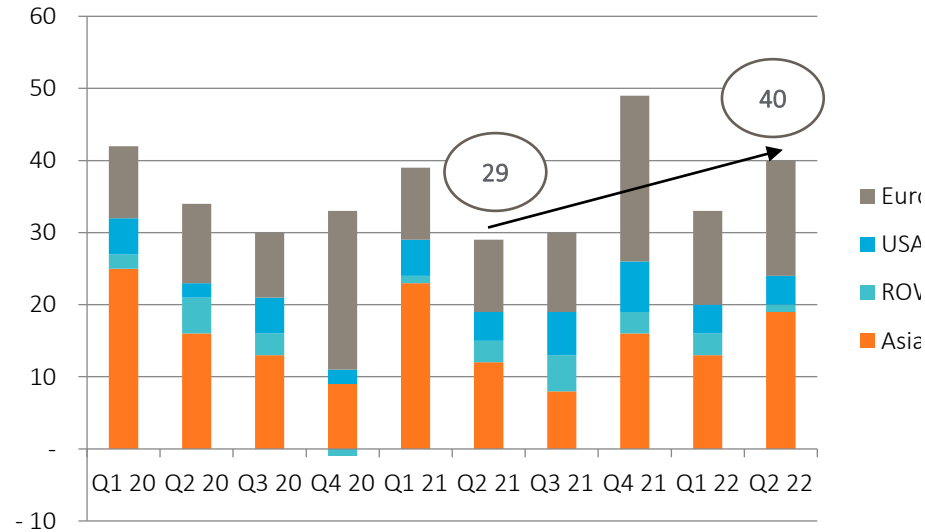
Number of flow systems sold as capital equipment is **up 37.9 %** from Q2 last year.

- It is Medistim's strategy to convert the market from Flow-only to Flow-and-Imaging technology. MiraQ flow system is easy to upgrade to the combined solution

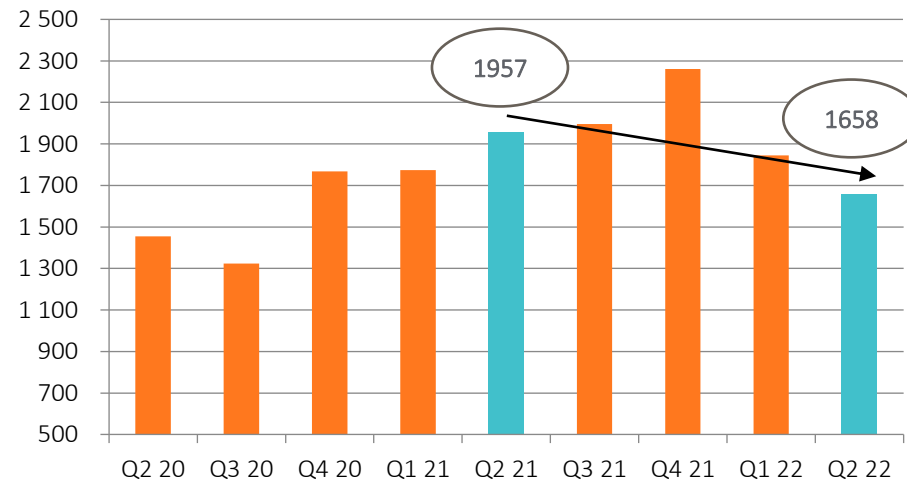
- The **total sale of systems** (Flow and Flow-and-Imaging) sold as capital equipment shows an **increase of 17 units or 34 %**, securing future sales of consumable flow- and imaging probes

- 15.3 % decline** in number of flow probes sold this quarter reflects normal variation in sales towards distributors

Flow systems in units (capital sales)



Flow probes in units (excl USA)



Revenue performance by region

Mill NOK	Q2 22	Q2 21	Q / Q	H1 21	H1 21	H1 / H1	2021
Europe	47,5	50,4	-5,7 %	96,9	95,1	1,9 %	190,2
USA	50,5	41,4	22,1 %	99,7	76,5	30,3 %	154,1
Asia	15,9	13,8	15,0 %	29,0	33,2	-12,6 %	66,8
ROW (MEA, CAN, SA, AUS)	3,5	4,1	-14,7 %	8,0	7,6	5,3 %	16,1
Total	117,5	109,8	7,0 %	233,6	212,4	10,0 %	427,3

- In Europe, Q2 sales of own products decreased with 5.9 % in NOK and 4.0 % currency neutral. 3. party decreased with 5.5 %. For the first half sale of own products was at the same level as last year while currency neutral sales increased by 1.7 %. 3.party sales increased by 5.1 %.
- In the USA, currency neutral sales for the quarter increased with 28.0 % (excluding the PPP grant of MNOK 5.3 in Q2 2021). For the first half, currency neutral sales increase of 29.4 % (ex. PPP grant).
- In Asia, we see a strong quarter and recovery from the slow Q1, as an interim solution has been found while we await the regulatory approval in China for new components for the MiraQ.
- ROW continues to be a smaller sales territory for Medistim, with significant quarter to quarter variation.

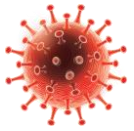
Positive currency effects for H1 2022 vs H1 2021 was 5.7 MNOK.

Average actual exchange rate for USD 9.13 and EUR 9.98 versus last year USD 8.44 and EUR 10.18.

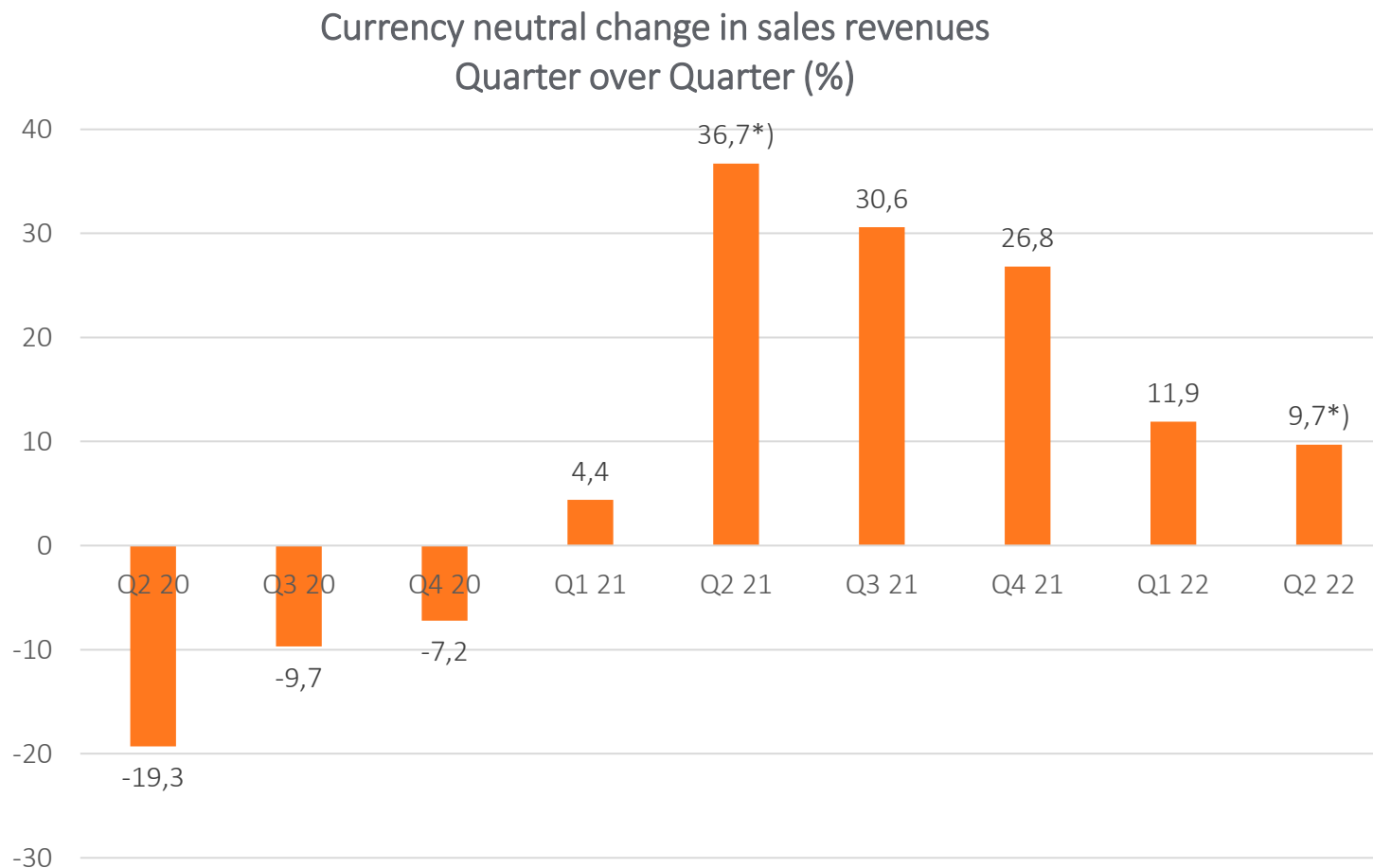
Revenue performance by product category

Mill NOK	Q2 22	Q2 21	Q / Q	H1 21	H1 20	H1 / H1	2021
Procedures (USA)	35,1	28,9	21,3 %	67,5	54,8	23,2 %	111,8
Flow probes	24,8	29,0	-14,5 %	52,0	55,2	-5,8 %	115,7
Flow systems (MiraQ)	12,3	8,4	46,0 %	23,8	21,5	10,5 %	51,0
Imaging systems (MiraQ)	23,0	14,8	55,7 %	43,8	30,3	44,5 %	57,9
Imaging probes	2,3	1,9	23,5 %	3,8	3,5	7,7 %	7,1
3rd party	19,1	20,2	-5,5 %	40,9	38,9	5,1 %	74,3
Other	0,9	6,5	-86,6 %	1,9	8,2	-77,0 %	9,5
Total revenues	117,5	109,8	7,0 %	233,6	212,4	10,0 %	427,3

- **Procedure sale in the USA:** Strong procedure sales both for the quarter and first half; the total number of procedures increased with 26.0 % and 25.8 %, respectively.
- **Flow probes:** In number of units, there was a decline of 15.3 % for the quarter and 6.1 % for the first half. The decline for the quarter is related to normal variation in sales towards distributors, this quarter to **Asia**, that often purchases probes in large quantities depending on their inventory levels.
- **Flow systems (capital):** In number of units, a strong quarter with 37.8 % increase in units for the quarter. YTD number of units increases with 7.3 %. Increased sales in NOK is explained by higher level of sales through **direct channels**.
- **Imaging systems (capital):** 28.6 % increase in units for the quarter and 18.6 % for the first half. The higher sales in NOK is driven by strong sales through the **direct US sales channel**.
- **3rd party products:** After a strong Q1 we see a 5 % decline for the quarter, resulting in a 5 % increase for the first half year



Covid-19: From gradually decreasing impact to strong recovery towards normalcy



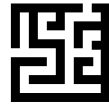
*) Growth in sales. Excluding PPP grant.

Not completely back to normal

- Lockdowns and restrictions in China
- New virus variants, new outbreaks
- Still some hospital access restrictions
- Elective surgeries may still be postponed

Global supply chains and economy

- 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 actively monitoring and managing the situation, particularly regarding sourcing and stocking up of components



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

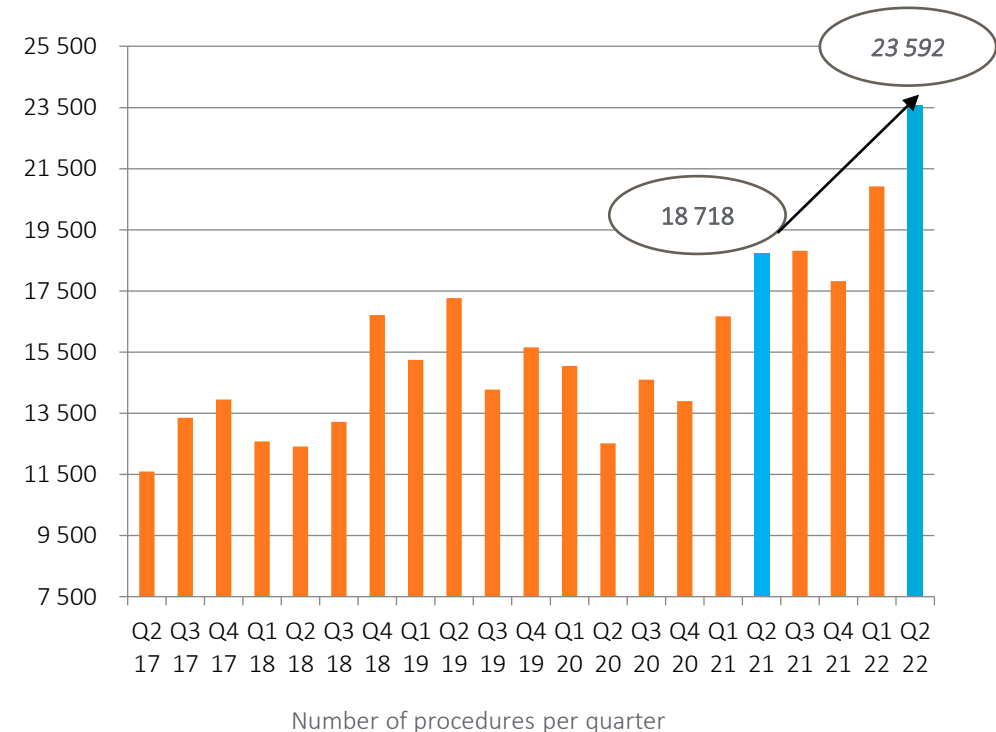
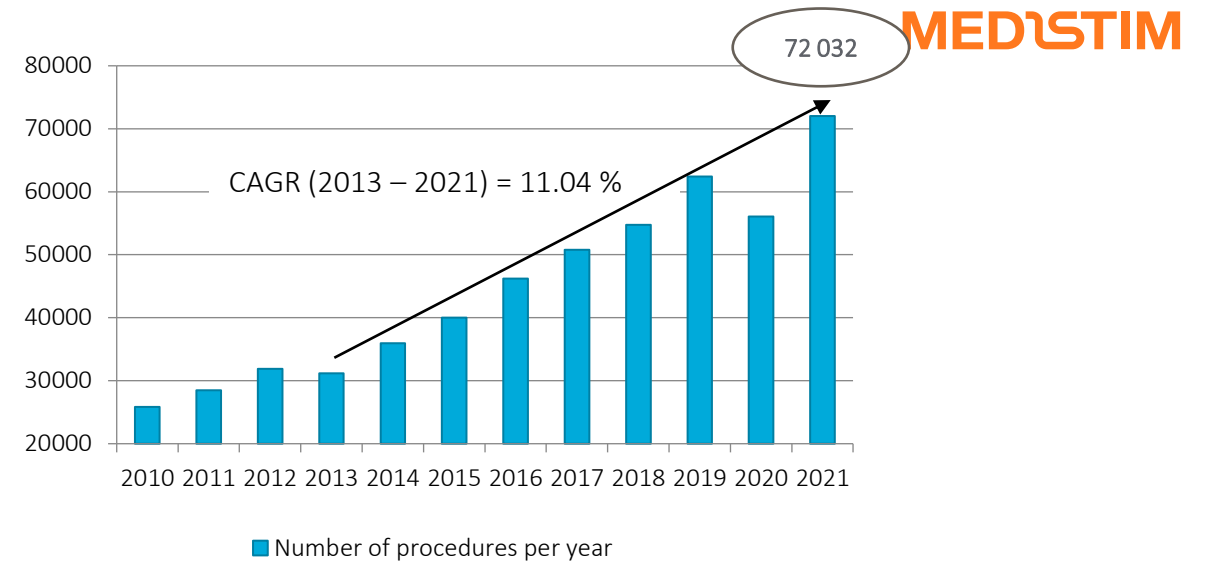
1. **Convert** the routine Flow market to a Flow-and-Imaging market by establishing *Surgical Guidance and Quality Assessment* as the new standard of care through
 - Early adopter & KOL support
 - REQUEST study
 - Ease conversion from flow to imaging with MiraQ
2. **Achieve routine use** of both Flow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



Developing the US market

Performance US sales

- Currency neutral sales revenue grows by 28.0 % in Q2 and 29.4 % first half
- Total number of procedures was up 26.0% in Q2 and 25.8% in first half
 - Flow procedures up 20.6% Q1 and 21.4% first half
 - Imaging procedures up 55.6% Q1 and 48.6% first half
- Strong capital systems sales
 - 13 units this Q2 vs 8 last year
 - 27 units this first half vs 17 last year
- Keep winning new customers
 - 6 this Q2 vs 12 last year
 - 19 this first half vs 24 last year





20 largest shareholders per 19th August

Date: 19/08/2022

Name: MEDISTIM ASA

ISIN: NO0010159684

Number of investors: 1029

Number of shares: 18337336

Rank	Holding	Stake %	Name	Citizenship	Type of account
1	1 862 500	10.15687	AETERNUM CAPITAL AS	Norway	Ordinary
2	1 285 000	7.00756	FLØTEMARKEN AS	Norway	Ordinary
3	1 200 000	6.54403	VERDIPAPIRFOND ODIN NORDEN	Norway	Ordinary
4	1 196 862	6.52691	State Street Bank and Trust Comp	United States	Nominee
5	970 000	5.28975	FOLLUM INVEST AS	Norway	Ordinary
6	950 133	5.18141	State Street Bank and Trust Comp	United States	Nominee
7	915 482	4.99245	Skandinaviska Enskilda Banken AB	Sweden	Nominee
8	667 953	3.64258	State Street Bank and Trust Comp	United States	Nominee
9	600 000	3.27201	ODIN Small Cap	Sweden	Ordinary
10	502 828	2.74210	Skandinaviska Enskilda Banken AB	Denmark	Nominee
11	414 011	2.25775	Skandinaviska Enskilda Banken AB	Sweden	Nominee
12	398 004	2.17046	SKANDINAVISKA ENSKILDA BANKEN AB	Luxembourg	Nominee
13	396 445	2.16196	The Northern Trust Comp, London Br	United States	Nominee
14	391 892	2.13713	State Street Bank and Trust Comp	United States	Nominee
15	379 936	2.07193	BUANES	Norway	Ordinary
16	312 162	1.70233	RBC Investor services bank S.A.	Luxembourg	Nominee
17	270 000	1.47241	The Bank of New York Mellon SA/NV	Denmark	Nominee
18	260 087	1.41835	BNP Paribas Securities Services	Luxembourg	Nominee
19	246 845	1.34613	BNP Paribas Securities Services	Italy	Nominee
20	238 314	1.29961	Skandinaviska Enskilda Banken AB	Sweden	Nominee

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