

Welcome to Medistim ASA's Interim report for the third quarter 2023

The webinar will begin shortly

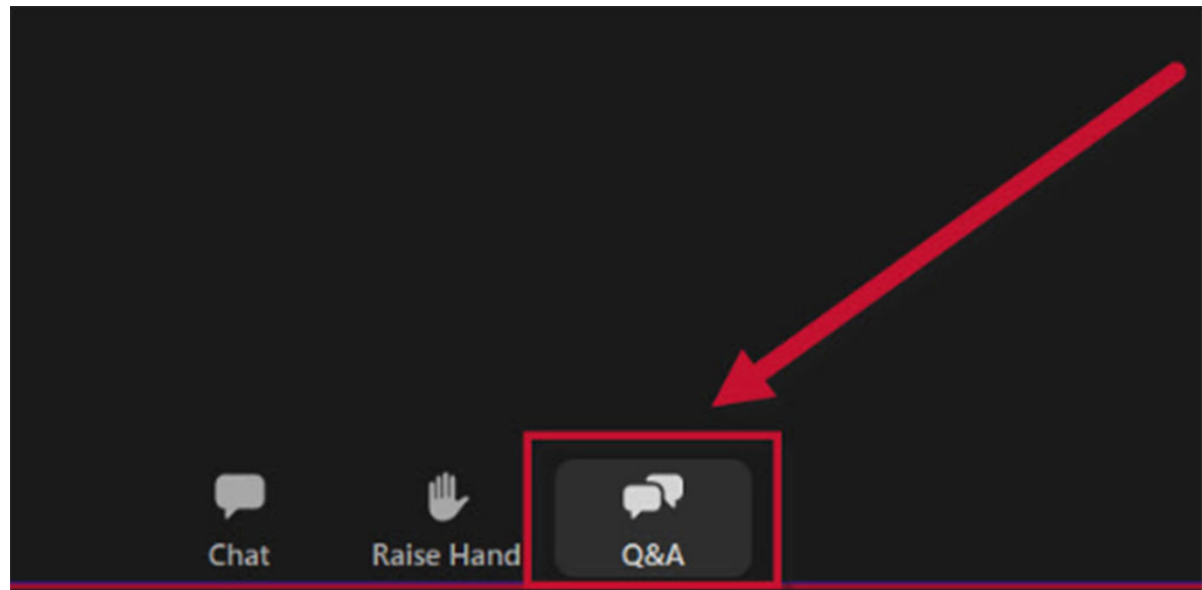


Before we start

You will be kept on mute during the presentation.

Questions will be answered at the end of the presentation.

- Click on the Q&A button to write your question. The host will read and answer your question at the end of the presentation



Medistim ASA Q3 2023

October 27th 2023



Kari E. Krogstad
PRESIDENT & CEO

Thomas Jakobsen
CFO



Disclaimer

The information included in this Presentation may contain 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, such as 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 2022. 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.

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01 Highlights

Highlights 3rd Quarter

Q3 2023		Q o Q	
Revenue	MNOK 124.1 (116.5)		+ 6.5 %
EBIT	MNOK 33.5 (34.0)		- 1.5 %
Currency			+9.6 %
Number of units sold or leased:			
Flow systems	25		- 28.6 %
Imaging systems	28		+16.7 %
Flow probes	2 004		-15.1 %
Imaging probes	44		+7.3 %
Procedures (PPP cards & lease)	9 679		+ 1.4 %









Solid financial results, helped by favorable currency

- Own products sales increase by 5.4 % in NOK
 - Imaging sales up 8.1 % in NOK, Flow sales up 3.9 % in NOK
 - Vascular sales up 7.7 % in NOK, Cardiac sales up 4.9 % in NOK
- Third-party products up 13.9 %
- Currency neutral, total sales shows a -3.1% decline
 - Currency neutral decline for own products was -5.6% with large regional variation:
 - AMERICAS down -10.3 %
 - EMEA up 32.1 %
 - APAC down -54.9 %

EBIT margin at 27.0 % (29.2 %)

- High activity, timing, going direct, inflation and currency contribute to the higher expenses

Highlights YTD September 2023

YTD 2023		YTD o YTD
Revenue	MNOK 390.7 (350.1)	 + 11.6 %
EBIT	MNOK 109.2 (104.8)	 + 4.2 %
Currency		 + 10.4 %
Number of units sold or leased:		
Flow systems	105	 - 5.4 %
Imaging systems	74	 - 3.9 %
Flow probes	6 651	 + 0.9 %
Imaging probes	129	 - 3.0 %
Procedures (PPP cards & lease)	30 205	 + 3.3 %

Strong financial results, helped by favorable currency

- Own products sales increase by 12.9 % in NOK
 - Imaging sales up 0.3 % in NOK, Flow sales up 19.7 % in NOK
 - Vascular sales up 15.3 % in NOK, Cardiac sales up 12.4 % in NOK
- Third-party products up 4.9 %
- Currency neutral total growth was 1.2%
 - Currency neutral growth for own products was 0.5%
 - AMERICAS down -5.2 %
 - EMEA up 13.5 %
 - APAC down -5.1 %

EBIT margin at 27.9 % (29.9 %)

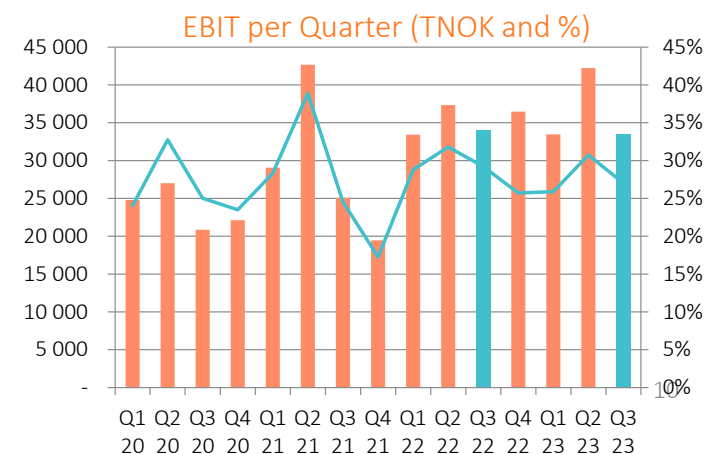
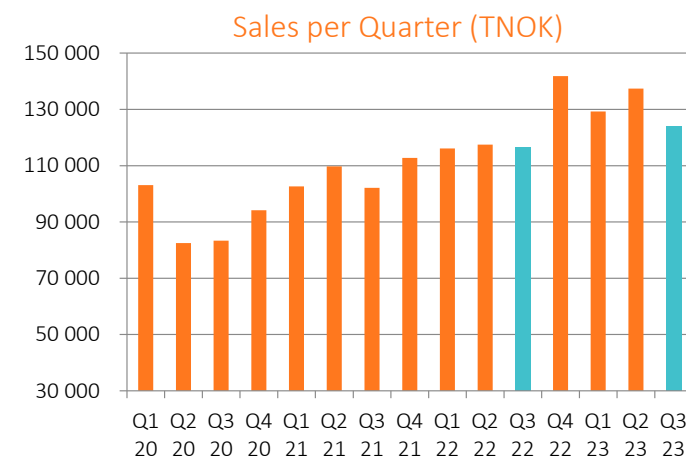
- High activity, going direct, inflation and currency contribute to the higher expenses



02 Financial Statements

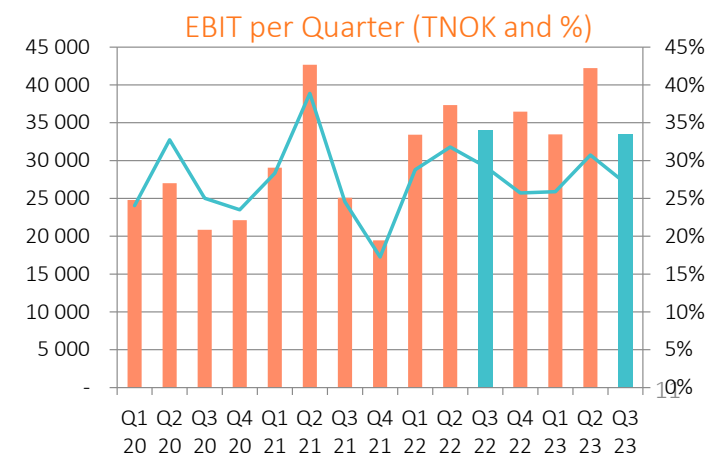
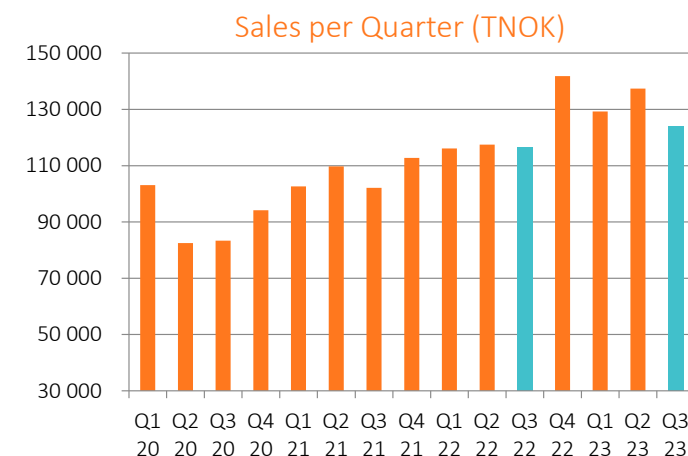
Profit and loss Q3 2023

Profit & loss	Q3 2023	Q3 2022
<i>All numbers in NOK 1000</i>		
Sales revenue	124 098	116 490
Cost of goods sold	22 350	21 892
Salary and social expenses	42 145	38 927
Other operating expenses	20 758	15 973
<i>Total operating expenses</i>	<i>85 252</i>	<i>76 792</i>
EBITDA	38 846	39 699
<i>EBITDA%</i>	<i>31,3 %</i>	<i>34,1 %</i>
Depreciation	5 329	5 681
Operating profit (EBIT)	33 517	34 017
<i>EBIT %</i>	<i>27,0 %</i>	<i>29,2 %</i>
Financial income	1 746	4 858
Financial expenses	1 671	8 355
<i>Net finance</i>	<i>75</i>	<i>-3 497</i>
Pre tax profit	33 592	30 520
Tax	7 460	5 873
Profit after tax	26 132	24 647



Profit and loss YTD September 2023

Profit & loss	YTD 30.09.23	YTD 30.09.22
<i>All numbers in NOK 1000</i>		
Sales revenue	390 745	350 114
Cost of goods sold	78 149	73 714
Salary and sosial expenses	116 557	103 579
Other operating expenses	70 239	50 690
<i>Total operating expenses</i>	<i>264 945</i>	<i>227 984</i>
EBITDA	125 800	122 130
<i>EBITDA%</i>	<i>32,2 %</i>	<i>34,9 %</i>
Depreciation	16 617	17 353
Operating profit (EBIT)	109 184	104 777
<i>EBIT %</i>	<i>27,9 %</i>	<i>29,9 %</i>
Financial income	10 140	14 495
Financial expenses	10 505	15 131
<i>Net finance</i>	<i>-365</i>	<i>-635</i>
Pre tax profit	108 818	104 141
Tax	24 104	22 646
Profit after tax	84 714	81 496



Balance sheet – Assets

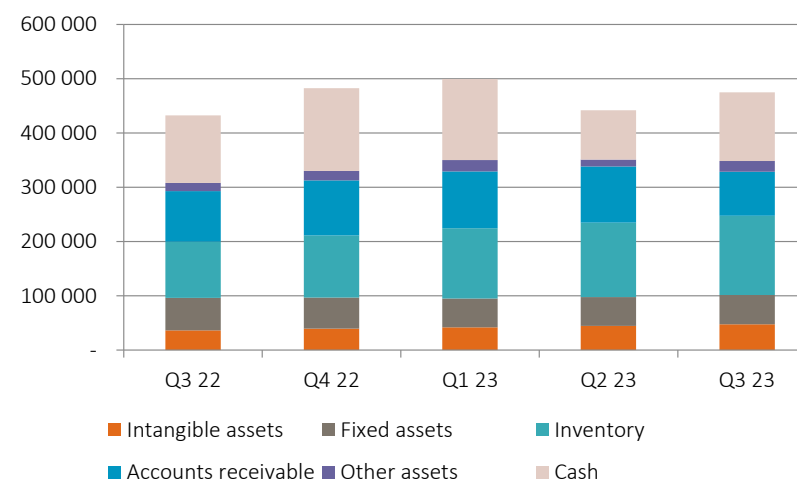
- Cash position by end of the quarter was MNOK 126.4 after a dividend payment of 82.2 MNOK in May
- Securing end-of-life components and keeping security stocks explain the high inventory level
- Reduction in customers receivables and strengthening of cash position

Balance sheet 30.09.2023 31.12.2022

All numbers in NOK 1000

Assets

Intangible assets	47 578	39 660
Fixed assets	54 014	57 104
Total intangible and fixed assets	101 592	96 764
Inventory	145 927	114 333
Customers receivables	81 238	101 657
Other receivables	19 718	17 263
Cash	126 422	152 641
Total current assets	373 305	385 895
Total assets	474 897	482 659



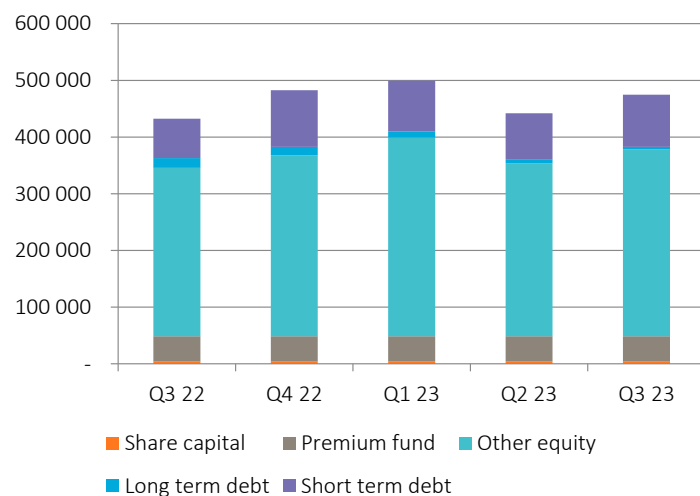
Balance sheet **30.09.2023** **31.12.2022**
All numbers in NOK 1000

Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	329 510	318 934
Total equity	378 267	367 692

Total long term debt	4 372	15 145
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Total short term debt	92 258	99 822
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Total equity and liability	474 897	482 659
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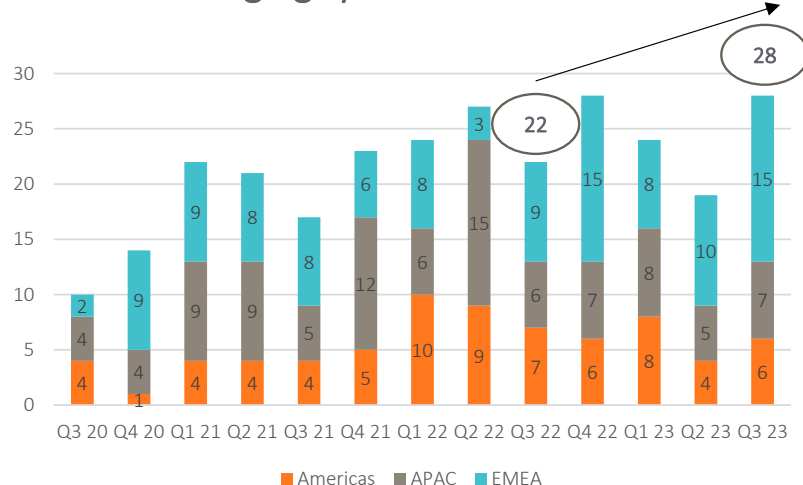
Balance sheet – Equity and Liability

- No interest-bearing debt
- 11.8 MNOK in obligations related to lease contracts where 4.1 MNOK is long term.
Deferred revenue related to extended warranty amounted to 0.2 MNOK.
Total long-term debt of 4.4 MNOK
- Strong balance sheet with 80 % equity ratio

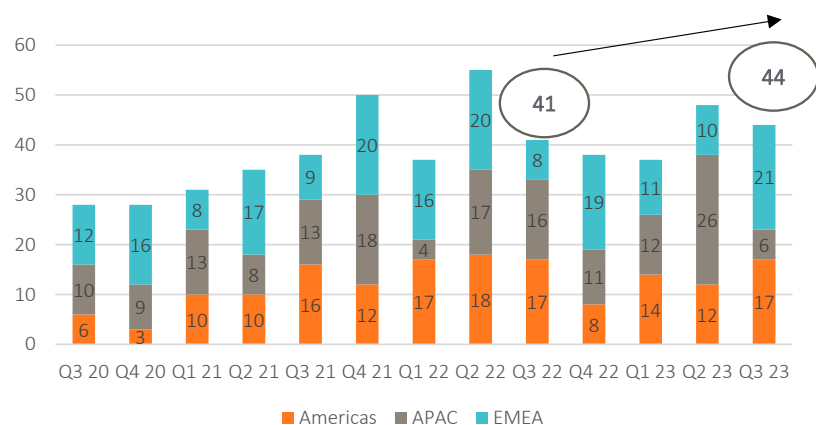


03 Business segments update

Flow-and-Imaging systems in units (excl. PPP/leasing)



Imaging probes in units (excl. PPP/leasing)



Imaging probes and systems in units

- 6 more Flow-and-Imaging units sold as capital in Q3 compared to Q3 LY:

- 1 less in AMERICAS
- 1 more in APAC
- 6 more in EMEA

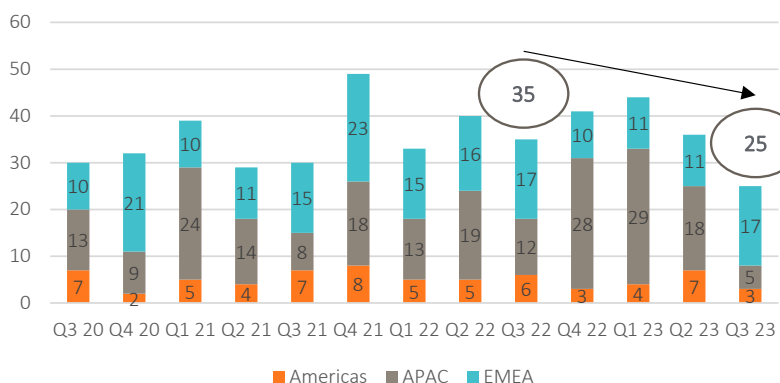
YTD September, we are 2 systems down from last year

- Imaging probe sales follows the system sales

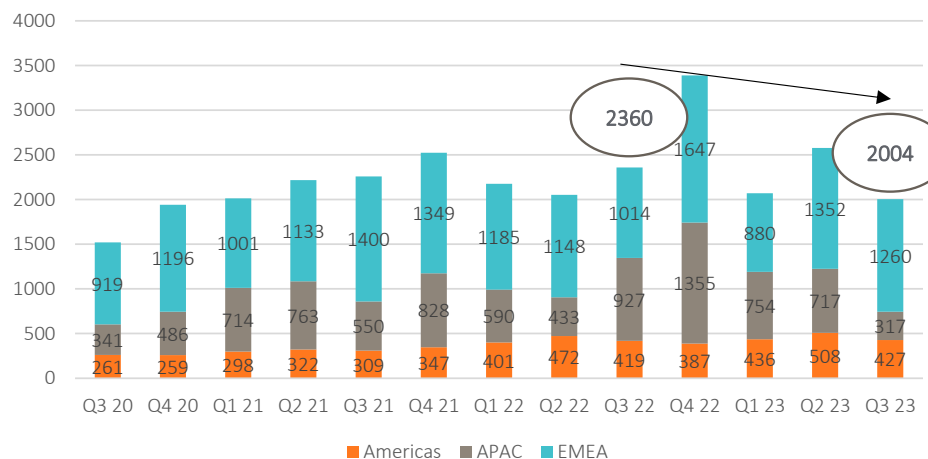
Flow probes and systems in units

- 10 less capital sales of **Flow systems** in Q3, with APAC down 7.
3 less YTD September
- The **total sale of systems** (Flow and Flow-and-Imaging) sold as **capital** equipment shows a decline of 4 units this quarter, and **5 unit less for YTD**
- Good probesales in AMERICAS and EMEA, but a weak quarter for APAC

Flow systems in units (excl. PPP/leasing)

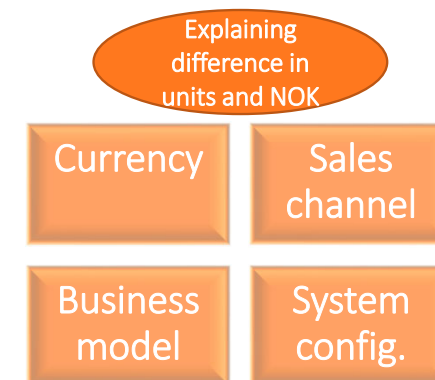


Flow probes in units (excl. PPP/leasing)



Revenue performance by region

Mill NOK	Q3 23	Q3 22	Q / Q	YTD 23	YTD 22	YTD / YTD
AMERICAS	51,7	51,8	-0,3 %	162,2	153,9	5,4 %
APAC	9,8	19,2	-48,8 %	54,3	50,4	7,6 %
EMEA	45,1	30,1	49,8 %	115,3	89,6	28,7 %
3.party	17,5	15,3	13,9 %	59,0	56,2	4,9 %
Total	124,1	116,5	6,5 %	390,7	350,1	11,6 %



- In **AMERICAS**, revenues was at the same level as LY in NOK for the quarter and up 5.4 % YTD, but **declined by 10.3 % currency neutral** for the quarter and 5.2 % YTD. The reason for the decline is fewer capital sales of systems, Imaging systems in particular.
- In **APAC**, revenues declined with 48.8 % for the quarter and was up 7.6 % YTD. Currency neutral development was 54.9 % decline for the quarter and 5.1 % YTD. The **weak quarter was related to the transition of our China business** from a distributor to own sales organization, leading to increased inventory at the local Chinese distributors.
- **EMEA** delivered a **strong second and third quarter after a weak first quarter**. Revenues were up in NOK by 49.8 % and currency neutral up by 32.1 %. YTD currency neutral growth was 13.5 %.
- **3. Party** sales up **13.9 %** for the quarter and **4.9 %** YTD.

Positive currency effects for 2023 vs 2022 was 36.4 MNOK.

Average actual exchange rate for USD 10.47 and EUR 11.35 versus last year USD 9.42 and EUR 10.01.

Revenue performance by product category

Mill NOK	Q3 23	Q3 22	Q o Q	YTD 23	YTD 22	YTD o YTD
Procedures (USA)	25,3	24,5	3,5 %	80,0	71,0	12,6 %
Flow probes	39,7	37,8	5,0 %	136,0	107,6	26,4 %
Flow systems (MiraQ)	12,0	12,0	0,1 %	40,5	35,7	13,2 %
Imaging systems (MiraQ)	24,9	22,3	11,6 %	63,5	66,1	-3,9 %
Imaging probes	4,7	4,6	2,9 %	11,9	13,5	-12,0 %
3rd party	17,5	15,3	13,9 %	59,0	56,2	4,9 %
Total revenues	124,1	116,5	6,5 %	390,7	350,1	11,6 %

- **Procedure sale in the USA:** The number of procedures increased with 1.4 % for the quarter and 3.3 % YTD. Favorable currency explains the higher growth in NOK.
- **Flow probes:** The number of units sold decreased -15.1 % for the quarter and increased 0.9 % YTD. The increase in NOK is driven by currency and price increase.
- **Flow systems:** The number of units sold was down -28.6 % for the quarter and down -2.8 % YTD, but high level of sales through the direct channel and currency explain the increase in NOK for the quarter and YTD.
- **Imaging systems and probes:** For the quarter the number of imaging units sold was up 27.3%, but higher level of sales through distributors explain less growth in NOK. The number of units was down -2.7 % YTD, and sales in NOK shows a decline.
- **3. Party** sales up 13.9% for the quarter and 4.8 % YTD.



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 (>1.5 BNOK)	Other open heart surgery (1BNOK)
APPLICATION AREAS				

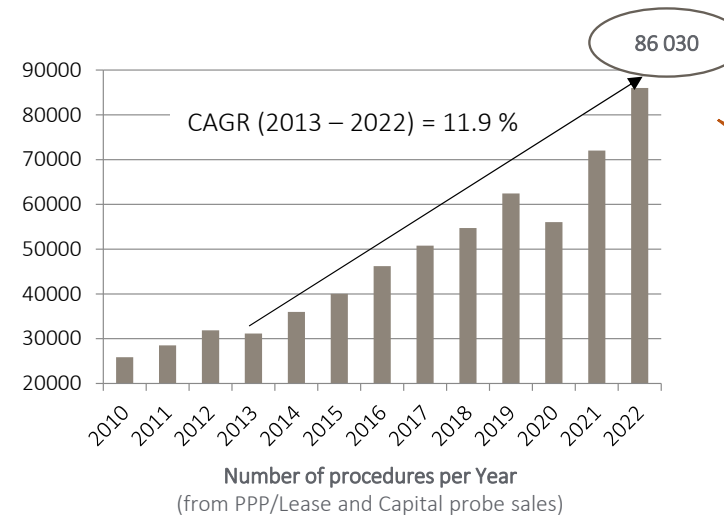
1. **Convert** the routine Flow market to a Flow-and-Imaging market by establishing *Surgical Guidance and Quality Assessment* as the new standard of care through
 - Early adopter & KOL support
 - REQUEST study
 - Ease conversion from flow to imaging with MiraQ
2. **Achieve routine use** of both Flow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

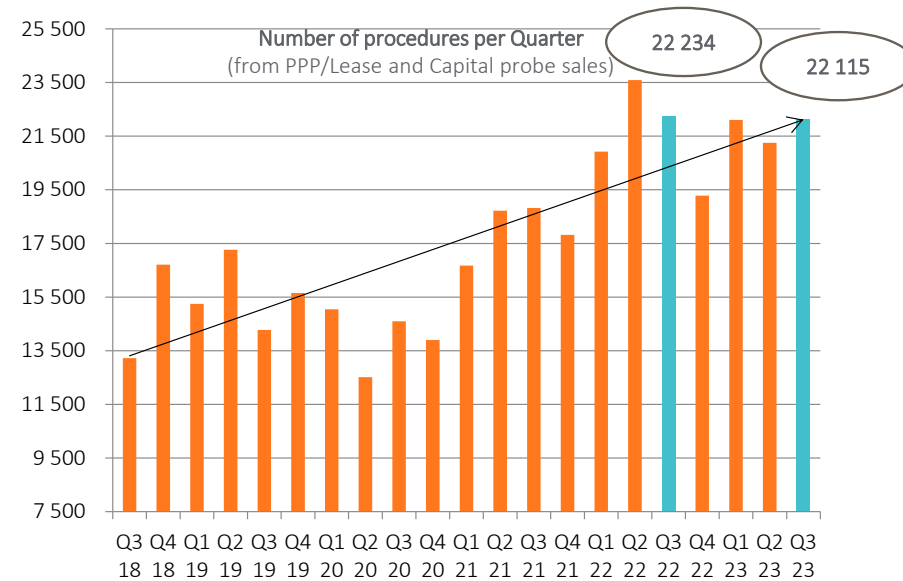
Performance US sales

- Currency neutral sales revenue declined by -10.3 % in Q3 and by -5.2 % YTD in AMERICAS due to soft capital sales in the USA
- Total **number of procedures** was flat in Q3 and down -1.9 % YTD
(counting PPP/Lease procedures and procedures from capital probe sales)
 - **Flow** procedures at the same level as last year for the quarter and down -2.1 % YTD
 - **Imaging** procedures down -1.7 % for the quarter and at the same level as last year YTD
- **Capital systems sales**
 - 9 (13) units in total in Q3 and 32 (40) units in total YTD
 - Fewer Flow-and-Imaging units YTD; 18 (26)
- Keep winning **new customers**
 - 7 (8) in Q3 and 25 (27) YTD



MEDISTIM

> 30 % CABG market share





20 largest shareholders per 24th of October

Name: MEDISTIM ASA
 ISIN: NO0010159684
 Number of investors: 1043
 Number of shares: 18.337.336

Name	Rank	Holding	In %	Country	Citizenship	Type of account
AETERNUM CAPITAL AS	1	1 900 219	10,36 %	Sweden	Norway	Ordinary
State Street Bank and Trust Comp	2	1 286 690	7,02 %	United States	United States	Nominee
FLØTEMARKEN AS	3	1 285 000	7,01 %	Norway	Norway	Ordinary
VERDIPAPIRFOND ODIN NORDEN	4	1 180 000	6,43 %	Norway	Norway	Ordinary
FOLLUM INVEST AS	5	970 000	5,29 %	Norway	Norway	Ordinary
State Street Bank and Trust Comp	6	920 779	5,02 %	United States	United States	Nominee
Skandinaviska Enskilda Banken AB	7	902 985	4,92 %	Sweden	Sweden	Nominee
State Street Bank and Trust Comp	8	610 843	3,33 %	United States	United States	Nominee
ODIN Small Cap	9	600 000	3,27 %	Norway	Sweden	Ordinary
The Northern Trust Comp, London Br	10	440 375	2,40 %	United Kingdom	United States	Nominee
CACEIS Investor Services Bank S.A.	11	425 682	2,32 %	Ireland	Luxembourg	Nominee
Skandinaviska Enskilda Banken AB	12	421 017	2,30 %	Denmark	Denmark	Nominee
BUANES	13	381 876	2,08 %	Norway	Norway	Ordinary
SKANDINAVISKA ENSKILDA BANKEN AB	14	381 746	2,08 %	Luxembourg	Luxembourg	Nominee
VERDIPAPIRFONDET HOLBERG NORGE	15	360 171	1,96 %	Norway	Norway	Ordinary
State Street Bank and Trust Comp	16	347 075	1,89 %	United States	United States	Nominee
SKANDINAVISKA ENSKILDA BANKEN AB	17	295 000	1,61 %	Luxembourg	Luxembourg	Nominee
Skandinaviska Enskilda Banken AB	18	275 234	1,50 %	Sweden	Sweden	Nominee
BNP Paribas	19	271 352	1,48 %	Italy	Italy	Nominee
The Bank of New York Mellon SA/NV	20	250 000	1,36 %	Belgium	Denmark	Nominee

20 largest **13 506 044**
Total number of shares **18 337 336**
20 largest share of total **73,65 %**

MEDISTIM