

Welcome to Medistim ASA's Interim report for the fourth quarter and preliminary financials for 2023

The webinar will begin shortly

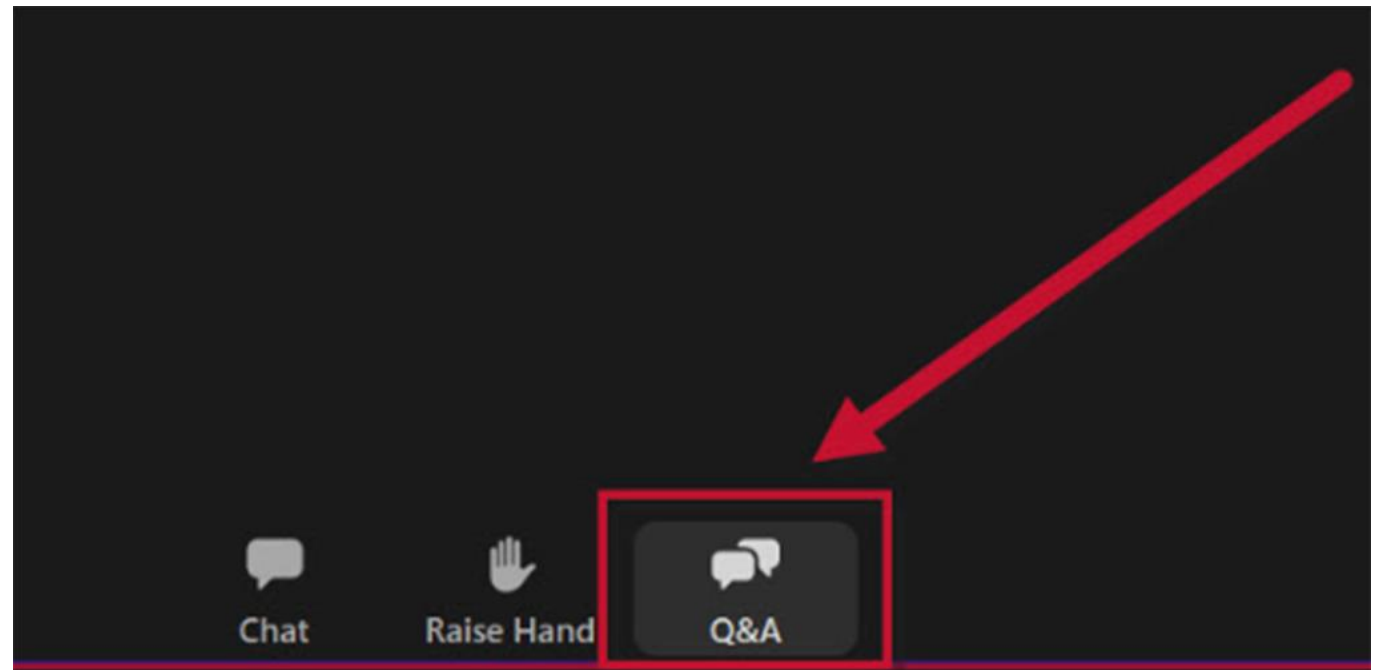


Before we start

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 Q4 2023

February 29th 2024



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 4th Quarter

	Q4 2023	Q o Q
Revenue	MNOK 135.6 (141.8)	▼ - 4.4 %
EBIT	MNOK 22.3 (36.5)	▼ - 39.0 %
Currency		▲ + 9.3 %
Number of units sold or leased:		
Flow systems	39	▼ - 7.1 %
Imaging systems	23	▼ - 17.8 %
Flow probes	2 465	▼ -26.6 %
Imaging probes	39	▲ +2.6 %
Procedures (PPP cards & lease)	10 115	▼ -11.9 %

In NOK, decent quarter for sales, compared to a strong comparable









- Own products sales decrease by -5.8 % in NOK
 - Imaging sales down -7.5 % in NOK, Flow sales down -5.1 % in NOK
 - Vascular sales up 21.2 % in NOK, Cardiac sales down -10.7 % in NOK
- Third-party products up 4.3 %
- Currency neutral, total sales show a -13.7% decline
 - Currency neutral decline for own products was -17.4%
 - AMERICAS down -14.3 %
 - EMEA down -20.0 %
 - APAC down -13.9 %

EBIT margin at 16.4 % (25.7 %)

- Going direct in China, Canada and Sweden
- Increasing headcount for a 2nd shift in production
- General high activity, in addition to effects from inflation and currency

The Board of Directors suggests a dividend of NOK 4.50/share

Highlights 2023

FY 2023		YTD o YTD	
Revenue	MNOK 526.4 (491.9)		+ 7.0 %
EBIT	MNOK 131.4 (141.3)		- 6.9 %
Currency			+ 9.5 %
Number of units sold or leased:			
Flow systems	144		- 5.9 %
Imaging systems	97		- 7.6 %
Flow probes	9 116		- 8.3 %
Imaging probes	168		- 1.8 %
Procedures (PPP cards & lease)	40 320		- 1.0 %

Exceeding half a billion NOK in sales

- Own products sales increase by 7.4 % in NOK
 - Imaging sales down -1.6 % in NOK, Flow sales up 11.8 % in NOK
 - Vascular sales up 16.9 % in NOK, Cardiac sales up 2.9 % in NOK
- Third-party products up 4.7 %
- Currency neutral, total sales show a decline of -2.5%
 - Currency neutral decline for own products was -5.1%
 - AMERICAS down -6.5 %
 - EMEA up 2.6 %
 - APAC down -7.1 %

EBIT margin at 25.0 % (28.7 %)

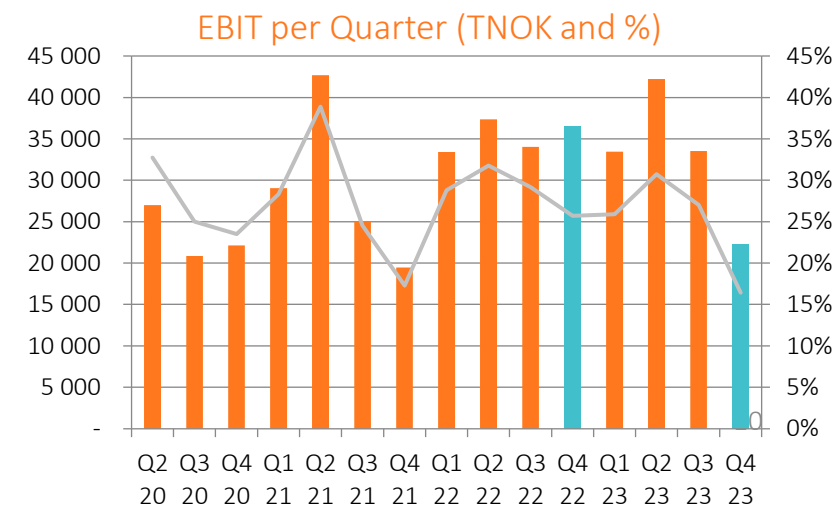
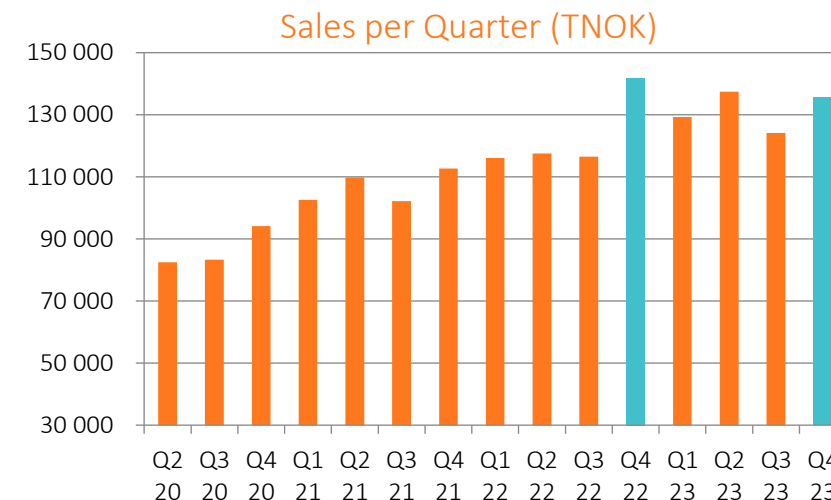
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- Increasing headcount for a 2nd shift in production
- General high activity, in addition to effects from inflation and currency



02 Financial Statements

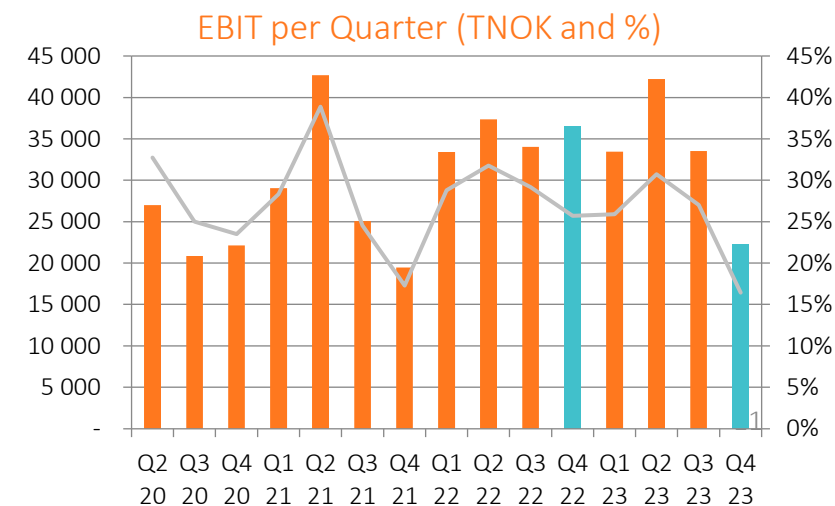
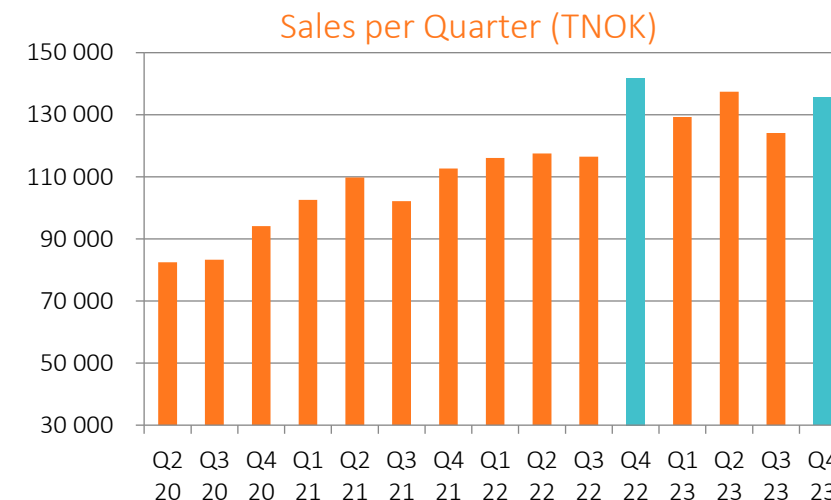
Profit and loss Q4 2023

Profit & loss	Q4 2023	Q4 2022
1=NOK 1000		
Sales revenue	135 618	141 823
Cost of goods sold	34 131	32 771
Salary and social expenses	46 040	42 797
Other operating expenses	26 149	23 847
<i>Total operating expenses</i>	<i>106 320</i>	<i>99 414</i>
EBITDA	29 298	42 409
<i>EBITDA%</i>	<i>21,6 %</i>	<i>29,9 %</i>
Depreciation	7 040	5 935
Operating profit (EBIT)	22 258	36 474
EBIT %	16,4 %	25,7 %
Financial income	6 983	2 051
Financial expenses	2 847	(3 383)
<i>Net finance</i>	<i>4 136</i>	<i>5 434</i>
Pre tax profit	26 394	41 908
Tax	7 285	9 431
Profit after tax	19 109	32 477



Profit and loss FY 2023

Profit & loss	FY 2023	FY 2022
1=NOK 1000		
Sales revenue	526 364	491 937
Cost of goods sold	112 280	106 485
Salary and social expenses	162 597	146 376
Other operating expenses	96 388	74 537
<i>Total operating expenses</i>	<i>371 265</i>	<i>327 398</i>
EBITDA	155 099	164 539
<i>EBITDA%</i>	<i>29,5 %</i>	<i>33,4 %</i>
Depreciation	23 657	23 288
Operating profit (EBIT)	131 442	141 251
EBIT %	25,0 %	28,7 %
Financial income	17 123	16 546
Financial expenses	13 352	11 748
<i>Net finance</i>	<i>3 770</i>	<i>4 799</i>
Pre tax profit	135 212	146 049
Tax	31 389	32 077
Profit after tax	103 823	113 973



Balance sheet – Assets

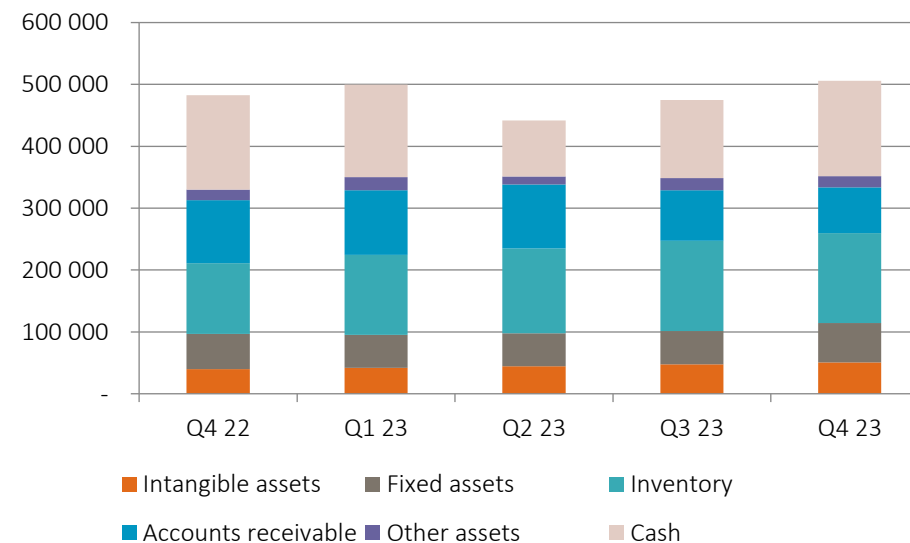
- Cash position by end of the quarter was MNOK 153.9 after a dividend payment of 82.2 MNOK in May
- Securing end-of-life components and keeping security stocks explain the high inventory level
- Reduction in customers receivables

Balance sheet 31.12.2023 31.12.2022

All numbers in NOK 1000

Assets

Intangible assets	50 517	39 660
Fixed assets	63 635	57 104
Total intangible and fixed assets	114 152	96 764
Inventory	145 391	114 333
Customers receivables	74 303	101 657
Other receivables	18 000	17 263
Cash	153 872	152 641
Total current assets	391 566	385 895
Total assets	505 718	482 659



Balance sheet

31.12.2023

31.12.2022

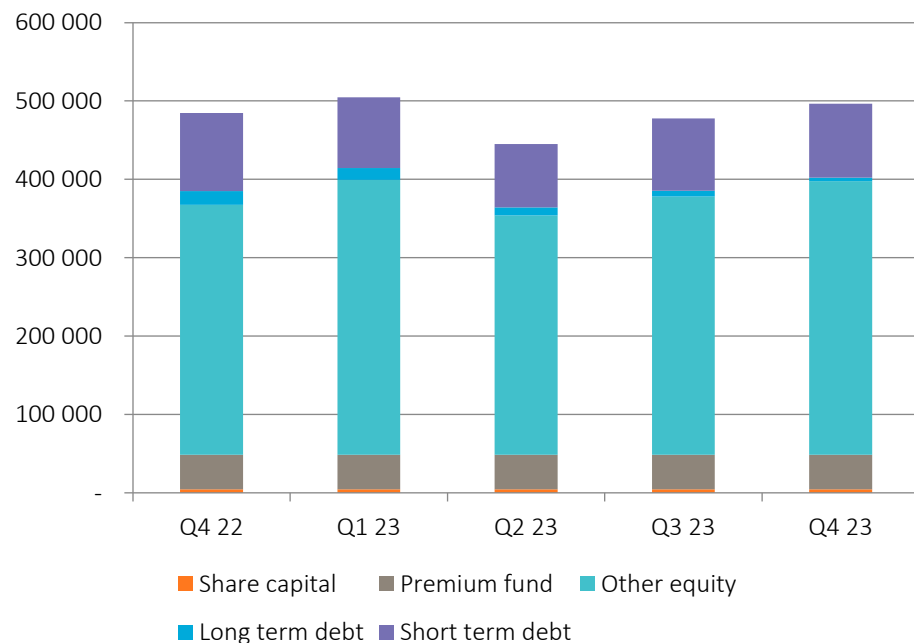
All numbers in NOK 1000

Share capital	4 584	4 584
Premium fund	44 172	44 172
Other equity	349 185	318 935
Total equity	397 941	367 691

Total long term debt	13 493	15 145
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Total short term debt	94 284	99 822
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Total equity and liability	505 718	482 658
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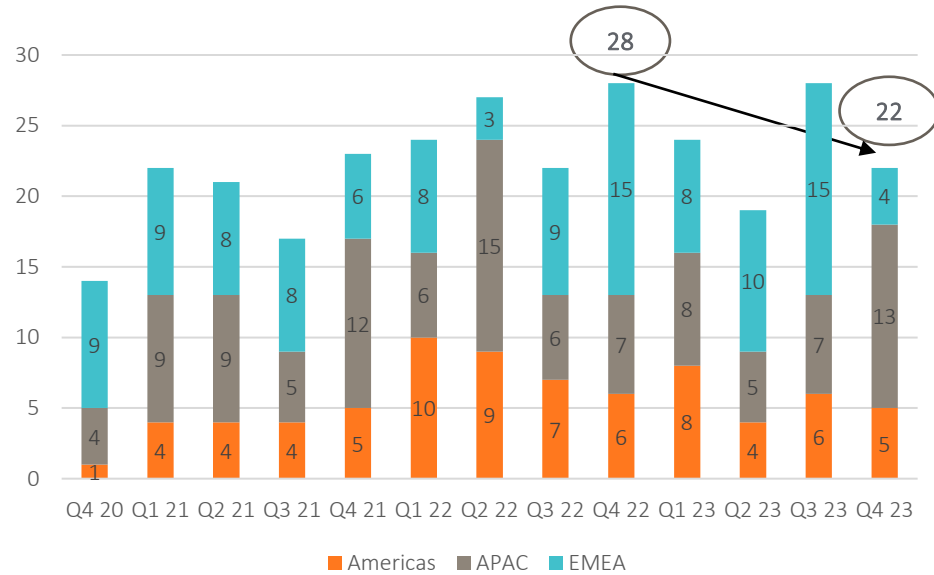
Balance sheet – Equity and Liability

- No interest-bearing debt
- 17.6 MNOK in obligations related to lease contracts where 9.2 MNOK is long term. Deferred revenue related to extended warranty amounted to 4.2 MNOK.
- Strong balance sheet with 78.7 % equity ratio

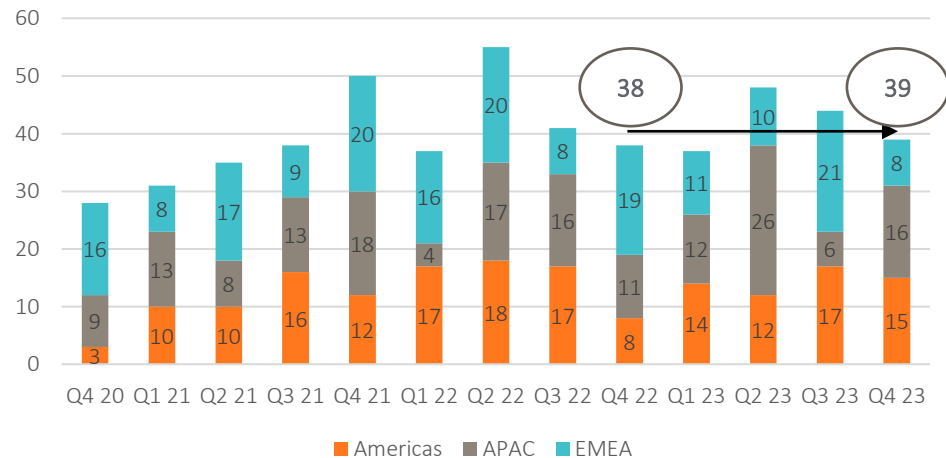


03 Business segments update

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



Imaging probes in units (excl. PPP/leasing)



Imaging probes and systems in units

- 6 less Flow-and-Imaging units sold as capital in Q4 compared to Q4 LY:

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

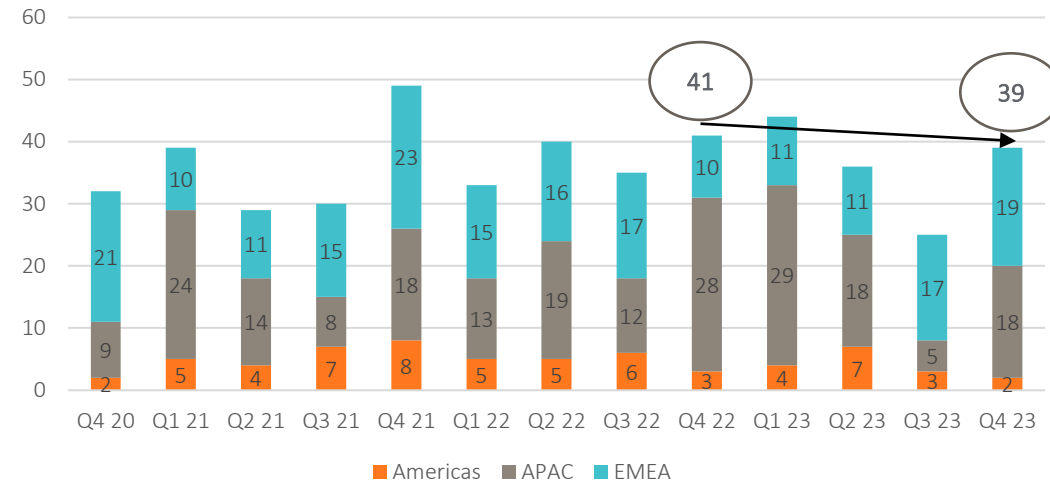
For 2023, we are 8 Imaging systems down from last year

- Imaging probe sales at the same level for the quarter and the year

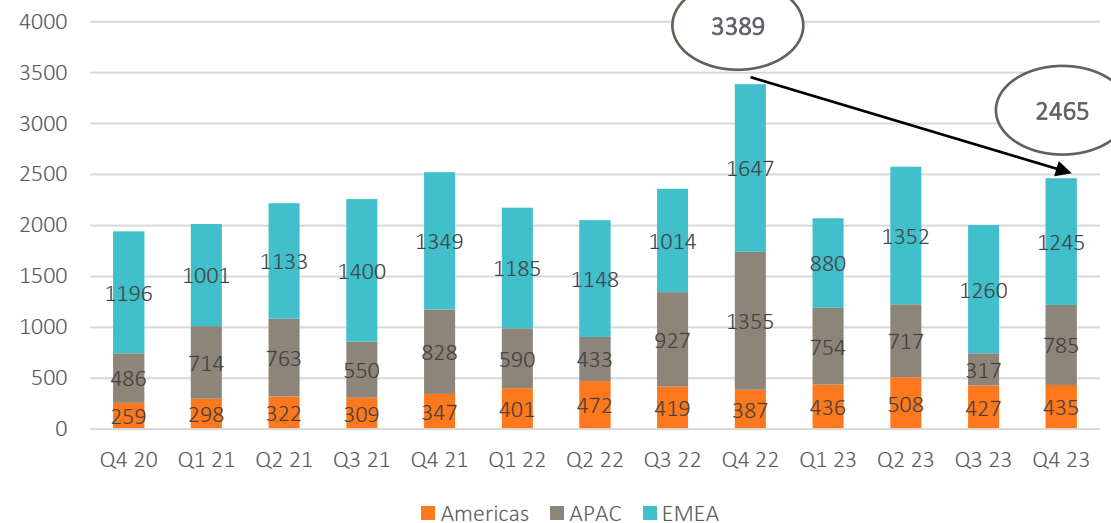
Flow probes and systems in units

- Capital sales of **Flow systems** in Q4 down with 2 systems.
 - APAC down 11 highly affected by the transition period in China and announced price increase for 2024
- Q4-22 was a very strong comparable for flow probe sale
 - The announced price increase from January 2023 and the transition in China from distributor to direct sales operation positively affected sales last year and negatively this year

Flow systems in units (excl. PPP/leasing)

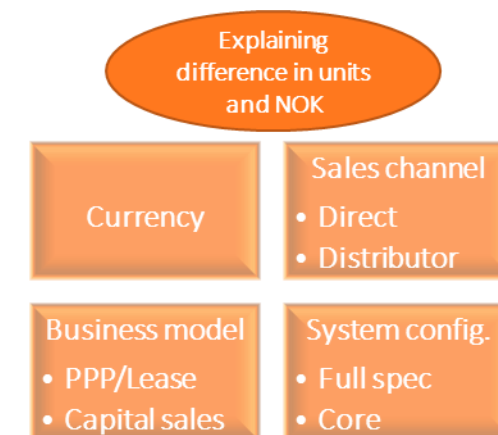


Flow probes in units (excl. PPP/leasing)



Revenue performance by region

Mill NOK	Q4 23	Q4 22	Q / Q	2023	2022	YTD / YTD
AMERICAS	46,8	49,7	-5,9 %	209,0	203,6	2,7 %
APAC	28,7	28,6	0,5 %	83,0	79,0	5,0 %
EMEA	39,7	43,9	-9,7 %	154,9	133,5	16,1 %
3.party	20,5	19,6	4,3 %	79,4	75,8	4,7 %
Total	135,6	141,8	-4,4 %	526,4	491,9	7,0 %



- In **AMERICAS**, revenues was down 5,9 % in NOK for the quarter and up 2.7 % for 2023, declining by 15.1 % currency neutral for the quarter and 8.2 % in 2023.
 - The main reason for the 2023 decline is 10 fewer capital sales of systems for the year, of which 9 were Imaging systems
- In **APAC**, revenues were flat in NOK for the quarter and up 5.0 % for 2023. Currency neutral development was 13.9 % decline for the quarter and 8.9 % for 2023.
 - **Q4 22 was a record comparable for APAC related to the transition of our China business** from a distributor to own sales organization in addition to an announced price increase for 2024
- **EMEA** delivered a weaker forth quarter, after 3 consecutive strong quarters. For the quarter, revenues were down in NOK by 9.7 % and currency neutral down by 22.6 %.
 - For the year, EMEA shows currency neutral **growth of 2.6 %**.

Positive currency effects for 2023 vs 2022 was 52.1 MNOK.
Average actual exchange rate for USD 10.56
and EUR 11.41 versus last year USD 9.42 and EUR 10.01.

Revenue performance by product category

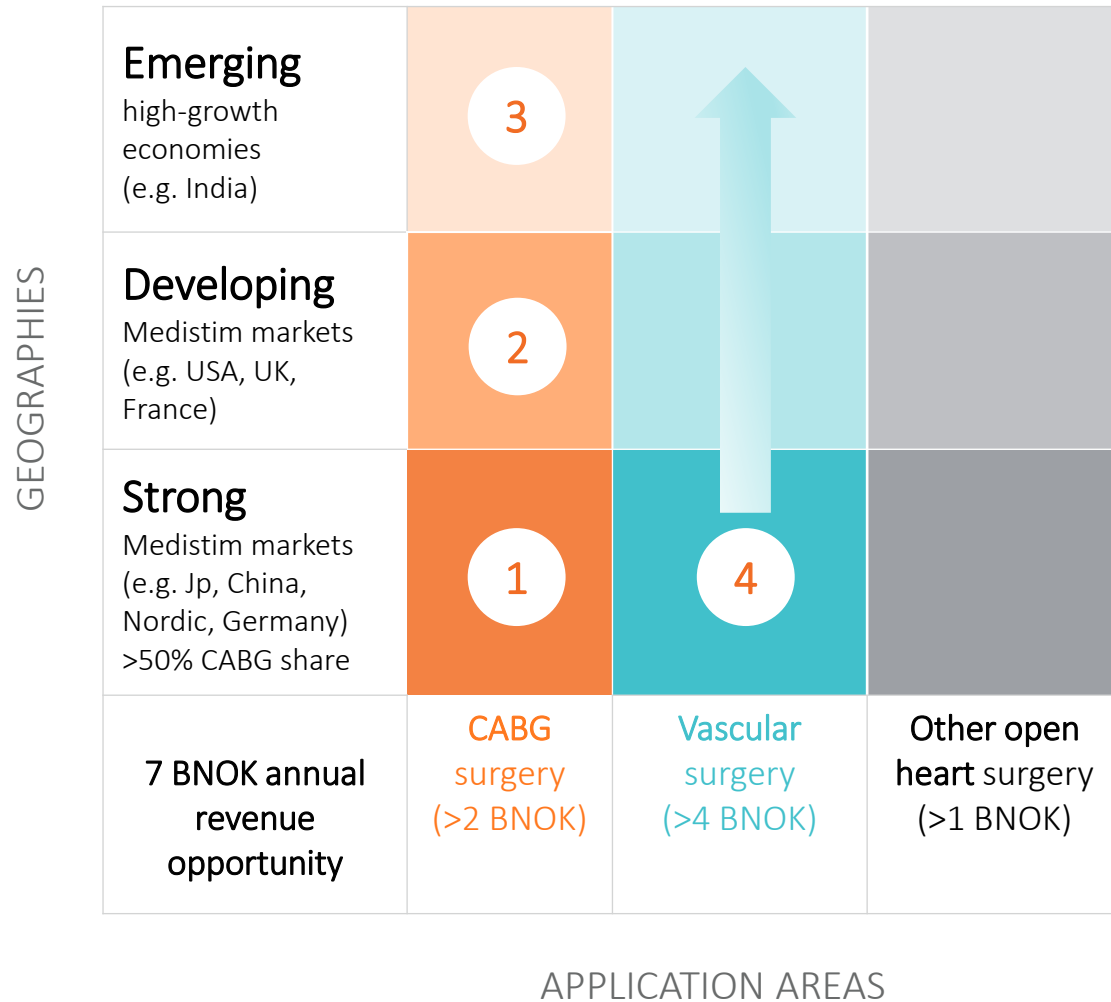
Mill NOK	Q4 23	Q4 22	Q o Q	2023	2024	YTD o YTD
Procedures (USA)	20,6	22,8	-9,4 %	100,6	93,8	7,3 %
Flow probes	57,1	61,6	-7,4 %	193,1	169,2	14,1 %
Flow systems (MiraQ)	15,1	13,9	8,3 %	55,5	49,7	11,8 %
Imaging systems (MiraQ)	18,0	20,4	-11,5 %	81,5	86,4	-5,7 %
Imaging probes	4,3	3,6	21,8 %	16,2	17,0	-4,7 %
3rd party	20,5	19,6	4,3 %	79,4	75,8	4,7 %
Total revenues	135,6	141,8	-4,4 %	526,4	491,9	7,0 %

- **Procedure sale in the USA:** The number of procedures decreased with 11.9 % for the quarter and 1.0 % in 2023. Favorable currency explains the higher revenue in NOK.
- **Flow probes:** The number of units sold decreased 26.6 % for the quarter and decreased 8.3 % in 2023. The increase in NOK for the year is driven by currency, price increase and sales through the direct sales channels.
- **Flow systems:** The number of units sold was down 4.9 % for the quarter and down 3.4 % in 2023, but high level of sales through the direct channel and currency explain the increase in NOK for the quarter and year.
- **Imaging systems and probes:** For the quarter the number of imaging units sold was down 21.4%, but higher level of direct sales and currency explain less decline in NOK. The number of units was down 7.9 % in 2023. Sales in NOK shows similar decline because of higher level of sales through distributors.



04 Implementing the strategy

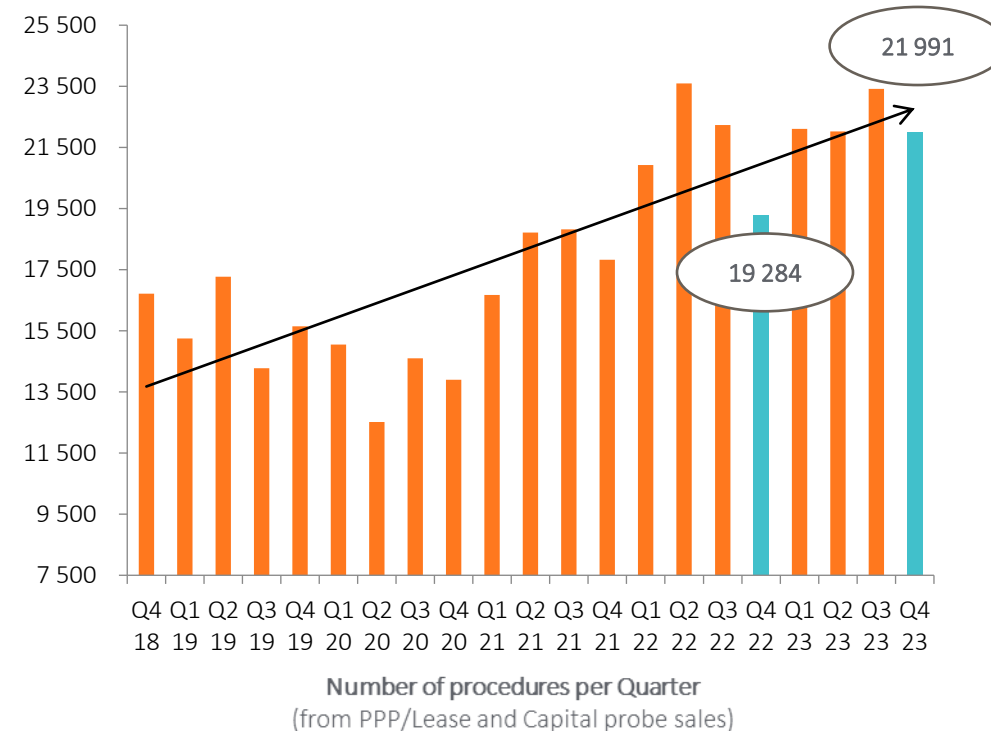
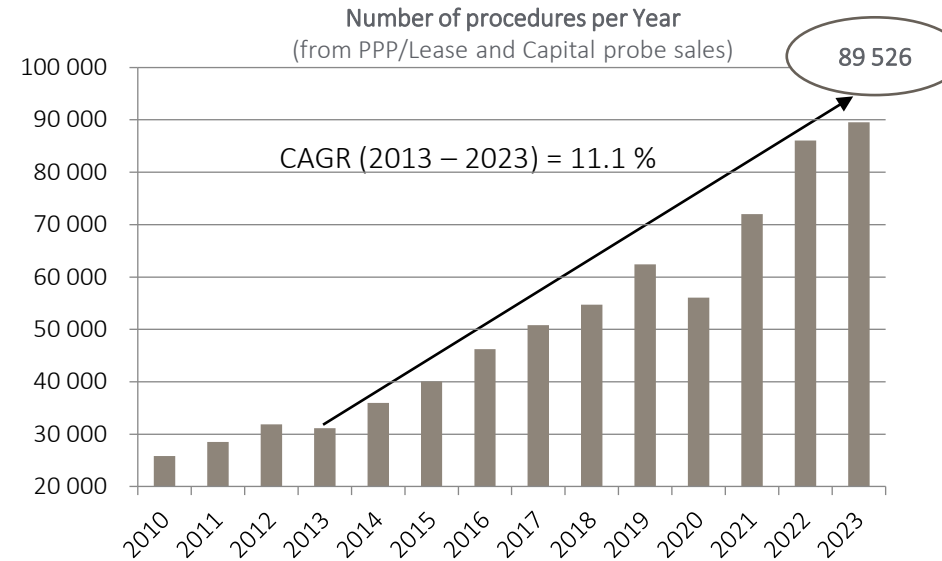
The Growth Strategy



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

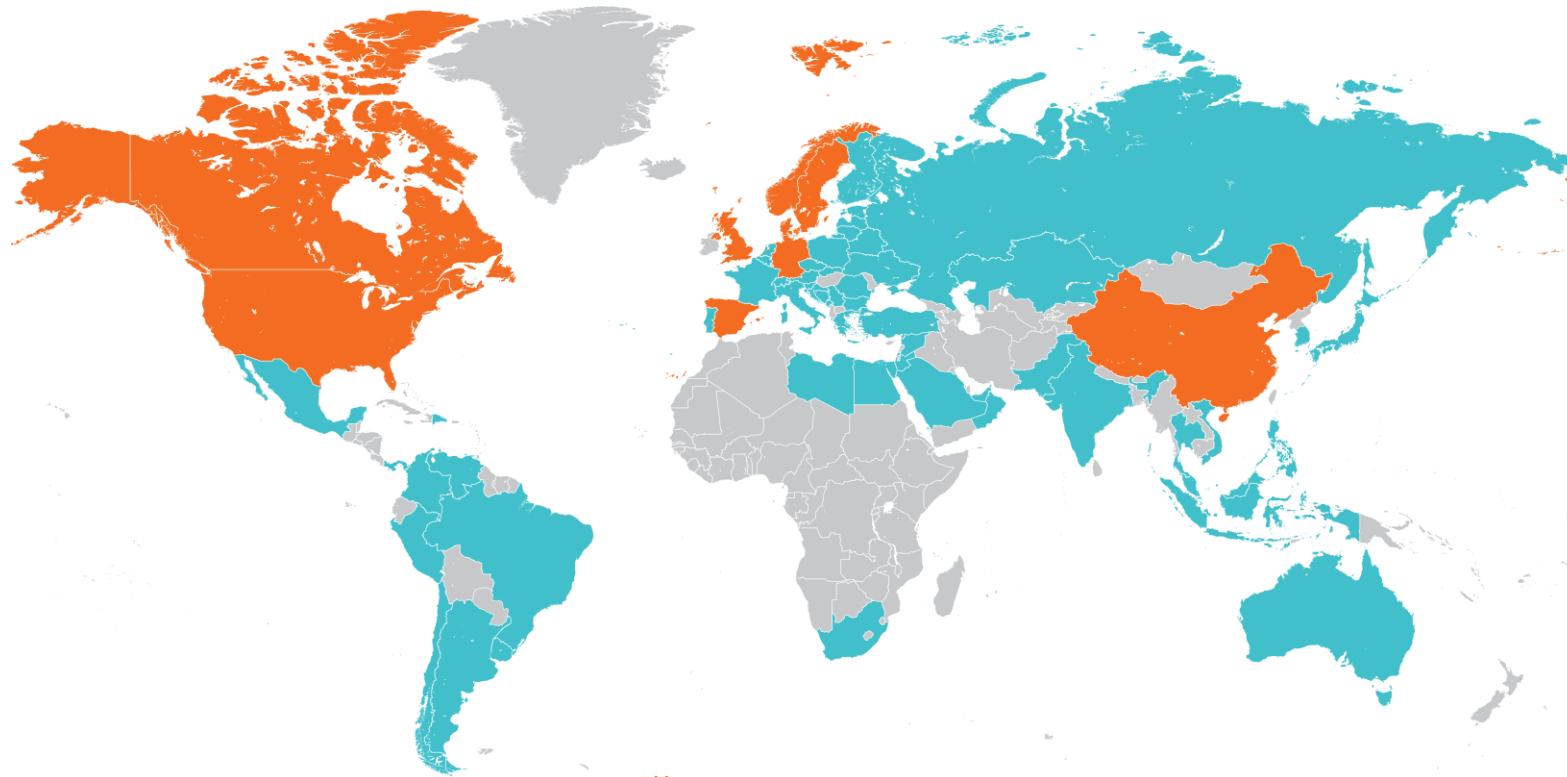
Performance US sales

- Currency neutral sales revenue declined by -14.3 % in Q4 and by -6.5 % for 2023 in AMERICAS due to soft capital sales in the US
- Capital systems sales
 - 7 (9) units in total in Q4 and 39 (49) units in total YTD
 - 9 fewer Flow-and-Imaging units in 2023; 23 (32); estimated loss of around 18 MNOK
- Total number of procedures was up with 14.0% Q4 and up 4.4 % in 2023 (counting PPP/Lease procedures and procedures from capital probe sales)
 - Flow procedures up 16.3% the quarter and up 5.0 % in 2023
 - Imaging procedures up 4.5 % for the quarter and at the same level as last year FY
- Keep winning new customers
 - 2 (7) in Q4 and 27 (34) YTD



Growing our direct sales footprint with China, Canada and Sweden

Medistim - a global niche market leader within ultrasound technology



526.4 mill NOK in revenue
EBIT margin of 25 %

- Ultrasound devices for **intraoperative** use
 - Transit time flow measurement (TTFM)
 - High frequency ultrasound imaging (HFUS)
- Reducing risk and enhancing quality of **Cardiac, Vascular and Transplant surgery**
- Established 1984
- > 150 employees
- Headquarters in Oslo, Norway
- **Subsidiaries in the USA, Canada, China, Germany, Spain, UK, Denmark, Sweden and Norway**
- **Global distribution network in more than 60 countries**
- > 3 300 devices on the market

Expanding our direct market coverage, local teams in place

For topline and margin growth: Conversion to Imaging and Vascular market development



China direct from April 2023

- ❑ Strong position in CABG with TTFM
 - >60,000 CABG procedures per year, about 70% supported by Medistim technology
 - Medistim is used in all top 10 cardiac centers
- ❑ Revenue development
 - 2022 revenues from the former distributor was 37.2 MNOK
 - 2023 revenues from distributor & direct were 42.6, a **14.5 % increase** (17 MNOK direct)

Canada direct from May 2023

- ❑ Strong position in CABG with TTFM
 - ≈ 37% of the 18,000 CABG procedures
 - 38 cardiac centers, 15 are using Medistim technology
 - Prof Teresa Kieser, Calgary, long-standing advocate and KOL
- ❑ Revenue development
 - 2022 revenues from the former distributor was 3.3 KNOK
 - 2023 revenues from distributor & direct were MNOK 6.7, a **103% increase**

Sweden direct from November 2023

- ❑ Strong position in CABG with TTFM
 - About 80% of the 2,600 CABG/year
- ❑ Also, solid position in the Vascular market
- ❑ Establishing a broader, Scandinavian distribution business for Norway, Denmark and Sweden to win pan-Scandinavian agencies:
 - Swiss company **A.M.I.** (urology, coloproctology and urogynecology)
 - US company **Tisgenx** (bovine pericardial tissue patches)

Defining Quality. Transforming lives.

Celebrating 40 years of empowering the surgical
community with uncompromised quality





20 largest shareholders

Date: 28/02/2024

Name: MEDISTIM ASA

ISIN: NO0010159684

Number of investors: 1020

Number of shares: 18337336

Rank	Name	MEDI	In %	Country
1	Acapital Medi Holdco AS	1 900 219	10,4 %	Norway
2	SEB Fonder	1 790 500	9,8 %	Sweden
3	ODIN Fonder	1 780 000	9,7 %	Norway
4	Øyvinn A. Brøymer with companies	1 285 000	7,0 %	Norway
5	Swedbank Robur Fonder	1 155 000	6,3 %	Sweden
6	Follum Invest AS	970 000	5,3 %	Norway
7	Invesco	910 000	5,0 %	USA
8	Berenberg Funds	644 868	3,5 %	Germany
9	Danske Invest	624 758	3,4 %	Denmark
10	Fidelity Investments (FMR)	618 564	3,4 %	USA
11	Holberg Fonder	383 421	2,1 %	Norway
12	Asbjørn John Buanes	381 876	2,1 %	Norway
13	SEBinvest	378 375	2,1 %	Denmark
14	Handelsbanken Fonder	336 259	1,8 %	Sweden
15	Montanaro	292 000	1,6 %	UK
16	Humle Fonder	275 000	1,5 %	Sweden
17	TIN Fonder	238 314	1,3 %	Sweden
18	La Financière de l'Echiquier	211 307	1,2 %	France
19	Aktia Asset Management	180 337	1,0 %	Finland
20	DNCA Finance S.A	160 869	0,9 %	France
Total 20 largest shareholders		14 516 667	79,2 %	
Total shares outstanding		18 337 336		

MEDİSTIM