

Welcome to Medistim ASA's  
Interim report  
Q2 and FIRST HALF 2021

The webinar will begin shortly

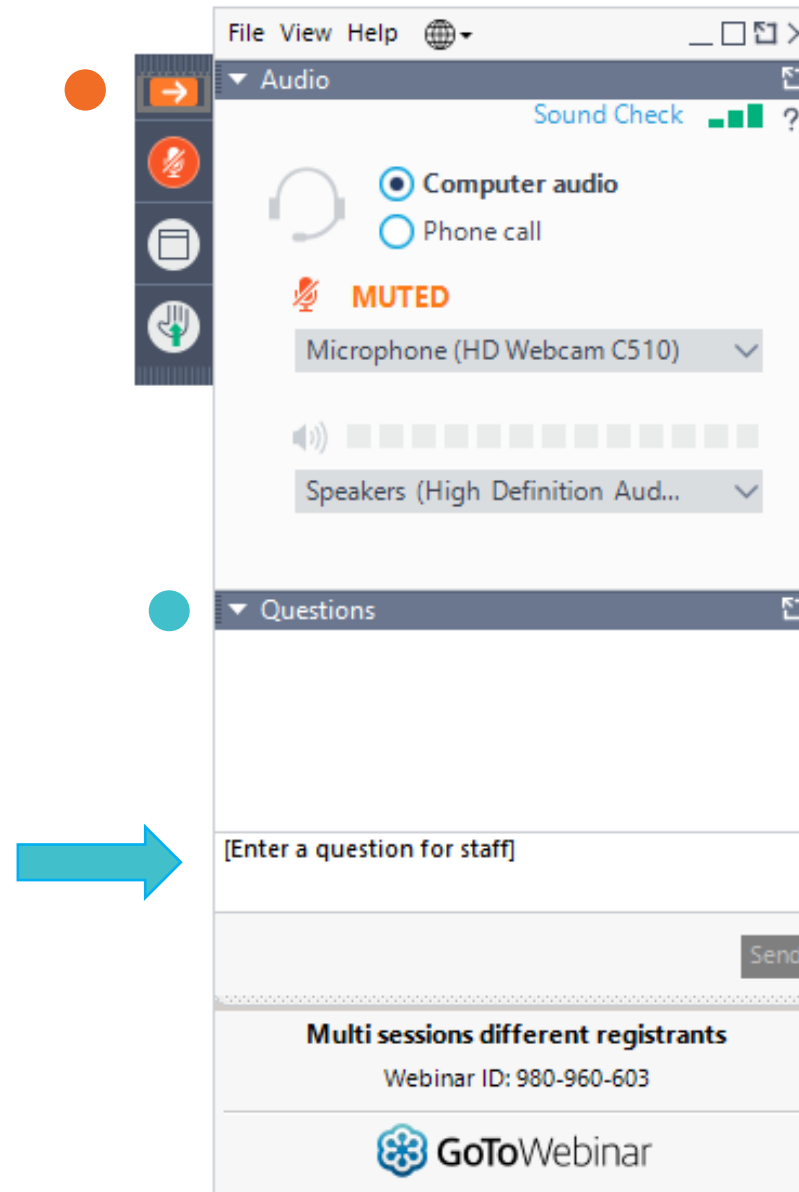


## Before we start

You will be kept on mute during the presentation.

All questions will be answered at the end of the presentation

- Click on 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



# Medistim ASA Q2 and first half 2021

August 13<sup>th</sup> 2021



Kari E. Krogstad  
PRESIDENT & CEO

Thomas Jakobsen  
CFO



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## 01 Highlights

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## Highlights 2<sup>nd</sup> Quarter

Q2 2021		% Q o Q
Revenue	MNOK 109.8 (82.5)	 +33.1%
EBIT	MNOK 42.7 (27.7)	 +54.0%
Currency		 -11.0%
<b>Number of units sold or outplaced:</b>		
Flow systems	32	 -8.6%
Imaging systems	27	 +200%
Flow probes (ex USA)	1 957	 +34.5%
Imaging probes	35	 + 66.7%
Procedures (USA)	18 718	 +49.6%









### Best quarterly result ever for revenue and EBIT

- Record quarterly sales revenue ever, up 26.6% in NOK to MNOK 104.5
  - Imaging sales up 71% in NOK, Flow sales up 23.6% in NOK
  - Vascular sales up 6.1% in NOK, Cardiac sales up 31.8 %in NOK
  - Currency neutral growth was 36.7% in total and 40.2% for own products:
    - USA up 56.9%, Europe up 31.4%, Asia up 83.1%, RoW down 39.5%
- Extraordinary revenue of MNOK 5.3 from the COVID-related Paycheck Protection Program granted by the U.S. federal government is taking **total revenue to MNOK 109.8** for the quarter
- 22.7 % increase in sales of **third-party** products

Best quarterly EBIT ever, margin up from 33.6% to 38.9%

Pay Per Procedure (PPP) feature added to the MiraQ™ system generation

## Highlights 1<sup>st</sup> Half

	H1 2021	% H o H
Revenue	MNOK 212.8 (185.6)	 +14.4%
EBIT	MNOK 71.7 (52.5)	 +36.7%
Currency		 -9.3%
<b>Number of units sold or outplaced:</b>		
Flow systems	74	 -6.3%
Imaging systems	50	 +42.9%
Flow probes (ex USA)	3 731	 +19.3%
Imaging probes	66	 +10.0%
Procedures (USA)	35 389	 +28.4%

### Best first half ever for revenue and EBIT

- Record first half sales revenue ever, up 11.6% in NOK to MNOK 207.1
  - Imaging sales up 14%, Flow up 9.8% in NOK
  - Vascular sales down 8.2 %, Cardiac up 12.8% in NOK
  - Currency neutral growth was 20.4% in total and 20.2% for own products:
    - USA up 26.6%, Europe up 19.7%, Asia up 29.3%, RoW down 33.4%
- The extraordinary revenue of MNOK 5.3 from the COVID-related U.S. Paycheck Protection Program granted in Q2 is taking **total revenue to MNOK 212.8** for the first half
- 21.6 % increase in sales of **third-party** products

### Best first half EBIT ever, margin up from 28.3% to 33.8%

LivaNova is new distributor in India as of January 1st

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





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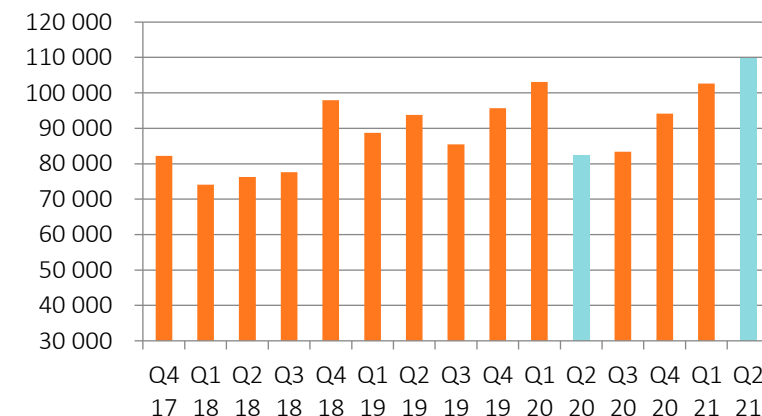
## 02 Financial Statements

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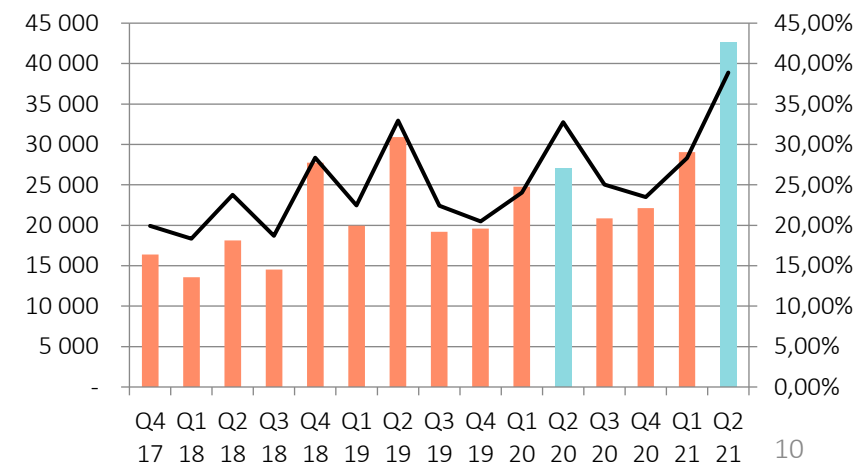
# Profit and loss Q2 2021

Profit & loss	Q2 2021	Q2 2020
<i>All numbers in NOK 1000</i>		
<b>Sales revenue</b>	<b>104 476</b>	<b>82 482</b>
Other revenue	5 292	-
<b>Total revenue</b>	<b>109 768</b>	<b>82 482</b>
Cost of goods sold	22 637	15 892
Salary and sosial expenses	25 208	22 413
Other operating expenses	13 611	10 883
Total operating expenses	61 456	49 187
<b>Op. res. before depr. and write-offs (EBITDA)</b>	<b>48 312</b>	<b>33 294</b>
<i>EBITDA %</i>	<i>44,0 %</i>	<i>40,4 %</i>
Depreciation	5 637	5 584
<b>Operating result (EBIT)</b>	<b>42 675</b>	<b>27 710</b>
<i>EBIT %</i>	<i>38,9 %</i>	<i>33,6 %</i>
Financial income	1 250	1 387
Financial expenses	1 103	3 573
<b>Net finance</b>	<b>147</b>	<b>(2 186)</b>
<b>Pre tax profit</b>	<b>42 821</b>	<b>25 525</b>
Tax	8 653	5 256
<b>Profit after tax</b>	<b>34 168</b>	<b>20 269</b>

Sales per Quarter (TNOK)



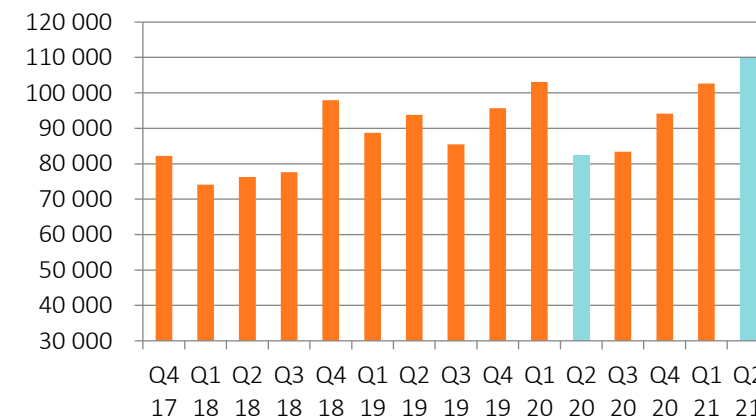
EBIT per Quarter (TNOK)



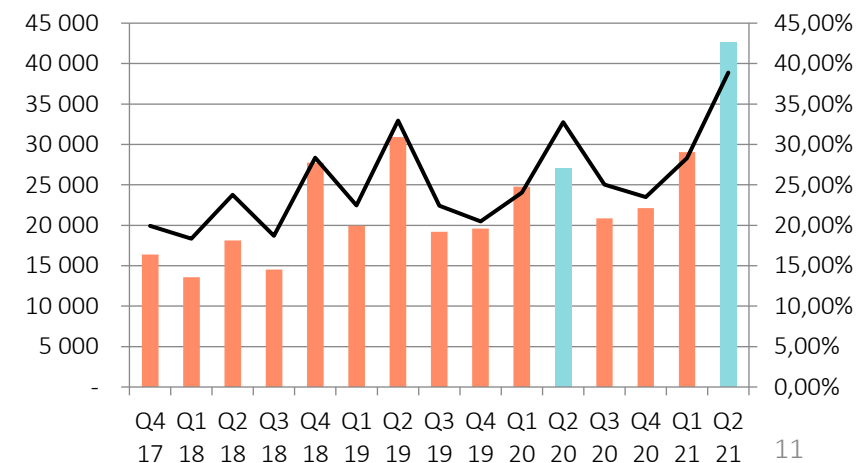
# Profit and loss H1 2021

Profit & loss	H1 2021	H1 2020
<i>All numbers in NOK 1000</i>		
<b>Sales revenue</b>	<b>207 106</b>	<b>185 588</b>
Other revenue	5 292	-
<b>Total revenue</b>	<b>212 398</b>	<b>185 588</b>
Cost of goods sold	45 438	38 966
Salary and sosial expenses	57 611	55 703
Other operating expenses	26 118	27 347
Total operating expenses	129 167	122 016
<b>Op. res. before depr. and write-offs (EBITDA)</b>	<b>83 231</b>	<b>63 572</b>
<i>EBITDA%</i>	<i>39,2 %</i>	<i>34,3 %</i>
Depreciation	11 491	11 077
<b>Operating result (EBIT)</b>	<b>71 741</b>	<b>52 495</b>
<i>EBIT %</i>	<i>33,8 %</i>	<i>28,3 %</i>
Financial income	3 251	8 026
Financial expenses	4 320	7 503
<b>Net finance</b>	<b>(1 069)</b>	<b>523</b>
<b>Pre tax profit</b>	<b>70 672</b>	<b>53 018</b>
Tax	14 682	11 642
<b>Profit after tax</b>	<b>55 990</b>	<b>41 376</b>

Sales per Quarter (TNOK)



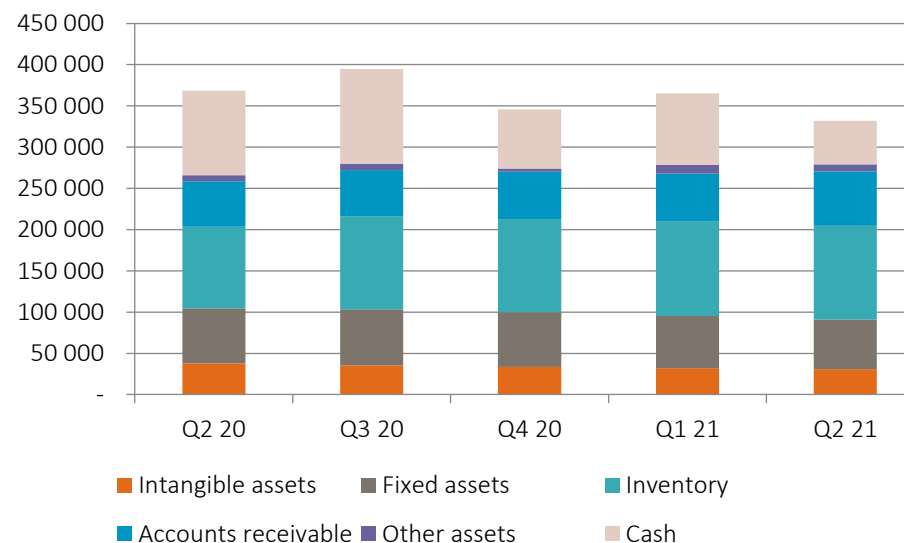
EBIT per Quarter (TNOK)



## Balance sheet – Assets

- Cash position by end of quarter was MNOK 53.0
- Securing end-of-life components and keeping security stocks of components explain the high inventory level
- A dividend of NOK 3.00 per share, total MNOK 54.6, was paid in May

Balance sheet	30.06.2021	31.12.2020
<i>All numbers in NOK 1000</i>		
<b>Assets</b>		
Intangible assets	30 826	33 464
Fixed assets	60 329	66 570
<b>Total intangible and fixed assets</b>	<b>91 154</b>	<b>100 034</b>
Inventory	113 485	112 667
Customers receivables	66 041	57 485
Other receivables	8 376	3 744
Cash	53 019	71 891
<b>Total current assets</b>	<b>240 921</b>	<b>245 786</b>
<b>Total assets</b>	<b>332 075</b>	<b>345 820</b>



## Balance sheet

30.06.2021

31.12.2020

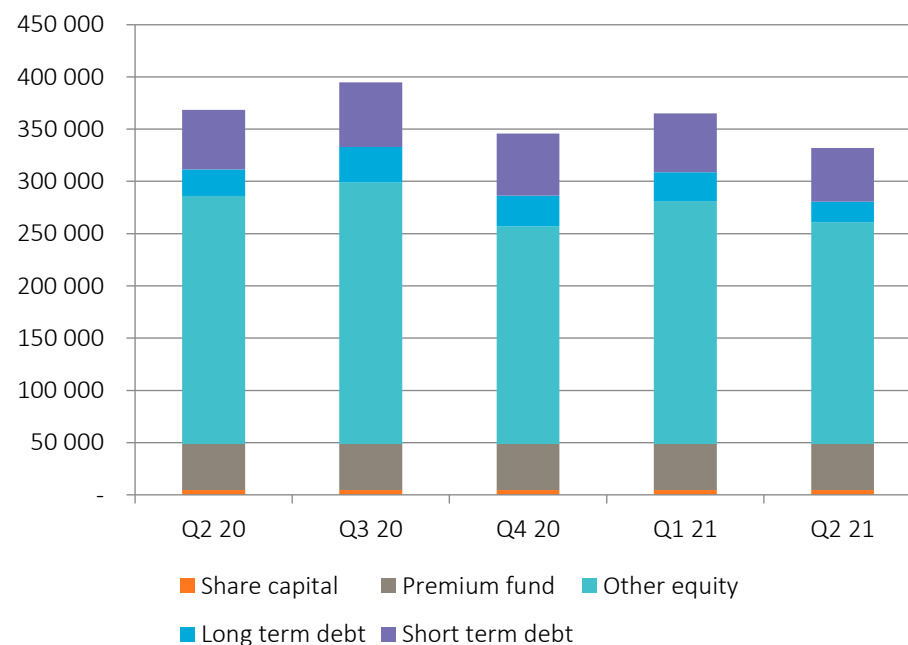
All numbers in NOK 1000

Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	212 229	208 089
<b>Total equity</b>	<b>260 986</b>	<b>256 846</b>

<b>Total long term debt</b>	<b>19 550</b>	<b>29 497</b>
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<b>Total short term debt</b>	<b>51 539</b>	<b>59 477</b>
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<b>Total equity and liability</b>	<b>332 075</b>	<b>345 820</b>
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## Balance sheet – Equity and Liability

- 3.0 MNOK in interest-bearing debt. MNOK 5.3 from the U.S. Paycheck Protection Program, previously booked as a loan, was this quarter released to other revenue
- 24.9 MNOK in obligations related to lease contracts where 18.1 MNOK is long term
- Strong balance sheet with 78.6 % equity ratio



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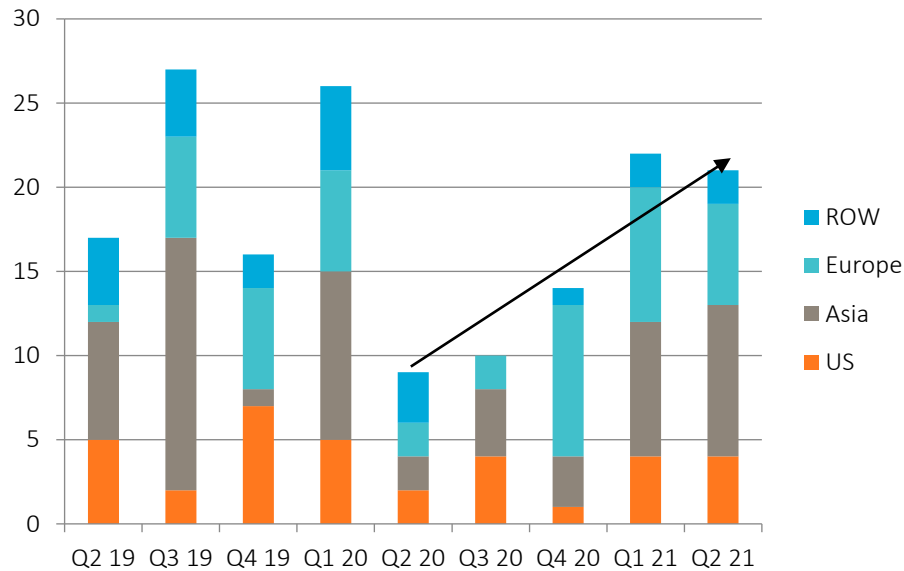
## 03 Business segments update

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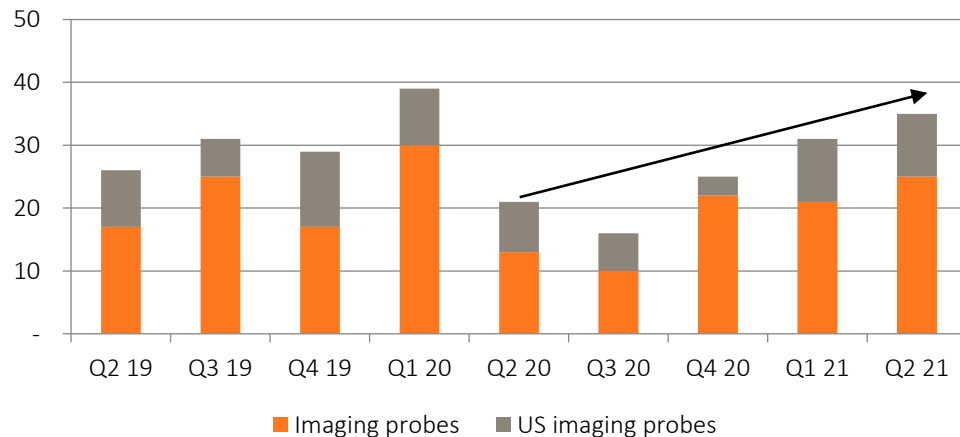
## Imaging probes and systems in units

- Unit sales of imaging systems sold as capital equipment come back strong after the COVID slow down, **growing 133.3%** this quarter
- Unit sales of imaging probes are also back to normal, **growing 66.7%** this quarter

Imaging systems in units



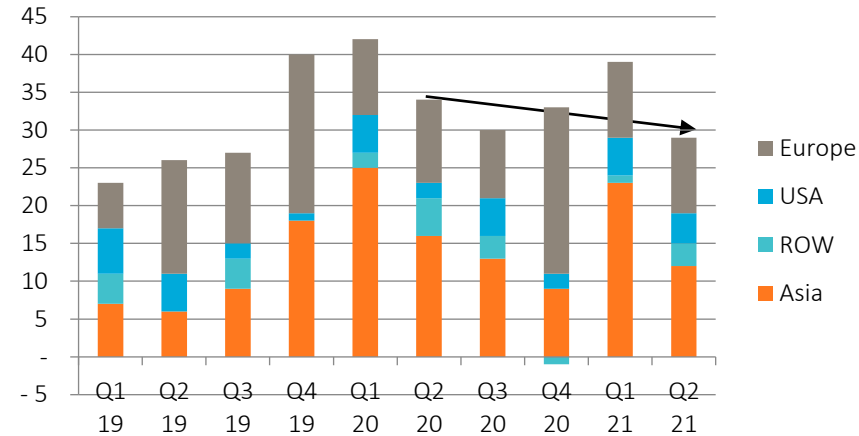
Imaging probes in units



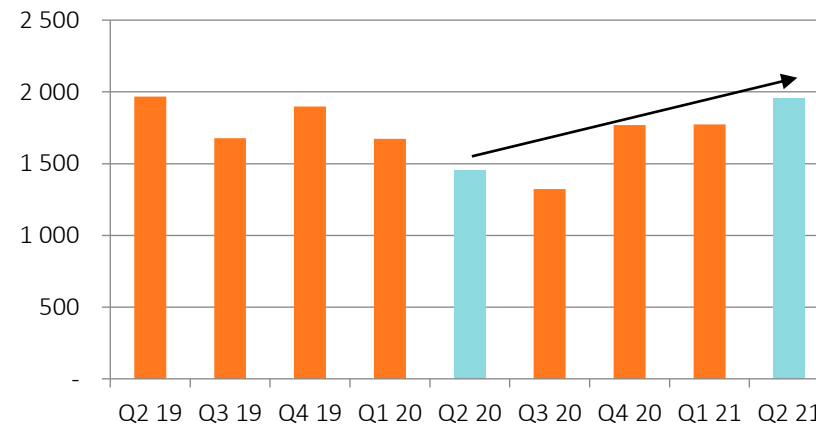
## Flow probes and systems in units

- Number of flow systems sold as capital equipment is **down 15%** from Q2 last year.  
It is Medistims strategy to convert the market from Flow-only to Flow-and-Imaging technology
- The **total sales of systems** (Flow and Flow-and-Imaging) sold as capital equipment show an increase of 7 units or **16%**
- 35% growth in number of flow probes sold this quarter reflects that the surgical **activity level is getting back to normal**

Flow systems in units (MiraQ capital sales)



Flow probes in units (excl USA)





## Q2 and H1 revenue performance by region

Mill NOK	Q2 21	Q2 20	Q / Q	H1 21	H1 20	H1 / H1	2020
Europe	50,4	40,7	23,8 %	95,1	81,5	16,7 %	173,3
USA	41,4	26,6	55,7 %	76,5	65,0	17,8 %	126,4
Asia	13,8	7,9	73,6 %	33,2	27,1	22,6 %	46,8
ROW (MEA, CAN, SA, AUS)	4,1	7,2	-42,6 %	7,6	12,0	-36,9 %	16,7
<b>Total</b>	<b>109,8</b>	<b>82,5</b>	<b>33,1 %</b>	<b>212,4</b>	<b>185,6</b>	<b>14,4 %</b>	<b>363,1</b>

- **In Europe**, Q2 sales of **own products increased** with 24.6% in NOK and 31.1% currency neutral. For the first half, sales of own products increased with 13.5% in NOK and 19.7% currency neutral. **3. party increased** with 22.7% in Q2 and 20.4% first half.
- **In the USA**, total revenues for the quarter and first half include the extraordinary MNOK 5.3 related to the U.S. Paycheck Protection Program. Excluding this, sales revenue for Q2 was NOK 36.1, a 35.8 % increase. Currency neutral this corresponds to an increase of with 56.8 %. Similar for first half, sales revenue was NOK 71.2, a 9.6 % increase in NOK corresponding to a currency neutral increase of 26.6 %.
- **In Asia**, solid growth both for the quarter and the first half.
- **ROW** continues to be a small sales territory for Medistim, with significant quarter to quarter variation.

*Negative currency effects for first half 2021 vs 2020 was **16.3 MNOK**.*

*Average actual exchange rate for USD 8.44 and EUR 10.18 versus last year USD 9.75 and EUR 10.74.*

## Q2 and first half 2021 revenue performance by product

Mill NOK	Q2 21	Q2 20	Q / Q	H1 21	H1 20	H1 / H1	2020
Procedures (USA)	28,9	22,4	28,8 %	54,8	50,7	8,0 %	99,4
Flow probes	29,0	21,6	34,0 %	55,2	46,4	19,1 %	92,6
Flow systems (MiraQ)	8,4	9,8	-14,1 %	21,5	23,9	-10,1 %	47,2
Imaging systems (MiraQ)	14,8	7,6	95,6 %	30,3	25,0	21,2 %	44,2
Imaging probes	1,9	1,0	86,4 %	3,5	3,1	12,2 %	5,2
3rd party	20,2	16,5	22,8 %	38,9	32,0	21,6 %	67,5
Other	6,5	3,6	83,6 %	8,2	4,5	81,7 %	6,9
<b>Total revenues</b>	<b>109,8</b>	<b>82,5</b>	<b>33,1 %</b>	<b>212,4</b>	<b>185,6</b>	<b>14,4 %</b>	<b>363,1</b>

- **Procedure sale in the USA:** The total number of procedures increased with 49.6% for the quarter and with 28.4 % for the first half. Lower sales in NOK is explained by unfavorable currency and product mix.
- **Flow probes:** The percentage growth in NOK corresponds to a similar % growth in units, both for Q2 and first half.
- **Flow systems (capital):** The percentage decline in NOK corresponds to a similar % decline in capital units, both for Q2 and first half.
- **Imaging systems (capital):** 133% increase in capital units and 95.6% increase in NOK for the quarter. The lower increase in NOK is related to high sales through distributors this quarter. For the first half, the % growth in number of capital units sold corresponds with similar % increase in NOK.
- **3<sup>rd</sup> party products:** Strong quarter and first half.
- **Other:** Includes an extraordinary revenue of MNOK 5.3 related to the U.S. Paycheck Protection Program



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## 04 Implementing the strategy

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# Medistim growth strategy

GEOGRAPHIES

<b>Emerging</b> high-growth economies (e.g. BRIC)	3		
<b>Developing</b> Medistim markets (e.g. USA, UK, France)	2		
<b>Strong</b> Medistim markets (e.g. Jp, Nordic, Germany) >50% CABG share	1	4	
	<b>CABG</b> surgery (2 BNOK)	<b>Vascular</b> surgery (>1 BNOK)	<b>Other open heart</b> 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



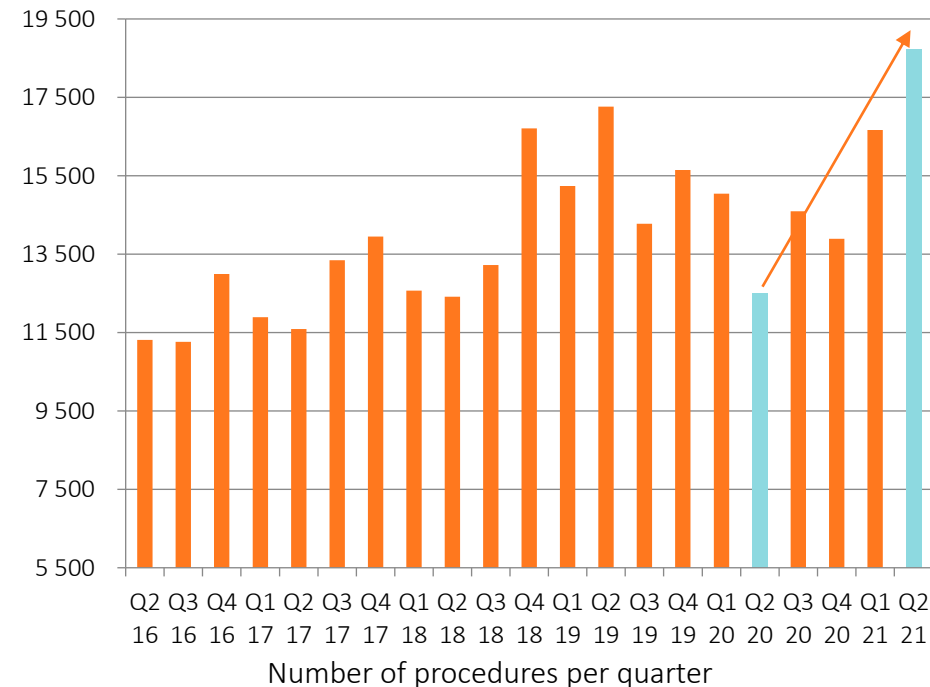
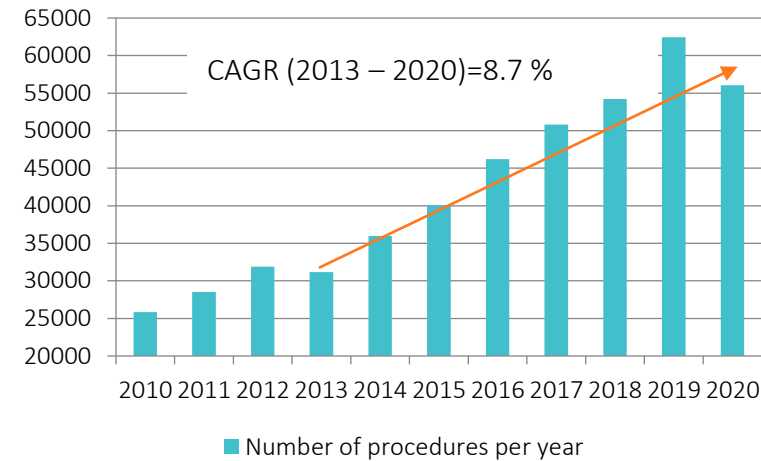
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## Sales growth in the USA

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## Performance US sales

- **Strong Q2 growth in sales and total revenue**
  - Total revenue in USD incl. the Paycheck Protection Program extraordinary revenue of TUSD 630 and grows at 79.8%
  - Sales revenue only, in USD, increase by 56.9% in Q2 and by 26.6% in first half
- Total number of procedures was up 49.6% in Q2 and 28.4% in first half
  - Flow procedures up 54.6% in Q2
  - Imaging procedures up 26.9% in Q2
- Capital systems sales: 8 units in Q2 vs 4 LY, 17 units in first half vs 14 LY
- Strong growth in new customers
  - 18 vs 2 in Q2 last year
  - 28 vs 8 in first half last year



# Adding the popular Pay Per Procedure option to MiraQ™ in the USA

- Medistim offers various options for product acquisition:



## Capital sales model

System is sold as capital equipment

- Flow: € 45.000
- Flow and imaging: € 90.000

Flow probes are sold as consumables

- € 1.800
- Reusable 50x

Imaging probe is sold as consumable

- € 10.000
- Reusable 100x



## Pay Per Procedure model (USA only)

System and probes are placed at the hospital free of charge

- Ownership with Medistim

Customer pays per procedure and buys smart cards that activate the system for one operation

- Flow procedure: \$250
- Flow and imaging procedure: \$470



## Lease model

System is leased out over a period of time

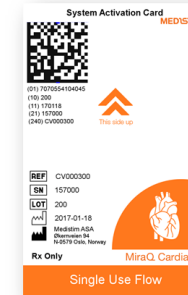
- Ownership with Medistim

Flow probes are sold as consumables

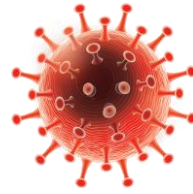
- € 1.800
- Reusable 50x

Imaging probe is sold as consumable

- € 10.000
- Reusable 100x



- In the U.S.A., the PPP model has been offered on the previous system generations (Butterfly™, VeriQ™ and VeriQC™) and now we have added it to our latest MiraQ™ system generation as well
- Revenue from the PPP model make up close to 30% of the total U.S. revenue and many of our largest customers prefer this model, hence we want to continue to offer this option



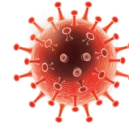
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## 05 The COVID-19 pandemic

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# The COVID-19 pandemic



From gradually decreasing impact to strong recovery this quarter



## Currency neutral sales development

- Q2-20: -19.3 % vs LY
- Q3-20: -9.7 % vs LY
- Q4-20: -7.2 % vs LY
- Q1-21: +4.4 % vs LY
- Q2-21: +36.7% vs LY  
(strongest quarter ever)

## Not quite back to normal

- Still some travel and hospital access restrictions
- In some countries, and some states in the U.S.A., with lower vaccination rates, elective surgeries may still have to be postponed as a potential 4<sup>th</sup> wave with the Delta variant develops

## A positive outlook

- As vaccination rates continue to increase, we expect fewer COVID patients in the hospitals, ensuring sufficient capacity to treat patients in need of cardiac and vascular surgery
- Medistim is looking at the rest of the year and longer-term future with optimism, while remaining alert to the further development of the pandemic



# Shareholders list per August 10th 2021

Name: MEDISTIM ASA

ISIN: NO0010159684

Number of investors:

1 070

Number of shares:

18 337 336

Rank	Name	Holding	% of total	Citizenship	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	State Street Bank and Trust Comp	1 237 120	6,7 %	United States	Nominee
5	State Street Bank and Trust Comp	1 098 724	6,0 %	United States	Nominee
6	Skandinaviska Enskilda Banken AB	1 029 728	5,6 %	Sweden	Nominee
7	FOLLUM CAPITAL AS	970 000	5,3 %	Norway	Ordinary
8	Skandinaviska Enskilda Banken AB	626 081	3,4 %	Denmark	Nominee
9	State Street Bank and Trust Comp	483 998	2,6 %	United States	Nominee
10	State Street Bank and Trust Comp	416 805	2,3 %	United States	Nominee
11	Skandinaviska Enskilda Banken AB	409 723	2,2 %	Sweden	Nominee
12	SKANDINAVISKA ENSKILDA BANKEN AB	387 682	2,1 %	Luxembourg	Nominee
13	FD INVT TR: FD SRS INTL SML CP FD	382 845	2,1 %	United States	Ordinary
14	BUANES	379 936	2,1 %	Norway	Ordinary
15	Danske Bank A/S	258 310	1,4 %	Denmark	Nominee
16	The Bank of New York Mellon SA/NV	257 500	1,4 %	Denmark	Nominee
17	BNP Paribas Securities Services	253 552	1,4 %	Italy	Nominee
18	Skandinaviska Enskilda Banken AB	238 314	1,3 %	Sweden	Nominee
19	Danske Invest Norge Vekst	228 000	1,2 %	Norway	Ordinary
20	The Bank of New York Mellon SA/NV	210 931	1,2 %	Ireland	Nominee
		13 816 749	75,0 %		

**MEDİSTIM**