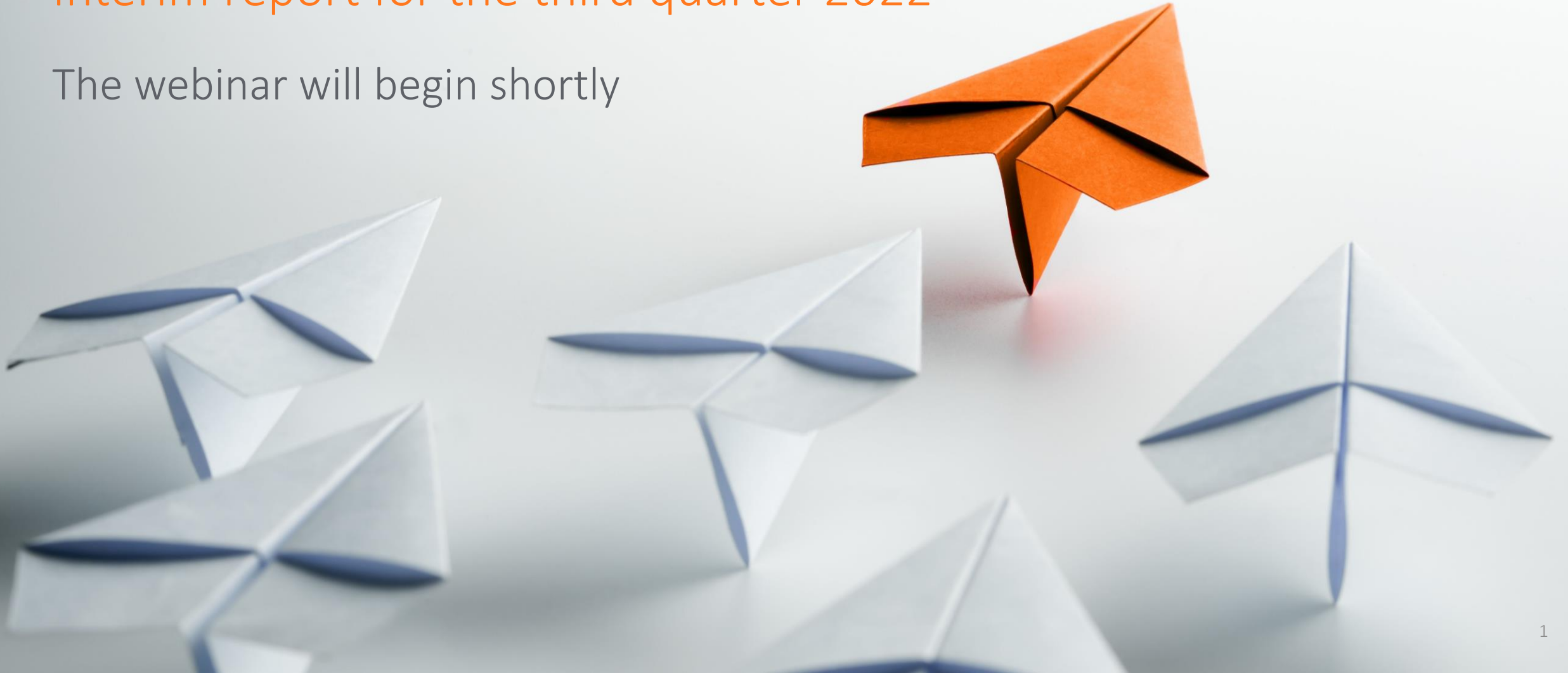


# Welcome to Medistim ASA's Interim report for the third quarter 2022

The webinar will begin shortly

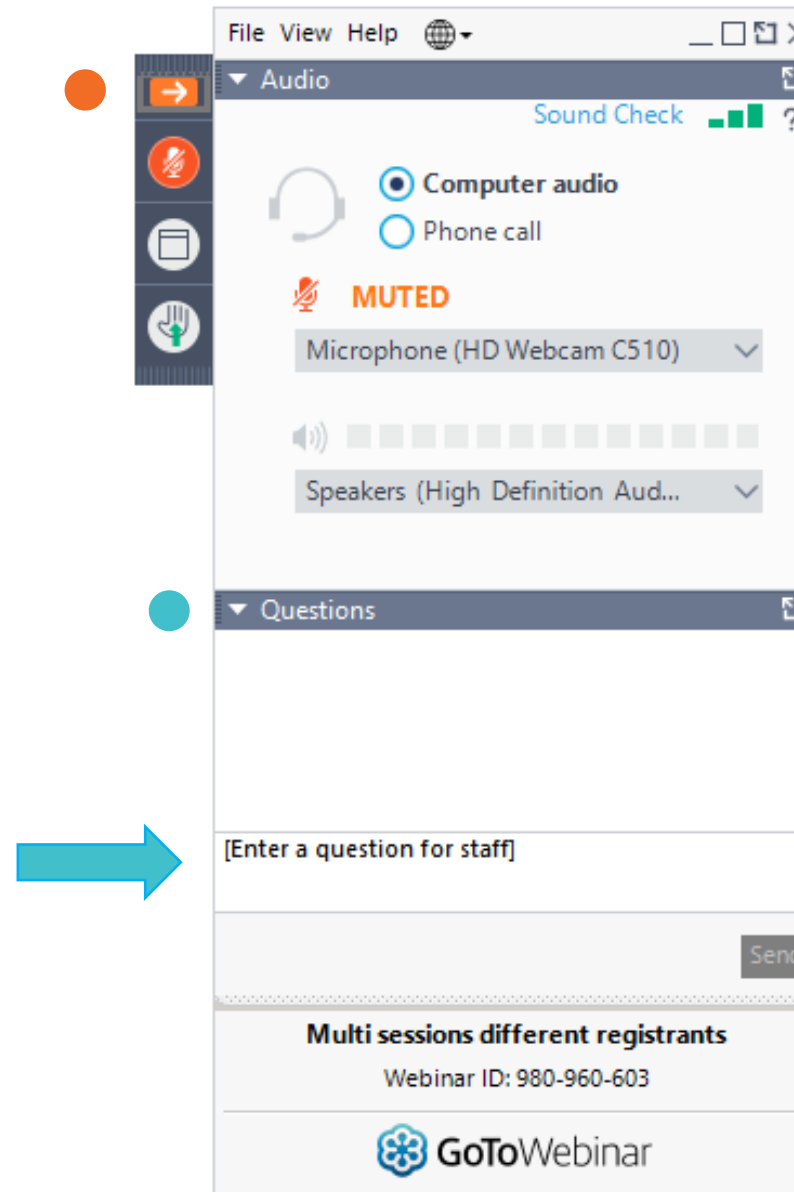


## Before we start

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 Q3 2022

October 28<sup>th</sup> 2022



Kari E. Krogstad

PRESIDENT & CEO

Thomas Jakobsen

CFO



## Disclaimer

The information included in this Presentation contains 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, 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 2021. 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. The reservation is also made that inaccuracies or mistakes may occur in this information given above about current status of the Company or its business. Any reliance on the information above is at the risk of the reader, and Medistim disclaims any and all liability in this respect.

## Table of Contents

- 01 ● Highlights
- 02 ● Financial statements
- 03 ● Business segments update
- 04 ● Implementing the strategy











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## 01 Highlights

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## Highlights 3<sup>rd</sup> Quarter

	Q3 2022	Q o Q
Revenue	MNOK 116.5 (102.1)	 +14.0 %
EBIT	MNOK 34.0 (25.1)	 +35.6 %
Currency		 + 3.5 %
Number of units sold or leased:		
Flow systems	37	 + 23.3 %
Imaging systems	24	 + 33.3 %
Flow probes (ex USA)	2 014	 + 0.9 %
Imaging probes	41	 + 7.9 %
Procedures (USA)	22 234	 + 18.1 %

### Another strong quarter from Medistim

- Established quarterly sales above MNOK 100 in sales revenues
  - Imaging sales up 44.1 % in NOK, Flow sales up 6.8 %
  - Vascular sales up 26.7 % in NOK, Cardiac sales up 17.2 % in NOK
- Sales growth is driven by USA with a currency neutral sales increase of 18.7 %
  - Asia up 32.0 % and “Rest of the world” up 27.3 %
  - Europe at same level as last year
  - Currency neutral growth for own products was 14.7 %
  - Currency neutral total growth was 10.5 %
  - Third-party products down by 10.0 %

EBIT margin at 29.2 % (24.6 %)

New Guidelines from the European Society of Vascular Surgery (ESVS) recommending intraoperative ultrasound after Carotid Endarterectomy (CEA)

# Highlights YTD September

YTD 2022		YoY
Revenue	MNOK 350.1 (314.5)	▲ + 11.3 %
EBIT	MNOK 104.8 (96.8)	▲ + 8.2 %
Currency		▲ + 3.4 %
Number of units sold or leased:		
Flow systems	113	▲ + 8.6 %
Imaging systems	75	▲ + 10.3 %
Flow probes (ex USA)	5 516	▼ - 3.7 %
Imaging probes	133	▲ + 27.9 %
Procedures (USA)	66 746	▲ + 23.1 %

## Best YTD September ever for revenue

- Sales revenue grows 13.2 % in NOK to MNOK 350.1 (MNOK 309.2) when excluding the PPP grant revenue of MNOK 5.3 from 2021
  - Imaging sales up 47.9 %, Flow up 3.9 % in NOK
  - Vascular sales up 36.0 %, Cardiac up 12.6 % in NOK
- Currency neutral total revenue growth was 9.8% (excl. PPP grant)
  - Currency neutral growth for own products was 11.8 %
    - USA up 24.1 %, Europe up 1.0 %, Asia up 1.4 %, RoW up 15.3 %
  - Third-party products at same level as last year

Best YTD September ever for operating result (EBIT), with margin at 29.9 % (30.8 %)





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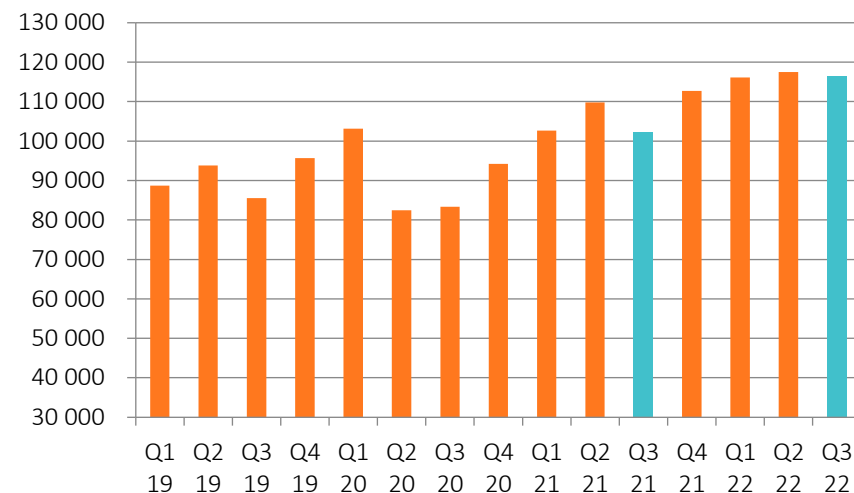
## 02 Financial Statements

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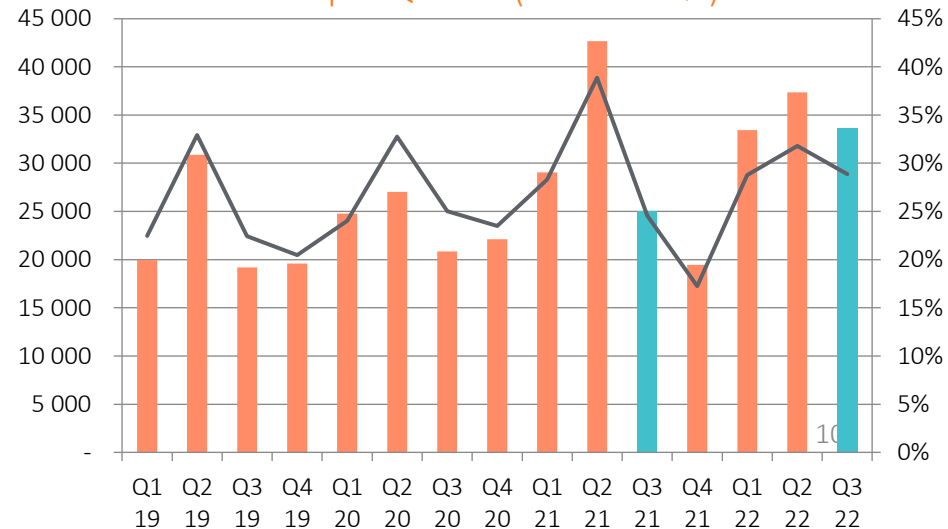
# Profit and loss Q3 2022

Profit & loss	Q3 2022	Q3 2021
<i>All numbers in NOK 1000</i>		
Sales revenue	116 490	102 138
Other revenue	-	-
<b>Total revenue</b>	<b>116 490</b>	<b>102 138</b>
Cost of goods sold	21 892	23 793
Salary and sosial expenses	38 927	35 478
Other operating expenses	15 973	11 882
Total operating expenses	76 792	71 152
<b>EBITDA</b>	<b>39 699</b>	<b>30 986</b>
<i>EBITDA%</i>	<i>34,1 %</i>	<i>30,3 %</i>
Depreciation	5 681	5 909
<b>Operating result (EBIT)</b>	<b>34 017</b>	<b>25 077</b>
<i>EBIT %</i>	<i>29,2 %</i>	<i>24,6 %</i>
Financial income	4 858	3 258
Financial expenses	8 355	4 351
<b>Net finance</b>	<b>-3 497</b>	<b>-1 093</b>
<b>Pre tax profit</b>	<b>30 520</b>	<b>23 984</b>
Tax	5 873	5 186
<b>Result</b>	<b>24 647</b>	<b>18 798</b>

Sales per Quarter (TNOK)



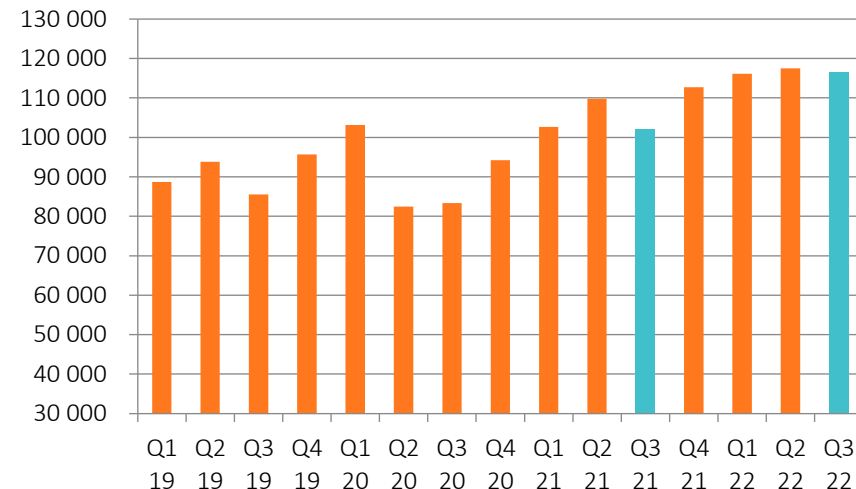
EBIT per Quarter (TNOK and %)



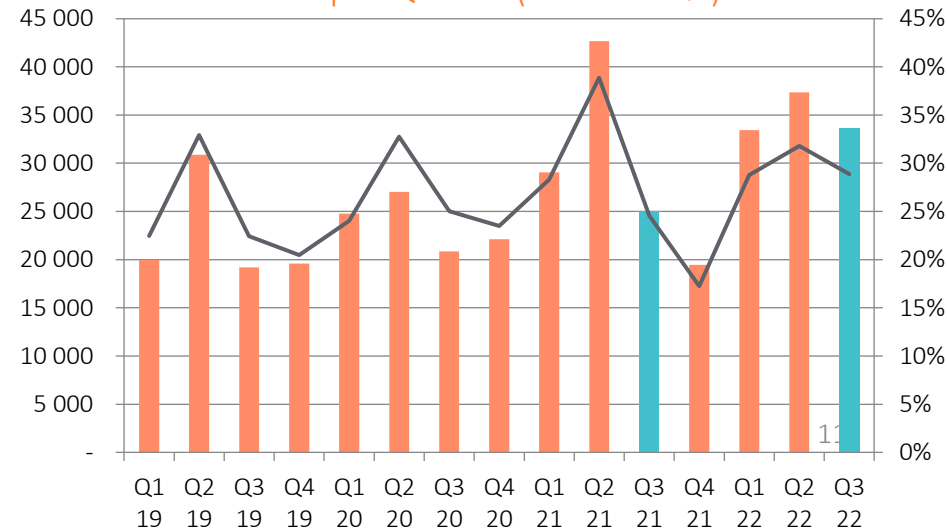
# Profit and loss YTD September 2022

Profit & loss	YTD Sept 22	YTD Sept 21
<i>All numbers in NOK 1000</i>		
Sales revenue	350 114	309 244
Other revenue	-	5 292
<b>Total revenue</b>	<b>350 114</b>	<b>314 536</b>
Cost of goods sold	73 714	69 231
Salary and social expenses	103 579	93 089
Other operating expenses	50 690	38 000
Total operating expenses	227 984	200 319
<b>EBITDA</b>	<b>122 130</b>	<b>114 217</b>
<i>EBITDA%</i>	<i>34,9 %</i>	<i>36,3 %</i>
Depreciation	17 353	17 400
<b>Operating result (EBIT)</b>	<b>104 777</b>	<b>96 817</b>
<i>EBIT %</i>	<i>29,9 %</i>	<i>30,8 %</i>
Financial income	14 495	6 509
Financial expenses	15 131	8 670
<b>Net finance</b>	<b>-635</b>	<b>(2 161)</b>
<b>Pre tax profit</b>	<b>104 141</b>	<b>94 656</b>
Tax	22 646	19 869
<b>Result</b>	<b>81 496</b>	<b>74 788</b>

Sales per Quarter (TNOK)



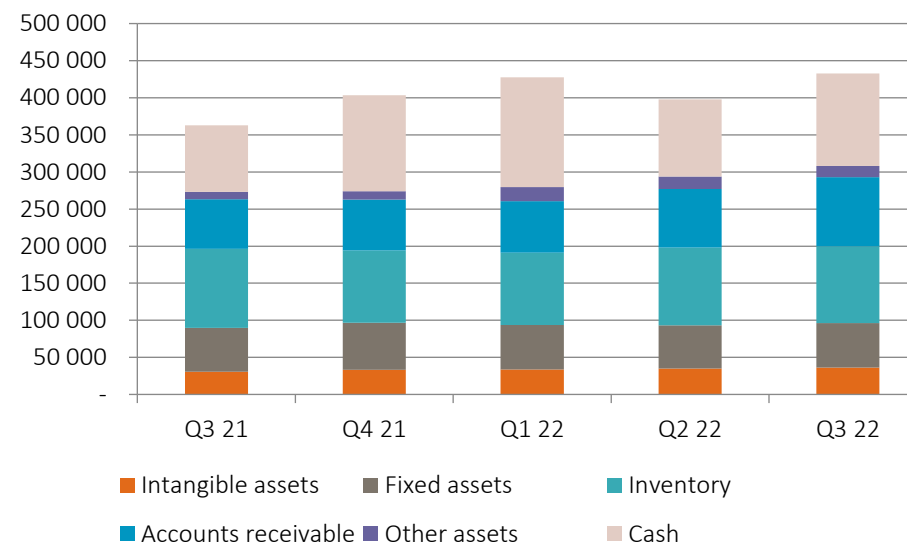
EBIT per Quarter (TNOK and %)



## Balance sheet – Assets

- Cash position by end of the quarter was MNOK 124.6
- Securing end-of-life components and keeping security stocks explain the high inventory level
- Increased customers receivables due to strong sales by the end of the quarter

Balance sheet	30.09.2022	31.12.2021
<i>All numbers in NOK 1000</i>		
<b>Assets</b>		
Intangible assets	36 381	33 410
Fixed assets	59 941	63 337
<b>Total intangible and fixed assets</b>	<b>96 322</b>	<b>96 747</b>
Inventory	103 309	97 413
Customers receivables	93 411	68 634
Other receivables	14 829	10 960
Cash	124 557	129 490
<b>Total current assets</b>	<b>336 107</b>	<b>306 497</b>
<b>Total assets</b>	<b>432 429</b>	<b>403 244</b>



**Balance sheet**                      **30.09.2022**      **31.12.2021**

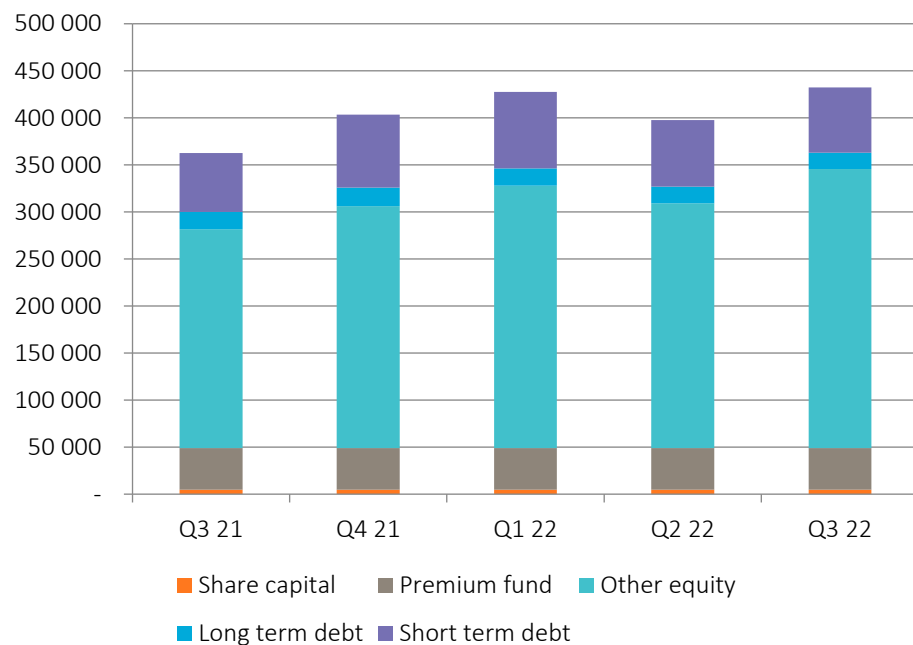
*All numbers in NOK 1000*

Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	296 932	257 295
<b>Total equity</b>	<b>345 689</b>	<b>306 052</b>

<b>Total long term debt</b>	<b>17 248</b>	<b>19 589</b>
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<b>Total short term debt</b>	<b>69 491</b>	<b>77 603</b>
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<b>Total equity and liability</b>	<b>432 429</b>	<b>403 244</b>
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## Balance sheet – Equity and Liability

- No interest-bearing debt
- 18.8 MNOK in obligations related to lease contracts where 11.7 MNOK is long term
- Strong balance sheet with 79.9 % equity ratio

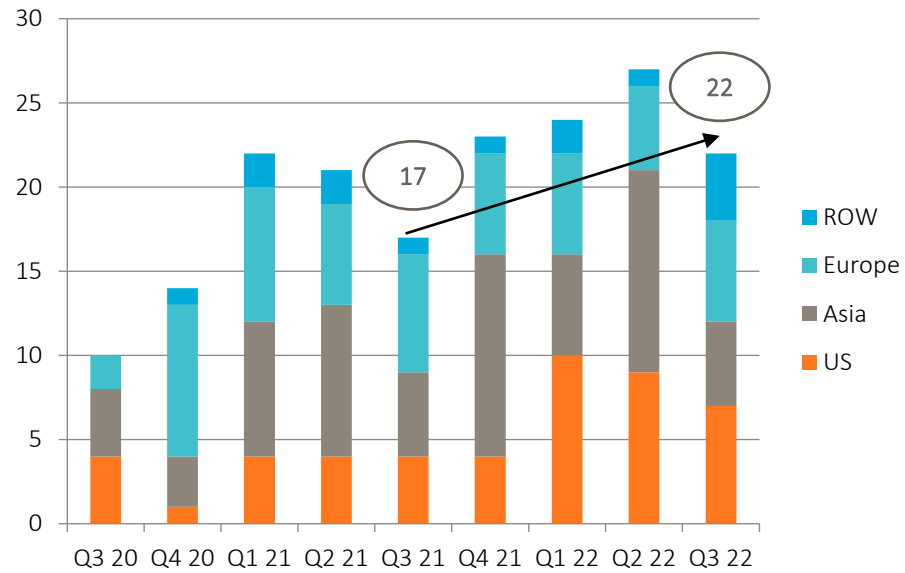


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## 03 Business segments update

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Imaging systems in units (capital sales)

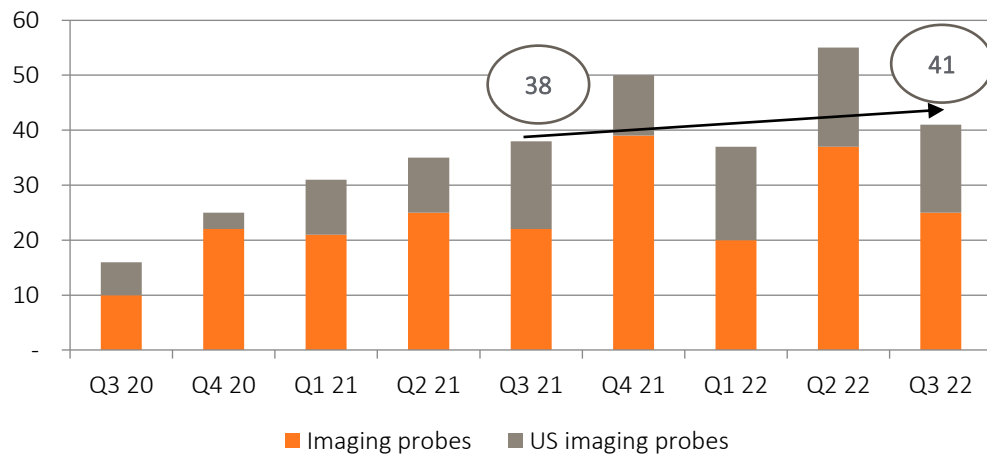


## Imaging probes and systems in units

Unit sales of imaging systems sold as capital equipment continue to be strong, **growing 29.4 %** this quarter

Unit sales of imaging probes is **growing 7.9 %**

Imaging probes in units (capital sales)



# Flow probes and systems in units

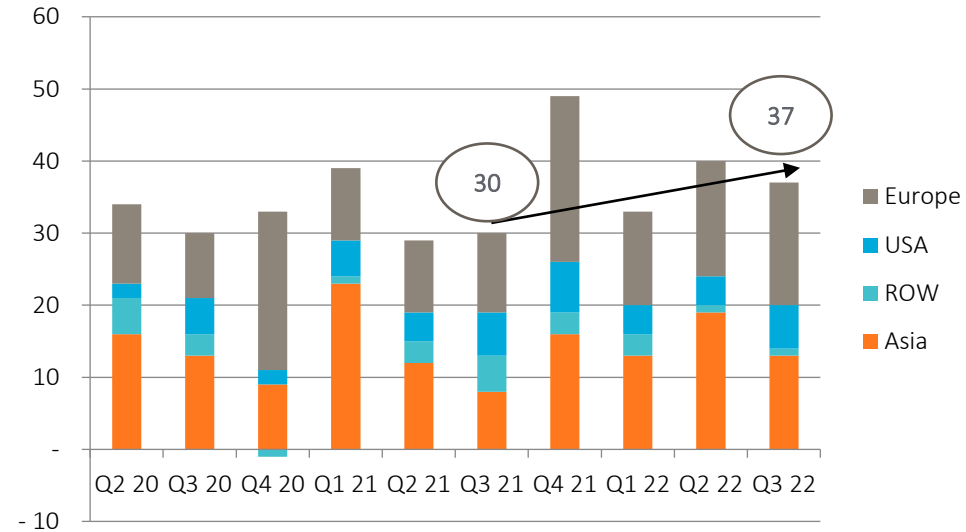
Number of flow systems sold as capital equipment is **up 23.3 %** from Q3 last year.

*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*

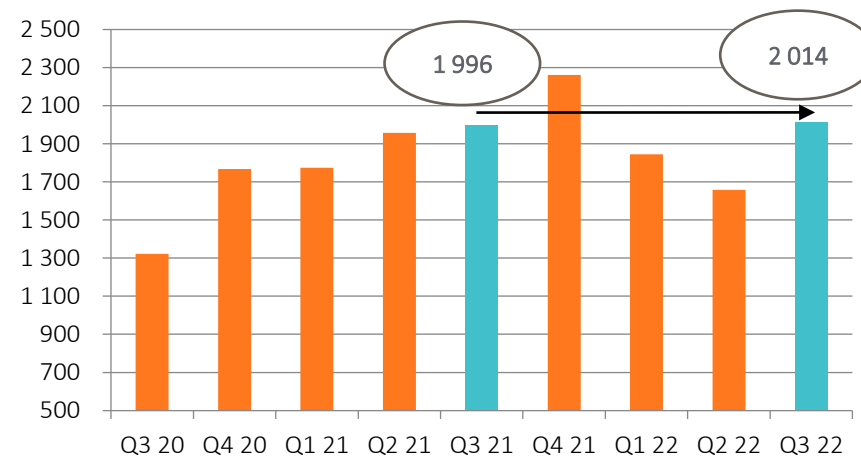
The **total sale of systems** (Flow and Flow-and-Imaging) sold as capital equipment shows an **increase of 12 units or 25.5 %**, securing future sales of consumable flow- and imaging probes

**Flat development** in number of flow probes sold this quarter and down 3.7 % YTD. High probe sales in 2021 after COVID in 2020

Flow systems in units (capital sales)



Flow probes in units (excl USA)





## Revenue performance by region

Mill NOK	Q3 22	Q3 21	Q / Q	YTD 22	YTD 21	YTD / YTD	2021
Europe	43,3	45,8	-5,5 %	140,2	140,8	-0,5 %	190,2
USA	50,4	38,5	30,8 %	150,1	115,0	30,5 %	154,1
Asia	17,1	13,2	29,2 %	46,1	46,5	-0,8 %	66,8
ROW (MEA, CAN, SA, AUS)	5,7	4,6	24,6 %	13,7	12,2	12,8 %	16,1
<b>Total</b>	<b>116,5</b>	<b>102,1</b>	<b>14,1 %</b>	<b>350,1</b>	<b>314,5</b>	<b>11,3 %</b>	<b>427,3</b>

- In Europe, Q3 sales of own products decreased with 2.8 % in NOK and currency neutral sales was at the same level as last year. 3. party decreased with 10.0 %. Year to date sale of own products was at the same level as last year while currency neutral sales increased by 1.0 %. 3.party sales ended at the same level as last year. The main reason for low growth of own products is less sales to Russia.
- In the USA, currency neutral sales for the quarter increased with 18.7 %. Year to date, currency neutral sales increase with 24.1 % (ex. PPP grant).
- In Asia, we continue to see recovery from the slow Q1, as an interim solution has been found while we await the regulatory approval in China for the upgraded version of MiraQ.
- ROW is a smaller sales territory for Medistim, with significant quarter to quarter variation.

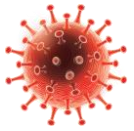
*Positive currency effects for YTD 2022 vs YTD 2021 was 10.7 MNOK.*

*Average actual exchange rate for USD 9.42 and EUR 10.01 versus last year USD 8.55 and EUR 10.23.*

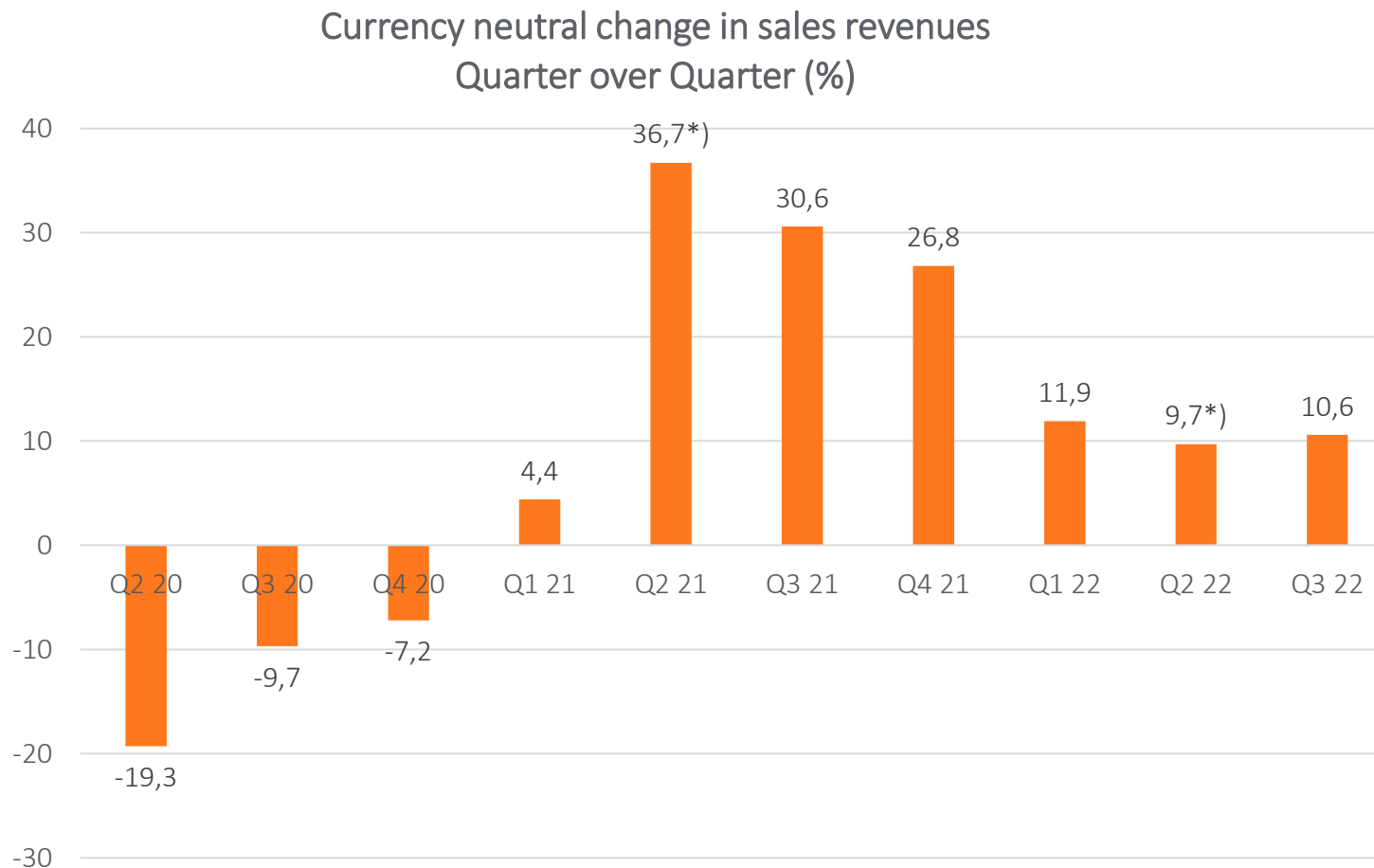
## Revenue performance by product category

Mill NOK	Q3 22	Q3 21	Q / Q	YTD 22	YTD 21	YTD / YTD	2021
<b>Procedures (USA)</b>	34,4	28,4	21,3 %	101,9	83,2	22,6 %	111,8
<b>Flow probes</b>	29,1	30,2	-3,5 %	81,1	85,4	-5,0 %	115,7
<b>Flow systems (MiraQ)</b>	12,8	12,0	7,4 %	36,6	33,5	9,4 %	51,0
<b>Imaging systems (MiraQ)</b>	22,3	12,5	77,6 %	66,1	42,8	54,4 %	57,9
<b>Imaging probes</b>	2,3	1,6	46,6 %	6,1	5,1	19,7 %	7,1
<b>3rd party</b>	15,3	17,0	-10,0 %	56,2	55,9	0,5 %	74,3
<b>Other</b>	0,2	0,5	-64,5 %	2,1	8,7	-76,4 %	9,5
<b>Total revenues</b>	<b>116,5</b>	<b>102,1</b>	<b>14,0 %</b>	<b>350,1</b>	<b>314,5</b>	<b>11,3 %</b>	<b>427,3</b>

- **Procedure sale in the USA:** Strong procedure sales both for the quarter and first half; the total number of procedures increased with 18.1 % and 23.1 %, respectively.
- **Flow probes:** In number of units same as for last year for the quarter and 3.6 % decline year to date. Sale of probes in 2021 is a strong comparable due to the increased activity level in the operating room after the slow-down during COVID in 2020.
- **Flow systems (capital):** In number of units, a strong quarter with 23.3 % growth and up 8.7 % YTD. The lower growth in NOK is due to the higher level of sales going through the **distributor sales channel**.
- **Imaging systems (capital):** 29.4 % increase in units for the quarter and 21.7 % year to date. The higher growth in NOK is driven by strong sales through the **direct US sales channel and positive currency**.
- **3rd party products:** A weak Q3 with a 10 % decline in sales, resulting in a **flat development year to date**.



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



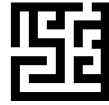
\*) Growth in sales. Excluding PPP grant.

### Not completely back to normal

- Lockdowns and restrictions in China
- New virus variants, new outbreaks as winter approaches
- 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



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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



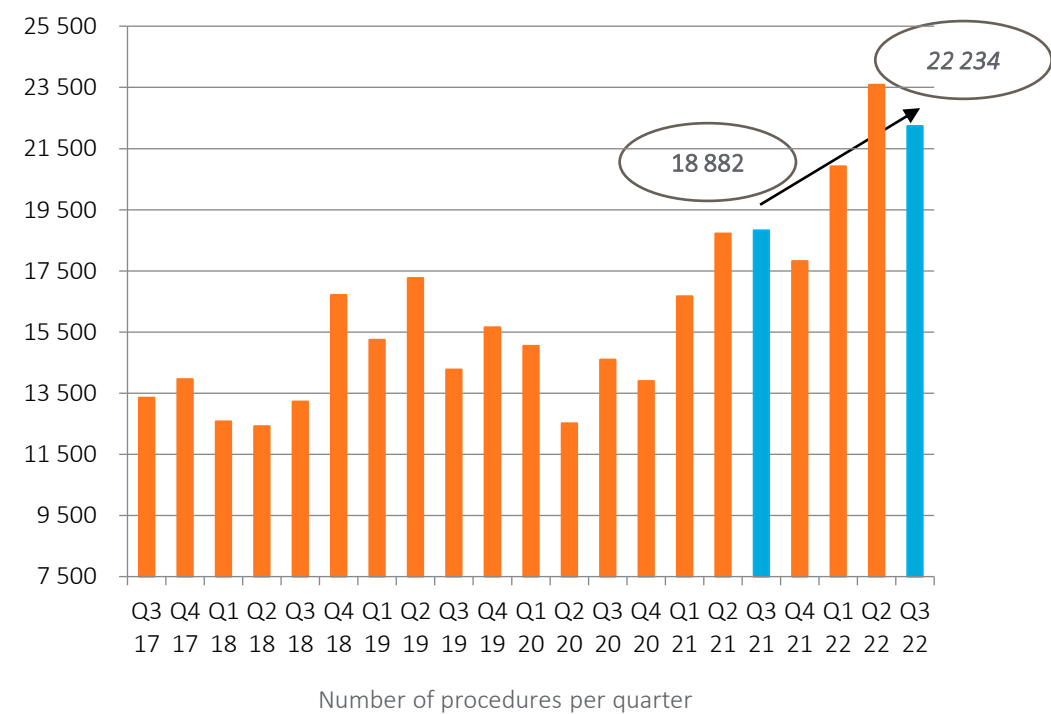
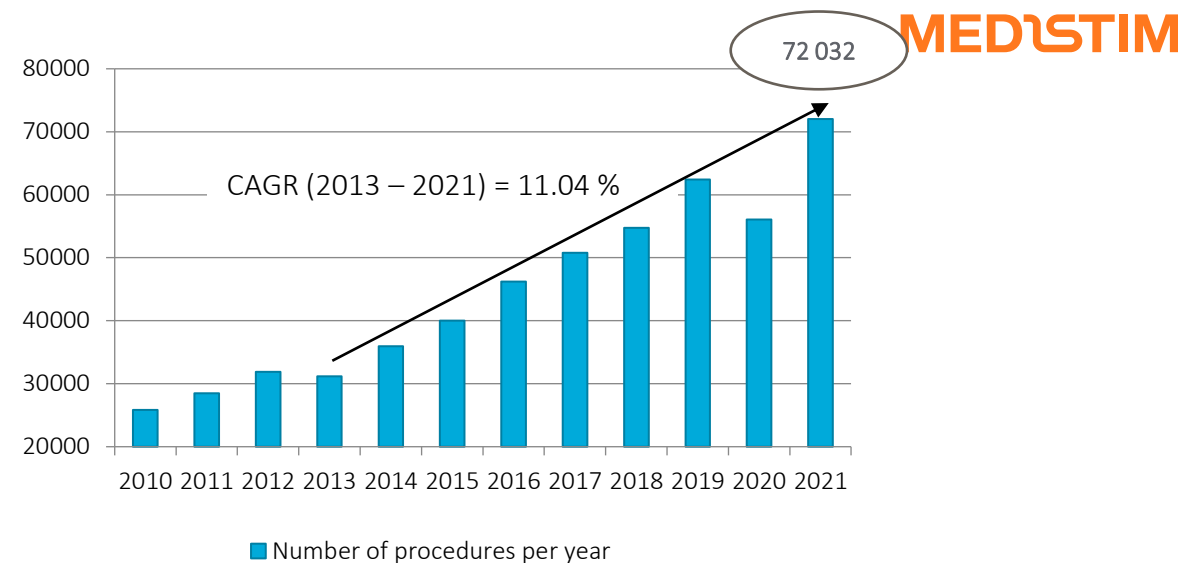
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## Developing the US market

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# Performance US sales

- Currency neutral sales revenue grows by 18.7 % in Q3 and 24.1 % YTD
- Total number of procedures was up 18.1 % in Q3 and 23.1 % YTD
  - Flow procedures up 18.2 % Q3 and 20.3 % YTD
  - Imaging procedures up 17.8 % Q3 and 36.3 % YTD
- Strong capital systems sales
  - 13 units this Q3 vs 10 last year
  - 40 units year to date vs 27 last year
- Keep winning new customers
  - 8 this Q3 vs 9 last year
  - 27 year to date vs 33 last year



# 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 surgery</b> (2 BNOK)	<b>Vascular surgery</b> (>1.5 BNOK)	<b>Other open heart surgery</b> (1BNOK)
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  - Build position with societies and KOLs
5. **Expand our direct market coverage**



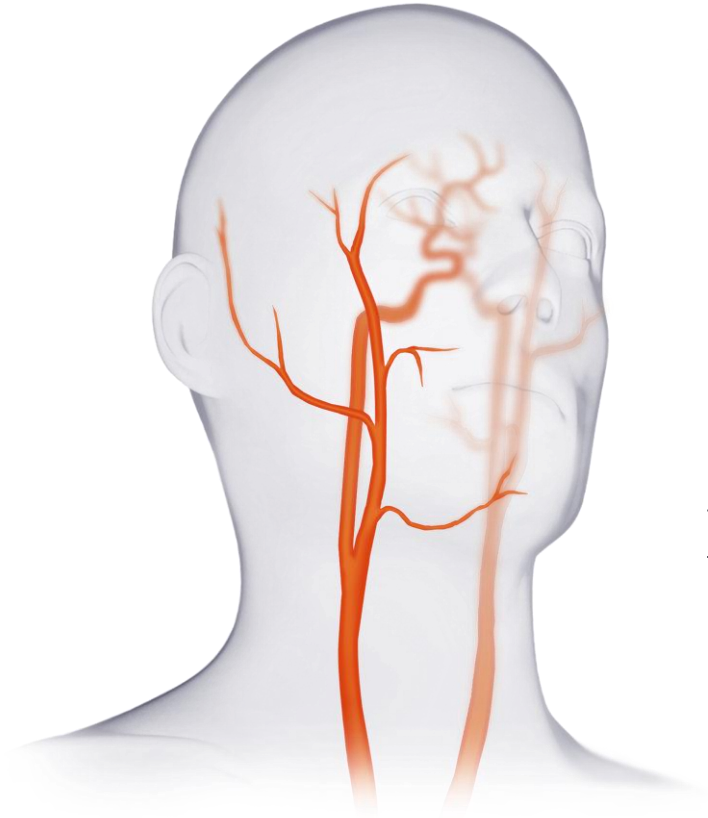


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Build and strengthen  
postition in vascular surgery

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# ESVS guidelines recommend intraoperative ultrasound after CEA



The new Clinical Practice Guideline was presented at the European Society of Vascular Surgery (ESVS) in September 2022

It added a recommendation for the use of intra-operative completion control, with ultrasound imaging, angiography or angioscopy, to reduce risk of peri-operative stroke for patients undergoing carotid endarterectomy (CEA).

- The recommendation is based on a meta-analysis done by Knappich et al. 2021, that shows that both ultrasound imaging and angiography are associated with a **reduced risk of death and stroke after CEA**

In the CIDAC study, benefits of using ultrasound imaging compared to the current gold standard angiography were documented:

- More defects were detected with ultrasound
- Higher reproducibility (interrater reliability) with ultrasound
- In addition, ultrasound is safer for the patient with no use of x-rays and contrast agents
- Ultrasound is more cost efficient

- In Q3, vascular sales revenues are MNOK 18.9, growing at **26.7 %**
- YTD September, vascular sales is MNOK 50.7, growing at **36 %**, representing 17.5 % of Medistim sales of own products



## 20 largest shareholders per 26th October

Rank	Name	Number of shares	Shares in %	Country
1	Aeternum Capital AS	1 862 500	10,2 %	Norge
2	ODIN Fonder	1 800 000	9,8 %	Norge
3	SEB Fonder	1 750 621	9,5 %	Sverige
4	Øyvind A. Brøymer with companies	1 285 000	7,0 %	Norge
5	Swedbank Robur Fonder	1 191 000	6,5 %	Sverige
6	Berenberg Funds	1 059 845	5,8 %	Tyskland
7	Follum Invest AS	970 000	5,3 %	Norge
8	Danske Invest	922 368	5,0 %	Danmark
9	Invesco	859 892	4,7 %	USA
10	Fidelity Investments (FMR)	573 889	3,1 %	USA
11	SEBinvest	505 967	2,8 %	Danmark
12	Asbjørn John Buanes	381 876	2,1 %	Norge
13	Montanaro	314 500	1,7 %	Storbritannien
14	DNCA Finance S.A	260 303	1,4 %	Frankrike
15	TIN Fonder	238 314	1,3 %	Sverige
16	Humble Fonder	235 234	1,3 %	Sverige
17	Holberg Fonder	217 338	1,2 %	Norge
18	La Financière de l'Echiquier	181 347	1,0 %	Frankrike
19	Aktia Asset Management	180 337	1,0 %	Finland

**MEDUSTIM**