

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

The webinar will begin shortly

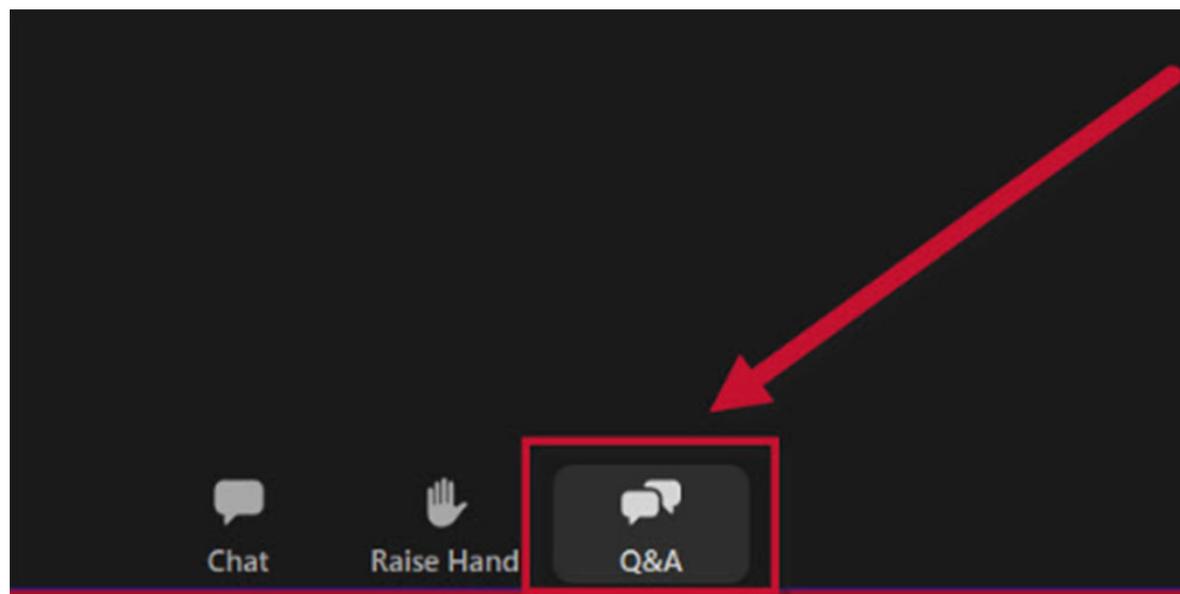


Before we start

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 if you prefer to write your question. The host will read and answer your question at the end of the presentation
- Click on the hand icon if you want to ask your question live. At the end of the presentation you will be unmuted by the organizer



Medistim ASA Q1 2023

April 25th 2023



Kari E. Krogstad
PRESIDENT & CEO

Thomas Jakobsen
CFO



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01 Highlights

Highlights 1st Quarter

	Q1 2023	Q o Q
Revenue	MNOK 129.3 (116.1)	 + 11.3 %
EBIT	MNOK 33.5 (33.4)	 0.0 %
Currency		 + 10.1 %
Number of units sold or leased:		
Flow systems	44	 + 15.8 %
Imaging systems	26	 - 3.7 %
Flow probes	2 070	 - 4.9 %
Imaging probes	37	 0.0 %
Procedures (PPP cards & lease)	10 383	 + 9.8 %

Strong sales quarter due to favorable currency

- **15.0 % growth in sales of own products in NOK**
 - **Imaging** sales up 9.1 % in NOK, **Flow** sales up 18.0 % in NOK
 - **Vascular** sales up 21.5 % in NOK, **Cardiac** sales up 13.7 % in NOK
 - **Third-party** products down 4.5 %
- **Currency neutral** total growth was 1.2%
 - Currency neutral growth for **own products** was 2.5%
 - AMERICAS down 4.5 %
 - EMEA down 12.4 %
 - APAC up 64.0 %

Medistim goes direct in both Canada and China

EBIT margin at 25.9 % (28.8 %)

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

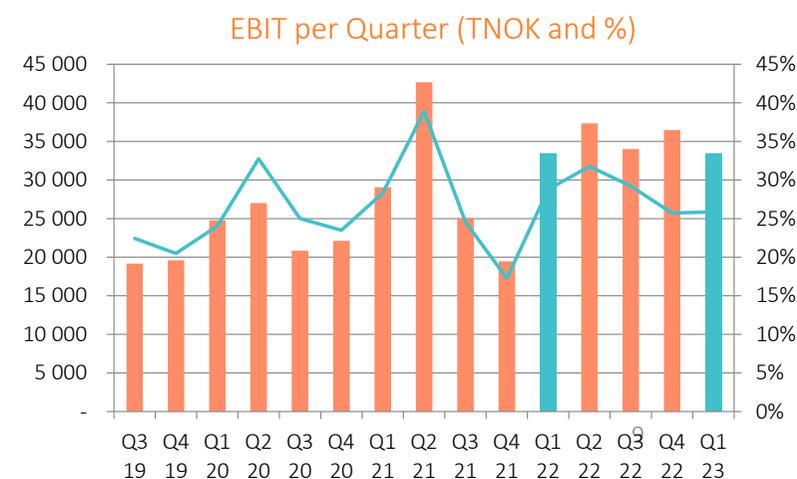
The General Assembly decided a dividend of NOK 4.50 per share (NOK 3.75)



02 Financial Statements

Profit and loss Q1 2023

Profit & loss	Q1 2023	Q1 2022
<i>All numbers in NOK 1000</i>		
Total revenue	129 261	116 129
Cost of goods sold	25 900	23 681
Salary and social expenses	40 213	36 411
Other operating expenses	23 917	16 744
Total operating expenses	90 030	76 837
EBITDA	39 231	39 292
<i>EBITDA%</i>	<i>30,4 %</i>	<i>33,8 %</i>
Depreciation	5 779	5 872
Operating result (EBIT)	33 452	33 420
<i>EBIT %</i>	<i>25,9 %</i>	<i>28,8 %</i>
Financial income	7 555	1 165
Financial expenses	6 810	1 698
Net finance	746	(533)
Pre tax profit	34 198	32 887
Tax	8 532	9 162
Profit after tax	25 666	23 725



Balance sheet – Assets

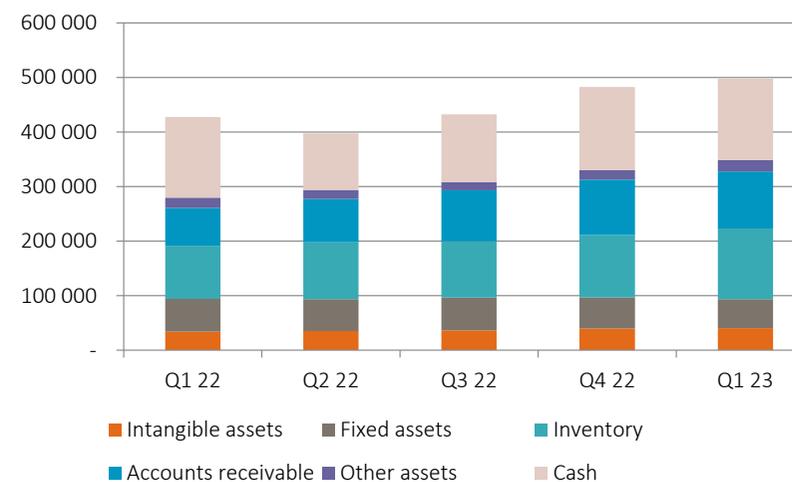
- Cash position by end of the quarter was MNOK 149.3
- Securing end-of-life components and keeping security stocks explain the high inventory level
- Increased customers receivables due to strong sales at the end of the quarter

Balance sheet 31.03.2023 31.12.2022

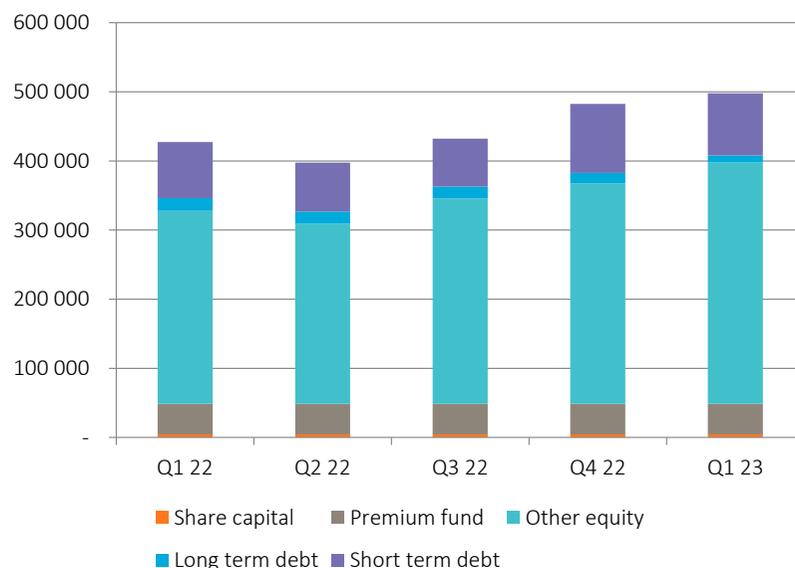
All numbers in NOK 1000

Assets

Intangible assets	41 976	39 660
Fixed assets	53 082	57 104
Total intangible and fixed assets	95 058	96 764
Inventory	129 441	114 333
Customers receivables	104 698	101 657
Other receivables	21 076	17 263
Cash	149 270	152 641
Total current assets	404 484	385 895
Total assets	499 542	482 659



Balance sheet	31.03.2023	31.12.2022
<i>All numbers in NOK 1000</i>		
Share capital	4 585	4 585
Premium fund	44 172	44 172
Other equity	350 435	318 934
Total equity	399 192	367 692
Total long term debt	10 198	15 145
Total short term debt	90 152	99 822
Total equity and liability	499 542	482 659



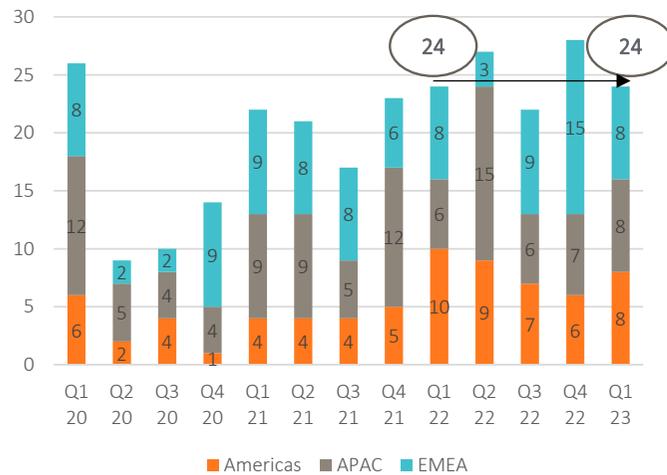
Balance sheet – Equity and Liability

- No interest-bearing debt
- 15.3 MNOK in obligations related to lease contracts where 8.0 MNOK is long term.
- Deferred revenue related to extended warranty amounted to 2.2 MNOK. Total long term debt of 10.2 MNOK
- Strong balance sheet with 80.0 % equity ratio
- Dividend to be paid by 5th of May



03 Business segments update

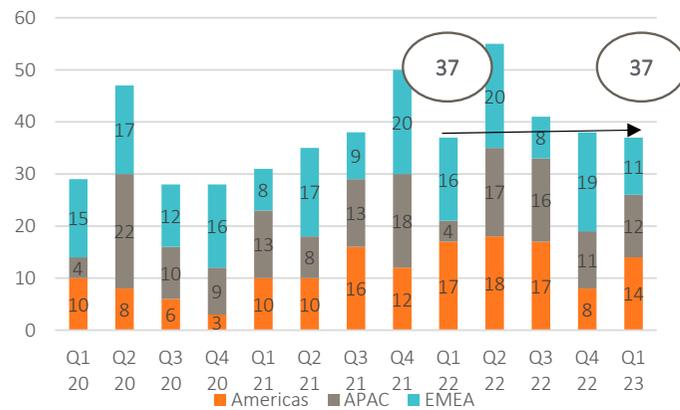
Imaging systems in units (excl. PPP/leasing)



Imaging probes and systems in units

- Both imaging systems and probes are at the same level as Q1 last year

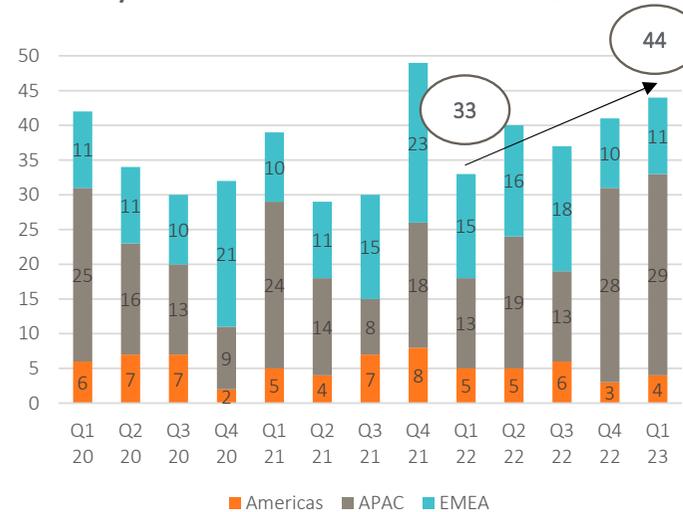
Imaging probes in units (excl. PPP/leasing)



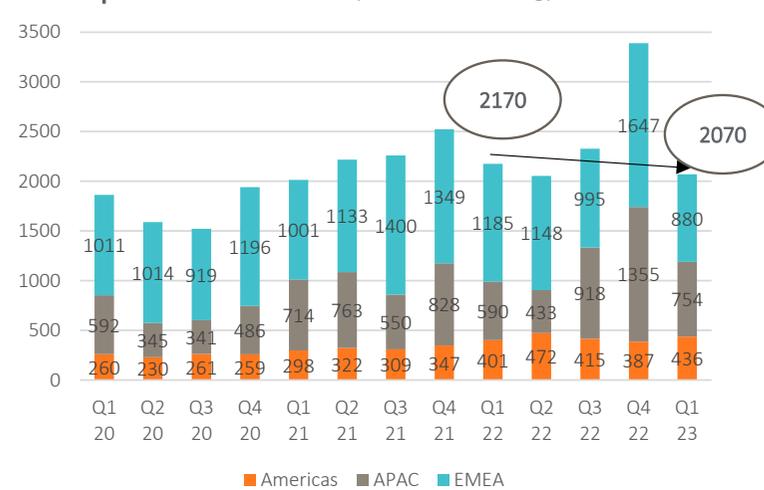
Flow probes and systems in units

- Number of **flow systems** sold as capital equipment is **up 33 %** from Q1 last year
- The **total sale of systems** (Flow and Flow-and-Imaging) sold as capital equipment shows an increase of 11 units this quarter (+19%)
- After an extraordinary Q4, the number of **flow probes** is down 5% from Q1 last year

Flow systems in units (excl. PPP/leasing)



Flow probes in units (excl. PPP/leasing)

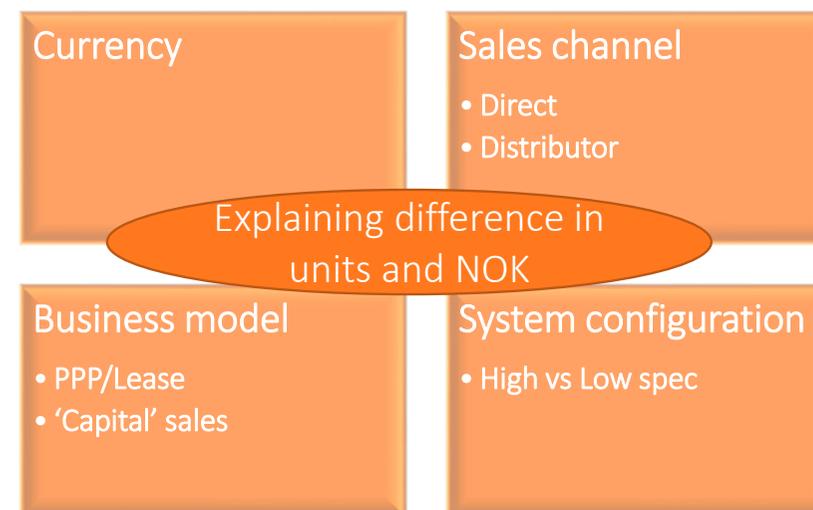


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Revenue performance by region

Mill NOK	Q1 23	Q1 22	Q / Q	2022
AMERICAS	55,7	50,6	10,0 %	203,6
APAC	23,7	13,3	78,8 %	79,0
EMEA	29,1	30,5	-4,5 %	133,5
3.party	20,8	21,8	-4,6 %	75,8
Total	129,3	116,1	11,3 %	491,9



- In **AMERICAS**, revenues increased with 10 % in NOK, but declined by 4.5% currency neutral. In USA the currency neutral decline was 8%.
- In **APAC**, revenues increased with 79% in NOK and 64% currency neutral. The strong increase was related to the transition of our China business from a distributor to own sales organization. The former distributor closed several projects before their distribution rights ended on March 31st.
- In **EMEA**, revenues were down both in NOK by 4.5% and currency neutral by 12.4%. Europe shows 1.9% growth in NOK and declining 8.3% currency neutral.
- **3. Party** sales down 4.5%.

Positive currency effects for 2023 vs 2022 was 11.8 MNOK.

Revenue performance by product category

Mill NOK	Q1 23	Q1 22	Q o Q	2022	2021	Y o Y
Procedures (USA)	26,8	21,7	23,8 %	93,8	111,8	-16,1 %
Flow probes	43,5	35,5	22,6 %	169,2	115,7	46,2 %
Flow systems (MiraQ)	13,1	12,2	7,1 %	49,7	51,0	-2,6 %
Imaging systems (MiraQ)	21,5	20,8	3,6 %	86,4	57,9	49,3 %
Imaging probes	3,5	4,2	-16,4 %	17,0	7,1	139,3 %
3rd party	20,8	21,8	-4,5 %	75,8	74,3	2,0 %
Total revenues	129,3	116,1	11,3 %	491,9	427,3	15,1 %

- **Procedure sale in the USA:** The number of procedures increased with 9.8 % and favorable currency explains the higher growth in NOK.
- **Flow probes:** The number of units sold was 4.9% lower than last year, related to inventory build-up in Q4-22. The increase in NOK is driven by currency and price increase.
- **Flow systems:** The number of units sold was up 33%, but high level of sales through distributor channel (China/APAC) results in lower increase in NOK.
- **Imaging systems and probes:** The number of units sold was the same as last year, and sales in NOK shows low growth for systems and decline for probes. The favorable currency effect was outweighed by higher sales through the distributor channel this year.
- **3rd party products:** 4.5 % decrease in sales for the quarter



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

- 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
- 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
- Offer an entry-level solution** to reach emerging, price-sensitive, high-growth markets
- Build and strengthen position in vascular surgery**
 - Dedicated system (MiraQ Vascular) & probes
 - Build position with societies and KOLs
- Expand our direct market coverage**



Developing the US market

Performance US sales

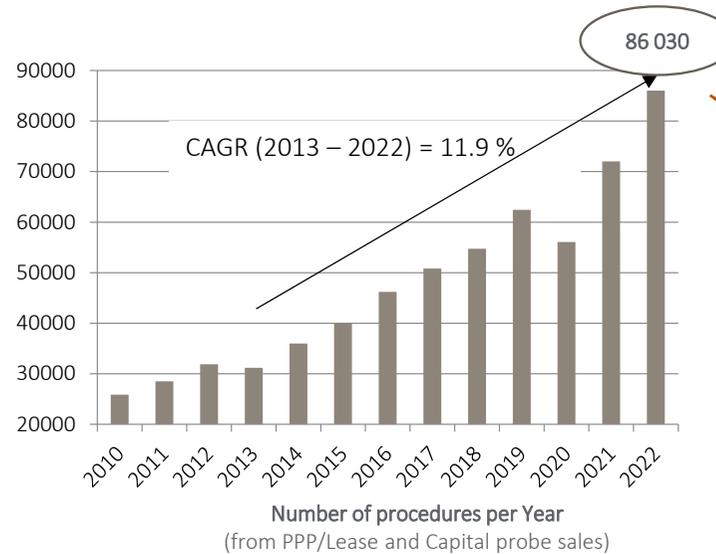
- Currency neutral sales revenue declined by 8.0 % in Q1 – related to strong finish in 2022

- Total number of procedures was up 5.7 % in Q1 (counting PPP/Lease procedures and procedures from capital probe sales)
 - Flow procedures up 4.3 % to 17,107 procedures
 - Imaging procedures up 11.8 % to 4,390 procedures

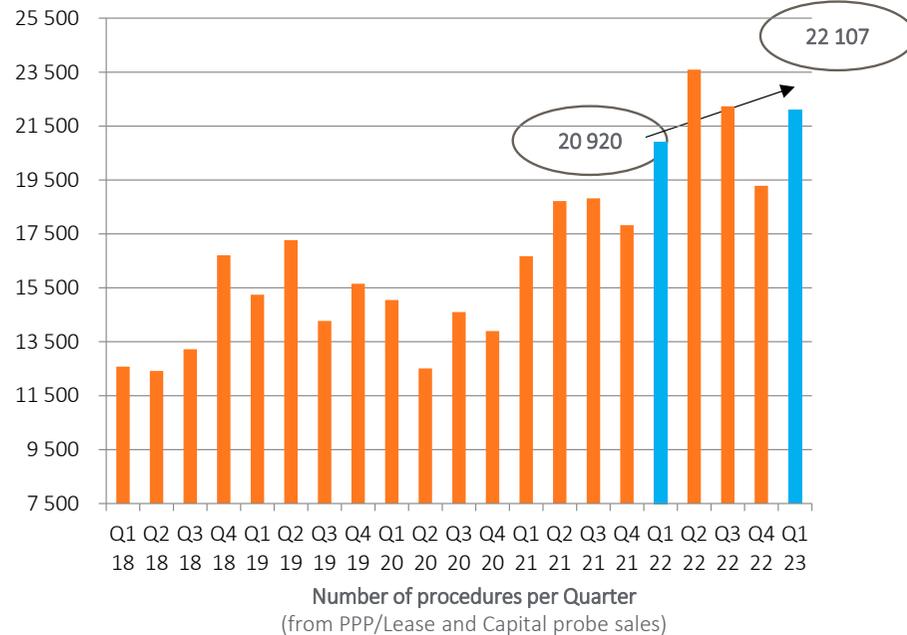
- Capital systems sales
 - 12 units this Q1 vs 15 last year

- Keep winning new customers
 - 6 this Q1 vs 13 last year

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> 30 % CABG market share





Build and strengthen position in
Vascular surgery

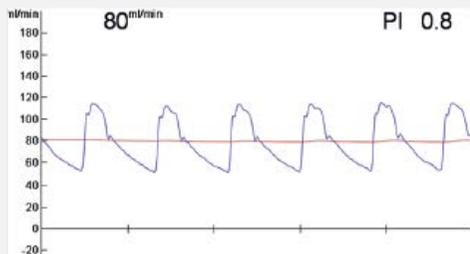
Surgical guidance & quality assessment is needed in Vascular surgery as well

- the MiraQ system is a versatile tool for multiple applications



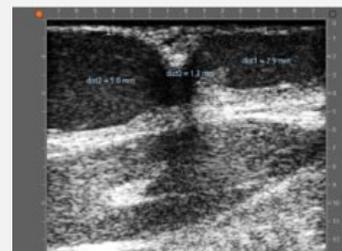
Peripheral Bypass

Assess graft patency in peripheral bypass and evaluate anastomosis



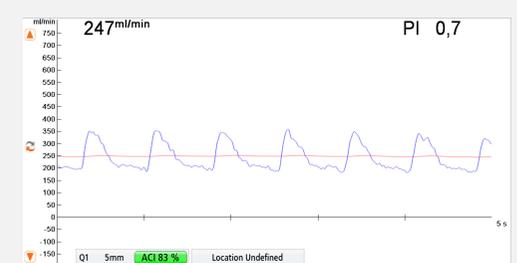
Carotid Endarterectomy (CEA)

Guide CEA and assess for technical imperfections



AV Access

Quantify flow for guidance during AV access surgery

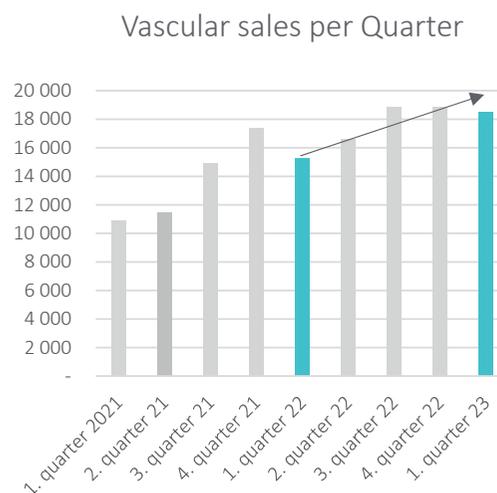
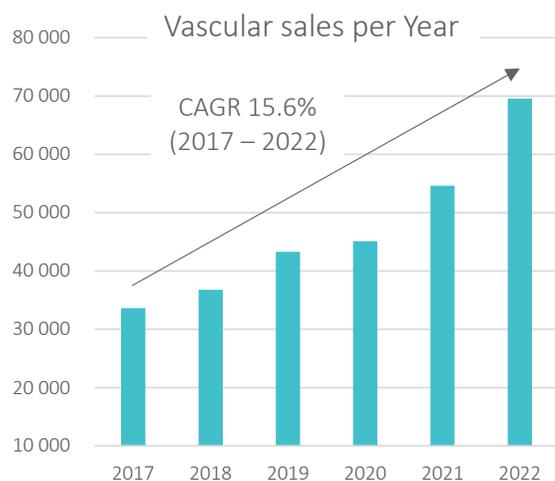


Large global market for Vascular surgery

- Global vascular market is > 900 000 procedures annually
- > 1.5 Billion NOK of market opportunity for Medistim

	Applications	Size of key markets	Clinical needs
	CEA surgery	>250 000	Reduce risk of stroke and death Improve cost-effectiveness
	Peripheral bypass surgery	>450 000	Improve long-term graft patency Avoid amputation
	AV access surgery	>200 000	Secure maturation of shunt/fistula Reduce risk of cardiac failure and hand ischemia
	Liver transplant surgery	>30 000 (globally)	Increase success rate for a costly procedure

Growing the Vascular segment



- Growing 27% last year, we see 21.5% growth in Q1 vs last year, 8.8% currency neutral
- A larger market than the CABG market, growing due to an elderly population and the increase in diabetes, which is associated with increased risk of diseased blood vessels
- Medistim apply our proven strategies from the Cardiac market
 - Relationship building with KOLs; clinical collaborations and product development
 - Relationship building with Vascular societies; conferences and exhibitions

BEST CLI clinical trial: Best Endovascular vs. Best Surgical Therapy in Patients With Critical Limb Ischemia

Purpose: To compare the effectiveness of best available surgical treatment with best available endovascular treatment in adults with critical limb threatening ischemia (CLTI).

Trial Design: Randomized, prospective, interventional, parallel assignment, open label, multicenter (150), N= 1434.

Primary Endpoints: Time to major adverse limb event (MALE) or death, whichever occurs first in subjects with Single-Segment Great Saphenous Vein (SSGSV) available; time to major adverse limb event or death, whichever occurs first in subjects without available SSGSV.

Secondary Endpoints: Time to re-intervention of the index leg, amputation of the index leg, or death, whichever occurs first in subjects with or without available SSGSV.

Key Takeaway: BEST-CLI does not support an "endovascular-first" approach to all patients with CLTI.

Primary Endpoints	Surgery	Endovasc	HR (95%CI)	p-value
SSGSV available (n=709)	(n=711)			
MALE or all cause death	302 (42.6%)	408 (57.4%)	0.68 (0.59, 0.79)	<0.001
Above-ankle amputation of the index limb	74 (10.4%)	106 (14.9%)	0.73 (0.54, 0.98)	0.04
SSGSV not available (n=194)	(n=199)			
MALE or all cause death	83 (42.8%)	95 (47.7%)	0.79 (0.58, 1.06)	0.12
Above-ankle amputation of the index limb	29 (14.9%)	28 (14.1%)	1.10 (0.65, 1.87)	0.72

Results: Bypass surgery with adequate saphenous vein should be offered as a first line treatment option for suitable candidates with CLTI.

Presented by: Aik Farber, MD Boston Medical Ctr, Boston, MA, USA
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Scientific Sessions #AHA22

- Endovascular treatments dominate also in Vascular surgery – but new information may drive change:
- New study presented at the American Heart Association meeting 2022: **BEST CLI: What is the best surgical therapy in patients with Critical Limb Threatening Ischemia?**
 - 1,434 patients, prospective, randomized, 150 sites
 - **BYPASS SURGERY [...] SHOULD BE OFFERED AS A FIRST LINE TREATMENT OPTION FOR SUITABLE CANDIDATES WITH CLTI**





Expand our direct market coverage



Going direct in Canada (press release 20.03.23)

- Medistim has a **strong position** in the Canadian CABG market already
 - 18,000 CABG procedures per year, 37% supported by Medistim technology
 - 38 cardiac centers, 15 are using Medistim technology
 - Prof Teresa Kieser, Calgary, long standing advocate and KOL
 - Medtronic has been our distributor for years
 - 2022 revenues from the distributor was about 3 MNOK

- **Medistim Canada Inc.** formally established medio 2022
 - Sales reps in Ontario and Quebec, in addition to the west coast
 - Supported by Medistim USA Inc.

- Well positioned for **further growth**
 - Continue CABG growth
 - HFUS imaging adoption
 - Vascular targeting



Going direct in China (press release 03.04.23)

- **Strong position** in the Chinese CABG market already
 - >60,000 CABG procedures per year, about 70% supported by Medistim technology
 - Medistim is used in all top 10 cardiac centers
 - 2022 revenues from the former distributor was about 37 MNOK

- **Medistim China** formally established medio 2022
 - Own organization being established
 - Local 3rd party support team

- Well positioned for **further growth**
 - Continue CABG growth
 - HFUS imaging adoption
 - Vascular targeting

- **Opening of Medistim China** with Consul General Hege Araldsen 29.3 in Guangzhou, Greater Bay Area





Capital Markets Day with Medistim

Capital Markets Day March 21st – key take homes

Grand Hotel, Oslo



Future of Cardiac bypass surgery

Prof. John D. Puskas,
Mount Sinai Health System, New York, USA

- Internationally recognized for his expertise in off-pump CABG and has performed more than 5000 off-pump procedures since 1996
- Global leader in the development of minimally invasive Hybrid Coronary Revascularization, which combines robotic bypass grafting with catheter-based stents in selected patients
- Lead investigator on the REQUEST study of TTFM and HFUS, published in 2020

Medistim in Vascular surgery

Prof. Pirkka Vikatmaa,
Helsinki University Hospital, Finland

- President of the Finnish Surgical Society
- Former board member of the European Society of Vascular Surgery (ESVS)
- Performing Peripheral Bypass surgery, Carotid Endarterectomy and other vascular and endovascular procedures
- Has performed 3-4000 procedures with Medistim's equipment

Key take-homes

- *"[Coronary bypass surgery] is the only surgical procedure devoted to combatting the disease that kills most of us."*
- *"I would argue that we have passed peak stenting because of diabetes as an epidemic on our planet."*
- *"Medistim will play an increasing role in addressing the value imperative in coronary artery bypass surgery worldwide."*



20 largest shareholders per 24th April

Name	Rank	Holding	In %	Country (post)	Type of account
AETERNUM CAPITAL AS	1	1 862 500	10,16 %	Sweden	Ordinary
FLØTEMARKEN AS	2	1 285 000	7,01 %	Norway	Ordinary
VERDIPAPIRFOND ODIN NORDEN	3	1 200 000	6,54 %	Norway	Ordinary
FOLLUM INVEST AS	4	970 000	5,29 %	Norway	Ordinary
State Street Bank and Trust Comp	5	924 332	5,04 %	United States	Nominee
SEB EUROPAFOND SMABOLAG	6	915 307	4,99 %	Sweden	Ordinary
SWEDBANK ROBUR SMABOLAGSFOND NORDE	7	730 000	3,98 %	United States	Ordinary
State Street Bank and Trust Comp	8	667 953	3,64 %	United States	Nominee
ODIN Small Cap	9	600 000	3,27 %	Norway	Ordinary
Skandinaviska Enskilda Banken AB	10	440 274	2,40 %	Denmark	Nominee
The Northern Trust Comp, London Br	11	433 545	2,36 %	United Kingdom	Nominee
SWEDBANK ROBUR HEALTHCARE	12	425 000	2,32 %	United States	Ordinary
State Street Bank and Trust Comp	13	419 364	2,29 %	United States	Nominee
SEB NANOCAP	14	414 011	2,26 %	Sweden	Ordinary
SKANDINAVISKA ENSKILDA BANKEN AB	15	404 603	2,21 %	Luxembourg	Nominee
BUANES	16	381 876	2,08 %	Norway	Ordinary
VERDIPAPIRFONDET HOLBERG NORGE	17	346 754	1,89 %	Norway	Ordinary
RBC Investor services bank S.A.	18	293 775	1,60 %	Ireland	Nominee
Skandinaviska Enskilda Banken AB	19	275 234	1,50 %	Sweden	Nominee
BNP Paribas	20	271 352	1,48 %	Italy	Nominee
Total 20 largest		13 260 880			
Total number of shares		18 337 336			
20 largest share of total in %			72,32 %		

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