

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended September 30, 2023  
OR  
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File No. 001-12575

UTAH MEDICAL PRODUCTS INC  
(Exact name of Registrant as specified in its charter)

Utah  
(State or other jurisdiction of incorporation or organization)

87-0342734  
(I.R.S. Employer Identification No.)

7043 South 300 West  
Midvale, Utah 84047  
(Address of principal executive offices) (Zip Code)

(801) 566-1200  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:  
Common stock, \$0.01 par value

Trading Symbol:  
UTMD

Name of each exchange on which registered:  
NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐  
Non-accelerated filer ☒

Accelerated filer ☐  
Smaller reporting company ☒  
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of November 10, 2023: 3,629,525.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEETS AS OF  
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022  
(in thousands)

	(unaudited) SEPTEMBER 30, 2023	(audited) DECEMBER 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash & investments	\$ 88,209	\$ 75,052
Accounts & other receivables, net	3,487	5,538
Inventories	9,709	8,814
Other current assets	442	515
Total current assets	101,847	89,919
Property and equipment, net	10,346	10,224
Goodwill	13,424	13,354
Other intangible assets	53,042	52,755
Other intangible assets - accumulated amortization	(47,416)	(42,378)
Other intangible assets, net	5,626	10,377
Total assets	<u>\$ 131,243</u>	<u>\$ 123,874</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 511	\$ 1,218
Accrued expenses	3,666	4,742
Total current liabilities	4,177	5,960
Deferred tax liability – Femcare IIA	1,196	1,514
Other long term liabilities	1,256	1,256
Operating lease liability	305	341
Deferred income taxes	607	549
Total liabilities	7,541	9,620
Stockholders' equity:		
Common stock - \$0.01 par value; authorized - 50,000 shares; issued - September 30, 2023, 3,629 shares and December 31, 2022, 3,628 shares	36	36
Accumulated other comprehensive income (loss)	(11,999)	(12,039)
Additional paid-in capital	521	251
Retained earnings	135,144	126,006
Total stockholders' equity	123,702	114,254
Total liabilities and stockholders' equity	<u>\$ 131,243</u>	<u>\$ 123,874</u>

see notes to consolidated condensed financial statements

UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES  
CONSOLIDATED CONDENSED STATEMENTS OF INCOME FOR THE  
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(in thousands, except per share amounts - unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Sales, net	\$ 12,505	\$ 12,955	\$ 37,891	\$ 38,707
Cost of goods sold	5,146	4,769	14,951	14,838
Gross profit	7,359	8,186	22,940	23,869
Operating expense				
Selling, general and administrative	3,252	2,933	9,693	8,779
Research & development	138	112	414	370
Total operating expense	3,390	3,045	10,107	9,149
Operating income	3,969	5,141	12,833	14,720
Other income	812	198	2,239	348
Income before provision for income taxes	4,781	5,339	15,072	15,068
Provision for income taxes	846	1,059	2,723	3,150
Net income	\$ 3,935	\$ 4,280	\$ 12,349	\$ 11,918
Earnings per common share (basic)	\$ 1.08	\$ 1.18	\$ 3.40	\$ 3.27
Earnings per common share (diluted)	\$ 1.08	\$ 1.18	\$ 3.39	\$ 3.26
Shares outstanding - basic	3,629	3,625	3,629	3,641
Shares outstanding - diluted	3,639	3,634	3,638	3,650
Other comprehensive income (loss):				
Foreign currency translation net of taxes of \$ 0 in all periods	\$ (1,012)	\$ (2,572)	\$ 41	\$ (5,377)
Total comprehensive income	\$ 2,923	\$ 1,708	\$ 12,390	\$ 6,541

see notes to consolidated condensed financial statements

**UTAH MEDICAL PRODUCTS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022**  
(in thousands - unaudited)

	Nine Months Ended September 30,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 12,349	\$ 11,918
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	465	454
Amortization	4,824	4,837
Provision for (recovery of) losses on accounts receivable	(31)	21
Amortization of right-of-use assets	39	39
Deferred income taxes	(284)	(409)
Stock-based compensation expense	153	121
Tax benefit attributable to exercise of stock options	12	-
Changes in operating assets and liabilities:		
Accounts receivable and other receivables	2,133	(1,059)
Inventories	(925)	(2,065)
Prepaid expenses and other current assets	19	(5)
Accounts payable	(712)	540
Accrued expenses	(1,093)	1,075
Total adjustments	4,600	3,549
Net cash provided by operating activities	16,949	15,467
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures for:		
Property and equipment	(549)	(771)
Intangible assets	-	(9)
Net cash used in investing activities	(549)	(780)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common stock - options	117	43
Common stock purchased and retired	-	(2,495)
Payment of dividends	(3,211)	(2,112)
Net cash used in financing activities	(3,094)	(4,564)
Effect of exchange rate changes on cash	(149)	(1,586)
Net increase in cash and cash equivalents	13,157	8,537
Cash at beginning of period	75,052	60,974
Cash at end of period	\$ 88,209	\$ 69,511
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the period for income taxes	\$ 3,489	\$ 3,502
Cash paid during the period for interest	-	-

see notes to consolidated condensed financial statements

UTAH MEDICAL PRODUCTS, INC.  
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY FOR THE  
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(In thousands - unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Stockholders' Equity
	Shares	Amount				
Balance at June 30, 2023	3,629	\$ 36	\$ 432	\$ (10,986)	\$ 132,279	\$ 121,762
Shares issued upon exercise of employee stock options for cash	1	-	36	-	-	36
Stock option compensation expense	-	-	53	-	-	53
Foreign currency translation adjustment	-	-	-	(1,012)	-	(1,012)
Common stock dividends	-	-	-	-	(1,071)	(1,071)
Net income	-	-	-	-	3,935	3,935
Balance at September 30, 2023	3,630	\$ 36	\$ 521	\$ (11,999)	\$ 135,144	\$ 123,702
Balance at December 31, 2022	3,628	\$ 36	\$ 251	\$ (12,039)	\$ 126,006	\$ 114,254
Shares issued upon exercise of employee stock options for cash	2	-	117	-	-	117
Stock option compensation expense	-	-	153	-	-	153
Foreign currency translation adjustment	-	-	-	41	-	41
Common stock dividends	-	-	-	-	(3,212)	(3,212)
Net income	-	-	-	-	12,349	12,349
Balance at September 30, 2023	3,630	\$ 36	\$ 521	\$ (11,999)	\$ 135,144	\$ 123,702
Balance at June 30, 2022	3,625	\$ 36	\$ -	\$ (11,858)	\$ 119,293	\$ 107,471
Shares issued upon exercise of employee stock options for cash	-	-	20	-	-	20
Stock option compensation expense	-	-	38	-	-	38
Foreign currency translation adjustment	-	-	-	(2,572)	-	(2,572)
Common stock dividends	-	-	-	-	(1,051)	(1,051)
Net income	-	-	-	-	4,280	4,280
Balance at September 30, 2022	3,625	\$ 36	\$ 58	\$ (14,431)	\$ 122,521	\$ 108,185
Balance at December 31, 2021	3,655	\$ 37	\$ 841	\$ (9,054)	\$ 115,314	\$ 107,138
Shares issued upon exercise of employee stock options for cash	1	-	43	-	-	43
Stock option compensation expense	-	-	121	-	-	121
Common stock purchased and retired	(30)	(1)	(947)	-	(1,548)	(2,495)
Foreign currency translation adjustment	-	-	-	(5,377)	-	(5,377)
Common stock dividends	-	-	-	-	(3,162)	(3,162)

Net income	-	-	-	-	11,918	11,918
Balance at September 30, 2022	3,625	\$ 36	\$ 58	\$ (14,431)	\$ 122,521	\$ 108,185

see notes to consolidated  
condensed financial  
statements

UTAH MEDICAL PRODUCTS, INC.  
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
(unaudited)

(1) The unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by accounting principles generally accepted in the United States. These statements should be read in conjunction with the financial statements and notes included in the Utah Medical Products, Inc. ("UTMD" or "the Company") annual report on Form 10-K for the year ended December 31, 2022. In the opinion of management, the accompanying financial statements include all adjustments (consisting only of normal recurring adjustments) necessary to summarize fairly the Company's financial position and results of operations. Currency amounts are in thousands except per-share amounts and where noted.

(2) Recent Accounting Standards.

The Company has determined that other recently issued accounting standards will either have no material impact on its consolidated financial position, results of operations or cash flows, or will not apply to its operations.

(3) Inventories at September 30, 2023, and December 31, 2022, consisted of the following:

	September 30, 2023		December 31, 2022
Finished goods	\$ 2,338	\$	1,896
Work-in-process	1,654		1,193
Raw materials	5,717		5,725
Total	<u>\$ 9,709</u>	\$	<u>8,814</u>

(4) Stock-Based Compensation. At September 30, 2023, the Company has stock-based employee compensation plans which authorize the grant of stock options to eligible employees and directors. The Company accounts for stock compensation under FASB Accounting Standards Codification ("ASC") 718, *Compensation - Stock Compensation*. This statement requires the Company to recognize compensation cost based on the grant date fair value of options granted to employees and directors. In the quarters ended September 30, 2023, and 2022, the Company recognized \$53 and \$38, respectively, in stock based compensation cost. In the nine months ended September 30, 2023, and 2022, the Company recognized \$153 and \$121, respectively, in stock based compensation cost.

(5) Warranty Reserve. The Company's published warranty is: "UTMD warrants its products to conform in all material respects to all published product specifications in effect on the date of shipment, and to be free from defects in material and workmanship for a period of thirty (30) days for supplies, or twenty-four (24) months for equipment, from date of shipment. During the warranty period UTMD shall, at its option, replace any products shown to UTMD's reasonable satisfaction to be defective at no expense to the Purchaser or refund the purchase price."

UTMD maintains a warranty reserve to provide for estimated costs which are likely to occur. The amount of this reserve is adjusted, as required, to reflect its actual experience. Based on its analysis of historical warranty claims and its estimate that existing warranty obligations were immaterial, no warranty reserve was made at December 31, 2022, or September 30, 2023.

(6) Global 3Q 2023 revenues (USD) by product category:

	Domestic		Outside US		Total
Labor & Delivery	\$ 1,066	\$	357	\$	1,423
Gynecology/Electrosurgery/Urology	2,600		2,772		5,372
Neonatal	1,363		521		1,884
Blood Pressure Monitoring and Accessories	2,236		1,590		3,826
Total:	<u>\$ 7,265</u>	\$	<u>5,240</u>	\$	<u>12,505</u>

Global 9M 2023 revenues (USD) by product category:

	Domestic		Outside US		Total
Labor & Delivery	\$ 2,725	\$	788	\$	3,513
Gynecology/Electrosurgery/Urology	7,805		9,076		16,881
Neonatal	3,892		1,150		5,042
Blood Pressure Monitoring and Accessories	7,045		5,410		12,455
Total:	<u>\$ 21,467</u>	\$	<u>16,424</u>	\$	<u>37,891</u>



(7) Distribution Agreement Purchase. UTMD completed the purchase of exclusive U.S. distribution rights for the Filshie Clip System from CooperSurgical, Inc. (CSI) as of February 1, 2019. The \$21,000 purchase price represented an identifiable intangible asset which is being straight-line amortized and recognized as part of G&A expenses over a remaining one month of life as of September 30, 2023 of the prior CSI distribution agreement with Femcare Ltd.

(8) Earnings Per Share. Basic earnings per share is calculated by dividing net income attributable to the common stockholders of the company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by assuming the exercise of stock options at the closing price of stock at the end of 3rd quarter 2023.

The following table reconciles the numerator and the denominator used to calculate basic and diluted earnings per share:

(in thousands)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Numerator</b>				
Net income	3,935	4,280	12,349	11,918
<b>Denominator</b>				
Weighted average shares, basic	3,629	3,625	3,629	3,641
Dilutive effect of stock options	10	9	9	9
Diluted shares	<u>3,639</u>	<u>3,634</u>	<u>3,638</u>	<u>3,650</u>
Earnings per share, basic	1.08	1.18	3.40	3.27
Earnings per share, diluted	1.08	1.18	3.39	3.26

(9) Subsequent Events. UTMD has evaluated subsequent events through the date the financial statements were issued, and concluded there were no other events or transactions during this period that required recognition or disclosure in its financial statements.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### General

Utah Medical Products, Inc. (UTMD) manufactures and markets a well-established range of specialty medical devices. The Company's Form 10-K Annual Report for the year ended December 31, 2022, provided a detailed description of products, technologies, markets, regulatory issues, business initiatives, resources and business risks, among other details, and should be read in conjunction with this report. Because of the relatively short span of time, results for any given three-month period in comparison with a previous three-month period may not be indicative of comparative results for the year as a whole.

Currency amounts in the report are in thousands, except per share amounts or where otherwise noted. Currencies in this report are denoted as \$ or USD = U.S. Dollars; A\$ or AUD = Australia Dollars; £ or GBP = UK Pound Sterling; C\$ or CAD = Canadian Dollars; and € or EUR = Euros.

### Analysis of Results of Operations

#### a) Overview

Income statement results in 3Q and 9M 2023 compared to the same periods of 2022 were as follows:

	3Q 2023	3Q 2022	change	9M 2023	9M 2022	change
Net Sales	\$ 12,505	\$ 12,955	(3.5%)	\$ 37,891	\$ 38,707	(2.1%)
Gross Profit	7,359	8,186	(10.1%)	22,940	23,869	(3.9%)
Operating Income	3,969	5,141	(22.8%)	12,833	14,720	(12.8%)
Income Before Tax	4,781	5,339	(10.5%)	15,072	15,068	-
Net Income (NI)	3,935	4,280	(8.1%)	12,349	11,918	3.6%
Earnings per Diluted Share (EPS)	1.081	1.178	(8.2%)	3.394	3.265	4.0%

Worldwide (WW) consolidated sales in 3Q 2023 were \$450 lower than in 3Q 2022, and were \$816 lower in 9M 2023 compared to 9M 2022. This essentially was because 3Q 2023 biopharmaceutical OEM sales were \$1,217 lower than in 3Q 2022, and were \$1,847 lower in 9M 2023 compared to 9M 2022. Sales invoiced in foreign currencies, which did not include any biopharmaceutical OEM sales, represented 25% of total WW consolidated 3Q 2023 sales (when expressed in USD) and 29% of 9M 2023 total WW consolidated sales. Constant currency sales, U.S. dollar sales using the same foreign currency exchange (FX) rates as in the prior year's same periods, were \$155 higher in 3Q 2023 as a result of a stronger EUR and GBP compared to 3Q 2022, but \$33 lower for 9M 2023 because of a weaker AUS and CAD, despite a stronger EUR, for 9M 2023 year-to-date.

Profit margins in 3Q and 9M 2023 compared to 3Q and 9M 2022 follow:

	3Q 2023 (Jul – Sep)	3Q 2022 (Jul – Sep)	9M 2023 (Jan – Sep)	9M 2022 (Jan – Sep)
Gross Profit Margin (GP/ sales):	58.8%	63.2%	60.5%	61.7%
Operating Income Margin (OI/ sales):	31.7%	39.7%	33.9%	38.0%
EBT Margin (EBT/ sales):	38.2%	41.2%	39.8%	38.9%
Net Income Margin (NI/ sales):	31.5%	33.0%	32.6%	30.8%

EBT = Income Before Taxes = (Operating Income + Non-Operating Income)

In 9M 2023, UTMD achieved its targeted GP margin (GPM), although somewhat lower than in 9M 2022 due to planned higher manufacturing overhead costs with less absorption because of lower sales. Because of the relatively short span of time, results for any given three-month period in comparison with a previous three-month period may not be indicative of comparative results for the year as a whole. The lower 3Q 2023 GPM was a good example of this. In addition to the lower absorption of higher overhead costs, the Company had an unfavorable product mix due to much higher foreign distributor sales compared to 3Q 2022, and experienced higher than normal medical expenses in its self-funded U.S. health care plan. International distributor prices are lower than prices of products sold directly to medical facilities WW.

In addition to the 4.4 percentage-point lower 3Q 2023 GPM and the 1.2 percentage-point lower 9M 2023 GPM, the Operating Income margins in both periods were reduced another 2.8 percentage points by 2023 litigation expenses captured in General & Administrative (G&A) expenses. The Operating Income margins are Operating Income in the applicable time period divided by sales in the same period. Due primarily to interest earned on cash balances which are included in Non-operating income, UTMD was able to achieve higher Income Before Tax, Net Income and Earnings per Diluted Share in 9M 2023 compared to 9M 2022.

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UTMD's September 30, 2023 Balance Sheet, in the absence of debt, continued to strengthen with total assets up \$0.8 million from the end of 2022. Ending Cash and Investments were \$88.2 million on September 30, 2023 compared to \$75.1 million on December 31, 2022, after paying \$3.2 million in cash dividends to stockholders and purchasing \$0.5 million in new Property and Equipment in 9M 2023. UTMD's cash balance increased \$3.62/ outstanding share at September 30, 2023 from the end of 2022 with a 4% increase in Net Income, while the stock price declined \$14.53/ share. Stockholders' Equity (SE) increased \$9.4 million in the nine-month period from December 31, 2022 despite the fact that \$3.2 million in dividends reduced SE.

Foreign currency exchange (FX) rates for Balance Sheet purposes are the applicable rates at the end of each reporting period. The FX rates from the applicable foreign currency to USD for assets and liabilities at the end of 3Q 2023 compared to the end of calendar year 2022 and the end of 3Q 2022 follow:

	9-30-23	12-31-22	Change	9-30-22	Change
GBP	1.22134	1.20771	1.1%	1.11303	9.7%
EUR	1.05841	1.06940	(1.0%)	0.97878	8.1%
AUD	0.64494	0.68050	(5.2%)	0.64366	0.2%
CAD	0.73873	0.73899	-	0.72722	1.6%

### b) Revenues (sales)

Terms of sale are established in advance of UTMD's acceptance of customer orders. For the U.S., Ireland, UK, France, Canada, Australia and New Zealand, UTMD generally accepts orders directly from and ships directly to end user clinical facilities, as well as third party medical/surgical distributors, under UTMD's Standard Terms and Conditions (T&C) of Sale. About 14% of UTMD's domestic end user sales, excluding Filshie device sales, go through third party med/surg distributors which contract separately with clinical facilities to provide purchasing, storage and scheduled delivery functions for the applicable facility. UTMD's T&C of Sale to end user facilities are substantially the same for customers in the U.S. and outside the U.S. (OUS).

UTMD may have separate discounted pricing agreements with a specific clinical facility or group of affiliated facilities based on volume of purchases.

Pricing agreements which are documented arrangements with clinical facilities, or groups of affiliated facilities, if applicable, are established in advance of orders accepted or shipments made. For existing customers, past actual shipment volumes typically determine the fixed price by part number for the next agreement period of one year or less. For new customers, the customer's best estimate of volume is usually accepted by UTMD for determining the ensuing fixed prices for the agreement period. Prices are not adjusted after an order is accepted. For the sake of clarity, the separate pricing agreements with clinical facilities based on volume of purchases is not inconsistent with UTMD's disclosure that the selling price is fixed prior to the acceptance of a specific customer order.

Total WW UTMD consolidated **3Q 2023** sales were \$450 (3.0%) lower than in 3Q 2022. WW constant currency sales were \$605 (4.7%) lower. U.S. domestic sales were 15.7% lower (obviously without any FX impact), and outside the U.S. (OUS) sales were 20.8% higher. Without the benefit of a weaker USD in converting foreign currency sales, 3Q 2023 OUS sales were 17.2% higher.

Domestic U.S. sales in 3Q 2023 were \$7,265 compared to \$8,615 in 3Q 2022. Domestic sales are invoiced in USD and not subject to FX rate fluctuations. The components of domestic sales include 1) "direct other device sales" of UTMD's medical devices to user facilities (and med/surg stocking distributors for hospitals), excluding Filshie device sales, 2) "OEM sales" of components and other products manufactured by UTMD for other medical device and non-medical device companies, and 3) "direct Filshie device sales". UTMD separates Filshie device sales from other medical device sales direct to medical facilities because of their significance, and acquisition history. Domestic direct other device sales, representing 56% of total domestic sales, were \$9 (+0.2%) higher in 3Q 2023 than in 3Q 2022. Domestic OEM sales, representing 28% of total domestic sales, were \$1,019 (33.4%) lower, including \$1,103 lower U.S. biopharmaceutical OEM sales. Direct Filshie device sales, representing 16% of total domestic sales, were \$341 (23.0%) lower in 3Q 2023 compared to 3Q 2022.

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OUS sales in 3Q 2023 were 20.8% higher at \$5,240 compared to \$4,340 in 3Q 2022. The increase in USD-denominated OUS sales was leveraged as a result of a weaker USD relative to the EUR and GBP, which added \$155 to OUS sales that were invoiced in GBP, EUR, AUD and CAD foreign currencies in constant currency terms. FX rates for income statement purposes are transaction-weighted averages. The weighted-average FX rates from the applicable foreign currency to USD during 3Q 2023 and 3Q 2022 for revenue purposes follow:

	3Q 2023	3Q 2022	Change
GBP	1.2669	1.1760	+7.7%
EUR	1.0711	1.0040	+6.7%
AUD	0.6572	0.6828	(3.7%)
CAD	0.7462	0.7663	(2.6%)

The weighted average favorable FX rate difference impact on 3Q 2023 foreign currency OUS sales was 5.2%, increasing reported USD sales by \$155 relative to the same foreign currency sales in 3Q 2022. In constant currency terms, foreign currency sales in 3Q 2023 were 17.2% higher than in 3Q 2022. The portion of OUS sales invoiced in foreign currencies in USD terms were 25.0% of total consolidated 3Q 2023 sales compared to 19.3% in 3Q 2022.

OUS sales invoiced in foreign currencies are due to direct end-user sales in Ireland, the UK, France, Canada, Australia and New Zealand, and to shipments to OUS distributors of products manufactured by UTMD subsidiaries in Ireland and the UK. Export sales from the U.S. to OUS distributors are invoiced in USD. Direct to end-user foreign currency OUS 3Q 2023 sales in USD terms were 19.6% higher in Ireland, 21.6% lower in Canada, 8.2% higher in France, 30.8% lower in AUS/NZ and 17.2% higher in the UK than in 3Q 2022. Sales to OUS distributors/ international OEM (including biopharmaceutical) customers were 35.5% higher in 3Q 2023 than in 3Q 2022. Total consolidated 9M 2023 UTMD WW consolidated sales were \$816 (2.1%) lower than in 9M 2022. Constant currency 9M 2023 sales were \$33 (+0.1%) lower due to a slightly stronger USD year-to-date. U.S. domestic sales were 12.1% lower and OUS sales were 15.0% higher.

Domestic U.S. sales in **9M 2023** were \$21,467 compared to \$24,429 in 9M 2022. Direct other device sales, representing 53% of total domestic sales, were \$689 (5.7%) lower in 9M 2023 than in 9M 2022. The lower direct other device sales year-to-date resulted from continued supply chain disruption. Domestic OEM sales, representing 30% of total domestic sales, were \$1,919 (22.8%) lower. The biopharmaceutical portion of domestic OEM sales were \$1,963 (28.2%) lower. Direct domestic Filshie device sales, representing 17% of total domestic sales, were \$354 (9.0%) lower in 9M 2023 compared to 9M 2022 due to lower demand.

OUS sales in 9M 2023 were 15.0% higher at \$16,424 compared to \$14,278 in 9M 2022. The increase in 9M 2023 USD-denominated OUS sales was only slightly diminished as a result of a stronger USD which subtracted \$33 from OUS sales that were invoiced in GBP, EUR, AUD and CAD foreign currencies (in constant currency terms). FX rates for income statement purposes are transaction-weighted averages. The weighted-average FX rates from the applicable foreign currency to USD during 9M 2023 and 9M 2022 for revenue purposes follow:

	9M 2023	9M 2022	Change
GBP	1.2434	1.2488	(0.4%)
EUR	1.0790	1.0672	+1.1%
AUD	0.6708	0.7058	(5.0%)
CAD	0.7432	0.7797	(4.7%)

The weighted-average unfavorable impact on 9M 2023 foreign currency OUS sales was just 0.3%, reducing reported USD sales by \$33 relative to the same foreign currency sales in 9M 2022. In constant currency terms, OUS sales in 9M 2023 were 15.3% higher than in 9M 2022. The portion of OUS sales invoiced in foreign currencies in USD terms was 28.8% of total consolidated 9M 2023 sales compared to 23.9% in 9M 2022. Direct to end-user foreign currency OUS 9M 2023 sales in USD terms were 5.3% higher in Ireland, 14.1% lower in Canada, 9.5% higher in France, 21.7% higher in the UK and 18.2% lower in AUS/NZ. Sales to OUS distributors/OEM (including biopharmaceutical) customers were 21.2% higher in 9M 2023 than in 9M 2022.

Since shipments to OEM customers and OUS distributors typically have long lead times, the current order backlog added to 9M 2023 sales results for those segments provides a fair estimate for 2023 sales as a whole, barring new unresolved raw material supply constraints and further third-party sterilization capacity limits. Based on the current backlog, management expects that WW biopharmaceutical OEM sales to its largest customer will be about \$3 million lower in 2023 than in 2022, representing about 17% of 2023 total consolidated sales compared to 22% in 2022. This projection is consistent with management's beginning of year 2023 sales estimates, and suggests a net total annual 2023 consolidated sales decline of about \$2 million.

UTMD segments sales into the following general product categories: gynecology/ electrosurgery, labor & delivery, neonatal critical care, and miscellaneous including blood pressure monitoring kits and accessories as well as related OEM products.

In 3Q 2023 compared to 3Q 2022, WW gynecology/ electrosurgery sales were 6% lower, WW neonatal device sales were 3% higher, WW labor & delivery device sales were 12% higher and WW blood pressure monitoring and related OEM product sales were 8% lower. In 9M 2023 compared to 9M 2022, WW gynecology/ electrosurgery device sales were 4% higher, WW labor & delivery device sales were about the same, WW neonatal device sales were 10% lower and WW blood pressure monitoring and related OEM product sales were 7% lower.

The following table provides USD sales amounts divided into general product categories for total sales and the subset of OUS sales:

Global 3Q 2023 revenues (USD) by product category:

	Domestic	Outside US	Total
Labor & Delivery	\$ 1,066	\$ 357	\$ 1,423
Gynecology/Electrosurgery/Urology	2,600	2,772	5,372
Neonatal	1,363	521	1,884
Blood Pressure Monitoring and Accessories*	2,236	1,590	3,826
Total:	\$ 7,265	\$ 5,240	\$ 12,505

Global 9M 2023 revenues (USD) by product category:

	Domestic	Outside US	Total
Labor & Delivery	\$ 2,725	\$ 788	\$ 3,513
Gynecology/Electrosurgery/Urology	7,805	9,076	16,881
Neonatal	3,892	1,150	5,042

Blood Pressure Monitoring and Accessories*	<u>7,045</u>	<u>5,410</u>	<u>12,455</u>
Total:	\$ 21,467	\$ 16,424	\$ 37,891

\*includes molded components sold to OEM customers.

### c) Gross Profit

Gross Profit results from subtracting the costs of manufacturing, quality assurance and receiving materials from suppliers from revenues. UTMD's Gross Profit was \$827 (10.1%) lower in 3Q 2023 than in 3Q 2022, and \$929 (3.9%) lower in 9M 2023 than in 9M 2022. UTMD price increases to customers since early 2022 were substantially lower than its continued cost increases, with continued "sticky" inflation. Although direct labor productivity in 3Q 2023 remained consistent with the past, raw material costs continued to increase and higher manufacturing overhead costs were less absorbed by lower revenues.

About half of the 4.4 percentage-point lower Gross Profit margin (GPM) in 3Q 2023 compared to 3Q 2022 was due to \$1,039 (+52%) higher sales to OUS distributors.

### d) Operating Income

Operating Income results from subtracting Operating Expenses from Gross Profit. Operating Income in 3Q 2023 was \$3,969 compared to \$5,141 in 3Q 2022, a \$1,171 (22.8%) decline; and was \$12,833 in 9M 2023 compared to \$14,720 in 9M 2022, a \$1,887 (12.8%) decline.

Operating Expenses are comprised of Sales and Marketing (S&M) expenses, General and Administrative (G&A) expenses and Product Development (R&D) expenses. The following table summarizes Operating Expenses in 3Q and 9M 2023 compared to the same periods in 2022 by Operating Expense (OE) category:

OE Category	3Q 2023	% of sales	3Q 2022	% of sales	9M 2023	% of sales	9M 2022	% of sales
S&M:	\$ 417	3.3	\$ 373	2.9	\$ 1,209	3.2	\$ 1,066	2.7
G&A:	2,835	22.7	2,560	19.8	8,484	22.4	7,713	19.9
R&D:	138	1.1	112	0.8	414	1.1	370	1.0
Total OE:	\$ 3,390	27.1	\$ 3,045	23.5	\$ 10,107	26.7	\$ 9,149	23.6

Changes in foreign currency exchange rates did not have a significant impact on consolidated financial results in 2023. A stronger EUR and GBP in 3Q 2023 helped increase OUS S&M expense by \$3 and OUS G&A expense by \$51. An average slightly stronger USD for 9M 2023, reduced OUS S&M expenses by \$4, OUS G&A expenses by \$26 and OUS R&D expenses by \$1. The following table summarizes "constant currency" Operating Expenses in 3Q and 9M 2023 compared to the same periods in 2022 by Operating Expense (OE) category:

OE Category	3Q 2023 const FX	3Q 2022	9M 2023 const FX	9M 2022
S&M:	\$ 414	\$ 373	\$ 1,213	\$ 1,066
G&A:	2,784	2,560	8,510	7,713
R&D:	138	112	415	370
Total OE:	\$ 3,336	\$ 3,045	\$ 10,138	\$ 9,149

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S&M and R&D expenses were higher primarily as a result of cost-of-living adjustments to employee salaries.

A division of G&A expenses by location follows. G&A expenses include non-cash expenses from the amortization of Identifiable Intangible Assets (IIA) associated with the Filshie Clip System, which is also separated out below:

G&A Expense Category	3Q 2023	% of sales	3Q 2022	% of sales	9M 2023	% of sales	9M 2022	% of sales
IIA Amort– UK:	\$ 504	4.0	\$ 467	3.6	\$ 1,484	3.9	\$ 1,497	3.9
IIA Amort– CSI:	1,105	8.8	1,105	8.5	3,316	8.8	3,316	8.6
Other– UK:	171		132		498		428	
Other– US:	912		710		2,752		2,018	
IRE:	74		73		227		224	
AUS:	38		39		107		124	
CAN:	31		34		100		106	
Total G&A:	\$ 2,835	22.7	\$ 2,560	19.8	\$ 8,484	22.4	\$ 7,713	19.9

Although the IIA amortization expense in either USD or GBP, depending on the location where expensed, was the same as in the prior year's same periods, the 3Q 2023 Operating Income margin was diluted by 0.7 percentage points, and the 9M 2023 Operating Income margin was diluted by 0.2 percentage points, due to a lower sales denominator and the GBP FX rate difference. Non-cash IIA amortization expense was 57% of total G&A expenses in both 3Q 2023 and 9M 2023. Litigation expenses, included in the Other-US G&A Expense category above, were about 2.8% of sales in both 3Q 2023 and 9M 2023. Litigation expenses were 1.4% of sales in 3Q 2022 and 1.1% of sales in 9M 2022. In other words, higher litigation expenses reduced UTMD's Operating Income margin by another 1.4 percentage-points in 3Q 2023, and another 1.7 percentage-points in 9M 2023.

OUS G&A expenses in USD terms were \$818 in 3Q 2023 compared to \$745 in 3Q 2022. OUS G&A expenses were \$2,416 in 9M 2023 compared to \$2,379 in 9M 2022. The constant currency table below shows how the changes in FX rates affected reported OUS G&A expenses for 3Q 2023 (\$51 higher) and 9M 2023 (\$26 lower):

G&A Expense Category	3Q 2023 const FX	3Q 2022	9M 2023 const FX	9M 2022
IIA Amort– UK:	\$ 468	\$ 467	\$ 1,471	\$ 1,497
Other– UK:	159	132	494	428
IRE:	69	73	230	224
AUS:	39	39	101	124
CAN:	32	34	94	106
Total OUS G&A:	\$ 767	\$ 745	\$ 2,390	\$ 2,379

In summary, UTMD's Operating Income margin in 3Q 2023 was 31.7% of sales compared to 39.7% of sales in 3Q 2022; and was 33.9% of sales in 9M 2023 compared to 38.0% of sales in 9M 2022. An explanation for changes in 3Q and 9M 2023 Operating Income margins from the prior year's same periods follows:

Expense Category	3Q Pct-Point Reduction	9M Pct-Point Reduction
GPM difference:	4.4	1.2
Litigation Expense (G&A)	1.4	1.7
IIA Amortization Expense (G&A)	0.8	0.3
All Other Operating Expenses	1.4	0.9
Reduction in Operating Income margin:	8.0	4.1

Because of the significance of the IIA amortization expenses, and to remind stockholders of the history, the initial IIA amount of the 2011 Femcare UK purchase was £23,998. After 12.5 years of amortization, the IIA balance is £3,915 as of the end of 3Q 2023. For both 3Q 2023 and 3Q 2022 in GBP terms, the IIA amortization expenses were £397. For both 9M 2023 and 9M 2022, the IIA amortization expenses were £1,192. The converted USD amortization expense in each period then varied according to the USD/GBP FX rate, which explains the difference in IIA amortization expense in IIA Amort-UK row in the table above.

The initial amount of IIA for the 2019 acquisition of 4.75 years' remaining exclusive U.S. Filshie device distribution and intellectual property rights from CooperSurgical Inc (CSI) was \$21,000. The straight-line amortization of the IIA is \$1,105/ calendar quarter over the remaining 4.75 years of the prior distribution agreement at the time of acquisition. After 4.67 years of amortization, the CSI IIA balance as of September 30, 2023 is \$368. The CSI IIA amortization expenses were the same in both 2023 and 2022 3Q and 9M periods.

Because the non-cash IIA amortization expenses represent a majority of UTMD's Operating Expenses, UTMD provides the following table that separates the IIA amortization expenses from all other Operating Expenses:

	3Q 2023	3Q 2022	9M 2023	9M 2022
IIA amortization expense	\$ 1,609	\$ 1,573	\$ 4,800	\$ 4,813
All other Operating expense	1,781	1,472	5,307	4,336
Total Operating Expenses:	\$ 3,390	\$ 3,045	\$ 10,107	\$ 9,149

  

Percent of Sales:	3Q 2023	3Q 2022	9M 2023	9M 2022
IIA amortization expense	12.9%	12.1%	12.7%	12.4%
All other G&A expense	14.2%	11.4%	14.0%	11.2%
Total G&A Expenses:	27.1%	23.5%	26.7%	23.6%

Therefore, when the two Filshie-related IIA balances are fully amortized, stockholders can look forward to a substantial increase in EBT. The Femcare acquisition IIA amortization expense has just 2.5 more years to run at about \$503 per quarter using the same USD/GBP FX rate as in 3Q 2023. The CSI IIA amortization expense will be fully amortized in 4Q 2023 with just a \$368 remaining expense.

### e) Non-operating expense/ Non-operating income

Non-operating expense includes 1) bank fees; 2) losses from remeasuring the value of EUR cash bank balances in the UK, and GBP cash balances in Ireland, in USD terms; and 3) losses from disposition of assets. Non-operating income includes 1) investment income from cash balances; 2) rent of underutilized property; 3) royalties received from licensing the Company's technology; 4) gains from dispositions of assets; and 5) gains from remeasuring the value of EUR cash bank balances in the UK, and GBP cash balances in Ireland, in USD terms.





UTMD's net Non-operating income in 3Q 2023 was \$811 compared to \$198 in 3Q 2022. Net non-operating income in 9M 2023 was \$2,239 compared to \$348 in 9M 2022.

In 3Q 2023 a gain of \$1 resulted from remeasurement of the value of foreign currency bank balances compared to a \$2 loss in 3Q 2022. UTMD recognized a \$6 loss from remeasurement of the value of foreign currency bank balances in both 9M 2023 and 9M 2022. Royalties received were \$0 in 3Q 2023 compared to \$5 in 3Q 2022, and \$10 in 9M 2023 compared to \$15 in 9M 2022. Interest earned on cash balances were \$743 and \$2,038 in 3Q and 9M 2023 respectively, compared to interest of \$152 and \$211 in 3Q and 9M 2022 respectively.

#### f) Income Before Income Taxes (EBT)

EBT results from subtracting net Non-operating expense or adding net Non-operating income from or to, as applicable, Operating Income. Consolidated 3Q 2023 EBT was \$4,781 (38.2% of sales) compared to \$5,339 (41.2% of sales) in 3Q 2022. Consolidated 9M 2023 EBT was \$15,072 (39.8% of sales) compared to \$15,068 (38.9% of sales) in 9M 2022.

The EBT of Utah Medical Products, Inc. in the U.S. was \$7,955 in 9M 2023 compared to \$9,607 in 9M 2022. The EBT of Utah Medical Products, Ltd (Ireland) was EUR 6,279 in 9M 2023 compared to EUR 5,074 in 9M 2022. The US GAAP EBT of Femcare Group Ltd (Femcare Ltd., UK and Femcare Australia Pty Ltd) was GBP (53) in 9M 2023 compared to GBP (279) in 9M 2022. The EBT of Utah Medical Products Canada, Inc. (dba Femcare Canada) was CAD 474 in 9M 2023 compared to CAD 443 in 9M 2022. The EBT of UTMD's manufacturing subsidiaries varies as a result of intercompany shipments which are eliminated in the consolidation of financial results.

EBITDA is a non-US GAAP metric that measures profitability performance without factoring in effects of financing, accounting decisions regarding non-cash expenses, capital expenditures or tax environments. Excluding the noncash effects of depreciation, amortization of intangible assets and stock option expense, 3Q 2023 consolidated EBT excluding the remeasured bank balance currency gain or loss and interest expense ("adjusted consolidated EBITDA") was \$6,604 compared to \$7,111 in 3Q 2022. Adjusted consolidated EBITDA was \$20,520 in 9M 2023 compared to \$20,487 in 9M 2022. Adjusted consolidated EBITDA for the previous four calendar quarters (TTM) was \$27,924 as of September 30, 2023.

UTMD's adjusted consolidated EBITDA as a percentage of sales was 52.8% in 3Q 2023 compared to 54.9% in 3Q 2022, reflecting the lower 3Q 2023 GPM. UTMD's adjusted consolidated EBITDA as a percentage of sales was 54.2% in 9M 2023 compared to 52.9% in 9M 2022.

Management believes that this non-US GAAP operating performance metric provides meaningful supplemental information to both management and investors and confirms UTMD's ongoing excellent financial operating performance during a difficult economic period of time.

UTMD's non-US GAAP adjusted consolidated EBITDA is the sum of the elements in the following table, each element of which is a US GAAP number:

	3Q 2023	3Q 2022	9M 2023	9M 2022
EBT	\$ 4,781	\$ 5,339	\$ 15,072	\$ 15,068
Depreciation Expense	155	152	465	454
Femcare IIA Amortization Expense	503	467	1,484	1,497
CSI IIA Amortization Expense	1,105	1,105	3,316	3,316
Other Non-Cash Amortization Expense	8	8	24	24
Stock Option Compensation Expense	53	38	152	121
Interest Expense	-	-	-	-
Remeasured Foreign Currency Balances	(1)	2	7	7
UTMD non-US GAAP EBITDA:	\$ 6,604	\$ 7,111	\$20,520	\$20,487

#### g) Net Income

Net Income is EBT minus a provision for income taxes. Net Income in 3Q 2023 of \$3,935 (31.5% of sales) was 8.1% lower than Net Income of \$4,280 (33.0% of sales) in 3Q 2022. Net Income in 9M 2023 of \$12,349 (32.6% of sales) was 3.6% higher than Net Income of \$11,918 (30.8% of sales) in 9M 2022.

The average consolidated income tax provisions (as a % of the same period EBT) in 3Q 2023 and 3Q 2022 were 17.7% and 19.8% respectively, and were 18.1% and 20.9% in 9M 2023 and 9M 2022 respectively. The consolidated income tax provision rate varies as the mix in taxable income among U.S. and foreign subsidiaries with differing income tax rates differs from period to period. The lower 2023 tax provision rates resulted from the EBT of Utah Medical Products, Ltd (Ireland), with the lowest sovereignty corporate income tax rate, growing disproportionately more than UTMD's EBT from other sovereign entities, and a portion of UTMD's 2023 Non-operating Income generated from interest on high grade tax-exempt municipal bonds. UTMD has consistently paid millions of dollars in income taxes annually. The basic corporate income tax rates in each of the sovereignties were the same as in the prior year, except for the UK. The UK corporate income rate changed from 19% to 25% on April 1, 2023.

#### h) Earnings Per Share (EPS)

EPS are consolidated Net Income divided by the number of shares of stock outstanding (diluted to take into consideration stock option awards which are "in the money," i.e., have exercise prices below the applicable period's weighted average market value).

Diluted EPS in 3Q 2023 were \$1.081 compared to \$1.178 in 3Q 2022, an 8.2% decrease. Diluted EPS in 9M 2023 were \$3.394 compared to diluted EPS of \$3.265 in 9M 2022, a 4.0% increase. Diluted shares were 3,638,723 in 3Q 2023 compared to 3,634,235 in 3Q 2022. The higher diluted shares in 3Q 2023 were the result of exercise of employee options.

The number of shares used for calculating 3Q 2023 EPS was higher than September 30, 2023 actual outstanding shares because of a time-weighted calculation of average outstanding shares plus dilution from unexercised employee and director options. Outstanding shares at the end of 3Q 2023 were 3,629,525 compared to 3,627,767 at the end of calendar year 2022. The difference was due to 1,758 shares in employee option exercises during 9M 2023. For comparison, actual outstanding shares were 3,625,195 at the end of 3Q 2022. The total number of outstanding unexercised employee and outside director options at September 30, 2023 was 65,301 at an average exercise price of \$73.83, including shares awarded but not yet vested. This compares to 49,895 unexercised option shares at the end of 3Q 2022 at an average exercise price of \$69.00/ share, including shares awarded but not vested.

The number of shares added as a dilution factor for 3Q 2023 was 9,309 compared to 9,220 in 3Q 2022. The number of shares added as a dilution factor for 9M 2023 was 9,918 compared to 9,424 in 9M 2022. In October 2022, 20,600 option shares were awarded to 40 employees at an exercise price of \$82.60. No options have been awarded in 2023. UTMD paid \$1,071 (\$0.295/share) in dividends to stockholders in 3Q 2023 compared to \$1,051 (\$0.290/ share) paid in 3Q 2022. Dividends paid to stockholders during 3Q 2023 were 27% of 3Q 2023 Net Income. UTMD paid \$3,211 (\$0.295/share) in dividends to stockholders in 9M 2023 compared to \$2,111 (\$0.290/ share) paid in 9M 2022. The difference was due to an earlier payment of a special dividend at the end of 2021 instead of in 1Q 2022. No UTMD shares have been purchased in the open market in 2023. In 2Q 2022, the Company purchased 30,105 UTMD shares at an average cost of \$82.88/ share. The Company retains the strong desire and financial ability for repurchasing its shares at a price it believes is attractive for remaining stockholders.

#### i) Return on Stockholder Equity (ROE) and Stock Value

ROE is the portion of Net Income retained by UTMD to internally finance its growth, divided by the average accumulated stockholders' equity for the applicable time period. After payment of cash dividends to stockholders, annualized ROE in 9M 2023 was 10% compared to annualized ROE of 12% in 9M 2022. Before the payment of dividends, annualized ROE in 9M 2023 was 14% compared to 15% in 9M 2022. The lower ROE in 9M 2023 was due to an 11% increase in average accumulated stockholders' equity divided into Net Income that grew only 4%. The larger increase in average stockholders' equity was due to accumulation of cash. Targeting a high ROE of 20% (before dividends) remains a key financial objective for UTMD management.

UTMD paid \$1,071 (\$0.295/share) in dividends to stockholders in 3Q 2023 compared to \$1,051 (\$0.290/ share) paid in 3Q 2022. Dividends paid to stockholders during 3Q 2023 were 27% of 3Q 2023 Net Income. UTMD paid \$3,211 (\$0.295/share) in dividends to stockholders in 9M 2023 compared to \$2,111 (\$0.290/ share) paid in 9M 2022. The main difference was due to an earlier payment of a special dividend at the end of 2021 instead of in 1Q 2022. Dividends paid to stockholders during 9M 2023 were 26% of 9M 2023 Net Income.

UTMD's closing share price at the end of 3Q 2023 was \$86.00, down from the closing price of \$93.20 three months earlier at the end of 2Q 2023, and the closing price of \$100.53 nine months earlier at the end of 2022. UTMD's closing share price at the end of 3Q 2022 was \$85.31.

#### Liquidity and Capital Resources

##### j) Cash flows

Net cash provided by operating activities, including adjustments for depreciation and amortization and other non-cash expenses along with changes in working capital, totaled \$16,949 in 9M 2023 compared to \$15,467 in 9M 2022. The \$1,483 higher cash provided by operating activities in 9M 2023 was due to \$431 higher Net Income and to working capital differences from 1) a \$1,141 smaller increase in inventories in 9M 2023 compared to 9M 2022 and 2) a \$2,133 decrease in trade accounts receivable in 9M 2023 instead of a \$1,071 increase in 9M 2022, which were offset by 1) a \$711 decrease in accounts payable instead of a \$540 increase in 9M 2022 and 2) a \$1,093 decrease in accrued expenses instead of a \$1,075 increase in 9M 2022.

Capital expenditures for property and equipment (PP&E) were \$549 in 9M 2023 compared to \$771 in 9M 2022. The capital expenditures in both years were due to expansion in manufacturing equipment in both Utah and Ireland. Capital expenditures for intangible assets were none in 9M 2023 compared to \$9 in 9M 2022.

UTMD made cash dividend payments of \$3,211 in 9M 2023 compared to \$2,111 in 9M 2022. A special dividend declared in 4Q 2021 was paid earlier in December 2021 instead of January 2022. There were \$2,495 in share repurchases in 9M 2022 compared to no share repurchases in 9M 2023.

In 9M 2023 the Company received \$117 and issued 1,758 shares of stock on the exercise of employee and director stock options. Option exercises in 9M 2023 were at an average price of \$66.40 per share. In comparison, in 9M 2022 the Company received \$43 and issued 563 shares of stock on the exercise of employee and director stock options. Option exercises in 9M 2022 were at an average price of \$75.98 per share.

Management believes that current cash balances, income from operations and effective management of working capital will provide the liquidity needed to finance internal growth plans. The Company may utilize cash not needed to support normal operations in one or a combination of the following: 1) in general, to continue to invest at an opportune time in ways that will enhance future profitability; 2) to make additional investments in new technology and/or processes; and/or 3) to acquire a product line or company that will augment revenue and EPS growth and better utilize UTMD's existing infrastructure. If there are no better strategic uses for UTMD's cash, the Company will continue to return cash to stockholders in the form of dividends and share repurchases when the stock appears undervalued.

#### k) Assets and Liabilities

September 30, 2023 total consolidated assets were \$131,243, a net increase of \$7,369 from December 31, 2022.

Consolidated Current Assets alone increased \$11,928, as cash increased \$13,157 and inventories increased \$895, while receivables declined by \$2,051. The smaller total asset increase was due to an offsetting \$4,559 decrease in long term assets, Net Intangible Assets and Property, Plant & Equipment (PP&E). Net Intangible Assets declined \$4,682 as a result of amortization but combined with a stronger GBP for remaining Femcare IIA. OUS PP&E decreased \$199, primarily as a result of \$179 in USD-denominated depreciation, but also, except for the GBP, weaker quarter-ending foreign currencies for remaining OUS PP&E assets.

UTMD's Ireland subsidiary EUR-denominated assets and liabilities on September 30, 2023 were translated into USD at an FX rate 1.0% lower (weaker EUR relative to the USD) than the FX rate at the end of 2022. UTMD's UK subsidiary GBP-denominated assets were translated into USD at an FX rate 1.1% higher (stronger GBP) than the FX rate at the end of 2022. UTMD's Australia subsidiary AUD-denominated assets were translated into USD at an FX rate 5.2% lower (weaker AUD) than the FX rate at the end of 2022. UTMD's Canada subsidiary CAD-denominated assets were translated into USD at an FX rate about the same as the FX rate at the end of 2022. The net book value of WW consolidated PP&E increased \$123 at September 30, 2023 from the end of 2022 due to the period-ending changed FX rates above, \$549 in new asset purchases and \$465 in depreciation.

Working capital (Current Assets minus Current Liabilities) was \$97,670 at September 30, 2023 compared to \$83,959 at December 31, 2022. The primary sources of the \$13,711 working capital increase were from consolidated increases of \$13,157 in cash and \$895 in inventories together with decreases of \$707 in Accounts Payable and \$1,076 in Accrued Liabilities, offset by a \$2,051 decline in receivables. In other words, independently from the change in cash, a \$1,783 decrease in consolidated Current Liabilities together with the \$895 inventory increase offset the \$2,051 decrease in receivables.

Management believes that UTMD's working capital remains sufficient to meet normal operating needs, as well as providing a cushion for unpredictable short-term negative events, new capital expenditures and continued cash dividend payments to stockholders.

September 30, 2023 Net Intangible Assets (goodwill plus other intangible assets, less amortization) declined \$4,682 from the end of 2022. No new intangible assets were acquired in 9M 2023. At September 30, 2023, Net Intangible Assets including goodwill were less than 15% of consolidated Total Assets compared to 19% at year-end 2022, and 20% one year ago at September 30, 2022.

The long-term deferred tax liability (DTL) balance for Femcare IIA (\$9,084 on the date of the acquisition) was \$1,195 (£979) at September 30, 2023, compared to \$1,513 (£1,253) at December 31, 2022, and \$1,479 (£1,328) at September 30, 2022. Reduction of the DTL occurs as the book/tax difference of IIA amortization is eliminated over the remaining useful life of the Femcare IIA (because the amortization expense is not tax deductible in the UK). The DTL declined \$318 at September 30, 2023 from December 31, 2022, as a result of 9M 2023 amortization expense of \$1,484, which reduced the DTL balance by \$371 (using UK tax rate = 25%). The remaining difference was due to the FX rate when converting the GBP to USD at September 30, 2023.

UTMD's total debt ratio (Total Liabilities/ Total Assets) as of September 30, 2023 was less than 6%, including a remaining \$1,675 Repatriation Tax liability from the 2017 "Tax Cuts and Jobs Act" payable over another two years. UTMD's total debt ratio as of December 31, 2022 was 8%, and as of September 30, 2022 was 9%.

The \$7,369 increase in Total Liabilities and Stockholders' Equity (same as the increase in Total Assets) at September 30, 2023 from December 31, 2022 was due to an increase in Stockholders' Equity, as Total Liabilities declined \$2,079. Stockholders' Equity increased \$9,448 at September 30, 2023 from December 31, 2022. Stockholders' equity increased during 9M 2023 from \$12,349 in Net Profit, but was reduced by \$3,211 in dividends paid to stockholders.

l) Management's Outlook

As outlined in its December 31, 2022 SEC 10-K report, UTMD's plan for 2023 was to

- 1) leverage distribution and manufacturing synergies by further integrating capabilities and resources in UTMD's multinational operations;
- 2) expand manufacturing capacity at a time when resources are scarce;
- 3) focus on effectively differentiating the benefits of the Filshie Clip System in the U.S.;
- 4) introduce additional products helpful to clinicians through product development;
- 5) continue to achieve excellent overall financial operating performance;
- 6) utilize positive cash generation to continue providing cash dividends to stockholders and make open market share repurchases if/when the UTMD share price seems undervalued; and
- 7) remain vigilant for affordable accretive acquisition opportunities which may be brought about by difficult burdens on small, innovative companies.

Generally, the Company continues to execute its 2023 plan outlined above. In 9M 2023, UTMD achieved higher Net Income and EPS, achieving continued excellent overall financial performance. As expected, 2023 OEM revenues substantially declined and "sticky" inflation on manufacturing costs challenged UTMD's GPM. But the increase in Non-operating Income from higher interest on cash reserves more than offset the decline in Operating Income from a lower GPM combined with inflation in Operating Expenses including higher litigation expenses.

m) Accounting Policy Changes

None

**Forward-Looking Information.** This report contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by management based on information currently available. When used in this document, the words "anticipate," "believe," "project," "estimate," "expect," "intend" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company respecting future events and are subject to certain risks, uncertainties and assumptions, including the risks and uncertainties stated throughout the document. Although the Company has attempted to identify important factors that could cause the actual results to differ materially, there may be other factors that cause the forward statement not to come true as anticipated, believed, projected, expected or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those described herein as anticipated, believed, projected, estimated, expected or intended. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results, and the Company assumes no obligation to update or disclose revisions to those estimates.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

UTMD has manufacturing and trading operations, including related assets, in the U.S. denominated in the U.S. Dollar (USD), in Ireland denominated in the Euro (EUR), in England denominated in the British Pound (GBP), in Australia denominated in the Australia Dollar (AUD), and, starting in 2017, in Canada denominated in the Canadian Dollar (CAD). The currencies are subject to exchange rate fluctuations that are beyond the control of UTMD. The exchange rates were .9448, .9351 and 1.0217 EUR per USD as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. Exchange rates were .8188, .8280 and .8984 GBP per USD as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. Exchange rates were 1.5505, 1.4695 and 1.5536 AUD per USD on September 30, 2023, December 31, 2022, and September 30, 2022, respectively. Exchange rates were 1.3537, 1.3532, and 1.3751 CAD per USD on September 30, 2023, December 31, 2022, and September 30, 2022, respectively. UTMD manages its foreign currency risk without separate hedging transactions by invoicing customers in the local currency where costs of production were incurred, by converting currencies as transactions occur and by optimizing global account structures through liquidity management accounts.

### **Item 4. Controls and Procedures**

The Company's management, under the supervision and with the participation of the Chief Executive Officer and the Principal Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of September 30, 2023. Based on this evaluation, the Chief Executive Officer and Principal Financial Officer concluded that, as of September 30, 2023, the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal controls over financial reporting that occurred during the nine months ended September 30, 2023, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## PART II - OTHER INFORMATION

**Item 1. Legal Proceedings**

The Company is currently a party in litigation incidental to its business related to the safety of the Filshie Clip System, which remains approved under a PMA by the U.S. FDA as safe and effective.

**Item 1A. Risk Factors**

In addition to the other information set forth in this report, investors should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in UTMD's Annual Report on Form 10-K for the year ended December 31, 2022, which could materially affect its business, financial condition or future results. The risks described in the Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to UTMD or currently deemed to be immaterial also may materially adversely affect the Company's business, financial condition and/or operating results.

Legislative or executive order healthcare interference in the United States renders the U.S. medical device marketplace unpredictable. A fully government-run healthcare system would likely eliminate healthcare consumer choice as well as commercial incentives for innovation. Restrictions on "nonessential" medical procedures during a pandemic reduce the demand for certain of UTMD's medical devices.

Increasing regulatory burdens, including premarketing approval delays, may result in significant loss of revenue, unpredictable costs and loss of management focus on developing and marketing products that improve the quality of healthcare:

Thousands of small focused medical device manufacturers including UTMD that do not have the overhead structure that the few large medical device companies can afford are increasingly burdened with bureaucratic and underqualified regulator demands that are not reasonably related to assuring the safety or effectiveness of the devices that they provide. Premarketing submission administrative burdens, and substantial "user fees" or notified body review fees, represent a significant non-clinical and/or non-scientific barrier to new product introduction, resulting in lack of investment or delays to revenues from new or improved devices. The risks associated with such circumstances relate not only to substantial out-of-pocket costs, including potential litigation in millions of dollars, but also loss of business and a diversion of attention of key employees for an extended period of time from managing their normal responsibilities, particularly in new product development and routine quality assurance activities.

Group Purchasing Organizations (GPOs) in the U.S. add non-productive costs, weaken the Company's marketing and sales efforts and cause lower revenues by restricting access:

GPOs, theoretically acting as bargaining agents for member hospitals, but actually collecting revenues from the companies that they are negotiating with, have made a concerted effort to turn medical devices that convey special patient safety advantages and better health outcomes, like UTMD's, into undifferentiated commodities. GPOs have been granted an antitrust exemption by the U.S. Congress. Otherwise, their business model based on "kickbacks" would be a violation of law. Despite rhetoric otherwise, these bureaucratic entities do not recognize or understand the overall cost of care as it relates to safety and effectiveness of devices, and they create a substantial administrative burden that is primarily driven by collection of their administrative fees.

The Company's business strategy may not be successful in the future:

As the level of complexity and uncertainty in the medical device industry increases, evidenced, for example, by the unpredictable and overly cumbersome regulatory environment, the Company's views of the future and product/ market strategy may not yield financial results consistent with the past.

As the healthcare industry becomes increasingly bureaucratic it puts smaller companies like UTMD at a competitive disadvantage:

An aging population is placing greater burdens on healthcare systems, particularly hospitals. The length of time and number of administrative steps required in adopting new products for use in hospitals has grown substantially in recent years. Smaller companies like UTMD typically do not have the administrative resources to deal with broad new administrative requirements, resulting in either loss of revenue or increased costs. As UTMD introduces new products it believes are safer and more effective, it may find itself excluded from certain clinical users because of the existence of long term supply agreements for preexisting products, particularly from competitors which offer hospitals a broader range of products and services. Restrictions used by hospital administrators to limit clinician involvement in device purchasing decisions makes communicating UTMD's clinical advantages more difficult.

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### A product liability lawsuit could result in significant legal expenses and a large award against the Company:

UTMD's devices are frequently used in inherently risky situations to help physicians achieve a more positive outcome than what might otherwise be the case. In any lawsuit where an individual plaintiff suffered permanent physical injury, the possibility of a large award for damages exists whether or not a causal relationship exists.

### The Company's reliance on third party distributors in some markets may result in less predictable revenues:

UTMD's distributors have varying expertise in marketing and selling specialty medical devices. They also sell other devices that may result in less focus on the Company's products. In some countries, notably China, Pakistan and India not subject to similarly rigorous standards, a distributor of UTMD's products may eventually become a competitor with a cheaper but lower quality version of UTMD's devices.

### The loss of one or more key employees could negatively affect UTMD performance:

In a small company with limited resources, the distraction or loss of key personnel at any point in time may be disruptive to performance. The Company's benefits programs are key to recruiting and retaining talented employees. An increase in UTMD's employee healthcare plan costs, for example, may cause the Company to have to reduce coverages which in turn represents a risk to retaining key employees.

### Fluctuations in foreign currencies relative to the USD can result in significant differences in period-to-period financial results:

Since a significant portion of UTMD's sales are invoiced in foreign currencies and consolidated financial results are reported in USD terms, a stronger USD can have negative revenue effects. Conversely, a weaker USD would increase foreign subsidiary operating costs in USD terms. For the portion of sales to foreign entities made in fixed USD terms, a stronger USD makes the devices more expensive and weakens demand. For the portion invoiced in a foreign currency, not only USD-denominated sales are reduced, but also gross profits may be reduced because finished distributed devices and/or U.S. made raw materials and components are likely being purchased in fixed USD.

### Trade restrictions and /or tariffs resulting from changing government trade policies have the potential to disrupt UTMD's supply chain.

### The COVID-19 pandemic could continue to disrupt UTMD's supply chain or interfere with normal business operations due to the loss of employee availability and rapidly rising input costs.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

UTMD did not purchase any of its own securities in 9M 2023. During 2Q 2022/ 9M 2022 UTMD purchased 30,105 of its shares in the open market for \$2,495 including commissions and fees (\$82.88/ share.)

## **Item 6. Exhibits**

<u>Exhibit #</u>	<u>Title of Document</u>
31.1	<u><a href="#">Certification of CEO pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a></u>
31.2	<u><a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a></u>
32.1	<u><a href="#">Certification of CEO pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a></u>
32.2	<u><a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. §1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a></u>
101	The following financial information from the Utah Medical Products, Inc. quarterly report on Form 10-Q for the quarter ended September 30, 2023, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) Consolidated Condensed Balance Sheets, (ii) Consolidated Condensed Statements of Income, (iii) Consolidated Condensed Statements of Cash Flows, (iv) Consolidated Condensed Statements of Stockholders' Equity, and (v) related Notes to the Consolidated Condensed Financial Statements, tagged in detail.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UTAH MEDICAL PRODUCTS, INC.  
REGISTRANT

Date: 11/13/23

By: /s/ Kevin L. Cornwell  
Kevin L. Cornwell  
CEO

Date: 11/13/23

By: /s/ Brian L. Koopman  
Brian L. Koopman  
Principal Financial Officer



**CERTIFICATION OF CEO  
PURSUANT TO RULE 13a-14(a) AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kevin L. Cornwell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Utah Medical Products, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023

/s/ Kevin L. Cornwell  
Kevin L. Cornwell  
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a) AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian L. Koopman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Utah Medical Products, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2023

/s/ Brian L. Koopman  
Brian L. Koopman  
Principal Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Utah Medical Products, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin L. Cornwell, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Kevin L. Cornwell  
Kevin L. Cornwell  
Chief Executive Officer  
November 13, 2023

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Utah Medical Products, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian L. Koopman, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Brian L. Koopman  
Brian L. Koopman  
Principal Financial Officer  
November 13, 2023

*A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.*