H1

MEDISTIM

2024

Interim Report

SECOND QUARTER
AND FIRST HALF 2024
FINANCIAL RESULTS

Highlights Q2 and H1-2024

Medistim operates in a global, stable market for Cardiac, Vascular and Transplant surgery. We have installed > 3,500 systems in more than 60 countries. Our equipment is used today in about 37 % of the total number of cardiac bypass surgeries performed world wide.

Total sales ended at MNOK 144.9, 5.5% above second quarter last year (MNOK 137.4). This is a new record for a quarter. For the first half, sales ended at MNOK 278.7, 4.5% above last year (MNOK 266.6).

Currency neutral sales of own products was up 1.7% for the quarter and 1.5% for the first half.

Recurring sales remain high at 73% (72%) for the quarter and 74% (71%) for the first half, underscoring the sustained momentum in utilization among our customers.

Strong first half for the direct sales operations in EMEA delivers 17.3% currency neutral growth, while AMERICAS and APAC performances are influenced by strong comparables from last year, with a currency neutral growth of 1.4% for AMERICAS and a currency neutral decline of 23% for APAC.

Operating profit (EBIT) for the quarter ended at MNOK 41.3 giving a 28.5% EBIT margin (MNOK 42.2, a 30.7% margin). Similar for the first half was an operating profit of MNOK 73,3 (MNOK 75.7) giving a 26.3% EBIT margin (28.4%).

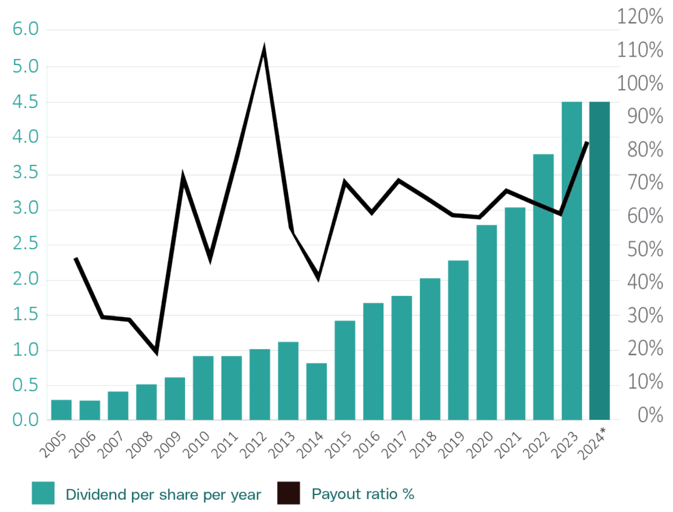
Third-party sales increased 17.7% for the quarter and 12.8% for the first half. Medistim's third-party distribution business signed a contract with the cardiovascular company Peters Surgical, to distribute their products in Sweden and Norway.

Solid cash position at quarter end with MNOK 107.1 and no long-term interest-bearing debt.

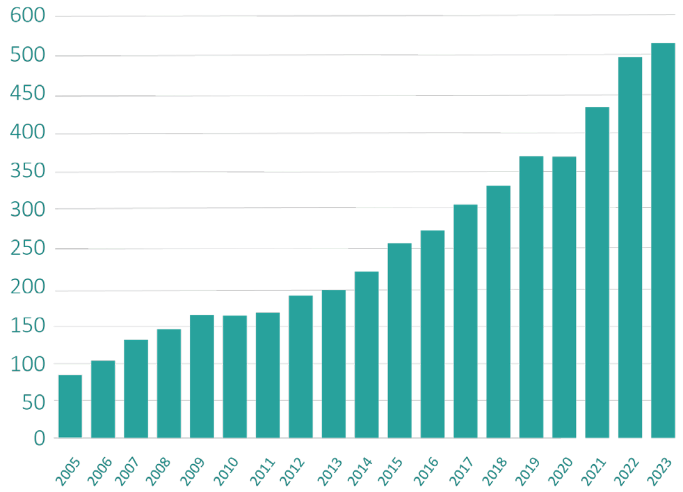
A dividend of NOK 4.50 (NOK 4.50) per share, a total of MNOK 82.4 was paid the 6th of May.

Historical track record

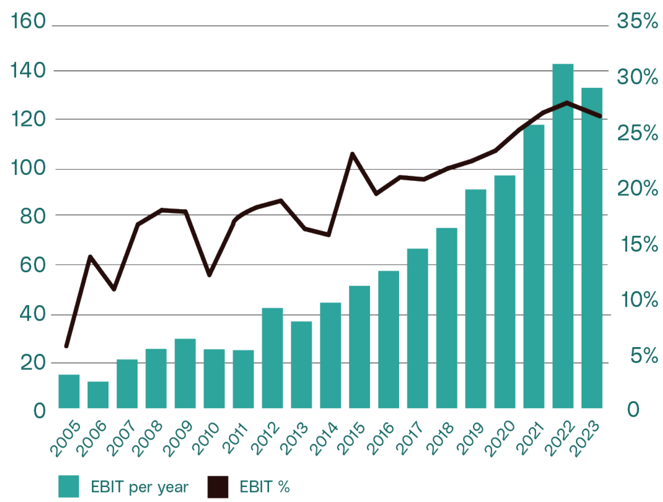
Dividend per share in NOK



Sales per year in MNOK



EBIT in MNOK and EBIT %



Letter from the CEO

In the second quarter, Medistim delivers a new record in quarterly sales revenues, reaching 144.9 MNOK. This represents a 5.5 % increase in NOK and a currency-neutral growth of 4.1% compared to Q2 of the previous year, which is the third highest quarter for sales to date. This performance aligns with our expectations for continuous growth improvement throughout the year.

Reflecting on the disappointing EBIT margin of 16.4% in the fourth quarter of 2023 and the subsequent improvement to 24% in the first quarter, we are pleased to report that this **positive profitability trajectory has continued into the second quarter, culminating in an EBIT margin at 28.5 %.**

In a review of regional performance for the first half of the year, EMEA has delivered the strongest results, achieving 17.3 % currency neutral growth and 5 % in the second quarter. All European markets with direct sales force representation, including Germany, Spain, UK, and the Nordic countries, have contributed to this positive development. Notably, our most recent addition, Sweden, has shown a promising start to their direct sales operations, generating 5 MNOK in sales in the first half of the year.

Throughout 2023, the AMERICAS region faced challenges in maintaining the same level of sales for Imaging devices sold as capital equipment compared to pre-2023 performance. This trend can be attributed to funding constraints resulting from a period of challenging macroeconomic conditions. **In the second quarter, we observed currency-neutral growth in the AMERICAS for the first time since Q4 2022, achieving a respectable 6 % growth.** In the first half of 2024, we sold approximately the same number of imaging devices as capital equipment as in the previous year, which was bolstered by a significant one-off deal involving the sale of five systems to a single hospital, valued at 10 MNOK. It is worth noting that our new direct market, Canada, along with distributor sales to Latin America, have been key drivers of this improved performance. **With easier comparables in the second half of the year, we anticipate seeing improved growth rates in the upcoming quarters.**

The APAC region's performance in the first half shows a sales revenue decline of 15.5 % currency neutral. This can be partly attributed to the strong comparison from the previous year, driven by a final sales surge from our former distributor prior to Medistim's initiation of direct operations in China starting in the second quarter. Additionally, sales to our Japanese distributor were low at 6 MNOK in the first half, compared to 12 MNOK last year, accounting for 60% of the decline for the region. Sales through distributors tend to fluctuate, which suggests a potential for improvement in the second half. **Regarding China, it is reassuring to note that we continue to perform well**, with sales reaching 7.3 MNOK through our new direct organization in the second quarter, totaling 15.7 MNOK for the first half.

In summary, it is important to consider the increased running costs resulting from the establishment of direct sales operations in China, Canada, and Sweden last year, as well as the implementation of a second shift in probe production. Despite these higher costs, we have successfully **improved total sales growth and are seeing the EBIT margin return to historical levels.**

Medistim's financial position remains robust, with an equity ratio of 80.4%, no interest-bearing debt, and a cash position of 107.1 MNOK following a dividend payout of 82.4 MNOK in May.

15th August, 2024
Kari E. Krogstad
President & CEO

Second quarter and first half 2024 financial results

The financial report as per June 30th 2024 has been prepared according to the IFRS (International Financial Reporting Standard) and follows IAS 34 for interim financial reporting, as do the comparable numbers for 2023.

FINANCIAL DEVELOPMENT
(Comparative numbers for 2023 in parenthesis.)

Sales and geographic split
Sales revenues in the second quarter ended at MNOK 144.9 (MNOK 137.4), a 5.5% increase. Sales split in MNOK was as follows:

MNOK	Q2 2024	Q2 2023	CHANGE IN %
AMERICAS	59.0	54.9	7.6 %
APAC	17.7	20.7	-14.3 %
EMEA	43.7	41.0	6.5 %
THIRD PARTY	24.4	20.7	17.7 %
TOTAL	**144.9**	**137.4**	**5.5 %**

In the AMERICAS region, sales in Canada and Latin America continued the positive trend in the second quarter compared to 2023 and delivered strong growth. However, revenues from these regions are modest and make up 7.2% of the sales from the region for the quarter. Sales in USA were up 1.6% and represented 92.7 % of the sales from the region.

The APAC development for Q2 was negative, influenced by a strong comparable quarter last year, which showed a last sales push from our former distributor to China, before Medistim started up our direct operation in the country.

EMEA delivered another strong quarter driven by Medistim's direct operations in Germany, Spain, Denmark and Sweden.

Sales revenues in the first half ended at MNOK 278.7 (MNOK 266.6), a 4.5% increase. Sales split in MNOK was as follows:

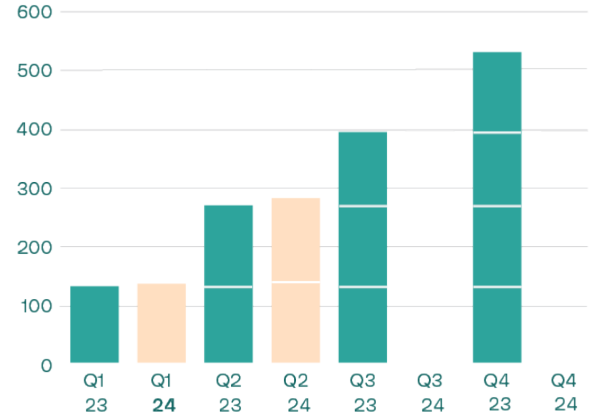
MNOK	H1 2024	H1 2023	CHANGE IN %
AMERICAS	113.8	110.6	2.9 %
APAC	34.6	44.4	-22.2 %
EMEA	83.5	70.1	19.1 %
THIRD PARTY	46.8	41.5	12.8 %
TOTAL	**278.7**	**266.6**	**4.5 %**

In the first half of 2023, sales in the AMERICAS region were boosted by a substantial one-off deal involving the sale of 5 systems to a single hospital, valued at 10 MNOK, providing a strong comparable for the first half year.

In APAC, both the first and second quarter last year was boosted by the final sales push from the former distributor to China.

In EMEA, the sales increase was driven by sales through the direct channels, while sales through distributors were at the same level as last year.

Accumulated sales per quarter in MNOK



Currency effect
With the same foreign currency exchange rates as in 2023, sales would have amounted to MNOK 143.1 for the quarter, which represents a currency-neutral growth of 4.1%. Similar for the first half, sales would have amounted to 275.3, which represent a currency neutral growth of 3.2%. Currency-neutral growth of own products was 1.7% for the quarter and 1.5% for the first half. Third party products increased by 17.7% for the quarter and 12.8 % for the first half.

Split between recurring sales and capital sales
Sales of Medistim's own products can be split into capital sales of systems and repeating sales of probes, smartcards, and lease revenue, which are all defined as recurring sales. For the year 2023, recurring sales were 69% of total sales of own products. At the first half of 2024 the 12 months rolling recurring sales represented 71.4% .

Split between recurring sales and capital sales in MNOK

Split of sales in own products and third party products
Sales of own products for the quarter amounted to MNOK 120.5 (MNOK 116.6), a growth of 3.3%. Sales of third-party products grew 17.7%, ending at MNOK 24.4 (MNOK 20.7).

Sales of own products for the first half amounted to MNOK 231.9 (MNOK 225.1), a growth of 3.0%. Sales of third-party products grew 12.7%, ending at MNOK 46.8 (MNOK 41.5).

Split of sales in Cardiac and Vascular products
For the quarterly sales of own products, MNOK 95.6 (MNOK 97.1) was within the Cardiac segment and MNOK 24.9 (MNOK 19.6) was within the Vascular segment, growing at 26.8%.

For the first half sales of own products, MNOK 186.2 (MNOK 187.0) was within the Cardiac segment and MNOK 45.7 (MNOK 38.1) was within the Vascular segment, growing at 19.9%.

Over the past several years there has been a higher growth rate within Vascular sales compared to Cardiac sales. Vascular is becoming an increasing part of sales of own products, making up 19.7% of own products sales in the first half of 2024, compared to 18.2% and 16.7% for the full year 2023 and 2022.

Split of sales in Flow and Imaging products
For the quarter, sales revenue from Flow products was MNOK 89.3 (MNOK 86.6), showing growth of 3.1%. Sales revenue from Imaging products was MNOK 31.2 (MNOK 30.1), an increase of 3.8%.

For the first half, sales revenue from Flow products was MNOK 174.2 (MNOK 160.2), showing growth of 8.7%. Sales revenue from Imaging products was MNOK 57.7 (MNOK 64.9), a decline of 11.1%. This result must be seen in relation to the strong first half comparables from APAC and AMERICAS.

Over the past several years, the Imaging product portfolio has experienced substantial growth, becoming a significant contributor to overall product sales. However, in 2023 and first half of 2024, we have seen a decline in Imaging product sales compared to this established trend. This decline is reminiscent of previous instances when the company has faced macroeconomic challenges. During such times, customers often opt for the more economically feasible Flow-only model initially, with the intention to upgrade to the combined Flow-and-Imaging model at a later stage.

Cost of goods sold
For the quarter, cost of goods sold (COGS) ended at MNOK 28.9 (MNOK 29.8) representing 19.9% of total sales (21.8%). This gives a gross margin of 80.1% (78.2%).
For the first half, cost of goods sold (COGS) ended at MNOK 53.9 (MNOK 55.8) representing 19.4% of total sales (20.9%). This gives a gross margin of 80.6% (79.1%).

The enhanced gross margin was attributed to an increased level of sales through the direct channels as opposed to sales through distributors, resulting in improved margins.

Salary, social and other operating expenses
Salaries and social expenses ended at MNOK 39.8 (MNOK 34.2) for the quarter. Other operating expenses amounted to MNOK 28.4 (MNOK 25.6).

For the first half salaries and social expenses ended at MNOK 85.9 (MNOK 74.4). Other operating expenses amounted to MNOK 52.8 (MNOK 49.5).

The rise in salaries and social expenses for the quarter and the first half reflects the impact of expanding headcount, driven primarily by the establishment of direct operations in Canada, China, and Sweden, as well as the introduction of a second shift in production.

R&D expenses
For the quarter, MNOK 6.4 (MNOK 6.7) was spent on research and development (R&D), of which MNOK 3.4 (MNOK 3.2) was capitalized in the balance sheet.

For the first half, MNOK 14.5 (MNOK 12.8) was spent on R&D, of which MNOK 6.9 (MNOK 6.8) was capitalized in the balance sheet.

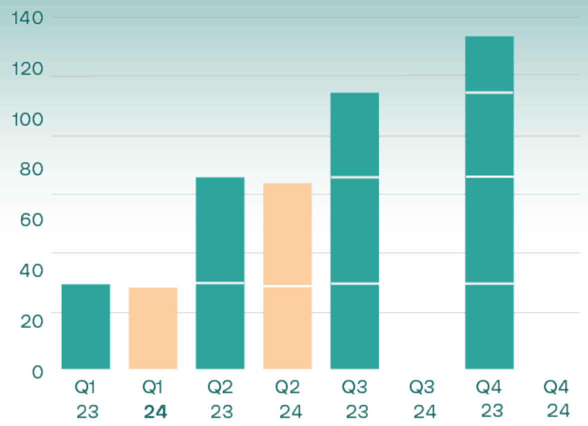
Medistim is currently spearheading two pivotal projects poised to boost our offerings and reinforce our commitment to innovation, see the 'Strategic Imperatives' chapter for further details.

Earnings
Operating profit before finance, tax, depreciation, and write-offs (EBITDA) for the quarter ended at MNOK 47.7 (MNOK 47.7). Profit before finance and tax (EBIT) ended at MNOK 41.2 (MNOK 42.2).

EBITDA for the first half ended at MNOK 86.1 (MNOK 87.0). EBIT ended at MNOK 73.3 (MNOK 75.7).

The increase in depreciation for the quarter was related to new leasehold contracts for premises in Norway and China.

Accumulated operating profit (EBIT) per quarter in MNOK:



Net finance ended positive with MNOK 3.4 for the quarter (negative MNOK 1.2). For the first half net finance ended positive with MNOK 2.0 (negative MNOK 0.4).

Net finance was mainly related to realized and unrealized gains or losses related to currency, cash in USD and EUR, and customer receivables.

The profit before tax was MNOK 44.7 (MNOK 41.0) for the quarter. Profit after tax was MNOK 34.7 (MNOK 32.9). For the first half, profit before tax was MNOK 75.3 (MNOK 75.2). Profit after tax was MNOK 59.1 (MNOK 58.6).

Earnings per share for the quarter was NOK 1.90 (NOK 1.80). For the first half earnings per share was NOK 3.23 (NOK 3.21). Average number of shares outstanding was 18,314,219 (18,262,303) at the end of the first half 2024.

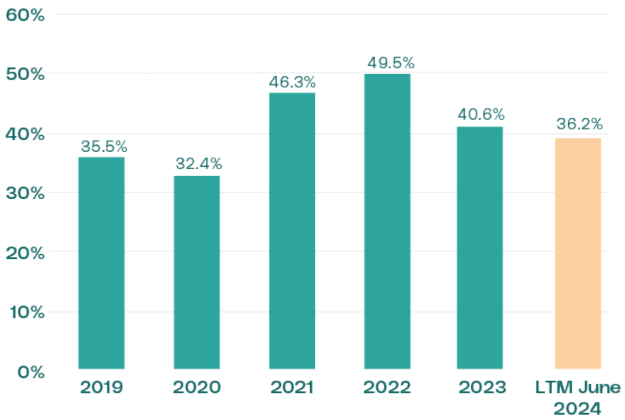
Balance sheet
Equity by the 30th of June 2024 was MNOK 383.3 (MNOK 397.9 by year end). This equals an equity ratio of 80.4% (78.7%).

Inventory levels are high due to company policy of securing end of life components, building security stock of critical components and finished goods. In the first half, the inventory of raw material increased by 16% to MNOK 75.6 This is related to previously committed purchase orders and weaker sales than expected at the time the purchase order was placed.

The cash position is strong and ended at MNOK 107.1 (MNOK 153.9) by the end of the year. A dividend of MNOK 82.4 was paid to shareholders in the second quarter. The company's liabilities were related to lease contracts and deferred revenue from service contracts with a total of MNOK 20.3, where 11.9 was long term liability.

Return on invested capital (ROIC) was 36.2% by end of June. Increased working capital has reduced the ROIC in %.

ROIC in %



OPERATIONAL STATUS

AMERICAS (USA, Canada and Latin America)
The largest target market for Medistim is USA, which is representing about 92.7% of sales in the AMERICAS region for the quarter and 89% for the first half. In the USA, Medistim offers several business models, including sales of procedures (Pay Per Procedures or 'PPP'), leasing, and capital sales.

For the quarter, AMERICAS sales revenues in NOK increased by 7.6 % ending at MNOK 59.0. Currency neutral, sales is increasing with 6.0%.

For the quarter, 11 capital systems were sold vs 11 in Q2 2023. 6 of the systems were sold in the USA compared to 10 last year explaining the lower revenue on flow systems for the region. However, sales of Imaging systems increased. In the USA 4 systems were sold, which is the same as last year. In addition, 2 units were sold in Latin America.

For the first half, 23 capital systems were sold vs 23 last year. The lower revenue on imaging systems is explained by the fact that 7 of the systems were sold in USA vs 12 last year. Since Medistim achieves the best prices in USA, this affects the system revenue negatively when 3 units have been sold through distributors in Latin America and one in Canada. Sale of flow systems is also impacted in the same manner, in addition to a different configuration on the systems sold this year.

On the positive side, 6 units were outplaced on a lease agreement, compared to 2 in Q2-24. For the first half 6 units where outplaced on lease compared to 3 in the first half of last year.

The lower growth in revenue observed for the first half is principally attributed to weaker capital sales in USA. This is mainly due to the 5 imaging systems deal in the first half last year, that is commented on earlier in the report.

Further, we have noted a tendency to opt for the Flow-only devices rather than the Flow-and-Imaging devices. As commented above, Flow systems can later be upgraded to Flow-and-Imaging systems, hence providing customers with flexibility in a tighter funding situation.

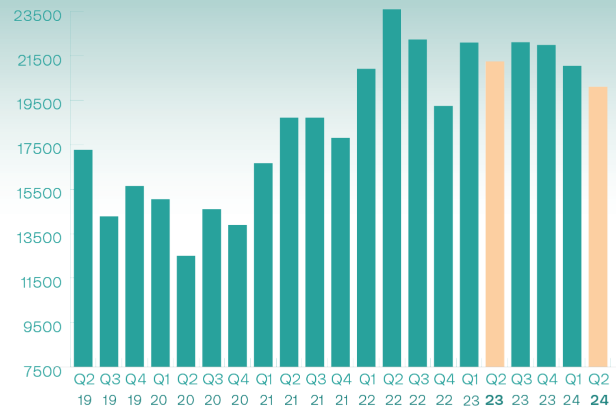
For the sake of calculating market penetration in the USA, we count Flow procedures from both PPP smartcards and capital probes sold, see table below. Note that these numbers must be seen as estimates for utilization, as they count procedures sold to end-users, and don't consider the timing of actual utilization.

There is a higher number of procedures sold to capital customers compared to PPP/ lease customers for both the quarter and the first half of the year.

NUMBER OF PROCEDURES FROM:	Q2 2024	Q2 2023	CHANGE IN %
PPP or lease flow	6 182	6 545	-5.5 %
Flow probes to capital customers	10 765	10 706	0.5 %
Total flow procedures	**16 947**	**17 251**	**-1.8 %**
PPP or lease imaging	2 027	2 022	0.2 %
Imaging probes to capital customers	1 400	1 200	16.7 %
Total imaging procedures	**3 427**	**3 222**	**6.4 %**
Total flow and imaging procedures	**20 374**	**20 473**	**-0.5 %**

NUMBER OF PROCEDURES FROM:	H1 2024	H1 2023	CHANGE IN %
PPP or lease flow	12 505	13 113	-4.6 %
Flow probes to capital customers	23 000	21 000	9.5 %
Total flow procedures	**35 505**	**34 113**	**4.1 %**
PPP or lease imaging	4 025	4 173	-3.5 %
Imaging probes to capital customers	1 900	2 600	-26.9 %
Total imaging procedures	**5 925**	**6 773**	**-12.5 %**
Total flow and imaging procedures	**41 430**	**40 886**	**1.3 %**

Number of procedures sold in the USA



Medistim's new direct sales operation in Canada had a strong start to 2024 and delivered sales of MNOK 8.2 in the first half of 2024. For comparison, sales for the first half of 2023 ended at MNOK 3.4. Latin America has also started the year strong compared to last year. Sales in the first half ended at MNOK 4.5 compared to 1.2 MNOK last year.

APAC (**China, Japan and rest of Asia Pacific**)
In this region, Medistim has its strongest position in China representing 45% of sales and Japan representing about 20% of sales in the region in the first half of 2024.

For the quarter, sales revenues in NOK were down 14.3%, ending at MNOK 17.7. Currency neutral, sales decreased with 15.5%. Sales for the first half was down 22.2% and currency neutral sales declined 23.3%.

Sales to China were inflated in the first and second quarters last year, when the final orders before the shift from distributor-based sales to direct sales operations in China were filled.

The Chinese organization is now successfully established and trained, logistics and customer transactions are functioning well.The weaker sales to Japan compared to last year is related to random variation both for the quarter and the first half.

EMEA (Europe, Middle East and Africa)
Sales of own products in the EMEA region include sale through direct sales channels in Germany, Spain, UK, Norway, Denmark and Sweden. In addition, the region covers European as well as Middle East and African distributor markets. More than 95% of sales from the region comes from Europe for the quarter and for the first half. 62% of the sales was through the direct channel and 38% of sales was through distributors for the quarter. The split for the first half was 63% through direct channel and the remaining through distributors.

For the quarter, EMEA sales revenues in NOK increased by 6.5% ending at MNOK 43.7. Currency neutral sales increased with 5%. For the first half revenue increased 19.1% in NOK and 17.3% currency neutral.

There was growth in all direct markets both for the quarter and for the first half. Sales for the quarter increased 14.6 % in NOK and 32% for the first half. Sales through distributors declined 5.3% for the quarter and increased 1.5% for the first half.

THIRD PARTY PRODUCTS
(Norway, Denmark and Sweden)
Third party products are distributed through Medistim's subsidiaries in Norway and Denmark, in addition of the newly established direct sales office in Sweden, as of the fourth quarter of 2023. This direct presence in all three countries strengthens our position for securing new agencies across Scandinavia.

In the first half Medistim signed a contract with the French cardiovascular company Peters Surgical, to distribute their products in Sweden and Norway. This is the third agency secured for Sweden, after A.M.I and Tisgenix.

Revenues from third-party sales reached MNOK 24.4 (MNOK 20.7) for the quarter, growing 17.7% compared to last year. For the first half, sales of third party products ended at MNOK 46.8, a 12.8% growth.

RISKS

Exposure towards currency
The company is exposed to EUR and USD currency fluctuations. Exposure can vary depending on the share of its revenues and costs in USD and EUR relative to its total income and expenses. For 2024, a 10% change in the exchange rate against USD and EUR would result in an 9% change in sales and a 15% change in operating result. The company partly secures its positions with hedging contracts.

Global macro-economic uncertainties
Macro-economic turmoil, emerging energy crisis, inflation pressure, increasing interest rates and cost levels impact capital investments. Particularly in the USA, Medistim has been experiencing prolonged sales cycles, fewer capital deals and fewer higher priced Flow-and-Imaging deals. We believe these are signs of a conservative and cautious approach to investing in new medical equipment in the more challenging economic times.

The long-term consequences of the pandemic aftermath and growing geopolitical uncertainty are unclear, but might lead to continuing challenges in the global flow of goods. Medistim is taking mitigating actions to ensure access to key components to secure production and maintain growth and profitability also for the future. Further, the company is financially solid to face future challenges, with no interest-bearing debt and an equity ratio of 80%.

Other risk factors
The group risk and uncertainty factors remain the same as described in the annual report for 2023.

SHAREHOLDER INFORMATION

The company had 23,117 Medistim shares by the end of June 2024. The share price was NOK 170.50 per share on the 30th of June 2024. For comparison, entering 2024 the share price was 214.00 per share.
The number of shares sold in 2024 totaled 1,549,691. The five largest shareholders were Acapital Medi Holdco AS with 1,900,219 shares, Odin Fondene with 1,780,000 shares, State Street Bank with 1,307,359 shares, Fløtemarken AS with 1,285,000 shares and Follum Invest with 970,000 shares.

Transactions with related parties
There were no transactions between related parties in the period except for the share program to management approved by the General meeting the 24th of April last year and announced purchase of shares by board member in June.

Dividend
The General Assembly decided a dividend of NOK 4.50 per share, a total of MNOK 82.4 in dividend payment, based upon the 2023 results and the positive outlook for continued positive cash flow. Dividend was paid the 6th of May.

Responsibility statement
The financial report per 30th of June 2024 has been prepared according to the IFRS (International Financial Reporting Standard) and follows IAS 34 for interim financial reporting, as do the comparable numbers for 2023. The board of Directors and CEO confirm to the best of our knowledge that the condensed set of financial statements for the period 1st of January to 30th of June 2024 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and gives a true and fair view of the groups assets, liabilities, financial position and result for the period viewed in their entirety.

The board of Directors and CEO confirm that the interim management report includes a fair review of any significant events that arouse during the six-month period and their effect on the half yearly financial report, any significant related parties' transactions, and description of the principal risks and uncertainties for the remaining six months of the year.

STRATEGIC IMPERATIVES

Vision

Emerging from the fertile grounds of Norway's renowned ultrasound technology ecosystem, Medistim is firmly rooted in its ambition to maintain a dominant global standing within our specialized niche of surgical guidance and quality assessment. At our core, we remain commited to spearhead the advancement of pioneering products thoroughly crafted to align with the demands of surgeons specializing in Cardiac, Vascular, and Transplant surgery.

Our vision is that Medistim's solutions shall represent the "standard of care" in clinical practice across the globe. We envision a future where blood flow measurements and intraoperative ultrasound imaging become universally accessible, delivering optimal outcomes for each patient, and enriching the practice of every surgeon, fostering a culture of excellence in healthcare.

Sustainability and corporate social responsibility are integral pillars of Medistim's operations across the entire value chain. Our commitment is driven not only by our mission to enhance human health through advanced surgery but also by our dedication to product stewardship for minimal environmental impact, ethical business practices, and fostering a workplace culture where equal opportunities, collaboration, and innovation thrive.

Market position and outlook

The Cardiac Market

Building upon our established leadership in graft patency assessment for Cardiac bypass surgery (CABG), Medistim embarks on a trajectory poised for further growth and innovation. The global market size is stable with over 700,000 cardiac bypass surgeries performed annually worldwide. However, procedure volumes are shifting, by notably declining in Western countries but ascending in emerging markets like China and India.

While advancements in medications like GLP-1 agonists combatting obesity may influence trends, we anticipate a sustained to growing market for our products. This projection is backed by the many other risk factors for cardiovascular disease, and the advent of cutting-edge diagnostic technologies such as AI-supported coronary CT-FFR, alongside a demographic tide swelling the population aged 60 and above.

The CABG market segment presents an annual sales potential exceeding 2 BNOK for Medistim, complemented by an additional 1 BNOK opportunity within other open-heart surgeries. Presently, Medistim serves approximately 37% of CABG procedures through Transit Time Flow Measurement (TTFM) adoption. However, our share of the total CABG market opportunity remains notably lower, with revenues from this segment reaching MNOK 366 in 2023.

In summary, substantial growth opportunities exist within the CABG market, propelled by several strategic imperatives. These include geographic expansion efforts, growing adoption of TTFM technology, and the transition towards combined utilization of TTFM and High-Frequency Ultrasound Imaging (HFUS) technology.

The Vascular Market

While Cardiac bypass surgery has historically been Medistim's primary focus since the introduction of the first flowmeter in 1994, the relevance of TTFM and HFUS technologies extends far beyond this domain. Indeed, these technologies hold considerable promise across various applications within the Vascular surgery landscape.

Medistim targets several key segments within the Vascular surgery domain, including Peripheral Bypass Surgery, Carotid Endarterectomy, AV (Arteriovenous) access surgery, and Liver transplant surgery. Collectively, these segments present an even larger market size and growth potential than CABG alone, encompassing over 1.3 million procedures globally and offering an annual sales opportunity exceeding 4 billion NOK for Medistim.

Competition

In CABG, direct competition remains limited, with only one alternative supplier offering a Flow-only product, and no contenders presenting a combined Flow-and-Imaging solution. Thus, our primary competition arises from the entrenched practices of surgeons, who traditionally rely on palpation of grafts—a method fraught with subjectivity and unreliability.

Conversely, within Vascular procedures, surgeons are more accustomed to leveraging technology for guidance and procedural control, such as Doppler technology or angiography. Here, Medistim anticipates demonstrating a competitive edge over alternatives by delivering products capable of not merely estimating, but precisely measuring blood flow. Additionally, our solutions eliminate the necessity for hazardous substances like x-rays or contrast media, further enhancing their appeal and safety profile.

Strategy

Backdrop

With our state-of-the-art products already established in the market and a mature operation in place to sustain ongoing innovation, the accelerated growth we aspire to achieve hinges upon effective commercialization strategies. This entails fostering close connections with both potential and existing customers through a highly competent and efficient sales and marketing organization. By maintaining proactive engagement with our clients and leveraging their insights, we aim to optimize our commercial efforts, drive adoption of our solutions, and propel Medistim towards sustained profitable growth and success.

Geographical Adaptation of the Strategic Approach: Conversion to Flow-and-Imaging

Our strategic approach is finely attuned to the regional adoption rates of flow measurement in CABG procedures. Geographically, there is a wide variance in adoption rates, and our strategy accounts for these differences. Notably, regions such as Japan, China, and numerous European countries exhibit robust adoption rates surpassing 70%. In markets where flow measurement is already widely adopted, our objective shifts towards converting the market from a flow-only paradigm to a comprehensive flow-and-imaging approach.

This transition enhances clinical value by furnishing surgeons with two complementary modalities that together offer an optimal foundation for decision-making and ensure the viability of grafts. In instances where sub-optimal flow values are observed, the inclusion of HFUS imaging aids in investigating the anatomical morphology of the graft anastomosis. This enables surgeons to discern whether any technical imperfections necessitate corrective measures before concluding the procedure, thereby averting unnecessary revisions, and optimizing patient outcomes.

From a business standpoint, the pricing of a flow-and-imaging system typically amounts to twice that of a flow-only system. Consequently, the conversion to a comprehensive approach presents significant growth opportunities in both Cardiac and Vascular procedures, underscoring the strategic imperative of embracing this evolution.

Central to both our TTFM adoption and HFUS conversion strategies are a focus on clinical marketing, which entails collaborative partnerships with key opinion leaders and prominent teaching institutions. Through educational initiatives and clinical studies, we engage with the medical community, foster knowledge dissemination, and cultivate a deep understanding of the clinical benefits offered by our technologies.

By leveraging the expertise and influence of thought leaders in the field, we ensure high levels of awareness and interest in our innovative solutions. These collaborative endeavors serve as foundational pillars in driving widespread adoption, empowering healthcare professionals with the insights and confidence needed to embrace our technologies and integrate them seamlessly into their clinical practice.

Global Reach with the US Market as Primary Target and China and India as Runners Up

Presently, Medistim maintains a direct presence in key markets across the Americas, Europe, and Asia, including the USA, Canada, China, Germany, Spain, the UK, Denmark, Sweden, and Norway. Additionally, our reach extends to over 60 other countries through strategic distributor partnerships.

Our strategic roadmap entails establishing a direct presence in new geographic territories when the business size and growth potential align to deliver a favorable return on investment. This approach ensures a prudent allocation of resources while maximizing our global footprint and market impact.

The USA stands as the largest individual market for Medistim’s products, commanding nearly one-third of the global market. Within this pivotal market, the adoption of TTFM in CABG procedures is estimated to encompass approximately 40% of the 200,000 annual procedures conducted. Of this adoption, Medistim accounts for approximately 35%.
Our strategy to expedite TTFM adoption in the USA remains anchored in clinical marketing and education initiatives. By collaborating closely with key stakeholders and educational institutions, we aspire to elevate awareness, promote understanding, and drive uptake of our technologies among healthcare professionals.

In the USA, our objective is to secure guideline support, which may lead to establishing discrete reimbursement codes for the utilization of the TTFM technology. Presently, reimbursement frameworks in the USA cover the total surgical procedure, such as CABG or Peripheral Bypass, in addition, CPT codes are available for physician reimbursement, for the use of TTFM and HFUS for both cardiac and vascular procedures. To advance this goal, we are actively considering new clinical studies that could serve as catalysts for policy development and reimbursement reform, thereby enhancing accessibility to our solutions and fortifying our position in this critical market.

Looking ahead, Medistim anticipates significant growth opportunities in Asian markets, particularly in high-growth regions like China and India. In China, we have established a strong foothold with TTFM, commanding approximately 70% of the estimated 60,000 CABG procedures conducted annually. With the strategic establishment of a direct sales operation last year, Medistim is poised for sustained growth in the coming years. India presents another promising market for future growth, with an annual CABG procedure volume exceeding 100,000 and surpassing the global market average growth rate.

Adding Vascular Targets: Enhancing Sales Force Productivity and Growth Opportunities
In regions where our foothold in Cardiac surgery is firmly established, with a significant portion of heart centers already in our customer portfolio, our strategic focus shifts towards targeting Vascular departments and hospitals to cultivate new client relationships. This deliberate approach not only amplifies sales productivity but also unlocks substantial growth opportunities.

The familiarity of our sales teams with vascular technologies, products, and procedures aligns with the customer acquisition process and accelerates market penetration. Moreover, Vascular surgery departments often share resources, equipment, and administrative infrastructure with Cardiac surgery departments, facilitating seamless integration and collaboration.

Product Innovation: Enhancing Value and Ease-of-Use
At the forefront of our product innovation endeavors lies a singular objective: to enhance value and ease-of-use for our customers. Every facet aimed at reducing barriers for customers to explore, learn, and appreciate the clinical value of our products is meticulously considered in our innovation process.

Our commitment extends beyond merely enhancing functionality; we strive to make our products more user-friendly, intuitive, and accessible. This includes improvements that simplify handling, storage, cleaning, and disposal processes, ensuring a seamless experience throughout the product lifecycle.

By prioritizing customer needs and feedback, we continuously refine and evolve our offerings, empowering users to leverage our technologies with confidence and expertise. Through relentless innovation, we strive to redefine standards, elevate user experiences, and drive meaningful advancements in healthcare delivery.

Medistim is currently spearheading two pivotal projects poised to boost our offerings and reinforce our commitment to innovation:

1. **Impactful Software Upgrade:** Our first initiative involves a significant software upgrade aimed at delivering enhanced data interpretation, documentation, and reporting capabilities. Leveraging a completely new and future-proof software architecture platform, this upgrade promises to elevate ultrasound image quality while streamlining workflow efficiency.

2. **Next Generation Medistim Device Proof-of-Concept:** In tandem, we are diligently advancing the proof-of-concept for our Next Generation Medistim device. This project represents a forward-looking undertaking to develop cutting-edge solutions that anticipate and address evolving clinical needs.

At Medistim, we have embraced a novel approach to product innovation characterized by rapid prototyping and piloting. A dedicated team collaborates closely with surgeon users to swiftly iterate and refine concepts, while a larger R&D team assumes responsibility for formal development and design review processes. We are thrilled to unveil the outcomes of this transformative change, which promises to expedite the journey from concept to market, allowing us to more efficiently introduce groundbreaking solutions that enhance patient care and redefine standards of excellence in healthcare.

Production Productivity: Enhancing Gross Margins through Scale and Sustainability
At our Operations site in Horten, Norway, Medistim is dedicated to the meticulous assembly of both the MiraQ ultrasound devices and the flow probe product families. The production of flow probes entails intricate tasks such as gluing and soldering of tiny components under microscope scrutiny. While our manual processes ensure precision, they also impose limitations on scalability and productivity.

To address this challenge, we have embarked on a transformative project aimed at redesigning the probes and revamping the manufacturing process through automation implementation. This endeavor holds the promise of significantly enhancing productivity while maintaining the quality standards synonymous with Medistim’s products. Improved sustainability requirements are part of the project charter. Moreover, upon completion, this project is expected to yield substantial positive impacts on product cost, further bolstering our competitive edge in the market.

Oslo, August 15th, 2024
Board of Directors and CEO of Medistim ASA

Øyvin A. Brøymer Chair *Sign.*	Anna Ahlberg Board member *Sign.*	Ole J. Dahlberg Board member *Sign.*
Gry Dahle Board member *Sign.*	Jon H. Hoem Board member *Sign.*	Tove Raanes Board member *Sign.*
Peder Strand Board member *Sign.*	Kari Eian Krogstad President & CEO *Sign.*	

Profit & loss

PROFIT & LOSS	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
All numbers in NOK 1000					
Total revenue	**144 917**	**137 386**	**278 704**	**266 647**	**526 364**
Cost of goods sold	28 957	29 898	53 936	55 798	112 280
Salary and social expenses	39 836	34 200	85 905	74 412	162 597
Other operating expenses	28 439	25 564	52 772	49 481	96 388
Total operating expenses	**97 232**	89 662	192 613	**179 692**	**255 944**
EBITDA	**47 685**	**47 723**	**86 091**	**86 954**	**155 099**
EBITDA%	32,9 %	34,7 %	30,9 %	32,6 %	29,5 %
Depreciation	6 428	5 509	12 767	11 288	23 657
Operating profit	**41 257**	**42 215**	**73 324**	**75 667**	**131 442**
EBIT %	28,5 %	30,7 %	26,3 %	28,4%	25,0%
Financial income	1 782	838	5 366	8 394	17 123
Financial expenses	(1 622)	2 025	3 366	8 834	13 352
Net finance	**3 404**	**(1 186)**	**2 001**	**(441)**	**3 770**
Pre tax profit	**44 660**	**41 028**	**75 324**	**75 226**	**135 212**
Tax	9 939	8 112	16 223	16 644	31 389
Profit after tax	**34 721**	**32 916**	**59 101**	**58 582**	**103 823**
Dividend	82 414	82 180	82 414	82 180	82 180
Comprehensive income					
Result after tax	34 721	32 916	59 101	58 582	103 823
Exchange differences arising on translation of foreign operations	**1 175**	4 066	8 625	**9 900**	**2 612**
TOTAL COMPREHENSIVE INCOME	**35 896**	**36 982**	**67 726**	**68 482**	**106 435**

Balance sheet

BALANCE SHEET	30.06.2024	30.06.2023	31.12.2023
All numbers in NOK 1000			
Assets			
Intangible assets	56 787	44 646	50 517
Fixed assets	59 363	52 954	63 635
Total intangible and fixed assets	**116 150**	**97 601**	**114 152**
Inventory	164 436	137 308	145 391
Customers receivables	66 473	103 422	74 303
Other receivables	22 734	12 762	18 000
Cash	107 058	90 844	153 872
TOTAL CURRENT ASSETS	**360 700**	**344 336**	**391 566**
TOTAL ASSETS	**476 850**	**441 936**	**505 718**
EQUITY AND LIABILITY			
Share capital	4 585	4 585	4 584
Share premium reserve	44 172	44 172	44 172
Other equity	334 497	305 184	349 185
Total equity	**383 254**	**353 941**	**397 941**
Lease obligations	10 320	6 369	9 260
Deferred income	1 622	767	4 233
Total long term liability	**11 942**	**7 136**	**13 493**
Total short term liability	81 654	80 859	94 284
TOTAL EQUITY AND LIABILITY	**476 850**	**441 936**	**505 718**

Key figures

KEY FIGURES	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
Equity share	80.4 %	77.7 %	80.4 %	80.1 %	78.7 %
Earnings per share	NOK 1.90	NOK 1.80	NOK 3.23	NOK 3.21	NOK 5.68
Earnings per share diluted	NOK 1.90	NOK 1.80	NOK 3.23	NOK 3.20	NOK 5.67
Average shares outstanding in 1000	18 314	18 264	18 314	18 264	18 267
Average shares outstanding in 1000 diluted	18 314	18 289	18 314	18 289	18 296

Change in equity

CHANGE IN EQUITY	30.06.2024	30.06.2023	31.12.2023
All numbers in NOK 1000			
Equity start of period	397 941	367 692	367 692
Profit for the period	59 101	58 582	103 823
Dividend	(82 414)	(82 180)	(82 180)
Other		(53)	-
Medistim shares			6 009
Changes in exchange rates	8 625	9 900	2 597
EQUITY END OF PERIOD	**383 253**	**353 941**	**397 941**

Cash flow analysis

CASH FLOW ANALYSIS	30.06.2024	30.06.2023	31.12.2023
All numbers in NOK 1000			
Operating profit for the period	75 324	75 226	135 212
Other cash flow from operation	(27 934)	(43 047)	(19 372)
Cash flow from operation	47 390	32 179	115 840
Cash flow from investments	(7 598)	(8 252)	(29 726)
Cash flow from financing (lease\dividend)	(86 606)	(85 723)	(84 883)
Change in cash for the period	(46 814)	(61 796)	1 231
Cash at start of period	153 872	152 641	152 641
CASH BY THE END OF PERIOD	**107 057**	**90 844**	**153 872**

ACCOUNTING PRINCIPLES

Medistim ASA is a public company listed at the Oslo stock exchange. Medistim ASA is incorporated in Norway. The main office is located in Økernveien 94, 0579 Oslo, Norway. The Medistim group's business is within developing, producing, service, leasing and distribtion of medical devices. The board of Directors and the CEO authorized these financial statements for issue on August 15, 2024.

Basis for preparation of financial statements. The financial statement for the group is prepared in accordance with International Financial Reporting standard (IFRS) as adopted by the EU for interim reports according to IAS 34 Interim Financial reporting.

The annual accounts for the group has been prepared based on historical cost with exception of financial derivatives which are measured at fair value. The consolidated accounts have been prepared using consistent accounting policies for similar transactions and events.
The accounting principles for the group for 2024 are the same as for the principles used in the annual report for 2023. This report provides an update of previously reported information.

REVENUE RECOGNITION AND SEGMENTS

Group revenue can be split in three different categories that have different risk and return on investment profile. The split is according to the company's internal reporting structure. The categories are as follows:

1. Revenue from sale of capital equipment (MiraQ) and consumable (probes)
2. Revenue from lease of equipment (MiraQ and probes)
3. Distribution and sales of third-party products

Category 1 and 2 covers the same equipment (MiraQ system) and consumables (probes). This is the products that are developed and produced by Medistim and is distributed through local partners unless Medistim has local representation.

1. Sale of capital equipment and consumable:
The sale of the equipment and the sale of the consumables are considered separate deliveries (performance obligations).

Revenue recognition varies with shipping and delivery terms that decide the timing of when the customer takes over control of the goods.

Payment terms varies from 30 to 90 days. The Group provides warranties for general repairs of defects that existed at the time of sale. This is considered an ordinary assurance type warranty, and not a separate performance obligation. A warranty provision is recognized.

2. Revenue from lease of equipment and probes:
The group has a range of contracts related to lease of equipment and probes and can be split in two categories
- Payment per procedures
- Lease of equipment and sale of probes

Payment per procedure:
Under this model, the equipment and probes are placed at the customer site free of charge. Medistim owns all equipment placed at the customer site. For the customer to be able to use the equipment a procedure (smart card) must be purchased. One procedure equals one surgery. The customer purchases a smart card that makes the system available for use.

The agreement is considered a lease with variable lease payments. Revenue is variable and recognized related to the actual use of the equipment and probes. For Medistim this means that revenue is recognized when a new card is shipped to a customer. There are two types of customers, flow customers and flow and imaging customers. Flow customers purchases a flow procedure, while flow and imaging customers purchase both a flow procedure and an imaging procedure. It is therefore a split of revenue between flow procedures and imaging procedures. Revenue is recognized when smartcards are purchased by the customer. The customer is dependent upon the smartcard in order to open the equipment and probe for use. The agreements are operational since equipment is returned when the agreement expires.

The individual agreement contains a minimum use clause. The duration of the agreement is 1-3 years, but divided into 12-month cycles, so minimum usage applies for 12 months at a time. If minimum usage is not achieved, Medistim has the right to extract the equipment from the customer site.

Lease of systems and sales or lease of probes:
Under this model, the customer leases the system and purchases probes when needed. The system revenue is recognized on a straight-line basis over the lease term. Probe revenue is recognized when the probe is delivered to the customer.

When probes are leased the expected probe consumption according to the contract is recognized on straight line basis but on a regular adjusted for actual probe consumption.

Other terms in the agreements:
If a customer with a pay per procedure or lease agreement does not handle the equipment properly, the customer is liable towards Medistim to compensate for the damage and repair. It happens that customers after too low consumption want to keep the equipment. In such cases, the customer may purchase the equipment. In this case, this is registered as a system sale.

3. Third party sales:
Sale of other third-party medical equipment is recognized when the equipment is delivered to the customer. Payment from customers are mainly due within 30 days.
Other revenue in the P&L includes service, spare parts, grants and other revenue that is not own products or third-party products.

SEGMENTS

The Group's activities are divided into strategic business units that are organized and managed separately. The division is also in accordance with the Group's internal reporting structure. The main divisions are sale of own products and sale of 3. party products. Sale of own products has two business models, the capital model and the lease model.

Own Products: Medistim sells its own products either through a lease or as capital.

Medistim has a flexible business model in the US and leaves it up to the customer whether they want to lease the equipment or purchase the capital equipment and buy probes as consumable. Most customers in the US lease the equipment. The lease model in the USA has been successful since it does not demand upfront capital to have the equipment available. Medistim has direct representation in the USA, which makes it manageable to handle the lease model properly.

However, several customers prefer to invest in the equipment and purchase probes as consumables and Medistim promotes both solutions.

The lease model has not been successful outside USA. It is often so that hospitals have a policy that the equipment they use must be hospital property. In addition, Medistim can only follow up this model properly where the company has direct representation, since lease customers require Medistim property at the customer site. Medistim serves around 60 distributors around the world. To follow up assets placed at customer sites in a global scale, and have distributors to manage Medistim assets, is considered to be to complex and risky.

Third party products:
Distribution of third-party products:
Distribution and sale of third-party products is a separate segment. The group sells medical devices from third party manufacturers in Norway, Sweden and and Denmark. The product portfolio is carefully selected and mainly instruments and consumables within surgery. Transactions between internal business units are performed at market terms. Revenue, cost and result for each segment includes transaction between the segments. On group level these transactions are eliminated.

RESEARCH AND DEVELOPMENT

Research cost is expensed as incurred. Cost to internal development of technology or software is capitalized as an intangible asset when it is demonstrated that:
- it is technical feasible to complete the asset,
- the company has the resourse to complete the project
- the product will generate future economic benefits, and
- expenditure can be reliably measured.

Cost capitalized include materials, salary and social expenses and other expenses that can be allocated to the development of the asset. Internally developed intangible assets are amortized on a straight-line basis over the expected useful life. Amortization starts when the asset is available for use. Intangible assets not ready for use, is tested for impairment on a yearly basis. Capitalized development costs are written down when a new product is ready for sale, or an improved product is ready for sale. Internally developed intangible asset is tested for impairment on a regular basis by discounting expected cash flow generated from the asset. If the discounted value is lower than the carrying amount the asset is written down.

INVENTORY

Inventory is valued at the lower of cost, using the FIFO principle, and net realizable value. Production cost includes the cost for components, cost of conversion (including direct labor cost) and other cost in bringing the inventories to their present location and condition. Net realizable value is the estimated sales price in the ordinary course of business less cost of completion and selling cost.

GOODWILL

Business combinations are accounted for using the acquisition method.

Goodwill is recognized as the difference between the aggregate of the consideration transferred and the amount of any non-controlling interest less the fair value of the net identifiable assets at the acquisition date. Goodwill is not depreciated, but is tested for impairment at least annually.

Note 1
Revenue split and segments

GEOGRAPHIC SPLIT OF SALES	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
All numbers in NOK 1000					
USA	54 763	53 915	101 134	106 018	197 157
Canada	2 358	348	8 184	3 364	6 734
Latin America	1 927	639	4 480	1 187	5 132
Total AMERICAS	**59 049**	**54 903**	**113 798**	**110 569**	**209 023**
China	7 299	11 138	15 731	24 934	42 565
Japan	3 157	6 560	6 752	12 838	23 970
Rest of APAC	7 293	3 012	12 086	6 664	16 448
TOTAL APAC	**17 749**	**20 710**	**34 569**	**44 436**	**82 983**
Europe	41 576	39 079	80 531	67 235	145 487
MEA	2 149	1 964	3 005	2 899	9 442
TOTAL EMEA	**43 725**	**41 043**	**83 536**	**70 134**	**154 929**
Third party products/other	24 394	20 730	46 802	41 508	79 429
TOTAL SALES	**144 916**	**137 385**	**278 704**	**266 647**	**526 364**

Note 1 cont.

GEOGRAPHIC SPLIT OF SALES IN NUMBER OF UNITS	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
AMERICAS					
PPP and lease:					
Flow procedures (PPP/card based)	6 182	6 545	12 505	13 113	26 058
Imaging and flow prosedures (PPP/card based)	2 027	2 022	4 025	4 173	8 042
Flow systems (PPP or lease)	-	-	2		-
Flow and imaging systems (PPP or lease)	-	1	4	3	4
Capital sales:					
Flow systems	5	7	12	11	16
Flow and imaging systems	6	4	11	12	23
Flow probes	565	508	1 105	944	1 806
Imaging probes	16	12	25	26	58
APAC					
Flow systems	10	18	24	47	70
Flow and imaging systems	6	5	9	13	33
Flow probes	584	717	1 138	1 471	2 573
Imaging probes	10	26	18	38	60
EMEA					
Flow systems	15	11	22	22	58
Flow and imaging systems	9	10	16	18	37
Flow probes	1 306	1 352	2 606	2 232	4 737
Imaging probes	5	10	14	21	50
TOTAL SALES IN UNITS					
PPP and lease revenue:					
Flow procedures (PPP/card based)	6 182	6 545	12 505	13 113	26 058
Imaging and flow prosedures (PPP/card based)	2 027	2 022	4 025	4 173	8 042
Flow systems (PPP or lease)	-	-	2	-	-
Flow and imaging systems (PPP or lease)	-	1	4	3	4
Capital sales:					
Flow systems	30	36	58	80	144
Flow and imaging systems	21	19	36	43	93
Flow probes	2 455	2 577	4 849	4 647	9 116
Imaging probes	31	48	57	85	168

Note 1 cont.

GEOGRAPHIC SPLIT OF SALES PER PRODUCT GROUP	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
All numbers in NOK 1000					
AMERICAS					
PPP and lease:					
Flow procedures (PPP/card based)	20 798	18 468	37 209	35 464	64 369
Imaging and flow prosedures (PPP/card based)	10 111	9 382	19 527	19 202	36 242
Capital sales:					
Flow systems	3 365	7 420	9 130	10 418	15 492
Flow and imaging systems	8 096	6 602	14 647	19 432	35 566
Flow probes	14 507	11 474	29 852	22 462	48 980
Imaging probes	2 172	1 558	3 433	3 591	8 374
TOTAL SALES AMERICAS	**59 048**	**54 903**	**113 798**	**110 569**	**209 023**
APAC					
Flow systems	3 014	4 985	7 643	11 616	19 468
Flow and imaging systems	3 468	3 501	5 667	8 533	20 027
Flow probes	10 641	11 365	19 918	22 454	40 019
Imaging probes	626	859	1 341	1 833	3 469
TOTAL SALES APAC	**17 749**	**20 710**	**34 569**	**44 436**	**82 983**
EMEA					
Flow systems	8 148	2 145	11 192	5 592	20 589
Flow and imaging systems	6 167	7 001	11 576	10 646	25 892
Flow probes	28 839	30 744	59 255	52 208	104 059
Imaging probes	570	1 153	1 513	1 688	4 389
TOTAL SALES EMEA	**43 725**	**41 043**	**83 536**	**70 134**	**154 929**
Sales in NOK					
PPP and lease:					
Flow procedures (PPP/card based)	20 798	18 468	37 209	35 464	64 369
Imaging and flow procedures (PPP/card based)	10 111	9 382	19 527	19 202	36 242
Capital sales:					
Flow systems	14 528	14 550	27 965	27 625	55 548
Flow and imaging systems	17 731	17 104	31 890	38 612	81 485
Flow probes	53 987	53 583	109 025	97 124	193 058
Imaging probes	3 369	3 570	6 286	7 112	16 232
Total sales own products	120 523	116 656	231 902	225 139	446 935
Sale of third-party products	24 394	20 730	46 802	41 508	79 429
TOTAL SALES IN NOK	**144 917**	**137 386**	**278 704**	**266 647**	**526 364**

Note 1 cont.

SPLIT OF SALES BETWEEN CARDIAC SURGERY, VASCULAR SURGERY AND THIRD-PARTY PRODUCTS	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
All numbers in NOK 1000					
Sales within coronary surgery	95 648	97 053	186 182	187 026	365 641
Sales within vascular surgery	24 875	19 603	45 720	38 113	81 294
Sales of 3rd party products	24 394	20 730	46 802	41 508	79 429
TOTAL SALES	**144 917**	**137 386**	**278 704**	**266 647**	**526 364**

SPLIT OF SALES BETWEEN FLOW PRODUCTS, IMAGING PRODUCTS AND THIRD-PARTY PRODUCTS	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
All numbers in NOK 1000					
Flow products	89 312	86 601	174 199	160 213	312 976
Imaging products	31 210	30 055	57 703	64 925	133 959
Sales of 3rd party products	24 394	20 730	46 802	41 508	79 429
TOTAL SALES	**144 917**	**137 386**	**278 704**	**266 647**	**526 364**

Note 2 Salary expenses

NOTE 2 SALARY EXPENSES	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
All numbers in NOK 1000					
Salary	23 666	20 394	55 882	47 543	129 501
Employeers tax	5 229	4 784	10 391	9 686	18 786
Bonus/commision	6 819	5 107	11 766	10 037	6 283
Cost for contribution pension plan	2 163	2 160	4 623	4 320	6 260
Compensation to the Board	628	516	1 186	1 033	2 122
Other social costs	1 332	1 238	2 058	1 794	(354)
TOTAL SALARY AND SOCIAL COST	**39 836**	**34 200**	**85 905**	**74 412**	**162 597**

Note 3 Intangible assets and goodwill

NOTE 3 INTANGIBLE ASSETS AND GOODWILL	PRODUCT UNDER DEVELOPMENT	COMPLETED PRODUCT DEVELOPMENT	GOODWILL	DEFERRED TAX	TOTAL INTANGIBLE
1 = NOK 1000					
Historic cost					
Historic cost 31.12.2023	25 178	81 928	14 128	5 142	126 376
Internal additions in use	4 814			992	5 806
External additions in use	2 116				2 116
Additions under development					-
Historic cost 30.06.2024	32 108	81 928	14 128	6 134	134 298
Accumulated depreciations and write downs					
Accumulated depreciation and write downs	4 021	71 839	-	-	75 860
Depreciations for the year		1 652	-	-	1 652
Total depreciation as of 30.06.2024	4 021	73 491	-	-	77 512
CARRYING AMOUNT 30.06.2024	**28 087**	**8 437**	**14 128**	**6 134**	**56 786**

Note 4 Specification of inventory

NOTE 4 SPECIFICATION OF INVENTORY	30.06.2024	31.12.2023
All numbers in NOK 1000		
Raw material	75 649	65 035
Work in progress	1 540	3 604
Finished goods	73 432	64 047
Spare parts	8 536	9 638
Third party products	13 496	11 285
Inventory provision	(8 217)	(8 217)
TOTAL	164 436	145 391

Finished goods are measured at cost which includes cost for components and internal labor cost. Work in progress is valued at the total of the component cost and labor cost. It is necessary for the company to keep an additional security inventory for critical components for own developed products. Due to a strict regulatory regime within medical device, it takes time to introduce new devices or components. At the same time the tendency is that electronical components life circle is shorter. For this reason, inventory level is high to secure future deliveries for Medistim developed products.

Note 5 Financial income and expense

NOTE 5 FINANCIAL INCOME AND EXPENSE	Q2 2024	Q2 2023	H1 2024	H1 2023	FY 2023
All numbers in NOK 1000					
Interest income	1 013	416	1 902	715	3 275
Other financial income	-1 054	-359	-956	-	137
Gains on foreign exchange	1 824	782	4 420	7 679	13 710
TOTAL FINANCIAL INCOME	1 782	838	5 366	8 394	17 123
Loss on foreign exchange	1 709	-297	-3 119	-7 031	-12 780
Loss on hedging contracts	-	-1 780	0	-1 780	-
Interest cost on loans	-	-	0	-	-151
Other financial expenses	-87	52	-247	-23	-422
TOTAL FINANCIAL EXPENSES	1 622	-2 025	-3 366	-8 834	-13 352
NET FINANCIAL EXPENSES	3 404	(1 186)	2 001	(440)	3 770

Note 6
Alternative performance measures

NOTE 6 ALTERNATIVE PERFORMANCE MEASURES - RETURN ON INVESTED CAPITAL (ROIC)	2020	2021	2022	2023	LTM JUNE 2024
All numbers in NOK 1000					
Numerator: Profit for the year	69	91	114	104	104
Denominator: Invested capital (avg)	214	196	230	258	288
Total assets	346	403	483	506	477
Minus: Cash	-72	-129	-153	-154	-107
Minus: Non interest bearing current liabilities	-59	-78	-100	-94	-82
Equals: Invested capital	214	196	230	258	288
ROIC NET INCOME IN %	**32,4 %**	**46,3 %**	**49,5 %**	**40,3 %**	**36,2 %**

Return On Invested Capital: In the numerator 12 months rolling net profit is used. As denominator the capital that circulates the business is used. For Medistim this is noncurrent assets plus current assets minus current liabilities.

Note 6 cont.

RECONCILIATION OF CURRENCY NEUTRAL REVENUE:	RATES 2024	RATES 2023
USD average rate for the year	10,63	10,47
EUR average rate for the year	11,49	11,32

SPLIT OF REVENUE IN USD, EUR AND NOK	H1 2024	H1 WITH 2023 RATES
Sales in USD		
Procedural revenue Imaging and flow	56 736	55 887
Capital sales MiraQ flowmeasurement instruments	9 130	8 993
Capital sales MiraQ imaging and flowmeasurement instrument	14 647	14 427
Flow probes	29 852	29 405
Imaging probes	3 433	3 382
Sales in EUR		
MiraQ flowmeasurement instrument	18 835	18 557
MiraQ imaging and flowmeasurement instrument	17 243	16 989
Imaging probes	2 854	2 811
Flowmeasurement probes	79 173	78 004
	-	-
Other:		
Revenue in USD and EUR	231 902	228 456
Revenue in NOK	46 802	46 802
TOTAL REVENUE	**278 704**	**275 258**

OTHER ALTERNATIVE PERFORMANCE MEASURES

Profit before R & D, depreciation and impairment:	Margin after cost of goods, salary and social expenses and other operating expenses are deducted except for R & D expenses.
EBITDA:	Earnings before interest, taxes, depreciation and amortization. Corresponds to operating profit before depreciations and impairment loss.
Currency neutral growth:	Compares this year's sales with previous year sale when sale in foreign currency is recalculated using the same average currency rate in the reporting period to get a neutral comparison.
Working Capital	Inventory plus accounts receivable minus accounts payable

Note 6 cont.

RECONCILIATION OF WORKING CAPITAL:	30.06.2024	FY 2023
All numbers in NOK 1000	6/30/2024	FY 2023
Accounts receivable in balance sheet at year end	66 473	74 303
Inventory in the balancesheet at year end	164 436	145 391
Accounts payaple in balance sheet at year end	(33 827)	(30 871)
Working capital	**197 081**	**188 823**

Note 7
Events after 30.06.2024

The Board of directors has no knowledge about other events after 30.06.2024 that will affect the H1 report and financial statement as of 30.06.2024.

MEDISTIM

Defining Quality.
Transforming lives.

Celebrating 40 years of empowering the surgical community with uncompromised quality

40 ANNIVERSARY
MEDISTIM

marketing@medistim.com
www.medistim.com

medistim.com/
contact