Q3

Interim Report

THIRD QUARTER AND YEAR TO DATE SEPTEMBER 2024 FINANCIAL RESULTS

2024

40 ANNIVERSARY

MEDISTIM

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 worldwide.

Highlights Q3 and YTD September 2024

Sales ended at MNOK 132.8, 7.0% above third quarter last year (MNOK 124.1). Year to date sales ended at MNOK 411.5, 5.3% above last year (MNOK 390.7).

Currency neutral sales of own products was up 3.4% for the quarter and 1.8% year to date.

Recurring sales remained high at 75.1% (64.7%) for the quarter and 73.7% (68.7%) year to date, reflecting the sustained momentum in utilization among our customers.

AMERICAS delivered a strong quarter with 17.3% currency neutral growth. EMEA showed strong performance in the direct markets with growth of 10.7%, but a decline of 36.7% in distributor markets.

APAC was down 14.0% for the quarter, due to no sales to Japan.

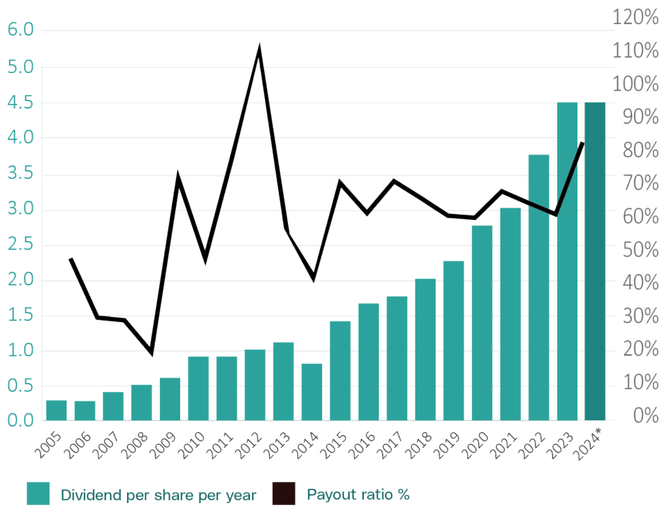
Operating profit (EBIT) for the quarter ended at MNOK 31.9 giving a 24.0% EBIT margin (MNOK 33.5, a 27.0% margin). Year to date, the EBIT was at MNOK 105.2 (MNOK 109.2) giving a 25.6% EBIT margin (27.9%).

Third-party distributor sales in Scandinavia increased 17.0% for the quarter and 14.0% year to date.

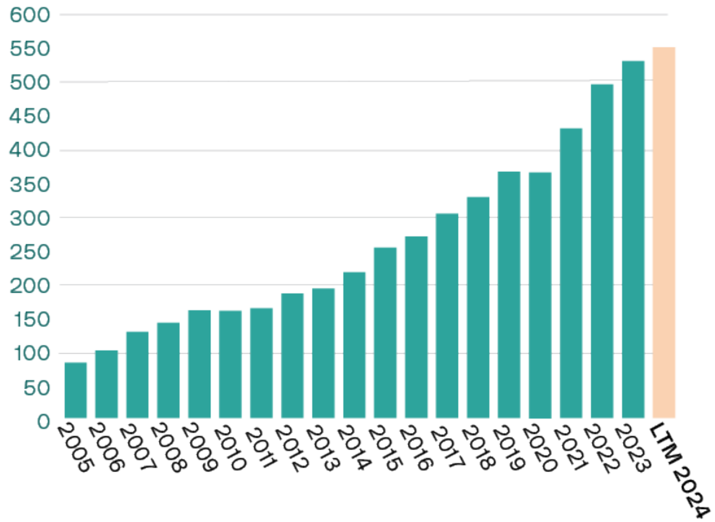
Solid cash position at quarter end with MNOK 127.3 and no long-term interest-bearing debt.

Medistim
track record

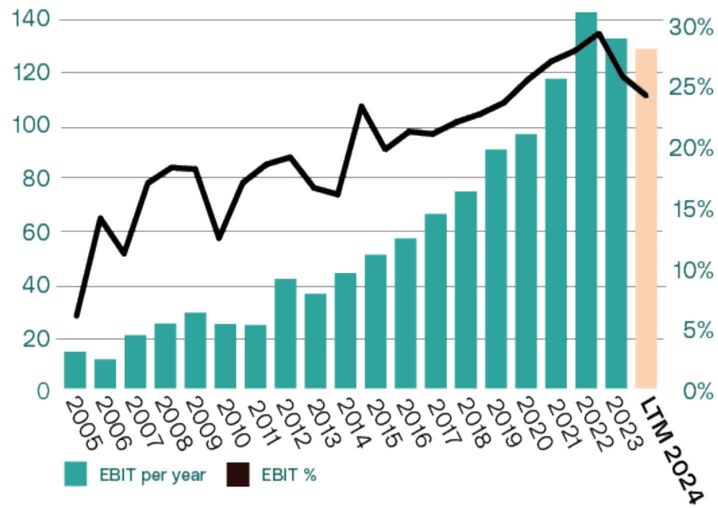
Dividend per share in NOK



Sales per year in MNOK



EBIT in MNOK and EBIT %



Letter from the CEO

Medistim delivered a 7% increase in sales revenue in the third quarter, reaching 132.8 million NOK, signaling continued recovery from a challenging 2023, which ended with a currency-neutral sales decline of 2.5%. On a currency-neutral basis, Q3 growth stood at 5.3%, making it the strongest quarterly growth of the year.

The most encouraging development this quarter was the robust recovery of our key growth driver, the AMERICAS, with the USA leading the way, achieving impressive growth of 17.3%, currency neutral. In 2023 and the first half of 2024, we faced a decline in unit sales of our higher-priced Flow-and-Imaging device, along with a reduced preference for the capital sales model, both of which negatively impacted our revenue in the USA. However, in this third quarter, we secured 14 capital sales deals, 7 of which involved the Flow-and-Imaging model. This suggests that the recovering US economy may be restoring healthcare investments to normal levels.

EMEA remains the largest growth contributor year to date, with currency-neutral growth of 6.8% as of September, despite a decline of 8.7% in Q3. Our direct European markets continued to show strong growth during the quarter, while distributor markets experienced a softer performance. It is particularly encouraging to see consistent success in the regions where we have our own teams on the ground.

The APAC region's performance after three quarters shows a sales revenue decline of 11 million NOK, or 22% currency-neutral, **primarily due to very low sales in Japan.** Our distributor has not identified any changed market dynamics to explain the weak performance so far this year, and their team is working on a promising pipeline for Q4. **In China, we achieved solid growth for the quarter,** reaching 4.6 million NOK, though it's worth noting that last year's Q3 was a low comparison base at 0.9 million NOK. On a positive note, the local distributor's inventories in China now appear to have normalized, and we expect sales levels to begin reflecting the underlying market demand.

This quarter's EBIT margin was 24%, down 3 percentage points from Q3 last year. The decline is largely attributable to product mix, with a lower gross margin tied to a 17% increase in third-party product sales in Scandinavia, as well as higher costs from establishing direct operations in new markets. Nevertheless, the business outlook remains strong, driven by robust performance in key regions, continued investment in innovation, and a solid financial foundation. **With new product launches approaching and global markets rebounding, we are well-positioned for sustained growth and value creation.**

I'd like to close this letter with warm greetings from the Medistim team, who just returned from our biggest event of the year—the European Association of Cardiothoracic Surgery (EACTS) conference, held two weeks ago in Lisbon, Portugal. **We took the opportunity to celebrate our 40th anniversary alongside many of our distributors, customers, and key opinion leaders**. It was an inspiring occasion, where we not only reflected on our proud history but also engaged in exciting discussions about the future, preparing for the promising opportunities ahead.

23rd October, 2024
Kari E. Krogstad
President and CEO

Third quarter and year to date September 2024 financial results

The financial report as per September 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.)

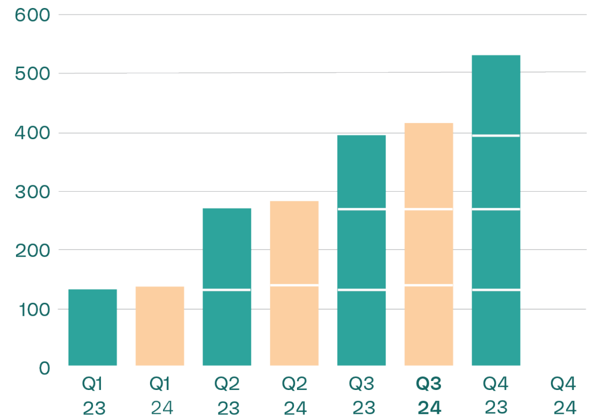
Sales and geographic split
Sales revenues in the third quarter ended at MNOK 132.8 (MNOK 124.1), a 7.0% increase. Sales split in MNOK was as follows:

MNOK	Q3 2024	Q3 2023	CHANGE IN %
AMERICAS	61.7	51.7	19.3 %
APAC	8.6	9.8	-12.3 %
EMEA	42.0	45.1	-6.9 %
THIRD PARTY	20.4	17.5	17.0 %
TOTAL	**132.8**	**124.1**	**7.0 %**

Sales revenues year to date September ended at MNOK 411.5 (MNOK 390.7), a 5.3% increase. Sales split in MNOK was as follows:

MNOK	YTD SEP 2024	YTD SEP 2023	CHANGE IN %
AMERICAS	175.5	162.2	8.1 %
APAC	43.2	54.3	-20.4 %
EMEA	125.6	115.3	8.9 %
THIRD PARTY	67.2	59.0	14.0 %
TOTAL	**411.5**	**390.7**	**5.3 %**

Accumulated sales per quarter in MNOK



Currency effect
With the same foreign currency exchange rates as in 2023, sales would have amounted to MNOK 130.7 for the quarter, which represents a currency-neutral growth of 5.3%. Similar year to date September, sales would have amounted to 405.1, which represent a currency neutral growth of 3.7%. Currency-neutral growth of own products was 3.4% for the quarter and 1.8% year to date September. Third party products increased by 17.0% for the quarter and 14.0 % year to date September.

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 revenue. For the year 2023, recurring sales were 69% of total sales of own products. Year to date September, the 12 months rolling recurring revenue represented 73.7%.

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 112.3 (MNOK 106.6), a growth of 5.3%. Sales of third-party products grew 17.0%, ending at MNOK 20.4 (MNOK 17.5).

Sales of own products year to date September amounted to MNOK 344.2 (MNOK 331.8), a growth of 3.7%. Sales of third-party products grew 14.0%, ending at MNOK 67.3 (MNOK 59.0).

Split of sales in Cardiac and Vascular products
For the quarterly sales of own products, MNOK 87.4 (MNOK 86.3) was within the Cardiac segment and MNOK 24.9 (MNOK 20.3) was within the Vascular segment, growing at 22.6%.

Year to date September, sales revenue from the Cardiac segment was MNOK 273.6 (MNOK 273.3). Sales revenue from the Vascular segment was MNOK 70.6 (MNOK 58.4), showing growth at 20.9%.

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 20.5% of own products sales year to date September 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 79.4 (MNOK 68.5), showing growth at 15.9%. Sales revenue from Imaging products was MNOK 32.9 (MNOK 38.1).

Year to date September, sales revenue from Flow products was MNOK 253.6 (MNOK 228.7), showing growth at 10.9%. Sales revenue from Imaging products was MNOK 90.6 (MNOK 103.1), a decline of 12.1%.

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 so far in 2024, we have seen a decline in Imaging product sales compared to this established trend. This decline is consistent with past instances when the company encountered similar macroeconomic challenges. In these situations, customers typically choose the more cost-effective Flow-only model initially, with plans to upgrade to the combined Flow-and-Imaging model later.

Cost of goods sold
For the quarter, cost of goods sold (COGS) ended at MNOK 26.2 (MNOK 22.4) representing 19.7% of total sales (18.0%). This gives a gross margin of 80.3% (82.0%). Year to date September, COGS ended at MNOK 80.1 (MNOK 78.1) representing 19.5% of total sales (20.0%). This gives a gross margin of 80.5% (80.0%).

Salary, social and other operating expenses
Salaries and social expenses ended at MNOK 46.5 (MNOK 42.1) for the quarter. Other operating expenses amounted to MNOK 23.0 (MNOK 20.8).

Year to date salaries and social expenses ended at MNOK 132.4 (MNOK 116.6). Other operating expenses amounted to MNOK 75.8 (MNOK 70.2).

The rise in salaries and social expenses for the quarter and year to date 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 9.7 (MNOK 7.5) was spent on research and development (R&D), of which MNOK 4.8 (MNOK 2.7) was capitalized in the balance sheet.

Year to date, MNOK 24.0 (MNOK 18.6) was spent on R&D, of which MNOK 11.7 (MNOK 9.5) was capitalized in the balance sheet.

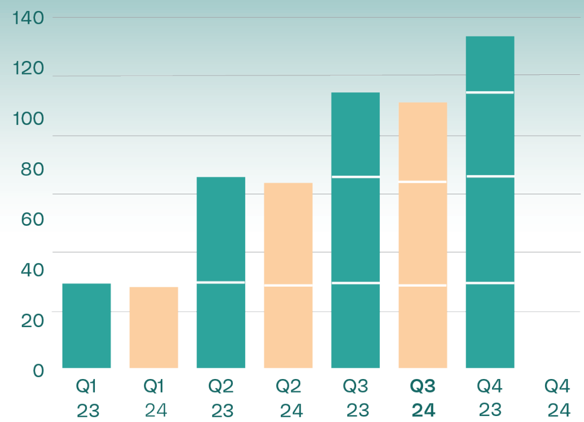
Medistim is currently spearheading two pivotal projects poised to boost our offerings and reinforce our commitment to innovation, see the 'Strategic Imperatives' chapter for further details.

Earnings
Operating profit before interest, taxes, depreciation and amortization (EBITDA) for the quarter ended at MNOK 37.1 (MNOK 38.8). Profit before interest and taxes (EBIT) ended at MNOK 31.9 (MNOK 33.5).

EBITDA year to date ended at MNOK 123.2 (MNOK 125.8). EBIT ended at MNOK 105.2 (MNOK 109.2).

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

Accumulated operating profit (EBIT) per quarter in MNOK:



Net finance ended negative with MNOK 1.3 for the quarter (positive MNOK 0.1). Year to date net finance ended positive with MNOK 0.7 (negative MNOK 0.4). Net finance was 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 30.6 (MNOK 33.6) for the quarter. Profit after tax was MNOK 23.4 (MNOK 26.1). Year to date, profit before tax was MNOK 105.9 (MNOK 108.8). Profit after tax was MNOK 82.5 (MNOK 84.7).

Earnings per share for the quarter was NOK 1.28 (NOK 1.43). Year to date earnings per share was NOK 4.51 (NOK 4.63). Average number of shares outstanding was 18,314,219 (18,262,303) at the end of September 2024.

Balance sheet
Equity by the 30th of September 2024 was MNOK 405.1 (MNOK 397.9 by year end). This equals an equity ratio of 82.5% (78.7%).

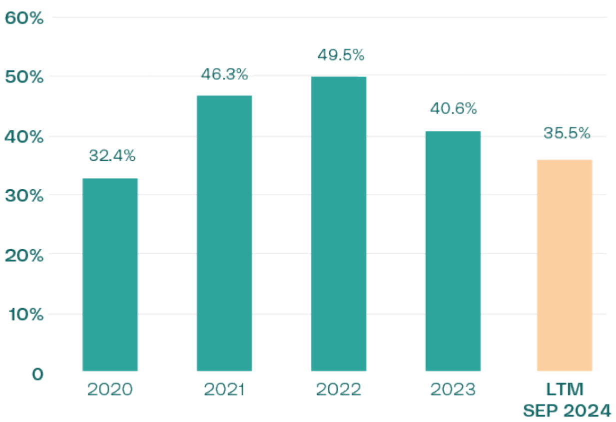
Inventory levels are high due to company policy of securing end of life components, building security stock of critical components and finished goods.

From 30th of June to 30th of September total inventory was reduced from MNOK 164.4 to MNOK 160.3. In previous quarters inventory has increased related to previously committed purchase orders that was placed at the time where there was supply chain issues. Lead time on several of the components are from 12 to 18 months.

The cash position is strong and ended at MNOK 127.3 at the end of the quarter (MNOK 153.9 at the end of 2023). 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 17.5, where 8.5 was long term liability.

Return on invested capital (ROIC) was 35.5% by the end of September. Increased working capital and weaker EBIT has reduced the ROIC in %.

ROIC in %



OPERATIONAL STATUS

AMERICAS (USA, Canada and Latin America)
For the quarter, AMERICAS sales revenues in NOK increased by 19.3% ending at MNOK 61.6. Currency neutral, sales increased with 17.3%.

USA increased with 22.1% while sales in Canada and Latin America declined 26.9% in the third quarter.
14 capital systems were sold in the USA vs 9 in Q3 2023. Sales of Imaging systems and flow systems increased from respectively 6 to 7 and 3 to 7 units. In addition, there was one new lease customer in the third quarter vs 0 last year.

Year to date, AMERICAS sales revenues in NOK increased by 8.1% ending at MNOK 175.5. Currency neutral, sales increased with 6.3%. 37 capital systems have been sold vs 32 last year. The lower revenue from these system sales is explained by the fact that 10 of the systems were sold outside of USA vs 3 last year, and Medistim achieves the highest prices in the USA.
In addition, 7 units have been outplaced on lease contracts compared to 3 units last year.

The largest target market for Medistim is the USA, which is representing about 97% of sales in the AMERICAS region for the quarter and 92% year to date. In the USA, Medistim offers several business models, including sales of procedures (Pay Per Procedures or 'PPP'), leasing, and capital sales.

In 2024, USA have experienced a gradual increase in sales of capital devices, which may be a consequence of improvements in the US economy. The third quarter is the strongest growth quarter so far in 2024, showing double digit growth.

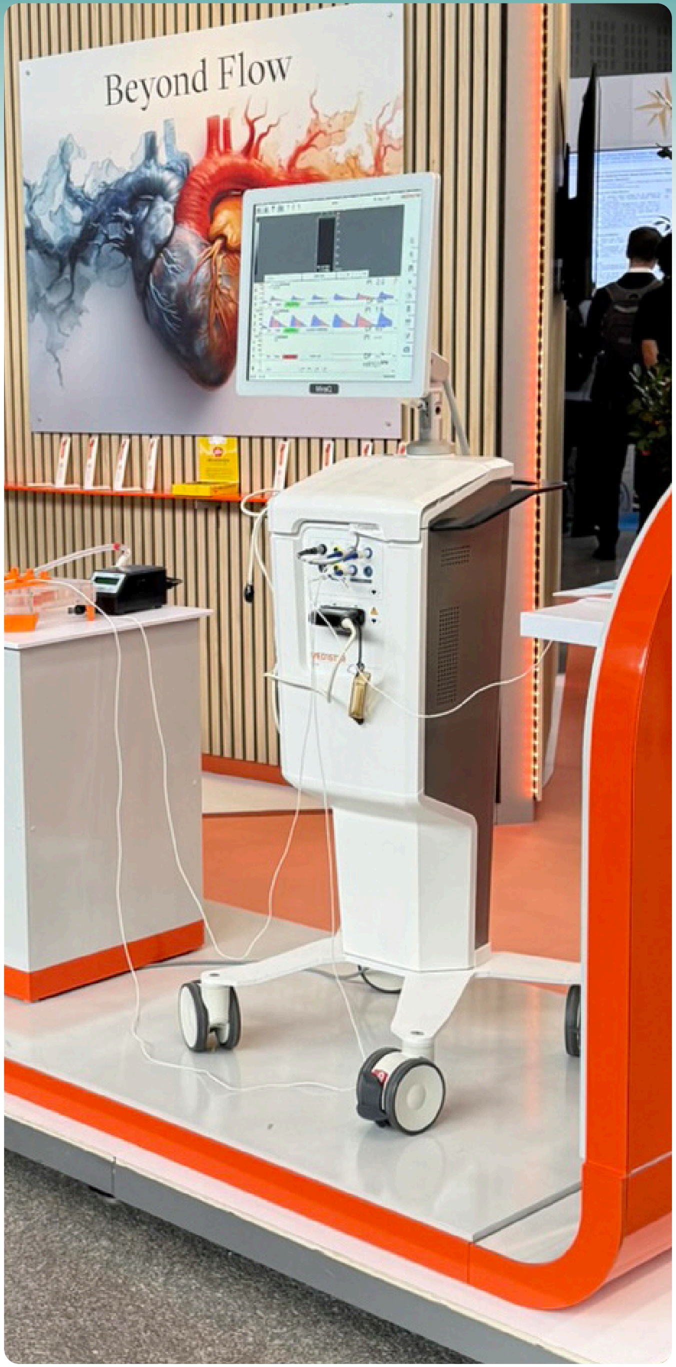
For the sake of calculating market penetration in the USA, we count Flow procedures from both PPP smartcards and capital probes sold, see the following table.

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.

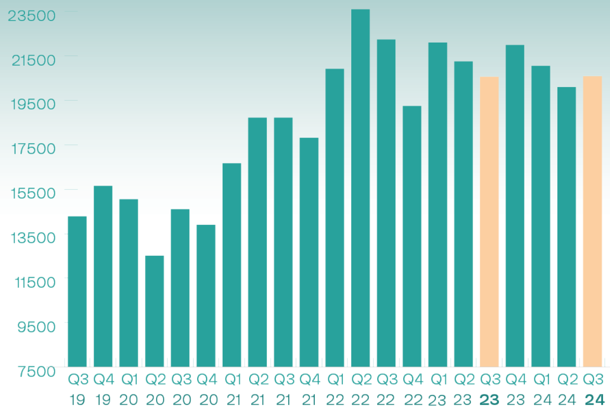
There is a higher number of procedures sold to capital customers compared to PPP/ lease customers for both the quarter and the year to date.

NUMBER OF PROCEDURES FROM:	Q3 2024	Q3 2023	CHANGE IN %
PPP or lease flow	5 630	6 267	-10.2 %
Flow probes to capital customers	11 765	10 735	9.6 %
Total flow procedures	**17 395**	**17 002**	**2.3 %**
PPP or lease imaging	1 683	1 962	-14.2 %
Imaging probes to capital customers	1 500	1 600	-6.3 %
Total imaging procedures	**3 183**	**3 562**	**-10.6 %**
Total flow and imaging procedures	**20 578**	**20 564**	**0.1 %**

NUMBER OF PROCEDURES FROM:	YTD SEP 2024	YTD SEP 2023	CHANGE IN %
PPP or lease flow	18 135	19 380	-6.4 %
Flow probes to capital customers	34 765	30 971	12.3 %
Total flow procedures	**52 900**	**50 351**	**5.1 %**
PPP or lease imaging	5 708	6 135	-7.0 %
Imaging probes to capital customers	3 400	4 100	-17.1 %
Total imaging procedures	**9 108**	**10 235**	**-11.0 %**
Total flow and imaging procedures	**62 008**	**60 586**	**2.3 %**



Number of procedures sold in the USA



Medistim's new direct sales operation in Canada has had a strong year to date and has delivered sales of MNOK 10.0 (MNOK 5.4). Latin America has also had a good year with YTD sales at MNOK 4.8 (MNOK 2.1).

APAC (China, Japan and rest of Asia Pacific)
For the quarter, sales revenues in NOK were down 12.3%, ending at MNOK 8.6. Currency neutral, sales decreased with 14.0%. The negative development for Q3 was mainly due to no sales to Japan this quarter. Sales to China increased 385% and made up 54% of sales from the region. However, third quarter last year for China was a weak comparable, being the first quarter with the new direct sales operation.

Year to date, sales revenues in NOK were down 20.4% and currency neutral sales declined 22.0%. Last year was boosted by the final sales push from the former distributor to China in the first half. In addition, weak sale in Japan is the main reason for the decrease from 2023.

In this region, Medistim has its strongest position in China representing 47% of sales and Japan representing about 15% of sales in the region year to date 2024. Sales to both regions are expected to normalize over the next period.

EMEA (Europe, Middle East and Africa)
For the quarter, EMEA sales revenues in NOK decreased by 6.9% ending at MNOK 42.0. Currency neutral, sales decreased with 8.7%. Medistim's direct operations in EMEA (Germany, Spain, UK, Norway, Denmark and Sweden) delivered another strong quarter with 12.9% growth. Sales through distributors declined with 34%.

Year to date, sales revenues increased 8.9% in NOK and 6.8% currency neutral. The sales increase was driven by growth in sales in the direct markets with 24.7%, while sales through distributors were down 13.2%.

More than 95% of sales from the region comes from Europe year to date September. 66% of the sales was through the direct channel and 34% of sales was through distributors. Year to date, the split was 64% through direct channel and the remaining through distributors.

THIRD PARTY PRODUCTS
(Norway, Denmark and Sweden)
For the quarter, revenues from third party sales reached MNOK 20.4 (MNOK 17.5), growing 17.0% compared to last year. Year to date, sales of third-party products ended at MNOK 67.3, growing 14.0%.

Third party products are distributed through Medistim's subsidiaries in Norway, Denmark and the newly established direct sales office in Sweden. This direct presence in all three countries strengthens our position for securing new agencies across Scandinavia.

In Q1 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 Tisgenx.

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 19% 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 September 2024. The share price was NOK 178.50 per share on the 30th of September 2024. For comparison, entering 2024 the share price was 214.00 per share. The number of shares sold in 2024 totaled 2,647,967. 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 1,298,844 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. Board member Jon Hoem has a consultancy agreement with the company.

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 September 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 September 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 arose during the nine-month period and their effect on the financial report, any significant related parties’ transactions, and description of the principal risks and uncertainties for the remaining three 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 disparities. 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 detect whether any technical imperfections necessitate corrective measures before concluding the procedure, thereby preventing 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 accelerating 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 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 includes 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, representing 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, and 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, serving 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.

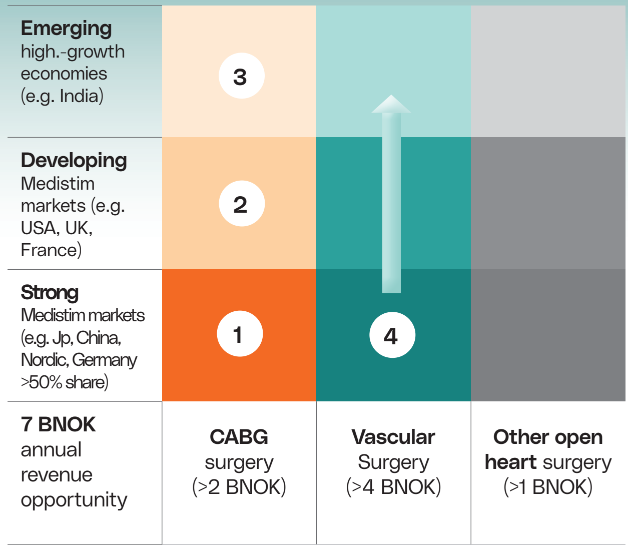
2. **Next Generation Medistim Device Proof-of-Concept:** In tandem, we are diligently advancing the proof-of-concept for our Next Generation Medistim device. This project represents a forward-looking undertaking to develop cutting-edge solutions that anticipate and address evolving clinical needs.

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.



1. **Convert high-penetrated Flow-only CABG markets** to Flow-and-Imaging and the New-Standard-of-Care
   - Early adopter & KOL support
   - REQUEST study
   - Ease conversion with the upgradable MiraQ
2. **Grow adoption in under-penetrated markets**
   - Clinical marketing, Guidelines, Education
   - Product innovation for ease of use
3. **Flexible pricing and business models**
   - Entry-level solution in price sensitive markets
   - Price-per-procedure model
4. **Build position in Vascular surgery**
   - Dedicated system MiraQ Vascular & probes
   - Build position with societies and KOLs
5. **Expand direct market coverage**
   - Get closer to the customer

Oslo, October 23rd, 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 *All numbers in NOK 1000*	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
Total revenue	**132 755**	**124 098**	**411 459**	**390 745**	**526 364**
Cost of goods sold (COGS)	**26 157**	**22 350**	**80 094**	**78 149**	**112 280**
Gross Margin	**106 597**	**101 748**	**331 365**	**312 597**	**414 084**
Gross margin %	**80.3%**	**81.99%**	**80.53%**	**80.00%**	**78.67%**
Salary and social expenses	46 463	42 145	132 369	116 557	162 597
Other operating expenses	23 026	20 758	75 798	70 239	96 388
Total operating expenses	202 245	187 001	619 626	577 542	255 944
EBITDA	**37 108**	**38 846**	**123 199**	**125 800**	**155 099**
EBITDA%	**28.0 %**	**31.3 %**	**29.9 %**	**32.2 %**	**29.5 %**
Depreciation	5 200	5 329	17 968	16 617	23 657
Operating profit (EBIT)	**31 908**	**33 517**	**105 231**	**109 184**	**131 442**
EBIT %	24.0 %	27.0 %	25.6 %	27.9 %	25.0 %
Financial income	296	1 746	5 662	10 140	17 123
Financial expenses	1 582	1 671	4 948	10 505	13 352
Net finance	(1 286)	75	714	(365)	3 770
Pre tax profit	**30 621**	**33 592**	**105 946**	**108 818**	**135 212**
Tax	7 193	7 460	23 416	24 104	31 389
Profit after tax	**23 428**	**26 132**	**82 530**	**84 714**	**103 823**
Dividend	-	-	**82 414**	**82 180**	**82 180**
Profit after tax	23 428	26 132	82 530	84 714	103 823
Exchange differences arising on translation of foreign operations	(1 612)	(1 665)	7 013	8 235	2 612
TOTAL COMPREHENSIVE INCOME	**21 816**	**24 467**	**89 543**	**92 949**	**106 435**

Balance sheet

BALANCE SHEET	30.09.2024	30.09.2023	31.12.2023
All numbers in NOK 1000			
ASSETS			
Intangible assets	61 442	47 578	50 517
Fixed assets	56 349	54 014	63 635
Total intangible and fixed assets	**117 791**	**101 592**	**114 152**
Inventory	160 262	145 927	145 391
Customers receivables	64 978	81 238	74 303
Other receivables	20 646	19 718	18 000
Cash	127 324	126 422	153 872
Total current assets	**373 210**	**373 305**	**391 566**
TOTAL ASSETS	**491 001**	**474 897**	**505 718**
EQUITY AND LIABILITY			
Share capital	4 585	4 585	4 584
Share premium reserve	44 172	44 172	44 172
Other equity	356 312	329 510	349 185
Total equity	**405 069**	**378 267**	**397 941**
Lease obligations	7 473	4 150	9 260
Deferred income	1 622	222	4 233
Total long term liability	**8 498**	**4 372**	**13 493**
Total short term liability	**77 434**	**92 259**	**94 284**
TOTAL EQUITY AND LIABILITY	**491 001**	**474 897**	**505 718**

Change in equity

CHANGE IN EQUITY	30.09.2024	30.09.2023	31.12.2023
All numbers in NOK 1000			
Equity start of period	397 941	367 692	367 692
Profit for the period	82 530	84 714	103 823
Dividend	-82 414	-82 180	-82 180
Other	-	-194	-
Medistim shares	-		6 009
Changes in exchangerates	7 013	8 235	2 597
EQUITY END OF PERIOD	**405 069**	**378 267**	**397 941**

Cash flow analysis

CASH FLOW ANALYSIS	30.09.2024	30.09.2023	31.12.2023
All numbers in NOK 1000			
Profit for the period	82 530	84 714	135 212
Other cash flow from operation	-4 884	606	-19 372
Cash flow from operation	**77 646**	**74 095**	**115 840**
Cash flow from investments	-15 493	-12 819	-29 726
Cash flow from financial activities	**-88 701**	**-87 494**	**-84 883**
Change in cash for the period	**-26 548**	**-26 218**	**1 231**
Cash at start of period	153 872	152 641	152 641
CASH BY THE END OF PERIOD	**127 323**	**126 422**	**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 October 23, 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	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
All numbers in NOK 1000					
USA	59 518	48 739	160 652	154 757	197 157
Canada	1 800	2 049	9 984	5 413	6 734
Latin America	340	879	4 820	2 067	5 132
TOTAL AMERICAS	**61 658**	**51 668**	**175 456**	**162 237**	**209 023**
China	4 586	942	20 317	25 876	42 565
Japan	-	4 516	6 752	17 354	23 970
Rest of APAC	4 030	4 361	16 116	11 025	16 448
TOTAL APAC	**8 616**	**9 819**	**43 185**	**54 255**	**82 983**
Europe	40 329	42 063	120 860	109 298	145 487
MEA	1 704	3 078	4 709	5 977	9 442
TOTAL EMEA	**42 033**	**45 141**	**125 569**	**115 275**	**154 929**
Third-party products	20 448	17 471	67 250	58 979	79 429
TOTAL SALES	**132 755**	**124 098**	**411 459**	**390 745**	**526 364**

Note 1 cont.

GEOGRAPHIC SPLIT OF SALES IN NUMBER OF UNITS	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
AMERICAS					
PPP and lease:					
Flow procedures (PPP/card based)	5 630	6 267	18 135	19 380	26 058
Imaging and flow prosedures (PPP/card based)	1 683	1 962	5 708	6 135	8 042
Flow systems (PPP or lease)	1	-	3		-
Flow and imaging systems (PPP or lease)	-	-	4	3	4
Capital sales:					
Flow systems	7	3	19	14	16
Flow and imaging systems	7	6	18	18	23
Flow probes	625	427	1 730	1 371	1 806
Imaging probes	12	17	37	43	58
APAC					
Flow systems	3	5	27	52	70
Flow and imaging systems	1	7	10	20	33
Flow probes	412	317	1 550	1 788	2 573
Imaging probes	5	6	23	44	60
EMEA					
Flow systems	9	17	31	39	58
Flow and imaging systems	5	15	21	33	37
Flow probes	1 318	1 260	3 924	3 492	4 737
Imaging probes	16	21	30	42	50
TOTAL SALES IN UNITS					
PPP and lease revenue:					
Flow procedures (PPP/card based)	5 630	6 267	18 135	19 380	26 058
Imaging and flow prosedures (PPP/card based)	1 683	1 962	5 708	6 135	8 042
Flow systems (PPP or lease)	1	-	3	-	-
Flow and imaging systems (PPP or lease)	-	-	4	3	4
Capital sales:					
Flow systems	19	25	77	105	144
Flow and imaging systems	13	28	49	71	93
Flow probes	2 355	2 004	7 204	6 651	9 116
Imaging probes	33	44	90	129	168

Note 1 cont.

GEOGRAPHIC SPLIT OF SALES PER PRODUCT GROUP	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
All numbers in TNOK 1000					
AMERICAS					
PPP and lease:					
Flow procedures (PPP/card based)	15 246	16 771	52 455	52 236	64 369
Imaging and flow prosedures (PPP/card based)	9 068	8 544	28 595	27 746	36 242
Capital sales:	-	-			
Flow systems	5 775	3 445	14 905	13 862	15 492
Flow and imaging systems	12 573	9 698	27 219	29 131	35 566
Flow probes	16 550	10 805	46 402	33 266	48 980
Imaging probes	2 447	2 405	5 880	5 996	8 374
TOTAL SALES AMERICAS	**61 658**	**51 668**	**175 456**	**162 237**	**209 023**
APAC					
Flow systems	873	1 529	8 516	13 145	19 468
Flow and imaging systems	582	4 555	6 249	13 088	20 027
Flow probes	6 607	3 335	26 525	25 789	40 019
Imaging probes	554	400	1 895	2 233	3 469
TOTAL SALES APAC	**8 616**	**9 819**	**43 185**	**54 255**	**82 983**
EMEA					
Flow systems	1 913	7 856	13 106	13 448	20 589
Flow and imaging systems	6 238	10 604	17 814	21 250	25 892
Flow probes	32 414	24 743	91 669	76 951	104 059
Imaging probes	1 467	1 938	2 980	3 625	4 389
TOTAL SALES EMEA	**42 033**	**45 141**	**125 569**	**115 275**	**154 929**
TOTAL SALES					
PPP and lease revenue:					
Flow procedures (PPP/card based)	15 246	16 771	52 455	52 236	64 369
Imaging and flow prosedures (PPP/card based)	9 068	8 544	28 595	27 746	36 242
Capital sales:					
Flow systems	8 561	12 830	36 526	40 456	55 548
Flow and imaging systems	19 393	24 857	51 282	63 469	81 485
Flow probes	55 571	38 882	164 596	136 006	193 058
Imaging probes	4 469	4 743	10 755	11 855	16 232
Total sales own products	**112 307**	**106 627**	**344 210**	**331 766**	**446 935**
Sale of third-party products	**20 448**	**17 471**	**67 250**	**58 979**	**79 429**
TOTAL SALES THIRD-PARTY PRODUCTS	**132 755**	**124 098**	**411 459**	**390 745**	**526 364**

Note 1 cont.

SPLIT OF SALES BETWEEN CARDIAC SURGERY, VASCULAR SURGERY AND THIRD-PARTY PRODUCTS	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
All numbers in NOK 1000					
Sales within Cardiac surgery	87 402	86 306	273 585	273 332	365 641
Sales within Vascular surgery	24 905	20 321	70 625	58 434	81 294
Sales of third-party products	20 448	17 471	67 250	58 979	79 429
TOTAL SALES	**132 755**	**124 098**	**411 459**	**390 745**	**526 364**

SPLIT OF SALES BETWEEN FLOW PRODUCTS, IMAGING PRODUCTS AND THIRD-PARTY PRODUCTS	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
All numbers in NOK 1000					
Flow products	79 378	68 484	253 577	228 697	312 976
Imaging products	32 929	38 144	90 633	103 069	133 959
Sales of third-party products	20 448	17 471	67 250	58 979	79 429
TOTAL SALES	**132 755**	**124 098**	**411 459**	**390 745**	**526 364**

Note 2 Salary expenses

NOTE 2 SALARY EXPENSES	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
All numbers in NOK 1000					
Salary	41 854	40 116	97 736	87 659	129 501
Employeers tax	4 497	4 575	14 887	14 261	18 786
Bonus/commision	668	(1 763)	12 434	8 274	6 283
Cost for contribution pension plan	244	344	4 867	4 664	6 260
Compensation to the Board	1 259	668	2 445	1 700	2 122
Other social costs	(2 058)	(1 794)	-	-	(354)
TOTAL SALARY AND SOCIAL COST	**46 463**	**42 145**	**132 369**	**116 557**	**162 597**

Note 3 Intangible assets and goodwill

INTANGIBLE ASSETS AND GOODWILL	PRODUCT UNDER DEVELOPMENT	COMPLETED PRODUCT DEVELOPMENT	GOODWILL	DEFERRED TAX	TOTAL INTANGIBLE ASSETS
All numbers in NOK 1000					
Historic cost 31.12.2023	**25 178**	**81 928**	**14 128**	**5 142**	**126 376**
Internal additions	8 966	-	-	1 658	10 624
External additions	2 746	-	-		2 746
Additions under development				-	-
Historic cost 30.09.2024	**36 890**	**81 928**	**14 128**	**6 800**	**139 746**
Accumulated depreciation and write downs	4 021	71 839	-		75 860
Depreciations for the year		2 444	-		2 444
Total depreciation as of 30.09.2024	**4 021**	**74 283**	-	-	**78 304**
Carrying amount 30.09.2024	**32 869**	**7 645**	**14 128**	**6 800**	**61 442**

Note 4 Specification of inventory

NOTE 4 SPECIFICATION OF INVENTORY	30.09.2024	31.12.2023
All numbers in NOK 1000		
Raw material	82 279	65 035
Work in progress	2 094	3 604
Finished goods	63 939	64 047
Spare parts	9 656	9 638
Third party products	11 242	11 285
Inventory provision	-8 948	-8 217
TOTAL INVENTORY	**160 262**	**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	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
All numbers in NOK 1000					
Interest income	61	460	1 963	1 175	920
Other financial income	956	-	-	-	1 199
Gains on foreign exchange	-720	1 287	3 699	8 967	14 427
Total financial income	296	1 747	5 662	10 141	16 546
Loss on foreign exchange	-28	-1 646	-3 147	-8 677	-11 363
Loss on hedging contracts	-1 780	-	-1 780	-1 780	-
Interest cost on loans	-	-			-
Other financial expenses	226	-26	-21	-49	-385
Total financial expenses	-1 582	-1 671	-4 948	-10 505	-11 748
NET FINANCIAL EXPENSES	**-1 286**	**76**	**714**	**-364**	**4 799**

Note 6 Alternative performance measures

RETURN ON INVESTED CAPITAL (ROIC)	2020	2021	2022	2023	LTM SEPTEMBER 2024
1 = 1 MNOK					
Numerator: Profit for the year	69	91	114	104	102
Denominator: Invested capital (avg)	214	196	230	258	286
Total assets	346	403	483	506	491
Minus: Cash	-72	-129	-153	-154	-127
Minus: Non interest bearing current liabilities	-59	-78	-100	-94	-77
Equals: Invested capital	214	196	230	258	286
ROIC IN %	**32,4 %**	**46,3 %**	**49,5 %**	**40,3 %**	**35,5 %**

KEY FIGURES	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
Equity share	82,5 %	79,7 %	82,5 %	79,7 %	78,7 %
Earnings per share	1,28	1,43	4,51	4,64	5,68
Earnings per share diluted	kr 1,28	kr 1,43	kr 4,51	kr 4,63	kr 5,67
Average shares outstanding in 1000	18 314	18 262	18 314	18 262	18 267
Average shares outstanding in 1000 diluted	18 314	18 287	18 314	18 287	18 296

SPLIT OF EBIT PER SEGMENT	Q3 24	Q3 23	YTD 30.09.24	YTD 30.09.23	FY 2023
All numbers in NOK 1000					
EBIT from Medistim products	30 179	31 273	94 925	100 542	120 053
EBIT margin from Medistim products	26,9 %	29,3 %	27,6 %	30,3 %	26,9 %
EBIT from third party products	1 729	2 244	10 306	8 642	11 389
EBIT margin from third party products	8,5 %	12,8 %	15,3 %	14,7 %	14,3 %
TOTALT EBIT	**31 908**	**33 517**	**105 231**	**109 184**	**131 442**
EBIT margin	24,0 %	27,0 %	25,6 %	27,9 %	25,0 %

Note 6 cont.

RECONCILIATION OF CURRENCY NEUTRAL REVENUE:	RATES 2024	RATES 2023
USD average rate for the year	10,65	10,47
EUR average rate for the year	11,58	11,35

SPLIT OF REVENUE IN USD, EUR AND NOK	YTD SEP 2024	WITH 2023 RATES
All numbers in NOK 1000		
Sales in USD		
Procedural revenue Imaging and flow	81 050	79 666
Capital sales flow systems	14 905	14 650
Capital sales flow and imaging systems	27 219	26 754
Flow probes	46 402	45 610
Imaging probes	5 880	5 763
Sales in EUR		
Capital sales flow systems	21 622	21 192
Capital sales flow and imaging systems	24 063	23 585
Imaging probes	4 875	4 778
Flow probes	118 194	115 846
Total revenue in USD and EUR	**344 210**	**337 846**
Revenue in NOK	67 250	67 250
TOTAL REVENUE	**411 459**	**405 095**

RECONCILIATION OF WORKING CAPITAL:	30.09.2024	FY 2023
All numbers in NOK 1000		
Accounts receivable in balance sheet at year end	64 978	74 303
Inventory in the balance sheet at year end	160 262	145 391
Accounts payable in balance sheet at year end	(25 396)	(30 871)
Working capital	**199 844**	**188 823**

Note 6 cont.

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 7
Events after 30.09.2024

The Board of directors has no knowledge about other events after 30.09.2024 that will affect the Q3 report and financial statement as of 30.09.2024.

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