

# 2<sup>nd</sup> quarter and 1<sup>st</sup> half report 2019

- Sales ended at MNOK 93.7 for the quarter (MNOK 76.2), a 23.1 % increase. Sales for the 1<sup>st</sup> half increased by 21.4 % and ended at MOK 182.5 (MNOK 150.4).
- Currency neutral growth of own products was 20.5 % for the quarter. Currency neutral growth of own products was 20.4 % for the 1<sup>st</sup> half.
- Operating profit (EBIT) for the quarter ended at MNOK 30.9, a 70.4 % growth (MNOK 18.1). Operating profit for the 1<sup>st</sup> half ended at MNOK 50.8, a 60.3 % growth (MNOK 31.7).
- Another strong quarter in the US with a growth in NOK of 54.4 %. Growth for the first half was in NOK 52.4 %. Currency neutral growth for the quarter was 42.2 % and 40.4 % for the first half.
- The final results from the REQUEST register study were presented at AATS in Toronto
- Dividend based upon 2018 results was paid the second quarter with MNOK 40.9, NOK 2.25 per share (NOK 2.00 per share).

## 2<sup>nd</sup> quarter and 1<sup>st</sup> half report for 2019

### Comments by CEO Kari E. Krogstad:

Q2 2019 is the third consecutive quarter with strong growth in both sales revenues and EBIT, 23,1 % and 70,4 % respectively. The sales growth is driven by continued, strong development in the US market, with 42,2% currency neutral sales growth for the quarter. The USA represents about 1/3 of the world market and hence has been Medistim's number one target geography over a number of years, with investments made in sales force expansion and marketing. It is encouraging to see that our deliberate efforts in this key market are paying off.

Growth of Medistim's own products in the other sales territories were 10,4 % in Europe and 6,1 % in Asia, while the smaller RoW region declined by 5,4 %. Europe is a territory with both direct sales operations (Germany, Spain, UK, Denmark and Norway) and distributors. There will be quarterly variations on both sales and profit depending on which channels contribute to the overall results. This quarter, the distributor sales growth was stronger than the growth from direct markets.

Both Asia and RoW are smaller sales territories covered by distributors and show more quarterly variation compared to USA and Europe. But as our track record shows, the sales are steadily growing in key markets such as China, Japan and Australia, year by year.

When looking at the product split, we find that sales of our combined solution of Flow and Imaging is driving the growth. The combined product portfolio show 50 % growth this quarter and 61 % YTD. The most important driver of this development is the REQUEST registry study results, which have been presented in several meetings across the globe, and last this May at the AATS meeting in Toronto, Canada. The REQUEST study demonstrates the clinical benefits from employing the combination of Flow and Imaging in daily practice. The project has contributed to increasing awareness and interest for Medistim's solution over some time already, and we expect the effect of the study to continue to strengthen as the data become published in the Journal of Thoracic and Cardiovascular Surgery.

Medistim holds a strong position in Cardiac surgery and aim to build a similar position within Vascular surgery. In Q2 and YTD the sales development of our Vascular portfolio is pretty flat, hence we have a job to do to get our messages out to the potential users. Our sales force is receiving continued training and support to succeed, while our medical team is working closely with the medical associations to gain more attention to the topic of quality assessment and surgical guidance in vascular surgery.

In terms of profitability, Q2 delivered a strong 32,9 % EBIT margin. YTD the margin is 27,8 %. Margins are typically influenced by the split of sales of own product with higher margin and 3rd party products with lower margins, as well as own product and sales channel mix. The strong growth in own products drive profitability this quarter as well as YTD.

19th August 2019  
Kari E. Krogstad  
President and CEO

## FINANCIAL DEVELOPMENT

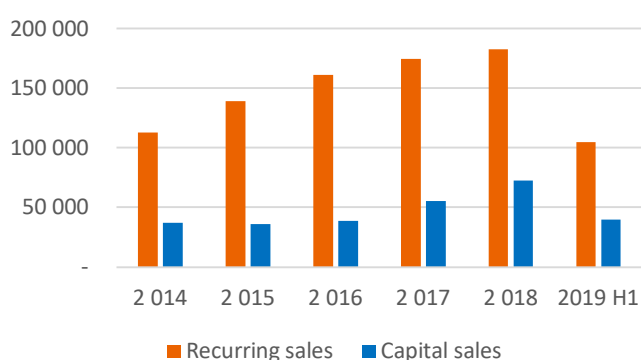
(Comparative numbers for 2018 in parenthesis)

### Sales and geographic split

Sales in the 2<sup>nd</sup> quarter ended at MNOK 93.7 (MNOK 76.2), a 23.1 % increase. Sales in the Europe increased with 11.1 % and sales in Asia increased with 6.1 %. Sales in "other markets" decreased with 5.4 %. The strongest contribution to the growth for the quarter was from USA with a 54.4 % increase in sales.

Sales for the 1<sup>st</sup> half increased with 21.4 % and ended at MNOK 182.5 (MNOK 150.4). There was a growth measured in NOK in Europe and 'other markets' with 3.1 % and 85 % respectively. In Asia, there was a 5.2 % decrease. In USA there was a 52.4 % growth for the first half.

### Split between recurring sales and capital sales in TNOK



Sale of Medistims own products can be split in capital sales of systems and repeating sales of probes, smatcards and lease revenue which is defined as recurring revenue. For 2018 recurring sales was 71.5 % of total sales of own products. For the first half of 2019 the comparable number was 72.5 %.

### The effect from currency

With the same rates as in 2018 sales would have amounted to MNOK 90.4 for the quarter, a currency neutral growth of 18.5 %. Similar for the 1<sup>st</sup> half would have resulted in sales of MNOK 175.9, a currency neutral growth of 16.9 %. Currency neutral growth of own products was 20.5 % for second quarter and 20.4 % for the first half.

### Split of own products and 3.party products.

Sales of own products amounted to MNOK 74.3 (MNOK 58.8). Sales of 3.party products ended at MNOK 19.5 (MNOK 17.4). For the 1<sup>st</sup> half sales of own products ended at MNOK 144.2 (MNOK 114.2) and sales of 3.party products ended at MNOK 38.3 (MNOK 36.2).

### Split of sales between Cardiac and Vascular segment

For sales of own products MNOK 125.5 (MNOK 95.9) was within the cardiac segment and MNOK 18.6 (MNOK 18.3)

was within the vascular segment. Hence, the vascular segment represents 12.9 % of sales of own products (16 %).

### Cost of goods sold

Cost of goods sold ended at MNOK 21.1 for the quarter (MNOK 18.6) and cost of goods sold represent a percentage of 22.5 % of total sales (24.4 %). For the 1<sup>st</sup> half cost of goods sold ended at MNOK 41.8 (MNOK 36.9), which represent a percentage of 22.9 % ( 24.5 %). The reduction in cost of goods sold is related to the product mix with less sales third party products and more sales of own products.

### Salary, social and other operating expenses

Salaries and social expenses ended at MNOK 23.6 (MNOK 20.8) for the quarter. Other operating expenses ended at MNOK 13.8 (MNOK 15.5) for the quarter. For the 1<sup>st</sup> half salaries and social expenses ended at MNOK 54.7 (MNOK 47.6). Other operating expenses ended at MNOK 26.4 (MNOK 28.0)

The increase in salary expenses was mainly related to increased number of employees and higher level of commission to sales reps in the USA because of the strong sales growth.

The implementation of IFRS 16 allocates lease expenses from other operating expenses to depreciation. The effect of this for the second quarter was MNOK 1.4. For the first half the similar effect was MNOK 2.7.

### R & D expenses

For the quarter, MNOK 1.9 (MNOK 1.8) was used within research and development (R&D). Result before R & D, depreciations and write offs was MNOK 35.2 (MNOK 22.5). This equals a margin of 37.5 % (29.2 %). During the quarter, MNOK 1.9 of the R & D expense was activated in the balance sheet (MNOK 0.8).

For the 1<sup>st</sup> half MNOK 5.7 (MNOK 4.3) was used within research and development (R&D). Result before R & D, depreciations and write offs was MNOK 62.4 (MNOK 40.5). This equals a margin of 34.2 % (26.9 %). During the 1<sup>st</sup> half MNOK 2.9 (MNOK 1.8) of the R & D expense was activated in the balance sheet.

### Earnings

Operating profit before depreciation (EBITDA) for the quarter ended at MNOK 35.2 (MNOK 21.3). Operating profit before depreciation (EBITDA) for the 1<sup>st</sup> half ended at MNOK 59.6 (MNOK 37.9).

Result before tax and finance (EBIT) ended at MNOK 30.9 (MNOK 18.1) for the quarter. Result before tax and finance for the first half (EBIT) ended at MNOK 50.8 (MNOK 31.7).

Net finance ended negative with MNOK 0.8 for the quarter (negative MNOK 0.5).

For the 1<sup>st</sup> half, net finance ended negative with MNOK 0.6 (positive MNOK 1.8).

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

Result before tax was MNOK 30.1 (MNOK 17.6) for the quarter. Result after tax for the quarter was MNOK 22.1 (MNOK 12.7).

For the 1<sup>st</sup> half result before tax was MNOK 50.3 (MNOK 30.0). Result after tax for the 1<sup>st</sup> half was MNOK 38.1 (MNOK 22.1).

Result per share for the quarter was NOK 1.22 (NOK 0.70). Result per share for the 1<sup>st</sup> half was NOK 2.09 (NOK 1.22). Average number of shares outstanding was 18.188.836 (18.178.836) by end of June 2019.

### Balance sheet

Equity by the end of June was MNOK 202.4 (MNOK 168.6). This equals an equity ratio of 78.3 % (77.7 %). A dividend of MNOK 40.94 was paid in May. See also comment under shareholder affairs.

Cash as of 30<sup>th</sup> of June was MNOK 28.7 and the company had MNOK 9.00 in interest bearing debt. In addition to a dividend of MNOK 40.9 investments of MNOK 6.1 and and payment of interestbearing debt of MNOK 1.5 reduced cash as of June 2019.

The balance sheet ended at MNOK 258.7. Entering 2019 the total balance sheet started at MNOK 269.6

See separate note for the IFRS 16 effects.

## OPERATIONAL STATUS

### Europe

The sales of own products ended for the quarter at MNOK 23.0, an MNOK 2.2 increase in sales or 10.4 %. For the first half sales of own products ended at MNOK 42.5, which is at the same level as last year. After a strong 2018 performance in Germany, sales have been weaker in the first half of 2019 and sales was reduced by MNOK 1.5. This was compensated with better sales in the direct markets in Spain and UK, where sales increased with MNOK 0.5 and 1.5 respectively compared to last year.

The number of systems sold in Europe for the first half was 29 compared to 25 last year. In 2019, 8 of these systems was on the combined solution for flow and imaging compared to 7 in 2018. Sales of imaging probes increased from 8 to 10 probes. The number of flow probes decreased from 2227 probes in 2018 to 2171 probes in 2019.

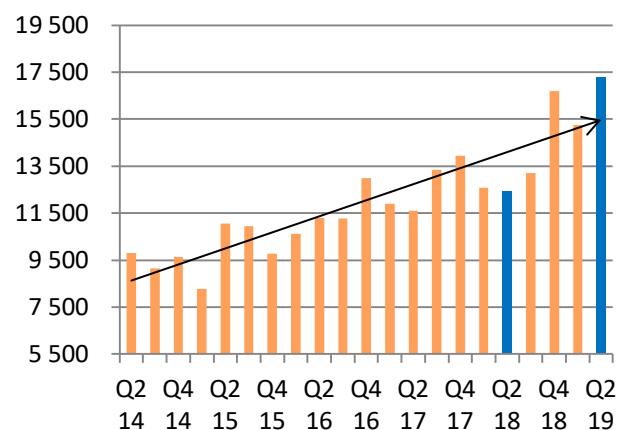
### USA

Medistim has a business model in the US that was mainly based upon sales of procedures and leasing, and less capital sale. The newest platform, The MiraQ, was launched in the US in 2016 and procedural sales is not offered on the MiraQ platform. Instead leasing or capital sales is offered. As a result the company experience an increase in capital sales.

In NOK the US had a 54.4 % increase in sales in the second quarter. Currency neutral growth was 42.2 %. For the quarter there was sold 17.267 procedures compared to last year 12.417. During the quarter 2.532 (1.678) procedures was sold to customers using the imaging system. Number of flow procedures sold was 14.735 procedures (10.739). Capital sales for the quarter was 10 units compared to 3 units last year. Of the 10 units sold 5 of them was with the combined flow and imaging functionality. For last year 1 of the 3 systems sold was on the combined solution. MNOK 7.5 of the sales increase was related to capital sales for the quarter.

For the 1<sup>st</sup> half there were sold 32.512 procedures (24.993) of which 5.030 were imaging procedures (3.263) and 27.482 flow procedures (21.730. Sales in NOK increased with 52.4 % for the first half of 2019. The currency neutral growth was also 40.4 %). Capital sales for the first half was 21 units compared to 7 units last year. Of the 21 units sold 10 of them was with the combined flow and imaging functionality. For last year 3 of the 7 systems sold was on the combined solution. MNOK 12.4 of the sales increase was related to capital sales for the first half.

### Number of procedures sold per quarter in the US



In the US about 75 % of the bypass surgeries are performed with no other quality assurance of blood flow other than the surgeons experience by feeling pulse on the vessels using the finger. It is clinically proven that this method is not reliable. It is therefore a large potential and need for Medistims products in the US. Medistim has large ambitions in the US market. So far Medistim has achieved a market penetration of more than 23 % of the total market of approximately 230.000 bypass surgery procedures performed annually. Medistim has a market penetration of about 70-80 % in Germany, Scandinavia and Japan.

Medistim expect that the market penetration in the US will develop in the same manner over time.

#### *Asia*

In Asia, there was an increase in sales for the quarter with 6.1 % and sales ended at MNOK 9.9. For the 1<sup>st</sup> half there was a decrease of 5.2 % and sales ended at MNOK 16.9. For the first half there was an increase in sales to Japan with MNOK 1.7 and there was a decrease in sales to China with MNOK 2.6 after the record 2018.

#### *Other markets (Middle-East, Africa, South America and Canada)*

In 'other markets' sales for the second quarter decreased with 5.4 %. For the first half sales increased with 85 %. The strong growth so far this year is related to increased sale of the combined flow and imaging solution to the Middle-East and to Australia.

Compared to USA and Europe are both Asia and 'other markets' relatively small markets with larger quarterly variations.

## **PROSPECTS AND TRENDS**

#### *Goals and vision*

The company aims to develop products to meet surgeons' growing need for quality control of heart-bypass surgery, peripheral vascular surgery and transplant surgery. Our vision is that Medistim's solutions should represent the «standard of care» for clinical practice and that blood flow measurements and intraoperative ultrasound imaging are performed on all patients.

#### *Strategy*

Medistim's focus is to strengthen the company's ability to effectively commercialize existing product portfolio on a global basis. One of the key tasks to achieve this is closer contact with customers through a strengthened sales and marketing organization. Another important task is to produce enhanced clinical documentation and focus on putting blood flow measurements, ultrasound imaging, surgical guidance and quality assurance on the agenda in relevant forums and channels.

Continuous technology and product development will secure Medistim's products and leading position within cardiac surgery also in the future. The company also has ambitions to launch new products adapted to specialities within vascular- and transplant surgery.

#### *Market size and trends*

On a global basis it is performed more than 700,000 heart bypass surgeries per year. The US represents the largest market for Medistim's products with 1/3 of the world market. The global number of procedures has in the past been constant. The decrease in number of procedures performed in

the western countries has been compensated by an increase in the BRIC countries (Brazil, Russia, India and China). It is therefore expected to have a stabil growing trend in the years to come.

Adding intraoperative ultrasound imaging to flow measurements more than doubles Medistim's market potential, because of new applications and relevance and higher pricing compared to traditional flow measurement technology. Total market size within cardiac surgery is estimated to be 2 billion NOK annually. The imaging functionality makes MiraQ™ and VeriQC relevant in other cardiac surgeries and not just by pass surgery. Medistim estimates this potential to be 1 billion NOK.

In addition, the company has a significant potential within the global vascular market, which is estimated to be about 600,000 vascular procedures annually. Total market size within vascular surgery is estimated to be over 1 billion NOK.

The trend in surgery moves towards less intervention and keyhole surgery, which gives the surgeon less workspace and the ability to control in a traditional way. It is therefore an increased need to verify the desired result in the future.

Global demographic trends are an important driving force for the many cost-efficiency measures around the world. Focus on quality is growing, driven by the need to reduce costs, particularly related to correction of errors, the need for repeated treatments and repeated hospital admissions. Medistim therefore has a good opportunity to position their products as an important contributor to achieving these goals.

#### *Position and Competition*

Medistim's flow meters have been in use in more than 2.0 million patients worldwide since it came on the market, and the company is the clear leader in its niche. In total Medistim has installed 2600 systems in more than 60 countries. The equipment is used today in more than 32 % of the total number of by-pass surgeries performed worldwide. Medistim's penetration and market share is expected to increase gradually as quality assurance in surgery is getting more attention and acceptance.

There are competitors that use the transit time measurement principle. Equipment from competitors is estimated to be in use in about 5 % of the procedures performed. This means that in about 65 % of the cases where by pass surgery is performed there is no equipment in use to verify blood flow. This market represent Medistim's largest opportunity. With Medistim's Ultrasound imaging technology and MiraQ™ platform, the company has acquired a new edge compared to competitors, with unique and differentiated products that is currently alone in its segment.

#### *Exposure towards currency*



The company is exposed to EUR and USD. Exposure can vary depending on how large share of revenues and costs USD and EUR account for of total income and expenses. For 2019 a 10 % change in the exchange rate against USD and EUR would result in a 7.9 % change in sales and a 9.6 % change in operating result. The company partly secures its positions with hedging contracts.

**SHARHOLDER AFFAIRS**

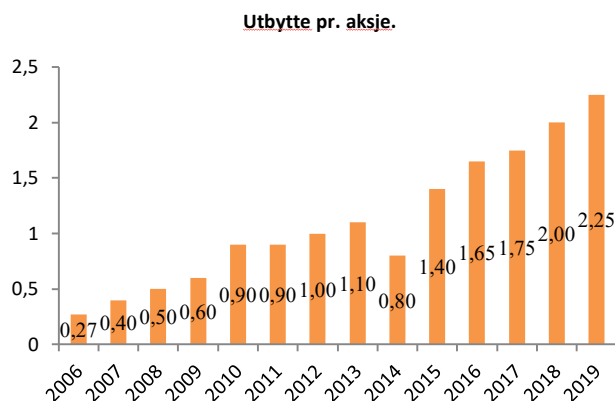
The company had 148.500 Medistim shares by the end of June 2019. The shares were purchased at a price per share of NOK 14.70. The share price was NOK 132.00 per share at the end of the quarter. For comparison entering 2019 the share price was 71.00 per share.

The number of shares sold in the first half of 2019 was 2.063.258. The five largest shareholders were Intertrade Shipping AS with 4.003.500 shares, Salvesen & Thams Invest AS with 1.862.500 shares, Follum Capital with 1.000.000 shares, Rorbur with 910.246 and Skandinaviske Enskilda with 864.583 shares.

CEO, Kari Krogstad received 10.000 shares entering 2019. By quarter end the CEO had 122.500 Medistim shares.

The General Meeting decided a dividend of NOK 2,25 per share (NOK 2.00). The equals a pay out ratio of 71.6 % (76 %). The dividend was paid the 3rd of May 2019.

*Historical dividend in NOK per share paid by medistim*



**Responsibility statement:**

The financial report per 30<sup>th</sup> of June 2019 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 2018. The board of Directors and managing Director confirm to the best of our knowledge that the condensed set of financial statements for the period 1st of January to 30<sup>th</sup> of June 2019 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 managing Director confirm that the interim management report includes a fair review of any significant events that arose 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.

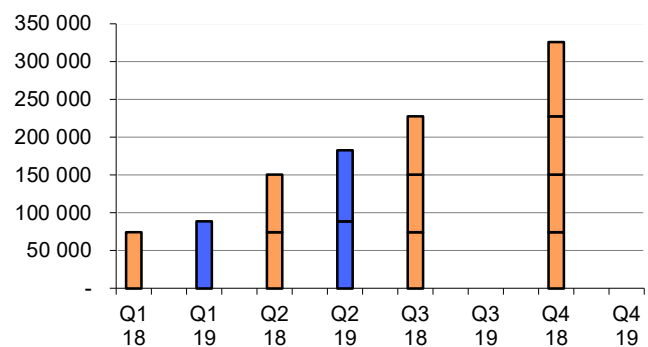
**Risk factors for the rest of the year:**

The group risk and uncertainty factors remain the same as described in the annual report for 2018.

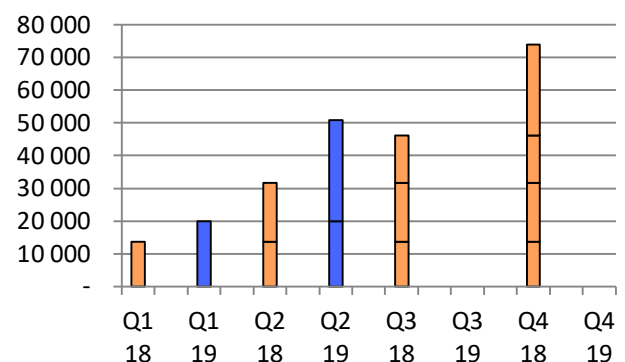
**Transactions with related parties:**

There were no transactions between related parties in the period.

**Sales per quarter**



**Operating profit per quarter**



Oslo 19<sup>th</sup> of August 2019,  
Board of Directors and managing director in Medistim ASA

<b>Profit &amp; loss</b>	<b>2. quarter 19</b>	<b>2. quarter 18</b>	<b>1. half 19</b>	<b>1. half 18</b>	<b>2018</b>
All numbers in NOK 1000					
<b>Sales</b>	93 796	76 221	182 533	150 354	325 890
Cost of goods sold	21 145	18 606	41 839	36 861	79 381
Salary and social expenses	23 648	20 832	54 676	47 616	105 314
Other operating expenses	13 793	15 474	26 429	27 993	54 857
Total operating expenses	54 912	52 295	112 470	107 494	222 768
<b>Opr. res.before. depr. and write offs</b>	<b>35 210</b>	<b>21 309</b>	<b>59 589</b>	<b>37 884</b>	<b>86 337</b>
<i>Opr. res before depr. and write off %</i>	<i>37,54 %</i>	<i>27,96 %</i>	<i>32,65 %</i>	<i>25,20 %</i>	<i>26,49 %</i>
Depreciation	4 318	3 183	8 752	6 171	12 361
Write offs and provisions	-	-	-	-	-
<b>Operating result</b>	<b>30 892</b>	<b>18 126</b>	<b>50 836</b>	<b>31 714</b>	<b>73 977</b>
Financial income	677	1 368	906	2 754	7 977
Financial expenses	1 472	1 842	1 482	4 507	7 475
<b>Net finance</b>	<b>(795)</b>	<b>(474)</b>	<b>(576)</b>	<b>(1 753)</b>	<b>502</b>
<b>Pre tax profit</b>	<b>30 098</b>	<b>17 652</b>	<b>50 260</b>	<b>29 961</b>	<b>74 479</b>
Tax	7 969	4 958	12 159	7 824	17 423
<b>Result</b>	<b>22 129</b>	<b>12 693</b>	<b>38 100</b>	<b>22 138</b>	<b>57 055</b>
<b>Dividend</b>	<b>40 925</b>	<b>36 358</b>	<b>40 925</b>	<b>36 358</b>	<b>36 358</b>
<b>Comprehensive income</b>					
Result after tax	22 129	12 693	38 100	22 138	57 055
Exchange differences arising on translation of foreign operations	(2 325)	1 217	(1 450)	(188)	1 916
<b>Total comprehensive income</b>	<b>19 804</b>	<b>13 910</b>	<b>36 650</b>	<b>21 950</b>	<b>58 971</b>

<b>Key figures</b>	<b>2. quarter 19</b>	<b>2. quarter 18</b>	<b>1. half 19</b>	<b>1. half 18</b>	<b>2018</b>
Equity share	78,25 %	77,69 %	78,25 %	77,69 %	76,68 %
Earnings per share	kr 1,22	kr 0,70	kr 2,09	kr 1,22	kr 3,14
Earnings per share diluted	kr 1,22	kr 0,70	kr 2,09	kr 1,22	kr 3,14
Average shares outstanding in 1000	18 188	18 179	18 188	18 178	18 178
Average shares outstanding in 1000 diluted	18 188	18 179	18 188	18 178	18 178

<b>Split of operating result per segment</b>	<b>2. quarter 19</b>	<b>2. quarter 18</b>	<b>1. half 19</b>	<b>1. half 18</b>	<b>2018</b>
All numbers in NOK 1000					
Result from Medistim products	26 879	15 066	43 942	27 023	65 791
Margin from Medistim products	36,18 %	25,62 %	30,48 %	23,66 %	25,82 %
Result from 3 party products	4 013	3 060	6 894	4 690	8 186
Margin from 3 party products	20,57 %	17,57 %	17,98 %	12,97 %	11,51 %
<b>Total result</b>	<b>30 892</b>	<b>18 126</b>	<b>50 836</b>	<b>31 714</b>	<b>73 977</b>
<b>Margin</b>	<b>32,94 %</b>	<b>23,78 %</b>	<b>27,85 %</b>	<b>21,09 %</b>	<b>22,70 %</b>

<b>Balance sheet</b>	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>31.12.2018</b>
All numbers in NOK 1000			
<b>Assets</b>			
Intangible assets	41 631	43 590	41 944
Fixed assets	44 764	27 040	37 198
<b>Total tangible and fixed assets</b>	<b>86 395</b>	<b>70 630</b>	<b>79 142</b>
Inventory	64 344	62 691	63 843
Customers receivables	69 333	54 353	70 807
Other receivables	9 964	8 582	8 309
Cash	28 668	20 812	47 490
<b>Total current assets</b>	<b>172 310</b>	<b>146 437</b>	<b>190 450</b>
<b>Total assets</b>	<b>258 704</b>	<b>217 067</b>	<b>269 592</b>
<b>Equity and liability</b>			
Share capital	4 585	4 585	4 585
Share premium reserve	44 172	44 172	44 172
Other equity	153 681	119 873	157 955
<b>Total equity</b>	<b>202 438</b>	<b>168 630</b>	<b>206 712</b>
<b>Total long term debt</b>	<b>7 558</b>	<b>8 063</b>	<b>7 500</b>
<b>Total short term debt</b>	<b>48 709</b>	<b>40 374</b>	<b>55 380</b>
<b>Total equity and liability</b>	<b>258 704</b>	<b>217 067</b>	<b>269 592</b>
<b>Net interest bearing debt</b>	<b>(18 759)</b>	<b>(8 812)</b>	<b>(36 990)</b>

<b>Change in equity</b>	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>31.12.2018</b>
All numbers in NOK 1000			
Equity start of period	206 712	182 984	182 984
Result for the period	38 100	22 138	57 055
Dividend	(40 925)	(36 358)	(36 358)
Medistim shares	-	-	1 115
Changes in exchange rates	(1 450)	(133)	1 916
<b>Equity end of period</b>	<b>202 438</b>	<b>168 630</b>	<b>206 712</b>

<b>Cash flow analysis</b>	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>31.12.2018</b>
All numbers in NOK 1000			
Result for the period	38 100	22 138	57 055
Cash flow from operation	(8 399)	(10 953)	(8 062)
<b>Cash flow from operation</b>	<b>29 702</b>	<b>11 184</b>	<b>48 993</b>
Cash flow from investments	(6 100)	(5 052)	(15 731)
Cash flow from financing (loan\dividend)	(42 425)	(39 732)	(40 182)
Change in cash for the period	(18 823)	(33 600)	(6 920)
Cash at start of period	47 491	54 411	54 411
<b>Cash by the end of period</b>	<b>28 668</b>	<b>20 811</b>	<b>47 491</b>



<b>Geographic split of sales</b>	<b>2. quarter 19</b>	<b>2. quarter 18</b>	<b>1. half 19</b>	<b>1. half 18</b>	<b>2018</b>
All numbers in NOK 1000					
USA	36 861	23 873	71 467	46 876	113 147
Asia	9 939	9 367	16 905	17 827	38 650
Europe	42 549	38 280	80 933	78 519	154 822
Rest of the world	4 447	4 701	13 228	7 132	19 271
<b>Total sales</b>	<b>93 796</b>	<b>76 221</b>	<b>182 533</b>	<b>150 354</b>	<b>325 890</b>

<b>Geographic split of sales in number of units</b>	<b>2. quarter 19</b>	<b>2. quarter 18</b>	<b>1. half 19</b>	<b>1. half 18</b>	<b>2018</b>
<b>USA</b>					
Procedures flow measurement	14 735	10 739	27 482	21 730	47 345
Procedures imaging	2 532	1 678	5 030	3 263	7 380
Capital sales MiraQ\VeriQ flowmeasurement instrument	5	2	11	4	15
Capital sales MiraQ\VeriQC imaging and flowmeasurement instrument	5	1	10	3	15
Lease flow instrument	3	4	3	7	10
Lease imaging and flow instrument	5	-	6	1	9
<b>Asia</b>					
MiraQ and VeriQ flowmeasurement instrument	6	9	13	21	39
MiraQ and VeriQC imaging and flowmeasurement instrument	7	7	14	14	30
Imaging probes	8	6	13	10	24
Flowmeasurement probes	438	408	773	717	1 743
<b>Europe</b>					
MiraQ and VeriQ flowmeasurement instrument	15	9	21	18	38
MiraQ and VeriQC imaging and flowmeasurement instrument	1	3	8	7	16
Imaging probes	3	4	10	8	30
Flowmeasurement probes	1 240	1 133	2 171	2 227	4 425
<b>Rest of the world</b>					
MiraQ and VeriQ flowmeasurement instrument	-	6	4	8	12
MiraQ and VeriQC imaging and flowmeasurement instrument	4	3	9	4	15
Imaging probes	6	5	13	5	16
Flowmeasurement probes	289	112	671	262	812
<b>Sales outside the US</b>					
<b>Number of MiraQ and VeriQ flow instruments outside US</b>	<b>21</b>	<b>24</b>	<b>38</b>	<b>47</b>	<b>89</b>
<b>MiraQ and VeriQC imaging and flowmeasurement instrument outside US</b>	<b>12</b>	<b>13</b>	<b>31</b>	<b>25</b>	<b>61</b>
<b>Total number of imaging probes outside US</b>	<b>17</b>	<b>15</b>	<b>36</b>	<b>23</b>	<b>70</b>
<b>Total number of flowmeasurement probes outside US</b>	<b>1 967</b>	<b>1 653</b>	<b>3 615</b>	<b>3 206</b>	<b>6 980</b>

<b>Split of sales per segment</b>	<b>2. quarter 19</b>	<b>2. quarter 18</b>	<b>1. half 19</b>	<b>1. half 18</b>	<b>2018</b>
All numbers in NOK 1000					
<b>USA</b>					
Procedural revenue	23 178	18 391	44 007	34 705	75 163
Procedural revenue Imaging and flow	3 860	3 205	9 336	6 480	14 301
Capital sales VeriQ flowmeasurement instruments	4 262	1 342	7 926	2 720	10 101
Capital sales VeriQC imaging and flowmeasurement instrument	5 561	935	10 199	2 971	13 582
<b>Outside USA</b>					
MiraQ and VeriQ flowmeasurement instrument	4 698	5 692	8 274	11 030	22 409
MiraQ and VeriQC imaging and flowmeasurement instrument	5 697	5 600	13 312	10 833	26 358
Imaging probes	959	948	2 232	1 515	4 302
Flowmeasurement probes	23 952	21 355	45 877	41 820	85 684
Other	2 121	1 341	3 022	2 120	2 880
<b>Total sale of Medistim products</b>	<b>74 287</b>	<b>58 809</b>	<b>144 184</b>	<b>114 194</b>	<b>254 780</b>
Sale of 3 party products	19 510	17 412	38 349	36 160	71 110
<b>Total sales</b>	<b>93 797</b>	<b>76 221</b>	<b>182 533</b>	<b>150 354</b>	<b>325 890</b>

<b>Split of sales between coronary and vascular surgery and 3 party products</b>	<b>2. quarter 19</b>	<b>2. quarter 18</b>	<b>1. half 19</b>	<b>1. half 18</b>	<b>2018</b>
All numbers in NOK 1000					
Sales within coronary surgery	65 553	49 861	125 534	95 910	218 005
Sales within vascular surgery	8 734	8 948	18 650	18 284	36 775
Sales of 3. party products	19 510	17 412	38 349	36 160	71 110
<b>Total sales</b>	<b>93 797</b>	<b>76 221</b>	<b>182 533</b>	<b>150 354</b>	<b>325 890</b>

**Note Right-of-use assets and lease liabilities - effects of IFRS 16 changes**

<b>Right-of-use assets</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Total</b>
Addition of right-of-use assets	5 829	1 839	7 668
<b>Acquisition cost 1 January 2019</b>	<b>5 829</b>	<b>1 839</b>	<b>7 668</b>
<b>Accumulated depreciation and impairment 1 January 2019</b>	-	-	-
Depreciation	2112	612	2724
<b>Accumulated depreciation and impairment 30 June 2019</b>	<b>2 112</b>	<b>612</b>	<b>2 724</b>
<b>Carrying amount of right-of-use assets 30 June 2019</b>	<b>3 717</b>	<b>1 227</b>	<b>4 944</b>
Lower of remaining lease term or economic life	1-2 years	1-3 years	
Depreciation method	Linear	Linear	
<b>Lease liabilities</b>			
<b>Undiscounted lease liabilities and maturity of cash outflows</b>			<b>Total</b>
1-2 years	3 768	1 139	4 907
3-4 years		107	107
4-5 years		-	-
More than 5 years		-	-
<b>Total undiscounted lease liabilities at 30 June 2019</b>	<b>3 768</b>	<b>1 246</b>	<b>5 014</b>
<b>Summary of the lease liabilities in the financial statements</b>	<b>Statement of:</b>		<b>Total</b>
At initial application 01.01.2019			7 668
Cash payments for the principal portion of the lease liability	Cash flows		2 752
Interest expense on lease liabilities	Profit and loss		110
Depreciation on lease liabilities	Profit and loss		2 724
Total lease liabilities at 30. June 2019			4 944
<b>Current lease liabilities</b>	Financial position		<b>4 089</b>
<b>Non-current lease liabilities</b>	Financial position		<b>855</b>
<b>Total cash outflows for leases</b>	Cash flows		<b>2 752</b>