OBSERVE MEDICAL

Investor Presentation

CEO Björn Larsson / CFO Per Arne Nygård

Oslo, June 24, 2020

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PRESENTERS

Observe Medical
Management Team

BJÖRN LARSSON, CHIEF EXECUTIVE OFFICER

Broad experience from marketing and business development within medtech, pharmaceuticals and biotech, i.a. from ABIGO Medical, Dentsply, Medtronic, Mentice, AstraZeneca and Novo Nordisk.

Email: bjorn.larsson@observemedical.com

PER ARNE NYGÅRD, CHIEF FINANCIAL OFFICER

Broad experience from finance functions in various industries. The last 12 years in listed companies as Veidekke and Multiconsult. Joined Navamedic as consultant in August 2019 and participated in the listing of Observe Medical.

Email: perarne.nygard@observemedical.com

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Overview

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Solid medtech platform for growth

Sippi®

Automated and wireless connected digital urine meter for ICUs and wards

Addressing major challenges:

- Quality assurance of data
- Stressed out healthcare staff
- Hospital acquired infections

Strong market opportunity accelerated by COVID-19

Exploit market potential in the Nordics and Europe

Fully underwritten rights issue of

NOK 45 million

enabling full speed ahead capturing market opportunities

OBSERVE MEDICAL AT A GLANCE

A medtech company with global reach – a platform built for growth

Observe Medical is a medtech company with global reach and the competence and experience of **bringing medtech products to the market successfully**

Platform growth both through M&A and organic growth

Strong financial and industrial competence to support product and portfolio growth journey

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Listed on **Oslo Axess**, with headquarters in Oslo, Norway and operations in Gothenburg, Sweden

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Sippi® - Observe Medical's first product

- Sippi® is a unique, automated and wireless connected digital urine meter for ICUs and wards
- Second generation of Sippi®, with wireless connectivity to patent data monitoring systems (launched in Q4 2019)
- CE-marked and with proprietary technology and global patent and trademark protection
- Adding to the current trend of connected care
- Significant market potential with steady volume growth accelerated by COVID-19

Sippi® - the first automated digital urine meter with biofilm control

Sippi® addresses major challenges for hospital ICUs

	Challenges	Impact	Sippi® impact and benefits
Quality assurance of data	**Urine volume** – an important parameter monitoring ICU patient conditions – **measured and recorded manually and subjectively**	• Suboptimal measurement accuracy – may lead to the wrong clinical decisions • Causing treatment errors and potentially delayed diagnostics	Automated, digital urine meter Improved data accuracy and clinical decisions
Stressed out healthcare staff	**ICU personnel stretched to limit** – with major clinical and budget impacts	• Hourly manual urine measurement and recording is time consuming • Up to 300 staff hours per bed per year*	Automated, digital urine meter **SippLink™** Wireless data transfer More efficient care and enabling urine monitoring outside ICUs Connected care
Hospital acquired infections	**Management of infections** – major burden on hospital budgets. Infections also adding to antibiotic resistance	• Catheter Associated Urinary Tract Infections (CAUTI) is #1 hospital acquired infection • 2.5 million hospital acquired infections in EU annually – 200.000 patients die**	No physical patient contact during measurement **SippSense®** Alert for biofilm – replace bag **SippCoat®** Mitigation of biofilm build-up Improved complication management – potential for reduced no. hospital bed days

*Source; Monocle Market Research, May 2020
**Source: "European strategic action plan on antibiotic resistance", 10 June 2011

Advisory Board supports market opportunity and Sippi® relevance

"The COVID-19 pandemic indicated the need for urinary measurement systems that reduces ICU nurse workload, and limits risk of infecting both patients and staff (contamination). **Sippi® wireless communication provides this.**"

Prof. Jan van Der Linden MD
Ass. Prof. Anders Ternhag MD

"Sippi® appears to be **highly relevant from a health economic point of view**, and it will be valuable to show this in different ward settings"

Ass. Prof. Anders Ternhag MD

"The COVID-19 pandemic has also increased the need for intermediary care wards, where the **features of the Sippi® system should gain both patients and staff.**"

Prof. Jan van Der Linden MD
Ass. Prof. Anders Ternhag MD

"Sippi®'s **biofilm warning feature and digital online diuresis measurement may alert for incipient acute kidney injury AKI**, a serious and frequent complication of COVID-19 and other ICU patients"

Prof. Jan van Der Linden MD
Ass. Prof. Anders Ternhag MD

Advisory Board

Prof. Jan van Der Linden MD

Karolinska Sjukhuset, Department of Thoracic Intensive Care

Ass. Prof. Anders Ternhag MD

Karolinska Sjukhuset
Infectious Diseases Specialist

Observe Medical driven research confirms current global market potential for *Sippi®* and indicates +100% global market value growth post COVID-19 outbreak

Current market | **Post COVID-19 outbreak market assumptions**

CURRENT MARKET POTENTIAL		ICU CAPABILITIES VOLUME GROWTH	SIPPI® SHARE OF MARKET VALUE
Sippi® market opportunity			
~0,5M Sippi® base units	**+30M** Sippi® disposable units/bags per year	**+20-30%** market growth	**2x**
Drivers			
• ~400.000 ICU beds • 24M annually admitted patients to ICU		• 10-15% expected increase in number of ICU beds and annual patient admissions • Expected significant increase of contingency capacity • Expanded into intermediary wards – need for similar automation devices	• Automation necessary to meet ICU demand due to shortage of staff • Digital patient data monitoring to avoid human errors • Remote patient monitoring to reduce staff exposure • Infection control for patients in long-term hospitalization

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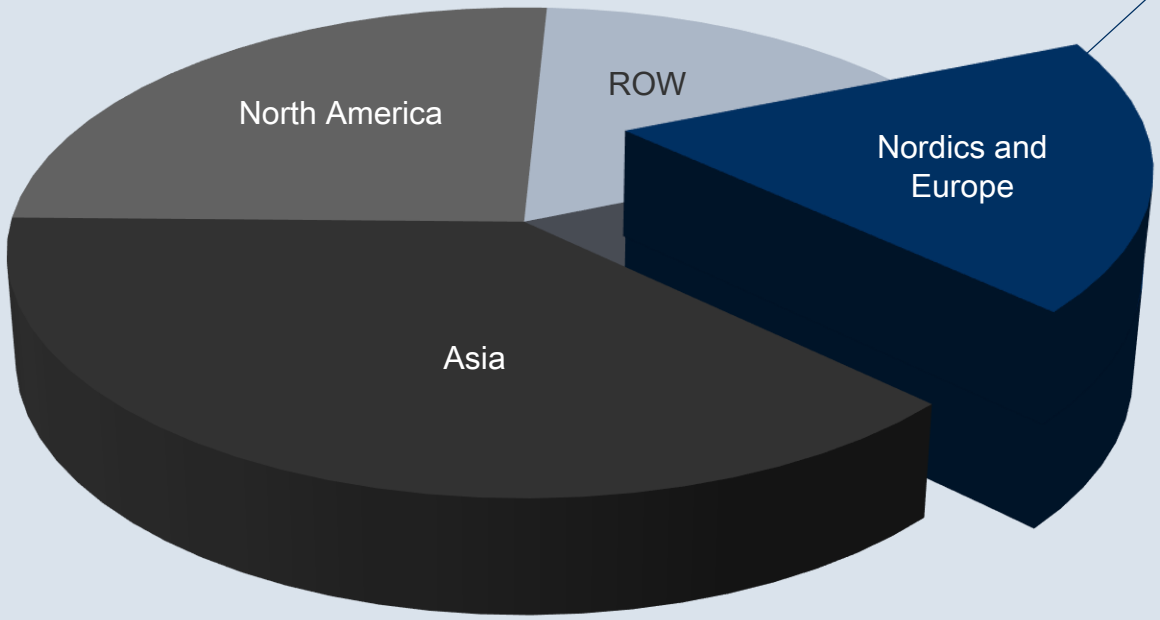
Data covering 67% of global populations(*) in North America and key countries on Europe, Asia & Oceania, RoW. * USA and Canada, Europe (32 European nations), Asia & Oceania (10 nations), Rest of the World (8 nations). The data is a combination of scientific publications, medical journals and assumption-based calculations.

Key focus: Exploit the market potential in the Nordics and Europe
Estimated up to 3x value growth for Sippi® post COVID-19 outbreak



Attractiveness of Nordic and European market

Up to 3x market value growth for Sippi®

- ICU bed capacity
- Shortage of hospital staff
- Accumulation of ICU-related complications during COVID-19
- Capacity increase and staff resource constraints drive automation and value-based pricing

Strong governments and health institutions

- Political/governmental pressure to prepare appropriately for coming pandemics

Budgets expected to support investments in capacity and automation

Data covering 67% of global populations(*) in North America and key countries on Europe, Asia & Oceania, RoW. * USA and Canada, Europe (32 European nations), Asia & Oceania (10 nations), Rest of the World (8 nations). The data is a combination of scientific publications, medical journals and assumption-based calculations.

Readiness for commercial execution

Sales

Customer prospects delayed, but **strong commitment to use Sippi®** and to resume implementation

Regaining access to customers post acute COVID-19 situation

Commercial support

Advisory Board with exceptional competence in **guiding Sippi® commercial and clinical roadmap**

Market research and close customer contact providing insights to Sippi® market segments and how to address them
– driving our go-to-market strategy

Engaging in life sciences organizations and clusters
– driving Sippi® awareness and footprint

Fully underwritten rights issue

Offering details

Issuer	Observe Medical ASA
Offer size	Rights issue raising gross proceeds of up to NOK 45 million by issuing up to 4,090,909 new shares
Price	NOK 11 per share. Nominal price per share of NOK 0.26
Pre-issue shares	15,342,673 shares currently outstanding

Key considerations

Subscription period	19 June – 3 July at 16:30 CET
Subscription rights	Each existing shareholder will be granted 0.266636 subscription rights for every one share registered as held by the shareholder in the VPS on 18 June 2020
Manager	SpareBank1 Markets

Timeline for the rights issue

June 19	Commencement of the subscription period and first day of trading in the subscription rights
July 1	Last day of trading in the subscription rights
July 3	Last day of the subscription period
July 6	Allocation of the offer shares
July 8	Payment of the offer shares
July 13	Expected registration date of the share capital increase with the Norwegian Register of Business Enterprises

Overview of the underwriters

Name	**Amount (NOK)**	**Percentage**
Ingerø Reiten Investment Company AS	9,375,000	20.83%
Navamedic ASA	9,375,000	20.83%
Norda ASA	9,375,000	20.83%
MP Pensjon PK	4,687,500	10.42%
Alpine Capital AS	4,687,500	10.42%
Artal AS	4,687,500	10.42%
Lapas AS	2,812,500	6.25%
Total	**45,000,000**	**100%**

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Use of proceeds

Net proceeds from rights issue will be used for general corporate purpose with focus on:

Go-to-market strategy and execution

- Strengthening the commercial organization within sales, training and customer support
- Building a strong distributor network within prioritized markets
- Exploring further market opportunities, including market analysis
- Communication and marketing activities

Clinical and health-economic evidence program

- Building additional evidence and documentation for Sippi® in collaboration and with advice from the Advisory Board

Commercially focused R&D

- Further developing Sippi®, driven by customer feedback and commercial opportunities

Business development

- General corporate development including exploring M&A opportunities

Summary

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Solid medtech platform for growth

Sippi®

Automated and wireless connected digital urine meter for ICUs and wards

Addressing major challenges:

- Quality assurance of data
- Stressed out healthcare staff
- Hospital acquired infections

Strong market opportunity accelerated by COVID-19

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Risk factors

An investment in the Company and the Shares involves inherent risk. Before making an investment decision with respect to the Shares, investors should carefully consider the risk factors and all information contained in this presentation, the Registration Document and the Company's Financial Information. The risk factors included in this presentation are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence.

1.1 Risks related to the Group and the industry in which the Group operates

The Group is dependent on sale of its product Sippi® in order to generate revenues

Currently, the Group has only one product, Sippi® with supporting functions/products SippSense® and SippCoat®, in the market and the number of units sold of these products will have a direct effect on the Group's results of operations as they are the only revenue generating products that the Group' currently offers. Sippi®, which is developed by the Group, was launched for sale in 2013 and the second generation called Sippi®BLE was launched in Q2 2019. Because of the short period of time the product has been in the market, the sale of Sippi®BLE has not started in a large scale. Low sales of Sippi® will have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern without raising additional liquidity financing either through equity offering or further debt financing.

Competing products may be launched to the market before the Group is able to establish a viable market share for Sippi®

As the process of monitoring urine output, as part of measuring the critical fluid balance of patients, has remained unchanged for several decades competing products may be launched to the market before the Group is able to establish a viable market share for Sippi®. The markets in which the Group operates are highly competitive and there is strong competition in developing and bringing new health care products to the market. The players competing with the Group are all kind of companies ranging from big medtech corporations to start-up companies and some competitors have advantages, such as vertical integration, product diversity, greater financial resources or economies of scale, which may adversely affect the Group's ability to compete on sustainable terms. As the field in which Sippi® brings new technology has been unchanged for several decades, there is a possibility that other companies develop competing products that achieve the same results as Sippi® and as such compete for market shares against the Group. There is also a possibility that a competing product has alternative or new solutions which outdate the technology that is used in Sippi®. If the Group is unable to remain competitive, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

Risk factors, cont.

The Group may not obtain the prices it requires for its products
The urine measurement market is a mature market dominated by few big suppliers. There is a constant price pressure in this market since it is mainly driven by tenders from private purchasing groups or governmental procurement bodies. Sippi® is an innovative and more technically advanced product solution (digital, automated, wireless connection and bacteria control) and it has therefore higher manufacturing costs, relative to current competitors. This requires the Group to obtain a value based pricing for Sippi®, in order to secure profitability and Sippi® is therefore priced in the upper range of urine meters which may become a challenging market barrier. If the Group does not obtain the prices it requires for its products, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

The Group is dependent upon a limited number of customers, primarily private and public health care clinics and hospitals
The Group's target market is Intensive Care Units ("ICUs") which are typically located at university clinics and larger central hospitals. There are limited number of beds per country since ICUs are expensive to operate. The Group faces the risk that one dissatisfied customer could spread the word to the other few hospitals in a country or region. In addition, university hospitals are constantly under cost saving regimens and adding a more expensive product as Sippi® can be challenging. New environmental demands from the Group’s customers, e.g. non-PVC products, could potentially cause exemption or significant delays in the Group's ability to deliver products and hence generate sales. A customer contract is normally a one-time sale of a number of Sippi® units with no obligation for the customer to purchase additional units. The Group is therefore dependent on entering into contracts with new customers and to sell its add-on products such as the Sippcoat® and SippbagTM in the relevant markets. If the Group is unable to enter into new customer contracts for Sippi® or not establish a larger market for Sippcoat® and SippbagTM, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

The Group's risk related to distributing partners and suppliers
The Group has contracts with distributors in some European markets outside the Nordics. The Group will also establish new distributor partnerships in other territories in order to launch Sippi® on the global market. Thus, the Group will be dependent on those distributors’ ability to perform and operate in their respective territories. Furthermore, there is a risk that these companies go out of business. The Group also faces a risk in upscaling production, where product performance can differ. Additionally, the Group has one supplier contract with a minimum purchase obligation. The Group risks a penalty in the amount of EUR 50,000 if it does not fulfil the minimum purchase obligation. The relevant agreement is automatically renewed for a one year term at the time enabling the Group to minimize its risk for being liable to pay the penalty amount for more than one year if in breach. If the Group's distributing partners or suppliers fail to deliver pursuant to their contractual obligations or the Group cannot meet its minimum purchase volumes, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

Risk factors, cont.

The Group's intellectual property rights, including trademarks and trade names, may be infringed, misappropriated or challenged by others; the Group may be subject to liability if it infringes upon the intellectual property rights of third parties

The Group's brands and related intellectual property rights are important to its continued success. In general, the Group has a strong position with regard to the intellectual property rights and has ensured broad international coverage. Since the key competitive advantage of the Group's products is the innovative technology on which the products are based, it is specifically important for the Group to protect such technology in order to avoid being copied by competitors. This is a specific challenge for the Group as it is bringing an innovative product to market. Thus, if the Group was to fail to successfully protect its intellectual property rights for any reason, or if any third party misappropriates, dilutes or infringes its intellectual property, the value of its brands may be harmed, which could have an adverse effect on its business, results of operations or financial condition. Any damage to the Group's brand value could lower sale volumes of its products or make it more difficult to obtain new customer agreements.

The Group may also from time to time be required to initiate litigation to enforce its trademarks, trade names, service marks and other intellectual property rights. Third parties may also assert that the Group has infringed, misappropriated or otherwise violated their intellectual property rights, which could lead to litigation against the Group. The outcome of litigation is inherently uncertain and the litigation process, regardless of outcome, could divert the attention of the Management, result in substantial legal fees and costs, damages, and diversion of resources, and may thus affect the Group's ability to develop its business in accordance with its business plan. Furthermore, litigation, whether as a claimant or plaintiff, could also result in negative publicity, as well as negatively affect the Group's sales and profitability, regardless of whether the Group is able to successfully enforce or defend its rights. The Group is likely to incur additional costs in defending such litigation. The realisation of these risks could ultimately have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

The risk for Sippi® having malfunctions that need to be further researched on

The Group operates in the urine measurement field where almost all of the offered products are analogue system. The only digital system on the market has had limited success and other digital products that have been launched have been withdrawn later. Urine is a difficult substance to measure since it produces biofilm and can have blood clots, debris and proteins. Even analogue systems have had recalls due to problems with de-airing and blocked systems. There is a risk that the Group will experience similar problems with Sippi®. In addition, the Group uses Bluetooth Low Energy technology to send data to its Bluetooth receiver for data handling in its software SippLinkTM. Sending Bluetooth signals in an ICU environment can be affected by other equipment in the ICU which could affect Sippi®'s operation negatively. So far the Group has not been able to conduct tests in many hospitals and hence the Group does not have the full overview of Sippi®'s operating performance or negative effects from other equipment. The Group also depends on other vendor's PDMS systems and hardware which also can have a negative impact on Sippi®'s functionality or ability to access such systems. If the Group's products would appear to have malfunctions that needs to be re-designed, this could a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

Risk factors, cont.

The Group and the industry in which it operates may be adversely affected by global economic market conditions

The Group's performance and further development depends on the continued stable growth of the global market for medicine devises and its value chain, which could be adversely affected by a material adverse change in the world economy and the global economic market conditions. The global economy is currently experiencing a period of significant downturn and uncertainty caused by the recent outbreak of the COVID-19 virus, declared a pandemic by the World Health Organization in March 2020. The extraordinary measures imposed by authorities worldwide to contain the COVID-19 virus have already had a large impact on the world economy as of the date of this Registration Document. Even if the medtech market in general has so far not been significantly affected by the extraordinary measures imposed by authorities, a prolonged duration and/or increase of the restrictive measures and a continued downturn in the global economy could result in serious impact on the healthcare system and the patients with further impact on the Group's revenues and operations. As the Group is in launch phase with the next generation of Sippi®, the Group is highly dependent on dialogue with current and potential customers and with other stakeholders. The current situation, however, with national travel restrictions and a healthcare system, and healthcare providers, fully occupied with acute handling of COVID-19, provides constraints to the launch efforts for Sippi®, with some of the sales projects and other projects being slowed down or stalled. Furthermore, a general decline in the world economy may lead to global changes in the consumers' demand for certain of the Group's products or substantial decrease in the general price level which could result in significantly reduced sales for the Group. If such risks materialize, this could have a material adverse effect on the Group's revenues, liquidity, cash flow, financial position and the Group's ability to continue as a going concern.

1.2 Risks related to financing and market risk

The Group will require additional capital in the future in order to execute its commercialisation and growth strategy or for other purposes, which may not be available on favourable terms, or at all

Because the Group currently is in an early phase of its commercialisation and development process of its products, the Group will require additional funds in order to execute and complete its commercialisation and growth strategy, or for other purposes. Since the date the Shares were listed on Oslo Axess on 4 November 2019 (the "Listing"), the Group's principal source of liquidity has been cash from its borrowing agreements (see Section 7.9.1 in the Registration Document), and will in the future still be cash generated from financing, equity and debt, in addition to net cash flows generated from sales, and consequently there is a risk that the borrowing arrangement and available liquidity sources that the Group has in place are not sufficient to cover the Group's existing or future expenditures. According to the Group's current proposed scale of operations, the Group expects that it will need approximately NOK 10 million in order to have sufficient working capital for the period covering at least 12 months from the date of the Registration Document. The Group expects to obtain the required additional funds through a fully underwritten rights issue contemplated to be completed during July 2020 raising gross proceeds of NOK 45 million.

Risk factors, cont.

There is also the possibility of a breach of the lender's obligations under the Company's existing borrowing arrangement, as the lender is an industrial player and the Company's largest shareholder and not an ordinary financing institution. When the Group requires additional funds in order to execute its commercialisation and growth strategy, or for other purposes, there is a risk that adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed. If the Group raises additional funds by issuing additional equity securities, the existing shareholders may be significantly diluted. If funding is insufficient at any time in the future, the Group may be unable to fund its current and ongoing commercialisation of its products and lose business opportunities and thereby risk to fail to respond to competitive pressures. If the Group for any reason does not obtain additional funding as needed in the future, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders

The Group has as of the date for the Registration Document a loan provided by Navamedic ASA ("Navamedic") in the aggregate amount of NOK 31,000,000. However, the Group may incur additional indebtedness in the future as also provided for in its existing borrowing arrangement. This level of debt could have important consequences to the Group, including the following:

- The Group's ability to obtain additional financing for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may be unavailable on favourable terms;
- The Group's costs of borrowing could increase as it becomes more leveraged;
- The Group may need to use a substantial portion of its cash from operations to make principal and interest payments on its debt, reducing the funds that would otherwise be available for operations, future business opportunities and dividends to its shareholders;
- The Group's debt level could make it more vulnerable than its competitors with less debt to competitive pressures, a downturn in its business or the economy generally; and
- The Group's debt level may limit its flexibility in responding to changing business and economic conditions.

The Group's ability to service its future debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions as well as financial, business, regulatory and other factors, some of which are beyond its control. If the Group’s operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take action such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all. If any such risk materialise, it could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

Risk factors, cont.

The Group is exposed to exchange rate fluctuations
As a consequence of its international operations, including operations in Sweden and Denmark, administration in Norway, expected sales to the Nordic region and rest of Europe, especially Germany, the Group is exposed to exchange rate fluctuations. This includes when operating revenues and operating costs are denominated in different currencies. Furthermore, subsequent to the refinancing of debt, the Company will have debt to Navamedic in NOK, and net receivables on its foreign subsidiaries in other currencies. With different functional currencies, the Group will be exposed to currency gains and losses on debt and receivables between the companies, which will affect its reported profit or loss. The Group has not, but may in the future enter into hedging agreements, but there can be no assurance that such arrangements will fully, or at all, protect the Group from exchange rate risk (in particular in the long term) or that the Group is able to enter into such hedging arrangements on commercially reasonable terms. Exchange rate fluctuations could have a significant adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

1.3 Risk related to laws, regulation and litigation

The Group is dependent on its products fulfilling the customers' requirements to product quality and safety
The Group is dependent on its products fulfilling national and international requirements for product quality and safety. The approval process for medical devices differs between countries and hospital systems, which means that there is an uncertainty related to the amount of resources the Group will have to devote to meet the requirements for required approvals. It cannot be guaranteed that the Group will be able to obtain or maintain such permits/approvals, or that fulfilling applicable requirements may be done on commercially satisfactory terms. The Group obtained FDA registration (US Food and Drug Administration) in 2013 for Sippi® and CE approval (Communauté Européenne) for Sippi®BLE in 2019. If the Group was to lose any of its permits or not obtain the permits required, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

The Group may be subject to litigation, including claims related to product liability that arise for the use of its products
The Group may in the future be subject to legal claims, including those arising in the normal course of business. Many of the Group's contracts contain penalty clauses for the Group's failure to timely deliver or failure to meet agreed service levels and the Group may face claims as a result of breach of contract for, for example, failure to deliver (including on time), material defects or negligence in the delivery of a service or solution. The Group could also face claims related to product liability arising from the use of its products. An unfavourable outcome on any litigation or arbitration matter could require that the Group pays substantial damages, prevent the Group from selling certain of its products, or in connection with any intellectual property infringement claims, require that the Group pays ongoing royalty payments. The Group's provisions for losses related to pending legal proceedings may not be adequate to cover its ultimate costs in relation to such proceedings and may need to be adjusted as a result of subsequent developments in or the final outcome of such legal proceedings.

Risk factors, cont.

Whether or not the Group ultimately prevails, litigation and arbitration are costly and can divert Management's attention from the Group's business. In addition, the Group may decide to settle a litigation or arbitration matter, which could cause the Group to incur significant costs. A settlement or an unfavourable outcome on any litigation or arbitration matter could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

Laws and regulations could hinder or delay the Group's operations, increase the Group's operating costs and reduce demand for its services
Changes in laws and regulations, e.g. demand of PVC free urine collection systems, applicable to the Group could increase compliance costs, mandate significant and costly changes to the way the Group implements its services and solutions, and threaten the Group's ability to continue to serve certain markets. If there were to be any material changes in the laws and regulations applicable to the Group or the regulatory environment regulating the Group's products, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial positions and the Group's ability to continue as a going concern.

Norwegian law subjects Navamedic and the Company to joint liability after the Demerger
Through the Demerger (see Section 6.2.2 "The Demerger establishing the Group"), the obligations of Navamedic were divided between the Company and Navamedic in accordance with the principles set forth in the joint demerger plan regulating the Demerger. If either the Company or Navamedic is liable under the demerger plan for an obligation that arose prior to consummation of the Demerger and fails to satisfy that obligation, the non-defaulting party will, pursuant to the Norwegian Public Limited Companies Act, be subject to a secondary joint liability for that obligation.

This statutory liability is unlimited in time, but is limited in amount to the net value allocated to the non-defaulting party in the Demerger and does not apply in respect of obligations incurred after consummation of the Demerger. The secondary joint liability can thus result in the Company being held liable for the obligations incurred prior to the completion of the Demerger which have remained in Navamedic, in case Navamedic fails to satisfy such obligation. However, the Company can only be liable for an amount limited to the net value allocated to the Company in the Demerger, i.e. the Company's potential liability under the secondary joint liability is limited to the net value of the assets which were transferred to the Company at the completion date of the Demerger.

If the Company is to be held liable under the statutory rule of secondary joint liability in connection with the Demerger, this could have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial position and the Group's ability to continue as a going concern.