

PROSPECTUS



Observe Medical ASA

(a public limited liability company incorporated under the laws of Norway)

Listing of 33,886,199 new shares on Euronext Expand in connection with

(i) a Rights Issue comprising 25,714,286 Offer Shares at a Subscription Price of NOK 7.00 per Offer Share with Subscription Rights for Existing Shareholders and

(ii) the issuance of 8,171,913 Consideration Shares in connection with the acquisition of Biim Ultrasound AS

Subscription Period for the Rights Issue: From 09:00 hours (CET) on 9 February 2022 to 16:30 hours (CET) on 23 February 2022

Trading in Subscription Rights: From 09:00 hours (CET) on 9 February 2022 to 16:30 hours (CET) on 21 February 2022

This prospectus (the "**Prospectus**") has been prepared in connection with (i) the rights issue (the "**Rights Issue**") by Observe Medical ASA (the "**Company**"), a public limited company incorporated under the laws of Norway, (together with its consolidated subsidiaries, "**Observe Medical**" or the "**Group**") and the listing on Euronext Expand, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"), of 25,714,286 new shares in the Company with a nominal value of NOK 0.26 each (the "**Offer Shares**") to be issued at a subscription price of NOK 7.00 per Offer Share (the "**Subscription Price**"), and (ii) the listing by the Company on the Oslo Stock Exchange (Euronext Expand) of 8,171,913 new shares in the Company, each with a par value of NOK 0.26, (the "**Consideration shares**" and, together with the Offer Shares, the "**New Shares**") to be issued at a subscription price of NOK 16.52 per Consideration Share upon conversion of an account receivable constituting partial consideration to the sellers of Biim Ultrasound AS, company registration number 896 449 052 ("**Biim**"), pursuant to a share purchase agreement dated 14 January 2022 (the "**Biim SPA**") for the acquisition of 100% of the issued and outstanding shares in Biim (the "**Biim Acquisition**").

The shareholders of the Company as of 4 February 2022 (and being registered as such in Euronext Securities Oslo, the Norwegian Central Securities Depository (the "**VPS**") as at the expiry of 8 February 2022 (the "**Record Date**") pursuant to the two days' settlement procedure of VPS) (the "**Existing Shareholders**"), will be granted subscription rights (the "**Subscription Rights**") in the Rights Issue that, subject to applicable law, provide preferential rights to subscribe for, and be allocated, Offer Shares at the Subscription Price. The Subscription Rights will be registered on each Existing Shareholder's VPS account. The Subscription Rights will be listed and tradable on the Oslo Stock Exchange (Euronext Expand) from 09:00 hours Central European Time ("**CET**") on 9 February 2022 to 16:30 hours (CET) on 21 February 2022 under the ticker code "OBSRT".

Each Existing Shareholder will be granted 1.311588 Subscription Rights for each existing share registered as held by such Existing Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Subscription Rights acquired during the trading period for the Subscription Rights as set out above carry the same right to subscription as the Subscription Rights held by Existing Shareholders. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one (1) Offer Share. Over-subscription and subscription without Subscription Rights is permitted. The subscription period will commence at 09:00 hours (CET) on 9 February 2022 and expire at 16:30 hours CET on 23 February 2022 (the "**Subscription Period**").

SUBSCRIPTION RIGHTS THAT ARE NOT USED TO SUBSCRIBE FOR OFFER SHARES BEFORE THE EXPIRY OF THE SUBSCRIPTION PERIOD OR NOT SOLD BEFORE 16:30 HOURS (CET) ON 21 FEBRUARY 2022 WILL HAVE NO VALUE AND WILL LAPSE WITHOUT COMPENSATION TO THE HOLDER.

Following expiry of the Subscription Period, any Offer Shares that have not been subscribed for, and allocated, in the Rights Issue will be subscribed and paid for at the Subscription Price by certain existing shareholders of the Company, certain new investors and the Managers (collectively, the "**Underwriters**") as described in Section 14.1.23 "The Underwriting", subject to the terms and conditions of the underwriting agreement entered into between the Company and the Underwriters dated 14 January 2022 (the "**Underwriting Agreement**").

The Company's existing shares are, and the New Shares will upon issuance be, listed on the Oslo Stock Exchange (Euronext Expand) under the ticker code "OBSRV". Except where the context otherwise requires, references in this Prospectus to "Shares" will be deemed to include the existing shares in the Company and the New Shares. All of the existing Shares are, and the New Shares will upon issuance be, registered in the VPS in book-entry form. All of the issued Shares rank pari passu with one another and each carry one vote.

Investing in the Subscription Rights or the Shares, including the New Shares, involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk Factors" beginning on page 11 when considering an investment in the Company.

The Subscription Rights and the Offer Shares will not be offered in the U.S., and are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares and Subscription Rights may lawfully be made and, for jurisdictions other than Norway, would not require any filing, registration or similar action.

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this Prospectus and the offer and sale of the Subscription Rights and the Offer Shares in certain jurisdictions may be restricted by law.

For more information regarding restrictions in relation to the Rights Issue, see Section 15 "Selling and Transfer Restrictions".

The due date for the payment of the Offer Shares is expected to be on or about 28 February 2022. Delivery of the Offer Shares is expected to take place on or about 4 March 2022 through the facilities of the VPS. Trading in the Offer Shares on the Oslo Stock Exchange (Euronext Expand) is expected to commence on or about 3 March 2022 and trading in the Consideration Shares on the Oslo Stock Exchange (Euronext Expand) is expected to commence on or about 9 March 2022.

Managers in the Rights Issue

Carnegie AS

DNB Markets, a part of DNB Bank ASA

The date of this Prospectus is 8 February 2022

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Rights Issue and the listing of the New Shares on the Oslo Stock Exchange (Euronext Expand), based on the simplified disclosure regime for secondary issuances, cf. Article 14 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**").

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the EU Prospectus Regulation. This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as the competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For definitions and certain other terms used throughout this Prospectus, see Section 17 "Definitions and glossary".

The Company has engaged Carnegie AS ("**Carnegie**") and DNB Markets, a part of DNB Bank ASA ("**DNB Markets**"), as managers for the Rights Issue (the "**Managers**").

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of an investor and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the New Shares on the Oslo Stock Exchange (Euronext Expand), will be included in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the granting of any Subscription Rights nor the sale of any New Shares, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Rights Issue or the sale of the Offer Shares or the Subscription Rights other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Company or the Managers or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares and the grant or use of the Subscription Rights in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the New Shares, including the Offer Shares, or use the Subscription Rights to subscribe for Offer Shares in the United States or in any jurisdiction in which such offer, sale or subscription would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about, and to observe, any such restrictions. In addition, the Shares and the Subscription Rights are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. For further information on the sale and transfer restrictions of the Subscription Rights and the New Shares, including the Offer Shares, see Section 15 "Selling and Transfer Restrictions".

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents is prohibited.

This Prospectus and the terms and conditions of the Rights Issue as set out herein, and any sale and purchase of Offer Shares and the granting and use of the Subscription Rights hereunder, shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Rights Issue, including the merits and risks involved. Neither the Company or the Managers, or any of their respective representatives or advisors, are making any representation to any investor of the New Shares, including the Offer Shares, or holder of Subscription Rights regarding the legality of an investment in the Offer Shares or the use of the Subscription Rights to subscribe for Offer Shares by such investor under the laws applicable to such investor. An investment in the New Shares, including the Offer Shares, or use of the Subscription Rights is subject to prevailing tax laws and regulations, which differ between investors and jurisdictions. The Prospectus does not provide a complete overview of applicable tax laws and regulations, nor potential tax implications of an investment in the New Shares, including the Offer Shares, or the use of Subscription Rights. Each reader of this Prospectus should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares or the use of the Subscription Rights to subscribe for Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

Investing in the Shares and the Subscription Rights involves certain risks. See 2 "Risk Factors" beginning on page 11.

NOTICE TO INVESTORS IN THE UNITED STATES

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares or the Subscription Rights. The Offer Shares and the Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. All offers and sales in the United States will be made only in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in "offshore transactions" as defined in, and in reliance on, Regulation S. Prospective purchasers are hereby notified that sellers of Offer Shares or Subscription Rights may be relying on the exemption from the provisions of section 5 of the U.S. Securities Act provided by Rule 144A. See Section 15.2 "United States".

No Offer Shares or Subscription Rights will be offered or sold in the United States.

Neither the Offer Shares nor the Subscription Rights have been recommended by any United States federal or state securities commission or regulatory authority. Further, the foregoing authorities have not passed upon the merits of the Rights Issue or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised and any disclosure of its contents, without the prior written consent of the Company, is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or Subscription Rights or subscribe for or otherwise acquire the Offer Shares or Subscription Rights. Investors confirm their agreement to the foregoing by accepting the delivery of this Prospectus.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

Offers of Offer Shares are only being made to persons in the United Kingdom who are "qualified investors" within the meaning of section 86 of the Financial Services and Markets Act 2000 ("FSMA") or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the FSMA.

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom (the "**UK**") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). The Subscription Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such rights or Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

The Managers have represented, warranted and agreed (i) that they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA received by them in connection with the issue or sale of the Offer Shares and Subscription Rights in circumstances in which section 21(1) of the FSMA does not apply to the Company and (ii) that they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Offer Shares and the Subscription Rights in, from or otherwise involving the UK.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Regulation, other than Norway (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the EU Prospectus Regulation. This Prospectus has been prepared on the basis that all offers of Subscription Rights and Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for an offer of securities. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares or Subscription Rights which is the subject of the Rights Issue contemplated in this Prospectus within any EEA member state (other than Norway) should only do so in circumstances in which no obligation arises for the Company or the Managers to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Managers have authorised, nor do they authorise, the making of any offer of Shares or Subscription Rights through any financial intermediary.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, who receives any communication in respect of, or who acquires any Offer Shares or Subscription Rights under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to the Managers and the Company that:

- a) it is a qualified investor as defined in the EU Prospectus Regulation; and
- b) in the case of any Offer Shares or Subscription Rights acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) such Offer Shares or Subscription Rights acquired by it in the Rights Issue have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of one of the Managers have been given to the offer or resale; or (ii) where such Offer Shares or Subscription Rights have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares or Subscription Rights to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Offer Shares and the Subscription Rights in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and any securities to be offered, so as to enable an investor to decide to acquire any of the Offer Shares or Subscription Rights.

See Section 15 "Selling and Transfer Restrictions" for certain other notices to investors.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "**Positive Target Market**"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**", and, together with the Positive Target Market, the "**Target Market Assessment**").

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions. The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the executive management of the Group (the "**Management**") are not residents of the United States, and a substantial portion of the Company's assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce in the United States judgments obtained in U.S. courts against the Company or those persons, including judgements based on the civil liability provisions of the securities laws or other laws of the United States (including any State or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway. Similar restrictions may apply in other jurisdictions.

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1 SUMMARY

<i>Warning</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Company's securities involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
<i>Securities</i>	The Company has one class of shares in issue. The existing Shares are, and the New Shares will upon issuance be, registered in book-entry form with the VPS.
<i>Issuer</i>	The Company's registered business address is Dronning Eufemias gate 16, N-0191 Oslo, Norway, which is the Group's principal place of business. The Company's website can be found at www.observemedical.com .
<i>Offeror(s)</i>	Not applicable. The Company is offering the New Shares.
<i>Competent authority</i>	The Financial Supervisory Authority of Norway (Nw.: <i>Finanstilsynet</i>), with registration number 840 747 972 and registered address at Revierstredet 3, N-0151 Oslo, Norway, and with telephone number +47 22 93 98 00 has reviewed and, on 8 February 2022, approved this Prospectus.

Key information on the issuer

<i>Corporate information</i>	Observe Medical ASA is a Norwegian public limited liability company, organised and existing under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act of 13 June 1997 no 45 (the " Norwegian Public Limited Companies Act "). The Company was incorporated in Norway on 13 June 2019, and the Company's registration number in the Norwegian Register of Business Enterprises is 822 907 822 and its LEI is 9845005F38B74FFJ1B65.
<i>Principal activities</i>	The Group is a Medtech group which is in the business of developing and commercialising innovative medical technology products that benefit patients and healthcare professionals. The Company is the parent company of the Group, which only business is to own its operating companies, being Observe Medical International AB (OMI), Observe Medical Nordic AB, Observe Medical AB and Observe Medical Aps. The Group's first proprietary product in its product portfolio is Sippi®, an automated digital urine meter for use in intensive care departments and other hospital wards. In October 2020, the Company completed the acquisition of 100% of the shares in Observe Medical Nordic AB (previously named Sylak AB), a Swedish distributor of ICU/anesthesia products. On 14 January 2022, the Company entered into the Biim SPA for the acquisition of Biim Ultrasound AS (Biim), a company which has developed and sells a wireless pocketable ultrasound device for medical frontline applications. The Group is headquartered in Oslo, Norway. As at 31 December 2021, the Group employed 14 persons.
<i>Major shareholders</i>	Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Pursuant to the Company's shareholders list as registered in the VPS as of 1 February 2022, no shareholders other than Navamedic ASA (4,222,727 Shares, approx. 21.54%), Ingerø Reiten Investment Company AS (3,939,394 Shares, approx. 20.09%), UBS SWITZERLAND AG (1,423,963 Shares, approx. 7.26%), Lars Ro AS (1,388,895 Shares, approx. 7.08%) and Artal AS (1,065,257 Shares, approx. 5.43%) held more than 5% of the Shares to the Company's knowledge.
<i>Key managing directors</i>	The Company's management team consists of Björn Larsson (CEO) and Per Arne Nygård (CFO).
<i>Statutory auditor</i>	The Company's independent auditor is KPMG AS (KPMG), with business registration number 935 174 627 in the Norwegian Register of Business Enterprises and registered

address at Sørkedalsveien 6, N-0369 Oslo, Norway.

What is the key financial information regarding the issuer?

Consolidated Statement of Income Data and selected pro forma financial information

In NOK thousand

	Year ended 31 December ¹		Nine months ended 30 September ²		Pro forma year ended 31 December ³
	2020	2019	2021	2020	2020
Operating revenue	2,961	177	20,452	41	25,449
Operating result	-28,087	-15,787	-21,939	-17,810	-52,506
Result for the period	-36,868	-16,917	-11,928	-16,423	-65,092

- 1: The financial information for the year ended 31 December 2020 and 2019 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2020, prepared in accordance with IFRS.
- 2: The financial information for the nine months' period ended 30 September 2021 and 2020 is extracted from the Company's unaudited consolidated interim financial presentation as of and for the three and nine months' periods ended 30 September 2021 including comparative interim financial information for the same periods in the prior financial year, which has not been prepared in accordance with IAS 34.
- 3: The pro forma financial information for the year ended 31 December 2020 has been extracted from the Company's unaudited pro forma financial information for the year ended 31 December 2020, appended to this Prospectus as [Appendix D](#) and cf. Section 4.3.2 and Section 9 herein.

Consolidated Statement of Financial Position Data and selected pro forma financial information

In NOK thousand

	Year ended 31 December ¹		Nine months ended 30 September ²		Pro forma year ended 31 December ³
	2020	2019	2021	2020	2020
Total assets	87,733	55,333	75,806	92,446	306,292
Total equity	20,349	14,542	2,806	40,327	205,349

- 1: The financial information for the year ended 31 December 2020 and 2019 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2020, prepared in accordance with IFRS.
- 2: The financial information for the nine months' period ended 30 September 2021 and 2020 is extracted from the Company's unaudited consolidated interim financial presentation as of and for the three and nine months' periods ended 30 September 2021 including comparative interim financial information for the same periods in the prior financial year, which has not been prepared in accordance with IAS 34.
- 3: The pro forma financial information for the year ended 31 December 2020 has been extracted from the Company's unaudited pro forma financial information for the year ended 31 December 2020, appended to this Prospectus as [Appendix C](#) and cf. Section 4.3.2 and Section 9 herein.

Consolidated Statement of Cash Flow Data

In NOK thousand

	Year ended 31 December ¹		Nine months ended 30 September ²	
	2020	2019	2021	2020
Net cash flow from operating activities	-21,641	-13,972	-19,960	-16,702
Net cash flow from investing activities	-8,077	-2,141	-1,548	-565
Net cash flows from financing activities	48,169	16,187	9,639	48,178

- 1: The financial information for the year ended 31 December 2020 and 2019 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2020, prepared in accordance with IFRS.
- 2: The financial information for the nine months' period ended 30 September 2021 and 2020 is extracted from the Company's unaudited consolidated interim financial presentation as of and for the three and nine months' periods ended 30 September 2021 including comparative interim financial information for the same periods in the prior financial year, which has not been prepared in accordance with IAS 34.

What are the key risks that are specific to the issuer?

- Material risk factors
- **The Group and the Biim group are dependent on sale of their products in order to generate revenues**
Currently, the Group, in addition to its Nordic sales operations conducted through Observe Medical Nordic AB, only has Sippi® with supporting functions/products SippSense® and SippCoat®, while the Biim group only has its wireless pocketable ultrasound device in the market. The number of units sold of these products will have a direct effect on the Group's results of operations, and the Group's dependency of the Biim group's sale of its wireless pocketable ultrasound device would be material to the Group if the Biim Acquisition is completed, as they are the only revenue

generating proprietary products that each of the Group and the Biim group currently offers. Low sales of Sippi®, and considering that the Biim Acquisition is completed, of the Biim group's wireless pocketable ultrasound device, will have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or 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**

The process of monitoring urine output as part of measuring the critical fluid balance of patients, and using ultrasound imaging sound waves to create a picture, has remained unchanged for several decades. As such, there is a risk that competing products may be launched to the market before the Group is able to establish a viable market share for Sippi® and the Biim group for its wireless pocketable ultrasound device. The markets in which the Group and the Biim group operates in are highly competitive and there is strong competition in developing and bringing new health care products to the market. If the Group, and if the Biim Acquisition is completed, the Biim group, are unable to remain competitive, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

- **The Group may not obtain the prices it requires for its products**

If the Group or the Biim group does not obtain the prices or production costs they require for their products, this could, and would to a larger extent apply if the Biim Acquisition is completed, have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or 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**

If the Group is unable to enter into new customer contracts for Sippi®, or the Biim group is unable to enter into new customer contracts for its wireless pocketable ultrasound device if the Biim Acquisition is completed, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

- **The Group faces risks related to its distributing partners, sale partners and suppliers**

If the Group's distributing partners, sale partners or suppliers, also taking into account the Biim group's distributing partners, sale partners and suppliers if the Biim Acquisition is completed, fail to deliver pursuant to their contractual obligations or the Group cannot meet its minimum purchase volumes etc., this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

- **There is a risk that Sippi® or the Biim group's wireless pocketable ultrasound device have malfunctions that need to be further researched on**

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 Biim group's wireless pocketable ultrasound device is based on known ultrasound technology. However there is a risk that the wireless technology used to transfer the ultrasound picture may not meet the markets' expectations to picture quality. If the Biim Acquisition is completed, this risk would be assumed by the Group, and if the Group's products would appear to have malfunctions that needs to be re-designed, further researched on or improved, this could have a material adverse effect on the Group's business revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

- **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 medical devices 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 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

The Group's, and given that the Biim Acquisition is completed, the Biim 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 is dependent on its products fulfilling the customers' requirements to product quality and safety**

The Group is dependent on its products, which also would cover the Biim group's wireless pocketable ultrasound device if the Biim Acquisition is completed, fulfilling national and international requirements for product quality and safety. 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. If the Group was to lose any of its permits or not obtain the permits required, including a CE approval for the Biim group's wireless pocketable ultrasound device if the Biim Acquisition is completed, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

- **There is a risk that the Biim Acquisition will not be completed**

The share purchase agreement entered into in connection with the acquisition of Biim on 14 January 2022 (the Biim SPA) is subject to inter alia third-party consents being obtained and the successful completion of the Rights Issue in order to be completed. Consequently, there is a risk that the acquisition of Biim will not be completed or that the Biim Acquisition may be delayed. Furthermore, there is no assurance that no changes to the agreed terms of the Biim SPA will occur prior to the completion of the Biim Acquisition.

- **The Group's operating results and financial condition may be adversely affected if the Biim group does not perform as expected**

The operating results and financial condition of the Group may be negatively affected by the failure to achieve the financial results projected for the Biim group in the near or long term following completion of the Biim Acquisition. The Biim Acquisition could also give rise to amortisation expenses related to intangible assets and the Group may have to implement acquisition-related impairments that could reduce the Group's profitability. This could in turn have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

Key information on the securities

What are the main features of the securities?

<i>Type, class and ISIN.....</i>	All of the Shares are ordinary shares in the Company and are created under the Norwegian Public Limited Companies Act. The Shares are registered in book-entry form with the VPS. The existing Shares are, and the New Shares will upon issuance be, registered with the VPS with ISIN NO 0010865009.
<i>Currency, par value and number of securities</i>	As at the date of this Prospectus, the Company's registered share capital is NOK 5,097,418.82, divided into 19,605,457 Shares, each with a par value of NOK 0.26.
<i>Rights attached to the securities.....</i>	The Company has one class of shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company. Each of the Shares carries one vote.
<i>Transfer restrictions.....</i>	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
<i>Dividend and dividend policy.....</i>	The Company has previously not paid any dividends. The Group is focusing on the development and commercialization of medical technology products and does not anticipate paying any cash dividend until sustainable profitability is achieved.

What are the key risks that are specific to the securities?

<i>Material risk factors</i>	<ul style="list-style-type: none"> • If the Rights Issue is withdrawn, all Subscription Rights will lapse without value and the lapsing of Subscription Rights will be without prejudice to the validity of any trades in Subscription Rights, and investors will not receive any refund or compensation in respect of Subscription Rights purchased in the market. • Existing Shareholders who do not participate in the Rights Issue may experience a significant dilution of their shareholding and the Consideration Shares will
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- significantly dilute Existing Shareholders shareholding.
- The Shares have traded above and below the expected subscription price in the Rights Offering, and there cannot be any guarantees that participation in the Rights Issue will not result in loss of investment.
- The Company has two major shareholders and their interest may conflict with those of the Company's other shareholders.
- The Consideration Shares will significantly dilute Existing Shareholders shareholding.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Terms and conditions of the offering..... The Rights Issue consists of an offer by the Company of 25,714,286 Offer Shares at a Subscription Price of NOK 7.00 per Offer Share, thereby raising gross proceeds of approx. NOK 180 million. The Offer Shares have a nominal value of NOK 0.26 each. Existing Shareholders will be granted tradable Subscription Rights that, subject to applicable law, provide a preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Rights Issue. Over-subscription and subscription without Subscription Rights is permitted; however, there can be no assurance that Offer Shares will be allocated for such subscriptions. The Subscription Period will commence at 09:00 hours (CET) on 9 February 2022 and end at 16:30 hours (CET) on 23 February 2022. The Subscription Period may not be shortened, but the Board of Directors may extend the Subscription Period if this is required by law due to the publication of a supplement to the Prospectus. The Subscription Rights will be credited to and registered on each Existing Shareholder's VPS account on or about 8 February 2022 under ISIN NO 001 2422197. The Subscription Rights will be distributed free of charge to Existing Shareholders. The Subscription Rights will be tradable and listed on the Oslo Stock Exchange (Euronext Expand) with ticker code "OBSRT" from and including 09:00 hours (CET) on 9 February 2022 to 16:30 hours (CET) on 21 February 2022. The Subscription Rights, including acquired Subscription Rights, must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 23 February 2022 at 16:30 hours (CET). Subscription Rights that are not sold before 21 February 2022 at 16:30 hours (CET) or not exercised before 23 February 2022 at 16:30 hours (CET) will have no value and will lapse without compensation to the holder. Holders of Subscription Rights (whether granted or acquired) should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and that the acquisition of Subscription Rights does not in itself constitute a subscription for Offer Shares. The payment date for the Offer Shares is expected to be on or about 28 February 2022. Delivery of the Offer Shares is expected to take place on or about 4 March 2022 through the facilities of the VPS.

Timetable in the

offering The timetable set out below provides certain key dates for the Rights Issue:

<i>Last day of trading in the Shares including Subscription Rights.....</i>	4 February 2022
<i>First day of trading in the Shares excluding Subscription Rights.....</i>	7 February 2022
<i>Record Date.....</i>	8 February 2022
<i>Subscription Period commences</i>	9 February 2022
<i>Trading in Subscription Rights commences on the Oslo Stock Exchange (Euronext Expand)</i>	9 February 2022 at 09:00 hours (CET)
<i>Trading in Subscription Rights ends</i>	21 February 2022 at 16:30 hours (CET)
<i>Subscription Period ends</i>	23 February 2022 at 16:30 hours (CET)
<i>Conditional allocation of the Offer Shares</i>	Expected on or about 24 February 2022
<i>Distribution of conditional allocation letters.....</i>	Expected on or about 24 February 2022
<i>Payment Date</i>	Expected on or about 28 February 2022
<i>Registration of the share capital increase pertaining to the Rights Issue with the Norwegian Register of Business Enterprises</i>	Expected on or about 3 March 2022
<i>Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange (Euronext Expand)</i>	Expected on or about 3 March 2022
<i>Delivery of the Offer Shares.....</i>	Expected on or about 4 March 2022

Admission to trading..... The Shares are, and the New Shares will when issued be, listed on the Oslo Stock Exchange (Euronext Expand) under ISIN NO 001 0865009 and ticker code "OBSRV". The Offer Shares will be listed on the Oslo Stock Exchange (Euronext Expand) as soon as the share capital increase pertaining to the Rights Issue has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 3 March 2022. The Consideration Shares will be listed on the Oslo Stock Exchange (Euronext Expand) as soon as the share capital increase pertaining to the Consideration Shares has been registered with the Norwegian Register of Business Enterprises and the Consideration Shares have been registered in the VPS. This is expected to take place on or about 9 March 2022.

Distribution plan..... Conditional allocation of the Offer Shares will take place on or about 24 February 2022 in accordance with the following criteria:

- (i) Allocation of Offer Shares to subscribers will be made in accordance with granted and acquired Subscription Rights which have been validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one Offer Share in the Rights Issue.
- (ii) Any unallocated Offer Shares following the allocation under item (i) above shall be allocated to those Underwriters who have subscribed Offer Shares in the Subscription Period, limited upwards to their respective underwriting obligation.
- (iii) If not all Subscription Rights are validly exercised during the Subscription Period and there are remaining unallocated Offer Shares following the allocation to the Underwriters who have subscribed Offer Shares in the Subscription Period pursuant to items (i) and (ii) above, subscribers who have exercised their Subscription Rights and who have over-subscribed, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.
- (iv) Offer Shares not allocated pursuant to items (i) to (iii) above, will be allocated to subscribers not holding Subscription Rights. Allocation will be sought made on a pro rata basis based on their respective subscription amounts.
- (v) Any Offer Shares remaining after allocation pursuant to items (i) to (iv) above, will be subscribed by, and allocated to, the Underwriters pursuant to, and in accordance with, the underwriting obligation of the respective Underwriters.

No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights (i.e. over-subscription and subscription without Subscription Rights) and will only allocate such Offer Shares to the extent that Offer Shares are available to cover over-subscription based on Subscription Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. Any Offer Shares that are unsubscribed by the end of the Subscription Period, will be subscribed by the Underwriters in accordance with their underwriting obligations.

Dilution The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the issuance of the New Shares, with the assumption that existing shareholders do not subscribe for the New Shares and assuming that all the Offer Shares are issued:

	Prior to the issuance of the Offer Shares	Subsequent to the issuance of the Offer Shares	Prior to the issuance of the Consideration Shares	Subsequent to the issuance of the New Shares
Number of Shares each with a par value of NOK 0.26	19,605,457	45,319,743	45,319,743	53,491,656
% dilution	-	57%	-	15%
Number of Shares each with a par value of NOK 0.26	19,605,457	-	-	53,491,656
% dilution	-	-	-	63%

Total expenses of the issue/offer The total costs, fees and expenses related to the Rights Issue, including the underwriting agreement, are estimated to amount to approximately NOK 23 million. No

expenses or taxes will be charged by the Company or the Managers to the subscribers in the Rights Issue.

Who is the offeror and/or the person asking for admission to trading?

Brief description of the

Offeror Not applicable. The Company is offering the New Shares.

Why is this Prospectus being produced?

Reasons for the offer/admission to trading

This Prospectus has been prepared in order to facilitate the listing of the New Shares on the Oslo Stock Exchange (Euronext Expand) and to facilitate for the offering of the Offer Shares.

Use of proceeds.....

The net proceeds from the Rights Issue will be used to (i) finance the cash portion of the acquisition consideration for the Biim Acquisition (NOK 50 million), (ii) commercialization and growth initiatives for Sippi® and Biim, (iii) repayment of current interest-bearing debt (NOK 34 million, which amount only includes a repayment of MNOK 10 of the Danske Bank loan facility and not any overdrafts above NOK 10 million which also must be repaid by the Company upon the completion of the Rights Issue (see Section 6.18 "Significant change" for more information)) and (iv) general corporate purposes

Underwriting

The Company and the Underwriters have entered into the Underwriting Agreement dated 14 January 2022, pursuant to which the Underwriters have undertaken, severally and not jointly, to underwrite an aggregate amount of NOK 180 million in the Rights Issue. The Underwriters have, limited to their respective underwritten amounts, undertaken to subscribe and pay for the Offer Shares not subscribed for during the Subscription Period on or prior to the payment date in the Rights Issue.

Conflicts of interest.....

Some of the Underwriters are Existing Shareholders, holding in aggregate approximately 33.6% of the Shares (pursuant to the Company's shareholders list as registered in the VPS as of 1 February 2022), for which they will receive Subscription Rights and may exercise their right to take up such Subscription Rights and acquire Offer Shares. Further, pursuant to the Underwriting Agreement, each Underwriter will upon completion of the Rights Issue receive an underwriting fee of 5% of the amount of the Underwriter's underwriting obligation. The Managers or their respective affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their respective employees and any affiliates may currently own existing Shares in the Company. Further, in connection with the Rights Issue, the Managers, their respective employees and any affiliates acting as an investor for its own account may receive Subscription Rights (if they are Existing Shareholders) and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Subscription Rights or Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Rights Issue. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. Further, the Managers and the Underwriters will receive fees in connection with the Rights Issue, and, as such, have an interest in the Rights Issue. The Managers are also Underwriters in the Rights Issue and are entitled to receive the underwriting fee described above.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the Financial Information (as defined in Section 4.3.1 "Historical financial information") and related notes appended hereto. The risks and uncertainties described in this Section 2 are the material known risks and uncertainties faced by the Group as of the date hereof, and represent those risk factors that the Company believes to represent the most material risks for investors when making their investment decision in relation to the Shares. An investment in the Company and the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is 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 effect for the Group 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, or based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialise, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Shares. Additional factors of which the Company is currently unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

2.1 Risks related to the business and industry in which the Group operates

The Group and the Biim group are dependent on sale of their products in order to generate revenues

Currently, the Group, in addition to its Nordic sales operations conducted through Observe Medical Nordic AB, only has Sippi® with supporting functions/products SippSense® and SippCoat®, while the Biim group only has its wireless pocketable ultrasound device in the market. The number of units sold of these products will have a direct effect on the Group's results of operations, and the Group's dependency of the Biim group's sale of its wireless pocketable ultrasound device would be material to the Group if the Biim Acquisition is completed, as they are the only revenue generating proprietary products that each of the Group and the Biim group currently offers. Because of the short period of time Sippi®BLE (launched in Q4 2019) has been in the market and that the pandemic has slowed down sales processes, the sale of the product has not started in a large scale. The Biim group has at the date of this Prospectus only sold some hundred products of its wireless pocketable ultrasound device and does currently only have two customer agreements. Furthermore, the Biim probes does not carry a CE mark, which shows that the product complies with all regulatory requirements in the EU/EEA and is a legal precondition to put products on the market in the EU/EEA. Low sales of Sippi®, and if the Biim Acquisition is completed, of the Biim group's wireless pocketable ultrasound device, will have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or 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

The process of monitoring urine output as part of measuring the critical fluid balance of patients, and using ultrasound imaging sound waves to create a picture, has remained unchanged for several decades. As such, there is a risk that competing products may be launched to the market before the Group is able to establish a viable market share for Sippi® and the Biim group for its wireless pocketable ultrasound device. The markets in which the Group and the Biim group operates in are highly competitive and there is strong competition in developing and bringing new health care products to the market. Some competitors have advantages, such as vertical integration, product diversity, greater financial resources or economies of scale, which may adversely affect the Group's or the Biim group's ability to compete on sustainable terms. As the field in which the Group and the Biim group 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 the Group or the Biim group and as such compete for market shares against the Group or the Biim group. There is also a possibility that a competing product has alternative or new solutions which outdate the technology that is used by the Group or the Biim group. If the Group, including the Biim group if the Biim Acquisition is completed, are unable to remain competitive, this could have a material adverse effect on the Group's business,

revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group may not obtain the prices it requires for its products

The urine measurement- and ultrasound 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. Based on the Company's knowledge of main competitors and current market leading manual systems, Sippi® is an innovative and more technically advanced product solution and has therefore higher manufacturing costs. This requires the Group to obtain a higher price and/or a value based pricing compared to competitors for Sippi®, in order to secure profitability. The Biim group's wireless pocketable ultrasound device is based on a known ultrasound technology, but with the advantages of being wireless, handheld and low priced compared to competitors. The Biim group must secure satisfying pricing levels and further decrease its production costs in order to secure profitability for the Biim group's wireless pocketable ultrasound device, which if the Biim Acquisition is completed, would be material to the Group as well. If the Group or the Biim group does not obtain the prices or production costs they require for their products, this could, and would to a larger extent apply if the Biim Acquisition is completed, have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group is dependent on entering into contracts with new customers and to sell its add-on products or services for the Group in the relevant markets

Sippi®'s main target market is Intensive Care Units ("ICUs") for Sippi® which are typically located at university clinics and larger central hospitals, while the Biim group's main target market is currently dialysis departments/centres. There are limited number of ICU beds and dialysis departments/centres per country world wide and there is a risk that Group's or the Biim group's products will not be spread to other departments regionally or world wide. The Group and the Biim group face the risk that one dissatisfied customer could spread the word to the other few hospitals or dialysis departments/centres 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 also potentially cause exemption or significant delays in the Group's ability to deliver products and hence generate sales. A customer contract is normally entered into as a one-time sale of a number of Sippi® units and for the Biim group, its wireless pocketable ultrasound device, with no obligation for the customer to purchase additional units. Both the Group and the Biim group are therefore dependent on entering into contracts with new customers and to sell its add-on products or services for the Group in the relevant markets. If the Group is unable to enter into new customer contracts for Sippi®, or the Biim group would be unable to enter into new customer contracts for its wireless pocketable ultrasound device if the Biim Acquisition is completed, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group faces risks related to its distributing partners, sale partners and suppliers

The Group has contracts with distributors in certain European markets outside the Nordics. The Group also seeks to establish new distributor partnerships in other territories in order to launch Sippi® on the global market, and will seek to establish new distributor partnerships for the Biim group's wireless pocketable ultrasound device if the Biim Acquisition is completed. Thus, the Group is, and will be, dependent on such 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. The Biim group has also entered into a licence agreement with Siemens where Biim shall pay Siemens a licence fee of USD 120,000 with additional payment on USD 25,000 after 350 products has been sold and USD 25,000 after 700 products has been sold, in addition to 3% of the revenues from products sold where the licensed patents are used. These costs would be assumed by the Group if the Biim Acquisition is completed. If the Group's distributing partners, sale partners or suppliers, also taking into account the Biim group's distributing partners, sale partners and suppliers if the Biim Acquisition is completed, fail to perform and operate in their respective territories, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group's intellectual property rights may be infringed, misappropriated or challenged by others

The Group's brands and related intellectual property rights are important to its continued success. The same applies to the brands and related intellectual property rights belonging to the Biim group and pertaining to its wireless pocketable ultrasound device, which would be the Group's property if the Biim Acquisition is completed. In general, both the Group and the Biim group have a strong position with regards to the intellectual property rights and has ensured broad

international coverage. However, the Biim group has entered into employment and consultancy agreements relating to development of intellectual property rights owned by the Biim group which does not contain adequate regulation of the Biim group's ownership of such intellectual property rights. There is therefore a risk that certain individuals related to the Biim group and/or the development of the Biim group's wireless pocketable ultrasound device may claim to have an interest in the individual components used in the Biim group's wireless pocketable ultrasound device. Since the key competitive advantage of the Group's and the Biim group's products is the innovative technology on which their products are based, it is specifically important for the Group and the Biim group to protect such technology in order to avoid being copied by competitors. This is a specific challenge for the Group and the Biim group as they are bringing an innovative product to market. Thus, if the Group, including the Biim group if the Biim Acquisition is completed, was to fail to successfully protect their intellectual property rights for any reason, or if any third party misappropriates, dilutes or infringes their intellectual property, the value of their brands may be harmed. This could have an adverse effect on the business, revenues, profitability, liquidity, cash flows, financial positions, prospects and/or the Group's ability to continue as a going concern. Any damage to the Group's or the Biim group's brand value could lower sale volumes of their products or make it more difficult to obtain new customer agreements. If the Biim Acquisition is completed, the risk the Biim group's faces as described above would be assumed by the Group.

There is a risk that Sippi® or the Biim group's wireless pocketable ultrasound device have 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 and the digital systems on the market have had limited commercial success. 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 or other problems that affect the system's ability to measure right volume. In addition, the Group uses Bluetooth Low Energy technology to send data to its Bluetooth receiver for data handling in its software SippLink™. 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. The Biim group's wireless pocketable ultrasound device is based on known ultrasound technology, however there is a risk that the wireless technology used to transfer the ultrasound picture may not meet the markets' expectations to picture quality. If the Biim Acquisition is completed, this risk would be assumed by the Group, and if the Group's products would appear to have malfunctions that needs to be re-designed, further researched on or improved, this could have a material adverse effect on the Group's business revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group may be adversely affected by global economic market conditions

As the Group is in a launch phase with their first product, Sippi®, the Company is particularly exposed to negative changes in market conditions and the general global economy. The Group is highly dependent on dialogue with current and potential customers and with other stakeholders to get a successful commercial launch of the product. The current situation, however, with national restrictions and the healthcare system and healthcare providers fully occupied with acute handling of COVID-19, provides constraints to the launch efforts for Sippi®.

The global economy has since the outbreak of the COVID-19 virus, declared a pandemic by the World Health Organization in March 2020, and is currently experiencing, a period of significant downturn and uncertainty. 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 Prospectus. 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. The Biim group faces similar challenges in connection with its first deliverables of its wireless pocketable ultrasound device, which would be faced by the Group if the Biim Acquisition is completed. Furthermore, a general decline in the world economy may lead to global changes in the consumers' demand for certain of the Group's and the Biim group's products or substantial decrease in the general price level which could result in significantly reduced sales for the Group. If such risks materialise, this could have a material adverse effect on the Group's business, revenues, liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern.

2.2 Risks related to financial and market risk

The Group will require additional capital in the future 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, and the requirement for additional funds will be significantly increased if the Biim Acquisition is completed. Since the date the Shares were listed on Oslo Axess (now renamed Euronext Expand) on 4 November 2019, the Group's principal source of liquidity has been cash from equity and borrowing agreements, 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. It is also noted that such expenditures will be significantly increased for the Group if the Biim Acquisition is completed. According to the Group's current proposed scale of operations, the Group expects that it will need to obtain approximately NOK 50 million in order to have sufficient working capital for the period covering at least 12 months from the date of this Prospectus. The Group expects to obtain the required additional funds through the Rights Issue which is expected to be completed in March 2022 raising gross proceeds of approximately NOK 180 million. There is also the possibility of a breach of the lender's obligations under the Company's existing borrowing arrangements, as the lenders are the Company's two largest shareholders 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, including the Biim group's wireless pocketable ultrasound device if the Biim Acquisition is completed, 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 business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or 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 connection with business opportunities or corporate activities

The Group has at the date hereof a loan provided by Navamedic ASA ("**Navamedic**") in the aggregate amount of approximately NOK 32,000,000 excl. accrued interest, a loan provided by Ingerø Reiten Investment Company AS ("**IRIC**") in the amount of NOK 10,000,000 excl. accrued interest and a credit facility in the amount of NOK 15,000,000 excl. accrued interest with Danske Bank, and may incur additional indebtedness in the future, including in the near term future prior to the completion of the Rights Issue, as also provided for in its existing borrowing arrangement. Additionally, the Biim group has at the date hereof certain debts of approximately up to NOK 25 million which would be part of the Group's debt if the Biim Acquisition is completed. This level of debt could have important consequences for 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 business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group is exposed to exchange rate fluctuations

As a consequence of its international operations, including operations in Sweden, Finland, Denmark and the U.S., administration in Norway, expected sales to the Nordic region, and rest of Europe, and the U.S., 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 business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

2.3 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, which also would cover the Biim group's wireless pocketable ultrasound device if the Biim Acquisition is completed, 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 CE approval (Communauté Européenne) for Sippi@BLE in 2019. Furthermore, the Biim group's wireless pocketable ultrasound device obtained FDA approval in the U.S. in 2018, but at the date of this Prospectus the Biim group's wireless pocketable ultrasound device is not CE (Communauté Européenne) approved in Europe. No assurance can be given that Biim's wireless pocketable ultrasound device will get such approval or if it does, when this will take place. If the Group was to lose any of its permits or not obtain the permits required, including a CE approval for the Biim group's wireless pocketable ultrasound device if the Biim Acquisition is completed, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group is exposed to risks relating to data protection and data privacy regulations, licenses, etc.

The Group receives, stores and processes personal information and other user data of its employees, the personnel of the Group's suppliers and the Group's customers, through its business and operations in multiple jurisdictions. The Group also uses third party IT service providers that may process and transfer personal data relating to the Group's operations. This makes the Group exposed to data protection and data privacy laws and regulations ("**Data Protection Laws**") it must comply with, the main regulations being the GDPR, the Norwegian Data Protection Act of 15 June 2018 No. 38 and US privacy acts such as the California Consumer Privacy Act of 2018. Although the Group has adopted measures to ensure compliance with Data Protection Laws, such measures may not always be adequate. The Biim group does not have adequate or sufficient procedures in place in order to ensure compliance with Data Protection Laws, which would entail a risk for the Group if not remedied from the time of completion of the Biim Acquisition. In particular, as the Group following the completion of the Biim Acquisition, will conduct operations outside the EU/EEA, the Group is exposed to the risk of non-compliance with the requirements for international data transfers under the General Data Protection Regulation (the "**GDPR**"). Further, the Group may have limited ability to control whether its third party IT service providers are fully compliant with GDPR with respect to its processing and transfer of personal data relating to the Group. Any non-compliance by the Group, or by its third party service providers, with respect to the GDPR or other Data Protection Laws could lead to administrative fines being imposed on the Group, governmental enforcement actions, litigation and/or public statements against the Group, and could also cause customers to lose their trust in the Group, any of which could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or 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, which if the Biim Acquisition is completed, also includes the Biim group's business. Furthermore, the Group, and the Biim group, has contracts that 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. The Group could also face claims related to product liability arising from the use of its products, including the Biim group's products if the Biim Acquisition is completed. Furthermore, third parties may assert that the Group or the Biim group have infringed, misappropriated or otherwise violated their intellectual property rights, which could lead to litigation against the Group or the Biim group. As an example, Biim's licence agreement with Siemens grants Biim access to several Siemens patents within the field of ultrasound imaging systems. If the Siemens licence agreement is terminated, Siemens may enforce its patent rights against Biim if they are of the opinion that Biim uses technology covered by Siemens patents.

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, including the Biim group's products if the Biim Acquisition is completed, or in connection with any intellectual property infringement claims, require that the Group pays ongoing royalty payments, such as with Biim's licence agreement with Siemens. 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. Whether or not the Group ultimately prevails, litigation and arbitration are costly and can divert the Company's 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 business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

Changes in, or non-compliance with, 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, including Biim's wireless pocketable ultrasound device, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or 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 business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

2.4 Risks related to the Biim Acquisition

There is a risk that the Acquisition will not be completed

The share purchase agreement entered into in connection with the acquisition of Biim on 14 January 2022 (the Biim SPA) is subject to inter alia third-party consents being obtained and the successful completion of the Rights Issue in

order to be completed. Consequently, there is a risk that the acquisition of Biim will not be completed or that the Biim Acquisition may be delayed. Furthermore, there is no assurance that no changes to the agreed terms of the Biim SPA will occur prior to the completion of the Biim Acquisition. As work and negotiations in connection with the Acquisition has been ongoing over a longer period of time and the Group has engaged external advisers who have carried out extensive work, a potential termination of the Biim Acquisition will result in time and costs spent without achieving results. A termination will also have an effect on the Group's assumed revenue related to the Biim Acquisition, by way of sales of Biim's wireless pocketable ultrasound device and operating in a larger market. Furthermore, a termination of the Biim Acquisition may also have a material adverse effect on the Group's prospects and/or the Group's ability to continue to grow.

The Group may not achieve the expected synergies and other benefits from the Biim Acquisition

As part of the consideration of the business rationale regarding entering into the Biim SPA, the Company has made certain assumptions inter alia with respect to synergies to be achieved, retention of employees, customers, suppliers and other business partners, customer future preferences and demand for products and solutions, market developments and other circumstances. There is a risk that some or all of the assumptions made will not be fulfilled, which may have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Group's operating results and financial condition may be adversely affected if the Biim group does not perform as expected

The operating results and financial condition of the Group may be negatively affected by the failure to achieve the financial results projected for the Biim group in the near or long term following completion of the Biim Acquisition. The Biim Acquisition could also give rise to amortisation expenses related to intangible assets and the Group may have to implement acquisition-related impairments that could reduce the Group's profitability. This could in turn have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

The Company is acquiring an ongoing business with a number of exposures relating to the period prior to Completion

If the Company completes the Biim Acquisition, the Company is acquiring liabilities and other exposures relating to the business of the Biim group, which stems from periods prior to the date of completion of the Biim SPA. The Company's protection against such liabilities and other exposures under the Biim SPA is limited both by the scope of the warranties provided by the sellers' of Biim and by the amount and time limitations applicable to these warranties. In addition, the representations and warranties do not extend to matters known by the Company prior to entering into the Biim SPA, including specific matters identified by the Company in the due diligence investigation of the Biim group. Pre-completion liabilities and other exposures may accordingly have a material adverse on the Group's business, revenues, profitability, liquidity, cash flow, financial positions, prospects and/or the Group's ability to continue as a going concern.

2.5 Risks related to the Shares

The Company has two major shareholders and their interest may conflict with those of the Company's shareholders

Navamedic and IRIC, control approximately 20% each, of the Shares prior to the Rights Issue, and are represented at the Company's board of directors with board members and will, as the major shareholders of the Company, have the ability to significantly influence the outcome of matters submitted for the vote by the Company's shareholders, including election of members of the board of directors. The commercial goals of Navamedic and IRIC as individual shareholders, and those of the Company, may not always remain aligned and this concentration of ownership may not always be in the best interest of the Company's other shareholders.

The Consideration Shares will significantly dilute Existing Shareholders shareholding

The 8,171,913 Consideration Shares will be issued to new shareholders and will lead to a significant dilution of the Existing Shareholders' shareholding in the Company. Any new share issuances which are not directed towards all existing shareholders of the Company will dilute such shareholders' shareholding, including any subsequent private placements in the Company or exercise of share options issued by the Company.

2.6 Risks related to the Rights Issue

If the Rights Issue is withdrawn, all Subscription Rights will lapse without value resulting in the investors not receiving any refund or compensation for Subscription Rights purchased in the market

If the Rights Issue is withdrawn, all Subscription Rights will lapse without value, any subscriptions for, and allocations of, Offer Shares that have been made will be disregarded and any payments for Offer Shares made will be returned to the subscribers without interest or any other compensation. The lapsing of Subscription Rights will be without prejudice to the validity of any trades in Subscription Rights, and investors will not receive any refund or compensation in respect of Subscription Rights purchased in the market.

Existing Shareholders who do not participate in the Rights Issue may experience a significant dilution of their shareholding

Subscription Rights that are not sold before 16:30 CET on 21 February 2022 or exercised by the end of the Subscription Period will have no value and will automatically lapse without compensation to the holder. To the extent that an Existing Shareholder does not sell its Subscription Rights before 16:30 CET on 21 February 2022 or exercises its Subscription Rights prior to the expiry of the Subscription Period, whether by choice or due to a failure to comply with the procedures set forth in Section 14.1 "The Rights Issue", or to the extent that an Existing Shareholder is not permitted to subscribe for Offer Shares as further described in Section 15 "Selling and Transfer Restrictions", such Existing Shareholder's proportionate ownership and voting interests in the Company after the completion of the Rights Issue will be diluted. Even if an Existing Shareholder chooses to sell its unexercised Subscription Rights, or such Subscription Rights are sold on its behalf, the consideration it receives in the trading market for the Subscription Rights may not reflect the immediate dilution in its shareholding resulting from the completion of the Rights Issue.

It cannot be guaranteed that participation in the Rights Issue will not result in loss of investment due to fluctuations in the trading price for the Shares

A subscription of offer shares in the Rights Issue will be binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received. The trading price for the Shares has fluctuated significantly in the past. Upon the Shares' listing on Oslo Axess (now named Euronext Expand) on 4 November 2019 the trading price was approximately NOK 6, increasing to approximately NOK 12 at the end of December 2019 and dropping again to NOK 6.80 due to the COVID-19 outbreak and increasing to all-time high of approximately NOK 33 in March 2021, before trading between NOK approximately NOK 15 and approximately NOK 25 in the second half of 2021. The subscription price in the Rights Issue is NOK 7.00. As such, there has been significant fluctuations in the trading volume for the Shares during a short period of time. The Offer Shares will not be delivered to the investors immediately following subscription, meaning that there is a risk that the Shares in the period from the investor's subscription of Offer Shares until delivery of the Offer Shares may trade below the subscription price in the Rights Offering due to inter alia the current volatility in the Norwegian and global equity capital markets. If the Shares trade below the Subscription Price, such will result in a loss of investment in the Offer Shares for the investor irrevocably committing to subscribe for the Offer Shares.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Rights Issue described herein and the listing of the New Shares on the Oslo Stock Exchange (Euronext Expand).

The Board of Directors of Observe Medical ASA accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

8 February 2022

The Board of Directors of Observe Medical ASA

Terje Bakken
Chairman

Kathrine Gamborg Andreassen
Board Member

Thomas Berthold Grünfeld
Board Member

Sanna Kristina Maria Rydberg
Board Member

4 GENERAL INFORMATION

4.1 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

The Norwegian FSA has reviewed and approved this Prospectus, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. This Prospectus was approved by the Norwegian FSA on 8 February 2022. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129 (the EU Prospectus Regulation). Investors should make their own assessment as to the suitability of investing in the securities.

4.2 Other important investor information

The Company has furnished the information in this Prospectus. No representation or warranty, express or implied is made by the Managers as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Managers assume no responsibility for the accuracy or completeness or the verification of this Prospectus and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Prospectus or any such statement.

Neither the Company nor the Managers, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation to any offeree or purchaser of the Offer Shares or holder of the Subscription Rights regarding the legality of an investment in the Offer Shares or the Subscription Rights. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares and the use of the Subscription Rights to subscribe for Offer Shares and the Subscription Rights.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors" beginning on page 11.

4.3 Presentation of financial and other information

4.3.1 Historical financial information

The Company's audited consolidated financial statements as of and for the year ended 31 December 2020 (the "**Financial Statements**") and the Company's unaudited consolidated interim financial presentation as of and for the three and nine months' periods ended 30 September 2021 including comparative interim financial information for the same periods in the prior financial year (the "**Q3 Financial Presentation**" and together with the Financial Statements, the "**Financial Information**") have been incorporated by reference hereto, see Section 16.3 "Incorporated by reference".

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union (the "**EU**"). The Q3 Financial Presentation has not been prepared in accordance with IFRS or in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**"), however, when the Company prepared the Q3 Financial Presentation it applied the same measurement principles and recognition criteria as applied in the Financial Statements.

The Financial Statements have been audited by KPMG AS ("**KPMG**"). The auditor's report on the Financial Statements have been incorporated by reference hereto (see Section 16.3 "Incorporated by reference"). The Q3 Financial Presentation has not been audited or reviewed by KPMG.

In KPMG's auditor opinion for the Financial Statements, the following emphasis of matter is included: "We draw attention to Note 3 in the financial statements and the sections "Financial risk" and "Going concern" in the Board of Directors' report, which indicates that there is substantial risk associated with the Company and the Group's liquidity in 2021. The Group currently is in an early phase of its commercialization and development process of its products. Based on updated cash flow forecasts for next 12 months, the Group will at some stage require additional funds in order to execute and complete its commercialization 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.

As stated in Note 3 and the sections "Financial risk" and "Going concern" in Board of Directors' report, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

4.3.2 Pro Forma Financial Information

In addition to the Financial Information, the Company has prepared pro forma financial information (the "**Pro Forma Financial Information**"), as further described in Section 9 "Unaudited condensed Pro Forma Financial Information" below, for illustrative purposes to show (i) how the Company's (a) contemplated acquisition of Biim Ultrasound AS, company registration number 896 449 052 and with registered address at Frydenlundgata 9, 8516 Narvik, Norway (Biim) (the Biim Acquisition), which the Company entered into a share purchase agreement to acquire on 14 January 2022 (the Biim SPA) and (b) acquisition of Observe Medical Nordic AB (previously named Sylak AB), company registration number 556190-6370 and with registered address at Krokslätts Parkgata 4, 431 68 Mölndal, Sweden, completed on 30 October 2020 (the "**Sylak Acquisition**", and together with the Biim Acquisition the "**Acquisitions**") might have affected the Company's consolidated statement of profit and loss for the year ended 31 December 2020 if they had occurred on 1 January 2020, and (ii) how the Biim Acquisition might have affected the Group's financial position as at 31 December 2020 if it had occurred on 31 December 2020.

The Pro Forma Financial Information is presented for illustrative purposes only and does not purport to represent what the Company's actual financial performance would have been had the Sylak Acquisition and the Biim Acquisition occurred on the relevant dates. The Pro Forma Financial Information does not include all of the information required for financial statements prepared in accordance with IFRS and the Pro Forma Financial Information should be read in conjunction with the Financial Statements and related notes.

KPMG has issued an independent assurance report of the Pro Forma Financial Information included as [Appendix D](#) to this Prospectus. There are no qualifications or emphasis of matter set out in the report prepared by KPMG.

Reference is made to Section 9.3 "Basis for preparation and accounting policies" for further information about the basis for preparation of the Pro Forma Financial Information.

4.3.3 Alternative performance measures (APMs)

The Company presents the following alternative performance measures ("**APMs**") as defined by the European Securities and Markets Authority ("**ESMA**") in this Prospectus:

- **Net interest bearing debt:** Non-current and current interest bearing debt deducted cash deposits.
- **Operating result:** Result before net financial items and income tax expenses/income

4.3.4 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's future business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Company's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position is based on the Company's own assessment and knowledge of the potential market in which it may operate.

The Company confirms that where information has been sourced from a third party, such information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified. The Company does not intend and does not assume any obligations to update industry or market data set forth in this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Company cautions readers not to place undue reliance on the above-mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

Prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk Factors" and elsewhere in this Prospectus.

4.3.5 *Other information*

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**SEK**" are to the lawful currency of Sweden and all references to "USD" are to the lawful currency of the United States of America. No representation is made that the NOK or SEK amounts referred to herein could have been or could be converted into NOK or SEK or USD, as the case may be, at any particular rate, or at all. The Financial Information is published in NOK.

4.3.6 *Rounding*

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Company's current views with respect to future events and financial and operational performance. These forward-looking statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in Section 6 "Business of the Group" of the Prospectus, and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, financial strength and position of the Group, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, could differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Factors that could cause the Company's actual results, performance or achievements to materially differ from those in the forward-looking statements include but are not limited to, the competitive nature of the markets in which the Group operates, technological developments, government regulations, changes in economic conditions or political events.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the forward-looking statements are discussed in Section 2 "Risk Factors".

The information contained in this Prospectus, including the information set out under Section 2 "Risk Factors", identifies additional factors that could affect the Company's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus and, in particular,

Section 2 "Risk Factors" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These forward-looking statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 DIVIDENDS AND DIVIDEND POLICY

5.1 Dividend policy

The Company has previously not paid any dividends. The Group is focusing on the development and commercialization of medical technology products and does not anticipate paying any cash dividend until sustainable profitability is achieved.

5.2 Legal constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Public Limited Companies Act, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and the maintenance of appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Limited Companies Act regulates what may be distributed as dividend, and provides that the Company may distribute dividends only to the extent that the Company after said distribution still has net assets to cover (i) the share capital and (ii) other restricted equity (i.e. the reserve for unrealised gains and the reserve for valuation of differences).
- The calculation of the distributable equity shall be made on the basis of the balance sheet included in the approved annual accounts for the last financial year, provided, however, that the registered share capital as of the date of the resolution to distribute dividend shall be applied. Following the approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends on the basis of the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited in accordance with the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound.

Pursuant to the Norwegian Public Limited Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the company. A subscriber of new shares in a Norwegian public limited company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Limited Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends. For a description of withholding tax on dividends applicable to non-Norwegian residents, see Section 13 "Norwegian Taxation".

5.3 Manner of dividend payment

Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder, and will be paid to the shareholders through the VPS Registrar. Shareholders registered in the VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

6 BUSINESS OF THE GROUP

6.1 Introduction

The Group is a Medtech group which is in the business of developing and commercialising innovative medical technology products that benefit patients and healthcare professionals.

The Company is the parent company of the Group. The Company's only business is to own its operating companies, being Observe Medical International AB (OMI), Observe Medical Nordic AB (previously named Sylak AB), Observe Medical AB and Observe Medical Aps.

The Group's first proprietary product in its product portfolio is Sippi®, an automated digital urine meter for use in intensive care departments and other hospital wards. In October 2020, the Company completed the acquisition of 100% of the shares in Observe Medical Nordic AB (previously named Sylak AB), a Swedish distributor of ICU/anesthesia products. On 14 January 2022, the Company entered into the Biim SPA for the acquisition of Biim Ultrasound AS (Biim), a company which has developed and sells a wireless pocketable ultrasound device for medical frontline applications (see Section 7 "The Biim Acquisition and certain information relating to Biim Ultrasound AS" for more information).

The Group is headquartered in Oslo, Norway. The Group's operational business pertaining to Sippi® is conducted in Gothenburg, Sweden.

As at 31 December 2021, the Group employed 14 persons.

6.2 History and important events

6.2.1 Important historical events

OMI was founded in 2009, based on an identified and clear need for modernization of urine measurement within intensive care.

Development and prototyping of Sippi® was initiated in 2010. In 2011, the first patent for the product was approved, and OMI also received ISO certification for the development, manufacture and sale of its products. Seed Capital (DK) invested in OMI in 2011. In 2012, the first base unit was fully developed and in 2013 Sippi® was registered with FDA for sale in the U.S and with CE marking for sale in Europe, starting the commercialisation process of Sippi®. The first system was sold to intensive units in Sweden and Denmark in 2013 and in 2014 the sale of Sippi® in Germany started. During this period, Sippcoat® was also developed by OMI, which prevents biofilm build-up and greatly reduces the chance of catheter associated urinary tract infections. During these initial years, the intellectual property was developed in several patent portfolios.

In parallel with the initial launch period of Sippi® as described above, a rapid development occurred in the use of patient data management systems ("**PDMS**") in hospitals in the Nordics, in several other large countries in Europe and in the U.S. Such systems are delivered by major IT companies like GE Healthcare and iMDSOFT and the systems are either proprietary or open source based. This resulted in the immediate demand for the development of a second generation of Sippi® with wireless integration to PDMS systems. This was a demanding task and the system called Sippi®BLE was released in Q4 2019. Currently Sippi®BLE is being tested in pilot clinical implementations at several clinical sites, for example Nya Karolinska University Hospital, Stockholm, Sweden. The table below shows key milestones for the Group from the incorporation of the Company and to the date of this Prospectus:

Year	Event
2009	• OMI was founded
2010	• Development and prototyping of Sippi® was initiated.
2011	• First patent for Sippi® was approved
	• OMI received ISO certification for the development, manufacture and sale of Sippi®
	• Seed Capital (DK) invested in OMI
2012	• The first Sippi® base unit was fully developed
2013	• Sippi® was listed with FDA for sale in the U.S. and with CE marking for sale in Europe, starting the commercialisation process
	• The first Sippi® system was sold to intensive units in Sweden and Denmark
2014	• Commercialisation started for Sippi®
	• Development of Sippcoat® technology.
2015	• OMI was acquired by Navamedic
	• Sippi® was rewarded a tender by Stockholms Läns Landsting (SLL)

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- 2016 • New patent granted pertaining to Sippcoat®, broadening the innovative encapsulated silicone-oil technology for biofilm inhibition to any patient drainage device
 - An agreement with Pennine Healthcare as distributor for the UK market was closed (contract to be updated according to new MD (medical device) Directives)
 - 2017 • Development of a wireless version of Sippi® that communicated directly with the patient monitoring systems was initiated
 - First patent for Sippi® approved in the EU
 - Sippi® was launched in the Italian market through an agreement with SimItalia
 - The Sippcoat® patent approved in the EU
 - 2018 • Launch of first version of Sippi@BLE interrupted due to unstable Bluetooth connection – own Bluetooth receiver developed
 - Software for Sippi® connection to one of the EU's largest patient data management systems (iMDSoft/Metavision/GE/CCC) released
 - Patent pertaining to Sippi® base technology, including the use of silicone oil to protect surfaces and Sippcoat® was approved in the U.S.
 - Sippi® was rewarded a tender by Västra Götalands Region (VGR)
 - 2019 • Launch of Sippi@BLE with wireless integration with the hospitals patient data management system
 - Observe Medical AB was certified according to the new Medical Device directive ISO 13485:2016 and a Declaration of Conformity for Sippi@BLE and disposable bag issued accordingly
 - The Company was incorporated in June
 - The Observe Medical business was demerged from Navamedic and merged with the Company in October.
 - The Company's Shares were listed on Oslo Axess (now named Euronext Expand) on 4 November 2019
 - 2020 • On 30 October 2020, the Company acquired 100% of the shares in Sylak AB, a company which was incorporated in 2009.
 - 2022 • On 14 January 2022, the Company announced the signing of a share purchase agreement to acquire 100% of the shares in Biim Ultrasound AS and announced that an fully underwritten rights offering would be launched in February 2022 to raise gross proceeds in the amount of approximately NOK 180 million

6.2.2 *The Demerger establishing the Group*

On 31 October 2019, Navamedic completed a demerger of its medtech-division to the Company (the "**Demerger**"). The Demerger was carried out as a demerger with a transfer to an existing entity (demerger and merger) in accordance with Chapter 14 of the Norwegian Public Limited Companies Act.

Navamedic's shares in Observe Medical International AB ("**OMI**") and a conditional deferred earn-out obligation which Navamedic had towards the previous shareholders of OMI in connection with Navamedic's acquisition of OMI, was transferred from Navamedic to the Company in the Demerger, while all other assets, rights and liabilities remained with Navamedic.

The board of directors of Navamedic and the Company agreed in that the exchange ratio in the Demerger should be based on assessed fair values of Navamedic and the part transferred to the Company, which gave an exchange ratio of 74% (remaining) / 26% (transferred). The exchange ratio was based on an assessment made by the boards, based on a valuation carried out by an external party, and founded on principles of discounted cash flow analysis, analysis of comparable transactions and the implied trading multiples of listed comparable companies.

The Demerger was implemented by way of decreasing the share capital of Navamedic through a reduction of the nominal value of the shares. The size of the share capital decrease in the Company reflected the allocation of the net values between the companies in the Demerger. The shareholders of Navamedic received shares in the Company by way of increasing the share capital in the Company through issuance of new shares as demerger consideration. Prior to the share capital increase in the Company, Navamedic's shareholding in the Company was redeemed in its entirety. Upon completion of the Demerger, but prior to completion of the debt conversion described below (the "**Debt Conversion**"), the shareholders of Navamedic became shareholders in the Company in the same ratio as they owned shares in Navamedic when the Demerger became effective.

On 1 October 2019, Navamedic subscribed for 3,200,000 shares in the Company by setting-off a loan the Company had to Navamedic in the amount of NOK 16,000,000 as contribution in kind. The subscription price in the share issue was NOK 5.00 per share. The completion of the Debt Conversion was conditional upon the Demerger being completed. Upon the completion of the Debt Conversion, Navamedic owned approximately 21% of the shares in OMASA.

6.3 Business, products and services

6.3.1 Introduction

During the last decade, there has been a digitalization of the intensive care where pulse and blood pressure are measured, and data is delivered in real time to the patient monitoring systems. Systems for intravenous delivery of drugs and fluids are also digitalized.

Hourly urine production measured as so called "hourly diuresis", which is an important parameter for clinical decisions, is currently the only remaining manually performed monitoring procedure at Intensive Care Units (ICUs) at hospitals, and the Group believes it has identified a huge unmet market need for a fully automated and digital urine meter.

The Group has developed Sippi®, an automatic and digital urine meter, with the associated patented technologies, SippSense® for measuring the urine volume and for alerting on any biofilm build up, and Sippcoat® which hinders bacterial migration in closed collection systems. Sippi® is approved for sale in Europe and listed with FDA for sale in the U.S. As at the date of this Prospectus, the Group has shipped approximately 400-500 base units and around 13,000-13,500 disposable units to customers in the EU since it started the commercialisation process of its products. The Group is now in an important launch phase for the next generation base unit named Sippi®BLE, which comprises a digital urine meter with wireless connection to the hospital's digital patient journal system.

6.3.2 Sippi®

Sippi® - the first automated, digital urine meter, wireless connected to hospital PDMS and with biofilm control

The system consists of a base unit which is attached to the hospital bed. Connected to the base unit is the single use Disposable unit, which consists of a measuring chamber, connected to the base units where the sensors are located and a urine bag for collecting the urine. The sensors and measurement technology, SippSense®, are covered by patents.

The base unit has a display in which last hour and accumulated urine production are continuously displayed. The base unit is robust and easy to handle, and the system has low weight and a flexible hanger that fits all hospital beds. Furthermore, the system has low power consumption and is powered by standard AA batteries. The base unit together with the single use kit forms a solution that is easy to handle and enables a more accurate and efficient measurement of urine production.



Unique solution to reduce the risk of infection

One challenge with all urine meter systems is that so-called biofilm is formed in the collection bag. The biofilm is an invisible coating that provides a breeding ground for bacteria that can migrate up the catheter and cause urinary tract infection in the patient. Catheter induced urinary tract infections ("**CAUTI**") is a common problem when using urinary catheters.

To manage and minimize the problem of biofilm and the increased infection risk, the Group has developed Sippcoat® and Sippsense®. Sippcoat® is a solution that inhibits the growth of biofilm. In the measurement chamber there is a capsule with silicone oil that inhibits biofilm. In use, the capsule is dissolved and forms a layer within the measurement chamber which hinders the formation of biofilm.

In order to ensure that biofilm does not reach critical levels undetected and thus run the risk of migrating upwards in the urinary catheter, the Group has developed Sippsense® technology which use a sensor that can record whether there is biofilm on the inside of the measuring chamber and warn when a critical level is reached. Sippcoat® and Sippsense® minimize and detect the risk of bacterial migration and hence CAUTI.

Sippcoat® and Sippsense® are patented technologies, unique to Sippi®.

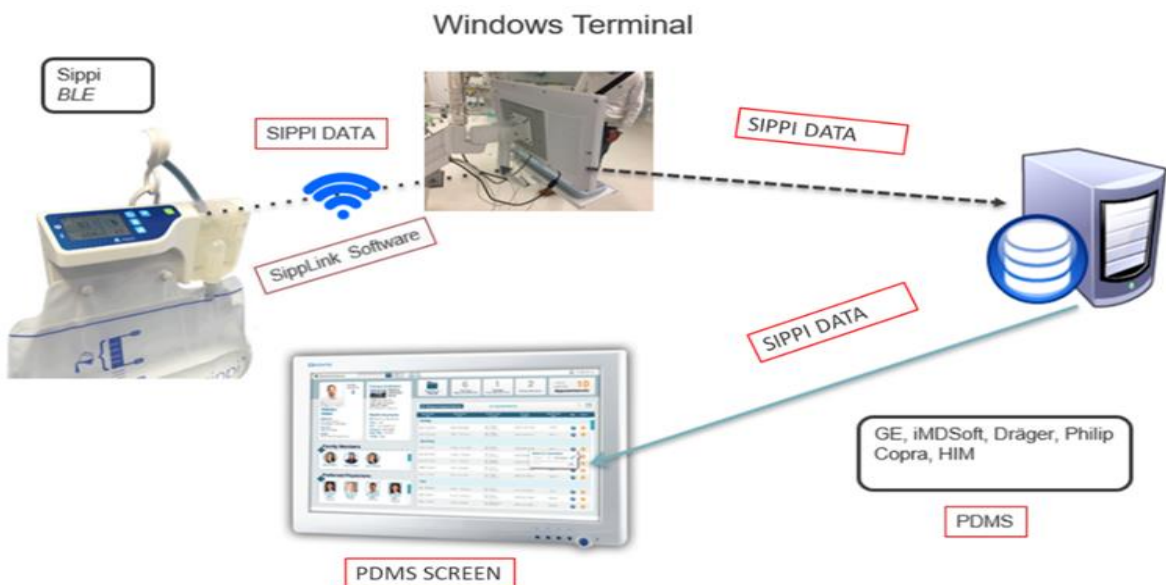


Wireless version of Sippi® launched in 2019

Sippi® automatically measures urine output and stores the information in the base unit. The Group has also developed a version of Sippi® which via Bluetooth Low Energy (BLE) can communicate through a BLE receiver with patient data management systems (PDMS).

With the wireless version, the last manual step is eliminated, and urine production measurement can automatically be integrated into the patient data management systems (PDMS) in the same way as pulse, blood pressure, temperature, infusion and other parameters are integrated today. The wireless version was launched in Q4 2019.

With the wireless version of Sippi®, the Group digitizes the last manual process in intensive care and connecting seamlessly with the hospital electronic journal system- as connected care.



6.3.2.1 New products or services

Going forward, the Group will, in the short term, focus on specific areas regarding new products and services pertaining to Sippi®.

PDMS Connectivity

Connectivity to the markets patient data management systems (PDMS) system is of significant importance since it is asked for by the Group's customers. There are multitude of suppliers of proprietary PDMS systems and several open source systems on the market. The Group has established connectivity with two of the proprietary systems (GE and iMDsoft) and are in development stages with the remaining ones.

The current status regarding Sippi® PDMS connectivity is as follows:

PDMS system supplier	Type	Sippi® connectivity
iMDsoft/Metavison	Proprietary	Yes
GE/Centricity		
ASCOM / Digistat	Proprietary	Expected in Q1 2022
Dräger	Proprietary	Expected before end of 2022
Phillips		
COPRA		
HIM		
EPIC		
Cerner	Open source	Yes (Connectivity is done locally at customer site)

Sippcoat® (OEM)

The Group believes that Sippcoat® could have a great potential in inhibiting biofilm growth within fluid handling systems. It has been documented that Sippcoat® works based upon Group laboratory and patient data. The Sippcoat® encapsulated technology is already produced and in stock for Sippi® and the same capsule can also be sold as original equipment (like Intel Inside) to other suppliers of urine and body fluid bags. Currently the OEM strategy Sippcoat® is being developed.



6.3.3 Observe Medical Nordic AB

On 30 October 2020, the Company completed the acquisition of 100% of the shares in OMN (previously named Sylak AB), a Swedish distributor of ICU/anesthesia and surgical products, with a Nordic scope and current focus on the Swedish market, with a team of experienced sales professionals (ICU-, anesthesia- and surgical nurses) and with a complementary product portfolio to the Sippi® system, comprising medical devises and disposables.

The employees in OMN assumed key positions as Head of sales, KAM Nordics, and Product- and Tender Manager in Observe Medical AB.

6.4 Investments

Other than the Biim SPA, the Group has not made any material investments which are in progress and/or for which firm commitments have already been made since 30 September 2021. Reference is made to Section 7 "The Biim Acquisition and certain information relating to Biim Ultrasound AS" for more information about the Biim SPA and the Biim Acquisition, including the anticipated source of funds for the Biim Acquisition.

6.5 Research and development

The Group's research and development has in the past three years included (i) the integration of Sippi®, via SippLink™ – a wireless receiver of data for connection to patient data monitor systems, towards GE Healthcare's CCC and Imdsoft's Metavision, (ii) upgrade of the disposable unit and prolonged shelf-life, (iii) compliance with RED radio directive, (iv) improvement of signal algorithm for volume measurement and (v) enhanced battery lifetime for wireless transmissions.

The Group's ongoing and upcoming research and development activities include:

- Development of SippBridge™: The wireless connection between Sippi® and PDMS systems is today realised by SippLink™, a software running on a hospital medical PC. As an alternative to SippLink™, the Group is in the launch phase of a stand-alone hardware solution, SippBridge™. Being able to offer both a software and a hardware solution will be beneficial for the Group's customers, since each customer can implement the optimal set-up they prefer;
- Ongoing work, securing Sippi® system compliance with the new European MDR directive; and
- Continuous development for improvements of Sippi® system.

6.6 The Group's competitive advantages

The Group's proprietary technologies, related to Sippi®, SippCoat® SippSense® and SippLink® form an umbrella of competitive advantages in the market. In the Group's opinion, Sippi® has first and foremost potentially the most stable measuring technology of volume using contactless capacitive sensors. Most other volume measurement technologies have proven to be either too sensitive or not working in contact with urine. Hence, the strategic focus for the Group is to establish its product portfolio as the digital urine measurement device with wireless stable volume measurement technology as well as the best intraluminal biofilm control. Also, compared to Sippi® approach of targeting a pragmatic clinical application, hourly diuresis, with a cost efficient solution, the emerging digital urine meter competition are typically more complex and feature oriented systems which makes them less clinically feasible and also put them at a significantly higher price point. The business model for Sippi® is based on a system sale, where the base unit is an unique hardware and where the disposable unit is specific and thus no copies can be used. Each base unit will generate reoccurring sales of disposable units. Each intensive care unit needs a base unit per bed plus a few additional units in reserve. The Group expects the base unit to last on average between three to five years and will then need to be replaced with new units.

For each new patient, a disposable unit is used for up to seven days, which is sufficient for most intensive care patients. If the biofilm indicator shows that critical levels begin to be reached within seven days, the disposable unit will need to be replaced. The Group estimates that each base unit in full operation could generate sales of about five to six consumables (Disposables units) per month.

As a consequence of the business model, customers are locked to the Group's disposable unit and thus a recurring sale can be expected. As the number of base units sold increases, the Group would expect a steady and repetitive sale of disposable units.

6.7 Strategy and objectives

The Group's strategy is to enable innovations to be commercialised on a global market for the benefit of society, healthcare professionals and patients. The Group's prospects include continued growth of its platform and portfolio to address healthcare challenges, through ongoing R&D and acquisition strategies in line with the Group's goals and vision.

During 2021 the Group has continued to execute its strategy for Sippi® with clinical-rollout and customer relations in focus. In the Nordics and in rest of Europe, the Group pursues Sippi® implementations, with high activity levels and interaction with the Group's distributors.

The current COVID-19 situation represents a challenge since the pace of the roll out of Sippi® will depend on the progress of the COVID-19 situation in hospitals, and the related access to our customers. However, it also highlights the fundamental challenges for the healthcare – time/resources, data accuracy and hospital acquired infections – all of which are addressed by Sippi®.

6.8 Market Launch

The Group is in the launch phase of Sippi®BLE, which is approved for sale in Europe. The first phase, which started in H1 2020, are in the Nordics and certain other selected European countries such as Italy and Poland. The main focus in the first phase is clinical rollout of Sippi® to collect clinical evidence and customer feedback. The second phase starts in 2022 in other selected EU countries, and selected rest of the World ("RoW") territories and the U.S. with potential U.S. launch in late 2022/early 2023, or later depending on considerations and experience from the EU launch rollout as well as the prevailing market conditions. The Group does not intend to build a large in-house sales organization, but will mainly work via distributors and partners, except in the Nordic countries where the Group conducts own sales and marketing to maintain close customer contact. Currently, the Company has an own sales organization in Sweden, but expect to expand into rest of the Nordic countries in within the next years. The Group believes in close customer contact to receive swift feedback, discover any hurdles or initial start-up challenges and have own in-house technical expertise to handle this. This will also ease the roll-out and market entry anywhere else.

A successful launch requires close cooperation with the distributors, for which the Group provides training, references and support services. Service beyond the product is key for success. A launch is resource-intensive and in order to secure a step-by-step process for smooth roll-out and positive user experience, the Group will focus on a few important market and centres of excellence, and distributors and partners, The Group's target are mid-sized or large nation-wide or international distributors companies with strategic focus and competence in either the ICU or Urine collection market or both.

The long-term objective is to achieve a market share of 10% within 18 to 24 months in each launched market at clinics with compatible PDMS. As Sippi® is launched in an increasing number of markets, an installed base of Sippi® will be built up that generates recurring sales of consumables.

Due to Sippi®'s effective solution, urine measurement is also possible, enabled by Sippi®, in general care where hourly diuresis currently is not performed due to lack of staff, which opens up a new market segment for the Group.

The U.S. is considered the largest single market globally. In the U.S., urine meters are integrated with the urine catheter, requiring the Group to produce a kit for the U.S. market and it has therefore initiated contact with catheter suppliers and plans to develop an integrated product for the U.S. market. In order for the Group to launch an U.S. initiative, the Group aims to hire several persons to secure operations in the U.S. and to enter into a collaboration agreement with an established player with products in urology or intensive care products in order to achieve growth and access in the U.S. market. By launching through an already established U.S. organisation the Group will benefit from local knowhow and insight regarding kit production, sales and marketing resources, local regulatory knowledge etc.

To ensure a smooth and successful entry in the U.S., the Group is collaborating for market access through Norway Health Tech, the commercial section at the U.S. embassy in Norway as well as Innovasjon Norge.

Entry into RoW

The Group's organization is too small to build own market presence in territories outside the Nordics. Therefore, in the Rest of the World (RoW) territories like Asia, the Group aims for market access through one or several pan-Asian distributors, with the same qualities and necessary knowhow as for the U.S. market. In order to be able to start such operations, the Group anticipates that it will need to employ several new employees. All features necessary for Medtech products will be needed, such as technicians, resources for service beyond the product, regulatory issues, import etc.

6.9 Competition

There are a number of players that provide manual urine meters, all of whom are larger companies with broad product portfolios that usually include catheters and other products in urology and consumables. These are large global medical technology companies. The Group markets the currently only digital urine meter with wireless integration to electronic patient journal systems (PDMS) and biofilm control. The competitive picture differs between Europe and the U.S. In Europe, there are currently five established players in urology, three of which market urine meters actively.

The two largest players in the European market are Convatec and B.Braun. Convatec had a revenue of approximately EUR 1.8 billion in 2018 and approximately 9,500 employees¹.

The other major player in the EU is B. Braun whose urine meters has a market share on par with Convatec. B. Braun is also a major supplier within medical technology and had a turnover of approximately EUR 7.5 billion in 2020 with 64,585 employees².

Another player in Europe, which is also amongst the largest vendors in medical technology, is Cardinal Health, with a revenue of over USD 162 billion in 2021 and approximately 48,000 employees³.








In addition to the three above-mentioned vendors, there are another two major players in urology in Europe that provide catheters and other products. These are American Teleflex and BD, which had a turnover of USD 2.5 billion in 2020⁴ and USD 17 billion in 2020⁵, respectively.

The U.S. market for manual urine meters differs from the European market, since urine meters are usually integrated with the catheters as so called procedure packs, the container sits in front of the bag and when emptied it is folded over the bag behind. The U.S. market for urine meters is dominated by three players. The largest in the American market is BD. The second vendor in the U.S. is Cardinal Health (which is the only manufacturer with market shares in both the EU and the U.S.). The third competitor is Medline with a turnover of USD 18 billion in 2020 and 27,000 employees⁶.

Approximately two years ago from the date of this Prospectus, Portreo Medical launched a digital urine meter in the U.S. market. The Accuryn product uses the same measurement technology, ultrasound, as BD's digital product Criticore. Ultrasonic measurement technology is more sensitive to movements. In addition to Criticore, Accuryn has a pressure measurement in the bladder which is used to alert for blockage in the tubing as well as an automatic relief thereof. The disposable unit price is set at a level which is expected to be in the range of 5-10 times that of a Sippi® disposable price. Comparing to emerging digital urine meters, the Sippi® price point is significantly lower, however compared to standard analogue meters Sippi® is priced higher.

To the best of the Group's knowledge, Sippi® is the only fully automated, digital, wireless urine meter, which also contains an infection prevention feature with alert for and measure against intraluminal migration of bacteria.

Competitor Overview

	 Cardinal Health™	 Convatec <small>A B Braun Medical Company</small>	 B. BRAUN	 BARD	 POTRERO MEDICAL	 BARD	 observe medical
	Curity Precision	Unometer	Ureofix	Bardia	Accuryn	Criticore	Sippi
Wireless connection to electronic patient journal	NO	NO	NO	NO	NO	NO	YES ✓
Measure technology	Analogue	Analogue	Analogue	Analogue	Optic sensor	Optic sensor	Capacitive sensor ✓
Sensitivity	Low	Low	Low	Low	High	High	Low ✓
Mobility	High	High	High	High	Low	Low	High ✓
Power	n.a.	n.a.	n.a.	n.a.	A/C	A/C	AA Batteries ✓
Pricing	Low	Medium	Medium	Medium	Very high	High	Medium ✓
Customer acceptance	All beds	All beds	All beds	All beds	Niche product	Niche product	All beds ✓
Bacteria Control	NO	NO	NO	NO	NO	NO	YES-Sippoat ✓

Source: "Accuracy and ease of use of a novel electronic urine output monitoring device compared with standard manual urinometer in the intensive care unit" (2009), Einav, S., Hersch, M., and Izbicki, G., Journal of Critical Care 24.4

¹ **Source:** https://convatecgroup.com/media/1560/convatec_ar2018_interactive.pdf

² **Source:** <https://www.bbraun.com/en/company/organization-facts-figures/annual-report-2020.html#>

³ **Source:** https://s1.q4cdn.com/238390398/files/doc_financials/2021/ar/393607-CARDINAL-HEALTH-AR.pdf

⁴ **Source:** https://s27.q4cdn.com/154990478/files/doc_financials/2020/ar/Teleflex_AR2020_WEB_1.pdf

⁵ **Source:** <https://investors.bd.com/static-files/3c4280f7-ff84-4137-8e5d-0e7c9db5acbd>

⁶ **Source:** <https://www.medline.com/pages/about-us/our-company/>

6.10 Manufacturing

Sippi® consists of two components: the base unit and the disposable unit.

Both the base unit and the disposable unit is entirely developed by the Group. All costs in relation to the development have been borne solely by the Group.

All manufacturing steps of the base unit and the disposable unit have been outsourced; however, all manufacturing tools and rigs are owned by the Group in order for it to be in control of and being able to facilitate a potential move of manufacturing or assembly in the future.

The base unit is manufactured by Inission in Borås, Sweden. Their facility is located close to the Group's development office, making surveillance and adjustments easy and fast.

The disposable unit consists, in simple terms, of three components: tube, bag and measuring siphon. Knudsen Plast is manufacturing the plastic siphon components and assembles the chamber. The tubing, bags and assembly of the entire kit is sourced through Unomedical/Convatec in Slovakia, which pursuant to the Company's knowledge is one of Europe's most significant plants for urine bags. This contractor ensures scalability and low-cost production at high volumes.

6.11 The Group's intellectual property rights

The Group has a strong global patent situation with focus on its three technologies: (i) Measuring volume via contactless sensors, (ii) SippSense®, measuring sensor degradation and hence biofilm onset and (iii) Sippcoat®, the use of silicone oil as biofilm prevention properties in both urology and other bodily fluid systems. There are currently 63 approved patents in key countries and territories. The Company's subsidiary Observe Medical Aps is the registered owner of all of the Group's patents relating to Sippi®.

The table below provides an overview of the Group's five patent families:

Type and registration year	Patent number	Description	Regions	Expiration date
Urosense Patent (IP1) June 2009	EP2445408 US10182747	Protects the system design of; <ul style="list-style-type: none"> • Base unit • Disposable Interaction between units	Brazil, France, India, Italy, Japan, China, Netherlands, Russia, Spain, UK, Sweden, Turkey, Germany, US	Year 2030
Urosense II Patent (IP2) November 2011	CN103959020B JP6078549 RU2618089 US10145813	Detection of a degenerated sensor surface – SippSense®	Brazil, India*, Japan, China, Belgium, Germany, Spain, France, UK, Italy, Netherlands, Turkey, Russia, Sweden, US	Earliest Year 2031 Latest Year 2032
Urosense III Patent (IP3) March 2013	CN105120752B EP2967464 JP6416796 US10188339	Protection relating to the patient activated silicone oil capsule - Sippcoat®	Brazil*, France, India, Italy, Japan, China, Netherlands, Russia, Spain, UK, Sweden, Turkey, Germany, 2*US	Year 2033
Urosense IV Patent (IP4) September 2014	EP3193947 RU2693473 SE538635C2 US9861715	Sterile release of encapsulated oil mixture (ETO & Radiation)	Brazil, India*, Japan, China, Belgium, Germany, Spain, France, UK, Italy, Netherlands, Turkey, Russia, Sweden, US	Earliest Year 2034 Latest Year 2035
Sippcoat Patent (IP5) March 2016		Administration of silicone oil into urine collection system in general	Belgium, Germany, Spain, France, UK, Italy, Netherlands, Turkey, China, US	Earliest Year 2034 Latest Year 2035

6.12 Material contracts

Other than the Sylak Acquisition and the Biim SPA as further described herein, no company in the Group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Further, other than the Biim SPA, no company in the Group has entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any material obligation or entitlement.

6.13 Dependency on contracts, patents and licenses

The Group owns all the intellectual property rights that protects the technology behind the Sippi® family of products as listed in Section 6.11 "The Group's intellectual property rights" above. The Group also owns all the key tools and rigs for manufacturing of the products. The manufacturing and assembly of the products are contracted out, but there are no manufacturing or assembly step that could not be moved to another contractor should that be necessary.

At the date of this Prospectus, the Group's current operations are dependent on the loan agreement with Navamedic and for retaining and obtaining CE certification and other regulatory certifications when entering into markets outside the EU (e.g. the Group's FDA registration).

Other than the above, it is the Company's opinion that the Group's existing business or profitability is not materially dependent on any patents or licenses, industrial, commercial or financial contracts.

6.14 Regulatory environment

As at the date of this Prospectus, there have not been any material changes in the regulatory laws nor environment which affects the Group's business since 31 December 2020.

6.15 Legal proceedings

The Group is not, nor has it been, during the course of the preceding 12 months prior to the date of this Prospectus, involved in any legal, governmental or arbitration proceedings which may have, or has had in the recent past, significant effects on the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened.

6.16 Related party transactions

The Company has entered into the following related party transactions in the period between 30 September 2021 and the date of this Prospectus:

- (i) the payment of a guarantee fee to IRIC in the amount of NOK 250,000 payable to IRIC for them having guaranteed for MNOK 10 of the Danske Bank loan facility (as defined below);
- (ii) subject to the approval by the annual general meeting of the Company to be held in June 2022, the Company will also remunerate the Board Members for their due diligence review performed in connection with the Biim Acquisition. The agreed but contingent fee for such work will be proposed to amount to NOK 3,000 per hour spent by each Board Member; and
- (iii) pursuant to a consultancy agreement entered into between Board Member Thomas Grünfeld and the Company in 2020 for consultancy services for the role as Chief Medical Officer of the Group, the Company has, based on an hourly agreed fee of NOK 1,500 per hour spent, been invoiced TNOK 1,064 and reimbursed TNOK 92 in travel expenses, in the financial year 2021.

6.17 Trend information

There is a strong trend within digitalisation in the healthcare sector and the company's products are innovative digital products that contributes to digitization of manual processes in current clinical practice. As an innovative and more technically advanced product solution compared to the manual systems, Sippi® has higher manufacturing costs. Driven by the digitalisation trend within the industry, and that the system contribute to improved patient welfare, health economics and data accuracy the Group assume they will obtains higher prices compared to manual systems.

Biim's pocketable wireless ultrasound device is a cost-effective device compared to traditional ultrasound devices and enables the use of ultrasound technology in areas where it was not previously available. The systems support the strong trend of digitization in the healthcare sector and contribute to improved patient welfare, health economics and data accuracy by digitization of manual processes in current clinical practice.

The current Covid-19 situation with national restrictions and the healthcare system and healthcare providers fully occupied with acute handling of COVID-19, provides constraints to the launch efforts for new innovative medtech products. The situation highlights the trend and need for further digitalisation in the healthcare sector for improved patient care, health economy and efficiency.

The Group is not aware of any recent trends in production, sales and inventory, and costs and selling prices that are significant to the Group in the period between 31 December 2021 and to the date of this Prospectus.

Furthermore, the Group is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group for the current financial year, other than the Biim Acquisition and the Rights Issue, and if the Biim Acquisition is completed, Biim's agreement with Fresenius as further described in Section 7.2.5 "Material agreements" that could have a material effect on the Group in the current financial year.

6.18 Significant change

Other than the Group having entered into a new loan agreement with Danske Bank for a loan facility in the amount of NOK 15 million (the "**Danske Bank loan facility**"), there have been no significant changes in the financial position or the financial performance of the Group in the period between 30 September 2021 and to the date of this Prospectus. The borrowed amount under the Danske Bank loan facility will be repaid by the Company with the proceeds from the Rights Issue (see Section 14.1.1 "Use of proceeds") and the maturity date of the loan is immediately after completion of the Rights Issue and at the latest on 31 March 2022.

6.19 Regulatory disclosures

The table below set outs a summary of the information the Company has disclosed under Regulation (EU) No 596/2014, which is relevant as at the date of the Prospectus, in the 12 months' period prior to the date of this Prospectus.

Date disclosed	Category	Summary of information given
23 February 2021	Financial information	<p>The Company published its Q4 2020 report and announced the following highlights:</p> <ul style="list-style-type: none"> the Company closed the acquisition of Sylak AB, a Swedish medtech company with a strong sales team and a product portfolio synergistic with Sippi®, now fully integrated into the Company's sales operations; revenue of NOK 2,900,000 in Q4 2020. The increase was primarily driven by the added revenue from the acquired sales and distribution activities in Sweden; and the Company's EBITDA was negative NOK 9,500,00 affected by increased cost related to increased headcount, market activities and transaction expenses related to M&A. The net result in the period ended at negative NOK 20,400,000, affected by finance expenses mainly related to increased non-cash contingent consideration liabilities.
22 March 2021	Inside information	It was announced that the Group had received a follow-up order to deliver additional quantity of safety needles to a hospital region in the Nordic market. The follow-up order represented a value of SEK 4,200,000, with planned delivery of the products during Q3 2021.
30 April 2021	Financial information	The Company published the annual report for 2020.
12 May 2021	Financial information	<p>The Company published its Q1 2021 and announced the following highlights:</p> <ul style="list-style-type: none"> the Company has enhanced its Nordic sales and distribution capacity and also continued to expand and strengthen its global patent portfolio. At the same time, the clinical evidence for Sippi® is reinforced further through a doctoral dissertation earlier this year and new studies to broaden the clinical use of Sippi® has been initiated. The Group's Nordic Direct Sales Operation is now well established and proves very efficient even in the challenging situation during the pandemic. The Group is able to source essential equipment for hospitals due to their global supplier relations, and during Q1 they received large orders which will materialize in revenues during the rest of 2021. revenue of NOK 3,100,000 in Q1 2021. The increase was primarily driven by the added revenue from the acquired sales and distribution activities in Sweden; and the Company's EBITDA was negative NOK 8,000,00 affected by increased cost related to increased headcount and market activities. The net result in the period ended at negative NOK 4,800,000.
20 August 2021	Financial information	<p>The Company published its Q2 and H1 2021 financial results and presentation and announced the following highlights:</p> <ul style="list-style-type: none"> revenue of NOK 9,700,000 in Q2 2021. The increase was primarily driven by the added revenue from the acquired

		sales and distribution activities in Sweden; and
		<ul style="list-style-type: none"> the Company's EBITDA was negative NOK 4,800,00 affected by improved gross profit from the sales operation. The net result in the period ended at NOK 1,300,000 driven by net finance income.
3 November 2021	Financial information	<p>The Company published its Q3 financial results and presentation and announced the following highlights:</p> <ul style="list-style-type: none"> revenue of NOK 7,600,000 in Q3 2021. The increase was primarily driven by the added revenue from the acquired sales and distribution activities in Sweden; and the Company's EBITDA was negative NOK 6,700,00 affected by increased headcount and development projects in the quarter. The net result in the period ended at negative NOK 8,400,000.
16 November 2021	Primary insider notification	<p>It was announced that the board of directors of the Company had resolved to grant 120,000 share options in the Company to the group CFO, Per Arne Nygård. Each option gives the right to acquire one share in the Company for an exercise price of NOK 8.29. 4/6 of the options vested upon grant, while the remaining 2/6 vest with 50% on 1 March 2022 and 1 March 2023, respectively.</p>
14 January 2022	Inside information	<p>It was announced that an extraordinary general meeting of the Company was to be held on 4 February 2022. The general meeting will consider the proposals by the board of directors to (i) carry out a share capital increase in the Company, by way of a fully underwritten rights issue to raise gross proceeds of NOK 180 million (the Rights Issue), and (ii) authorise the board of directors to issue 8,171,913 new shares in connection with the Company's acquisition of Biim Ultrasound AS (the Consideration Shares).</p>
14 January 2022	Inside information	<p>It was announced that the Company and the shareholders of Biim Ultrasound AS had entered into a share purchase agreement regarding the Company's acquisition of 100% of the shares in Biim Ultrasound AS. The transaction will be settled with a combination of cash and shares. Furthermore, the transaction is subject to the approval by the extraordinary general meeting of the Company, to be held on 4 February 2022, of a rights issue and an authority to the Company's board of directors to issue the consideration shares as well certain other customary conditions. The agreement is expected to be completed in March 2022.</p>
3 February 2022	Inside information	<p>Terms of the fully underwritten rights issue were proposed by the board. The board of directors proposed that the subscription price should be NOK 7.00 per new share offered in the rights issue, representing a discount of 30% to the theoretical ex rights price (TERP) of the Company's shares based on the volume-weighted average price (VWAP) of the Company's shares on Euronext Expand in the three days' period from 1 February 2022 to and including 3 February 2022, of NOK 13.939.</p> <p>Furthermore, the share capital of the Company was proposed to be increased by NOK 6,685,714.36 through the issuance of 25,714,286 new offer shares, representing a ratio of 1.3116 offer shares per each existing share.</p>

7 THE BIIM ACQUISITION AND CERTAIN INFORMATION RELATING TO BIIM ULTRASOUND AS

This Section provides information on the background and the reasons for the Biim Acquisition as well as an introduction to the business conducted by Biim Ultrasound AS.

7.1 Overview of the Biim Acquisition

On 14 January 2022, the Company announced that it had entered into the Biim SPA for the acquisition of 100% of the shares in Biim Ultrasound AS (Biim). Completion of the Biim Acquisition ("**Completion**") is expected to occur during March 2022.

The following is a brief description of the Biim Acquisition, including the material terms and conditions of the Biim SPA.

7.1.1 The Parties to the Biim SPA

The Biim SPA was initially entered into by and between the Company and 12 physical and legal persons, who jointly represented 78.5% of the issued and outstanding shares in Biim. As at 7 February 2022, shareholders jointly representing approximately 98.9% of the issued and outstanding shares in Biim are party to the Biim SPA as a seller (and all shareholders of Biim who have adhered to the Biim SPA as a seller is jointly referred to as the "**Sellers**").

Pursuant to the Biim SPA, the Sellers have undertaken to sell all the shares in Biim, and the Company has undertaken to purchase all the shares in Biim. When the initial Sellers entered into the Biim SPA, this triggered a drag along right set out in the shareholders' agreement governing the shareholders' rights and obligations in Biim. It is a condition precedent to Completion that all shareholders' of Biim have adhered to the Biim SPA in accordance with the drag along right, whereby the Company will acquire all outstanding shares in Biim at Completion.

The following table sets out the 10 largest Sellers (owners of the most shares in Biim) as of the date of this Prospectus:

#	Name	Number of shares owned in Biim
1	JPB AS	58,295,909
2	Eli AS	43,674,451
3	Brødrene Karlsen Holding AS	12,015,401
4	TAJ Holding AS	11,288,735
5	Kubera AS	10,436,555
6	Waagenybakken Holding AS	7,952,616
7	Skålvold Eiendom AS.....	6,951,532
8	Alstad Holding AS	5,583,742
9	JTT AS.....	4,477,701
10	Panto Holding AS	3,831,066

7.1.2 Background and reasons for the Biim Acquisition

The Biim Acquisition is in line with the Group's core strategy to be a platform for growth both to offer innovative products to the purpose of patient welfare, health economics and data accuracy, and to create a global distributor and partner network for the sale of the Group's proprietary products. Biim is accelerating their commercial strategy with the agreement with Fresenius (see Section 7.2.5 "Material agreements" below for more information) with the intention to deliver approximately 2,500 wireless pocketable ultrasound devices to dialysis centres in the U.S., in addition to Biim's Letter of intent entered into with Vygon.

7.1.3 Total consideration and transaction costs

Pursuant to the Biim SPA, the Company shall pay a total consideration of NOK 185 million to the Sellers, of which NOK 50 million will be paid in cash and the remaining amount by issuing the 8,171,913 Consideration Shares upon conversion of an account receivable, to be issued at a subscription price of NOK 16.52 per Consideration Share, to the Sellers. In addition, the Company will be liable to compensate the Sellers on a NOK for NOK basis for any share capital contributions made by the Sellers to Biim in the period from the 20 October 2021 and until Completion.

The Company will finance the cash consideration through the Rights Issue.

7.1.4 Warranties of the Sellers in the Biim SPA

The Biim SPA contains warranties to the benefit of the Company customary for a transaction of this size and nature. These warranties include certain fundamental warranties (i.e. with respect to inter alia the Sellers' authorisation to enter into the Biim SPA and ownership to shares sold under the agreement, and certain corporate information), and warranties related to accounting matters, information on external borrowing, insurance, tax, permits, compliance with laws, material contracts, litigations and investigations, products and services, data protection, environmental, health and safety matters, assets, real property, employment, retirement and benefit arrangements, intellectual property rights, IT systems, related party contracts and disclosed information.

The scope of the warranties is limited, and the warranties are qualified by matters disclosed to the Company and its advisors. The Sellers' liability under the warranties is limited by certain agreed de minimis and basket thresholds and certain maximum amounts. Further, the warranties are subject to agreed time limitations. The Company may therefore not be able to claim any compensation from the Sellers in case of a breach of the SPA.

7.1.5 Conditions for completion of the Biim SPA

The Completion of the Biim SPA is subject to (i) the Company completing the Rights Issue, (ii) the Company's general meeting approving the issuance of the Consideration Shares by way of an authorisation to the Board to resolve the share capital increase pertaining to the issue of the Consideration Shares, (iii) all shareholders of Biim adhering to the Biim SPA, (iv) customary consents from third parties, (v) truth of Sellers' Warranties, (vi) that all outstanding warrants in Biim is settled prior to Completion and (vii) that the Sellers comply with their obligations pursuant to the Biim SPA (the "**Conditions**").

7.1.6 Termination of the Biim SPA

The Biim SPA may not be terminated by a party other than in the event that (i) the Conditions are not fulfilled or waived within 31 March 2022, or such other date as may be agreed in writing between the parties (the "**Long Stop Date**"), or becomes incapable of being fulfilled, provided, however, that a party having caused the Condition not to be satisfied by acting in breach of the Biim SPA may not terminate the Biim SPA on such basis, or (ii) in case of material breach of the Biim SPA by either the Sellers or the Company.

7.1.7 Agreements entered into for the benefit of management or the board members

No agreements have been entered into by the Company in connection with the Transaction for the benefit of any Board Members or member of the Management in the Company, or for the benefit of any board members or senior employees in Biim.

7.2 The business of Biim

7.2.1 Introduction

Biim has developed and sells a wireless pocketable ultrasound device which has been approved by the FDA since 2018.

Biim is headquartered in Narvik, Norway and conducts app development and firmware engineering in Oulu, Finland and has hardware development resources and production facilities in Seattle, U.S.

As at 7 February 2022, Biim had a registered share capital with the Norwegian Register of Business Enterprises (Nw. *Foretaksregisteret*) of NOK 1,971,128.68, comprising 197,112,868 shares, each with a nominal value of NOK 0.01.

7.2.2 Board of directors, management and auditor

At the date of this Prospectus, Biim's board of directors comprises Eskild Endrerud (chairman), Håkon Hoyer Barlindhaug and Rune Christian Nystad. Rune Nystad is also the CEO of Biim.

WI Regnskap og Revisjon AS, company registration number 925 809 896, and with registered address at Teknologiveien 10, 8517 Narvik, has been Biim's auditor since December 2020. Prior to such date, BDO AS, company registration number 993 606 650, and with registered address at Munkedamsveien 45A, 0250 Oslo, had been the Company's auditor since 2014.

7.2.3 Corporate organisation

Biim is the parent company of the Biim group, which in addition to Biim includes its two subsidiaries Biim Ultrasound Oy (Finland) ("**Biim Oy**") and Biim Ultrasound Inc. (U.S.) ("**Biim Inc**" and together with Biim Oy and Biim, the "**Biim Group**").

As at 31 December 2021, Biim had four employees, Biim Oy had two employees and Biim Inc had one employee and seven consultants.

7.2.4 *Biim's product – the wireless pocketable ultrasound device*

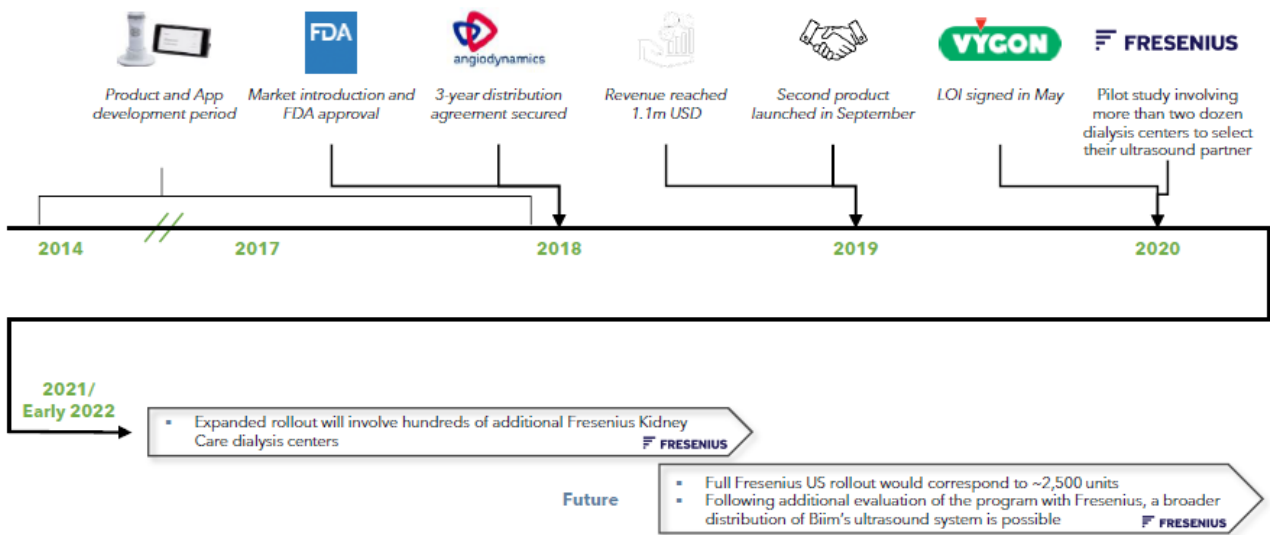
7.2.4.1 Introduction

Historically ultrasound has been underutilized, despite its clinical value. Ultrasound has been expensive and served by large ultrasound devices in hospitals and not designed to be mobile solutions that is easy to bring and use in and outside the hospitals. Biim's wireless pocketable ultrasound device is a cost efficient and small handheld wireless device that make the technology available were its needed.

Biim offers nurses and medical staff an easy to use ultrasound device at low cost for them to ensure accuracy and quality in treatment of their patients.

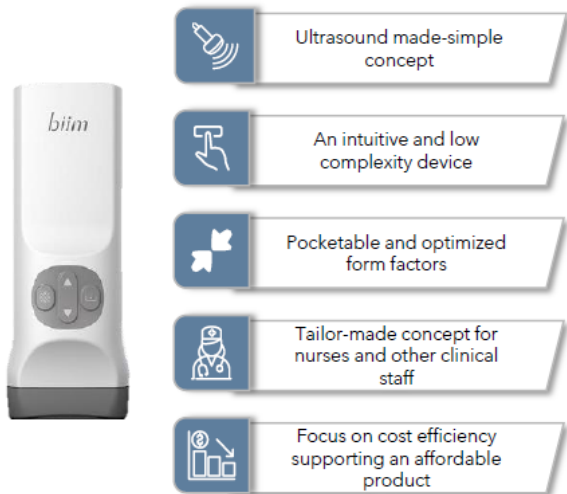
The customers of Biim Group benefits from the device being intuitive, pocketable, flexible and cost efficient.

Biim has extensive R&D conducted since 2014, and its recent agreement with Fresenius has been a major important milestone.

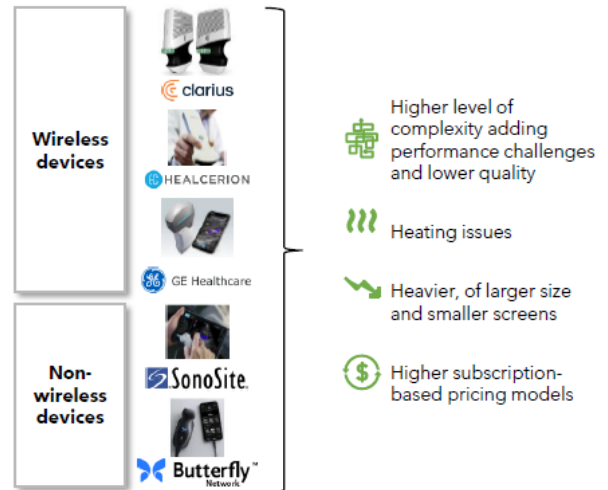


In the Company's view, the Biim's wireless pocketable ultrasound device stands out among competitors.

Biim delivers a unique device...



... which clearly stands out among its competitors



7.2.4.2 The product

The system consists of an ultrasound probe and an App for display of the ultrasound image and/or video. The App can be downloaded from App Store and Google Play onto a tablet, pc or a phone. The wireless communication between the probe and the device for display is done via a Wifi connection. Both the probe and the display device each have a Wifi chip for a closed system connection to be established during operation. The system is typically used at bedside but also in non-hospitals settings such as nursing homes, ambulances and in homes.

The entire system is designed to display anatomy and needle insertions in the range of 0 to 4 cm. The main procedures are IV; PICC (Midline), CVC and dialysis procedures for graft and fistula view during procedures.

The probe consists of many small plastic parts and electrical parts. The main circuit board has sufficient capacity to send, receive and process image data. It is operated by a chargeable battery. The probe also consists of several wireless functions in order for the operator to keep the device in sterile field with the display device outside of the sterile field established for a specific procedure. This has several advantages compared to most devices which have a cable between the probe and the display device, which is considered more cumbersome.

Some of the App's functions are zoom, changing the depth of view, storing/sending data, measurements of length, circumference and annotations.

The customer can also purchase additional batteries, probe holders, gel, sterile sheets and a rack to store the entire system. Biim offers most of these articles.

7.2.4.3 New products or services

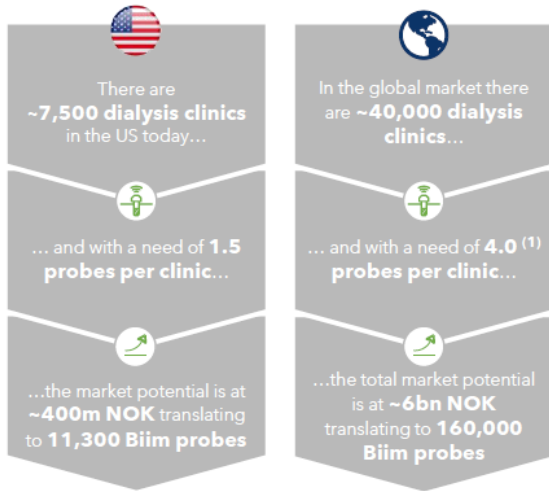
Biim's staff is continually working for improvements of their products and currently have the following activities taking place:

- Replacement of lens material in Q2 2022. This will significantly improve the ultrasound image as the new material is better at reducing noise in the image.
- Replacement of lens going from 23mm to 7mm width. This will improve the point of needle pick-up in the App from approximately 1 cm as it is currently, to approximately 2-3 mm. Typically, for most systems the needle can at the earliest be displayed at approximately 1 cm depth.
- Biim is currently assisting Vygon with their USA launch. The intention for both companies is to together initiate a development project for a next generation tip location device including an ultrasound probe. This will enable Biim to develop the next generation probe and increase the sales volume for Biim and give Vygon a competing edge.

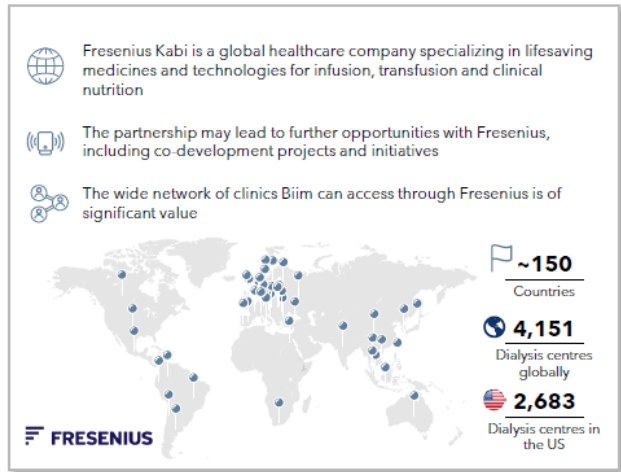
7.2.4.4 Market overview

The dialysis market opens for a huge potential for Biim's wireless pocketable ultrasound device.

The market potential within dialysis is huge



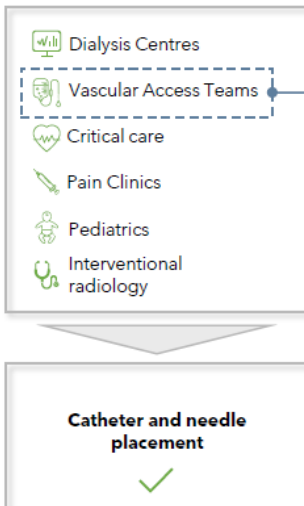
Fresenius partnership opens extensive growth opportunities



(1): Over time the Company believes that Biim's wireless pocketable ultrasound device will become standard of care, thus the estimated number of wireless pocketable ultrasound device/probes are higher for the global market size estimate.

Furthermore, Biim has identified a untapped potential to distribute its product in adjacent market segments.

Similar medical segments



...where Biim has already established partnerships

angiodynamics

- A global provider of industry-leading medical devices used to treat cancer and peripheral vascular disease
- Exclusive business arrangement since 2018 targeting traditional VA businesses such as CVC, Midline/PICC and IV
- Ultrasound guided procedures becoming standard of care for catheter and needle placement worldwide
- Strong US presence

VYGON
Value Life

- A world leader within its space designing, manufacturing and marketing high-tech single-use medical devices
- Biim is supporting Vygon on a consultancy basis with an FDA filing and has the intention (signed LOI) to initiate a co-development project to integrate ultrasound onto a tip location device
- World-wide presence

VA companies lack ultrasound devices Governmental initiatives for use of ultrasound

7.2.5 Material agreements

No company in the Biim group has entered into any material contracts outside the ordinary course of business for the two years prior to the date of this Prospectus. Biim has entered into the following agreements which the Company considers to be material for the Biim group.

Biim's agreement with Fresenius

Biim entered into a two-year agreement with Fresenius Medical Care Holdings, Inc. ("**Fresenius**") on 1 October 2021. Pursuant to the agreement, Biim shall sell, and Fresenius may purchase up to a specific number of wireless pocketable ultrasound devices with equipment during 2021 and 2022. As of the date of this Prospectus, 259 wireless pocketable ultrasound devices have been ordered by Fresenius and 131 of those devices have been delivered by Biim. The

remaining number of devices under the agreement may be ordered by Fresenius by placing purchase orders as decided by them in their sole discretion. If all the wireless pocketable ultrasound devices are sold under the agreement, Biim expects to have revenues in the amount of approximately NOK 100 million under the agreement.

As a part of the agreement, Biim has agreed to provide product, staff and training materials in addition to facilitating education groups in the train-the-trainer format and/or Q&A sessions in use of the products free of charge.

Biim's agreement with Siemens

Biim entered into a non-exclusive licence agreement with Siemens Medical Solutions USA, Inc. ("**Siemens**"), dated 1 September 2019, which grants Biim access to several Siemens patents within the field of ultrasound imaging systems. As consideration, the Company have paid Siemens a licence fee of USD 120,000 with additional payments obligations of USD 25,000 after 350 products have been sold and USD 25,000 after 700 products have been sold.

In addition to the above, Biim currently pays a license fee of 1.5% of the revenue from the products sold where the licensed patents are used. The fee shall not be lower than USD 35,000 in the second contract year and USD 45,000 in the third contract year and until the contract is terminated. The royalty fee will increase to 3% following Completion.

Other than the contracts listed above, no company in the Biim group has entered into any other contract outside the ordinary course of business which contains any provision under which any member of the Group has any material obligation or entitlement.

7.2.6 Biim's pro forma consolidated key financial figures

The following tables present selected key financial figures from the unaudited consolidated pro forma financial information for the Biim group for the financial year ended 31 December 2020. The selected unaudited consolidated pro forma financial information for the year ended 31 December 2020 has been extracted from the Unaudited Pro Forma Financial Statements appended hereto as [Appendix C](#) and as further described in Section 9 "Unaudited condensed Pro Forma Financial Information". The reason to why these key financial figures have been presented on a pro forma basis is that Biim has only prepared unconsolidated audited financial statements for the financial year ended 31 December 2020 in accordance with the Norwegian Accounting Act and Norwegian GAAP for small companies.

Biim's (audited), Biim Oy's (unaudited) and Biim Inc.'s (unaudited) financial statements for the financial year ended 31 December 2020, respectively, are appended to this Prospectus as [Appendix F](#), [Appendix G](#) and [Appendix I](#).

Reference is made to Section 9.2 "Cautionary note regarding the unaudited condensed pro forma financial information" for relevant and important cautionary notes regarding the unaudited condensed pro forma financial information.

7.2.6.1 Pro forma unaudited profit and loss items

NOK thousands

	Biim Ultrasound AS	Biim Oy	Biim Inc	Pro forma adj. Elim	Pro forma adj.	Year ended 31 December 2020
Revenue	9,929	3,655	2,569	-6,224	-	9,929
Operating result (EBIT)	-12,588	336	36	-221	-11,166	-23,604
Result for the period	-15,657	218	36	-221	-11,786	-27,410

7.2.6.2 Pro forma unaudited balance sheet items

NOK thousands

	Biim Ultrasound AS	Biim Oy	Biim Inc	Pro forma adj. Elim	Pro forma adj.	Year ended 31 December 2020
Total assets	71,649	7,001	8,461	-21,221	4,689	65,889
Total equity.....	33,336	899	8,406	-5,621	-	37,019

7.2.7 Legal proceedings

From time to time, the Biim Group is involved in litigation, disputes and other legal proceedings arising in the normal course of its business. However, the Biim Group is not, nor have it during the course of the last 12 months prior to the date of this Prospectus, been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which may have, or have had in the recent past significant effects on the Biim Group's financial position or profitability.

Notwithstanding the above, it is noted that the Biim Group has been fined USD 25,000 both in 2018 and in 2019 for not filing Tax Form 5472 in the U.S. Further, the tax returns amended by the Company to the IRS for 2017 contained

misleading information regarding the Biim Group's profits. As a result, the Company was fined USD 181,126. The Biim Group has amended its tax returns and been in dialogue with the U.S. tax authorities inquiring whether they will waive or reduce the fine for the tax return for 2017. The Biim group considers it probable that the fine will be waived and has not made any provision in its financial statements as of 31 December 2020, however the Biim Group is still waiting for clarifications from U.S. tax authorities on the results of these incidents.

On 12 January 2022, Biim received a letter from the Norwegian Tax Administration stating that the Tax Administration is considering to reduce the government grant (in form of "Skattefunn") related to R&D costs that Biim was eligible for in 2019. The reason being that the Tax Administration believes that Biim has given incorrect or incomplete information in regards to the estimation of the R&D costs, by way of claiming deduction for costs that are not detailed and documented in accordance with the current regulations. In case of a negative ruling, Biim may be liable to repay up to NOK 1,531,245 and may be fined an additional 20% tax NOK 306,249.

Biim is under the impression that they should be able to submit documentation to the Tax Administration that changes the Tax Administration's preliminary assessment, which may prevent the reduction of the government grant (in form of "Skattefunn") related to R&D. However, the outcome of the case is uncertain as at the date of this Prospectus. Biim has not made any provision in its financial statements as of 31 December 2020 related this case.

In the SPA, the Biim Sellers have given an indemnity to the Company for any payments to the U.S and Norwegian tax authorities related to the cases mentioned above.

8 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read together with the Financial Information.

8.1 Introduction

This Section provides information about the Group's unaudited capitalisation and net financial indebtedness on an actual basis as at 30 September 2021 and, in the "As adjusted" columns, the Group's unaudited capitalisation and net financial indebtedness on an adjusted basis to give effect to the material post-balance sheet events and effects, being the Rights Issue (see Section 14.1 "The Rights Issue" for more information), the Biim Acquisition (see Section 7 "The Biim Acquisition and certain information relating to Biim Ultrasound AS" for more information) and the Danske Bank loan facility (see Section 6.18 "Significant change" for more information). Other than this, there have been no material changes to the Group's unaudited capitalisation and net financial indebtedness since 30 September 2021.

8.2 Capitalisation

In NOK thousand

	As of 30 September 2021¹	Adjustments for the Rights Issue²	Adjustments for the Biim Acquisition³	Adjustments for payment of the cash consideration pursuant to the Biim SPA from the Rights Issue⁴	Adjustment for the Danske Bank loan facility⁵	As adjusted
<i>Total current debt⁶:</i>						
Guaranteed.....	-	-	-	-	-	-
Secured.....	-	-	-	-	-	-
Unguaranteed / unsecured.....	22,612	-	25,707	-	15,000	63,319
Total current debt.....	22,612	-	25,707	-	15,000	63,319
<i>Total non-current debt⁷:</i>						
Guaranteed.....	-	-	-	-	-	-
Secured.....	-	-	-	-	-	-
Unguaranteed / unsecured ⁸	50,586	-	7,852	-	-	58,438
Total indebtedness	73,198	-	33,559	-	15,000	121,757
<i>Shareholder equity:</i>						
Total shareholders' equity⁹	2,608	157,000	184,250	-50,000	-	293,858
Total	75,806	157,000	217,809	-50,000	15,000	415,615

- 1: The financial information in this column is extracted from the Company's unaudited consolidated interim financial presentation as of and for the three and nine months' periods ended 30 September 2021 (the Q3 Financial Presentation).
- 2: The underwritten Rights Issue expected to be completed in the beginning of March 2022, where the Company intends to raise NOK 157 million in net proceeds.
- 3: The amounts in this column is extracted from the Unaudited Pro Forma Financial Statements appended hereto as [Appendix C](#) and as further described in Section 9 "Unaudited condensed Pro Forma Financial Information"
- 4: The MNOK 50 of the gross proceeds from the Rights Issue that will be used to finance the cash element under the Biim SPA at Closing.
- 5: The credit facility of NOK 15 million which the Company has entered into with Danske Bank
- 6: Including current portion of non-current debt
- 7: Excluding current portion of non-current debt
- 8: Unguaranteed/Unsecured non-current debt at 30 September 2021 consisted of the contingent consideration of MNOK 13, non-current interest bearing debt to Navamedic of MNOK 37 and non-current lease liabilities of MNOK 1.
- 9: Total equity comprises "Contributed equity and retained earnings" of MNOK 8.8 and "Translation Differences" of MNOK -6.7 which information is not presented in the Q3 Financial Presentation, but is based on the financial data used to prepare the Q3 Financial Presentation.

8.3 Indebtedness

<i>In NOK thousand</i>	As of 30 September 2021¹	Adjustments for the Rights Issue²	Adjustments for the Biim Acquisition³	Adjustments for payment of the cash consideration pursuant to the Biim SPA from the Rights Issue⁴	Adjustment for the Danske Bank loan facility⁵	As adjusted
<i>Net indebtedness</i>						
(A) Cash	6,884	157,000	-327	-50,000	15,000	128,557
(B) Cash equivalents	-	-	-	-	-	-
(C) Other current financial assets	-	-	-	-	-	-
(D) Liquidity						
(A)+(B)+(C)	6,884	157,000	-327	-50,000	15,000	128,557
(E) Current financial debt ⁶	10,204	-	15,855	-	15,000	41,059
(F) Current portion of non-current financial debt	570	-	-	-	-	570
(G) Current financial indebtedness						
((E)+(F))	10,774	-	15,855	-	15,000	41,629
(H) Net current financial indebtedness ((G)– (D))	3,890	-157,000	16,182	50,000	-	-86,928
(I) Non-current financial debt ⁷	50,586	-	4,846	-	-	55,432
(J) Debt instruments	-	-	-	-	-	-
(K) Non-current trade and other payables	-	-	-	-	-	-
(L) Non-current financial indebtedness						
((I)+(J)+(K))	50,586	-	4,846	-	-	55,432
(M) Total financial indebtedness						
((H)+(L))	54,476	-157,000	21,028	50,000	-	-31,496

- 1: The financial information in this column is extracted from the Company's unaudited consolidated interim financial presentation as of and for the three and nine months' periods ended 30 September 2021 (the Q3 Financial Presentation).
- 2: The underwritten Rights Issue expected to be completed in the beginning of March 2022, where the Company intends to raise NOK 157 million in net proceeds.
- 3: The amounts in this column is extracted from the Unaudited Pro Forma Financial Statements appended hereto as [Appendix C](#) and as further described in Section 9 "Unaudited condensed Pro Forma Financial Information". Cash is cash deposits in Biim group, NOK 423 thousand, adjusted for transaction cost, NOK 750 thousand, paid by existing cash. Current financial debt consisted of loan from DNB of NOK 7,855 thousand and overdraft facility from Nordea of NOK 8,000 thousand. Non-current financial debt consisted of loan from Santander of NOK 675 thousand and loan from Eyelife Finland Oy of NOK 4,170 thousand.
- 4: The MNOK 50 of the gross proceeds from the Rights Issue that will be used to finance the cash element under the Biim SPA at Closing.
- 5: The credit facility of NOK 15 million which the Company has entered into with Danske Bank
- 6: Including debt instruments, but excluding current portion of non-current financial debt.
- 7: Non-current financial debt at 30 September 2021 consisted of the contingent consideration of MNOK 13, non-current interest bearing debt to Navamedic of MNOK 37 and non-current lease liabilities of MNOK 1.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is not sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus. Unless additional capital is raised through the Rights Issue (see Section 14.1 "The Rights Issue"), the Company expects that it may not be able to satisfy its liabilities as they fall due during the first quarter of 2022.

According to the Group's current proposed scale of operations, including the Biim Acquisition, the Group expects that it will need approximately NOK 50 million in order to have sufficient working capital for the period covering at least 12 months from the date of this Prospectus. The Group expects to obtain the required working capital through the Rights Issue. As the entire gross proceeds in the Rights Issue are underwritten by the Underwriters, the Group believes that the Rights Issue raising gross proceeds of approximately NOK 180 million will be completed.

8.5 Contingent and indirect indebtedness

The Group does not have any material contingent or indirect indebtedness on the date of the Prospectus. For the avoidance of doubt it is noted that the Company's contingent consideration is not considered as contingent or indirect indebtedness.

9 UNAUDITED CONDENSED PRO FORMA FINANCIAL INFORMATION

9.1 General Information

On 14 January 2022, the Company and the Sellers (as defined in Section 7.1.1 "The Parties to the Biim SPA") entered into the Biim SPA (see Section 7.1 "Overview of the Biim Acquisition"). Further, on 30 October 2020, the Company completed the acquisition of Observe Medical Nordic AB (named Sylak AB at the time of the acquisition (Sylak)) (the Sylak Acquisition). The Sylak Acquisition was based on an enterprise value of Sylak of SEK 6 million, with an equity consideration of SEK 3.25 million. The Biim Acquisition and the Sylak Acquisition are collectively referred to as the "**Acquisitions**".

The Unaudited pro forma information set out below reflects the Acquisitions, as further explained and elaborated below. The completion of the Biim Acquisition is subject to the Conditions as described in Section 7.1.5 "Conditions for completion of the Biim SPA".

The tables in this chapter set out the unaudited condensed pro forma financial information for the Group taken together with the Biim Group and Sylak (the "**Combined Business**") as of, and for the year ended 31 December 2020, and is prepared under the assumption that the Completion of the Biim Acquisition will be completed as described in Section 7.1 "Overview of the Biim Acquisition".

9.2 Cautionary note regarding the unaudited condensed pro forma financial information

The unaudited pro forma financial information has been prepared for illustrative purposes only, to show how the Acquisitions might have affected the Company's consolidated statement of income for the year ended 31 December 2020, as if the Acquisitions had occurred on 1 January 2020, and the consolidated statement of financial position as of 31 December 2020, as if the Biim Acquisition had occurred on 31 December 2020 (The Group's statement of financial position for 2020 reflects the Sylak acquisition). Thus, to illustrate what the financial results of the Combined Business might have been, given these assumptions, certain management assumptions and adjustments have been made to the unaudited pro forma financial information. For further information, see also Section 9.3 "Basis for preparation and accounting policies".

Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation, and therefore, does not represent the Group's actual financial position or results if the Acquisitions had in fact occurred on those dates, and is not representative of the results of operations for any future periods. Actual results could materially differ from those presented herein. It should also be noted that greater uncertainty is attached to the unaudited pro forma financial information than actual historical financial information. Investors are cautioned against placing undue reliance on this unaudited pro forma financial information.

As set out in Section 7.2.6 "Biim's pro forma consolidated key financial figures" the financial statements of the subsidiaries of Biim have not been subject to audit. The numbers that form the basis for the proforma financial information, are thus partly based on unaudited financial statements as presented by the boards of directors in Biim OY and Biim Inc., respectively. No assurance can be given that these numbers accurately represent the actual results of the subsidiaries of Biim.

The assumptions underlying the pro forma adjustments applied to the historical financial information are described in the notes to the unaudited pro forma financial information. The unaudited pro forma adjustments are based on information currently available (see also Section 9.3 "Basis for preparation and accounting policies"). Neither these adjustments nor the resulting pro forma financial information have been audited in accordance with any accepted auditing standards. In evaluating the pro forma financial information, each reader should carefully consider the historical financial statements of the Company and the notes thereto and the notes to the unaudited pro forma financial information.

The Unaudited Pro Forma Condensed Financial Information has been compiled to comply with the requirements as set forth in Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

9.3 Basis for preparation and accounting policies

The unaudited pro forma financial information has been prepared to show how the Acquisitions might have affected the Company's consolidated statement of income for the year ended 31 December 2020, as if the Acquisitions had occurred on 1 January 2020, and the consolidated statement of financial position as of 31 December 2020, as if the

Biim Acquisition had occurred on 31 December 2020. The adjustments in respect of the Unaudited pro forma condensed income statement all have continuing impact, unless otherwise stated.

The Acquisitions are accounted for as acquisitions under IFRS 3, Business Combinations.

The unaudited pro forma financial information for the Company does not include all information required for financial statements under IFRS and should be read in conjunction with the historical financial information of the Company.

For the purpose of compiling the unaudited pro forma financial information the following financial information covering Sylak has been prepared by the Company

- 2020 consolidation schedule setting out the share of Sylak's 2020 profit and loss that was recognized in the Company's audited 2020 consolidated financial statements, and the corresponding share of profit and loss which was not recognized in Company's audited 2020 consolidated financial statements. The latter corresponds to profit and loss figures for Sylak from 1 January 2020 and up to completion of the Sylak Acquisition.

Sources and basis for the financial information

- The financial statements for the financial year ended 31 December 2020 for Sylak, Biim, Biim OY, Biim Inc. and the Company, have been sourced from each of these companies' respective financial statements for 2020. The financial statements for the Company, Sylak and Biim have all been subject to audit, whereas the financial statements of Biim Oy and Biim Inc. have not been audited.
- As for Sylak, the figures from the financial statements for the financial year ended 31 December 2020 have been included, while the share of revenues and expenses that are included in Company's consolidated profit and loss statement included in the Company's financial statements for the financial year ended 31 December 2020 (i.e. figures for the period 1 November 2020 through 31 December 2020), have been adjusted out. As set out above, the share of Sylak's 2020 profit and loss which has been recognized in the Company's consolidated financial statements for the financial year ended 31 December 2020, is extracted from the 2020 consolidation schedule on which the reported and audited 2020 consolidated financial statements are based.

Accounting principles

The unaudited pro forma condensed combined financial information is prepared on the basis of the accounting principles applied by the Company. The Company prepares its consolidated financial statements in accordance with IFRS as adopted by the EU (IFRS). The 2020 financial information for Sylak, Biim, Biim Oy and Biim Inc. have been prepared by the respective companies on the following basis:

Sylak AB

The 2020 financial statements for Sylak, which have been consolidated into the Group starting November 2020, have been prepared in accordance with Swedish generally accepted accounting principles. Generally accepted accounting principles are in the following referred to as "GAAP". As regards the 2020 financial statement figures of Sylak, no material adjustments were required to harmonize the figures to IFRS, as applied by the Company.

Biim Ultrasound AS (Biim)

Biim's 2020 financial statement, including the statement of income, statement of financial position and accompanying notes, have been prepared in accordance with the Norwegian Accounting Act and Norwegian GAAP for small companies.

Biim Ultrasound Oy (Biim Oy)

Biim Oy's financial statements have been prepared according to the Finnish Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking.

Biim Ultrasound Inc. (Biim Inc.)

The financial statements of Biim Inc., in the format they have been available for purposes of preparing the condensed pro forma financial information, does not reference the accounting principles on which the financial statements have been prepared. The financial statements have been prepared by a US external professional accountant.

Exchange rates

For the purposes of the preparation of the unaudited condensed pro forma financial information, the following exchange rates have been applied to convert the respective financial statements from their presentation currencies to NOK, which is the presentation currency of the Company (source: www.norges-bank.no):

- EUR/NOK exchange rate of 10.72 for the year ended 31 December 2020;
- EUR/NOK exchange rate of 10.47 as of 31 December 2020;
- USD/NOK exchange rate of 9.40 for the year ended 31 December 2020;
- USD/NOK exchange rate of 8.53 as of 31 December 2020;
- SEK/NOK exchange rate of 1.02 for the year ended 31 December 2020.

IFRS adjustments

As further elaborated in the notes below, certain adjustments have been made to the accounting numbers, to harmonize with IFRS as applied by the Company. It should be observed however, that although the IFRS-harmonization of the respective companies' financial statements, as prepared in accordance with local GAAP, addresses all identified material adjustments, it may not constitute a full and complete conversion from local GAAP to IFRS.

Based on a preliminary assessment of materiality, the unaudited condensed pro forma financial information does not include any other IFRS adjustments, including (the below refers to the Biim Group's; for Sylak the 2020 profit and loss have already been partly consolidated into the Company's financial statements, without any IFRS adjustments):

- IFRS 9: As regards provision for losses on trade receivables, the unaudited condensed pro forma financial information has been prepared based on the assumption that conversion from local GAAP to IFRS would not entail changes to Biim Group's assessment (that no receivables losses were provided for as of year-end 2020).
- IFRS 15: Similarly, with respect to revenue recognition, we have assumed that conversion to IFRS would not entail change in 2020 revenues as recognized in the accounts of the companies in the Biim Group.

Consideration and Purchase Price Allocation ("PPA") relating to the Biim Acquisition

The consideration to be paid in the Biim Acquisition, as set out in the Biim SPA, comprises a combination of cash (to be financed through the Rights Issue) and the issue of 8,171,913 consideration shares to the Sellers (the Consideration Shares), with an estimated total consideration for the Biim Acquisition of NOK 185 million, implying an enterprise value of approximately NOK 209 million. The purchase price will be settled by the following elements (as set out in Section 7.1.3 "Total consideration and transaction costs"):

- Cash consideration of NOK 50 million; and
- 8,171,913 Consideration Shares, where the number of Consideration Shares to be issued to the Sellers is calculated based on a value of NOK 135 million and an agreed price of NOK 16.52 per Consideration Share;

The estimated consideration payable for the Biim Acquisition has been used in preparing the preliminary PPA which has been used in the preparation of the unaudited condensed pro forma financial information. The Biim Acquisition consideration over and above the book value of pro forma consolidated net assets to be acquired at 31 December 2020, has been allocated to reflect the preliminary estimated fair values of individual assets and liabilities, with the residual as goodwill. However, the final PPA after completion of the Biim Acquisition could materially deviate from this preliminary PPA. It should be noted that the value allocation in the unaudited condensed pro forma statement of financial position presented in Section 9.4.2 "Unaudited condensed Pro forma Statement of Financial Position as of 31 December 2020" below could be significantly revised as part of the completion of the PPA. Any such PPA revisions may also imply that the corresponding amortization charges recognized in the unaudited condensed pro forma statement of income, will not correspond to actual amortization charges going forward.

PPA relating to the Sylak Acquisition

The PPA in respect of the Company's acquisition of Sylak was performed in 2020 and recognized in the Company's accounts from 1 November 2020 onwards. In the PPA relating to the Sylak Acquisition, all excess value was allocated to and recognized as goodwill in the Company's statement of financial position. As the Sylak PPA was performed as of 31 October 2020 and thus is reflected in the Company's statement of financial position per 31 December 2020, no pro forma PPA adjustments related to Sylak have been performed.

9.4 Unaudited condensed pro forma financial information

9.4.1 Unaudited condensed pro forma statement of income for the year ended 31 December 2020

The table below sets out the unaudited condensed pro forma statement of income of the Company for the year ended 31 December 2020, as if the Acquisitions had been completed on 1 January 2020.

Unaudited pro forma condensed statement of income for the year ended 31 December 2020

NOK thousands	Observe ASA IFRS	Sylak 2020	Sylak adjust	Pro forma combined OM and Sylak	Biim Ultra- sound AS	Biim Ultra- sound Oy	Biim Ultra- sound Inc.	Pro forma adjust. Elim.	N o t e	Pro forma combined – pre IFRS adjust.	Pro forma adjust.	N o t e	Pro forma combine d
REVENUE AND OTHER INCOME													
Revenue	2,961	15,439	-2,880	15,520	9,929	3,655	2,569	-6,224	A	25,449			25,449
Cost of materials	1,975	9,517	-1,792	9,700	3,190	0	0			12,891			12,891
Gross result	986	5,922	-1,088	5,819	6,739	3,655	2,569	-6,224		12,559			12,559
OPERATING EXPENSES													
Employee benefit expenses	-10,891	-3,989	818	-14,063	-3,039	-2,522	-897	2,522	B	-17,999			-17,999
Other operating expenses	-15,018	-2,935	457	-17,496	-10,121	-797	-1,636	3,366	C	-26,684	-2,782	1	-29,467
Depreciations and amortisation	-3,163	0	0	-3,163	-6,167	0	0	115	D	-9,216	-8,383	2	-17,599
Operating expenses	-29,072	-6,924	1,275	-34,722	-19,327	3,319	2,533	6,033		-53,899			-65,065
Operating results (EBIT)	-28,086	-1,003	186	-28,902	-12,588	336	36	-221		-41,340			-52,506
FINANCIAL INCOME AND EXPENSES													
Net Financial items	-8,782	257	-255	-8,779	-3,068	-65	0	0		-11,913	-621	3	-12,533
Results before tax	-36,868	-745	-68	-37,682	-15,657	271	36	-211		-53,253			-65,039
Income tax expense	0	0	0	0	0	52	0	0		52			52
Result for the period	-36,868	-745	-68	-37,682	-15,657	218	36	-221		-53,305			-65,092

In connection with the preparation of the pro forma statement of income the following IFRS and pro forma adjustments have been made:

Adjustments related to the acquisition of Sylak

The columns "Observe ASA IFRS" and "Sylak 2020" set out the reported statements of income for the Company and Sylak, respectively, as reported in these companies' audited financial statements. The Company recognized Sylak's revenues and expenses for the period 1 November 2020 through to 31 December 2020 in its consolidated 2020 statement of income. Thus, the column "Sylak adjust" sets out the share of Sylak's profit and loss for the period 1 November 2020 through 31 December 2020, which are deducted from the column "Sylak 2020" to yield Sylak's profit and loss for the period 1 January through to 30 October (which is included in the pro forma profit and loss).

As Sylak's profit and loss statement for 2020 includes a financial income related to a group contribution of TSEK 300, which Sylak received from its former owner, this item is also deducted in the column "Sylak adjust". The underlying assumption being that Sylak would not have received this group contribution had the Acquisitions been completed on 1 January 2020.

Pro forma adjustments eliminations A, B and C

Pro forma adjustment elimination A reflects that all revenues in Biim's two subsidiaries are invoiced to Biim (i.e. the parent company), and consequently eliminated on consolidation. The amount invoiced from Biim Oy in 2020 has been capitalized as part of Biim's internally generated development balance, whereas the amount from Biim Inc has been included in Biim's other operating expenses. Thus, other operating expenses in Biim have been eliminated with the amount of revenues in Biim Inc. Employee expenses and other operating expenses of Biim Oy have been eliminated, as these expenses are capitalized in Biim. The internal profit margin recognized in the accounts of Biim Oy is thus eliminated from the consolidated figures.

Pro forma adjustments eliminations D

As the capitalized internally generated development balance in Biim's accounts relates partly to expenses invoiced from Biim Oy, the balance recognized in Biim's accounts also includes internal profits recognized in Biim Oy. Thus, we have reduced depreciation and amortization with estimated amortization of accumulated un-realized internal profits.

Pro forma adjustment 1

In accordance with IFRS 16, leasing contracts (with some exceptions) are capitalized as right-of-use assets with corresponding lease liabilities giving rise to depreciation and interest expenses. Other operating expenses as set out in the pro forma condensed statement of income for 2020 (pre IFRS adjustments), include TNOK 1,718 of leasing expenses related to the premises rented in Narvik (Norway) and Boca Raton (US). These expenses have been eliminated, and depreciation and interest expenses have been recognized (in IFRS adjustments 2 and 3). The pro forma adjustments in respect of IFRS 16 have all been based on an interest rate of 3.0%.

The rental agreement regarding the premises in Finland includes a three-month unconditional notice period. Thus, consistent with the Company's accounting for similar rental contracts, the rental expenses related to Biim Oy have not been reclassified.

In addition, this adjustment includes estimated total costs related to the Acquisition of TNOK 4,500 (excluding expenses related to raising new equity). Of the TNOK 4,500, approx. TNOK 750 is expected to be paid out of the Company's existing cash balance, and thus constitute a corresponding reduction of equity. The remaining TNOK 3,750 will be covered by new equity raised in the Rights Issue. Pro forma adjustment 1 related to costs related to the Acquisition is not expected to have a continuing impact on the statement of income of the Company.

The net adjustment thus constitutes TNOK 2,782.

Pro forma adjustment 2

This adjustment of depreciation expenses is a net figure reflecting:

- depreciation of the preliminary PPA estimated value of the internally generated development balance (TNOK 11,049). This expense is based on an assumed useful economic life of 7 years;
- Reversal of the 2020 recognized depreciations of internally generated development (NOK 5,876). This expense has been reversed to adjust for the fact that Biim Group has applied a longer useful economic life of more than 7 years when determining depreciations of this balance;
- Depreciation of the preliminary PPA adjustments of customer relationships (TNOK 1,539); and
- Depreciation of the right-of-use assets related to the Narvik and Boca Raton (TNOK 1,672)

The preliminary PPA adjustments reflect estimated depreciation on the preliminary estimated fair values, less Biim Group's pro forma consolidated depreciations (pre IFRS adjustments). Please refer to the Section on statement on financial position below for details on the preliminary PPA adjustments.

Pro forma adjustment 3

This adjustment reflects the interest expense related to the estimated leasing liabilities in accordance with IFRS 16.

9.4.2 Unaudited condensed Pro forma Statement of Financial Position as of 31 December 2020

The table below sets out the unaudited condensed pro forma statement of financial position as of 31 December 2020, as if the Biim Acquisition had occurred on 31 December 2020.

Unaudited condensed pro forma statement of financial position as of 31 December 2020

NOK thousands	Observe ASA IFRS	Biim Ultrasound AS	Biim Ultrasound Oy	Biim Ultrasound Inc.	Pro forma adjustment	Biim - Pro forma Group*	Note	Pro forma adjustment	OM – Pro forma combined
ASSETS									
Goodwill	36,268	0	0	0		0		125,942	162,210
Intangible assets	20,965	64,276	0	0	-1,278	62,998	A	22,039	106,002
Tangible assets.....	703	566	0	0		566		4,689	5,958
Intra group receivables.....	0	0	6,341	8,362	-14,703	0	B		0
Investment in subsidiaries	0	4 600	0	0	-4,600	0			0
Total non-current assets.....	57,936	69,441	6,341	8,362	-20,581	63,564		152,670	274,170

Unaudited condensed pro forma statement of financial position as of 31 December 2020									
NOK thousands	Observe ASA IFRS	Biim Ultrasound AS	Biim Ultrasound Oy	Biim Ultrasound Inc.	Pro forma adjustment	Biim - Pro forma Group*	Note	Pro forma adjustment	OM – Pro forma combined
Trade receivables.....	1,460	480	560	80	-641	480	B		1,940
Inventories	7,661	1,152	0	0		1 152			8,813
Other receivables and prepaid expenses ...	1,730	173	98	0		271			2,002
Bank deposits.....	18,945	403	1	19		423		-750	19,368
Total current assets	29,797	2,207	659	100	-641	2,326		-750	32,122
TOTAL ASSETS	87,733	71,649	7,001	8,461	-21,221	65,889		151,920	306,292
EQUITY AND LIABILITIES									
Total equity	20,349	33,336	899	8,406	-5,621	37,019	C	147,231	205,349
Non-current lease liabilities.....	260	0	0	0		0		3,006	3,266
Deferred tax liabilities	0	0	0	0		0		0	0
Contingent consideration	22,368	0	0	0		0			22,368
Intra group liability	0	0	1,080	0	-1,080	0			
Non-current interest bearing liabilities.....	34,821	675	4,170	0		4,846	B		39,667
Total non-current liabilities	57,449	675	5,251	0	-1,080	4,846		3,006	65,301
Trade payables.....	3,843	4,380	100	55		4,535			8,378
VAT and other public taxes payables	2,348	263	0	0		263			2,611
Current lease liabilities	136	0	0	0		0		1,683	1,819
Other current liabilities	3,608	18,746	751	0		19,227			22,835
Intra group payables.....	0	14,520	0	0	-14,520	0	B		0
Total current liabilities.....	9,935	37,638	851	55	-14,520	24,024		1,683	35,642
Total liabilities	67,384	38,313	6,102	55	-15,600	28,870		4,689	100,943
TOTAL EQUITY AND LIABILITIES.....	87,733	71,649	7,001	8,461	-21,221	65,889		151,920	306,292

*) Excluding Observe ASA

In connection with the preparation of the pro forma statement of financial position, the pro forma adjustments set out below have been made. Further, based on the pro forma consolidated figures for the Biim Group, the preliminary PPA as summarized below, explains the key adjustments applied in preparing the unaudited pro forma consolidated statement of financial position (including both the Group and Biim Group).

Pro forma balance sheet adjustment A – Elimination of internal profits

As mentioned above, Biim has capitalized a share of internal profits by way of including a 7% mark-up which has routinely been added to the invoices from Biim Oy and Biim Inc., as part of the capitalized amount of internal development. Of the capitalized R&D related to Biim's subsidiaries, approx. 97% relates to Biim Oy (after 2016 no invoices from Biim Inc. have been capitalized by Biim. Thus, for purposes of preparing the pro forma consolidation of Biim Group, 2.0% of the carrying value in Biim at 31 December 2020 has been eliminated (reflecting the estimated relative share of the capitalized expenses that relate to invoices from Biim Oy) of the capitalized amount of R&D in Biim.

Pro forma balance sheet adjustment B – Intra group receivables

The intra group balances have been eliminated as follows in the pro forma consolidated figures (please see below regarding unexplained differences and net effect on equity):

- Trade receivables: All recognized revenues in the accounts of Biim Oy and Biim Inc. are related to sales to Biim. Thus, the trade receivables balances of Biim Oy and Biim Inc. have been eliminated.
- Non-current interest-bearing liabilities: Biim Oy has a liability of EUR 103,194 against Biim. This balance has been converted to NOK and eliminated.
- Intra group payables: Biim's current intra group payables of TNOK 14,520 have been eliminated in the pro forma consolidated accounts for Biim.

Pro forma balance sheet adjustment C– Total equity

The net effect of the preceding pro forma balance sheet adjustments has been booked against total equity, for a total negative entry of TNOK 5,621. The net effect on equity is specified and elaborated below:

Elimination of shares in subsidiaries (D)		-4,600
Intra group payables in AS.....	14,520	
Intra group receivables subsidiaries (non-current)	-14,703	
Reconciliation difference (E)		-183
Trade receivables subsidiaries*	-641	
Intra group liability in Oy (non-current)	1,080	
Other items (F)		440
Pro forma adjustments intangibles (internal profits) ** (G)		-1,278
Total (D+E+F+G)		-5,621

*)TNOK 560 in Oy and 80 in Inc.

***)Estimated 2% reduction

The net equity effect in the pro forma adjustment column totals TNOK 5,621, of which elimination of shares and estimated capitalized internal profits amount to TNOK 5,878 (D + G in the table above). However, the balances summarized in E and F are not reconciled or fully explained, thus the pro forma equity has been adjusted accordingly. Biim does not prepare consolidated annual financial statements. This is believed to be the reason that these items have not been reconciled by Biim.

Pro forma adjustments – Purchase price allocation and transaction costs

The estimated consideration for the Biim Acquisition has been used to prepare the preliminary purchase price allocation. The preliminary PPA is based on the unaudited pro forma consolidated statement of financial position of Biim Group as at 31 December 2020.

The final purchase price will only be known when the values of the respective elements of the consideration, as of the date of completion of the Biim Acquisition, have been determined. The allocation of the purchase price is dependent on detailed knowledge of assets, liabilities, contracts, and other facts that can only be sufficiently analysed at a later date when the Company gets full access to Biim's assets, liabilities and accounting records, which will only become fully available after Completion. Thus, the unaudited pro forma financial information has been prepared based upon a preliminary purchase price allocation, a final purchase price allocation has not been prepared at this time. Thus, in the final PPA, fair values may differ significantly from those set out in the preliminary PPA.

The preliminary PPA is based on the pro forma consolidated balance sheet of Biim Group at 31 December 2020. The excess of the contemplated equity consideration over and above the pro forma book value of net assets to be acquired, has preliminarily been allocated to indicatively reflect the fair value of individual assets. Set out below is the status for determination of the preliminary PPA.

Purchase price and excess values	Note	TNOK
Contemplated consideration (to Biim shareholders)	1	185 000
Pro forma consolidated book equity in Biim		37 019
Excess values to be allocated		147 981
Of which excess value related to R&D.....	2	14 346
Of which customer relationships	3	7 693
Estimated value of goodwill	4	125 942

The note references set out in the table above explain the basis for the IFRS adjustments set out in the table on the preceding page, and are explained as follows:

- 1 The estimated consideration for the Biim Acquisition to be settled by a combination of shares to be issued by the Company to the Sellers and cash to be financed through the Rights Issue. No net deferred tax liabilities or assets have been recognized, reflecting that the temporary differences related to capitalized R&D and customer relationships, is effectively netted against tax loss carry forwards, which otherwise have not been recognized (as deferred tax asset) in the statement of financial position. At 31 December 2020, Biim had unrecognized deferred tax assets of TNOK 19,480.
- 2 Based on the preliminary PPA, relative to the pro forma consolidated balance of internally generated development, an excess value of NOK 14.3 million have been allocated to internally generated development, with estimated total fair value of NOK 77.3 million. The economic useful life of this asset is assumed to be 7 years.
- 3 NOK 7.7 million have been allocated to customer relationships, the economic useful life of which is assumed to be 5 years.

- 4 The amount of the contemplated consideration which exceeds the preliminary fair values of identified tangible and intangible assets, are NOK 125.9 million and has been preliminarily allocated to goodwill. The goodwill balance largely reflects commercial potential not directly attributable to the other assets in the statement of financial position, the key elements of which include the following:
- a. Market insight and commercial network in the US. The key personnel in Biim have a broad and highly relevant network in the US, both professionally and commercially.
 - b. Competence and know-how with respect to software and app-development (mainly within Biim Ultrasound Oy).
 - c. Further, as the existing customer relationships serve as a very important “proof-point” with respect to the marketability of Biim’s products, the Company believes there is a significant commercial potential related to new future customer relationships.

In addition, the PPA adjustments include recognition of a TNOK 4,689 right-of-use asset in respect of the leased premises in Narvik and Boca Raton (ref. the description in the P&L Section above). The corresponding lease obligation is split between a TNOK 3,006 non-current balance and a TNOK 1,683 current balance.

Transaction costs

In addition to the above, the pro forma equity has been adjusted to reflect the share of the transaction costs which is expected to be paid out of the Company's existing funds (i.e. not financed by new equity, ref. adjustment 1 in respect of the pro forma statement of income). This is expected to constitute approx. TNOK 750. These expenses are also included in the expensed transaction costs (ref. the Section on pro forma statement of income). As the Company has significant tax loss carried forward, which are not recognized on the Company's balance sheet, no tax effect has been recognized in respect of any of the transaction costs. Transaction costs directly related to the Rights Issue, and the part of the transaction costs related to the Acquisitions that is not financed by cash on hand, have indirectly been included by assuming that the equity increase to finance the Biim Acquisition is a net amount after deduction and payment of such costs. All transaction costs reflected in the pro forma financial figures are based on preliminary estimates.

Total equity

The total equity effect in the second column of pro forma adjustments constitutes the net of the "Excess values to be allocated" (TNOK 147,981) in the table above, less the TNOK 750 of assumed transaction costs related to the Acquisitions, which are paid by cash on hand.

9.5 Auditor's assurance report

With respect to the unaudited pro forma financial information included in this Prospectus, KPMG applied assurance procedures in accordance with ISAE 3420 "Assurance Engagement to Report Compilation of Pro Forma Financial Information Included in a Prospectus" in order to express an opinion as to whether the unaudited pro forma financial information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company. KPMG has issued an independent assurance report on the unaudited pro forma financial information appended to this Prospectus in [Appendix D](#). There are no qualifications to this assurance report.

KPMG's procedures on the Unaudited Pro Forma Financial Information have not been carried out in accordance with attestation standards and practices generally accepted in the United States of America, and accordingly, should not be relied on as if they had been carried out in accordance with those standards.

10 BOARD OF DIRECTORS AND MANAGEMENT

10.1 Introduction

The General Meeting is the highest authority of the Company. All shareholders in the Company are entitled to attend and vote at General Meetings of the Company and to table draft resolutions for items to be included on the agenda for a General Meeting.

The overall management of the Company is carried out by the Company's Board of Directors and the Company's Management. In accordance with Norwegian law, the Board of Directors is responsible for, *inter alia*, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and asset management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has established an audit committee in accordance with the recommendations of the Corporate Governance Code. In addition, the Company's Articles of Association provide for a nomination committee.

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's chief executive officer (the "**CEO**"), is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

The members of The Board of Directors and Management are presented below.

10.2 The Board of Directors

10.2.1 Overview

The Company's Articles of Association provide that the Board of Directors shall consist of between three and seven Board Members, as elected by the Company's shareholders. The names, positions, current term of office of the Board Members as at the date of this Prospectus are set out in the table below, in addition to the number of Shares and options held by each Board Member.

Pursuant to the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (the "**Norwegian Corporate Governance Code**") (i) the majority of the shareholder-elected members of the Board of Directors should be independent of the Company's executive management and material business contacts, (ii) at least two of the shareholder-elected members of the Board of Directors should be independent of the Company's main shareholders (shareholders holding more than 10% of the Shares in the Company), and (iii) no members of the Company's executive management should be on the Board of Directors.

All Board members are independent of the Company's executive management and no members of the Company's executive management serves on the Board of Directors. Except for Terje Bakken and Kathrine Gamborg Andreassen who are not considered independent from the Company's larger shareholders and material business associates, all Board Members are independent of the Company's larger shareholders (shareholders holding more than 10% of the Shares) and material business associates.

The Company's registered business address, Dronning Eufemias gate 169, N-0191 Oslo, Norway, serves as business address for the members of the Board of Directors in relation to their directorship in the Company.

10.2.2 The Board of Directors

The names, positions, current term of office of the Board Members as at the date of this Prospectus are set out in the table below, in addition to the number of Shares and options held by each Board Member.

Name	Position	Served since	Term expires	Shares	Options
Terje Bakken ¹	Chairman	2019	2023	-	-
Kathrine Gamborg Andreassen ²	Board Member	2019	2023	586,668 ³	-
Thomas Grünfeld	Board Member	2019	2023	-	-
Sanna Kristina Maria Rydberg.....	Board Member	2021	2023	-	-

1: Bakken represents the large shareholders, Ingerø Reiten Investment Company AS and Navamedic ASA, at the Board of Directors.

2: Gamborg Andreassen represents the large shareholder and material business contact, Navamedic ASA, at the Board of Directors.

3: The Shares owned by Gamborg Andreassen are owned through her privately held company, Soleglad Invest AS.

In connection with the Rights Issue the Board Members have entered into the lock-up undertakings described in Section 14.1.28 "Lock-up".

10.2.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a Board Member is or has been a member of the administrative, management or supervisory bodies or partner outside the Group for the previous five years.

Terje Bakken, Chairperson

Terje Bakken, born in 1966, is a partner with the investment company Reiten & Co AS and has been chairman of the board of the Company since its incorporation. Mr. Bakken has been with Reiten & Co AS since 1998. Mr. Bakken has extensive experience as a board member in public listed and private companies, including Navamedic ASA, Webstep ASA, Questback Holding AS and Grilstad Holding AS. Mr. Bakken holds a Master of Science in Financial Economics and Bachelor of Business and Administration degrees from the Norwegian School of Management. Bakken is a Norwegian citizen and resides in Oslo, Norway.

Current directorships and senior management positions Reiten & Co AS (board member), Navamedic ASA (chairman), Questback Holding AS (chairman) and Questback AS (chairman).

Previous directorships and senior management positions Blueway AS (board member), Webstep ASA, Grilstad Holding AS (board member) and Grilstad AS (board member).

Kathrine Elisabeth Gamborg Andreassen, Board Member

Kathrine Gamborg Andreassen, born in 1966, has been CEO of Navamedic ASA since December 2018. Gamborg Andreassen is a seasoned and experienced executive who has held various management positions in Consumer Health and Fast-moving Consumer goods companies. Previously she held the position as CEO of the public listed company Weifa ASA, until the company was acquired by Karo Pharma AB in November 2017, and prior to that she was VP Consumer Health at Weifa AS. She has several years of experience as a consultant in strategy and marketing research. Gamborg Andreassen is also co-owner and chair of the board of directors of Novicus Pharma AS. Gamborg Andreassen studied Business Administration (BBA) at Handelsakademiet/ Oslo Business School and holds a MSc in Business Strategy & Marketing from the University of Wisconsin, Madison. Gamborg Andreassen is a Norwegian citizen and resides in Drøbak, Norway.

Current directorships and senior management positions Navamedic ASA (CEO), and Soleglad Invest AS (chairman) and Questback (board member).

Previous directorships and senior management positions Weifa ASA (CEO) and Weifa AS (VP Consumer Health), Novicus Pharma AS (chair), Vistin Pharma ASA (board member).

Thomas Berthold Grünfeld, Board Member

Thomas Grünfeld, born 1964, recently comes from the position as CEO of Labrida AS, a dental medical device company with international sales a position he held since 2012. He has also managed major public projects implementing personalized medicine in Norway, and is at the Board of Faculty of health sciences, Oslo Metropolitan University. Grünfeld has wide experience in business development, technology and finance from the health care sector. He has served as engagement manager at McKinsey & Co, CEO of Interagon AS (a spin-off from FAST Search and Transfer), CEO of Sarsia Life Science management (A life Science VC fund), Investment manager at Kistefos AS, and various board positions in health care and consulting companies. By education, Grünfeld is a medical doctor (OBgy and surgery), and holds a master in health economics and administration. Grünfeld is a Norwegian citizen.

Current directorships and senior management positions Grynt Holding AS (chairman), NIM Supplement AS (board member) and Med-Storm Innovation AS (Board member).

Previous directorships and senior management positions Labrida AS (CEO), Faculty of health sciences, Oslo Metropolitan University

last five years..... (board member), Labrida AS (Head of finance and supply chain management).

Sanna Kristina Maria Rydberg, Board Member

Sanna Rydberg, born 1969, is currently CEO of Arcoma Group AB, a position she has held since 2020. Sanna holds a B.Sc. in analytical chemistry from the Uppsala University. Her previous work experience includes Managing Director in Eurofins BioPharma Sweden from 2018 to 2020, Head of Healthcare (Region Europe North) in The Linde Group from 2011 to 2017, Head of Healthcare (Sweden) in The Linde Group from 2009 to 2011, and Head of Marketing & Business Development (Region Europe North) in The Linde Group from 2007 to 2009. Sanna is a Swedish citizen, and live in Danderyd, Sweden.

Current directorships and senior management positions Arcoma Group AB (CEO).

Previous directorships and senior management positions Eurofins BioPharma Sweden (Managing Director), Linde Group (Head of last five years..... Healthcare Region Europe North).

10.3 Management

10.3.1 Overview

The Group's Management consists of two individuals. The names of the members of Management and their respective positions, in addition to their holding of Shares and options in the Company, are presented in the table below:

Name	Current position within the Company	Held position since	Shares	Options held
Björn Larsson	Chief Executive Officer	2019	17,000	60,000
Per Arne Nygård	Chief Financial Officer	2020	18,921	120,000

The Company's registered business address, Dronning Eufemias gate 16, N-0191 Oslo, Norway, serves as business address for the members of the Management in relation to their directorship in the Company.

In connection with the Rights Issue the Management have entered into the lock-up undertakings described in Section 14.1.28 "Lock-up".

10.3.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of Management, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years.

Björn Larsson, Chief Executive Officer

Björn Larson is an experienced marketing and business development professional, who has held various senior positions within medical technology (Dentsply (previously Astra Tech), Medtronic, Mentice), pharmaceuticals (AstraZeneca, Novo Nordisk) and biotechnology. He has comprehensive experience from commercialisation of life science start-ups, in both operational roles and in board positions. Prior to joining the Company, Björn Larsson holds the position as Director, Corporate Communications at ABIGO Medical, a Swedish pharmaceutical and medtech company. He is also Chairman of the Board at Alzinova, a Swedish biotech company listed on Nasdaq First North, Sweden, developing a vaccine for the treatment of Alzheimer's disease. Björn Larsson holds an MSc in Engineering from Chalmers University of Technology, Gothenburg, Sweden. Larsson resides in Västra Frölunda, Sweden.

Current directorships and senior management positions Chairman of the board in ALZINOVA AB and deputy chairman of IML (a trade organisation for Swedish SMEs within life science)

Previous directorships and senior management positions

last five years..... Director Corporate Communication, ABIGO Medical AB.

Per Arne Nygård, Chief Financial Officer

Per Arne Nygård has experience from finance functions in various industries. The last 12 years prior to joining the Company, he has worked in listed companies as Veidekke and Multiconsult. Per Arne Nygård joined Navamedic as consultant in August 2019 and participated in the listing of Observe Medical in November 2019. Per Arne Nygård holds an bachelor degree in audit from Molde University College and resides in Oslo, Norway.

Current directorships and senior management positions None.

Previous directorships and senior management positions

last five years..... Group accounting manager at Multiconsult ASA

10.4 Conflict of interests etc.

No Board Member or member of Management has, or had, as applicable, during the last five years preceding the date of this Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

Except for as stated in Section 10.2 above, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management and the Board of Directors, including any family relationships between such persons.

11 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Articles of Association and applicable Norwegian law in effect as of the date of this Prospectus. The summary does not purport to be complete and is qualified in its entirety by the Articles of Association, included in Appendix B to this Prospectus, and applicable law.

11.1 Corporate information

The Company's legal and commercial name is Observe Medical ASA. The Company is a public limited liability company (*Nw.: allmennaksjeselskap*), validly incorporated and existing under the laws of Norway and in accordance with the Norwegian Public Limited Companies Act. The Company is registered in the Norwegian Register of Business Enterprises with company registration number 822 907 822. The Company was incorporated on 13 June 2019. The Company's LEI-code is 9845005F38B74FFJ1B65.

The Company's registered business address is Dronning Eufemias gate 16, N-0191 Oslo, Norway, which is the Group's principal place of business. The Company's website can be found at www.observemedical.com. The contents available on www.observemedical.com is not incorporated by reference into, or otherwise forms part of, this Prospectus.

The Shares are freely transferrable. The Shares listed on the Oslo Stock Exchange (Euronext Expand) are registered in book-entry form with VPS under ISIN NO 0010865009. The Company's register of shareholders in VPS is administrated by the VPS Registrar, DNB Markets, a part of DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

11.2 Legal structure

The Company is the parent company of the Group, owning, directly, 100% of the subsidiaries set out below.

Company name	Domicile	Activity	Ownership interest	Shareholder
Observe Medical International AB....	Sweden	Operating company	100%	Observe Medical ASA
Observe Medical ApS	Denmark	Operating company	100%	Observe Medical ASA
Observe Medical AB	Sweden	Operating company	100%	Observe Medical ASA
Observe Medical Nordic AB	Sweden	Operating company	100%	Observe Medical ASA

11.3 Listing on the Oslo Stock Exchange (Euronext Expand)

The Shares are, and the Consideration Shares and Offer Shares will be, admitted to trading on the Oslo Stock Exchange (Euronext Expand). The Company currently expects commencement of trading in the Offer Shares and Consideration Shares on the Oslo Stock Exchange (Euronext Expand) on or about on the date of this Prospectus. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

11.4 Major shareholders

There are no differences in voting rights between the shareholders.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Pursuant to the Company's shareholders list as registered in the VPS as of 1 February 2022, no shareholders other than Navamedic ASA (4,222,727 Shares, approx. 21.54%), Ingerø Reiten Investment Company AS (IRIC) (3,939,394 Shares, approx. 20.09%), UBS SWITZERLAND AG (1,423,963 Shares, approx. 7.26%), Lars Ro AS (1,388,895 Shares, approx. 7.08%), and Artal AS (1,065,257 Shares, approx. 5.43%) held more than 5% of the Shares to the Company's knowledge.

The Company is not aware of any persons or entities that, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Company's Articles of Association do not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

11.5 Board authorisations

11.5.1 Authorisation to increase the share capital and issue new shares

At the annual General Meeting held on 21 May 2021 the General Meeting resolved to grant the Board of Directors:

- (i) an authorisation to increase the Company's share capital by up to NOK 500,000 (approx. 9.8% of the Company's share capital at the date of the General Meeting) in order to increase the Company's share capital in connection with option and investment programmes; and
- (ii) an authorisation to increase the Company's share capital by up to NOK 1,020,000 (approximately 20% of the Company's share capital at the date of the General Meeting) in order to finance further growth of the Company. The authorisations are valid until the annual General Meeting in 2022, but no longer than to and including 30 June 2022.

Further, at an extraordinary General Meeting held on 4 February 2022, the General meeting resolved to grant the Board of Directors an authorisation to increase the Company's share capital by up to NOK 2,124,697.38 in order for the Board to issue the Consideration Shares upon Completion of the Biim SPA. The authorisation is subject to the Company completing the Rights Issue (see Section 14.1 "The Rights Issue"), which shall be considered completed upon the registration of the share capital increase pertaining to the Rights Issue in the Norwegian Register of Business Enterprises. The authorisation shall not be registered in the Norwegian Register of Business Enterprises prior to the share capital increase pertaining to the Rights Issue is registered in the Norwegian Register of Business Enterprises. From the time of registration in the Norwegian Register of Business Enterprises, this authorisation replaces the previous authorisations to increase the share capital in the Company by up to NOK 1,020,000 and NOK 500,000, respectively, given to the board of directors at the Company's annual general meeting held on 21 May 2021. The authorisation is valid until the Company's annual general meeting in 2022, but no longer than to and including 30 June 2022.

For all authorisations, the Board of Directors have been authorised to deviate from the shareholders' pre-emptive right to the new Shares in accordance with section 10-4 of the Norwegian Public Limited Companies Act. Furthermore, the authorisations to increase the share capital in order to finance further growth and to issue the Consideration Shares comprises share capital increases against contribution in kind and the right to incur specific obligations on behalf of the Company, cf. section 10-2 of the Norwegian Public Limited Companies Act, and share capital increases in connection with mergers pursuant to section 13-5 of the Norwegian Public Limited Companies Act.

11.5.2 Authorisation to acquire treasury shares

As of the date of this Prospectus, the Board of Directors does not hold any authorisations to purchase own Shares.

11.6 Other financial instruments

Other than the share options described below and the Company's loan agreement with IRIC for the MNOK 10 loan (see Section 2.2 "Risks related to financial and market risk"), neither the Company nor any of its subsidiaries have at the date of this Prospectus issued any options, warrants, convertible loans, subordinated debt or other instruments or transferrable securities that would entitle a holder of any such instrument to subscribe for shares in the Company or its subsidiaries. The loan agreement with IRIC for the MNOK 10 loan gives IRIC the right, but no obligation, to use the whole or part of the loan as contribution in kind to settle any subscriptions made by IRIC in any private placements or rights issues completed by the Company. In the resolution to increase the share capital of the Company pertaining to the Rights Issue as resolved by the general meeting of the Company on 4 February 2021, no arrangements have been made that enables any subscriber to settle their subscriptions with other than cash (i.e. it does not open for contributions in kind).

11.6.1 Share options

As of the date of this Prospectus, the Company has issued 180,000 share options, of which 120,000 have vested. Each option gives the holder the right to acquire/subscribe one share from the Company at an exercise price defined in the individual share option agreement (the exercise price is subject to change upon the occurrence of e.g. a Rights Issue).

The table below sets out key information about the share options the Company has in issue at the time of this Prospectus:

Number of options	Exercise price	Vested / Vesting date	Expiry date
60,000	NOK 11.09	40,000 have vested and the remaining 20,000 options vest on 9 January 2023	9 July 2023
120,000	NOK 8.29	80,000 have vested and the remainder 2/6 vest with 50% on 1 March 2022 and 1 March 2023, respectively.	1 March 2024

11.7 Shareholder rights

The Company has one class of Shares in issue, and in accordance with the Norwegian Public Limited Companies Act, all Shares in that class provide equal rights in the Company, including the right to any dividends. Each of the Shares carries one vote. The rights attached to the Shares are described in Section 11.8 "The Articles of Association".

11.8 The Articles of Association

The Company's Articles of Association as at 18 August 2020 are appended to this Prospectus in [Appendix B](#). Below is a summary of provisions of the Articles of Association.

11.8.1 Objective of the Company

Pursuant to section 3, the objective of the Company is to develop, produce, market and sell medical technical equipment and related products, provide connected consulting services and invest in related business.

11.8.2 Registered office

Pursuant to section 2, the Company's registered office is in the municipality of Oslo, Norway.

11.8.3 Share capital and nominal value

Pursuant to section 4, the Company's registered share capital is NOK 5,097,418.82 divided into 19,605,457 Shares, each with a nominal value of NOK 0.26.

11.8.4 General meetings

Pursuant to section 8, documents concerning matters to be considered by the Company's general meeting, including documents which by law shall be included in or attached to the notice of the general meeting, do not need to be sent to the shareholders if such documents have been made available on the Company's website. A shareholder may nevertheless request that documents which relate to matters to be considered by the general meeting are sent to him/her.

The annual general meeting shall consider the following matters:

- Approval of the annual accounts and the annual report.
- The proposal of the board regarding dividends or other distributions.
- Other matters, which pursuant to law or the Articles of Association shall be considered by the general meeting.

Shareholders may give cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The Board of Directors may establish guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set out.

The Board of Directors may resolve that shareholders who wants to participate at the general meeting have to notify to the Company about this by a deadline which shall not be less than three days prior to the general meeting.

11.8.5 Nomination committee

Pursuant to section 7, the Company shall have a nomination committee.

11.8.6 Board of Directors

Pursuant to section 5, the Company's Board of Directors shall consist of a minimum of three and a maximum of seven members, according to the shareholders' decision in a general meeting of the Company.

11.9 Certain aspects of Norwegian corporate law

General meetings

Through the general meeting of shareholders, shareholders exercise supreme authority in a Norwegian public limited liability company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held each year on or prior to 30 June. Norwegian law requires that written notice of annual general meetings, which sets forth the date and time of, the venue for and the agenda of the general meeting, is sent to all shareholders with a known address no later than 21 days before the date of the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline. The latter is currently not the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at its own discretion. Pursuant to the Norwegian Securities Trading Act, a proxy voting form shall be appended to the notice of the general meeting of shareholders in a Norwegian public limited liability company listed on a stock exchange or a regulated market unless such form has been made available to the shareholders on the company's website and the notice calling the meeting includes all information the shareholders need to access the proxy voting forms, including the relevant internet address.

Under Norwegian law a shareholder may only exercise rights that pertain to shareholders, including participation in general meetings of shareholders, when it has been registered as a shareholder in the register of shareholders maintained with the VPS. Unless the articles of association explicitly states that the right to attend and vote at a general meeting of shareholders may only be exercised by a shareholder if it has been entered into the register of shareholders five working days prior to the general meeting, all shareholders who are registered as such on the date of the general meeting have the right to attend and exercise its voting rights at that meeting. The Articles of Association stipulate that the Board of Directors may resolve that shareholders who want to participate at the general meeting have to notify to the Company about this by a deadline which shall not be less than three days prior to the general meeting.

Apart from the annual general meeting of shareholders, extraordinary general meetings of shareholders may be held if the board of directors considers it necessary. An extraordinary general meeting of shareholders must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to participate in the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of shareholders of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at the general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting provided that the company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the Company's General Meeting.

Voting rights – amendments to the articles of association

Each of the Company's Shares carries one vote. In general, decisions that shareholders of a Norwegian public limited liability company are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected. However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe for shares in connection with any share issue in the company, to approve a merger or demerger of the company, to amend the articles of association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the company or to authorise the board of directors to purchase shares and hold them as treasury shares or to dissolve the company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

Only a shareholder registered as such in the VPS is entitled to vote for shares of a Norwegian public limited liability company listed on a stock exchange or regulated market. Beneficial owners of the shares who are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in the VPS register as the holder of such shares as a nominee. A nominee may not meet or vote for shares registered on a nominee account ("**NOM-account**"). A shareholder holding shares through a NOM-account must, in order to be eligible to register, meet and vote for such shares at the general meeting, transfer the shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from the VPS at the latest five working days prior to the date of the relevant general meeting.

There are no quorum requirements that apply to the general meeting of a Norwegian public limited liability company.

Additional issuances, preferential rights and dilution

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the shareholders have a preferential right to subscribe for new shares issued by the Company. Preferential rights may be derogated from by resolution in a General Meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding Shares. Existing shareholders who do not participate in an issuance of new Shares, including bonus shares, will be diluted.

The general meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the shareholders, by transfer from the Company's distributable equity and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be carried out either by issuing new shares to the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the Company. Shareholders in other jurisdictions outside Norway may be similarly affected if the rights and the new Shares being offered have not been registered with, or approved by, the relevant authorities in such jurisdiction. The Company has not filed a registration statement under the U.S. Securities Act in connection with the Listing or sought approvals under the laws of any other jurisdiction outside Norway in respect of any pre-emptive rights or the Shares, does not intend to do so and doing so in the future may be impractical and costly. To the extent that the Company's shareholders are not able to exercise their rights to subscribe for new shares nor receive nor trade such subscription rights, the value of their subscription rights will be lost and such shareholders' proportional ownership interests in the Company may be reduced.

Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of General Meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders which has been made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary a dissolution of the Company.

Non-controlling shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any General Meeting as long as the Company is notified within seven days before the deadline for convening the

General Meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the relevant general meeting has not expired.

Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a General Meeting. Redemption of individual Shares requires the consent of the holders of the Shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by a General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired, and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting cannot be granted for a period exceeding two years.

Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the General Meeting. A merger plan or demerger plan signed by the Board of Directors along with certain other required documentation, would have to be sent to all of the Company's shareholders, or if the Articles of Association so stipulate, made available to the shareholders on the Company's website, at least one month prior to the General Meeting to pass upon the matter.

Liability of the members of the Board of Directors

Members of the Board of Directors owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the Company. Their principal task is to safeguard the interests of the Company.

Members of the Board of Directors may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge a Board Member from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the relevant General Meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by the General Meeting with a smaller majority than that required to amend the Articles of Association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the Articles of Association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

Civil proceedings against the Company in jurisdictions other than Norway

Investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organised under the laws of Norway. A majority of the Board Members and all of the members of the Executive Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in non-Norwegian courts, or to enforce judgments on such persons or the Company in other jurisdictions.

Indemnification of Board Members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

Distribution of assets on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at a General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at that meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

11.10 Shareholders' agreements

To the knowledge of the Company, there are no shareholders' agreements related to the Shares.

12 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway and the possible implications of owning tradable securities on the Oslo Stock Exchange. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify the aspects of securities trading in Norway should consult with and rely upon their own advisors.

12.1 Introduction

The Oslo Stock Exchange was established in 1819 and offers the only regulated market for securities trading in Norway. Oslo Børs ASA is 100% owned by Euronext Nordics Holding AS, a holding company established by Euronext N.V following its acquisition of Oslo Børs VPS Holding ASA in June 2019. Euronext is a pan-European stock exchange with its registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris. Euronext owns seven regulated markets across Europe, being Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

12.2 Market value of the Shares

The market value of all shares listed on the Oslo Stock Exchange, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect the share price.

12.3 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in Euronext's electronic trading system Optiq®. This trading system is in use by all markets operated by Euronext.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET/CEST) and 16:20 hours (CET/CEST) each trading day, with pre-trade period between 07:15 hours (CET/CEST) and 09:00 hours (CET/CEST), a closing auction from 16:20 hours (CET/CEST) to 16:25 hours (CET/CEST) and a trading at last period from 16:25 hours (CET/CEST) to 16:30 hours (CET/CEST). Reporting of Off-Book On Exchange trades can be done from 07:15 hours (CET/CEST) to 18:00 hours (CET/CEST).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

The Oslo Stock Exchange offers an interoperability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be

governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

12.4 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company. Inside information means precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market. A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

12.5 The VPS and transfer of shares

The Company's principal share register is operated through the VPS. The VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerised book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, Norway's central bank), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

12.6 Shareholder register – Norwegian law

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of the shares that are registered in a nominee account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to any general meeting. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in the VPS through a nominee. However, foreign shareholders may register their

shares in the VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA. An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of the Shares will receive the notice of any general meeting in time to instruct their nominees to either effect a re-registration of their Shares or otherwise vote for their Shares in the manner desired by such beneficial owners. See Section 11.9 "Certain aspects of Norwegian corporate law" under the subheading "Voting rights – amendments to the articles of association" for more information on nominee accounts.

12.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

Foreign investors should note that the rights of holders of shares listed on the Oslo Stock Exchange and issued by Norwegian incorporated companies are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a company in respect of wrongful acts committed against such company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against the company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. See Section 11.9 "Certain aspects of Norwegian corporate law" for more information on certain aspects of Norwegian law.

12.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

12.9 Insider trading

According to Norwegian law, subscription for, purchase, sale or exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value or price either depends on or has an effect on the price or value of such financial instruments or incitement to such dispositions.

12.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 40% or 50%) of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third (or more than 40% or 50% as applicable) of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

12.11 Compulsory acquisition

Pursuant to the Norwegian Public Limited Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited liability company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Limited Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

12.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

13 NORWEGIAN TAXATION

Set out below is a summary of certain Norwegian tax matters related to an investment in the Company. The summary regarding Norwegian taxation is based on the laws in force in Norway as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisors. Shareholders resident in jurisdictions other than Norway and shareholders who cease to be resident in Norway for tax purposes (due to domestic tax law or tax treaty) should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence and the tax consequences related to ceasing to be resident in Norway for tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from shares in the Company.

13.1 Norwegian taxation

13.1.1 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective tax rate of 35.2% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.6 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 35.2%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (*Nw.: statskasserveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("**excess allowance**") may be carried forward and set off against future dividends received on, or gains upon realisation, of the same share. Any excess allowance on a share may also be added to the cost price of such share for the purposes of calculating the tax free allowance as described above.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (*Nw.: aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 35.2%, cf. above. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Reference is made to Section 13.1.2 "Taxation of capital gains on realisation of shares – *Norwegian personal shareholders*" for further information in respect of Norwegian share saving accounts.

Norwegian Corporate Shareholders

Dividends distributed by the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of currently 22%). For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax (banks, holding companies), the effective rate of taxation for dividends is 0.75%.

Non-Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, reference is made to Section 13.1.1 "Taxation of dividends – *Norwegian Personal Shareholders*" above. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

All Non-Norwegian Personal Shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS) and cannot be older than three years.

Non-Norwegian Personal Shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share saving account. Dividends received on and gains derived upon the realisation of shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realised upon realisation of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on shares held through a saving account, cf. above, lies with the account operator.

Non-Norwegian Corporate Shareholders

Dividends distributed by the Company to shareholders who are limited liability companies (and certain other entities) domiciled outside of Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders domiciled within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will

apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state, must be obtained. Such documentation must be provided to either the nominee or the account operator (VPS) and cannot be older than three years.

In order for a Non-Norwegian Corporate Shareholder resident in the EEA to be exempt from withholding tax pursuant to the Norwegian participation exemption, the company must provide all documentation mentioned above, as well as a declaration stating that the circumstances entitling the company to the exemption have not changed since the documentation was issued.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisors regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

13.1.2 Taxation of capital gains on realisation of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realised by Norwegian Personal Shareholders is currently 35.2%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.6 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realised by Norwegian Personal Shareholders to 35.3%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Reference is made to Section 13.1.1 "Taxation of dividends – *Norwegian Personal Shareholders*" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled. Unused allowance may not be set off against gains from realisation of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholder that ceases to be tax resident in Norway.

Gains derived upon the realisation of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 35.2%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, reference is made to Section 13.1.1 "Taxation of dividends – *Norwegian Personal Shareholders*" above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Personal Shareholders holding shares through more than one share saving account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares qualifying for participation exemption, including shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Special rules apply for Norwegian Corporate Shareholder that ceases to be tax resident in Norway.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway. Reference is made to Section 13.1.1 "Taxation of dividends – *Non-Norwegian Personal Shareholders*" above for a description of the availability of a Norwegian share saving accounts.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realisation of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shareholding is effectively connected with business activities carried out in or manager from Norway.

13.1.3 Taxation of Subscription Rights

Norwegian Personal Shareholders

A Norwegian Personal Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares, including the purchase price for any purchased subscription rights, will be added to the cost price of the shares.

Sale and other transfer of subscription rights are considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a realization of subscription rights is taxable or tax deductible in Norway and subject to the same taxation as a capital gain or loss generated through realization of shares, reference is made to Section 13.1.2 "Taxation of capital gains on realisation of shares" above.

Subscription rights acquired as a consequence of ownership of shares held on a share savings account may be held on the share savings account, reference is made to Section 13.1.2 "Taxation of capital gains on realisation of shares" above, but will not be covered by the tax exemption.

Norwegian Corporate shareholders

A Norwegian Corporate Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway. Costs related to the subscription for the shares will be added to the cost price of the shares including the purchase price for any purchased subscription rights.

Sale and other transfer of subscription rights are considered a realization for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realization and costs incurred in connection with the purchase and realization of such subscription rights are not deductible for tax purposes.

Non-Norwegian Shareholders

A Non-Norwegian (Personal or Corporate) Shareholder's subscription for shares pursuant to a subscription right is not subject to taxation in Norway.

Capital gains derived by the sale or other transfer of subscription rights by Non-Norwegian Shareholders are not subject to taxation in Norway unless the Non-Norwegian Shareholder holds the subscription rights in connection with business activities carried out or managed from Norway. Such taxation may be limited according to an applicable tax treaty or other specific regulations.

Note that capital gains related to subscription rights are not comprised by the Norwegian share saving account scheme for Non-Norwegian Personal Shareholders resident within the EEA as further described above in Section 13.1.2 "Taxation of capital gains on realisation of shares" above.

13.1.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.95% of the value assessed up to NOK 20,000,000 and 1.1% of the value assessed in excess of NOK 20,000,000. The value for assessment purposes for listed shares is equal to 75% of the listed value as of 1 January in the year of assessment (i.e. the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e. to 75%).

Non-Norwegian (Personal and Corporate) Shareholders are generally not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

13.1.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares and subscription rights.

13.1.6 Inheritance tax

A transfer of shares or subscription rights through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

14 THE TERMS OF THE RIGHTS ISSUE AND THE ISSUE OF THE CONSIDERATION SHARES

14.1 The Rights Issue

The Rights Issue consists of an offer by the Company of 25,714,286 Offer Shares at a Subscription Price of NOK 7.00 per Offer Share, thereby raising gross proceeds of approximately NOK 180 million. The Offer Shares have a nominal value of NOK 0.26 each.

Existing Shareholders will be granted tradable Subscription Rights that, subject to applicable law, provide a preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price in the Rights Issue. Over-subscription and subscription without Subscription Rights are permitted but there can be no assurance that Offer Shares will be allocated for such subscriptions.

The total gross proceeds of the Rights Issue is fully underwritten by the Underwriters pursuant to, and subject to, the limitations in, the Underwriting Agreement, as further described in Section 14.1.23 "The Underwriting" below.

The Offer Shares allocated in the Rights Issue are expected to be traded on the Oslo Stock Exchange (Euronext Expand) from and including 3 March 2022.

The Subscription Rights and the Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S.

This Prospectus does not constitute an offer of, or an invitation to purchase or subscribe, the Offer Shares and/or the use of the Subscription Rights to subscribe for Offer Shares in the United States or in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important information" and Section 15 "Selling and Transfer Restrictions"

14.1.1 Use of proceeds

The proceeds from the Rights Issue will be used to:

- (i) Finance the cash portion of the acquisition consideration for the Biim Acquisition (NOK 50 million);
- (ii) Commercialization and growth initiatives for Sippi® and Biim;
- (iii) Repayment of current interest-bearing debt (NOK 34 million, which amount only includes a repayment of MNOK 10 of the Danske Bank loan facility and not any overdrafts above MNOK 10 which also must be repaid by the Company upon the completion of the Rights Issue (see Section 6.18 "Significant change" for more information)); and
- (iv) General corporate purposes.

At the date of this Prospectus, the Company cannot predict all of the specific uses for the net proceeds, or the amounts that will actually be spent on the items described above. The exact amounts and the timing of the actual use of the net proceeds will depend on numerous factors, amongst others progress, costs and results of the go-to-market strategy and the R&D projects as well as regulatory results and developments.

14.1.2 Resolution to issue the Offer Shares

On 4 February 2022, an extraordinary general meeting of the Company passed the following resolution to increase the Company's share capital by NOK 6,685,714.36 and to issue the Offer Shares in connection with the Rights Issue (translated from Norwegian):

- (i) *The share capital is increased with NOK 6,685,714.36 by the issuance of 25,714,286 new shares, each with a nominal value of NOK 0.26 (the "Rights Issue").*
- (ii) *The subscription price is NOK 7.00 per share.*
- (iii) *Shareholders of the Company as of 4 February 2022 as registered as such in the Company's shareholders' register in the Norwegian Central Securities Depository (the "VPS") on 8 February 2022 (the "Record Date") (cf. the two days' settlement procedure of the VPS) shall have a preferential right to subscribe for and be*

allocated the new shares in proportion to their shareholding in the Company, cf. Section 10-4 (1) of the Norwegian Public Limited Companies Act.

- (iv) Tradeable subscription rights will be issued and the subscription rights shall be registered in the VPS. The subscription rights shall be tradeable from and including the first day of the subscription period and until 16:30 (CET) two trading days prior to the end of the subscription period. Over-subscription and subscription without subscription rights is permitted.*
- (v) The Company shall prepare a prospectus in connection with the rights issue, which shall be approved by the Norwegian Financial Supervisory Authority. Unless the board of directors decides otherwise, the prospectus shall not be registered with or approved by any foreign prospectus authority. The new shares may not be subscribed for by an investor resident in the U.S. or in other jurisdictions where such subscription is not permitted or to whom the new shares cannot lawfully be offered without a prospectus or similar documentation. The Company, or anyone appointed or instructed by the Company, shall have the right to (but no obligation), for shareholders who resides in the U.S. or in the Company's opinion are not entitled to subscribe for new shares due to limitations set out in law or other regulations in the jurisdiction where such shareholder is resident or a citizen, sell the relevant shareholder's subscription rights against transfer of the net proceeds from such sale to the shareholder.*
- (vi) The subscription period shall commence on 9 February 2022 and expire at 16:30 (CET) on 23 February 2022. If the prospectus is not approved in time to uphold this subscription period, the subscription period shall commence on the second trading day on Euronext Expand following the approval and expire at 16:30 hours (CET) two weeks thereafter. The subscription period may not be shortened, but the board of directors may extend the subscription period if this is required by law due to the publication of a supplement prospectus. Shares that are not subscribed for by the expiry of the subscription period, and which shall be subscribed for by and allocated to the underwriters in the rights issue, shall be subscribed for by such underwriters within four trading days following expiry of the subscription period. Subscription for shares shall be made on a separate subscription form prior to the subscription deadline.*
- (vii) The subscription amount shall be paid in cash. Payment for the new shares shall be made on or prior to 28 February 2022, or the fourth trading day on Euronext Expand after the expiry of the subscription period if the subscription period is postponed according to subparagraph (vi) above. Subscribers who have a Norwegian bank account must, and will by signing the subscription form, give a one-time irrevocable authorisation to debit a specified Norwegian bank account for the amount payable for the shares which are allocated to the subscriber. The amount will be debited from the specified bank account on or around the payment date. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the new shares allocated to them is received on or before the payment date.*
- (viii) The new shares shall be allocated by the board of directors. The following allocation criteria shall apply:*

 - a) Allocation of shares to subscribers will be made in accordance with granted and acquired subscription rights which have been validly exercised during the subscription period. Each subscription right will give the right to subscribe and be allocated one (1) new share in the rights issue.*
 - b) Any unallocated new shares following the allocation under item (a) above shall be allocated to those underwriters who have subscribed New Shares in the subscription period, limited upwards to their respective underwriting obligation.*
 - c) If not all subscription rights are validly exercised during the subscription period and there are remaining unallocated new shares following the allocation to the underwriters who have subscribed new shares in the subscription period pursuant to items (a) and (b) above, subscribers who have exercised their subscription rights and over-subscribed, will be allocated additional new shares on a pro rata basis based on the number of subscription rights exercised by each subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by drawing of lots.*
 - d) New shares not allocated pursuant to item (viii) a) to (c) above, will be allocated to subscribers not holding subscription rights. Allocation will be sought made on a pro rata basis based on their respective subscription amounts.*

- e) *New shares not allocated pursuant to item (viii) a) to (d) above will be subscribed by and allocated to the underwriters in the rights issue pursuant to, and in accordance with, the individual underwriter's underwriting commitments.*
- (ix) *The new shares will carry full rights in the Company, including the right to dividend, from the time of the registration of the share capital increase with the Norwegian Register of Business Enterprises.*
- (x) *Section 4 of the Company's articles of association will be amended to reflect the new share capital and the new number of shares following the share capital increase.*
- (xi) *Shares which have not been subscribed by and allocated to other subscribers in the rights issue at the expiry of the subscription period, shall be allocated to the underwriters listed in a separate appendix pursuant to their respective underwriting commitments in the underwriting for the rights issue. The underwriters' underwriting commitment is made on a pro rata basis, based on their respective underwritten amount and is subject to certain customary conditions for such commitments.*
- (xii) *The completion of the Rights Issue, by way of the pertaining share capital increase being registered in the Norwegian Register of Business Enterprises (the "NRBE"), is subject to (i) the general meeting adopting the resolution to authorise the board of directors to increase the company's share capital with NOK 2,124,697.38 by issuance of 8,171,913 new shares at the general meeting to be held on 4 February 2022 and (ii) the share purchase agreement dated 14 January 2022 for the acquisition and sale of all the issued and outstanding shares in Biim Ultrasound AS remaining in full force and effect at the time notice of the registration of the share capital increase pertaining to the new shares is sent to the NRBE.*
- (xiii) *The costs payable by the Company in connection with the share capital increase are for the time being estimated to be NOK 23 million, including an underwriting commission of NOK 9 millions for the underwriting commitment.*

14.1.3 Conditions for completion of the Rights Issue

The completion of the Rights Issue is subject to (i) the Underwriting Agreement remaining in full force and effect if required in order to raise the gross proceeds. See Section 14.1.23 "The Underwriting" below for a description of the underwriting and the Underwriting Agreement, including the conditions and termination rights to which the underwriting is subject and (ii) the Biim SPA remaining in full force and effect at the time notice of the registration of the share capital increase pertaining to the Rights Issue is sent to the Norwegian Register of Business Enterprises.

If it becomes clear that the conditions mentioned above will not be fulfilled, the Rights Issue will be withdrawn.

Further, the Rights Issue may be withdrawn, or the completion of the Rights Issued may be delayed, if the aggregate subscription amount for the Offer Shares is not received by the Company on time or at all.

If the Rights Issue is withdrawn, all Subscription Rights will lapse without value, any subscriptions for, and allocations of, Offer Shares that have been made will be disregarded and any payments for Offer Shares made will be returned to the subscribers without interest or any other compensation. The lapsing of Subscription Rights will be without prejudice to the validity of any trades in Subscription Rights, and investors will not receive any refund or compensation in respect of Subscription Rights purchased in the market.

14.1.4 Timetable

The timetable set out below provides certain indicative key dates for the Rights Issue

Last day of trading in the Shares including Subscription Rights	4 February 2022
First day of trading in the Shares excluding Subscription Rights	7 February 2022
Record Date	8 February 2022
Subscription Period commences	9 February 2022 at 09:00 hours (CET)
Trading in Subscription Rights commences on the Oslo Stock Exchange (Euronext Expand)	9 February 2022 at 09:00 hours (CET)
Trading in Subscription Rights ends	21 February 2022 at 16:30 hours (CET)
Subscription Period ends	23 February 2022 at 16:30 hours (CET)
Conditional allocation of the Offer Shares	Expected on or about 24 February 2022

Distribution of conditional allocation letters	Expected on or about 24 February 2022
Payment Date	Expected on or about 28 February 2022
Registration of the share capital increase with the Norwegian Register of Business Enterprises	Expected on or about 3 March 2022
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange (Euronext Expand).....	Expected on or about 3 March 2022
Delivery of the Offer Shares	Expected on or about 4 March 2022

14.1.5 Subscription Price

The Subscription Price in the Rights Issue is NOK 7.00 per Offer Share.

The Subscription Price represents the theoretical ex rights price (TERP) based on the volume-weighted average price (VWAP) of the Shares on the Oslo Stock Exchange (Euronext Expand) during the last three trading days prior to the date of the extraordinary general meeting in the Company held on 4 February 2022, less a discount of 30%.

14.1.6 Subscription Period

The Subscription Period will commence on 9 February 2022 at 09:00 hours (CET) and end on 23 February 2022 at 16:30 hours (CET). The Subscription Period may not be shortened, but the Board of Directors may extend the Subscription Period if this is required by law as a result of the publication of a supplemental prospectus. Subscription of Offer Shares shall be made on a separate subscription form.

14.1.7 Record Date for Existing Shareholders

Existing Shareholders who are registered in the Company's shareholder register in the VPS as of the Record Date (8 February 2022) will receive Subscription Rights.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the VPS, Shares that were acquired until and including 4 February 2022 will give the right to receive Subscription Rights, whereas Shares that were acquired from and including 7 February 2022 will not give the right to receive Subscription Rights.

14.1.8 Subscription Rights

Existing Shareholders will be granted tradable Subscription Rights giving a preferential right to subscribe for, and be allocated, Offer Shares in the Rights Issue. Each Existing Shareholder will be granted 1.311588 Subscription Rights for each existing Share registered as held by such Existing Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for, and be allocated, one Offer Share in the Rights Issue.

The Subscription Rights will be credited to and registered on each Existing Shareholder's VPS account on or about 8 February 2022 under ISIN NO 001 2422197. The Subscription Rights will be distributed free of charge to Existing Shareholders.

The Subscription Rights, including acquired Subscription Rights, must be used to subscribe for Offer Shares before the expiry of the Subscription Period (i.e. on 23 February 2022 at 16:30 hours (CET)) or sold before 21 February 2022 at 16:30 hours (CET). Subscription Rights that are not sold before 21 February 2022 at 16:30 hours (CET) or not exercised before 16:30 hours (CET) on 23 February 2022 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights (whether granted or acquired) should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and that the acquisition of Subscription Rights does not in itself constitute a subscription of Offer Shares.

Subscription Rights of Existing Shareholders resident in the United States or jurisdictions where this Prospectus may not be distributed and/or with legislation that, according to the Company's assessment, prohibits or otherwise restricts subscription for Offer Shares (the "**Ineligible Shareholders**") will initially be credited to such Ineligible Shareholders' VPS accounts. Such crediting specifically does not constitute an offer to Ineligible Shareholders. The Company will instruct the Managers to, as far as possible, withdraw the Subscription Rights from such Ineligible Shareholders' VPS accounts, and may sell them in the period from and including 09:00 hours (CET) on 16 February 2022 to 16:30 hours (CET) on 21 February 2022 for the account and risk of such Ineligible Shareholders, unless the relevant Subscription Rights are held through a financial intermediary. See Section 14.1.12 "Financial intermediaries" below for a description of the procedures applicable to Subscription Rights held by Ineligible Shareholders through financial intermediaries.

The Managers will use commercially reasonable efforts to procure that the Subscription Rights withdrawn from the VPS accounts of Ineligible Shareholders (and that are not held through financial intermediaries) are sold on behalf of, and for the benefit of, such Ineligible Shareholders during the above period, provided that (i) the Managers are able to sell the Subscription Rights at a price at least equal to the anticipated costs related to the sale of such Subscription Rights, and (ii) the relevant Ineligible Shareholder has not by 16:30 hours (CET) on 15 February 2022 documented to the Company through one of the Managers the right to receive the Subscription Rights withdrawn from its VPS account, in which case the Managers shall re-credit the withdrawn Subscription Rights to the VPS account of the relevant Ineligible Shareholder. The proceeds from the sale of the Subscription Rights (if any), after deduction of customary sales expenses, will be credited to the Ineligible Shareholder's bank account registered in the VPS for payment of dividends, provided that the net proceeds attributable to such Ineligible Shareholder amount to or exceed NOK 200. If an Ineligible Shareholder does not have a bank account registered in the VPS, the Ineligible Shareholder must contact one of the Managers to claim the proceeds. If the net proceeds attributable to an Ineligible Shareholder are less than NOK 200, such amount will be retained for the benefit of the Company. There can be no assurance that the Managers will be able to withdraw and/or sell the Subscription Rights at a profit or at all. Other than as explicitly stated above, neither the Company nor the Managers will conduct any sale of Subscription Rights not sold before 16:30 hours (CET) on 21 February 2022 or utilised before the end of the Subscription Period.

14.1.9 Trading in the Subscription Rights

The Subscription Rights will be tradable and listed on the Oslo Stock Exchange (Euronext Expand) with ticker code "OBSRT" from and including 09:00 hours (CET) on 9 February 2022 to 16:30 hours (CET) on 21 February 2022.

The Subscription Rights will only be tradable during part of the Subscription Period.

Persons intending to trade in Subscription Rights should be aware that the trading in, and exercise of, Subscription Rights by holders who are located in jurisdictions outside Norway may be restricted or prohibited by applicable securities laws. See Section 15 "Selling and Transfer Restrictions" for a description of such restrictions and prohibitions.

14.1.10 Subscription procedures

Subscriptions for Offer Shares must be made by submitting a correctly completed subscription form, attached hereto as [Appendix A](#) "Subscription form for the Rights Issue" (the "**Subscription Form**") to one of the Managers during the Subscription Period, or may, for subscribers who are residents of Norway with a Norwegian personal identification number (Nw. *fødselsnummer*), be made online as further described below.

Subscriptions for Offer Shares by subscribers who are not Existing Shareholders must also be made on a Subscription Form in the form included in [Appendix A](#) "Subscription form for the Rights Issue".

Correctly completed Subscription Forms must be received by one of the Managers at the following address or e-mail address, or in the case of online subscriptions be registered, no later than 16:30 hours (CET) on 23 February 2022:

Carnegie AS
Fjordalléen 16
P.O. Box 684 Sentrum
N-0106 Oslo
Norway
Tel: +47 47 22 00 93 60
E-mail: subscriptions@carnegie.no

DNB Markets, Registrar Department
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway
Tel: +47 23 26 80 20
E-mail: retail@dnb.no

Subscribers who are residents of Norway with a Norwegian personal identification number (Nw. *fødselsnummer*) are encouraged to subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.carnegie.no/ongoing-prospectuses-and-offerings/ or www.dnb.no/emisjon, which will redirect the subscriber to the VPS online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (Nw.: *fødselsnummer*). In addition, the VPS online subscription system is only available for individual persons and is not available for legal entities and legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by one of

the Managers. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by one of the Managers, or in the case of subscriptions through the VPS online subscription system, upon registration of the subscription. The subscriber is responsible for the correctness of the information filled into the Subscription Form or, in the case of subscriptions through the VPS online subscription system, the online subscription registration. By signing and submitting a Subscription Form, or by registration of a subscription in the VPS online subscription system, the subscribers confirm and warrant that they have read this Prospectus and are eligible to subscribe for Offer Shares under the terms set forth herein.

There is no minimum subscription amount for which subscriptions in the Rights Issue must be made. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber) and subscription without Subscription Rights are permitted. However, in each case, there can be no assurance that Offer Shares will be allocated for such subscriptions.

Multiple subscriptions (i.e., subscriptions on more than one Subscription Form) are allowed. Please note, however, that two separate Subscription Forms submitted by the same subscriber with the same number of Offer Shares subscribed for on both Subscription Forms will only be counted once, unless otherwise is explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the VPS online subscription system or subscriptions made both on a Subscription Form and through the VPS online subscription system, all subscriptions will be counted.

All subscriptions in the Rights Issue will be treated in the same manner regardless of which of the above Managers the subscriptions are placed with. Furthermore, all subscriptions in the Rights Issue will be treated in the same manner regardless of whether the subscription is made by delivery of a Subscription Form to one of the Managers or through the VPS online subscription system.

14.1.11 Mandatory Anti-Money Laundering Procedures

The Rights Issue is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Subscribers who are not registered as existing customers of one of the Managers must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by a Manager. Subscribers who have not completed the required verification of identity prior to the expiry of the Subscription Period will not be allocated Offer Shares.

Furthermore, participation in the Rights Issue is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the Subscription Form. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

14.1.12 Financial intermediaries

14.1.12.1 General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (e.g., brokers, custodians and nominees) should read this Section 14.1.12 "Financial intermediaries". All questions concerning the timeliness, validity and form of instructions to a financial intermediary in relation to the exercise of Subscription Rights should be determined by the financial intermediary in accordance with its usual customer relations procedure or as it otherwise notifies each beneficial shareholder.

The Company is not liable for any action or failure to act by a financial intermediary through which Shares are held.

14.1.12.2 Subscription Rights

If an Existing Shareholder holds Shares registered through a financial intermediary on the Record Date, the financial intermediary will customarily give the Existing Shareholder details of the aggregate number of Subscription Rights to which it will be entitled. The relevant financial intermediary will customarily supply each Existing Shareholder with this information in accordance with its usual customer relations procedures. Existing Shareholders holding Shares through a financial intermediary should contact the financial intermediary if they have received no information with respect to the Rights Issue.

Subject to applicable law, Existing Shareholders holding Shares through a financial intermediary may instruct the financial intermediary to sell some or all of their Subscription Rights, or to purchase additional Subscription Rights on their behalf. See Section 15 "Selling and Transfer Restrictions

" for a description of certain restrictions and prohibitions applicable to the sale and purchase of Subscription Rights in certain jurisdictions outside Norway.

Existing Shareholders who hold their Shares through a financial intermediary and who are Ineligible Shareholders will not be entitled to exercise their Subscription Rights but may, subject to applicable law, instruct their financial intermediary to sell their Subscription Rights transferred to the financial intermediary. As described in Section 14.1.12.2 "Subscription Rights", neither the Company nor the Managers will sell any Subscription Rights transferred to financial intermediaries.

14.1.12.3 Subscription Period and period for trading in Subscription Rights

The time by which notification of exercise instructions for subscription of Offer Shares must validly be given to a financial intermediary may be earlier than the expiry of the Subscription Period. The same applies for instructions pertaining to trading in Subscription Rights and the last day of trading in such rights (which accordingly will be a deadline earlier than 21 February 2022 at 16:30 hours (CET)). Such deadlines will depend on the financial intermediary. Existing Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

14.1.12.4 Subscription

Any Existing Shareholder who is not an Ineligible Shareholder and who holds its Subscription Rights through a financial intermediary and wishes to exercise its Subscription Rights, should instruct its financial intermediary in accordance with the instructions received from such financial intermediary. The financial intermediary will be responsible for collecting exercise instructions from the Existing Shareholders and for informing the Managers of such exercise instructions.

A person or entity who has acquired Subscription Rights that are held through a financial intermediary should contact the relevant financial intermediary for instructions on how to exercise the Subscription Rights.

See Section 15 "Selling and Transfer Restrictions" below for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

14.1.12.5 Method of payment

Any Existing Shareholder who holds its Subscription Rights through a financial intermediary should pay the Subscription Price for the Offer Shares that are allocated to it in accordance with the instructions received from the financial intermediary. The financial intermediary must pay the Subscription Price in accordance with the instructions in this Prospectus. Payment by the financial intermediary for the Offer Shares must be made to the Managers no later than the Payment Date (as defined below). Accordingly, financial intermediaries may require payment to be provided to them prior to the Payment Date.

14.1.13 Allocation of the Offer Shares

Conditional allocation of the Offer Shares will take place on or about 24 February 2022 in accordance with the following criteria:

- (i) Allocation of Offer Shares to subscribers will be made in accordance with granted and acquired Subscription Rights which have been validly exercised during the Subscription Period. Each Subscription Right will give the right to subscribe for and be allocated one Offer Share in the Rights Issue.

- (ii) Any unallocated Offer Shares following the allocation under item (i) above shall be allocated to those Underwriters who have subscribed Offer Shares in the Subscription Period, limited upwards to their respective underwriting obligation.
- (iii) If not all Subscription Rights are validly exercised during the Subscription Period and there are remaining unallocated Offer Shares following the allocation to the Underwriters who have subscribed Offer Shares in the Subscription Period pursuant to items (i) and (ii) above, subscribers who have exercised their Subscription Rights and who have over-subscribed, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.
- (iv) Offer Shares not allocated pursuant to items (i) to (iii) above, will be allocated to subscribers not holding Subscription Rights. Allocation will be sought made on a pro rata basis based on their respective subscription amounts.
- (v) Any Offer Shares remaining after allocation pursuant to items (i) to (iv) above, will be subscribed by, and allocated to, the Underwriters pursuant to, and in accordance with, the underwriting obligation of the respective Underwriters.

No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights (i.e. over-subscription or subscriptions made without Subscription Rights) and will only allocate such Offer Shares to the extent that Offer Shares are available to cover over-subscription based on Subscription Rights or subscriptions made without Subscription Rights.

Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated.

Any Offer Shares that are unsubscribed by the end of the Subscription Period, will be subscribed by the Underwriters in accordance with their underwriting obligations, see Section 14.1.23 "The Underwriting".

The result of the Rights Issue is expected to be published on or about 24 February 2022 in the form of a stock exchange notification from the Company through the Oslo Stock Exchange's information system. Notifications of conditionally allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about 24 February 2022. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares conditionally allocated to them from 12:00 hours (CET) 24 February 2022. Subscribers who do not have access to investor services through their VPS account manager may contact the Managers (Carnegie on telephone number +47 22 00 93 60 or DNB Markets on +47 23 26 80 20) from 12:00 hours (CET) on 24 February 2022 to obtain information about the number of Offer Shares conditionally allocated to them.

14.1.14 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on or about 28 February 2022 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out in Section 14.1.14.1 "Subscribers who have a Norwegian bank account" or Section 14.1.14.2 "Subscribers who do not have a Norwegian bank account".

14.1.14.1 Subscribers who have a Norwegian bank account

Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form or by the online subscription registration for subscriptions through the VPS online subscription system, provide the Managers with a one-time irrevocable authorization to debit a specified Norwegian bank account for the amount payable for the Offer Shares which are allocated to the subscriber.

The specified bank account is expected to be debited on or after the Payment Date. The Managers are only authorized to debit such account once, but reserves the right to make up to three debit attempts, and the authorization will be valid for up to seven working days after the Payment Date.

The subscriber furthermore authorizes the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment.

If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorization from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue.

Payment by direct debiting is a service that banks in Norway provide in cooperation. In the relationship between the subscriber and the subscriber's bank, the standard terms and conditions for "Payment by Direct Debiting – Securities Trading", which are set out on page 2 of the Subscription Form, will apply.

14.1.14.2 Subscribers who do not have a Norwegian bank account

Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date.

Prior to any such payment being made, the subscriber must contact one of the Managers on telephone number +47 22 00 93 60 or +47 23 26 80 20 for further details and instructions.

14.1.15 *Overdue payments*

Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.50% per annum as of the date of this Securities Note. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber. The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber, at any time, to cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

The Company and the Managers further reserve the right (but have no obligation) to have the Managers advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Manager.

14.1.16 *Delivery of the Offer Shares*

Subject to timely payment of the entire subscription amount in the Rights Issue, the Company expects that the share capital increase pertaining to the Rights Issue will be registered with the Norwegian Register of Business Enterprises on or about 3 March 2022 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the next day (i.e. 4 March 2022). The final deadline for registration of the share capital increase pertaining to the Rights Issue with the Norwegian Register of Business Enterprises, and, hence, for the delivery of the Offer Shares, is, pursuant to the Norwegian Public Limited Companies Act, three months from the expiry of the Subscription Period (i.e. three months from 23 February 2022).

14.1.17 *Listing of the Offer Shares*

The Shares are listed on the Oslo Stock Exchange (Euronext Expand) under ISIN NO 0010865009 and ticker code "OBSRV". The Offer Shares will be listed on the Oslo Stock Exchange (Euronext Expand) as soon as the share capital increase pertaining to the Rights Issue has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been registered in the VPS. This is expected to take place on or about 3 March 2022.

The Offer Shares may not be transferred or traded before they are fully paid and the share capital increase pertaining to the Rights Issue has been registered with the Norwegian Register of Business Enterprises and the VPS.

14.1.18 *The rights conferred by the Offer Shares*

The Offer Shares to be issued in the Rights Issue will be ordinary Shares in the Company, each having a nominal value of NOK 0.26, and will be issued electronically in registered form in accordance with the Norwegian Public Limited Companies Act.

The Offer Shares will rank *pari passu* in all respects with the existing Shares and will carry full shareholder rights in the Company from the time of registration of the share capital increase pertaining to the Rights Issue with the Norwegian

Register of Business Enterprises. The Offer Shares will be eligible for any dividends which the Company may declare after such registration. All Shares, including the Offer Shares, will have voting rights and other rights and obligations which are standard under the Norwegian Public Limited Companies Act, and are governed by Norwegian law.

14.1.19 NCI code and LEI number

In order to participate in the Rights Issue, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**").

For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (*Nw: "fødselsnummer"*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information.

LEI is a mandatory number for all companies investing in the financial market from January 2018. A LEI is a 20-character identifier that identifies distinct legal entities that engage in financial transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but instead it delegates this responsibility to Local Operating Units ("**LOU**")s).

Norwegian companies can apply for a LEI number through the website <https://no.nordlei.org/>. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website <https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations>.

14.1.20 VPS registration

The Subscription Rights will be registered in the VPS under ISIN NO 001 2422197. The Offer Shares will be registered in the VPS with the same ISIN as the existing Shares, i.e. ISIN NO 0010865009.

The Company's registrar with the VPS is, DNB Markets, a part of DNB Bank ASA (the "**VPS Registrar**"), Dronning Eufemias gate 30, N-0191 Oslo, Norway, telephone number +47 23 26 80 20.

14.1.21 Timeliness, validity, form and eligibility of subscriptions

All questions concerning the timeliness, validity, form and eligibility of any subscription for Offer Shares will be determined by the Board of Directors, whose determination will be final and binding. The Board of Directors, or the Managers upon being authorised by the Board of Directors, may in its or their sole discretion waive any defect or irregularity in the Subscription Forms, permit such defect or irregularity to be corrected within such time as the Board of Directors or the Managers may determine, or reject the purported subscription of any Offer Shares. It cannot be expected that Subscription Forms will be deemed to have been received or accepted until all irregularities have been cured or waived within such time as the Board of Directors or the Managers shall determine. Neither the Board of Directors, the Company nor the Managers will be under any duty to give notification of any defect or irregularity in connection with the submission of a Subscription Form or assume any liability for failure to give such notification. Further, neither the Board of Directors, the Company nor the Managers are liable for any action or failure to act by a financial intermediary through whom any Existing Shareholder holds its Shares or by the Managers in connection with any subscriptions or purported subscriptions.

14.1.22 Share capital following the Rights Issue

Upon registration of the share capital increase pertaining to the Offer Shares, the Company's share capital will be increased with NOK 6,685,714.36, and will be NOK 11,783,133.18 divided into 45,319,743 shares, each with a nominal value of NOK 0.26.

14.1.23 The Underwriting

The Company and the Underwriters have entered into the Underwriting Agreement dated 14 January 2022, pursuant to which the Underwriters have undertaken, severally and not jointly, to underwrite an aggregate amount of NOK 180 million in the Rights Issue. The Underwriters have, limited to their respective underwritten amounts as set out in the table below, undertaken to subscribe and pay for the Offer Shares not subscribed for during the Subscription Period on or prior to the Payment Date.

The table below shows the subscription amount each Underwriter has undertaken to underwrite.

Name	Address	Underwritten amount (NOK)	% (approximately)
Ingerø Reiten Investment Company AS	Haakon VII's gate 1, 0161 Oslo, Norway	40,000,000	22.2%
Norda ASA	Stortingsgaten 28, 0161 Oslo, Norway	20,000,000	11.1%
Nyenburgh Holding B.V.	Beursplein 5, 1012 JW Amsterdam, The Netherlands	20,000,000	11.1%
Alpine Capital AS	Østre Holmensvingen 3, 0774 Oslo, Norway	16,000,000	8.9%
Altitude Capital AS	Olav Vs gate 5, 0161 Oslo, Norway	15,000,000	8.3%
MP Pensjon pk	Lakkegata 23, 0187 Oslo, Norway	15,000,000	8.3%
Carnegie AS	Fjordalléen 16, 0250 Oslo, Norway	10,000,000	5.6%
DNB Markets, a part of DNB Bank ASA	Dronning Eufemias gate 30, 0191 Oslo, Norway	10,000,000	5.6%
Modelio Equity AB	Ingermar Bergmansgata 2, 11434 Stockholm, Sweden	9,000,000	5.0%
Wilhelm Risberg	Narvavägen 21, 11460 Stockholm, Sweden	6,000,000	3.3%
Artal AS	Strandgata 38, 6270 Brattvåg, Norway	5,000,000	2.8%
Formue Nord Markedsneutral A/S	Østre Alle 102, 9000 Aalborg, Denmark	5,000,000	2.8%
Silvercoin Industries AS	Tyrihjellevien 22, 1960 Løken, Norway	5,000,000	2.8%
Lapas AS	Fjellbu 40, 6270 Brattvåg, Norway	4,000,000	2.2%
Total		180,000,000	100%

The Underwriters' obligations to subscribe and pay for the Offer Shares allocated to them in accordance with the Underwriting Agreement are conditional upon the following conditions: (i) the Underwriters having underwritten the entire gross proceeds of the Rights Issue, (ii) the extraordinary general meeting of the Company held on 4 February 2022 validly having approved the Rights Issue, (iii) the Company having published a prospectus in relation to the Rights Issue approved by the Norwegian FSA, (iv) the Company having issued on the date of the Prospectus, a declaration of completeness and indemnity for the benefit of the Managers in a form satisfactory to the Managers in their sole discretion and (v) save as disclosed in the Prospectus, no change, event, effect, or condition shall have occurred that has or would have, individually or in the aggregate, an effect on the current or future business, assets, liabilities, liquidity, solvency or funding position or condition (financial or otherwise) or results of the Company and its subsidiaries taken as a whole, which in the good faith opinion of the Managers is so material and adverse as to make it impracticable or inadvisable to proceed with the Rights Issue or the delivery of the Offer Shares on the terms and in the manner contemplated in the Prospectus. Except for the condition described in item (v) in the preceding sentence, all of the conditions have been fulfilled at the time of publication of this Prospectus.

The Company may terminate the Underwriting Agreement in its sole discretion at any time prior to the registration of the share capital increase pertaining to the Rights Issue in the Norwegian Register of Business Enterprises. The Underwriters' obligations expire in the event that they have not been notified of any allotment under the Underwriting Agreement within 31 March 2022. Prior to that date, the Underwriters may terminate the Underwriting Agreement in the event that the Company is in material breach of the Underwriting Agreement. In such event, the Rights Issue will be withdrawn unless it is fully subscribed. See 14.1.3 "Conditions for completion of the Rights Issue" for a description of the consequences of a withdrawal of the Rights Issue.

Pursuant to the Underwriting Agreement, each Underwriter will upon completion of the Rights Issue receive an underwriting fee of 5% of its respective underwritten amount.

14.1.24 Net proceeds and expenses related to the Rights Issue

The Managers shall receive a success-based fee and commission as a per cent of the gross proceeds of the Rights Issue for its services rendered in connection therewith. Each Underwriter shall receive from the Company an underwriting commission equal to 5% of the amount of the relevant Underwriter's underwriting obligation. The total costs and expenses of, and incidental to, the Rights Issue are estimated to amount to approximately NOK 23 million. No expenses or taxes will be charged by the Company or the Managers to the subscribers in the Rights Issue.

Total net proceeds from the Rights Issue are estimated to amount to approximately NOK 157 million. See Section 14.1.1 "Use of proceeds" for a description of the use of such proceeds.

14.1.25 *Interests of natural and legal persons involved in the Rights Issue*

Some of the Underwriters are Existing Shareholders, holding in aggregate approximately 33.6% of the Shares (pursuant to the Company's shareholders list as registered in the VPS as of 1 February 2022), for which they will receive Subscription Rights and may exercise their right to take up such Subscription Rights and acquire Offer Shares. Further, pursuant to the Underwriting Agreement, each Underwriter will upon completion of the Rights Issue receive an underwriting fee of 5% of the amount of the Underwriter's underwriting obligation.

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers, their employees and any affiliate may currently own Shares in the Company. Further, in connection with the Rights Issue, the Managers, their employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Existing Shareholders) and may exercise its right to take up such Subscription Rights and may exercise its right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell Subscription Rights or Offer Shares and any other securities of the Company or other investments for its own account and may offer or sell such securities (or other investments) otherwise than in connection with the Rights Issue. The Managers does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers are also Underwriters in the Rights Issue and are entitled to receive the underwriting fee described in the preceding paragraph.

Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Rights Issue.

14.1.26 *Participation of major existing shareholders and members of the Company's Management, supervisory and administrative bodies in the Rights Issue*

To the Company's knowledge, the following members of the Board of Directors and Management intend to subscribe for Offer Shares in the Rights Issue:

Name	Position	Net Amount
Björn Larsson	CEO	NOK 119,000
Per Arne Nygård	CFO	NOK 700,000

In addition, Board Member Kathrine Gamborg Andreassen intends to sell a portion of her Subscription Rights which is required in order to finance her subscription of Offer Shares.

Further, IRIC, the Company's second largest shareholder, has pre-committed to subscribe for NOK 40 million in the Rights Issue.

In addition, certain Existing Shareholders have made underwriting commitments pursuant to the Underwriting Agreement (see Section 14.1.23 "The Underwriting" above).

Other than as set out above, the Company is not aware of whether any major shareholders of the Company or members of the Company's management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Rights Issue, or whether any person intends to subscribe for more than 5% of the Rights Issue.

14.1.27 *Publication of information relating to the Rights Issue*

The Company will use the Oslo Stock Exchange's information system to publish information relating to the Rights Issue.

14.1.28 *Lock-up*

In connection with the Rights Issue, the following lock-up agreements have been entered into with the Managers:

- The Company has entered into a lock-up undertaking with the Managers where it has undertaken that until (and including) the date falling 180 days after the Offer Shares have been registered in the VPS, the Company will not and will procure that none of its affiliates nor any other party acting on its behalf (other

than the Managers) will, without the prior written consent of the Managers, directly or indirectly, (i) offer, issue, sell, contract to issue or sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any shares of the Company or any securities convertible into or exercisable or exchangeable for shares of the Company and (ii) enter into any swap or other agreement that transfers to another, in whole or in part, the economic consequence of ownership of shares of the Company, whether such transaction described in (i) or (ii) is to be settled by delivery of shares, cash or such other securities, without the prior written consent of the Managers.

The undertaking does not apply to (i) the issue of the Subscription Rights and the Offer Shares, (ii) the issue of the Consideration Shares or (iii) ordinary issuances of options or shares resulting from option exercises in accordance with past practice.

- IRIC has entered into a lock-up undertaking with the Managers where it has undertaken that until (and including) the date falling 360 days after the Offer Shares have been registered in the VPS, it will not and will procure that none of its affiliates nor any other party acting on its behalf (other than the Managers) will, without the prior written consent of the Managers, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any shares of the Company or any securities convertible into or exercisable or exchangeable for shares of the Company and (ii) enter into any swap or other agreement that transfers to another, in whole or in part, the economic consequence of ownership of shares of the Company, whether such transaction described in (i) or (ii) is to be settled by delivery of shares, cash or such other securities, without the prior written consent of the Managers.

The undertaking does not apply to (i) the acceptance (including pre-acceptance) of any bona fide offer for all the shares of the Company, (ii) any direct or indirect transfer of shares in the Company to a company controlled by IRIC or entity controlling IRIC provided that such company or entity prior to the transfer has signed a lock-up undertaking in the same form as this Undertaking, (iii) the sale of any subscription rights in any other rights issues conducted by the Company in the lock-up period or (iv) the pledging of shares in the Company to a financial institution as security for debt to such financial institution, limited to a maximum loan-to-value (LTV) of 50%.

- The members of Management and the Board Members have entered into a lock-up undertaking with the Managers where each of them has undertaken that until (and including) the date falling 360 days after the Offer Shares have been registered in the VPS, they will not and will procure that none of its affiliates nor any other party acting on its behalf (other than the Managers) will, without the prior written consent of the Managers, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any shares of the Company or any securities convertible into or exercisable or exchangeable for shares of the Company and (ii) enter into any swap or other agreement that transfers to another, in whole or in part, the economic consequence of ownership of shares of the Company, whether such transaction described in (i) or (ii) is to be settled by delivery of shares, cash or such other securities, without the prior written consent of the Managers.

The undertaking does not apply to (i) the acceptance (including pre-acceptance) of any bona fide offer for all the shares of the Company, (ii) any direct or indirect transfer of shares in the Company to a company controlled by the them or entity controlling the them provided that such company or entity prior to the transfer has signed a lock-up undertaking in the same form as this Undertaking or (iii) the sale of any subscription rights in any other rights issues conducted by the Company in the lock-up period. Furthermore, Board Member Kathrine Gamborg Andreassen has an exception in her lock-up undertaking allowing her to sell a portion of her Subscription Rights which is required in order to finance her subscription of Offer Shares.

- Navamedic have entered into a lock-up undertaking with the Managers where it has undertaken that until (and including) the date falling 180 days after the Offer Shares have been registered in the VPS, they will not and will procure that none of its affiliates nor any other party acting on its behalf (other than the Managers) will, without the prior written consent of the Managers, directly or indirectly, (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any shares of the Company or

any securities convertible into or exercisable or exchangeable for shares of the Company and (ii) enter into any swap or other agreement that transfers to another, in whole or in part, the economic consequence of ownership of shares of the Company, whether such transaction described in (i) or (ii) is to be settled by delivery of shares, cash or such other securities, without the prior written consent of the Managers.

The undertaking does not apply to (i) the acceptance (including pre-acceptance) of any bona fide offer for all the shares of the Company, (ii) any direct or indirect transfer of shares in the Company to a company controlled by Navamedic or entity controlling Navamedic provided that such company or entity prior to the transfer has signed a lock-up undertaking in the same form as this Undertaking, (iii) the sale of any Subscription Rights in the Rights Issue or the sale of subscription rights in any other rights issues or similar share issues (e.g. subsequent repair offerings) conducted by the Company in the lock-up period or (iv) any transfer of shares in the Company to Lars Hjarrand pursuant to the share option agreement entered into on 16 February 2020.

It is noted that the Managers' may in their sole discretion, at any given time on a case by case basis upon request, determine to consent to a waiver of the above mentioned lock-up undertakings. Generally it should be noted that it is fairly standard business practice in Norway that in connection with public offerings, secondary sale of shares or share issuances in listed entities conducted as private placements and in some cases rights issues, the issuer, Board Members and Management and from time to time larger shareholders enters into lock-up undertakings with the managers, and based on business practice, managers from time to time determines to consent to a waiver of lock-up agreements.

14.1.29 Product Governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Target Market Assessment).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or

14.1.30 Advisors in the Rights Issue

Carnegie AS (Aker Brygge, Fjordalléen 16, N-0250 Oslo, Norway) and DNB Markets, a part of DNB Bank ASA, (Dronning Eufemias gate 30, N-0191 Oslo, Norway) acts as managers in the Rights Issue. Advokatfirmaet Thommessen AS (Ruseløkkveien 38, N-0251 Oslo, Norway) acts as legal advisor to the Company in the Rights Issue. Advokatfirmaet Schjødt AS (Ruseløkkveien 14-16, 0251 Oslo, Norway) acts as legal advisor to the Managers in connection with the Rights Issue.

14.2 The issue of the Consideration Shares

14.2.1 Introduction

As partial consideration for the Biim Acquisition, the Company will issue 8,171,913 Consideration Shares upon conversion of an account receivable, to be issued at a subscription price of NOK 16.52 per Consideration Share, to the

Sellers of Biim. Reference is made to section 7.1 "Overview of the Biim Acquisition" for more information regarding the Biim Acquisition and the Biim SPA.

14.2.2 Resolution to issue the Consideration Shares

On 4 February 2022, the General Meeting granted the Company's board of directors the following authorisation to increase the Company's share capital by NOK 2,124,697.38, in order to enable it to issue the Consideration Shares (translated from Norwegian):

- (i) Pursuant to section 10-14 of the Norwegian Public Limited Companies Act, the board of directors is given an authorisation to increase the Company's share capital by up to NOK 2,124,697.38.
- (ii) The shareholders' pre-emptive right to the new shares in accordance with section 10-4 of the Norwegian Public Limited Companies Act may be deviated from.
- (iii) The authorisation comprises share capital increases against contribution in kind and the right to incur specific obligations on behalf of the Company, cf. section 10-2 of the Norwegian Public Limited Companies Act.
- (iv) The authorisation does not comprise share capital increases in connection with mergers pursuant to section 13-5 of the Norwegian Public Limited Companies Act.
- (v) The authorisation is subject to the company completing the rights issue adopted by the general meeting held on 4 February 2022 (which shall be considered completed upon the registration of the share capital increase pertaining to the rights issue in the Norwegian Register of Business Enterprises (the "NRBE")). The authorisation shall not be registered in the NRBE prior to the share capital increase pertaining to the rights issue is registered in the NRBE.
- (vi) The authorisation is valid until the Company's annual general meeting in 2022, but no longer than to and including 30 June 2022.
- (vii) From the time of registration in the NRBE, this authorisation replaces the previous authorisations to increase the share capital in the company by up to NOK 1,020,000 and NOK 500,000, respectively, given to the board of directors at the Company's annual general meeting held on 21 May 2021.

14.2.3 Delivery and listing of the Consideration Shares

The Consideration Shares are expected to be issued to the Sellers of Biim on or around 9 March 2022 following (i) the Completion, (ii) the registration of the share capital increase pertaining to the Consideration Shares with the Norwegian Register of Business Enterprises and (iii) registration of the Consideration Shares in the VPS.

The Consideration Shares will upon issue be registered at the same ISIN as the other Shares listed on the Oslo Stock Exchange (Euronext Expand) (ISIN NO 0010865009) and become listed and tradable on the Oslo Stock Exchange (Euronext Expand) as at the time of registration of the Consideration Shares in the VPS.

14.2.4 The rights conferred by the Consideration Shares

The Consideration Shares are ordinary Shares in the Company, each having a par value of NOK 0.26, and are registered in book-entry form with the VPS. The Consideration Shares will carry full shareholder rights, in all respects equal to the Company's existing Shares, from the time of registration of the share capital increase pertaining to the Consideration Shares with the Norwegian Register of Business Enterprises.

14.2.5 Lock-up

In connection with the Biim Acquisition and related to the Rights Issue, the following lock-up agreements will be entered into by the Sellers with the Managers on the date of Completion:

- JPB AS, ELI AS, JTT AS, US Holding AS, Seed Capital AS, Athend AS and Rune Nystad, jointly owning approximately 55% of Biim prior to the Completion, will undertake that until (and including) the date falling 360 days after the Offer Shares have been registered in the VPS, they will not and will procure that none of their affiliates nor any other party acting on their behalf (other than the Managers) will, without the prior written consent of the Managers, directly or indirectly, (i) offer, sell, contract to sell, sell any option or

contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of any shares of the Company or any securities convertible into or exercisable or exchangeable for shares of the Company and (ii) enter into any swap or other agreement that transfers to another, in whole or in part, the economic consequence of ownership of shares of the Company, whether such transaction described in (i) or (ii) is to be settled by delivery of shares, cash or such other securities, without the prior written consent of the Managers.

The undertaking does not apply to (i) the acceptance (including pre-acceptance) of any bona fide offer for all the shares of the Company, (ii) any direct or indirect transfer of shares in the Company to a company controlled by the them or entity controlling them provided that such company or entity prior to the transfer has signed a lock-up undertaking in the same form as this Undertaking or (iii) the sale of any subscription rights in any other rights issues conducted by the Company in the lock-up period.

- Sellers' owning approximately 42% of Biim prior to the Completion, will undertake a similar lock-up undertaking as the one described in the bullet point above for a period of 180 days after the Offer Shares have been registered in the VPS.
- The remaining Sellers owning approximately 3% of Biim prior to the Completion, are expected to agree to a lock-up undertaking as described in the first bullet point above for a period of 180 days after the Offer Shares have been registered in the VPS.

It is noted that the Managers' may in their sole discretion, at any given time on a case by case basis upon request, determine to consent to a waiver of the above mentioned lock-up undertakings, and based on business practice, managers from time to time determines to consent to a waiver of lock-up agreements.

14.2.6 Share capital following the issuance of the Consideration Shares

Following the registration of the share capital increase pertaining to the Consideration Shares with the Norwegian Register of Business Enterprises (and after the registration of the share capital increases pertaining to the Offer Shares Shares) which is expected to take place on or about 9 March 2022, the number of issued and outstanding Shares in the Company will be increased by 8,171,913 Shares from 45,319,743 Shares to 53,491,656 Shares, each with a par value of NOK 0.26, and the Company's share capital will be increased by NOK 2,124,697.38 from NOK 11,783,133.18 to NOK 13,907,830.56.

14.3 Dilution

The following table shows a comparison of participation in the Company's share capital and voting rights for existing shareholders before and after the issuance of the New Shares, with the assumption that existing shareholders do not subscribe for the Offer Shares and assuming that all the New Shares are issued:

	Prior to the issuance of the Offer Shares	Subsequent to the issuance of the Offer Shares	Prior to the issuance of the Consideration Shares	Subsequent to the issuance of the New Shares
Number of Shares each with a par value of NOK 0.26	19,605,457	45,319,743	45,319,743	53,491,656
% dilution	-	57%	-	15%
Number of Shares each with a par value of NOK 0.26	19,605,457	-	-	53,491,656
% dilution	-	-	-	63%

The Company's total assets (non-current assets and current assets taken together) and liabilities (non-current liabilities and current liabilities taken together) as at 30 September 2021 were NOK 75.8 million and NOK 73.2 million, respectively, which translates to approximately NOK 0.133 in net asset value per Share at that date. The Subscription Price in the Rights Issue is NOK 7.00 and the agreed subscription price for the Consideration Shares is NOK 16.52.

14.4 Governing law and jurisdiction

This Prospectus and the terms and conditions of the Rights Issue and the Subscription Form shall be governed by, and construed in accordance with, Norwegian law, and the Offer Shares will be issued pursuant to the Norwegian Public Limited Companies Act. Any dispute arising out of, or in connection with, this Prospectus and the Rights Issue shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo district court as legal venue.

15 SELLING AND TRANSFER RESTRICTIONS

This Prospectus does not constitute an offer or grant of, or an invitation to purchase any of, the Subscription Rights or the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. No one has taken any action that would permit a public offering of Subscription Rights or Offer Shares to occur outside of Norway. Accordingly, neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers require persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. The Subscription Rights and Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

15.1 General

The grant of Subscription Rights and issue of Offer Shares upon exercise of Subscription Rights to persons resident in, or who are citizens of countries other than Norway, may be affected by the laws of the relevant jurisdiction. **The Subscription Rights offered and granted in the Rights issue may not be offered, sold, exercised, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States.** Investors should consult with their professional advisors as to whether they require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares.

The Subscription Rights and Offer Shares being granted and offered, respectively, in the Rights Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not and will not be offered, sold, exercised, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the applicable securities laws of any state or jurisdiction of the United States. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any territory other than Norway, such investor may not treat this Prospectus as constituting an invitation or offer to it, or a grant of, nor should the investor in any event deal in Subscription Rights and/or Offer Shares, unless, in the relevant jurisdiction, such an invitation, offer or grant could lawfully be made to that investor, or the Subscription Rights and/or Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer the Subscription Rights and/or the Offer Shares to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If the investor forwards this Prospectus into any such territories (whether under a contractual or legal obligation or otherwise), the investor should direct the recipient's attention to the contents of this Section 15 "Selling and Transfer Restrictions".

Except as otherwise noted in this Prospectus and subject to certain exceptions: (i) the Subscription Rights and Offer Shares being granted and offered, respectively, in the Rights Issue may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, any jurisdiction in which it would not be permissible to grant the Subscription Rights or offer the Offer Shares, as applicable; (ii) the Subscription Rights may not be offered, sold, exercised, pledged, resold, granted, delivered, allocated, taken up, transferred or delivered, directly or indirectly, within the United States (iii) this Prospectus may not be sent to any person in any jurisdiction in which it would not be permissible to offer the Offer Shares; and (iv) the crediting of Subscription Rights to an account of an holder or other person who is a resident of any jurisdiction in which it would not be permissible to offer the Offer Shares does not constitute an offer to such persons of the Offer Shares. Holders of Subscription Rights who are resident in any jurisdiction in which it would not be permissible to offer the Offer Shares may not exercise Subscription Rights.

If an investor exercises Subscription Rights to subscribe for Offer Shares, unless the Company in its sole discretion determines otherwise on a case-by-case basis, that investor will be deemed to have made or, in some cases, be required to make, the following representations and warranties to the Company and any person acting on the Company's or its behalf:

- a) the investor is not located or residing in a jurisdiction in which it would not be permissible to grant the Subscription Rights or offer the Subscription Rights and/or Offer Shares;
- b) the investor is not a person to which the Rights Issue cannot be unlawfully made;
- c) the investor is not acting, and has not acted, for the account or benefit of an a person to which the Rights Issue cannot be unlawfully made;
- d) the investor is acquiring the Offer Shares or Subscription Rights in an "offshore transaction" outside the United States within the meaning of, and pursuant to, Regulation S;
- e) the investor understands that the Subscription Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged, resold, granted, delivered, allocated, taken up or otherwise transferred within the United States except to Existing Shareholders pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act;
- f) the investor acknowledges that the Company is not taking any action to permit a public offering of the Offer Shares (pursuant to the exercise of the Subscription Rights or otherwise) or the Subscription Rights in any jurisdiction other than Norway; and
- g) the investor may lawfully be offered, take up, subscribe for and receive Subscription Rights and Offer Shares in the jurisdiction in which it resides or is currently located.

The Company, the Managers and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, agreements and representations, and agree that, if any of the acknowledgements, agreements or representations deemed to have been made by its purchase of Offer Shares or Subscription Rights or by its exercise of Subscription Rights to subscribe for Offer Shares is no longer accurate, it will promptly notify the Company and the Managers. Any provision of false information or subsequent breach of these representations and warranties may subject the investor to liability.

If a person is acting on behalf of a holder of Subscription Rights (including, without limitation, as a nominee, custodian or trustee), that person will be required to provide the foregoing representations and warranties to the Company with respect to the exercise of Subscription Rights on behalf of the holder. If such person cannot or is unable to provide the foregoing representations and warranties, the Company will not be bound to authorise the allocation of any of the Offer Shares upon exercise of Subscription Rights or otherwise to that person or the person on whose behalf the other is acting. Subject to the specific restrictions described below, if an investor (including, without limitation, its nominees and trustees) is located outside Norway and wishes to exercise or otherwise deal in Subscription Rights or Offer Shares or subscribe for Offer Shares, the investor must satisfy itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The information set out in this Section 15 "Selling and Transfer Restrictions" is intended as a general guide only. If the investor is in any doubt as to whether it is eligible to exercise its Subscription Rights and subscribe for the Offer Shares, or deal in the Subscription Rights and/or the Offer Shares such investor should consult its professional advisor without delay.

The Company reserves the right to reject any exercise (or revocation of such exercise) in the name of any person who provides an address in a jurisdiction in which the Rights Issue cannot be lawfully made, or who is unable to represent or warrant that such person is not located or residing in such jurisdiction. Furthermore, the Company reserves the right, with sole and absolute discretion, to treat as invalid any exercise or purported exercise of Subscription Rights which appears to have been executed, effected or dispatched in a manner that may involve a breach or violation of the laws or regulations of any jurisdiction or the terms and conditions for the Rights Issue as set out in this Prospectus.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to permit a holder to exercise its Subscription Rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the laws or regulations giving rise to the restrictions in question. Applicable exemptions in certain jurisdictions are described further below. In any such case, the Company does not accept any liability for any actions that a holder takes or for any consequences that it may suffer as a result of the Company accepting the holder's exercise of Subscription Rights.

Neither the Company nor the Managers, nor any of their respective representatives, is making any representation to any offeree, subscriber or purchaser of Offer Shares regarding the legality of an investment in the Subscription Rights or the Offer Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each investor should consult its own advisors before subscribing for Offer Shares.

A further description of certain restrictions in relation to the Subscription Rights and the Offer Shares in certain jurisdictions is set out below.

15.2 United States

The Subscription Rights and/or Offer Shares, as applicable, have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred in or into the United States. The Subscription Rights and the Offer Shares are being offered outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act, in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Prospective purchasers of the Offer Shares are hereby notified that sellers of the Offer Shares may be relying on the exemption from registration provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Except as set out below under "Sales within the United States" (i) neither this Prospectus nor the crediting of Subscription Rights to a stock account constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Offer Shares in the United States, and this Prospectus will not be sent to any Existing Shareholder with a registered address in the United States and (ii) exercising Subscription Rights or renunciations thereof sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring Offer Shares and wishing to hold such Offer Shares in registered form must provide an address for registration of the Offer Shares, issued upon exercise thereof outside the United States.

Until the expiration of 40 days as from the later of (a) the commencement of the Rights Issue, and (b) the commencement of any offering by underwriters of new shares underlying unexercised preferential subscription rights, an offer, sale or transfer of the Offer Shares or preferential subscription rights within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

In making an investment decision with respect to the Subscription Rights or the Offer Shares, investors must rely on their own examination of the Company and the terms of the Rights Issue, including the merits and risks involved. The Subscription Rights and the Offer Shares have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Subscription Rights and the Offer Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense in the United States.

Sales within the United States

The Offer Shares and the Subscription rights are not offered in the United States. No persons in the United States may purchase Subscription Rights or otherwise acquire Offer Shares by exercise of Subscription Rights.

No representation has been, or will be, made by the Company or the Managers as to the availability of Rule 144 under the U.S. Securities Act or any other exemption under the U.S. Securities Act or any state securities laws for the re-offer, sale, pledge or transfer of the Offer Shares for so long as the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act.

Any person in the United States into whose possession this Prospectus comes should inform itself about and observe any applicable legal restrictions; any such person in the United States is required to disregard this Prospectus. All persons in the United States are an Ineligible Shareholder (as defined in Section 14.1.12.2 "Subscription Rights"). The credit of Subscription Rights to an Ineligible Shareholder does not constitute an offer to such Ineligible Shareholders.

Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A.

Sales outside the United States

Each person that at the time of exercise of Subscription Rights or purchase of Offer Shares from the Company, was outside the United States, by accepting delivery of this Prospectus, will be deemed to have represented, warranted, agreed and acknowledged that:

- a) It (i) is not within the United States; (ii) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Subscription Rights or the Offer Shares; (iii) is not exercising for the account of any person who is located in the United States, unless: (A) the instruction to exercise was received from a person outside the United States and (B) the person giving such instruction has confirmed that (x) it has the authority to give such instruction, and (y) either (a) has investment discretion over such account or (b) is an investment manager or investment company that is acquiring the Subscription Rights or the Offer Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act; and (iv) is not acquiring the Subscription Rights or the Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Subscription Rights or Offer Shares into the United States.
- b) It understands that such Subscription Rights and Offer Shares have not been and will not be registered under the U.S. Securities Act or any U.S. securities laws or with any securities regulatory authority of any state or other jurisdiction in the United States and that it will not offer, sell, pledge or otherwise transfer such Subscription Rights or Offer Shares except in an offshore transaction as defined in and in accordance with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any State of the United States.
- c) It understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER, OR IN A TRANSACTION NOT SUBJECT TO, THE U.S. SECURITIES ACT.
- d) It is aware of the restrictions on the offer and sale of the Subscription Rights and Offer Shares pursuant to Regulation S described in this Prospectus.
- e) The Subscription Rights and the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- f) The Company, the Managers, any selling agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- g) The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.

The Company is not required to file periodic reports under Section 13 or 15 of the U.S. Exchange Act. For as long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and the Company is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will upon written request furnish to any holder or beneficial owner of the Offer Shares, or to any prospective purchaser designated by such holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act.

15.3 United Kingdom

No Subscription Rights or Offer Shares have been offered or will be offered to the public in the United Kingdom, except that the Subscription Rights or Offer Shares may be offered in the United Kingdom at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Managers for any such offer; or

c) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the Subscription Rights or Offer Shares shall require the Company or any of the Managers to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

15.4 European Economic Area

In relation to each Relevant Member State, an offer to the public of any Offer Shares may not be made in that Relevant Member State, other than the offers contemplated by this Prospectus in Norway once this Prospectus has been approved by the Norwegian FSA and published in accordance with the EU Prospectus Regulation as implemented in Norway, except that an offer to the public of any Offer Shares in a Relevant Member State may be made at any time under the following exemptions under the EU Prospectus Regulation:

- a) to persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation;
- b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Managers for any such offer;
or
- c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Offer Shares shall result in a requirement for the Company or any Managers to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer" in relation to any of the Offer Shares or Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares or Shares to be offered so as to enable an investor to decide to purchase or subscribe for such Offer Shares or Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offered Shares under, the Rights Issue contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Managers that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

The Company, the Managers and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

15.5 Switzerland

This Prospectus is not being publicly distributed in Switzerland. Each copy of this Prospectus is addressed to a specifically named recipient and may not be passed on to third parties. The Subscription Rights or Offer Shares are not being offered to the public in or from Switzerland, and neither this Prospectus, nor any other offering material in relation to the Subscription Rights or Offer Shares may be distributed in connection with any such public offering.

15.6 Additional Jurisdictions

The Subscription Rights or Offer Shares may not be offered, sold, exercised, pledged, resold, granted, allocated, taken up, transferred or delivered, directly or indirectly, in or into, Canada, Japan, Australia, Hong Kong or any other jurisdiction in which it would not be permissible to offer the Subscription Rights or the Offer Shares.

16 ADDITIONAL INFORMATION

16.1 Auditor

The Company's independent auditor is KPMG AS (KPMG), with company registration number 935 174 627, and registered business address Sørkedalsveien 6, 0369 Oslo, Norway. The partners of KPMG are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening). KPMG has been the Company's auditor since the Company's incorporation in 2019.

The Financial Statements, incorporated by reference hereto, see Section 16.3 "Incorporated by reference", have been audited by KPMG, as stated in their report also incorporated by reference hereto. KPMG has also provided an assurance report on the Pro Forma Financial Information included in Appendix D. Other than these reports, KPMG has not audited, reviewed or produced any report on any other information provided in this Prospectus.

16.2 Documents available

Copies of the following documents will be available for inspection at the Company's offices at Dronning Eufemias gate 16, N-0191 Oslo, Norway during normal business hours from Monday to Friday each week (except public holidays) and on the Company's website www.observemedical.com for a period of twelve months from the date of this Prospectus:

- the Company's articles of association; and
- all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus.

16.3 Incorporated by reference

The information incorporated by reference in this Prospectus should be read in connection with the cross reference table set out below. Except as provided in this Section 16.3 "Incorporated by reference", no information is incorporated by reference into this Prospectus.

Sections in the Prospectus	Disclosure requirement	Reference document and link	Page of reference document
Sections 4.3.1 and 16.3	Annex 3, item 11.1	Annual Report 2020: https://observemedical.com/wp-content/uploads/2021/04/Observe-Medical-Annual-Report-2020.pdf	Page 44 – 78 (Accounts and notes)
Sections 4.3.1 and 16.3	Annex 3, item 11.2	Audit Report 2020: https://observemedical.com/wp-content/uploads/2021/04/Observe-Medical-Annual-Report-2020.pdf	Page 97 - 101
Sections 4.3.1 and 16.3	Annex 3, item 11.1	Q3 2021 Financial Presentation: https://observemedical.com/wp-content/uploads/2021/11/Observe-Medical-ASA-Third-quarter-2021.pdf	Page 11 – 16 (Financial information)

17 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

Acquisitions	The acquisitions of (i) Biim Ultrasound AS, company registration number 896 449 052, and (ii) Observe Medical Nordic AB (previously named Sylak AB), company registration number 556190-6370 completed by the Company.
Anti-Money Laundering Legislation	Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 No. 1324, collectively.
APMs.....	Alternative performance measures.
Appropriate Channels for Distribution	All distribution channels permitted by MiFID II.
Articles of Association.....	The Company's articles of association.
Board Members	Members of the Company's Board of Directors.
BD	Becton, Dickinson and Company.
Biim	Biim Ultrasound AS.
Biim Acquisition.....	The acquisition of 100% of the issued and outstanding shares in Biim.
Biim Group	Biim taken together with Biim Ultrasound Oy and Biim Ultrasound Inc.
Biim Inc.....	Biim Ultrasound Inc.
Biim Oy	Biim Ultrasound Oy.
Biim SPA	The share purchase agreement entered into between the Company and the shareholders of Biim Ultrasound AS in connection with the Company's acquisition of 100% of the shares in Biim Ultrasound AS.
Board of Directors.....	The board of directors of the Company.
Carnegie.....	Carnegie AS.
CAUTI	Catheter induced urinary tract infections
CFO	Chief Financial Officer.
CEO	Chief Executive Officer.
CET.....	Central European Time.
Combined Business.....	The unaudited condensed pro forma financial information for the Group taken together with the Biim Group and Sylak.
Company	Observe Medical ASA, a public limited company incorporated under the laws of Norway with company registration number 822 907 822.
Completion	The completion of the Biim Acquisition expected to occur in March 2022.
Conditions	The conditions for the completion of the Biim SPA, as set forth in Section 7.1.5.
Consideration Shares	8,171,913 new shares in the Company, each with a par value of NOK 0.26, to be issued upon the conversion of an account receivable at a subscription price of NOK 16.52 per Consideration Share as partial consideration to the sellers of Biim Ultrasound AS in connection with the Biim Acquisition.
Corporate Governance Code.....	Norwegian Code of Practice for Corporate Governance, last updated 14 October 2021.
COVID-19	SARS-CoV-2.
Danske Bank loan facility.....	The loan agreement entered into with Danske Bank for a loan facility in the amount of NOK 15 million.
Data Protection Laws.....	Data protection and data privacy laws and regulations.
Debt Conversion	The share capital increase in the Company resolved by the extraordinary general meeting of the Company on 1 October 2019, issuing 3,200,000 Shares to Navamedic at a subscription price of NOK 5.00 per share.
Demerger	The demerger completed on 31 October 2019 whereby all of Navamedic's shares in Observe Medical International AB were transferred to the Company together with a contingent consideration and a relevant portion of the share options issued in Navamedic.
DNB Markets	DNB Markets, a part of Bank ASA.
EEA.....	The European Economic Area.
ESMA	The European Securities and Markets Authority.
EU	The European Union.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

Excess allowance	Any part of the calculated allowance one year exceeding the dividend distributed on the share.
Existing Shareholders	The shareholders of the company as of 4 February 2022 (and being registered as such in VPS on the Record Date).
Financial Information	The Financial Statements and the Q3 Financial Presentation, collectively.
Financial Statements	The Company's audited consolidated financial statements as of and for the year ended 31 December 2020.
Fresenius	Fresenius Medical Care Holdings, Inc.
FSMA	The Financial Services and Markets Act 2000.
GAAP	Generally accepted accounting principles.
GDPR	General Data Protection Regulation (EU) 2016/679.
General Meeting	The general meeting of the shareholders in the Company.
GLEIF	The Global Legal Identifier Foundation.
Group	The Company taken together with its consolidated subsidiaries.
IAS 34	International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU.
ICU(s)	Intensive Care Unit(s).
IFRS	International Financial Reporting Standards as adopted by the EU.
Ineligible Shareholders	Shareholders resident in the United States and in jurisdictions where the Prospectus may not be distributed and/or with legislation that prohibits or otherwise restricts subscription for Offer Shares.
IRIC	Ingerø Reiten Investment Company AS.
KPMG	KPMG AS.
LEI	Legal Entity Identifier.
Long Stop Date	The long stop date pursuant to the Biim SPA, being 31 March 2022.
LOUs	Local Operating Units.
Management	The senior management team of the Group.
Managers	Carnegie and DNB Markets, collectively.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
Navamedic	Navamedic ASA, a public limited company incorporated under the laws of Norway with company registration number 985 012 059.
Negative Target Market	Has the meaning ascribed to such term on page ii.
New Shares	The Consideration Shares and the Offer Shares taken together.
NCI	National Client Identifier.
NOK	Norwegian Kroner, the lawful currency of Norway.
NOM-account	Nominee account.
Non-Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders	Shareholders who are individuals not resident in Norway for tax purposes.
Norwegian Accounting Act	The Norwegian Accounting Act of 17 July 1998 no 56.
Norwegian Corporate Governance Code	The Norwegian Code of Practice for Corporate Governance dated 14 October 2021.
Norwegian Corporate Shareholders	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA	The Financial Supervisory Authority of Norway (<i>Nw.: Finanstilsynet</i>).
Norwegian Personal Shareholder	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Public Limited Companies Act	Norwegian Public Limited Liability Companies Act of 13 June 1997 No 45 (<i>Nw.: allmennaksjeloven</i>).
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007, no. 75 (<i>Nw.: verdipapirhandelloven</i>).
NRBE	Norwegian Register of Business Enterprises.
Observe Medical	The Company together with its consolidated subsidiaries, or the Group.
Offer Shares	25,714,286 new shares in the Company, each with a par value of NOK 0.26, to be issued in connection with the Rights Issue.
OEM	Original Manufacturer Equipment.

OMI	Observe Medical International AB.
Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange	Euronext Expand, a Norwegian regulated stock exchange operated by Oslo Børs ASA or Oslo Børs, as the case may be.
Payment Date	On or about 28 February 2022.
PDMS	Patient data management systems.
Positive Target Market	Has the meaning ascribed to such term on page i.
PPA	Purchase Price Allocation.
Prospectus	This Prospectus dated 8 February 2022.
Pro Forma Financial Information	The unaudited pro forma condensed financial information included in this Prospectus.
Q3 Financial Presentation.....	The Company's unaudited consolidated interim financial presentation as of and for the three and nine months' periods ended 30 September 2021 including comparative interim financial information for the same periods in the prior financial year.
Record Date.....	8 February 2022.
Regulation S	Regulation S under the U.S. Securities Act.
Relevant Member state.....	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation.
Relevant Persons	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Rights Issue	The offering of 25,714,286 Offer Shares at a Subscription Price of NOK 7.00 per Offer Share with Subscription Rights for Existing Shareholders, as further described in Section 14.1 "The Rights Issue".
RoW	Rest of the World.
Rule 144A.....	Rule 144A under the U.S. Securities Act.
Sellers.....	The Sellers of Biim pursuant to the Biim Acquisition.
SEK	Swedish Kroner, the lawful currency of Sweden.
Share(s)	The existing 19,605,457 shares of the Company, each with a nominal value of NOK 0.26, or any one of them.
Siemens	Siemens Medical Solutions USA, Inc.
Subscription Form.....	The form for subscription of Offer Shares attached hereto in Appendix A.
Subscription Period	From 09:00 hours (CET) on 9 February 2022 to 16:30 hours (CET) on 23 February 2022.
Subscription Price	The subscription price for the Offer Shares, being NOK 7.00.
Subscription Rights	Subscription rights that, subject to applicable law, provide preferential rights to subscribe for and to be allocated Offer Shares at the Subscription Price.
Sylak Acquisition	The acquisition by the Company, of Observe Medical Nordic AB (previously named Sylak AB), company registration number 556190-6370 completed on 30 October 2020.
Target Market Assessment	Has the meaning ascribed to such term on page i.
UK	United Kingdom.
Underwriters	Certain existing shareholders of the Company as listed in Section 14.1.23 "The Underwriting".
Underwriting Agreement.....	The underwriting agreement entered into between the Company and the Underwriters dated 14 January 2022.
United States	The United States of America.
USD or U.S. Dollar	United States Dollars, the lawful currency of the United States of America.
U.S. Exchange Act	The United States Exchange Act of 1934, as amended.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
UTI	Urinary Tract Infection.
VPS.....	The Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i>).
VPS Registrar	DNB Bank ASA, in its capacity as VPS registrar.

APPENDIX A
SUBSCRIPTION FORM FOR THE RIGHTS ISSUE

OBSERVE MEDICAL ASA

Rights issue

SUBSCRIPTION FORM

Securities number: ISIN NO 001 0865009

General information: The terms and conditions of the rights issue (the "Rights Issue") of 25,714,286 new shares (the "Offer Shares") in Observe Medical ASA (the "Company") pursuant to a resolution by the Company's extraordinary general meeting held on 4 February 2022 are set out in the prospectus dated 8 February 2022 (the "Prospectus"). Terms defined in the Prospectus shall have the same meaning in this subscription form (the "Subscription Form"). The notice of, and the minutes from, the extraordinary general meeting held on 4 February 2022 (with appendices), the Company's articles of association and the annual accounts and directors' reports for the last two years are available at the Company's registered office at Dronning Eufemias gate 16, N-0191 Oslo, Norway.

Subscription procedure: The subscription period in the Rights Issue will commence at 09:00 hours (CET) on 9 February 2022 and expire at 16:30 hours CET on 23 February 2022 (the "Subscription Period"). The Subscription Period may be extended if required by law due to the publication of a supplemental prospectus. Correctly completed Subscription Forms must be received by one of the Managers no later than on 23 February 2022 at 16:30 hours (CET) at one of the following addresses: Carnegie AS: P.O. Box 684 Sentrum, N-0106 Oslo, Norway or DNB Markets, Registrar Department: Dronning Eufemias gate 30, P.O. Box 1600 Sentrum, N-0021 Oslo, Norway or email: subscriptions@carnegie.no or retail@dnb.no, or in case of online subscriptions be registered, no later than 16:30 hours (CET) on 23 February 2022. The subscriber is responsible for the correctness of the information included in the Subscription Form. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Managers without notice to the subscriber.

Subscribers who are Norwegian residents with a Norwegian personal identity number (Nw.: fødselsnummer) may subscribe for Offer Shares through the VPS online subscription system (or by following the link on www.carnegie.no/ongoing-prospectuses-and-offerings or www.dnb.no/emisjon which will redirect the subscriber to the VPS online subscription system). Subscriptions made through the VPS online subscription system must be duly registered before the expiry of the Subscription Period.

Neither the Company nor the Managers may be held responsible for postal delays, unavailable internet lines or servers or other logistical or technical problems that may result in subscriptions not being received in time or at all by the Managers. Subscriptions are binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after being received by the Managers or, in the case of

subscriptions through the VPS online subscription system, upon registration of the subscription. By signing and submitting this Subscription Form, or registering a subscription through the VPS online subscription system, the subscriber confirms and warrants to have read the Prospectus and to be eligible to subscribe for Offer Shares under the terms set forth therein.

Subscription Price: The subscription price in the Rights Issue is NOK 7.00 per Offer Share (the "Subscription Price").

Subscription Rights: The shareholders in the Company as of 4 February 2022 (and being registered as such in the VPS at the expiry of 8 February 2022 pursuant to the two days' settlement procedure in VPS (the "Record Date")) (the "Existing Shareholders"), will be granted subscription rights (the "Subscription Rights") in the Rights Issue that, subject to applicable law, provide preferential right to subscribe for, and be allocated, Offer Shares at the Subscription Price. The Subscription Rights will be listed and tradable on the Oslo Stock Exchange (Euronext Expand) from 09:00 hours (CET) on 9 February 2022 to 16:30 hours (CET) on 21 February 2022 under the ticker code "OBSRT". **The subscription rights will hence only be tradable during part of the Subscription Period.** Existing Shareholders will be granted 1.311588 Subscription Rights for each existing Share registered as held by such Existing Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Subscription Rights acquired during the trading period for the Subscription Rights carry the same right to subscription as the Subscription Rights held by Existing Shareholders. Each Subscription Right will, subject to applicable securities laws, give the right to subscribe for, and be allocated, one Offer Share. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber) and subscription without Subscription Rights is permitted. However, in each case, there can be no assurance that Offer Shares will be allocated for such subscriptions. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period (i.e. 23 February 2022 at 16:30 hours (CET)) or not sold before 21 February 2022 at 16:30 hours (CET) will have no value and will lapse without compensation to the holder.**

Allocation of Offer Shares: The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not covered by Subscription Rights (i.e. over-subscription or subscriptions made without Subscription Rights) and will only allocate such Offer Shares to the extent that Offer Shares are available to cover over-subscription based on Subscription Rights or subscriptions made without Subscription Rights. Allocation of fewer Offer Shares than subscribed for by a subscriber will not impact on the subscriber's obligation to pay for the number of Offer Shares allocated. Notification of conditionally allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed in a letter from the VPS on or about 24 February 2022. Subscribers having access to investor services through their VPS account manager will be able to check the number of Offer Shares allocated to them from 12:00 hours (CET) on 24 February 2022. Subscribers who do not have access to investor services through their VPS account manager may contact one of the Managers from 12:00 hours (CET) on 24 February 2022 to obtain information about the number of Offer Shares allocated to them.

Payment: The payment for Offer Shares allocated to a subscriber falls due on 28 February 2022 (the "Payment Date"). By signing this Subscription Form, subscribers having a Norwegian bank account provide the Managers with a one-time irrevocable authorisation to debit the bank account specified below for the subscription amount payable for the Offer Shares allocated to the subscriber. The Managers are only authorised to debit such account once, but reserves the right to make up to three debit attempts, and the authorisation will be valid for up to seven working days after the Payment Date. The subscriber furthermore authorises the Managers to obtain confirmation from the subscriber's bank that the subscriber has the right to dispose over the specified account and that there are sufficient funds in the account to cover the payment. If there are insufficient funds in a subscriber's bank account or if it for other reasons is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Managers on telephone number +47 22 00 93 60 or +47 23 26 80 20 for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, if it is not possible to debit the account or if payments for any other reasons are not made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue and missing payments" below.

PLEASE SEE PAGE 2 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION

DETAILS OF THE SUBSCRIPTION

Subscriber's VPS account	Subscriber's LEI code (20 digits):	Number of Subscription Rights	Number of Offer Shares subscribed (incl. over-subscription)	(For broker: Consecutive no.)
SUBSCRIPTION RIGHTS' SECURITIES NUMBER: ISIN NO 001 2422197			Subscription Price per Offer Share X NOK 7.00	Subscription amount to be paid =NOK

IRREVOCABLE AUTHORISATION TO DEBIT ACCOUNT (MUST BE COMPLETED BY SUBSCRIBERS WITH A NORWEGIAN BANK ACCOUNT)

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 7.00).																			
(Norwegian bank account no.)																			

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably subscribe for the number of Offer Shares specified above and grant the Managers authorisation to debit (by direct debiting or manually as described above) the specified bank account for the payment of the Offer Shares allocated to me/us. By signing this Subscription Form, subscribers subject to direct debiting accept the terms and conditions for "Payment by Direct Debiting – Securities Trading" set out on page 2 of this Subscription Form.

Place and date
Must be dated in the Subscription Period

Binding signature. The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney should be attached.

INFORMATION ON THE SUBSCRIBER

First name:	
Surname / company:	
Street address:	
Post code / district / country:	
Personal ID number / company registration number:	
Legal Entity Identifier ("LEI") / National Client Identifier ("NCI"):	
Nationality:	
E-mail address:	
Daytime telephone number:	

ADDITIONAL GUIDELINES FOR THE SUBSCRIBER

Regulatory Issues: In accordance with the Markets in Financial Instruments Directive (MiFID II) of the European Union, Norwegian law imposes requirements in relation to business investments. In this respect the Managers must categorise all new clients in one of three categories: eligible counterparties, professional and non-professional clients. All subscribers in the Rights Issue who are not existing clients of the Managers will be categorised as non-professional clients. Subscribers can by written request to the Managers ask to be categorised as a professional client if the subscriber fulfils the applicable requirements of the Norwegian Securities Trading Act. For further information about the categorisation, the subscriber may contact the Manager. **The subscriber represents that he/she/it is capable of evaluating the merits and risks of an investment decision to invest in the Company by subscribing for Offer Shares, and is able to bear the economic risk, and to withstand a complete loss, of an investment in the Offer Shares.** The Managers will receive a consideration from the Company and will in conducting its work have to take into consideration the requirements of the Company and the interests of the investors subscribing under the Rights Issue and the rules regarding inducements pursuant to the requirements of the Norwegian MiFID II Regulations (implementing the European Directive for Markets in Financial Instruments (MiFID II)).

Selling and Transfer Restrictions: The attention of persons who wish to acquire Subscription Rights and/or subscribe for Offer Shares is drawn to Section 15 of the Prospectus "Selling and transfer restrictions". The making or acceptance of the Rights Issue to or by persons who have registered addresses outside Norway, or who are resident in, or citizens of, countries outside Norway, may be affected by the terms of the Rights Issue and the laws of the relevant jurisdiction. Those persons should read Section 15 of the Prospectus and consult their professional advisers as to whether they are eligible to acquire Subscription Rights and/or subscribe for Offer Shares or require any governmental or other consents or need to observe any other formalities to enable them to acquire Subscription Rights and/or subscribe for Offer Shares. It is the responsibility of any person outside Norway wishing to acquire Subscription Rights and/or subscribe for Offer Shares under the Rights Issue to satisfy himself/herself/itself as to the full observance of the terms and conditions of the Rights Issue and the laws of any relevant jurisdiction in connection therewith, including obtaining any governmental or other consent which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The Subscription Rights and the Offer Shares have not been registered and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, delivered or transferred, directly or indirectly, within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Subscription Rights and the Offer Shares in the United States. **No person in the United States may purchase Subscription Rights or otherwise acquire Offer Shares by exercise of Subscription Rights.** The Subscription Rights and the Offer Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan except pursuant to an applicable exemption from applicable securities laws. This Subscription Form does not constitute an offer to sell or a solicitation of an offer to buy Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Subject to certain exceptions, the Prospectus will not be distributed in the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan. Except as otherwise provided in the Prospectus, the Subscription Rights and the Offer Shares may not be transferred, sold or delivered in the United States, Australia, Canada, the Hong Kong Special Administrative Region of the People's Republic of China, South Africa or Japan. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid.

Execution Only: The Managers will treat the Subscription Form as an execution-only instruction. The Managers are not required to determine whether an investment in the Offer Shares is appropriate or not for the subscriber. Hence, the subscriber will not benefit from the protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The subscriber acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers, there is a duty of secrecy between the different units of the Managers, as well as between the Managers and other entities in the Managers' groups. This may entail that other employees of the Managers or the Managers' groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Rights Issue.

Information Barriers: The Managers are securities firms that offers a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance department are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from the Managers' corporate finance department by information walls. The subscriber acknowledges that the Managers' analysis and stock broking activity may conflict with the subscriber's interests with regard to transactions in the Shares, including the Offer Shares, as a consequence of such information walls.

VPS Account and Mandatory Anti-Money Laundering Procedures: The Rights Issue is subject to the Norwegian Money Laundering Act No. 23 of 1 June 1 2018 and the Norwegian Money Laundering Regulations No. 1324 of 14 September 2018 (collectively, the "**Anti-Money Laundering Legislation**"). Subscribers who are not registered as existing customers with the Managers must verify their identity to the Managers in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers who have designated an existing Norwegian bank account and an existing VPS account on the Subscription Form are exempted, unless verification of identity is requested by the Managers. The verification of identity must be completed prior to the end of the Subscription Period. Subscribers who have not completed the required verification of identity may not be allocated Offer Shares. Further, in participating in the Rights Issue, each subscriber must have a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the European Economic Area (the "**EEA**"). Non-Norwegian investors may, however, use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of a VPS account requires verification of identity to the VPS registrar in accordance with the Anti-Money Laundering Legislation.

Personal data: The subscriber confirms that it has been provided information regarding the Manager's processing of personal data, and that it is informed that the Managers will process the subscriber's personal data in order to manage and carry out the Rights Issue and the Subscription from the subscriber, and to comply with statutory requirements. The data controllers who are responsible for the processing of personal data are the Managers. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Managers process and store information about clients and trades, and control and document activities. The subscriber's data will be processed confidentially, but if it is necessary in relation to the purposes, the personal data may be shared between the Managers, the company(ies) participating in the Rights Issue, with companies within the Managers' groups, the VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it. If the Managers transfer personal data to countries outside the EEA, that have not been approved by the EU Commission, the Managers will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the subscribers have several legal rights. This includes, inter alia, the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the subscribers will have the right to impose restrictions on the processing or demand that the information is deleted. The subscribers may also complain to a supervisory authority if they find that the Managers' processing is in breach of the law. Supplementary information on processing of personal data and the subscribers' rights can be found at the Managers' websites.

Terms and Conditions for Payment by Direct Debiting - Securities Trading: Payment by direct debiting is a service the banks in Norway provide in cooperation. In the relationship between the payer and the payer's bank the following standard terms and conditions will apply:

- The service "Payment by direct debiting - securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- Costs related to the use of "Payment by direct debiting - securities trading" appear from the bank's prevailing price list, account information and/or information given by other appropriate manner. The bank will charge the indicated account for costs incurred.
- The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

Overdue Payment: Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 8.5% per annum as at the date of the Prospectus. If a subscriber fails to comply with the terms of payment, the Offer Shares will, subject to the restrictions in the Norwegian Public Limited Companies Act, not be delivered to such subscriber. The Managers, on behalf of the Company, reserve the right, at the risk and cost of the subscriber, at any time, to cancel the subscription and to re-allocate or otherwise dispose of allocated Offer Shares for which payment is overdue, or, if payment has not been received by the third day after the Payment Date, without further notice sell, assume ownership to or otherwise dispose of the allocated Offer Shares on such terms and in such manner as the Managers may decide in accordance with Norwegian law. The subscriber will remain liable for payment of the subscription amount, together with any interest, costs, charges and expenses accrued and the Managers, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law. The Company and the Managers further reserve the right (but have no obligation) to have the Managers advance the subscription amount on behalf of subscribers who have not paid for the Offer Shares allocated to them within the Payment Date. The non-paying subscribers will remain fully liable for the subscription amount payable for the Offer Shares allocated to them, irrespective of such payment by the Managers.

National Client Identifier and Legal Entity Identifier: In order to participate in the Rights Issue, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**"). *NCI code for global persons:* Physical persons will need a NCI code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID (Nw: "*fødselsnummer*"). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Subscribers are encouraged to contact their bank for further information. *LEI code for legal entities:* Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, and obtaining the code can take some time. Subscribers should obtain a LEI code in time for the subscription. For more information visit www.gleif.org. Further information is also included in Section 14.1.19 ("**NCI code and LEI number**") of the Prospectus.

APPENDIX B

OBSERVE MEDICAL ASA'S ARTICLES OF ASSOCIATION AS OF 18 AUGUST 2020

VEDTEKTER

FOR

OBSERVE MEDICAL ASA

Slik de lyder per 18. august 2020

§ 1 – Firma

Selskapets navn er Observe Medical ASA. Selskapet er et allmennaksjeselskap.

§ 2 – Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

§ 3 – Virksomhet

Selskapets virksomhet er å utvikle, produsere, markedsføre og selge medisinsk teknisk utstyr og relaterte produkter, utføre konsulenttjenester i denne sammenheng, samt å investere i relatert virksomhet.

§ 4 – Aksjekapital

Selskapets aksjekapital er kr 5 097 418,82 fordelt på 19 605 457 aksjer, hver pålydende kr 0,26.

§ 5 – Styre

Selskapets styre skal ha minimum tre og maksimalt syv medlemmer, etter generalforsamlingens nærmere beslutning.

§ 6 – Signatur

Selskapets firma kan tegnes av styrets leder og ett styremedlem i fellesskap.

§ 7 – Valgkomité

Selskapet skal ha en valgkomité. Valgkomiteen skal bestå av to til tre medlemmer, etter generalforsamlingens beslutning, hvor flertallet skal være uavhengige av styret og den daglige ledelse. Minimum to av medlemmene skal være aksjeeiere eller representanter for aksjeeierne. Valgkomiteen skal fremsette forslag for generalforsamlingen til kandidater ved valg av medlemmer til styret og styrets leder, samt medlemmer til valgkomiteen og komiteens leder. Valgkomiteen skal også fremsette forslag om honorar til styret og valgkomiteens medlemmer. Funksjonstiden for valgkomiteens medlemmer skal være to år av gangen om ikke generalforsamlingen fastsetter en annen periode i

ARTICLES OF ASSOCIATION

OF

OBSERVE MEDICAL ASA

As of 18 August 2020

§ 1 – Company name

The name of the company is Observe Medical ASA. The company is a public limited liability company.

§ 2 – Registered office

The company's registered office is in the municipality of Oslo.

§ 3 – The company's business

The company's purpose is to develop, produce, market and sell medical technical equipment and related products, provide connected consulting services and invest in related business.

§ 4 – Share capital

The share capital of the company is NOK 5,097,418.82, divided into 19,605,457 shares, each with a nominal value of NOK 0.26.

§ 5 – Board of Directors

The board of directors shall consist of minimum three and maximum seven directors pursuant to the further decision of the general meeting.

§ 6 – Signatory rights

The chairman of the board and one board member jointly may sign for and on behalf of the company.

§ 7 – Nomination committee

The company shall have a nomination committee. The nomination committee shall consist of two to three members, as resolved by the general meeting, where the majority of the members shall be independent of the board of directors and the management. At least two of the members shall be shareholders or represent the shareholders. The nomination committee shall propose candidates to the annual general meeting in election of board members and the chairperson of the board, and to members of the nomination committee, including its chair. The nomination committee shall also submit proposals on board remuneration and remuneration to the members of the nomination committee. The

forbindelse med valget. Generalforsamlingen kan fastsette instruks for valgkomiteen.

§ 8 – Generalforsamling

På den ordinære generalforsamling skal blant annet følgende saker behandles:

1. Godkjenning av årsregnskap og årsberetning.
2. Styrets forslag om utbytte eller andre utdelinger.
3. Andre saker som i henhold til lov eller vedtekter hører inn under generalforsamlingen.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen, må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn tre dager før generalforsamlingen.

Aksjeeiere kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

Dokumenter som gjelder saker som skal behandles på generalforsamlingen kan gjøres tilgjengelige på selskapets internettsider. Det samme gjelder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. Dersom dokumentene gjøres tilgjengelig på denne måten skal ikke lovens krav om utsendelse til aksjeeierne få anvendelse. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

term of the members of the nomination committee shall be two years at a time unless the general meeting decides otherwise in connection with the election. The general meeting can determine an instruction for the nomination committee.

§ 8 – General Meeting

The ordinary general meeting shall amongst other things consider the following matters:

1. Approval of the annual accounts and annual report.
2. The proposal of the board regarding dividends or other distributions.
3. Other matters which pursuant to law or the articles of association shall be considered by the general meeting.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than three days prior to the general meeting.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set.

Documents concerning matters to be considered at the general meeting may be made available on the company's website. This is also applicable for documents that by law shall be included in or attached to the notice. In case documents are made available in such manner, the statutory requirements for distribution to shareholders shall not be applicable. A shareholder still has the right to receive documents concerning matters to be considered at the general meeting upon request.

APPENDIX C

UNAUDITED PRO FORMA FINANCIAL INFORMATION

UNAUDITED CONDENSED PRO FORMA FINANCIAL INFORMATION

1.1 General Information

This unaudited condensed pro forma financial information is prepared pending the transaction ("**the transaction**") that Observe Medical ASA ("**the Company**") and the shareholders of Biim Ultrasound AS ("**Biim**") entered into a share purchase agreement that the Company acquire all shares in Biim. Further, on 30 October 2020 the Company closed the acquisition of Sylak AB ("**Sylak**"). Sylak is a distributor of ICU/anesthesia products in the Swedish market. The latter transaction was based on an enterprise value of Sylak of SEK 6 million, with an equity consideration of SEK 3.25 million. The Transaction and the acquisition of Sylak are collectively referred to below as "**the Acquisitions**".

The Unaudited pro forma information set out below reflects the Acquisitions, as further explained and elaborated below. The Completion of the transaction is subject to (i) the Company completing the Rights Issue, (ii) the Company's general meeting approving the issuance of the Consideration Shares by way of an authorisation to the Board to resolve the share capital increase pertaining to the issue of the Consideration Shares, (iii) all shareholders of Biim adhering to the Biim SPA, (iv) customary consents from third parties, (v) truth of Sellers' Warranties, (vi) that all outstanding warrants in Biim is settled prior to Completion and (vii) that the Sellers comply with their obligations pursuant to the Biim SPA ("**the Conditions**").

The tables in this chapter set out the unaudited condensed pro forma financial information for the Combined Business as of, and for the year ended 31 December 2020, and is prepared under the assumption that the Transaction will be completed.

1.2 Cautionary note regarding the unaudited condensed pro forma financial information

The unaudited pro forma financial information has been prepared for illustrative purposes only, to show how the Acquisitions might have affected the Company's consolidated statement of income for the year ended 31 December 2020, as if the Acquisitions had occurred on 1 January 2020, and the consolidated statement of financial position as of 31 December 2020, as if the Transaction had occurred on 31 December 2020 (The Group's statement of financial position for 2020 reflects the Sylak-acquisition). Thus, to illustrate what the financial results of the Combined Business might have been, given these assumptions, certain management assumptions and adjustments have been made to the unaudited pro forma financial information. For further information, see also Section 1.3 "Basis of preparation and accounting policies".

Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation, and therefore, does not represent the Observe Medical Group's ("**the Group**") actual financial position or results if the Acquisitions had in fact occurred on those dates, and is not representative of the results of operations for any future periods. Actual results could materially differ from those presented herein. It should also be noted that greater uncertainty is attached to the unaudited pro forma financial information than actual historical financial information. Investors are cautioned against placing undue reliance on this unaudited pro forma financial information.

The financial statements of the subsidiaries of Biim have not been subject to statutory audit. The numbers that form the basis for the proforma financial information, are thus partly based on unaudited financial statements as presented by the respective boards of directors in Biim's subsidiaries. No assurance can be given that these numbers accurately represent the actual results of the subsidiaries of Biim. Any miscalculations or other misstatements in the 2020 annual accounts of Biim's subsidiaries may have a material effect on the business, results of operations and/or financial condition of the Combined Business.

The assumptions underlying the pro forma adjustments applied to the historical financial information are described in the notes to the unaudited pro forma financial information. The unaudited pro forma adjustments are based on information currently available (see also Section 1.3 "Basis for preparation and accounting policies"). Neither these adjustments nor the resulting pro forma financial information have been audited in accordance with Norwegian, Finnish or United States generally accepted auditing standards. In evaluating the pro forma financial information, each reader should carefully consider the historical financial statements of the Company and the notes thereto and the notes to the unaudited pro forma financial information.

The Unaudited Pro Forma Condensed Financial Information has been compiled to comply with the requirements as set forth in Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

1.3 Basis for preparation and accounting policies

The unaudited pro forma financial information has been prepared to show how the Acquisitions might have affected the Group's consolidated statement of income for the year ended 31 December 2020, as if the Acquisitions had occurred on 1 January 2020, and the consolidated statement of financial position as of 31 December 2020, as if the Transaction had occurred on 31 December 2020. The pro forma adjustments related to the Unaudited pro forma condensed income statement all have continuing impact, unless otherwise stated.

The Acquisitions are accounted for as acquisitions under IFRS 3, Business Combinations.

The unaudited pro forma financial information for the Group does not include all information required for financial statements under IFRS and should be read in conjunction with the historical financial information of the Group.

For the purpose of compiling the unaudited pro forma financial information the following financial information covering Sylak has been prepared by Observe:

- 2020 consolidation schedule setting out the share of Sylak's 2020 profit and loss that was recognized in the Group's audited 2020 consolidated financial statements, and the corresponding share of profit and loss which was not recognized in the Group's audited 2020 consolidated financial statements. The latter corresponds to profit and loss figures for Sylak from 1 January 2020 and up to completion of the Company's acquisition.

Sources and basis for the financial information

The full year 2020 information for Sylak, Biim, Biim's subsidiaries, the Company and the Company's subsidiaries, have been sourced from the companies' respective financial statements for 2020. The statutory financial statements for the Company and its subsidiaries, Sylak and Biim have all been subject to statutory audit, whereas the financial statements of Biim Oy and Biim Inc. have not been audited.

As for Sylak, we have included the figures from the 2020 statutory accounts, while the share of revenues and expenses that are included in the Group's consolidated profit and loss statement for 2020 (i.e. figures for the period 1 November 2020 through 31 December 2020), have been adjusted out. As set out above, the share of Sylak's 2020 profit and loss which has been recognized in the Group's 2020 consolidated financial statements, is extracted from the 2020 consolidation schedule on which the reported and audited 2020 consolidated financial statements are based.

Accounting principles

The unaudited pro forma condensed combined financial information is prepared on the basis of the accounting principles applied by the Group. The Group prepares its consolidated financial statements in accordance with IFRS as adopted by the EU (IFRS). The 2020 financial information for Sylak, Biim and Biim's subsidiaries has been prepared by the respective companies on the following basis:

Sylak AB

The 2020 financial statements for Sylak, which have been consolidated into the Group starting November 2020, have been prepared in accordance with Swedish generally accepted accounting principles. (In the following we refer to generally accepted accounting principles as "**GAAP**".) As regards the 2020 financial statement figures of Sylak, no material adjustments were required to harmonize the figures to IFRS, as applied by the Group.

Biim Ultrasound AS

Biim's 2020 financial statement, including the statement of income, statement of financial position and accompanying notes, have been prepared in accordance with the Norwegian Accounting Act and Norwegian GAAP for small companies.

*Biim Ultrasound Oy ("**Biim Oy**")*

Biim Oy's financial statements have been prepared according to the Finnish Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking.

*Biim Ultrasound Inc. ("**Biim Inc.**")*

The financial statements of Biim Inc., in the format they have been available for purposes of preparing the condensed pro forma financial information, does not reference the accounting principles on which the financial statements have been prepared. The financial statements have been prepared by a US external professional accountant.

Exchange rates

For the purposes of the preparation of the unaudited condensed pro forma financial information, the following exchange rates have been applied to convert the respective financial statements from their presentation currencies to NOK, which is the presentation currency of the Observe (source: www.norges-bank.no):

EUR/NOK exchange rate of 10.72 for the year ended 31 December 2020;

EUR/NOK exchange rate of 10.47 as of 31 December 2020;

USD/NOK exchange rate of 9.40 for the year ended 31 December 2020;

USD/NOK exchange rate of 8.53 as of 31 December 2020;

SEK/NOK exchange rate of 1.02 for the year ended 31 December 2020.

IFRS-adjustments

As further elaborated in the notes below, certain adjustments have been made to the accounting numbers, to harmonize with IFRS as applied by the Group. It should be observed however, that although the IFRS-harmonization of the respective companies' financial statements, as prepared in accordance with local GAAP, addresses all identified material adjustments, it may not constitute a full and complete conversion from local GAAP to IFRS.

Based on a preliminary assessment of materiality, the unaudited condensed pro forma financial information does not include any other IFRS adjustments, including (the below refers

to the Biim Group's; for Sylak the 2020 profit and loss have already been partly consolidated into the Company's financial statements, without any IFRS adjustments): IFRS 9: As regards provision for losses on trade receivables, the unaudited condensed pro forma financial information has been prepared based on the assumption that conversion from local GAAP to IFRS would not yield material changes to Biim Group's assessment (that no receivables losses were provided for as of year-end 2020).

- IFRS 15: Similarly, with respect to revenue recognition, we have assumed that conversion to IFRS would not materially affect 2020 revenues as recognized in the accounts of the companies in the Biim Group.

Consideration and Purchase Price Allocation ("PPA") relating to the Transaction

The Transaction consideration comprises a combination of cash (to be financed by issuing shares in Observe for cash) and Observe Medical shares (to be issued to the sellers of Biim), with an estimated Transaction consideration of NOK [185] million, implying an enterprise value of approximately NOK [209] million. The final purchase price will be settled by the following elements:

- Cash consideration of NOK [50] million;
- [8,171,913] Observe Medical shares, where the number of shares issued to Biim's shareholders is calculated based on a value of NOK [135] million and a price of NOK [16.52] per share;

The estimated Transaction consideration has been used in preparing the preliminary PPA which has been used in the preparation of the unaudited condensed pro forma financial information. The Transaction consideration over and above the book value of pro forma consolidated net assets to be acquired at 31 December 2020, has been allocated to reflect the preliminary estimated fair values of individual assets and liabilities, with the residual as goodwill. However, the final PPA after completion of the Transaction could materially deviate from this preliminary PPA. It should be observed that the value allocation in the unaudited condensed pro forma statement of financial position presented in section "**Pro forma adjustments – Purchase price allocation and transaction costs**" below could be significantly revised as part of the completion of the PPA. Any such PPA revisions may also imply that the corresponding amortization charges recognized in the unaudited condensed pro forma statement of income, will not correspond to actual amortization charges going forward.

Purchase Price Allocation ("PPA") relating to the Sylak acquisition

The PPA in respect of the Company's acquisition of Sylak was performed in 2020 and recognized in the Group's accounts from 1 November 2020 onwards. In this PPA, all excess value was allocated to and recognized as goodwill in the Group's statement of financial position. As the Sylak PPA was performed as of 31 October 2020 and is thus reflected in the Group's statement of financial position per 31 December 2020, no pro forma PPA adjustments related to Sylak have been performed.

1.4 Unaudited condensed pro forma financial information

1.4.1 Unaudited condensed pro forma statement of income for the year ended 31 December 2020

The table below sets out the unaudited condensed pro forma statement of income of the Group for the year ended 31 December 2020, as if the Acquisitions had been completed on 1 January 2020.

Unaudited pro forma condensed statement of income for the year ended 31 December 2020

NOK thousands	Observe ASA IFRS	Sylak 2020	Sylak adjust.	forma combined OM and Sylak	Biim Ultra- sound AS	Biim Ultra- sound Oy	Biim Ultra- sound Inc.	Pro forma adjust. Elim	Not e	forma combine d - pre IFRS	Pro forma adjust.	Note	Pro forma combined
REVENUE AND OTHER INCOME													
Revenue	2 961	15 439	-2 880	15 520	9 929	3 655	2 569	-6 224	A	25 449			25 449
Cost of materials	1 975	9 517	-1 792	9 700	3 190	0	0	0		12 891			12 891
Gross result	986	5 922	-1 088	5 819	6 739	3 655	2 569	-6 224		12 559			12 559
OPERATING EXPENSES													
Employee benefit expenses	-10 891	-3 989	818	-14 063	-3 039	-2 522	-897	2 522	B	-17 999			-17 999
Other operating expenses	-15 018	-2 935	457	-17 496	-10 121	-797	-1 636	3 366	C	-26 684	-2 782	1	-29 467
Depreciations and amortisation	-3 163	0	0	-3 163	-6 167	0	0	115	D	-9 216	-8 383	2	-17 599
Operating expenses	-29 072	-6 924	1 275	-34 722	-19 327	-3 319	-2 533	6 003		-53 899			-65 065
Operating result (EBIT)	-28 086	-1 003	186	-28 902	-12 588	336	36	-221		-41 340			-52 506
FINANCIAL INCOME AND EXPENSES													
Net financial items	-8 782	257	-255	-8 779	-3 068	-65	0	0		-11 913	-621	3	-12 533
Result before tax	-36 868	-745	-68	-37 682	-15 657	271	36	-221		-53 253			-65 039
Income tax expense	0	0	0	0	0	52	0	0		52			52
Result for the period	-36 868	-745	-68	-37 682	-15 657	218	36	-221		-53 305			-65 092

In connection with the preparation of the pro forma statement of income the following IFRS and pro forma adjustments have been made:

Adjustments related to the acquisition of Sylak

The columns "Observe ASA IFRS" and "Sylak 2020" set out the reported statements of income for the Group and Sylak, respectively, as reported in these audited financial statements. The Group recognized Sylak's revenues and expenses for the period 1 November 2020 through to 31 December 2020 in its consolidated 2020 statement of income. Thus, the column "Sylak adjust." sets out the share of Sylak's profit and loss for the period 1 November 2020 through 31 December 2020, which are deducted from the column "Sylak 2020" to yield Sylak's profit and loss for the period 1 January through to 30 October (which is included in the pro forma profit and loss).

As Sylak's profit and loss statement for 2020 includes a financial income related to a group contribution of Thousand SEK (TSEK) 300, which Sylak received from its former owner, this item is also deducted in the column "Sylak adjust". The underlying assumption being that Sylak would not have received this group contribution had the Acquisitions been completed on 1 January 2020.

Pro forma adjustment A, B and C

Pro forma adjustment A reflects that all revenues in Biim's two subsidiaries are invoiced to Biim (i.e. the parent company), and consequently eliminated on consolidation. The amount invoiced from Biim Oy in 2020 has been capitalized as part of Biim's internally generated development balance, whereas the amount from Biim Inc has been included in Biim's other operating expenses. Thus, other operating expenses in Biim have been eliminated with the amount of revenues in Biim Inc. Employee expenses and other operating expenses of Biim Oy have been eliminated, as these expenses are capitalized in Biim. The internal profit margin recognized in the accounts of Biim Oy is thus eliminated from the consolidated figures.

Pro forma adjustment D

As the capitalized internally generated development balance in Biim's accounts relates partly to expenses invoiced from Biim Oy, the balance recognized in Biim's accounts also includes internal profits recognized in Biim Oy. Thus, we have reduced depreciation and amortization with estimated amortization of accumulated un-realized internal profits.

IFRS adjustment 1

In accordance with IFRS 16, leasing contracts (with some exceptions) are capitalized as right-of-use assets with corresponding lease liabilities giving rise to depreciation and interest expenses. Other operating expenses as set out in the pro forma condensed statement of income for 2020 (pre IFRS adjustments), include TNOK 1,718 of leasing expenses related to the premises rented in Narvik (Norway) and Boca Raton (US). These expenses have been eliminated, and depreciation and interest expenses have been recognized (in IFRS adjustments 2 and 3). The pro forma adjustments in respect of IFRS 16 have all been based on an interest rate of 3.0 %.

The rental agreement regarding the premises in Finland includes a three-month unconditional notice period. Thus, consistent with the Group's accounting for similar rental contracts, the rental expenses related to Biim Oy have not been reclassified.

In addition, this adjustment includes estimated total costs related to the Acquisitions of TNOK 4,500 (excluding expenses related to raising new equity). Of the TNOK 4,500, approx. TNOK 750 is expected to be paid out of the Company's existing cash balance, and thus constitute a corresponding reduction of equity. The remaining TNOK 3,750 will be covered by new equity raised in connection with the Transaction. The TNOK 750 expected to be paid out of the Company's existing cash balance, are not expected to have any continuing impact on the Company's income statement.

The net adjustment thus constitutes TNOK 2,782.

IFRS adjustment 2

This adjustment of depreciation expenses is a net figure reflecting:

- depreciation of the preliminary PPA estimated value of the internally generated development balance (TNOK 11,049). This expense is based on an assumed useful economic life of 7 years.
- Reversal of the 2020 recognized depreciations of internally generated development (NOK 5,876). This expense has been reversed to adjust for the fact that Biim Group has applied a longer useful economic life of more than 7 years when determining depreciations of this balance.
- depreciation of the preliminary PPA adjustments of customer relationships (TNOK 1 539), and
- depreciation of the the right-of-use assets related to the Narvik and Boca Raton (TNOK 1,672)

The preliminary PPA adjustments reflect estimated depreciation on the preliminary estimated fair values, less Biim Group's pro forma consolidated depreciations (pre IFRS adjustments). Please refer to the section on statement on financial position below for details on the preliminary PPA adjustments.

IFRS adjustment 3

This adjustment reflects the interest expense related to the estimated leasing liabilities in accordance with IFRS 16.

1.4.2 Unaudited condensed Pro forma Statement of Financial Position as of 31 December 2020

The table below sets out the unaudited condensed pro forma statement of financial position as of 31 December 2020, as if the Transaction had occurred on 31 December 2020.

Unaudited pro forma condensed statement of financial position as of 31 December 2020

NOK thousands	Observe ASA IFRS	Biim Ultra- sound AS	Biim Ultra- sound Oy	Biim Ultra- sound Inc.	Pro forma adjust- ments	Biim - Pro forma Group*	Note	Pro forma adjust- ments	OM - Pro forma combined
ASSETS									
Goodwill	36 268	0	0	0	0	0		125 942	162 210
Intangible assets	20 965	64 276	0	0	-1 278	62 998	A	22 039	106 002
Tangible assets	703	566	0	0	0	566		4 689	5 958
Intra group receivables	0	0	6 341	8 362	-14 703	0	B		0
Investment in subsidiaries	0	4 600	0	0	-4 600	0			0
Total non-current assets	57 936	69 441	6 341	8 362	-20 581	63 564		152 670	274 170
Trade receivables	1 460	480	560	80	-641	480	B		1 940
Inventories	7 661	1 152	0	0	0	1 152			8 813
Other receivables and prepaid expense	1 730	173	98	0	0	271			2 002
Bank deposits	18 945	403	1	19	0	423		-750	19 368
Total current assets	29 797	2 207	659	100	-641	2 326		-750	32 122
TOTAL ASSETS	87 733	71 649	7 001	8 461	-21 221	65 889		151 920	306 292
EQUITY AND LIABILITIES									
Total equity	20 349	33 336	899	8 406	-5 621	37 019	C	147 231	205 349
Non-current lease liabilities	260	0	0	0	0	0		3 006	3 266
Deferred tax liability	0	0	0	0	0	0		0	0
Contingent consideration	22 368	0	0	0	0	0			22 368
Intra group liability	0	0	1 080	0	-1 080	0			0
Non-current interest bearing liabilities	34 821	675	4 170	0	0	4 846	B		39 667
Total non-current liabilities	57 449	675	5 251	0	-1 080	4 846		3 006	65 301
Trade payables	3 843	4 380	100	55	0	4 535			8 378
VAT and other public taxes payable	2 348	263	0	0	0	263			2 611
Current lease liabilities	136	0	0	0	0	0		1 683	1 819
Other current liabilities	3 608	18 476	751	0	0	19 227	B		22 835
Intra group payables	0	14 520	0	0	-14 520	0			0
Total current liabilities	9 935	37 638	851	55	-14 520	24 024		1 683	35 642
Total liabilities	67 384	38 313	6 102	55	-15 600	28 870		4 689	100 943
TOTAL EQUITY AND LIABILITIES	87 733	71 649	7 001	8 461	-21 221	65 889		151 920	306 292

*) Excluding Observe ASA

In connection with the preparation of the pro forma statement of financial position the pro forma adjustments set out below have been made. Further, based on the pro forma consolidated figures for the Biim Group, the preliminary PPA as summarized below, explains the key adjustments applied in preparing the unaudited pro forma consolidated statement of financial position (including both the Group and Biim Group).

Pro forma adjustment A – Elimination of internal profits

As mentioned above, Biim has capitalized a share of internal profits by way of including a 7% mark-up which has routinely been added to the invoices from Biim Oy and Biim Inc., as part of the capitalized amount of internal development. Of the capitalized R&D related to Biim's subsidiaries, approx. 97% relates to Biim Oy (after 2016 no invoices from Biim Inc. have been capitalized by Biim. Thus, for purposes of preparing the pro forma consolidation of Biim Group, we have eliminated 2.0% of the carrying value in Biim at 31 December 2020 (reflecting the estimated relative share of the capitalized expenses that relate to invoices from Biim Oy) of the capitalized amount of R&D in Biim.

Pro forma balance sheet adjustment B – Intra group receivables

The intra group balances have been eliminated as follows in the pro forma consolidated figures (please see below regarding unexplained differences and net effect on equity):

- Trade receivables: All recognized revenues in the accounts of Biim Oy and Biim Inc. are related to sales to Biim. Thus, the trade receivables balances of Biim Oy and Biim Inc. have been eliminated.

- Non-current interest-bearing liabilities: Biim Oy has a liability of EUR 103,194 against Biim. This balance has been converted to NOK and eliminated.
- Intra group payables: Biim's current intra group payables of TNOK 14,520 have been eliminated in the pro forma consolidated accounts for Biim.

Pro forma balance sheet adjustment C– Total equity

The net effect of the preceding pro forma balance sheet adjustments has been booked against total equity, for a total negative entry of TNOK 5,621. The net effect on equity is specified and elaborated below:

Elimination of shares in subsidiaries (D)		-4 600
Intra group payables in AS	14 520	
Intra group receivables subsidiaries (non current)	-14 703	
Reconciliation difference (E)		-183
Trade receivables subsidiaries*	-641	
Intra group liability in Oy (non-current)	1 080	
Other items (F)		440
Pro forma adjustment intangibles (internal profits)** (G)		-1 278
Total (D+E+F+G)		-5 621

*) TNOK 560 in Oy and 80 in Inc.

**) Estimated 2% reduction

The net equity effect in the pro forma adjustment column totals TNOK 5,621, of which elimination of shares and estimated capitalized internal profits amount to TNOK 5,878 (D + G in the table above). However, the balances summarized in E and F are not reconciled or fully explained, thus we have adjusted pro forma equity accordingly. Biim does not prepare consolidated statutory annual accounts. This is believed to be the reason that these items have not been reconciled by Biim.

Pro forma adjustments – Purchase price allocation and transaction costs

The estimated consideration for the Biim Acquisition has been used to prepare the preliminary purchase price allocation ("PPA"). The preliminary PPA is based on the unaudited pro forma consolidated statement of financial position of Biim Group as at 31 December 2020.

The final purchase price will only be known when the values of the respective elements of the consideration, as of the date of completion of the Transaction, have been determined. The allocation of the purchase price is dependent on detailed knowledge of assets, liabilities, contracts, and other facts that can only be sufficiently analyzed at a later date when the Company gets full access to Biim's assets, liabilities and accounting records, which will only become fully available after completion of the Transaction. Thus, the unaudited pro forma financial information has been prepared based upon a preliminary purchase price allocation, a final purchase price allocation has not been prepared at this time. Thus, in the final PPA, fair values may differ significantly from those set out in the preliminary PPA.

The preliminary PPA is based on the pro forma consolidated balance sheet of Biim Group at 31 December 2020. The excess of the contemplated equity consideration over and above the pro forma book value of net assets to be acquired, has preliminarily been allocated to indicatively reflect the fair value of individual assets. Set out below is the status for determination of the preliminary PPA.

Purchase price and excess values	Note	KNOK
Contemplated consideration (to Biim shareholders)	1	185 000
Pro forma consolidated book equity in Biim		37 019
Excess values to be allocated		147 981
Of which excess value related to R&D	2	14 346
Of which customer relationships	3	7 693
Estimated value of goodwill	4	125 942

The note references set out in the table above explain the basis for the IFRS adjustments set out in the table on the preceding page, and are explained as follows:

1. The estimated consideration for the Biim Acquisition to be settled by a combination of shares to be issued by the Company to the Sellers and cash to be financed through the Rights Issue. No net deferred tax liabilities or assets have been recognized, reflecting that the temporary differences related to capitalized R&D and customer relationships, is effectively netted against tax loss carry forwards, which otherwise have not been recognized (as deferred tax asset) in the statement of financial position. At 31 December 2020, Biim had unrecognized deferred tax assets of TNOK 19,480.
2. Based on the preliminary PPA, relative to the pro forma consolidated balance of internally generated development, an excess value of NOK 14.3 million have been allocated to internally generated development, with estimated total fair value of NOK 77.3 million. The economic useful life of this asset is assumed to be 7 years.
3. NOK 7.7 million have been allocated to customer relationships, the economic useful life of which is assumed to be 5 years.
4. The amount of the contemplated consideration which exceeds the preliminary fair values of identified tangible and intangible assets, has been preliminarily allocated to goodwill. The goodwill balance largely reflects commercial potential not directly attributable to the other assets in the statement of financial position, the key elements of which include the following:
 - a. Market insight and commercial network in the US. The key personnel in Biim have a broad and highly relevant network in the US, both professionally and commercially.
 - b. Competence and know-how with respect to software and app-development (mainly within Biim Ultrasound Oy).
 - c. Further, as the existing customer relationships serve as a very important "proof-point" with respect to the marketability of Biim's products, the Company believes there is a significant commercial potential related to new future customer relationships.

In addition, the PPA adjustments include recognition of a TNOK 4,689 right-of-use asset in respect of the leased premises in Narvik and Boca Raton (ref. the description in the P&L section above). The corresponding lease obligation is split between a TNOK 3,006 non-current balance and a TNOK 1,683 current balance.

Transaction costs

In addition to the above, we have adjusted pro forma equity to reflect the share of the transaction costs which is expected to be paid out of the Company's existing funds (i.e. not financed by new equity, ref. adjustment 1 in respect of the pro forma statement of income). This is expected to constitute approx. TNOK 750. These expenses are also included in the expensed transaction costs (ref. the section on pro forma statement of income). As the

Company has significant tax loss carryforwards, which are not recognized on the company's balance sheet, no tax effect has been recognized in respect of any of the transaction costs. Transaction costs directly related to the share issue, and the part of the transaction costs related to the Acquisitions that is not financed by cash on hand, have indirectly been included by assuming that the equity increase to finance the Transaction is a net amount after deduction and payment of such costs. All transaction costs reflected in the pro forma financial figures are based on preliminary estimates.

Total equity

The total equity effect in the second column of pro forma adjustments constitutes the net of the "Excess values to be allocated" (TNOK 147,981) in the table above, less the TNOK 750 of assumed transaction costs related to the Acquisitions, which are paid by cash on hand.

The Board of Directors of Observe Medical ASA

Oslo, December 8, 2021



Terje Bakken
Chairman



Sanna Rydberg
Director



Kathrine Gamborg Andreassen
Director



Thomas Grunfeld
Director

APPENDIX D

INDEPENDENT ASSURANCE REPORT OF THE PRO FORMA FINANCIAL INFORMATION



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Enterprise 935 174 627 MVA

To the Board of Directors of Observe Medical ASA

Independent Practitioner's Assurance Report on the Compilation of Pro Forma Financial Information included in a Prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Observe Medical ASA (the "Company") by the Company's management. The pro forma financial information consists of unaudited pro forma statement of financial position as at 31 December 2020 and the unaudited pro forma condensed statement of income for the year ended 31 December 2020, and related notes as set out in the Pro Forma Consolidated Financial Information approved by the Board of Directors on 8 December 2021. The applicable criteria on the basis of which the Company has compiled the pro forma financial information are specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129, which is incorporated in section 7-13 of the Securities Trading Act (Norway) and as described in the Pro Forma Consolidated Financial Information (the "applicable criteria").

The unaudited pro forma financial information has been compiled by management of the Company to illustrate the impact of the acquisition of Biim Ultrasound AS with subsidiaries and the acquisition of Sylak AB, as set out in the Pro-Forma Consolidated Financial Information, on the Company's consolidated statement of financial position as of 31 December 2020 and the consolidated statement of income for the year ended 31 December 2020 had the acquisitions occurred on 31 December 2020 for the unaudited pro forma statement of financial position and 1 January 2020 for the unaudited pro forma statement of income.

As part of this process, information about the Company's, Biim Ultrasound AS' and Sylak AB's financial performance and financial position has been extracted by management from the Company's, Biim Ultrasound AS' and Sylak AB's audited annual financial statements as of and for the year ended 31 December 2020. Information about the Biim Ultrasound Oy' and Biim Ultrasound Inc.' financial performance has been extracted by management from the consolidated management accounts for Biim Ultrasound Oy' and Biim Ultrasound Inc.', for the year ended 31 December 2020.

The Company Management Responsibility for the Pro Forma Financial Information

The Company management's is responsible for compiling the pro forma financial information on the basis of the applicable criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund



comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

Our responsibility is to express an opinion as required by Annex 20 section 3 of Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is incorporated in section 7-13 of the Securities Trading Act (Norway) about whether the pro forma financial information has been compiled, by the Company's management, on the basis of the applicable criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether Company's management has compiled the pro forma financial information on the basis of the applicable criteria and whether this basis is consistent with the accounting policies of the Company.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information, including any adjustments made to conform accounting policies, or assumptions used in compiling the pro forma financial information. Our work has consisted primarily of comparing the underlying historical financial information used to prepare the pro forma financial information to source documentation, assessing documentation supporting the adjustments and discussing the pro forma information with management of the Company.

The purpose of pro forma financial information included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction, if the event or transaction had taken place on 31 December 2020 and at 1 January 2020, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management of the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria;
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion:

- the pro forma financial information has been compiled on the basis stated in the Pro Forma Consolidated Financial Information; and
- the basis is consistent with the accounting policies of the Company

Report on Other Legal or Regulatory Requirements

This report has been issued solely in connection with the listing of securities on the Oslo Stock Exchange as set out in the Prospectus approved by the Financial Supervisory Authority of Norway. Therefore, this report is not intended to be used in other jurisdictions and should not be used or relied upon for any purpose other than the listing and issuance of shares described above.

KPMG AS
Oslo, 13 December 2021

A handwritten signature in blue ink, appearing to read 'Kjetil Kristoffersen', written over a light blue horizontal line.

Kjetil Kristoffersen
State Authorized Public Accountant, Norway

APPENDIX E

**OBSERVE MEDICAL NORDIC AB'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2020**

Årsredovisning

för

Observe Medical Nordic AB

556190-6370

Räkenskapsåret

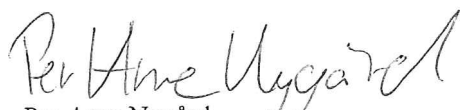
2020

Fastställelseintyg

Undertecknad styrelseledamot i Observe Medical Nordic AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2021-06-28. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Oslo 2021-06-28


Per Arne Nygård

Styrelsen och verkställande direktören för Observe Medical Nordic AB avger följande årsredovisning för räkenskapsåret 2020.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Bolaget bedriver försäljning av läkemedel, kemisk-tekniska produkter, sjukvårdsmaterial m m.

Sylaks produkter är välkända och väl inarbetade.

Företaget har sitt säte i Göteborg.

Väsentliga händelser under räkenskapsåret

Bolaget var under perioden 2020-01-01 till 2020-10-31 ett helägt dotterbolag till Abigo Medical AB, org nr 556336-7795, från 2020-11-01 är bolaget ett helägt dotterbolag till Observe Medical ASA, org nr 822 907 822 med säte i Oslo, Norge.

Bolaget ingår i Obeserve Medical Group med säte i Norge som har dotterbolag i Sverige och Danmark. Driften sköts av personal från Obeserve Medical AB med säte i Göteborg.

Bolaget har i liten grad blivit påverkad av Covid-19. Säljarna har haft mindre möjlighet till fysiska besök hos kunderna men har haft en tät dialog och uppföljning av kunderna via andra kanaler. Bolaget har haft en positiv utveckling på försäljningen under 2020.

Väsentliga händelser efter räkenskapsårets slut

Bolaget har i mars 2021 bytt namn från Sylak AB till Observe Medical Nordic AB.

Flerårsöversikt (Tkr)	2020	2019	2018	2017 (8 mån)
Nettoomsättning	15 082	13 327	14 486	8 215
Resultat efter finansiella poster	-1 029	-1 438	-1 264	-1 152
Balansomslutning	6 411	5 894	7 016	6 524
Soliditet (%)	6,0	18,9	16,0	17,0

Förändring av eget kapital

	Aktie- kapital	Reserv- fond	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	100 000	20 000	992 125	3 135	1 115 260
Disposition enligt beslut av årets årsstämma:			3 135	-3 135	0
Årets resultat				-728 710	-728 710
Belopp vid årets utgång	100 000	20 000	995 260	-728 710	386 550

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	995 260
årets förlust	-728 710
	266 550
disponeras så att i ny räkning överföres	266 550

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

Resultaträkning	Not	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Rörelsens intäkter			
Nettoomsättning		15 081 608	13 327 494
Övriga rörelseintäkter		13 957	24 904
		15 095 565	13 352 398
Rörelsens kostnader			
Handelsvaror		-9 305 951	-8 188 664
Övriga externa kostnader		-6 770 945	-6 585 829
Personalkostnader	2	0	0
		-16 076 896	-14 774 493
Rörelseresultat		-981 331	-1 422 095
Resultat från finansiella poster			
Ränteintäkter		3 625	0
Räntekostnader och liknande resultatposter		-51 004	-16 097
		-47 379	-16 097
Resultat efter finansiella poster		-1 028 710	-1 438 192
Erhållet koncernbidrag		300 000	1 450 000
Resultat före skatt		-728 710	11 808
Skatt på årets resultat		0	-8 673
Årets resultat		-728 710	3 135

Balansräkning	Not	2020-12-31	2019-12-31
TILLGÅNGAR			
Omsättningstillgångar			
<i>Varulager m m</i>			
Handelsvaror		2 597 717	2 735 434
Förskott till leverantörer		48 434	1 093 053
		2 646 151	3 828 487
<i>Kortfristiga fordringar</i>			
Kundfordringar		1 399 309	1 468 032
Aktuella skattefordringar		16 632	4 618
Övriga fordringar		0	3 361
Förutbetalda kostnader		8 692	7 404
		1 424 633	1 483 415
<i>Kassa och bank</i>		2 340 067	582 411
Summa omsättningstillgångar		6 410 851	5 894 313
SUMMA TILLGÅNGAR		6 410 851	5 894 313

Balansräkning	Not	2020-12-31	2019-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
<i>Bundet eget kapital</i>			
Aktiekapital		100 000	100 000
Reservfond		20 000	20 000
		120 000	120 000
<i>Fritt eget kapital</i>			
Balanserad vinst eller förlust		995 260	992 125
Årets resultat		-728 710	3 135
		266 550	995 260
Summa eget kapital		386 550	1 115 260
Långfristiga skulder			
	3		
Skulder till koncernföretag		3 779 563	0
Summa långfristiga skulder		3 779 563	0
Kortfristiga skulder			
Leverantörsskulder		1 090 389	1 094 955
Skulder till koncernföretag		0	3 498 714
Övriga skulder		466 409	0
Upplupna kostnader		687 940	185 384
Summa kortfristiga skulder		2 244 738	4 779 053
SUMMA EGET KAPITAL OCH SKULDER		6 410 851	5 894 313

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

För säkring av tillgång eller skuld mot valutakursrisk används valutaterminer.

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Intäktsredovisning

Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Varulager

Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Inkomstskatter

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Nyckeltalsdefinitioner

Nettoomsättning

Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster

Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning

Företagets samlade tillgångar.

Soliditet (%)

Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Anställda och personalkostnader

Bolaget har inte haft några anställda och några löner har ej utbetalats.

Not 3 Långfristiga skulder

Inga skulder förfaller senare än 5 år.

Not 4 Uppgifter om moderföretag

Moderföretag i den minsta koncern där företaget ingår och som upprättar koncernredovisning är Observe Medical ASA med organisationsnummer 822907822 med säte i Oslo.

Not 5 Ställda säkerheter

	2020-12-31	2019-12-31
Företagsinteckning	0	300 000
	0	300 000

Företagsinteckning finns kopplad till en numera avslutad checkräkningskredit hos kreditinstitut varmed denna ej redovisas.

Göteborg 2021-03-25



Terje Bakke
Ordförande



Per Arne Nygård



Björn Larsson
Verkställande direktör

Vår revisionsberättelse har lämnats 2021-03-25
Öhrlings PricewaterhouseCoopers AB



Patrik Resebo
Auktoriserad revisor



Revisionsberättelse

Till bolagsstämman i Observe Medical Nordic AB, org.nr 556190-6370

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Observe Medical Nordic AB för år 2020.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Observe Medical Nordic ABs finansiella ställning per den 31 december 2020 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Observe Medical Nordic AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Observe Medical Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Observe Medical Nordic AB för år 2020 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionsssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Observe Medical Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionsssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Göteborg den 25 mars 2021

Öhrlings PricewaterhouseCoopers AB



Patrik Resebo
Auktoriserad revisor

APPENDIX F

BIIM ULTRASOUND AS'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Annual report 2020

Board of directors' report

Annual accounts

- Income statement
- Balance sheet
- Notes

Auditors' report

Income statement

	Note	2020	2019
Revenue			
Sales revenue	8	<u>9 929 395</u>	<u>10 032 549</u>
Operating expenses			
Changes in fixed assets of own construction		0	159 119
Cost of stocks		3 190 239	5 457 187
Payroll expenses	2	3 039 309	4 392 362
Depreciation of tangible and intangible fixed assets	3	6 167 256	6 225 530
Other operating expenses	2	<u>10 120 910</u>	<u>9 429 558</u>
Total operating expenses		<u>22 517 715</u>	<u>25 663 755</u>
Operating result		<u>-12 588 320</u>	<u>-15 631 206</u>
Financial income and expenses			
Other interest income		18 546	72 634
Foreign exchange income		1 057 345	1 461 890
Other financial income		<u>1 078 235</u>	<u>1 534 524</u>
Other interest expenses		1 609 406	2 464 877
Foreign exchange losses (disagio)		<u>2 548 648</u>	<u>1 483 238</u>
Other financial expenses		<u>4 146 439</u>	<u>3 948 115</u>
Net financial items		-3 068 204	-2 413 591
Ordinary result before tax		<u>-15 656 523</u>	<u>-18 044 797</u>
Net profit or loss for the year		<u>-15 656 523</u>	<u>-18 044 797</u>
Allocated as follows			
Uncovered losses		<u>-15 656 523</u>	<u>-18 044 797</u>
Total allocations		<u>-15 656 523</u>	<u>-18 044 797</u>

Biim Ultrasound AS

Balance sheet

	Note	2020	2019
Fixed assets			
Intangible assets			
Research and development	3	64 275 809	66 166 842
Total intangible assets		<u>64 275 809</u>	<u>66 166 842</u>
Tangible assets			
Fixtures and fittings, tools, office machinery etc.	3, 9	565 552	1 230 825
Total tangible assets		<u>565 552</u>	<u>1 230 825</u>
<i>Financial assets</i>			
Investments in subsidiaries	5	4 600 026	4 600 026
Total financial assets		<u>4 600 026</u>	<u>4 600 026</u>
Total fixed assets		<u>69 441 387</u>	<u>71 997 693</u>
Current assets			
Inventories		<u>1 151 617</u>	<u>77 839</u>
Receivables			
Trade receivables	10	479 945	2 122 405
Other receivables		172 881	2 586 142
Total accounts receivable		<u>652 825</u>	<u>4 708 546</u>
Cash and cash equivalents	7	402 851	14 984 991
Total current assets		<u>2 207 293</u>	<u>19 771 376</u>
Total assets		<u>71 648 680</u>	<u>91 769 069</u>

Biim Ultrasound AS

Balance sheet

	Note	2020	2019
Equity			
Paid-in capital			
Share capital	11, 12	1 457 194	632 785
Non registered share capital increase	11, 12	1 786 625	0
Own shares	12	-7 200	-7 200
Other paid-in capital	12	30 099 009	35 324 097
Total paid-in capital		<u>33 335 628</u>	<u>35 949 682</u>
Total equity	13	<u>33 335 628</u>	<u>35 949 682</u>
Liabilities			
<i>Provisions</i>			
Other provisions		1 821 523	8 460 899
Total provisions	8	<u>1 821 523</u>	<u>8 460 899</u>
Other long-term liabilities			
Liabilities to financial institutions	9	675 314	751 125
Total other long term liabilities		<u>675 314</u>	<u>751 125</u>
Current liabilities			
Liabilities to financial institutions	9	15 855 457	29 485 544
Trade creditors		4 379 627	3 653 161
Public duties payable	7	262 585	271 921
Liabilities to companies in the same group	6	14 519 582	10 583 018
Other short-term liabilities		798 963	2 613 719
Total current liabilities		<u>35 816 215</u>	<u>46 607 364</u>
Total liabilities		<u>38 313 052</u>	<u>55 819 387</u>
Total equity and liabilities		<u>71 648 680</u>	<u>91 769 069</u>

Notes to the accounts for 31.12.2020

Note - 1 Accounting Principles

The financial statement comprise the income statement, balance sheet and notes and have been prepared in accordance with the Norwegian Companies Act, Accounting Act and generally accepted accounting principles for small companies.

The financial statements are prepared in accordance with the basic principles of historical cost, comparability, going concern, congruity and prudence. Transactions are recognised at the value of the compensation at the transaction time. Revenue is recognised when earned and costs matched with earned income. Details about the accounting principles are given below.

Revenue recognition

Revenue is recognised when earned, normally at the time of delivery of the sold goods and services. Revenues are presented net of VAT, other taxes and duties, discount and freight.

Tangible fixed assets

Tangible fixed assets are recognised at cost in the balance sheet, net of accumulated depreciation and impairment. If the fair value of an asset is below book value, and for reasons not expected to be temporary, the asset is written down to fair value. Expenses in connection with normal maintenance and repairs are expensed as incurred. Expenses at larger replacements and renewals which increase the assets' useful life, are capitalised. An asset is classified as a tangible fixed asset when it has a useful life of more than three years and at a cost exceeding NOK 15 000.

Depreciation

Ordinary depreciation is calculated on a straight-line basis over the economic useful lives of the assets on the basis of historical cost. Corresponding principles apply for intangible assets. Depreciation is classified as ordinary operating expenses.

Grants

Received investment grants related to tangible assets are carried in the balance sheets as a reduction of the relevant asset

Pension liabilities and pension costs

The company has a pension agreement through an insurance agreement signed in 2014. The employees of the company has defined contribution plans. The premium is expensed when incurred. Pension liabilities and pension assets are not carried in the financial statement.

Research and development

Expenses for research and development are capitalized after deduction of received grants. Carried value of research and development are depreciated on a straight-line basis over the expected economic life.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.

Notes to the accounts for 31.12.2020

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Foreign currency translation

Foreign currency assets and liabilities are translated using the year end exchange rates.

Income tax

Deferred tax is calculated on the basis of temporary differences between book and tax values at the end of the accounting year, applying the nominal tax rate. Positive and negative differences are netted within the same time interval. Certain items are nevertheless valued separately, such as excess values at acquisitions and pension obligations. Deferred tax assets arise from temporary differences that can give future deductions in income tax. The tax expense for the year consists of changes in deferred tax and deferred tax assets and tax payable, adjusted for errors in previous year's calculations.

Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized. Deferred tax assets are not capitalized until the company has positive operations and / or has entered into sales contracts that ensure the utilization of the deferred tax asset.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and the disclosure of contingent assets and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.

Note 2 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

<i>Wage costs</i>	2020	2019
Salaries	2 859 684	4 494 199
Payroll tax	227 093	310 463
Pension costs	813 828	1 017 352
Other payments	53 929	229 025
Capitalized payroll cost R&D	-915 225	-1 658 677
Total	<u>3 039 309</u>	<u>4 392 362</u>

The total number of employees in the company during the year: 9

Pensions

Pension plans are defined contribution plans. The pension schemes for the employees are in compliance with the Norwegian pension laws.

Management remuneration

	Salary	Pension expenses	Other remuneration
CEO	2 251 958	45 406	164 073

The CEO is included in the same pension scheme as the other employees.

There is no outstanding obligations bonus to the company's management.

Notes to the accounts for 31.12.2020

<i>Auditor fee has been divided as follows</i>	2020	2019
Audit fee	356 450	243 200
Other services	30 650	95 825

VAT is not included in the figures of auditor's fee.

Note 3 - Intangible and tangible and assets

	Research and development	Running equipment, tools etc	Total
Acquisition cost 01.01.	77 126 672	2 045 840	79 172 512
Additions	3 985 387	0	3 985 387
Disposals	0	-374 439	-374 439
Acquisition cost 31.12.	81 112 059	1 671 401	82 783 460
Acc.depreciation 31.12.	-16 836 250	-1 105 849	-17 942 099
Net carrying amount at 31.12.	64 275 809	565 552	64 841 361

Depreciation for the year

	5 876 420	290 836	6 167 256
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Useful economic life	7 year	6-8 year
Amortization plan	Straight-line	Straight line

The company's board considers the earnings of the product that are developed, approved, and commenced sales of will exceed the capitalized development cost.

Note 4 - Income taxes

<i>Tax base estimation</i>	2020	2019
Ordinary result before tax	-14 722 372	-18 044 797
Permanent differences	2 497 841	114 726
Change in temporary differences	-9 762 582	-9 247 863
Tax base	-21 987 113	-27 177 934

<i>Temporary differences outlined</i>	2020	2019
Intangible and tangible assets	13 420 229	3 657 647
Total	13 420 229	3 657 647
Accumulated tax losses carried forward	-101 965 034	-79 977 921
Total temporary differences	-88 544 805	-76 320 274
Unreconized deffered tax assets (22%)	-19 479 857	-16 790 460

Deferred tax assets are not recognized as an asset in the balance sheet according to the exemptions rules.

Biim Ultrasound AS

Notes to the accounts for 31.12.2020

Note 5 - Investment in subsidiaries and associate

Biim Ultrasound OY are, in cooperation with Biim Ultrasound AS, responsible for developing applications (apps) and software.

Biim Ultrasound Inc are, in cooperation with Biim Ultrasound AS, responsible for hardware development, regulatory, production and distribution.

Company	Share owners	Acquisition cost 31.12	Book value 31.12
Biim Ultrasound Inc	100 %	4 581 500	4 581 500
Biim Ultrasound OY	100 %	18 525	18 525
Total		4 600 025	4 600 025

Company	Share owne	Net profit 2020	Equity 31.12
Biim Ultrasound Inc. *	100 %	-297 445	8 322 967
Biim Ultrasound OY	100 %	212 857	896 856
Total		-84 588	9 219 823
Total		4 515 437	13 819 848

The company is governed by the rules on small companies, defined in section 1-6 of the Norwegian Accounting Act, and has, in accordance with Section 3-2 of the Norwegian Accounting Act, refrained to prepare consolidated accounts.

Note 6 - Accounts payable/ liabilities

<i>Liabilities</i>	2020	2019
Biim Ultrasound Inc - short term debt	8 183 151	7 103 648
Biim Ultrasound OY - short term debt	6 336 432	3 479 370
Total	14 519 583	10 583 018

The following internal transactions between parent company and subsidiary have taken place during the accounting year

All sales from subsidiaries to parent company have a calculated internal profit of 7 %

Note 7 - Bank deposit

Bank deposits recorded include restricted employee withheld taxes amounting to NOK 202.808 as of 31.12.2020.

Note 8 - Other commitments

	2020	2019
Prepayment	1 821 523	4 975 165
Sales with return policy	0	3 485 734
Total commitments	1 821 523	8 460 899

Notes to the accounts for 31.12.2020

Note 9 - Mortgages and guarantees

<i>Book value of liabilities with pledged securities</i>	2020	2019
Long term loan to financial instituion	0	11 615
Short term loan to financial instituion	16 528 834	8 739 510
Total	<u>16 528 834</u>	<u>8 751 125</u>

<i>Book value of assets pledged as security:</i>	2020	2019
Asset pledged as security for long term loan	0	633 100
Assets pledged as security for short term loan	2 197 113	3 431 069
Total	<u>2 197 113</u>	<u>4 064 169</u>

The company has no debt items due over more than 5 years from the balance sheet date

Assets pledged as security for the short-term loan is operating machinery and plant, inventory and factoring up to NOK 8 Million.

Note 10 - Receivables

The company does not hold receivables with maturity over one year from December 31st 2020.

Note 11 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
A-shares	145 719 398	0,01	1 457 194

The company has 145 719 398 shares each with a nominal value of NOK 0.01. Total share capital amounts to NOK 1 457 194

The company's largest shareholders who own 5% or more of the share capital are:

Shareholders per 31.12:

	Ordinary shares	Ownership share	Voting rights
Jpb AS	36 757 438	25,22 %	25,22 %
ELI AS	36 047 781	24,74 %	24,74 %
Brødrene Karlsen Holding AS	8 955 401	6,15 %	6,15 %
Kubera AS	8 029 889	5,51 %	5,51 %
Taj Holding AS	7 955 401	5,46 %	5,46 %
Total	<u>97 745 910</u>	<u>67,08 %</u>	<u>67,08 %</u>
Other (less than 5% ownership)	47 973 488	32,92 %	32,92 %
Total number of shares	<u>145 719 398</u>	<u>100,00 %</u>	<u>100,00 %</u>

At 31 December, the company has a holding of 720,000 own shares.

Notes to the accounts for 31.12.2020

Note 12 - Owners equity

	Share capital	Own shares	Non-registered share capital contributions	Other paid in capital	Other Equity	Total
Owners equity 1.1.	632 785	-7 200		35 324 097		35 949 682
Registration of share capital contrib	824 409	0		10 431 435		824 409
Non-registered share capital contrib.	0	0	1 786 625			1 786 625
Other changes	0	0		-15 656 523	15 656 523	10 431 406
Profit for the year	0				-15 656 523	-15 656 523
Owners equity 31.12.	1 457 194	-7 200	1 786 625	30 099 009	0	33 335 628

The non-registered share capital contributions are paid in in 2020, but registered in the Register of Business Enterprises 21.1.20201

Note 13 - Events after the balance sheet date, Covid-19 and a going concern

The outbreak of the Covid19 virus might affect the company's result, financial position, and cash flow. The implication of Covid19 is difficult to predict at this time, and the company is not aware of specific events. The company has implemented safety measures in relation to the employees in order to be able to secure working conditions and ensure as close to normal operations as possible.

During 2020 Biim Ultrasound AS has obtained a substantial amount of fresh capital while currently seeking alternative means of financing. This work will continue in 2021. The release of the products second generation is expected to increase revenue. Therefore, going concern should not be an issue in the coming fiscal year.

31. December 2020
Narvik, 24.9.2021



Rune Christian Nystad
CEO/Board member



Eskild Endrerud
Chair of the Board



Håkon Hoyer Barlindhaug
Board member



To the Shareholders' Meeting of Biim Ultrasound AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Biim Ultrasound AS (the Company), showing a loss of NOK 15 656 523. The financial statements comprise the balance sheet as at December 31, 2020, and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with laws and regulations and present fairly, in all material respect, the financial position of the Company as at December 31, 2020, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Refer to revisorforeningen.no/revisjonsberetninger which contains a description of Auditor's responsibilities.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper



and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Other information

The Company's financial statements have been prepared after the statutory deadline for presenting financial statements.

Narvik, Oct. 1st, 2021

Wi Regnskap og Revisjon AS

A handwritten signature in blue ink, appearing to read 'Wegard Wiik', written over the company name.

Wegard Wiik

State Authorised Public Accountant

APPENDIX G

BIIM ULTRASOUND OY'S UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Biim Ultrasound Oy
Torikatu 21
90100 Oulu
2664426-9

Biim Ultrasound Oy

TILINPÄÄTÖS

1.1. - 31.12.2020

Sisältö	Sivu
Tuloslaskelma	1
Tase	2 - 3
Liitetiedot	4
Allekirjoitukset	5
Tilinpäätösmerkintä	5
Luettelo kirjanpitokirjoista ja tositelajeista	6

Tuloslaskelma

	Liite	1.1. - 31.12.2020	1.1. - 31.12.2019
LIKEVAIHTO		340 928,46	459 482,00
Henkilöstökulut	2.		
Palkat ja palkkiot		-201 605,27	-307 408,24
Henkilösivukulut			
Eläkekulut		-29 906,05	-55 541,95
Muut henkilösivukulut		-3 757,71	-6 262,24
		<u>-235 269,03</u>	<u>-369 212,43</u>
Liiketoiminnan muut kulut		-74 339,47	-86 962,41
LIKEVOITTO (-TAPPIO)		31 319,96	3 307,16
Rahoitustuotot ja -kulut			
Muut korko- ja rahoitustuotot			
Muilta		47,80	0,01
Korkokulut ja muut rahoituskulut			
Muille		-6 121,32	-5 315,18
		<u>-6 073,52</u>	<u>-5 315,17</u>
VOITTO (TAPPIO) ENNEN TILINPÄÄTÖSSIIRTOJA JA VEROJA		25 246,44	-2 008,01
Tuloverot		-4 865,60	0,00
TILIKAUDEN VOITTO (TAPPIO)		20 380,84	-2 008,01

Tase

	Liite	31.12.2020	31.12.2019
VASTAAVAA			
VAIHTUVAT VASTAAVAT			
Pitkäaikaiset saamiset			
Saamiset saman konsernin yrityksiltä		605 645,81	0,00
		<u>605 645,81</u>	<u>0,00</u>
Lyhytaikaiset saamiset			
Saamiset saman konsernin yrityksiltä		53 528,46	605 645,81
Muut saamiset		9 221,65	9 421,99
Siirtosaamiset		168,98	7 222,20
		<u>62 919,09</u>	<u>622 290,00</u>
Rahat ja pankkisaamiset		55,03	4 446,24
VAIHTUVAT VASTAAVAT YHTEENSÄ		668 619,93	626 736,24
VASTAAVAA YHTEENSA		<u>668 619,93</u>	<u>626 736,24</u>

Tase

	Liite	31.12.2020	31.12.2019
VASTATTAVAA			
OMA PÄÄOMA			
	3.		
Osakepääoma		2 500,00	2 500,00
Edellisten tilikausien voitto (tappio)		62 992,03	65 000,04
Tilikauden voitto		20 380,84	-2 008,01
		<u>83 372,87</u>	<u>62 992,03</u>
OMA PÄÄOMA YHTEENSÄ		85 872,87	65 492,03
VIERAS PÄÄOMA			
Pitkäaikainen			
Lainat rahoituslaitoksilta		398 289,00	398 289,00
Velat saman konsernin yrityksille		103 193,97	0,00
		<u>501 482,97</u>	<u>398 289,00</u>
Lyhytaikainen			
Ostovelat		9 551,54	0,00
Velat saman konsernin yrityksille		0,00	103 193,97
Muut velat		23 592,75	4 970,31
Siirtovelat		48 119,80	54 790,93
		<u>81 264,09</u>	<u>162 955,21</u>
VIERAS PÄÄOMA YHTEENSÄ		582 747,06	561 244,21
VASTATTAVAA YHTEENSA		<u>668 619,93</u>	<u>626 736,24</u>

Liitetiedot

1. Tilinpäätöksen laadintaperiaatteet

1.1. Mikroyrityksen tilinpäätös

Tilinpäätös on laadittu Valtioneuvoston pien- ja mikroyritysasetuksen mikroyrityssääntöjen mukaisesti (PMA 1 ja 4).

1.2. Konserniin kuuluvaa kirjanpitovelvollista koskevat liitetiedot

Biim Ultrasound Oy on Biim Ultrasound AS:n 100% omistama tytäryhtiö.

Jäljennös konsernitilinpäätöksestä on saatavissa osoitteessa Frydenlundsgate 9, 8516 Narvik, Norja.

2. Henkilöstö

31.12.2020

31.12.2019

Henkilöstön keskimääräinen lukumäärä tilikauden aikana

3

5

3. Oma pääoma

3.1. Sidottu oma pääoma

31.12.2020

31.12.2019

Osakepääoma 1.1.

2 500,00

2 500,00

Osakepääoma 31.12.

2 500,00

2 500,00

Sidottu oma pääoma yhteensä

2 500,00

2 500,00

3.2. Vapaa oma pääoma

31.12.2020

31.12.2019

Voitto edellisiltä tilikausilta 1.1.

62 992,03

65 000,04

Voitto edellisiltä tilikausilta 31.12.

62 992,03

65 000,04

Tilikauden voitto / tappio

20 380,84

-2 008,01

Vapaa oma pääoma yhteensä

83 372,87

62 992,03

Oma pääoma yhteensä

85 872,87

65 492,03

3.3. Jakokelpoinen oma pääoma

31.12.2020

31.12.2019

Vapaa oma pääoma yhteensä

83 372,87

62 992,03

Jakokelpoinen oma pääoma yhteensä

83 372,87

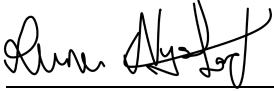
62 992,03

4. Hallituksen esitys yhtiön voittoa koskeviksi toimenpiteiksi

Yhtiön voitonjakokelpoiset varat ovat 83 372,87 euroa, josta tilikauden voitto on 20 380,84 euroa. Hallitus ehdottaa yhtiökokoukselle, että osinkoa ei jaeta ja että voitonjakokelpoiset varat jätetään omaan pääomaan.

Tilinpäätöksen allekirjoitukset

_____, ____ / ____ 2021



Rune Nystad
Hallituksen puheenjohtaja, toimitusjohtaja



Eskild Endrerud
Hallituksen jäsen

Tilinpäätösmerkintä

Suoritetusta tilintarkastuksesta on tänään annettu kertomus.

_____, ____ / ____ 2021

BDO Oy
Tilintarkastusyhteisö

Tiina-Mikkonen Brännkärr
KHT, JHT

Luettelo kirjanpitoKirjoista ja tositteiden lajeista sekä säilytystavoista

Biim Ultrasound Oy:n kirjanpitojärjestelmänä on Microsoft Dynamics NAV.

Microsoft Dynamics NAV järjestelmä koostuu erilaisista moduuleista, jotka ovat kytköksissä toisiinsa.

Järjestelmä takaa läpinäkyvyyden kirjanpitoaineistosta raportointiin tosiaikaisesti. Kirjanpito tapahtumien pohjana olevat dokumentit kuten laskut, sopimukset, laskelmat ja muut taustadokumentit, liitetään jokaisen kirjanpito viennin mukana järjestelmään.

Pääkirja	elektronisessa muodossa
Päiväkirja	elektronisessa muodossa
Pankkitositteet	elektronisessa muodossa
Ostolaskut	elektronisessa muodossa
Myyntilaskut	elektronisessa muodossa
Muistiotositteet	elektronisessa muodossa
Palkkakirjanpito tositteineen	elektronisessa muodossa
Ostoreskontraerittelyt	elektronisessa muodossa
Myyntireskontraerittelyt	elektronisessa muodossa

APPENDIX H

**ENGLISH TRANSLATION OF BIIM ULTRASOUND OY'S UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2020**

Biim Ultrasound Oy
Torikatu 21
90100 Oulu
2664426-9

Biim Ultrasound Oy

FINANCIAL STATEMENTS

1.1. - 31.12.2020

Unofficial translation

Contents	Page
Profit and loss account	1
Balance sheet	2 - 3
Notes to the financial statements	4
Signatures	5
Auditor's notes	5
Lists of accounting books and receipt types	6

Profit and loss account

	Attachment	1.1. - 31.12.2020	1.1. - 31.12.2019
NET TURNOVER		340 928,46	459 482,00
Staff expenses	2.		
Wages and salaries		-201 605,27	-307 408,24
Social security expenses			
Pension expenses		-29 906,05	-55 541,95
Other social security expenses		-3 757,71	-6 262,24
		<u>-235 269,03</u>	<u>-369 212,43</u>
Other operating charges		-74 339,47	-86 962,41
OPERATING PROFIT (-LOSS)		<u>31 319,96</u>	<u>3 307,16</u>
Financial income and expenses			
Other interest and financial income		47,80	0,01
Interest and other financial expenses		-6 121,32	-5 315,18
		<u>-6 073,52</u>	<u>-5 315,17</u>
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES		<u>25 246,44</u>	<u>-2 008,01</u>
Income taxes		-4 865,60	0,00
PROFIT (LOSS) FOR THE PERIOD		<u><u>20 380,84</u></u>	<u><u>-2 008,01</u></u>

Balance sheet

	Attachment	31.12.2020	31.12.2019
ASSETS			
CURRENT ASSETS			
Long-term debtors			
Amounts owed by group undertakings		605 645,81	0,00
		<u>605 645,81</u>	<u>0,00</u>
Short-term debtors			
Amounts owed by group undertakings		53 528,46	605 645,81
Other receivables		9 221,65	9 421,99
Prepayments and accrued income		168,98	7 222,20
		<u>62 919,09</u>	<u>622 290,00</u>
Cash in hand and at bank		55,03	4 446,24
CURRENT ASSETS IN TOTAL		668 619,93	626 736,24
ASSETS IN TOTAL		<u>668 619,93</u>	<u>626 736,24</u>

Balance sheet

	Attachment	31.12.2020	31.12.2019
LIABILITIES			
CAPITAL AND RESERVES			
	3.		
Share capital		2 500,00	2 500,00
Retained earnings (loss)		62 992,03	65 000,04
Profit (loss) for the period		20 380,84	-2 008,01
		<u>83 372,87</u>	<u>62 992,03</u>
CAPITAL AND RESERVES IN TOTAL		85 872,87	65 492,03
CREDITORS			
Long-term			
Loans from credit institutions		398 289,00	398 289,00
Amounts owed to group undertakings		103 193,97	0,00
		<u>501 482,97</u>	<u>398 289,00</u>
Short-term			
Trade creditors		9 551,54	0,00
Amounts owed to group undertakings		0,00	103 193,97
Other creditors		23 592,75	4 970,31
Accruals and deferred income		48 119,80	54 790,93
		<u>81 264,09</u>	<u>162 955,21</u>
CREDITORS IN TOTAL		582 747,06	561 244,21
LIABILITIES IN TOTAL		<u>668 619,93</u>	<u>626 736,24</u>

Notes

1. Accounting principles for the financial statements

1.1. Financial statements of a micro-enterprise

The financial statements have been prepared according to the Government Decree on the information presented in the financial statements of a small undertaking and micro-undertaking. (PMA 1 and 4).

1.2. Notes on a reporting entity which is part of a group

Biim Ultrasound Oy is a wholly owned subsidiary of Biim Ultrasound AS.

A copy of the consolidated financial statements is available at Frydenlundsgate 9, 8516 Narvik, Norja.

2. Personnel	31.12.2020	31.12.2019
Average number of personnel	3	5
3. Capital		
3.1. Tied equity capital	31.12.2020	31.12.2019
Share capital 1.1.	2 500,00	2 500,00
Share capital 31.12.	2 500,00	2 500,00
Tied equity capital	2 500,00	2 500,00
3.2. Untied equity capital	31.12.2020	31.12.2019
Retained earnings 1.1.	62 992,03	65 000,04
Retained earnings 31.12.	62 992,03	65 000,04
Profit (loss) for the financial year	20 380,84	-2 008,01
Untied equity capital	83 372,87	62 992,03
Shareholders' equity total	85 872,87	65 492,03
3.3. Distributable equity	31.12.2020	31.12.2019
Untied equity capital	83 372,87	62 992,03
Distributable equity total	83 372,87	62 992,03

4. Proposal by the Board of the Directors for the distribution of profits

The company's distributable equity is EUR 83 372,87 of which the profit for the financial year is EUR 20 380,84. The Board of the Directors proposes to the Annual General Meeting for Shareholders that no dividend shall be distributed, and the distributable equity shall remain in equity capital.

Signatures of the financial statements

_____, ____ / ____ 2021

Rune Nystad
Chairman of the Board, CEO

Eskild Endrerud
Member of the Board

Auditor's note

An auditors' opinion is given today.

_____, ____ / ____ 2021

BDO Oy
Audit firm

Tiina-Mikkonen Brännkärr
KHT, JHT

List of accounting books and receipt types as well as the methods of keeping

Biim Ultrasound Oy's accounting system is Microsoft Dynamics NAV.

Microsoft Dynamics NAV system consists of different modules that are connected to each other.

The system ensures transparency in real time from accounting data to reporting. The documents on which the accounting transactions are based, such as invoices, contracts, calculations and other supporting documents, are attached to the system with each accounting entry.

General Ledger	elektronic
Journal	elektronic
Bank vouchers	elektronic
Purchase invoices	elektronic
Sales invoices	elektronic
Memorandum vouchers	elektronic
Payroll vouchers	elektronic
Purchase ledger	elektronic
Accounts receivable	elektronic

APPENDIX I

**BIIM ULTRASOUND INC.'S UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2020**

Biim Ultrasound Inc

Profit and Loss

January - December 2020

	<u>Total</u>
Income	
Regular Expenses Income	238 855,46
Reimbursements Income	17 559,12
Service Fee Income	16 861,49
Total Income	\$ 273 276,07
Gross Profit	\$ 273 276,07
Expenses	
Accounting Fees	43 000,00
Bank Charges & Fees	1 199,40
Insurance	
Commercial Umbrella	1 825,80
Group Health	8 537,31
Officer Life	-517,00
Workers Comp WA	1 046,73
Total Insurance	\$ 10 892,84
Legal & Professional Services	2 515,00
Licenses & Fees	456,50
Office Supplies & Software	1 547,78
Payroll Expenses	
Payroll Taxes	
FUTA	121,93
Medicare	1 070,42
SS	4 577,00
SUTA	2 083,67
Total Payroll Taxes	\$ 7 853,02
Payroll Wages	78 500,09
Total Payroll Expenses	\$ 86 353,11
Payroll Processing Fees	6 509,38
Postage & Delivery	2 644,37
Production Expense	9 075,80
R&D Expense	8 219,90
Rent & Lease	93 208,43
Taxes & Licenses	
Sales Tax	1 159,51
Total Taxes & Licenses	\$ 1 159,51
Telephone & Internet	2 309,03
Travel	387,75
Total Expenses	\$ 269 478,80
Net Operating Income	\$ 3 797,27
Other Expenses	
Prior Year Adjustments	29 256,06
Total Other Expenses	\$ 29 256,06
Net Other Income	-\$ 29 256,06
Net Income	-\$ 25 458,79

Biim Ultrasound Inc
Balance Sheet
As of December 31, 2020

	Total		
	As of Dec 31, 2020	As of Dec 31, 2019 (PP)	Change
ASSETS			
Current Assets			
Bank Accounts			
Bank of America Checking-4962	2 267,58	9 124,13	-6 856,55
Total Bank Accounts	\$ 2 267,58	\$ 9 124,13	-\$ 6 856,55
Accounts Receivable			
Accounts Receivable	9 411,64	451 168,78	-441 757,14
Total Accounts Receivable	\$ 9 411,64	\$ 451 168,78	-\$ 441 757,14
Other Current Assets			
Accrual Revenue	0,00	73 195,06	-73 195,06
I/C Loan Receivables			
2016 Invoices	19 904,50	19 904,50	0,00
AS AR	451 168,78		451 168,78
AS Reimbursement	-18 443,74		-18 443,74
Due to Biim AS-Parts Sale	-32 817,69	-32 817,69	0,00
Eyelife AS (R&D)	227 247,72	227 247,72	0,00
Eyelife AS Admin Fee	333 352,50	333 352,50	0,00
Eyelife Inc Cash Withdrawal	2 500,00	2 500,00	0,00
Loan Payable-Eyelife AS	-2 960,00	-2 960,00	0,00
Total I/C Loan Receivables	\$ 979 952,07	\$ 547 227,03	\$ 432 725,04
Undeposited Funds	0,00	0,00	0,00
Total Other Current Assets	\$ 979 952,07	\$ 620 422,09	\$ 359 529,98
Total Current Assets	\$ 991 631,29	\$ 1 080 715,00	-\$ 89 083,71
TOTAL ASSETS	\$ 991 631,29	\$ 1 080 715,00	-\$ 89 083,71

Biim Ultrasound Inc

Balance Sheet

As of December 31, 2020

LIABILITIES AND EQUITY

	Total		
	As of Dec 31, 2020	As of Dec 31, 2019 (PP)	Change
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	6 469,28	32 048,11	-25 578,83
Total Accounts Payable	\$ 6 469,28	\$ 32 048,11	-\$ 25 578,83
Other Current Liabilities			
Accrual Expenses	0,00	23 308,80	-23 308,80
Income Tax Payable	0,00	358,50	-358,50
Payroll Liabilities	0,00	12 255,02	-12 255,02
401k Liability	0,00		0,00
Net Pay Liability	0,00		0,00
NY PFL Liability	21,58		21,58
Payroll Tax Liability	0,00		0,00
Total Payroll Liabilities	\$ 21,58	\$ 12 255,02	-\$ 12 233,44
Total Other Current Liabilities	\$ 21,58	\$ 35 922,32	-\$ 35 900,74
Total Current Liabilities	\$ 6 490,86	\$ 67 970,43	-\$ 61 479,57
Total Liabilities	\$ 6 490,86	\$ 67 970,43	-\$ 61 479,57
Equity			
Common Stock	21 000,00	21 000,00	0,00
Paid-In Capital or Surplus	816 131,50	816 131,50	0,00
Retained Earnings	175 613,07	130 715,83	44 897,24
Treasury Stock	-2 145,35		-2 145,35
Net Income	-25 458,79	44 897,24	-70 356,03
Total Equity	\$ 985 140,43	\$ 1 012 744,57	-\$ 27 604,14
TOTAL LIABILITIES AND EQUITY	\$ 991 631,29	\$ 1 080 715,00	-\$ 89 083,71

Registered office and advisors

Observe Medical ASA

Dronning Eufemias gate 16
N-0191 Oslo
Norway

Legal Advisor to the Company

Advokatfirmaet Thommessen AS
Ruseløkkveien 38
N-0251 Oslo
Norway

Legal Advisor to the Managers

Advokatfirmaet Schjødt AS
Ruseløkkveien 14-16
N-0251 Oslo
Norway