

# Observe Medical

Company presentation  
March 2023

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# INTRODUCTION

## Key investment highlights



### 1 Powerful platform

- Observe Medical has a powerful medtech commercialization platform
- Commercializing proprietary innovative products to capitalize on significant market opportunities

### 2 Commercial benefits

- Unometer acquisition accelerates commercial roll-out of OM's combined portfolio through access to 600+ sales channels across over 50 countries
- Ferrari L. acquisition will give additional value chain control and strengthen the competitive advantage

### 3 Clinical advantages

- Solutions with proven clinical benefits for both patients and professionals
- Medtech offerings improves patient welfare with beneficial health economics and better data accuracy

### 4 Extensive experience

- Longstanding product launch track-record with extensive medtech experience
- Combined management team consisting of industry experts with complementary skillsets

### 5 Runway to positive CF

- About NOK 250 million in run rate revenue
- Ferrari L. acquisition will contribute to significantly reduced COGS
- Expected positive free cash flow from H1 2024

### 6 Growth potential

- Solid medtech platform driving organic growth through existing portfolio
- Potential M&A opportunities

## Observe Medical is a Nordic medtech company with global reach

### Observe Medical in brief

- Commercializing proprietary innovative medtech products on a global market
- International distributor and partner network as well as Nordic direct sales operations
- Solid platform for substantial organic growth through existing portfolio, and potential M&A opportunities
- Current offices in Oslo (NO), Copenhagen (DK), Seattle (US), Oulu (FI), Gothenburg (SE), and Narvik (NO)

### Current products and offerings



Automated urine meter system with wireless connectivity to hospital systems



Wireless pocketable ultrasound device to scan patients and review images in seconds

### Nordic distribution



Nordic distribution portfolio consisting of medtech devices and disposables

## Summary of proposed acquisitions

### 1 Market leading urine measurement portfolio



#### Unometer portfolio

- Opportunity to acquire market leading urine measurement products from Convatec
- Approx. 80-90% market share in Europe
- Access to more than 600 sales channels across 50+ countries

#### Key acquisition rationales:



Market leading products and brand



Extending distribution network



Fast-track to revenue growth and cash flow

### 2 Production facility with strong track-record



#### Ferrari L. facility

- Opportunity to acquire operative production facility for medical and surgical equipment
- Capacity to produce both existing products and OM's total portfolio
- Located in Verona, Italy

#### Key acquisition rationales:



Value chain control



Significantly reduced COGS



Higher capacity utilization

# The new strengthened medtech platform and extended distribution network will accelerate commercialization of existing products

## PLATFORM



- Commercializing proprietary innovative medtech products on a global market
- International distributor and partner network and Nordic direct sales operations
- Solid platform for further organic growth and through targeted M&A

## STRATEGY

### Commercializing proprietary innovative medtech products ...

#### Purpose statement



Patient welfare



Health economics



Data accuracy

#### Medtech portfolio



#### Unometer portfolio

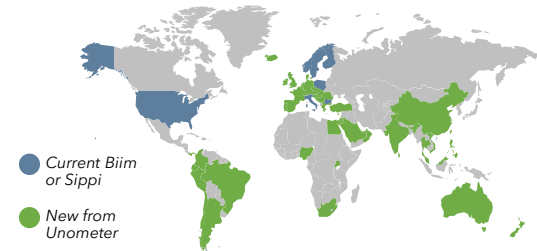


#### Production facility



## EXECUTION

### ... with access to more than 600 distributors across over 50 countries



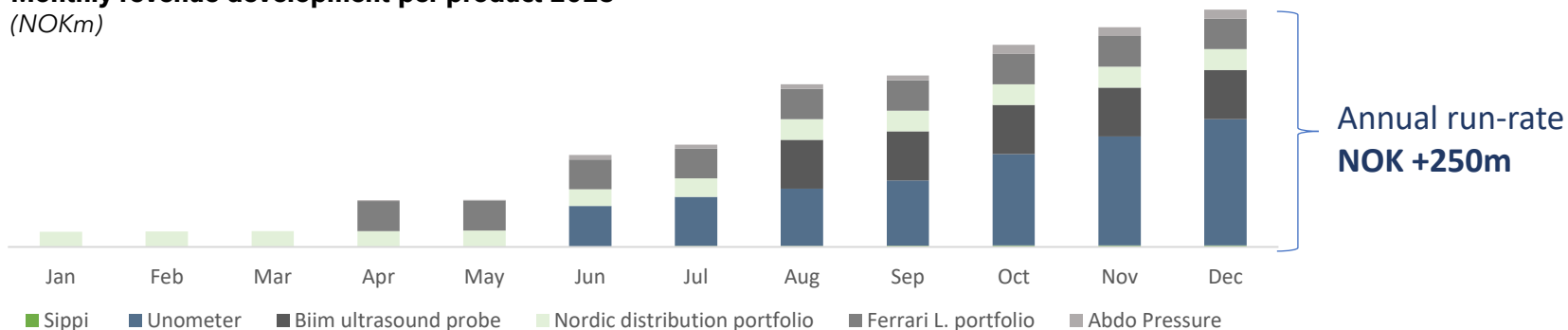
#### Distributors/ Partners:



## Pathway to run-rate revenue of NOK +250 million end 2023

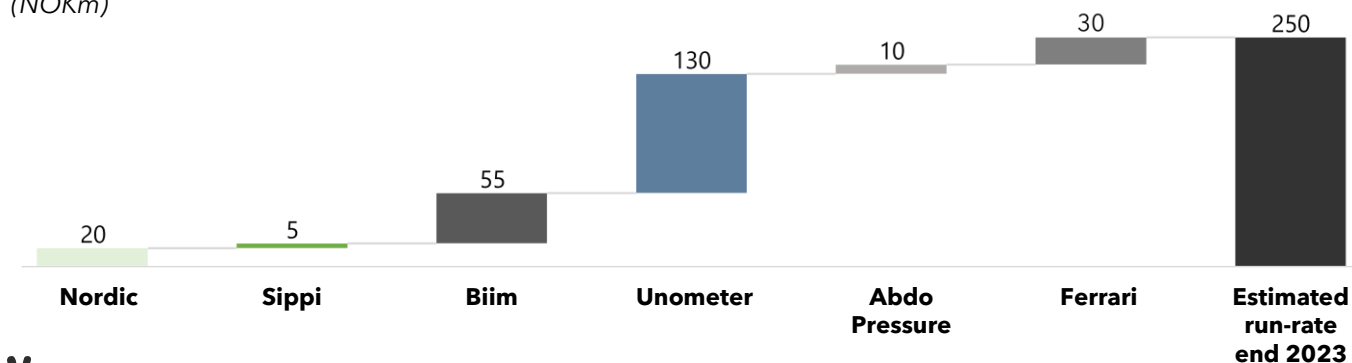
### Monthly revenue development per product 2023

(NOKm)



### Run-rate revenue per product 2023

(NOKm)

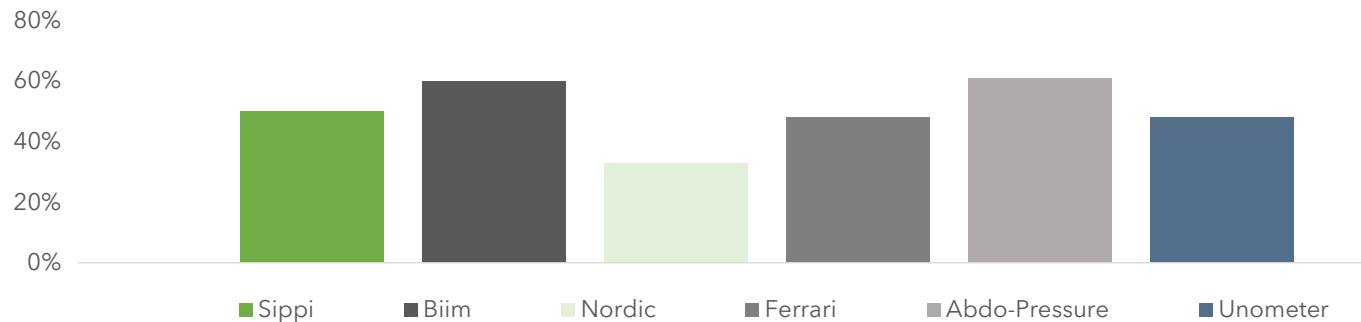




## Gross margin and EBITDA

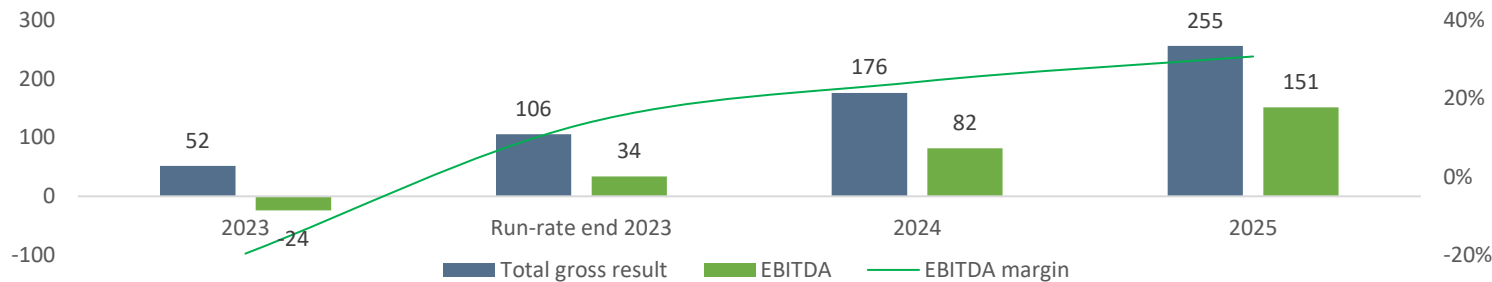
### Gross margin per product 2023

(NOKm)



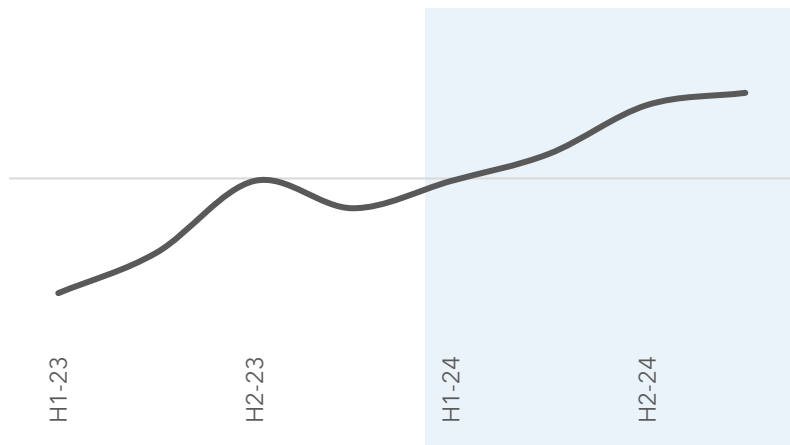
### EBITDA and EBITDA margin<sup>1</sup>

(NOKm)



# Business plan to reach positive free cash flow in the beginning of 2024

## Illustrative free cash-flow forecast<sup>1</sup>



- Positive free cash-flow<sup>1</sup> expected from H1 2024
- Increasing trend driven by ramp up of production and 2023 investments in production equipment and products

## Illustrative sources & uses until year-end 2023

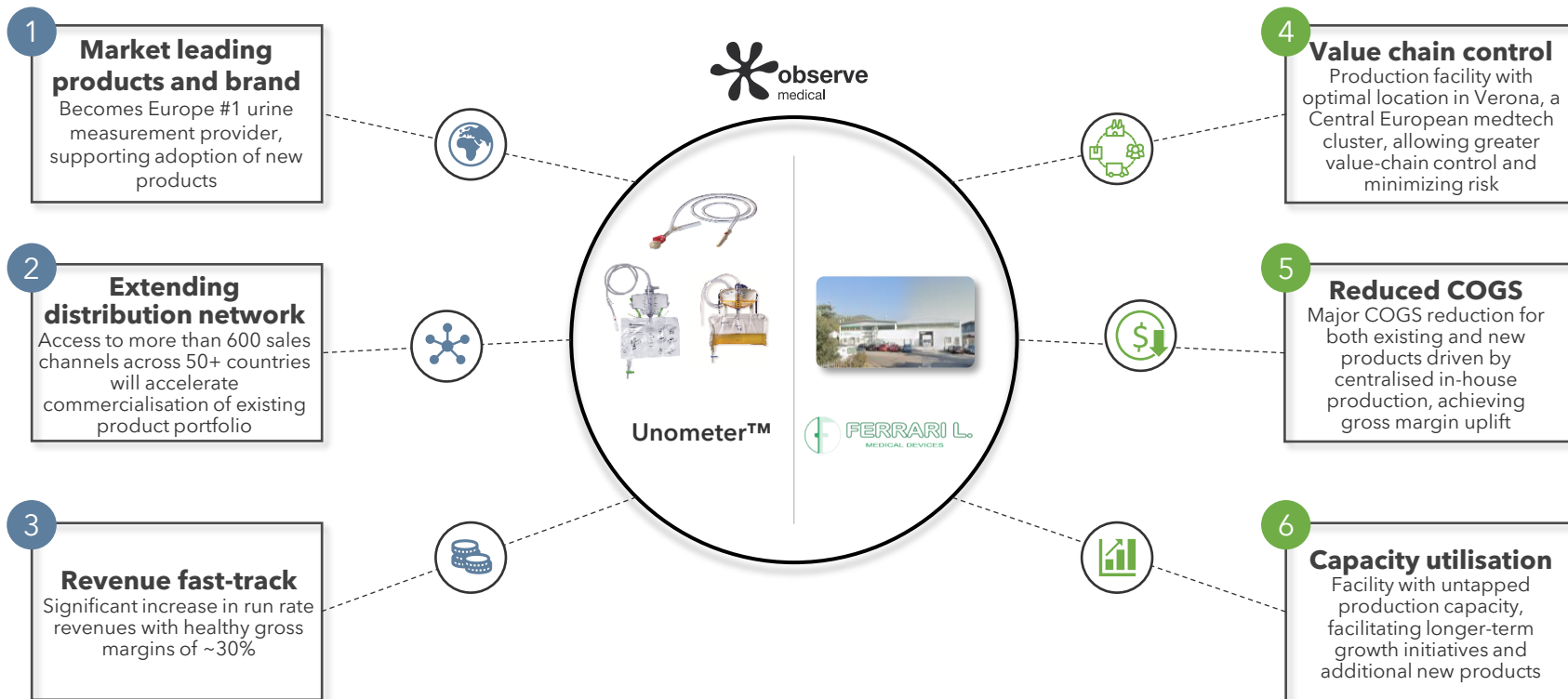
<b>Sources:</b>	<b>NOKm (approx.)</b>
Cash balance per end-of-year 2022	14
Bank loans in Norway & Italy	20-30
Funding H1 2023	30-50
Equity issue mid-year 2023	100-150
<b>Total sources</b>	<b>164-244</b>

<b>Uses:</b>	<b>NOKm (approx.)</b>
Operational cash-flow	34-44
Investments in production equipment and products	20-25
Unometer and Ferrari L. Acquisitions <sup>2</sup>	83
Funding transaction costs	12
Cash buffer end-of-year 2023	15-80
<b>Total uses</b>	<b>164-244</b>

- OM will target a sufficient cash buffer year-end 2023
- The anticipated positive free cash-flow from 2024 will henceforth contribute positively to the cash balance

# ACQUISITION RATIONALE

## Key acquisition highlights



## The Unometer Portfolio

- Observe Medical is given the opportunity to acquire the urine measurement portfolio from Convatec, consisting of Unometer Safeti Plus and Unometer 500
- The acquisition proposal also include the rights to the brand name Unometer Abdo-Pressure
- Unometer 500 and the newer generation, Unometer Safeti Plus, are closed urine drainage systems which monitor urine output in critically ill patients
- The Unometer Abdo-pressure system can be integrated to Unometer Safeti Plus, Unometer 500 and Sippi® to determine intra-abdominal pressure (IAP) to reduce the risk of infections
- The user centric design of Unometer received the Gold Award at the European Design Effectiveness Awards (DBA)

*Unometer™  
Safeti™ Plus*



Unometer Safeti Plus is a closed urine drainage system, equipped with non-return valve and needleless sample port, used in operating room, intensive care unit, emergency department and other specialty ward for continuous monitoring of urine output in critically ill patients

*Unometer™  
500*



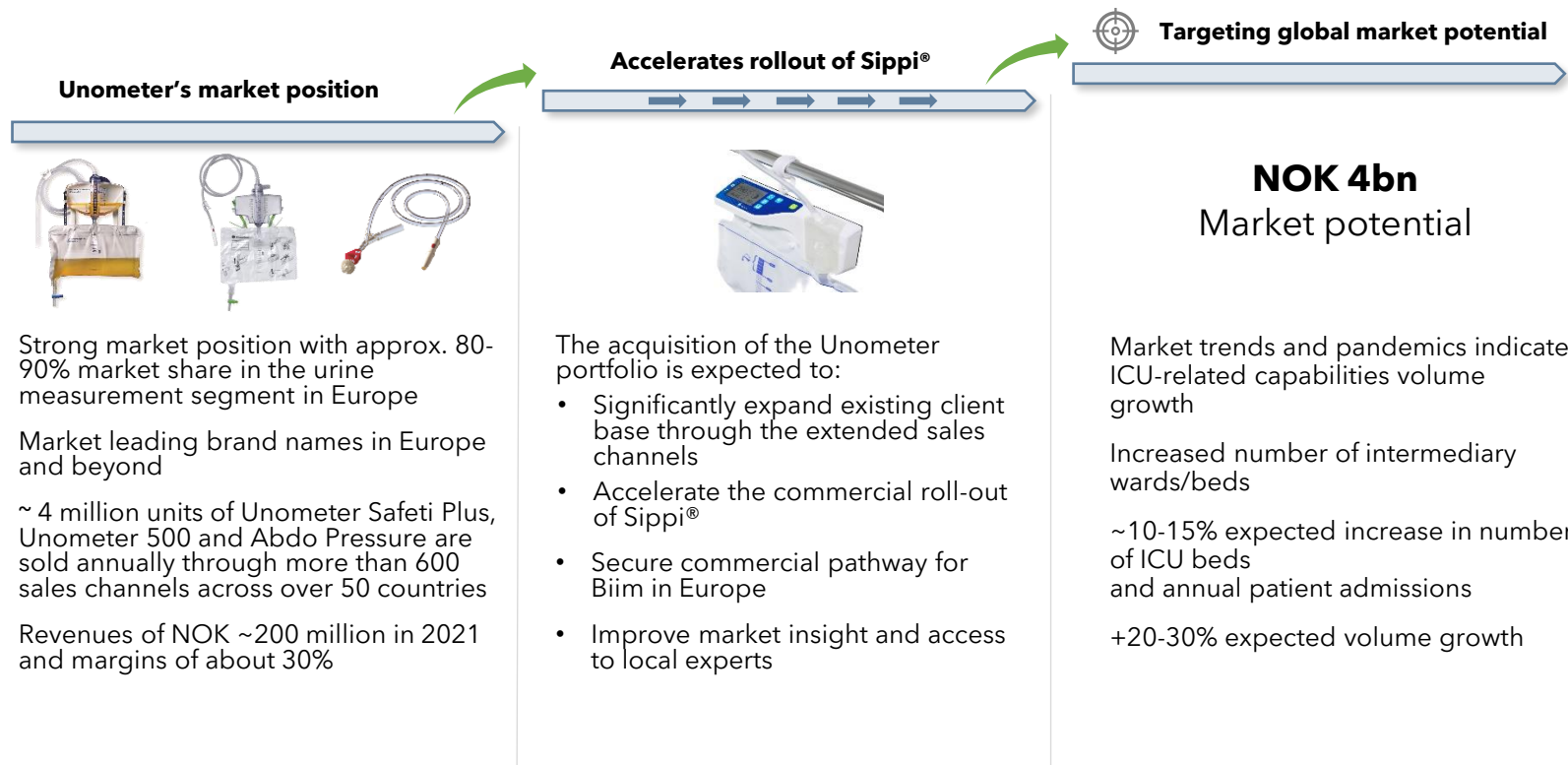
Unometer 500 is the first version of the Unometer urine measurement systems.

*Unometer™  
Abdo-Pressure*



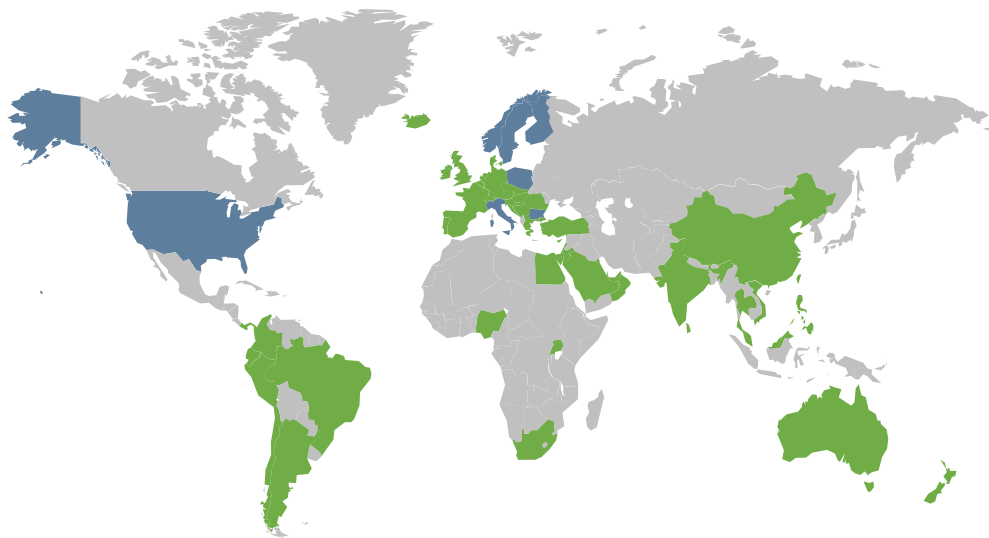
The Unometer Abdo-Pressure system is a simple, reliable and fast method for determining intra-abdominal pressure (IAP). Early detection of this condition is essential for protecting patients. The product integrates with both Unometer Safeti Plus, Unometer 500 and Sippi®

## Strong platform expected to strengthen sales of both Sippi® and Unometer



## Extending distribution network and market insights through more than 600 sales channels across over 50 countries

● Current Biim or Sippi ● New from Unometer



Highly synergistic global distribution network

- Strong distribution network enables Unometer and Sippi sales through more than 600 sales channels in 50+ new countries, across Europe, Asia and South-America
- The acquisition will contribute to improved market insights and access to local experts

**Potential partnerships with leading global distributors:**

**NHS**

Supply Chain

**Sim italia s.r.l.**  
SURGICAL INTERNATIONAL MARKETING

**clinilab**

**pfm**medical

**HEINTEL**  
GRUPPE

**skamex**

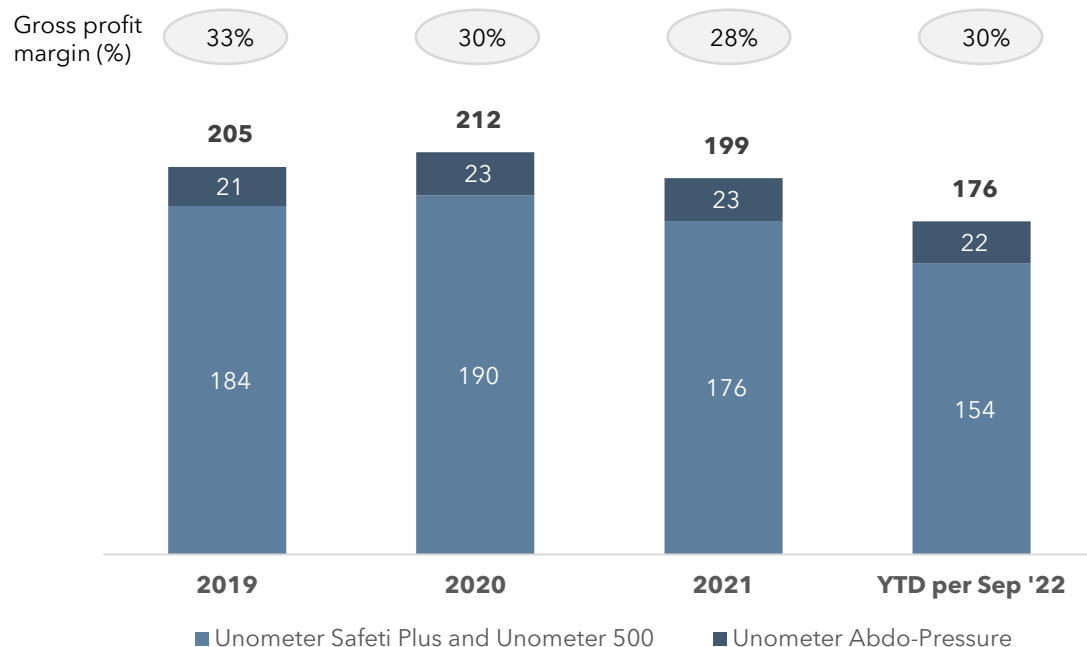
**FRESENIUS**

**angiodynamics**

**VYCON**

## Intake of significant revenues and strong margins with untapped potential

Unometer portfolio historical revenues (NOKm)



- The Unometer portfolio has previously relatively low margins as Convatec has discounted the Unometer portfolio to sell other products at higher margins
- Observe Medical aims to sell Unometer as a stand-alone product, reaching its full pricing potential
- 2022 has been a year of transition for Convatec, when the company has ceased production of Unometer, such that 2022 figures are less relevant
- We further expect to be able to increase Unometer profit margins with the potential acquisition of Ferrari L.

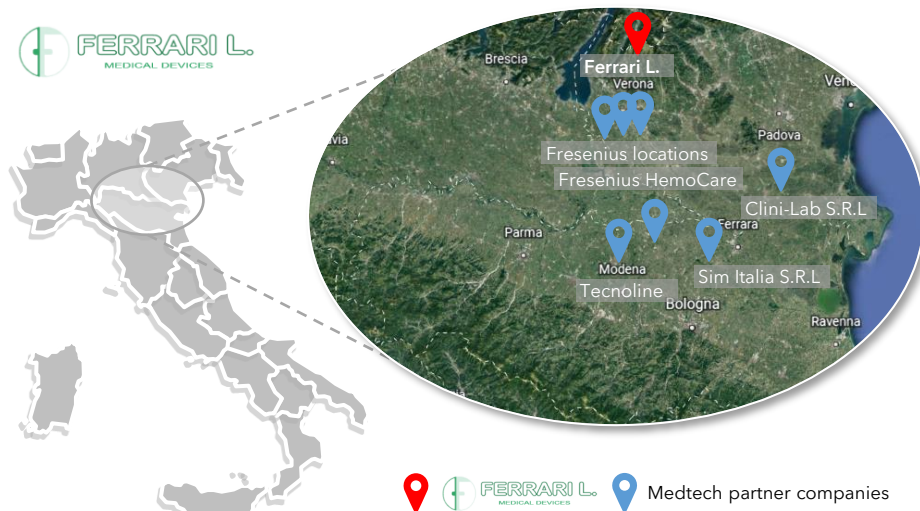


## Production facility with optimal location in the heart of Europe

### Ferrari L. introduction

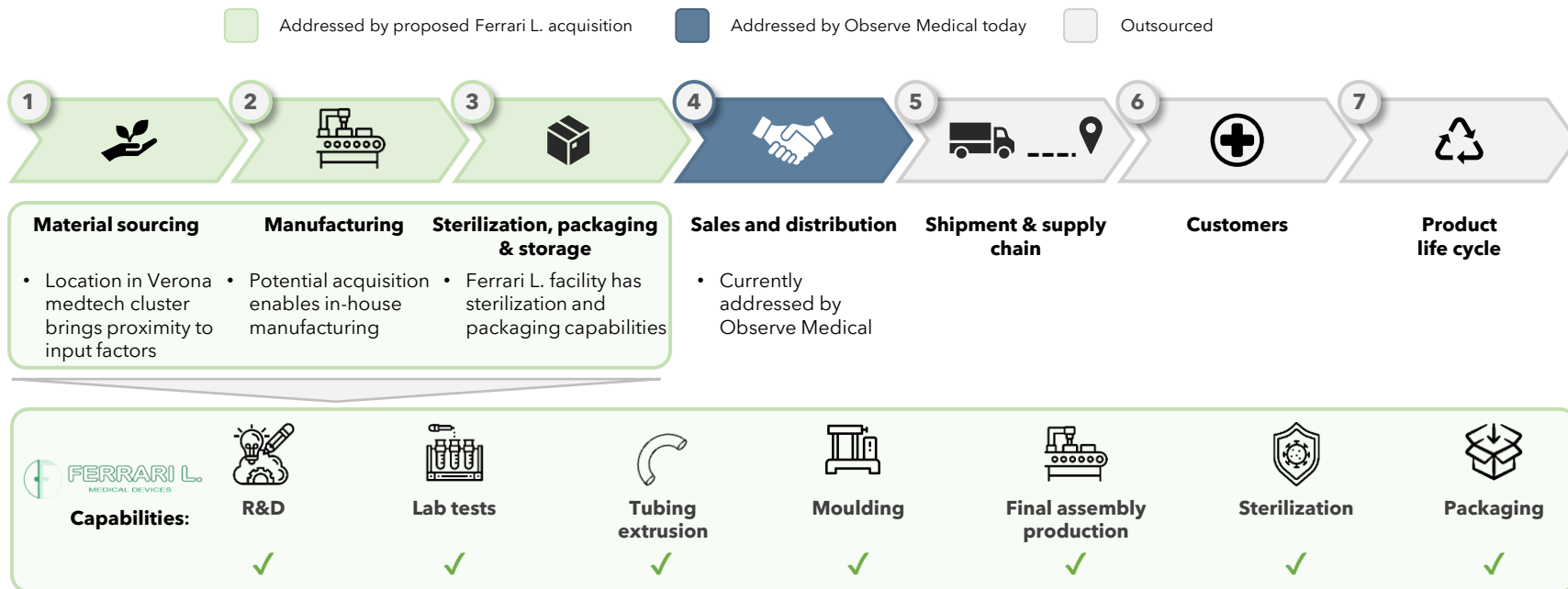
- Ferrari L. is a manufacturer active in the production and supply of single-use medical devices
- A reputable name in the industry, with an outstanding track record dating back to 1960
- Fully integrated production process, from extrusion of tubing and moulding of components to automatic assembling and sterilization of the finished product
- Complete R&D capabilities, including realization of new medical devices on request
- Existing commercial products in the portfolio are a mix of private and third-party brands
- Will give OM greater value-chain control & minimize production risk

### Located in an Italian medtech cluster

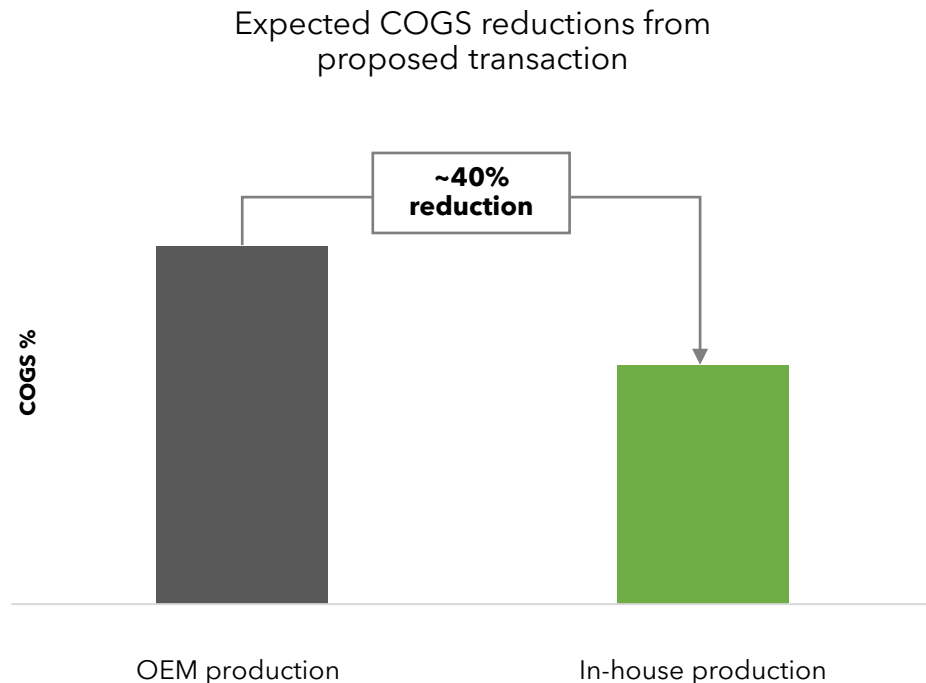


  **FERRARI L.**  Medtech partner companies

## Observe Medical controls larger part of value chain with Ferrari L.



## Major reduction in cost of goods sold for both existing and new products



- Acquiring Ferrari L. will allow OM to **centralize** its production, including both the Unometer portfolio and existing products
- In-house production will **reduce cost of goods sold** since no margin goes to external OEM producers
- OM will **optimize inventory** to secure production and products to market
- Centralised and in-house production will **reduce production risk**
- Immediate proximity to sterilisation facility will **reduce transportation cost and time**

## Untapped capacity beyond current production scope



- OM aims to utilize the facility for its current product portfolio, along with production of the proposed acquired Unometer portfolio
- Any potential remaining capacity can be utilized for production of third-party brands. This flexibility will provide short-term income until the capacity can be used for internal purposes
- Potential untapped capacity of own brands will further facilitate the introduction of new products from R&D and acquisitions, as own production can be prioritized ahead of production for third-party brands

**SIPPI®**



## Sippi® is a unique digital and automated urine meter

Sippi® is the first **automated digital urine meter** with biofilm control and wireless connectivity, initially sold to ICUs and wards

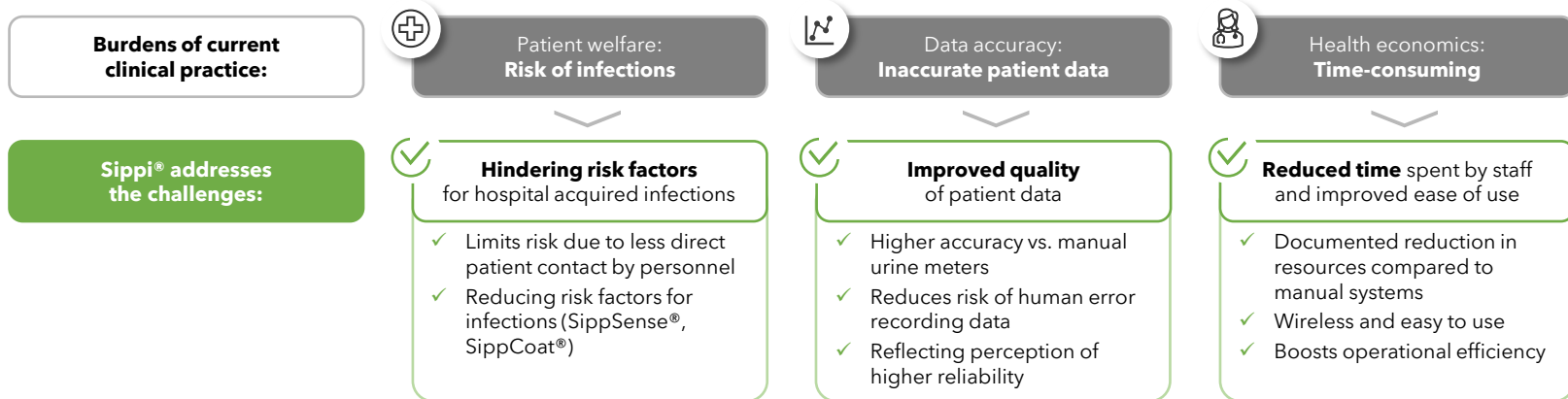
Current generation of Sippi®, with **wireless connectivity** to patient data monitoring systems

CE-marked and with proprietary technology and **global patent** and **trademark protection**

Adding to the **current trend** of connected health

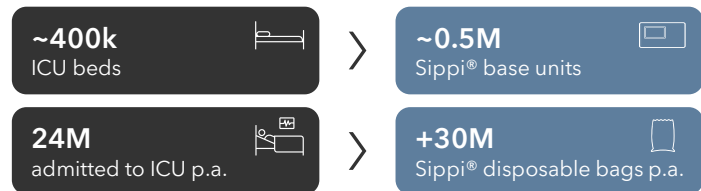


## Sippi® eliminates one of the last manual monitoring procedures in the ICU



# Significant market potential for Sippi® with strong volume growth

## Current global market potential



>> ~4 billion NOK market potential

## Market trends and pandemics indicate ICU-related capabilities volume growth

~10-15%

expected increase in number of ICU beds and annual patient admissions



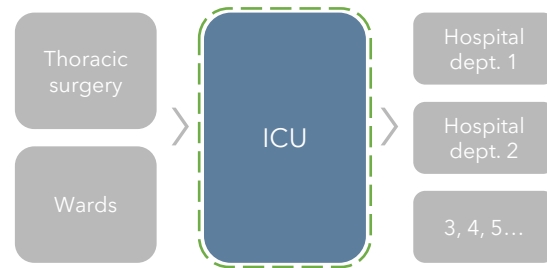
Increased number of intermediary wards/beds

>> +20-30% volume growth

## Further potential for optimizing hospital implementation

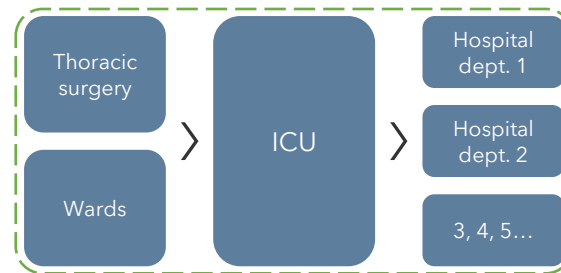
### Current focus:

**8 beds:**  
BU<sup>1</sup>: 10  
DU<sup>2</sup>: 50/mo



### Future potential:

**~40 beds:**  
BU<sup>1</sup>: 20-40  
DU<sup>2</sup>: 100-200/mo



>> First ICU, with subsequent back / forward integration



**BIIM**

## Biim - Wireless ultrasound device

Biim's **wireless pocketable ultrasound device** allow for the ability to scan patients and review images in seconds

Biim makes ultrasound technology **available where it has not been before**, and **improves patient welfare, health economics and data accuracy**

Biim offers nurses and medical staff an **easy-to-use ultrasound device at low cost** for them to ensure 100% accuracy and quality in treatment of their patients.

Customers benefitting from the device being **intuitive, pocketable, flexible and cost efficient**



## Biim's unique ultrasound probe stands out among competitors

### Biim delivers a unique device...



### ... which clearly stands out among its competitors

Wireless devices



clarius



HEALCERION



GE Healthcare



SonoSite



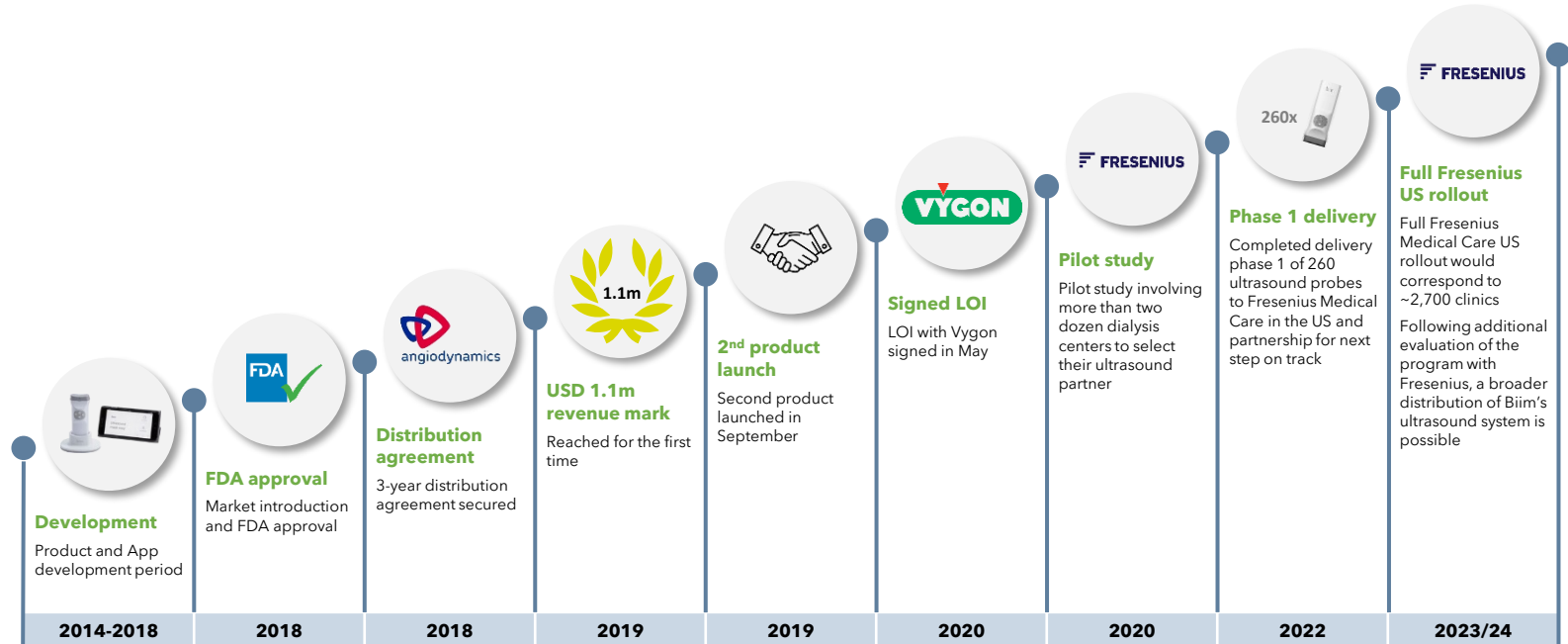
Butterfly Network

Non-wireless devices

#### Competitor disadvantages:

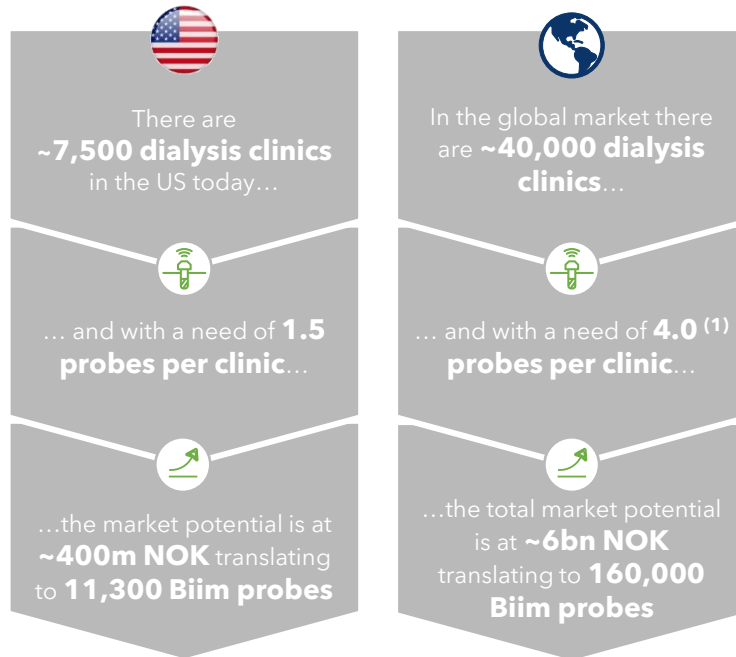
- Higher level of complexity adding performance challenges and lower quality
- Heating issues
- Heavier, of larger size and smaller screens
- Higher subscription-based pricing models

## Extensive R&D conducted since 2014 - agreement with Fresenius a major important milestone

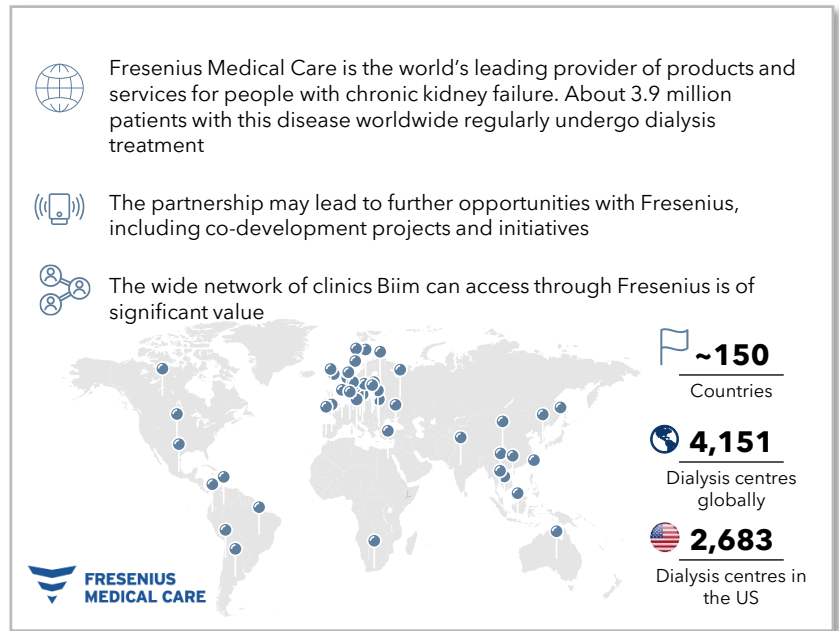


## The dialysis market opens for a huge potential for Biim

### The market potential within dialysis is huge

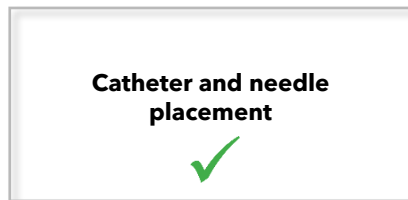
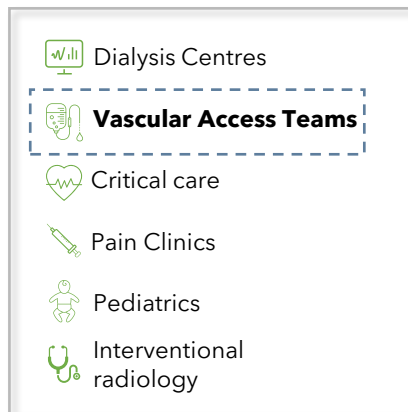


### Fresenius partnership opens extensive growth opportunities

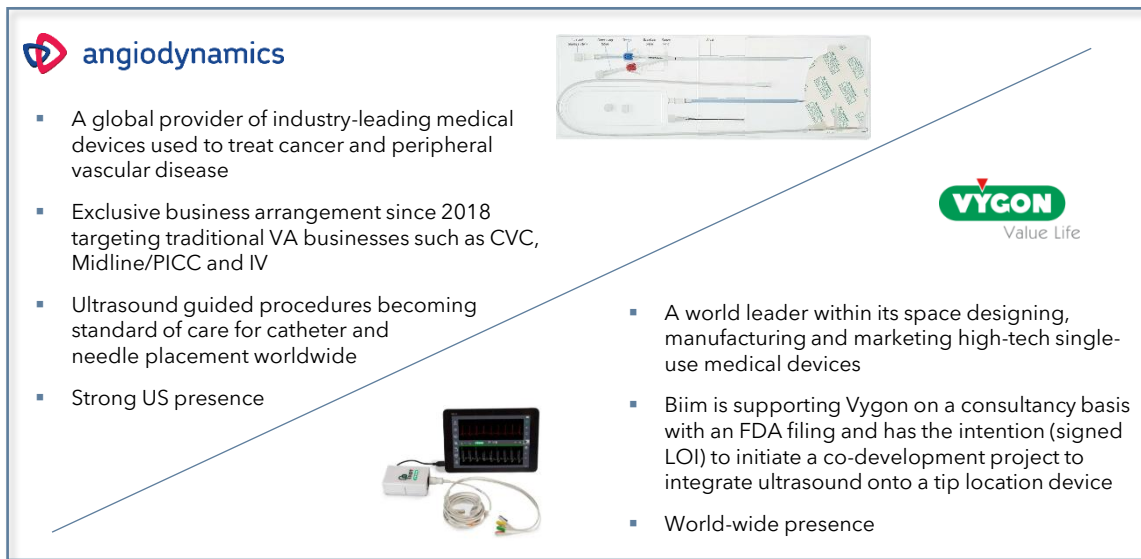


# Significant untapped potential to distribute Biim in adjacent market segments

## Similar medical segments



## ...where Biim has already established partnerships



VA companies lack ultrasound devices



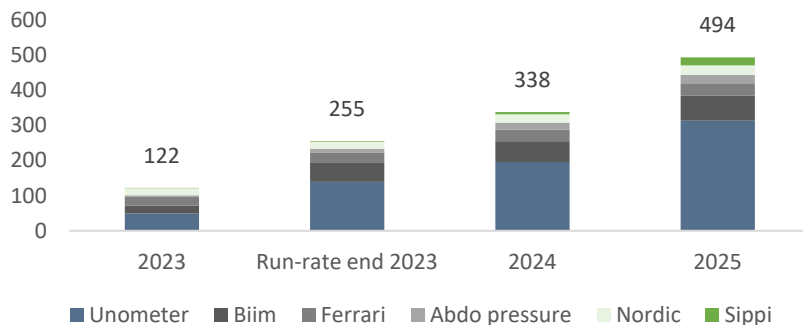
Governmental initiatives for use of ultrasound

# OUTLOOK

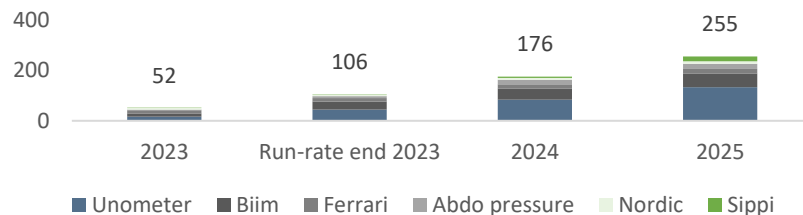
**Ambitions and financial targets**

## Revenue and gross profit targets by product

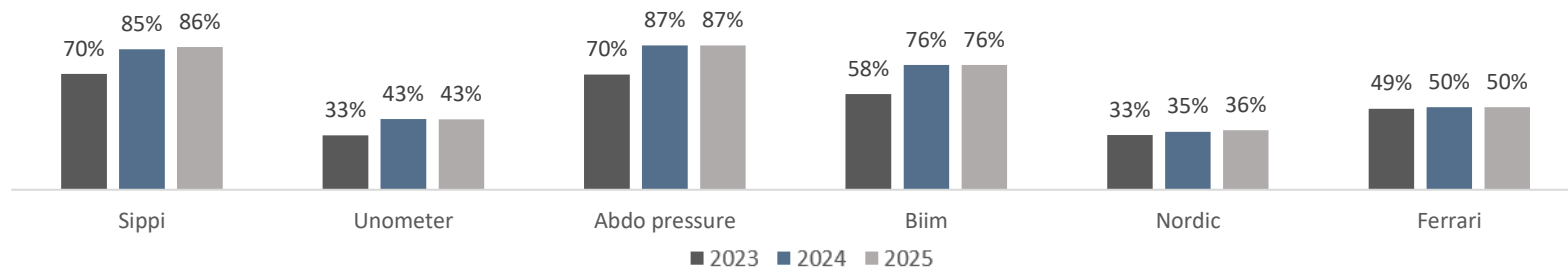
**Revenue development by product**  
(NOKm)



**Gross profit development by product**  
(NOKm)



**Gross margin development by product**

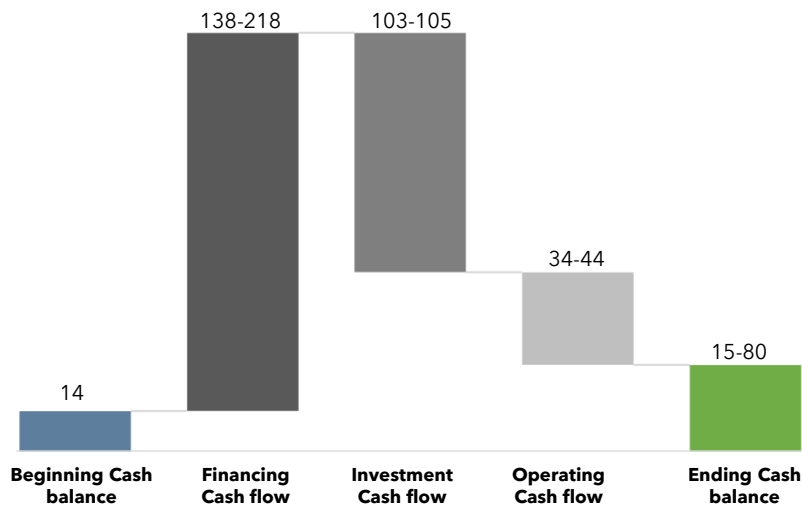




## Cash flow estimate based on business plan

### Cash flow estimate FY 2023

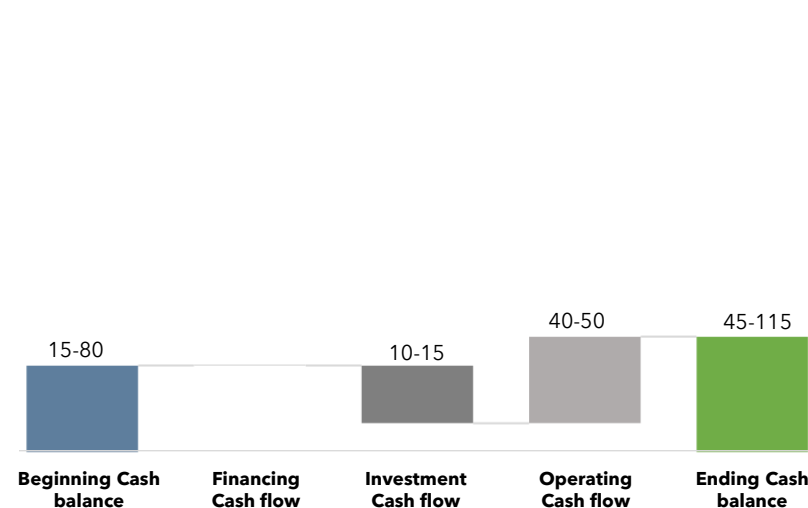
(NOKm)



- 2023E cash flow from financing activities are mainly from loan financing and net proceeds from equity funding 2023
- Cash flow from investment activities mainly consists of acquisition of Ferrari L. and Unometer portfolio in addition to investments in production equipment and products

### Cash flow estimate FY 2024

(NOKm)



## Outlook, priorities and next steps

Multiple key milestones in the short and medium term, providing a highly attractive medtech story for shareholders



### Sippi and Biim

Continue to support Fresenius' multi-clinic training efforts with the Biim ultrasound system

Full Fresenius Medical Care US rollout (~2,700 clinics)

Unometer acquisition will accelerate commercial roll-out for Sippi® and support the commercial pathway for Biim in Europe



### Unometer and Ferrari L.

Production readiness: Set-up tools and assembly

Regulatory: Unometer portfolio launch readiness

Resources: Access to people and resources with Unometer product knowledge

Sales: Distribution network follow-up

Company: Prepare for growth, including for Sippi



### Outlook

NOK 250 million in run rate revenue

Margin uplift driven by COGS reduction in connection with the Ferrari L. acquisition

Positive quarterly free cash flow expected from H1 2024



### Ambitions

Global leading provider of urine measurement products

Preferred provider of ultrasound probes to Fresenius Medical Care globally

NOK 1bn long-term ambition maintained

EBIT margin ~30%

# APPENDIX

## Management team



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**Rune Nystad**  
Chief Executive Officer

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20+ years of experience from global medtech and industrial technology from the Nordics, US, Germany, Ireland and Hong Kong, including Boston Scientific



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**Per Arne Nygård**  
Chief Financial Officer

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20+ years of experience from finance and accounting in various sectors with leadership roles in several publicly listed companies, such as Veidekke and Multiconsult



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**Carsten Bøgh**  
Chief Technology Officer

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20+ years experience from industrial and global medtech. Previous experience from senior roles at Fresenius and Oticon



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**Jørgen Mann Nilsen**  
Chief Commercial Officer

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20+ years experience from the Medtech industry. Previous experience from senior roles in market leading organizations such as Unomedical, Getinge Group, Smith&Nephew and Fresenius



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**Jenny Wennerberg**  
QA & RA Director

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20+ years experience from medtech and healthcare. Has held several quality mgmt. and product development positions

## Board of Directors



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**Terje Bakken**  
Chairman of the Board

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Terje is a partner at Reiten & Co. Extensive strategic and operational experience across different industries, combined with considerable financial transaction and finance experience



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**Sanna Rydberg**  
Board Member

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Sanna is VD at Unilabs Sweden. Previously CEO of Arcoma Group AB, and Head of Healthcare Europe North in The Linde Group. Extensive experience from management, sales & marketing, and production of pharmaceuticals, medical devices and healthcare



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**Kathrine Gamborg Andreassen**  
Board Member

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Kathrine is the CEO of Navamedic and previous chair. She has extensive experience from sales, marketing and management of Fmcg and healthcare products. Previous CEO at Weifa ASA



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**Line Tønnessen**  
Board Member

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Line is an Investment Director and a member of the investment team at Reiten & Co. She has a strong analytical and corporate finance background, including experience from Nordea Markets and SpareBank 1 Markets



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**Eskild Endrerud**  
Board Member

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Eskild is CEO at Arctic Investment Group, a Northern-Norwegian investment company. Extensive investment and business process experience

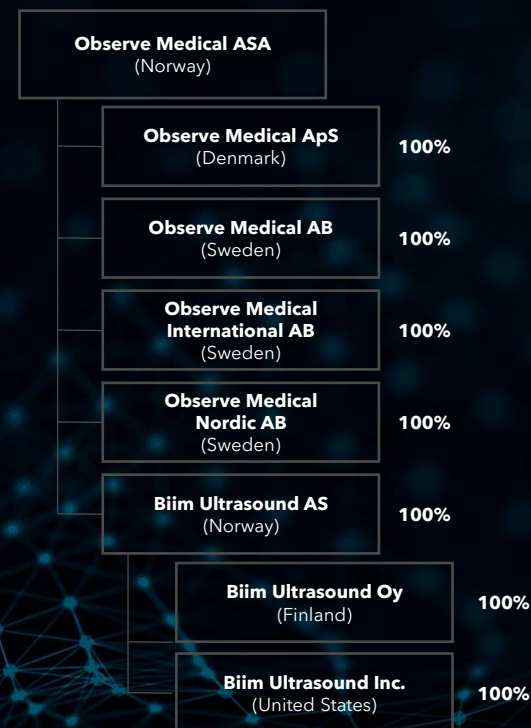
## Largest shareholders as of 28 February 2023

Rank	Name	Number of shares	% of top 20	% of total	Country
	INGERØ REITEN INVESTMENT				
1	COMPANY AS	9 653 680	29.24 %	18.05 %	Norway
2	NAVAMEDIC ASA	4 222 727	12.79 %	7.89 %	Norway
3	RO, LARS	3 340 000	10.12 %	6.24 %	Norway
4	JPB AS	2 830 209	8.57 %	5.29 %	Norway
5	ELI AS	2 178 078	6.60 %	4.07 %	Norway
6	MP PENSJON PK	1 676 188	5.08 %	3.13 %	Norway
7	UBS Switzerland AG	1 460 413	4.42 %	2.73 %	Switzerland
8	BJØRNTVEDT, VEGARD	809 962	2.45 %	1.51 %	Norway
9	LAPAS AS	805 185	2.44 %	1.51 %	Norway
10	NORDNET LIVSFORSIKRING AS	790 420	2.39 %	1.48 %	Norway
11	Nordnet Bank AB	627 367	1.90 %	1.17 %	Sweden
12	SILVERCOIN INDUSTRIES AS	624 464	1.89 %	1.17 %	Norway
13	SOLEGLAD INVEST AS	586 668	1.78 %	1.10 %	Norway
14	SKÅLVOLD EIENDOM AS	507 513	1.54 %	0.95 %	Norway
15	TAJ HOLDING AS	500 847	1.52 %	0.94 %	Norway
16	GINNY INVEST AS	500 000	1.51 %	0.93 %	Norway
17	PETTERSEN, GUNERIUS	500 000	1.51 %	0.93 %	Norway
18	TRANBERGKOLLEN INVEST AS	500 000	1.51 %	0.93 %	Norway
19	BRØDRENE KARLSEN HOLDING AS	479 868	1.45 %	0.90 %	Norway
20	MIDLANG, ROAR	422 676	1.28 %	0.79 %	Norway
<b>Total number owned by top 20</b>		<b>33 016 265</b>	<b>100.00 %</b>	<b>61.72 %</b>	
<b>Total number of shares</b>		<b>53 491 656</b>			

Total number of shareholders: 2 029

*\* ELI AS owns 1,744,260 shares in Observe Medical ASA. In addition, ELI AS keep 433,818 shares owned by other former owners of Biim Ultrasound shares pending transfer to their VPS accounts.*

## Company structure



## Consolidated Statement of Comprehensive Income

<i>(Amounts in NOK thousand)</i>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>
Operating revenues	4 132	3 591	19 521	24 042
Cost of materials	5 113	2 519	14 344	14 524
<b>Gross result</b>	<b>-980</b>	<b>1 071</b>	<b>5 177</b>	<b>9 519</b>
Employee benefit expenses	8 372	4 678	28 521	19 013
Other operating expenses	7 195	10 480	24 909	23 586
<b>Operating expenses</b>	<b>15 567</b>	<b>15 158</b>	<b>53 431</b>	<b>42 599</b>
<b>Operating result before depreciation and amortisation (EBITDA)</b>	<b>-16 548</b>	<b>-14 087</b>	<b>-48 253</b>	<b>-33 081</b>
Depreciation and amortisation	2 363	999	10 891	3 463
<b>Operating result (EBIT)</b>	<b>-18 911</b>	<b>-15 086</b>	<b>-59 144</b>	<b>-36 543</b>
<b>Financial income and expenses</b>				
Financial income	1 743	-3 640	19 012	15 711
Financial expenses	1 647	-3 852	10 588	5 488
<b>Net financial items</b>	<b>96</b>	<b>212</b>	<b>8 424</b>	<b>10 223</b>
<b>Result before tax</b>	<b>-18 815</b>	<b>-14 874</b>	<b>-50 721</b>	<b>-26 321</b>
Income tax expense	24	0	76	0
<b>Result for the period</b>	<b>-18 839</b>	<b>-14 874</b>	<b>-50 797</b>	<b>-26 321</b>
<b>Earnings per share (NOK per share)</b>	<b>-0.35</b>	<b>-0.76</b>	<b>-1.08</b>	<b>-1.34</b>

## Statement of financial position (1 of 2)

<i>Amounts in NOK thousand</i>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	99 961	33 870
Intangible assets	82 767	21 328
Tangible assets	3 710	1 381
<b>Total non-current assets</b>	<b>186 439</b>	<b>56 579</b>
<b>Current assets</b>		
Trade receivables	4 731	1 348
Inventories	8 117	7 013
Other receivables and prepaid expenses	2 443	3 933
Bank deposits	13 641	2 864
<b>Total current assets</b>	<b>28 932</b>	<b>15 158</b>
<b>Total assets</b>	<b>215 371</b>	<b>71 737</b>



## Statement of financial position (2 of 2)

<i>Amounts in NOK thousand</i>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>138 310</b>	<b>-14 122</b>
<b>Non-current liabilities</b>		
Non-current lease liabilities	669	550
Contingent consideration	3 365	13 031
Non-current interest bearing liabilities	5 134	0
<b>Total non-current liabilities</b>	<b>9 168</b>	<b>13 581</b>
<b>Current liabilities</b>		
Trade payables	8 611	6 163
VAT and other public taxes and duties payables	6 124	3 747
Interest bearing current liabilities	40 615	54 521
Current lease liabilities	1 528	443
Other current liabilities	11 015	7 405
<b>Total current liabilities</b>	<b>67 893</b>	<b>72 278</b>
<b>Total liabilities</b>	<b>77 061</b>	<b>85 860</b>
<b>Total equity and liabilities</b>	<b>215 371</b>	<b>71 737</b>

## Cash flow statement

*Amounts in NOK thousand*

	Q4 2022	Q4 2021	FY 2022	FY 2021
<b>Cash flow from operating activities</b>				
Result before tax	-18 815	-14 393	-50 721	-26 321
Tax paid	303	-192	-142	-192
Depreciation and impairment	2 363	999	10 891	3 463
Gain(-)/Loss(+) from sale of fixed assets	-6	-6	-320	-6
Change in net finance, no cash effect	3 956	4 138	-6 628	-6 144
Change in inventories	2 032	81	-294	145
Change in trade receivables and other receivables	-4 255	571	-1 908	-2 103
Change trade account payables and other current liabilities	7 306	6 634	-2 247	9 031
<b>Net cash flow from operating activities</b>	<b>-7 116</b>	<b>-2 166</b>	<b>-51 370</b>	<b>-22 126</b>
<b>Cash flow used in investing activities</b>				
Disposal of tangible and intangible assets	559		559	
Purchase of tangible and intangible assets	-1 966	-3 337	-4 927	-4 886
Net cash effect of business combination	0		-54 002	0
<b>Net cash flow used in investing activities</b>	<b>-1 407</b>	<b>-3 337</b>	<b>-58 370</b>	<b>-4 886</b>
<b>Cash flow from financing activities</b>				
Change in net interest bearing debt	-56	6 509	-33 266	10 000
Net proceeds from share issue	0	0	155 597	6 509
Payments of lease liabilities	-396	-69	-1 354	-429
<b>Net cash flow from financing activities</b>	<b>-452</b>	<b>6 440</b>	<b>120 976</b>	<b>16 079</b>
<b>Exchange rate fluctuations</b>	<b>-2 160</b>	<b>-4 956</b>	<b>-460</b>	<b>-5 149</b>
Change in cash	-11 135	-4 019	10 777	-16 081
Bank deposits start of period	24 776	6 884	2 864	18 945
<b>Bank deposits end of period</b>	<b>13 641</b>	<b>2 864</b>	<b>13 641</b>	<b>2 864</b>

## Three scientific articles have been published supporting the clinical value of Sippi®

### 1) A. Eklund, M. Slettengren & Jan van der Linden (2015) Performance and user evaluation of a novel capacitance-based automatic urinometer compared with a manual standard urinometer after elective cardiac surgery

*Conclusions:* The automatic urinometer (AU) was not inferior to the manual urinometer (MU) and was significantly better in terms of bias, temporal deviation and staff opinion, although the clinical relevance of these findings may be open to discussion.

### 2) M. Slettengren, H. Wetterfall, A. Eklund & J. van der Linden (2019) A Pilot Evaluation of a Capacitance-Based Automatic Urinometer in a Pediatric Intensive Care Setting

*Conclusions:* The two urinometers were comparable in performance for children weighing up to 10 kg. Taking into account the overwhelming staff satisfaction with the automatic urinometer and benefits in less well-staffed wards as well as lack of temporal deviation, the modified automatic urinometer may be considered for clinical use in the PICU.

### 3) M. Slettengren et al (2020) Making medical devices safer - impact of plastic and silicon oil on microbial biofilm formation

*Findings:* Silicone oil-coated polypropylene plastic surfaces, regardless of the oil viscosity, significantly inhibited biofilm formation of all tested Gram-negative and Gram-positive bacteria, including ESBL-producing and multi-drug resistant strains, as well as *C. albicans*. Silicone oil did not affect bacterial or candida growth and curli fimbriae were found to be the main target of silicone oil. Polypropylene plastic itself without oil had a better effect in preventing biofilm formation than polystyrene.

*Conclusion:* These findings suggest a new strategy to decrease microbial biofilm formation, which may reduce hospital-acquired infections and prevent dysfunction of medical devices.

### In addition, there exist complementary scientific evidence supporting the system, e.g.:

Hersch et al (2009) Accuracy and ease of use of a novel electronic urine output monitoring device compared with standard manual urinometer in the intensive care unit

N. MacCallum et al. (2015) Liquid-Infused Silicone As a Biofouling-Free Medical Material

*A thorough assessment of supporting scientific literature is part of clinical evaluation*

## Protected by IPR portfolio

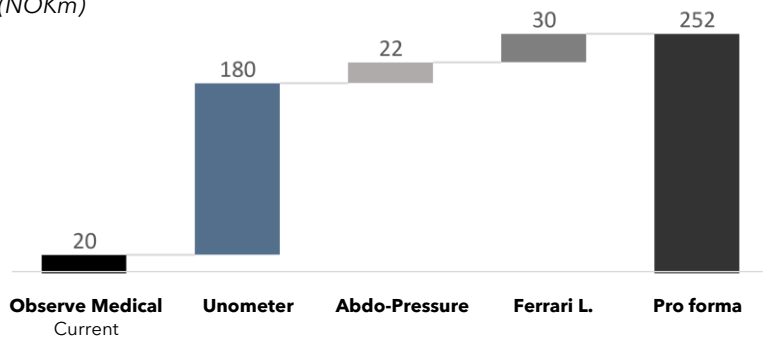
- The Sippi® global patent situation is considered strong with global coverage
- Patents are currently being managed externally by patent law firm Kransell & Wennborg
- Focus on three technologies:
  - Measuring volume via contactless sensors
  - SippSense®, measuring sensor degradation and hence biofilm onset
  - SippCoat®, the use of silicone oil as biofilm prevention properties in both urology and other bodily fluid systems
- There are currently 64 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
- Design protection for measurement instrument and cassette for urine measurement in EU, US, China and India
- Trademark registration for Sippi®, SippSense and SippCoat in Europe. Currently no Trademarks for US

# PRO FORMA FINANCIALS

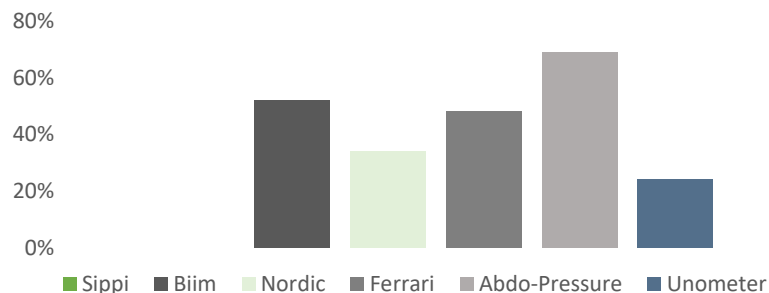
## Pro forma historical revenue bridge and gross margins

### Illustrative pro forma revenue bridge FY 2022<sup>1,2</sup>

(NOKm)



### Gross margin pro forma FY 2022



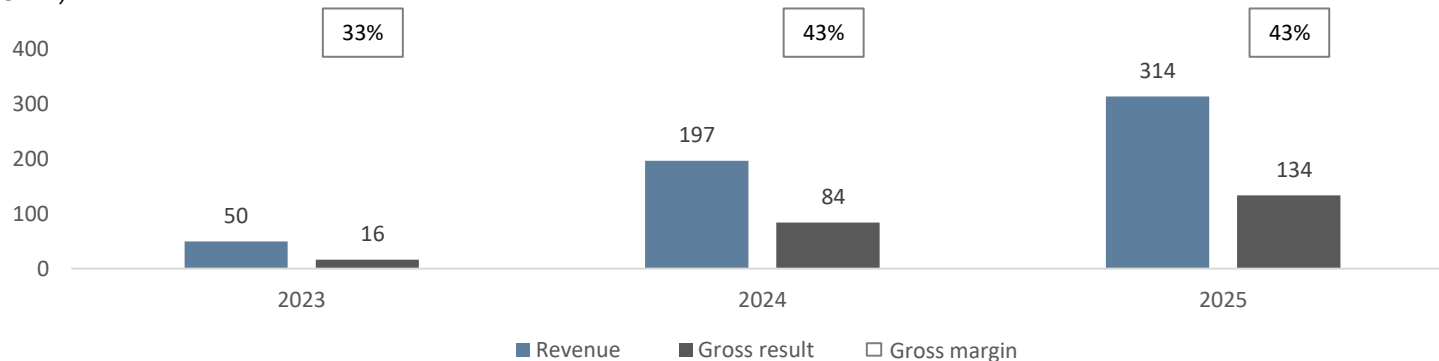
# **APPENDIX II**

## **Financial targets by product**

## Financial targets - Unometer

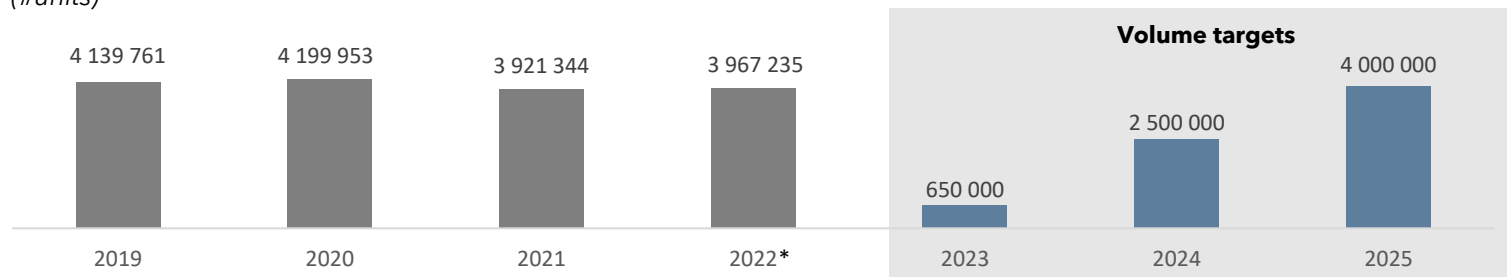
### Unometer - Revenue and gross margin

(NOKm)



### Unometer - Sales volume

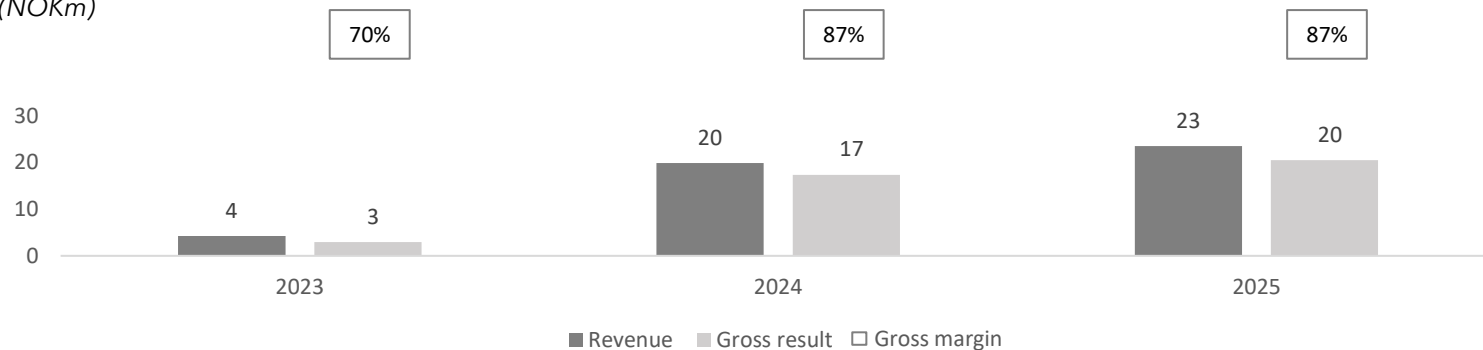
(#units)



## Financial targets - Abdo Pressure

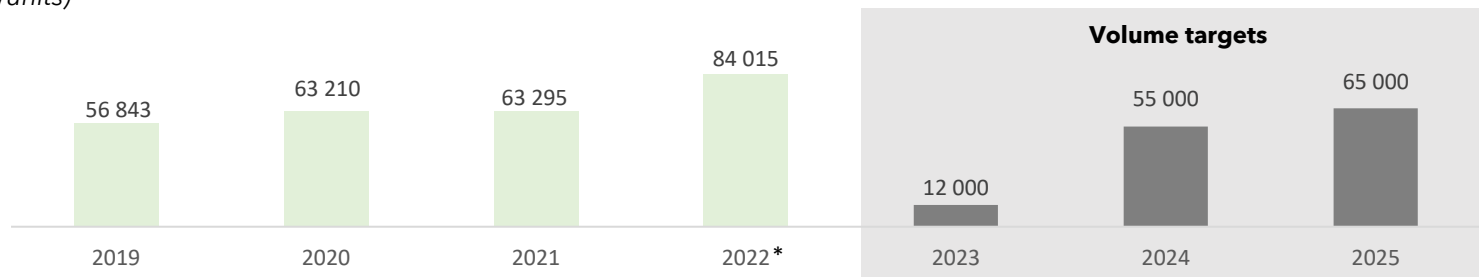
### Abdo Pressure - Revenue and gross margin

(NOKm)



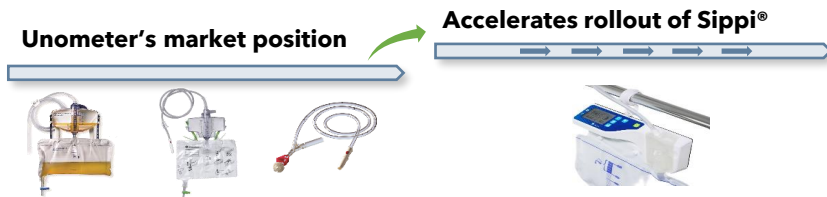
### Abdo Pressure - Sales volume

(#units)





## Financial targets - Sippi®



Strong market position with approx. 80-90% market share in the urine measurement segment in Europe

Market leading brand names in Europe and beyond

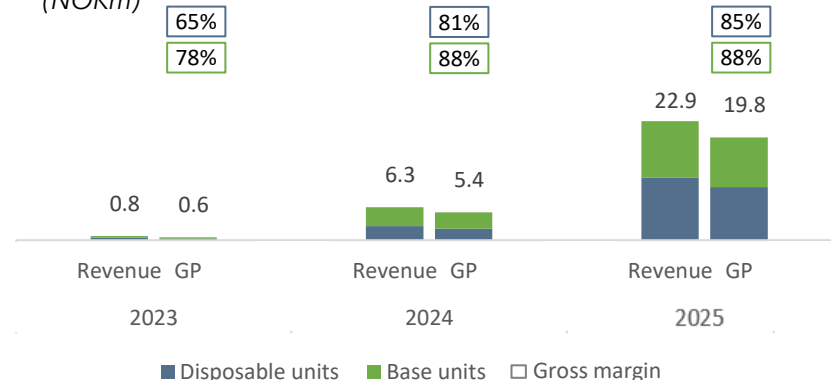
~ 4 million units of Unometer Safeti Plus, Unometer 500 and Abdo Pressure are sold annually through more than 600 sales channels across over 50 countries

Revenues of NOK ~200 million in 2021 and margins of about 30%

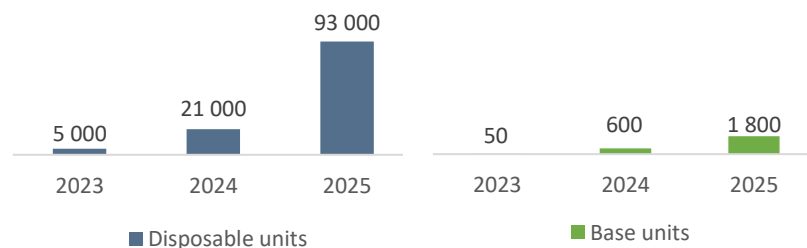
The acquisition of the Unometer portfolio is expected to:

- Significantly expand existing client base through the extended sales channels
- Accelerate the commercial roll-out of Sippi®
- Secure commercial pathway for Biim in Europe
- Improve market insight and access to local experts

### Sippi® - Revenue and gross margin (NOKm)



### Sippi® - Sales volume (#units)



## Financial targets - Biim

### Fresenius partnership opens extensive growth opportunities

Fresenius Medical Care is a global healthcare company specializing in lifesaving medicines and technologies for infusion, transfusion and clinical nutrition

The partnership may lead to further opportunities with Fresenius, including co-development projects and initiatives

The wide network of clinics Biim can access through Fresenius is of significant value



~150

Countries



4,151

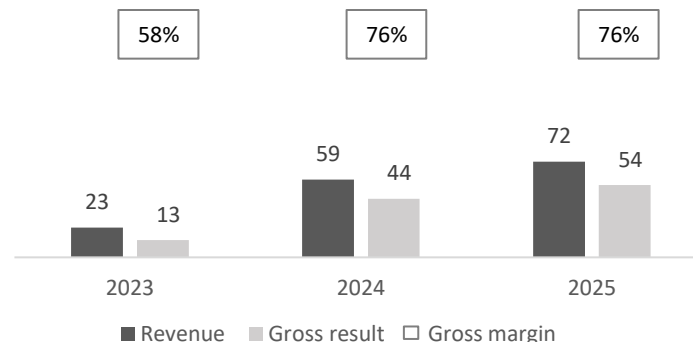
Dialysis  
centres  
globally



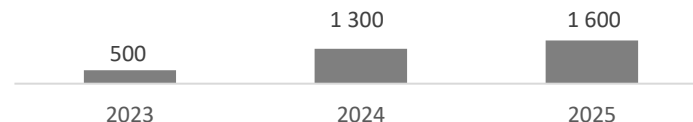
2,683

Dialysis  
centres in  
the US

### Biim - Revenue and gross margin (NOKm)



### Biim - Sales volume (#units)

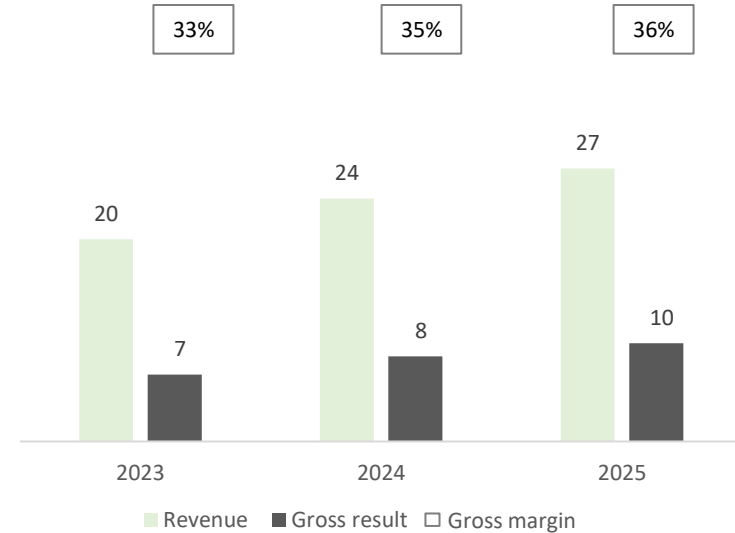


## Financial targets - Nordic

### Nordic distribution portfolio consisting of medtech devices and disposables

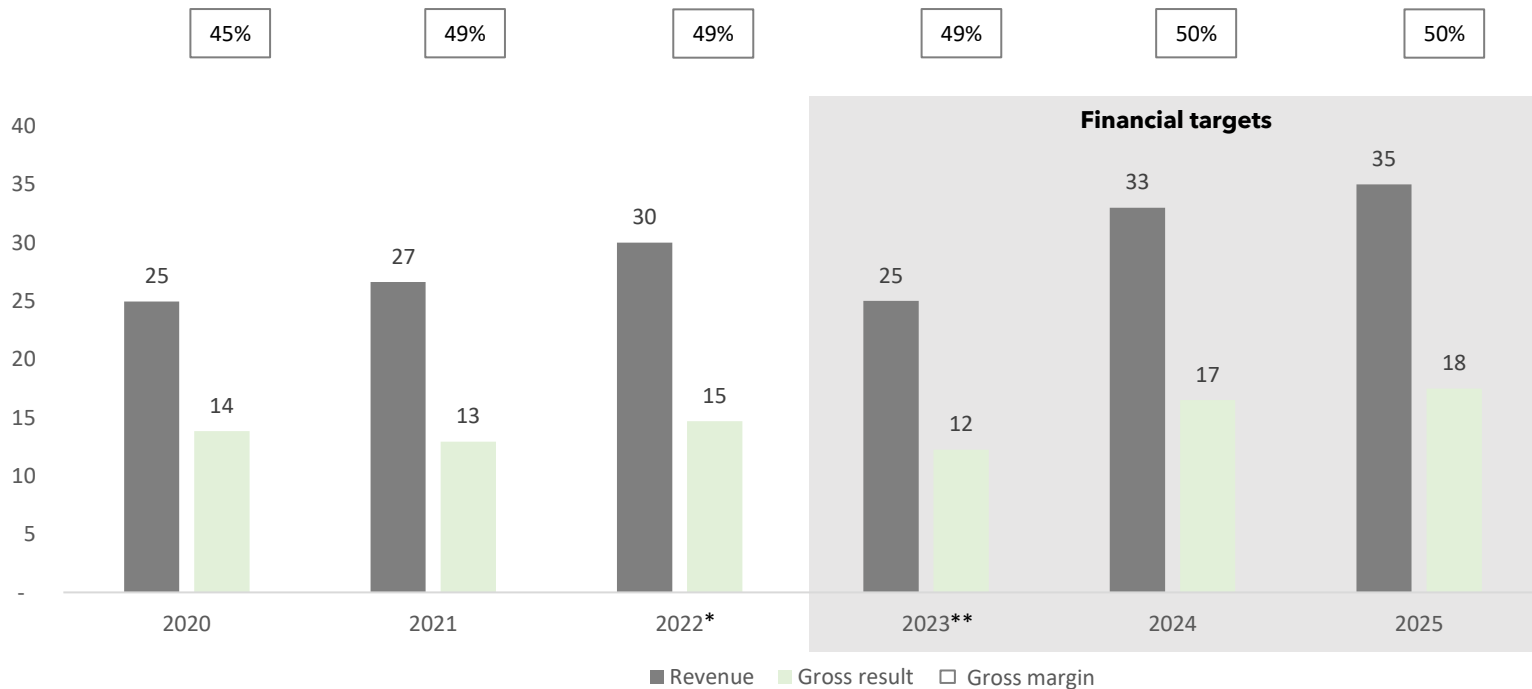


**Nordic - Revenue and gross margin**  
(NOKm)



## Financial targets - Ferrari L.

### Ferrari L. - Revenue and gross margin (NOKm)



## Financial targets - details

Amounts in NOK

Product	item	Total 2023	Total 2024	Total 2025	Dec 2023	Run-rate end 2023
Sippi base unit	Volum	50	600	1 800	10	120
Sippi base unit	Price	6 000	6 000	6 000	6 000	6 000
Sippi base unit	Cogs	1 300	700	700	1 300	1 300
Sippi base unit	Revenues	300 000	3 600 000	10 800 000	60 000	720 000
Sippi base unit	Gross result	235 000	3 180 000	9 540 000	47 000	564 000
Sippi base unit	Margin	78 %	88 %	88 %	78 %	78 %
Sippi disposable unit	Volum	5 000	21 000	93 000	900	10 800
Sippi disposable unit	Price	100	130	130	115	115
Sippi disposable unit	Cogs	35	25	20	35	35
Sippi disposable unit	Revenues	500 000	2 730 000	12 090 000	103 500	1 242 000
Sippi disposable unit	Gross result	325 000	2 205 000	10 230 000	72 000	864 000
Sippi disposable unit	Margin	65 %	81 %	85 %	70 %	70 %
Total Sippi	Revenues	800 000	6 330 000	22 890 000	163 500	1 962 000
Total Sippi	Gross result	560 000	5 385 000	19 770 000	119 000	1 428 000
Total Sippi	Margin	70 %	85 %	86 %	73 %	73 %

## Financial targets - details

Amounts in NOK

Product	item	Total 2023	Total 2024	Total 2025
Unometer Safeti +	Volum	150 000	1 800 000	2 700 000
Unometer Safeti +	Price	80	80	80
Unometer Safeti +	Cogs	55	45	45
Unometer Safeti +	Revenues	12 000 000	144 000 000	216 000 000
Unometer Safeti +	Gross result	3 750 000	63 000 000	94 500 000
Unometer Safeti +	Margin	31 %	44 %	44 %

Dec 2023	Run-rate end 2023
70 000	840 000
80	80
55	55
5 600 000	67 200 000
1 750 000	21 000 000
31 %	31 %

Unometer 500	Volum	500 000	700 000	1 300 000
Unometer 500	Price	75	75	75
Unometer 500	Cogs	50	45	45
Unometer 500	Revenues	37 500 000	52 500 000	97 500 000
Unometer 500	Gross result	12 500 000	21 000 000	39 000 000
Unometer 500	Margin	33 %	40 %	40 %

80 000	960 000
75	75
50	50
6 000 000	72 000 000
2 000 000	24 000 000
33 %	33 %

## Financial targets - details

Amounts in NOK

Product	item	Total 2023	Total 2024	Total 2025	Dec 2023	Run-rate end 2023
Abdo-Pressure stand alone	Volum	9 000	30 000	35 000	1 300	15 600
Abdo-Pressure stand alone	Price	340	340	340	340	340
Abdo-Pressure stand alone	Cogs	98	30	30	98	98
Abdo-Pressure stand alone	Revenues	3 060 000	10 200 000	11 900 000	442 000	5 304 000
Abdo-Pressure stand alone	Gross result	2 178 000	9 300 000	10 850 000	314 600	3 775 200
Abdo-Pressure stand alone	Margin	71 %	91 %	91 %	71 %	71 %
Abdo-Pressure combined	Volum	3 000	25 000	30 000	1 000	12 000
Abdo-Pressure combined	Price	386	386	386	386	386
Abdo-Pressure combined	Cogs	133	65	65	133	133
Abdo-Pressure combined	Revenues	1 158 000	9 650 000	11 580 000	386 000	4 632 000
Abdo-Pressure combined	Gross result	759 000	8 025 000	9 630 000	253 000	3 036 000
Abdo-Pressure combined	Margin	66 %	83 %	83 %	66 %	66 %
Total Unometer	Revenues	53 718 000	216 350 000	336 980 000	12 428 000	149 136 000
Total Unometer	Gross result	19 187 000	101 325 000	153 980 000	4 317 600	51 811 200
Total Unometer	Margin	36 %	47 %	46 %	35 %	35 %

## Financial targets - details

Amounts in NOK

Product	item	Total 2023	Total 2024	Total 2025	Dec 2023	Run-rate end 2023
Biim Ultrasound probe	Volum	500	1 300	1 600	100	1 200
Biim Ultrasound probe	Price	45 000	45 000	45 000	45 000	45 000
Biim Ultrasound probe	Cogs	19 000	11 000	11 000	19 000	19 000
Biim Ultrasound probe	Revenues	22 500 000	58 500 000	72 000 000	4 500 000	54 000 000
Biim Ultrasound probe	Gross result	13 000 000	44 200 000	54 400 000	2 600 000	31 200 000
Biim Ultrasound probe	Margin	58 %	76 %	76 %	58 %	58 %
Nordic Portfolio	Revenues	20 000 000	24 000 000	27 000 000	1 666 667	20 000 000
Nordic Portfolio	Cogs	13 400 000	15 600 000	17 280 000	1 116 667	13 400 000
Nordic Portfolio	Gross result	6 600 000	8 400 000	9 720 000	550 000	6 600 000
Nordic Portfolio	Margin	33 %	35 %	36 %	33 %	33 %
Ferrari L.	Revenues	25 000 000	33 000 000	35 000 000	2 500 000	30 000 000
Ferrari L.	Cogs	12 750 000	16 500 000	17 500 000	1 275 000	15 300 000
Ferrari L.	Gross result	12 250 000	16 500 000	17 500 000	1 225 000	14 700 000
Ferrari L.	Margin	49 %	50 %	50 %	49 %	49 %
<b>Total Revenues</b>		<b>122 018 000</b>	<b>338 180 000</b>	<b>493 870 000</b>	<b>21 258 167</b>	<b>255 098 000</b>
<b>Total gross result</b>		<b>51 597 000</b>	<b>175 810 000</b>	<b>255 370 000</b>	<b>8 811 600</b>	<b>105 739 200</b>
<b>Total margin</b>		<b>42 %</b>	<b>52 %</b>	<b>52 %</b>	<b>41 %</b>	<b>41 %</b>



# APPENDIX III

**Unometer - Historical sales volume by country**

## Unometer Safeti Plus - Historical sales volume by country

Sales volume (#units)	2019	2020	2021	2022
Germany	719 440	781 200	636 640	671 000
Italy	325 300	331 356	456 300	296 721
United Kingdom	153 360	84 460	74 490	130 520
Denmark	109 294	136 322	109 510	127 069
Australia	86 550	115 740	106 270	96 147
Spain	188 660	167 470	176 110	134 876
Thailand	98 600	93 979	92 580	86 437
Poland	45 410	58 500	61 900	109 520
Switzerland	70 620	82 440	57 180	69 813
Austria	181 380	190 160	133 080	209 200
Other	532 596	487 294	542 079	504 011
<b>Total volume</b>	<b>2 511 210</b>	<b>2 528 921</b>	<b>2 446 139</b>	<b>2 435 315</b>
<b><i>Top 10 % of total</i></b>	<b><i>79 %</i></b>	<b><i>81 %</i></b>	<b><i>78 %</i></b>	<b><i>79 %</i></b>

## Unometer 500 - Historical sales volume by country

Sales volume (#units)	2019	2020	2021	2022
United Kingdom	940 143	978 723	749 141	873 152
Spain	227 766	249 711	294 294	232 643
Denmark	73 416	73 472	76 160	77 411
Austria	40 110	32 340	33 992	44 725
Netherlands	63 770	45 108	34 748	45 995
Belgium	47 600	32 200	41 020	33 600
Sweden	37 212	34 664	36 386	28 000
Germany	79 226	75 320	72 100	45 827
Italy	18 592	30 280	36 832	48 739
Israel	30 408	68 572	29 890	29 717
Other	70 308	50 642	70 642	72 112
<b>Total volume</b>	<b>1 628 551</b>	<b>1 671 032</b>	<b>1 475 205</b>	<b>1 531 920</b>
<b><i>Top 10 % of total</i></b>	<b>96 %</b>	<b>97 %</b>	<b>95 %</b>	<b>95 %</b>

## Abdo Pressure - Historical sales volume by country

Sales volume (#units)	2019	2020	2021	2022
Spain	13 530	14 460	14 700	16 573
Poland	6 000	4 200	7 990	18 540
Italy	6 470	8 130	8 930	10 107
Germany	7 560	10 440	7 850	8 960
France	5 740	5 920	4 960	8 827
United Kingdom	3 186	3 470	3 860	4 427
Austria	1 830	1 830	120	1 467
Switzerland	1 120	1 860	600	1 333
Norway	1 860	1 940	1 880	1 707
Denmark	1 280	1 520	1 580	1 253
Other	8 267	9 440	10 825	10 821
<b>Total volume</b>	<b>56 843</b>	<b>63 210</b>	<b>63 295</b>	<b>84 015</b>

<b><i>Top 10 % of total</i></b>	<b><i>85 %</i></b>	<b><i>85 %</i></b>	<b><i>83 %</i></b>	<b><i>87 %</i></b>
---------------------------------	--------------------	--------------------	--------------------	--------------------