

PROSPECTUS



Observe Medical ASA

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

Rights Issue and listing on Euronext Expand of minimum 69,230,770 Offer Shares and maximum 211,538,461 Offer Shares at a Subscription Price of NOK 0.26 per Offer Share

with Subscription Rights for Existing Shareholders

Subscription Period for the Rights Issue: From 09:00 hours (CET) on 28 November 2023 to 16:30 hours (CET) on 12 December 2023

Trading in Subscription Rights: From 09:00 hours (CET) on 28 November 2023 to 16:30 hours (CET) on 6 December 2023

This prospectus (the "**Prospectus**") has been prepared in connection with 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 minimum 69,230,770 new shares and maximum 211,538,461 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 0.26 per Offer Share (the "**Subscription Price**").

The shareholders of the Company as of 22 November 2023 (and being registered as such in Euronext Securities Oslo, the Norwegian Central Securities Depository ("**ESO**") as at the expiry of 24 November 2023 (the "**Record Date**") pursuant to the two days' settlement procedure of ESO) (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 ESO 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 28 November 2023 to 16:30 hours (CET) on 6 December 2023 under the ticker code "OBSRT".

Each Existing Shareholder will be granted 3.9546 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 and allocation 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 28 November 2023 and expire at 16:30 hours CET on 12 December 2023 (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 6 DECEMBER 2023 WILL HAVE NO VALUE AND WILL LAPSE WITHOUT COMPENSATION TO THE HOLDER.

The Company's existing shares are, and the Offer 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 Offer Shares. All of the existing Shares are, and the Offer Shares will upon issuance be, registered in the ESO in book-entry form with International Securities Identification Number ("**ISIN**") NO 0010865009. All of the issued Shares rank *pari passu* with one another and each carry one vote.

Investing in the Subscription Rights or the Offer 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 12 and Section 4 "General Information" 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 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, the granting or acquisition of the Subscription Rights and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. For more information regarding restrictions in relation to the Rights Issue, see Section 14 "Selling and Transfer Restrictions".

The due date for the payment of the Offer Shares is expected to be on or about 15 December 2023. Delivery of the Offer Shares is expected to take place on or about 22 December 2023 through the facilities of ESO. Trading in the Offer Shares on the Oslo Stock Exchange (Euronext Expand) is expected to commence on or about 22 December 2023.

Manager

SpareBank 1 Markets

The date of this Prospectus is 24 November 2023

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Rights Issue and the listing of the Offer 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 16 "Definitions and Glossary".

The Company has engaged SpareBank1 Markets AS ("**SpareBank 1 Markets**") as manager for the Rights Issue (the "**Manager**").

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 Offer 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 Offer 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 Manager 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 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. None of the Company or the Manager, in any of their respective capacities in connection with the Rights Issue, accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Offer Shares, of any such restrictions. The Company and the Manager reserve the right in their own absolute discretion to reject any offer to purchase Shares that the Company, the Manager or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations. 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 Offer Shares, see Section 14 "Selling and Transfer Restriction".

By accepting delivery of this Prospectus, each recipient and holder of Subscription Rights or representative of such holder acknowledges that such holder or representative, including a depository bank, may not exercise Subscription Rights or otherwise subscribe for Offer Shares on behalf of any person that is located in a jurisdiction in which it would not be permissible to make an offer of the Offer Shares and any such representative, including a depository bank, will be required, in connection with any exercise of Subscription Rights or other subscription of Offer Shares, to certify that such exercise or subscription is not made on behalf of such a person and is otherwise in accordance with the restrictions on the offer and sale of Offer Shares set forth in this Prospectus in Section 14 "Selling and Transfer Restriction".

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.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Group, the Manager or any of their respective representatives that any recipient of this Prospectus should subscribe for or purchase any Shares. Prior to making any decision of whether to purchase the Shares or use the Subscription Rights, prospective investors should ensure that they read the whole of this Prospectus and not just rely on key information or information summarised within it. **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 nor the Manager, or any of their respective representatives or advisors, are making any representation to any investor of 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 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 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.

A prospective investor should not invest in the Offer Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Offer Shares will perform under changing conditions, the resulting effects on the value of the Offer Shares and the impact this investment will have on its overall investment portfolio.

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

Investing in the Shares, including the Offer Shares, involves particularly high degree of risk. See Section 2 "Risk Factors". Prospective investors should read the entire Prospectus and, in particular, Section 2 "Risk Factors", when considering an investment in the Company.

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 under the U.S. Securities Act ("Rule 144A"). See Section 14.2 "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 Manager or its 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 Manager has represented, warranted and agreed (i) that it has 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 it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it 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 Manager to publish a prospectus or a supplement to a prospectus under the EU Prospectus Regulation for such offer. Neither the Company nor the Manager 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 Manager and the Company that:

- a) it is a "qualified investor" within the meaning of Article 2(e) of 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 the Manager has 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 or 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 14 "Selling and Transfer Restriction" 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; 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 Subscription Rights and the Shares may decline and investors could lose all or part of their investment; the Subscription Rights and the Shares offer no guaranteed income and no capital protection; and an investment in the Subscription Rights or 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. Conversely, an investment in the Subscription Rights or 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 Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Shares.

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 or the Subscription Rights 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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APPENDIX OVERVIEW

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APPENDIX B OBSERVE MEDICAL ASA'S ARTICLES OF ASSOCIATION AS OF 26 MAY 2023 B1

1 SUMMARY

Introduction

<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 Offer Shares will upon issuance be, registered in book-entry form with the ESO and have ISIN NO 0010865009.
<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>	The Company is the offeror of the Offer 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 24 November 2023, 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, Observe Medical Aps and Biim Ultrasound AS. 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 3 March 2022, the Company completed the acquisition of Biim Ultrasound AS (" Biim "), a company which has developed and sells a wireless pocketable ultrasound device for medical frontline applications. Biim has two subsidiaries, being Biim Ultrasound Oy and Biim Ultrasound Inc. On 11 September 2023, Observe Medical AS (" OMAS "), a wholly owned subsidiary the Company, (as buyer) entered into an asset transfer agreement (the " Convatec ATA ") with Unomedical A/S and Unomedical s.r.o. as seller (the " Sellers "), to acquire the UnoMeter™ portfolio from Unomedical (the " Convatec Transaction "). The portfolio consists of products such as Unometer™ Safeti™ Plus, UnoMeter™ 500, Unometer™ Abdo-Pressure™ and Kombikon™ (the " Unometer Portfolio "). For the period from entering into the Convatec ATA and until Completion (as defined in Section 7), OMAS and the Sellers have entered into license agreement (the " Convatec License Agreement "), pursuant to which OMAS has been provided with a temporary and free-of-charge license to use the Unometer Portfolio and the intellectual property rights to be acquired under the Convatec ATA until Completion under the Convatec ATA.

The Convatec Transaction is further described in Section 7 "The Convatec Transaction and certain information relating to the Convatec ATA and the Convatec License Agreement". The Group is headquartered in Oslo, Norway. As at 31 December 2022, the Group employed 17 persons.

Major 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 ESO as of 22 November 2023, no shareholders other than those set out in the table below held more than 5% of the issued Shares to the Company's knowledge.

#	Shareholder name	No. of Shares	Percentage (%)
1	Ingerø Reiten Investment Company AS	9,653,680	18.05%
2	Navamedic ASA.....	4,222,727	7.89%
3	JPB AS.....	2,830,209	5.29%

Key managing directors..... The Company's management team consists of Rune Christian Nystad, chief executive officer ("CEO") and Per Arne Nygård, Chief Financial Officer ("CFO").

Statutory auditor..... The Company's independent auditor is Ernst & Young AS (EY), with business registration number 976 389 387 in the Norwegian Register of Business Enterprises and registered address at Stortorvet 7, NO-0155 Oslo, Norway.

What is the key financial information regarding the issuer?

Consolidated Statement of Comprehensive Income Data

In NOK thousand

	Year ended		Six months ended	
	31 December ¹		30 June ² (Unaudited)	
	2022	2021	2023	2022
Operating revenue.....	19,521	24,042	11,819	12,009
Operating result	-59,143	-36,544	-29,439	-26,096
Result for the period.....	-50,801	-26,321	-35,194	-17,173

1 The financial information the year ended 31 December 2022 and 2021 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2022, prepared in accordance with IFRS, incorporated by reference in Section 15.3.

2 The financial information for the six months' period ended 30 June 2023 and 2022 is extracted from the Company's unaudited consolidated interim financial report as of and for the six months' periods ended 30 June 2023 (incorporated by reference in Section 15.3) including comparative interim financial information for the same period in the prior financial year, which has been prepared in accordance with IAS 34.

Consolidated Statement of Financial Position Data

In NOK thousand

	Year ended		Six months ended	
	31 December ¹		30 June ² (Unaudited)	
	2022	2021	2023	2022
Total assets.....	215,812	71,738	203,730	241,662
Total equity.....	138,306	-14,122	109,228	174,064

1 The financial information for the year ended 31 December 2022 and 2021 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2022, prepared in accordance with IFRS, incorporated by reference in Section 15.3

2 The financial information for the six months' period ended 30 June 2023 and 2022 is extracted from the Company's unaudited consolidated interim financial report as of and for the six months' periods ended 30 June 2023 (incorporated by reference in Section 15.3) including comparative interim financial information for the same periods in the prior financial year, which has been prepared in accordance with IAS 34.

Consolidated Statement of Cash Flow Data

In NOK thousand

	Year ended		Six months ended	
	31 December ¹		30 June ² (Unaudited)	
	2022	2021	2023	2022
Net cash flow from operating activities	-51,334	-22,126	-19,446	-27,542

Net cash flow from investing activities	-58,370	-4,886	-4,606	-56,450
Net cash flows from financing activities	120,940	16,079	8,564	121,357

1 The financial information for the year ended 31 December 2022 and 2021 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2022, prepared in accordance with IFRS, incorporated by reference in Section 15.3.

2 The financial information for the six months' period ended 30 June 2023 and 2022 is extracted from the Company's unaudited consolidated interim financial report as of and for the six months' periods ended 30 June 2023 (incorporated by reference in Section 15.3) including comparative interim financial information for the same periods in the prior financial year, which has been prepared in accordance with IAS 34.

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

Material risk factors.....

- The Company has experienced, and is experiencing, short term and medium term liquidity challenges that could be difficult to overcome in the current equity and debt markets. As stated in i.e. the Independent Auditor's Report for the year ended 31 December 2022, there was a material uncertainty related to the going concern assumption for the Company. Further, as described in Section 8.4 "Working capital statement", the Company does not have sufficient working capital for its present requirements. Hence, the Group is dependent on the net proceeds from the Rights Issue in order to have sufficient working capital for the next 12 months. The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in obtaining additional financing, in pursuing other business opportunities or corporate activities or the Company's ability to declare dividends to its shareholders. If funding is insufficient at any time in the future, the Group may be unable to fund its current and ongoing commercialisation of its products and lose business opportunities and thereby risk failing 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, and it is a risk that the Company will have to enter into bankruptcy proceedings.
- Currently, the Group, in addition to its Nordic sales operations conducted through Observe Medical Nordic AB, has Sippi® with supporting functions/products SippSense® and SippCoat®, Biim's wireless pocketable ultrasound device and the Unometer Portfolio (through the Convatec License Agreement where OMAS is provided with a temporary and free-of-charge license to use the Unometer Portfolio and the intellectual property rights to be acquired under the Convatec ATA until Completion under the Convatec ATA), in the market. The number of units sold of these products will have a direct effect on the Group's results of operations, as they are the only revenue generating proprietary products that the Group currently offers. Low sales of the above mentioned products 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.
- 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. The markets in which the 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, which may adversely affect the Group's ability to compete on sustainable terms. If the Group is 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.
- If the Group does not obtain the prices or production costs they require for their products, 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.

- If the Group is unable to enter into new customer contracts for the Unometer Portfolio, Sippi®, or Biim, 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.
- If the Group's distributing partners, sale partners or suppliers 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.
- 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. Biim 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 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 is dependent on its products 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, 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 financial condition of the Group may be negatively affected by the failure to achieve the financial results projected for the Group. The Group will be heavily dependent on increased revenues from sale of the products and to secure additional financing in order to satisfy its future liquidity requirements, including its payment obligation towards Convatec, which falls due in September 2025. No assurances can be given that the Company will be successful in this respect. This could in turn have a material adverse effect on the Group's 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 ESO. The existing Shares are, and the Offer Shares will upon issuance be, registered with ESO 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 13,907,830.56, divided into 53,491,656 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 commercialisation of medical technology products and securing its future liquidity requirements, and does not anticipate paying any cash dividend until sustainable profitability is achieved.

Where will the securities be traded?

The Company's existing Shares are traded on Euronext Expand. The Subscription Rights will, following the publication of this Prospectus, be listed and traded on Euronext Expand. It is expected that the Offer Shares will be listed and tradeable on Euronext Expand following completion of the Rights Issue. It is expected that the Offer Shares will be issued and listed on or about 22 December 2023. The Company has not applied for admission to trading of its Shares on any other stock exchange, regulated market or a multi trading facility (MTF).

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

Material risk factors.....

- The Company has two major shareholders which are also represented at the Company's Board of Directors as chairperson and board members, and their interests may conflict with those of the Company's other shareholders. The major shareholders will 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.

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 a minimum of 69,230,770 Offer Shares and a maximum of 211,538,461 Offer Shares at a Subscription Price of NOK 0.26 per Offer Share, thereby raising gross proceeds of a minimum NOK 18,000,000.20 and a maximum of NOK 54,999,999,86. The Offer Shares have a nominal value of NOK 0.26 each. As further described in Section 10.6.2 "Loan agreements", the Company has received loans from its largest shareholders pursuant to loan agreements entered into in March, May and September 2023. These loans have an aggregate nominal value of NOK 16.75 million, in addition to accrued interest and interest that will accrue up to and including the agreed maturity date (a total nominal value + interest of NOK 20,185,742). The lenders under such loans may choose to utilise the loans (including accrued and unaccrued interest calculated up to and including the agreed maturity date) fully or partly to set-off against the subscription amount to be paid upon any subscription of Offer Shares in the Company during the terms of the loans. As a result, the subscription amount for the Offer Shares may be settled by both cash and by way of set-off against shareholder loans. However, it is a condition for the lenders to be permitted to convert the loans in the Rights Issue that the Company raises gross proceeds in cash of a minimum of NOK 18,000,000.20. It is a condition for completion of the Rights Issue that the Company (i) raises gross proceeds in the Rights Issue of minimum NOK 18,000,000.20 in cash and (ii) that each of the lenders for the shareholders loans described above convert the loans in whole and/or enter into an amendment agreement for the remaining amount under each of the respective loans that are not converted regarding extension of the maturity date and amendment of the terms to market terms.

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 28 November 2023 and end at 16:30 hours (CET) on 12 December 2023. 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 ESO account on or about 28 November 2023 under ISIN NO 0013076943. 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 28 November 2023 to 16:30 hours (CET) on 6 December 2023.

The Subscription Rights, including acquired Subscription Rights, must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 12 December 2023 at 16:30 hours (CET). Subscription Rights that are not sold before 6 December 2023 at 16:30 hours (CET) or not exercised before 12 December 2023 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 15 December 2023. Delivery of the Offer Shares is expected to take place on or about 22 December 2023 through the facilities of the ESO.

Timetable in the offering.....

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

Last day of trading in the Shares including Subscription Rights .	22 November 2023
First day of trading in the Shares excluding Subscription Rights	23 November 2023
Record Date	24 November 2023
Subscription Period commences	28 November 2023 at 09:00 hours (CET)
Trading in Subscription Rights commences on the Oslo Stock Exchange (Euronext Expand).....	28 November 2023 at 09:00 hours (CET)
Trading in Subscription Rights ends.....	6 December 2023 at 16:30 hours (CET)
Subscription Period ends	12 December 2023 at 16:30 hours (CET)
Allocation of the Offer Shares	Expected on or about 13 December 2023
Distribution of conditional allocation letters	Expected on or about 13 December 2023
Payment Date	Expected on or about 15 December 2023
Registration of the share capital increase pertaining to the Rights Issue with the Norwegian Register of Business Enterprises	Expected on or about 21 December 2023
Delivery of the Offer Shares.....	Expected on or about 22 December 2023
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange (Euronext Expand)	Expected on or about 22 December 2023

Admission to trading

The Shares are, and the Offer 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 ESO. This is expected to take place on or about 22 December 2023.

Distribution plan.....

Allocation of the Offer Shares will take place on or about 13 December 2023 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 to subscribe for Offer Shares 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) If not all Subscription Rights are validly exercised during the Subscription Period, subscribers who have exercised their Subscription Rights and who have over-subscribed for Offer Shares, will be allocated additional Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each such over-subscriber. To the extent that pro rata allocation is not possible, the Company will determine the allocation by the drawing of lots.

- (iii) Offer Shares not allocated pursuant to items (i) to (ii) 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.

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.

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 Offer Shares, with the assumption that existing shareholders do not subscribe for the Offer 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
Number of Shares each with a par value of NOK 0.26	53,491,656	122,722,426 - 265,030,117
% dilution.....	-	56.4% - 79.8%

Total expenses of the issue/offer..... The total costs, fees and expenses related to the Rights Issue are estimated to amount to approximately between NOK 3,900,000 and NOK 5,100,000 depending on the final subscription amount in the Rights Issue. No expenses or taxes will be charged by the Company or the Manager 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..... The Company is the offeror of the Offer Shares.

Why is this Prospectus being produced?

Reasons for the offer/admission to trading.... This Prospectus has been prepared in order to facilitate for the offering of the Offer Shares and subsequent listing of any Offer Shares issued as part of the Rights Issue. The purpose of the Rights Issue is to finance the remaining consideration payable in connection with the Convatec Transaction and to provide working capital financing for the Company.

Use of proceeds..... The net proceeds from the Rights Issue will be used as follows: (i) the minimum proceeds from the Rights Issue will cover the working capital needs in relation to the ramp up of production and sale of the Unometer Portfolio. Any excess proceeds in the Rights Issue will be used for; (i) general corporate purposes including working capital needs in relation to continuous product development and ramp up of sales activities for Sippi and Biim ultrasound probe; (ii) to finance the next instalment of USD 0.5 million in connection with the Convatec Transaction; and (iii) debt conversion of existing loans of up to NOK 20.1 million to reduce interest bearing debt and pledge in the Company's assets.

Conflicts of interest..... The Manager or its 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 Manager, its employees and any affiliates may currently own existing Shares in the Company. Further, in connection with the Rights Issue, the Manager, its 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 Manager 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.

Further, the Manager will receive a fee in connection with the Rights Issue, and, as such, have an interest in the Rights Issue. Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Rights Issue.

2 RISK FACTORS

An investment in the Company and the Shares and/or the Subscription Rights 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 is dependent on sale of its products in order to generate revenues

The Group has a broad portfolio of products. Within Urology the company is advancing with revolutionary urine measurement systems, ultrasound for improved and cost-efficient vascular access and dialysis treatments, anaesthesiology/ICUs, surgery and wound care. These products are aimed at hospitals and intensive care units (ICUs), as well as primary care, dialysis and home care settings. The Group has two proprietary and patented products with up to 65 unique patents. Biim is the Company's wireless pocketable ultrasound device, and Sippi® with supporting functions/products SippSense® and SippCoat®, is the company's digital and automated urine measurement system for urine monitoring and biofilm control. The Group also has a Nordic distribution portfolio which consists of medtech devices and disposables. In addition, the Group has the Unometer Portfolio through the Convatec License Agreement where OMAS is provided with a temporary and free-of-charge license to use the Unometer Portfolio and the intellectual property rights to be acquired under the Convatec ATA until Completion under the Convatec ATA, in the market. The number of units sold of the above-mentioned portfolio of products will have a direct effect on the Group's results of operations, as they are the only revenue generating proprietary products that the Group currently offers. From the Unometer Portfolio, the Unometer™ 500 has just recently been relaunched into the market by the Group, and because of the relatively short period of time in the market, the sale of the Unometer products have not started in a large scale. The wireless version of Sippi® (Sippi®BLE) was launched in Q4 2019 but the pandemic which evolved from Q1 2020 has slowed down sales processes. Hence, the sale of the product has not started in a large scale. Biim has at the date of this Prospectus only sold 600-700 products of its wireless pocketable ultrasound device and does currently only have two customer agreements. Furthermore, the Biim probes do 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 the above mentioned products 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 the Unometer Portfolio, Sippi® and for Biim. The markets in which the Group operates are highly competitive and there is strong competition in developing and bringing new health care products to the market. Some competitors have advantages, such as vertical integration, product diversity, greater financial resources or economies of scale, which may adversely affect the Group's ability to compete on sustainable terms. As the field in which the 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 and as such compete for market shares against the Group. There is also a possibility that a competing product has alternative or new solutions which outdate the technology that is used by the Group. If the 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 required 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 to secure profitability. As referred to in the Company's stock exchange announcement from 3 October 2023¹, the Unometer Portfolio has traditionally generated annual revenues exceeding NOK 200 million. The Group has entered into an agreement with a new manufacturer of the Unometer™ portfolio, and due to Unometer's strong market position, renowned brand and high quality products, the Group may be able to obtain higher price and/or a value based pricing compared to competitors to secure profitability. Biim'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 Group must secure satisfying pricing levels and further decrease its production costs in order to secure profitability for Biim's wireless pocketable ultrasound device. If the Group does not obtain the prices or production costs they require for their products, 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 dependent on entering into contracts with new customers and to sell its add-on products or services for the Group in the relevant markets

The Unometer Portfolio and Sippi®'s main target market is hospitals and intensive care units ("ICUs"), while Biim's main target market is currently dialysis departments/centres. There are limited number of ICU beds and dialysis departments/centres per country worldwide and there is a risk that the Group's products will not be spread to other departments regionally or worldwide. The 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. Currently, Biim has one customer within the dialysis segment for the ultrasound probe. This customer is a major player within dialysis clinics both in the U.S. and in Europe, and in addition the same customer is a supplier of equipment to both its own and other dialysis clinics globally. There is a risk that if this customer is dissatisfied, the customer could spread the word to a large number of hospitals or other potential customers. A customer contract is normally entered into as a one-time sale with no obligation for the customer to purchase additional units. The Group is therefore dependent on entering into contracts with new customers and to sell its add-on products or services for the Group in the relevant markets. The Group will not assume any rights or obligations under any agreements, including customer agreements, under the Convatec ATA. There is therefore a risk that the Group will not be successful in entering into new customer agreements with Convatec's previous customers. If the Group is unable to enter into new customer contracts, 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, as the Group is dependent on increased revenues to meet its future obligations as further described in Section 2.2 "Risks related to financial and market risk" below.

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

The acquisition of the Unometer Portfolio is expected to expand the Group's reach by connecting it with an extensive distribution network and market insight through more than 600 distributors in more than 50 countries. This will also enhance the reach and commercialisation of Sippi® and Biim. The Group has no employed sales organisation outside of Sweden, except for the Chief Commercial Officer. The Group's sales activity strategy is that all sales are handled through distributors and partners who know their local market. As the Group's sales activities are carried out by external partners, the Group is, and will be, dependent on such

¹ <https://newsweb.oslobors.no/message/600765>

distributors' ability to perform and operate in their respective territories. Furthermore, there is a risk that these companies go out of business, which could lead to delays in the commercialisation. The Group also faces a risk in upscaling production, where product performance can differ. The 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 have been sold and USD 25,000 after 700 products have been sold, in addition to 3% of the revenues from products sold where the licensed patents are used. If the Group's distributing partners, sale partners or suppliers 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 is subject to third party contracting risks

The Group organises the supply chain management internally, however, it is dependent upon continuous supply of products from its partners. Additionally, the Group depends on contracted third-party logistics partners for the storage and shipment of products to its customers. Consequently, there is a general risk of delays and/or delivery failures by these partners. Should a supplier, partner, customer, or any other third party fail to fulfil their contractual obligations with the Group, or be unable to meet their contractual obligations for any reason, it could significantly impact the Group's ability to deliver products to the markets. This could, in turn, have a material adverse effect on the Group's revenues, profitability, liquidity, cash flow, financial position, and prospects. Therefore, the Group's dependency on third parties for supply and logistics represents a significant risk factor.

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. In general, the Group has a strong position with regards to the intellectual property rights and has ensured broad international coverage. Since the key competitive advantage of Sippi® and Biim is the innovative technology, it is specifically important for the Group to protect such technology in order to avoid being copied by competitors. The Group protects the technology by ensuring registration of patents on the technology. The risk of being copied by competitors is a specific challenge for the Group as the Group is bringing an innovative product to the market. Thus, if the Group 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 brand value could lower sale volumes of their products or make it more difficult to obtain new customer agreements.

There is a risk that Unometer™, Sippi® and/or Biim 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 or have expected performance related to flow. In addition, Sippi® 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, from large scale use of Sippi®, of its operating performance or negative effects from other equipment. The Group also depends on other vendors' PDMS systems and hardware which also can have a negative impact on Sippi®'s functionality or ability to access such systems. Biim 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 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.

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 has been significantly increased since the acquisition of Biim was completed, and the signing of the Convatec ATA and the Convatec License Agreement. As stated in the Board of Directors Report, the Financial Statement, and

in the Independent Auditor's Report for the year ended 31 December 2022, there was a material uncertainty related to the funding of the Group's ongoing business and material uncertainty with regards to the going concern assumption for the Company. Further, as described in Section 8.4 "Working capital statement", the Company does not have sufficient working capital for its present requirements, that is for at least the 12 months following the date of this Prospectus. The Company has experienced, and is experiencing, short term and medium term liquidity challenges, and based on updated cash flow forecasts, the Group will require additional funds in order to execute and complete its commercialisation and growth strategy, and for other purposes. 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

The Company expects to obtain the required working capital for its present requirements through the Rights Issue. The size of the Rights Issue is based on the Company's current business plan, and the minimum proceeds will among other be used to cover the costs related to the scale up of the production and sale of the Unometer Portfolio as further described in Section 13.2 "Use of proceeds". If the Group does not receive sufficient proceeds through the Rights Issue (or otherwise) to meet its debt service obligations, comply with its financial, contractual and other commitments, or fund its other business needs, the Group will, among other things, need to find other ways to obtain the additional capital, i.e. through refinancing its debt, obtain additional financing, delay planned acquisitions or capital expenditures and/or sell assets. When the Group requires additional funds to execute its commercialisation and growth strategy, or for other purposes, there is a risk that adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed. If the Group raises additional funds by issuing additional equity securities, the existing shareholders may be significantly diluted. If funding is insufficient at any time in the future, the Group may be unable to fund its current and ongoing commercialisation of its products and lose business opportunities and thereby risk failing 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, and it is a risk that the Company will have to enter into bankruptcy proceedings.

The Group will require increased revenues and additional financing in order to meet its future obligations

The financial condition of the Group may be negatively affected by the failure to achieve the financial results projected for the Group. The Group is in a ramp-up phase for production and sale of the Unometer Portfolio, and there is a risk that the Group will not achieve the projected market share or price level for the products. This will have a significant effect on the projected revenues and the Company's ability to meet its future obligations. 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 the Group will be heavily dependent on increased revenues from sale of the Group's products, and in particular the planned scale up of production and sale of the Unometer Portfolio, and to secure additional financing in order to satisfy its future liquidity requirements, including its payment obligations under its loan agreements (as further described in Section 10.6.2 "Loan agreements"), the payment obligation in the Convatec Transaction, and other commitments or fund its other business needs. No assurances can be given that the Company will be successful in this respect. This could in turn have a material adverse effect on the Group's 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 and there is a risk that the Group will not be able to pay its debt when due

On 27 September 2019, the Group entered into a subordinated loan agreement with Navamedic ASA ("**Navamedic**") in the aggregate amount of NOK 32,000,000 excluding accrued interest, which amounts to NOK 43,550,000 including accrued interest as of the date of the Prospectus. The Group and Navamedic have agreed to postpone the maturity date of the loan from Navamedic from 27 September 2023 to 31 January 2025.

In March 2023, the Group entered into subordinated loan agreements with certain shareholders of the Company. The term of each loan agreement is 12 months and the interest has been set to 20% per annum, which shall be paid in full for the entire term of the loans irrespective of whether the loans are wholly or partially prepaid by the Company. The loans fall due on 23 March 2024. The loans were provided by (i) Ingerø Reiten Investment Company AS ("**IRIC**") in the amount of NOK 6, 001,964 including interest, (ii)

JPB AS ("**JPB**") in the amount of NOK 2, 408,503 including interest, and (iii) ELI AS ("**ELI**") in the amount of NOK 2, 409,950 including interest.

In May 2023, the Group entered into a subordinated loan agreement with MP Pensjon in the amount of NOK 607,432 including interest. The loan to MP Pensjon falls due on 25 May 2024.

On 6 September 2023, the Group entered into additional loan agreements with certain shareholders. The term of each loan is 12 months and the interest has been set to 20% per annum, which shall be paid in full for the entire terms of the loans irrespective of whether the loans are wholly or partially prepaid by the Company. The loans fall due on 6 September 2024. The loans are secured by the first priority ranking security by pledge in all assets owned by the Company. The loans are provided by (i) Navamedic in the amount of NOK 6,040,825 including interest, (ii) IRIC in the amount of NOK 1, 208,033 including interest, (iii) JPB in the amount of NOK 603,528 including interest, (iv) Skålvold Eiendom AS in the amount of NOK 301,593 including interest, (v) Kubera AS in the amount of NOK 301,893 including interest, and (vi) Harding Invest AS in the amount of NOK 302,021 including interest.

The loan agreements entered into in March 2023, May 2023 and September 2023 described above, grant the lenders, provided that the Company resolves to carry out a private placement of new shares or a rights issue, the right to convert whole or part of any loan in addition to accrued interest and interest that will accrue up to and including the agreed maturity date, as contribution in kind to settle any subscriptions made by the lender in such private placement or rights issue.

In addition, the Group has a loan in the amount of NOK 903,000 including accrued interest from Nordea and a "start-up funding" loan from Business Finland of EUR 398,289 including accrued interest. The Group may incur additional indebtedness in the future, including in the near term future, as also provided for in its existing borrowing arrangement.

Due to the Group's challenging liquidity situation, it has not been, and there is an imminent risk that it in the future will not be, able to pay all invoices from its suppliers when due. Therefore, in September, October and November 2023, the Group entered into separate agreements with 28 of the Company's suppliers, whereas the suppliers have agreed to postpone payments due for the suppliers' goods and services delivered up until September 2023 for a total amount of approximately NOK 5,400,000. The payments have been postponed until the end of September 2024. The Group has in addition entered into separate agreements regarding deferred payment with in total 9 additional suppliers who are considered critical for the Group's operation for an additional amount of approximately NOK 3,400,000. Three suppliers, for a total amount of approximately NOK 1,000,000, have not accepted the proposed payment plan, and eight suppliers, for a total amount of approximately NOK 300,000, have not yet responded to the Group's proposal. The Group is continuing the dialogue with its suppliers with the aim to reach an agreement with these 11 suppliers. There is a risk that some or all of the remaining suppliers may not agree to deferred payment. This could lead to additional financial strain, as the Group is currently facing serious liquidity challenges. Non-acceptance by suppliers could thus result in *inter alia* immediate demands for payment, legal action, or a disruption in the supply of goods and services, which could adversely affect the Group's operations and financial condition. In such event, the Group will need to find ways to obtain the additional capital needed to settle such amounts, i.e. through receiving net proceeds (in cash) in the Rights Issue which exceed the minimum cash amount of NOK 18,000,000.20 in gross proceeds, by refinancing its debt, obtain additional financing, delay planned acquisitions or capital expenditures and/or sell assets. There is a risk that adequate sources of additional funds may not be available at acceptable terms and conditions or at all, and 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, and it is a risk that the Company will have to enter into bankruptcy proceedings.

The abovementioned agreements entered into with suppliers are based on the assumption of postponement of accrued liabilities, while deliveries of goods and services in the future will be payable at maturity. If the Group is unable to pay ongoing obligations to its suppliers when due, there is a risk that the entire due amount, including the amounts under the agreements regarding deferred settlement, will fall due immediately. If the amounts under the deferred settlement agreements fall due prior to the new payment date due to a breach of the agreement, i.e. the Group being unable to pay ongoing obligations to its suppliers, the Group will need to find ways to obtain the additional capital needed to settle such amounts due to its suppliers, i.e. through receiving net proceeds (in cash) in the Rights Issue which exceed the minimum cash amount of NOK 18,000,000.20 in gross proceeds, refinancing its debt, obtain additional financing, delay planned acquisitions or capital expenditures and/or sell assets. There is a risk that adequate sources of funds may not be available at acceptable terms and conditions or at all. Further, the deferred settlement agreements with the Company's suppliers contain a provision prohibiting the Company from making payments under its existing loan

commitments until the receivables to its suppliers have been paid in full. This will limit the Group's ability to repay its existing loan commitments, the option of reducing its total debt commitments, and to obtain additional financing until the receivables have been repaid in full. As a result, the Company will have to renegotiate the due date on its existing loan agreements with its shareholders falling due prior to September 2024 that are not fully converted in the Rights Issue (see Section 13.1 "Overview" for more information). Such renegotiation of the shareholder loans not being fully converted is included in the corporate resolution for the Rights Issue as a condition for the Rights Issue (see Section 13.3 "Resolutions of the Extraordinary General Meeting" for more information).

The non-acceptance to defer payment by the remaining suppliers or the Company being unable to pay ongoing obligations to its suppliers, could also potentially lead to the termination of supplier agreements. The termination of supplier agreements could disrupt the Company's supply chain, potentially leading to delays in production, increased costs, and a potential inability to meet customer demand. In addition, the termination of supplier agreements could also result in the Company having to find new suppliers, which could involve significant time and cost. There is also the risk that new suppliers may not be able to provide the same quality or quantity of goods, or at the same price, which could negatively impact the company's profitability and reputation.

This level of debt described above 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 and for future business opportunities;
- 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, and it is a risk that the Company will have to enter into bankruptcy proceedings.

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. 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 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 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 Unometer™ 500 in June 2023 and for Sippi@BLE in 2019. Furthermore, Biim obtained FDA approval in the U.S. in 2018, but at the date of this Prospectus, the Biim 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 Biim 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. In particular, as the Group conducts 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. Furthermore, the 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. Furthermore, third parties may assert that the Group have infringed, misappropriated or otherwise violated their intellectual property rights, which could lead to litigation against the 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, 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, 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 relating to the Convatec Transaction

There is a risk that the Group will not be able to finance the Convatec Transaction and that the Convatec ATA will not be completed

The Group is dependent on a successful completion of the Rights Issue in order to be able to finance the next instalments of the purchase price under the Convatec ATA relating to the acquisition of the Unometer Portfolio, entered into between OMAS as the buyer and Unomedical A/S and Unomedical s.r.o. as sellers. In addition, the Group is dependent on considerable additional funding to be able to finance the aggregate purchase price to complete the Convatec ATA. Such funding must be generated from the business of the Group or by way of equity or debt financing. Consequently, there is a risk that the Convatec ATA will not be completed or that completion will be delayed if the Company does not secure such funding. As (i) work and negotiations in connection with the Convatec Transaction has been ongoing over a longer period of time and the Group has engaged external advisers who have carried out extensive work and (ii) prepayments have already been made under the Convatec ATA, a potential termination of the Convatec ATA will result in time and costs spent without achieving results. Payments of the purchase price under the Convatec ATA are also non-refundable even if the closing of the Transaction does not take place. A termination will also have an effect on the Group's assumed revenue related to the sale of the Unometer Portfolio. Additionally, a termination of the Convatec ATA may have a material adverse effect on the Group's prospects and/or the Group's ability to continue to grow. A termination of the Convatec ATA will also lead to termination of the Convatec License Agreement. Such termination may result in a loss for the Group if the Group is no longer able to utilise the intellectual property rights relating to the Unometer Portfolio by not being able to deliver on agreements entered into or sell Unometer products.

The Group is dependent on entering into new distribution and customer agreements for the Unometer Portfolio

The Group is not acquiring an on-going business. The business relating to the Unometer Portfolio has previously been discontinued by the Sellers. As a result of this, the Group needs to enter into new distribution and customer agreements for sale of the Unometer Portfolio in the relevant markets. Since the products have not been available in the market for some time, there is a risk that the distributors have replaced the Unometer Portfolio products with other competitive products resulting in the Group being precluded as a distributors for the Unometer Portfolio. Failure to enter into such contracts on beneficiary terms or at all 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 has entered into new supplier agreements for production of the Unometer Portfolio

OMAS has entered into new supplier agreements for production of the Unometer Portfolio. Since a large scale production of the Unometer Portfolio started in October 2023, the produced volume of Unometer Portfolio products is limited as at the date of this Prospectus. There is a risk that the manufacturer may not be able to scale up the production volume needed to meet the demand and/or the Group's volume forecast. There is a risk that when the production is scaled up, the manufacturer will not be able to maintain required quality and/or the prices forecasted by the Group. Furthermore, the relevant suppliers may not have available the required moulds and production equipment to produce the full Unometer Portfolio. The Group will incur additional costs if it has to obtain the required production equipment, and this may also cause delays of production and associated loss of revenue. In addition, the costs of production may negatively affect the profitability of the Group.

2.5 Risks related to the Shares

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

Navamedic and IRIC together control approximately 26% of the Shares prior to the Rights Issue, and are represented at the Company's Board of Directors as chairperson and 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. Further, larger share sales (block sales) by major shareholders who wish to significantly reduce their shareholding in the Company could affect the market price of the Shares and make it more difficult for shareholders to sell their Shares at a time and price deemed appropriate.

The Company may be unwilling or unable to pay any dividends or make distributions

The future payment of dividends on Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Board of Directors may consider appropriate in the circumstances. The Company may choose not, or may be unable, to pay dividends or make distributions in future years.

Furthermore, the amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial condition and capital requirements, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions and other factors that the Company may deem to be significant from time to time.

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

Completion of the Rights Issue is subject to certain terms and conditions, including inter alia (i) the Company raising minimum NOK 18,000,000.20 in cash, (ii) that each of the lenders under the shareholder loan agreements further described in Section 10.6.2 "Loan agreements" convert the shareholder loans in whole and/or enter into an amendment agreement for the remaining amount under each of the respective shareholder loans that are not converted regarding extension of the maturity date and amendment of the terms to market terms, and (iii) that the Rights Issue is registered in the Norwegian Register of Business Enterprises.

If the Company is unsuccessful with any of item (i) – (iii) above, the Rights Issue will not become effective, and the Rights Issue will not be completed 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.

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 6 December 2023 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 6 December 2023 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 13 "The Terms of the Rights Issue", or to the extent that an Existing Shareholder is not permitted to subscribe for Offer Shares as further described in

Section 14 "Selling and Transfer Restriction", 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.

There cannot be any guarantees that participation in the Rights Issue by Existing Shareholders will not result in loss of investment.

A subscription of Offer Shares in the Rights Issue is binding and irrevocable, and cannot be withdrawn, cancelled or modified by the subscriber after having been received by the Manager, or in the case of subscriptions through the online subscription system, upon registration of the subscription. The trading volume in the Shares has fluctuated significantly in the past. The 10 largest shareholders have historically held between 50-55% of total outstanding shares in the Company, and the five largest shareholders have held approximately 40% of all outstanding shares. The Shares owned by the largest shareholders have to a lesser extent been traded, and historically small trading volumes have had significant effects on the share price. As an example, during the last two years, there have been 25 trading days where less than 2% of all outstanding shares have been traded, but the share price fluctuation has been between 10% to 60% or minus 10% to minus 40% per day. Further, since the Company has been in a launch and commercialisation phase for its products, the share price has to a large extent been driven by operational performance and outlook. The Offer Shares will not be delivered to the investor 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. If the Shares trade below the Subscription Price, such will result in a loss of investment in the Offer Shares for the investor.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Rights Issue described herein and the listing of the Offer 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.

24 November 2023

The Board of Directors of Observe Medical ASA

Terje Bakken
Chairman

Kathrine Gamborg Andreassen
Board Member

Sanna Kristina Maria Rydberg
Board Member

Line Tønnessen
Board Member

Eskild Endrerud
Board Member

4 GENERAL INFORMATION

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

The Prospectus has been approved by the Norwegian FSA, 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 24 November 2023. 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. The information contained herein is current as of the date hereof and 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 the Shares and which arise or are noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange (Euronext Expand), will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

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 Manager 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 Manager assumes 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 Manager, 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 make their own assessment as to the suitability of investing in the Subscription Rights or Offer Shares and 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.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk Factors" beginning on page 12.

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 2022 (the "**Financial Statements**") and the Company's unaudited consolidated interim financial statement as of and for the six months' period ended 30 June 2023 including comparative interim financial statement for the same periods in the prior financial year (the "**H1 Financial Statement**") and together with the Financial Statements, the "**Financial Information**") have been incorporated by reference hereto, see Section 15.3 "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 H1 Financial Statement has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**").

The Financial Statements have been audited by Ernst & Young AS ("**EY**"). The auditor's report on the Financial Statements have been incorporated by reference hereto (see Section 15.3 "Incorporated by reference"). The auditor report on the Financial Statement for the full year ended 31 December 2022 contains the following emphasis of matter related to material uncertainty related to going concern: "We draw attention to note 1 and note 3 in the financial statements and the Board Of Director's report, which describes that the Company will need to raise more equity, issue debt instruments or divest assets to fund further development on ongoing business. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

The H1 Financial Statement has not been audited or reviewed by EY. EY has not audited, reviewed or produced any report on any other information provided in this Prospectus.

4.3.2 *Alternative performance measures (APMs)*

In order to enhance investors' understanding of the Group's performance the Company presents in this Prospectus certain alternative performance measures ("**APMs**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). The Company uses APMs to measure operating performance and is of the view that the APMs provide investors with relevant and specific operating figures which may enhance their understanding of the Group's performance.

The APMs presented herein are not measurement of performance under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which the Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortisation and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practise or non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance. As companies calculate the APMs presented herein differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

The APMs used by the Group in this Prospectus are set out below (presented in alphabetical order):

- "**Earnings per Share (EPS)**": Profit divided by number of outstanding shares. The Group has presented this APM because it is consider as a measure that is closely monitored by investors, who use it to estimate the performance of a business.
- "**EBITDA**": Earnings before interest, tax, depreciation and amortisation. EBITDA is a sub-total in the condensed consolidated. EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to enhance the understanding of the Group's profitability and performance from its operational activities. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to enhance the understanding of the Group's normalised profitability and performance from its operational activities.
- "**EBITDA before non-recurring items**": EBITDA of the Company before any extraordinary or unusual onetime non-recurring expenses or other charges as reflected in the Company's audited consolidated financial statements for the year.
- "**EBIT**": Earnings before net financial items, results from associates and joint ventures and income tax. EBIT is a sub-total in the condensed consolidated statement of income. EBIT is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be useful for assessing the profitability of the Group's operations as it is calculated by excluding tax income and net financial items.
- "**Employee turnover per cent**": Number of employees who have leave the organisation in percentage of total number of employees. Employee turnover rate is a good indicator of an organization's work culture, the effectiveness of hiring

policies and overall employee management. An understanding of turnover rate compared to industry standards and companies of comparable size can give important information about these factors.

- **"Equity ratio"**: Total equity divided by total assets. The Group has presented this APM because it considers it to be useful for assessing the relative proportion of equity used to finance the assets.
- **"Gross result"**: Operating revenues less direct cost of materials as cost price, transportation and warehouse cost of materials for sale. Gross result is a sub-total in the condensed consolidated statement of income, and is considered as a useful APM for assessing the Group's profit from sales of products.
- **"Operating expenses"**: Employee benefit expenses plus other operating expenses. The Group has presented this APM because it considers it to be a useful sub-total for assessing the level of expenses related to running the business.
- **"Net interest-bearing debt"**: Non-current and current interest bearing liabilities deducted bank deposits. The Group has presented this APM because it considers it to be useful as an indication the Company's ability to pay off all of its interest-bearing debts if they became due simultaneously on the date of calculation, using only its available cash equivalents.
- **"Number of employees / workforce"**: Number of employees comprise all staff on payroll including both full time and part time employees and employees on temporarily leave (paid and unpaid). The Group has presented this APM because it considers it to be a useful indicator for assessing the performance level and cost level.
- **"Sick leave per cent"**: Number of hours of sick leave as percentage of the total number of possible hours worked. The Group has presented this APM because it considers it to be useful to compare over a period of time or to compare to industry standards and companies of comparable size.

4.3.3 Calculations and reconciliations of APMs

The tables below set out the APMs presented by the Group in this Prospectus and show the relevant APMs on a reconciled bases in order to provide an overview of the basis of the calculation of such APMs.

The financial information presented in the tables below are for the year ended 31 December 2022, derived from the Financial Statements, and for the six months' periods ended 30 June 2023 and 30 June 2022 derived from the H1 Financial Statement.

(Amounts in NOK thousand)

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022	Year ended 31 December 2021
Operating revenues	11 819	12 009	19 521	24 042
Cost of materials	7 538	7 237	14 344	14 524
Gross result	4 280	4 772	5 177	9 518
Employee benefit expenses	13 322	13 915	28 521	19 013
Other operating expenses.....	13 742	11 837	24 868	23 586
Operating expenses.....	27 064	25 752	53 389	42 599
Operating result before depreciation and amortisation (EBITDA).	(22 784)	(20 980)	(48 212)	(33 081)
Depreciation and amortisation.....	6 655	5 116	10 931	3 463
Operating result (EBIT)	(29 439)	(26 096)	(59 143)	(36 544)
Financial income and expenses				
Financial income.....	2 766	14 046	19 122	15 711

Financial expenses	8 503	5 099	10 704	5 488
Net financial items	(5 737)	8 947	8 418	10 223
Result before tax	(35 176)	(17 149)	(50 725)	(26 321)
Income tax expense	18	24	76	0
Result for the period	(35 194)	(17 173)	(50 801)	(26 321)

EBITDA before non-recurring items*Amounts in NOK thousand*

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022	Year ended 31 December 2021
Operating revenues	11 819	12 009	19 521	24 042
Gross result	4 280	4 772	5 177	9 518
Operating expenses	23 709	23 579	50 310	37 980
EBITDA before non-recurring items	(19 429)	(18 807)	(45 133)	(28 462)
Non-recurring expenses	3 355	2 173	3 079	4 619
EBITDA	(22 784)	(20 980)	(48 212)	(33 081)

Earnings per share

	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022	Year ended 31 December 2021
Profit for the period (NOK)	(35 194 205)	(17 172 757)	(50 796 639)	(26 320 591)
Average no of shares	53 491 655	40 774 173	47 185 178	19 605 457
Earnings per share (NOK)	(0.66)	(0.42)	(1.08)	(1.34)

Net interest bearing debt*(Amounts in TNOK)*

	At 30 June 2023	At 30 June 2022	At 31 December 2022	At 31 December 2021
Current and Non-current lease liability	1 794	2 841	2 493	993
Non-current interest bearing liabilities	909	43 557	946	0
Contingent consideration	3 405	1 616	3 365	13 031
Interest bearing current liabilities	56 787	0	44 802	54 521
Total interest bearing debt	62 894	48 014	51 606	68 545
Bank deposits	1 735	40 478	2 443	2 864
Net interest bearing debt	61 159	7 535	49 163	65 681

Equity ratio*(Amounts in TNOK)*

At 30 June 2023	At 30 June 2022	At 31 December 2022	At 31 December 2021
-----------------	-----------------	---------------------	---------------------

Equity.....	109 228	174 064	138 306	(14 122)
Total assets.....	203 730	241 662	215 812	71 737
Equity ratio	53.6 %	72.0 %	64.1 %	(19.7 %)

APM's related to number of employees, employee turnover per cent and sick leave per cent is only defined and included in the Financial Statements and not in the H1 Financial Statement:

Employees	At 31 December 2022	At 31 December 2021
Number of employees.....	17	14
Employee turnover, number employees	3	2
Employee turnover per cent	18%	13%
Employee sick leave per cent.....	2.8%	0.6%

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 and all references to "**USD**" are to the lawful currency of the United States of America. No representation is made that the NOK or USD amounts referred to herein could have

been or could be converted into NOK 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.

4.3.7 Exchange rates

The following table sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per USD, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average	High	Low	Period end
2018	8.1338	8.7631	7.6579	8.6885
2019	8.8037	9.2607	8.4108	8.7803
2020	9.4004	11.4031	5.5326	8.5326
2021	8.5990	9.1205	8.1742	8.8194
2022	9.6245	10.9332	8.6467	9.8573
2023 ¹	10.4637	11.237	9.8275	10.7712

¹ For the period ended 30 June 2023.

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, access to funding, government regulations, changes in economic conditions, political events and legal proceedings.

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 commercialisation of medical technology products and securing its future liquidity requirements, 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 12 "Norwegian Taxation".

5.3 Manner of dividend payment

The Company's equity capital is denominated in NOK and all dividends on the Shares will therefore be declared in NOK. As such, investors whose reference currency is a currency other than NOK may be affected by currency fluctuations in the value of NOK relative to such investor's reference currency in connection with a dividend distribution by the Company. 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 ESO Registrar. Shareholders registered in the ESO who have not supplied the ESO Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the ESO Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the ESO Registrar's exchange rate on the payment date. Dividends will be credited automatically to the ESO registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the ESO 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 ESO Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the ESO 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 AS, Observe Medical Nordic AB, Observe Medical AB, Observe Medical Aps and Biim Ultrasound AS.

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. In March 2022, the Company completed the acquisition of Biim Ultrasound AS (Biim), a company which has developed and sells a wireless pocketable ultrasound device for medical frontline applications.

In September 2023 the Company entered into the Convatec ATA to acquire the Unometer Portfolio from the Sellers (the Sellers are ultimately owned by Convatec Group Plc). The Unometer Portfolio consists of products such as UnoMeter™ Safeti™ Plus, UnoMeter™ 500 UnoMeter™ Abdo-Pressure™ and Kombikon™. For the period from entering into the Convatec ATA and until Completion (as defined in Section 7), OMAS (as the buyer) and Unomedical A/S and Unomedical s.r.o. (the Sellers) have entered into the Convatec License Agreement, in which OMAS has been provided a temporary and free-of-charge license to use the Unometer Portfolio and the intellectual property rights to be acquired under the Convatec ATA until Completion under the Convatec ATA. For further information, see Section 7 ("The Convatec Transaction and certain information relating to the Convatec ATA and the Convatec License Agreement").

The Group is headquartered in Oslo, Norway. The Group's operational business pertaining to Sippi®, UnoMeter™ and the Nordic distribution portfolio is conducted in Gothenburg, Sweden, and the operational business pertaining to Biim's wireless ultrasound device is conducted in Narvik, Norway.

As of 31 December 2022, the Group employed 17 persons. In order to solve the Company's short term liquidity challenges (as further described in Section 2.2 "Risks related to financial and market risk"), the Company resolved a temporary layoff of 4 employees from August 2023 and notice of resignation to 9 employees as part of its cost reduction measures. The Company continuously assesses the need and possibility of re-employing all or some of the employees who have been temporary laid off or have received notice of resignation.

6.2 History and important events

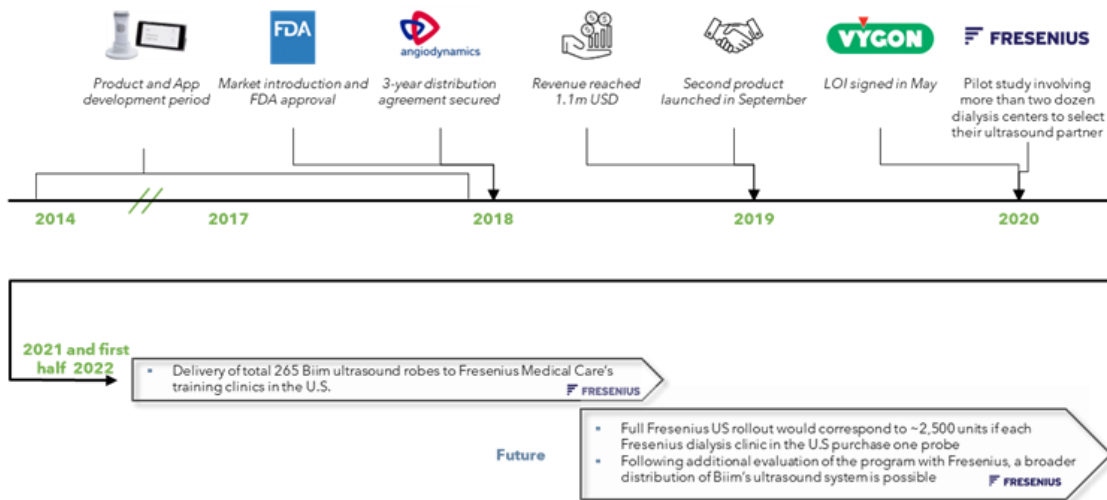
6.2.1 Important historical events

Observe Medical International AB (OMI) was founded in 2009, based on an identified and clear need for modernisation 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. In April 2022 the Company received Medical Device Regulation Certification (MDR) for the Sippi® Disposable unit.

Biim Ultrasound 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.



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	<ul style="list-style-type: none"> OMI was founded
2010	<ul style="list-style-type: none"> Development and prototyping of Sippi® was initiated.
2011	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The first Sippi® base unit was fully developed
2013	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Commercialisation started for Sippi® Development of Sippcoat® technology.
2015	<ul style="list-style-type: none"> OMI was acquired by Navamedic Sippi® was rewarded a tender by Stockholms Läns Landsting (SLL)
2016	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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

2019	<ul style="list-style-type: none"> • Patent pertaining to Sippi® base technology, including the use of silicone oil to protect surfaces and Sippscoat® was approved in the U.S. • Sippi® was rewarded a tender by Västra Götalands Region (VGR)
2020	<ul style="list-style-type: none"> • 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
2022	<ul style="list-style-type: none"> • On 30 October 2020, the Company acquired 100% of the shares in Sylak AB, a company which was incorporated in 2009. • On 14 January 2022, the Company announced the signing of a share purchase agreement to acquire 100% of the shares in Biim and announced that a fully underwritten rights offering would be launched in February 2022 to raise gross proceeds in the amount of approximately NOK 180 million. • On 8 March 2022, the Company completed the acquisition of Biim with a consideration consisting of a combination of new shares in the Company and cash provided through the fully underwritten rights issue launched in February 2022. • In April 2022, Biim completed phase 1, delivering 260 devices to Fresenius Medical Care Holding Inc ("Fresenius") training clinics in the US. This is the first part of a partner agreement with Fresenius, a leading provider of kidney care services in the US with approximately 2,500 clinics, whereby Biim is intended to be used across Fresenius' dialysis centres in the US. • In April 2022, Observe Medical received Medical Device Regulation Certification (MDR) for Sippi® Disposable unit. • In October 2022, the Company entered into an exclusivity agreement with the intention to acquire the Unometer Portfolio from Convatec Group Plc, consisting of market leading products within routine or post-operative drainage, collection and measurement of urine output from patients.
2023	<ul style="list-style-type: none"> • OMAS was founded 1 May 2023. • In September 2023, OMAS signed the Convatec ATA with the Sellers (which are ultimately owned by Convatec Group Plc), following the entry of an exclusivity agreement in October 2022. Pursuant to the Convatec ATA, OMAS acquires the trademarks and other intellectual property rights relating to state-of-the-art urine measurement products known as the Unometer™ and Abdo-Pressure™ products.

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 the Company.

6.3 Business, products and services

6.3.1 Introduction

During the last decade, there has been a digitalisation 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 digitalised.

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. 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.

Biim ultrasound probe 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 system consists of an ultrasound probe and an App for display of the ultrasound image and/or video. The wireless communication between the probe and the device for display is done via a Wi-Fi connection. The system is typically used at bedside but also in non-hospitals settings such as nursing homes, ambulances and in homes.

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 minimise the problem of biofilm and the increased infection risk, the Group has developed Sippcoat® and Sipsense®. 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.

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 Sipsense® 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 Sipsense® minimise and detect the risk of bacterial migration and hence CAUTI.

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



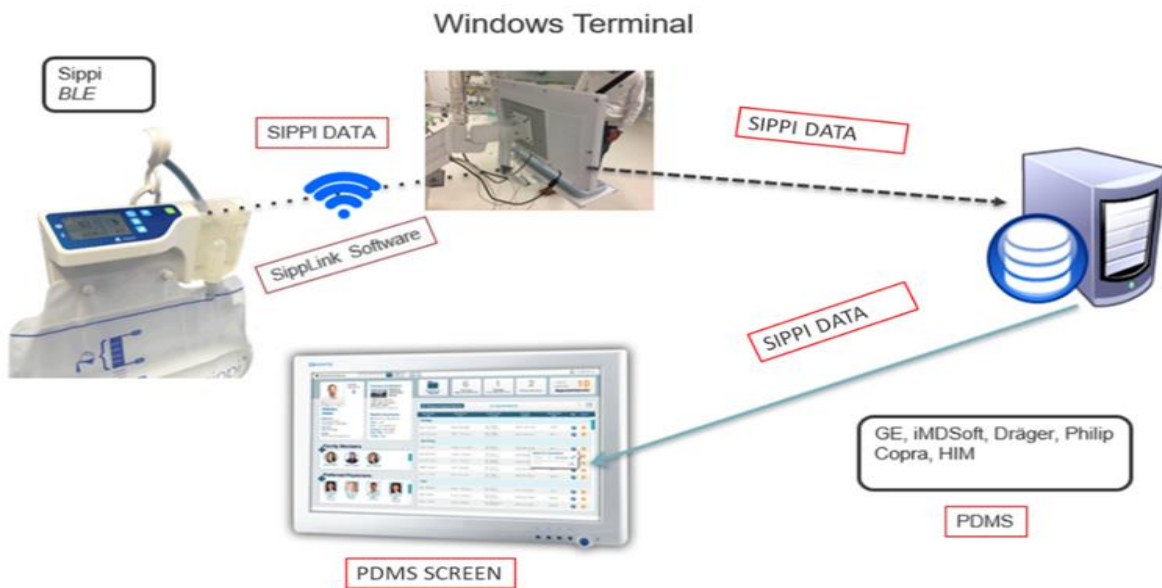
Wireless version of Sippi® launched in 2019

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 digitises the last manual process in intensive care and connecting seamlessly with the hospital electronic journal system- as connected care.

Sippi® uses HL7, protocol and communication standard, to communicate which is supported by most PDMS systems.



Sippcoat®

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.



6.3.2 *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/anaesthesia and surgical products, with a Nordic scope and current focus on the Swedish market, and with a complementary product portfolio to Unometer Portfolio and the Sippi® system, comprising medical devices and disposables.

The employees in OMN have key positions as Sales Manager and Supply and Logistics Manager.

6.3.3 *Biim ultrasound probe*

On 8 March 2022, the Company completed the acquisition of Biim Ultrasound AS, a company that has developed and sells a wireless pocketable ultrasound device which has been approved by the FDA since 2018. Biim is the parent company of the Biim group, which in addition to Biim includes its two subsidiaries Biim Ultrasound Oy (Finland) and Biim Ultrasound Inc. (U.S.). 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 system consists of an ultrasound probe and an App for display of the ultrasound image and/or video. The wireless communication between the probe and the device for display is done via a Wi-Fi connection. Both the probe and the display device each have a Wi-Fi 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 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, computer or a phone.

The wireless communication between the probe and the device for display is done via a Wi-Fi connection. Both the probe and the display device each have a Wi-Fi 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 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.

6.3.4 *New products or services*

Since 31 December 2022, the Group has experienced a significant change impacting the Group's operations and principal activities as the Group has been provided with a temporary and free-of-charge license to use the Unometer Portfolio and the intellectual property rights to be acquired under the Convatec ATA until Completion under the Convatec ATA in accordance with the Convatec License Agreement. Going forward, the Group will, in the short term, focus on capitalising on the Unometer opportunity and

accelerate the sale of the Unometer Portfolio to distributors. In the medium term, the Group will focus on synergies within the same market when the Group is preparing to introduce the innovative Sippi product to the same base of distributors, and thus increasing the sales volume of Sippi products. The Group has also entered into distributor agreements in several European markets including major markets such as Spain and the UK. In October 2023, the Group shipped the first containers with UnometerTM500 to customers in Europe. In the UK, the UnometerTM500 has been listed in a significant framework agreement with NHS Supply Chain (the National Health Service Supply Chain) for the next four years, effective from February 2024.

6.3.5 *Material agreements*

6.3.5.1 Biim's agreement with Fresenius

Biim entered into a two-year agreement with Fresenius on 1 October 2021, which was extended from 1 October 2023 until 1 April 2024 in an amendment agreement. 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, 285 wireless pocketable ultrasound devices have been ordered and delivered to Fresenius. Fresenius Medical Care have approximately 3,000 dialysis clinics in the U.S, and if all clinics order one wireless pocketable ultrasound devices under the agreement, Biim expects to have revenues in the amount of approximately NOK 100 million. 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. Fresenius is a global healthcare group. They offer system-critical products and services for leading therapies for care of critically and chronically ill patients. With over 300,000 employees around the globe, and annual sales exceeding €40 billion, Fresenius is one of the world's leading healthcare companies.

6.3.5.2 Biim's agreement with Siemens

Biim entered into a non-exclusive license 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 license 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.

6.4 **Investments**

Other than the Convatec Transaction, the Group has not made any material investments which are in progress and/or for which firm commitments have already been made since 30 June 2023. Reference is made to Section 7 "The Convatec Transaction and certain information relating to the Convatec ATA" for more information about the Convatec Transaction, the Convatec ATA and the Convatec License Agreement, including the anticipated sources of funds for the Convatec Transaction.

6.5 **Research and development**

Last versions of both Sippi® and the Biim ultrasound probe was launched in 2019. Since 2019 the Group has continued to develop and improve the products. This includes:

- Development of SippBridge™: The wireless connection between Sippi® and PDMS systems has been realised by SippLink™, a software running on a hospital medical PC. As an alternative to SippLink™, the Group has launched 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.

Certification of Sippi® disposable unit according to the new European Medical Device Regulation (MDR). The Group's ongoing and upcoming research and development activities include:

- Securing Sippi® base unit compliance with the new European MDR directive;
- Certification of the Biim ultrasound probe according to the European MDR directive; and

- Continuous development for improvements of both the Sippi® system and the Biim ultrasound probe.

6.6 The Group's competitive advantages

The Group's proprietary technologies, related to Sippi® 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. 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.

With the Biim ultrasound probe, the Group 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 system consists of an ultrasound probe and an App for display of the ultrasound image and/or video. The wireless communication between the probe and the device for display is done via a Wi-Fi connection. The agreement with Fresenius Medical Care in the U.S, confirms the product's market potential and the global opportunities for the product, especially within the dialysis area.

Furthermore, the Convatec Transaction is expected to add several competitive advantages, both on a stand-alone basis, and for Sippi® and Biim.

Unometer has a strong market position in Europe, and gives the Group an entry to upsell Sippi to customers that are buying Unometer as a more advanced and digital alternative.

The Convatec Transaction also give the Group access to a distribution network of more than 600 sales channels across over 50 countries in Europe, South America, Africa, and Asia. This strengthened distribution potential is expected to accelerate the roll-out of Sippi, Biim, and any other potential future products.

6.7 Strategy and objectives

The Group's objective is to enable innovations to be commercialised to a global market for the benefit of society, healthcare professionals and patients.

The Group's long-term strategy is to use the Company as a medtech platform company which specialises in commercialising medtech products. The cash flow from already commercialised products to develop and/or acquire new medtech products which can be commercialised and distributed through the Group.

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.

6.8 Market Launch

Biim

The ultrasound product produced by Biim, is used by nurses and clinical staff for needle insertions and regular view of anatomy in the view of 0-4 cm depth. The market is both hospitals and non-hospital clinics. The ultrasound product is used in clinical

procedures like CVC, IV, Midlines and AV fistula dialysis procedures. There are many larger medical companies dominating these spaces who are missing such product in their product portfolio. Therefore, Biim decided to target such companies for commercial access. With this approach Biim, has managed to enter into supplier type arrangements like the agreement with Fresenius for potential deliveries of several thousand products. Currently the company are the supplier of ultrasound products to Fresenius and has sold and delivered close to 300 products to various sites of Fresenius in the USA.

Unometer Portfolio and Sippi®

The Unometer portfolio consist of business well established by Convatec. Observe Medical has, as part of the Convatec ATA and Convatec License Agreement, established a direct communication and dialog with about 80 distributors world-wide who have sold this portfolio directly to hospitals. Observe Medical aims to continue distributing via these same sales channels going forward and at the same time access new distributors on a global basis. These same distributors will be used for the product Sippi®. In this way we believe we can maximise on revenues and best maintain a large and strong market position for this portfolio.

Both Unometer™ Abdo-Pressure and the Unometer™ 500 have been™ launched into the global markets starting Q2 in 2023 and the launch continuously adds new markets to the pool of markets actively buying these products.

6.9 Competition

There are several 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 currently the 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 has been Convatec and B.Braun. Convatec had a revenue of approximately USD 2.0 billion in 2022 and approximately 10,000 employees². In May 2022, Convatec announced its strategic decision to exit from hospital care and closure of its manufacturing operation in Belarus.

The other major player in the EU is B. Braun, and B. Braun is also a major supplier within medical technology and had a turnover of approximately EUR 8,5 billion in 2022 with 65,055 employees³.

Another player in Europe, which is also amongst the largest vendors in medical technology, is Cardinal Health, with a revenue of over USD 181 billion in 2022 and approximately 46,500 employees⁴.

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 2.8 billion in 2022⁵ and USD 19 billion in 2022⁶, 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 employees⁷.

Portreo Medical has 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

² Source: <https://www.convatecgroup.com/contentassets/d0a2eadd5c0d481498a175b3e87b35e2/ctec-fy-results-rns-final.combined.pdf>

³ Source: <https://www.bbraun.com/en/about-us/company/facts-and-figures/annual-report-2022.html>

⁴ Source: <https://www.cardinalhealth.com/content/dam/corp/web/documents/Report/cardinal-health-FY2022-annual-report-and-form-10K.pdf>

⁵ Source: <https://investors.teleflex.com/news/news-details/2023/Teleflex-Reports-Fourth-Quarter-and-Full-Year-2022-Financial-Results/default.aspx>

⁶ Source: <https://investors.bd.com/news-releases/news-release-details/bd-reports-fourth-quarter-and-full-year-fiscal-2022-financial>

⁷ Source: <https://www.medline.com/pages/about-us/our-company/>

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.

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 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.

Going forward with a planned increased volume the company will consider if current vendor partnership and set-up is sufficient from a volume, COGS and quality standpoint. It is too early to conclude on future OEM arrangement.

The Unometer portfolio is being produced at the company Jiangsu Hongxin Medical LTD (yishengmed.com). This company are responsible for manufacturing of all components, final assembly, packaging and sterilisation processes. Observe Medical believe this company is the right partner to best accommodate high volumes, the right manufacturing cost and the best quality. This OEM partner produce and supply other products to Europe, Asia, Africa and the USA.

The Biim product is produced by Qualitel (www.qualitel.com), a high volume reliable manufacturer in the USA. The Biim product has been produced at Qualitel since initial setup in 2016/17. Biim is the owner off the entire final assembly line including manufacturing equipment. Equipment used to produce components are owned by Qualitel and is being produced on manufacturing lines also used to produce other products under the responsibility of Qualitel.

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) Sipsense®, 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 more than 50 approved patents in key countries and territories. The Company's subsidiary Observe Medical Aps is the registered owner of all 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	Protects the system design of;	Brazil, France, India, Italy,	Earliest Year 2029
	US10182747		Japan, China, Netherlands, Russia, Spain, UK, Sweden, Turkey, Germany, US	
		<ul style="list-style-type: none"> • Base unit • Disposable 		Latest Year 2030
		Interaction between units		USA Year 2032

Urosense II	CN103959020B	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
Patent (IP2)	JP6078549			
November 2011	RU2618089			Latest Year 2032
	US10145813			USA Year 2035
Urosense III	CN105120752B	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	Earliest Year 2033
Patent (IP3)	EP2967464			
March 2013	JP6416796			Latest Year 2034
	US10188339			
Urosense IV	EP3193947	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
Patent (IP4)	RU2693473			Latest Year 2035
September 2014	SE538635C2			
	US9861715			
Sippcoat		Administration of silicone oil into urine collection system in general	Belgium, Germany, Spain, France, UK, Italy, Netherlands, Turkey, China, US	Earliest Year 2036
Patent (IP5)				Latest Year 2037
March 2016				

6.12 Material contracts

Other than the Convatec ATA and Convatec License Agreement, as further described herein and Section 7 "The Convatec Transaction and certain information relating to the Convatec ATA and the Convatec License Agreement", no company in the Group has entered into any material contracts outside the ordinary course of business, to which the Company or any member of the Group is a party, for the two years immediately preceding the date of this Prospectus. Further, other than the Convatec ATA and Convatec License Agreement, 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 obligation or entitlement which is material to the Group as at the date of this Prospectus. Please refer to Section 7.1.2 "Total consideration and transaction costs" for a description of the consideration and transaction costs in connection with the Convatec ATA.

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 and the Biim 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.

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 2022.

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 June 2023 and the date of this Prospectus:

- a) At 6 September 2023, the Company entered into a loan agreement with Ingerø Reiten Investment Company AS for a loan facility in the aggregate amount of NOK 1,000,000. Maturity date is falling twelve months after the date of the loan agreement, being 6 September 2024. The loan shall accrue interest at a fixed PIK interest rate of twenty per cent (20.00%) per annum.
- b) At 6 September 2023 the Company entered into a loan agreement with Navamedic ASA for a loan facility in the aggregate amount of NOK 5,000,000. Maturity date is falling twelve months after the date of the loan agreement, being 6 September 2024. The loan shall accrue interest at a fixed PIK interest rate of twenty per cent (20.00%) per annum.
- c) On 22 November 2023, the Company entered into a strategic advise agreement with Reiten & Co AS, stating that Reiten & Co AS will act as a strategic and financial adviser to the Company in connection with the Convatec Transaction, project assistance for work related to negotiations with creditors and bridge financing, and assistance with capital market and project activities related to the Rights Issue. The agreed fee for the strategic advise agreement is NOK 2,250,000 for Reiten & Co AS. If the Company do not secure sufficient financing in the Rights Issue to pay for the agreed fee, the fee to Reiten & Co AS will be recorded as a payable for the Company and becomes due at the discretion of the Board of Directors, contingent upon the Board of Directors' determination that the Company has sufficient liquidity.
- d)

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 digitisation of manual processes in current clinical practise. 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 contributes to improved patient welfare, health economics and data accuracy the Group assume they will obtain 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 digitisation in the healthcare sector and contribute to improved patient welfare, health economics and data accuracy by digitisation of manual processes in current clinical practise.

The Company registered a demanding supply situation through the pandemic, with a lack of raw materials and high transportation costs. Since then, the market has stabilised and is on its way back to a new normal. Increased access to products and increased global inflation has resulted in increased pressure on the margins.

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 Convatec Transaction and the Rights Issue.

6.18 Significant change

Since 30 June 2023 and to the date of this Prospectus, the Group has experienced significant changes in the Group's financial position. On 4 July 2023, the Company announced that the Group needed funding to finance the contemplated Convatec Transaction as well as for working capital and continued operations. Given the current challenging state of the finance markets, the Group encountered difficulties in securing capital alternatives. Consequently, the Company announced on 4 July 2023 that the Group was facing liquidity challenges in the short and medium term. The Group initiated short term cost-saving measures, including operational measurements and temporary layoff of staff. Moreover, the Group has engaged in constructive dialogues with its operational creditors to manage short-term liquidity, and remains in close and constructive dialogue in order to optimise cash management in the short terms. On 11 September 2023, the Company announced that it had secured new loans with its largest

shareholders totaling NOK 7.25 million (see Section 10.6 "Other financial instruments" for more information). The shareholder loans are used to finance the first instalment under the Convatec Transaction and running business. In addition, the Company has entered into the Convatec ATA and the Convatec License Agreement (see Section 7 "The Convatec Transaction and certain information relating to the Convatec ATA and the Convatec License Agreement" for more information). In parallel, a proposal for a payment deferral arrangement towards current creditors has been put forth by the Company. The proposal aims to alleviate immediate financial pressures and provide the Company with the necessary time to restore its financial stability (see Section 2.2 "Risks related to financial and market risk" for more information about the payment deferral arrangement).

Other than as set out above, there have been no significant changes in the financial position or the financial performance of the Group in the period between 30 June 2023 and to the date of this Prospectus.

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
14 December 2022	Other regulatory disclosure information	It was announced that the Company had signed an exclusivity agreement with Ferrari L. di Ferrari Pietro S.r.l. and Ferrari Luigina S.r.l. regarding a contemplated acquisition of a production facility for medical and surgical equipment.
14 December 2022	Inside information	It was announced that the Company was planning to issue a NOK 30-50 million bond loan in the first quarter of 2023, which is expected to be followed by a NOK 100-150 million equity issue around mid-year 2023. It was announced that certain of the Company's largest shareholders have indicated that they will support the contemplated financing.
10 January 2023.....	Other regulatory disclosure information	It was announced that Jørgen Mann was appointed as the Company's Chief Commercial Officer.
17 February 2023	Financial information	It was announced that the Company released its results for the fourth quarter of 2022. It was highlighted that the Company reported higher figures in operating revenues in the fourth quarter of 2022 (NOK 4.1 million) than in the fourth quarter of 2021 (NOK 3.6 million), and that the Company's operating revenues for 2022 amounted to NOK 19.5 million compared to NOK 24 million in 2021. The Company's EBITDA for the quarter amounted to NOK -16.5 million, compared to NOK -14.1 million in the fourth quarter 2021. For the full year of 2022, the company's EBITDA amounted to NOK -53.4 million compared to NOK -42.6 million in 2021.
3 March 2023	Non-regulatory press releases	The Company provided an update on the initial letters of intent that had been sent to distributors of the Unometer Portfolio. Since the first letters of intent were sent out in February 2023, the order value for the Unometer urine measurement system amount to approximately EUR 1 million. More volume and a strong demand is expected going forward.
23 March 2023.....	Inside information	The Company announced that it had entered into loan agreements for its short term financing needs, where the lenders had committed to an amount of NOK 10 million. It was informed that the Company would immediately receive NOK 5 million and, subject to agreement between the parties, an additional increase of NOK 5 million. The loans were granted by shareholders of the Company. The terms of each loan is 12 months and the interest is 20% per annum. The loans are unsecured. The lenders are, on certain terms and conditions, entitled to utilise the loans (including accrued interest and unaccrued interest calculated until maturity) fully or partially to set off against the subscription amount payable by the lenders for any new shares subscribed by them in the Company.
20 April 2023	Non-regulatory press releases	It was announced that the Company has informed Ferrari L., an Italian manufacturer of medical equipment, that the Company has decided to

		discontinue the process of acquiring Ferrari L. The contemplated acquisition was originally announced in a press release on 14 December 2022.
28 April 2023	Annual financial and audit reports	The Company published its annual report for 2022.
5 May 2023	Additional regulated information required to be disclosed under the laws of a member state	The Company called for an ordinary general meeting to be held on 26 May 2023.
26 May 2023	Inside information	<p>The Company announced that it had received initial orders from distributors for delivery of Unometer products and was expecting to ship the first units to customers in June for a total value of NOK 8.2 million. The distributors that signed the orders have historically had annual repetitive purchases of around NOK 50 million. The Company informed that dialogues with these distributors and other distributors continue to advance, and with products expected to be on the market relatively soon, the Company expects additional orders to be confirmed.</p> <p>In parallel, the Company announced that it continues the process with Convatec to conclude the contemplated acquisition of the Unometer and Abdo-Pressure products. The delivery of the products described herein is conditional upon the agreement with Convatec being entered into and that Observe Medical secures the required financing to execute and complete the contemplated agreement with Convatec and to roll-out the products.</p>
26 May 2023	Additional regulated information required to be disclosed under the laws of a member state	The Company published the minutes from an annual general meeting held on 26 May 2023.
19 June 2023	Non-regulatory press releases	<p>The Company announced that it had signed a first contract with a UK customer for delivery of Unometer products, which marked the first entry into the UK market. It was further announced that the Company had attained CE certification for Unometer™ 500. The certification signifies that the product has been assessed to meet high safety, health and environmental protection requirements. To prepare for increased commercial activity in Europe and the UK, the Company announced that it had hired a sales director for UK & Ireland.</p> <p>It was further announced that the Company continues the process with Convatec to conclude the acquisition of the Unomter and Abdo-pressure products. The delivery of the products described herein is conditional upon the agreement with Convatec being entered into and that Observe Medical secures the required financing to execute and complete the contemplated agreement with Convatec and to roll-out the products.</p>
4 July 2023	Inside information	<p>It was announced that the capital requirement previously announced on 14 December 2022 for the contemplated acquisition of the Unometer and Abdo-Pressure products from Convatec remain, as well as funding needs for working capital and continued operations. It was further announced that, given the current challenging state of the finance market, the Company had encountered difficulties in securing the contemplated capital despite active efforts to pursue bond issuance, new external equity and alternative financing. Consequently, the Company face liquidity challenges in the short and medium term.</p> <p>The Company is continuously working to find solutions to these liquidity challenges, including additional funding from external sources. The Company announced that it had initiated short term cost-saving measures, including operational measurements and a temporary layoff of staff. Moreover, it was announced that the Company is engaged in constructive dialogues with its operational creditors to manage short-term liquidity, and remains in close and constructive dialogue in order to optimise cash management in the short term.</p> <p>It was further informed that no assurance can be given that the Company will be able to secure the financing required to meet its future liquidity requirements.</p>
25 August 2023	Half yearly financial reports and audit reports	The Company published the Group's financial results for the second quarter and first half year of 2023.

11 September 2023	Inside information	The Company announced that OMAS had signed the Convatec ATA, whereas OMAS on certain terms and conditions will acquire the Unometer Portfolio from the Sellers. In addition, it was announced that OMAS had entered into the Convatec License Agreement, securing OMAS the right to use the assets and rights to be acquired under the Convatec ATA in the period between signing and closing of the Convatec ATA.
11 September 2023	Inside information	<p>The Company announced that it had secured new funding from the largest shareholders, totalling NOK 7.25 million. The loans will be used to finance the first instalment under the Convatec ATA and running business. The terms of the loans are 12 months and the interest has been set to 20% per annum. The loans are fully secured by a pledge in all assets in the Company. The lenders may choose to utilise the loans (including accrued interest and unaccrued interest) fully or partly to set off against any subscription of shares in the Company during the terms of the loans.</p> <p>It was further announced that the Company has put forth a proposal for a payment deferral arrangement towards current creditors, where the aim is to alleviate immediate financial pressures and provide the Company with the necessary time to restore its financial stability.</p>
3 October 2023.....	Inside information	The Company announced that the Group has been awarded onto the NHS Supply Chain (NHSSC) Framework with Unometer™ 500. This is a 4 year contract, effective from February 2024. NHS and NHSSC have historically been the largest customer of the Unometer Portfolio in the UK, and NHSSC has alone purchased a volume of more than 400,000 units of Unometer™ 500 of a total market of approximately 800,000 units annually.
17 October 2023.....	Non-regulatory press releases	It was announced that the Company delivered 20 Biim ultrasound probes to Fresenius, and has at total now delivered 285 ultrasound probes to the leading provider of kidney care services in the US.
26 October 2023.....	Non-regulatory press releases	The Company announced the shipment of the first UnoMeter™ 500 products to distributors in Poland and Spain. Over 96,000 products were shipped.
1 November 2023	Inside information	The Company announced the contemplated Rights Issue and notice of an extraordinary general meeting to be held on 22 November 2023 in connection with the Rights Issue.
10 November 2023	Non-regulatory press releases	The Company announced that it had received follow-up orders from several distributors including the Spanish distributor, BM2 Health, for delivery of Unometer Portfolio products, and that the total value of orders for the Unometer Portfolio range has reached approximately NOK 14 million. Several large deliveries have already taken place.
13 November 2023	Non-regulatory press releases	The Company announced that it had signed a Letter of Intent for a forthcoming exclusive Nordic distribution agreement for the Unometer Portfolio with leading Nordic distributor Vingmed. It was announced that the Letter of Intent represents a significant step towards the continuation of a strong presence in the Nordic market for Unometer.
21 November 2023.....	Inside information	The Company published updated terms of the contemplated Rights Issue, i.e. that the Subscription Price is proposed by the Board of Directors to be NOK 0.26 per Offer Share, and (ii) that a minimum of 69,230,770 Offer Shares and a maximum of 211,538,461 Offer Shares will be issued, representing a ratio of 3.9546 Offer Shares per each existing Share (assuming issue of the maximum number of Offer Shares).
21 November 2023.....	Additional regulated information required to be disclosed under the laws of a member state	The Company published updated key information related to the Rights Issue.
22 November 2023.....	Additional regulated information required to be disclosed under the laws of a member state	The Company announced that the Extraordinary General Meeting had approved the Rights Issue as proposed by the Board of Directors.

7 THE CONVATEC TRANSACTION AND CERTAIN INFORMATION RELATING TO THE CONVATEC ATA AND THE CONVATEC LICENSE AGREEMENT

This Section provides information on the background and the reasons for the Convatec Transaction as well as an introduction to the assets and rights which will be acquired by the Company (subject to completion of the Convatec Transaction).

7.1 Overview of the Convatec Transaction

On 11 September 2023, the Company announced that OMAS had entered into the Convatec ATA for the acquisition of the Unometer Portfolio. The Convatec ATA is entered into between OMAS, a wholly owned subsidiary of the Company incorporated 1 May 2023, as the buyer, and Unomedical A/S and Unomedical s.r.o., wholly owned subsidiaries of ConvaTec Group PLC, (as Sellers) of the Unometer Portfolio. The Unometer Portfolio include all of the Sellers' intellectual property rights relating to the Unometer Portfolio worldwide, except for the following jurisdictions: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan. Completion of the Convatec ATA ("**Completion**") shall occur within 1 September 2025 (which is the agreed long stop date).

On 11 September 2023, the Company announced that OMAS (as the buyer) and the Sellers also entered into the Convatec License Agreement, which is a temporary license agreement relating to the Unometer Portfolio for the period from entering into the Convatec ATA and until Completion. Pursuant to the Convatec License Agreement, OMAS has been provided a temporary and free-of-charge license to use the Unometer Portfolio and the intellectual property rights to be acquired under the Convatec ATA. The Convatec License Agreement will automatically terminate upon Completion.

The following is a brief description of the Convatec Transaction, including the material terms and conditions of the Convatec ATA and the Convatec License Agreement.

7.1.1 *Background and reasons for the Convatec Transaction*

The dialogue between the Company and Convatec Group PLC started in May 2022 when Convatec Group PLC announced its strategic decision to exit from hospital care and the closing of its manufacturing operation in Belarus. Since then, the parties have collaborated to reach a mutually beneficial agreement to secure continued supply of critical products to distributors, end consumers and users.

7.1.2 *Total consideration and transaction costs*

Pursuant to the Convatec ATA, OMAS shall pay a total consideration of USD 4,195,000 to the Sellers. The consideration will be paid in cash. The consideration has been paid, or is payable, in four instalments as follows:

- USD 300,000 upon entering into the Convatec ATA on 11 September 2023;
- USD 500,000 shall be prepaid to the Sellers by 28 June 2024;
- USD 1,000,000 shall be prepaid to the Sellers by 30 December 2024; and
- the remaining portion of the purchase price will be paid at Completion, and no later than 1 September 2025 (the long stop date).

OMAS will not pay any consideration for the license provided under the Convatec License Agreement.

7.1.3 *Warranties of the Sellers in the Convatec ATA*

The Convatec ATA contains warranties to the benefit of OMAS considered 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 Convatec ATA), the intellectual property rights, complaints and litigation.

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

7.1.4 Termination of the Convatec ATA

The Convatec ATA may not be terminated by a party other than (i) in the event that the parties mutually agree to terminate the Convatec ATA, (ii) in case of material breach of the Convatec ATA or the Convatec License Agreement by either the Sellers or OMAS, or (iii) in case the Closing Payment (as defined in the Convatec ATA) is not paid by OMAS at the long stop date (1 September 2025), in which case the Convatec ATA can be terminated by the Sellers.

Upon a termination of the Convatec ATA, the Sellers are entitled to keep all prepayments made by OMAS under the Convatec ATA without any further compensation. Furthermore, the Convatec License Agreement will automatically terminate upon termination of the Convatec ATA.

7.1.5 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 Convatec 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 Convatec Group PLC.

7.2 The acquired Products

7.2.1 Introduction

The Unometer Portfolio consists of products such as Unometer™ Safeti™ Plus, Unometer™ 500, UnoMeter™ Abdo-Pressure™ and Kombikon™. These products are market leading within routine or post-operative drainage, collection and measurement of urine output from patients. The product range is complementary to the Company's digital and automated urine meter, Sippi®. The Company has worked diligently to arrange for manufacturing and has developed an excellent relationship with hundreds of customers and distributors of the Unometer™ portfolio in Europe and some other key markets.

7.2.2 The Products

The Unometer™ portfolio consists of market leading products within routine or post-operative drainage, collection and measurement of urine output from patients.

The **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 is the first version of the Unometer urine measurement systems.

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®

The **KombiKon™** urine sampling point allows nursing staff to take urine samples without the use of a needle and thus safely.



Unometer™
Safeti™ Plus



Unometer™
500



Unometer™ Abdo-
Pressure



KombiKon™

7.2.3 Market overview

The Unometer™ portfolio has an extensive distribution network and market insight through more than 600 sales channels in more than 50 countries. The products are a major player in the European market and, as referred in the Company's stock exchange announcement on 2023, the Unometer Portfolio has traditionally generated annual revenues exceeding NOK 200 million.

7.2.4 Employees

No employees are transferred from the Sellers to OMAS as a result of the Convatec Transaction.

7.2.5 Material agreements

OMAS does not assume the rights or obligations of any agreements under the Convatec ATA.

8 CAPITALISATION AND INDEBTEDNESS

The information presented below should be read together with other parts of the Prospectus, in particular the Financial Information and related notes, incorporated by reference hereto (see Section 15.3 "Incorporated by reference").

8.1 Introduction

This Section provides information about the Group's unaudited capitalisation and net financial indebtedness on an actual basis as at 30 June 2023 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:

- Loans from shareholders of in total NOK 7,250,000 excluding interest and NOK 8,757,893 including interest (See Section 10.6 "Other financial instruments" for more information);
- the Rights Issue (see Section 13 "The Terms of the Rights Issue" for more information); and
- the Convatec Transaction (see Section 7 "The Convatec Transaction and certain information relating to Convatec ATA" for more information).

Other than this, there have been no material changes to the Group's unaudited capitalisation and net financial indebtedness since 30 June 2023.

8.2 Capitalisation

In NOK thousand

(Unaudited)

	As of 30 June 2023¹	Adjustments for the shareholder loans²	Adjustments for the Rights Issue³	Adjustments for the Convatec Transaction⁴	As adjusted
<i>Total current debt⁵ (including current portion of non-current debt)</i>					
Guaranteed	0	0	0	0	0
Secured	0	8,758	-0	0	8,758
Unguaranteed / unsecured ⁶	89,822	0	-0	5,400	95,222
Total current debt	89,822	8,758	-0	5,400	103,980
<i>Total non-current debt⁷ (excluding current portion of non-current debt)</i>					
Guaranteed	0	0	0	0	0
Secured	0	0	0	0	0
Unguaranteed / unsecured ⁸	4,680	0	0	36,666	41,346
Total indebtedness	94,502	8,758	0	42,066	145,326
<i>Shareholder equity⁹:</i>					
Share Capital	13,908	0	14,000	0	27,908
Legal reserves	295,500	0	0	0	295,500
Other reserves	-200,181	0	0	0	-200,181
Total shareholders' equity	109,228	0	28,145	0	123,228
Total capitalisation	203,730	8,758	14,000	42,066	268,554

<i>In NOK thousand (Unaudited)</i>	As of 30 June 2023¹	Adjustments for the shareholder loans²	Adjustments for the Rights Issue³	Adjustments for the Convatec Transaction⁴	As adjusted
1	<i>The financial information in this column is extracted from the Company's H1 Financial Statement, which is incorporated by reference in Section 15.3.</i>				
2	<i>The shareholder loans the Company entered into in September 2023 of NOK 7.25 million and interest of 20% per annum, which shall be paid in full for the entire term of the loans irrespective of whether the loans are wholly or partially prepaid by the Company or the lender choose to utilise the Loans (including accrued interest and unaccrued interest calculated until maturity) fully or partly to set off against any subscription of shares in the Company during the terms of the Loans. The loans including accrued and interest calculated up until maturity date (as there is a "make whole" premium commitment for the Company in each of the loan agreements requiring the Company to pay interest calculated up until maturity date irrespective of when the loan is repaid in full) has a total of NOK 8.758 million. The loans entered into in September 2023 (as further described in Section 10.6.2) are secured by the first priority ranking security by pledge in all assets owned by the Company.</i>				
3	<i>The Rights Issue is expected to be completed mid December 2023, where the Company intends to raise between minimum NOK 18 million and maximum NOK 55 million in gross proceeds. The table above is based on the assumption that the Rights issue will raise the minimum net proceeds of NOK 14 million in cash, and the estimated transaction cost of NOK 4 million (assuming that only the minimum amount is raised) is part of the equity. Reference is made to Section 13 for more information about the Rights Issue.</i>				
4	<i>The USD 3.895 million (NOK 42.066 million) of the purchase price in connection with the Convatec Transaction not settled by cash or existing debt (as further described in Section 7.1.2 "Total consideration and transaction costs").</i>				
5	<i>Including current portion of non-current debt.</i>				
6	<i>Unguaranteed/Unsecured current debt as at 30 June 2023 consisted of trade payables of NOK 10.5 million, VAT and other public taxes of NOK 9.5 million, current lease liabilities of NOK 1.4 million, interest bearing loans of NOK 56.8 million and other current liabilities of NOK 11.6 million.</i>				
7	<i>Excluding current portion of non-current debt.</i>				
8	<i>Unguaranteed/Unsecured non-current debt at 30 June 2023 consisted of non-current lease liabilities of NOK 0.4 million, the contingent consideration of NOK 3.4 million and non-current interest bearing liabilities of NOK 0.9 million.</i>				
9	<i>Total equity as at 30 June 2023 comprises "Contributed equity and retained earnings" of NOK 115 million, "share options" of NOK 0.3 million and "Translation Differences" of NOK -6.1 million. The amounts are extracted from the consolidated statement of changes in equity at page 21 in the Company's H1 Financial Statement, which is incorporated by reference in Section 15.3.</i>				

8.3 Indebtedness

<i>In NOK thousand (Unaudited)</i>	As of 30 June 2023¹	Adjustments for the shareholder loans²	Adjustments for the Rights Issue³	Adjustments for the Convatec Transaction⁴	As adjusted
<i>Net indebtedness</i>					
(A) Cash	1,735	7,250	14,000	-3,240	19,475
(B) Cash equivalents	0	0	0	0	0
(C) Other current financial assets	0	0	0	0	0
(D) Liquidity (A)+(B)+(C)	1,735	7,250	14,000	-3,240	19,745
(E) Current financial debt ⁵ (including debt instruments, but excluding current portion of non-current financial debt)	56,787	8,758	0	0	65,545
(F) Current portion of non-current financial debt	1,427	0	0	5,400	6,827
(G) Current financial indebtedness ((E)+(F))	58,214	1,508	0	5,400	72,372
(H) Net current financial indebtedness ((G)-(D))	56,479	1,508	(14,000)	8,640	52,627
(I) Non-current financial debt ⁷ (excluding current portion and debt instruments)	4,680	0	0	36,666	41,346
(J) Debt instruments	0	0	0	0	0
(K) Non-current trade and other payables ..	0	0	0	0	0

(L) Non-current financial indebtedness					
((I)+(J)+(K))	4,680	0	0	36,666	41,346
(M) Total financial indebtedness					
((H)+(L))	61,159	1,508	(14,000)	45,306	93,973

1 The financial information in this column is extracted from the Company's H1 Financial Statement, which is incorporated by reference in Section 15.3.

2 The shareholder loans the Company entered into in September 2023 raised NOK 7.25 million in cash. The interest is 20% per annum, which shall be paid in full for the entire term of the loans irrespective of whether the loans are wholly or partially prepaid by the Company or the lender choose to utilise the Loans (including accrued interest and unaccrued interest calculated until maturity) fully or partly to set off against any subscription of shares in the Company during the terms of the Loans. The current financial debt of NOK 8,758 million consists of the shareholder loans entered into in September 2023 (as further described in Section 10.6.2) including interest calculated up until maturity date (as there is a "make whole" premium commitment for the Company in each of the loan agreements requiring the Company to pay interest calculated up until maturity date irrespective of when the loan is repaid in full).

3 The Rights Issue is expected to be completed mid December 2023, where the Company intends to raise between minimum NOK 18 million and maximum NOK 55 million in gross proceeds. The table above is based on the assumption that the Rights issue will raise the minimum net proceeds of NOK 14 million and the estimated transaction cost of NOK 4 million are part of the equity. Refer to section 13 "The terms for the Rights Issue" for further details about the Rights Issue.

4 The USD 3.895 million (NOK 42.066 million) of the purchase price in connection with the Convatec Transaction not settled by cash or existing debt (as further described in Section 7.1.2 "Total consideration and transaction costs").

5 Current financial debt at 30 June 2023 consisted of loan from Navamedic of NOK 42.2 million incl. accrued interest, shareholder loans of NOK 9.9 million incl. accrued interest and innovation loan from Business Finland of NOK 4.7 million.

6 Non-current financial debt at 30 June 2023 consisted of non-current lease liabilities of NOK 0.4 million, the contingent consideration of NOK 3.4 million and non-current interest bearing liabilities of NOK 0.9 million.

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 13 "The terms of 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 2024.

According to the Group's current proposed scale of operations, the Group expects that it will need approximately additional NOK 14 million in net cash in order to have sufficient working capital for the period covering at least 12 months from the date of the Prospectus. This is contingent on the Group's ability to defer payments due for goods and services provided by suppliers until September 2023, as further described in Section 2.2 "Risks related to financial and market risk".

The Group has already secured agreements with 37 suppliers to defer payments totalling approximately NOK 8,800,000. However, three suppliers (totalling approximately NOK 1 million) have rejected the proposed payment plan, and eight suppliers (totalling approximately NOK 300,000) have not yet responded. The Group is actively pursuing agreements with these 11 suppliers, but no assurance can be provided as to whether all or some of the remaining suppliers will agree to postpone payment. The Group expects to, and is positive that it will, obtain the required working capital through the Rights Issue, raising gross proceeds of approximately between NOK 18 and 55 million, and net proceeds of approximately between NOK 14 million and NOK 50 million, and be able to postpone payments due for at least some of the remaining suppliers' goods and services delivered up until September 2023.

If the Group is not able to postpone payments due for all its suppliers' goods and services accrued until September 2023, the Group will need to find ways to obtain the additional capital needed to settle such amounts due, i.e. through receiving net proceeds in the Rights Issue which exceed the minimum cash amount of NOK 14 million in net proceeds. Further, if the Group is not able to successfully obtain the required working capital through the Rights Issue including postponements of payments due for the suppliers' goods and services, significant uncertainty would exist as to whether the Company will continue as a going concern. Should this occur, the Board of Directors may evaluate further strategic options including the restructuring, sale, bankruptcy proceedings or dissolution of the Company.

8.5 Contingent and indirect indebtedness

With the exception of deferred settlement of USD 3,895,000 of a total consideration of USD 4,195,000 under the Convatec ATA, the Group does not have any material contingent or indirect indebtedness on the date of the Prospectus (see section 7.1.2 "Total consideration and transaction costs" for a further description of the settlement structure under the Convatec ATA).

9 BOARD OF DIRECTORS AND MANAGEMENT

9.1 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 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.

9.2 The Board of Directors

9.2.1 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, Line Tønnessen 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 16, N-0191 Oslo, Norway, serves as business address for the members of the Board of Directors in relation to their directorship in the Company.

9.2.2 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	Chairperson	2019	2024	-	-
Kathrine Gamborg Andreassen ²	Board Member	2019	2024	586,668	-
Sanna Kristina Maria Rydberg	Board Member	2021	2024	-	-
Eskild Endrerud ³	Board Member	2022	2024	1,812,321	-
Line Tønnessen ⁴	Board Member	2022	2024	-	-

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.

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

³ Endrerud represents the fifth largest shareholders, ELI AS, at the Board of Directors. Endrerud owns 100% of ATHEND Holding AS. ATHEND Holding AS owns 3,994 shares in the Company and 50% of the shares in SEED Capital AS, who owns 64,067 shares in the Company. SEED Capital AS owns 91.932% of ELI AS, who owns 1,744,260 shares in the Company. In total, Eskild Endrerud indirectly owns 1,812,321 shares in the Company.

⁴ Tønnessen represents the largest shareholder, Ingerø Reiten Investment Company AS.

9.2.3 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 in the Norwegian private equity company Reiten & Co AS and has been chairperson of the board of the Company since its incorporation. Mr. Bakken has been with Reiten & Co AS since 1998 and 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 (chairperson), Questback Holding AS (chairperson), Questback AS (chairperson) and Tivian AS (chairperson).

Previous directorships and senior management positions last five years Webstep ASA

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 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 Oslo, Norway.

Current directorships and senior management positions .. Navamedic ASA (CEO) and Questback Group AS (board member).

Previous directorships and senior management positions last five years Weifa ASA (CEO) and Weifa AS (VP Consumer Health), Novicus Pharma AS (chair), Vistin Pharma ASA (board member) and Soleglad Invest AS (chairperson).

Sanna Kristina Maria Rydberg, Board Member

Sanna Rydberg, born 1969, is currently CEO at Unilabs AB. Rydberg has approximately 25 years of experience from leading positions in life science industry. Her previous work experience includes CEO of Arcoma AB from 2020 to 2022, 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 .. Unilabs AB (CEO).

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

Eskild Endrerud, Board Member and member of Audit Committee

Eskild Endrerud, a Norwegian citizen, holds the position as Managing Partner at Arctic Investment Group AS, a Norwegian early-venture investment company. Endrerud has previously been Chairman of the Board and acting CFO of Biim Ultrasound AS which now is a part of Observe Medical ASA. Endrerud holds a BSc in Entrepreneurship and Business from BI Norwegian Business School, as well as a MSc in Real Estate Development from NMBU Norwegian Business School.

Current directorships and senior management positions .. Arctic Investment Group AS (Managing partner)
Seed Capital AS (chairperson).
Heymat AS (board member)
Several board positions in portfolio companies

Previous directorships and senior management positions last five years Biim Ultrasound AS (chairperson and active CFO).

Line Tønnessen, Board Member and chairperson of Audit Committee

Line Tønnessen, holds the position as Investment Director in Reiten & Co AS, a wholly owned subsidiary of Ingerø Reiten Investment Company AS. She has a strong analytical and corporate finance background. Line currently sits on the Board of Directors of Vow Green Metals AS and Grilstad Holding AS and holds a Bachelor of Business Administration from the BI Norwegian Business School, an MBA in Finance from the Norwegian School of Economics (NHH), and is a Certified Financial Analyst (CFA).

Current directorships and senior management positions .. Reiten & Co AS (Investment Director), Vow Green Metals AS (board member), Grilstad AS (board member), Grilstad Holding AS (board member), Limamo Invest AS (chairperson), Ove Nielsen Humanitære Stiftelse (board member), Uranienborg Menighetsboligstiftelse (board member).

Previous directorships and senior management positions last five years N/A

9.3 Management

9.3.1 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
Rune Nystad.....	Chief Executive Officer	2022	172,099	1,000,000
Per Arne Nygård.....	Chief Financial Officer	2020	218,921	143,955

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.

9.3.2 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.

Rune Nystad, Chief Executive Officer

Prior to joining the Company, Rune was the CEO of Biim Ultrasound. He has over 20 years of experience in global medtech and industrial technology from the Nordics, US, Germany, Ireland and Hong Kong, including Boston Scientific. Rune has previously been involved in multiple successful start-ups and over 30 product launches.

Current directorships and senior management positions .. US Holding AS (CEO)

Previous directorships and senior management positions

last five years Biim Ultrasound AS (CEO).

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 such as Veidekke and Multiconsult. Per Arne Nygård joined Navamedic as a consultant in August 2019 and participated in the listing of Observe Medical in November 2019. Per Arne Nygård holds a bachelor's degree in audit from Molde University College and resides in Oslo, Norway.

Current directorships and senior management positions .. Biim Ultrasound AS (chairperson), Biim Ultrasound Inc (chairperson), Biim Ultrasound Oy (chairperson), Observe Medical AB (chairperson), Observe Medical Nordic AB (chairperson), Observe Medical Aps (chairperson)

Previous directorships and senior management positions

last five years Group accounting manager at Multiconsult ASA

9.4 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 Terje Bakken, Line Tønnessen and Kathrine Gamborg Andreassen who are not considered independent from the Company's larger shareholders (shareholders holding more than 10% of the Shares) and material business associates, all Board Members and members of the Management are independent of the Company's larger shareholders and material business associates, and 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.

10 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.

10.1 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 are 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 ESO under ISIN NO 0010865009. The Company's register of shareholders in ESO is administrated by the ESO Registrar, DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

10.2 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 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
Biim Ultrasound AS.....	Norway	Operating company	100%	Observe Medical ASA
Observe Medical AS.....	Norway	Operating company	100%	Observe Medical ASA

10.3 Listing on the Oslo Stock Exchange (Euronext Expand)

The Shares are, and the 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 on the Oslo Stock Exchange (Euronext Expand) on or about 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.

10.4 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 ESO as of 22 November 2023, no shareholders other than Ingerø Reiten Investment Company AS, Navamedic ASA and JPB AS 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.

10.5 Board authorisations

10.5.1 Authorisation to increase the share capital and issue new shares

At the annual General Meeting held on 26 May 2023 the General Meeting resolved to grant the Board of Directors:

- (i) an authorisation to increase the Company's share capital by up to NOK 750,000 (approx. 5.4% 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 2,781,566 (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 2024, but no longer than to and including 30 June 2024.

For both 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, both authorisations 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. The authorisation to increase the share capital in order to finance further growth also comprises share capital increases in connection with mergers pursuant to section 13-5 of the Norwegian Public Limited Companies Act.

10.5.2 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.

10.6 Other financial instruments

Other than the share options and loan agreements described below, 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 agreements listed below gives the lenders the right, but no obligation, to use the whole or part of the loan included interests as contribution in kind to settle any subscriptions made by the lenders.

10.6.1 Share options

As of the date of this Prospectus, the Company has issued 1,143,955 share options, of which 477,288 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 table below sets out key information about the share options the Company has in issue at the time of this Prospectus:

Share options

Name and position	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Exercise price of the share and date	Share options held at the beginning of the year	Share options awarded or lapsed in 2023	Share options vested	Share options awardee and unvested
Rune Nystad (CEO)	ESOP 2022	11.11.22 – 11.11.23	11.11.2022	11.11.2023	11.11.2023	11.11.23 – 11.11.26	4.5	333 333	0	333 333	0
		11.11.22 – 11.11.24	11.11.2022	11.11.2024	11.11.2024	11.11.24 – 11.11.26	4.5	333 333	0	0	333 333
		11.11.22 – 11.11.25	11.11.2022	11.11.2025	11.11.2025	11.11.25 – 11.11.26	4.5	333 333	0	0	333 334
Total							999 999	0	333 333	666 667	
Per Arne Nygård (CFO)	ESOP 2021	16.11.21 – 16.11.21	16.11.2021	16.11.2021	16.11.2021	16.11.21 - 01.03.24	6.63	95 971	0	95 971	0
		16.11.21 – 01.03.22	16.11.2021	01.03.2022	01.03.2022	01.03.22 - 01.03.24	6.63	23 992	0	23 992	0

Share options											
Name and position	Specification of plan	Performance period	Award date	Vesting date	End of holding period	Exercise period	Exercise price of the share and date	Share options held at the beginning of the year	Share options awarded or lapsed in 2023	Share options vested	Share options awardee and unvested
		16.11.21 – 01.03.23	16.11.2021	01.03.2023	01.03.2023	01.03.23 - 01.03.24	6.63	23 992	0	23 992	0
Total								143 955	0	143 955	0
Björn Larsson (previous CEO until end of March 2022)	ESOP 2020	09.01.20 – 09.01.21	09.01.2020	09.01.2021	09.01.2021	09.01.21 - 01.07.23	8.88	23 992	(23 992)	0	0
		09.01.20 – 09.01.22	09.01.2020	09.01.2022	09.01.2022	09.01.22 - 01.07.23	8.88	23 992	(23 992)	0	0
		09.01.20 – 09.01.23	09.01.2020	09.01.2023	09.01.2023	09.01.23 - 01.07.23	8.88	0		0	0
Total								47 984	-47 984	0	0
Total for the Company								1 191 938	-47 984	477 288	666 667

The issued share options are described in note 18 in the consolidated financial statement 2022 for the Group.

10.6.2 Loan agreements

The Group entered into a subordinated loan agreement with Navamedic on 27 September 2019 in the aggregate amount of NOK 32,000,000 excl. accrued interest, and NOK 43,550,000 incl. accrued interest as of date of the Prospectus. The Group and Navamedic have agreed to postpone the maturity date of the Navamedic loan from 27 September 2023 to 31 January 2025.

In March 2023, the Group entered into subordinated loan agreements with certain shareholders of the Company. The terms of each loan agreement is 12 months and the interest has been set to 20% per annum, which shall be paid in full for the entire term of the loans irrespective of whether the loans are wholly or partially prepaid by the Company. The loans fall due 23 March 2024. The loans were provided by (i) IRIC the amount of NOK 6,001,964 including interest, (ii) JPB in the amount of NOK 2,408,503 including interest, and (iii) ELI in the amount of NOK 2,409,950 including interest.

In May 2023, the Group entered into a subordinated loan agreement provided by MP Pensjon in the amount of NOK 607,432 including interest.

On 6 September 2023, the Group entered into additional loan agreements with certain shareholders. The terms of each loan is 12 months and the interest has been set to 20% per annum, which shall be paid in full for the entire terms of the Loans irrespective of whether the loans are wholly or partially prepaid by the Company. The loans fall due on 6 September 2024. The loans are secured by the first priority ranking security by pledge in all assets owned by the Company. The loans are provided by Navamedic in the amount of NOK 6,040,825 including interest, (ii) IRIC in the amount of NOK 1,208,033 including interest, (iii) JPB in the amount of NOK 603,528 including interest, (iv) Skålvold Eiendom AS in the amount of NOK 301,593 including interest, (v) Kubera AS in the amount of NOK 301,893 including interest, and (vi) a Harding Invest AS in the amount of NOK 302,021 including interest.

The loan agreements entered into In March 2023, May 2023 and September 2023 described above, grants the lenders, provided that the Company resolves to carry out a private placement of new shares or a rights issue, the right to convert whole or part of any loan in addition to accrued interest and interest that will accrue up to and including the agreed maturity date, as contribution in kind to settle any subscriptions made by the lender in such private placement or rights issue.

In addition, the Group has a loan in the amount of NOK 903,000 including accrued interest from Nordea and a “start-up funding” loan from Business Finland of EURO 398,289 incl. accrued interest.

10.7 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 10.8 "The Articles of Association".

10.8 The Articles of Association

The Company's Articles of Association as at 26 May 2023 are appended to this Prospectus in [Appendix B](#). Below is a summary of provisions of the Articles of Association.

10.8.1 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.

10.8.2 Registered office

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

10.8.3 Share capital and nominal value

Pursuant to section 4, the Company's registered share capital is NOK 13,907,830.56, divided into 53,491,656 shares, each with a nominal value of NOK 0.26.

10.8.4 Restrictions on transfer of Shares

The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Company. Share transfers are not subject to approval by the Board of Directors.

10.8.5 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 two working days prior to the general meeting.

10.8.6 Nomination committee

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

10.8.7 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.

10.9 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 and voting in general meetings of shareholders, when the shareholder has acquired shares in the company at least five working days prior to the general 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 two working 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.

A shareholder registered as such in the ESO is entitled to vote for shares of a Norwegian public limited liability company listed on a stock exchange or regulated market. Beneficial owners whose shares are registered in the name of a nominee may also participate and vote at the general meeting, provided that they give the company prior notice of their attendance at least two working days before 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 preemptive 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.

10.10 Shareholders' agreements

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

11 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.

11.1 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.

11.2 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.

11.3 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 ESO 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.

11.4 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.

11.5 The ESO and transfer of shares

The Company's principal share register is operated through the ESO. The ESO 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 ESO and the Oslo Stock Exchange are both wholly-owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with the ESO are made through computerised book entries. No physical share certificates are, or may be, issued. The ESO 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 ESO 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 ESO 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 ESO's control which the ESO could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the ESO may, however, be reduced in the event of contributory negligence by the aggrieved party.

The ESO 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 ESO regarding any individual's holdings of securities, including information about dividends and interest payments.

11.6 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 attend general meetings and vote for such shares unless such beneficial shareholders gives the company notice of attendance at a general meeting

no later than two working days prior to the date of the 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 ESO through a nominee. However, foreign shareholders may register their shares in the ESO 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 ESO 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 give a notice of attendance at the general meeting within the deadline of two working days or instruct their nominees to vote for their Shares in the manner desired by such beneficial owners. See Section 10.9 "Certain aspects of Norwegian corporate law" under the subheading "Voting rights – amendments to the articles of association" for more information on nominee accounts.

11.7 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 10.9 "Certain aspects of Norwegian corporate law" for more information on certain aspects of Norwegian law.

11.8 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.

11.9 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.

11.10 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.

11.11 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.

11.12 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 ESO 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.

12 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.

12.1 Norwegian taxation

12.1.1 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 37.84% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.72 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 37.84%.

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 37.84%, cf. above. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Reference is made to Section 12.1.2 "Taxation of capital gains on realisation of shares" 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 tax rate for ordinary income is 25% resulting in an effective rate for dividends of 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 12.1.1 "*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 (ESO) 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 (ESO) 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.

12.1.2 *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 37.84%; i.e. capital gains (less the tax free allowance) and losses shall be multiplied by 1.72 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 37.84%. 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 12.1.1 "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 12.1.1 "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 12.1.1 "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.

12.1.3 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 realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a realisation of subscription rights is taxable or tax deductible in Norway and subject to the same taxation as a capital gain or loss generated through realisation of shares, reference is made to Section 12.1.2 "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 12.1.2 "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 realisation for Norwegian tax purposes. Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of subscription rights qualifying for the Norwegian participation exemption. Losses upon the realisation and costs incurred in connection with the purchase and realisation 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 12.1.2 "Taxation of capital gains on realisation of shares" above.

12.1.4 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 1% 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 80% 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 80%).

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.

12.1.5 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.

12.1.6 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.

13 THE TERMS OF THE RIGHTS ISSUE

13.1 Overview

The Rights Issue consists of an offer by the Company of minimum 69,230,770 Offer Shares and maximum 211,538,461 Offer Shares at a Subscription Price of NOK 0.26 per Offer Share, thereby raising gross proceeds of minimum NOK 18,000,000.20 and a maximum of NOK 54,999,999.86. The Offer Shares have a nominal value of NOK 0.26 each.

Existing shareholders who have granted loans to the Company in March, May and September 2023 for a total nominal value of NOK 16.75 million and a total value of NOK 20,185,742 including accrued interest and interest that will accrue up to and including the agreed maturity date (as further described in Section 10.6 "Other financial instruments") may choose to settle the whole or part of the its loan (including accrued interests) as contribution in kind to settle any subscriptions made by the relevant shareholder in the Rights Issue. As a result, the subscription amount for the Offer Shares may be settled by both cash and by way of set-off against shareholder loans. However, it is a condition for the lenders to be permitted to convert the loans in the Rights Issue that the Company raises gross proceeds in cash of a minimum of NOK 18,000,000.20.

It is a condition for completion of the Rights Issue that (i) the Company raises gross proceeds in the Rights Issue of minimum NOK 18,000,000.20 in cash and (ii) that each of the lenders for the shareholder loans described above convert the loans in whole in the Rights Issue and/or enter into an amendment agreement for the remaining amount under each of the respective loans that are not converted regarding extension of the maturity date and amendment of the terms to market terms.

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 Offer Shares allocated in the Rights Issue are expected to be traded on the Oslo Stock Exchange (Euronext Expand) from and including 22 December 2023.

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 for, 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 14 "Selling and Transfer Restriction".

Shareholders holding their Shares, and thereby Subscription Rights, through financial intermediaries (i.e. brokers, custodians, nominees) should read Section 13.13 "Financial intermediaries" carefully for more information on how to utilise their Subscription Rights.

13.2 Use of proceeds

The Company has as announced in a stock exchange announcement dated 11 September 2023, through its wholly owned subsidiary OMAS, signed the Convatec ATA. Pursuant to the Convatec ATA, OMAS acquires the Unometer Portfolio. As a result thereof and the Company's financial position, as informed about in a stock exchange announcement dated 4 July 2023, the purpose of the Rights Issue is primarily to provide working capital financing for the Company.

The proceeds from the Rights Issue will be used as follows:

- (i) The minimum proceeds from the Rights Issue will cover the working capital needs in relation to the ramp up of production and sale of the Unometer Portfolio.

Any excess proceeds in the Rights Issue will be used for;

- (ii) General corporate purposes including working capital needs in relation to continuous product development and ramp up of sales activities for Sippi and Biim ultrasound probe;

- (iii) To finance the next instalment of USD 0.5 million in connection with the Convatec Transaction; and
- (iv) Debt conversion of existing loans of up to NOK 20.1 million to reduce interest bearing debt and pledge in the Company's assets.

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.

13.3 Resolutions of the Extraordinary General Meeting

13.3.1 Resolution to issue the Offer Shares

On 22 November 2023, the extraordinary general meeting of the Company (the "**Extraordinary General Meeting**") passed the following resolution to increase the Company's share capital by minimum NOK 18,000,000.20 and maximum NOK 54,999,999.86, by issuing minimum 69,230,770 Offer Shares and maximum 211,538,461 Offer Shares in connection with the Rights Issue, conditional upon the Share Capital Reduction being resolved (translated from Norwegian):

"(i) The share capital is increased with minimum NOK 18,000,000.20 and maximum NOK 54,999,999.86 by the issuance of minimum 69,230,770 and maximum 211,538,461 new shares, each with a nominal value of NOK 0.26 (the "Rights Issue")."

(ii) The subscription price is NOK 0.26 per share.

(iii) Shareholders of the Company as of 22 November 2023 as registered as such in the Company's shareholders' register in Euronext Securities Oslo (the "ESO") on 24 November 2023 (the "Record Date") (cf. the two days' settlement procedure of the ESO) 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) The shareholders listed in Appendix 3 have a right to settle the share contribution for the shares by set-off against the loans with an aggregate nominal value of NOK 16.75 million (in addition to accrued and unpaid interest calculated up to and including the agreed maturity date) as specified in Appendix 4 (the "Loans"). For further details on the contribution-in-kind, reference is made to the independent expert report attached to the notice as Appendix 3.

(v) Tradeable subscription rights will be issued and the subscription rights shall be registered in the ESO. The subscription rights shall be tradeable from and including the first day of the subscription period and until 16:30 (CET) four trading days prior to the end of the subscription period. Over-subscription and subscription without subscription rights is permitted.

(vi) 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.

(vii) The subscription period shall commence on 28 November 2023 and expire at 16:30 (CET) on 12 December 2023. 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.

(viii) The subscription amount shall be paid in cash or by way of set-off against the Loans. It is a condition for completion of the Rights Issue that (i) the Company raising gross proceeds in the Rights Issue of minimum NOK 18,000,000.20 in cash and (ii) that each of the Lenders convert the Loans in whole and/or enter into an amendment agreement for the remaining amount under each of the respective

Loans that are not converted regarding extension of the maturity date and amendment of the terms to market terms. Payment for the new shares shall be made on or prior to 15 December 2023, 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) or (vii) 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.

(ix) 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) If not all subscription rights are validly exercised during the subscription period, 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.

(c) New shares not allocated pursuant to item (ix) a) to (b) 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.

(x) 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.

(xi) 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.

(xii) The costs payable by the Company in connection with the share capital increase are for the time being estimated to be between NOK 3,900,000 and NOK 5,100,000 (depending on the final subscription amount in the Rights Issue)."

13.4 Conditions for completion of the Rights Issue

The Rights Issue may be withdrawn, or the completion of the Rights Issued may be delayed, if (i) the aggregate subscription amount for the Offer Shares is not received by the Company on time or at all, (ii) the Company do not raise gross proceeds in the Rights Issue of minimum NOK 18,000,000.20 in cash, and (iii) if not all of the lenders for the shareholder loans described in Section 13.1 convert the loans in whole in the Rights Issue and/or enter into an amendment agreement for the remaining amount under each of the respective shareholder loans that are not converted regarding extension of the maturity date and amendment of the terms to market terms.

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.

13.5 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.....	22 November 2023
First day of trading in the Shares excluding Subscription Rights	23 November 2023
Record Date.....	24 November 2023
Subscription Period commences.....	28 November 2023 2023 at 09:00 hours (CET)
Trading in Subscription Rights commences on the Oslo Stock Exchange (Euronext Expand)	28 November 2023 at 09:00 hours (CET)

Trading in Subscription Rights ends	6 December 2023 at 16:30 hours (CET)
Subscription Period ends.....	12 December 2023 at 16:30 hours (CET)
Allocation of the Offer Shares.....	Expected on or about 13 December 2023
Distribution of conditional allocation letters.....	Expected on or about 13 December 2023
Payment Date	Expected on or about 15 December 2023
Registration of the share capital increase with the Norwegian Register of Business Enterprises.....	Expected on or about 21 December 2023
Delivery of the Offer Shares.....	Expected on or about 22 December 2023
Listing and commencement of trading in the Offer Shares on the Oslo Stock Exchange (Euronext Expand).....	Expected on or about 22 December 2023

13.6 Subscription Price

The Subscription Price in the Rights Issue is NOK 0.26 per Offer Share.

The Subscription Price is based on a theoretical ex rights price (TERP) of NOK 0.35 of the Company's Shares calculated on the basis of (i) the volume-weighted average price (VWAP) of the Company's Shares on the Oslo Stock Exchange (Euronext Expand) during the three trading days from 16 November 2023 to 20 November 2023 (NOK 0.71433), and (ii) the assumed issue of the maximum number of Offer Shares in the Rights Issue (equal to the number of subscription rights to be issued).

13.7 Subscription Period

The Subscription Period will commence on 28 November 2023 at 09:00 hours (CET) and end on 12 December 2023 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.

13.8 Record Date for Existing Shareholders

Existing Shareholders who are registered in the Company's shareholder register in the ESO as of the Record Date (24 November 2023) will receive Subscription Rights.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in the ESO, Shares that were acquired until and including 22 November 2023 will give the right to receive Subscription Rights, whereas Shares that were acquired from and including 23 November 2023 will not give the right to receive Subscription Rights.

13.9 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 3.9546 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 ESO account on or about 28 November 2023 under ISIN NO 0013076943. 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 12 December 2023 at 16:30 hours (CET) or be sold 6 before December 2023 at 16:30 hours (CET). Subscription Rights that are not sold before 6 December 2023 at 16:30 hours (CET) or not exercised before 16:30 hours (CET) on 12 December 2023 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' ESO accounts. Such crediting specifically does not constitute an offer to Ineligible Shareholders. The Company will instruct the Manager to, as far as possible, withdraw the Subscription Rights from such Ineligible Shareholders' ESO accounts, and may sell them in the period from and including 09:00 hours (CET) on 5 December 2023 to 16:30 hours (CET) on 6 December 2023 for the account and risk of such Ineligible Shareholders, unless the relevant Subscription Rights are held through a financial intermediary. See Section 13.13 "Financial intermediaries" below for a description of the procedures applicable to Subscription Rights held by Ineligible Shareholders through financial intermediaries.

The Manager will use commercially reasonable efforts to procure that the Subscription Rights withdrawn from the ESO 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 Manager is 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 4 December 2023 documented to the Company through the Manager the right to receive the Subscription Rights withdrawn from its ESO account, in which case the Manager shall re-credit the withdrawn Subscription Rights to the ESO 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 ESO 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 ESO, the Ineligible Shareholder must contact the Manager 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 Manager 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 Manager will conduct any sale of Subscription Rights not sold before 16:30 hours (CET) on 6 December 2023 or utilised before the end of the Subscription Period.

13.10 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 28 November 2023 to 16:30 hours (CET) on 6 December 2023.

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 14 "Selling and Transfer Restriction" for a description of such restrictions and prohibitions.

13.11 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 the Manager 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 the Manager 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 12 December 2023:

SpareBank 1 Markets

Olav Vs gate 5

0160

Oslo

Norway

81

Tel: +47 24 14 74 61

E-mail: offering@sb1markets.no

Subscribers who are residents of Norway with a Norwegian personal identification number (Nw. *fødselsnummer*) are encouraged to subscribe for Offer Shares through the ESO online subscription system (or by following the link on www.sb1markets.no, which will redirect the subscriber to the ESO online subscription system). All online subscribers must verify that they are Norwegian residents by entering their national identity number (Nw.: fødselsnummer). In addition, the ESO 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 ESO online subscription system must be duly registered before the expiry of the Subscription Period.

None of the Company or the Manager 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 Manager. 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 Manager 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 the Manager, or in the case of subscriptions through the ESO 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 ESO online subscription system, the online subscription registration. By signing and submitting a Subscription Form, or by registration of a subscription in the ESO 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 ESO online subscription system or subscriptions made both on a Subscription Form and through the ESO online subscription system, all subscriptions will be counted.

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 the Manager or through the ESO online subscription system.

13.12 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 the Manager must verify their identity to the Manager 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 ESO account on the Subscription Form are exempted, unless verification of identity is requested by the 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 ESO account. The ESO account number must be stated in the Subscription Form. ESO accounts can be established with authorised ESO 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 ESO accounts registered in the name of a nominee. The nominee must be authorised

by the Norwegian FSA. Establishment of a ESO account requires verification of identification to the ESO registrar in accordance with the Anti-Money Laundering Legislation.

13.13 Financial intermediaries

13.13.1 General

All persons or entities holding Shares or Subscription Rights through financial intermediaries (e.g., brokers, custodians and nominees) should read this Section 13.13 "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.

13.13.2 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 14 "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 13.13.2 "Subscription Rights", neither the Company nor the Manager will sell any Subscription Rights transferred to financial intermediaries.

13.13.3 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 6 December 2023 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.

13.13.4 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 Manager 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 14 "Selling and Transfer Restriction" below for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

13.13.5 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 Manager 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.

13.14 Allocation of the Offer Shares

Allocation of the Offer Shares will take place on or about 13 December 2023 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) If not all Subscription Rights are validly exercised during the Subscription Period, 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.
- (iii) Offer Shares not allocated pursuant to items (i) to (ii) 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.

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.

The result of the Rights Issue is expected to be published on or about 13 December 2023 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 13 December 2023. Subscribers having access to investor services through their ESO account manager will be able to check the number of Offer Shares conditionally allocated to them from 12:00 hours (CET) 13 December 2023. Subscribers who do not have access to investor services through their ESO account manager may contact the Manager (SpareBank 1 Markets on telephone number +47 24 14 74 61) from 12:00 hours (CET) on 13 December 2023 to obtain information about the number of Offer Shares conditionally allocated to them.

13.15 Payment for the Offer Shares

The payment for Offer Shares allocated to a subscriber falls due on or about 15 December 2023 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out in Section 13.15.1 "Subscribers who have a Norwegian bank account" or Section 13.15.2 "Subscribers who do not have a Norwegian bank account".

13.15.1 *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 ESO online subscription system, provide the Manager with a one-time irrevocable authorisation 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 Manager is 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 Manager 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.

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.

13.15.2 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 the Manager on telephone number +47 24 14 74 61 for further details and instructions.

13.15.3 Payments in excess of payments obligations

If any subscribers make a payment in excess of its payment obligation for allocated Offer Shares, or if an amount in excess of its payment obligation for allocated Offer Shares is debited from the account of a subscriber, such subscriber will be contacted by the Manager to arrange for a refund of the excess amount. Subscribers who are of the opinion that they have been debited or paid an amount which exceed their payment obligation may also contact the Manager with whom they have placed their subscription. Contact information to the Manager is included in Section 13.11 "Subscription procedures" of this Prospectus.

13.16 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 11.75% per annum as of the date of this 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 Manager, 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 Manager 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 Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law.

The Company and the Manager further reserve the right (but have no obligation) to have the Manager 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.

13.17 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 21 December 2023 and that the Offer Shares will be delivered to the ESO accounts of the subscribers to whom they are allocated on or about the next day (i.e. 22 December 2023). 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 12 December 2023).

13.18 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 ESO. The registration of the share capital increase pertaining to the Rights Issue in the Norwegian Register of Business Enterprises is expected to take place on or about 21 December 2023 and the listing of the Offer Shares is expected to take place on or about 22 December 2023.

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 ESO.

13.19 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.

13.20 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>.

13.21 ESO registration

The Subscription Rights will be registered in the ESO under ISIN NO 0013076943. The Offer Shares will be registered in the ESO with the same ISIN as the existing Shares, i.e. ISIN NO 0010865009.

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

13.22 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 Manager 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 Manager 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 Manager shall determine. Neither the Board of Directors, the Company nor the Manager 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 Manager are liable for any action or failure to act by a financial

intermediary through whom any Existing Shareholder holds its Shares or by the Manager in connection with any subscriptions or purported subscriptions.

13.23 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 between NOK 18,000,000.20 and NOK 54,999,999.86, and will be between NOK 31,907,830.76 and NOK 68,907,830.42, divided into between 122,722,426 and 265,030,117 Shares, each with a nominal value of NOK 0.26.

13.24 Net proceeds and expenses related to the Rights Issue

The Manager 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. The total costs and expenses of, and incidental to, the Rights Issue are estimated to amount to approximately between NOK 3,900,000 and NOK 5,100,000 (depending on the final subscription amount in the Rights Issue). No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Rights Issue.

Total net proceeds from the Rights Issue are estimated to amount to approximately minimum NOK 14 million and maximum NOK 50 million. See Section 13.2 "Use of proceeds" for a description of the use of such proceeds.

13.25 Interests of natural and legal persons involved in the Rights Issue

The Manager or its 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 Manager, its employees and any affiliate may currently own Shares in the Company. Further, in connection with the Rights Issue, the Manager, its 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 Manager 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.

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

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

As at 22 November 2023, 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.

13.27 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.

13.28 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 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.

13.29 Advisors in the Rights Issue

SpareBank 1 Markets (Olav Vs gate 5, 0160, Oslo, Norway) act as manager in the Rights Issue. Advokatfirmaet Thommessen AS (Ruseløkkveien 38, N-0251 Oslo, Norway) acts as legal advisor to the Company in the Rights Issue.

13.30 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 Offer Shares, with the assumption that existing shareholders do not subscribe for the Offer 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
Number of Shares each with a par value of NOK 0.26	53,491,656	122,722,426 - 265,030,117
% dilution	-	56.4% - 79.8%

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 June 2023 were NOK 203,729,520 and NOK 94,501,557, respectively, which translates to approximately NOK 2.042 in net asset value per Share at that date. The Subscription Price in the Rights Issue is NOK 0.26.

13.31 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.

14 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 Manager 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.

14.1 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 14 "Selling and Transfer Restriction".

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 Manager 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 Manager. 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 14 "Selling and Transfer Restriction" 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 Manager, 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.

14.2 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 Manager 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 13.9 "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 Manager, any selling agents and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- g) The Company shall not recognise 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 United States Exchange Act of 1934, as amended. ("**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 U.S. Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. 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.

14.3 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 Manager 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 Manager 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.

14.4 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 Manager 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 Manager 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 Manager that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

The Company, the Manager 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.

14.5 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.

14.6 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.

15 ADDITIONAL INFORMATION

15.1 Auditor

The Company's independent auditor is Ernst & Young AS (EY), with business registration number 976 389 387 in the Norwegian Register of Business Enterprises and registered address at Dronning Eufemias gate 6A, N-0191 Oslo, Norway. The partners of EY are members of The Norwegian Institute of Public Accountants (Nw.: Den Norske Revisorforening). EY has been the Company's auditor since June 2022, prior to which KPMG AS, with company registration number 935 174 627, was the Company's auditor.

The Financial Statements, incorporated by reference hereto, see Section 15.3 "Incorporated by reference", have been audited by EY, as stated in their report also incorporated by reference hereto. Other than these reports, EY has not audited, reviewed or produced any report on any other information provided in this Prospectus.

15.2 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.

15.3 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 15.3 "Incorporated by reference", no information is incorporated by reference into this Prospectus.

<u>Sections in the Prospectus</u>	<u>Disclosure requirement</u>	<u>Reference document and link</u>	<u>Page of reference document</u>
Sections 4.3.1 and 15.3	Annex 3, item 11.1	Annual Report 2022: https://observemedical.com/wp-content/uploads/2023/04/Observe-Medical_Annual-Report-2022.pdf	Page 46 – 83 (Accounts and notes)
Sections 4.3.1 and 15.3	Annex 3, item 11.2	Audit Report 2022: https://observemedical.com/wp-content/uploads/2023/04/Observe-Medical_Annual-Report-2022.pdf	Page 103 - 108
Sections 4.3.1 and 15.3	Annex 3, item 11.1	Annual Report 2021: https://observemedical.com/wp-content/uploads/2022/04/Observe-Medical-Annual-Report-2021.pdf	Page 46 – 83 (Accounts and notes)
Sections 4.3.1 and 15.3	Annex 3, item 11.2	Audit Report 2021: https://observemedical.com/wp-content/uploads/2022/04/Observe-Medical-Annual-Report-2021.pdf	Page 103 - 108
Sections 4.3.1 and 15.3	Annex 3, item 11.1	H1 2023 Financial Statement: https://observemedical.com/wp-content/uploads/2023/09/Observe-Medical-ASA-Second-quarter-and-first-half-year-2023-Report.pdf	Page 18 - 28 (Accounts and notes)

16 DEFINITIONS AND GLOSSARY

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

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.
Articles of Association	The Company's articles of association.
Biim	Biim Ultrasound AS.
Board Members	Members of the Company's Board of Directors.
Board of Directors	The board of directors of the Company.
CAUTI	Catheter induced urinary tract infections.
CFO	Chief Financial Officer.
CEO	Chief Executive Officer.
CET	Central European Time.
Company	Observe Medical ASA, a public limited company incorporated under the laws of Norway with company registration number 822 907 822.
Completion	Means completion of the Convatec ATA.
Convatec ATA	The asset transfer agreement entered into on 11 September 2023 2023, between OMAS as the buyer and Unomedical A/S and Unomedical s.r.o. as sellers regarding the Products.
Convatec License Agreement	The temporary license agreement entered into between Unomedical A/S and Unomedical s.r.o. as Licensors and OMAS as Licensee regarding the Products.
Convatec Transaction	The transactions contemplated by the Convatec ATA and the Convatec License Agreement
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.
EEA	The European Economic Area.
ELI	ELI AS.
ESO	Euronext Securities Oslo, being the Norwegian Central Securities Depository (Nw.: <i>Verdipapirsentralen</i>).
ESO Registrar	DNB Bank ASA, in its capacity as ESO registrar.
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 22 November 2023 (and being registered as such in ESO on the Record Date).
Extraordinary General Meeting	An extraordinary general meeting of the Company held on 22 November 2023.
EY	Ernst & Young AS.
Financial Information	The Financial Statements and the H1 Financial Statement, collectively.
Financial Statements	The Company's audited consolidated financial statements as of and for the year ended 31 December 2022.
Fresenius	Fresenius Medical Care Holdings, Inc.
FSMA	The Financial Services and Markets Act 2000.

GDPR.....	General Data Protection Regulation (EU) 2016/679.
GLEIF.....	The Global Legal Identifier Foundation.
Group.....	The Company taken together with its consolidated subsidiaries.
H1 Financial Statement	The Company's unaudited consolidated interim financial statement as of and for the six months' periods ended 30 June 2023 including comparative interim financial information for the same periods in the prior financial year.
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.
ISIN.....	International Securities Identification Number
JPB.....	JPB AS.
LEI.....	Legal Entity Identifier.
LOUs	Local Operating Units.
Management	The senior management team of the Group.
Manager	Sparebank1 Markets AS.
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.
NCI.....	National Client Identifier.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
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 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>).
Observe Medical.....	The Company together with its consolidated subsidiaries, or the Group.
Offer Shares	A minimum of 69,230,770 and a maximum of 211,538,461 new shares in the Company, each with a par value of NOK 0.26, to be issued in connection with the Rights Issue.
OMAS.....	Observe Medical AS.
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 15 December 2023.

PDMS	Patient data management systems.
Prospectus.....	This Prospectus dated 24 November 2023.
Record Date.....	24 November 2023.
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 the Offer Shares at a Subscription Price of NOK 0.26 per Offer Share with Subscription Rights for Existing Shareholders, as further described in Section 13 "The Terms of the Rights Issue".
Rule 144A.....	Rule 144A under the U.S. Securities Act.
Sellers	The Sellers of the Products pursuant to the Convatec Transaction.
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.
SpareBank 1 Markets	SpareBank 1 Markets AS.
Subscription Form.....	The form for subscription of Offer Shares attached hereto in Appendix A .
Subscription Period.....	From 09:00 hours (CET) on 28 November 2023 to 16:30 hours (CET) on 12 December 2023.
Subscription Price	The subscription price for the Offer Shares, being NOK 0.26.
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.
Target Market Assessment.....	Has the meaning ascribed to such term on page i.
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.
UK.....	United Kingdom.
United States.....	The United States of America.
Unometer Portfolio	The UnoMeter™ Safeti™ Plus, UnoMeter™ 500, UnoMeter™ Abdo-Pressure™ and Kombikon™ products.
USD or U.S. Dollar	United States Dollars, the lawful currency of the United States of America.


APPENDIX A

SUBSCRIPTION FORM FOR THE RIGHTS ISSUE

Payment by way of set-off: Certain Existing Shareholders who have provided a shareholder loan ("Loan") to the Company (each a "Lender") have the option to use the Loan (including accrued and unaccrued interest calculated up to and including the agreed maturity date) to partially or fully offset the Subscription Price, as determined by the extraordinary general meeting held on 22 November 2023. The payment for the Offer Shares through set-off is due on the Payment Date. By signing this Subscription Form, the Lender confirms its subscription for the specified number of Offer Shares by set-off against the specific amount from their Loan. Lenders who wish to make a partial payment in cash and the remaining amount through set-off should **also** complete the "Payment in cash" section provided above.

PLEASE SEE PAGE 2 AND 3 OF THIS SUBSCRIPTION FORM FOR OTHER PROVISIONS THAT ALSO APPLY TO THE SUBSCRIPTION

DETAILS OF THE SUBSCRIPTION

Lender's ESO account	Lender's LEI code (20 digits):	Number of Subscription Rights	Number of Offer Shares subscribed (incl. over-subscription)	
SUBSCRIPTION RIGHTS' SECURITIES NUMBER: ISIN NO 0013076943				Subscription Price per Offer Share
				X NOK 0.26
				Subscription amount to be paid by way of set-off
				=NOK

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. Furthermore, I/we hereby offset the obligation to pay the stated Subscription Price against the corresponding amount under the Loan.

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 Manager 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 Manager will be categorised as non-professional clients. Subscribers can by written request to the Manager 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 Manager 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)).

General Business Terms: The subscription for Offer Shares is regulated by the Manager's general business terms, and guidelines for execution of orders and categorisation of customers, which are available on the following website: www.sb1markets.no.

Selling and Transfer Restrictions: The attention of persons who wish to acquire Subscription Rights and/or subscribe for Offer Shares is drawn to Section 14 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 14 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, taken up, exercised, resold, delivered or transferred, 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, directly or indirectly, 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 Manager will treat the Subscription Form as an execution-only instruction. The Manager is 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 Manager, there is a duty of secrecy between the different units of the Manager, as well as between the Manager and other entities in the Manager's group. This may entail that other employees of the Manager or the Manager's group may have information that may be relevant to the subscriber, but which the Manager will not have access to in its capacity as Manager for the Rights Issue.

Information Barriers: The Manager is a securities firm that offers a broad range of investment services. In order to ensure that assignments undertaken in the Manager's corporate finance department are kept confidential, the Manager's other activities, including analysis and stock broking, are separated from the Manager's corporate finance department by information walls. The subscriber acknowledges that the Manager's 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.

ESO Account and Mandatory Anti-Money Laundering Procedures: The Rights Issue is subject to the Norwegian Money Laundering Act No. 23 of 1 June 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 Manager must verify their identity to the Manager 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 ESO account on the Subscription Form are exempted, unless verification of identity is requested by the Manager. 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 ESO account. The ESO account number must be stated on the Subscription Form. ESO accounts can be established with authorised ESO 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 ESO accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of a ESO account requires verification of identity to the ESO 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 Manager 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 controller who is responsible for the processing of personal data is the Manager. The processing of personal data is necessary in order to fulfil the subscription and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Manager processes and stores information about clients and trades, and controls and documents 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 Manager, the company(ies) participating in the Rights Issue, with companies within the Manager's group, the ESO, 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 Manager transfers personal data to countries outside the EEA, that have not been approved by the EU Commission, the Manager 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 Manager's processing is in breach of the law. Supplementary information on processing of personal data and the subscribers' rights can be found at the Manager's website.

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:

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) 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.
- g) 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 11.75% 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 Manager, on behalf of the Company, reserves 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 Manager 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 Manager, on behalf of the Company, may enforce payment for any such amount outstanding in accordance with Norwegian law. The Company and the Manager further reserve the right (but have no obligation) to have the Manager 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.

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 physical 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 13.20 ("NCI code and LEI number") of the Prospectus.

APPENDIX B

OBSERVE MEDICAL ASA'S ARTICLES OF ASSOCIATION AS OF 26 MAY 2023

VEDTEKTER

ARTICLES OF ASSOCIATION

FOR

OF

OBSERVE MEDICAL ASA

OBSERVE MEDICAL ASA

Slik de lyder per 26. Mai 2023

As of 26 May 2023

§ 1 – Firma

§ 1 – Company name

Selskapets navn er Observe Medical ASA. Selskapet er et allmennaksjeselskap.

The name of the company is Observe Medical ASA. The company is a public limited liability company.

§ 2 – Forretningskontor

§ 2 – Registered office

Selskapets forretningskontor er i Oslo kommune.

The company's registered office is in the municipality of Oslo.

§ 3 – Virksomhet

§ 3 – The company's business

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.

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 – Aksjekapital

§ 4 – Share capital

Selskapets aksjekapital er kr 13 907 830,56 fordelt på 53 491 656 aksjer, hver pålydende kr 0,26.

The share capital of the company is NOK 13,907,830.56, divided into 53,491,656 shares, each with a nominal value of NOK 0.26.

§ 5 – Styre

§ 5 – Board of Directors

Selskapets styre skal ha minimum tre og maksimalt syv medlemmer, etter generalforsamlingens nærmere beslutning.

The board of directors shall consist of minimum three and maximum seven directors pursuant to the further decision of the general meeting.

§ 6 – Signatur

§ 6 – Signatory rights

Selskapets firma kan tegnes av styrets leder og ett styremedlem i fellesskap.

The chairman of the board and one board member jointly may sign for and on behalf of the company.

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

Manager

Sparebank 1 Markets

Olav Vs gate 5
0160
Oslo
Norway