



**Observe Medical ASA**

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

**Listing of (i) 16,862,962 new shares issued in connection with a private placement placed in June 2024 and (ii) 40,887,038 new shares resolved issued in November 2024 in connection with a loan conversion**

**Subsequent offering of up to 32,500,000 new shares at a subscription price of NOK 0.40 per Offer Share, with subscription rights for eligible shareholders, and listing of such shares**

Subscription period for the subsequent offering: From 09:00 hours (CET) on 20 November 2024 to 16:30 hours (CET) on 4 December 2024

This prospectus (the "**Prospectus**") has been prepared in connection with (i) the listing by Observe Medical ASA (the "**Company**"), a public limited liability company incorporated under the laws of Norway, (together with its consolidated subsidiaries, "**Observe Medical**" or the "**Group**") on Euronext Expand, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"), of (a) 16,862,962 new shares in the Company, each with a nominal value of NOK 0.26 (the "**Tranche 2 Private Placement Shares**") issued at a subscription price of NOK 0.40 per share in connection with a private placement of new shares in the Company placed on 24 June 2024 (the "**Private Placement**"), comprising in total 55,000,000 new shares (collectively, the "**Private Placement Shares**"), of which 38,137,038 Private Placement Shares (the "**Tranche 1 Private Placement Shares**") have already been listed on Euronext Expand, and (b) 40,887,038 new shares in the Company, each with a nominal value of NOK 0.26, (the "**Conversion Shares**") resolved issued on 18 November 2024 at a subscription price of NOK 0.40 per share in connection with a conditional loan conversion (the "**Loan Conversion**"), and (ii) the subsequent offering (the "**Subsequent Offering**") and listing on Euronext Expand of up to 32,500,000 new shares in the Company, each with a nominal value of NOK 0.26 (the "**Offer Shares**") and, together with the Conversion Shares, the "**New Shares**"), to be issued at a subscription price of NOK 0.40 per Offer Share (the "**Subscription Price**").

The shareholders of the Company as of 24 June 2024 (being registered as such in the Norwegian Central Securities Depository (the "**ES-OSL**") on 26 June 2024 pursuant to the ES-OSL's standard two days' settlement procedure (the "**Record Date**"), except for shareholders who (i) were allocated shares in the Private Placement, or (ii) are resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration document or similar document or action (such eligible shareholders jointly the "**Eligible Shareholders**"), will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give a right to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Subscription Price. The Subscription Rights will be registered on each Eligible Shareholder's ES-OSL account prior to commencement of the Subscription Period (as defined below).

Each Eligible Shareholder will be granted 0.41850 Subscription Right for every existing share registered as held by such Eligible Shareholder as of the Record Date, rounded down to the nearest whole Subscription Right. Each Subscription Right will, subject to applicable law, give the right to subscribe for, and be allocated, one (1) Offer Share in the Subsequent Offering. Over-subscription will be permitted. Subscription without Subscription Rights will not be permitted.

The subscription period in the Subsequent Offering will commence on 09:00 hours Central European Time ("**CET**") on 20 November 2024 and expire at 16:30 hours (CET) on 4 December 2024 (the "**Subscription Period**").

**SUBSCRIPTION RIGHTS THAT ARE NOT USED TO SUBSCRIBE FOR OFFER SHARES BEFORE THE EXPIRY OF THE SUBSCRIPTION PERIOD WILL HAVE NO VALUE AND WILL LAPSE WITHOUT COMPENSATION TO THE HOLDER.**

The Company's existing shares other than the Tranche 2 Private Placement Shares are, and the Tranche 2 Private Placement Shares and the New Shares will be (the latter following issuance), listed on 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, including the Tranche 2 Private Placement Shares, and the New Shares. The existing Shares other than the Tranche 2 Private Placement Shares are registered in book-entry form with the ES-OSL and have ISIN NO 0010865009. The Tranche 2 Private Placement Shares are registered in book-entry form in the ES-OSL on a separate and temporary ISIN NO 0013310128. The Tranche 2 Private Placement Shares will be transferred to ISIN NO 0010865009 and become listed on Euronext Expand in connection with the publication of this Prospectus, while the New Shares will be issued directly on ISIN NO 0010865009 and subsequently be listed on Euronext Expand. All existing Shares rank pari passu with one another and each carry one vote, and all New Shares to be issued will also rank pari passu with one another and each will carry one vote.

**Investing in 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 United States, and are being offered only in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offer Shares may lawfully be made and the Subscription Rights may lawfully be exercised and, for jurisdictions other than Norway, would not require any filing, registration or similar action. The Subscription Rights and the Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold outside the United States in "offshore transactions" as defined in, and in compliance with, Regulation S under the U.S. Securities Act ("Regulation S"). The distribution of this Prospectus, the granting 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 Subsequent Offering, see Section 13 "Selling and Transfer Restrictions".**

The due date for the payment of the Offer Shares is expected to be on or about 10 December 2024. Delivery of the Offer Shares is expected to take place on or about 16 December 2024 through the facilities of the ES-OSL. Trading in the Tranche 2 Private Placement Shares on Euronext Expand is expected to commence shortly after publication of this Prospectus, on or about 20 November 2024, trading in the Offer Shares is expected to commence on or about 16 December 2024, and trading in the Conversion Shares will commence as soon as the share capital increase pertaining to the Conversion Shares has been registered in the Norwegian Register of Business Enterprises and the Conversion Shares have been issued in the ES-OSL, expected on or about 18 December 2024.

Manager



Carnegie AS

The date of this Prospectus is 19 November 2024

## IMPORTANT INFORMATION

This Prospectus has been prepared in connection with (i) the listing of the Tranche 2 Private Placement Shares and the Conversion Shares on Euronext Expand, and (ii) the Subsequent Offering and the listing of the Offer Shares on Euronext Expand. The Tranche 1 Private Placement Shares have already been listed and are tradeable on Euronext Expand.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including 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 amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"), in addition to ancillary regulation, including without limitations Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the EU Prospectus Regulation (the "**Commission Delegated Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus is based on the simplified disclosure regime for secondary issuances, cf. Article 14 of EU Prospectus Regulation on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.

This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: Finanstilsynet) (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. 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 15 "Definitions and Glossary".

The Company has engaged Carnegie AS as settlement agent for the Private Placement and manager for the Subsequent Offering (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 the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Tranche 2 Private Placement Shares and the New Shares on Euronext Expand, will be mentioned 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 Share, 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 listing of the Tranche 2 Private Placement Shares or the Conversion Shares, the Subsequent Offering or the Offer Shares 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 or advisors of any of the foregoing.

**The distribution of this Prospectus and the offer and sale of the Offer Shares and the granting 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 to 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 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 an investment for an indefinite period of time. 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 13 "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 13 "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 for the Subsequent Offering as set out herein, and any sale and purchase of the Offer Shares 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 this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Subsequent Offering, including the merits and risks involved. None of the Company, the Group, the Manager or any of their respective representatives or advisors, is making any representation to any purchaser of Offer Shares or holder of Subscription Rights regarding the legality of an investment in the Offer Shares or use of the Subscription Rights to subscribe for Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. 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 investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

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 may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. See Section 13.2 "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 Subsequent Offering 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 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 which is the subject of the Subsequent Offering contemplated in this Prospectus within any Relevant Member State 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 Offer Shares through any financial intermediary, other than offers made by the Manager which constitute the final placement of Offer Shares contemplated in this Prospectus.

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, 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 acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Subsequent Offering 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 have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares 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 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 13 "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 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. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The 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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**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.
<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 <a href="http://www.observemedical.com">www.observemedical.com</a> .
<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 19 November 2024, 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 " <b>Norwegian Public Limited Companies Act</b> "). 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 (" <b>Biim</b> "), 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 (" <b>OMAS</b> "), a wholly owned subsidiary the Company, (as buyer) entered into an asset transfer agreement (the " <b>Convatec ATA</b> ") with Unomedical A/S and Unomedical s.r.o. as sellers (the " <b>Sellers</b> "), to acquire the UnoMeter™ portfolio from Unomedical (the " <b>Convatec Transaction</b> "). The portfolio consists of products such as Unometer™ Safeti™ Plus, UnoMeter™ 500, Unometer™ Abdo-Pressure™ and Kombikon™ (the " <b>Unometer Portfolio</b> "). For the period from entering into the Convatec ATA and until Completion (as defined in Section 6.4), OMAS and the Sellers have entered into a license agreement (the " <b>Convatec License Agreement</b> "), 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 6.4 "The Convatec Transaction". The Group is headquartered in Oslo, Norway. As at 30 June 2024, the Group employed 5 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 ES-OSL as of 13 November 2024, 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 .....	43,009,437	17.51%
2	JPB AS .....	17,564,944	7.15%
3	ELI AS .....	13,263,298	5.40%

Navamedic will hold in total approximately 15.7% of the Shares if the Loan Conversion is completed (disregarding any shares issued in the Subsequent Offering), and will in such case consequently be a major shareholder of the Company.

**Key managing directors.....** The Company's management team consists of Jørgen Mann, chief executive officer ("CEO"), Johan Magnus Fagerli, chief financial officer ("CFO") and Rune Nystad, chief development officer ("CDO").

**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 <sup>1</sup>		30 June <sup>2</sup> (Unaudited)	
	2023	2022	2024	2023
Operating revenue.....	27,942	19,521	13,056	11,819
Operating result.....	(51,263)	(59,143)	(17,769)	(29,439)
Result for the period .....	(60,362)	(50,801)	(21,013)	(35,194)

1 The financial information for the year ended 31 December 2023 and 2022 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2023, prepared in accordance with IFRS, incorporated by reference in Section 14.3. Such financial statements are subject to an ongoing financial period review by the Norwegian FSA, and the Norwegian FSA has in a preliminary notification of decision dated 25 October 2024 stated that there, in the Norwegian FSA's view, are material errors in said financial statements. The Company has in a response to the Norwegian FSA acknowledged that there are certain errors in said financial statements. Such errors will be corrected in the Group's financial statements for the financial year ending 31 December 2024 and will, in the Company's view, have the effect of reducing the Group's result for the financial year ended 31 December 2023 by NOK 3.5 million. However, if the Norwegian FSA upholds its preliminary view, the Group must correct the all the relevant errors identified by the Norwegian FSA in the financial statements for the financial year ending 31 December 2024, which corrections may have a material adverse impact on the Group's result for the financial year ended 31 December 2023 and the Group's equity as of 31 December 2023. Furthermore, the Board will need to determine whether the Company's audited consolidated financial statements for the year ended 31 December 2023 should be reissued.

2 The financial information for the six months' period ended 30 June 2024 and 2023 is extracted from the Company's unaudited condensed consolidated interim financial report as of and for the six months' periods ended 30 June 2024 (incorporated by reference in Section 14.3) including comparative interim financial information for the same period in the prior financial year, which has been prepared in accordance with IAS 34. Such financial statements are subject to an ongoing financial period review by the Norwegian FSA, and the Norwegian FSA has in a preliminary notification of decision dated 25 October 2024 stated that there, in the Norwegian FSA's view, are material errors in said financial statements. The Company has in a response to the Norwegian FSA acknowledged that there are certain errors in said financial statements. Such errors will be corrected in the Group's financial statements for the six months' period ending 30 June 2025 and will, in the Company's view, have the effect of reducing the Group's result for the six months' period ended 30 June 2024 by NOK 1.9 million. However, if the Norwegian FSA upholds its preliminary view, the Group must correct all the relevant errors identified by the Norwegian FSA in its financial statements for the six months' period ending 30 June 2025, which corrections may have a material adverse impact on the Group's result for the six months' period ended 30 June 2024 and the Group's equity as of 30 June 2024. Furthermore, the Board will need to determine whether the Company's unaudited condensed consolidated interim financial report as of and for the six months' period ended 30 June 2024 should be reissued.

#### Consolidated Statement of Financial Position Data

In NOK thousand	Year ended		Six months ended	
	31 December <sup>1</sup>		30 June <sup>2</sup> (Unaudited)	
	2023	2022	2024	2023
Total assets .....	253,537	215,812	246,400	203,730
Total equity .....	115,606	138,306	108,948	109,228

1 The financial information for the year ended 31 December 2023 and 2022 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2023, prepared in accordance with IFRS, incorporated by reference in Section 14.3. Such financial statements are subject to an ongoing financial period review by the Norwegian FSA, and the Norwegian FSA has in a preliminary notification of decision dated 25 October 2024 stated that there, in the Norwegian FSA's view, are material errors in said financial statements. The Company has in a response to the Norwegian FSA acknowledged that there are certain errors in said financial

statements. Such errors will be corrected in the Group's financial statements for the financial year ending 31 December 2024 and will, in the Company's view, have the effect of reducing the Group's total equity as of 31 December 2023 by NOK 3.5 million. However, if the Norwegian FSA upholds its preliminary view, the Group must correct all the relevant errors identified by the Norwegian FSA in its financial statements for the financial year ending 31 December 2024, which corrections may have a material adverse impact on the Group's result for the financial year ended 31 December 2023 and the Group's equity as of 31 December 2023. Furthermore, the Board will need to determine whether the Company's audited consolidated financial statements for the year ended 31 December 2023 should be reissued.

- 2 The financial information for the six months' period ended 30 June 2024 and 2023 is extracted from the Company's unaudited condensed consolidated interim financial report as of and for the six months' periods ended 30 June 2024 (incorporated by reference in Section 14.3) including comparative interim financial information for the same periods in the prior financial year, which has been prepared in accordance with IAS 34. Such financial statements are subject to an ongoing financial period review by the Norwegian FSA, and the Norwegian FSA has in a preliminary notification of decision dated 25 October 2024 stated that there, in the Norwegian FSA's view, are material errors in said financial statements. The Company has in a response to the Norwegian FSA acknowledged that there are certain errors in said financial statements. Such errors will be corrected in the Group's financial statements for the six months' period ending 30 June 2025 and will, in the Company's view, have the effect of reducing the Group's total equity as of 30 June 2024 by NOK 1.9 million. However, if the Norwegian FSA upholds its preliminary view, the Group must correct all the relevant errors identified by the Norwegian FSA in its financial statements for the six months' period ending 30 June 2025, which corrections may have a material adverse impact on the Group's result for the six months' period ended 30 June 2024 and the Group's equity as of 30 June 2024. Furthermore, the Board will need to determine whether the Company's unaudited condensed consolidated interim financial report as of and for the six months' periods ended 30 June 2024 should be reissued.

## Consolidated Statement of Cash Flow Data

In NOK thousand

	Year ended		Six months ended	
	31 December <sup>1</sup>		30 June <sup>2</sup> (Unaudited)	
	2023	2022	2024	2023
Net cash flow from operating activities	(24,455)	(51,334)	(10,000)	(19,446)
Net cash flow from investing activities	(7,626)	(58,370)	860	(4,606)
Net cash flows from financing activities	31,740	120,940	(2,879)	8,564

1 The financial information for the year ended 31 December 2023 and 2022 is extracted from the Company's audited consolidated financial statements for the year ended 31 December 2023, prepared in accordance with IFRS, incorporated by reference in Section 14.3. Such financial statements are subject to an ongoing financial period review by the Norwegian FSA, and the Norwegian FSA has in a preliminary notification of decision dated 25 October 2024 stated that there, in the Norwegian FSA's view, are material errors in said financial statements. The relevant errors will not have any cash effect for the financial year ended 31 December 2023.

2 The financial information for the six months' period ended 30 June 2024 and 2023 is extracted from the Company's unaudited condensed consolidated interim financial report as of and for the six months' periods ended 30 June 2024 (incorporated by reference in Section 14.3) including comparative interim financial information for the same periods in the prior financial year, which has been prepared in accordance with IAS 34. Such financial statements are subject to an ongoing financial period review by the Norwegian FSA, and the Norwegian FSA has in a preliminary notification of decision dated 25 October 2024 stated that there, in the Norwegian FSA's view, are material errors in said financial statements. The relevant errors will not have any cash effect for the six months' period ended 30 June 2024.

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

- Material risk factors.....
- The Group does not have sufficient working capital for its present requirements for the twelve months following the date of this Prospectus, and will require additional funds to execute and complete its commercialisation and growth strategy and to service its debt and other payment obligations as they fall due. If the Group is not able to secure the required working capital, the Company expects that it may not be able to satisfy its liabilities as they fall due at the start of 2025. In such case, material uncertainty would exist as to whether the Company will be able to continue as a going concern, and there is a risk that the Company will have to enter into bankruptcy proceedings.
  - In connection with the ongoing financial review of the Company, the Norwegian FSA has provided its preliminary notice of decision, pursuant to which there, in the Norwegian FSA's view, are material errors in the Financial Statements and the H1 Financial Statements (as defined in Section 4.3.1 "Historical financial information"). Should the Norwegian NFSA uphold its preliminary assessment that there are material errors in the Financial Statements and/or H1 Financial Statements, the Company will be required to correct the errors in its annual financial statements for the financial year ending 31 December 2024 and publish certain additional information regarding such corrections through a stock exchange announcement. Furthermore, the Board will need to determine whether the Financial Statements and the H1 Financial Statements should be reissued. The Company has acknowledged that there are certain errors in the Financial Statements and the H1 Financial Statements. Such errors which will be corrected in the annual financial statements for the financial year ending 31 December 2024 and the interim financial statements for the six months' period ending 30 June 2025 and will, in the Company's view, have the effect of reducing the Company's consolidated profit for the financial year ended 31 December 2023 by NOK 3.5 million, and the Company's consolidated profit for the six months' period ended 30 June 2024 by NOK 1.9 million. Correspondingly, the Company's total equity as of 31

December 2023 and 30 June 2024 will, in the Company's view, be reduced by the same respective amounts, in total by NOK 5.4 million as of 30 June 2024.

- Due to the Group's challenging liquidity situation, there is a risk that the Group will not be able to pay its current or future debt obligations or other payment obligations when they fall due. If the Company is unable to pay ongoing obligations to its suppliers, this could lead to the termination of supplier agreements, which in turn could disrupt the Company's supply chain. In addition, the termination of supplier agreements could result in the Company having to find new suppliers, which could involve significant time and cost.
- Currently, the Group has Sippi® with supporting functions/products SippSense® and SippCoat®, Biim's wireless pocketable ultrasound device and the Unometer Portfolio, 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 position, 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 are highly competitive, and there is strong competition in developing and bringing new health care products to the market. 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 position, prospects and/or the Group's ability to continue as a going concern.
- If the Group does not obtain the prices or production costs it requires for its products, this could have a material adverse effect on the Group's profitability, and thus its business, liquidity, cash flow, financial position, 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, or any other products it develops going forward, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial position, 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.
- If the Group's distributing partners or sale partners 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 position, 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?

*Type, class and ISIN .....* All of the Shares are ordinary shares and have been created under the Norwegian Public Limited Companies Act. The existing Shares (including, for the avoidance of doubt the Tranche 1 Private Placement Shares), other than the Tranche 2 Private Placement Shares, are registered in book-entry form with the ES-OSL and have ISIN NO 0010865009. The Tranche 2 Private Placement Shares are issued on the separate and temporary ISIN NO 0013310128, but will be transferred to ISIN NO 0010865009 following the publication of this Prospectus, while the Conversion Shares, and the Offer Shares to be issued in connection with the Subsequent Offering, will be issued directly on the listed ISIN NO 0010865009. The Subscription Rights have ISIN NO 0013409185.

*Currency, par value and number of securities.....* As at the date of this Prospectus, the Company's registered share capital is NOK 63,878,153.04, divided into 245,685,204 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 (including, for the avoidance of doubt the Tranche 1 Private Placement Shares), other than the Tranche 2 Private Placement Shares, are traded on Euronext Expand. The Tranche 2 Private Placement Shares will, following publication of this Prospectus, be listed and tradable on Euronext Expand. It is expected that the listing of the Tranche 2 Private Placement Shares will occur on or about 20 November 2024, that the Offer Shares will be issued and listed on Euronext Expand following completion of the Subsequent Offering, and that the Conversion Shares will be issued and listed on Euronext Expand shortly thereafter. 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 currently has one major shareholder and will, if the Loan Conversion is completed, have two major shareholders, which also are represented at the Company's Board of Directors, 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 Subsequent Offering consists of an offer by the Company to issue up to 32,500,000 Offer Shares, each with a nominal value of NOK 0.26, at a Subscription Price of NOK 0.40 per Offer Share. The Subscription Price in the Subsequent Offering is equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in NOK 13,000,000 in gross proceeds to the Company. The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for new Shares in the Company at the same subscription price as in the Private Placement, thus limiting the dilution of their shareholding resulting from the Private Placement. Eligible Shareholders are shareholders of the Company as of closing of trading on 24 June 2024, as registered in the Company's shareholder register in the ES-OSL on 26 June 2024 (the Record Date) who (i) were not allocated shares in the Private Placement, and (ii) are not resident in a jurisdiction where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filling, registration or similar action. Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Each Eligible Shareholder will be granted 0.41850 Subscription Right for every existing share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right. Each whole Subscription Right will, subject to applicable securities laws, give the right to subscribe for and be allocated one (1) Offer Share in the Subsequent Offering. The Subscription Rights will be credited to and registered on each Eligible Shareholder's ES-OSL account on or about 19 November 2024, under the ISIN NO 0013409185. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable and will accordingly not be listed on any regulated

market place. Over-subscription will be permitted. Subscription without Subscription Rights will not be permitted.

**The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 4 December 2024 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 4 December 2024 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the Subscription Form attached hereto and that the receipt of Subscription Rights does not in itself constitute a subscription of Offer Shares. Shareholders holding their Shares, and thereby Subscription Rights, through financial intermediaries should contact their financial intermediary if it wants to exercise its Subscription Rights.** The payment date for the Offer Shares is expected to be on or about 10 December 2024, and delivery is expected to take place on or about 16 December 2024, through the facilities of ES-OSL.

*Timetable in the offering.....*

The timetable below provides certain indicative key dates for the Subsequent Offering:

Last day of trading in the Shares including Subscription Rights	24 June 2024
First day of trading in the Shares excluding Subscription Rights.....	25 June 2024
Record Date.....	26 June 2024
Subscription Period commences .....	20 November 2024 at 09:00 hours (CET)
Subscription Period ends .....	4 December 2024 at 16:30 hours (CET)
Allocation of the Offer Shares .....	Expected on or about 5 December 2024
Publication of the results of the Subsequent Offering.....	Expected on or about 5 December 2024
Distribution of allocation letters .....	Expected on or about 5 December 2024
Payment Date.....	Expected on or about 10 December 2024
Registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises.....	Expected on or about 13 December 2024
Delivery of the Offer Shares.....	Expected on or about 16 December 2024
Listing and commencement of trading in the Offer Shares on Euronext Expand.....	Expected on or about 16 December 2024

*Admission to trading .....*

The Tranche 1 Private Placement Shares have already been listed and are tradeable on Euronext Expand. The Tranche 2 Private Placement Shares are issued on the separate and temporary ISIN NO 0013310128, but will be transferred to the listed ISIN NO 0010865009 in connection with the publication of this Prospectus, while the Conversion Shares, and the Offer Shares to be issued in connection with the Subsequent Offering, will be issued directly on the listed ISIN NO 0010865009. The Tranche 2 Private Placement Shares will be listed on Euronext Expand shortly after publication of this Prospectus. The Offer Shares and the Conversion Shares will be listed on Euronext Expand as soon as the relevant share capital increases have been registered with the Norwegian Register of Business Enterprises and the relevant Shares have been registered in the ES-OSL. This is expected to take place on or about 16 December 2024 for the Offer shares and on or about 18 December 2024 for the Conversion Shares.

*Distribution plan.....*

Allocation of the Offer Shares will take place on or about 5 December 2024 in accordance with the following criteria:

- a) Allocation of Offer Shares to Eligible Shareholders will be made on the basis of granted subscription rights which have been validly exercised during the subscription period. Each subscription right gives the Eligible Shareholder the right to subscribe for and be allocated one (1) Offer Share.
- b) If not all Subscription Rights have been validly exercised during the Subscription Period, Eligible Shareholders who have used their Subscription Rights and who have over-subscribed for Offer Shares will be allocated the remaining Offer Shares on a pro rata basis based on the number of Subscription Rights exercised by each of them. In the event that pro rata allocation

is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by drawing of lots.

No fractional Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not validly made or covered by 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 Private Placement Shares and the Offer Shares, assuming that existing shareholders do not subscribe for Private Placement Shares and Offer Share and that all the Offer Shares are issued, not taking into account the issue of the Conversion Shares.

	<b>Prior to the Private Placement and the Subsequent Offering</b>	<b>Subsequent to the Private Placement</b>	<b>Subsequent to the Private Placement and the Subsequent Offering</b>
Number of Shares each with a par value of NOK 0.26.....	190,685,204	245,685,204	278,185,204
% dilution.....	-	22.39%	31.45%

*Total expenses of the issue/offer*..... The Company will bear the costs, fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 2,000,000 assuming that all Offer Shares are issued. No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Subsequent Offering.

**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 the listing of the Tranche 2 Private Placement Shares and the Conversion Shares on Euronext Expand and to facilitate for the offering of the Offer Shares and subsequent listing of any Offer Shares issued as part of the Subsequent Offering. The Tranche 1 Private Placement Shares have already been listed and are tradeable on Euronext Expand. The purpose of the Subsequent Offering is to enable the Eligible Shareholders to subscribe for Shares in the Company at the same price as in the Private Placement and to reduce the dilutive effect of the Private Placement on their shareholding.

*Use of proceeds*.....

The net proceeds from the Private Placement were used to finance the Company's further growth, including the Company's working capital needs in relation to continuous product development and ramp-up of production and sales activities. The net proceeds from the Subsequent Offering will be used for general corporate purposes, including the same purposes that the net proceeds from the Private Placement were used towards.

*Underwriting*.....

Not applicable. There is no underwriting in the Subsequent Offering.

*Conflicts of interest*.....

There are no material conflicts of interest pertaining to the listing of the Private Placement Shares or the Conversion Shares, or the offering and listing of the Offer Shares. 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 Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible 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 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 Subsequent Offering. 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 received a fee in connection with the Private Placement and will receive a fee in connection with the Subsequent Offering, and, as such, had an interest in the Private Placement and will have an interest in the Subsequent Offering. Beyond the abovementioned, the Company is not aware of any interest, including conflicting ones, of natural and legal persons involved in the Subsequent Offering. Navamedic ASA<sup>1</sup> ("**Navamedic**"), towards whom the Loan Conversion is directed, is a shareholder of the Company and a material business associate of the Group.

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<sup>1</sup> Prior to the demerger (see Section 6.2.2 "The Demerger establishing the Group"), the Group was a part of the Navamedic group.

## 2 RISK FACTORS

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

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

### 2.1 Financial and market risk

***The Group faces risk related to its ability to continue to operate as a going concern and will require additional capital to be able to continue its operations within the planned scale.***

Although the Company has raised NOK 22 million in gross proceeds from the Private Placement, which has been used to finance the Company's working capital needs in relation to continuous product development and ramp-up of production and sales activities, the Group will require additional capital to continue its operations within the planned scale. As described in Section 7.4 "Working capital statement", the Company does not have sufficient working capital for its present requirements for the twelve months following the date of this Prospectus. Furthermore, as stated in the Board of Director's report, the Financial Statements, and the auditor's report for the financial year ended 31 December 2023, there is 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.

The Group is currently in an early phase of the commercialisation and development process for its products, and will require additional funds to execute and complete its commercialisation and growth strategy and to service its debt and other payment obligations as they fall due. The requirement for additional funds has been significantly increased since the entry into the Convatec ATA and the Convatec License Agreement. The Group has remaining payment obligations to the Sellers in the Convatec Transaction of (i) USD 500,000 payable on 28 December 2024 (deferred from 28 June 2024), (ii) USD 1,000,000 payable by 30 December 2024 (with an option for the Group to defer the payment for six months), and (iii) USD 2,395,000 payable at the Completion of the Convatec ATA and no later than 1 September 2025, and needs to secure funding for such obligations.

Furthermore, the Company will require additional funds to service its debt. The Company has entered into two subordinated loan agreements with Navamedic for loans with an aggregate outstanding amount of NOK 52,900,000 (including interest) at the date of this Prospectus (the "**Navamedic Loans**"). The Navamedic Loans currently fall due for payment on 31 January 2025. However, the Company has on 15 November 2024 entered into a conditional addendum agreement with respect to the Navamedic Loans (the "**Addendum Agreement**"). Pursuant to the Addendum Agreement, Navamedic will through the Loan Conversion convert NOK 16,354,815.20 of Navamedic Loan I (as defined below) to Shares in the Company (the Conversion Shares), at a subscription price of NOK 0.40 per Conversion Share, conditional upon the Subsequent Offering being completed with gross proceeds of minimum NOK 1,500,000 (the "**Condition**"). Furthermore, the final maturity dates of the Navamedic Loans will, subject to satisfaction of the Condition, be postponed to 31 December 2027, and a new amortization schedule will be applied for Navamedic Loan I, as further described in Section 9.6.2.1 "The Navamedic Loans".

In addition, the Group has one additional outstanding loan as described in Section 9.6.2 "Loan agreements".



The Company intends to secure the working capital required for its planned scale of operations for the twelve months after the date of this Prospectus through (i) deferment of three instalments related to the Convatec Transaction until December 2025, (ii) the agreed conditional Loan Conversion and deferment of the repayment dates in the two Navamedic Loans, (iii) the Subsequent Offering and (iv) pursuing additional financing options, such as securing short-term loans, attracting new investors, or negotiating extended credit terms with suppliers, all as further described in Section 7.4 "Working capital statement".

Deferment of the instalments related to the Convatec Transaction will require an agreement between the relevant parties, and there is a risk that the Group will not be able to enter into such agreement. The Loan Conversion and the deferment of the repayment dates for the Navamedic Loans as agreed in the Addendum Agreement is conditional upon the Subsequent Offering being completed with gross proceeds of minimum NOK 1,500,000. As the Subsequent Offering is not underwritten, it is not certain that the Company will receive net proceeds from the Subsequent Offering of a certain amount or any proceeds at all. Furthermore, additional financing options may not be available to the Group at acceptable terms or at all. If the Group raises additional funds by issuing additional equity securities, the existing shareholders may be significantly diluted.

If the Group is not able to secure the required working capital through the measures described above, the Company expects that it may not be able to satisfy its liabilities as they fall at the start of 2025. In such case, material uncertainty would exist as to whether the Company will be able to continue as a going concern, and there is a risk that the Company will have to enter into bankruptcy proceedings.

#### ***Risks related to the ongoing period financial statement review by the Norwegian FSA of the Financial Statements and the H1 Financial Statements***

On 3 September 2024, the Company received a letter from the Norwegian FSA requesting information regarding certain matters in the Company's Financial Statements and the H1 Financial Statements in connection with a financial statement review initiated by the Norwegian FSA (the "**Financial Review**"). The Company responded to the requests within the set deadlines.

On 25 October 2024, the Norwegian FSA provided a preliminary notice of decision to the Company (the "**Preliminary Notice of Decision**"), setting out its preliminary findings in the Financial Review and asking for the Company's feedback to such findings. On 18 November 2024, the Company provided its response to the Norwegian FSA.

The Norwegian FSA's assessment, as outlined in the Preliminary Notice of Decision, is that there are material errors in the Financial Statements related to, inter alia, (i) the Company's accounting with regards to the Convatec Transaction, (ii) insufficient impairment testing, and (iii) incorrect accounting in connection with debt renegotiations with Navamedic. The Norwegian FSA has also pointed out material errors related to the H1 Financial Statements, including that (i) disclosure regarding "material uncertainties related to going concern" has not been included, (ii) impairment testing has not been conducted, and (iii) information has not been provided regarding payment status and changes in due dates for payment instalments related to the Convatec Transaction. The Norwegian FSA is of the view that that the errors in the Financial Statements and the H1 Financial statements are material, indicate that the Group's financial information has not been subject to sufficient quality control and have the effect of obscuring material matters for the users of the financial reporting. In particular, the Norwegian FSA has emphasised that the Company has not conducted an annual impairment test as required by IAS 36 "Impairment of Assets" for cash-generating units ("**CGUs**") with goodwill and intangible assets, which together account for approximately 86% (approximately NOK 220 million) of total balance sheet assets. For one of the CGUs (Biim), an updated impairment test as of 31 December 2023, would, in the Norwegian FSA's assessment, at a minimum, have resulted in a full write-down of all recorded goodwill (NOK 67.6 million) related to the CGU (Biim).

The Company has in its response to the Norwegian FSA acknowledged that certain errors have been made in the Financial Statements and the H1 Financial Statements, and that certain additional information should have been provided in said financial statements. The relevant errors will be corrected in the Group's financial statements for the financial year ending 31 December 2024 and in the interim financial statements for the six months period ending 30 June 2025, and will, in the Company's view, have the effect of reducing the Company's consolidated profit for the financial year ended 31 December 2023 by NOK 3.5 million, and the Company's consolidated profit for the six months' period ended 30 June 2024 by NOK 1.9 million. Correspondingly, the Company's total equity as of 31 December 2023 and 30 June 2024 will, in the Company's view, be reduced by the same respective amounts, in total by NOK 5.4 million as of 30 June 2024.

See Section 4.3.2 "The Financial Review" for further information regarding the Financial Review and a more detailed description of the Preliminary Notice of Decision and the Company's response to the Preliminary Notice of Decision.

Should the Norwegian NFSA uphold its preliminary assessment in the Preliminary Notice of Decision, the Company will be required to correct all the errors identified by the Norwegian FSA in its annual financial statements for the financial year ending 31 December 2024 and publish certain additional information regarding such corrections through a stock exchange announcement. Furthermore, the Board will in such case need to determine whether the Financial Statements and/or the H1 Financial Statements should be reissued. Correction of all the matters which the Norwegian FSA considers to be incorrect, would have a material adverse effect on the Group's equity as of the relevant balance sheet dates (31 December 2023 and 30 June 2024) and the Group's results for the financial year ended 31 December 2023 and the six months period ended 30 June 2024, compared the equity and results presented in the Financial Statements and the H1 Financial Statements. Any failure to ensure compliance with accounting standards or other reporting requirements may also result in reduced confidence of the Group's stakeholders, including its current and potential investors, which can have a negative impact on the Group's reputation and ability to access the capital markets. This may have a material adverse effect on the Group's results of operations, cash flows, liquidity, financial conditions and prospects.

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

Even if the Group should be able to obtain the required working capital for its present requirements for the twelve months following the date of this Prospectus, the Company still expects to experience liquidity challenges going forward due to the early phase of its commercialization. Since the Shares were listed on Euronext Expand on 4 November 2019, the Group's principal sources of liquidity have been cash from equity and borrowing agreements, and additional revenues and/or equity or debt financing will be required going forward to execute and complete the Group's commercialisation and growth strategy, to meet the Group's obligations, including the payment obligations under the Group's loan agreements (as further described in Section 9.6.2 "Loan agreements"), the payment obligations in the Convatec Transaction and other commitments, and to fund its other business needs. See the risk factor below titled "There is a risk that the Group will not be able to pay its debt and other payment obligations when due" for a description of the risk related to the Group's ability to service its debt and other payment obligations.

The Group will be heavily dependent on increased revenues from sale of its products, and in particular the products within the Unometer Portfolio. The Group is still 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. Furthermore, Fresenius Medical Care Holding Inc ("**Fresenius**") is currently Biim's only customer for its ultrasound probe. Fresenius is a major player within dialysis clinics both in the United States and in Europe, and is also a supplier of equipment to both its own and other dialysis clinics globally. Currently, Fresenius is conducting a case study and building a business case for its internal investment decision, the results of which will determine whether it wishes to invest any further in Biim by purchasing additional ultrasound probes. If the outcome of this case study is unfavorable, Fresenius may decide not to purchase any additional ultrasound probes. If this risk materialises and/or the Group fails to find other customers for the ultrasound probe, Biim may enter into bankruptcy proceedings. A bankruptcy of Biim would have material negative implications for the Group's equity.

Furthermore, as the Group will be dependent on additional equity or debt financing, there is a risk that adequate financing may not be available to the Group at all, or 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, the Group may need to prioritise certain parts of its product portfolio. For example, after the rights issue carried out by the Company in November 2023 (the "**2023 Rights Issue**"), the Company chose to focus its use of proceeds on the Unometer Portfolio and Sippi®, as the net proceeds from the 2023 Rights Issue were insufficient to satisfy the working capital needs for the Biim ultrasound probe (as also announced by the Company in a stock exchange announcement on 18 January 2024). Furthermore, the Group may be unable to fund the commercialization of its products and, as a result, lose business opportunities and fail to respond to competitive pressures in the market, or be forced to temporarily or permanently lay off employees. As an example, a temporary layoff of four employees was resolved in August 2023 and the Group has also given notices of resignation to nine employees as part of its cost reduction measures.

If the Group is not able to secure revenues from sale of the Group's products or secure required additional financing, this could have a material adverse effect on the Group's liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern, and there is a risk that the Company or its subsidiaries will have to enter into bankruptcy proceedings.

***There is a risk that the Group will not be able to pay its debt and other payment obligations when due.***

Due to the Group's challenging liquidity situation, there is a risk that the Group will not be able to pay its current or future debt obligations or other payment obligations when they fall due. For example, there is an imminent risk that the Group will not be able to pay all invoices from its suppliers when due.

The Company has entered into two subordinated loan agreements with Navamedic for loans with an aggregate outstanding amount of NOK 54,100,000 (including interest) at the date of this Prospectus (the Navamedic Loans). Both loans fall due for payment on 31 January 2025. The first loan agreement, entered into on 27 September 2019, has an outstanding principal amount of NOK 32,000,000 ("**Navamedic Loan I**"). In addition, interest of approximately NOK 16,000,000 has accrued and is unpaid as at the date of this Prospectus. The second loan agreement, entered into on 6 September 2023, has an outstanding principal amount of NOK 5,000,000 ("**Navamedic Loan II**"). In addition, interest of approximately NOK 1,100,000 has accrued and it unpaid as at the date of this Prospectus. The interest rate under the Navamedic Loans is 3 months NIBOR + 6 percent per annum. As stated in the risk factor above titled "The Group faces risk related to its ability to continue to operate as a going concern and will require additional capital to be able to continue its operations within the planned scale" and in Section 7.4 "Working capital statement", the Company does currently not have sufficient working capital to repay the Navamedic Loans upon maturity (31 January 2025).

On 15 November 2024, the Company and Navamedic entered into the conditional Addendum Agreement with respect to the Navamedic Loans. Pursuant to the Addendum Agreement, Navamedic will through the Loan Conversion convert NOK 16,354,815.20 of Navamedic Loan I to Shares in the Company (the Conversion Shares), at a subscription price of NOK 0.40 per Conversion Share, conditional upon the Subsequent Offering being completed with gross proceeds of minimum NOK 1,500,000 (the Condition). Furthermore, the final maturity dates of the Navamedic Loans will, subject to satisfaction of the Condition, be postponed to 31 December 2027, and a new amortization schedule will be applied for Navamedic Loan I, as further described in Section 9.6.2.1 "The Navamedic Loans". If the Condition is not satisfied, the Loan Conversion and the other agreed changes to the Navamedic Loans will not be implemented. Furthermore, even if the Loan Conversion and the other changes are implemented, there remains a risk that the Company may not be able to pay the outstanding amounts under the Navamedic Loans upon maturity, or to make required interest payments, if the Group's financial situation does not improve.

In addition to the above, the Group has a "start-up funding" loan from Business Finland of approximately EUR 400,000 including accrued interest. The Group may also incur additional indebtedness in the future, including in the near term future.

In September, October and November 2023, the Company, OMI and Biim entered into separate agreements with 28 of its suppliers, where the suppliers 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. Certain payments were made to the suppliers following completion of the 2023 Rights Issue or within the agreed due date at the end of September 2024, while the remaining payments have been further postponed until April and September 2025. The Group is still negotiating to secure postponement of the remaining payment obligations amounting to approximately NOK 1,000,000. See Section 6.19 "Significant change" for more information. The arrangements with the suppliers relate to a postponement of already accrued liabilities, while ongoing and future deliveries of goods and services 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 mentioned deferred arrangements, will fall due immediately, and that the Group, in such event, will not be positioned to pay such amounts within the relevant due date. 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, 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 on acceptable terms and conditions or at all.

The Group intends to use parts of the proceeds from the Private Placement and the Subsequent Offering (if any) for purposes of meeting its upcoming payment requirements to suppliers, as this is required in order to facilitate the ramp-up of its production, but it may nevertheless need additional payment deferrals in the future which might not be accepted by the suppliers. There is therefore a risk that the Group will not have available adequate sources of additional funds when its payments become due, which could result in the Company having to raise additional capital (whether equity or debt, which may or may not be available on reasonable terms or at all), or ultimately result in bankruptcy proceedings.

Any non-acceptance to defer payment by the suppliers, if needed, or the Company being unable to pay ongoing obligations to its suppliers, could also 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 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.

If any of the above risks were to materialise, this could have a material adverse effect on the Group's liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern, and there is a risk that the Company will have to enter into bankruptcy proceedings.

***The Group's existing or future debt arrangements could limit the Group's liquidity and flexibility in connection with business opportunities or corporate activities***

The Group's existing and future level of debt could have important consequences for the Group, including the following:

- The Group may not be able to pay its debt as it falls due;
- The Group's ability to obtain additional funding 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 pressure, 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 debt will depend upon, among other things, its 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 implement any of these remedies on satisfactory terms, or at all. If any such risk materialise, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern, and there 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 United States, administration in Norway, expected sales to the Nordic region, and the rest of Europe and the United States, 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. Exchange rate fluctuations could have a significant adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern.

**2.2 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. The Group has two proprietary and patented products with up to 65 unique patents. Sippi®, with supporting functions/products SippSense® and SippCoat®, is the Company's digital and automated urine measurement system for urine monitoring and biofilm control, and Biim is the Company's wireless pocketable ultrasound device owned by Biim. In addition, the Group has obtained 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 of the Convatec ATA. From the Unometer Portfolio, the Unometer™ 500 has recently been relaunched into the market by the Group. Furthermore, following signing of a Declaration of Conformity on 12 November 2024, the Group will be able to accept and receive orders for Safeti Plus™.

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 products that the Group currently offers. Low sales of these products will have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern without raising additional financing either through additional equity 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 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. Although the Group is currently not aware of any new competing products being introduced or developed, there is a possibility that other companies develop competing products that achieve the same results as the Group's products 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 is unable to remain competitive, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern.

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

The urine measurement and ultrasound market is a mature market dominated by several 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. 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. As described in the risk factor titled "The Group will require increased revenues and additional financing in order to meet its obligations" above, Biim currently only has one customer, Fresenius, for its ultrasound probe. Fresenius is currently conducting a pilot study to evaluate the benefits of using ultrasound in its dialysis clinics. The study's findings may influence an internal investment decision by Fresenius regarding the purchase of Biim's devices for widespread use in its clinics. The Group must also 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 it requires for its products, this could have a material adverse effect on the Group's profitability, and thus its business, liquidity, cash flow, financial position, prospects and/or its 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's 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 is a 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 faces 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 prevent, or cause significant delays, in the Group's ability to deliver products and hence generate sales.

As described in the risk factor titled "The Group will require increased revenues and additional financing in order to meet its obligations" above, Biim currently only has one customer (Fresenius) for its ultrasound probe. Future sales of this product will be highly dependent on whether such customer is satisfied with its pilot study currently being conducted and deciding to buy additional products. There is a risk that Fresenius will not move forward with Biim after the pilot study. There is also 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 in the relevant markets. The Group has not assumed any rights or obligations under any of the previous agreements entered into with customers of Convatec. 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 related to the Unometer Portfolio, Sippi® or Biim, or any other products it develops going forward, this could have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial position, 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.

***The Group faces risks related to its distributing partners and sale partners.***

The Group has no employed sales organisation. The Group's sales activity strategy is that all sales are handled through distributors and sale 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 distributors' ability to perform and operate in their respective territories. Furthermore, there is a risk that these companies go out of business or choose to not pursue sales of the Group's products, which could lead to delays in the commercialisation.

If the Group's distributing partners or sale partners 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 position, 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 suppliers. 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 this technology by ensuring registration of patents on the technology. However, no patents have been registered related to the Unometer Portfolio, and the Group has not assessed whether it will seek to register any such patents following Completion of the Convatec ATA, or whether such registration is at all possible. Lack of patent protection exposes the Group to the risk that competitors may seek to replicate the products sold by the Group. 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 fails to successfully protect its intellectual property rights for any reason, or if any third party misappropriates, dilutes or infringes its intellectual property, the value of its brands may be harmed. This could have a material adverse effect on the business, revenues, profitability, liquidity, cash flows, financial position, 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.***

The Group operates in the urine measurement field where almost all of the offered products are analogue systems, 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 the 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 have malfunctions that need 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 position, 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. The Group may not be able to obtain or maintain such permits/approvals, or fulfil applicable requirements 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 the United States Food and Drug Administration ("FDA") approval in the United States in 2018, but at the date of this Prospectus, the Biim device is not CE (Communauté Européenne) approved in Europe. The Biim device is currently only offered in the United States to one customer (Fresenius), and will not be offered in Europe before the Group potentially decides to initiate a process to get the device CE (Communauté Européenne) approved. The Group estimates that obtaining CE (Communauté Européenne) approval will take approximately 6-9 months and will be a relatively straightforward process, as Biim is based on well-known technology (ultrasound), and as such, the Group will likely not be required to conduct clinical studies of the product as part of the process. 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 position, 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 EU General Data Protection Regulation ("**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 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 position, 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 position, 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 applicable to the Group, e.g. demand of PVC free urine collection systems, 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 position, 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 position, 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.***

An instalment of the purchase price under the Convatec ATA was financed by the Company's use of proceeds from the 2023 Rights Issue. The Group is, however, still dependent on considerable adequate funding to be able to finance the aggregate purchase price to complete the Convatec ATA as there are three payment instalments under this agreement outstanding for year-end 2024 and in the early fall of 2025. If the Group is not able to secure the required funding as further described in Section Section 7.4 "Working capital statement", 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 have 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 any results. Payments already made by the Company of the purchase price under the Convatec ATA are non-refundable even if the closing of the transaction does not take place. Further, a termination will also have an effect on the Group's assumed revenue related to the sale of the Unometer Portfolio, as it no longer will have the rights to the Unometer Portfolio assumed in connection with the Convatec ATA. As a result, 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 through sale of products in the Unometer Portfolio, as the non-completion of the transaction will lead to termination of the Convatec License Agreement. Such termination may result in a substantial loss for the Group, as it no longer would be able to utilise the intellectual property rights relating to the Unometer Portfolio and thus not be able to deliver on agreements entered into or sell Unometer™ products. As a further consequence of any such risk materialising, the Group could receive claims from its customers (based on the ongoing commitments made by the Group under customer agreements, which normally have 2-3 year terms) and be liable for damages due to non-fulfilment of any contractual commitments related to the sale of 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 through the Convatec ATA. 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. Although certain new customer orders have been secured, there is a risk that distributors and customers have replaced the Unometer Portfolio products with other competitive products since the products have not been available in the market for some time. As a result, the Group may be precluded as a distributor for the Unometer Portfolio. Failure to enter into agreements on beneficial terms or at all may have a material adverse effect on the Group's business, revenues, profitability, liquidity, cash flow, financial position, prospects and/or the Group's ability to continue as a going concern.

***The Group faces risk related to new supplier agreements for the production of the Unometer Portfolio.***

OMAS has entered into new supplier agreements for production of the Unometer Portfolio. The Unometer Portfolio has secured orders from more than 20 countries, and is currently expanding within Europe, as well as the Asian market with sales in Thailand and Vietnam. There is, however, a risk that when the production is scaled up, the suppliers 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 Private Placement and the Subsequent Offering**

***The Company currently has one major shareholder, and may have two major shareholders if the Loan Conversion is completed and their interests may conflict with those of the Company's other shareholders.***

Following the completion of the Private Placement, Ingerø Reiten Investment Company AS ("IRIC") holds in total approximately 17.51% of the Shares. Although the Subsequent Offering, if fully subscribed, will result in a dilution of approximately 11.68% for IRIC, IRIC will still have significant voting powers in the Company. Further, IRIC is represented on the Board of Directors by the chairperson (who also is a partner in the Norwegian investment firm Reiten & Co). Navamedic will hold in total approximately 15.7% of the Shares if the Loan Conversion is completed (and disregarding any shares issued in the Subsequent Offering). Navamedic is represented on the Board of Directors by board member Kathrine Gamborg Andreassen (who is the CEO of Navamedic). As major shareholders, IRIC and Navamedic (if relevant) will have the ability to significantly influence the outcome of matters submitted for the vote by the Company's shareholders, including election of members to the Board of Directors. The commercial goals of IRIC and Navamedic as 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 a major shareholder who wish to significantly reduce its shareholding in the Company could affect the market price of the Shares and make it more difficult for other shareholders to sell their Shares at a time and price deemed appropriate.

**Existing shareholders who do not participate in the Subsequent Offering may experience a significant dilution of their shareholding.**

To the extent that an existing shareholder does not exercise its Subscription Rights prior to the expiry of the Subscription Period, whether by choice or due to a failure to comply with the procedures, or to the extent that an existing shareholder is not permitted to subscribe for Offer Shares, such existing shareholder's proportionate ownership and voting interests in the Company after the completion of the Subsequent Offering will be diluted significantly. Furthermore, existing shareholders will experience a significant dilution of their shareholding if the Loan Conversion is completed. Please refer to Section 12.5 "Dilution" for more information about the dilutive effect of the Subsequent Offering and the Loan Conversion.

***There is a risk that participation in the Subsequent Offering by Eligible Shareholders will result in loss of investment.***

A subscription of Offer Shares in the Subsequent Offering 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 ES-OSL online subscription system, upon registration of the subscription. The Group has been in a challenging liquidity situation for an extended period, which has been communicated to the market on multiple occasions. This includes the disclosure in connection with the 2023 Rights Issue, where the Company entered into agreements with several suppliers to defer payment obligations and in September 2023, when the Company had to secure loans from major shareholders to finance the first payment instalment under the Convatec ATA and sustain ongoing business operations. During the period from the beginning of 2024 until the date of this Prospectus, the Shares have traded above and below the Subscription Price of NOK 0.40. Since 21 October 2024, the Shares have traded below the Subscription Price of NOK 0.40. The Offer Shares will not be delivered to the investor immediately following subscription, meaning that there is a risk that the trading price for the Shares will decrease in the period from the investor's subscription of Offer Shares until delivery of the Offer Shares. If the Shares trade below the Subscription Price, such will result in a loss of investment in the Offer Shares for the investor.

***Future issuances of shares or other securities could dilute the holdings of existing shareholders and could materially affect the price of the shares***

The Company may need to offer additional Shares or other equity-based securities in order to cover its working capital needs and meet its financial obligations as further described above and may also choose to do so for any other purpose which requires additional funding of the Group. Additionally, the Company has issued convertible debt instruments (see Section 9.6.2.1 "The Navamedic Loans" for more information) granting Navamedic the right to (i) at any time convert Navamedic Loan I to Shares, (ii) convert Navamedic Loan II to Shares in connection with capital raises in the Company (including the Subsequent Offering). A conditional partial conversion of Navamedic Loan I has already been agreed through the Addendum Agreement. The Company's other shareholders do not have pre-emptive rights to participate in any such conversion. Consequently, if such conversion takes place, the shareholding and voting interests of other shareholders may be significantly diluted, and the market price of the Shares could be materially and adversely affected.

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

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.

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.

### **3 RESPONSIBILITY FOR THE PROSPECTUS**

This Prospectus has been prepared in connection with (i) the listing of the Tranche 2 Private Placement Shares and the Conversion Shares on Euronext Expand and (ii) the Subsequent Offering including, for the avoidance of doubt, the listing of Offer Shares to be issued in the Subsequent Offering on Euronext Expand following completion of the Subsequent Offering. The Tranche 1 Private Placement Shares have already been listed and are tradeable on 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.

19 November 2024

#### **The Board of Directors of Observe Medical ASA**

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Terje Bakken  
*Chairman*

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Kathrine Gamborg Andreassen  
*Board Member*

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Line Tønnessen  
*Board Member*

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Eskild Endrerud  
*Board Member*

## 4 GENERAL INFORMATION

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

This Prospectus has been prepared in connection with (i) the listing of the Tranche 2 Private Placement Shares and the Conversion Shares on Euronext Expand and (ii) the Subsequent Offering including, for the avoidance of doubt, the listing of Offer Shares to be issued in the Subsequent Offering on Euronext Expand following completion of the Subsequent Offering. The Tranche 1 Private Placement Shares have already been listed and are tradeable on Euronext Expand.

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 19 November 2024. 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 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 regarding the legality of an investment in the Offer Shares. Each investor should make their own assessment as to the suitability of investing in the 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 2023, including comparative consolidated financial statements for the same period in the prior financial year (the "**Financial Statements**") and the Company's unaudited condensed consolidated interim financial statement as of and for the six months' period ended 30 June 2024, including comparative interim financial statement for the same period in the prior financial year (the "**H1 Financial Statements**") and together with the Financial Statements, the "**Financial Information**") have been incorporated by reference hereto, see Section 14.3 "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 Statements have 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 14.3 "Incorporated by reference"). The auditor report on the Financial Statement for the full year ended 31 December 2023 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 Statements have not been audited or reviewed by EY.

The financial information presented in the capitalization and indebtedness tables in Section 7 "Capitalisation and Indebtedness" is derived from the Company's internal management accounts as of and for the three months' period ended 30 September 2024. These management accounts are unaudited and prepared in accordance with the Company's internal reporting practices.

EY has not audited, reviewed or produced any report on any other information provided in this Prospectus.

#### 4.3.2 *The Financial Review*

On 3 September 2024, the Company received a letter from the Norwegian FSA requesting additional information regarding certain matters in the Financial Statements and the H1 Financial Statements (the Financial Review). The Norwegian FSA provided the Preliminary Notice of Decision on 25 October 2024.

##### 4.3.2.1 The Norwegian FSA's assessments in the Preliminary Notice of Decision

The Norwegian FSA's assessment with regards to the Financial Statements is in the Preliminary Notice of Decision summarized as follows:

- (i) The Company's accounting in connection with the Convatec Transaction: The Norwegian FSA is of the view that the Company's accounting in connection with the Convatec Transaction is materially incorrect. In relation to the accounting of the Convatec Transaction, errors have been made concerning the main rules in IAS 38 "*Intangible Assets*" regarding the following aspects: a) start-up costs related to the relocation and initiation of new production, which should have been expensed, have been incorrectly capitalized, b) the group of acquired assets and seller credit from the Sellers has been incorrectly recognized at nominal, undiscounted value, c) other intangible assets in the form of the free two-year license agreement (the Convatec License Agreement) and acquired lists of distributors/customers have not been correctly identified and allocated a relative share of the fair value of the consideration, d) the Company's depreciation and additional disclosures regarding this are materially incorrect, as nearly the entire consideration of the Company has been allocated to intangible assets with indefinite lives, rather than the aforementioned lists and the Convatec License Agreement, which will be depreciated over a relatively short period. In the balance sheet, the effect of correcting the aforementioned errors results in a materially lower value of intangible assets and liabilities. In the Financial Statements, the error related to start-up costs alone is considered to result in a materially overstated profit for the period. Furthermore, the Company's interest expenses and depreciation for both 2023 and the first half of 2024 are materially understated, resulting in a materially overstated profit for the period.
- (ii) Lack of annual impairment test: The Norwegian FSA is of the view that the Company has not conducted an annual impairment test as required by IAS 36 "*Impairment of Assets*" for CGUs with goodwill and intangible assets, which together account for approximately 86% (approximately NOK 220 million) of total balance sheet assets. For one of the CGUs (Biim), this means that since the acquisition in early 2022, no impairment test has been performed. This is despite a material decline in realized revenues in 2023 compared to original expectations and management's updated forecast of zero revenues for 2024 due to the Company's communicated plan that further product development and promotional activities related to Biim would not be prioritized in the Company's strained financial situation. The Norwegian FSA explains that the Company's notes in the Financial Statements regarding the impairment test of these assets were based on an impairment test as of 31 December 2022. By incorrectly stating that the testing was performed with the entire Company as a single CGU and providing a single set of assumptions and sensitivity to changes in these assumptions, the Norwegian FSA considers that significant information was obscured for users of the Financial Statements. Based on the Company's impairment test as of 2022, adjusted for errors in accordance with the rules in

IAS 36 and the Management's updated expectations reflected in board meeting minutes, an updated impairment test as of 31 December 2023, would, in the Norwegian FSA's assessment, at a minimum, have resulted in a full write-down of all recorded goodwill (NOK 67.6 million) related to the CGU (Biim).

- (iii) The Company's accounting in connection with the renegotiation in 2023 of the Navamedic Loans: The Norwegian FSA is of the view that the Company's accounting for the renegotiation in 2023 of the Navamedic Loans, the Company's most material long-term debt obligation, has not been done in accordance with IFRS 9 Financial Instruments. This renegotiation, which includes a change from a fixed interest rate to a higher floating interest rate, has not been disclosed in the Financial Statements, and the loss from the change has not been recognised.

The Norwegian FSA's assessment with regards to the H1 Financial Statements is in the Preliminary Notice of Decision summarized as follows:

- (iv) No information about material uncertainty related to the going concern assumption: The Norwegian FSA is of the view that there was still material uncertainty related to the going concern assumption, but the requirements in IAS 1 "Presentation of Financial Statements" and IAS 34 "Interim Financial Reporting" to include such information in the H1 Financial Statements were not complied with.
- (v) Lack of impairment test conducted on the balance sheet date of 30 June 2024: The Norwegian FSA is of the view that, in the first half of 2024, there were indications of impairment for CGU's with goodwill, but despite the requirements in IAS 36 and IAS 34, no impairment test was conducted on the balance sheet date of 30 June 2024.
- (vi) Missing information related to payment status and changed due dates: The Norwegian FSA is of the view that relevant information regarding payment status and changed due dates was not provided in accordance with the requirements in IFRS 7 "Financial Instruments – Disclosures", including for two of the installment payments related to the Convatec Transaction, which were material for users' understanding of the Company's financial position and ability to generate future earnings.

#### 4.3.2.2 The Company's response to the Preliminary Notice of Decision

The Norwegian FSA set a deadline of 18 November 2024 for the Company to respond to its assessment before the Norwegian FSA will provide a final decision in connection with the Financial Review. The Company has reviewed the Norwegian FSA's findings and provided its response to the Norwegian FSA within the deadline.

The Company's response to the Norwegian FSA's assessment related to the Financial Statements (in the Preliminary Notice of Decision) can be summarized as follows (with references to the numbering in the summary in Section 4.3.2.1 "The Norwegian FSA's assessments in the Preliminary Notice of Decision"):

- (i) The Company's accounting in connection with the Convatec Transaction:
- To item (i) a): According to the Preliminary Notice of Decision, capitalized expenses of NOK 4.5 million should have been expensed as operational expenses as the Norwegian FSA considers this to be startup costs. The Company's assessment is that these expenses are to be regarded as development costs under IAS 38, and that NOK 2.8 million have correctly been capitalized. This is because the Company incurred expenses related to the development of UnoMeter™500 and obtaining the required regulatory approval, and the capitalized expenses were assessed to be in accordance with the capitalization requirements of IAS 38. After performing an updated detailed review, the Company acknowledges that parts of the capitalized expenses related to commercial strategy, supply-chain and parts of project management should be expensed. The Company assesses that expenses of NOK 2.8 million still should be capitalized. The effect is that operating expenses of NOK 1.7 million should have reduced the profit for the 12-month period ended 31 December 2023. The identified error has no cash effect.
  - To item (i) b): According to the Preliminary Notice of Decision, the acquired assets and seller credit were incorrectly recorded at nominal, undiscounted value rather than at amortized cost based on an estimated market interest rate. The effect is that the group of acquired assets and seller credit should have been initially recognized at a

lower value of approximately NOK 7 million. The Company agrees that the acquired assets and seller credit should have been initially recognized at a lower discounted value in the balance sheet as of 31 December 2023 and 30 June 2024. Calculated interest expenses of NOK 1.0 million should have reduced the profit for the 12-month period ended 31 December 2023 and NOK 2.1 million should have reduced the profit for the 6-month period ended 30 June 2024. The identified error has no cash effect.

- To item (i) (c) and (d): According to the Preliminary Notice of Decision, the Norwegian FSA concludes that the Convatec License Agreement and the total asset should have been allocated a relative share of the fair value of the consideration as separate assets with the effect of higher depreciation. The Company's assessment is that the predominant portion of the value should be allocated to the UnoMeter™ trademark which will be tested annually for impairment, and that other identified assets of about NOK 7 million should be amortized over the asset's lifespan. Amortization expenses of (i) NOK 0.2 million should have reduced the profit for the 12-month period ended 31 December 2023 and (ii) NOK 0.4 million should have reduced the profit for the 6-month period ended 30 June 2024. The identified error has no cash effect.

- (ii) Lack of annual impairment test: The Company acknowledges that the disclosures in the Financial Statements had some inconsistent information with regards to number of CGU's, and that acquired intangible assets in 2023 were shown as being amortized when instead being subject to annual impairment testing. In addition, some other relevant information should have been disclosed. As per 31 December 2023, the Management made an updated assessment and concluded that there were no significant changes to the business cases or to the estimated future cash flows for each CGU. The detailed impairment assessment for 2022 (which included all CGUs including Biim) were continued for 2023 including the Management's assessment that the cash flows were delayed due to different circumstances. The Company's liquidity situation was explained in a supporting document from the Management to be one important reason for delayed cash flows and not being able to actively commercializing the products as assumed as per 31 December 2022. The Company has performed updated impairment tests for the CGUs per 31 December 2023 without indications of the need for impairment of goodwill.
- (iii) The Company's accounting in connection with the renegotiation in 2023 of the Navamedic Loans: The Company acknowledges that the accounting treatment for the loan renegotiation with Navamedic was not in accordance with the IFRS 9 requirements, particularly when changing from a fixed to floating interest rate. The calculated modification effect should have been recognized as an interest expense, increasing the debt obligation, and should have reduced the profit of NOK 0.8 million for the 12-month period ended 31 December 2023. The same amount will be reversed as an interest income over the next 15 months, reducing the debt obligation. Interest income of NOK 0.2 million should have increased the profit for the 12-month period ended 31 December 2023 (net negative P&L of NOK 0.6 million). Interest income of NOK 0.3 million should have increased the profit for the 6-month period ended 30 June 2024. According to the Company, the identified error has no cash effect.

The Company's response to the Norwegian FSA's assessment related to the H1 Financial Statements (in the Preliminary Notice of Decision) can be summarized as follows (with references to the numbering in the summary in Section 4.3.2.1 "The Norwegian FSA's assessments in the Preliminary Notice of Decision"):

- (iv) No information about material uncertainty related to the going concern assumption: The Company acknowledges that the material uncertainty related to going concern should have been disclosed in a separate disclosure and that information regarding the Management's assessment of the basis for the going concern assumption should have been described in the H1 Financial Statements.
- (v) Lack of impairment test on the balance sheet date of 30 June 2024: The Company is of the view that there were no indications of impairment during the first half of 2024. The indications listed by the Norwegian FSA are related to the Company's liquidity situation and not related to the value of the Company's assets. The indications identified by the Norwegian FSA were related to cost reduction measures and the delayed sales in first half of 2024 were related to quality adjustments to newly launched products which is expected after launching new products. The Company has performed updated impairment tests per 30 June 2024 without indications of the need for impairment of intangible assets.

- (vi) Missing information related to payment status and changed due dates: The Company acknowledges that more detailed information about payment status and changed due dates should have been disclosed to the 1H Financial Statements, in particular that the payment instalment related to the Convatec Transaction due on 28 June 2024 was deferred with 6 months.

The Company's believes that its responses to the Norwegian FSA, as summarized in Section 4.3.2.2 "The Company's response to the Preliminary Notice of Decision", provide clarifications aimed at addressing the issues raised. As stated in said Section, the Company acknowledges that certain errors have been made in the Financial Statements and the H1 Financial Statements and that certain additional information should have been provided in the said financial statements. The relevant errors will be corrected in the Group's financial statements for the financial year ending 31 December 2024 and in the interim financial statements for the six months period ending 30 June 2025 and will, in the Company's view as summarized above, have the effect of reducing the Company's consolidated profit for the financial year ended 31 December 2023 by NOK 3.5 million and the Company's consolidated profit for the six months' period ended 30 June 2024 by NOK 1.9 million. Correspondingly, the Company's total equity as of 31 December 2023 and 30 June 2024 will, in the Company's view, be reduced by the same respective amounts, in total by NOK 5.4 million as of 30 June 2024.

#### 4.3.2.3 The Norwegian FSA's final decision

If the Norwegian FSA upholds its assessments in the Preliminary Notice of Decision, as summarized in Section 4.3.2.1 "The Norwegian FSA's assessments in the Preliminary Notice of Decision", the Group will be required to correct all the identified errors in its financial statements for the financial year ending 31 December 2024 and in the interim financial statements for the six months period ending 30 June 2025, and to publish certain additional information regarding such corrections through a stock exchange announcement. Furthermore, the Board will in such case need to determine whether the Financial Statements and/or the H1 Financial Statements should be reissued.

Correction of all the matters which the Norwegian FSA's considers to be incorrect, would have a material adverse effect on the Group's equity as of the relevant balance sheet dates (31 December 2023 and 30 June 2024) and the Group's results for the financial year ended 31 December 2023 and the six months period ended 30 June 2024, compared the equity and results presented in the Financial Statements and the H1 Financial Statements. See also Section 2.1 "Risks related to the ongoing period financial statement review by the Norwegian FSA of the Financial Statements and the H1 Financial Statements".

#### 4.3.3 *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):

- **"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 profitability and performance from its operational activities.
- **"EBITDA before non-recurring items"**: EBITDA of the Company before any unusual onetime non-recurring expenses or other charges (for example restructuring costs, cost in connection with legal settlements or asset sales) as reflected in the Company's audited consolidated financial statements for the year. EBITDA before non-recurring items 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 providing additional insight into the underlying operations of the Group, as this measure, by adjusting for non-recurring items, gives a clearer picture of the Group's ongoing operating performance.
- **"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.
- **"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 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.

#### 4.3.4 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 2023, derived from the Financial Statements, and for the six months' periods ended 30 June 2023 and 30 June 2024 derived from the H1 Financial Statements.<sup>2</sup>

(Amounts in NOK thousand)

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	Year ended 31 December 2022	Year ended 31 December 2023
Operating revenues .....	11 819	13 056	19 521	27 942
Cost of materials .....	7 538	8 066	14 344	18 655
<b>Gross result .....</b>	<b>4 280</b>	<b>4 990</b>	<b>5 177</b>	<b>9 287</b>

<sup>2</sup> Please refer to Section 4.3.2 "The Financial Review" and the risk factor titled "Risks related to the ongoing period financial statement review by the Norwegian FSA of the Financial Statements and the H1 Financial Statements" in Section 2.1 "Financial and market risk" regarding the ongoing Financial Review of the Financial Statements and the H1 Financial Statements and the risks related thereto.

(Amounts in NOK thousand)

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	Year ended 31 December 2022	Year ended 31 December 2023
Employee benefit expenses .....	13 322	7 357	28 521	25 964
Other operating expenses.....	13 742	10 242	24 868	21 016
<b>Operating expenses.....</b>	<b>27 064</b>	<b>17 599</b>	<b>53 389</b>	<b>46 980</b>
<b>Operating result before depreciation and amortisation (EBITDA).</b>	<b>(22 784)</b>	<b>(12 609)</b>	<b>(48 212)</b>	<b>(37 693)</b>
Depreciation and amortisation.....	6 655	6 660	10 931	13 570
<b>Operating result (EBIT) .....</b>	<b>(29 439)</b>	<b>(19 269)</b>	<b>(59 143)</b>	<b>(51 263)</b>
<b>Financial income and expenses</b>				
Financial income.....	2 766	1 896	19 122	7 523
Financial expenses.....	8 503	5 124	10 704	16 605
<b>Net financial items .....</b>	<b>(5 737)</b>	<b>(3 228)</b>	<b>8 418</b>	<b>(9 092)</b>
<b>Result before tax.....</b>	<b>(35 176)</b>	<b>(22 497)</b>	<b>(50 725)</b>	<b>(60 345)</b>
Income tax expense.....	18	16	76	17
<b>Result for the period.....</b>	<b>(35 194)</b>	<b>(22 513)</b>	<b>(50 801)</b>	<b>(60 362)</b>

**EBITDA before non-recurring items**

(Amounts in NOK thousand)

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	Year ended 31 December 2022	Year ended 31 December 2023
<b>Operating revenues.....</b>	<b>11 819</b>	<b>13 056</b>	<b>19 521</b>	<b>27 942</b>
Gross result.....	4 280	4 990	5 177	9 287
Operating expenses.....	23 709	17 599	50 310	43 617
<b>EBITDA before non-recurring items .....</b>	<b>(19 429)</b>	<b>(12 609)</b>	<b>(45 133)</b>	<b>(34 330)</b>
Non-recurring expenses <sup>1</sup> .....	3 355	-	3 079	3 363
<b>EBITDA.....</b>	<b>(22 784)</b>	<b>(12 609)</b>	<b>(48 212)</b>	<b>(37 693)</b>

<sup>1</sup> Non-recurring expenses in 2023 primarily related to a tooling project which was discontinued and the Ferrari L. acquisition process (acquisition of a manufacturer of medical equipment) which was also discontinued. Non-recurring expenses in 2022 are related to expenses in connection with the acquisition of Biim Ultrasound AS, and severance pay to the CEO and CTO.

Earnings per share	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2024 (Unaudited)	Year ended 31 December 2022	Year ended 31 December 2023
<b>Profit (loss) for the period (NOK).....</b>	<b>(35 194 205)</b>	<b>(22 512 682)</b>	<b>(50 796 639)</b>	<b>(60 362 296)</b>

<b>Earnings per share</b>	<b>Six months ended 30 June 2023 (Unaudited)</b>	<b>Six months ended 30 June 2024 (Unaudited)</b>	<b>Year ended 31 December 2022</b>	<b>Year ended 31 December 2023</b>
<b>Average no of shares .....</b>	<b>53 491 655</b>	190 685 204 <sup>1</sup>	<b>47 185 178</b>	57 626 256
<b>Earnings per share (NOK) .....</b>	<b>(0.66)</b>	(0.12)	<b>(1.08)</b>	(1.05)
<b>Net interest bearing debt</b>				
<i>(Amounts in NOK thousand)</i>	<b>At 30 June 2023</b>	<b>At 30 June 2024</b>	<b>At 31 December 2022</b>	<b>At 31 December 2023</b>
Current and non-current lease liability .....	1 794	-	2 493	792
Non-current interest-bearing liabilities .....	909	-	946	50 027
Contingent consideration .....	3 405	1 560	3 365	1 560
Interest bearing current liabilities	56 787	55 971	44 802	4 477
Total interest-bearing debt.....	62 894	57 532	51 606	56 856
Bank deposits.....	1 735	2 704	13 641	13 676
<b>Net interest-bearing debt .....</b>	<b>61 159</b>	54 827	<b>49 163</b>	<b>43 181</b>

1 Not including the Private Placement Shares.

<b>Equity ratio</b>	<b>At 30 June 2023 (Unaudited)</b>	<b>At 30 June 2024 (Unaudited)</b>	<b>At 31 December 2022</b>	<b>At 31 December 2023</b>
<i>(Amounts in NOK thousand)</i>				
Equity.....	109 228	107 448	138 306	115 606
Total assets.....	203 730	246 400	215 812	253 537
<b>Equity ratio .....</b>	<b>53.6 %</b>	<b>43.6 %</b>	<b>64.1%</b>	<b>45.6%</b>

The APM related to number of employees is only defined and included in the Financial Statements and not in the H1 Financial Statements:

<b>Employees</b>	<b>At 31 December 2022</b>	<b>At 31 December 2023</b>
Number of employees <sup>1</sup> .....	17	12

1 As at 30 June 2024 and the date of this Prospectus, there are 5 employees in the Group.

#### 4.3.5 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.

#### 4.3.6 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.

#### 4.3.7 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.

#### 4.3.8 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
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 .....	10.5647	11.2476	9.8275	10.1724
2024 <sup>1</sup> .....	10.6248	11.0703	10.2971	10.6460

<sup>1</sup> For the period ended 30 June 2024.

## 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 11 "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 ES-OSL Registrar. Shareholders registered in the ES-OSL who have not supplied the ES-OSL Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the ES-OSL Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the ES-OSL Registrar's exchange rate on the payment date. Dividends will be credited automatically to the ES-OSL registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the ES-OSL 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 ES-OSL Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the ES-OSL 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 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 Unomedical A/S and Unomedical s.r.o. (the Sellers, which 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 6.4), OMAS (as the buyer) and 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 6.4 "The Convatec Transaction".

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

As of 30 June 2024, the Group employed 5 persons which represents a decrease of 7 persons compared to 30 December 2023, at which time the Group had a total of 12 employees.

### 6.2 History and important events

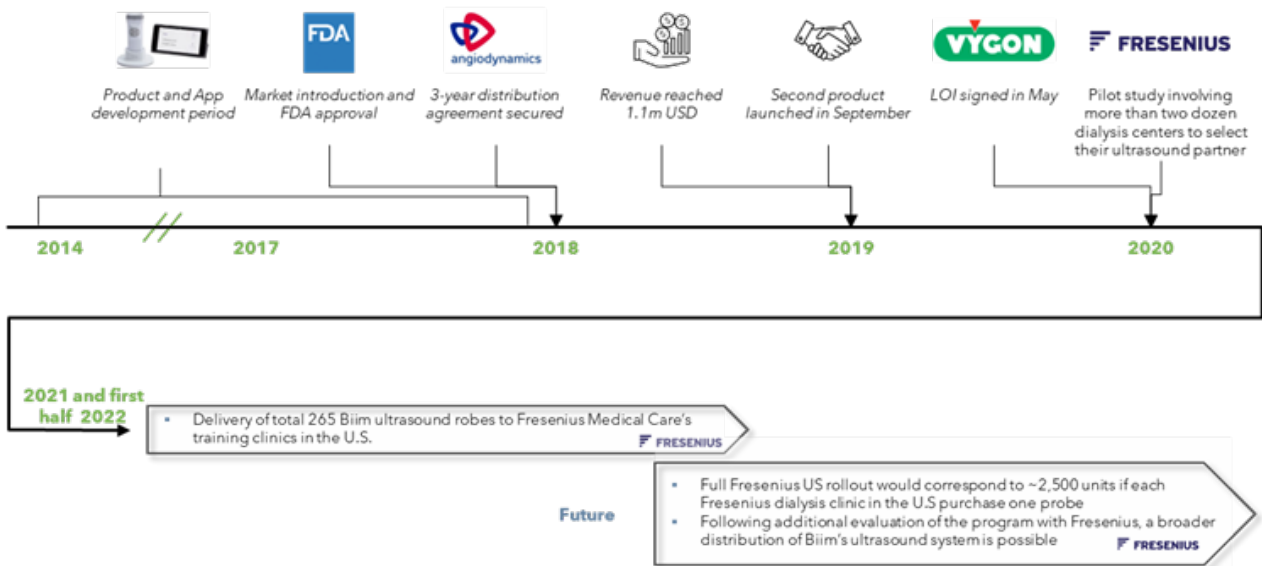
#### 6.2.1 *Important historical events*

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 United States. 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 has hardware development resources and production facilities in Seattle, United States.





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"> <li>• OMI was founded</li> </ul>
2010 .....	<ul style="list-style-type: none"> <li>• Development and prototyping of Sippi® was initiated</li> </ul>
2011 .....	<ul style="list-style-type: none"> <li>• First patent for Sippi® was approved</li> <li>• OMI received ISO certification for the development, manufacture and sale of Sippi®</li> <li>• Seed Capital (DK) invested in OMI</li> </ul>
2012 .....	<ul style="list-style-type: none"> <li>• The first Sippi® base unit was fully developed</li> </ul>
2013 .....	<ul style="list-style-type: none"> <li>• Sippi® was listed with FDA for sale in the United States and with CE marking for sale in Europe, starting the commercialisation process</li> <li>• The first Sippi® system was sold to intensive units in Sweden and Denmark</li> </ul>
2014 .....	<ul style="list-style-type: none"> <li>• Commercialisation started for Sippi®</li> <li>• Development of Sippcoat® technology</li> </ul>
2015 .....	<ul style="list-style-type: none"> <li>• OMI was acquired by Navamedic</li> <li>• Sippi® was rewarded a tender by Stockholms Läns Landsting (SLL)</li> </ul>
2016 .....	<ul style="list-style-type: none"> <li>• New patent granted pertaining to Sippcoat®, broadening the innovative encapsulated silicone-oil technology for biofilm inhibition to any patient drainage device</li> <li>• An agreement with Pennine Healthcare as distributor for the UK market was closed (contract to be updated according to new MD (medical device) Directives)</li> </ul>
2017 .....	<ul style="list-style-type: none"> <li>• Development of a wireless version of Sippi® that communicated directly with the patient monitoring systems was initiated</li> <li>• First patent for Sippi® approved in the EU</li> <li>• Sippi® was launched in the Italian market through an agreement with Simitalia</li> <li>• The Sippcoat® patent approved in the EU</li> </ul>
2018 .....	<ul style="list-style-type: none"> <li>• Launch of first version of Sippi®BLE interrupted due to unstable Bluetooth connection – own Bluetooth receiver developed</li> <li>• Software for Sippi® connection to one of the EU's largest patient data management systems (iMDSof/Metavision/GE/CCC) released</li> <li>• Patent pertaining to Sippi® base technology, including the use of silicone oil to protect surfaces and Sippcoat® was approved in the United States.</li> <li>• Sippi® was rewarded a tender by Västra Götalands Region (VGR)</li> </ul>
2019 .....	<ul style="list-style-type: none"> <li>• Launch of Sippi®BLE with wireless integration with the hospitals patient data management system</li> </ul>

Year	Event
	<ul style="list-style-type: none"> <li>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</li> <li>The Company was incorporated in June</li> <li>The Observe Medical business was demerged from Navamedic and merged with the Company in October.</li> <li>The Company's Shares were listed on Oslo Axess (now named Euronext Expand) on 4 November 2019</li> </ul>
2020 .....	<ul style="list-style-type: none"> <li>On 30 October 2020, the Company acquired 100% of the shares in Sylak AB, a company which was incorporated in 2009</li> </ul>
2022 .....	<ul style="list-style-type: none"> <li>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 180,000,000.</li> <li>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.</li> <li>In April 2022, Biim completed phase 1, delivering 260 devices to Fresenius training clinics in the US. This is the first part of a partner agreement with Fresenius, which considers itself to be a leading provider of kidney care services in the US<sup>3</sup> with approximately 2,500 clinics, whereby Biim is intended to be used across Fresenius' dialysis centres in the US.</li> <li>In April 2022, Observe Medical received Medical Device Regulation Certification (MDR) for Sippi@ Disposable unit.</li> <li>In October 2022, the Company entered into an exclusivity agreement with the intention to acquire the Unometer Portfolio from Convatec Group Plc, consisting of widely used products within routine or post-operative drainage, collection and measurement of urine output from patients.</li> </ul>
2023 .....	<ul style="list-style-type: none"> <li>OMAS was founded 1 May 2023.</li> <li>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 will acquire the trademarks and other intellectual property rights relating to state-of-the-art urine measurement products known as the Unometer™ and Abdo-Pressure™ products.</li> <li>In December 2023, the Company completed the 2023 Rights Issue.</li> </ul>
2024 .....	<ul style="list-style-type: none"> <li>In April 2024, the Company announced that it had entered into a distribution partnership agreement with Vingmed pursuant to which the Nordic distribution operations for the Unometer Portfolio were transferred to Vingmed.</li> <li>In May 2024, Biim extended its agreement with Fresenius for the supply of wireless pocketable ultrasound devices. The initial agreement with Fresenius was entered into in October 2021, with a one-year extension exercised in October 2023. The renewal extended the partnership for an additional two years, until 1 April 2026.</li> <li>In July 2024, the Company entered into a letter of intent to explore a strategic partnership with an US medical imaging company to develop and market handheld ultrasound-based solutions for the dialysis market and explore a potential distribution partnership within the EU. The final terms of any definitive agreement will be subject to due diligence and further negotiations.</li> </ul>

### 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.

<sup>3</sup>Source: <https://www.freseniusmedicalcare.com/en/about-us/about-us-overview>

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 board of directors of both companies, 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.

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

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

The complex block contains two main panels. The left panel, titled 'Two-stage microbial transportation reduction', shows a cross-section of the measurement chamber with a 'Biofilm alert level' indicated by a red dashed line and a 'Sippcoat™-treated zone' below it. The right panel is divided into two sub-sections: '1 Reduces biofilm formation' showing a capsule and a measurement chamber with a red circle around the capsule, and '2 Alerts' showing a digital display with '0 ml' and 'sippi' branding.

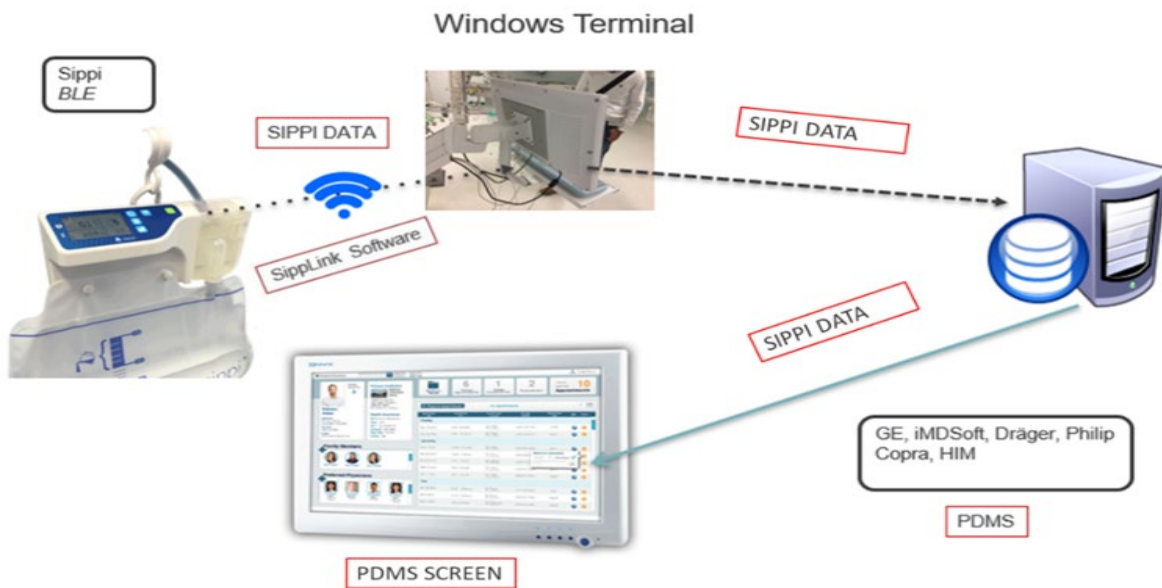
Wireless version of Sippi® launched in 2019

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 Observe Medical Nordic AB (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. On 18 April 2024, the Company announced that it had entered into a distribution partnership agreement with Vingmed for the Unometer Portfolio in the Nordic region pursuant to which the Nordic distribution operations were transferred to Vingmed.

### 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 2023, 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. On 27 May 2024, the Company announced the commercial launch of the UnoMeter Safeti Plus™. This product was a major contributor to Convatec Group Plc's historical sales in this segment and is expected to significantly contribute to the Company's revenue growth and continued geographical expansion.

### 6.3.5 *Main agreements related to Biim*

#### 6.3.5.1 Biim's agreement with Fresenius

Biim entered into a two-year agreement with Fresenius on 1 October 2021 regarding the sale of a specific number of wireless pocketable ultrasound devices with equipment. The agreement was extended from 1 October 2023 until 1 April 2024 in an amendment agreement. The agreement was then extended for an additional two years, until 1 April 2026 in May 2024. As of the date of this Prospectus, 285 wireless pocketable ultrasound devices have been ordered and delivered to Fresenius. In July 2024, the Company entered into a letter of intent to explore a strategic partnership with a US medical imaging company to develop and market handheld ultrasound-based solutions for the dialysis market and explore a potential distribution partnership within the EU. The partnership aims to leverage the ultrasound technologies and products available to the US medical imaging company with Observe Medical's Biim ultrasound technology, with a particular focus on supporting the existing Fresenius contract opportunity. The final terms of any definitive agreement will be subject to due diligence and further negotiations, however, if a definitive agreement is reached, this will facilitate the Group's ability to fulfill the agreement with 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 100,000,000. 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 EUR 40 billion, Fresenius considers itself to be one of the world's leading healthcare companies.<sup>4</sup>

#### 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 **The Convatec Transaction**

### 6.4.1 *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 on 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 includes all of the Sellers' intellectual property rights relating to the Unometer

<sup>4</sup> **Source:** <https://www.freseniusmedicalcare.com/en/about-us/about-us-overview>

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.

#### 6.4.1.1 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. Following this, the parties collaborated to reach a mutually beneficial agreement to secure continued supply of critical products to distributors, end consumers and users.

#### 6.4.1.2 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 was paid upon entering into the Convatec ATA on 11 September 2023;
- USD 500,000 shall be prepaid to the Sellers on 28 December 2024 (deferred from 28 June 2024);
- USD 1,000,000 shall be prepaid to the Sellers by 30 December 2024 (with an option for the Company to defer the payment for six months); 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.

#### 6.4.1.3 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.

#### 6.4.1.4 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.



6.4.1.5 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.

6.4.2 *The acquired products*

6.4.2.1 Introduction

The Unometer Portfolio consists of products such as Unometer™ Safeti™ Plus, Unometer™ 500, UnoMeter™ Abdo-Pressure™ and Kombikon™. These products are widely used within routine or post-operative drainage, as well as for the 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.

6.4.2.2 The products

The Unometer™ Portfolio consists of widely used 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. Pursuant to the Convatec ATA, the Group will acquire the rights to the mark name "SAFETI" in the following areas/countries in connection with the Convatec Transaction: Australia, the EU, Norway, Switzerland and the UK.

**Unometer™ 500** is the first version of the Unometer urine measurement systems. Pursuant to the Convatec ATA, the Group will acquire the rights to the mark name "UNOMETER" in the following areas/countries in connection with the Convatec Transaction: China, Denmark, the Dominican Republic, the EU, Italy, Japan, UK and Australia.

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®. Pursuant to the Convatec ATA, the Group will acquire the rights to the mark name "ABDO-PRESSURE" in the following areas/countries in connection with the Convatec Transaction: Australia, China, Switzerland, the EU, Norway and the UK.

The **KombiKon™** urine sampling point allows nursing staff to take urine samples without the use of a needle and thus safely. Pursuant to the Convatec ATA, the Group will acquire the rights to the mark name "KombiKon" in the following countries in connection with the Convatec Transaction: Australia, South Africa, Switzerland, China, Denmark and Norway.



Unometer™  
Safeti™ Plus



Unometer™  
500



Unometer™  
Abdo-  
Pressure



KombiKon™

#### 6.4.2.3 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 3 October 2023, the Unometer Portfolio has traditionally generated annual revenues exceeding NOK 200,000,000.

#### 6.4.2.4 Employees

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

#### 6.4.2.5 Material agreements

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

### 6.5 Investments

The Company has not made any material investments since 30 June 2024, which are in progress and/or for which firm commitments have already been made.

### 6.6 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.

### 6.7 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.

## **6.8 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.

## **6.9 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. Currently the Group is the supplier of ultrasound products to Fresenius and has sold and delivered close to 300 products to various sites of Fresenius in the United States.

### Unometer Portfolio and Sippi®

The Unometer Portfolio consists 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.

## **6.10 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 United States. 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 2.1 billion in 2023 and approximately 10,000 employees<sup>5</sup>. 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 8,75 billion in 2023 with 65,011 employees<sup>6</sup>.

Another player in Europe, which is also amongst the largest vendors in medical technology, is Cardinal Health, with a revenue of over USD 205 billion in 2023 and approximately 48,000 employees<sup>7</sup>.

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 2.9 billion in 2023<sup>8</sup> and USD 19 billion in 2023<sup>9</sup>, 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, out of which the largest is BD. The second vendor in the U.S is Cardinal Health (which is the only manufacturer with market shares in both the Europe and the United States). The third competitor is Medline with a turnover of USD 21.2 billion and more than 36,500 employees in 2022.<sup>10</sup>

Portreo Medical has launched a digital urine meter in the market. The Accuryrn 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, Accuryrn has a pressure measurement in the bladder which is used to alert for blockage in the tubing as well as an automatic relief thereof. The disposable unit price is set at a level which is expected to be in the range of 5-10 times that of a Sippi® disposable price. Comparing to emerging digital urine meters, the Sippi® price point is significantly lower, however compared to standard analogue meters Sippi® is priced higher.

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

## 6.11 Manufacturing

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

Both the base unit and the disposable unit are 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 has so far been manufactured by Inission in Borås, Sweden. Their facility is located close to the Group's development office, making surveillance and adjustments easy and fast.

<sup>5</sup> Source: [https://www.convatecgroup.com/globalassets/global-assets/pdf/convatec-ar-2023\\_interactive.pdf](https://www.convatecgroup.com/globalassets/global-assets/pdf/convatec-ar-2023_interactive.pdf)

<sup>6</sup> Source: <https://www.bbraun.com/en/about-us/company/facts-and-figures/annual-report-2023.html>

<sup>7</sup> Source: <https://www.cardinalhealth.com/content/dam/corp/web/documents/Report/cardinal-health-FY23-annual-report.pdf>

<sup>8</sup> Source: <https://investors.teleflex.com/news/news-details/2024/Teleflex-Reports-Fourth-Quarter-and-Full-Year-2023-Financial-Results/default.aspx>

<sup>9</sup> Source: [https://d1io3yog0oux5.cloudfront.net/\\_00abb91af46be615ff165da55faae220/bd/db/2301/21974/annual\\_report/2023+Annual+Report.pdf](https://d1io3yog0oux5.cloudfront.net/_00abb91af46be615ff165da55faae220/bd/db/2301/21974/annual_report/2023+Annual+Report.pdf)

<sup>10</sup> Source: [https://www.medline.com/media/mkt/pdf/SSH\\_Medline%20Newsroom%20Quarterly%20Fact%20Sheet%201.pdf](https://www.medline.com/media/mkt/pdf/SSH_Medline%20Newsroom%20Quarterly%20Fact%20Sheet%201.pdf)

The disposable unit consists, in simple terms, of three components: tube, bag and measuring siphon. Knudsen Plast has been manufacturing the plastic siphon components and assembles the chamber.

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

The Unometer Portfolio is produced by Jiangsu Hongxin Medical Technology Co., Ltd., ("**Jiangsu Hongxin**")<sup>11</sup>. This supplier is responsible for manufacturing of all components, final assembly, packaging and sterilisation processes. The Group believes that this supplier is the right partner for the Group to best accommodate high volumes, the right manufacturing cost and the best quality. Jiangsu Hongxin also produces and supplies other products within Europe, Asia, Africa and the United States.

Biim's ultrasound product is produced by Qualitel<sup>12</sup>, which is a high volume reliable manufacturer in the United States. Biim's ultrasound product has been produced at Qualitel since the initial setup in 2016/17. Biim is the owner of the entire final assembly line including manufacturing equipment. Equipment used to produce components are owned by Qualitel and are being produced on manufacturing lines also used to produce other products under the responsibility of Qualitel.

## 6.12 The Group's intellectual property rights

The Group has a strong global patent situation with focus on its three technologies: (i) Measuring volume via contactless sensors, (ii) SippSense®, measuring sensor degradation and hence biofilm onset and (iii) Sippcoat®, the use of silicone oil as biofilm prevention properties in both urology and other bodily fluid systems. There are currently 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®. As described in Section 2.2 in the risk factor titled "The Group's intellectual property rights may be infringed, misappropriated or challenged by others", no patents have been registered related to the Unometer Portfolio and the Group will not acquire any such patents in connection with the Convatec Transaction.

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

Type and registration year	Patent number	Description	Regions	Expiration date
<b>Urosense</b> Patent (IP1) June 2009	EP2445408	Protects the system design of; <ul style="list-style-type: none"> <li>• Base unit</li> <li>• Disposable</li> </ul> Interaction between units	Brazil, France, India, Italy, Japan, China, Netherlands, Russia, Spain, UK, Sweden, Turkey, Germany, US	Earliest Year 2029
	US10182747			Latest Year 2030
				USA Year 2032
<b>Urosense II</b> Patent (IP2) November 2011	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
	JP6078549			Latest Year 2032
	RU2618089			USA Year 2035
	US10145813			
<b>Urosense III</b> Patent (IP3) March 2013	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
	EP2967464			Latest Year 2034
	JP6416796			
	US10188339			
<b>Urosense IV</b> Patent (IP4) September 2014	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
	RU2693473			Latest Year 2035
	SE538635C2			
	US9861715			

<sup>11</sup> The website of Jiangsu Hongxin Medical Technology Co., Ltd. is yishengmed.com.

<sup>12</sup> The website of Qualitel is www.qualitel.com.

Type and registration year	Patent number	Description	Regions	Expiration date
<b>Sippoat</b> Patent (IP5) March 2016		Administration of silicone oil into urine collection system in general	Belgium, Germany, Spain, France, UK, Italy, Netherlands, Turkey, China, US	Earliest Year 2036 Latest Year 2037
<b>Biim</b> October 2017	US10945706B2 CA3062396A1 JP2020520289A	Hand held ultrasound probe with a mechanical transducer, which can be used for diagnostic imaging and procedural guidance imaging.	US, Japan, Canada	20 years from 16 October 2017
<b>Biim</b> February 2021	US11744551B2 CA3062396A1 JP2020520289A	Hand held ultrasound probe with a mechanical transducer, which can be used for diagnostic imaging and procedural guidance imaging.	US, Japan, Canada	20 years from 11 February 2021

### 6.13 Material contracts

Other than the Convatec ATA and the Convatec License Agreement, as further described herein and in Section 6.4 "The Convatec Transaction", and the Navamedic Loans, as further described in Section 9.6.2 "Loan agreements", 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, the Convatec License Agreement and the Navamedic Loans, 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. See Section 6.4.1.2 "Total consideration and transaction costs" for a description of the consideration and transaction costs in connection with the Convatec ATA and Section 9.6.2 "Loan agreements" for a description of the Navamedic Loans.

### 6.14 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 6.12 "The Group's intellectual property rights" above. The Group also owns all the key tools and rigs for manufacturing of these 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.

### 6.15 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 2023.

### 6.16 Legal proceedings

Other than the Financial Review, as further described in Section 4.3.2 "The Financial Review", 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.

### 6.17 Related party transactions

On 15 November 2024, the Company and Navamedic entered into the conditional Addendum Agreement for the Navamedic Loans, as described in Section 9.6.2.1 "The Navamedic Loans". The Addendum Agreement was entered into in accordance with the arms' length principle, meaning that the main terms and conditions of the Addendum Agreement are deemed to be commercial.

Other than the Addendum Agreement mentioned above, the Company has not entered into any related party transactions in the period between 30 June 2024 and to the date of this Prospectus.

#### **6.18 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 assumes it 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. However, there is a high pressure on transportation from Asia and a significant increase in transportation costs and delivery time. This may result in delayed deliveries and put pressure on margins compared to previous estimates.

After a period of lack of capacity in the market for urinometers driven by Convatec/Unomedical abruptly stepping out of the market in 2022, a number of existing and new competitors have stepped in and the markets are returning to a normal supply and demand situation. This may lead to additional pressure on prices and the speed of market entry.

On 3 September 2024, the Company received a letter from the Norwegian FSA in connection with the Financial Review. The Norwegian FSA provided the Preliminary Notice of Decision on 25 October 2024, and the Company provided its response to the Preliminary Notice of Decision on 18 November 2024, which was the deadline set by the Norwegian FSA. The Preliminary Notice of Decision and the Company's response is further described in Section 4.3.2 "The Financial Review".

The risk related to the Financial Review is described in Section 2.1 "Risks related to the ongoing period financial statement review by the Norwegian FSA of the Financial Statements and the H1 Financial Statements".

Apart from the information provided above, 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.

#### **6.19 Significant change**

As described in Section 2.1 "Financial and market risk", the Company, OMI and Biim entered into separate agreements with 28 of its suppliers in September, October and November 2023, where the suppliers 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. Certain payments were made to the suppliers following the completion of the 2023 Rights Issue or by the agreed due date at the end of September 2024. The Company and OMI have entered into additional agreements with certain suppliers, pursuant to which remaining payment obligations amounting to approximately NOK 1,600,000 for the Company and OMI have been further postponed until April and September 2025, with an interest rate of 10% per annum. The Group is still negotiating to secure postponement of the remaining payment obligations amounting to approximately NOK 1,000,000.

Further, the last instalment of the consideration related to the Convatec ATA, amounting to USD 2,395,000, has in the capitalisation table in Section 7.2 "Capitalisation" been reclassified as "Other non-current liabilities" as it is due in September 2025, whereas it in the H1 Financial Statements is classified as "Other current liabilities". Since the H1 Financial Statements, the cash amount has increased as a result of the Private Placement, as also reflected in the indebtedness table in Section 7.3 "Indebtedness".

On 15 November 2024, the Company and Navamedic entered into the conditional Addendum Agreement for the Navamedic Loans, governing the Loan Conversion and certain other changes to the Navamedic Loans, as described in Section 9.6.2.1 "The Navamedic Loans".

Other than the above and the Private Placement, the Company is not aware of any significant changes in the Group's financial performance since 30 June 2024.

## 6.20 Potential upcoming investment from Jiangsu Hongxin

As announced in the Company's stock exchange announcement published on 12 November 2024, Jiangsu Hongxin, the Group's largest partner within the manufacturing and supply of urine measurement products, has signed a binding subscription form to subscribe for shares in the Company for an amount of NOK 3,300,000 at a subscription price of NOK 0.40 per share. The subscription is conditional upon the Board of Directors resolving to issue the new shares based on the authorisation to increase the share capital of the Company by up to NOK 12,775,630 granted by the Company's extraordinary general meeting on 17 July 2024, which resolution is intended to be passed as soon as Jiangsu Hongxin has been able to establish a securities account in which the new shares can be held. Jiangsu Hongxin is currently working with the Company's registrar to open such securities account. The subscription amount is intended to be settled in cash, but may also fully or partially be settled through set-off of claims that Jiangsu Hongxin has against the Group.

## 6.21 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.

<b>Date disclosed</b>	<b>Category</b>	<b>Summary of information given</b>
21 November 2023 .....	Inside information	The Company published updated terms of the 2023 Rights Issue, i.e. that the subscription price was 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 would be issued, representing a ratio of 3.9546 offer shares per each existing share (assuming issuance 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 2023 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 2023 Rights Issue as proposed by the Board of Directors.
23 November 2023 .....	Additional regulated information required to be disclosed under the laws of a member state	With reference to the 2023 Rights Issue, the Company published an updated ticker code and ISIN for the subscription rights issued in connection with the 2023 Rights Issue.
24 November 2023 .....	Additional regulated information required to be disclosed under the laws of a member state	The Company published its financial calendar for the financial years 2023 and 2024.
24 November 2023 .....	Prospectus / Admission document	The Company announced that the prospectus for the 2023 Rights Issue had been approved by the Norwegian FSA.
27 November 2023 .....	Mandatory notification of trade primary insiders	With reference to the 2023 Rights Issue, the Company announced that subscription rights had been allocated to primary insiders and their close associates.
28 November 2023 .....	Additional regulated information required to be disclosed under the laws of a member state	With reference to the 2023 Rights Issue, the Company announced commencement of the subscription period.
28 November 2023 .....	Non-regulatory press releases	The Company announced that the Unometer Portfolio has secured a new order and distribution agreement with ReplantMed (the Company's Hungarian distributor).



<b>Date disclosed</b>	<b>Category</b>	<b>Summary of information given</b>
29 November 2023 .....	Non-regulatory press releases	An invitation to a virtual Company presentation to be held on 4 December 2023 was announced.
6 December 2023.....	Additional regulated information required to be disclosed under the laws of a member state	With reference to the 2023 Rights Issue, the Company announced 6 December 2023 as the last day of trading in subscription rights, and 12 December 2023 as the last day of the subscription period.
6 December 2023.....	Non-regulatory press releases	The Company announced its first order of Unometer products to Croatia, making Croatia the 17 <sup>th</sup> country where the Unometer Portfolio has secured orders.
8 December 2023.....	Mandatory notification of trade primary insiders	With reference to the 2023 Rights Issue, the Company informed that IRIC, a closely associated person of the primary insider Terje Bakken, had exercised 27,730,757 subscription rights, entitling IRIC to be allocated 27,730,757 offer shares in the 2023 Rights Issue, each at a subscription price of NOK 0.26 per offer share. The Company also informed that a close associate had sold subscription rights.
8 December 2023.....	Non-regulatory press releases	The Company announced its entry into the German market, by signing a letter of intent with Siramo. It was also mentioned that the German market has historically been one of the largest markets for distributing Unometer Portfolio-products.
11 December 2023 .....	Mandatory notification of trade primary insiders	With reference to the 2023 Rights Issue, the Company informed that ELI AS, a closely associated person of primary insider Eskild Endrerud, had exercised 6,897,850 subscription rights, entitling ELI AS to be allocated 6,897,850 offer shares in the 2023 Rights Issue, each at a subscription price of NOK 0.26 per offer share.  Furthermore, it was announced that ELI AS had over-subscribed for 9,269,038 offer shares and the primary insider, Eskild Endrerud, had subscribed for 637,500 offer shares, each at a subscription price of NOK 0.26 per offer share.
11 December 2023 .....	Mandatory notification of trade primary insiders	With reference to the 2023 Rights Issue, the Company informed that US Holding AS, a closely associated person of the CEO and primary insider Rune Nystad, had exercised 384,615 subscription rights, entitling US Holding AS to be allocated 384,615 offer shares in the 2023 Rights Issue, each at a subscription price of NOK 0.26 per offer share.  Furthermore, it was announced that Rune Nystad had subscribed and over-subscribed for a total of 230,769 offer shares in the 2023 Rights Issue.
12 December 2023 .....	Additional regulated information required to be disclosed under the laws of a member state	With reference to the 2023 Rights Issue, the Company announced that it was the last day of the subscription period.
12 December 2023 .....	Non-regulatory press releases	It was announced that Unometer™ 500, a product in the Unometer Portfolio, had reached a production capacity equivalent to Convatec's historical levels.
12 December 2023 .....	Inside information	With reference to the 2023 Rights Issue, the Company announced that the following major shareholders had converted their shareholder loans: (i) IRIC (ii) JPB AS, (iii) ELI AS, (iv) Skålvold Eiendom AS, (v) Kubera AS, (vi) Harding Invest AS, and (vii) MP Pensjon PK. Furthermore, an amendment agreement was entered into with the major shareholder Navamedic. The agreement extended the maturity date under the loan agreement regarding Navamedic Loan II to 31 January 2025.
12 December 2023 .....	Non-regulatory press releases	With reference to the 2023 Rights Issue, the Company announced that the following primary insiders and close associates of primary insiders had subscribed for offer shares: (i) Line Tønnessen (a board member and primary insider) had subscribed for 432,692 offer shares and (ii) Sogleglad Invest AS (a closely associated person of primary insider Kathrine Gamborg Andreassen) had subscribed for 432,692 offer shares.

<b>Date disclosed</b>	<b>Category</b>	<b>Summary of information given</b>
12 December 2023 .....	Inside information	The Company announced that it has successfully raised over NOK 18,000,000 in cash through the 2023 Rights Issue. Thereby, a condition for completing the 2023 Rights Issue was fulfilled.
12 December 2023 .....	Mandatory notification of trade primary insiders	With reference to the 2023 Rights Issue, the Company informed that CFO and primary insider Per Arne Nygård has exercised 450,000 subscription rights, entitling him to be allocated 450,000 offer shares in the 2023 Rights Issue, each at a subscription price of NOK 0.26 per offer share.
12 December 2023 .....	Inside information	The Company announced the final results of the 2023 Rights Issue. In total, the Company had received subscriptions for 137,193,548 offer shares. A total of 137,193,548 offer shares were allocated, whereas 82,790,023 offer shares were subscribed by way of cash settlement of the subscription amount and 54,403,525 offer shares were subscribed by way of set-off against shareholder loans.
13 December 2023 .....	Mandatory notification of trade primary insiders	The Company announced that certain primary insiders and close associates had been allocated new shares after publishing the final results for the 2023 Rights Issue.
18 December 2023 .....	Major shareholding notifications	The Company announced that following allocation of shares in connection with the 2023 Rights Issue, ELI AS held a total of 11,013,298 shares in the Company (representing 5.78% of the share capital and votes in the Company).
18 December 2023 .....	Major shareholding notifications	The Company announced that following allocation of shares in the 2023 Rights Issue, Navamedic held a total of 4,222,727 shares in the Company (representing 2.21% of the share capital and votes in the Company).
21 December 2023 .....	Total number of voting rights and capital	The Company announced that following the completion of the 2023 Rights Issue, the Company's new registered share capital was NOK 49,578,153.04, divided into 190,685,204 shares, each with a nominal value of NOK 0.26.
4 January 2024.....	Non-regulatory press releases	The Company announced that it has received its first order from Aviquímica in Portugal, making Portugal the 18 <sup>th</sup> country where the Unometer Portfolio had secured orders.
18 January 2024.....	Non-regulatory press releases	The Company published an operational status update after the completed 2023 Rights Issue. The 2023 Rights Issue targeted to raise between NOK 18,000,000 and NOK 55,000,000 in gross proceeds. It successfully raised NOK 35,670,322.48, with net cash proceeds of approximately NOK 16,000,000. The Company informed that the proceeds would be used in the following manner: (i) the minimum proceeds would be used to cover working capital needs in relation to the ramp-up of production and sale of the Unometer Portfolio. The excess proceeds would 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 500,000 in connection with the Convatec Transaction; and (iv) debt conversion of existing loans of up to NOK 20,100,000 to reduce interest bearing debt and pledge in the Company's assets.
18 January 2024.....	Non-regulatory press releases	The Company announced its entry into the Asian market as the UnoMeter™ was to be distributed to Thailand and Vietnam. It was also informed that Asia had historically accounted for approximately 10% of the Unometer Portfolio's global annual sales, with Thailand contributing to half of the region's total sales.
13 February 2024.....	Non-regulatory press releases	The Company announced its first orders from the Hospital Market in Ireland for UnoMeter™ 500.
26 February 2024.....	Additional regulated information required to be disclosed under the laws of a member state	The Company published its financial calendar for the financial years 2023 and 2024.
28 February 2024.....	Non-regulatory press releases	It was announced that the Unometer Portfolio has received its first order from Germany, following the letter of intent between the Company and Siramo from December 2023.

<b>Date disclosed</b>	<b>Category</b>	<b>Summary of information given</b>
29 February 2024.....	Additional regulated information required to be disclosed under the laws of a member state	It was announced that Rune Nystad resigned from his role as CEO to embrace new challenges within the Company. It was further announced that Jørgen Mann, the current chief commercial officer, would step in as the interim CEO.
6 March 2024.....	Non-regulatory press releases	The Company published an invitation to its second half and full year 2023 presentation.
8 March 2024.....	Non-regulatory press releases	The Company announced that it has been awarded a framework agreement with NHS Scotland. The contract would be effective from April 2024 until March 2027. NHS Scotland has historically ordered more than 150,000 units annually of UnoMeter™ 500.
13 March 2024.....	Half yearly financial reports and audit reports / limited reviews	The Company presented its full year and second half 2023 results.
15 March 2024.....	Mandatory notification of trade primary insiders	The Company informed that Soleglad Invest AS (a closely associated person of primary insider Kathrine Gamborg Andreassen) had sold 200,600 shares in the Company at an average price of NOK 0.42.
15 March 2024.....	Mandatory notification of trade primary insiders	The Company informed that Soleglad Invest AS (a closely associated person of primary insider Kathrine Gamborg Andreassen) had sold 200,000 shares in the Company at an average price of NOK 0.42.
21 March 2024.....	Additional regulated information required to be disclosed under the laws of a member state	It was announced that the CFO of the Company, Per Arne Nygård, had resigned, in order to pursue opportunities outside of the Company. The Finance Manager, Johan Fagerli, was appointed as the interim CFO.
18 April 2024.....	Non-regulatory press releases	The Company announced that its Nordic distribution operations were being transferred to Vingmed. The Company was familiar with Vingmed through their distribution partnership agreement in the Nordic region. As a result of the Company's global expansion, the Nordic distribution was deemed less crucial for the Company's core operations. The planning for the transfer to Vingmed began in late 2023 and the completion of the transfer is anticipated by the second quarter of 2024.
30 April 2024.....	Annual financial and audit reports	The Company published the annual report for 2023.
3 May 2024.....	Additional regulated information required to be disclosed under the laws of a member state	The Company published a notice of the annual general meeting to be held on 24 May 2024.
23 May 2024.....	Major shareholding notifications	The Company announced disclosure of voting rights before the annual general meeting.
23 May 2024.....	Major shareholding notifications	The Company updated the disclosure of voting rights for the annual general meeting. In accordance with the received proxies, the chairperson Terje Bakken was in charge of 31.85% of the total shares and voting rights at the annual general meeting.
24 May 2024.....	Additional regulated information required to be disclosed under the laws of a member state	The Company published the minutes from the annual general meeting held on 24 May 2024.
27 May 2024.....	Non-regulatory press releases	The Company announced an early launch of the UnoMeter Safeti Plus™, an hourly diuresis monitoring system. The product was a major contributor to Convatec's historical sales in this segment.
31 May 2024.....	Non-regulatory press releases	It was announced that the Company's subsidiary Biim AS had extended its agreement with Fresenius in the U.S until 1 April 2026.
3 June 2024.....	Non-regulatory press releases	The Company published a positive momentum in the re-adoption of the UnoMeterT medical devices in the United Kingdom and Ireland. Since the start of 2024, over 30 hospitals across 11 NHS Trusts in England had received Unometer Portfolio products. There had been a strong demand for UnoMeter™ 500 and UnoMeter™ Abdopressure™.
4 June 2024.....	Non-regulatory press releases	The Company announced it has signed a letter of intent with Sulacare AS regarding a collaboration to develop and execute a launch plan for a female

<b>Date disclosed</b>	<b>Category</b>	<b>Summary of information given</b>
		catheterization product. It was mentioned that the parties also intend to negotiate a partnership agreement for marketing and distributing the product with a clear profit-sharing model. The partnership agreement is planned to be formalized by 30 September 2024.
24 June 2024 .....	Inside information	The Company announced the placement of the Private Placement and the contemplated Subsequent Offering. It was mentioned that the net proceeds from the Private Placement and Subsequent Offering would be used to finance the Company's further growth, including its working capital needs in relation to continuous product development and ramp-up of production and sales activities.
24 June 2024 .....	Inside information	With reference to the Private Placement, the Company announced that Jiangsu Hongxin, the Group's largest partner within the manufacturing and supply of urine measurement products, in connection with the Private Placement conditionally had undertaken to subscribe for shares in the Company for an amount equal to the NOK-equivalent of USD 300,000, at a subscription price per share of NOK 0.40. The undertaking is conditional upon Jiangsu Hongxin establishing a securities account in which such shares can be held prior to 15 September 2024.
24 June 2024 .....	Mandatory notification of trade primary insiders	The Company announced that in order to facilitate delivery-versus-payment settlement in the Private Placement, IRIC and ELI AS had agreed to lend existing shares in the Company to the Manager in accordance with a share lending agreement entered into between the said persons and the Company on 24 June 2024. During the term of the lending of the shares, IRIC's shareholding in the Company would be reduced to 84,437 shares, representing approximately 0.04% of the shares and votes in the Company.
24 June 2024 .....	Additional regulated information required to be disclosed under the laws of a member state	The Company published key information about the contemplated Subsequent Offering. It was announced that the Subsequent Offering would be directed towards existing shareholders of the Company as of 24 June 2024 (as registered in the ES-OSL on 26 June 2024) who (i) were not allocated shares in the Private Placement and (ii) are not domiciled in a jurisdiction where such offering would be unlawful, or, would, in jurisdictions other than Norway, require any prospectus, filing, registration or similar action. Completion of the Subsequent Offering would be subject to (i) approval from the Company's extraordinary general meeting, (ii) completion of the Private Placement and (iii) the publication of a prospectus by the Company.
25 June 2024 .....	Additional regulated information required to be disclosed under the laws of a member state	The Company announced the ex-date for the Subsequent Offering being 25 June 2024.
25 June 2024 .....	Non-regulatory press releases	The Company announce that members of the Board of Directors and members of the Management or their close associates had been allocated shares in the Private Placement.
26 June 2024 .....	Additional regulated information required to be disclosed under the laws of a member state	The Company published the notice of an extraordinary general meeting to be held on 17 July 2024 in connection with the Private Placement and the contemplated Subsequent Offering.
2 July 2024 .....	Total number of voting rights and capital	The Company announced that the new share capital of the Company, following issuance of the 38,137,038 Tranche 1 Private Placement Shares, was NOK 59,493,782.92, divided into 228,822,242 shares, each with a nominal value of NOK 0.26.
2 July 2024 .....	Mandatory notification of trade primary insiders	The Company announced the redelivery of shares previously lent by IRIC and ELI AS. Following the redelivery, IRIC held 37,384,437 shares in the Company, representing approximately 16.34% of the issued share capital and voting rights.
17 July 2024.....	Major shareholding notification	The Company announced that the chairperson of the board of directors of the Company, had received proxies with voting instructions for 19,985,957 shares

<b>Date disclosed</b>	<b>Category</b>	<b>Summary of information given</b>
		or 8.73% of the total shares and voting rights in the Company, in connection with an extraordinary general meeting of the Company to be held on the same day.
17 July 2024.....	Additional regulated information required to be disclosed under the laws of a member state	The Company announced that an extraordinary general meeting of the Company in connection with the Private Placement and the Subsequent Offering had been held, and that all resolutions proposed by the board of directors were approved, including (i) the issuance of 16,862,962 Offer Shares to complete Tranche 2 of the Private Placement, (ii) granting the board of directors an authorisation to increase the Company's share capital by up to NOK 8,450,000, in connection with the Subsequent Offering, and (iii) granting the board of directors a general authorisation to increase the Company's share capital by up to NOK 12,775,630, in order to finance further growth.
17 July 2024.....	Mandatory notification of trade primary insiders	The Company announced that In connection with the completion of Tranche 2, certain primary insiders and close associates had been allocated Offer Shares in the Private Placement, and that IRIC had lent 11,237,962 Shares to the Manager to facilitate settlement of Offer Shares in Tranche 2. During the term of the lending of said shares, IRIC's shareholding in the Company would be reduced to 26,146,475 shares (not including the Offer Shares allocated in Tranche 2), representing approximately 11.46% of the shares and votes in the Company.
29 July 2024.....	Inside information	The Company announced that it had entered into a letter of intent to explore a strategic partnership with a leading US medical imaging company to develop and market handheld ultrasound-based solutions for the dialysis market and explore a potential distribution partnership within the EU.
5 August 2024.....	Total number of voting rights and capital	The Company announced that the new share capital of the Company, following issuance of the 16,862,962 Tranche 2 Private Placement Shares, was NOK 63,878,153.04, divided into 245,685,204 shares, each with a nominal value of NOK 0.26.
6 August 2024.....	Mandatory notification of trade primary insiders	The Company announced that the shares lent by IRIC in connection with the settlement of Offer Shares in Tranche 2, had been redelivered. Following the return of the lent shares and the allocation of offer shares in Tranche 2 IRIC held 43,009,437 shares in the Company (representing approximately 17,51% of the issued share capital and votes).
12 August 2024.....	Additional regulated information required to be disclosed under the laws of a member state	The Company announced that the date for publishing the interim report for first half year of 2024 was changed to 26 August 2024.
13 August 2024.....	Additional regulated information required to be disclosed under the laws of a member state	The Company announced that Jørgen Mann was appointed as the permanent CEO of the Company.
19 August 2024.....	Non-regulatory press releases	The Company published an invitation to its first half year 2024 presentation.
22 August 2024.....	Non-regulatory press releases	The Company announced that it had received its first order of UnoMeter 500 products from a distributor in South America. It was stated that this marked a significant milestone as the Group now had established sales networks across Europe, the Middle East, Asia, and South America, closely mirroring the extensive geographic reach previously achieved by Convatec.
26 August 2024.....	Half yearly financial reports and audit reports / limited reviews	The Company published the H1 Financial Statements.
26 August 2024.....	Mandatory notification of trade primary insiders	The Company announced that it had granted 1,000,000 share options to the CEO and primary insider of the Company, Jørgen Mann. The announcement further stated that the share options will vest over a period of two years and that 1/3 of the share options vested on the award date, The exercise price was set to NOK 0.44 per share based on the last trading price for the Company's shares on 23 August 2024.

Date disclosed	Category	Summary of information given
25 October 2024.....	Inside information	<p>The Company announced that it had received a letter from the Norwegian FSA regarding the Norwegian FSA's ongoing review of certain accounting matters in the Financial Statements and the H1 Financial Statements. It was mentioned that the Norwegian FSA's assessment, as outlined in the letter, was that there are errors in the Financial Statements related to, inter alia, (i) the Company's accounting with regards to the Convatec Transaction, which errors are deemed to be material by the Norwegian FSA, (ii) insufficient impairment testing, and (iii) incorrect accounting in connection with debt renegotiations with Navamedic. Furthermore, it was mentioned that the Norwegian FSA had also pointed out issues related to the H1 Financial Statements, including (i) that disclosure regarding "significant uncertainties related to going concern" has not been included, (ii) that impairment testing has not been conducted, and (iii) that information has not been provided regarding payment status and changes in due dates for payment instalments related to the Convatec Transaction.</p> <p>It was noted that the letter serves as a preliminary notice of decision, and that the Norwegian FSA had not yet made a final decision regarding the financial review of the Company. It was also mentioned that the Company would assess the information and continue its dialogue with the Norwegian FSA in order to seek to clarify the issues raised by them, and also discuss this with its auditor.</p>
12 November 2024.....	Non-regulatory press releases	<p>The Company announced that it had signed a Declaration of Conformity which (i) marked a final step for the establishment of a high-volume manufacturing platform for UnoMeterT 500 and UnoMeterT SafetiT, and (ii) was the final regulatory documentation that required to be approved for the Group to be able to accept and receive orders for UnoMeterT SafetiT Plus from customers and accept other relevant commercial and financial commitments related thereto.</p> <p>Further, the Company announced that it had received a binding subscription form to subscribe for new shares in the Company from Jiangsu Hongxin, however that the subscription was conditional upon the board of directors resolving to issue the new shares (after Jiangsu Hongxin's establishment of a securities account with the ES-OSL Registrar). In addition, it was announced that the Company was in dialogue with strategic and financial partners to evaluate options to further strengthen its working capital situation.</p>
15 November 2024.....	Inside information	<p>The Company announced that it had entered into the Addendum Agreement with Navamedic, pursuant to which Navamedic would convert NOK 16,354,815.20 of Navamedic Loan I to shares in the Company at a subscription price of NOK 0.40 per share, conditional upon the Condition being fulfilled. Information about the terms of the Addendum Agreement, including the extension of the maturity date under the Navamedic Loans and the agreed payment schedule, was also included in the announcement.</p>

## 7 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 14.3 "Incorporated by reference").

### 7.1 Introduction

This Section provides information about the Group's unaudited capitalisation and net financial indebtedness on an actual basis as at 30 September 2024. There have been no material changes to the Group's unaudited consolidated capitalization and net financial indebtedness since 30 September 2024 and up until the date of this Prospectus. However, the Company has entered into the Addendum Agreement with Navamedic, pursuant to which NOK 16,354,815.20 of Navamedic Loan I will be converted to equity, the final maturity dates for the two loans will be extended to 31 December 2027 and a new amortization schedule will be applied for Navamedic Loan I, provided that the Subsequent Offering is completed with minimum proceeds of NOK 1,500,000 (the Condition). See Section 9.6.2.1 "The Navamedic Loans".

The financial information presented in the capitalization and indebtedness tables in Sections 7.2 "Capitalisation" and 7.3 "Indebtedness" is derived from the Company's internal management accounts as of and for the three months' period ended 30 September 2024. These management accounts are unaudited and prepared in accordance with the Company's internal reporting practices.

### 7.2 Capitalisation<sup>13</sup>

In NOK thousand

<b>(Unaudited)</b>	<b>As of 30 September 2024<sup>1</sup> (Unaudited)</b>	<b>Adjusted for the Addendum Agreement<sup>7</sup></b>	<b>As adjusted</b>
<i>Total current debt:</i>			
Guaranteed .....	-	-	-
Secured .....	-	-	-
Unguaranteed / unsecured .....	129 856 <sup>2</sup>	(54 000) <sup>8</sup>	75 856
<b>Total current debt .....</b>	<b>129 856</b>	<b>(54 000)</b>	<b>75 856</b>
<i>Total non-current debt:</i>			
Guaranteed .....	-		
Secured .....	-		
Unguaranteed / unsecured .....	1 560 <sup>3</sup>	37 645 <sup>9</sup>	39 205
<b>Total indebtedness .....</b>	<b>131 417</b>	<b>(16 355)</b>	<b>115 061</b>
<i>Shareholder equity:</i>			
Share capital	63 878 <sup>4</sup>	10 630 <sup>11</sup>	74 508 <sup>10</sup>
Legal reserves	295 508 <sup>5</sup>	5 724 <sup>12</sup>	301 232
Other reserves	(253 955) <sup>6</sup>	-	(253 955)
<b>Total shareholders' equity .....</b>	<b>105 431</b>	<b>16 354</b>	<b>121 785</b>
<b>Total capitalisation .....</b>	<b>236 848</b>	<b>-</b>	<b>236 846</b>

<sup>1</sup> The financial information in this column is extracted from the Group's unaudited consolidated internal financial reports as of and for the three months' period ended, 30 September 2024.

<sup>13</sup> Please refer to Section 4.3.2 "The Financial Review" and the risk factor titled "Risks related to the ongoing period financial statement review by the Norwegian FSA of the Financial Statements and the H1 Financial Statements" in Section 2.1 "Financial and market risk" regarding the ongoing Financial Review of the H1 Financial Statements and the risks related thereto.

- 2 Comprises (i) "interest bearing current liabilities" consisting of the Navamedic Loans and a loan from Business Finland, in total NOK 57,259,000, (ii) "trade payables" of NOK 13,815,000, (iii) "public duty liabilities" of NOK 8,085,000, (iv) "other current liabilities" related to the debt to the Sellers in connection with the Convatec ATA of NOK 40,928,000, and (v) "other current liabilities" of NOK 9,770,000. The debt to the Sellers in relation to the Convatec ATA has been reclassified from "other non-current liabilities" to "other current liabilities" since the H1 Financial Statements.
- 3 Comprises "contingent consideration" ("non-current liability") related to Sippi®.
- 4 Represents the Company's share capital of NOK 63,878,153.04 divided into 245,685,204 shares, each with a nominal value of NOK 0.26 as at 30 September 2024.
- 5 Comprises share premium of NOK 295,508,000.
- 6 Comprises retained earnings and translation differences of approximately NOK 254,000,000.
- 7 The adjustments are based on the assumption that the Condition will be fulfilled, resulting in completion of the Loan Conversion and postponement of the Navamedic Loans in accordance with the Addendum Agreement (see Section 9.6.2.1 "The Navamedic Loans").
- 8 Comprises the Navamedic Loans which will be reclassified to "non-current debt" if the Condition is fulfilled.
- 9 Comprises the Navamedic Loans, excluding the amount to be converted in connection with the Loan Conversion.
- 10 Represents the Company's share capital of 74,508,782.9 divided into 286,572,242 shares, each with a nominal value of NOK 0.26 if the Loan Conversion is completed (not taking into account the issuance of any Offer Shares).
- 11 Comprises the increase of the Company's share capital resulting from the completion of the Loan Conversion if the Condition is fulfilled.
- 12 Comprises the increase in share premium resulting from the completion of the Loan Conversion if the Condition is fulfilled.

### 7.3 Indebtedness<sup>14</sup>

<i>In NOK thousand</i> <b>(Unaudited)</b>	<b>As of 30 September 2024<sup>1</sup></b> <b>(Unaudited)</b>	<b>Adjusted for the Addendum Agreement<sup>5</sup></b>	<b>As adjusted</b>
<i>Net indebtedness</i>			
(A) Cash .....	6 679 <sup>2</sup>	-	6 679
(B) Cash equivalents .....	-	-	-
(C) Other current financial assets .....	-	-	-
<b>(D) Liquidity (A)+(B)+(C) .....</b>	<b>6 679</b>	<b>-</b>	<b>6 679</b>
 (E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) .....	 107 957 <sup>3</sup>	 (54 000) <sup>6</sup>	 53 957
(F) Current portion of non-current financial debt .....	-	-	-
<b>(G) Current financial indebtedness ((E)+(F)) .....</b>	<b>107 957</b>	<b>(54 000)</b>	<b>53 957</b>
<b>(H) Net current financial indebtedness ((G)-(D)) .....</b>	<b>101 278</b>	<b>(54 000)</b>	<b>47 278</b>
 (I) Non-current financial debt (excluding current portion and debt instruments) .	 1 560 <sup>4</sup>	 37 645 <sup>7</sup>	 39 205
(J) Debt instruments .....	-	-	-
(K) Non-current trade and other payables .....	-	-	-

<sup>14</sup> Please refer to Section 4.3.2 "The Financial Review" and the risk factor titled "Risks related to the ongoing period financial statement review by the Norwegian FSA of the Financial Statements and the H1 Financial Statements" in Section 2.1 "Financial and market risk" regarding the ongoing Financial Review of the H1 Financial Statements and the risks related thereto.



<i>In NOK thousand</i> <b>(Unaudited)</b>	<b>As of 30 September 2024<sup>1</sup></b> <b>(Unaudited)</b>	<b>Adjusted for the Addendum Agreement<sup>5</sup></b>	<b>As adjusted</b>
<b>(L) Non-current financial indebtedness ((I)+(J)+(K)).....</b>	<b>1 560</b>	<b>37 645</b>	<b>39 205</b>
<b>(M) Total financial indebtedness ((H)+(L)) .....</b>	<b>102 838</b>	<b>(16 355)</b>	<b>86 483</b>

<sup>1</sup> The financial information in this column is extracted from the Group's unaudited consolidated internal financial reports as of and for the three months' period ended 30 September 2024.

<sup>2</sup> The cash amount has increased since the H1 Financial Statements as a result of the Private Placement.

<sup>3</sup> Comprises (i) "interest bearing current liabilities" consisting of the Navamedic Loans and a loan from Business Finland, in total NOK 57,259,000, (ii) "other current liabilities" consisting of the debt to the Sellers in connection with the Convatec ATA of NOK 40,928,000, and (iii) "other current liabilities" of NOK 9,770,000. The debt to the Sellers in relation to the Convatec ATA has been reclassified from "other non-current liabilities" to "other current liabilities" since the H1 Financial Statements.

<sup>4</sup> Comprises "contingent consideration" ("non-current liability") related to Sippi®.

<sup>5</sup> The adjustments are based on the assumption that the Condition will be fulfilled, resulting in completion of the Loan Conversion and postponement of the Navamedic Loans in accordance with the Addendum Agreement (see Section 9.6.2.1 "The Navamedic Loans").

<sup>6</sup> Comprises the Navamedic Loans which will be reclassified to "non-current debt" if the Condition is fulfilled.

<sup>7</sup> Comprises the Navamedic Loans, excluding the amount to be converted in connection with the Loan Conversion.

#### **7.4 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.

The Group has experienced, and is still experiencing, liquidity challenges, and will require additional funds in order to execute and complete its commercialisation and growth strategy, and for other corporate purposes. According to the Group's current proposed scale of operations, the Group expects that it, in addition to the net proceeds from the Private Placement, will need approximately an additional NOK 107,000,000 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 shortfall relates to (i) the payments due in connection with the Convatec Transaction (approximately NOK 40,000,000 in total), (ii) repayment of the Navamedic Loans (approximately NOK 54,000,000 in total) and (iii) approximately NOK 13,000,000 which is required for general corporate purposes for the period.

The Company intends to secure such working capital through (i) deferment of three instalments related to the Convatec Transaction until December 2025 (one of which amounts to USD 500,000 and is payable in December 2024, one of which amounts to USD 1,000,000 and is payable in December 2024 with an option for the Group to defer the payment for six months, and one of which amounts to approximately USD 2,400,000 and is due on 1 September 2025), (ii) completion of the conditional Loan Conversion and the deferment of the final maturity dates of the Navamedic Loans from 31 January 2025 in accordance with the Addendum Agreement, as further described in Section 9.6.2.1 "The Navamedic Loans", (iii) the Subsequent Offering and (iv) pursuing additional financing options, as further described below.

To secure postponement of the instalments related to the Convatec Transaction, the Company has engaged in negotiations with the Sellers and proposed a 12-month postponement for the payment obligations, contingent upon the Group paying an interest rate of 7.8% per annum from the original due dates. The first interest payment is tentatively scheduled for December 2024, with subsequent payments to be made quarterly. If the Sellers accept this proposal, the parties will formalise the agreement through an addendum to the Convatec ATA. Should the Sellers decline the proposed postponement, the Company will continue negotiations to find a mutually acceptable solution to be able to postpone the payment obligations. The Company is optimistic that it will be able to postpone the instalments based on the fact that the Sellers also have an interest in the completion of the Convatec ATA after negotiations over a longer period of time and both parties having carried out extensive work.

The Company has entered into the conditional Addendum Agreement with Navamedic, pursuant to which Navamedic will convert NOK 16,354,815.20 of Navamedic Loan I to Shares in the Company (the Conversion Shares), at a subscription price of NOK 0.40 per

Conversion Share, the final maturity dates of the Navamedic Loans will be postponed until 31 December 2027, and a new amortization schedule will be applied for Navamedic Loan I, all conditional upon the Subsequent Offering being completed with gross proceeds of minimum NOK 1,500,000 (the Condition).

The Company will carry out the Subsequent Offering and receive the net proceeds from the Subsequent Offering. As the Subsequent Offering is not underwritten, there can, however be no assurance that the Company will receive net proceeds from the Subsequent Offering of a certain amount (including a sufficient amount to ensure satisfaction of the Condition) or at all.

As the postponement of the instalments related to the Convatec Transaction, the Loan Conversion and the postponement of the repayment of the Navamedic Loans and the potential proceeds from the Subsequent Offering alone are insufficient to secure adequate working capital, the Company intends to cover the remaining requirement by exploring additional financing options, such as securing short-term loans, attracting new investors, or negotiating extended credit terms with suppliers.

The Company will also start exploring the other options mentioned above within 2024 and is optimistic that it will be able to secure the remaining requirement from one or more of the mentioned financial options.

If the Group is not able to successfully obtain the required working capital through postponement of the instalments related to the Convatec Transaction, the Loan Conversion and the postponement of the repayment of the Navamedic Loans, the Subsequent Offering and other financing options, the Company expects that it may not be able to satisfy its liabilities as they fall due at the start of 2025. In such case, material uncertainty would exist as to whether the Company will be able to 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.

#### **7.5 Contingent and indirect indebtedness**

Apart from the deferred settlement of USD 3,895,000 of a total consideration of USD 4,195,000 under the Convatec ATA (see section 6.4.1.2 "Total consideration and transaction costs" for a further description of the settlement structure under the Convatec ATA) and a contingent consideration related to sales of Sippi® (stipulated in the share purchase agreement for the acquisition of OMI), which is currently estimated to be maximum NOK 1,500,000 with payment scheduled for 2026, the Group does not have any material contingent or indirect indebtedness on the date of the Prospectus.

## 8 BOARD OF DIRECTORS AND MANAGEMENT

### 8.1 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.

### 8.2 The Board of Directors

#### 8.2.1 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. Terje Bakken and Line Tønnessen are not considered independent from the Company's larger shareholders (shareholders holding more than 10% of the Shares), as they represent the Company's largest shareholder, IRIC, on the Board of Directors. Kathrine Gamborg Andreassen is not considered independent from Navamedic, which is a material business associate of the Company and which, if the Loan Conversion is completed, will be a major shareholder. The composition of the Board of Directors is currently in compliance with the above-mentioned recommendations in the Norwegian Corporate Governance Code, but will not be so if the Loan Conversion is completed.

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.

#### 8.2.2 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 <sup>1</sup> .....	Chairperson	2019	2025	1,250,000	-
Kathrine Gamborg Andreassen <sup>2</sup> .....	Board Member	2019	2025	868,760	-

Name	Position	Served since	Term expires	Shares	Options
Eskild Endrerud <sup>3</sup>	Board Member	2022	2025	14,718,859	-
Line Tønnessen <sup>4</sup>	Board Member	2022	2025	932,692	-

<sup>1</sup> Bakken represents the Company's largest shareholder, IRIC, at the Board of Directors. The Shares owned by Bakken are owned through his privately held company, Kikinn Invest AS.

<sup>2</sup> Gamborg Andreassen represents the material business contact, Navamedic, at the Board of Directors. The Shares owned by Gamborg Andreassen are owned through her privately held company, Soleglad Invest AS.

<sup>3</sup> Endrerud represents the Company's third largest shareholders, ELI AS, at the Board of Directors. Endrerud owns 100% of ATHEND Holding AS. ATHEND Holding AS owns 378,994 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 13,263,298 shares in the Company. In total, Eskild Endrerud indirectly owns 13,706,359 shares in the Company and directly owns 1,012,500 shares in the Company.

<sup>4</sup> Tønnessen represents the Company's largest shareholder, IRIC, at the Board of Directors.

### 8.2.3 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 is a partner in the Norwegian private equity company Reiten & Co AS and has been the chairperson of the Board of Directors of the Company since its incorporation. Mr. Bakken has been with Reiten & Co AS since 1998 and has extensive Private Equity/Active Ownership experience through leading and implementing various strategic and operational value-based processes across different industries, combined with a significant financial transaction and structured finance experience. Mr. Bakken holds a Master of Science in Financial Economics degree and Bachelor of Business and Administration degree from the Norwegian School of Management. He currently sits on the board of directors of the Company (chairperson), Questback AS (board member) and Reiten & Co AS (board member). Furthermore, he has previous board experience from Navamedic (chairperson), Webstep ASA (board member) and Grilstad AS (board member). Mr. Bakken is a Norwegian citizen and resides in Oslo, Norway.

*Current directorships and senior management positions*..... Reiten & Co AS (board member), , Questback Group AS (chairperson) and Questback AS (board member).

*Previous directorships and senior management positions last five years*..... Webstep ASA (board member), Questback AS (chairperson), Navamedic (chairperson).

#### **Kathrine Gamborg Andreassen, Board Member**

Kathrine Gamborg Andreassen has been CEO of Navamedic since December 2018. Ms. 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. Ms. 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. Ms. 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 VP Consumer Health), Novicus Pharma AS (chairperson), Vistin Pharma ASA (board member) and Soleglad Invest AS (chairperson).

#### **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. Mr. Endrerud has previously been chairman of the board of directors and CFO of Biim Ultrasound AS which now is a part of the Group. Mr. 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) and 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 IRIC. She has a strong analytical and corporate finance background. Ms. Tønnessen 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) and Uranienborg Menighetsboligstiftelse (board member).

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

## **8.3 Management**

### **8.3.1 Overview**

The Group's Management consists of three 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:

<b>Name</b>	<b>Current position within the Company</b>	<b>Held position since</b>	<b>Shares</b>	<b>Options held</b>
Jørgen Mann.....	Interim Chief Executive Officer	2024	500,000	1,000,000
Johan M. Fagerli.....	Interim Chief Financial Officer	2024	250,763	0
Rune Nystad.....	Chief Development Officer	2024	1,105,769	666,667

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.

### **8.3.2 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.

#### **Jørgen Mann, Chief Executive Officer**

Before being appointed the permanent CEO in August 2024, Jørgen Mann was the interim CEO of the Company from February 2024 and the Chief Commercial Officer of the Company prior to that. He has nearly 20 years of experience in sales and senior management roles from global medtech companies in Europe. Prior to joining the Group, Mr. Mann worked as Head of Country in Fresenius Medical Care Denmark. Mr. Mann also has experience from Smith & Nephew, ArjoHuntleigh, and Unomedical. He holds a bachelor's degree in science from DTU – Technical University of Denmark, in addition to an EBA from Københavns Teknikum and Executive MBA from Henley Business School.

*Current directorships and senior management positions*..... N/A.

*Previous directorships and senior management positions last five years*..... Fresenius Medical Care (Head of Country in Denmark), Smith & Nephew (Nordic Sales Director, Country Director in Denmark).

#### **Johan M. Fagerli, Chief Financial Officer**

Johan M. Fagerli joined the Company in 2021 as the Finance Manager. In March 2024, he was appointed interim CFO, and as CFO in a permanent position in April 2024. With 20 years of experience in financial management, business controlling, and accounting

he has developed a robust skill set across multiple industries. Throughout his career, Mr. Fagerli has worked in real estate, road construction, and telecommunications for notable companies including Telia, Get TDC, Lemminkäinen, Mesta, and KLP Eiendom. He has 20 years' experience from various roles within financial management, business controlling and accounting across multiple industries. Mr. Fagerli has worked within real estate, road construction and telecom in companies such as Telia, Get TDC, Lemminkäinen, Mesta Industri AS and KLP Eiendom AS. He holds a business administration degree from Harstad University College, and a master's degree from Nord University Business School in Norway.

*Current directorships and senior management positions.....* N/A

*Previous directorships and senior management positions last five years.....* Telia Norge AS (Controlling Manager Cost, Investments & WC), JM Fagerli AS (chairperson).

#### **Rune Nystad, Chief Development Officer**

Rune Nystad was the CEO of the Company from March 2022 until February 2024. Prior to joining the Company, Mr. Nystad was the CEO of Biim Ultrasound AS. 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. Mr. Nystad has previously been involved in multiple successful start-ups and over 30 product launches. He obtained a bachelor's degree in industrial engineering at the University of Minnesota Duluth. Mr. Nystad has also studied finance and economics at the Nord University in Norway.

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

*Previous directorships and senior management positions last five years.....* Biim Ultrasound AS (CEO).

#### **8.4 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.

The following relations between members of the Board of Directors and the Company's larger shareholders (shareholders holding more than 10% of the Shares) and material business associates, indicate that certain members of the Board of Directors are not considered to be independent from such larger shareholders and material business associates:

- Chairperson of the Board of Directors, Terje Bakken, is a board member and an indirect shareholder (through his privately held company, Kikinn Invest AS) of IRIC, which in total has a 17.51% ownership interest in the Company.
- Board Member, Line Tønnessen, holds the position as investment director in Reiten & Co AS, a wholly owned subsidiary of IRIC, which in total has a 17.51% ownership interest in the Company.
- Board Member, Kathrine Gamborg Andreassen, holds the position as CEO of Navamedic, which in total has an ownership interest of approximately 1.72% in the Company and is a material business associate of the Company. If the Loan Conversion is completed, Navamedic will be a major shareholder of the Company.

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.

## 9 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.

### 9.1 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, and its 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, and the Company's main telephone number at that address is +47 23 12 23 12. The Company's website can be found at [www.observemedical.com](http://www.observemedical.com). The contents available on [www.observemedical.com](http://www.observemedical.com) are not incorporated by reference into, or otherwise forms part of, this Prospectus.

The existing Shares (including, for the avoidance of doubt the Private Placement Shares are, and the Offer Shares and the Conversion Shares will upon issuance be, governed by the Norwegian Public Limited Companies Act. The existing Shares (including, for the avoidance of doubt the Tranche 1 Private Placement Shares), except for the Tranche 2 Private Placement Shares, are registered in book-entry form with the ES-OSL under ISIN NO 0010865009. The Tranche 2 Private Placement Shares are issued and registered in book-entry form on the separate and temporary ISIN NO 0013310128, but will be transferred to the listed ISIN NO 0010865009 following the publication of this Prospectus. The Offer Shares to be issued in connection with the Subsequent Offering and the Conversion Shares will be issued directly on the listed ISIN NO 0010865009, and registered in book-entry form with the ES-OSL. The Shares are freely transferrable. The Company's register of shareholders in ES-OSL is administrated by the ES-OSL Registrar, Equro Issuer Services AS, Billingstadsletta 13, N-1396 Billingstad, Norway.

### 9.2 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

### 9.3 Listing on Euronext Expand

The existing Shares (including, for the avoidance of doubt the Tranche 1 Private Placement Shares) are listed on Euronext Expand under ISIN NO 0010865009 and ticker code "OBSRV ". The Tranche 2 Private Placement Shares are registered in book-entry form in the ES-OSL on a separate ISIN NO 0013310128, but will, upon listing on Euronext Expand be transferred to ISIN NO 0010865009. The Offer Shares to be issued in connection with the Subsequent Offering and the Conversion Shares will be issued on the listed ISIN NO 0011016040, and are expected to be tradeable on Euronext Expand under the Company's ticker ("OBSRV") as soon as the relevant share capital increases have been registered with the Norwegian Register of Business Enterprises and the relevant Shares have been registered in the ES-OSL. This is expected to take place on or about 16 December 2024 for the Offer shares and on or about 18 December 2024 for the Conversion Shares. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

### 9.4 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 ES-OSL as of 13 November 2024, 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.....	43,009,437	17.51%
2	JPB AS.....	17,564,944	7.15%
3	ELI AS.....	13,263,298	5.40%

Navamedic will hold in total approximately 15.7% of the Shares if the Loan Conversion is completed (disregarding any shares issued in the Subsequent Offering), and will in such case consequently be a major shareholder of the Company.

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.

## 9.5 Board authorisations

### 9.5.1 Authorisation to increase the share capital and issue new shares

At an extraordinary general meeting held on 17 July 2024 the general meeting resolved to grant the Board of Directors:

- (i) an authorisation to increase the Company's share capital by up to NOK 8,450,000 (approx. 14% 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 the Subsequent Offering. The authorisation is valid until 31 December 2024; and
- (ii) an authorisation to increase the Company's share capital by up to NOK 12,775,630 (approximately 20% of the Company's share capital following issuance of the Private Placement Shares) in order to finance further growth of the Company. The authorisation is valid until the annual general meeting in 2025, but no longer than to and including 30 June 2025.

Furthermore, at the annual general meeting of the Company held on 26 May 2023, the general meeting resolved to grant the Board of Directors 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 share options and an investment program. The authorisation is valid until the Company's annual general meeting in 2025, but no longer than to and including 30 June 2025.

For all the above-mentioned authorisations, the Board of Directors has been authorised to deviate from the shareholders' preemptive right to the new Shares in accordance with section 10-4 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 against contribution in kind and the right to incur specific obligations on behalf of the Company, cf. section 10-2 of the Norwegian Public Limited Companies Act, and share capital increases in connection with mergers pursuant to section 13-5 of the Norwegian Public Limited Companies Act.

The conditional share capital increase pertaining to the Loan Conversion, as described in Section 12.2.4 "Resolution to issue the Conversion Shares", has been resolved based on the authorisation to finance further growth.

### 9.5.2 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.



## 9.6 Other financial instruments

Other than the loan agreements and share options 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.

### 9.6.1 Share options

As of the date of this Prospectus, the Company has issued 2,000,000 share options, of which 666,667 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 options	Share options held at the beginning of the year	Share options awarded	Share options vested	Share options awarded and unvested
Rune Nystad (CDO)	ESOP 2022	11.11.22	11.11.22	11.11.23	11.11.23	11.11.23	4.5	333,333	0	333,333	0
		-				-					
		11.11.23				11.11.26					
		11.11.22	11.11.22	11.11.24	11.11.24	11.11.24	4.5	333,333	0	0	333,333
		-				-					
		11.11.24				11.11.26					
		11.11.22	11.11.22	11.11.25	11.11.25	11.11.25	4.5	333,334	0	0	333,334
		-				-					
		11.11.25				11.11.26					
Jørgen Mann (CEO)	No specific plan		26.08.24	26.08.24	26.08.27	26.08.24	0.44	0	0	333,334	0
		-				-					
		-	26.08.24	26.08.25	26.08.27	26.08.25	0.44	0	333,333	0	333,333
						-					
						26.08.27					
		-	26.08.24	26.08.26	26.08.27	26.08.26	0.44	0	333,333	0	333,333
						-					
						26.08.27					
<b>Total</b>								<b>1,000,000</b>	<b>0</b>	<b>666,667</b>	<b>1,333,333</b>

The issued share options are described in note 18 in the Financial Statements.

### 9.6.2 Loan agreements

#### 9.6.2.1 The Navamedic Loans

##### The current loan agreements

The Company has entered into two subordinated loan agreements with Navamedic for loans with an aggregate outstanding amount of NOK 52,900,000 (including interest) at the date of this Prospectus (the Navamedic Loans). The loan agreements have been conditionally amended through the Addendum Agreement, as further described under "The Addendum Agreement" below.

Both loans currently fall due for payment on 31 January 2025. Navamedic Loan I, governed by a loan agreement entered into on 27 September 2019, has an outstanding principal amount of NOK 32,000,000. In addition, interest of approximately NOK 14,800,000 has accrued and is unpaid as at the date of this Prospectus. Navamedic Loan II, governed by a loan agreement entered into on 6 September 2023, has an outstanding principal amount of NOK 5,000,000. In addition, interest of approximately NOK 1,100,000 has accrued and is unpaid as at the date of this Prospectus. The interest rate under the Navamedic Loans is 3 months NIBOR + 6 percent per annum. Navamedic Loan II is secured by the first priority ranking security by pledge in all assets owned by the Company.

Pursuant to the loan agreement governing Navamedic Loan I, Navamedic has the right to request that all, but not parts, of Navamedic Loan I is converted to Shares. Following a written conversion notice from Navamedic, the Company has the optionality to either (i) accept the conversion right or (ii) reject such conversion right by settling Navamedic Loan I in full in cash or settling parts of Navamedic Loan I in cash and the remainder through conversion. The Company has in the two months' period following receipt of the conversion notice the right to take all actions necessary to obtain sufficient funding, either by debt capital transactions or equity capital transactions or otherwise at its sole discretion, for the purpose of enabling the Company to repay Navamedic Loan I.

The subscription price in a conversion shall be equal to the volume weighted average share price of the Shares on Euronext Expand for the last ten days prior to the conversion date, but in no event be less than the nominal value of each Share.

The number of Shares to be issued upon completion of the conversion right shall be determined by dividing (x) the principal amount of the outstanding loan amount (with accrued but unpaid interest) by (y) the conversion price. The number of Shares to be issued shall be rounded down to the nearest whole share. The conversion right cannot be separated from the loan.

Furthermore, Navamedic has the right to convert Navamedic Loan II into Shares in connection with an equity issue in the Company. If the Company resolves to carry out an equity issue, Navamedic may, by written notice to the Company, notify that all or a part of Navamedic Loan II will be used as a contribution in kind to settle any subscriptions made by Navamedic in such equity issue.

The conversion price shall be equal to the subscription price for the other investors participating in the equity issue.

The number of Shares to be issued upon the completion of the conversion right shall be determined by dividing (x) the principal amount of the outstanding loan amount to be converted (with accrued but unpaid interest) plus a make-whole amount to compensate for interest Navamedic would have received if Navamedic Loan II had been held until maturity, by (y) the conversion price. The number of Shares to be issued shall be rounded down to the nearest whole share.

#### The Addendum Agreement

On 15 November 2024, the Company and Navamedic entered into the conditional Addendum Agreement with respect to the Navamedic Loans. Pursuant to the Addendum Agreement, Navamedic will through the Loan Conversion convert NOK 16,354,815.20 of Navamedic Loan I to Shares in the Company (the Conversion Shares), at a subscription price of NOK 0.40 per Conversion Share, conditional upon the Subsequent Offering being completed with gross proceeds of minimum NOK 1,500,000 (the Condition).

Subject to satisfaction of the Condition, the loan agreements for the Navamedic Loans will also be amended as follows:

The maturity date of Navamedic Loan I will be postponed, with an amortization schedule starting on 1 January 2026, monthly payments of both principal and interest thereafter, and the remaining balance falling due on 31 December 2027. The Company will pay interest only on a monthly basis from 1 April 2025 to 31 December 2025.

The maturity date of Navamedic Loan II will be postponed until 31 December 2027, upon which the remaining balance will fall due in full. The Company will pay interest on a monthly basis from 1 April 2025.

No other changes will be made to the Navamedic Loans through the Addendum Agreement.

If the Condition is not satisfied, the agreed amendments, including the Loan Conversion, will not be implemented.

#### 9.6.2.2 Other loans

In addition to the Navamedic Loans, the Group has a "start-up funding" loan from Business Finland of approximately EUR 400,000 incl. accrued interest.

### **9.7 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 9.8 "The Articles of Association".

## **9.8 The Articles of Association**

The Company's Articles of Association as of 17 July 2024 are appended to this Prospectus in [Appendix B](#). Below is a summary of provisions of the Articles of Association.

### *9.8.1 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.

### *9.8.2 Registered office*

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

### *9.8.3 Share capital and nominal value*

Pursuant to section 4, the Company's registered share capital is NOK 63,878,153.04, divided into 245,685,204 shares, each with a nominal value of NOK 0.26.

### *9.8.4 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.

### *9.8.5 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 must notify to the Company within a specific deadline that cannot shall expire earlier than two working days prior to the general meeting.

### *9.8.6 Nomination committee*

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

### *9.8.7 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 of the Company.

## **9.9 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 ES-OSL 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. All of the Board Members and a majority of the members of the 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.

### **9.10 Shareholders' agreements**

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

## 10 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.*

### 10.1 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, Oslo, Milan and Paris.

### 10.2 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.

### 10.3 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in Euronext's electronic trading system Optiq<sup>®</sup>. 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 ES-OSL 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.

#### **10.4 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.

#### **10.5 The ES-OSL and transfer of shares**

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

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

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

#### **10.6 Shareholder register – Norwegian law**

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. If shares are held through a nominee (such as through a broker, dealer or other third party) in the ES-OSL register, cf. Section 4-10 of the Norwegian Public Limited Companies Act, any notice of a general meeting will in accordance with Section 1-8 of the Norwegian Public Limited Companies Act,



be sent to the nominee who shall pass on the notice to the beneficial owner. If the beneficial owner wishes to attend a general meeting, the beneficial owner must ask the nominee to notify the company of this within two business days prior to the date of the general meeting. It is not a requirement to have shares transferred to a securities account in the beneficial owner's own name in order to vote at a 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 ES-OSL through a nominee. However, foreign shareholders may register their shares in the ES-OSL 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 ES-OSL 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 9.9 "Certain aspects of Norwegian corporate law" under the subheading "Voting rights – amendments to the articles of association" for more information on nominee accounts.

### **10.7 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 9.9 "Certain aspects of Norwegian corporate law" for more information on certain aspects of Norwegian law.

### **10.8 Disclosure obligations**

If a person's, entity's or consolidated group's proportion of the total issued shares, rights to already issued shares and/or rights with economic effect similar to holding shares or entitlements to acquire 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.

### **10.9 Insider trading**

According to Norwegian law, subscription for, purchase, sale, 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 and thereby uses that 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.

### **10.10 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.

#### **10.11 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.

#### **10.12 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 ES-OSL 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.

## 11 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.

### 11.1 Norwegian taxation

#### 11.1.1 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 11.1.2 "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 11.1.1 "*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.

#### 11.1.2 *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 11.1.1 "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 37.84%. 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 11.1.1 "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 11.1.1 "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.

***11.1.3 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 11.1.2 "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 11.1.2 "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 11.1.2 "Taxation of capital gains on realisation of shares" above.

**11.1.4 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 between NOK 1,700,000 and NOK 20,000,000 and 1.1% of the value assessed in excess of NOK 20,000,000. On 7 October 2024, the Norwegian government proposed that the net wealth tax be changed to 1% for net wealth exceeding NOK 1,760,000 up to NOK 20,700,000 and 1.1% for net wealth exceeding NOK 20,700,000. If the proposal is adopted, the new thresholds will apply from 1 January 2025. 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.

**11.1.5 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.

**11.1.6 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.



## 12 THE COMPLETED PRIVATE PLACEMENT, THE LOAN CONVERSION AND THE TERMS OF THE SUBSEQUENT OFFERING

### 12.1 The Private Placement

#### 12.1.1 Overview

On 24 June 2024, the Company announced that it had successfully placed the Private Placement, comprising 55,000,000 new Shares in the Company (the Private Placement Shares), each with a nominal value of NOK 0.26, at a subscription price of NOK 0.40 per Private Placement Share, raising gross proceeds of NOK 22,000,000.

The Private Placement was divided into two tranches, with one tranche comprising 38,137,038 Private Placement Shares (the Tranche 1 Private Placement Shares) ("**Tranche 1**") and one tranche comprising 16,862,962 Private Placement Shares (the Tranche 2 Private Placement Shares) ("**Tranche 2**"). The Board of Directors resolved to issue the Tranche 1 Private Placement Shares on 24 June 2024, and an extraordinary general meeting of the Company resolved to issue the Tranche 2 Private Placement Shares on 17 July 2024.

The Private Placement was directed towards Norwegian and international investors and was subject to exemptions from relevant prospectus requirements: (i) outside the United States in reliance on Regulation S under the U.S. Securities Act and (ii) in the U.S. to "qualified institutional buyers" (QIBs) as defined in Rule 144A under the U.S. Securities Act. The minimum subscription and allocation amount in the Private Placement was set to the NOK equivalent of EUR 100,000, provided, however, that the Company reserved the right to allocate an amount below EUR 100,000 to the extent applicable exemptions from the prospectus requirement pursuant to the Norwegian Securities Trading Act and ancillary regulations, or similar legislation in other jurisdictions, were available.

The share issue to raise gross proceeds of NOK 22,000,000 was carried out as a private placement in order for the Company to complete the equity raise in a manner which was efficient and appropriate to satisfy its immediate need of additional equity to finance its further growth, including working capital in relation to continuous product development and ramp-up of production and sales activities. The Private Placement necessitated a deviation from the existing shareholders' preferential rights to subscribe for and be allocated the new Shares, cf. section 10-4, cf. section 10-5, of the Norwegian Public Limited Companies Act. The Board of Directors assessed several factors when deciding on the transaction structure for the equity raise, including particularly that a rights issue would take substantially longer to complete, which could significantly impair the Company's situation. The Board of Directors also looked into other financing alternatives (bank financing and direct lending) and concluded that such alternatives were not available. Given the Company's financial situation, it was deemed necessary to determine the subscription price in the Private Placement through discussions with investors, and the discount to the market price of the Shares was deemed to have a factual basis as the Company did not have access to alternative sources of financing. Further, the Board of Directors also assessed the dilutive effects of the Private Placement and that it would carry out the Subsequent Offering to reduce the dilutive effect on non-participating shareholders' shareholding in the Company. On this basis, the Board of Directors considered the Private Placement to be in the common interest of the Company and its shareholders, and not in breach of applicable rules and regulations for equal treatment.

#### 12.1.2 Settlement structure in the Private Placement

On 24 June 2024, the Company, the Manager, IRIC and ELI AS entered into a share lending agreement (the "**Share Lending Agreement**") to facilitate a swift settlement of the Private Placement Shares towards investors in the Private Placement.

The Tranche 1 Private Placement Shares were settled on a delivery-versus-payment basis by delivery of existing unencumbered Shares already listed on Euronext Expand borrowed by the Manager from IRIC (37,300,000 Shares) and ELI AS (837,038 Shares) pursuant to the Share Lending Agreement. On 24 June 2024, the Board of Directors resolved to increase the share capital by issuance of 38,137,038 new Shares to the Manager for redelivery of borrowed Shares to IRIC and ELI AS. See Section 12.1.4 "Resolution to issue the Tranche 1 Private Placement Shares". Due to the number of Tranche 1 Private Placement Shares, there was no requirement to publish a listing prospectus in connection with Tranche 1. The share capital increase pertaining to the Tranche 1 Private Placement Shares was registered with the Norwegian Register of Business Enterprises on 2 July 2024, and the Tranche 1 Private Placement Shares were issued in the ES-OSL and redelivered to IRIC and ELI AS on the same day.

The Tranche 2 Private Placement Shares, except for such Shares allocated to IRIC, were also settled on a delivery-versus-payment basis by delivery of existing unencumbered Shares already listed on Euronext Expand borrowed by the Manager from IRIC (11,237,962 shares) pursuant to the Share Lending Agreement. On 17 July 2024, the general meeting resolved to, *inter alia*, increase the share capital by issuance of the Tranche 2 Private Placement Shares to the Manager for redelivery of borrowed Shares to IRIC and to IRIC as settlement of the Tranche 2 Private Placement Shares delivered to IRIC. See Section 12.1.5 "Resolution to issue the Tranche 2 Private Placement Shares". The share capital increase pertaining to the Tranche 2 Private Placement Shares were registered with the Norwegian Register of Business Enterprises on 5 August 2024, and the Tranche 2 Private Placement Shares were issued in the ES-OSL on the separate and temporary ISIN NO 0013310128 on the same day and redelivered to IRIC on 6 August 2024. The Tranche 2 Private Placement Shares will be transferred to the Company's listed ISIN NO 0010865009 and tradable on Euronext Expand following the publication of this Prospectus.

For information on the listing of the Private Placement Shares on Euronext Expand, see Section 12.1.6 "The rights conferred by the Private Placement Shares and listing of the Private Placement Shares" below.

#### 12.1.3 *Share capital following the issuance of the Private Placement Shares*

Following the registration of the share capital increases pertaining to the Private Placement Shares with the Norwegian Register of Business Enterprises and as of the date of this Prospectus, the Company's share capital is NOK 63,878,153.04, divided into 245,685,204 Shares, each with a nominal value of NOK 0.26.

#### 12.1.4 *Resolution to issue the Tranche 1 Private Placement Shares*

On 24 June 2024, and pursuant to the authorisation granted to it by the annual general meeting of the Company held on 24 May 2024, the Board of Directors passed the following resolution to increase the Company's share capital with NOK 9,915,629.88 by issuance of the 38,137,038 Tranche 1 Private Placement Shares:

- (i) *The share capital shall be increased with NOK 9,915,629.88, by the issuance of 38,137,038 new shares, each with a nominal value of NOK 0.26.*
- (ii) *The subscription price per share is NOK 0.40. The share contribution shall be settled in cash.*
- (iii) *The shares shall be subscribed for by Carnegie AS for redelivery of shares borrowed by it from Ingerø Reiten Investment Company AS and ELI AS pursuant to the share lending agreement dated 24 June 2024. The shareholders' preferential right is thus deviated from, cf. Section 10-5 cf. Section 10-4 of the Norwegian Public Limited Companies Act.*
- (iv) *The shares shall be subscribed for on a separate subscription form no later than on 26 June 2024.*
- (v) *Payment shall be made to the Company's separate share deposit account no later than 4 July 2024, cf. Section 10-13 of the Norwegian Public Limited Companies Act.*
- (vi) *The new shares carry rights to dividend and other rights in the Company from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
- (vii) *The Company's expenses in connection with the share capital increase are estimated to amount to approximately NOK 575,000.*
- (viii) *Section 4 of the articles of association shall be amended to reflect the share capital and number of shares following the share capital increase.*

#### 12.1.5 *Resolution to issue the Tranche 2 Private Placement Shares*

On 17 July 2024, the extraordinary general meeting of shareholders of the Company passed the following resolution to increase the Company's share capital with NOK 4,384,370.12 by issuance of the 16,862,962 Tranche 2 Private Placement Shares:

- (i) *The share capital shall be increased with NOK 4,384,370.12, by the issuance of 16,862,962 new shares, each with a nominal value of NOK 0.26.*
- (ii) *The subscription price per share is NOK 0.40. The share contribution shall be settled in cash.*

- (iii) *The shares shall be subscribed for by Carnegie AS on behalf of the investors who have been allocated shares in the share capital increase. The shareholders' preferential right is thus deviated from, cf. Section 10-5, cf. Section 10-4 of the Norwegian Public Limited Companies Act.*
- (iv) *The shares shall be subscribed for on a separate subscription form no later than on 19 July 2024.*
- (v) *Payment shall be made to the Company's separate share deposit account no later than 31 July 2024, cf. Section 10-13 of the Norwegian Public Limited Companies Act.*
- (vi) *The new shares carry rights to dividend and other rights in the Company from the time of registration of the share capital increase in the Norwegian Register of Business Enterprises.*
- (vii) *The Company's expenses in connection with the share capital increase are estimated to amount to approximately NOK 775,000.*
- (viii) *Section 4 of the articles of association shall be amended to reflect the share capital and number of shares following the share capital increase.*

#### 12.1.6 *The rights conferred by the Private Placement Shares and listing of the Private Placement Shares*

The Private Placement Shares are ordinary Shares in the Company, each having a nominal value of NOK 0.26, and are registered in book-entry form with the ES-OSL. The Private Placement Shares carry full shareholder rights, in all respects equal to the Company's existing Shares from the time of registration with the Norwegian Register of Business Enterprises.

The Tranche 1 Private Placement Shares are listed and tradeable on Euronext Expand. The Tranche 2 Private Placement Shares have been issued in the ES-OSL on a temporary and separate ISIN NO 0013310128, and are thus not listed and tradeable on Euronext Expand. The Tranche 2 Private Placement Shares will, however, be transferred to the listed ISIN NO 0010865009 following the publication of this Prospectus and will become listed and tradable on Euronext Expand shortly thereafter.

#### 12.1.7 *Net proceeds and expenses related to the Private Placement*

The gross proceeds to the Company from the Private Placement was NOK 22,000,000. The Company's costs, fees and expenses payable to the Manager, the Company's other advisors relating to the Private Placement amount to approximately NOK 2,600,000.

Hence, the Company's total net proceeds from the Private Placement was approximately NOK 19,400,000. For a description of the use of such proceeds, see Section 12.3 "The use of proceeds from the Private Placement and the Subsequent Offering".

No expenses or taxes were charged by the Company or the Manager to the subscribers in the Private Placement.

#### 12.1.8 *Interest of natural and legal persons involved in the Private Placement*

The Manager and/or its affiliates have from time to time provided, 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 does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Manager has received a fixed fee in connection to the completion of the Private Placement and will receive a fixed fee in connection to the completion of the Subsequent Offering. As such, the Manager had an interest in the Private Placement. Furthermore, the Company has entered into an agreement with Reiten & Co AS, pursuant to which Reiten & Co AS has been engaged as a strategic and financial advisor for the Company in relation to the Private Placement. As part of this agreement, Reiten & Co AS will receive a payment of NOK 700,000 from the Company for its services related to the Private Placement. Reiten & Co AS is a wholly-owned subsidiary of IRIC and Terje Bakken, the chairperson of the Board of Directors, also serves as a board member of Reiten & Co AS.

Except as set out above, and the participation of major existing shareholders and members of the Board of Directors as further described below in Section 12.1.9 "Participation of major existing shareholders and members of the Management, supervisory and administrative boards of the Company in the Private Placement" the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Private Placement.

### 12.1.9 *Participation of major existing shareholders and members of the Management, supervisory and administrative boards of the Company in the Private Placement*

The following members of the Company's Board of Directors, Management and major existing shareholders subscribed for Private Placement Shares:

- IRIC, a major existing shareholder and close associate of the chairperson of the Board of Directors, Terje Bakken, subscribed for 5,625,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, IRIC holds 43,009,437 Shares in the Company.
- ELI AS, a major existing shareholder and close associate of member of the Board of Directors, Eskild Endrerud, subscribed for 2,250,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, ELI AS holds 13,263,298 Shares in the Company.
- Athend Holding AS, a close associate of member of the Board of Directors, Eskild Endrerud, subscribed for 375,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Athend Holding AS holds 378,994 Shares in the Company.
- Member of the Board of Directors, Eskild Endrerud, subscribed for 375,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Eskild Endrerud holds 1,012,500 Shares in the Company.
- Kikinn Invest AS, a close associate of the chairperson of the Board of Directors, Terje Bakken, subscribed for 1,250,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Kikinn Invest AS holds 1,250,000 Shares in the Company.
- Soleglad Invest AS, a close associate of member of the Board of Directors, Kathrine Gamborg Andreassen, subscribed for 250,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Soleglad Invest AS holds 868,760 Shares in the Company.
- Member of the Board of Directors, Line Tønnessen, subscribed for 500,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Line Tønnessen holds 932,692 Shares in the Company.
- The CEO of the Company, Jørgen Mann, subscribed for 500,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Jørgen Mann holds 500,000 Shares in the Company.
- The CFO of the Company, Johan Fagerli, subscribed for 250,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Johan Fagerli holds 250,763 Shares in the Company.
- The CDO of the Company, Rune Nystad, subscribed for 875,000 Private Placement Shares in Tranche 2. Following the completion of the Private Placement, Rune Nystad holds 1,144,962 Shares in the Company.

Other than as stated above, no major shareholders, members of the Company's Management or Board of Directors or related parties of primary insiders were allocated Shares in the Private Placement.

## **12.2 The Loan Conversion**

### *12.2.1 Overview*

On 15 November 2024, the Company and Navamedic entered into the conditional Addendum Agreement with respect to the Navamedic Loans. Pursuant to the Addendum Agreement, Navamedic will through the Loan Conversion convert NOK 16,354,815.20 of Navamedic Loan I to Shares in the Company (the Conversion Shares), at a subscription price of NOK 0.40 per Conversion Share, conditional upon the Subsequent Offering being completed with gross proceeds of minimum NOK 1,500,000 (the Condition).

On 18 November 2024, the Board of Directors resolved, subject to satisfaction of the Condition, to issue 40,887,038 Conversion Shares, each with a nominal value of NOK 0.26, to Navamedic at a subscription price of NOK 0.40 per Conversion Share.

Given (i) the Company's capital needs and the fact that the Loan Conversion will reduce the Company's obligations under Navamedic Loan I, thereby strengthening the Company's financial position, and (ii) the fact that the Loan Conversion was a part of the agreed solution with Navamedic to amend the Navamedic Loans through the Addendum Agreement, the Board of Directors has, after careful consideration, concluded that the Loan Conversion is in the best interest of the Company and its shareholders.

#### 12.2.2 *Delivery of the Conversion Shares*

Subject to satisfaction of the Condition, the Company expects that the share capital increase pertaining to the Conversion Shares will be registered with the Norwegian Register of Business Enterprises on or about 18 December 2024, and that the Conversion Shares will be delivered to the ES-OSL account of Navamedic on or about the same date.

#### 12.2.3 *Share capital following the issuance of the Conversion Shares*

The issue of the Conversion Shares will further increase the Company's registered share capital with NOK 10,630,629.88, divided into 40,887,038 Shares, each with a par value of NOK 0.26.

#### 12.2.4 *Resolution to issue the Conversion Shares*

On 18 November 2024, and pursuant to the authorisation granted to it by the extraordinary general meeting of the Company held on 17 July 2024, the Board of Directors passed the following resolution to increase the Company's share capital with NOK 10,630,629.88 by issuance of the 40,887,038 Conversion Shares:

- (i) *The share capital shall be increased with NOK 10,630,629.88, by the issuance of 40,887,038 new shares, each with a nominal value of NOK 0.26.*
- (ii) *The subscription price per share is NOK 0.40.*
- (iii) *The shares shall be subscribed for by Navamedic ASA, reg. no. 985 012 059, with registered address at Henrik Ibsens gate 100, 0255 Oslo.*
- (iv) *The shares shall be subscribed for on a separate subscription form no later than on 20 December 2024.*
- (v) *The share contribution shall be settled within 31 December 2024, through set-off against loans with a nominal value of NOK 16,354,815.20 from Navamedic ASA to the company granted under a loan agreement dated 27 September 2019. For a further description of the contribution in kind, reference is made to the independent expert report attached as Appendix 3 to the minutes.*
- (vi) *The new shares carry rights to dividend and other rights in the Company from the time of registration of the share capital increase in the Norwegian Register of Business Enterprises.*
- (vii) *Completion of the share capital increase is conditional upon the contemplated subsequent repair offering in the company having been completed with gross proceeds of NOK 1,500,000.*
- (viii) *The Company's expenses in connection with the share capital increase are estimated to amount to approximately NOK 30,000.*
- (ix) *Section 4 of the articles of association shall be amended to reflect the share capital and number of shares following the share capital increase.*

#### 12.2.5 *The rights conferred by the Conversion Shares and listing of the Conversion Shares*

The Conversion Shares will be ordinary Shares in the Company, each having a nominal value of NOK 0.26, and will be registered in book-entry form with the ES-OSL. The Conversion Shares will carry full shareholder rights, in all respects equal to the Company's existing Shares from the time of registration of the share capital increase pertaining to the Conversion Shares with the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The Conversion Shares will be eligible for any dividends which the Company may declare after such registration. All Shares, including the Conversion 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. See Section 9 "Corporate Information and Description of the Share Capital" for a more detailed description of the Shares.

The Conversion Shares will be listed on Euronext Expand as soon as the share capital increase pertaining to the such Shares has been registered with the Norwegian Register of Business Enterprises and the Conversion Shares have been issued in the ES-OSL.

Listing is expected to take place on or about 18 December 2024, subject to satisfaction of the Condition. The Conversion Shares may not be transferred or traded before they are fully paid and said registration in the Norwegian Register of Business Enterprises has taken place.

#### 12.2.6 *Expenses related to the Loan Conversion*

The Company's costs, fees and expenses payable to the Company's advisors relating to the Loan Conversion amount to approximately NOK 30,000.

The subscription price for the Conversion Shares will, subject to satisfaction of the Condition, be settled through a set-off of NOK 16,354,815.20 of Navamedic's claim towards the Company under Navamedic Loan I, and the Company will not receive any cash proceeds from the Loan Conversion. However, subject to completion of the Loan Conversion, the outstanding principal amount under Navamedic Loan I will be reduced from NOK 32,000,000 to NOK 15,645,184.80 (not including accrued interest).

#### 12.2.7 *Interest of natural and legal persons involved in the Loan Conversion*

Navamedic is a shareholder of the Company and a material business associate of the Group. Other than this, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Loan Conversion.

#### 12.2.8 *Participation of major existing shareholders and members of the Management, supervisory and administrative boards of the Company in the Loan Conversion*

The Loan Conversion is directed towards the Company's shareholder, Navamedic. Following the registration of the share capital increase pertaining to the Conversion Shares with the Norwegian Register of Business Enterprises, Navamedic will hold in total approximately 15.7% of the Shares, not taking into account any Offer Shares issued in the Subsequent Offering. Other than this, no major shareholders, members of the Company's Management or Board of Directors or related parties of primary insiders will participate in the Loan Conversion.

### **12.3 The Subsequent Offering**

#### 12.3.1 *General information about the Subsequent Offering*

The Subsequent Offering consists of an offer by the Company to issue up to 32,500,000 Offer Shares, each with a nominal value of NOK 0.26, at a Subscription Price of NOK 0.40 per Offer Share. The Subscription Price in the Subsequent Offering is equal to the subscription price in the Private Placement. Subject to all Offer Shares being issued, the Subsequent Offering will result in NOK 13,000,000 in gross proceeds to the Company.

The purpose of the Subsequent Offering is to offer the Eligible Shareholders (as defined in Section 12.2.6 "Eligible Shareholders") the possibility to subscribe for new Shares in the Company at the same subscription price as in the Private Placement, thus limiting the dilution of their shareholding resulting from the Private Placement. The net proceeds from the Subsequent Offering will be used for general corporate purposes, including working capital needs in relation to continuous product development and ramp-up of production and sales activities.

Eligible Shareholders will be granted non-transferable Subscription Rights that, subject to applicable laws, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering. Over-subscription will be permitted. Subscription without Subscription Rights will not be permitted.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important Notice" and Section 13 "Selling and Transfer Restrictions".

Shareholders holding their Shares, and thereby Subscription Rights, through financial intermediaries (i.e. brokers, custodians, nominees) should read Section 12.2.10 "Financial intermediaries" carefully for more information on how to utilise their Subscription Rights.

#### 12.3.2 *Resolution relating to the Subsequent Offering and the issue of the Offer Shares*

The Board of Directors was in the extraordinary general meeting held on 17 July 2024 granted an authorisation to increase the share capital of the Company with up to NOK 8,450,000 by the issuance of new Shares to Eligible Shareholders in the Subsequent

Offering. The authorisation to increase the share capital was registered with the Norwegian Register of Business Enterprises on 5 August 2024.

On 18 November 2024, the Board of Directors passed the following resolution to increase the share capital of the Company in connection with the Subsequent Offering (translated from Norwegian):

- (i) *The share capital is increased by minimum NOK 0.26 and maximum NOK 8,450,000, by issuance of minimum 1 and maximum 32,500,000 new shares (the "Offer Shares"), each with a nominal value of NOK 0.26 (the "Subsequent Offering").*
- (ii) *The subscription price per Offer Share is NOK 0.40. The subscription amount shall be paid in cash.*
- (iii) *The Company's existing shareholders as of 24 June 2024 (as registered in the Company's shareholder register in the Norwegian Central Securities Depository (ES-OSL) on 26 June 2024), who (i) were not allocated shares in the private placement in the Company announced on 24 June 2024, and (ii) are not residents of the United States or a jurisdiction where such offering would be unlawful, or (for jurisdictions other than Norway), would require any filing, registration or similar of a registration document or prospectus (the "Eligible Shareholders") will receive non-transferable subscription rights which will give a preferential right to subscribe for and be allocated Offer Shares.*
- (iv) *The shareholders' preferential right to subscribe for the Offer Shares is deviated from, cf. section 10-5, cf. section 10-4 of the Norwegian Public Limited Liability Companies Act.*
- (v) *The Offer Shares may be subscribed for by the Eligible Shareholders. Each Eligible Shareholder will receive a number of non-transferable subscription rights based on its shareholding registered in the Company's shareholder register in the ES-OSL as of 26 June 2024. The number of subscription rights granted to each Eligible Shareholder will be rounded down to the nearest whole subscription right. Each subscription right will, subject to applicable securities regulations, give the right to subscribe for and be allocated one (1) Offer Share. Over-subscription is permitted. Subscription without subscription rights is not permitted.*
- (vi) *Allocation of the new shares will be made according to the following allocation criteria:*
  - *Allocation of Offer Shares to Eligible Shareholders will be made on the basis of granted subscription rights which have been validly exercised during the subscription period. Each subscription right gives the Eligible Shareholder the right to subscribe for and be allocated one (1) Offer Share.*
  - *If not all subscription rights have been validly exercised during the subscription period, Eligible Shareholders who have used their subscription rights and who have over-subscribed for Offer Shares will be allocated the remaining Offer Shares on a pro rata basis based on the number of subscription rights exercised by each of them. In the event that pro rata allocation is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by drawing of lots.*
- (vii) *The Company shall publish a prospectus in connection with the share capital increase, which shall be approved by the Norwegian Financial Supervisory Authority. The prospectus shall not be registered with, or approved by, any other prospectus authorities. The Offer Shares cannot be subscribed for by investors in (i) the United States or (ii) jurisdictions outside of Norway in which it will not be permitted to offer the Offer Shares to such investors without the registration and approval of a prospectus.*
- (viii) *The subscription period is from 20 November 2024 at 09:00 hours (CET) to 4 December 2024 at 16:30 hours (CET). If the prospectus is not approved by the Norwegian Financial Supervisory Authority in time for the subscription period to commence on 20 November 2024, the subscription period shall commence on the second trading day on the Oslo Stock Exchange after such approval has been obtained, and end at 16:30 hours (CET) on the fourteenth day thereafter. The subscription period cannot 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.*
- (ix) *The due date for payment of the new shares is 10 December 2024, or the third trading day on the Oslo Stock Exchange after expiry of the subscription period in accordance with item (viii) above. When subscribing for shares, subscribers residing in Norway will grant Carnegie AS a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the subscription amount corresponding to the number of shares allocated. The amount payable will be debited on or around*

*the due date for payment. For other subscribers, payment must be made in accordance with the instructions included in the subscription form*

- (x) *The Offer Shares give right to dividends and other shareholder rights in the Company from the time of registration of the share capital increase with the Norwegian Register of Business Enterprises.*
- (xi) *Section 4 of the articles of association is amended to reflect the share capital following the share capital increase.*
- (xii) *The Company's expenses related to the share capital increase are estimated to amount to approximately NOK 2,000,000.*

Assuming that all Offer Shares are issued, the share capital of the Company will amount to NOK 72,328,153.04 divided into 278,185,204 Shares each with a nominal value of NOK 0.26, following completion of the Subsequent Offering.

### 12.3.3 *Timetable for the Subsequent Offering*

The timetable set out below provides certain indicative key dates for the Subsequent Offering:

Last day of trading in the Shares including Subscription Rights.....	24 June 2024
First day of trading in the Shares excluding Subscription Rights.....	25 June 2024
Record Date.....	26 June 2024
Subscription Period commences.....	20 November 2024 at 09:00 (CET)
Subscription Period ends.....	4 December 2024 at 16:30 (CET)
Allocation of the Offer Shares.....	Expected on or about 5 December 2024
Publication of the results of the Subsequent Offering.....	Expected on or about 5 December 2024
Distribution of allocation letters.....	Expected on or about 5 December 2024
Payment Date .....	Expected on or about 10 December 2024
Registration of the share capital increase pertaining to the Subsequent Offering .....	Expected on or about 13 December 2024
Delivery of the Offer Shares.....	Expected on or about 16 December 2024
Listing and commencement of trading in the Offer Shares on Euronext Expand .....	Expected on or about 16 December 2024

### 12.3.4 *Subscription Price*

The Subscription Price in the Subsequent Offering is NOK 0.40 per Offer Share, which is the same as the subscription price in the Private Placement. No expenses or taxes are charged to the subscribers in the Subsequent Offering by the Company or the Manager.

It should be noted that the Company's Shares lately have been traded at prices lower than the Subscription Price in the Subsequent Offering. The trading price for the Company's shares may continue to fluctuate throughout the Subscription Period, and may be lower than the Subscription Price.

### 12.3.5 *Subscription Period*

The Subscription Period will commence on 20 November 2024 09:00 hours (CET) and end on 4 December 2024 at 16:30 hours (CET). The Subscription Period cannot 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. The Subsequent Offering may not be revoked. Subscriptions of Offer Shares shall be made by the Eligible Shareholders on either (i) a separate subscription form or (ii) may, for subscribers who are residents of Norway with a Norwegian national identity number (Nw.: personnummer), be made online through the ES-OSL online subscription system as further described in Section 12.2.8 "Subscription procedures" below.

**Shareholders holding their Shares, and thereby Subscription Rights, through financial intermediaries should contact their financial intermediary as further described in Section 12.2.10 "Financial intermediaries" below.**

### 12.3.6 *Eligible Shareholders*

Shareholders of the Company as of 24 June 2024, as registered in the Company's shareholder register in the ES-OSL on 26 June 2024 (the Record Date), and who (i) were not allocated shares in the Private Placement, and (ii) are not resident in a jurisdiction



where such offering would be unlawful, or would (in jurisdictions other than Norway) require any prospectus filing, registration document or similar document or action (referred to herein as Eligible Shareholders), will be granted non-transferable Subscription Rights that, subject to applicable law, provide the right to subscribe for, and be allocated, Offer Shares in the Subsequent Offering at the Subscription Price.

Provided that the delivery of traded Shares was made with ordinary T+2 settlement in ES-OSL, Shares that were acquired on or before 24 June 2024 will give the relevant Eligible Shareholder the right to receive Subscription Rights, whereas Shares that were acquired from and including 25 June 2024 will not give the relevant Eligible Shareholder the right to receive Subscription Rights.

#### 12.3.7 Subscription Rights

Each Eligible Shareholder will be granted 0.41850 Subscription Right for every existing share registered as held by such Eligible Shareholder on the Record Date, rounded down to the nearest whole Subscription Right 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 (1) Offer Share in the Subsequent Offering.

The Subscription Rights will be credited to and registered on each Eligible Shareholder's ES-OSL account on or about 19 November 2024, under the ISIN NO 0013409185. The Subscription Rights will be distributed free of charge to Eligible Shareholders. The Subscription Rights are non-transferable and will accordingly not be listed on any regulated market place.

**The Subscription Rights must be used to subscribe for Offer Shares before the expiry of the Subscription Period on 4 December 2024 at 16:30 hours (CET). Subscription Rights that are not exercised before 16:30 hours (CET) on 4 December 2024 will have no value and will lapse without compensation to the holder. Holders of Subscription Rights should note that subscriptions for Offer Shares must be made in accordance with the procedures set out in this Prospectus and the Subscription Form (as defined below) attached hereto and that the receipt of Subscription Rights does not in itself constitute a subscription of Offer Shares.**

Should any Subscription Rights be credited to any (i) shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that prohibits or otherwise restricts subscription for Offer Shares and/or (ii) shareholders located in the United States (the "**Ineligible Shareholders**"), such credit specifically does not constitute an offer to such Ineligible Shareholders.

**Shareholders holding their Shares, and thereby Subscription Rights, through financial intermediaries should contact their financial intermediary as further described in Section 12.2.10 "Financial intermediaries" below.**

#### 12.3.8 Subscription procedures

Subscriptions for Offer Shares by Eligible Shareholders holding an ES-OSL account must be made (i) by submitting a correctly completed subscription form, attached hereto as Appendix A, (the "**Subscription Form**") to the Manager during the Subscription Period, or (ii) may, for subscribers who are residents of Norway with a Norwegian national identity number (Nw.: personnummer), be made online through the ES-OSL online subscription system as further described below in this Section 12.2.8. **Subscriptions by shareholders who do not have an ES-OSL account, but instead hold Shares (and Subscription Rights) through a financial intermediary (i.e. broker, custodian, nominee, etc.) can be made by contacting their respective financial intermediary as further described in Section 12.2.10 "Financial intermediaries" below.**

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, through the ES-OSL online subscription system, be registered, no later than 16:30 hours (CET) on 4 December 2024:

Carnegie AS  
Postboks 684 Sentrum  
N-0106 Oslo  
Norway  
Tel: +47 22 00 93 60  
E-mail: [subscriptions@carnegie.no](mailto:subscriptions@carnegie.no)  
Website: [www.carnegie.no](http://www.carnegie.no)

Subscribers who are residents of Norway with a Norwegian national identity number (Nw.: personnummer) are encouraged to subscribe for Offer Shares through the ES-OSL online subscription system (or by visiting the Manager's website: <https://www.carnegie.no/ongoing-prospectuses-and-offerings/>, which will include a reference to the ES-OSL online subscription system). All online subscribers must verify that they are Norwegian residents by entering their Norwegian national identity number (Nw.: personnummer). In addition, the ES-OSL online subscription system is only available for individual persons and is not available for legal entities; legal entities must thus submit a Subscription Form in order to subscribe for Offer Shares. Subscriptions made through the ES-OSL online subscription system must be duly registered before the expiry of the Subscription Period.

Neither the Company nor 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 ES-OSL 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 case of applications through the ES-OSL online subscription system, the online subscription registration. By signing and submitting a Subscription Form, or by subscribing via the ES-OSL 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 Subsequent Offering must be made. Over-subscription (i.e. subscription for more Offer Shares than the number of Subscription Rights held by the subscriber entitles the subscriber to be allocated) will be permitted. Subscription without Subscription Rights will not be permitted.

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 explicitly stated in one of the Subscription Forms. In the case of multiple subscriptions through the ES-OSL online subscription system or subscriptions made both on a Subscription Form and through the ES-OSL online subscription system, all subscriptions will be counted.

All subscriptions in the Subsequent Offering 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 ES-OSL online subscription system.

#### 12.3.9 *Mandatory anti-money laundering procedures*

The Subsequent Offering 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 currently registered as customers of the Manager and who subscribes for a cumulative amount of NOK 100,000 or more, may be subject to customer due diligence measures ("**KYC**") to comply with the Anti-Money Laundering Legislation. Subscribers who have not completed the required KYC prior to the expiry of the Subscription Period will not be allocated Offer Shares.

#### 12.3.10 *Financial intermediaries*

##### 12.3.10.1 General

All persons or entities holding Shares, and thus Subscription Rights, through financial intermediaries (e.g. brokers, custodians and nominees) should read this Section 12.2.10 carefully. 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. Such shareholders are therefore encouraged to contact their financial intermediary if they want to get more information about the utilization of their Subscription Rights.

Neither the Company nor the Manager will be liable for any action or failure to act by a financial intermediary through which Shares are held.

#### 12.3.10.2 Subscription Rights

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

Shareholders who hold their Shares through a financial intermediary and who are Ineligible Shareholders will initially be credited Subscription Rights. Such credit 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 financial intermediary's ES-OSL accounts with no compensation to the holder, and in no event will Ineligible Shareholders be entitled to exercise any received Subscription Rights.

#### 12.3.10.3 Subscription Period

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. Such deadline will depend on the financial intermediary. Eligible Shareholders who hold their Shares through a financial intermediary should contact their financial intermediary if they are in any doubt with respect to deadlines.

#### 12.3.10.4 Subscription

Any Eligible Shareholder 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 respective Eligible Shareholders and for informing the Manager of their exercise instructions.

Please refer to Section 13 "Selling and Transfer Restrictions" for a description of certain restrictions and prohibitions applicable to the exercise of Subscription Rights in certain jurisdictions outside Norway.

#### 12.3.10.5 Method of payment

Any Eligible 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 the 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.

#### 12.3.11 Allocation of Offer Shares

Allocation of the Offer Shares will take place on or about 5 December 2024 in accordance with the following criteria:

- a) Allocation of Offer Shares to Eligible Shareholders will be made on the basis of granted subscription rights which have been validly exercised during the subscription period. Each subscription right gives the Eligible Shareholder the right to subscribe for and be allocated one (1) Offer Share.
- b) If not all Subscription Rights have been validly exercised during the Subscription Period, Eligible Shareholders who have used their Subscription Rights and who have over-subscribed for Offer Shares will be allocated the remaining Offer Shares on a pro rata basis based on the number of Subscription Rights exercised. In the event that pro rata allocation is not possible due to the number of remaining Offer Shares, the Company will determine the allocation by drawing of lots.

No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not validly made or covered by Subscription Rights, unless subscribers are given the right to over-subscribe in accordance with the above allocation criteria. 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 Subsequent Offering is expected to be published on or about 5 December 2024 in the form of a stock exchange announcement from the Company through the Oslo Stock Exchange's information system (NewsWeb). Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about 5 December 2024. Subscribers having access to investor services through their ES-OSL account managers will be able to check the number of Offer Shares allocated to them from 10:30 hours (CET) on or about 5 December 2024. Subscribers who do not have access to investor services through their ES-OSL account managers may contact the Manager from 10:30 hours (CET) on the same date to obtain information about the number of Offer Shares allocated to them.

### 12.3.12 *Payment for the Offer Shares*

#### 12.3.12.1 Payment due date

The payment for Offer Shares allocated to a subscriber falls due on 10 December 2024 (the "**Payment Date**"). Payment must be made in accordance with the requirements set out below in this Section 12.2.12.

#### 12.3.12.2 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 through the ES-OSL online subscription system, provide the Manager with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank 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 authorized to debit such account once, but reserve 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 authorizes 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, provided, however, that subscribers who subscribe for an amount exceeding NOK 5,000,000 by signing the Subscription Form provide the Manager with a one-time irrevocable authorisation to manually debit the specified bank account for the entire subscription amount.

#### 12.3.12.3 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 for further details and instructions.

#### 12.3.12.4 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 12.5% 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 and at the discretion of the Manager, not be delivered to the subscriber. The Manager, on behalf of the Company, reserve the right, at the risk and cost of the subscriber to, 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.

#### 12.3.13 *The rights conferred by the Offer Shares*

The Offer Shares to be issued in the Subsequent Offering will be ordinary Shares in the Company with a nominal value of NOK 0.26 each, 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 in the Company and will carry full shareholder rights from the time of registration of the share capital increase pertaining to the Subsequent Offering with the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). 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. See Section 9 "Corporate Information and Description of the Share Capital" for a more detailed description of the Shares.

#### 12.3.14 *Delivery of the Offer Shares*

Subject to timely payment of the entire subscription amount in the Subsequent Offering, the Company expects that the share capital increase pertaining to the Subsequent Offering will be registered with the Norwegian Register of Business Enterprises on or about 13 December 2024 and that the Offer Shares will be delivered to the ES-OSL accounts of the subscribers to whom they are allocated on or about 16 December 2024. The final deadline for registration of the share capital increase pertaining to the Subsequent Offering 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 4 December 2024).

#### 12.3.15 *Listing of the Offer Shares*

The existing Shares (including, for the avoidance of doubt the Tranche 1 Private Placement Shares) are listed on Euronext Expand under ISIN NO 0010865009 and ticker code "OBSVR", with the exception of the Tranche 2 Private Placement Shares, which following publication of this Prospectus will be listed on Euronext Expand. The Offer Shares will be listed on Euronext Expand as soon as the share capital increase pertaining to the Subsequent Offering has been registered with the Norwegian Register of Business Enterprises and the Offer Shares have been issued in the ES-OSL. Listing is expected to take place on or about 16 December 2024.

The Offer Shares may not be transferred or traded before they are fully paid and said registration in the Norwegian Register of Business Enterprises have taken place.

#### 12.3.16 *NCI code and LEI code*

##### 12.3.16.1 Introduction

In order to participate in the Subsequent Offering, subscribers will need a global identification code. Physical persons will need a National Client Identifier ("**NCI**") and legal entities will need a Legal Entity Identifier ("**LEI**") code. Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time for the application in order to participate in the Subsequent Offering.

##### 12.3.16.2 NCI code for physical persons

For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID number (Nw.: personnummer). 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.

### 12.3.16.3 LEI code for legal entities

A LEI code is a 20-character code that identifies distinct legal entities that engage in financial market transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI code through various LEI issuers, e.g., 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 business 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>

### 12.3.17 ES-OSL registration

The Subscription Rights will be issued in the ES-OSL under ISIN NO 0013409185. The Offer Shares will be issued in the ES-OSL with the same ISIN as the existing Shares listed on Euronext Expand, being ISIN NO 0010865009.

The Company's registrar with the ES-OSL is Equoro Issuer Services AS (being the ES-OSL Registrar).

### 12.3.18 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 authorized 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 Eligible Shareholder holds his/her/its Shares or by the Manager in connection with any subscriptions or purported subscriptions.

### 12.3.19 Share capital following the Subsequent Offering

The final number of Offer Shares to be issued in the Subsequent Offering will depend on the number of subscriptions received in the Subsequent Offering. The maximum number of Offer Shares to be issued in the Subsequent Offering is 32,500,000 Offer Shares, each with a par value of NOK 0.26. Assuming full subscription, the Subsequent Offering will further increase the Company's registered share capital with NOK 8,450,000, divided into 32,500,000 Shares, each with a par value of NOK 0.26.

### 12.3.20 Net proceeds and expenses related to the Subsequent Offering

The Company will bear the costs, fees and expenses related to the Subsequent Offering, which are estimated to amount to approximately NOK 2,000,000, assuming that all Offer Shares are issued. The total net proceeds from the Subsequent Offering are expected to amount to approximately NOK 11,000,000, assuming that all Offer Shares are issued. See Section 12.3 "The use of proceeds from the Private Placement and the Subsequent Offering" for a description of the use of such proceeds.

No expenses or taxes will be charged by the Company or the Manager to the subscribers in the Subsequent Offering.

### 12.3.21 Interests of natural and legal persons involved in the Subsequent Offering

The Manager or its affiliates have from time to time provided, 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 Subsequent Offering, the Manager, its employees and any affiliate acting as an investor for its own account may receive Subscription Rights (if they are Eligible Shareholders) and may exercise the right to take up such Subscription Rights and acquire Offer Shares, and, in that capacity, may retain, purchase or sell 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 Subsequent Offering. 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 received a fee in connection with the Private Placement and will receive a fee in connection with the Subsequent Offering, and, as such, had an interest in the Private Placement and will have an interest in the Subsequent Offering.

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

*12.3.22 Participation of major existing shareholders and members of the Company's Management, supervisory and administrative bodies in the Subsequent Offering*

The Company is not aware of whether any major shareholders of the Company or members of its Management, supervisory or administrative bodies intend to subscribe for Offer Shares in the Subsequent Offering, or whether any person intends to subscribe for more than 5% of the Subsequent Offering.

*12.3.23 Publication of information relating to the Subsequent Offering*

The Company will use the Oslo Stock Exchange's information system (NewsWeb) to publish information relating to the Subsequent Offering.

*12.3.24 Advisors in the Subsequent Offering*

In the Subsequent Offering, Carnegie AS, (Fjordalléen 16, 0250 Oslo, Norway) will act as Manager and Advokatfirmaet Thommessen AS (Ruseløkkveien 38, 0251 Oslo, Norway) will act as Norwegian legal advisor to the Company.

**12.4 The use of proceeds from the Private Placement and the Subsequent Offering**

The net proceeds from the Private Placement will be used to finance the Company's further growth, including the Company's working capital needs in relation to continuous product development and ramp-up of production and sales activities. The net proceeds from the Subsequent Offering will be used towards (i) meeting outstanding payment requirements to suppliers, (ii) working capital needs in relation to continuous product development and ramp-up of production and sales activities for the Unometer Portfolio and Sippi, and (iii) for general corporate purposes such as other operational expenses.

**12.5 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 Private Placement Shares and the Offer Shares, assuming that existing shareholders do not subscribe for Private Placement Shares and Offer Shares and that all the Offer Shares are issued, and not taking into account the issue of the Conversion Shares.

	<b>Prior to the Private Placement and the Subsequent Offering</b>	<b>Subsequent to the Private Placement</b>	<b>Subsequent to the Private Placement and the Subsequent Offering</b>
Number of Shares each with a par value of NOK 0.26 .....	190,685,204	245,685,204	278,185,204
% dilution.....	-	22.39%	31.45%

For shareholders exercising their allocated Subscription Rights (without oversubscription), the dilutive effect of the Private Placement is approximately 2.8%.

The dilutive effect of the Loan Conversion is approximately 14.27%, not taking into account the issue of Offer Shares in the Subsequent Offering.

The Company's total equity as at 30 June 2024<sup>15</sup>, as set out in the Company's H1 Financial Statements, was NOK 107,448,803, which translates to approximately NOK 0.56 in net asset value per Share at that date. The Subscription Price is NOK 0.40 per Offer Share.

### **12.1 Governing law and jurisdiction**

This Prospectus and the terms and conditions of the Private Placement, the Subsequent Offering 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, the Private Placement or the Subsequent Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo District Court as legal venue.

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<sup>15</sup> Please refer to Section 4.3.2 "The Financial Review" and the risk factor titled "Risks related to the ongoing period financial statement review by the Norwegian FSA of the Financial Statements and the H1 Financial Statements" in Section 2.1 "Financial and market risk" regarding the ongoing Financial Review of the H1 Financial Statements and the risks related thereto.



## 13 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.*

### 13.1 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 Subsequent Offering 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 Subsequent Offering 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 13 "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 Subsequent Offering 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 Subsequent Offering 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 Subsequent Offering 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 13 "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 Subsequent Offering 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 Subsequent Offering 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.

### **13.2 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. 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 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 Subsequent Offering, 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 Subsequent Offering) 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 Subsequent Offering, 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 12.2.7 "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.

### **13.3 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.

#### **13.4 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 Subsequent Offering 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.

#### **13.5 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.

**13.6 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.

## 14 ADDITIONAL INFORMATION

### 14.1 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 Stortorvet 7, N-0155 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 14.3 "Incorporated by reference", have been audited by EY, as stated in their report also incorporated by reference hereto. Other than this, EY has not audited, reviewed or produced any report on any other information provided in this Prospectus.

### 14.2 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](http://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.

### 14.3 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 14.3, no information is incorporated by reference into this Prospectus.

<b>Sections in the Prospectus</b>	<b>Disclosure requirement</b>	<b>Reference document and link</b>	<b>Page of reference document</b>
Sections 4.3.1 and 8	Annex 3, item 11.1	Annual Report 2023: <a href="https://observemedical.com/wp-content/uploads/2024/07/Observe_Medical_Annual_Report_2023-1.pdf">https://observemedical.com/wp-content/uploads/2024/07/Observe_Medical_Annual_Report_2023-1.pdf</a>	Page 47 – 85 (Accounts and notes)
Sections 4.3.1 and 8	Annex 3, item 11.2	Audit Report 2023: <a href="https://observemedical.com/wp-content/uploads/2024/07/Observe_Medical_Annual_Report_2023-1.pdf">https://observemedical.com/wp-content/uploads/2024/07/Observe_Medical_Annual_Report_2023-1.pdf</a>	Page 104 - 109
Sections 4.3.1 and 8	Annex 3, item 11.1	H1 2024 Financial Statements: <a href="https://observemedical.com/wp-content/uploads/2024/08/Observe_Medical_SA_First_half_year_report_2024.pdf">https://observemedical.com/wp-content/uploads/2024/08/Observe_Medical_SA_First_half_year_report_2024.pdf</a>	Page 18 - 30 (Accounts and notes)

**15 DEFINITIONS AND GLOSSARY**

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

2023 Rights Issue.....	The rights issue of minimum 69,230,770 new shares and maximum 211,538,461 new shares in the Company, each with a nominal value of NOK 0.26, at a subscription price of NOK 0.26 per offer share, completed in December 2023.
Addendum Agreement .....	The addendum agreement entered into between the Company and Navamedic, regarding the Navamedic Loans.
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.
CDO.....	The Company's chief development officer
CEO.....	The Company's interim chief executive officer.
CET .....	Central European Time
CFO.....	The Company's interim chief financial officer.
CGUs .....	Cash-generating units.
Commission Delegated Regulation .....	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the EU Prospectus Regulation.
Company .....	Observe Medical ASA, a public limited company incorporated under the laws of Norway with company registration number 822 907 822.
Completion.....	The completion of the Convatec ATA.
Condition.....	The condition for completion of the share capital increase pertaining to the Loan Conversion.
Convatec ATA .....	The asset transfer agreement entered into on 11 September 2023, between OMAS as the buyer and Unomedical A/S and Unomedical s.r.o. as Sellers regarding the Unometer Portfolio.
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 Unometer Portfolio.
Convatec Transaction.....	The transactions contemplated by the Convatec ATA and the Convatec License Agreement.
Conversion Shares.....	40,887,038 new shares in the Company, each with a nominal value of NOK 0.26, to be issued at a subscription price of NOK 0.40 per share in connection with the Loan Conversion.
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 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.



Eligible Shareholders.....	The shareholders of the Company as of 24 June 2024 (being registered as such in the ES-OSL on the Record Date), except for shareholders who (i) were allocated Private Placement Shares in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful or would (in jurisdictions other than Norway) require a prospectus filing, registration document or similar action who will be granted non-transferable Subscription Rights that, subject to applicable law, give a right to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Subscription Price.
ESMA.....	The European Securities and Markets Authority.
ES-OSL.....	Norwegian Central Securities Depository.
ES-OSL Registrar .....	Equro Issuer Services AS, in its capacity as ES-OSL registrar.
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.
EY.....	Ernst & Young AS.
FDA.....	The United States Food and Drug Administration
Financial Information .....	The Financial Statements and the H1 Financial Statements, collectively.
Financial Review.....	The financial review of certain matters in the Company's Financial Statements and the H1 Financial Statements initiated by the Norwegian FSA on 3 September 2024.
Financial Statements .....	The Company's audited consolidated financial statements as of and for the year ended 31 December 2023.
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 Statements .....	The Company's unaudited condensed consolidated interim financial statements as of and for the six months' periods ended 30 June 2024 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 jurisdictions where the Prospectus may not be distributed and/or with legislation that prohibits or otherwise restricts subscription for Offer Shares and/or shareholders located in the United States.
IRIC.....	Ingerø Reiten Investment Company AS.
ISIN.....	International Securities Identification Number.
Jiangsu Hongxin .....	Jiangsu Hongxin Medical Technology Co., Ltd.
KYC.....	Customer due diligence measures.
LEI.....	Legal Entity Identifier.
Loan Conversion.....	The partial conversion of Navamedic Loan I resolved by the Board of Directors on 18 November 2024.

LOUs.....	Local Operating Units.
Management.....	The executive management team of the Group.
Manager .....	Carnegie.
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.
Navamedic Loans .....	Navamedic Loan I and Navamedic Loan II taken together.
Navamedic Loan I.....	The loan agreement entered into with Navamedic on 27 September 2019.
Navamedic Loan II.....	The loan agreement entered into with Navamedic on 6 September 2023.
New Shares .....	The Offer Shares and the Conversion Shares taken together.
NCI.....	National Client Identifier.
NOK.....	Norwegian Kroner, the lawful currency of Norway.
Non-Norwegian Corporate Shareholders.....	Shareholders who are limited liability companies (and certain other entities) domiciled outside of 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 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.....	The 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 .....	Up to 32,500,000 new shares in the Company, each with a nominal value of NOK 0.26, to be issued in connection with the Subsequent Offering.
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 .....	The date on which the payment for Offer Shares falls due, on or about 10 December 2024.
PDMS .....	Patient data management systems.
Preliminary Notice of Decision.....	The Norwegian FSA's preliminary notice of decision received by the Company on 25 October 2024, setting out the Norwegian FSA's preliminary findings in the Financial Review and asking for the Company's feedback to such findings.
Private Placement.....	The private placement of 55,000,000 new shares in the Company, each with a nominal value of NOK 0.26 and at a subscription price of NOK 0.40 per Private Placement Share, raising gross proceeds of NOK 22,000,000.

Private Placement Shares .....	The 55,000,000 new Shares in the Company, each with a nominal value of NOK 0.26 issued at a subscription price of NOK 0.40 per Share in connection with the Private Placement.
Prospectus.....	This Prospectus dated 19 November 2024.
Record Date.....	26 June 2024.
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 UK 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.
Rule 144A.....	Rule 144A under the U.S. Securities Act.
Sellers .....	The Sellers of the Unometer Portfolio pursuant to the Convatec ATA.
Share(s).....	The existing shares of the Company including the Private Placement Shares and the Offer Shares, each with a nominal value of NOK 0.26.
Share Lending Agreement.....	A share lending agreement entered into between the Company, the Manager, IRIC and ELI AS on 24 June 2024.
Siemens .....	Siemens Medical Solutions USA, Inc.
Subscription Form .....	The form for subscription as attached hereto in <a href="#">Appendix A</a> .
Subscription Period.....	From 09:00 hours (CET) on 20 November 2024 to 16:30 hours (CET) on 4 December 2024.
Subscription Price.....	The subscription price for the Offer Shares, being NOK 0.40.
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.
Subsequent Offering.....	The subsequent offering of up to 32,500,000 new shares in the Company, each with a nominal value of NOK 0.26, at a Subscription Price of NOK 0.40 per Offer Share.
Target Market Assessment.....	Has the meaning ascribed to such term on page i.
Tranche 1.....	Tranche 1 of the Private Placement.
Tranche 2.....	Tranche 2 of the Private Placement.
Tranche 1 Private Placement Shares .....	38,137,038 of the Private Placement Shares issued in connection with Tranche 1.
Tranche 2 Private Placement Shares .....	16,862,962 of the Private Placement Shares issued in connection with Tranche 2.
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.
U.S. or United States .....	The United States of America.
Unometer Portfolio .....	The UnoMeter™ Safeti™ Plus, UnoMeter™ 500, UnoMeter™ Abdo-Pressure™ and Kombikon™.
USD or U.S. Dollar.....	United States Dollars, the lawful currency of the United States of America.

**APPENDIX A**

**SUBSCRIPTION FORM FOR THE SUBSEQUENT OFFERING**

# OBSERVE MEDICAL ASA

## SUBSEQUENT OFFERING

# SUBSCRIPTION FORM

Securities number: ISIN NO 0010865009

**General information:** The terms and conditions of the subsequent offering (the "**Subsequent Offering**") of up to 32,500,000 new shares, each with a nominal value of NOK 0.26, (the "**Offer Shares**") in Observe Medical ASA (the "**Company**") are set out in the prospectus dated [19] November 2024 (the "**Prospectus**"). Terms defined in the Prospectus shall have the same meaning in this subscription form (the "**Subscription Form**"). The notice of, and minutes from, the extraordinary general meeting (with appendices) held on 17 July 2024, where the board of directors of the Company was granted an authorisation to increase the Company's share capital in connection with the Subsequent Offering, the Company's articles of association and the annual accounts and annual reports for the last two financial years are available at the Company's registered office address at Dronning Eufemias gate 16, 0191 Oslo, Norway and its website. All announcements referred to in this Subscription Form will be made through the Oslo Stock Exchange' information system (NewsWeb) under the Company's ticker "OBSRV".

**Subscription procedures:** The subscription period will commence at 09:00 hours (CET) on [20] November 2024 and expire at 16:30 hours (CET) on [4] December 2024 (the "**Subscription Period**"). The board of directors may extend the Subscription Period if required by law as a result of the publication of a supplemental prospectus. Subscriptions by Eligible Shareholders (as defined below) who do not have an ES-OSL account, but instead hold shares (and Subscription Rights) through a financial intermediary (i.e. broker, custodian, nominee, etc.), can be made by contacting their respective financial intermediary as further described in Section 12.2.10 of the Prospectus. Correctly completed Subscription Forms must be received by Carnegie AS (the "**Manager**") at the following address or e-mail address, or in the case of online subscriptions, be registered through the online subscription system of the Norwegian Central Securities Depository ("**ES-OSL**"), no later than 16:30 hours (CET) on [4] December 2024:

<b>Carnegie AS</b>
Postboks 684 Sentrum N-0106 Oslo Norway
Tel: +47 22 00 93 60
E-mail: subscriptions@carnegie.no www.carnegie.no

The subscriber is responsible for the correctness of the information included in this Subscription Form. Subscription Forms received after the end of the Subscription Period and/or incomplete or incorrect Subscription Forms and any subscription that may be unlawful may be disregarded at the sole discretion of the Company and/or the Manager without notice to the subscriber. **Subscribers who are residents of Norway with a Norwegian national identity number are encouraged to subscribe for Offer Shares through the ES-OSL online subscription system (or by visiting the Manager's website: [www.carnegie.no](http://www.carnegie.no), which will include a reference to the ES-OSL online subscription system).** Subscriptions made through the ES-OSL online subscription system must be duly registered before the expiry of the Subscription Period. Neither the Company nor 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. 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 ES-OSL online subscription system, upon registration of the subscription. By signing and submitting a Subscription Form, or by registration of a subscription in the ES-OSL online subscription system, the subscriber confirms and warrants to have read the Prospectus and that it is eligible to subscribe for Offer Shares under the terms set forth therein.

**Subscription Price:** The subscription price in the Subsequent Offering is NOK 0.40 per Offer Share (the "**Subscription Price**").


**Subscription Rights:** The shareholders of the Company as of 24 June 2024 (being registered as such in the ES-OSL on 26 June 2024 pursuant to the two days' settlement procedure in ES-OSL (the "**Record Date**")), except for shareholders who (i) were allocated Private Placement Shares in the Private Placement or (ii) are resident in a jurisdiction where such offering would be unlawful or would (in jurisdictions other than Norway) require a prospectus filing, registration document or similar action (such eligible shareholders jointly the "**Eligible Shareholders**"). Shareholders holding their shares, and thereby Subscription Rights, through financial intermediaries should contact their financial intermediary as further described in Section 12.2.10 of the Prospectus. Each Eligible Shareholder will be granted non-transferable subscription rights (the "**Subscription Rights**") that, subject to applicable law, give a right to subscribe for and be allocated Offer Shares in the Subsequent Offering at the Subscription Price. The Subscription Rights will be registered on each Eligible Shareholder's ES-OSL account prior to commencement of the Subscription Period. Each Eligible Shareholder will be granted 0.41850 Subscription Rights for every existing share registered as held by such Eligible Shareholder in the ES-OSL as at 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 (1) Offer Share in the Subsequent Offering. Over-subscription will be permitted for Eligible Shareholders. Subscription without Subscription Rights will not be permitted. **Subscription Rights that are not used to subscribe for Offer Shares before the expiry of the Subscription Period (i.e. on 16:30 hours (CET) on [4] December 2024) will have no value and will lapse without compensation to the holder.**

**Allocation of Offer Shares:** The Offer Shares will be allocated to the subscribers based on the allocation criteria set out in the Prospectus. No fractional Offer Shares will be allocated. The Company reserves the right to round off, reject or reduce any subscription for Offer Shares not validly made or covered by Subscription Rights and will, in case of over-subscription only allocate Offer Shares to the extent that Offer Shares are available to cover such over-subscription. Subscription without Subscription Rights is prohibited. 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. Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed on or about [5] December 2024. Subscribers having access to investor services through their ES-OSL account manager will be able to see the number of Offer Shares allocated to them from 10:30 hours (CET) on [5] December 2024. Subscribers who do not have access to investor services through their ES-OSL account manager may contact the Manager from 10:30 hours (CET) on the same date to obtain information about the number of Offer Shares allocated to them.

**Payment:** The payment for Offer Shares allocated to a subscriber falls due on [10] December 2024 (the "**Payment Date**"). Subscribers who have a Norwegian bank account must, and will by signing the Subscription Form, provide the Manager with a one-time irrevocable authorisation to debit a specified bank account with a Norwegian bank for the amount payable for the Offer Shares 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 for other reasons it is impossible to debit such bank account when a debit attempt is made pursuant to the authorisation from the subscriber, the subscriber's obligation to pay for the Offer Shares will be deemed overdue. Subscribers who do not have a Norwegian bank account must ensure that payment with cleared funds for the Offer Shares allocated to them is made on or before the Payment Date. Prior to any such payment being made, the subscriber must contact the Manager on telephone number +47 22 00 93 60 for further details and instructions. Should any subscriber have insufficient funds on his or her account, should payment be delayed for any reason, should it not be possible to debit the account or should payments for any other reasons not be made when due, overdue interest will accrue and other terms will apply as set out under the heading "Overdue payments" set out on page 2 of this Subscription Form.

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

### DETAILS OF THE SUBSCRIPTION

Subscriber's ES-OSL account:	Subscriber's LEI code (20 digits):	Number of Subscription Rights:	Number of Offer Shares subscribed (incl. over-subscription):	(For broker: Consecutive no.):
SUBSCRIPTION RIGHTS' SECURITIES NUMBER: ISIN NO 0013409185			Subscription Price per Offer Share:	Subscription amount to be paid:
			X NOK 0.40	= NOK _____

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

Norwegian bank account to be debited for the payment for Offer Shares allocated (number of Offer Shares allocated x NOK 0.40).	<table border="1"> <tr> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> <td style="width: 25px;"> </td> </tr> </table> (Norwegian bank account no.)																						

In accordance with the terms and conditions set out in the Prospectus and this Subscription Form, I/we hereby irrevocably (i) subscribe for the number of Offer Shares specified above, (ii) authorise and instruct the Manager (or someone appointed by it) to on my/our behalf take all actions required to ensure delivery of such Offer Shares to me/us in the ES-OSL, (iii) grant the Manager authorisation to debit (by direct debiting or manually as described above) the specified bank account for the payment of the Offer Shares allocated to me/us and (iv) confirm and warrant to have read the Prospectus and that I/we are eligible to subscribe for Offer Shares under the terms set forth therein. By signing this Subscription Form, subscribers subject to direct debiting accept the terms and conditions for "Terms and Conditions for Payment by Direct Debiting - Securities Trading" set out on page 2 of this Subscription Form.

**Place and date**  
Must be dated in the Subscription Period

**Binding signature.** The subscriber must have legal capacity. When signed on behalf of a company or pursuant to an authorisation, documentation in the form of a company certificate or power of attorney must 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:** 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 Subsequent Offering and the rules regarding inducements pursuant to the requirements of the Norwegian MiFID II Regulations (implementing the European Directive for Markets in Financial Instruments (MiFID II)).

**Selling and Transfer Restrictions:** The attention of persons who wish to subscribe for Offer Shares is drawn to Section 13 "Selling and Transfer Restrictions" of the Prospectus. The making or acceptance of the Subsequent Offering 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 Subsequent Offering and the laws of the relevant jurisdiction. Those persons should read Section 13 of the Prospectus and consult with their professional advisers as to whether they are eligible to subscribe for Offer Shares, or require any governmental or other consents or need to observe any other formalities to enable them to exercise Subscription Rights or purchase Offer Shares. It is the responsibility of any person outside Norway wishing to exercise Subscription Rights and/or subscribe for Offer Shares under the Subsequent Offering to satisfy himself/herself/itself as to the full observance of the terms and conditions of the Subsequent Offering 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/or the Offer Shares, as applicable, 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 may not and will not be offered, sold, pledged or otherwise transferred in or into the United States. There will be no public offer of the Subscription Rights and/or the Offer Shares in the United States. **No person in the United States may be offered Subscription Rights or otherwise acquire Offer Shares by exercise of Subscription Rights.** 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, the United States, 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. 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 or would, for jurisdictions other than Norway, require any prospectus filing, registration or similar action. A notification of exercise of Subscription Rights and subscription of Offer Shares in contravention of the above restrictions may be deemed to be invalid. By subscribing for the Offer Shares, persons effecting subscriptions will be deemed to have represented to the Company that they, and the persons on whose behalf they are subscribing for the Offer Shares, have complied with the above selling restrictions and will be deemed to have made the applicable representations, acknowledgements, agreements and warranties set forth in Section 13.1 of the Prospectus.

**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 Subsequent Offering.

**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 of the Shares, including the Offer Shares, as a consequence of such information walls.

**ES-OSL Account and Mandatory Anti-Money Laundering Procedures:** The Subsequent Offering 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 currently registered as customers of the Manager and who subscribes for a cumulative amount of NOK 100,000 or more may be subject to customer due diligence measures ("KYC") to comply with the Anti-Money Laundering Legislation. Subscribers that have not completed the required KYC may not be allocated Offer Shares. Further, in participating in the Subsequent Offering, each subscriber must have an ES-OSL account. The ES-OSL account number must be stated on the Subscription Form. ES-OSL accounts can be established with authorised ES-OSL 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 ES-OSL accounts registered in the name of a nominee. The nominee must be authorised by the Financial Supervisory Authority of Norway. Establishment of an ES-OSL account requires verification of identity to the ES-OSL 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 applicant's personal data in order to manage and carry out the Subsequent Offering and the application from the applicant, 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 application and to meet legal obligations. The Norwegian Securities Trading Act and the Anti-Money Laundering Legislation require that the Manager process and store information about clients and trades, and control and document activities. The applicant'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 and the company(ies) participating in the offering, with companies within the Manager's group, the ES-OSL, 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 transfer 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 applicants 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 applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants 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 applicants' 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:

- The service "Payment by direct debiting - securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
- Costs related to the use of "Payment by direct debiting - securities trading" appear from the bank's prevailing price list, account information and/or information given in another appropriate manner. The bank will charge the indicated account for costs incurred.
- The authorisation for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
- In case of withdrawal of the authorisation for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Norwegian Financial Contracts Act, the payer's bank shall assist if the payer withdraws a payment instruction that has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
- The payer cannot authorise payment of a higher amount than the funds available on the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall immediately be covered by the payer.
- The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorisation for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorisation has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
- If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Norwegian Financial Contracts Act.

**Overdue Payment:** Overdue payments will be charged with interest at the applicable rate from time to time under the Norwegian Act on Interest on Overdue Payment of 17 December 1976 No. 100, currently 12.5% per annum as of 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 and at the discretion of the Manager, not be delivered to such subscriber. The Manager, on behalf of the Company, reserves the right, at the risk and cost of the subscriber to, at any time, 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 Subsequent Offering, 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.: personnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors 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](http://www.gleif.org). Further information is also included in Section 12.2.16 ("NCI code and LEI code") of the Prospectus.

## APPENDIX B

### OBSERVE MEDICAL ASA'S ARTICLES OF ASSOCIATION AS OF 17 JULY 2024

#### VEDTEKTER

##### FOR

#### OBSERVE MEDICAL ASA

Slik de lyder per 17. juli 2024

#### § 1 – Firma

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

#### § 2 – Forretningskontor

Selskapets forretningskontor er i Oslo kommune.

#### § 3 – Virksomhet

Selskapets virksomhet er å utvikle, produsere, markedsføre og selge medisinsk teknisk utstyr og relaterte produkter, utføre konsulenttjenester i denne sammenheng, samt å investere i relatert virksomhet.

#### § 4 – Aksjekapital

Selskapets aksjekapital er kr 63.878.153,04, fordelt på 245.685.204 aksjer, hver pålydende kr 0,26.

#### § 5 – Styre

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

#### § 6 – Signatur

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

#### § 7 – Valgkomité

Selskapet skal ha en valgkomité. Valgkomiteen skal bestå av to til tre medlemmer, etter generalforsamlingens beslutning, hvor flertallet skal være uavhengige av styret og den daglige ledelse. Minimum to av medlemmene skal være aksjeeiere eller representanter for aksjeeierne. Valgkomiteen skal fremsette forslag for generalforsamlingen til kandidater ved valg av medlemmer til styret og styrets leder, samt

#### ARTICLES OF ASSOCIATION

##### OF

#### OBSERVE MEDICAL ASA

As of 17 July 2024

#### § 1 – Company name

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

#### § 2 – Registered office

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

#### § 3 – The company's business

The company's purpose is to develop, produce, market and sell medical technical equipment and related products, provide connected consulting services and invest in related business.

#### § 4 – Share capital

The share capital of the company is NOK 63,878,153.04, divided into 245,685,204 shares, each with a nominal value of NOK 0.26.

#### § 5 – Board of Directors

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

#### § 6 – Signatory rights

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

#### § 7 – Nomination committee

The company shall have a nomination committee. The nomination committee shall consist of two to three members, as resolved by the general meeting, where the majority of the members shall be independent of the board of directors and the management. At least two of the members shall be shareholders or represent the shareholders. The nomination committee shall propose

medlemmer til valgkomiteen og komiteens leder. Valgkomiteen skal også fremsette forslag om honorar til styret og valgkomiteens medlemmer. Funksjonstiden for valgkomiteens medlemmer skal være to år av gangen om ikke generalforsamlingen fastsetter en annen periode i forbindelse med valget. Generalforsamlingen kan fastsette instruks for valgkomiteen.

## § 6 – Generalforsamling

På den ordinære generalforsamling skal blant annet følgende saker behandles:

- 1) Godkjenning av årsregnskap og årsberetning.
- 2) Styrets forslag om utbytte eller andre utdelinger.
- 3) Andre saker som i henhold til lov eller vedtekter hører inn under generalforsamlingen.

Styret kan beslutte at aksjonærer som vil delta på generalforsamlingen, må melde dette til selskapet innen en bestemt frist som ikke kan utløpe tidligere enn to virkedager før generalforsamlingen.

Aksjeeiere kan avgi sin stemme skriftlig, herunder ved bruk av elektronisk kommunikasjon, i en periode før generalforsamlingen. Styret kan fastsette nærmere retningslinjer for slik forhåndsstemming. Det skal fremgå av generalforsamlingsinnkallingen hvilke retningslinjer som er fastsatt.

Dokumenter som gjelder saker som skal behandles på generalforsamlingen kan gjøres tilgjengelige på selskapets internettsider. Det samme gjelder dokumenter som etter lov skal inntas i eller vedlegges innkallingen til generalforsamlingen. Dersom dokumentene gjøres tilgjengelig på denne måten skal ikke lovens krav om utsendelse til aksjeeierne få anvendelse. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen.

candidates to the annual general meeting in election of board members and the chairperson of the board, and to members of the nomination committee, including its chair. The nomination committee shall also submit proposals on board remuneration and remuneration to the members of the nomination committee. The term of the members of the nomination committee shall be two years at a time unless the general meeting decides otherwise in connection with the election. The general meeting can determine an instruction for the nomination committee.

## § 6 – General Meeting

The ordinary general meeting shall amongst other things consider the following matters:

- 1) Approval of the annual accounts and annual report.
- 2) The proposal of the board regarding dividends or other distributions.
- 3) Other matters which pursuant to law or the articles of association shall be considered by the general meeting.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than two business days prior to the general meeting.

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

Documents concerning matters to be considered at the general meeting may be made available on the company's website. This is also applicable for documents that by law shall be included in or attached to the notice. In case documents are made available in such manner, the statutory requirements for distribution to shareholders shall not be applicable. A shareholder still has the right to receive documents concerning matters to be considered at the general meeting upon request.



## **Registered office and advisors**

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