

NOT FOR DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, HONG KONG OR JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. PLEASE SEE THE IMPORTANT NOTICE AT PAGE 2 OF THIS DOCUMENT.

Information Memorandum

in connection with the acquisition of Observe Medical International AB by

Navamedic ASA



NO SHARES OR OTHER SECURITIES ARE BEING OFFERED OR SOLD IN ANY JURISDICTION PURSUANT TO THIS INFORMATION MEMORANDUM

Financial advisor to Navamedic ASA



14 September 2015

IMPORTANT NOTICE

This information memorandum (the "**Information Memorandum**") has been prepared in connection with Navamedic ASA's ("**Navamedic**" or the "**Company**") acquisition of 100% of the issued and outstanding shares in Observe Medical International AB ("**Observe**" or "**OM**") (the "**Transaction**").

This Information Memorandum does not constitute an offer or solicitation to buy, subscribe or sell the securities described herein, and no shares or other securities are being offered or sold in any jurisdiction pursuant to this Information Memorandum.

This Information Memorandum serves as an information document as required under Section 3.5 of the Continuing Obligations for Stock Exchange Listed Companies (the "**Continuing Obligations**"), which apply in respect of companies with shares admitted to trading on Oslo Børs (the "**Oslo Stock Exchange**"), and has been submitted to the Oslo Stock Exchange for inspection and approval before it was published. This Information Memorandum is not a prospectus and has neither been inspected nor approved by the Financial Supervisory Authority of Norway (Nw. *Finanstilsynet*) in accordance with the rules that apply to prospectuses.

All inquiries relating to this Information Memorandum must be directed to Navamedic. No other person is authorized to give any information about, or to make any representations on behalf of, Navamedic in connection with the Transaction. If any such information is given or made, it must not be relied upon as having been authorized by Navamedic. The information contained herein is valid as at the date hereof and is subject to change, completion and amendment without further notice. The publication and distribution of this Information Memorandum shall not under any circumstances create any implication that there has been no change in the affairs of Navamedic or that the information herein is correct as of any date subsequent to the date of this Information Memorandum.

The contents of this Information Memorandum are not to be construed as legal, business or tax advice. Each reader of this Information Memorandum should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Information Memorandum you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser.

The distribution of this Information Memorandum in certain jurisdictions may be restricted by law. Navamedic requires persons in possession of this Information Memorandum to inform themselves about, and to observe, any such restrictions.

Navamedic has not registered any of its shares under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and its shares may not be offered or sold in the United States of America absent registration or an exemption from registration. Navamedic does not intend to register any of its shares pursuant to the Securities Act.

Investing in the Company's shares involves risks. See section 1 "Risk Factors" below.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information Memorandum includes forward-looking statements that reflect Navamedic's current views with respect to future events and financial and operational performance, including, but not limited to, statements relating to the risks specific to Navamedic and the Transaction, and the businesses and the implementation of strategic initiatives, as well as other statements relating to Navamedic's future business development and economic performance. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in a number of places throughout this Information Memorandum and include statements regarding Navamedic's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, prospects, growth, strategies, impact of regulatory initiatives, capital resources, and the industry trends and developments. Readers are cautioned that forward-looking statements are not guarantees of future performance and that the actual financial condition, operating results and liquidity of Navamedic, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Information Memorandum. 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.

The information contained in this Information Memorandum, including the information set out under Section 1 "Risk Factors", identifies certain factors that could affect the business, financial condition, operating results, liquidity, performance and prospects of Navamedic. Readers are urged to read all sections of this Information Memorandum and, in particular, Section 1 "Risk Factors".

Navamedic 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 Navamedic or to persons acting on Navamedic's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Information Memorandum.

INFORMATION SOURCED FROM THIRD PARTIES

The information in this Information Memorandum that has been sourced from third parties has been accurately reproduced and as far as Navamedic is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CONTENTS

1	RISK FACTORS	7
1.1	Risks relating to the Transaction	7
1.2	Risks relating to Observe	7
1.3	Risks relating to Navamedic's operations and industry	8
1.4	Financial Risks.....	10
1.5	Risks related to the Navamedic share	11
2	STATEMENT OF RESPONSIBILITY	13
3	THE TRANSACTION	14
3.1	Overview of the Transaction	14
3.2	Background and rationale for the Transaction	14
3.3	The Transaction and its agreements	14
3.4	Valuation of OM in the Transaction	15
3.5	The consideration.....	15
3.6	Lock-up agreement on Consideration Shares	16
3.7	Board resolution in Navamedic ASA.....	16
3.8	Special rights or benefits	17
3.9	Share Price Development of Navamedic.....	17
3.10	Description of the Consideration Shares issued as consideration in the Transaction	17
3.11	Admission to Trading.....	18
3.12	Expenses relating to the Transaction	18
4	PRO FORMA FINANCIAL INFORMATION	19
4.1	Unaudited pro forma financial information related to the Transaction.....	19
4.2	The Transaction's significance for Navamedic's earnings, assets and liabilities	27
4.3	Accounting and tax effects	27
5	PRESENTATION OF NAVAMEDIC	28
5.1	Overview	28
5.2	History	28
5.3	Strategy	29
5.4	Business overview.....	30
5.5	Navamedic after the Transaction.....	31
5.6	Legal structure after the Transaction	31
5.7	Market overview	32
5.8	Trend information	33
5.9	Board of Directors, Management and employees	33
5.10	Capital resources	37
5.11	Working capital statement	39
5.12	Shares and share capital.....	39
5.13	Dividend policy	41
5.14	Additional Information	42
5.15	Selected consolidated financial information	42
5.16	Incorporation by reference - historical financial information.....	46

6	PRESENTATION OF OBSERVE MEDICAL.....	47
6.1	Overview	47
6.2	History	47
6.3	Business Overview	48
6.4	Board of Directors, Management and employees	50
6.5	Additional Information	53
6.6	Selected consolidated financial information	53
6.7	Documents on Display	56
6.8	Confirmation regarding sources	56
7	DEFINITIONS AND GLOSSARY OF TERMS.....	57

APPENDICES:

Appendix 1:	Independent Assurance Report on pro forma information	A 1
Appendix 2:	Financial statements for Observe Medical International AB, Observe Medical ApS, Observe Medical Nordic AB for fiscal year ended 31 December 2014.....	A 2
Appendix 3:	Foreign currency translation for the fiscal year 2014 and for the interim period H1 2015 (first half year ending 30 June 2015), and financial statements for the interim period H1 2015 for Observe Medical group, which includes Observe Medical International AB, Observe Medical ApS, Observe Medical Nordic AB	A 3

1 RISK FACTORS

Note: In addition to the other information set out in this Information Memorandum, the following risk factors should be carefully considered. Any of the risks described below could have a material adverse impact on the Company's business, financial condition and results of operations and could therefore have a negative effect on the trading price of the shares of the Company and affect a prospective investor's investment. The information below does not purport to be exhaustive, and describes risk factors pertaining to the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deem immaterial, may also have a material adverse effect on the Company's business, financial condition and operating results. These risks should also be considered in connection with the cautionary note regarding forward-looking information set forth on page 3 of this Information Memorandum.

1.1 Risks relating to the Transaction

1.1.1 Integration

Achieving the anticipated benefits of the Transaction will depend in some part on the Company's ability to integrate the two companies' businesses in an effective and efficient manner. The process of integrating Observe's operations may take time and there can be no assurance that the Company will be able to accomplish the integration smoothly or successfully. The Company's failure to do so may result in a significant diversion of management's time from ongoing business matters, and may have a material adverse effect on the business, results of operation and financial condition of the combined company.

1.1.2 Risk related to the accuracy of the Unaudited Pro Forma Financial Information

This Information Memorandum includes unaudited pro forma consolidated financial information for the Group (the "Unaudited Pro Forma Financial Information"). Although the Unaudited Pro Forma Financial Information is based on estimates and assumptions based on current circumstances believed to be reasonable, actual financial results could materially differ from that presented herein. There is a greater degree of uncertainty associated with pro forma figures than with actual reported results. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not purport to present the financial condition of Navamedic as of the dates or periods being presented, nor should it be used as the basis of projections for the financial condition of Navamedic for any date in the future.

1.2 Risks relating to Observe

1.2.1 Market risk

Observe's product, Sippi® with supporting functions/products SippSense and SippCoat, is in a launch phase and the sale of Sippi® has not started in a large scale. Observe's market is initially the intensive care units in hospitals. These healthcare facilities may be privately or publicly funded. Demand from private clinics depends to some extent on the general economic situation in a country, while the demand from the public health facilities is mainly affected by public institutions' financial resources. A generally weak financial climate, or a weak trend in public institutions' financial resources may lead to weaker demand for Observe's products or a slower uptake of Observe's product line.

The process to monitor the urine output, as part of measuring the critical fluid balance, has remained unchanged for several decades. Observe's sales may be negatively affected if alternative solutions to monitoring urine output should be developed.

1.2.2 Permits and approvals

Observe is dependent on the company's products fulfilling the requirements of national and international institutions requirements regarding product quality and safety. The approval process for medical devices differ between countries and hospital systems, which means that there is an uncertainty related to the amount of resources the company will have to devote to meet the requirements for required approvals. It cannot be guaranteed that Observe will be able to obtain or maintain such permits/approvals, or that fulfilling applicable requirements may be done on commercially satisfactory terms. CE (Communauté Européenne) and FDA approvals (US Food and Drug Administration) were granted to OM in 2013.

1.2.3 Production and product quality

The production of Observe's products is dependent on a number of suppliers and partners. There is a risk that suppliers may fail to deliver the products Observe requires or with the quality that Observe requires. Such failure in delivery may negatively affect Observe's sales.

1.3 Risks relating to Navamedic's operations and industry

1.3.1 Fluctuation in operating results

Quarterly results are expected to fluctuate over the next few quarters, depending on timing of product launches. The typical revenue profile from each new country is expected to be characterized by; (i) an initial delivery for stock build-up, followed by (ii) a delay until sales pick up, and then (iii) a more steady re-delivery pattern. The Company's results may also fluctuate from period to period and from year to year as a result of various other factors. Such fluctuations may have a material adverse impact on Navamedic's results of operational and financial condition.

1.3.2 Retention of key personnel

The Company's business and prospects depend to a significant extent on the continued services of its key personnel, including key personnel from Observe. Financial difficulties and other factors could negatively impact the Company's ability to retain key employees. The loss of any of the members of its senior management or other key personnel or the inability to attract a sufficient number of qualified employees could adversely affect its business and results of operations.

1.3.3 Distribution agreements

Distribution agreements are in general entered into for limited time periods, for instance typically two years or longer. Navamedic is dependent on constantly having sufficient distribution agreements in place in order to maintain a broad and diversified portfolio of products. There can be no guarantees that Navamedic will be able to renew or enter into new distribution agreements when distribution agreements expire, or that such distribution agreements will be entered into on favourable market terms. Failure to renew or enter into new distribution agreements may have a negative effect on Navamedic's operations and financial position.

1.3.4 Risks related to obtaining acceptable price and reimbursement

In most markets, drug prices and reimbursement levels are regulated or influenced by authorities, other healthcare providers or insurance companies. Furthermore, the overall healthcare costs to society have increased considerably over the last decades and governments all over the world are striving to control them. There can be no guarantee that the Company's products for distribution will obtain the selling prices or reimbursement levels foreseen by the Company over time. If actual prices and reimbursement levels granted to Navamedic's products for distribution are or become lower than anticipated it may have a negative impact on its products' profitability and/or marketability.

1.3.5 Actions by public authorities

Like other companies in the pharmaceutical industry, Navamedic is dependent on and subject to the actions of public authorities. Such actions include changes in regulations on pricing and discounting of drugs or changes in the conditions for prescribing a certain drug. If Navamedic's products or operations become subject to further or changed requirements or restrictions from regulatory authorities, it could have negative commercial and financial effects for Navamedic.

1.3.6 Parallel imports

Differences in the price of pharmaceuticals in markets where Navamedic operates may lead to an increase in parallel imports with Navamedic's products being purchased at a lower price in certain markets and then competing with Navamedic's sales in other markets. Increased parallel trade may result in negative commercial and financial effects for Navamedic.

1.3.7 Intellectual property rights

Navamedic's portfolio of pharmaceuticals, medical nutrition and medical devices are rarely patent protected and in such event the respective manufacturer holds the existing or pending patents. The products in Navamedic's portfolio that have generic competition do not have patent protection. Infringement of Navamedic's supplier's intellectual property rights may have a negative effect on the Company's operations.

Observe's products are protected by existing or pending patents in the key markets, IPR rights that is acquired by Navamedic through the transaction. It cannot; however, be ruled out that competitors will copy Observe's technology. Pursuing any legal proceedings to protect Observe's intellectual property may both be costly as well as take management focus from Observe's core operations. Infringement of Observe's intellectual property rights may therefore have a negative effect on the Company's operations.

1.3.8 Managing growth

Navamedic may acquire or contract companies and/or enterprises in the future. The Company may experience difficulties in integrating these additional assets, businesses and employees into Navamedic's existing operations. Furthermore, there can be no guarantee that any new products and/or enterprises will have the development expected when fixing the value of the acquisition of such company and/or enterprise. Navamedic's future growth will depend upon a number of factors, both within and outside of the Company's control. It may not be successful in expanding its operations, and any expansion may not be profitable, or may result in losses for the Company. This could ultimately have a material adverse effect on Navamedic's operations, business, financial performance and prospects.

As Navamedic's operations continue to expand, the Company may need to increase the number of employees and/or enhance the scope of operational and financial systems to handle the increased complexity of its operations. Navamedic cannot give any assurance that its current operational and financial systems and controls will be adequate as the Company grows. This could ultimately have an adverse effect on Navamedic's operations, business, financial performance and prospects.

1.3.9 Margin pressure

Due to increasing competition within the market for pharmaceuticals and medical nutrition, the product price is to a greater extent used as a competitive parameter. Especially companies who control the entire value chain for their products may become serious competitors to the extent their products are similar to Navamedic's products. Thus, the Company may have to reduce the prices for its products. Price reductions on products in order to obtain sales will lead to margin pressure, which may have a material adverse effect on the business, results of operations and/or financial condition of the Company.

1.3.10 Counterparties

The Group will be exposed to counterparty risk (including credit risk) in several instances, including, without limitation, with respect to suppliers and customers and other third parties who may owe sums or obligations to the Group. If, for any reason, any of the counterparties are unable or unwilling to fulfil their related contractual obligations or if they otherwise terminate such agreements prior to the expiration thereof, the results of operations, financial condition and cash flows could be adversely affected.

1.3.11 Disputes and legal or regulatory proceedings

Navamedic may from time to time be involved in disputes and legal or regulatory proceedings. Such disputes and legal or regulatory proceedings may be expensive and time-consuming, and could divert management's attention from Navamedic's business. Furthermore, legal proceedings could be ruled against Navamedic and Navamedic could be required to, inter alia, pay damages or fines, halt its operations, etc., which could have a significant adverse effect on Navamedic's business, prospects, financial results and results of operations.

1.4 Financial Risks

1.4.1 Financing risks

Navamedic has obtained bank financing for part of the cash consideration in relation to the Transaction and uses overdraft facilities on a general basis. Furthermore, Navamedic may in the future obtain additional debt funding in relation to further acquisition or other future funding needs. Navamedic cannot assure that it will be able to obtain any additional financing or retain or renew current financing upon expiry on terms that are acceptable, or at all. An increase in Navamedic's level of debt financing and/or adverse change in the terms of its current financing agreements, may increase financing costs and reduce Navamedic's profitability. If Navamedic becomes unable to service its debt when due, there will be a default under the terms of these agreements, which could result in an acceleration of repayment of funds that have been borrowed and have a material adverse effect on Navamedic's results of operation, cash flow, financial condition and/or prospects and in worst case lead to a insolvency.

Navamedic has operational and financial covenants related to its loan and other financial commitments, demanding a certain performance of Navamedic. Failure to comply with financial and other covenants may have a material adverse effect on Navamedic and its financial position, including potential increased financial cost, need for re-financing and requirement for additional security or cancellation of borrowings.

In order for the Company to undertake desired strategic investments directed against the market, and its existing brand- and product concepts, in accordance with the Company's strategic plans for future development, it is imperative that the Company has proper financial room to manoeuvre. If the Company experiences a reduction in available liquidity, the Company may not be able to carry out such desired strategic investments. This may have a material adverse effect on Navamedic's business, revenues, and results of operations or financial condition.

1.4.2 Tax and VAT

Norwegian authorities may at any time, within the frames of the EEA Agreement, introduce new legislation or implement measures related to tax or VAT legislation that may affect the income and costs of the Company.

A difference in the interpretation of relevant tax and VAT legislation or other future changes to the current tax and/or VAT-regime could potentially have a material adverse effect on the Company's financial position or results of operations.

1.4.3 Currency and exchange risk

Navamedic has transactional currency exposure arising from sales and purchases in currencies other than the functional and presentation currency of the parent company (NOK). The bulk of Navamedic's income and costs are denominated in other currencies than the functional currency in the operating companies (NOK, SEK, DKK and EUR). Commodity costs are mainly denominated in EUR, GBP and USD. Salaries and operating expenses are mainly denominated in the currency of the domicile of the relevant company whereby SEK being the dominant currency. Navamedic purchases currency from time to time, but has for the time being concluded not to implement a firm hedging strategy to reduce currency risk.

1.4.4 Future dividends

The Company's ability to pay dividends to its shareholders and service any indebtedness is dependent upon the Company receiving sufficient funds from operations and operating subsidiaries in both Norway and foreign jurisdictions. Funds may be transferred to the Company from subsidiaries by way of dividends, intra-group loans and/or group contributions, where possible. In several jurisdictions there are restrictions on a company's ability to pay dividends, or otherwise transfer funds, to parent and/or holding companies. Restrictions, by law or regulations can affect the Company's ability to receive funds to pay dividends to shareholders and/or service any indebtedness.

1.5 Risks related to the Navamedic share

1.5.1 The price of the shares may fluctuate significantly

The trading price of the shares could fluctuate significantly in response to a number of factors beyond the Company's control, including quarterly variations in operating results, adverse

business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, significant contracts, acquisitions or strategic relationships, publicity about the Company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes to the regulatory environment in which it operates or general market conditions.

The market price of the shares could decline due to sales of a large number of the shares in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that is deemed appropriate.

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

The Company may in the future decide to offer additional shares or other securities in order to finance new capital-intensive projects, or in connection with unanticipated capital requirement, liabilities or expenses or for any other purposes. Any such additional offering could reduce the proportionate ownership and voting interests of holders of shares, as well as the earnings per share and the net asset value per share of the Company, and any offering by the Company could have a material adverse effect on the market price of the shares.

1.5.3 Limited liquidity

There can be no assurance as to the liquidity of the shares in the secondary market, the ability of the holders of the shares to sell their shares or the price at which the holders would be able to sell their shares. The liquidity of the trading market in the shares, and the market price quoted for the shares, may be adversely affected by changes in the Company's financial performance or prospects or in the prospects for companies in Navamedic's industry in general.

1.5.4 Nominee accounts and voting rights

Beneficial owners of the shares that are registered in a nominee account (e.g., through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the shares will receive the notice for a general meeting in time to instruct their nominees to effect a re-registration of their shares or otherwise arrange for votes to be cast for such shares.

1.5.5 Shareholders outside of Norway are subject to exchange rate risk

The shares are priced in Norwegian kroner ("NOK"), the lawful currency of Norway, and any future payments of dividends on the shares will be denominated in NOK. Accordingly, any investor outside Norway is subject to adverse movements in the NOK against their local currency, as the foreign currency equivalent of any dividends paid on the shares or price received in connection with any sale of the shares could be materially adversely affected.

2 STATEMENT OF RESPONSIBILITY

The Board of Directors of Navamedic ASA hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Oslo, 13 September 2015

Johan Reinsli

Masha Strømme

Svein Erik Nicolaysen

Synne H. Røine

3 THE TRANSACTION

3.1 Overview of the Transaction

On 3 August 2015 Navamedic ASA signed an agreement whereby Navamedic ASA shall acquire Observe Medical International AB (OM). The initial purchase price is NOK 35 million, with additional payments dependent on performance in the coming years. Through the Transaction, which was completed on 4 August 2015, Navamedic is expanding into a new business area, adding substantial market opportunities in other geographies and positioning the Company for future growth.

3.2 Background and rationale for the Transaction

Navamedic is by acquiring OM expanding into a new business area. After the acquisition Navamedic is the product- and IPR-owner of a product with global potential.

OM has developed an automated, digital urine meter Sippi® that saves time for healthcare personnel, may improve accuracy and patient safety, compared to today's method. Sippi® has been under development since 2009, and has received approval for hospital use in Europe and the United States. The product was launched in March 2015 in the German and Nordic markets and has been well received, and strong sales growth is expected.

Patients in intensive care need constant medical attention to keep the body functioning. One of the key parameters is the urine production. Almost all patients receiving intensive care have a urinary catheter inserted, and the production of urine is closely monitored in order to detect potential organ failure. The global intensive care capacity is more than 360,000 hospital beds. Germany is the largest single market in Europe, with 24,000 intensive care beds, and Sippi® was launched in Germany earlier this year. Navamedic will continue to launch Sippi® in other European markets and also eventually develop the business in other global markets. As such, the Transaction will add substantial market opportunities in other geographies positioning the Company for future growth. For some markets with particular market dynamics, Navamedic will consider to sell the rights for the products against a commercial compensation.

Navamedic aims at establishing OM's product line as the global niche leader, through building a network of distributors in key markets by utilising existing commercialization capabilities and strong relationships with hospitals throughout the Nordic markets.

When concluding on the interest to acquire OM, Navamedic's Board and management came to the conclusion that products and companies within the fields of medical equipment and medical technology, had a more favourable pricing compared to Navamedic's own size and valuation.

3.3 The Transaction and its agreements

Navamedic signed on 3 August 2015 an agreement to acquire 100% of the outstanding shares in Observe Medical AB. The initial purchase price is NOK 35 million, with additional payments dependent on performance in the coming years. Of the NOK 35 million initial payment, NOK 25 million is a cash consideration, while NOK 10 million will be paid through the issue of new Navamedic shares (the "New Shares" or the "Consideration Shares"). According to the agreement, the share price for the New Shares will be the volume-weighted average price in the 30 days period from 15 days prior to the announcement of the Transaction until 15 days

after the announcement. The number of New Shares issued is within the Board of Director's mandate to increase share capital.

Furthermore, a 7 per cent sales royalty based on annual Sippi® sales above NOK 7.5 million, increasing to 15 per cent on sales exceeding NOK 100 million per year, will be paid to the former shareholders of Observe Medical for the years 2016-2023.

Finally, six milestone payments based on set sales targets for the product will be paid to former shareholders. Sales targets need to be reached within end of 2023, with the last within end of 2026. Total possible milestone payment will over the next 11 years potentially reach a maximum of NOK 125 million, in addition to royalties. The six potential milestone payments will be triggered as follows:

- a) NOK 6 million upon accumulated sales in excess of NOK 50 million
- b) Additional NOK 6 million upon accumulated sales in excess of NOK 75 million
- c) Additional NOK 6 million upon accumulated sales in excess of NOK 100 million
- d) Additional NOK 13 million upon accumulated sales in excess of NOK 300 million
- e) Additional NOK 34 million upon accumulated sales in excess of NOK 600 million
- f) Additional NOK 60 million upon accumulated sales in excess of NOK 900 million

Navamedic has secured bank financing of the initial cash consideration.

Upon completion, OM will be a wholly owned subsidiary of Navamedic. OM's founders and management will remain with the Company.

3.4 Valuation of OM in the Transaction

The valuation in the Transaction is fixed following negotiations and is a result of a complete evaluation of OM's market value, its future earnings potential and value of expected revenue and cost synergies which the Transaction gives basis to realize.

The agreed initial purchase price is NOK 35 million, with additional payments dependent on performance in the coming years. See Section 3.3 for more detailed information on the Transaction.

3.5 The consideration

3.5.1 The consideration

The Transaction was financed by Navamedic through a combination of debt and equity as follows:

- Cash consideration of NOK 25 million, secured mainly through a SEK 25 million debt facility from Danske Bank and own cash
- Share consideration of NOK 10 million through the issue of 888,100 New Shares in the Company at a subscription price of NOK 11.26. As given in the transaction agreement,

the share price for the New Shares has been determined based on the volume-weighted average price of the Company's shares in a 30 days period from 15 days prior to the announcement of the transaction until 15 days after the announcement. The Consideration Shares will be issued through use of the board of directors' authorization to issue shares granted by the Company's annual general meeting for 2015.

- The key terms of the debt facilities from Danske Bank are:
 - 3 year term loan – SEK 15 million, to be repaid in monthly instalments with 8 months free amortization, interest 4% p.a.
 - SEK 10 million increase of credit line facility

3.6 Lock-up agreement on Consideration Shares

The Sellers have entered into lock-up agreements relating to the Consideration Shares to be issued by Navamedic as part of the Transaction. Under these lock-up agreements, the Sellers undertake to not, without the prior written consent of the Company, offer, sell, pledge, lend or otherwise dispose of any shares in Navamedic over a period of twenty-one months; however so that the lock-up obligation is reduced by 1/3 on each of the dates falling nine, fifteen and twenty-one months after the date of the lock-up agreements (3 August 2015).

3.7 Board resolution in Navamedic ASA

The Navamedic shares to be issued as Consideration Shares in the Transaction will be resolved by Navamedic's board of directors based on the following resolution:

"The Company's share capital is increased pursuant to the Norwegian Public Limited Liability Companies Act section 10-1, on the following conditions:

- 1. The share capital is increased by NOK 888,100 by issue of 888,100 New Shares, each with a par value of NOK 1.*
- 2. The subscription price is NOK 11.26 per share.*
- 3. The shares may be subscribed by the investors as set out in appendix 4, in accordance with the allocation of shares set out therein. Over-subscription is not permitted.*
- 4. The shares shall be subscribed for no later than 15 October 2015 by use of a separate subscription form.*
- 5. Payment for the shares shall be settled by way of set-off against claims on the Company pursuant to the promissory note issued by the Company in connection with its acquisition of Observe Medical AB. Set-off shall in respect of each subscriber be considered made with effect from the time of subscription of shares pursuant to this resolution. The expert report pursuant to the Norwegian Public Limited Liability Companies Act section 10-2 (3), cf. section 2-6 is attached as appendix 3.*

6. *The shares will entitle to dividend as from the registration of the share capital increase in the Norwegian Register of Business Enterprises.*
7. *The estimated amount of costs related to the share capital increase is NOK 1.5 million.*
8. *With effect from the registration of the share capital increase with the Norwegian Register of Business Enterprise, section 4 of the articles of association is amended to reflect the share capital and total number of shares after the share capital increase."*

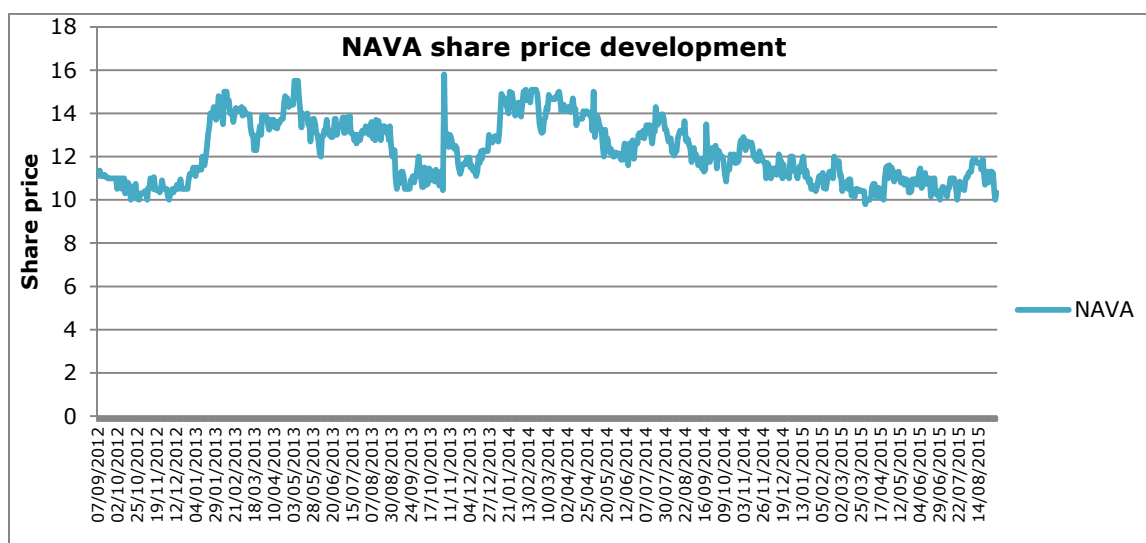
3.8 Special rights or benefits

No agreements to the benefit of the members of the Board of Directors or management of Navamedic or OM have been entered into, and no special rights or benefits shall accrue to the members of the Boards of Directors or management of Navamedic or OM in connection with the Transaction, cf. section 13-6, first paragraph no. 6 of the Public Limited Companies Act.

3.9 Share Price Development of Navamedic

Navamedic is listed on the Oslo Stock Exchange. The development in the price of Navamedic's shares and its trading over the last 36 months is shown in the figure below.

Navamedic has been listed on the Oslo Stock Exchange since 31st March 2006.



Source: FactSet as of 10 September 2015

The last quoted price before the announcement of the Transaction (04 August 2015) was NOK 11.05, which reflected a market value of NOK 94.61 million. The last 30 days volume, weighted average Navamedic share price prior to the announcement of the Transaction was NOK 10.48 per share.

3.10 Description of the Consideration Shares issued as consideration in the Transaction

The Consideration Shares issued as consideration in the Transaction (the "New Shares") are ordinary shares in Navamedic having a nominal value of NOK 1. The New Shares will be issued

electronically in book-entry form in accordance with the Norwegian Public Limited Companies Act on or about 15 October 2015.

The New Shares ranks *pari passu* in all respects with the existing shares of Navamedic and carry full shareholder rights from the time of registration of the share capital increase pertaining to the Transaction in the Norwegian Register of Business Enterprises. The New Shares is eligible for any dividends declared by Navamedic after said registration. All Shares, including the New Shares, has voting rights and other rights and obligations pursuant to the Norwegian Public Limited Companies Act, and are governed by Norwegian law. See section 5.13 for a further description of the rights which will be attached to the Shares.

3.11 Admission to Trading

The shares issued as consideration to the shareholders in OM will be admitted to trading on the Oslo Stock Exchange on or about 15 October 2015.

For the sake of good order, all though the shares are admitted to listing, the shareholders will be subject to lock-up obligations for a certain period of time as further described in Section 3.6.

Pursuant to the Norwegian Securities Trading Act Section 7-3, a listing prospectus shall be prepared and approved by the Financial Supervisory Authority of Norway in connection with listing of New Shares on the Oslo Stock Exchange. However, there is an exemption from this obligation in Section 7-5 no. 7 for securities offered as consideration in connection with an acquisition, provided a document is available considered by the competent prospectus authority to contain the same information as required by section 7-13. The Financial Supervisory Authority of Norway has determined that an information document approved by the Oslo Stock Exchange may be used as such a document, and the Company will utilize this exemption in connection with the listing of the Consideration Shares. Consequently, there will not be prepared a listing prospectus in connection with the listing of the Consideration Shares.

3.12 Expenses relating to the Transaction

Transaction costs and all other directly attributable cost in connection with transaction will be borne by the Company. Total costs related to the Transaction are expected to be approximately NOK 3.5 million, of which approximately NOK 1.5 million related to the equity capital increase.

4 PRO FORMA FINANCIAL INFORMATION

4.1 Unaudited pro forma financial information related to the Transaction

4.1.1 Purpose of the unaudited pro forma financial information

The unaudited pro forma financial information has been prepared for illustrative purposes only. The unaudited pro forma financial information is based on certain management assumptions and adjustments made to illustrate what the financial results of Navamedic might have been had the proposed Transaction occurred on an earlier point in time.

The unaudited pro forma financial information addresses a hypothetical situation, and therefore, does not represent Navamedic's actual financial position or results as it would have been had the Transaction in fact occurred at an earlier date, and is not representative of the results of operations for any future periods. As described in the section 3.1, the Transaction was completed on 4 August 2015. In evaluating the unaudited pro forma financial information, each reader should carefully consider the audited historical financial statements and the notes thereto and the notes to the unaudited pro forma financial information.

It should be noted that greater uncertainty is attached to the unaudited pro forma financial information than ordinary historical accounting information. Investors are cautioned against placing undue confidence on this unaudited pro forma financial information.

The unaudited pro forma financial information shows how the Transaction might have affected Navamedic's consolidated profit and loss statement for the year 2014 and first half 2015 if the Transaction had taken place on 1 January 2014 and on 1 January 2015, respectively. In addition, it is shown below how the consolidated balance sheet as of 30 June 2015 might have been if the Transaction had occurred at on 30 June 2015.

The unaudited pro forma financial information is based on the audited consolidated financial statements for the year ended 31 December 2014 and the unaudited condensed consolidated financial statements for the first half year ending 30 June 2015 for Navamedic and the audited financial statements for the year ended 31 December 2014 and the unaudited management accounts for the first half year ending 30 June 2015 of Observe Medical international AB, Observe Medical Aps and Observe Medical Nordic AB (included in this Information Memorandum as Appendix 2 and Appendix 3). Selected financial information for Navamedic is available in Section 5.15 and for OM in Section 6.6.

The unaudited pro forma financial information has been compiled to comply with the requirements as set forth in Section 3.5 of the Continuing Obligations by reference to Annex II of Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, which pursuant to the Continuing Obligations apply correspondingly to information memorandums such as this Information Memorandum.

4.1.2 Accounting principles

The unaudited pro forma financial information has been compiled using accounting principles that are consistent with the accounting principles of the Navamedic Group, as described in consolidated financial statement for the year 2014 (incorporated by reference).

4.1.3 Sources of pro forma financial information – historical financial information

The unaudited pro forma financial information for the first half 2015 and at 30 June 2015 has been compiled based on the unaudited interim report for the first half year ending 30 June 2015 for Navamedic, and the unaudited management accounts for Observe Medical International AB, Observe Medical Aps and Observe Medical Nordic AB for the same period. The 2014 pro forma financial information is based on the audited consolidated financial statement for Navamedic for the year ended 31 December 2014, and the audited financial statement for Observe Medical International AB, Observe Medical Aps and Observe Medical Nordic AB for the year ended 31 December 2014. In accordance with local requirements, no consolidated financial statement was prepared for the Observe Medical group for 2014. The financial statements for the companies in the Observe Medical group are based on Local Generally accepted accounting principles (LGAAP). Based on an analysis performed by the Navamedic management of the applied LGAAP accounting principles of the Observe Medical group companies, no differences between LGAAP and IFRS accounting policies of Navamedic were identified for any material items. As no consolidated financial statement was prepared for the Observe Medical group, eliminations of the transactions and balances between the Observe Medical group companies are presented as eliminations in the table below.

4.1.4 Basis for preparation of the unaudited pro forma financial information

The unaudited pro forma financial information has been prepared in connection with the acquisition of shares in OM. The unaudited pro forma financial information has been compiled to show how the acquisitions and share issuance might have impacted the Company's consolidated profit and loss statement for 2014 and first half 2015, as if the acquisitions and share issuance had taken place on 1 January 2014 and 1 January 2015, respectively. The pro forma consolidated balance sheet as of 30 June 2015 is compiled as if the acquisition took place at this date.

The unaudited pro forma financial information has been prepared for illustrative purposes only. Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. The figures are not necessarily indicative of future results of operations or the financial position of the combined Company. In this respect, the reader is cautioned not to place undue reliance on this unaudited pro forma financial information.

The unaudited pro forma financial information has been compiled based on accounting principles consistent with those of Navamedic Group (IFRS as adopted by EU). The unaudited pro forma financial information has been prepared under the assumption of going concern.

The financial statement of the Observe Medical companies are presented in NOK converted from SEK and DKK (by reference to appendix 3), they have been converted into NOK for inclusion in this section 4 using rates SEK 91.84 and DKK 110.94 for the profit and loss statement for 2014 and SEK 92.53 and DKK 115.92 for the first half year 2015, both being the

Norges Bank average rates for the relevant periods. Further, the SEK and DKK amounts as per 30 June 2015 have been converted to NOK using rates SEK 95.40 and DKK 117.87, being the Norges Bank rates at these dates. The foreign currency conversion is presented in appendix 3.

4.1.5 Unaudited pro forma condensed profit and loss statement information 2014

The table below sets out the unaudited pro forma profit and loss statement information for the year ended 31 December 2014, as if the Transaction had taken place on 1 January 2014.

(NOK '000)	Navamedic 2014	Observe Medical Inter- national AB 2014	Observe Medical Aps 2014	Observe Medical Nordic AB 2014	Elimi- nations	Total before pro forma adjustm ent	Note	Pro forma adjust- ments	Pro forma 2014
Operating revenues	223 068	0	0	8 614	(8 533)	223 149	A	0	223 149
Cost of goods sold	168 809	0	0	301	(263)	168 847	A		168 847
Payroll expenses	19 431	2 252	2 317	5 076	0	29 077			29 077
Depreciation and amortization	8 560	0	442	376	0	9 377	1	2 867	12 244
Other operating expenses	19 105	132	10 518	2 853	(8 436)	24 172	A,4	2 000	26 172
Total operating expenses	215 904	2 384	13 277	8 606	(8 699)	231 473		4 867	236 340
Operating result	7 163	(2 384)	(13 277)	8	166	(8 324)		(4 867)	(13 191)
Net financial result	(4 466)	(66)	162	(96)	(166)	(4 632)	A,2,3	(6 399)	(11 031)
Ordinary result before tax	2 698	(2 450)	(13 115)	(88)	0	(12 956)		(11 266)	(24 221)
Tax on ordinary result	(1 392)	0	0	(73)	0	(1 464)	5	270	(1 194)
Net profit/(loss)	1 306	(2 450)	(13 115)	(161)	0	(14 420)		(10 996)	(25 416)

4.1.5.1 Overview of the adjustments

The following information summarizes the adjustments related to the unaudited pro forma profit and loss statement information for 2014.

Notes to the elimination adjustments:

A. Eliminations

No consolidated financial statement is prepared for the Observe Medical group for 2014. Transaction between the group companies are eliminated as part the pro forma presentation. The following amounts are eliminated based on internal transactions; operating revenues NOK 8,533 thousand, cost of goods sold NOK 263 thousand, other operating expenses NOK 8,436 thousand and net financial result with NOK 166 thousand.

Notes the pro forma adjustments:

1. *Depreciation and amortization:* In connection with the acquisition, the group is required to perform a purchase price allocation in accordance with IFRS (PPA). See further discussion under section 4.1.7 "Unaudited pro forma condensed consolidated balance sheet information as of 30 June 2015". In the pro forma financial information, the group has included the result of the preliminary PPA. The useful economic life of the intangible asset is expected to be 10 years. Management has evaluated that the intangible asset was available for its intended use on 1 January 2014, and has included pro forma amortization of NOK 2,867 thousand based on a straight line amortization. This pro forma adjustment is considered as recurring.
2. *Bank loan financing the cash consideration:* In connection with the acquisition, the group draw down on additional bank financing of NOK 25,000 thousand. Of the total amount of NOK 25,000, SEK 15,000 thousand was drawn on a new bank facility, whereas the rest was drawn on existing facilities. Had this financing been in place on 1 January 2014 the interest expense for the period is estimated to have been NOK 1,000 thousand. The pro forma adjustment is considered as recurring.
3. *Contingent consideration liability:* As describe below under section 4.1.7: "Unaudited pro forma condensed consolidated balance sheet information as of 30 June 2015", the purchase price includes a contingent consideration with an estimated fair value of NOK 29,500 thousand. The fair value of the contingent consideration includes a discounting of the expected future payments. Had this contingent consideration liability been in place on 1 January 2014 with the same amount, the unwinding of the discounting is estimated to have been interest expense for the period of NOK 5,399 thousand. The pro forma adjustment is considered as recurring.
4. *Expenses related to the Transaction:* The Group expects to incur transaction costs for execution of the Transaction which are not considered directly related to issue of equity or liabilities, and therefore deemed as profit and loss expense items under IFRS, estimated to NOK 2,000 thousand (reference is made to section 3.12). These costs relates primarily to fees to financial and legal advisors and costs to the Company's auditor. The pro forma adjustment is considered as non-recurring.
5. *Tax effect of pro forma adjustment to profit and loss:* As describe below under section 4.1.7 "Unaudited pro forma condensed consolidated balance sheet information as of 30 June 2015", deferred tax asset on tax losses carried forward is recognized to the extent of the deferred tax liability of the intangible asset in the preliminary PPA. The amortization of intangible assets would result in an unwinding of the deferred tax liability as well as the deferred tax asset, with a net zero effect on the pro forma profit and loss. The cost related to the transaction is assumed to be non-deductible for tax purposes. The additional interest expense on bank loans would result in a reduction of tax payable NOK 270 thousand. No deferred tax is calculated on the contingent consideration or for the unwinding of the discounting of the contingent consideration. The net pro forma adjustment on taxes relates the increased interest on bank loans, which is considered as recurring.

4.1.6 *Unaudited pro forma condensed profit and loss statement information for the half year ended 30 June 2015*

The table below sets out the unaudited pro forma income statement information for the half year ended 30 June 2015, as if the Transaction had taken place on 1 January 2015.

(NOK '000)	Navamedic H1-2015	Observe Medical Inter- national AB H1- 2015	Observe Medical Aps H1- 2015	Observe Medical Nordic AB H1- 2015	Elimi- nations	Total before pro forma adjustm ent	Note	Pro forma adjust- ments	Pro forma H1-2015
Operating revenues	121 475	0	96	2 515	(2 082)	122 004	A	0	122 004
Cost of goods sold	91 637	0	0	322	(65)	91 894	A		91 894
Payroll expenses	11 080	0	1 503	3 450	0	16 032			16 032
Depreciation and amortization	4 832	0	283	197	0	5 312	1	1 434	6 746
Other operating expenses	11 263	563	2 069	(3)	(2 017)	11 875	A,4	2 000	13 875
Total operating expenses	118 812	563	3 855	3 966	(2 082)	125 113		3 434	128 547
Operating result	2 663	(563)	(3 759)	(1 451)	0	(3 109)		(3 434)	(6 543)
Net financial result	(129)	(442)	(71)	93	0	(549)	2,3	(3 199)	(3 749)
Ordinary result before tax	2 534	(1 005)	(3 830)	(1 358)	0	(3 658)		(6 633)	(10 292)
Tax on ordinary result	(467)	0	0	0	0	(467)	5	135	(332)
Net profit/(loss)	2 067	(1 005)	(3 830)	(1 358)	0	(4 125)		(6 498)	(10 624)

4.1.6.1 Overview of the adjustments

The following information summarizes the adjustments related to the unaudited pro forma profit and loss statement information for the half year ended 30 June 2015.

Notes to elimination adjustments:

A. Eliminations

No consolidated financial statement is prepared for the Observe Medical group for first half year of 2015. Transaction between the group companies is eliminated as part the pro forma presentation. The following amounts are eliminated based on internal transactions; operating revenues NOK 2,082 thousand, cost of goods sold NOK 65 thousand and other operating expenses NOK 2,017 thousand.

Notes to the pro forma adjustments:

1. *Depreciation and amortization:* In connection with the acquisition, the group is required to perform a purchase price allocation in accordance with IFRS (PPA). See further discussion under section 4.1.7: "Unaudited pro forma condensed consolidated balance sheet information as of 30 June 2015". In the pro forma financial information the group has included the result of the preliminary PPA. The preliminary PPA identifies intangible asset of NOK 30,300 thousand. The useful economic life of the intangible assets is expected to be 10 years. Management has evaluated that the intangible asset was available for its intended use on 1 January 2015 and has included pro forma amortization of NOK 1,434 thousand for the first half 2015, based on a straight line amortization. This pro forma adjustment is considered as recurring.
2. *Bank loan financing the cash consideration:* In connection with the acquisition, the group draw down on additional bank financing of NOK 25,000 thousand. Of the total amount of NOK 25,000, SEK 15,000 thousand was draw down on a new bank facility, were as the rest was drawn down on existing facilities. Had this financing been in place on 1 January 2015 the interest expense for the period is estimated to have been NOK 500 thousand. The pro forma adjustment is considered as recurring.
3. *Contingent consideration liability:* As describe below under section 4.1.7 "Unaudited pro forma condensed consolidated balance sheet information as of 30 June 2015", the purchase price includes is a contingent consideration with an estimated fair value of NOK 29,500 thousand. The fair value of the contingent consideration includes a discounting of the expected future payments. Had this contingent consideration liability been in place on 1 January 2015 with the same amount, the unwinding of the discounting is estimated to be interest expense for the first half 2015 of NOK 2,699 thousand. The pro forma adjustment is considered as recurring.
4. *Expenses related to the Transaction:* The Group has incurred transaction costs for execution of the Transaction which are not considered directly related to issue of equity or liabilities, and therefore deemed as profit and loss expense items under IFRS, estimated to NOK 2,000 thousand. These costs relates primarily to fees to financial and legal advisors and costs to the Company's auditor. The pro forma adjustment is considered as non-recurring.
5. *Tax effect of pro forma adjustment to profit and loss:* As describe below under section 4.1.7 "Unaudited pro forma condensed consolidated balance sheet information as of 30 June 2015", deferred tax asset on tax losses carried forward is recognized to the extent of the deferred tax liability of the intangible asset in the preliminary PPA. The amortization of intangible assets would result in an unwinding of the deferred tax liability as well as the deferred tax asset, with a net zero effect on the pro forma profit and loss. The cost related to the transaction is assumed to be non-deductible for tax purposes. The additional interest expense on bank loans would result in a reduction of tax payable NOK 135 thousand. No deferred tax is calculated on the contingent consideration or for the unwinding of the discounting of the contingent consideration. The net pro forma adjustment on taxes relates the increase interest on bank loans, which is considered as recurring.

4.1.7 *Unaudited pro forma condensed consolidated balance sheet information as of 30 June 2015*

The table below sets out the unaudited pro forma balance sheet for the Group as of 30 of June 2015, as if the Transaction had taken place on the 30 June 2015.

(NOK '000)	Navamedic H1-2015	Observe Medical Internatio nal AB H1- 2015	Observe Medical Aps H1- 2015	Observe Medical Nordic AB H1-2015	Elimi- nations	Total before pro forma adjustment	Note	Pro forma adjust- ments	Pro forma H1-2015
Goodwill	47 401	0	0	0	1 033	48 434	A,1	35 834	84 268
Other intangible assets	28 059	0	1 634	0		29 693	1	28 666	56 359
Investments in subsidiaries		63 377	2 415	0	(65 792)	0	A		0
Tangible assets	43	0	21	646	0	710			710
Deferred tax assets	8 186	0	0	225	0	8411			8 411
Other financial fixed	0	0	0	0	0	0			0
Total non-current assets	83 689	63 377	4 070	871	(64 759)	87 248		64 500	151 748
Inventory	54 793	0	0	378	0	55 171			55 171
Short term receivables	56 766	7 819	0	8 852	(16 649)	56 788	A		56 788
Other current assets	0	73	726	160	0	959			959
Cash & cash equivalents	8 239	734	279	327	0	9 578			9 578
Total current assets	119 798	8 626	1 005	9 716	(16 649)	122 496		0	122 496
Total assets	203 487	72 003	5 074	10 587	(81 408)	209 744		64 500	274 244
Subscribed capital	109 276	70 364	45 213	620	(114 341)	111 132			111 132
Share settled portion of transaction price					0	0	2	8 905	89 05
Retained earnings	661	(2 546)	(40 868)	216	43 198	661			661
Net profit/(Loss) for the year	2 698	(1 036)	(3 949)	(1 400)	6 386	2 698			2 698
Total Shareholders' equity	112 635	66 782	396	(565)	(64 757)	114 491	A	8 905	123 396
Loan, interest-bearing, Banks	0	4 552	(4 552)	918	(467)	451	A,2	25 000	25 451
Non-current liability, contingent consideration	0	0	0	0	0	0	3	29 500	29 500
Deferred tax liability	5 244	0	0	0	0	5 244	1,2	(405)	4 839
Total non-current liabilities	5 244	4 552	(4 552)	918	(467)	5 695		54 095	59 790
Short term debt to financial institutions	11 318	0	0	0	467	11 785	A		11 785
Trade accounts payables	60 690	345	97	901	0	62 033			62 033
Other short term debt	13 600	324	9 132	9 334	(16 651)	15 739	A,2	1 500	17 240
Total current liabilities	85 608	669	9 229	10 235	(16 184)	89 557		1 500	91 058
Total liabilities	90 852	5 221	4 677	11 152	(16 651)	95 252		55 595	150 848
Total Shareholders' equity and liabilities	203 487	72 003	5 074	10 587	(81 408)	209 744		64 500	274 244

4.1.7.1 Overview of the adjustments

The following information summarizes the adjustments related to the unaudited pro forma consolidated balance sheet information as of 30 June 2015.

Notes to elimination adjustments:

A. Eliminations

No consolidated financial statement is prepared for the Observe Medical group at 30 June 2015. Intercompany balances and investments in subsidiaries are eliminated as part the pro forma presentation. The following amounts are eliminated based on intercompany balances and investments in subsidiaries; short term receivables NOK 16,649 thousand, other short term debt NOK 16,651 thousand. Investments in subsidiaries are eliminated with NOK 65,792 thousand, of which NOK 1,033 relates to goodwill and the rest is eliminated through equity. In addition, NOK 467 thousand of interest bearing loans is classified from non-current to current liability.

Notes the pro forma adjustments:

1. *Purchase price allocation:* In connection with the acquisition, the group is required to perform a purchase price allocation in accordance with IFRS (PPA). In the pro forma information the group has included the result of the preliminary PPA. The preliminary PPA identifies intangible asset of NOK 30,300 thousand, based on a relief from royalty calculation. Taking into account the NOK 1,634 thousand already include in the balance of Observe Medical Aps, this gives a pro forma adjustment of NOK 28,666 thousand to intangible assets. The preliminary PPA results in goodwill of NOK 34,500 thousand calculated as of 4 August 2015, after adjusting for the differences in equity between 30.06.2015 and the transaction date this gives a pro forma adjustment to goodwill of NOK 35,834 thousand.

It is inherent in the recognition of an asset that its carrying amount will be recovered in the form of economic benefits that flow to the entity in future periods. When the carrying amount of the asset exceeds its tax base, the amount of taxable economic benefits will exceed the amount that will be allowed as a deduction for tax purposes. This difference is a taxable temporary difference and the obligation to pay the resulting income taxes in future periods is a deferred tax liability. As the entity recovers the carrying amount of the asset, the taxable temporary difference will reverse and the entity will have taxable profit. This makes it probable that economic benefits will flow from the entity in the form of tax payments. The estimated deferred tax liability related to the increased value of the intangible assets amounts to NOK 6,700 thousand (based on the current tax rate in Denmark). Observe Medical Aps has unused tax losses carried forward amounting to DKK 50 million, giving rise to potential deferred tax assets of DKK 11,750 thousand. As the sales related to the intangible asset has yet to materialise the management do not believe it has convincing evidence to fulfil the recognition criteria in IAS 12, except to an amount equalling the deferred tax liability of the intangible asset. The taxable income to recover the intangible asset is expected to materialize in the same entity that has the tax losses carried forward. Consequently, NOK 6,700 thousand of the deferred tax asset related to tax losses

carried forward is recognized and offset to the deferred tax liability on the intangible asset.

2. *Bank loan financing the cash consideration and issue of Shares:* In connection with the acquisition, the group draw down on additional bank financing of NOK 25,000 thousand. Of the total amount of NOK 25,000 thousand, SEK 15,000 thousand was drawn on a new bank facility, the rest on existing facilities. According to the agreement, NOK 10,000 thousand of the consideration shall be in the form of issuance of Navamedic shares. The number of shares is determined based on the volume weighted share price 15 days before and after the announcement of the acquisition. The increase in equity shall be recognised based on the share price at the acquisition date. In the preliminary PPA and the pro forma balance sheet information, it is assumed that the increase is NOK 10,000 thousand. It is expected that there will be costs related to the increase in equity of approximately NOK 1,500 thousand, and that these will be deductible for tax purposes in Norway (NOK 405 thousand). This net after tax cost will be recognized to equity, and has been included in the pro forma adjustments.
3. *Contingent consideration liability:* Included in the purchase price there is a contingent consideration with an estimated fair value of NOK 29,500 thousand. The fair value of the contingent consideration includes a discounting of the expected future payments. The discounting has been made based on the same discount rate (18.3 %) as used for the intangible asset. See section 3.3 for a description of the sales based royalty and milestones payments that give rise to the contingent consideration.

4.1.8 Independent Assurance report on unaudited pro forma financial information

With respect to the unaudited pro forma financial information included in this Information Memorandum, KPMG AS has applied procedures in accordance with ISAE 3240 *Assurance Engagement to Report on Compilation of Pro Forma Financial Information Included in a Prospectus* in order to express an opinion as to whether the unaudited pro forma financial Information has been properly compiled on the basis stated, and that such basis is consistent with the accounting policies of the Company; see Appendix 1 (Independent Practitioner's Assurance Report on the Compilation of Pro-Forma Financial Information included in an Information Memorandum). There are no qualifications to this assurance report.

4.2 The Transaction's significance for Navamedic's earnings, assets and liabilities

Based on the pro forma condensed consolidated statements for first half 2015, the Transaction would have decreased Navamedic's net consolidated profit by 627.0%. Total consolidated assets and liabilities would have increased by 34.8% and 66.0% respectively.

4.3 Accounting and tax effects

Date of fiscal and accounting implementation of the transaction follows closing of the Transaction on around 31 July 2015. The Transaction does not trigger any known tax consequences for either Navamedic or Observe Medical.

5 PRESENTATION OF NAVAMEDIC

5.1 Overview

Navamedic ASA (the Company) is a Norwegian pharmaceutical and healthcare products company. The majority of Navamedic's products are inlicensed or acquired from pharmaceutical and healthcare products manufacturers, and marketed and distributed to pharmacies, hospitals healthcare professionals and health product stores in the Nordic and Benelux markets. The product portfolio includes original and generic pharmaceuticals, medical nutrition, medical devices and other healthcare products. More than 20 manufacturers provide products to the Navamedic portfolio, with Aspen of South Africa as the Company's largest supplier. The majority of Navamedic's suppliers are not themselves represented in the markets served by the Company.

Navamedic is a Norwegian Public Limited Liability Company (ASA) incorporated under the laws of Norway, with the business registration number 985 012 059. The legal and commercial name of Navamedic is Navamedic ASA. The Company's registered office is at Fornebuveien 42, 1366 Lysaker, Norway, telephone number +47 67 11 25 40, telefax + 47 67 11 25 41. The Company was incorporated in October 2002 and registered in the Norwegian Registry of Business Enterprises.

Navamedic consists of Navamedic ASA and the 100% owned subsidiary Navamedic AB in Sweden and the 100% owned subsidiary Navamedic AS, Denmark and the 100% owned subsidiary Navamedic efh, Island. The Group's head office is located in Lysaker, Oslo, Norway. Navamedic has been listed on Oslo Stock Exchange since 2006 and traded under the ticker NAVA.

5.2 History

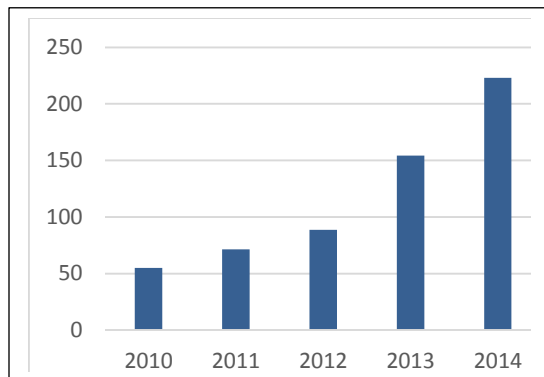
Navamedic traces its roots back to 1997, when the company's co-founder, Øyvind Brekke, while a student at the Norwegian Technical University in Trondheim (NTNU) developed a new and improved production method for glucosamine HCl. The company was founded in 2002 under the name Glucomed AS, with the intention of becoming a production company of chitin and glucosamine.

In March 2006 Navamedic's shares were listed on the Oslo Stock Exchange, and has since then been traded under the ticker code NAVA. In 2007 Navamedic acquired Vitaflo Scandinavia AB (now Navamedic AB) and the Glucomed business area was sold to Laboratories Expanscience of France the following year.

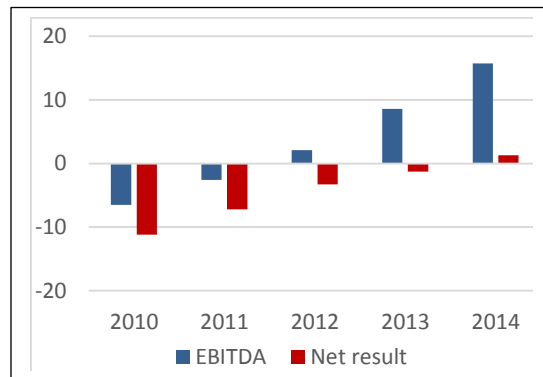
In 2009 the Company was restructured and entered into an exclusive distribution agreement with generics pharmaceuticals manufacturer Aspen Pharma of South Africa in 2010. Navamedic's first generic pharmaceuticals were launched in 2011. Since then, Navamedic's business model has been based on a broad portfolio of products from Aspen, Vitaflo International (Nestlé) and a number of other product owners/manufacturers.

From 2010 to 2014, the Company's sales increased by more than 300 per cent. The growth was organic and caused by new products being added to the portfolio. Navamedic's 2010 strategy of relying primarily on generic products was later revised, as the generics markets developed differently than anticipated. Observing the market developments, Navamedic chose

to develop a broad portfolio of both original and generic pharmaceuticals, as well as healthcare products and medical devices. The strategy has proven successful and Navamedic has seen a strong sales growth and significantly improved profitability over the last four years.



Sales development 2010-2014



Profitability development 2010-2014

5.3 Strategy

Navamedic's strategy is to be a strong and profitable distributor of pharmaceuticals and healthcare products, with the Nordic countries as the Company's core market.

Navamedic's main focus is on products within therapeutic categories offering attractive margins and growth opportunities, and where Navamedic's expertise and market reach can be used most effectively. Navamedic's business model is highly scalable, in the sense that the organization and the established infrastructure is able to handle strong volume growth without significant increases in operating costs.

Over the last few years, Navamedic has built critical mass in its core markets, in order to reinforce market credibility and benefit from the economies of scale offered by the Company's business model. Going forward, Navamedic will continue to seek sales growth, while the Company's main priority is on improving profitability. Improved profitability will be achieved through careful selection of new products included in the portfolio, improving the terms of supplier agreements, a selective approach to individual markets, cost control and the Company's ability to sell volumes at attractive prices.

Navamedic will continue to expand and nurture its network of suppliers, in which Aspen and Vitaflo International (Nestlé) are key partners. A robust sourcing base is important in order to secure availability of relevant and attractive products, and reduce supplier risk.

A key element in Navamedic's strategy is to expand the portfolio of owned products. The Company aims at controlling more of the value chain while also reducing the dependency on product suppliers. Owned products might also open entirely new markets to Navamedic.

Navamedic has for some time considered a number of acquisition candidates. Candidates for acquisition are required to meet a number of criteria: they must fall within Navamedic's scope of business, they must represent an acceptable risk profile and they must offer a

positive cash flow within a relative short time frame. The acquisition of Observe Medical is Navamedic's first on the basis of this strategy.

5.4 Business overview

5.4.1 General

Navamedic ASA is a Norwegian pharmaceutical and healthcare products company, marketing and distributing more than 120 products in the Nordic and Benelux markets. The current business is based on the cooperation with more than 20 product owners and manufacturers, with Aspen of South Africa and Vitaflo International (Nestlé) as the main suppliers. Through its supplier agreements, Navamedic has access to a broad variety of pharmaceuticals and healthcare products for marketing and distribution in its defined markets.

The Company operates three business areas; Pharma Products, Medical Nutrition and Consumer Care based on its relationship with a number of pharmaceuticals product manufacturers. The Pharma Products area is the Company's largest segment, representing 69 per cent of 2014 sales.

5.4.2 Products

5.4.2.1 Consumer Care

The consumer care product portfolio includes a variety of non-prescription drugs and healthcare products, mainly sold through pharmacies and drugstores. The portfolio includes both Navamedic owned and in-licensed brands. Future sales are secured through pharmacy chain agreements in the four largest Nordic countries. The Company markets a large variety of consumer care products within its selected product areas; dermatology, female care, gastro and oral medicine.

5.4.2.2 Medical Nutrition

The Medical nutrition business segment is based on the sale of products for the treatment of inborn errors of metabolism (IEM). It includes the distribution agreement for the Nordic region with the UK based company Vitaflo International Ltd, a Nestlé Health Science Company. The agreement was extended for another five year period in 2013. Vitaflo International have over 30 years of experience in producing specialist nutritional product for inborn errors of metabolism (IEM).

Navamedic offers a complete range of products for a number of different metabolic disorders.

Vitaflo International Ltd. research and development team use the latest process technology, raw materials and packaging to guarantee the most nutritionally up- to-date and acceptable consumer-friendly products. Vitaflo conduct clinical trials on all products with leading centres around the world.

5.4.2.3 Pharma

The pharma portfolio holds a variety of products and has been Navamedic's main growth area over the last few years. The portfolio includes generic, branded and patented pharmaceuticals as well as medical devices. The products are sold to hospitals, through pharmacies and directly to medical professionals. The business segment is exposed to a variety of purchasing

regimes, where the market conditions are subject to various product category business practices and different national regulations.

Generic pharmaceuticals of various categories have since 2011 been an important part of Navamedic's pharma portfolio. Based on its relationship with several generics manufacturers, including Aspen of South Africa, the Company has developed a portfolio of generic drugs.

Generic substitution, as original drug patents expire, is encouraged by health authorities all over Europe. Such substitution is promoted with an aim to reduce public spending and is regarded as a mega trend in the pharmaceutical industry as a whole.

5.5 Navamedic after the Transaction

Through the Transaction, Navamedic aims at establishing OM's product line as the global niche leader, through building a network of distributors in key markets. Navamedic, until the acquisition a pure marketing and distribution company, will after the acquisition be the product- and IRP-owner of the product Sippi® with supporting elements SippCoat and SippSense. Navamedic is by acquiring OM expanding into a new business area, medical technology.

Sippi® is already launched in Germany and the Nordic region. Navamedic will reinforce the efforts to build a strong market presence in these markets, while also launching Sippi® in other European markets. Developing the business into other global markets is considered natural next steps. The Company aims at establishing OM's product line as the global niche leader, through building a network of distributors in key markets by utilising existing commercialisation capabilities and strong relationships with hospitals throughout the Nordic markets.

After the Transaction, Navamedic will continue developing its existing pharmaceutical and medical products distribution business, as well as exploring Sippi®'s market potential.

5.6 Legal structure after the Transaction

Upon completion of the Transaction OM will become a wholly-owned subsidiary of Navamedic. Navamedic will have four directly wholly-owned subsidiaries and offices in Oslo, Gothenburg, Copenhagen and Turku.

The following chart depicts the Combined Group's high-level legal structure after completion of the Transaction:

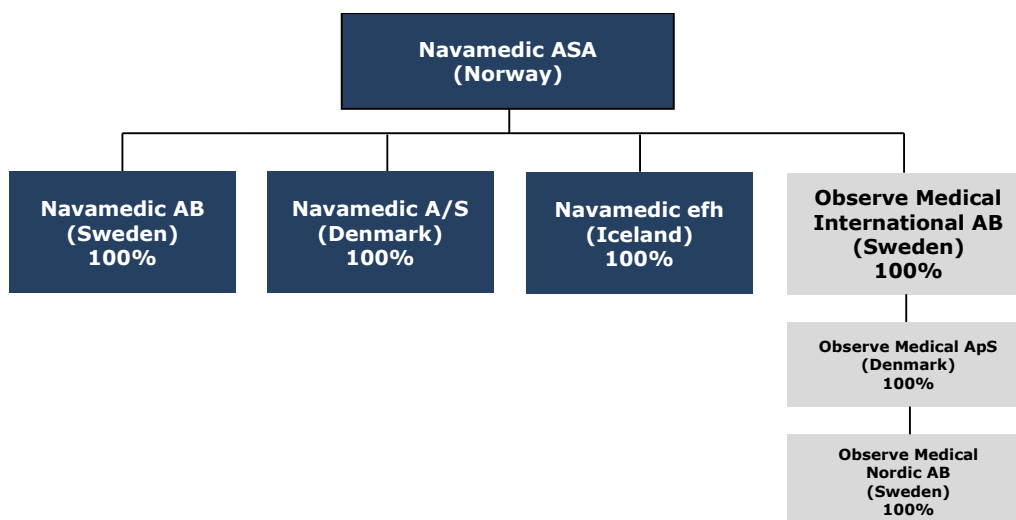


Table: Legal structure of the Group

5.7 Market overview

Navamedic's core market is the Nordic region, where products are sold to hospitals, pharmacies, healthcare professionals and health product stores. Over the last few years, Navamedic has been successful in being awarded a number of contracts with major hospitals and pharmacy chains in the Nordic region. Sweden is the Company's single largest national market, with 36 per cent of total sales (first half 2015).

The sales in the Benelux region mainly consist of Aspen products, representing 22 per cent of total sales (first half 2015). Navamedic and Aspen have agreed that Aspen from 1 January 2016 will assume direct responsibility for the Benelux portfolio, enabling Navamedic to fully focus on further developing its traditional business in the Company's home markets. The following tables provide the revenue split between the different segments and geographical areas in which the Company operates.

Revenues in NOK million	H1 2015	H1 2014	2014	2013	2012
SEGMENT					
Pharma	81.9	71.0	153.4	117.4	53.4
Medical Nutrition	14.6	14.7	28.4	24.5	20.2
Consumer Care	25.0	16.7	41.2	12.5	15.1
Total business segments	121.5	102.4	223.0	154.4	88.7

Revenues in NOK million	H1 2015	H1 2014	2014	2013	2012
SEGMENT Nordic					
Pharma	53.2	48.8	103.8	81.8	49.4
Medical Nutrition	15.1	14.8	28.4	24.5	20.2
Consumer Care	25.3	16.6	41.0	12.1	14.8
Total segment Nordic	93.6	80.2	173.2	118.4	84.4

Revenues in NOK million	H1 2015	H1 2014	2014	2013	2012
SEGMENT EU and other					
Pharma	27.6	22.1	49.6	35.7	4.0
Medical Nutrition	-	-	-	-	-
Consumer Care	0.3	0.1	0.3	0.3	0.3
Total segment EU and other	27.9	22.2	49.9	36.0	4.3

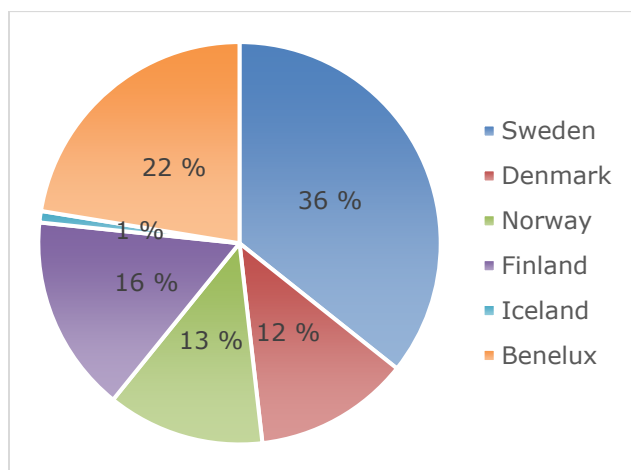


Figure: Geographical distribution of sales (first half 2015)

5.8 Trend information

Navamedic has not experienced any changes or trends outside the ordinary course of business that are significant to Navamedic between 30 June 2015 and the date of this Information Memorandum.

The board of Navamedic expects no significant short term changes in the markets and business environment in which Navamedic operates.

5.9 Board of Directors, Management and employees

5.9.1 Board of Directors

The current Board of Directors comprise four directors (of whom all four are elected by the shareholders).

The following table lists the directors of the Board, including their positions, principal activities performed by them outside Navamedic (if significant to Navamedic) and number of Shares held in Navamedic, as at the date of this Information Memorandum. None of the Directors on the Board of Directors holds share options in respect of the Shares.

Name and position	Principal activities	Term expires	Number of Shares
Johan Reinsli, (chairman)	Board professional and investor	AGM 2016	244 400
Masha Strømme, (board member).....	Investor	AGM 2016	80 000
Svein Erik Nicolaysen, (board member).....	CEO in Intersys Norge AS	AGM 2017	50 000
Synne H Røine, (board member).....	CFO at Colosseum Smile Group	AGM 2016	0

The business address of each Director of the present Board of Directors is: Navamedic ASA, PO Box 107, N-1325 Lysaker, Norway.

Johan Reinsli, Chairman of the Board: was elected Chairman of the Board in March 2008. He has been a board member in Navamedic since March 2007. Mr. Reinsli is a graduate from Handelsakademiet, Oslo, Norway and has broad international management experience from the banking and finance sector. Previous executive positions include EVP at DnB NOR Kort, Head of Northern Europe at Europay International SA and CEO at Europrocessing International ASA, a company founded by Mr. Reinsli and colleagues. During his career Mr. Reinsli has been completing M&A activities in a number of EU and neighbouring countries. Mr. Reinsli has broad international background from various board assignments, and currently works as an independent advisor and board member. Mr. Reinsli holds indirectly 244,400 shares in the Company.

Masha Strømme, Board Member: was elected Director of Navamedic in March 2008. Ms. Strømme holds a Ph.D in genetic and neuroscience from Oxford University in UK and has studied at McGill University in Canada. Ms. Strømme has experience from investment banking with focus on Life Science from Morgan Stanley and Altium Capital in London. She is today an Advisor to Arctic Securities and is part of the Corporate Finance Healthcare Team. She is on the Board of Biotec Pharmacon ASA, Phoenix Solutions AS, LipiDx AS, Pharmasum AS. She is also an advisor to Oslo Medtech. Ms. Strømme holds indirectly 80,000 shares in the Company.

Svein Erik Nicolaysen, Board Member: was elected Director of Navamedic in August 2009. Mr. Nicolaysen has broad background from sales and accounting and is currently working as a management consultant with various board assignments. He is an authorized accountant with accounting practice from Arthur Andersen and Vesterålen-Revisjon AS. From 1998 through 2008, Mr. Nicolaysen was the CEO of the company Vesterålen Naturprodukter AS and Nordic Sales Group AS, companies specializing in direct sales and marketing of healthcare products such as Omega 3 concentrates. After these companies were sold to Ferrosan AS (DK), Mr. Nicolaysen was a member of the Management Board in Ferrosan AS until the end of 2008. Until May 2015 he was CEO of Nobelsystem Scandinavia AS, an investment company owned by the largest shareholders in Navamedic ASA. Mr. Nicolaysen holds 50,000 shares in the Company.

Synne H. Røine, Board Member: was elected Director of Navamedic in June 2014. Synne H. Røine is CFO of Colosseum Smile Group, a leading provider of dental care in Scandinavia. Ms. Røine has broad international experience in the biotech and specialty pharma. She served as

CFO of Bionor Pharma ASA from 2013 to 2015, a biotechnology company working with therapeutic vaccines against viral diseases. From 2009 to 2013 she was CFO of Pronova BioPharma ASA, which develops and sells Omega-3 based pharmaceuticals. The company was in 2013 sold to BASF for NOK 5 billion. Ms. Røine is a Board member of Photocure ASA. Ms. Røine holds a Master in Business and Economics from Université des Sciences Sociales Toulouse, France.

5.9.2 Management

The present group management consists of four executives. The following table lists the present members of Navamedic's executive management, including their positions and number of Shares and share option held in the Navamedic as at the date of this Information Memorandum.

Name	Position	Number of Shares (share options)
Tom Rönnlund.....	CEO	30 000 shares
Håkan Josephsson	COO	21 000 shares (25 000 options)
Bjørn Lindholt	CFO	88 000 shares
Per-Anders Elvertrø	CCO	30 000 shares

Tom Rönnlund, CEO: Tom Rönnlund has nearly 20 years' experience working in sales, marketing and management positions in the pharmaceutical field. Prior to joining Navamedic Tom was IMS Health's General Manager for the Nordic region and the Baltics. Previous experience includes being country manager in Sweden for Bristol-Myers Squibb, business unit director at Eli Lilly Sweden and Denmark. Tom Rönnlund holds a degree in Business Administration and Economics from Stockholm University.

Mr. Rönnlund holds 30,000 shares in the Company.

Håkan Josephsson, COO: Håkan Josephsson has been managing director in Navamedic AB (Vitaflor Scandinavia AB) since 2009. Previous experience includes being managing director of several companies including Sandoz AB, Hexal AB, Gea Pharmaceutisk Fabrik AB and sales manager for several additional companies.

Mr. Josephsson holds 21,000 shares and 25,000 options in the Company.

Bjørn Lindholt, CFO: Bjørn Lindholt has been chief financial officer in Navamedic since 2010. Previous experience includes several CFO positions at companies including Profdoc ASA, NetCenter AS, being vice president at Bank of Oslo and manager for Union Bank of Norway. He holds a master of business and marketing from Oslo School of Management (BI).

Mr. Lindholt holds 88,000 shares in the Company, directly 54,000 and indirectly 34,000.

Per-Anders Elvertrø, CCO: Per-Anders Elvertrø has been Chief Commercial Officer at Navamedic since 2010. Previous experience includes being head of regulatory competence

center at Sandoz GmbH in Munich, Germany. Mr. Elvertrø holds an MSc in Biology from Norwegian University of Science and Technology (NTNU).

Mr. Elvertrø holds 30,000 shares in the Company

5.9.3 Election committee

The election committee is required to carry out a search process to identify candidates for vacancies on the Board who satisfy the requirements specified by the committee, including their suitability in terms of impartiality, business ethics, gender and nationality. Taking into account these criteria, the election committee puts forward proposals for individuals to be elected to the Board for consideration by the annual general meeting.

Since 08.06.2015, the members of the election committee are Bernt Olav Røttingsnes and Grete Hogstad.

5.9.4 Audit Committee

Navamedic has established an audit committee. The audit committee comprise of two board members, who are all independent of the executive management. The committee held four meetings in 2014 and three meetings in 2015 as of the date of this Information Memorandum.

5.9.5 Remuneration to the executive management

Remuneration to the company's Chief Executive Officer is decided by the board of directors once a year. The remuneration guidelines for executive management and details of remuneration to executive management are disclosed in the notes to the financial statements.

5.9.6 Conflicts of interests

As far as Navamedic is aware, there are no conflicts of interest between the members of the Board of Directors' and the members of the executive management's duties to Navamedic and their private interests and/or other duties.

During the last five years preceding the date of this document, no Director on the Board of Directors or the executive management has:

- had any convictions in relation to fraudulent offences;
- been publicly incriminated and/or sanctioned by any statutory or regulatory authorities (including designated professional bodies) or been 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 the affairs of a company; or
- been associated with any bankruptcy, receivership or liquidation.

5.9.7 Severance pay

The members of the present management have the following service contracts with Navamedic providing for benefits upon termination of employment:

The CEO, COO and CFO has a severance pay scheme upon termination of employment contract. Besides this, no other members of the administrative, management or the

supervisory bodies have service contracts with the issuer or any of its subsidiaries providing benefits upon termination of employment.

5.9.8 *Employees*

As of 31 July 2015 before Transaction, Navamedic and its subsidiaries employed 25 full-time employees (FTEs).

The number of employees of Navamedic on a consolidated basis for the years ending 31 December 2014, 2013, 2012 and 2011 is set out below:

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Number of permanent man years ...	22	22	22	19
Number of temporary man years	0	0	0	0
Total number of man years.....	22	22	22	19

5.9.9 *Corporate governance*

The Company complies with the Norwegian corporate governance regime, as detailed in the Norwegian Code of Practice for Corporate Governance published on 30 October 2014 by the Norwegian Corporate Governance Board (the "**Corporate Governance Code**").

5.10 **Capital resources**

5.10.1 *Capital indebtedness*

The following table shows the actual capitalisation on a consolidated basis as per 30 June 2015:

Amounts in NOK million	30 June 2015 (unaudited)
Share capital	140
Share premium reserve.....	0
Own shares	0
Foreign currency translation reserve	14
Retained earnings.....	(40)
Minority interests	0
Total equity	113
Long-term borrowings (secured/guaranteed)	0
Long-term borrowings (secured/unguaranteed)	0
Long-term borrowings (unsecured/unguaranteed)	0
Total long term borrowing	0
Current debt (secured/guaranteed)	11
Current debt (secured/unguaranteed)	0
Current debt (unsecured)	0
Total current debt.....	11
Total capitalisation.....	101

The following table shows the net indebtedness of Navamedic on a consolidated basis as per 30 June 2015:

Amounts in NOK million**30 June 2015
(unaudited)**

A. Cash	0
B. Cash equivalent.....	8
C. Trading securities	0
D. Liquidity (A + B + C)	8
E. Current financial receivable.....	0
F. Current bank debt.....	11
G. Current portion of non-current debt*	0
H. Other current financial debt	0
I. Current financial debt (F + G + H)	11
J. Net current financial indebtedness (I - E - D)	3
K. Non-current bank loans	0
L. Bond issued	0
M. Other non-current loans.....	0
N. Non-current financial indebtedness (K + L + M)	0
O. Net financial indebtedness (J + N)	3

5.10.2 Borrowing, funding and restrictions on use of capital

As of 30 June 2015, Navamedic had NOK 8.2 million in cash and NOK 28.7 million in unused draw on existing bank facilities, which lead to a total liquidity of NOK 36.9 million.

As of the same date, Navamedic had NOK 11.3 million in interest bearing debt of which NOK 11.3 million was short term interest bearing debt. The borrowing agreements have the following covenants; EBITDA above NOK 8 million in 2015 and above NOK 15 million in 2016.

Navamedic's cash flow from operations for the first half 2015 was NOK 19.0 million and free cash flow (cash flow from operations minus cash flow from investing activities) was NOK 18.2 million. Of this, changes in working capital had a positive effect of NOK 12.9 million, primarily due to reduction of inventories. Cash flow related to finance activities was negative NOK 16.1 million, related to repayments on bank facilities.

Navamedic has financed the Transaction by external loans for an amount corresponding to NOK 14.3 million which has the following amortization structure:

Amortization profile (NOK million)						
Facility	Amount	Tenor	2015	2016	2017	2018
Term Loan	NOK 14.3 million	3 years	0	4.0	5.4	4.9

In addition, it has extended the credit facilities (overdraft facilities) by SEK 10 million with interest rate 4% p.a.

Besides the above mentioned, the Company has no further borrowing need as of the date of this Information Memorandum. The existing loan and overdraft facility, will be repaid by cash generated from operations.

5.11 Working capital statement

In the opinion of Navamedic, the working capital is sufficient for the Company's present requirements, for at least the 12 months following the date of publication of this Information Memorandum.

5.12 Shares and share capital

5.12.1 Description of the shares and share capital

Navamedic is a Norwegian Public Limited Liability Company incorporated under the laws of Norway and in accordance with the Norwegian Public Limited Companies Act of 13 June 1997 no. 45.

The company was incorporated 18 October 2002 and registered in the Norwegian Register of Business Enterprises on 04 November 2002, with business registration number 985 012 059, registered address at Fornebuveien 44, 1366 Lysaker, telephone +47 67112540.

The Company is listed on the Oslo Stock Exchange with "NAVA" as ticker designation. The Company's share capital is NOK 8,562,051 divided into 8,562,051 shares each with a par value of NOK 1. The Company's registrar is the Norwegian Central Securities Depository (the "VPS"), where The Company's shares are registered with the Securities Identity Number ISIN NO 0010205966.

5.12.2 Transferability

Navamedic's Articles of Association do not provide for any right of first refusal for the Company's shareholders or any other restrictions on the transfer of Shares. Share transfers are not subject to Board approval. Please be advised that foreign jurisdictions may have laws and/or regulations that impose limitations on or restricts trading in Navamedic's shares.

5.12.3 Outstanding authorizations

On 8 June 2015, the general meeting resolved an authorization to the Board to increase the Company's share capital. The authorization authorizes the Board to, on one or more occasions, in total increase Navamedic's share capital by up to NOK 150,000. The authorization may only be used in relation to share incentive programs and is valid until the annual general meeting of 2016, but at the latest until 30 June 2016. The Board may set aside the shareholders' pre-emptive rights to subscription of shares. The authorization does not include share capital increases with contribution in kind and resolutions on merger.

On the same annual general meeting, on 8 June 2015, the general meeting resolved an additional authorization to the Board to increase the Company's share capital. The authorization authorizes the Board to, on one or more occasions, in total increase Navamedic's share capital by up to NOK 1,284,308. The authorization may only be used in relation to share issues in order to strengthen the Company's financial position or to issue Consideration Shares in connection with acquisition of businesses within the scope of the company's purpose. The authorization is valid until the annual general meeting of 2016, but at the latest until 30 June

2016. The Board may set aside the shareholders' pre-emptive rights to subscription of shares. The authorization includes share capital increases with contribution in kind and resolutions on merger. This authorization to issue shares will be utilized in connection with issuing Consideration Shares in the Transaction, and the board of directors' outstanding authorization to issue shares will therefore be significantly reduced.

5.12.4 Historical development in share capital and number of shares

The following table presents the historical development in share capital and number of Shares issued by the Company:

Year	Type of change in share capital	Change in issued share capital of Shares (NOK)	Change in number of Shares	Par value per Share (NOK)	Subscription price per Share (NOK)	Total issued share capital (NOK)	Total number of issued Shares following change
2012	1 January 2012	-	-	1.00	-	7,537,051	7,537,051
2012	Private placement	750,000	750,000	1.00	12.08	8,287,051	8,287,051
2012	Exercise of options	100,000	100,000	1.00	5.40	8,387,051	8,387,051
2012	31 December 2012			1.00	-	8,387,051	8,387,051
2013	Exercise of options	50,000	50,000	1.00	7.31	8,437,051	8,437,051
2013	Exercise of options	25,000	25,000	1.00	6.90	8,462,051	8,462,051
2013	Exercise of options	50,000	50,000	1.00	7.00	8,512,051	8,512,051
2013	31 December 2013			1.00	-	8,512,051	8,512,051
2014	Exercise of options	50,000	50,000	1.00	11.00 & 9.50	8,562,051	8,562,051
2014	31 December 2014	-	-	1.00	-	8,562,051	8,562,051
2015	30 June 2015	-	-	1.00	-	8,562,051	8,562,051
2015	Consideration Shares in connection with the Transaction	888,100	888,100	1.00	11.26	9,450,151	9,450,151

5.12.5 Ownership structure

The 20 largest shareholders in Navamedic as registered by the VPS on 11 September 2015:

Shareholder	No. of shares	Percentage
NOBELSYSTEM SCANDINA	1,870,000	19.8 %
SEED CAPITAL DENMARK II K/S	428,608	4.5 %
WEIFA AS	405,046	4.3 %
LAVIN AB	292,598	3.1 %
DANSKE INVEST NORGE	262,660	2.8 %
HARDING INVEST AS	244,400	2.6 %
ADVANCE INVEST & CON	234,000	2.5 %
SANDVOLD SHIPPING IN	216,000	2.3 %
KRAEBER VERWALTUNG G	214,850	2.3 %
DIRECTMARKETING INVE	206,844	2.2 %
STORVESTRE RIKARD AR	204,727	2.2 %
SALTO MEDIA AS	150,555	1.6 %
LID OLAV TARJEI HIOR	150,000	1.6 %
MP PENSJON PK	149,708	1.6 %
RO LARS	130,000	1.4 %
ROSENFONN INVESTERIN	129,162	1.4 %
SILAN INVEST AS	120,594	1.3 %
RØTTINGSNES BERNT OL	109,141	1.2 %
EILERAAS KARL ANSKAR	101,100	1.1 %
JGB EIENDOM AS	101,011	1.1 %
Top 20	5,721,004	60.5 %
Other	3,729,147	39.5 %
TOTAL	9,450,151	100.0%

Source: The Oslo Stock Exchange VPS Arena

Apart from these, Navamedic is not aware of any other persons or entities that, directly or indirectly, have an interest of 5% of more of the Shares.

In accordance with the disclosure obligation under the Norwegian Securities Trading Act, shareholders acquiring ownership to or control over more than 5% of the share capital of a company listed on the Oslo Stock Exchange must notify the stock exchange immediately. The table above shows the percentage held by such shareholders.

5.13 Dividend policy

The Company's aim is to provide its shareholders with a return on their investment in the form of dividend and an increase in the value of the shares of the Company at least at a level equal to the return provided by alternative investments of a comparable risk. The Company is in an expansion phase, and did not have free equity distributable as dividend as at 31 December 2014. The Company did pay out dividends following the sale of its Glucomed business to Laboratories Expanscience in 2008. The dividend paid out was equal to 1 NOK per share.

The Company has one class of shares, and all Shares have equal rights to dividends. The New Shares will carry the right to dividend from registration of the relevant share capital increase in the Register of Business Enterprises.

5.14 Additional Information

5.14.1 Material contracts

Except for the Transaction described in section 3, Navamedic has not entered into any material contracts outside the ordinary course of business over the last two years.

5.14.2 Disputes

Navamedic is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had during the last twelve months, significant effects on Navamedic's financial position or profitability.

5.15 Selected consolidated financial information

5.15.1 General

The selected consolidated financial data set forth in this section has been derived from Navamedic's second quarter and first half 2015 unaudited condensed consolidated financial statements and the audited consolidated financial statements for the financial years 2014 and 2013. Navamedic's annual report for the year 2014, including the auditor's report, and the second quarter report for 2015 are incorporated by reference into this Information Memorandum.

Navamedic's consolidated financial statements are prepared in accordance with IFRS as adopted by the EU.

The selected consolidated financial data set forth below may not contain all of the information that is important to a potential purchaser of shares in Navamedic, and the data should be read in conjunction with the relevant consolidated financial statements and the notes to those statements.

5.15.2 Summary of accounting policies

Please see the annual report for 2014 and the second quarter and first half 2015 report as incorporated by reference into this Information Memorandum for a summary of Navamedic's accounting policies.

5.15.3 Selected information from the consolidated profit and loss statement

The table below summarizes selected information from the consolidated profit and loss statements for Navamedic for the years 2012 to first half of 2015.

In NOK '000	H1 2015	H1 2014	2014	2013	2012
Operating revenues	121 475	102 356	223 068	154 403	88 684
Cost of goods sold	91 637	76 147	168 809	104 450	51 169
Gross profit	29 838	26 209	54 259	49 954	37 515
Payroll expense	11 080	9 940	19 431	20 189	18 134
Other operating cost	11 263	10 445	19 104	21 116	17 279
Other (losses)/gains	0	0	0	0	0
Operating costs	22 343	20 385	38 535	41 305	35 413
EBITDA	7 495	5825	15 724	8 649	2 103
Depreciation	9	7	14	30	19
Amortization	4 823	3 864	8 546	6 463	6 213
Impairments	0	0	0	0	0
Operating result (EBIT)	2 663	1 954	7 164	2 156	(4 130)
Financial income	848	1 303	2 211	1 120	697
Financial expenses	(1 199)	(1 985)	(4 163)	(4 037)	(1 474)
Financial Other (losses)/gains	222	(821)	(2 514)	(908)	(97)
Net financial result	(129)	(1 503)	(4 466)	(3 825)	(875)
Result before tax	2 534	451	2 698	(1 669)	(5 004)
Tax on result	(467)	(42)	(1 392)	401	1 749
Net Profit (loss)	2 067	408	1 306	(1 268)	(3 255)
Basic earnings per share (NOK)	0.24	0.05	0.15	(0.15)	(0.40)
Diluted earnings per share (NOK)	0.24	0.05	0.15	(0.15)	(0.39)
Other comprehensive income					
Foreign currency translation adjustments	2 429	(2 996)	2 163	10 316	(1 968)
Total comprehensive income	4 496	(2 587)	3 469	9 048	(5 223)
Comprehensive income attributable to Navamedic's Shareholders	4 496	(2 587)	3 469	9 048	(5 223)

In the Q2 2015 report, published 21 August 2015 other (losses) /gains were shown as operating cost with – 222 TNOK. In the table above and in the pro forma figures for first half 2015, other (losses) /gains are shown in Net financial result which is consistent with the consolidated financial statement for the year ended 31 December 2014.

5.15.4 Selected information from the consolidated balance sheet

The table below summarizes selected information from the consolidated balance sheet for Navamedic for the years 2012 to first half of 2015.

In NOK '000	H1 2015	H1 2014	2014	2013	2012
ASSETS					
Fixed assets					
Goodwill	47 401	45 495	47 685	47 061	42 458
Intangible assets	28 059	34 435	32 633	38 712	38 744
Tangible assets	43	7	52	14	30
Deferred tax assets	8 186	11 154	9 220	11 154	10 953
Non-current assets	83 689	91 091	89 590	96 941	92 185
Current assets					
Inventories	54 793	59 826	67 401	40 314	13 490
Short term receivables	56 766	46 338	50 034	39 978	24 452
Cash at hand, in banks	8 239	7 553	6 177	2 245	3 624
Current assets	119 798	113 717	123 612	82 537	41 566
TOTAL ASSETS	203 487	204 808	213 202	179 478	133 751
EQUITY AND LIABILITIES					
Equity					
Equity	112 635	105 175	111 232	107 258	97 116
Total equity	112 635	105 175	111 232	107 258	97 116
Liabilities					
Deferred tax	5 244	6 827	6 263	8 026	8 519
Non-current liabilities	5 244	6 827	6 263	8 026	8 519
Short term debt to financial institutions	11 318	17 867	27 380	12 483	0
Trade account payables	60 690	65 560	60 190	38 140	17 392
Other short term debt	13 600	9 379	8 137	13 572	10 723
Current liabilities	85 608	92 806	95 707	64 194	28 115
Total liabilities	90 852	99 633	101 970	72 220	36 634
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	203 487	204 808	213 202	179 478	133 751

5.15.5 Selected information from the consolidated cash flow statement

The table below summarizes selected information from the consolidated cash flow statement for Navamedic for the years 2012 to first half of 2015.

In NOK '000	H1 2015	H1 2014	2014	2013	2012
Profit (loss before tax)	2 534	451	2 698	(1 669)	(5 004)
Taxes paid	(1 276)	(1 550)	(2 938)	(2 911)	(791)
Depreciation	4 831	3 871	8 560	6 493	6 232
Changes in inventory	12 608	(19 513)	(27 087)	(26 824)	3 937
Changes in receivables	(634)	(5 514)	(10 056)	(14 483)	(13 096)
Changes in payables	500	27 420	20 888	21 998	3 616
Changes in other current items	400	(4 612)	(2 814)	1 746	(1 367)
Net cash flow from operations	18 963	553	(10 748)	(15 651)	(6 473)
Cash flow from investments					
Purchase/disposal of tangible assets			(52)	(10)	
Purchase/disposal of intangible assets	(784)	(628)	(836)	(2 240)	2 144
Net cash flow from investment	(784)	(628)	(888)	(2 250)	2 144
Cash flow from financing					
Share option scheme		505	505	888	
Short term debt to Financial Institutions	(16 062)	5 384	14 897	12 483	
Share capital					9 103
Net cash flow from financial activities	(16 062)	5 889	15 402	13 371	9 103
Net change in cash	2 117	5 814	3 766	(4 530)	4 773
Changes in currency	(55)	(506)	166	3 151	(543)
Cash and cash equivalents start period	6 177	2 245	2 245	3 624	(606)
Cash and cash equivalents end period	8 239	7 553	6 177	2 245	3 624

5.15.6 Significant change in Navamedic's financial or trading positions since 30 June 2015

Since 30 June 2015, there has been no significant change in Navamedic's financial or trading position.

5.15.7 Statutory auditors

The company and group financial statements for Navamedic ASA as at and for each of the three years ended 31 December 2014, 2013 and 2012 have been audited by KPMG AS, registration number 935 174 627, with registered business address at Sørkedalsveien 6, 0306 OSLO. KPMG AS is member of Den Norske Revisorforening (the Norwegian Institute of Public Accountants).

KPMG has conducted its audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants.

The auditors' reports covering the financial statements above are unqualified opinion and do not include any additional matters of emphasis.

KPMG AS has issued an assurance report on the compilation of pro forma financial information included in Section 4.1 under the International Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Proforma Financial Information Included in a Prospectus*.

5.16 Incorporation by reference - historical financial information

The Oslo Stock Exchange's "Continuing Obligations for Listed Companies" allow Navamedic to "incorporate by reference" information in this Information Memorandum that has been previously filed with the Oslo Stock Exchange in other documents.

The Company hereby incorporates the following documents by reference into this Information Memorandum:

- its second quarter and first half 2015 report, available at www.navamedic.com
- its annual report for the year ended 31 December 2012, 2013, 2014 available at www.navamedic.com

The information incorporated by reference into this Information Memorandum should be read in connection with the cross-reference list below.

All the relevant information can be found on Navamedic's webpage www.Navamedic.com.

Cross Reference Table Relating to Information Incorporated by Reference:

Section in Information Memorandum	Disclosure requirements of the Information Memorandum	Reference document and link	Page (P) in reference document
Section 5.15	Unaudited interim report	Navamedic ASA Q2 2015 Report: http://hugin.info/136020/R/1946879/706731.pdf	P 7-14
Section 5.15	Audited historical financial information	Navamedic ASA 2014 annual report: http://hugin.info/136020/R/1917619/686010.pdf	P 15-19
		Navamedic ASA 2013 annual report: http://www.navamedic.com/sites/default/files/styles/header_image/public/navamedic_asa_2013_annual_report.pdf	P 10-14
		Navamedic ASA 2012 annual report: http://www.navamedic.com/sites/default/files/arsr_apport_2012_v3_2.pdf	P 8-12
Section 4.1.2 Section 5.15	Accounting principles	Navamedic ASA 2014 annual report: http://hugin.info/136020/R/1917619/686010.pdf	P 20-28

6 PRESENTATION OF OBSERVE MEDICAL

Unless otherwise indicated, the source of the information in this section is Observe Medical (OM).

6.1 Overview

OM is a Swedish medical technology company established in 2009. OM has developed an automated, digital urine meter Sippi® for use in intensive care wards. Compared to traditional products, Sippi® saves time for healthcare personnel, while also improving accuracy and patient safety. The product was launched in March 2015 in the German and the Nordic markets and has been well received by initial users.

The company is headquartered in Sweden, Gothenburg, while serving the European market with products manufactured in the European Union.

6.2 History

The three founders identified a clear need for modernization of urine measurement within intensive care, and based on their prior experience of sales and product development within medical technology OM was founded in 2009.

In 2010 OM started development and prototyping of the product, and the next year the first patent was approved. OM also received ISO certification for the development, manufacture and sale of its products.

In 2012 the first base unit was fully developed and the next year Sippi® received FDA approval for sale in the U.S as well as CE marking for sale in Europe, starting the commercialization process. The first system was sold to intensive units in Sweden and Denmark in 2013. The development of the product towards a wireless version was initiated in 2014, at the same time as OM started commercialization towards Germany.

Year	Event
2009	Observe Medical was founded by Magnus Emmoth, Michael Charléz and Michael Löfgren.
2010	Product development and prototyping External capital received from Swedish investors and Danish venture capital
2011	ISO certification for development, manufacture and sale of its products The first patent approved SEED Capital, a Danish venture capital firm invests in OM
2012	First base unit fully developed Sippi® receives CE marking for sale in Europe
2013	Positive results in clinical evaluation of Karolinska Institutet In May, Sippi® receives FDA registration for sale in the U.S. The commercialization process begins and the first systems are sold to intensive units in Sweden and Denmark
2014	Development of a wireless version communicating directly with patient monitoring system. Commercialization towards Germany and the Nordic region

Table 1 History of Observe Medical

6.3 Business Overview

6.3.1 General

Observe Medical (OM) is a Swedish medical technology company. The founders of OM have been developing and releasing innovative products to the healthcare market for over a decade.

OM's has an experienced team, which has been involved in over 30 product releases over the years. Based on this experience, OM defines successful products as those that positively impact the users day-to-day workload, while always increasing the quality of patient care and safety. The engineering team is a relatively small but responsive team with direct access to market feedback. They are in constant contact with customer challenges and visit healthcare sites on a regular basis.

The management of Observe Medical all have extensive experience of marketing medical technology products and building successful sales organizations. OM's vision is to develop innovative medical technology products that benefit patients and healthcare professionals. OM's core and first product is Sippi®, an automated digital urine meter.

6.3.2 Sippi®

Sippi® is a digital urine meter for use in intensive care wards and OM's first product to the healthcare market. The product has been under development since 2009, and has received approval for hospital use in Europe and the United States. The product was launched in March 2015 in the German and the Nordic markets and has been well received by initial users, and strong sales growth is expected.

Compare to existing urine meters, automation, accuracy and quality are Sippi's primary benefits. The existing urine meters are manual systems in which healthcare personnel ocularly and manually read and document the amount of urine collected every hour and add the data manually to the patients' file, which is both time-consuming and inefficient. The method carries the risk of inaccurate readings, calculations and data entry errors. In addition the existing system is time consuming for the healthcare staff. Also, a problem in all urine meters is the biofilm formed in the disposable bag, being a source of bacterial formations that can migrate upwards the catheter and cause urinary tract infections.

Sippi® is a unique, single use, digital urine meter which measures biofilm build-up via non-contact capacitive sensors, delivering high constant throughput, and incorporating hourly diuresis, data storage and automatic emptying. The product is fully automated, without the need for manual supervision and displays the previous 24 hours data, while also storing all data until manually reset. It is easy to access the current hour, previous hour and accumulated volume data since commencement of treatment, via the display whenever this information is required.

Introducing a digital automatic single use system to the market has many positive effects for users and patients. The most obvious are accuracy, time saving and ease of use. More subtle effects are increased safety in terms of bacterial infections.

Between 10 and 30% of bed-ridden patients with catheterization of the urine bladder run the risk of nosocomial infection caused by bacteria infiltrating the urinary tract via a biofilm matrix. The management of nosocomial infection is not only troublesome for the patient it is also a burden for staff and the hospital's economy.

The positive effects of using Sippi® are twofold. Since the Sippi system is automated, manual handling of the system is minimized, as this is in itself a risk of bacterial infection. Sippi® also increases safety in terms of bacterial infections by two ground-breaking innovations, Sippsense and Sippcoat.

Sippsense, a patent pending unique biosensor, is designed to detect bacterial build-up before it reaches significant levels. As soon as a critical level of biofilm build-up is detected in the measurement chamber, an alert to change the cassette is given.

Sippcoat, a patent-pending smart biofilm inhibitor, actually impedes the build-up of biofilm in the cassette by coating it with inert silicon oil, considerably prolonging it's service lifetime.

Uniquely, Sippi both hinders and detects any early biofilm formation, which is the growth matrix for bacteria. Sippi indicates when the staff needs to replace the disposable unit, reducing the risk of bacteria migrating above the system into the urinary tract of the patient.

Sippi delivers high constant throughput and incorporates hourly diuresis, data storage and automatic emptying, all of which greatly reduce the risk of biofilm build-up, which can lead to infection in catheterized patients.

Sippi® consists of a base unit to be attached on the hospital bed and a disposable unit that is attached to the base unit and the catheter.



Figure 1 Product overview of the complete system with the reusable base unit and the disposable part in an operating position

Technology:

Measurement technology: Volume measurement is performed using capacitive technology. The sensors are placed in the base unit adjacent to where the disposable unit is attached. Without the need for direct contact, the sensors detect the presence of urine in the disposable units inflow chamber. The Sippi base unit calculates a measurable urine flow from the change in capacity that occurs when liquid enters the disposable unit. The system measures continuously and updates the visual information once per minute. Pressing the trend button once provides an instant overview of the total measured value.

Range:	0–2000 ml/h
Measurement resolution:	1 ml
Power source:	3 alkaline batteries, size AA
Battery life:	4-6 months under normal use
Temperature range:	10°C to 35°C, up to 95% relative air humidity

6.3.3 Geographical segments

Sippi will be marketed in the following regions:

Actual:	Germany and the Nordics
12-24 months:	UK, France, Italy, Spain, Benelux, middle East and US
25-36 months:	South America, Asia and rest of EU

6.4 Board of Directors, Management and employees

6.4.1 Board of Directors

The Board of Directors of OM consists of:

<u>Name</u>	<u>Principal activities</u>
Knut Erling Birk (Chairman)	Professional board member
Claes Wentzel (Board Member)	Investor
Ulf Rosén (Board Member).....	General partner at SEED Capital Denmark III K/S
Thomas Eklund (Board Member)	Advisor and investor

Knut Erling Birk, Chairman of the Board (born 1948): Kurt Erling Birk is a professional board member. He brings extensive experience of urine measurement to Observe Medical through his previous ownership of UnoPlast A/S, one of the world's largest manufacturers of urine measurement systems. Kurt Erling Birk has also previously held the position of Managing Director at medtech company Ambu A/S, where he carried out a complete turn-around of the concern, as well as board chairman at Medicoindustrien, the Danish organisation for technical medicine.

Kurt Erling Birk is also currently a board member at Knudsen Plast A/S, Sense A/S, Vibocold A/S, TeesuVac A/S as well as pfm medical AG. Kurt Erling Birk holds an BSC in Business Administration and Economics from Copenhagen Business School as well as business management studies at IMD Business School, Lausanne and INSEAD in Paris.

Claes Wenthzel, Board member (born 1962): Claes Wenthzel runs his own company WenCon AB and investment company PeWe International AB. He is Financial advisor at Doro AB (publ.) and Sprint Bioscience AB (Publ.). He has extensive experience of leading positions in several life science companies. He also has experience from a number of IPO's and other exchange-related activities, for example buyouts. Wenthzel has also been a board member and chairman of the board at Stille AB and Stockholm Asset Management AB.

Wenthzel's earlier positions include among others, Interim CFO at Pricer AB (publ.), deputy CEO and CFO of Orexo AB (publ and Perbio Science AB (publ.), CFO at Louise Gibeck AB (publ.), and CFO at Sandblom & Stohne AB (publ.).

The last five years has served as CFO at the Kemetyl Group and as deputy CEO and CFO at listed Orexo AB (publ.). Claes Wenthzel holds an BSC in Economics from Stockholms University.

Via PeWe International AB, Claes Wenthzel owns 532,818 shares in Observe Medical.

Ulf Rosén, Board member (born 1960): Ulf Rosén is a general partner at SEED Capital Denmark III K/S. He has extensive experience of international directorships and leading operational positions within the field of technical medicine. Among other positions, Rosén has been EVP Fresenius Kabi, Managing Director of Pharmacia & Upjohn A/S, ProstaLund AB and NeoPharma AB. Rosén's directorship experience includes concerns such as TFS Trial Form Support International AB, Reapplix Aps, Alkalon A/S and Stille AB.

Mr. Rosén hold a degree in business Administration (DIHM), Executive Financial Management (INSEAD) and a M.Sc. in general nursing from Mälardalen University.

SEED Capital owns 6,135,238 shares in Observe Medical.

Thomas Eklund, Board member (born 1967): Thomas Eklund is Independent board member, Advisor and investor in growing healthcare companies. The last ten years he has been CEO Investor Growth Capital and has extensive experience of directorships and investments within medtech. Examples of current and previous directorships are companies like Global Health Partner AB, Biotage AB, Neoventa Holding Aktiebolag, Aerocrine Aktiebolag, Boule Medical AB, Memira AB, Swedish Orphan Biovitrum Holding AB and Carmel Pharma Aktiebolag. Education: MSC from Stockholm Business School.

Via Eklund Konsulting AB, Thomas Eklund owns 127,907 shares in Observe Medical.

6.4.2 Management

The present group management consists of five executives. The following table lists the present members of OM's executive management including their positions.

<u>Name</u>	<u>Position</u>
Magnus Emmoth	CEO
Annette Colin Lövgren*	CFO
Mikael Charléz.....	Marketing and Sales Manager
Mikael Löfgren	Head of Research and Development

*) Observe medical has recently received Mrs. Lövgren's resignation. Navamedic will consider the handling of the responsibility for Observe Medical's financial functions as part of the ongoing integration process.

Magnus Emmoth, CEO (born 1966): Magnus Emmoth is one of OM's three founders.

Magnus Emmoth has extensive experience from a career that, as well as spanning the finance sector, also includes leading positions at a number of medtech companies. His experience ranges from early-stage business development to management positions within larger business concerns. Magnus was among other also responsible for the urological division in the Nordics at Covidien. He holds an MBA from Kellogg School of Management, Chicago USA.

Magnus Emmoth owns 19.1% of Lavin AB which owns 4,188,342 shares in Observe Medical.

Annette Colin Lövgren, CFO (born 1965): Annette Colin Lövgren brings extensive experience from previous positions in both the biotech and medtech industries. She has been involved in several M&A and IPO transactions, and has worked in both the private and listed companies. Examples of positions held: Group Controller, Tax Manager, COO, CFO and CEO. She most recently held positions at Perbio Science AB, Lindab AB and Stille AB. Other current assignments include Chairman of the Board of Animero AB and founder and owner of La Maison de Colin AB. Annette Colin Lövgren studied business Administration and Economics, Marketing and Law studied at the University of Lund.

Annette Colin Lövgren owns 1.6% of Lavin AB which owns 4,188,342 shares in Observe Medical and 12,877 shares via La Maison de Colin AB.

Mikael Charléz, Marketing and Sales Manager (born 1962): Mikael Charléz is one of OM's three founders.

Mikael Charléz has more than 16 years' experience in marketing, business development and health economics from a number of companies, ranging in size from small to world-leading companies such as Covidien. Mikael has extensive experience in developing innovation strategies, clinical evaluations and studies, as well as broad knowledge of intellectual property rights, which has resulted in several successful patent applications. He is a business graduate from the University of Gothenburg's School of Business, Economics and Law, Sweden.

Mikael Charléz owns 19,1% of Lavin AB which owns 4,188,342 shares in Observe Medical.

Mikael Löfgren, Head of Research and Development (born 1974): Mikael Löfgren is one of OM's three founders.

Mikael Löfgren has extensive experience in developing innovative, patient-centered products which utilize advanced sensor technology. Among other projects, Mikael was involved in the

development of the world's first single-use digital lung drainage device, as well as driving development of RaySafe Survey and RaySafe ThinX. Mikael Löfgrens technical solutions have resulted in several valuable patents. He has previous experience from working at Ericsson AB, research institute Imego AB (now part of Acreo), Millicore AB and Unfors RaySafe AB (now part of Fluke Biomedical).

Mikael Löfgren owns 215,927 shares in Observe Medical.

6.4.3 *Employees*

As of 2014, OM had 8 permanent employees. The table below illustrates the development in number of employees over the last four years, as per the end of each calendar year.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Number of permanent man years	8	10	8	6
Number of temporary man years	-	-	-	-
Total number of man years.....	8	10	8	6

6.5 **Additional Information**

6.5.1 *Ownership structure*

OM is a wholly owned subsidiary of Navamedic ASA.

6.5.2 *Material contracts*

Except for the Transaction described in section 3, OM has not entered into any material contracts outside the ordinary course of business over the last two years.

6.5.3 *Disputes*

OM is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had during the last twelve months, significant effects on OM's financial position or profitability.

6.6 **Selected consolidated financial information**

In accordance with local requirements, no consolidated financial statements have been prepared for the Observe Medical group (OM group). The selected unaudited condensed consolidated financial information set forth in this section has been based on financial statement information for the companies Observe Medical international AB, Observe Medical Aps and Observe Medical Nordic AB (included in this Information Memorandum as Appendix 2 and Appendix 3). The Management has eliminated transactions and balances between these entities in the preparation of the unaudited condensed consolidated financial information. The 2014 unaudited condensed consolidated financial information is based on the audited financial statement for Observe Medical International AB, Observe Medical Aps and Observe Medical Nordic AB for the year ended 31 December 2014. The unaudited condensed consolidated financial information for the first half 2015 and at 30 June 2015 has been compiled based on the unaudited management accounts for Observe Medical International AB, Observe Medical Aps and Observe Medical Nordic AB for the same period.

In accordance with local requirements, no consolidated financial statement has been prepared for the Observe Medical group. The financial statements for the companies in the Observe Medical group are based on Local Generally accepted accounting principles (LGAAP). Based on an analysis performed by the Navamedic management of the applied LGAAP accounting principles of the Observe Medical group companies, no differences between LGAAP and IFRS accounting policies of Navamedic were identified for any material items.

The selected condensed consolidated financial information set forth below should be read in conjunction with the relevant financial statements and the notes to those statements.

6.6.1 Consolidated profit and loss statement information

The table below summarizes the unaudited condensed consolidated profit and loss statement information for OM group for the year 2014 and first half 2015.

In NOK '000	H1 2015	2014
Operating revenues	529	82
Cost of goods sold	257	38
Gross profit	272	44
Payroll expense	4 952	9 646
Other operating cost	612	5 067
Operating costs	5 564	14 713
EBITDA	(5 292)	(14 668)
Depreciation	480	818
Amortization	0	0
Impairments	0	0
Operating result (EBIT)	(5 772)	(15 486)
Financial income	0	0
Financial expenses	(420)	(167)
Net financial result	(420)	(167)
Result before tax	(6 192)	(15 653)
Tax on result	0	(73)
Net Profit (loss)	(6 192)	(15 726)

6.6.2 Consolidated balance sheet information

The table below summarizes the unaudited condensed consolidated balance sheet for OM group at 31 December 2014 and 30 June 2015.

In NOK '000	H1 2015	2014
ASSETS		
Fixed assets		
Goodwill	1 033	1 094
Intangible assets	1 634	1 747
Tangible assets	667	831
Deferred tax assets	225	226
Non-current assets	3 558	3 898
Current assets		
Inventories	378	594
Short term receivables	22	26
Other current assets	959	921
Cash at hand, in banks	1 338	404
Current assets	2 698	1 945
TOTAL ASSETS	6 256	5 844
EQUITY AND LIABILITIES		
Equity		
Equity	1 856	797
Total equity	1 856	797
Liabilities		
Interest bearing loans	451	782
Deferred tax	0	0
Non-current liabilities	451	782
Short term debt to financial institutions	467	377
Trade account payables	1 343	2 024
Other short term debt	2 139	1 864
Current liabilities	3 948	4 265
Total liabilities	4 400	5 047
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6 256	5 844

6.6.3 Trends and events since 30 June 2015 to the date of the information document

OM has not experienced any changes or trends outside the ordinary course of business that are significant to OM between 30 June 2015 and the date of this Information Memorandum, neither does the board of Navamedic expects any significant short term changes in the markets and business environment in which OM operates.

Since 30 June 2015, there has been no significant change in Navamedic's financial or trading position.

6.7 Documents on Display

Copies of the following documents will be available for inspection at Navamedic's registered office during normal business hours on Monday to Friday each week (except public holidays) for a period of 12 months from the date of this Information Memorandum:

- the Memorandum of Incorporation and Articles of Association of Navamedic;
- all reports, letters and other documents, historical financial information, evaluations and expert opinions prepared on request from the Company, which is partly or fully incorporated, or referred to in the Information Memorandum;
- the unaudited quarterly reports for the first and second quarter of 2015;
- the audited financial statements of Navamedic and its subsidiaries for the year ended 31 December 2014; and
- this Information Memorandum.

Copies of this Information Memorandum may also be obtained from Arctic Securities during the same 12 month period.

6.8 Confirmation regarding sources

The information in this Information Memorandum that has been sourced from third parties has been accurately reproduced and as far as Navamedic is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

7 DEFINITIONS AND GLOSSARY OF TERMS

Arctic Securities	Arctic Securities AS, business registration number 991 125 175.
Articles	The Company's Articles of Association.
Company.....	Navamedic ASA.
Consideration Shares	The new shares to be issued as consideration in the Transaction.
Corporate Governance Code	Norwegian Code of Practice for Corporate Governance published on 21 October 2009 by the Norwegian Corporate Governance Board.
Information Memorandum	This information memorandum.
New Shares	The new shares to be issued as consideration in the Transaction.
OM	Observe Medical International AB.
Sellers	The former shareholders of OM who will receive consideration shares in Navamedic; Lavin AB, Pre Seed Innovation A/S, Seed Capital Denmark II K/S, PeWe International AB, New Moon Unlisted AB, Moskovits Konsult AB, MijaMax ApS, Mikael Löfgren, Emil Karheiding, Peter Jansson, Per Brandt, Sahgrenska Science Park and Eklund Konsulting AB.
Shares	All the outstanding shares of Navamedic ASA from time to time.
Navamedic	Navamedic ASA.
Transaction.....	The acquisition of Observe Medical International AB by Navamedic ASA.

1 APPENDIX 1



KPMG AS
Thor Dahlsgt. 1-3
P.O. Box 150
N-3201 Sandefjord

Telephone +47 04063
Fax +47 33 45 46 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Board of Directors in Navamedic ASA

Report on the Compilation of Pro Forma Financial Information Included in a Information Memorandum

In accordance with the requirements in section 3.5.2.6 of the ‘Continuing Obligations of Stock Exchange Listed Companies’ issued by The Oslo Stock Exchange (Continuing Obligations) we have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Navamedic ASA (“the Company”). The pro forma financial information consists of the unaudited pro forma balance sheet as at 30 June 2015, the pro forma profit and loss statement for the year ended 31 December 2014 and for the six month period ended 30 June 2015 and related notes as set out in section 4 of the Information Memorandum dated 13 September 2015 (the "Information Memorandum") issued by the Company. The applicable criteria of the basis of which management of the Company has compiled the pro forma financial information are specified in EU Commission Regulation (EC) No. 809/2004 which is incorporated in section 7-13 of the Securities Trading Act (Norway) and as described in the Unaudited pro forma financial information in section 4 of the Information Memorandum.

The unaudited pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the transaction on the Company's financial position as at 30 June 2015 as if the transaction had taken place on that date and the financial performance for the year ended 31 December 2014 and for the six month period ended 30 June 2015, as if the transaction had taken place at 1 January 2014 and 2015, respectively. As part of this process, historical 2014 financial information about the Company and the Observe Medical companies (OM) has been extracted from their respective audited consolidated financial statements as of and for the year ended 31 December 2014. Historical 2015 financial information about the Company has been extracted from its unaudited condensed financial information as of and for the six-month period ended 30 June 2015 and while interim historical financial information regarding OM has been extracted from management accounts

The Board of Directors Responsibility

The Board of Directors is responsible for compiling the pro forma financial information on the basis of EU Commission Regulation (EC) No 809/2004 which is incorporated in the Securities Trading Act (Norway) as required by the Continuing Obligations

Practitioner's Responsibilities

Our responsibility is to express an opinion as required by Annex II, item 7 of EU Commission Regulation (EC) No 809/2004 which is incorporated in the Securities Trading Act (Norway) about whether the pro forma financial information has been compiled, by Board of Directors of the company, on the basis described in the basis of preparation to the unaudited pro forma consolidated balance sheet and profit and loss statement information and that basis is consistent with the accounting policies of the Company.

Offices in:

Oslo	Haugesund	Stavanger
Alta	Knarvik	Stord
Arendal	Kristiansand	Straume
Bergen	Larvik	Tromsø
Bodo	Mo i Rana	Trondheim
Elverum	Molde	Tynset
Finnsnes	Narvik	Tønsberg
Grimstad	Sandefjord	Ålesund
Hamar	Sandnessjøen	

KPMG AS, a Norwegian member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether Board of Directors has compiled the pro forma financial information on the basis described in the basis of presentation.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information, including any adjustments made to conform accounting policies, or assumptions used in compiling the pro forma financial information. Our work has consisted primarily of comparing the underlying historical financial information used to combine the pro forma financial information to source documentation, assessing documentation supporting any pro forma and other adjustments and discussing the pro forma information with management of the Company.

The purpose of pro forma financial information included in an Information Memorandum is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 January 2014 and 2015 on the financial performance or as at 30 June 2015 on the financial position would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria,
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information; and
- The pro forma financial information has been compiled on a basis consistent with the accounting policies of the Company.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

- a) the pro forma financial information has been compiled on the basis stated in section 4 of the Information Memorandum; and
- b) the basis is consistent with the accounting policies of the Company

Report on Other Legal or Regulatory Requirements

This report has been prepared solely in connection with the filing of the Company's Information Memorandum required by Oslo Stock Exchange's Continuing Obligations of Stock Exchange Listed Companies section 3.5 as set out in the Information Memorandum review by Oslo Stock Exchange. This report is not appropriate for any other jurisdiction or purpose other than for the transaction described in the Information memorandum.

Sandefjord, 13 September 2015
KPMG AS



Frode Bohlin Lea
State Authorised Public Accountant

Revisionsberättelse

Till årsstämman i Observe Medical International AB, org. nr 556969-9589

Rapport om årsredovisningen

Vi har utfört en revision av årsredovisningen för Observe Medical International AB för år 2014.

Styrelsens och verkställande direktörens ansvar för årsredovisningen

Det är styrelsen och verkställande direktören som har ansvaret för att upprätta en årsredovisning som ger en rättvisande bild enligt årsredovisningslagen och för den interna kontroll som styrelsen och verkställande direktören bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel.

Revisorns ansvar

Vårt ansvar är att uttala oss om årsredovisningen på grundval av vår revision. Vi har utfört revisionen enligt International Standards on Auditing och god revisionssed i Sverige. Dessa standarder kräver att vi följer yrkesetiska krav samt planerar och utför revisionen för att uppnå rimlig säkerhet att årsredovisningen inte innehåller väsentliga felaktigheter.

En revision innefattar att genom olika åtgärder inhämta revisionsbevis om belopp och annan information i årsredovisningen. Revisorn väljer vilka åtgärder som ska utföras, bland annat genom att bedöma riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller på fel. Vid denna riskbedömning beaktar revisorn de delar av den interna kontrollen som är relevanta för hur bolaget upprättar årsredovisningen för att ge en rättvisande bild i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i bolagets interna kontroll. En revision innefattar också en utvärdering av ändamålsenligheten i de redovisningsprinciper som har använts och av rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen, liksom en utvärdering av den övergripande presentationen i årsredovisningen.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Uttalanden

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Observe Medical International ABs finansiella ställning per den 31 december 2014 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att årsstämman fastställer resultaträkningen och balansräkningen.

Rapport om andra krav enligt lagar och andra författningar

Utöver vår revision av årsredovisningen har vi även utfört en revision av förslaget till dispositioner beträffande bolagets vinst eller förlust samt styrelsens och verkställande direktörens förvaltning för Observe Medical International AB för år 2014.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust, och det är styrelsen och verkställande direktören som har ansvaret för förvaltningen enligt aktiebolagslagen.

Revisorns ansvar

Vårt ansvar är att med rimlig säkerhet uttala oss om förslaget till dispositioner beträffande bolagets vinst eller förlust och om förvaltningen på grundval av vår revision. Vi har utfört revisionen enligt god revisionssed i Sverige.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Som underlag för vårt uttalande om ansvarsfrihet har vi utöver vår revision av årsredovisningen granskat väsentliga beslut, åtgärder och förhållanden i bolaget för att kunna bedöma om någon styrelseledamot eller verkställande direktören är ersättningsskyldig mot bolaget. Vi har även granskat om någon styrelseledamot eller verkställande direktören på annat sätt har handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Uttalanden

Vi tillstyrker att årsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Stockholm den 25 mars 2015

KPMG AB



Mattias Lötbörn
Auktoriserad revisor

Årsredovisning för

Observe Medical International AB

556969-9589

Räkenskapsåret
2014-04-28 - 2014-12-31

Innehållsförteckning:	Sida
Förvaltningsberättelse	1
Resultaträkning	2
Balansräkning	3-4
Ställda säkerheter och ansvarsförbindelser	4
Noter	5-6
Underskrifter	7

Fastställelseintyg

Undertecknad styrelseledamot i Observe Medical International AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2015- . Stämman beslöt också att godkänna styrelsens förslag till resultatdisposition.

Stockholm 2015-



Magnus Emmoth
Verkställande direktör

Förvaltningsberättelse

Styrelsen för Observe Medical International AB, 556969-9589 får härmed avge årsredovisning för 2014-04-28 - 2014-12-31, bolagets första räkenskapsår.

Bolaget bildades under verksamhetsåret. Bolaget äger ett dotterbolag, Observe Medical ApS, ett danskt bolag, CVR No. 32763162, som ägs till 100%. Observe Medical ApS är ägare av patent och varumärke.

Allmänt om verksamheten

Bolaget bedriver utveckling, tillverkning och försäljning medicintekniska produkter. Utvecklingen av produkten Sippi, en digital urometer, är slutförd och lansering av Sippi påbörjades under senare delen av verksamhetsåret.

Försäljningen av Sippi sker genom koncernbolaget Observe Medical Nordic AB, som ägs till 100% av Observe Medical ApS.

Utveckling av företagets verksamhet, resultat och ställning

	2014-12-31
Nettoomsättning	-
Rörelsemarginal %	-
Balansomslutning	66 920 124,0
Avkastning på sysselsatt kapital %	-4,1
Avkastning på eget kapital %	-4,2
Soliditet %	94,6

Förslag till disposition av företagets vinst eller förlust

Styrelsen föreslår att till förfogande stående vinstmedel, kronor 62 253 933, disponeras enligt följande:

	Belopp i kr
Balanseras i ny räkning	62 263 933
Summa	62 263 933

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.



Resultaträkning

Belopp i kr	Not	2014-04-28- 2014-12-31
Rörelsens kostnader		
Övriga externa kostnader		-2 452 345
Personalkostnader	2	-143 565
Rörelseresultat		-2 595 910
Resultat från finansiella poster		
Övriga ränteintäkter och liknande intäkter	3	3 619
Räntekostnader och liknande kostnader	4	-75 831
Resultat efter finansiella poster		-2 668 122
Resultat före skatt		-2 668 122
Årets resultat		-2 668 122

m

Balansräkning

<i>Belopp i kr</i>	<i>Not</i>	<i>2014-12-31</i>
TILLGÅNGAR		
Anläggningstillgångar		
<i>Finansiella anläggningstillgångar</i>		
Andelar i koncernföretag	5	62 707 459
		<u>62 707 459</u>
Summa anläggningstillgångar		<u>62 707 459</u>
Omsättningstillgångar		
<i>Kortfristiga fordringar</i>		
Fordringar hos koncernföretag		4 135 267
Övriga fordringar		<u>5 282</u>
		4 140 549
Kassa och bank		<u>72 116</u>
Summa omsättningstillgångar		<u>4 212 665</u>
SUMMA TILLGÅNGAR		<u>66 920 124</u>

h -

Balansräkning

Belopp i kr	Not	2014-12-31
EGET KAPITAL OCH SKULDER		
Eget kapital	6	
Bundet eget kapital		
Aktiekapital (10475354 aktier)		1 047 535
		1 047 535
Fritt eget kapital		
Överkursfond		64 922 055
Årets resultat		-2 668 122
		62 253 933
Summa eget kapital		63 301 468
Kortfristiga skulder		
Leverantörsskulder		130 258
Skulder till koncernföretag		3 332 780
Övriga kortfristiga skulder		56 622
Upplupna kostnader och förutbetalda intäkter		98 996
		3 618 656
SUMMA EGET KAPITAL OCH SKULDER		66 920 124

Ställda säkerheter och ansvarsförbindelser

Ställda säkerheter

	2014-12-31
Ställda panter och säkerheter	Inga

Övriga ställda panter och säkerheter Inga

Ansvarsförbindelser

Ansvarsförbindelser Inga

h -

Noter

Not 1 Redovisningsprinciper

Belopp i kr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Koncernredovisning har ej upprättats med hänvisning till årsredovisningslagen 7 kapitel 3§.

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Not 2 Anställda och personalkostnader

Bolaget har ej haft några anställda under verksamhetsåret. Ersättningar till styrelsen har utbetalats.

Löner, andra ersättningar och sociala kostnader

	2014-04-28- 2014-12-31
Löner och andra ersättningar:	126 514
Sociala kostnader	16 495
	-

Inga pensionskostnader finns i bolaget och inga pensionsförpliktelser till företagets ledning förkommer.

Not 3 Ränteintäkter och liknande intäkter

	2014-04-28- 2014-12-31
Ränteintäkter, övriga	39
Övrigt	3 580
Summa	3 619

Not 4 Räntekostnader och liknande kostnader

	2014-04-28- 2014-12-31
Räntekostnader, övriga	75 831
Summa	75 831

Not 5 Andelar i koncernföretag

	2014-12-31
Ackumulerade anskaffningsvärden:	
-Inköp	62 707 459
Redovisat värde vid årets slut	62 707 459

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag

Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

n

Företaget har bedömt att bestämmande inflytande föreligger i Observe Medical ApS.

Dotterföretag / Org nr / Säte	Antal andelar	i %	Redovisat värde
Observe Medical ApS, CVR 32763162	8 767 785	100	62 707 459
			62 707 459

Not 6 Eget kapital

	2014-12-31
Specifikation av bundet och fritt eget kapital:	
Aktiekapital	1 047 535
Totalt bundet eget kapital	1 047 535
Balanserat resultat	64 922 055
Årets resultat	-2 668 122
Totalt fritt eget kapital	62 253 933
Totalt eget kapital	63 301 468

Not 7 Nyckeltalsdefinitioner

Rörelsemarginal:	Rörelseresultat / Nettoomsättning
Balansomslutning:	Totala tillgångar
Avkastning på sysselsatt kapital:	(Rörelseresultat + finansiella intäkter) / Genomsnittligt sysselsatt kapital
Finansiella intäkter:	Poster i finansnettot som är hänförliga till tillgångar (som ingår i sysselsatt kapital)
Sysselsatt kapital:	Totala tillgångar - räntefria skulder
Räntefria skulder:	Skulder som inte är räntebärande. Pensionsskulder ses som räntebärande.
Avkastning på eget kapital:	Årets resultat hänförligt till moderföretagets aktieägare / Genomsnittligt eget kapital hänförligt till moderföretagets aktieägare
Soliditet:	Totalt eget kapital / Totala tillgångar

h

Underskrifter

Göteborg 2015-02-27



Kurt Birk
Styrelseordförande



Thomas Eklund



Claes Wenthzel

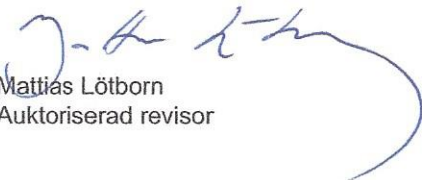


Magnus Emmoth
Verkställande direktör



Ulf Rosén

Vår revisionsberättelse har lämnats den ²⁵/₃ 2015



Mattias Lötborn
Auktoriserad revisor

Observe Medical ApS

SEED Capital
Diplomvej 381, 2800 Kongens Lyngby

CVR-nr. 32 76 31 62



Årsrapport for 2014

Godkendt på selskabets ordinære generalforsamling, den 31. maj 2015

Som dirigent:

.....
Kurt Erling Birk



Building a better
working world

Indholdsfortegnelse

Ledelsesberetning	1
Oplysninger om selskabet	1
Beretning	2
Ledelsespåtegning	3
Den uafhængige revisors erklæringer	4
Årsregnskab	
Resultatopgørelse	5
Balance	6
Egenkapitalopgørelse	8
Noter	
Anvendt regnskabspraksis	9
Usikkerhed om going concern	12
Personaleomkostninger	12
Finansielle indtægter	12
Finansielle omkostninger	12
Immaterielle anlægsaktiver	13
Materielle anlægsaktiver	13
Kapitalandele	14
Anpartskapital	14
Langfristede gældsforpligtelser	15
Sikkerhedsstillelser	15
Eventualforpligtelser og andre økonomiske forpligtelser	15
Nærtstående parter	15

Oplysninger om selskabet

Navn	Observe Medical ApS
Adresse, postnr., by	Diplomvej 381, 2800 Kongens Lyngby
CVR-nr.	32 76 31 62
Stiftet	26. januar 2010
Hjemstedskommune	Lyngby-Taarbæk Kommune
Regnskabsår	1. januar - 31. december
Hjemmeside	www.observemedical.com
Bestyrelse	Kurt Erling Birk, formand Jon Ingi Benediktsson Ulf Rosén Per Magnus Emmoth Claes Wilhelm Wentzel
Direktion	Per Magnus Emmoth
Revision	Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, Postboks 250, 2000 Frederiksberg

Beretning

Virksomhedens væsentligste aktiviteter

Selskabets hovedaktivitet er at udvikle apparater til brug for digital overvågning af patienters urinproduktion og - sammensætning samt hermed besægtet virksomhed.

Udvikling i aktiviteter og økonomiske forhold

Salget af den digitale uromter Sippi, som blev godkendt af myndighederne til kommercielt salg i både Europa og USA i slutningen af 2013, blev i slutningen af 2014 igangsat via det svenske datterselskab Observe Medical Nordic AB. Salget foretages udelukkende via datterselskabet, og selskabet vil i takt med salget modtage royalties for dattervirksomhedens anvendelse af patenter og varemærker.

Selskabet har i regnskabsåret realiseret et resultat på -11.792 t.kr. mod -13.094 t.kr. sidste år, og selskabets balance udviser en egenkapital på 668 t.kr. pr. 31. december 2014. Ifølge budgettet for 2015 forventes et resultat på ca. -5.000 t.kr., hvorved selskabskapitalen vil være tabt.

Selskabet kan således for nuværende ikke finansiere sin egen drift og er afhængig af tilførsel af driftskapital til finansiering af de nuværende planer og budgetter. Kapitalejerne i moderselskabet Observe Medical International AB har erklæret at ville tilføre likviditet til finansiering af de nuværende planer og budgetter, som minimum i 12 måneder fra balancedagen.

Endvidere har datterselskabet erklæret, at dets nettotilgodehavende udgørende 5.825 t.kr. pr. 31. december 2014 træder tilbage for selskabets øvrige kreditorer (nuværende som fremtidige).

Baseret herpå er årsregnskabet aflagt under forudsætningen om fortsat drift.

Begivenheder efter balancedagen

Der er efter regnskabsårets afslutning ikke indtruffet betydningsfulde hændelser.

Ledelsespåtegning

Bestyrelse og direktion har dags dato behandlet og godkendt årsrapporten for regnskabsåret 1. januar - 31. december 2014 for Observe Medical ApS.

Årsrapporten aflægges i overensstemmelse med årsregnskabsloven.

Det er vores opfattelse, at årsregnskabet giver et retvisende billede af selskabets aktiver, passiver og finansielle stilling pr. 31. december 2014 samt af resultatet af selskabets aktiviteter for regnskabsåret 1. januar - 31. december 2014.

Det er endvidere vores opfattelse, at ledelsesberetningen indeholder en retvisende redegørelse for de forhold, beretningen omhandler.

Årsrapporten indstilles til generalforsamlingens godkendelse.

Kgs. Lyngby, den 31. maj 2015

Bestyrelsen:

.....
Kurt Erling Birk
formand

.....
Jon Ingi Benediktsson

.....
Ulf Rosén

.....
Per Magnus Emmoth

.....
Claes Wilhelm Wentzel

Den uafhængige revisors erklæringer

Til kapitalejerne i Observe Medical ApS

Påtegning på årsregnskabet

Vi har revideret årsregnskabet for Observe Medical ApS for regnskabsåret 1. januar - 31. december 2014, der omfatter resultatopgørelse, balance, egenkapitalopgørelse og noter, herunder anvendt regnskabspraksis. Årsregnskabet udarbejdes efter årsregnskabsloven.

Ledelsens ansvar for årsregnskabet

Ledelsen har ansvaret for udarbejdelsen af et årsregnskab, der giver et retvisende billede i overensstemmelse med årsregnskabsloven. Ledelsen har endvidere ansvaret for den interne kontrol, som ledelsen anser nødvendig for at udarbejde et årsregnskab uden væsentlig fejlinformation, uanset om denne skyldes besvigelser eller fejl.

Revisors ansvar

Vores ansvar er at udtrykke en konklusion om årsregnskabet på grundlag af vores revision. Vi har udført revisionen i overensstemmelse med internationale standarder om revision og yderligere krav ifølge dansk revisorlovgivning. Dette kræver, at vi overholder etiske krav samt planlægger og udfører revisionen for at opnå høj grad af sikkerhed for, om årsregnskabet er uden væsentlig fejlinformation.

En revision omfatter udførelse af revisionshandlinger for at opnå revisionsbevis for beløb og oplysninger i årsregnskabet. De valgte revisionshandlinger afhænger af revisors vurdering, herunder en vurdering af risici for væsentlig fejlinformation i årsregnskabet, uanset om denne skyldes besvigelser eller fejl. Ved risikovurderingen overvejer revisor intern kontrol, der er relevant for virksomhedens udarbejdelse af et årsregnskab, der giver et retvisende billede. Formålet hermed er at udforme revisionshandlinger, der er passende efter omstændighederne, men ikke at udtrykke en konklusion om effektiviteten af virksomhedens interne kontrol. En revision omfatter endvidere en vurdering af, om ledelsens valg af regnskabspraksis er passende, om ledelsens regnskabsmæssige skøn er rimelige samt den samlede præsentation af årsregnskabet.

Det er vores opfattelse, at det opnåede revisionsbevis er tilstrækkeligt og egnet som grundlag for vores konklusion.

Revisionen har ikke givet anledning til forbehold.

Konklusion

Det er vores opfattelse, at årsregnskabet giver et retvisende billede af selskabets aktiver, passiver og finansielle stilling pr. 31. december 2014 samt af resultatet af selskabets aktiviteter for regnskabsåret 1. januar - 31. december 2014 i overensstemmelse med årsregnskabsloven.

Supplerende oplysninger vedrørende forhold i regnskabet

Uden at modificere vores konklusion henleder vi opmærksomheden på note 2 i årsregnskabet, hvor ledelsen redegør for selskabets kapitalberedskab.

Udtalelse om ledelsesberetningen

Vi har i henhold til årsregnskabsloven gennemlæst ledelsesberetningen. Vi har ikke foretaget yderligere handlinger i tillæg til den udførte revision af årsregnskabet. Det er på denne baggrund vores opfattelse, at oplysningerne i ledelsesberetningen er i overensstemmelse med årsregnskabet.

København, den 31. maj 2015

ERNST & YOUNG

Godkendt Revisionspartnerselskab

Søren Christiansen
statsaut. revisor

Morten Bjerregaard
statsaut. revisor

Resultatopgørelse for 1. januar - 31. december

Note	2014 kr.	2013 kr.
Bruttoresultat	-9.481.063	-10.399.534
3 Personaleomkostninger	-2.088.893	-2.383.664
Afskrivninger på immaterielle og materielle anlægsaktiver	<u>-398.175</u>	<u>-278.544</u>
Resultat af primær drift	-11.968.131	-13.061.742
4 Finansielle indtægter	179.371	892
5 Finansielle omkostninger	<u>-3.026</u>	<u>-32.658</u>
Resultat før skat	-11.791.786	-13.093.508
Skat af årets resultat	<u>0</u>	<u>0</u>
Årets resultat	<u>-11.791.786</u>	<u>-13.093.508</u>
Forslag til resultatdisponering		
Overført resultat	<u>-11.791.786</u>	<u>-13.093.508</u>
	<u>-11.791.786</u>	<u>-13.093.508</u>

Balance pr. 31. december

Note	2014 kr.	2013 kr.
Aktiver		
Anlægsaktiver		
Erhvervede immaterielle anlægsaktiver	<u>1.424.183</u>	<u>924.158</u>
6 Immaterielle anlægsaktiver	<u>1.424.183</u>	<u>924.158</u>
Andre anlæg, driftsmateriel og inventar	<u>21.682</u>	<u>60.444</u>
7 Materielle anlægsaktiver	<u>21.682</u>	<u>60.444</u>
8 Kapitalandele i tilknyttede virksomheder	<u>2.048.313</u>	<u>2.048.313</u>
Finansielle anlægsaktiver	<u>2.048.313</u>	<u>2.048.313</u>
Anlægsaktiver i alt	<u>3.494.178</u>	<u>3.032.915</u>
Omsætningsaktiver		
Tilgodehavender hos tilknyttede virksomheder	3.023.563	0
Andre tilgodehavender	270.376	134.220
Periodeafgrænsningsposter	<u>1.413</u>	<u>25.022</u>
Tilgodehavender	<u>3.295.352</u>	<u>159.242</u>
Likvide beholdninger	<u>245.551</u>	<u>2.661.909</u>
Omsætningsaktiver i alt	<u>3.540.903</u>	<u>2.821.151</u>
Aktiver i alt	<u>7.035.081</u>	<u>5.854.066</u>

Balance pr. 31. december

Note	2014 kr.	2013 kr.
Passiver		
Egenkapital		
9 Anpartskapital	584.519	561.962
Overført resultat	<u>83.778</u>	<u>3.898.668</u>
Egenkapital i alt	<u>668.297</u>	<u>4.460.630</u>
Gældsforpligtelser		
Gæld til tilknyttede virksomheder	<u>5.824.807</u>	<u>0</u>
10 Langfristede gældsforpligtelser	<u>5.824.807</u>	<u>0</u>
Leverandører af varer og tjenesteydelser	273.479	192.189
Gæld til tilknyttede virksomheder	0	771.889
Anden gæld	<u>268.498</u>	<u>429.358</u>
Kortfristede gældsforpligtelser	<u>541.977</u>	<u>1.393.436</u>
Gældsforpligtelser i alt	<u>6.366.784</u>	<u>1.393.436</u>
Passiver i alt	<u>7.035.081</u>	<u>5.854.066</u>

Egenkapitaloppgørelse

(kr.)	Anpartskapital	Overført resultat	I alt
Saldo pr. 1/1 2013	561.962	16.992.176	17.554.138
Årets resultat, jf. resultatdisponering		<u>-13.093.508</u>	<u>-13.093.508</u>
Egenkapital pr. 1/1 2014	561.962	3.898.668	4.460.630
Kapitalforhøjelse	22.557	7.976.896	7.999.453
Årets resultat, jf. resultatdisponering		<u>-11.791.786</u>	<u>-11.791.786</u>
Egenkapital pr. 31/12 2014	<u>584.519</u>	<u>83.778</u>	<u>668.297</u>

1. Anvendt regnskabspraksis

Årsrapporten for Observe Medical ApS er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for klasse B-virksomheder.

Årsregnskabet er aflagt efter samme regnskabspraksis som sidste år.

Koncernregnskab

Med henvisning til årsregnskabslovens § 110, stk. 1 udarbejdes ikke koncernregnskab.

Rapporteringsvaluta

Årsregnskabet er aflagt i danske kroner.

Valutaomregning

Transaktioner i fremmed valuta omregnes til danske kroner efter transaktionsdagens kurs.

Tilgodehavender, gæld og andre monetære aktiver og forpligtelser i fremmed valuta omregnes til danske kroner efter balancedagens valutakurser. Realiserede og urealiserede valutakursgevinster og -tab indregnes i resultatopgørelsen under finansielle indtægter og omkostninger.

Resultatopgørelsen

Nettoomsætning

Licens- og royaltyindtægter indregnes over aftaleperioden i overensstemmelse med aftalens indhold.

Nettoomsætning måles efter fradrag af alle former for afgivne rabatter. Ligeledes fratrækkes moms og afgifter mv. opkrævet på vegne af tredjemand.

Bruttoresultat

Posterne nettoomsætning, vareforbrug, andre eksterne omkostninger og andre driftsindtægter er med henvisning til årsregnskabslovens § 32 sammendraget til en regnskabspost benævnt bruttoresultat.

Andre driftsindtægter og -omkostninger

Andre driftsindtægter og -omkostninger indeholder regnskabsposter af sekundær karakter i forhold til virksomhedens hovedaktiviteter, herunder fortjeneste og tab ved salg af anlægsaktiver.

Vareforbrug

Vareforbrug omfatter kostprisen på de varer, som er medgået til at opnå årets nettoomsætning.

Andre eksterne omkostninger

Andre eksterne omkostninger omfatter omkostninger vedrørende virksomhedens primære aktivitet, der er afholdt i årets løb, herunder omkostninger til distribution, salg, reklame, administration, lokaler, tab på debitorer, ydelser på operationelle leasingkontrakter mv.

Personaleomkostninger

Personaleomkostninger omfatter løn og gager, inklusiv feriepenge og pensioner, samt andre omkostninger til social sikring mv. til selskabets medarbejdere. I personaleomkostninger er fratrasket modtagne godtgørelser fra offentlige myndigheder.

1. Anvendt regnskabspraksis - fortsat

Afskrivninger på immaterielle og materielle anlægsaktiver

Afskrivninger omfatter afskrivninger på immaterielle og materielle anlægsaktiver.

Kostprisen for erhvervede immaterielle rettigheder afskrives lineært over den forventede brugstid. Erhvervede immaterielle rettigheder omfatter patenter og varemærker.

Den vurderede brugstid for immaterielle anlægsaktiver udgør:

	Brugstid (år)
Erhvervede immaterielle rettigheder	5 - 8

Materielle anlægsaktiver afskrives lineært over de enkelte aktivers forventede brugstid. Afskrivningsgrundlaget udgør kostprisen.

Aktivernes forventede brugstid udgør:

	Brugstid (år)
Andre anlæg, driftsmateriel og inventar	5

Finansielle indtægter og omkostninger

Finansielle indtægter og omkostninger indregnes i resultatopgørelsen med de beløb, der vedrører regnskabsåret. Finansielle poster omfatter renteindtægter og -omkostninger samt tillæg og godtgørelse under acontoskatteordningen mv.

Skat

Skat af årets resultat omfatter aktuel skat af årets forventede skattepligtige indkomst og årets regulering af udskudt skat. Årets skat indregnes i resultatopgørelsen med den del, der kan henføres til årets resultat, og i egenkapitalen med den del, som kan henføres til transaktioner indregnet i egenkapitalen.

Balancen

Immaterielle anlægsaktiver

Erhvervede immaterielle anlægsaktiver omfatter patenter og varemærker.

Erhvervede immaterielle anlægsaktiver måles til kostpris med fradrag af akkumulerede af- og nedskrivninger.

Materielle anlægsaktiver

Materielle anlægsaktiver måles til kostpris med fradrag af akkumulerede af- og nedskrivninger. Kostprisen omfatter anskaffelsesprisen og omkostninger direkte knyttet til anskaffelsen indtil det tidspunkt, hvor aktivet er klar til brug.

Kapitalandele i tilknyttede virksomheder

Kapitalandele i dattervirksomheder virksomheder måles til kostpris. Modtaget udbytte, der overstiger den akkumulerede indtjening i dattervirksomheden i ejerperioden, behandles som en reduktion af kostprisen.

Værdiforringelse af anlægsaktiver

Immaterielle og materielle anlægsaktiver samt kapitalandele i dattervirksomheder vurderes årligt for indikationer på værdiforringelse. Såfremt der er indikationer på værdiforringelse foretages nedskrivningstest for hvert enkelt aktiv henholdsvis hver gruppe af aktiver der genererer uafhængige pengestrømme. Aktiverne nedskrives til genindvindingsværdien, som udgør den højeste værdi af kapitalværdien og nettosalgsprisen (genvindingspris), såfremt denne er lavere end den regnskabsmæssige værdi. Nedskrivning på en gruppe af aktiver fordeles således, at der først nedskrives på goodwill og derefter forholdsmæssigt på de øvrige aktiver.

1. Anvendt regnskabspraksis - fortsat

Tilgodehavender

Tilgodehavender måles til amortiseret kostpris, der sædvanligvis svarer til nominel værdi. Der foretages nedskrivning til imødegåelse af tab baseret på en objektiv indikation på, at et tilgodehavende eller en gruppe af tilgodehavender er værdiforringet. Nedskrivning foretages til nettorealisationsværdi, såfremt denne er lavere end regnskabsmæssig værdi.

Periodeafgrænsningsposter

Periodeafgrænsningsposter indregnet under aktiver omfatter forudbetalte omkostninger vedrørende efterfølgende regnskabsår.

Likvider

Likvide beholdninger omfatter kontante beholdninger og bankindeståender.

Selskabsskat

Aktuelle skatteforpligtelser og tilgodehavende skat indregnes i balancen som beregnet skat af årets forventede skattepligtige indkomst reguleret for skat af tidligere års skattepligtige indkomster samt betalte acontoskatter.

Hensættelse til udskudt skat beregnes efter den balanceorienterede gældsmetode af alle midlertidige forskelle mellem regnskabsmæssige og skattemæssige værdier af aktiver og forpligtelser, bortset fra midlertidige forskelle, som opstår på anskaffelsestidspunktet for aktiver og forpligtelser, og som hverken påvirker resultatet eller den skattepligtige indkomst, samt midlertidige forskelle på skattemæssigt ikke-afskrivningsberettiget goodwill.

Udskudt skat måles på grundlag af de skatteregler og skattesatser, der med balancedagens lovgivning vil være gældende, når den udskudte skat forventes udløst som aktuel skat. Udskudte skatteaktiver indregnes med den værdi, som de forventes at blive udnyttet med, enten ved udligning i skat af fremtidig indtjening eller ved modregning i udskudte skatteforpligtelser inden for samme jurisdiktion.

Andre gældsforpligtelser

Andre gældsforpligtelser måles til nettorealisationsværdien.

2. Usikkerhed om going concern

Selskabet har i regnskabsåret realiseret et resultat på -11,792 t. kr. mod -13,094 t. kr. sidste år, og selskabets balance udviser en egenkapital på 668 kr. pr. 31. december 2014. Ifølge budgettet for 2015 forventes et resultat på ca. -5.000 t. kr., hvorved selskabskapitalen vil være tabt.

Selskabet kan således for nuværende ikke finansiere sin egen drift og er afhængig af tilførsel af driftskapital til finansiering af de nuværende planer og budgetter. Kapitalejerne i moderselskabet Observe Medical International AB har erklæret at ville tilføre likviditet til finansiering af de nuværende planer og budgetter, som minimum i 12 måneder fra balancedagen.

Endvidere har datterselskabet erklæret, at dets nettotilgodehavende udgørende 5.825 t.kr. pr. 31. december 2014 træder tilbage for selskabets øvrige kreditorer (nuværende som fremtidige).

Baseret herpå er årsregnskabet aflagt under forudsætningen om fortsat drift.

3. Personaleomkostninger

Personaleomkostninger er opgjort således:

	2014 kr.	2013 kr.
Lønninger	1.956.800	2.199.241
Andre omkostninger til social sikring	12.733	11.859
Andre personaleomkostninger	<u>119.360</u>	<u>172.564</u>
	<u>2.088.893</u>	<u>2.383.664</u>

4. Finansielle indtægter

Renteindtægter i øvrigt	125	125
Valutakursreguleringer	<u>179.246</u>	<u>767</u>
	<u>179.371</u>	<u>892</u>

5. Finansielle omkostninger

Renteomkostninger i øvrigt	1.141	0
Valutakurstab	0	32.658
Rentetillæg og skat indregnet som finansielle poster	<u>1.885</u>	<u>0</u>
	<u>3.026</u>	<u>32.658</u>

Noter

6. Immaterielle anlægsaktiver

(kr.)	Erhvervede immaterielle anlægsaktiver
Kostpris	
Saldo pr. 1/1 2014	1.534.111
Tilgang i årets løb	<u>859.538</u>
Kostpris pr. 31/12 2014	<u>2.393.649</u>
Af- og nedskrivninger	
Saldo pr. 1/1 2014	583.681
Årets afskrivninger	<u>385.785</u>
Af- og nedskrivninger pr. 31/12 2014	<u>969.466</u>
Regnskabsmæssig værdi pr. 31/12 2014	<u><u>1.424.183</u></u>

7. Materielle anlægsaktiver

(kr.)	Andre anlæg, driftsmateriel og inventar
Kostpris	
Saldo pr. 1/1 2014	<u>37.169</u>
Kostpris pr. 31/12 2014	<u>37.169</u>
Af- og nedskrivninger	
Saldo pr. 1/1 2014	3.097
Årets afskrivninger	<u>12.390</u>
Af- og nedskrivninger pr. 31/12 2014	<u>15.487</u>
Regnskabsmæssig værdi pr. 31/12 2014	<u><u>21.682</u></u>

Noter

8. Kapitalandele

(kr.)	<u>Tilknyttede virksomheder</u>
Kostpris	
Saldo pr. 1/1 2014	<u>2.048.313</u>
Kostpris pr. 31/12 2014	<u>2.048.313</u>
Regnskabsmæssig værdi pr. 31/12 2014	<u>2.048.313</u>

	<u>Hjemsted</u>	<u>Ejerandel %</u>	<u>Egenkapital kr.</u>	<u>Resultat kr.</u>
Dattervirksomheder				
Observe Medical Nordic AB	Göteborg, Sverige	100,00	687.662	184.268

9. Anpartskapital

Anpartskapitalen kr. 584.519, sammensættes således:

	<u>31/12 2014 kr.</u>	<u>31/12 2013 kr.</u>
125.000 A-anpart(er) a kr. 1,00	125.000	125.000
59.559 B-anpart(er) a kr. 1,00	59.559	59.559
132.259 C-anpart(er) a kr. 1,00	132.259	132.259
42.136 D-anpart(er) a kr. 1,00	42.136	42.136
75.188 E-anpart(er) a kr. 1,00	75.188	75.188
150.377 F-anpart(er) a kr. 1,00	<u>150.377</u>	<u>127.820</u>
	<u>584.519</u>	<u>561.962</u>

	<u>2014 kr.</u>	<u>2013 kr.</u>	<u>2012 kr.</u>	<u>2011 kr.</u>	<u>2010 kr.</u>
Anpartskapitalen har udviklet sig således de seneste 5 år:					
Saldo primo	561.962	434.142	358.954	213.592	125.000
Kapitalforhøjelse	<u>22.557</u>	<u>127.820</u>	<u>75.188</u>	<u>145.362</u>	<u>88.592</u>
Saldo ultimo	<u>584.519</u>	<u>561.962</u>	<u>434.142</u>	<u>358.954</u>	<u>213.592</u>

10. Langfristede gældsforpligtelser

Af de langfristede gældsforpligtelser forfalder 0 kr. senere end 5 år fra balancedagen.

11. Sikkerhedsstillelser

Til sikkerhed for selskabets gæld over for banker er stillet sikkerhed i virksomhedens aktiver for en værdi af 100 t. kr.

12. Eventualforpligtelser og andre økonomiske forpligtelser

Andre økonomiske forpligtelser

Ingen

13. Nærtstående parter

Følgende kapitalejere er noteret i selskabets ejerbog som ejende minimum 5 % af anpartskapitalen:

Navn	Bopæl/Hjemsted
Observe Medical International AB	Stockholm, Sverige

Observe Medical ApS

CVR-nr. 32 76 31 62



Revisionsprotokollat

af 31. maj 2015
til årsregnskab for 2014



Building a better
working world

Indhold

1	Indledning	48
2	Konklusion på den udførte revision	48
3	Betydelige forhold vedrørende revisionen	48
3.1	Kapitalberedskab	48
3.2	Opfølgning på bemærkninger i tidligere revisionsprotokollater	49
4	Ikke-korrigeret fejlinformation	49
4.1	Ikke-korrigeret kvantitativ fejlinformation	49
5	Redegørelse for revisionen	49
5.1	Risikovurdering	49
5.2	Risiko for besvigelser	50
5.3	Bestyrelsens forhandlingsprotokollat	50
5.4	Revision af enkeltposter i årsregnskabet	50
5.5	Skat	52
6	Andre erklæringer og bekræftelser	52
6.1	Indhentede erklæringer og bekræftelser	52
7	Lovpligtige oplysninger	52

1 Indledning

Vi har revideret det fremlagte udkast til årsregnskab for Observe Medical ApS (virksomheden) for 2014, der udarbejdes efter årsregnskabsloven. Vi har i tilknytning til revisionen læst ledelsesberetningen.

Årsregnskabet udviser følgende hovedtal for virksomheden:

t.kr.	2014	2013
Årets resultat efter skat	-11.792	-13.094
Samlede aktiver	7.035	5.854
Egenkapital	668	4.461

Revisionsprotokollatet er alene udarbejdet til brug for bestyrelsen og forudsættes ikke anvendt af andre eller til andre formål.

2 Konklusion på den udførte revision

Vedtages årsregnskabet i den foreliggende form, og fremkommer der ikke under bestyrelsens behandling og vedtagelse af årsregnskabet yderligere oplysninger, som kan påvirke årsregnskabet, vil vi forsyne årsregnskabet med en revisionspåtegning uden forbehold men med følgende supplerende oplysninger vedrørende forhold i regnskabet.

"Uden at modificere vores konklusion henleder vi opmærksomheden på note 2 i årsregnskabet, hvori ledelsen redegør for virksomhedens kapitalberedskab."

Endvidere vil vi afgive en udtalelse om ledelsesberetningen uden bemærkninger.

3 Betydelige forhold vedrørende revisionen

Baseret på vores revision skal vi fremhæve følgende betydelige forhold, som efter vores vurdering er relevante for bestyrelsen:

3.1 Kapitalberedskab

Det er ledelsens ansvar at påse, at virksomhedens kapitalberedskab til enhver tid er forsvarligt, herunder at der er tilstrækkelig likviditet til at opfylde virksomhedens nuværende og fremtidige forpligtelser, efterhånden som de forfalder.

Virksomheden har i regnskabsåret realiseret et resultat på -11.792 t.kr. mod -13.094 t.kr. sidste år, og virksomhedens balance udviser en egenkapital på 668 t.kr. pr. 31. december 2014. Ifølge budgettet for 2015 forventes et resultat på ca. -5.000 t.kr., hvorved selskabskapitalen vil være tabt.

Selskabsloven indeholder bestemmelser om, at virksomhedens bestyrelse skal tage stilling til, om virksomhedens kapitalberedskab til enhver tid er forsvarligt i forhold til virksomhedens fortsatte drift. Herudover skal direktionen foranledige, at der indkaldes til en generalforsamling, senest 6 måneder efter virksomheden har tabt halvdelen af aktiekapitalen, og på generalforsamlingen redegøre for virksomhedens økonomiske stilling og om fornødent stille forslag om foranstaltninger, der bør træffes.

Virksomheden kan for nuværende ikke finansiere sin egen drift og er afhængig af tilførsel af driftskapital til finansiering af de nuværende planer og budgetter. Kapitalejerne i moderselskabet Observe Medical International AB har erklæret at ville tilføre likviditet til finansiering af de nuværende planer og budgetter, som minimum i 12 måneder fra balancedagen.

Endvidere har dattervirksomheden erklæret, at deres nettotilgodehavende udgørende 5.825 t.kr. pr. 31. december 2014 træder tilbage for selskabets øvrige kreditorer (nuværende som fremtidige).

Direktionen har oplyst, at den finder virksomhedens kapitalberedskab forsvarligt set i forhold til virksomhedens tilsagn fra modervirksomheden og det forventede kapitalbehov for 2015.

Vi har ikke bemærkninger til ovenstående, og på denne baggrund har vi forsynet årsrapporten for 2014 med en påtegning uden modificering men med supplerende oplysninger vedrørende virksomhedens kapitalberedskab.

3.2 Opfølgning på bemærkninger i tidligere revisionsprotokollater

I vores revisionsprotokollat af 26. marts 2014 anførte vi, at direktionen kunne disponere alene over virksomhedens likvide beholdninger, hvilket forøgede risikoen for tilsigtede eller utilsigtede fejl, mangler eller uregelmæssigheder kunne forekomme.

Vi har noteret os, at fuldmagtsforhold til virksomhedens likvide beholdninger er ændret således, at direktionen udelukkende kan disponere sammen med bestyrelsesformanden.

4 Ikke-korrigeret fejlinformation

4.1 Ikke-korrigeret kvantitativ fejlinformation

Vi er ikke bekendt med fejlinformationer, som ikke er indarbejdet i det foreliggende udkast til årsregnskab.

Vi har i henhold til aftale assisteret med udarbejdelsen af årsregnskabet og i den forbindelse foreslået enkelte korrektioner til bogholderiet. Vi henviser til de fremsendte efterposterings.

5 Redegørelse for revisionen

Vi har udført revisionen i overensstemmelse med internationale standarder om revision og yderligere krav ifølge dansk revisorlovgivning. Revisionens formål og omfang samt ansvaret for regnskabsaflæggelsen er omtalt i vores revisionsprotokollat af den 29. april 2011.

5.1 Risikovurdering

Med henblik på at opdatere vores forståelse og kendskab til virksomheden og dens omgivelser samt vurdere risici for væsentlig fejlinformation i årsregnskabet har vi med den daglige ledelse drøftet risikoen for væsentlig fejlinformation i årsregnskabet og de af ledelsen iværksatte tiltag til styring heraf, herunder med henblik på at forebygge, opdage og korrigere fejl.

Vi har i den forbindelse vurderet de overordnede kontroller og kontrollerne inden for udvalgte væsentlige regnskabsområder.

Baseret på vores drøftelser med den daglige ledelse og vores kendskab til virksomhedens aktiviteter og forhold i øvrigt har vi identificeret følgende regnskabsposter/-områder, hvortil der efter vores opfattelse er knyttet forøget iboende risiko for væsentlig fejlinformation i årsregnskabet, uanset om fejlinformationen skyldes besvigelser eller fejl:

Regnskabspost/-områder	Revisionsmål
▶ Patenter	Værdiansættelse
▶ Kapitalandele i tilknyttede virksomheder	Værdiansættelse
▶ Transaktioner med nærtstående parter	Aftalegrundlag, fuldstændighed og præsentation
▶ Kapitalberedskab	Going concern og likviditet

Vores risikovurdering og vurderingen af risici for væsentlig fejlinformation i årsregnskabet er uændret i forhold til sidste år.

På baggrund af risikovurderingen og vurderingen af risici for væsentlig fejlinformation i årsregnskabet har vi fastlagt den overordnede revisionsstrategi for 2014.

På baggrund af den fastlagte revisionsstrategi har vi udarbejdet en revisionsplan med henblik på at reducere risikoen for, at vi ikke identificerer væsentlig fejlinformation i årsregnskabet, til et acceptabelt lavt niveau.

Virksomheden har et begrænset antal medarbejdere, hvilket medfører, at det ikke på alle områder er muligt at etablere en effektiv funktionsadskillelse og dermed effektiv intern kontrol. Ledelsen er bekendt med, at dette medfører en øget risiko for, at tilsigtede og utilsigtede fejl, mangler eller uregelmæssigheder kan opstå og forblive uopdagede. Ledelsen har oplyst, at den kompenserer herfor gennem løbende overvågning af virksomhedens aktiviteter og gennemgang af virksomhedens økonomirapportering.

Virksomhedens ledelse har oplyst, at en effektiv funktionsadskillelse på alle områder ikke er hensigtsmæssig med de roller virksomhedens nuværende medarbejdere har. Den forøgede risiko er således vurderet og accepteret af virksomhedens ledelse, der er opmærksom på de heraf forøgede krav til ledelsesmæssig overvågning.

Som følge af den manglende funktionsadskillelse har revisionen primært været tilrettelagt ud fra en substansbaseret tilgang, hvor vi ved stikprøver tester poster i resultatopgørelse, balance, noter og andre krævede oplysninger m.v. til ekstern og anden dokumentation samt udfører substansanalytisk revision. Ved substansanalytisk revision foretages en vurdering af udvalgte regnskabsposter gennem analyse af forventelige sammenhænge mellem både finansielle og ikke-finansielle oplysninger.

5.2 Risiko for besvigelser

Vi har planlagt og udført vores revision for at opnå høj grad af sikkerhed for, at årsregnskabet som helhed er uden væsentlig fejlinformation som følge af besvigelser eller fejl.

Vi har ikke under vores revision konstateret forhold, der kunne indikere eller vække mistanke om besvigelser af betydning for informationerne i årsregnskabet.

Direktionen har oplyst, at virksomhedens forretningsgange og interne kontroller inden for de væsentlige områder efter dens opfattelse anses for dækkende og velfungerende til imødegåelse af risikoen for besvigelser, herunder at der eksisterer passende funktionsadskillelse.

Direktionen har endvidere oplyst, at den ikke har kendskab til besvigelser eller igangværende undersøgelser af formodede besvigelser.

Vi tillader os at betragte bestyrelsens underskrift på dette revisionsprotokollat som en bekræftelse på, at bestyrelsen ikke har kendskab til sådanne forhold.

5.3 Bestyrelsens forhandlingsprotokollat

Vi har læst bestyrelsens forhandlingsprotokollat frem til mødet den 27. maj 2014.

Gennemlæsningen har ikke afdækket forhold, der efter vores opfattelse skal indgå i årsregnskabet eller ledelsesberetningen.

5.4 Revision af enkeltposter i årsregnskabet

I det følgende gennemgås revisionen af udvalgte regnskabsposter, som vi har fundet er relevante for bestyrelsen.

5.4.1 Patenter og varemærker

Den regnskabsmæssige værdi af patenter og varemærker udgør 1.424 t.kr. pr. 31. december 2014 (2013: 924 t.kr.).

Vi har drøftet Observe Medical koncernens forretningsplan for 2015-2017 med den daglige ledelse, herunder de anlagte forudsætninger til salg og indtjening, ekspansion til øvrige geografiske markeder, kapitalberedskab og likviditet m.v.

Det er ledelsens vurdering, at nutidsværdien af de forventede fremtidige pengestrømme fra anvendelse af virksomhedens patenter og varemærker eller nettorealiseringsværdien overstiger den regnskabsmæssige værdi pr. 31. december 2014.

Den af ledelsen foretagne værdiforringelsestest af immaterielle anlægsaktiver baserer sig på den udarbejdede forretningsplan for 2015-2017 og foreliggende budgetter. Det er bl.a. lagt til grund, at der realiseres et EBITDA på 5 mio. kr. i 2016, 18 mio. kr. i 2017 og 40 mio. kr. i 2018. Der henvises til foreliggende resultatprognoser og den af ledelsen udarbejdede opgørelse af equity value pr. 31. december 2014.

Ved beregningerne er anvendt en diskonteringsrente på 25 %. Diskonteringsrenten er efter vores opfattelse på et konservativt niveau under hensyntagen til det aktuelle renteniveau med tillæg af risikoen knyttet til salget af produktet Sippi.

Direktionen har fastholdt den regnskabsmæssige værdi af immaterielle anlægsaktiver pr. 31. december 2014, som udgør 1.424 t.kr. Ledelsen har foretaget værdiforringelsestest baseret på en vurdering af selskabets fremtidige resultater og pengestrømme samt nettorentebærende gæld.

Nedskrivningstesten viser at værdien af virksomheden overstiger den regnskabsmæssige værdi af egenkapitalen pr. 31. december 2014, hvorfor værdiansættelsen af immaterielle anlægsaktiver kan fastholdes.

I det omfang de fremtidige resultater og pengestrømme ikke udvikler sig som forudsat i nedskrivningstesten kan der blive behov for nedskrivning af immaterielle anlægsaktiver.

Vi kan tilslutte os den regnskabsmæssige behandling.

5.4.2 Kapitalandele i tilknyttede virksomheder

Den regnskabsmæssige værdi af kapitalandele i dattervirksomheder udgør 2.048 t.kr. pr. 31. december 2014 (2013: 2.048 t.kr.).

Som følge af at kapitalandelene indregnes til kostpris, skal ledelsen vurdere, om der er indikatorer på, at genindvindingsværdien for kapitalandelen er lavere end kostprisen. Hvis genindvindingsværdien er lavere, skal kapitalandelene nedskrives til genindvindingsværdi.

Dattervirksomheden Observe Medical Nordic AB har i slutningen af 2014 påbegyndt salget af Observe Medical koncernens uromter Sippi. Der er i 2014 realiseret et positivt resultat efter skat på 184 t.kr., hvorefter dattervirksomhedens egenkapital udgør 684 t.kr. pr. 31. december 2014. Baseret på de foreliggende budgetter og forventninger til salget af Observe Medical koncernens uromter Sippi er det ledelsens vurdering, at kapitalandele i dattervirksomheden er værdiansat forsvarligt.

Vi kan tilslutte os den regnskabsmæssige behandling.

5.4.3 Mellemværende med tilknyttede virksomheder

Virksomhedens tilgodehavende fra tilknyttede virksomheder udgør 3.024 t.kr. og består af virksomhedens mellemværende med modervirksomheden Observe Medical International AB. Mellemværendet afregnes løbende og udgør resterende tilgodehavende fra aktieejertilskud gennemført i november 2014.

Virksomhedens gæld til tilknyttede virksomheder udgør 5.825 t.kr. og består af virksomhedens mellemværende med dattervirksomheden Observe Medical Nordic AB. Mellemværendet afregnes løbende og er opstået som led i den mellem virksomhederne indgåede Service Level Agreement omfattende viderefakturering af afholdte omkostninger med tillæg af mark-up.

Vi har som led i revisionen påset, at transaktioner med nærtstående parter identificeres og er understøttet af behørigt godkendte aftaler samt præsenteres behørigt i årsregnskabet.

Direktionen har over for os bekræftet, at de i regnskabsåret gennemførte transaktioner med nærtstående parter er sket på markedsmæssige vilkår.

Vi kan tilslutte os den regnskabsmæssige behandling.

5.5 Skat

Den foretagne revision af årsregnskabet er tilrettelagt med henblik på at opfylde lovgivningens bestemmelser om revision og tager således ikke direkte sigte på opgørelsen af den skattepligtige indkomst eller på at kontrollere, at alle poster behandles skattemæssigt korrekt.

Aktuel skat

Vi har gennemgået beregningen af den aktuelle skat. Ved gennemgangen har vi overordnet påset, at gældende skatteregler er fulgt. Gennemgangen har ikke givet anledning til væsentlige bemærkninger.

Udskudt skat

Der indgår ikke udskudte skatter i balancen pr. 31. december 2014, da der på tidspunktet for regnskabsaflæggelsen er usikkerhed forbundet med tidspunktet for udnyttelse af de skattemæssigt fremførbare underskud.

Vi kan tilslutte os den regnskabsmæssige behandling.

6 Andre erklæringer og bekræftelser

6.1 Indhentede erklæringer og bekræftelser

Vi har indhentet en regnskabserklæring underskrevet af virksomhedens direktion.

Vi har endvidere indhentet advokatbrev og engagementsoversigter fra virksomhedens advokatforbindelser og banker.

Vores gennemgang af de indhentede erklæringer har ikke givet anledning til bemærkninger.

7 Lovpligtige oplysninger

I henhold til revisorloven og etiske regler for revisorer skal vi oplyse,

at vi opfylder de i lovgivningen indeholdte uafhængighedsbestemmelser, og

at vi har modtaget alle de oplysninger, der er anmodet om.

København, den 31. maj 2015

ERNST & YOUNG

Godkendt Revisionspartnerselskab



Søren Christiansen
statsaut. revisor



Morten Bjerregaard
statsaut. revisor



Siderne 47-53 er fremlagt på mødet den 31. maj 2015.

I bestyrelsen:

.....
Kurt Erling Birk
formand

.....
Jón Ingi Benediktsson

.....
Ulf Rosén

.....
Per Magnus Emmoth

.....
Claes Wilhelm Wentzel

Revisionsberättelse

Till årsstämman i Observe Medical Nordic AB, org. nr 556723-2037

Rapport om årsredovisningen

Vi har utfört en revision av årsredovisningen för Observe Medical Nordic AB för år 2014.

Styrelsens och verkställande direktörens ansvar för årsredovisningen

Det är styrelsen och verkställande direktören som har ansvaret för att upprätta en årsredovisning som ger en rättvisande bild enligt årsredovisningslagen och för den interna kontroll som styrelsen och verkställande direktören bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på fel.

Revisorns ansvar

Vårt ansvar är att uttala oss om årsredovisningen på grundval av vår revision. Vi har utfört revisionen enligt International Standards on Auditing och god revisionsssed i Sverige. Dessa standarder kräver att vi följer yrkesetiska krav samt planerar och utför revisionen för att uppnå rimlig säkerhet att årsredovisningen inte innehåller väsentliga felaktigheter.

En revision innefattar att genom olika åtgärder inhämta revisionsbevis om belopp och annan information i årsredovisningen. Revisorn väljer vilka åtgärder som ska utföras, bland annat genom att bedöma riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller på fel. Vid denna riskbedömning beaktar revisorn de delar av den interna kontrollen som är relevanta för hur bolaget upprättar årsredovisningen för att ge en rättvisande bild i syfte att utforma granskningsåtgärder som är ändamålsenliga med hänsyn till omständigheterna, men inte i syfte att göra ett uttalande om effektiviteten i bolagets interna kontroll. En revision innefattar också en utvärdering av ändamålsenligheten i de redovisningsprinciper som har använts och av rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen, liksom en utvärdering av den övergripande presentationen i årsredovisningen.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Uttalanden

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Observe Medical Nordic ABs finansiella ställning per den 31 december 2014 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenligt med årsredovisningens övriga delar.

Vi tillstyrker därför att årsstämman fastställer resultaträkningen och balansräkningen.

Rapport om andra krav enligt lagar och andra författningar

Utöver vår revision av årsredovisningen har vi även utfört en revision av förslaget till dispositioner beträffande bolagets vinst eller förlust samt styrelsens och verkställande direktörens förvaltning för Observe Medical Nordic AB för år 2014.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust, och det är styrelsen och verkställande direktören som har ansvaret för förvaltningen enligt aktiebolagslagen.

Revisorns ansvar

Vårt ansvar är att med rimlig säkerhet uttala oss om förslaget till dispositioner beträffande bolagets vinst eller förlust och om förvaltningen på grundval av vår revision. Vi har utfört revisionen enligt god revisionsssed i Sverige.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Som underlag för vårt uttalande om ansvarsfrihet har vi utöver vår revision av årsredovisningen granskat väsentliga beslut, åtgärder och förhållanden i bolaget för att kunna bedöma om någon styrelseledamot eller verkställande direktören är ersättningsskyldig mot bolaget. Vi har även granskat om någon styrelseledamot eller verkställande direktören på annat sätt har handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Uttalanden

Vi tillstyrker att årsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Stockholm den 25 mars 2015

KPMG AB


Mattias Lötbörn
Auktoriserad revisor

Årsredovisning för

Observe Medical Nordic AB

556723-2037

Räkenskapsåret
2014-01-01 - 2014-12-31

Innehållsförteckning:	Sida
Förvaltningsberättelse	1
Resultaträkning	2
Balansräkning	3-4
Ställda säkerheter och ansvarsförbindelser	4
Noter	5-7
Underskrifter	8

Fastställelseintyg

Undertecknad styrelseledamot i Observe Medical Nordic AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 2015- . Stämman beslöt också att godkänna styrelsens förslag till resultatdisposition.

Göteborg 2015-



Magnus Emmoth
Verkställande direktör

Förvaltningsberättelse

Styrelsen för Observe Medical Nordic AB, 556723-2037 får härmed avge årsredovisning för 2014.

Allmänt om verksamheten

Bolagets verksamhet startade 2007 och består av utveckling och försäljning av medicintekniska produkter. Utvecklingen av produkten Sippi, en digital urometer, har fortlöpt under året och lansering av Sippi påbörjades under slutet av året.

Utveckling av företagets verksamhet, resultat och ställning

	2014-12-31	2013-12-31	2012-12-31	2011-12-31	2010-12-31
Nettoomsättning	10 526 160,0	11 117 036,0	9 188 327,0	6 328 000,0	3 744 000,0
Rörelsemarginal %	4,0	0,9	-2,5	-2,9	-20,5
Balansomslutning	9 358 781,0	4 725 253,0	2 748 154,0	1 455 000,0	1 469 000,0
Avkastning på eget kapital %	35,8	-5,8	73,7	neg	neg
Soliditet %	9,4	13,6	13,0	-54,0	-39,0

Byte av redovisningsprincip

Från och med den 1 januari 2014 tillämpar företaget BFNAR 2012:1. Införandet av det allmänna rådet har inneburit ett byte av redovisningsprinciper och har haft betydande effekt på resultat- och balansräkningarna. För att uppnå jämförbarhet över företagets utveckling och ställning har omräkning skett av jämförelseåret.

Förslag till disposition av företagets vinst eller förlust

Styrelsen föreslår att till förfogande stående vinstmedel, kronor 763 085, disponeras enligt följande:

	Belopp i kr
Balanseras i ny räkning	763 085
Summa	763 085

Vad beträffar företagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

3 -

Resultaträkning

Belopp i kr	Not	2014-01-01- 2014-12-31	2013-01-01- 2013-12-31
Nettoomsättning	2	10 526 160	11 005 869
Förändring av lagervaror, färdiga varor.		-1 146 545	103 678
Övriga rörelseintäkter		-	7 489
		<u>9 379 615</u>	<u>11 117 036</u>
Rörelsens kostnader			
Handelsvaror		-327 623	-197 343
Övriga externa kostnader		-2 690 117	-4 421 361
Personalkostnader	3	-5 527 309	-6 016 755
Av/nedskrivningar av materiella och immateriella anläggningstillgångar		-409 321	-374 494
Övriga rörelsekostnader	4	<u>-6 685</u>	<u>-11 862</u>
Rörelseresultat		<u>418 560</u>	<u>95 221</u>
Resultat från finansiella poster			
Övriga ränteintäkter och liknande intäkter	5	363	755
Räntekostnader och liknande kostnader	6	<u>-105 389</u>	<u>-133 310</u>
Resultat efter finansiella poster		<u>313 534</u>	<u>-37 334</u>
Resultat före skatt		<u>313 534</u>	<u>-37 334</u>
Skatt på årets resultat		-78 977	9 642
Årets resultat		<u>234 557</u>	<u>-27 692</u>

h

Balansräkning

Belopp i kr	Not	2014-12-31	2013-12-31
TILLGÅNGAR			
Anläggningstillgångar			
<i>Materiella anläggningstillgångar</i>			
Maskiner och inventarier	7	838 611	1 115 182
		<u>838 611</u>	<u>1 115 182</u>
<i>Finansiella anläggningstillgångar</i>			
Uppskjuten skattefordran		236 132	315 109
		<u>236 132</u>	<u>315 109</u>
Summa anläggningstillgångar		<u>1 074 743</u>	<u>1 430 291</u>
Omsättningstillgångar			
<i>Varulager mm</i>			
Färdiga varor och handelsvaror		619 250	1 259 859
		<u>619 250</u>	<u>1 259 859</u>
<i>Kortfristiga fordringar</i>			
Kundfordringar		26 881	-
Fordringar hos koncernföretag		7 414 469	925 206
Övriga fordringar		71 891	811 070
Förutbetalda kostnader och upplupna intäkter		116 252	232 742
		<u>7 629 493</u>	<u>1 969 018</u>
Kassa och bank		35 295	66 085
Summa omsättningstillgångar		<u>8 284 038</u>	<u>3 294 962</u>
SUMMA TILLGÅNGAR		<u>9 358 781</u>	<u>4 725 253</u>

4 -

Balansräkning

Belopp i kr	Not	2014-12-31	2013-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	8		
Bundet eget kapital			
Aktiekapital (112249 aktier)		112 249	112 249
		<u>112 249</u>	<u>112 249</u>
Fritt eget kapital			
Överkursfond		537 761	537 761
Balanserad vinst eller förlust		-324 343	-287 008
Vinst eller förlust föregående år		315 109	305 467
Årets resultat		<u>234 557</u>	<u>-27 692</u>
		763 084	528 528
Summa eget kapital		<u>875 333</u>	<u>640 777</u>
Långfristiga skulder			
Övriga skulder till kreditinstitut		1 157 985	1 697 025
		<u>1 157 985</u>	<u>1 697 025</u>
Kortfristiga skulder			
Leverantörsskulder		1 579 675	812 921
Skulder till koncernföretag		4 135 267	-
Skatteskulder		28 246	-
Övriga kortfristiga skulder		139 257	137 898
Upplupna kostnader och förutbetalda intäkter		<u>1 443 018</u>	<u>1 436 632</u>
		7 325 463	2 387 451
SUMMA EGET KAPITAL OCH SKULDER		<u>9 358 781</u>	<u>4 725 253</u>

Ställda säkerheter och ansvarsförbindelser

Ställda säkerheter

	2014-12-31	2013-12-31
Ställda säkerheter för egna skulder och avsättningar		
Fastighetsinteckningar	650 000	650 000
Summa	650 000	650 000
Inteckningen är i eget förvar		

Ansvarsförbindelser

Ansvarsförbindelser	Inga	Inga
---------------------	------	------

h -

Noter

Not 1 Redovisningsprinciper

Belopp i kr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFAR 2012:1 Årsredovisning och koncernredovisning (K3).

Bolaget ägs till 100% av Observe Medical ApS.

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Avskrivningar

Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod eftersom det återspeglar den förväntade förbrukningen av tillgångens framtida ekonomiska fördelar. Avskrivningen redovisas som kostnad i resultaträkningen.

Materiella anläggningstillgångar

Maskiner och inventarier

År

5

Varulager

Varulagret är upptaget till det lägsta av anskaffningsvärdet och nettoförsäljningsvärdet. Därvid har inkuransrisk beaktats. Anskaffningsvärdet beräknas enligt vägda genomsnittspriser. I anskaffningsvärdet ingår förutom utgifter för inköp även utgifter för att bringa varorna till deras aktuella plats och skick.

Not 2 Nettoomsättning per rörelsegren och geografisk marknad

Nettoomsättning per rörelsegren

	2014-01-01- 2014-12-31	2013-01-01- 2013-12-31
Försäljning varor	181 691	256 954
Försäljning tjänster		7 800 000
Intäkter från moderbolag	10 344 469	2 948 970
Lagerförändring	-1 146 545	103 623
Övriga rörelseintäkter		7 489
Summa	9 379 615	11 117 036

Not 3 Anställda och personalkostnader

Medelantalet anställda

	2014-01-01- 2014-12-31	2013-01-01- 2013-12-31
Män	5	6
Kvinnor	2	2
Totalt	7	8

Löner, andra ersättningar och sociala kostnader

	2014-01-01- 2014-12-31	2013-01-01- 2013-12-31
Löner och andra ersättningar:	3 920 449	4 312 441
Sociala kostnader	1 410 691	1 523 220
(varav pensionskostnader) 1)	125 342	88 185

1) Av företagets pensionskostnader avser 0 kr (f.å. 0 kr) företagets ledning. Företagets utestående pensionsförpliktelser till dessa uppgår till 0 kr (f.å. 0 kr).

Not 4 Övriga rörelsekostnader

	2014-01-01- 2014-12-31	2013-01-01- 2013-12-31
Kursförluster på fordringar/skulder av rörelsekaraktär	6 685	11 862
Summa	6 685	11 862

Not 5 Ränteintäkter och liknande intäkter

	2014-01-01- 2014-12-31	2013-01-01- 2013-12-31
Ränteintäkter, övriga	363	755
Summa	363	755

Not 6 Räntekostnader och liknande kostnader

	2014-01-01- 2014-12-31	2013-01-01- 2013-12-31
Räntekostnader, övriga	105 389	133 310
Summa	105 389	133 310

Not 7 Maskiner och inventarier

	2014-12-31	2013-12-31
<i>Akkumulerade anskaffningsvärden</i>		
-Vid årets början	1 568 699	1 356 779
-Nyanskaffningar	132 751	211 920
	1 701 450	1 568 699
<i>Akkumulerade avskrivningar</i>		
-Vid årets början	-453 518	-79 024
-Årets avskrivning	-409 321	-374 494
	-862 839	-453 518
Redovisat värde vid årets slut	838 611	1 115 181

h-

Not 8 Eget kapital i ingångsbalansräkning

		Bundet eget kapital	Överkursfond	Balanserat resultat inkl årets resultat
Enligt fastställd balansräkning	2013-12-31	112 249	537 761	-324 342
Byte av redovisningsprincip				
Uppskjuten skatt pga skattemässigt underskott				315 109
Justerad ingående balans efter byte av redovisningsprincip	2014-01-01	112 249	537 761	-9 233
Årets resultat				234 557
Effekter av byte av redovisningsprincip på jämförelseåret		-	-	234 557
Justerad omräknad utgående balans	2014-12-31	112 249	537 761	225 324

Not 9 Nyckeltalsdefinitioner

Rörelsemarginal:	Rörelseresultat / Nettoomsättning
Balansomslutning:	Totala tillgångar
Avkastning på sysselsatt kapital:	(Rörelseresultat + finansiella intäkter) / Genomsnittligt sysselsatt kapital
Finansiella intäkter:	Poster i finansnettot som är hänförliga till tillgångar (som ingår i sysselsatt kapital)
Sysselsatt kapital:	Totala tillgångar - räntefria skulder
Räntefria skulder:	Skulder som inte är räntebärande. Pensionsskulder ses som räntebärande.
Avkastning på eget kapital:	Årets resultat hänförligt till moderföretagets aktieägare / Genomsnittligt eget kapital hänförligt till moderföretagets aktieägare
Soliditet:	Totalt eget kapital / Totala tillgångar


h

Underskrifter

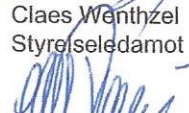
Göteborg 2015-02-27



Kurt Erling Birk
Styrelseordförande



Claes Wenthzel
Styrelseledamot



Ulf Rosen
Styrelseledamot

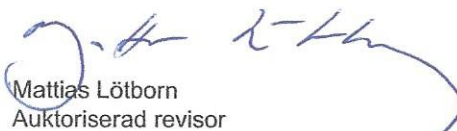


Magnus Emmoth
Verkställande direktör



Jón Ingi Benediktsson
Styrelseledamot

Vår revisionsberättelse har lämnats den ²⁵/₃ 2015
KPMG AB



Mattias Lötborn
Auktoriserad revisor

Foreign currency translation Observe Medical group 2014

Currency	Observe Medical International AB		Observe Medical AB		OM Aps		OM Aps		Observe Medical Nordic AB		Observe Medical Nordic AB		Total before eliminations		Eliminations		Observe Medical Group	
	SEK	NOK	SEK	NOK	DKK	NOK	SEK	NOK	SEK	NOK	SEK	NOK	SEK	NOK	SEK	NOK	SEK	NOK
				0,9184		1,1094						0,9184						
Operating revenues		-		-		-		9 380		8 614		(8 533)		82				
Cost of goods sold		-		-		-		328		301		(263)		38				
Payroll expenses	2 452	2 252		2 317	2 089	2 317	5 527	5 076		5 076		-		9 646			9 646	
Depreciation and amortization		-		442	398	442	409	376		376		-		818			818	
Other operating expenses	144	132		10 518	9 481	10 518	3 106	2 853		2 853		(8 436)		5 067			5 067	
Total operating expenses	2 596	2 384		13 277	11 968	13 277	9 370	8 606		8 606		(8 699)		15 569			15 569	
Operating result	(2 596)	(2 384)		(13 277)	(11 968)	(13 277)	9	8		(15 653)		166		(15 487)			(15 487)	
Net financial items	(72)	(66)		162	176	162	(105)	(96)		(96)		(166)		(167)			(167)	
Ordinary result before tax	(2 668)	(2 450)		(13 115)	(11 792)	(13 115)	(96)	(88)		(88)		-		(15 654)			(15 654)	
Tax on ordinary result	-	-		-	-	-	(79)	(73)		(73)		-		(73)			(73)	
Net profit/(loss)	(2 668)	(2 450)		(13 115)	(11 792)	(13 115)	(175)	(161)		(161)		(15 726)		(15 726)			(15 726)	

Foreign currency translation Observe Medical group first half 2015

Currency ('000)	Observe Medical International AB		Observe Medical International AB		Observe Medical Aps H1-2015		Observe Medical Aps H1-2015		Observe Medical Aps H1-2015		Observe Medical Nordic AB H1- 2015		Observe Medical Nordic AB H1- 2015		Total before eliminations		Eliminations		Observe Medical Group H1-2015	
	SEK	NOK	SEK	NOK	DKK	NOK	SEK	NOK	SEK	NOK	SEK	NOK	SEK	NOK	NOK	NOK	NOK	NOK	NOK	NOK
Exchange rates				0,9253			1,1592					0,9253								
Operating revenues	-	-	-	-	83	96	2 718	2 515	2 611	(2 082)	529									
Cost of goods sold																				
Payroll expenses					1 296	1 503	3 728	3 450	4 952	(0)	4 952	(65)	257							
Depreciation and amortization					244	283	213	197	480	(0)	480	(0)	480							
Other operating expenses	608	563	563	563	1 785	2 069	(3)	(3)	2 629	(2 017)	612									
Total operating expenses	608	563	563	563	3 325	3 855	4 286	3 966	8 384	(2 083)	6 301									
Operating result	(608)	(563)	(563)	(563)	(3 242)	(3 759)	(1 568)	(1 451)	(5 772)	0	(5 772)									
Net financial items	(478)	(442)	(442)	(442)	(61)	(71)	101	93	(420)	-	(420)									
Ordinary result before tax	(1 086)	(1 005)	(1 005)	(1 005)	(3 304)	(3 830)	(1 468)	(1 358)	(6 193)	0	(6 192)									
Tax on ordinary result					-	-	-	-	-	-	-									
Net profit/(loss)	(1 086)	(1 005)	(1 005)	(1 005)	(3 304)	(3 830)	(1 468)	(1 358)	(6 193)	0	(6 192)									

Foreign currency translation Observe Medical group 30 June 2015

('000)	Observe Medical International AB			Observe Medical International AB			Observe Medical Aps H1-2015			Observe Medical Aps H1-2015			Observe Medical Nordic AB H1-2015			Total before eliminations			Observe Medical Group H1-2015		
	SEK	H1-2015	NOK	DKK	Aps H1-2015	Observe Medical Aps H1-2015	NOK	DKK	Aps H1-2015	Observe Medical Aps H1-2015	NOK	SEK	NOK	SEK	NOK	NOK	NOK	NOK	NOK	NOK	NOK
Exchange rates			0,9540				1,1787								0,9540						
Goodwill																					
Other intangible																					
Shares in subsidiaries	66 433		63 377	2 049	1 386		1 634														
Tangible				18			21														
Deferred tax assets																					
Other financial fixed																					
Total non current assets	66 433		63 377	3 453			4 070								871		68 318		(65 792)		3 558
Inventory																					
Trade account receivables	8 196		7 819																		
Other current assets	77		73	616			726														
Cash & cash equivalents	769		734	236			279														
Total current assets	9 042		8 626	852			1 005								9 716		19 347		(16 649)		2 698
Total assets	75 475		72 003	4 305			5 074								10 587		87 665		(82 441)		6 256
Total Shareholders equity	70 002		66 782	336			396								(565)		66 613		(64 757)		1 856
Loan, interest-bearing, Banks																					
Non-current liability, contingent consideration	4 771		4 552	(3 862)			(4 552)														
Deferred tax liability																					
Total non current liabilities	4 771		4 552	(3 862)			(4 552)								918		918		(467)		451
Current liabilities to banks																					
Trade accounts payables	362		345	83			97														
Other current liabilities	340		324	7 747			9 132														
Total current liabilities	701		669	7 830			9 229								10 728		20 132		(16 184)		3 948
Total liabilities	5 473		5 221	3 968			4 677								11 152		21 051		(16 651)		4 400
Total Shareholders equity and liabilities	75 475		72 003	4 304			5 073								10 587		87 664		(81 408)		6 256