THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek advice from your stockbroker, bank manager, independent financial adviser, solicitor, accountant or other person who is authorised under the Financial Services and Markets Act 2000 ("FSMA") or, if you are a person outside the United Kingdom, a person who is appropriately authorised in your jurisdiction.

This document is an admission document drawn up in accordance with the AIM Rules for Companies and has been prepared in connection with the proposed application for admission of the issued and to be issued share capital of AOTI Inc. (the "**Company**" or "**AOTI**") to trading on AIM, the market of that name operated by London Stock Exchange plc (the "**London Stock Exchange**"). This document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document is not a prospectus for the purposes of FSMA and the Prospectus Regulation Rules and has not been approved by the Financial Conduct Authority ("**FCA**") pursuant to section 85 of FSMA.

Each of the directors (the "**Directors**") and proposed directors (the "**Proposed Directors**") of the Company, whose names and functions appear on pages 36 and 37 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document and for its compliance with the AIM Rules for Companies. To the best of the knowledge and belief of each of the Directors, the Proposed Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the Common Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules for Companies, to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The Common Shares are not traded on any other recognised investment exchange and no other such applications have been made. It is expected that admission to trading on AIM ("**Admission**") will become effective and dealings on AIM will commence in the Common Shares at 8:00 a.m. on 18 June 2024.

Prospective investors should read the whole of this document. Your attention is drawn, in particular, to the risk factors set out in Part II (*Risk Factors*) of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors.

AOTI, INC.

(Incorporated and registered in the State of Florida, United States of America with registered number P08000032048)

Placing of 14,772,918 New Common Shares and 11,818,336 Existing Common Shares at 132 pence per Common Share

and

Admission to Trading on AIM

Peel Hunt LLP

Nominated Adviser and Broker

Upon Admission, the New Common Shares will rank *pari passu* in all respects with the Existing Common Shares including the right to receive all dividends and other distributions declared, made or paid on the Common Shares after Admission.

In connection with this document, no person is authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised.

Peel Hunt LLP ("**Peel Hunt**"), which is regulated in the United Kingdom by the FCA, has been appointed as nominated adviser and broker to the Company in connection with the Placing and Admission only and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to its clients or for advising any other person on the contents of this document or otherwise in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this document. The responsibilities of Peel Hunt, as nominated adviser under the AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange and are not owed to the Company, any Director or Proposed Director, or any other person in respect of their decision to acquire Common Shares in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt by FSMA or the regulatory regime established thereunder, Peel Hunt does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Common Shares, the Placing or Admission. Peel Hunt accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe, any Common Shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, this document is not for distribution in or into the United States or to "**US persons**" (as such term is defined in Regulation S under the US Securities Act of 1933 (the "**US Securities Act**"), as amended), Australia, Canada, Japan, New Zealand, the Republic of South Africa or any other jurisdiction where the extension or the availability of the Placing would breach any applicable law (each, a "**Restricted Jurisdiction**"). The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

The Common Shares have not been and will not be registered under the US Securities Act or under any other applicable securities laws of any Restricted Jurisdiction, and, subject to certain exceptions, may not be offered, sold, resold, renounced, taken up or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to any national of any Restricted Jurisdiction.

This document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, any Restricted Jurisdiction. No action has been taken by the Company or Peel Hunt that would permit an offer of any Common Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law or other laws of any such jurisdictions.

Neither the Company, the Directors nor the Proposed Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase Common Shares.

A copy of this document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, at the Company's website, www.aotinc.net.

IMPORTANT INFORMATION

OVERVIEW

The contents of this document and any subsequent communications from the Company are not to be construed as legal, business, financial or tax advice. Neither the Company, the Directors, the Proposed Directors, Peel Hunt nor any of their representatives is making any representation to any offeree, subscriber for or purchaser of any Common Shares regarding the legality of an investment in the Common Shares by such offeree, subscriber or purchaser under the laws applicable to such offeree, subscriber or purchaser. Each prospective investor should consult its own legal adviser, business adviser, financial adviser or tax adviser for legal, business, financial or tax advice respectively, in connection with the purchase or subscription of any Common Shares. In making an investment decision, each prospective investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Placing, including the merits and risks involved and whether an investment in any Common Shares is suitable for it in light of its circumstances and financial resources and ability to withstand the loss of their entire investment.

Neither the delivery of this document nor any sale or subscription made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after its date.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation by prospective investors in the Placing occurs prior to Admission or if it is noted that this document contains any substantial mistake or inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

Neither the Company, nor the Directors nor the Proposed Directors accept any responsibility for the appropriateness, accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Placing or the Company. Neither the Company, nor the Directors nor the Proposed Directors make any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

NOTICE TO PROSPECTIVE INVESTORS

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Members of the public are not eligible to take part in the Placing.

Notice to prospective investors in the United Kingdom

This document is for information purposes only and is being distributed only to and directed at persons in the United Kingdom who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Regulation, which forms part of retained EU law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK Prospectus Regulation**") ("**UK Qualified Investors**").

In addition, in the United Kingdom, this document is addressed to, and directed only at, UK Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) are persons who are high net worth entities falling within article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**").

Notice to prospective investors in the EEA

This document is for information purposes only and is being distributed only to and directed at persons in member states of the European Economic Area (the "**EEA**") who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Regulation (Regulation EU 2017/1129 and amendments thereto) ("**Prospectus Regulation**") ("**EEA Qualified Investors**").

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

The Common Shares may not be offered or sold in Hong Kong by means of any document other than to (1) "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (2) in circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of the laws of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No invitation, advertisement or document relating to the Common Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Common Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors," as defined under the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong and any rules made thereunder.

RESTRICTION ON SALE IN THE UNITED STATES

The Common Shares have not been, and will not be, registered under the US Securities Act, or the securities laws of any other jurisdiction of the US. The Common Shares may not be offered or sold, directly or indirectly, in or into the US (except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and other applicable US state securities laws). No public offering of the Common Shares is being made in the US.

The Common Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**SEC**"), any state securities commission in the US or any other regulatory authority in the US, nor have any of the foregoing authorities passed on or endorsed the merits of the Placing or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

The Common Shares are being offered only to non-US Persons outside the US in transactions exempt from the registration requirements of the US Securities Act in reliance on Category 3 of Regulation S or pursuant to another available exemption from, or transaction not subject to, the US Securities Act and applicable US state securities laws. The Common Shares offered to non-US Persons in the Placing are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S.

Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of Common Shares. The Common Shares are "**restricted securities**" as defined in Rule 144 under the US Securities Act.

Each subscriber for or acquirer of Common Shares, by subscribing for or acquiring such Common Shares, agrees to reoffer or resell the Common Shares only pursuant to registration under the US Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration and qualification under applicable state securities laws, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act.

The above restrictions severely restrict purchasers of Common Shares from reselling the Common Shares in the US or to a US Person. These restrictions may remain in place or be reintroduced following the expiry of the one-year Distribution Compliance Period following the date of Admission (under Regulation S) in relation to the Common Shares, at the discretion of the Company for example in the event the Company issues additional Common Shares under the same ISIN as the Existing Common Shares.

Once the Common Shares are admitted to trading on AIM, all Common Shares held in the CREST system will be identified with the marker "REG S". The "REG S" marker also indicates that the Common Shares held in the CREST system will also bear a legend setting out certain transfer restrictions under Category 3 of Regulation S and other information, including that: (i) transfers of the Common Shares are prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable state securities law; and (ii) hedging transactions involving the Common Shares may not be conducted unless in compliance with the US Securities Act and applicable state securities law. Accordingly, resale of the Common

Shares following the Placing will be subject to restrictions under US federal and state securities laws, including the US Securities Act.

Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Common Shares held by Affiliates of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. These restrictions, representations and warranties, as well as the legend that will be affixed to certificates for the Common Shares and the legend for the Common Shares held in the CREST system, are set out more fully in Part IX (*Restriction on Transfers to US Persons*) of this document.

INVESTMENT CONSIDERATIONS

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company and this document, as applicable, including the merits and risks involved. The contents of this document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own jurisdictions for the purchase, holding, transfer or other disposal of the Common Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Common Shares which they might encounter; and
- the income and other tax consequences which may apply in their own jurisdictions as a result of the purchase, holding, transfer or other disposal of the Common Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Common Shares, and any income from such Common Shares, can go down as well as up.

This document and any accompanying documents should be read in their entirety before making any investment in the Common Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Bylaws and Articles of Incorporation, which are available at www.aotinc.net and which prospective investors should review.

FORWARD LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will", "could", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors and the Proposed Directors concerning, among other things: (i) the Company's objectives, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Common Shares and dividends; and (ii) future implementation of active management strategies.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the

forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review Part II (*Risk Factors*) of this document for a discussion of certain factors that could cause the Company's actual results to differ materially, before making an investment decision. These factors should be read in conjunction with the other cautionary statements that are included in this document. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 20 of Part VII (*Additional Information*) of this document. Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the AIM Rules for Companies or any other applicable legal or regulatory requirements, the Company undertakes no obligation publicly to review, confirm or update any forward-looking statement contained in this document, whether as a result of new information, future developments or otherwise.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, financial information in this document, including the historical financial information on the Company for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 have been prepared in accordance with US GAAP.

CURRENCY PRESENTATION

Unless otherwise indicated in this document, all references to "**pounds sterling**," "**£**," "**pence**" and "**p**" are to the lawful currency of the United Kingdom and all references in this document to "**US$**," "**$,**" "**US Dollar**," "**USD**," "**dollars**," "**cents**" and "**c**" are to the lawful currency of the United States.

Unless otherwise indicated, the financial information contained in this document has been expressed in US Dollars. The functional currency of the Company is US Dollars, and the Company presents its financial statements in US Dollars.

FOREIGN EXCHANGE

Where relevant in this document, unless otherwise stated, US Dollar amounts have been converted into pounds sterling at US$1.2740 : £1 (being the closing exchange rate derived from Bloomberg on 11 June 2024).

ROUNDING

The financial information and certain other figures in this document have been subject to rounding adjustments. Therefore, the sum of numbers in a table (or otherwise) may not conform exactly to the total figure given for that table. In addition, certain percentages presented in this document reflect calculations based on the underlying information prior to rounding and accordingly may not conform exactly to the percentages that would be derived if the relevant calculations were based on the rounded numbers.

RESEARCH AND MARKET DATA

Where information contained in this document has been sourced from a third party, the Company, the Directors and the Proposed Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such third-party information has not been audited or independently verified and none of the Company, the Directors or the Proposed Directors accept any responsibility for its accuracy or completeness.

NO INCORPORATION OF WEBSITE INFORMATION

Without limitation, the contents of the Company's website, www.aotinc.net, any website mentioned in this document or any website directly or indirectly linked to these websites have not been verified and do not form part of this document and prospective investors should not rely on such information.

CONTENTS

PLACING STATISTICS

Placing Price	132 pence
Number of Existing Common Shares	86,035,860
Number of New Common Shares to be issued by the Company	14,772,918
Number of Existing Common Shares to be sold on behalf of the Selling Shareholders	11,818,336
Number of Common Shares in issue on Admission[(1)]	106,359,163
New Common Shares as a percentage of the Enlarged Share Capital	13.9 per cent
Estimated gross proceeds of the Placing receivable by the Company	£19,500,251
Estimated net proceeds of the Placing receivable by the Company[(2)]	£13,542,587
Market capitalisation of the Company on Admission at the Placing Price[(3)]	£140,394,095
TIDM	AOTI
ISIN	US03690C1027
SEDOL	BLGYXJ2
LEI	213800ZGCNDSTWIRK687

Notes:

(1) Including the issue of 5,088,660 I2R Shares, SWK Shares and DLF Shares.

(2) Net of all transaction costs in connection with Admission including (but not limited to) all commissions, adviser fees and expenses payable by the Company of approximately £5,957,664.

(3) The market capitalisation of the Company at any given time will depend on the market price of the Common Shares at that time. There can be no assurance that the market price of a Common Share will equal or exceed the Placing Price.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	14 June 2024
Issue of New Common Shares	18 June 2024
Sale of Sale Shares	18 June 2024
Admission of the New Common Shares and Existing Common Shares	8:00 a.m. on 18 June 2024
Credit of Depositary Interests in respect of Common Shares into CREST accounts (where applicable)	18 June 2024
Despatch of definitive share certificates (where applicable) for certificated Common Shares	Within 10 Business Days following Admission

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is indicative only and is subject to change without further notice.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Dr Michael Stephen Griffiths	*Chief Executive Officer*
	Anthony Matthew Moffatt	*Chief Operating Officer*
	Jayesh Pankhania	*Chief Financial Officer*
	Douglas William Frederick Le Fort	*Non-executive Chairman*
	Anthony Rhys Bourne	*Non-executive Director*
	Dr Ceri Elizabeth Morgan	*Non-executive Director*
	Richard John Cotton	*Senior Independent Director*
Company Secretary and Company Secretarial Adviser	OneAdvisory 3 Temple Avenue London EC4Y 0DT United Kingdom	
Principal place of business and registered address	3512 Seagate Way Suite 100 Oceanside, CA 92056 United States of America	7901 4th St N STE 300 St. Petersburg, FL 33702
Website	https://aotinc.net	
Nominated Adviser and Broker	Peel Hunt LLP 100 Liverpool Street London EC2M 2AT United Kingdom	
Solicitors to the Company (under US law)	Alston & Bird LLP One Atlantic Center 1201 West Peachtree Street Suite 4900 Atlanta, GA 30309-3424 United States	LDN:W 3 Noble Street London EC2V 7EE United Kingdom
Solicitors to the Company (under English Law)	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX United Kingdom	
Solicitors to the Company (under Irish Law)	Walkers (Ireland) LLP The Exchange George's Dock IFSC Dublin, Ireland	
Solicitors to the Nominated Adviser and Broker (under English Law and US Law)	Covington & Burling LLP 22 Bishopsgate London EC2N 4BQ United Kingdom	
Reporting Accountants	KPMG LLP 15 Canada Square London E14 5GL United Kingdom	
Auditors	Grant Thornton (Ireland) City Quay Dublin D02 ED70	

Public Relations Advisers	FTI Consulting 200 Aldersgate Aldersgate Street London EC1A 4HD United Kingdom
Registrars	Computershare Investor Services (Jersey) Limited 13 Castle Street St. Helier JE1 1ES Jersey

DEFINITIONS

The following definitions shall have the following meanings in this document (save for the reports contained in Part III and Part IV), unless the context requires otherwise:

Adjusted EBITDA means earnings before interest, taxation, depreciation, amortisation and non-underlying items.

Admission means the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies.

Admission Date means the date the admission of the Enlarged Share Capital to trading on AIM becomes effective in accordance with Rule 6 of the AIM Rules for Companies.

AIM means the market of that name operated by the London Stock Exchange.

AIM Rules for Companies means the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice) and those other rules of the London Stock Exchange which govern the admission of securities to trading on, and the regulation of AIM.

AIM Rules for Nominated Advisers means the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practice).

Affiliate has the meaning given in Rule 405 under the US Securities Act.

Articles of Incorporation means the amended and restated articles of incorporation of the Company, effective from 30 May 2024.

Audit & Risk Committee means the audit & risk committee of the Board constituted in accordance with the Bylaws.

Board means the board of Directors from time to time.

Business Day means any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday.

Bylaws means the amended and restated bylaws of the Company to be effective at Admission.

certificated or **in certificated form** means a share or other security which is not in uncertificated form (i.e., not in CREST).

City Code means The City Code on Takeovers and Mergers.

COBS means the FCA Handbook Conduct of Business Sourcebook.

Common Shares means the shares of common stock of the Company with par value of $0.00001 per share, and, where the context requires, any Depositary Interests representing any shares of such common stock from time to time.

Companies Act means the Companies Act 2006.

Company or **AOTI** means AOTI, Inc., a company incorporated in the State of Florida, United States and having its registered office at Registered Agents Inc. 7901 4th St N, STE 300, St. Petersburg, FL 33702.

CREST means the relevant system (as defined in the CREST Regulations) which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear as the Operator (as defined in the CREST Regulations).

CREST Regulations means the Uncertificated Securities Regulations 2001 (SI 2001 no. 3755) and any applicable rules made under those regulations.

Deed Poll means the deed poll dated 5 June 2024 entered into by the Depositary in favour of the holders of Depositary Interests.

Depositary Agreement means the depositary agreement dated 7 June 2024 between the Company and the Depositary for the provision of depositary services and custody services.

Depositary Interest means the dematerialised depositary interests representing underlying Common Shares that can be settled electronically through and held in CREST, as issued by the Depositary or its custodian or any nominee of any such custodian who holds the underlying securities on trust.

Depositary means Computershare Investor Services PLC a company registered in England and Wales under company number 3498808 and whose registered office is at The Pavilions, Bridgwater Road, Bristol BS13 8AE.

Directors means prior to Admission, the directors of the Company whose names are set out on pages 36 and 37 of this document, and following Admission, the directors of the Company from time to time, as required by the context.

Distribution Compliance Period means the period during which the New Common Shares are subject to the conditions listed under Section 903(b)(3) of Regulation S, ending on the first anniversary of Admission, or such longer period as may be required under applicable law or as determined by the Company.

DLF Shares means the 59,091 Common Shares to be issued by the Company to Douglas Le Fort immediately prior to Admission at a price of 132 pence per Common Share.

EBITDA means earnings before interest, taxation, depreciation and amortisation.

EEA means European Economic Area.

EEA Qualified Investors means "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Regulation.

Enlarged Share Capital means the 106,359,163 Common Shares outstanding from Admission, being the Existing Common Shares, the New Common Shares, the I2R Shares and the SWK Shares.

EU means the European Union.

Euroclear means Euroclear UK & International Limited, a company incorporated under the laws of England and Wales with registered number 2878738 and the operator of CREST.

Existing Common Shares means the 86,035,860 Common Shares outstanding at the date of this document.

FCA or **Financial Conduct Authority** means the Financial Conduct Authority of the UK or any successor thereof.

Finance Act means the Finance Act 1986, as amended.

Florida Business Corporation Act means Title XXXVI, Chapter 607 of the Florida Statutes, as amended.

Florida Corporation Law means General Corporation Law of the State of Florida.

FRC means the Financial Reporting Council.

FSMA means the Financial Services and Markets Act 2000, as amended.

Group means the Company and each of its subsidiaries and subsidiary undertakings from time to time including where the context requires any one or more of such companies and **Group Companies** means any one of them.

HMRC means His Majesty's Revenue & Customs.

I2R Shares has the meaning given to such term in paragraph 3.7(a) of Part VII (*Additional Information*) of this document.

I2R Share Issuance Agreement means a share issuance agreement entered into on 9 November 2022 between the Company and I2R Medical Limited, as summarised in paragraph 13.10 of Part VII (*Additional information*) of this document below.

IP means intellectual property.

Ireland means the Republic of Ireland.

ISIN means International Securities Identification Number.

Jersey means the Bailiwick of Jersey, a British crown dependency.

LEI means Legal Entity Identifier.

Lock-in and Orderly Market Agreements means the lock-in and orderly market agreements described in paragraph 18 of Part I (*Information on the Group*) of this document.

London Stock Exchange means London Stock Exchange plc.

MAR means the retained UK law version of MAR pursuant to the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310).

Member State means a member state of the EEA.

New Common Shares means the 14,772,918 Common Shares to be issued by the Company in connection with the Placing.

NEXA means a company registered in England and Wales under company number 09721047 whose registered office is at Unit 3 Ingworth Road, Poole, England, BH12 1JY.

NEXA Acquisition Agreement means a sale and purchase agreement entered into on 7 November 2022 between the Company and each of the Nexa Sellers, as summarised in paragraph 14.7 of Part VII of this document.

NEXA IP Licence Agreement means the IP licence agreement entered into on 9 November 2022 and varied by a deed of variation dated 31 October 2023 between I2R Medical Limited and the Company, as summarised in paragraph 14.8 of Part VII of this document.

NEXA Sellers means Keith Heaton, Ian Hardman, Philip James Andrews, Justin Barnes, Gary Wetherall and Woodcock Brothers (Wimbledon) Limited.

Nomination Committee means the nomination committee of the Board constituted from time to time in accordance with the Bylaws.

Official List means Official List of the FCA.

Option holders means the holders of Options as at the date of this document.

Options means options to purchase Common Shares pursuant to the AOTI Inc. 2022 Equity Incentive Plan, on the terms described in paragraph 8 of Part VII of this document.

Order means Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

Peel Hunt or **Nominated Adviser** or **Broker** means Peel Hunt LLP registered in England and Wales under number OC357088 whose registered office is at 7th Floor, 100 Liverpool Street, London, England EC2M 2AT.

Placees means subscribers for New Common Shares and/or acquirers of Sale Shares, in each case, at the Placing Price pursuant to the Placing.

Placing Agreement means the conditional agreement entered into on or about the date of this document between Peel Hunt, the Company, the Selling Shareholders, the Directors and the Proposed Directors relating to the Placing and Admission.

Placing means the conditional placing of the Placing Shares pursuant to the Placing Agreement.

Placing Price means 132 pence per Placing Share.

Placing Shares means the New Common Shares and the Sale Shares.

Proposed Directors means the proposed directors of the Company whose names appear on pages 36 and 37 of this document.

Prospectus Regulation means Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union.

Prospectus Regulation Rules means the rules made by the FCA under Part VI of the FSMA.

QCA means the Quoted Companies Alliance.

QCA Code means the QCA Corporate Governance Code published by the QCA as in effect from time to time.

Qualified Investors means EEA Qualified Investors and UK Qualified Investors.

Registrars means the Company's registrars, being Computershare Investor Services (Jersey) Limited.

Regulation S means Regulation S, promulgated under the US Securities Act.

Regulations means the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and/or any amendment, modification, and/or re-enactment of the same.

Relevant Persons means the Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within article 19(5) of the Order, (ii) are persons who are high net worth entities falling within article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom a financial promotion may otherwise lawfully be communicated.

Remuneration Committee means the remuneration committee of the Board constituted from time to time in accordance with the Bylaws.

Restricted Jurisdiction means each and any of the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa and any other jurisdiction where the extension or the availability of the Placing would breach any applicable law.

Restricted Shares has the meaning given to such term in paragraph 3.8 of Part VII (*Additional Information*) of this document.

RIS means the Regulatory Information Service, an incoming information service that disseminates regulated information in accordance with the applicable minimum standards.

Rule 144 means Rule 144, promulgated under the US Securities Act.

Sale Shares means the 11,818,336 Common Shares to be sold by the Selling Shareholders in connection with the Placing.

SEC means the US Securities and Exchange Commission.

SEDOL means the Stock Exchange Daily Official List, a list of security identifiers used in the United Kingdom and Ireland for clearing purposes.

Selling Shareholders means certain Shareholders of the Company who are selling Common Shares in the Placing, more details of which are given in paragraph 10 of Part VII (*Additional Information*).

Senior Management means the Company's senior management team from time to time, which as at the date of the document comprises and will on Admission comprise those names set out on page 38 of paragraph 12 of Part I (*Information on the Group*) of this document.

Share Dealing Code means the code to be adopted by the Company from Admission which governs the restrictions imposed on persons discharging managerial responsibility and persons closely associated with them in relation to dealings in the Company's securities.

Share Split has the meaning given to such term in paragraph 3.5 of Part VII (*Additional Information*) of this document.

Shareholder means a holder of Common Shares or, as applicable, a holder of Depository Interests.

SWK Shares has the meaning given to such term in paragraph 3.7(b) of Part VII (*Additional Information*) of this document.

TIDM means tradable instrument display mnemonic.

UK or **United Kingdom** means the United Kingdom of Great Britain and Northern Ireland.

UK Prospectus Regulation means the Prospectus Regulation, which forms part of retained EU law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

UK Qualified Investors means "qualified investors" within the meaning of Article 2(1)(e) of the UK Prospectus Regulation.

UK Takeover Code means the City Code on Takeovers and Mergers published by the Takeover Panel.

uncertificated or **uncertificated form** means recorded on the relevant register of the share or security as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.

US or **United States** means the United States of America, its territories and possession, any state in the United States, the District of Colombia and all other areas subject to its jurisdiction.

US Exchange Act means the Securities Exchange Act of 1934, as amended.

US GAAP means US Generally Accepted Accounting Principles.

US Person means a US person for the purposes of Regulation S.

US Securities Act means the United States Securities Act of 1933, as amended.

VAT means value added tax.

PART I

INFORMATION ON THE GROUP

Defined terms used in this section are contained in the Glossary.

1. Introduction

AOTI is a medical technology group with a mission to help all people with chronic conditions get back to living their lives to the fullest. The Group is focused on the durable healing of wounds and prevention of amputations that are caused by various chronic wound conditions. The Group has developed an innovative, at-home therapy to deliver oxygen topically into chronic wounds, which includes diabetic foot ulcers (DFUs), venous leg ulcers (VLUs), as well as pressure ulcers (PUs) and to encourage high-quality, durable wound healing over a period of 12 months and longer. Chronic wounds affect the life quality and life span for millions of people. DFUs have a similar five-year mortality risk to all-cause cancer and a similar annual cost for treatment in the US as all-cause cancer at approximately $80 billion.

The Group's proprietary TWO_2® therapy has been demonstrated in pivotal clinical trials to reduce the recurrence of DFUs six-fold versus standard-of-care. This leads to a 71 per cent reduction in diabetes-related amputations and 88 per cent reduction in hospitalisations. The Group also offers an innovative negative pressure wound therapy (NPWT) device, the NEXA NPWT System. The total addressable market for the Group's products is approximately $12 billion. The Group is a leading proponent of the benefits of promoting health equity with its patient-applied, at-home therapies and is proud of its track record, having treated over 20,000 patients to date primarily within the Medicaid (low income patients), Veterans' Administration and Indian Health Service populations, and internationally. The Group has partnered with the American Diabetes Association (ADA) as a founding member of their Amputation Prevention Alliance to further address the diabetic-related amputation epidemic.

The Group generated $43.9 million in revenue for the year ended 31 December 2023 and has seen compounded annual revenue growth of 38 per cent (2021 – 2023), all of which came from TWO_2 therapy. The Group has been profitable at the Adjusted EBITDA level since 2017 (excluding IPO-related costs).

The Directors believe that the Group now has the foundations in place to embark on its next stage of growth. These foundations are:

- approvals by global regulators including the US, Europe, the UK, Canada, China, the Middle East (Saudi Arabia) and Australia
- differentiating, robust, double-blinded RCT clinical data and real-world evidence demonstrating sustainable, complete wound-healing benefits
- recommendations by leading clinical associations as to the use of TWO_2 therapy as an adjunct to the standard of care (American Diabetes Association, The Wound Healing Society and the International Working Group on the Diabetic Foot)
- proven real world efficacy and significant overall cost-saving healthcare economic proposition (including the cost of therapy)
- experienced team in chronic disease focused on scaling and growth

Currently the Group has achieved reimbursement within the VA and Medicaid across a number of US states as well as certain international markets and is focused on additional market access and commercialisation.

2. History and background

The Group was founded in 2006 and is now based in three global locations: Oceanside, California is the sales and marketing headquarters; Galway, Ireland is the location of the Group's finance and manufacturing activities; and Bournemouth, UK is the location of NEXA. The Group employs approximately 130 FTEs worldwide.

The Group's TWO_2 therapy received FDA clearance in late 2008. In 2009, the Group was awarded a five-year Federal Supply Schedule (FSS) contract for the therapy within the US Department of Veterans Affairs (VA) and the Indian Health Service (the US federal health programme for American

Indians and Alaska natives). In 2011, the Group received a licence from Health Canada and CE marking for its product in Europe. In 2014, the FSS contract was renewed for another five years. By 2017, the Group estimated over one million TWO_2 therapy treatments had been delivered. In the same year the Group received Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) accreditation for home / durable medical equipment services by the American Commission for Health Care (ACHC) enabling it to expand market access further in the US.

In 2018, the Group opened new manufacturing facilities in Galway, Ireland, a medtech manufacturing hub for 8 of the world's top 10 medtech companies. In 2019, the Group's FSS contract was renewed for a third five-year term. During 2019-2022, the Group completed its double-blinded randomised controlled clinical trial for DFUs and published its real world evidence study demonstrating significant reductions in hospitalisations and amputations. This was followed by the publication of six independent systematic reviews and meta analyses conducted by independent academic groups from around the world that consistently validated both the outcomes and quality of the RCT. In 2022, the Group received approval from the Chinese National Medical Products Administration and entered into a strategic relationship with a Chinese medical company to distribute TWO_2 therapy and gain market access. By the end of 2022, the Group estimated that over three million TWO_2 therapy treatments had been delivered. The Group acquired Nexa Medical Limited in 2022 and launched Nexa's innovative NPWT product into certain international markets in June 2023. The growing body of clinical evidence resulted in the award of an A-grade treatment recommendation by the American Diabetes Association in their 2023 standards of care guidelines. Similarly, the International Working Group on the Diabetic Foot and the Wound Healing Society (WHS) issued positive treatment recommendations in their 2023 DFU treatment guidelines in relation to TWO_2 therapy treatments. In December 2023 the Group received a 3 per cent reimbursement price increase under its FSS contract and is presently in the late stages of discussions to renew the contract for a further five years. In March 2024 the Group received a 100 per cent score in the NUPCO tender scoring process for access to the Saudi Arabian market and is now negotiating in-country pricing and volumes with its distributor and end-user hospitals.

3. Key strengths

Operating in large, growing markets

The Group operates in the large and growing $12 billion advanced wound care market that is driven primarily by the globally increasing prevalence of chronic diseases, such as Type 2 diabetes, compounded by the increasing life span of patients with chronic co-morbidities resulting in increasing rates of lower extremity amputation. By 2050, approximately 1 in 3 Americans will be diabetic. One third of diabetics will develop a foot ulcer with two thirds of them taking more than a year to heal. Half of these ulcers will become infected and approximately 20% of these will ultimately require an amputation, in many cases, to prevent the spread of life-threatening infections. The lifetime cost to treat a DFU is estimated to be more than $600,000. The Group is focused on the highest growth, 'hard-to-heal' segment of the advanced wound care market covering DFUs, VLUs and PUs. The Group is already the market leader with over 80 per cent market share of the nascent topical oxygen wound therapy segment.

Differentiating clinical data and real world evidence

In 2020 the results of the Group's multi-centre, double blinded, sham-controlled, RCT of its TWO_2 therapy was published in 'Diabetes Care' (American Diabetes Association), a leading diabetes journal globally. The results of the trial demonstrated that wounds treated with TWO_2 therapy were six-times more likely to heal in 12 weeks (the standard timeframe for assessing efficacy) and resulted in a six-fold lower recurrence rate over 12 months. In a number of recent systematic reviews and meta analyses, the TWO_2 trial was assessed to be of high quality with a very low risk of bias, as determined by the modified Cochrane criteria. The TWO_2 trial was recently selected as one of the top-four clinical studies at the pre-eminent International Symposium of the Diabetic Foot which convenes every four years.

In 2021, independent investigators explored the long term outcomes of TWO_2 therapy in 'real world' patients who often suffer from multiple co-morbidities. This retrospective study was published in the leading journal in wound care (by impact factor), 'Advances in Wound Care.' The study demonstrated a significant 71 per cent reduction in amputations and an 88 per cent reduction in hospitalisations over 12 months.

Cost-saving healthcare economics proposition

The durable sustained healing demonstrated by TWO_2 therapy, resulting in significant reductions in amputations and hospitalisations, leads to a compelling healthcare economic proposition for payers. This provides a unique opportunity to engage payers, particularly managed care insurers, to adopt TWO_2 therapy due to both its clinical and health economic benefits.

The Group has developed a customisable budget impact model to help illustrate the level of potential savings to a particular payer and their specific patient population. By way of example, it is estimated that the state of Virginia (which accounts for 2.6 per cent of the US population) spends more than $340 million on DFU care for Medicaid patients per year. A 50 per cent adoption of TWO_2 therapy would save approximately $72 million per year (with the cost of therapy included). In the US alone, more than 160 million people are enrolled in state and federal funded healthcare programmes.

Advancing health equity through improving access to care

Access to care is not equal. Disparities in rates of diabetes and lower extremity amputation have been reported according to patient race, ethnicity, sex and age as well as across geographic regions, ZIP codes and income levels.

African American, Hispanic, American Indians and Native Alaskans with DFUs have far greater risk of amputation compared with their White counterparts. The American Diabetes Association estimates that Black Americans undergo amputation at more than four times the rate of non-Hispanic Whites. Those in rural areas have a more than one third increased likelihood of major leg amputation compared with their urban counterparts. Access to care has been identified as one of the main reasons for such inequalities.

The Group is proud of its efforts to promote health equity by addressing access to care through its at-home, patient-applied TWO_2 therapy that has gained coverage and reimbursement in a number of Government-funded sectors focused on veterans, indigenous peoples and low income patients.

Profitable, high-growth business

The Group has been profitable at the Adjusted EBITDA level since 2017 (excluding IPO-related costs). Revenue has grown at 38 per cent CAGR (2021-2023) and the Group has invested approximately $22 million since inception. The Group has invested approximately $6.3 million in market access and commercial infrastructure over the past two financial years and is now entering its next phase of expansion with the foundations for sustainable growth in place. This next phase will see an increasing penetration and contribution from market segments other than the VA, such as Medicaid, Medicare and commercial insurers, where reimbursement is at a higher amount and resultant margin.

Experienced management team focused on scaling and growth

The Group has an experienced management team who have an average of 30 years of experience in the medical industry. The Group is led by Dr Mike Griffiths who co-founded the business in 2006 and has been responsible for its growth to date and establishing the foundations for the Group's next phase of growth. Mike has more than 35 years' experience in the medtech sector, including positions with large companies such as Mallinckrodt and Hudson RCI (now part of Teleflex). The Group's COO, Anthony Moffatt, who was CFO of the Group until recently, joined in 2009 having previously worked with Dr Griffiths in eVent Medical, another medical technology company, that delivered a 4-times return following its trade sale. At the Company, he has helped build a profitable medical technology business from approximately $4 million of equity investment. The Group's Non-executive Chairman, Douglas Le Fort, has more than 20 years of senior executive experience in the medtech sector. He was CEO at MedTrade Products, a haemostat business and served on the executive committee at Convatec Group for over five years, including as the executive committee leader coordinating their IPO in 2016. He is also a Non-executive Director of Advanced Medical Solutions Group plc and an operating advisor at Revival Healthcare Capital Partners, a US private equity investor in medical device and diagnostics businesses.

4. Business overview

AOTI is a medical technology group with a mission to help all people with chronic conditions get back to living their lives to the fullest. The Group is focused on the durable healing of wounds and prevention of amputations caused by various chronic wound conditions. The Group's proprietary TWO_2 therapy is already the market-leader in the topical oxygen wound healing field and the Group recently added the complementary NEXA NPWT System to its offering.

The Group's TWO_2 Therapy

Description

The Group has developed an innovative, at-home Topical Wound Oxygen (TWO_2) therapy. TWO_2 therapy delivers a higher Topical Oxygen Therapy (TOT) diffusion pressure gradient than other available topical medical devices, allowing for more durable healing of previously chronic non-healing and acute complex wounds, providing significant clinical, quality of life and cost saving benefits. TWO_2 therapy is indicated for any type of acute or chronic wound, including: DFUs, VLUs, PUs, dehiscences, post-surgical wounds and burns. Wounds that are both infected and/or ischemic can be successfully treated with TWO_2 therapy, as the therapy helps to correct local tissue hypoxia, as well as the underlying problems caused by peripheral vascular disease, while maintaining an ideal moist wound-healing environment.

The TWO_2 Therapy controller, extremity chamber and multi-patch system

The therapy consists of three major components: a single-use extremity chamber, a controller and a source of oxygen (a portable oxygen concentrator for home use). The Company's extensive intellectual property portfolio covers the proprietary controller and extremity chamber; the oxygen concentrators are commercially available and are often provided to patients on a standalone basis for respiratory and other indications from other Durable Medical Equipment (DME) suppliers. The controller cycles the therapy pressure between 10 and 50 mb directly at the wound site, within a sealed and humidified environment, providing a high oxygen partial pressure diffusion gradient that causes oxygen to migrate into the wound bed. Simple on-screen, step-by-step instructions provide easy direction for patients and caregivers to apply the therapy at home. The Company has a range of boot-shaped extremity chambers to treat the full range of limbs and wound types encountered. The therapy can be applied with or without the patients' existing (gas permeable) dressings in place. The multi-patch is designed to treat wounds elsewhere on the body, for instance, PUs on the torso and sacrum. The patient administers TWO_2 therapy for 90 minutes per day over the course of three to four months. Patients typically complete their session while enjoying other activities such as reading or watching television and often report pain reduction. Patient compliance with the therapy is very high with less than 10 per cent non-compliance by patients using the therapy.

Before initial use, a representative from the Group will deliver and set up the TWO_2 system in the patient's home and educate them on its operation. Patients are then supported by a dedicated team of customer service associates remotely.

TWO_2 Therapy being received by a patient

Key attributes

The Group's TWO_2 therapy has three key attributes that are responsible for its effectiveness. These are supplemental pressurised oxygen, cyclical pressure delivery and humidification.

OXYGEN: in chronic wounds, the lack of available oxygen to the injured tissue and resulting hypoxia is a major reason stubborn wounds do not heal. TWO_2 therapy provides targeted oxygen to the injured tissue and reverses this hypoxia, stimulating the underlying cellular mechanisms needed to fight infection, stimulate growth of new capillaries and good collagen tissue regeneration and lead to durable wound healing. The higher positive pressure more effectively delivers oxygen deep into the wound bed, thereby encouraging granulation from the base. The increased oxygen levels also have a direct bactericidal effect on any anaerobic bacteria present and potentiates antibiotics.

COMPRESSION: non-contact cyclical compression reduces swelling and aides the circulation. This helps to reduce both oedema and the hydrostatic pressure in the lower leg that is a frequent component of lower extremity peripheral vascular disease as well as the cause of the severe pain such patients suffer with. The cyclical nature of the pressure delivery eliminates concerns when treating ischemic wounds.

HUMIDIFICATION: humidification of the extremity chamber creates an ideal moist wound-healing environment.

This proprietary multi-modal approach promotes the synthesis of superior quality triple-helix collagen for improved tensile strength, which results in little to no scarring and better durability of wound healing, leading to lower wound recurrence.

Eyes on the Wound – Engaged Outcomes

Eyes on the Wound is the Group's integrated digital platform designed to engage patients and providers to achieve better outcomes. The platform incorporates three key components:

TWO_2 therapy imaging technology – provides wound imaging and 3D-measurements to help assure optimal standard of care and provide necessary wound healing progression evidence. The patient uses their smartphone to capture wound images automatically and irrespective of internet connectivity.

Remote therapy monitoring – provides standalone telemetry to assess in real-time the usage of TWO_2 therapy by the patient, allowing either confirmation or earlier required intervention to ensure therapy compliance.

Clinicial support services – remote therapy nurses monitor TWO_2 therapy usage and wound status via a digital dashboard to provide earlier intervention with either the patient or prescriber to help ensure a successful outcome.

The Group continues to invest in the technology and believes it will become an important tool in securing future reimbursement claims as payers increasingly want to see demonstrated positive outcomes from therapies.

Regulatory approvals

The Group received FDA clearance to market TWO_2 therapy in the US in 2008 as a 510(k) medical device. TWO_2 therapy also has received clearances and marketing authorisations in Europe (CE Mark), the UK (MHRA), Canada (Health Canada), China (National Medical Product Administration), Australia (TGA) and the Middle East (Saudi Arabia). Further details of the regulations pertaining to the Group and its products may be found later in this Part 1 – Regulatory.

Clinical evidence

In 2020 the results of the Group's multi-centre, double blinded, sham controlled, RCT of its TWO_2 therapy in DFUs was published in 'Diabetes Care' (American Diabetes Association), the leading diabetes journal globally. This study was conducted by diabetic foot experts from across the US and Europe utilising a protocol that was reviewed and highlighted in the 2017 CMS Decision Memorandum (CAG-00060R) as an example of the level of evidence and study design that CMS would like to see to help demonstrate efficacy for future wound care reimbursement coverage determinations. The study was designed with three pre-determined patient recruitment end-points of 73, 146 and 220 patients. The study was stopped at the first end-point of 73 patients owing to a clear difference between the study intervention and the sham. All resulting analyses were conducted using the intention-to-treat approach.

The results of the RCT demonstrated with high confidence that DFUs treated with TWO_2 therapy were:

- 6-times more likely to heal in 12 weeks (p=0.004)
- had a 6-times lower recurrence rate at 12 months (p=0.013)

In a number of recent systematic reviews and meta-analyses, the TWO_2 trial was assessed to be of high quality with a very low risk of bias, as determined by the modified Cochrane criteria. The TWO_2 trial was recently selected as one of the top-four clinical studies at the pre-eminent International Symposium of the Diabetic Foot which convenes every four years.

In 2021, independent investigators explored the long-term outcomes of TWO_2 therapy in over 200 'real world' DFU patients suffering from multiple co-morbidities. This retrospective study was published in the leading journal in wound care (by impact factor), 'Advances in Wound Care.'

The RWE study demonstrated that patients who received TWO_2 therapy saw a:

- 88% reduction in hospitalisations over 12 months (p=<0.0001)
- 71% reduction in amputations over 12 months (p=<0.0001)

A 132 patient study on TWO_2 therapy in VLUs was published in The Journal of Vascular and Endovascular Surgery. This study looked at refractory VLUs with a minimum duration of two years, comparing TWO_2 therapy with conventional compression dressings (CCD) and standard of care. The study explored both the healing efficacy and quality of life improvements (pain reduction) for this patient population.

The VLU study demonstrated that patients who received TWO_2 therapy saw:

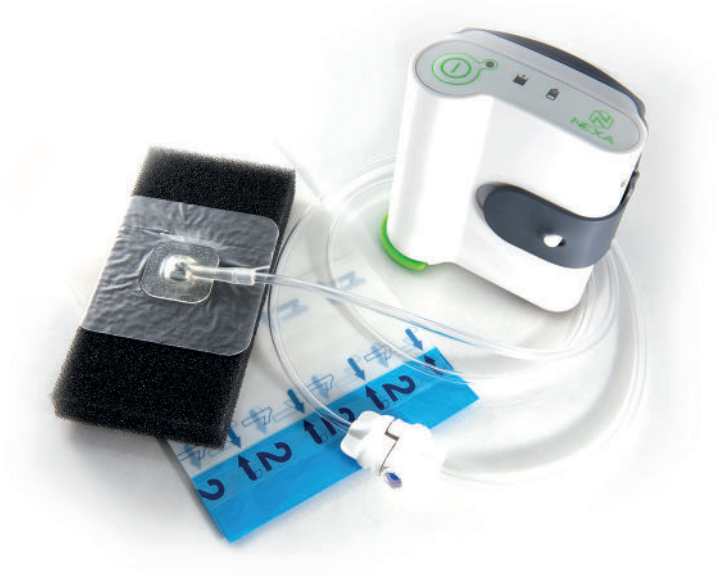
- 76% of TWO_2-treated VLUs versus 46% of CCD-treated VLUs healed at 12 weeks (p=<0.0001)
- 6% of TWO_2-treated VLUs versus 47% of CCD-treated VLUs reoccurred at 36 months (p=<0.0001)

- At 13 days, TWO_2-treated patients experienced a significant reduction in pain from an average of 8 to 3 on the 10 to 0 Visual Numerical Pain Scale
- 46% of TWO_2-treated VLUs versus 0% of CCD-treated VLUs demonstrated MRSA elimination (p=<0.001)

The Group's NEXA NPWT System

The NEXA NPWT System is intended for patients who may benefit from the application of negative pressure wound therapy (NPWT) to promote wound healing through the removal of excess exudates, infectious material and the promotion of granulation tissue. It is a prescribed therapy intended for use in home care, long-term care and acute settings on wounds including: DFUs, VLUs, PUs and other chronic wounds.

The NEXA NPWT System was developed to provide traditional, clinically proven, negative pressure therapy for patients with chronic or acute wounds. The NEXA NPWT System is differentiated from other systems on the market through its three key innovations, namely the proprietary pump, negative pressure connector and the flexible EcoPouch collection canister.



The NEXA NPWT System

Conventional NPWT devices use a vacuum air pump to generate negative pressure which means exudate removal is dependent on the leak rate of the dressing. The NEXA NPWT System utilises a dynamic fluid pump which improves exudate removal and provides consistent negative pressure through the novel pressure control connector located close to the wound. The performance of the system is also not affected by height differences between the device and the wound. Exudate is drawn into a flexible bag, entirely separated from the pump mechanism unlike other NPWT systems which must use an inflexible collection canister that is inherent to their design.

The system has the following key attributes:

- one-button user interface encourages patient compliance
- fewer alarms: instead of the product shutting down with a leak alarm, the system continues to remove exudate until the dressing can be replaced or re-sealed
- lasts for approximately 10 hours on its internal rechargeable battery, enabling patients to be mobile and independent
- compared to existing active NPWT devices, NEXA is small, lightweight and operates quietly without any surprise noises

The inventors of NEXA have around 50 years of experience in the field of NPWT and were some of the early inventors of the original NPWT technology brought to market in the 1990s by KCI.

The Directors believe the NEXA NPWT System offers more opportunity to transition patients from hospital to the community and reduce the risk of further re-admission due to complications with their wounds. The NEXA NPWT System is approved in the US, UK, Europe and Saudi Arabia.

Market access and commercial scaling

Market access refers to the process of ensuring that medical devices and medicines for which approvals have been received from regulators become available for patients. For prescription home-based therapies, this means obtaining reimbursement for the intervention from payors (for instance, the US federal Government, individual states, private insurance companies and the NHS). Obtaining market access for a medical device for a particular group of patients is commonly a complex process, requiring careful review of both clinical and outcome requirements based on the decision makers involved. In the case of medical devices where RCT data is rarely required for regulatory approval, this necessitates the design and implementation of these trials post approval. As these RCTs are conducted in already cleared intended uses, this results in far less complexity and regulatory burden in conducting the trials. Expectations from payers are for well-constructed RCTs that demonstrate efficacy in meaningful outcomes. In the case of chronic wounds, this historically has been healing at 12 weeks of treatment with the intervention in question. More recently, payers have shown interest in longer term outcomes that demonstrate durability of healing. This ultimately requires conducting both RCTs and RWE studies in order to demonstrate short- and long-term benefits that are generalisable to broader co-morbid patient populations.

In order to successfully obtain market access for specific segments and populations, the following components are typically required: regulatory clearances, RCT clinical evidence, RWE studies, demonstrated healthcare economic benefits, clinical adoption and patient compliance. These must be coupled with a knowledge of the relevant decision makers and influencers that may include: payors, politicians, Medicaid administrators and certain influencer groups (e.g. clinicians, clinical key opinion leaders, patient advocacy groups).

The US healthcare landscape comprises over 330 million Americans and can be broadly divided between the following five key payer categories:

Payer	Patient type	Covered lives**	Prevalence of diabetes
VA	Veterans	9 million	25%
Medicaid	Low income*	c.90 million	13%
Medicare	Over 65s	65 million	25%
Private	Employer paid	c.176 million	10%
–	Uninsured	c.26 million	–

* *Also includes end-stage renal disease and certain other conditions*

** *Excludes uninsured population and includes some double counting through eligibility for more than one insurance scheme*

The Group's approach to market access comprises three overlapping phases that are sequentially establishing access to the VA, Medicaid and Medicare. Ultimately, as these phases are implemented, the remaining payer categories will also provide reimbursement. The Group is targeting these sectors because they have the highest diabetes prevalence rates. These patients are predominantly characterised by either federal and/or state governments as payer. With the exception of the VA, the vast majority of these patients are enrolled in managed care insurance plans that administer healthcare on a capitated basis on behalf of the government payer. In many cases, the commercial insurance company servicing government-funded reimbursement programmes is also the same insurer that provides commercial private insurance plans throughout the US, for example, United Healthcare, Aetna, BCBS Group.

The Group's three-phase US market access strategy for TWO_2 Therapy

Phase 1 – VA & NY Medicaid (completed)

The Group first secured reimbursement from the VA and IHS in 2009 under an awarded FSS contract, allowing certain federal and state entities standardised, preferential pricing that by law must be the lowest. This encompasses certain patient populations that include the VA and other governmental departments. Once this contract was secured, the Group was able to start marketing TWO_2 therapy actively within the VA system. A key benefit of the contract is that the payments for services are made utilising government-issued credit cards, resulting in the Group receiving payment as soon as a patient starts therapy, which has provided a significant working capital benefit to the Group.

With success in establishing reimbursement and commencing selling into the VA, the Group started to explore other reimbursement options in the US. The largest government payer category is Medicaid which provides healthcare to those with low income and disabled individuals. The reforms of the Affordable Care Act in 2014 significantly expanded the number of adult lives covered by Medicaid (from 56m to 87m) and mandated that enrolees be serviced by managed care insurance companies. As this patient population is characterised by higher rates of diabetes and other chronic diseases with disproportionately worse outcomes, the Group decided to target the Medicaid sector. NY State was the first state targeted by the Group with reimbursement established at approximately double the FSS contracted rate.

Based on the experiences and knowledge gained in these market sectors and to further expand throughout the VA, within NY Medicaid and to establish coverage throughout Medicaid nationwide, the Group decided to invest in high quality RCT and RWE studies in order to generate robust outcome data.

Following publication of the RCT and RWE studies, the Group commenced investment in its accelerated Medicaid market access strategy based on a strong body of clinical evidence demonstrating sustained healing efficacy resulting in a strong healthcare economic proposition. As there is currently no national reimbursement reference rate for TWO_2 therapy, each insurer will negotiate a reimbursement amount based on established formulae, with each negotiated reimbursement rate being commercially confidential.

Phase 2 – Wider state Medicaid and international expansion (in progress)

The Group has invested approximately over $6.3 million in its market access and its commercial resources across 2022 and 2023. The Group's market access team of 4 FTEs and 9 specialist consulting advisers have expertise in gaining reimbursement for medical devices from state Medicaid systems across the US. With recognition of topical oxygen as a form of standard of care by the American Diabetes Association and others, the Group now has the full suite of data required to secure state Medicaid reimbursement. As noted above, each state requires a slightly different approach to market access and careful selection of which decision-making group to deal with.

The Group's strategy is to focus on a select number of 15 targeted states and align these with the major insurance companies who administer Medicaid in those states through managed care to help streamline future negotiations with other states. Once the Group has access to these states, they will also have access to all the major payers administering the remaining states across the US Medicaid and Medicare systems.

Since the start of the Group's accelerated market access strategy in 2022, the Group has secured Medicaid payers within the states of Arizona, New Jersey, Massachusetts, Virginia and Tennessee

and expects to open 2 to 3 new states on a sustainable basis each year over the coming years and beyond. From initial discussions with key decision makers, it typically takes 12 to 18 months to open a new state, agree reimbursement and achieve first payment for TWO_2 therapy.

The Company acquired NEXA in late 2022. The primary reason for doing so was to complement the Group's overall market access strategy. The NEXA NPWT System is a well-established type of therapy and reimbursement rates and codes are also generally well-established globally. The presence of the NEXA NPWT System in the Group's offering enables early sales to be established in states under negotiation for TWO_2 reimbursement and helps further enhance the Company's credentials in the advanced wound healing field and helps accelerate access.

Phase 3 – Full US national coverage (CMS) and access to Medicare (future)

The final phase of the Group's market access strategy is to accelerate access beyond the targeted 15 states in the second phase to achieve full Medicaid coverage across the USA and beyond that to secure reimbursement eligibility for Medicare to access the c.65 million Americans who are over 65. This target group has a diabetes prevalence rate of 25 per cent.

Having achieved access to the 15 targeted Medicaid states in the second phase, the Group expects an accelerated level of access for the remaining US Medicaid states, which continues to support current growth levels over the longer term.

In parallel, the Group will continue to pursue its objective to secure reimbursement eligibility for Medicare. Access to Medicare will be achieved through a local coverage determination (LCD) that is an evidence-based review by the four designated DME contractors that will set the federal Medicare reimbursement rate for the entire country. Whilst certain aspects of the process have determined timelines, the overall process can be uncertain and as such the Directors estimate the Group will likely have access to Medicare in the next two or three years. Receipt of an LCD will also aid the Group's Medicaid and commercial market access strategy.

US Commercial

Prior to 2017, the Group predominantly utilised '1099' sales representatives to promote the Group's TWO_2 therapy largely within the VA system. These were typically self-employed individuals paid to promote a variety of products (from a variety of medical device companies) to prescribers. Since then and particularly following the major investment into market access and commercial resources noted above, the Group has expanded its own direct sales force across the US and internationally which has led to greater accountability and performance.

In the US, the Group operates a DME rental model for TWO_2 therapy and distributes through its in-house US sales team that consists of more than 60 experienced medical sales people located across the US. The Group does not use distributors or wholesalers in the US.

The Group has developed a significant amount of supporting clinical and educational literature with which to convince new clinicians of the benefits of the therapy and to help drive adoption of TWO_2 as the standard of care for DFUs and other chronic wounds. The Group has established a significant presence at the major relevant medical symposia and conferences covering all the multidisciplinary stakeholder segments. The Group has also established a well-known and respected scientific and clinical advisory board, comprised of key opinion leaders (KOLs) from across the chronic wound sector in the US, UK and Europe, further details of which may be found in paragraph 12 of Part I (*Information on the Group*) of this document.

The Group's sales team is divided between those selling into the VA and those selling into Medicaid. In the VA, once therapy is prescribed, the purchasing department issues a purchase order. AOTI will set the patient up on TWO_2 therapy in their home. AOTI receives payment immediately after the patient is set up, which creates a positive working capital impact. The VA reimbursement rate is c.$3,000 per month and is the lowest reimbursed price, as is required by law. The Company's monthly cost of goods, which are primarily consumables in the form of extremity chambers, is approximately $200 per patient at this time, plus a portion of depreciation for the rental units (c.$33-$35 as capitalised over 5 years). Whilst the Group is currently treating VA patients across 30 states, the Directors estimate that penetration into the VA for 2023 was no more than 1.8 per cent of that DFU patient population.

For Medicaid, once a state is open and the Company is set up with at least one of the state's managed care insurers, AOTI liaises with doctors to identify eligible patients. Once therapy is

prescribed, a patient packet is submitted to the insurer for approval. Once approval is received, AOTI will set the patient up on TWO_2 therapy in their home. AOTI will invoice the payer on the same day and typically receives payment within 60 to 90 days. Medicaid reimbursement (based on the fee schedule to the various insurers) ranges mainly between $6,000 to $8,000 per month. The recently added states have consistently fallen within this range, or even above. The Directors estimate that penetration into NY Managed Medicaid for 2023 was no more than 1.7 per cent of that DFU patient population. Penetration into other state Medicaid systems is currently smaller owing to the recent opening of such states. Contributions from these states are expected in the FY24 financial year. Once a Medicaid state has been opened and reimbursement for TWO_2 established, it takes around 6-9 months to ramp up commercial activities to payback the cost of a new sales FTE. This is typically achieved by targeting major wound care centres and clinics, and in some cases skilled nursing facilities (SNF) within that state.

Certain members of the sales team also promote the NEXA NPWT System across the US and selectively into states where the Company is negotiating access and Medicaid reimbursement for TWO_2 therapy. In the US, the initial target market for the NEXA NPWT System is long term care and, following a short human factors study to expand the FDA label claim, the acute-care-to-home-care transition. The homecare indication already exists in the international approvals for the NEXA NPWT System.

The Directors believe that a US sales team of around 250 people will be the right size to cover the whole of the US effectively for TWO_2 and the NEXA NPWT System and, consequently, the team is expected to grow for the foreseeable future as new Medicaid states are opened and the Company receives an LCD and access to the Medicare market.

The Directors may consider the use of large out-sourced homecare providers to help scale more aggressively and manage the equipment rental fleet, patient set-up and support functions, for TWO_2 the product line.

International Market Access and Commercial

TWO_2 therapy has received regulatory approvals from the USA (FDA), Europe (CE Mark), UK (MHRA), Health Canada, the Chinese National Medical Products Administration, and certain Middle Eastern countries. Many markets around the world have their own medical device registration processes, but typically accept existing approvals and data dossiers from the US and EU agencies.

The Company's market access and commercial strategy varies by territory with European territories generally being a combination of direct and distributor models and elsewhere being targeted with partners and distributors to comply with the various local regulatory requirements. Some territories offer a reimbursement approach and others require tenders. The Company is focused on target DFU patient populations in Germany, the UK, the Middle East and China. The NEXA NWPT System is generally available to market into most international territories and can utilise existing reimbursement codes where relevant. The Company works with specialist local consultants to gain market access for TWO_2 therapy.

Territory	**Market access status and commercial model**	**No. diabetics**	**DFU expenditure (2022)**	**Patient source**
Germany	Regulatory approval received Direct sales model (with partner) Covers ~80% of metro areas Working on securing reimbursement, currently case-by-case coverage	8.6 million	€7.8 billion	300 target wound care centres
UK	Regulatory approval received Direct sales model Working on securing reimbursement and NICE recommendation, currently case-by-case coverage UK reimbursement of TWO_2 in process	4.3 million	£1.4 billion	36 target DFU / VLU centres

Territory	Market access status and commercial model	No. diabetics	DFU expenditure (2022)	Patient source
Saudi Arabia	Regulatory approval received Distributor model 100% score for in-country assessment Awarded NUPCO Tender in Saudi Arabia	~4.3 million	$1.9 billion	52 target wound care centres
China	Regulatory approval received for TWO_2 Regulatory approval process commenced for NEXA Distributor model Working with partner on securing reimbursement and market access	141 million	$34.9 billion	400 'wound repair' departments in tertiary hospitals

Manufacturing

The Group's TWO_2 product manufacturing and the controller unit assembly is managed at the Group's site in Galway, Ireland. Galway is a major European medtech hub and home to 8 of the top 10 global medtech companies. This critical mass of industry has supported the formation of a vertically integrated medtech cluster in Galway that the Group benefits from. The controller units are assembled in-house on a single shift basis. The facility has significant room for expansion and has the capacity to add the anticipated volume of controller units to the Group's rental fleet as demand continues to grow. Most of the components for the controller units are supplied by local companies in Galway with over 90% of the value of components coming from suppliers in Ireland and Belgium. The Group's supply chain is robust and there are no uniquely difficult to source components. The single-use extremity chambers are manufactured by three separate suppliers based in Mexico, the US and China with the capacity to manufacture very significant volumes of chambers and meet anticipated demand. The use of multiple vendors on different continents also provides supply chain flexibility and redundancy.

Following the acquisition of NEXA, the Group has transferred assembly of this product line to Galway and NEXA now operates fully under the Group's quality management system. This has resulted in a significantly streamlined and more resilient supply chain, with components mainly now sourced locally, resulting in substantial cost-savings.

Regulatory

The Group operates in a highly regulated field and is subject to various government regulations and policies in the countries in which it operates. The Group maintains an ISO 13485:2016 accredited Quality Management System (QMS), which is designed to support all of the requirements of these various regulatory regimes and the Group has processes and procedures in place to monitor changes in regulations and implement any required changes.

The main regulatory agencies with authority over the Group's products are the FDA in the US, the CE mark granting notified body in Europe and the MHRA in the UK. The Group has received regulatory approval from all of these regulators and various others (including those from Canada and China). Since 2007, the Group has been subject to announced and unannounced visits and audits from various of these regulatory agencies. Typically, at least one such visit is conducted each year to confirm ongoing compliance with the applicable regulations and to inspect the manufacturing facilities. All of these audits have been concluded successfully. Regulators have wide-ranging extra-territorial powers to sanction companies that are found to be in breach after such inspections.

In Europe, the Group has been subject to the Medical Device Directive (MDD) for its devices that required the classification of all medical devices on the market in Europe and, for Class II and above devices (such as the Group's), for the independent review of such devices by a notified body in order to provide the CE Mark. The Group recently received the 3-yearly reissued CE Mark certifications for both its TWO_2 therapy and NEXA NPWT System product lines.

In 2017, a new European Medical Device Regulation (MDR) was enacted, requiring the re-classification and re-certification of all medical devices on the market in Europe and, for Class II and above devices (such as the Group's), with a more extensive independent review of such devices by a notified body in order to continue to affix the CE Mark past 31 December 2028.

Whilst the purpose of the MDR legislation is to ensure the safety and effectiveness of medical devices on sale in Europe, it is far-reaching and extends to all products already in the market. The Group's notified body is the National Standards Authority of Ireland. Like many notified bodies across Europe, the Irish agency has a very substantial backlog of applications. The EU recently extended the deadline for compliance with the MDR to 2028 to allow notified bodies to work through the backlog. The Company has submitted its MDR applications for review and can continue to market its TWO_2 and NEXA NPWT System under its current CE certifications and envisages receiving an MDR-compliant CE Marking in due course.

In addition to medical safety and efficacy regulations discussed above, the Group is also subject a number of other regulations in the operation of its medical equipment business in the US and Europe. These include, but are not limited to, state and federal anti-kickback, fraud, false claim, physician payments, privacy, bribery and security laws and regulations.

Failure to comply with any of these laws and regulations can have a material adverse effect on the Group's business. Consequently, the Group has extensive policies and procedures in place to prohibit such things as improper payments, and to proactively encourage best practices, while discouraging possible violations by its employees, and distributors and other agents, particularly outside of the US. The Group's compliance system is headed by a VP of Compliance, who reports directly to the CEO.

Research & development

The Group's R&D team is primarily focused on both new product development, as well as existing product refinement and optimisation for both the TWO_2 and NEXA NPWT System product lines as well as the Group's Eyes on the Wound technology. It is anticipated that new intellectual property will be elucidated, with resultant patent applications filed, as part of this development process. The development process may include conducting additional small-scale clinical trials to support expanded market access into new market segments for the TWO_2 product line. For the NEXA NPWT System, an expanded human factors study is being conducted to support expanded FDA claim submission for its use in the home-care transition setting. All these initiatives will help drive access to new markets or expand existing market segments.

5. Industry and market overview

Obesity and chronic diseases

Obesity is the leading risk factor for a number of chronic diseases including Type 2 diabetes, cardiovascular diseases, osteoarthritis and some cancers. Global obesity rates have more than tripled since 1975, with the greatest rises presently in developing countries. In 1997, the WHO recognised obesity as a global epidemic. Obesity is defined as a BMI of greater than or equal to 30 and is caused by the excessive intake of calories, particularly those high in sugars and fats, and a lack of physical activity – obesity is preventable. Notwithstanding the fact that obesity is preventable and has causal links to other chronic disease, rates continue to increase and the majority of global healthcare expenditure is spent managing chronic diseases. In the US 90 per cent of the total healthcare budget in year, $3.7 trillion, is spent on managing chronic and mental health conditions.

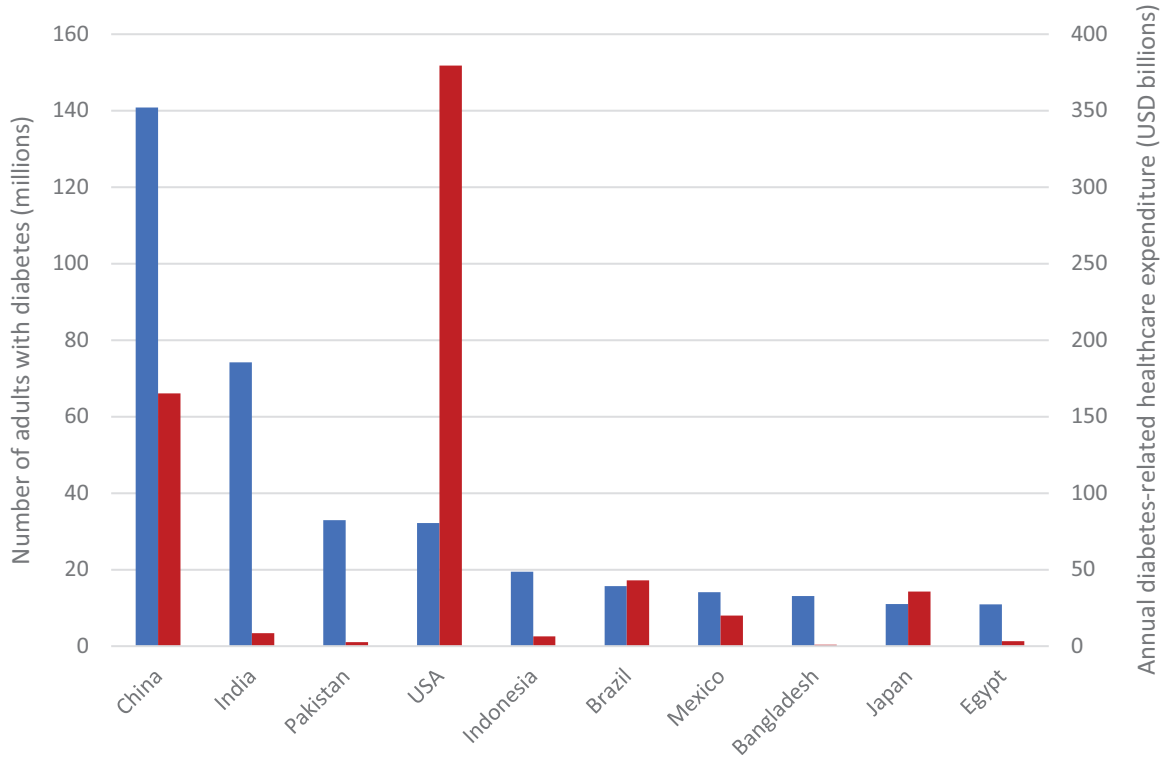
Diabetes and chronic wounds

Approximately 1 in 10 adults globally have diabetes, more than 500 million people, and by 2050 is it estimated that 1 in 3 Americans will be diabetic. Around 95% of diabetics have Type 2 diabetes and the minority have Type 1 diabetes.

Type 1 diabetes is an autoimmune disease that leads to elevated blood glucose levels that, if left untreated, damages the nervous and vascular systems of the body which can have serious health quality and health span consequences including chronic non-healing wounds, limb amputations, blindness, kidney disease and early death. Type 1 diabetics lack the ability to produce enough insulin hormone to keep their blood sugar levels under control. Type 1 diabetes is treated with insulin injections by the patient at regular intervals along with careful monitoring of blood glucose

levels. Type 1 diabetes is often diagnosed in childhood and it does not have a causal link to obesity.

Type 2 diabetes is also a condition of elevated blood glucose levels that can lead to the same serious health consequences as Type 1 diabetes. However, it is a metabolic disease linked to poor diet, obesity and other factors that lead to the body developing an insensitivity to endogenous insulin and, hence, an inability to control blood glucose levels. Type 2 diabetes is an insidious disease that manifests itself over many years during which time many of the damaging effects of elevated blood glucoses levels have taken effect. By far the greatest risk factor for Type 2 diabetes is being overweight. In 2022, the WHO estimated more than 1 billion people worldwide were obese. Around 90% of Type 2 diabetics are overweight or obese.



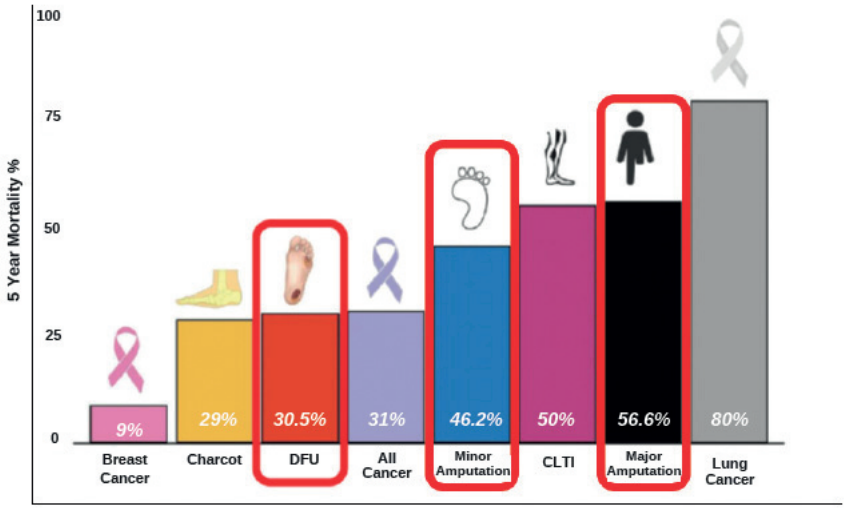
Top 10 countries by number of people with diabetes (blue bars) and annual diabetes-related healthcare expenditure (red bars) (Source: IDF Diabetes Atlas, 10th Edition)

Diabetic foot ulcers (DFUs)

The damaging effects of chronically high blood glucose levels on the nervous and vascular systems commonly manifest themselves in the peripheral limbs, particularly the legs and feet of patients. The ensuing diabetic polyneuropathy, amongst other things, reduces a patient's protective sense of pain which can lead to an increased risk of minor cuts and abrasions (injury) to this area. In healthy people, such minor wounds would be noticeable (they would feel pain in the area) and would typically respond well to standard treatment regimens (the vascular and immune systems are not compromised). In diabetics, such minor wounds can rapidly turn into non-healing ulcers known as DFUs.

Up to one third of diabetics will suffer from a DFU in their lifetime and they are the leading cause of morbidity and lower extremity amputations in the diabetic population. Approximately 50% of DFUs become infected which can rapidly lead to life threatening infections and with 17-22% resulting in limb amputation. It is estimated that approximately 66% of DFUs do not heal within a year and the risk of amputation is significantly higher in these cases. Globally, it is estimated that an amputation due to a DFU occurs every 30 seconds. The five-year mortality rate following a lower extremity amputation is high, ranging from 40% to 70%, depending on various factors such as age, comorbidities, and the level of amputation. These mortality rates are comparable to that seen in some of the worst cancers. The loss of a limb due to an ulcer not only affects the individual's

physical functioning and mobility, but also has long-term psychological, social, and economic consequences. Depression rates among individuals with chronic wounds have been reported to be as high as 47%.



Charcot – Charcot neuroarthropathy of the foot. DFU - diabetic foot ulcers. All Cancer – pooled 5 year survival of all reported cancer. CLTI – chronic limb threatening ischemia. Major Amputation – above foot amputation. Minor Amputation – foot-level amputation. (Adapted from source: Armstrong, D.G., Swerdlow, M.A., Armstrong, A.A. *et al.* Five year mortality and direct costs of care for people with diabetic foot complications are comparable to cancer. *J Foot Ankle Res* **13**, 16 (2020))

Five Year Mortality of Diabetic Foot Complications and Cancer

Other chronic wounds

Venous leg ulcers (VLUs) result from poor circulation in the legs that causes persistent high pressure in the leg veins that, in turn, weakens the skin. Like DFUs, minor cuts and abrasions can result in hard-to-heal ulcers and chronic wounds. However, unlike DFUs, patients with VLUs can experience intense pain. The major risk factors for VLUs are obesity, age and lack of mobility. Only 60% of VLUs heal by 12 weeks and, once healed, 75% recur within 3 weeks.

Pressure ulcers (PUs) are injuries to the skin and tissue that result from prolonged pressure on the site of injury. Whilst PUs can affect anybody, they most commonly affect those confined to bed or sit in a wheelchair for long periods of time with the elderly and obese being more at risk generally. Other co-morbidities (diabetes, peripheral arterial disease and anything that impairs circulation and immune response) can contribute to a vicious cycle of poorly healing chronic wounds and ever reducing mobility and ability to off-load the wound site.

Current treatments for DFUs and other chronic wounds

DFUs are slow and challenging to heal and when they do heal, the quality of healing is often poor leading to frequent recurrence. This is also true of VLUs and PUs. Treatment options mainly include debridement (removal of infected and non-viable tissue), offloading (taking weight off the DFU with obvious impacts on patient mobility), infection control and more advanced wound care (which is discussed in further detail below).

Chronic wounds and health equity

Healthcare inequity in the US remains a pressing issue, particularly in relation to chronic diseases. Accessibility to healthcare for chronic wound treatments poses a significant hurdle to tackling the health disparities seen with chronic wound patients. Low-income individuals and racial and ethnic minorities are disproportionately affected by healthcare inequities in the US. Diabetes prevalence is significantly higher among Hispanics (12.8%) and African Americans (13.2%) compared to non-Hispanic Whites (7.6%). This higher disease prevalence, coupled with limited access to care, translates to people of colour having as high as a 4-times greater likelihood of receiving a lower extremity amputation than non-Hispanic whites. There is clearly a need for accessible interventions

to address healthcare inequities and improve outcomes for all individuals, regardless of their background or socioeconomic status.

Size of chronic wound markets

Chronic wounds, including DFUs, pose a significant burden on society in terms of healthcare costs due to the slow healing process, high rates of recurrence and need for prolonged medical intervention. Additionally, chronic wounds commonly lead to complications such as infections, which further escalate healthcare expenses. In the United States alone, it has been reported that the annual cost of diabetic foot care is c.$79 billion, which is comparable to the c.$80 billion annual cost spent for all cancer treatments. The management of DFUs accounts for a significant portion of these costs. Studies have suggested that the average lifetime cost of treating a DFU in the US is $619,300. These costs include expenses related to hospital stays, outpatient visits, wound dressings, medications, surgical interventions and the management of complications such as infections or amputations. The annual cost of diabetic related lower extremity amputations in the US is estimated to be $4.3 billion.

Overview of addressable market and competitive landscape

The Group is focused on therapies for the prevention of amputations and more durable treatment of chronic wounds. It primarily operates within the Advanced Wound Care sector, a c.$12bn global market. The Advanced Wound Care sector can be segmented as follows:

- Advanced dressings
- External devices
- Biologics and Cellular Tissue based Products (CTPs)
- Hyperbaric oxygen

Advanced dressings

Advanced dressings include foams, hydrogels, hydrocolloids, silver and alginates as well as compression. They generally seek to offer higher performance over basic wound management products like bandages and gauzes by reducing anti-microbial activity, improving absorption of exudate, improving compression and creation of a moist environment to promote wound healing.

The advanced dressings sub-sector was worth approximately $4.5 billion in 2022 and is growing at around 5 per cent per annum.

The Group's TWO_2 therapy is typically used with either basic or one of these dressings already in place over the wound, and as such is a complementary, adjunctive therapy to many advanced wound dressings on the market. Key companies in the advanced dressings field include Coloplast, ConvaTec, Mölnlycke and Smith & Nephew.

External devices

The external devices segment include negative pressure wound therapy (NPWT) and topical oxygen. NPWT involves the application of sub-atmospheric pressure via a pump, tubing and dressing to a wound to remove exudate, reduce microbial load and encourage closure. The NPWT market is divided into acute and chronic care which typically means in-patient and out-patient wound management, respectively. The first modern, commercial NPWT devices entered the market in the 1990s. Over the years, the devices used at home have become smaller and are now often portable, clip-on units that allow patients varying degrees of mobility, dependent on where the wound is located on the body.

Topical oxygen therapies apply oxygen to wounds at varying pressures, concentrations and volumes, either continuously or intermittently. Chronic wounds are typically low oxygen environments (hypoxic). The application of oxygen directly to the wound bed is intended to promote the immune response to fight infection, encourage revascularisation, and stimulate collagen production.

The external devices market is estimated at $2.2 billion and consists almost entirely of NPWT which is forecast to grow around 5 per cent per annum. Topical oxygen is currently a small but a growing contributor to the overall market and is expected to be worth approximately $83 million in 2024.

NPWT has been on the market since 1993 and was introduced and established by KCI (now owned by 3M), who, more than 20 years later, still retain significant market leadership despite

numerous more recent competitors. Acelity, Coloplast, ConvaTec, Mölnlycke and Smith & Nephew are some of the larger companies with offerings in the NPWT field.

The Group has the leading position in the nascent topical oxygen market with its TWO_2 therapy having over 80 per cent market share. Other companies in the topical oxygen therapies segment include:

Inotec AMD – private UK company with NATROX device that provides low pressure and low volume continuous topical oxygen therapy.

EO_2 Concepts – private US company with OxyGeni device that provides low pressure and low volume continuous topical oxygen therapy.

Ogenix – private US company with EPIFLO device that provides low pressure and low volume continuous topical oxygen therapy.

GWR Medical – private US company with extremity chamber devices to provide low constant pressure oxygen therapy.

Biologics and Cellular Tissue based Products (CTPs)

Biologics cover a variety of synthetic, plant, human or animal derived materials, tissue-engineered allogeneic skin substitutes, skin grafts, epidermal growth factors and stem cell therapies. These therapies typically target anti-microbial activity, protection from contamination by providing a skin covering, maintenance of a moist wound environment and the development of a granular wound bed. The market for biologics was approximately $2.4 billion in 2023 and it is expected to grow at approximately 6 per cent per annum.

As is the case with advanced dressings, the Group's TWO_2 therapy is also complementary and adjunctive to biologic interventions. Key companies in the wound-healing biologics field include Smith & Nephew, Organogenesis, Coloplast, Mölnlycke, ConvaTec, Integra Lifesciences and MiMedix.

On 25 April 2024, all of the Medicare Administrative Contractors issued a draft local coverage determination (LCD) for skin substitute grafts/cellular and tissue-based products (CTP) for the treatment of DFUS and VLUs. In summary, the draft LCD notes the effectiveness of these therapies is currently an active area of investigation and that despite a lack of definitive improved health outcomes in the Medicare population, it is proposed that coverage will only be provided for skin substitute grafts/CTP having peer-reviewed, RCT published evidence supporting their use as adjunctive treatment for chronic ulcers shown to have failed established methods to affect healing. Very few such therapies have the level of clinical evidence deemed adequate and consequently the majority are included in a table of proposed non-covered products. The draft LCD also proposes limiting therapy usage for the remaining covered brands to only 4 applications, as well as increasing the burden of proof and justification for use and continued use and details of patients' responses to such therapies. The consultation period runs to 8 June 2024.

Hyperbaric oxygen therapy (HBOT)

Full-body HBOT is a therapy method to deliver oxygen to the wound site in a whole-body chamber pressurised to 2.5 atmospheres, predominantly through saturating the plasma and creating oxygen-enriched blood, rather than direct delivery to the wound as in topical oxygen. This encourages revascularisation, promotes the immune response to infection and stimulates collagen production. The market for HBOT for wound healing was forecast to be approximately $3.5 billion in 2023.

The major providers of HBOT therapy tend to be specialised centres or physician practices, located near major hospital facilities, operating single patient hyperbaric chambers.

6. Growth drivers

The fundamental growth drivers of the Group's addressable markets are:

Increasing prevalence of obesity and Type 2 diabetes

Despite both chronic diseases being related to lifestyle and capable of reversal, the prevalence of both continues to rise. The prevalence of obesity in the US increased from 30.5 per cent in 1999-2000 to 41.9 per cent in 2017-2020. As obesity is the major risk factor for type 2 diabetes, it

follows that the prevalence of diabetes in the US increased from 10.3 per cent in 2001-2004 to 13.2 per cent in 2017-2020.

Living longer with multiple co-morbidities

The earlier detection and more effective treatment of patients with multiple chronic conditions including diabetes is extending the period of time such patients are expected to be reliant on the medical device industry's treatments and products. The life expectancy for people with Type 2 diabetes is now over 75 years. Nearly 52 per cent of adults in the US have at least one comorbidity and 27.2 per cent have at least two.

Rising amputation rate and awareness of health inequity

The rise in incidence of Type 2 diabetes is leading to a rise in the amputation rates globally. In the US, more than 154,000 non-traumatic lower extremity amputations are performed every year on people with diabetes. Worldwide, approximately 1.6 million amputations occur each year. With limited gains in addressing health equity, Black Americans are four times more likely to suffer an amputation than are White Americans. Latin communities face amputation rates two times higher than those of White persons. Indigenous Americans are also at increased risk for an amputation. These same communities face disproportionately high rates of diabetes and are more likely to have serious complications like strokes and heart attacks, as well as death. As many as 85% of all diabetes related amputations are preventable through earlier intervention and appropriate care.

7. Strategy

The Group's strategy is to continue its strong growth and fulfil its mission of helping all people with chronic conditions to get back to living their lives to the fullest. The Directors believe the Group has all of the key building blocks in place to secure further market access and commercialisation for its TWO_2 therapy and to continue expansion of its NEXA NPWT System, namely:

- Regulatory approvals
- Differentiating clinical and outcome data from RCTs and RWE studies
- Growing adoption into clinical practice
- High patient treatment compliance
- Strong healthcare economic proposition for payers

The Group has a clear strategy to secure broader reimbursement and expand across the US and internationally. This is being executed by the Group's experienced management team combined with the over $14 million investment made over the last two years in market access and building out the commercial infrastructure. The Directors believe the key attributes of the Group's TWO_2 therapy, namely, long-term sustainable wound healing, reductions in hospitalisations and amputations, resulting in a strong healthcare economic proposition, uniquely opens many potential reimbursement pathways. TWO_2 therapy is particularly well suited for managed care systems, where payers are looking to improve outcomes and reduce costs, whilst keeping patients out of hospital. Further details of the Group's market access and commercialisation activities may be found in paragraph 4 of this Part I above.

The Group tracks developments and opportunities in its markets that may offer ways for enhanced growth such as bolt-on acquisitions and strategic partnerships. These may include ways to take advantage of the Group's unique outcome-based market access model and position as an established at-home DME provider.

8. Intellectual property

The Group recognises the importance of securing intellectual property protection, where available, for its products. The Group has a portfolio of 66 global patent families, including granted patents and applications encompassing its TWO_2 and NEXA NPWT System features. The Group has a deliberate and ongoing strategy that seeks to provide multiple layers of protection to the Group's TWO_2 and NEXA NPWT System and continues to file new applications.

The Group is establishing the topical oxygen market segment with its unique TWO_2 therapy. In addition to patents, other IP and first-mover advantage, the Group continues to create significant

additional protection to its position in the market. This includes a large body of RCT and RWE clinical data demonstrating differentiating long-term clinical efficacy and health economic outcomes (which would be necessary for any competitor to generate); a proven DME delivery model with high levels of patient compliance; established relationships with key opinion leaders; and the establishment of distribution channels in key international markets. The Directors believe this strategy shares parallels with the NPWT segment created in the 1990s by KCI (now owned by 3M) who, more than 20 years later, still retains significant market leadership despite numerous more recent competitors.

Part III of this document contains a report prepared by Alston & Bird on the Group's intellectual property portfolio.

9. Summary financial information

The financial information set out in the table below has been extracted from the historical financial information of the Group included in Part IV (C) & (E) of this document. Investors should read the full historical financial information in Part IV (C) & (E) of this document and not rely solely on the summary below.

$'000	**Year ended 31 December**		
	2021	**2022**	**2023**
Net revenues	22,976	33,510	43,918
Cost of revenue	(2,187)	(4,014)	(6,324)
Gross profit	20,790	29,496	37,594
Operating expenses	(17,603)	(29,676)	(43,130)
EBITDA*	3,584	476	(4,281)
Adjusted EBITDA**	4,217	2,811	1,719
Operating income (loss)	3,187	(180)	(5,537)
Other income (expense)	(44)	(1,339)	(2,113)
Income (loss) before taxes	3,142	(1,519)	(7,650)
Net income (loss)	2,027	(2,805)	(8,187)

* Unaudited non-GAAP measure: Earnings before interest, taxation, depreciation and amortisation

** Unaudited non-GAAP measure: Earnings before interest, taxation, depreciation, amortisation and non-underlying items ("Adjusted EBITDA") as described in the table below:

$'000	**Year ended 31 December**		
	2021 (unaudited)	**2022 (unaudited)**	**2023 (unaudited)**
Net (loss)/income	2,027	(2,805)	(8,187)
Interest expense	34	1,344	1,950
Provision for income taxes	1,115	1,286	537
Depreciation and amortisation	408	651	1,419
EBITDA	3,584	476	(4,281)
Adjustment for one-off income & costs			
Severance costs	—	500	—
Share-based payment expense*	—	1,228	1,516
Strategic advisory & IPO preparation**	—	235	4,428
Non-recurring professional fees	633	372	56
Adjusted EBITDA	4,217	2,811	1,719

* Share-based payment expense included as a non-recurring expense due to acceleration prior to IPO.

** The Company will incur certain ongoing professional fees from Admission in light of being a public company.

The Company operates in one reportable segment, which comprises the development and sale of innovative medical devices for therapeutic care. The Group tracks a number of KPIs across the business. Some of these include gross revenue, per payer revenue per sales representative and EBITDA (adjusted for one-off costs, as illustrated above).

The majority of the Group's revenue to date has come from sales to the VA and NY Medicaid as illustrated by the table below:

$m	Year ended 31 December		
	2021 (unaudited)	**2022 (unaudited)**	**2023 (unaudited)**
Revenues			
Veterans' Administration	15.7	24.0	31.0
Medicaid	7.2	9.4	12.3
NEXA	—	—	—
International	0.1	0.1	0.6
Total net revenues	23.0	33.5	43.9

The majority of the Company's sales are to customers located in the United States and the majority of its assets are located in the United States. Most of the Group's revenues and costs are in USD with a relatively fixed Euro and small GBP cost base. No hedging is currently in place.

As at 13 June 2024, the Group has a $14.5 million loan outstanding with SWK Bank. The terms of the loan are summarised in paragraph 14.11 of Part VII (*Additional Information*) below. The Company intends to repay $8.5m of the loan using the net proceeds from the Placing and the remaining balance by the end of the year. The Directors will consider putting in place a facility to provide the Group with flexibility over future expansion plans (for instance, earlier receipt of CMS coverage and opportunistic acquisition opportunities).

10. Current trading and prospects

The Group has invested heavily in market access and building the commercial team over the past two financial years, investing approximately $6.3 million. The market access and support functions are largely in place whilst the commercial team continues to grow. New sales representatives have a payback period of approximately 6 to 9 months and, therefore, growth in the commercial team is largely self-funding. The Group implemented a new ERP/CRM in January 2023 and does not have any major capex requirements. The Group's primary capex is increasing the number of TWO2 Therapy units in the rental fleet to meet the growing patient therapy demand.

The most significant trends since FY2023 have been growth in new revenue streams from new Medicaid states, including Arizona, New Jersey and more recently Tennessee, the launch of the NEXA NPWT System and international sales. Inventory has been growing in line with these additional activities. Reimbursement rates, once agreed, have largely remained fixed. The trading of the Group in January and February 2024 was slower than expected owing to some territory restructuring in New York made in Q4:23. These have been implemented and from March 2024 onwards, the Group has been trading in line with the Directors' expectations and the Directors are confident in the outlook for the rest of 2024 as well as the Group's longer-term prospects. Arizona and New Jersey Medicaid revenue run-rates are approximately $0.7m and $0.1m per month, respectively, as at the end of May 2024. The Group expects growth for 2024 to be greater than 30 per cent which comes from continued increases in sales volumes from the long-standing FSS contract (which has been extended by 6 months to facilitate the completion of the formal renewal), further penetration into existing and new Medicaid states, sales of the NEXA NPWT System and international sales. The revenue mix for FY2024 is expected to have a lower proportion of revenue from the VA with a higher proportion coming from new and existing Medicaid states as well as contributions from NEXA and international sales in line with the Group's strategy.

Following the two years of investment in sales, marketing and market access (as described further in paragraph 4 of this Part I) the Group expects to return to its historical adjusted EBITDA margin of c.20 per cent in the medium term and approximately 15-20 per cent for FY2024.

Since 1 January 2024, the Group completed the necessary human factors testing and has completed the regulatory submission to expand marketing of the NEXA NPWT System into the home care setting in the US. In addition, the Group received a 100 per cent score for TWO_2 Therapy in the NUPCO tender process allowing for access to the Saudi Arabian market. The Group

also launched the Eyes on the Wound – Enhanced Outcomes platform in key strategic sectors of the US market (further details are provided in paragraph 4 of Part 1).

The Group's ability to achieve the targets set out above will depend upon a number of factors, including a number outside of its control. These include business and economic uncertainties, actions taken by counterparties and the Group's general ability to execute its business plan. As a result, the Group's actual results may vary and investors are recommended to read the risk factors set out in Part II (Risk Factors).

11. The Group

Information relating to the undertakings in which the Company holds a proportion of the capital is set out below:

Advanced Oxygen Therapy Inc.

Advanced Oxygen Therapy Inc. is a wholly owned subsidiary of the Company, incorporated in the state of Nevada. Advanced Oxygen Therapy Inc. is the entity having responsibility for conducting the Group's commercial activities in the United States.

Nexa Medical Limited

Nexa Medical Limited is a wholly owned subsidiary of the Company, incorporated in England. The Company acquired Nexa Medical Limited in 2022 pursuant to the NEXA Acquisition Agreement, as summarised in paragraph 14.7 of Part VII of this document. Nexa is the entity which owns the Group's assets relating to the Nexa NPWT System.

AOTI Limited

AOTI Limited is a wholly owned subsidiary of the Company, incorporated in the Republic of Ireland. AOTI Limited is the entity which has responsibility for the Group's manufacturing, supply chain activities and commercial business outside the United States.

12. The Directors, senior management and scientific clinical advisory board

The Directors

The management expertise and experience of each of the Directors is set out below:

Douglas Le Fort (58) – Non-executive Chairman

Douglas was appointed as a Non-executive Director of Advanced Medical Solutions in August 2021. He is currently an Operating Partner for Revival Healthcare Capital Partners, an investor in medical device and diagnostics businesses, as well as a Non-executive Director at Trio Healthcare, a manufacturer of ostomy products, Clinisupplies, a UK based manufacturer of chronic care products and "The Insides" Company Ltd, a start-up addressing intestinal failure based in New Zealand.

Douglas is a seasoned veteran in the medical and life science industry, with more than 20 years of senior executive leadership. He has expertise in business strategy, including commercial business execution, operational management and M&A. Most recently, he was CEO of MedTrade Products, a woundcare products business and prior to that served in various senior executive roles at ConvaTec Group plc, including five years on the Executive Committee for the Group. At ConvaTec he was Senior Vice President for Corporate Development, and prior to that Vice President and General Manager with P&L responsibility for the global Ostomy business. Douglas has an MBA from Henley Management College and is a Chartered Management Accountant.

Dr Michael Griffiths (57) – Chief Executive Officer

Mike is a seasoned medical device executive who has been the CEO, President and Co-Founder of AOTI Inc. since 2006. He brings with him over 35 years of experience gained from a wide variety of management roles throughout the globe, working with both start-ups and multinationals alike. Prior to joining AOTI, Mike was the co-founder and CEO of eVent Medical Ltd., a start-up venture in the critical care ventilation field, which was sold to the Kobayashi Pharmaceutical Company of Japan. Preceding eVent, Mike held various senior management positions at Mallinckrodt Inc., Nellcor Puritan Bennett Inc., and Hudson RCI, amongst others.

Mike is a Fellow of both the Royal Society of Medicine and Chartered Management Institute. He holds a Doctorate in Medical Device Innovation and Entrepreneurship from Middlesex University,

London, United Kingdom, a post-graduate Diploma in Management from Kingston University, United Kingdom, and several further engineering and clinical credentials, including that of a Certified Respiratory Therapist. Mike is also an active advocate in achieving mental health equity as the Chairman of the International Bipolar Foundation.

Anthony Moffatt (50) – Chief Operating Officer

Anthony joined AOTI in January of 2009 as Director of Finance and Customer Service. Up until June 2024, he served as the Company's CFO and Vice President of Customer Service, overseeing both the USA and Irish finances and back-office functions for the company. From June 2024, he is serving as Chief Operating Officer and the Chief Financial Officer role has transitioned to Jayesh Pankhania. Prior to AOTI, Anthony spent 5 years as Financial Controller of eVent Medical Ltd and helped deliver a substantial return to investors. He also worked for a number of years in an accounting practice in Dublin. Anthony has a degree in business studies and is a qualified ACCA accountant. Anthony does not intend to stand for re-election as a director of the Company at the next annual meeting of the company.

Jayesh Pankhania (54) – Chief Financial Officer

Jayesh joined AOTI as Chief Financial Officer in June 2024. Prior to joining AOTI, Jayesh served as the Chief Financial Officer of CONGENICA Limited from April 2021, an early stage genomic diagnostic business, and Chief Financial Officer of Horizon Discovery Group PLC, an AIM listed life sciences business, from April 2018 to March 2021. Prior to that Jayesh spent his career in numerous other senior Chief Financial Officer and other finance roles in a broad range of small and large businesses. Jayesh is a Fellow of the Institute of Chartered Accountants in England and Wales, holds an MBA from London Business School and a BSc in Accountancy from the University of East Anglia.

Anthony Bourne (70) – Non-executive Director

Tony's 40 year career includes 25 years in investment banking in London and New York, 9 years as CEO of the British Medical Association and latterly as a NED on the boards of a number of listed and non-listed companies, mostly in the healthcare sector.

Tony is currently Chair of the Chelsea and Westminster Health Charity (now called CW+), one of the largest NHS charities, where he is also a member of the Finance & Investment Committee as well as a member of the Innovation Advisory Board. He is a NED of Barchester, the largest owner and operator of care homes in the UK where he is also a member of the Audit and Investment Committees and is the Chair of the Clinical Quality & Safety Committee; Totally plc, an AIM-quoted leader in urgent and planned healthcare where he Chairs the Remuneration and Nominations Committees and is a member of the Audit Committee; Novamed Europe, a private United-Kingdom based healthcare company where Tony is a NED; and, until recently, served as a NED of Spire Healthcare plc for 9 years where he was Chair of the Remuneration Committee and member of the Audit and Risk, and Clinical Governance and Safety Committees. Tony was previously Chair of Universal Engineering Holdings and a NED at Southern Housing Group and Bioquell plc.

Dr Ceri Morgan (51) – Non-executive Director

Ceri began her career in medicine and held various positions at Queen Elizabeth Hospital in Birmingham and Addenbrookes Hospital in Cambridge where she was part of the Casualty and Trauma Department's first response unit.

After leaving medicine in 2001, Ceri joined Beeson Gregory as a healthcare and life science research analyst before changing roles. Ceri was a key founder of the healthcare and life science franchise at Peel Hunt, where the team was ranked top by institutional investors for several years. She moved to Numis Securities where, as a #1 Extel-ranked specialist salesperson, she led on numerous IPOs and capital raises. In 2021, Ceri joined Oxford Science Enterprises as Head of Late Stage Portfolio where she managed investments and advised on key listings including PepGen's NASDAQ listing. Ceri serves as a Non-executive Director for Syniad Innovations and holds a Senior Advisor position at LifeScience ORG.

Richard Cotton (63) – Senior Independent Director

Richard has a wealth of experience in non-executive director, advisory and senior financial roles in life sciences and other industrial sectors. His extensive experience covers all the value creation

activities from R&D, to manufacturing and commercial in international organisations. He has significant experience in the development and successful execution of strategy, corporate finance and M&A, capital markets and governance.

Currently Richard is Chair at Nasdaq listed AI predictive diagnostics company Spectral AI, and is also Financial Adviser at Novumgen Ltd., a Specialty Pharmaceuticals company. His prior executive roles include highly successful tenures as CFO at FTSE250 animal health company Dechra Pharmaceuticals plc, and as CFO at medical device and drug formulation business Consort Medical plc.

Fellow of the Chartered Institute of Management Accountants, Mr. Cotton holds a BA (Hons) in Business Studies from Kingston University.

Senior Management

The senior management of the Company comprises:

Dr Matthew Garoufalis (Chief Medical Officer)

Matthew has served as Chief Medical Officer of AOTI since June 2021. Prior to joining AOTI, Matthew spent many years treating patients within the VA system as a Senior Attending Physician and the former Podiatric Surgery Residency Director at the Jesse Brown VA Medical Center and also an Attending Physician at Hines VA Medical Center. He is a Fellow of the Faculty of Podiatric Medicine of the Royal College of Physicians and Surgeons of Glasgow and also acts as Co-Chair of the Alliance of Wound Care Stakeholders. Previously, Matthew was the President of the Illinois Podiatric Medical Association, the American Podiatric Medical Association and the International Federation of Podiatrists.

Chad Yount (President – Commercial, USA)

Chad is an experienced medical device industry leader having joined AOTI as President, USA in December 2021. He has over 25 years of experience in various senior roles across the continuum of care within North America, for both large companies, as well as smaller companies primarily in growth mode. Prior to joining AOTI, Chad spent most of his career in the wound care space, holding senior level sales and marketing positions with ConvaTec, Kulzer Dental, Amoena USA, and Omnistat Medical.

David Hammond (President – Commercial, International)

David joined the AOTI team in July 2022 as President of International and brings significant global market knowledge and experience in appointing, managing, and developing global medical distribution sales channels, direct operations and OEM partnerships. Previously, he spent 32 years in the medical device industry, holding a wide range of senior management roles with companies such as Puritan Bennett, Nellcor Puritan Bennett, Mallinckrodt, eVent Medical, Hamilton Medical and Aerogen. David studied Mechanical Engineering at Isleworth Polytechnic and Sales & Business Management at the Singapore Institute of Management.

Stacy Reel (Vice President – Reimbursement and Market Access)

Stacy has spent 27 years in leadership roles in the wound care industry. Her experience spans sales management, clinical affairs, reimbursement and market access at leading manufacturers (KCI, ConvaTec, Hill-Rom) as well as early post-commercialisation start-ups (Tissue Regenix and PolarityTE). In Stacy's wound industry tenure, she has led teams, product launch/expansion, and both commercial and government payer initiatives addressing the full continuum of care from hospital to post-acute which informs her strategic insights into addressing patient, provider and payer needs.

Robbie Walsh (Vice President – Quality and Regulatory Affairs)

Robbie has 30 years of experience in the medical device industry, all of which has been in his specialist field of quality assurance and regulatory affairs. During this time Robbie has held various positions within the QA/RA field at senior management level with Puritan Bennett, Tyco Healthcare, eVent Medical Ltd and Respironics Inc. Robbie has an engineering degree in electronics and a master's degree in reliability systems.

Gerry Coughlan (Vice President – R&D, Operations and Manufacturing

Gerry joined AOTI in 2006 to lead the company's manufacturing operation in Ireland. Gerry previously worked at eVent Medical Ltd. where he held the executive position of Manufacturing Director with responsibility for global manufacturing. With a background in electronic engineering, Gerry has 18 years of experience in the medical device business with industry market leaders such as Puritan Bennett, Nellcor Puritan Bennett, Mallinckrodt, and eVent Medical. Gerry has also held management positions in the areas of Research & Development and International Service within the medical device industry.

David Bennett (Vice President – Compliance & Technical Services)

David joined AOTI in 2010 and is the compliance officer responsible for overseeing all regulatory and supplier standards compliance activities for the organisation. He was instrumental in enabling the Company to first receive DME status. David has a background in engineering and defence.

Darron Daly (Vice President – Marketing & Professional Relations

Darron has over 30 years' experience in the Pharmaceutical, Medical device and Medical education industries. His experience covers various areas including Scientific Marketing, Medical Affairs, Health Economics, Medical Education, R&D, and Human Resources. Prior to joining AOTI, Darron worked in the anti-infective, urology and the wound care area. He has held senior level positions with Bayer, KCI (now owned by 3M), ConvaTec and PRESENT eLearning. Darron is a graduate of Southern Connecticut State University with a BS and MS in Chemistry and Quinnipiac University with a Masters of Health Administration and Masters of Business Administration.

Scientific Clinical Advisory Board

The Scientific Clinical Advisory Board comprises the individuals listed below. The purpose and remit of the Scientific Clinical Advisory Board is to provide clinical and technical advice and direction to the Group, whether that be in the support of clinical trials, ensuring the Group's clinical and technical support for its commercial teams is best in class, as well as to ensure the Group stays current with latest guidance and trends in our therapy segments.

Prof. Andrew Boulton, Chairman

Andrew acts as the president of the International Diabetes Federation and chair of EURADIA; Alliance for European Diabetes Research. He also serves as a professor of medicine at the University of Manchester, visiting professor at the University of Miami as well as serving as a professor of the European Association for the Study of Diabetes and associate editor of the Diabetes Care (ADA).

Dr. Anil Hingorani

Anil is a vascular & endovascular surgeon at the Vascular Institute of New York and New York University Langone Medical Center. He also acts as an assistant professor at Mount Sinai Medical Center and SUNY Downstate in Brooklyn, as well as president of the Eastern Vascular Society.

Prof. Dane K. Wukich

Dane is a professor and chair of the Department of Orthopedic Surgery at UT Southwestern. He also serves as a medical director of orthopaedic surgery at UT Southwestern University Hospitals as well as a board member international Association of Diabetic Foot Surgeons.

Prof. Christopher Attinger

Christopher serves as a professor at MedStar Georgetown University Hospital, Plastic & Reconstructive Surgery Department and is a director of the Center for Wound Healing. He also acts as chairman of the Diabetic Limb Salvage Conference.

Dr. Loretta Vileikyte

Loretta is a senior lecturer in medicine at the University of Manchester and a research associate professor at the University of Miami. She also serves as an academic editor of Medicina.

Prof. David Armstrong

David serves as professor of surgery at the University of Southern California. He also acts as founder and co-chair of the American Limb Preservation Society, International Diabetic Food Conference (DFCon) & Southwest Academic Limb Salvage alliance.

Prof. Robert Frykberg

Robert serves as a professor at Midwestern University and Hon. Professor of NUIG. He is also the former chair of the Foot Care Council of the American Diabetes Association (ADA) and former Chief of the Podiatry section at the Phoenix VAMC. Robert was also the President of the American College of Foot and Ankle Surgeons (ACFAS).

Dr. Lee Rogers

Lee serves as the Chief of Podiatry and associate professor of Orthopedics at University of Texas Health Science Centre (UTHSC). He also acts as the president of the American Board of Podiatric Medicine (ABPM) as well as the associate editor of the Journal of the American Podiatric Medical Association.

13. Incentive scheme

The Company operates the AOTI Inc. 2022 Equity Incentive Plan, on the terms described in paragraph 8 of Part VII of this document.

In connection with Admission, the Company is accelerating the vesting of all outstanding Options which have been granted prior to the date of Admission.

The Option holders have each agreed to lock-up restrictions on the disposal any interest in any Common Shares (including any Options):

- Each Option holder who is an employee or consultant of the Company has undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares (including any Options) owned by them or any connected person prior to the date which is 12 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 12 months following the expiry of the 12 month lock-up period, only to dispose of their interest in any Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.
- Each other Option holder has undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares (including any Options) owned by them or any connected person prior to the date which is 6 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 18 months following the expiry of the 6 month lock-up period, only to dispose of their interest in any Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

Further details of outstanding Options both at the date of this document and at Admission are included in paragraph 3.8 of Part VII of this document.

14. Restricted share awards

Separately from the AOTI Inc. 2022 Equity Incentive Plan, the Company has issued restricted share awards to certain employees of the Company, including Michael Griffiths, Anthony Moffatt, and Douglas Le Fort which will vest immediately prior to Admission. Further details of such restricted share awards are included in paragraph 3.7 of Part VII of this document.

15. Corporate governance

AIM-quoted companies are required to adopt a recognised corporate governance code with effect from the date of admission to trading on AIM. However, there is no prescribed corporate governance regime for AIM companies. The Directors recognise the importance of good corporate governance commensurate with the size and nature of the Group and the interests of its Shareholders. The Directors have therefore adopted the QCA Code with effect from Admission and the Company will take steps to ensure compliance by the Directors and relevant employees with the

key governance principles of the QCA Code. The Directors believe the framework of the QCA Code will help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation already as part of building a successful and sustainable business for all of its stakeholders. Details of how the Company intends to apply these key governance principles from Admission are set out below.

Principle 1: Establish a strategy and business model which promotes long-term value for Shareholders

The Directors believe that the Group's business model and growth strategy, set out in more detail in this Part I of this document, will promote long-term value for Shareholders. The Directors intend to subject this strategy to ongoing review and will provide an update on it from time to time in the strategic report that will be included in the annual report and accounts of the Group. As part of this review, the Directors will continue to monitor and identify risks facing the Group and where so identified, intend to formulate a mitigation strategy to manage these risks following Admission. The principal risks facing the Group as at Admission are set out in Part II (Risk Factors).

Principle 2: Seek to understand and meet shareholder needs and expectations

Following Admission, the Directors intend to communicate with Shareholders on a regular basis. Contact details for shareholder communication can be found in the 'Investor Relations' section of the Company's website at www.aotinc.net and the Board also encourages all Shareholders to attend its annual general meeting (AGM), where they will be given opportunities to ask questions of the Board.

Shareholders will also be kept up to date via announcements made by the Company through a Regulatory Information Service in respect of, *inter alia*, financial information, matters of material substance and/or a regulatory nature and the results of its AGM.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long term success

The Group takes its corporate social responsibilities seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including, *inter alia*, its Shareholders, staff, patients, payers and suppliers, as part of its business strategy. The Executive Directors (whose details are set out in this Part I) intend to maintain an ongoing and collaborative dialogue with such stakeholders, as part of the decision-making process and day-to-day running of the business.

AOTI seeks to be a socially responsible company which has a positive impact on the communities in which it operates. No discrimination is tolerated and the Company endeavours to give all employees the opportunity to develop their capabilities.

AOTI is committed to being a responsible employer in all aspects of its business. Equal opportunities are offered regardless of race, gender, gender identity or assignment, age, disability, religion and sexual orientation. The Company encourages employees to participate in employee satisfaction surveys and feedback is considered by the Board to ensure that an optimum working environment is established.

The Group also takes the matter of health equity seriously and the Directors believe the Group has a significant positive impact on improving access to effective care by reducing diabetes-related amputations and hospitalisations by 71 per cent and 88 per cent, respectively. Further details of the Group's positive impact on health equity are set out in the paragraph 'Health Equity' of this Part I.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Directors have identified the risks and uncertainties which they consider to be the most significant for prospective investors, which are summarised in Part II (Risk Factors).

The Board will have ongoing responsibility for ensuring that the risks faced by the Group are appropriately managed in order to allow for the execution and delivery of its strategy and will take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission, including the establishment of an Audit & Risk Committee (further details of

which are set out below). It will also review such risks on, at least, an annual basis; the results of which will be included in its annual report and accounts going forwards.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

On Admission, the Board will comprise four Non-executive Directors (including the Non-executive Chairman and the Senior Independent Director) and three Executive Directors. Further details of the Directors and their prior experience is set out in this Part I. The Non-executive Directors, Anthony Bourne and Dr. Ceri Morgan, and the Senior Independent Director, Richard Cotton, are considered to be independent and were selected with the objective of bringing experience and independent judgment to the Board. The Non-executive Chairman, Douglas Le Fort, is not considered to be independent solely by virtue of his pre-Admission consulting agreement with the Company, further details of which are set out in Part VIII (Additional Information). As a result of this, and the recent recruitment of Jayesh Pankhania as CFO, the Board composition at Admission does not satisfy this QCA principle of having an equal balance between independent and non-independent directors. The Board believes it is important to retain Anthony Moffatt, COO and former CFO, as a Director to ensure an effective transfer of knowledge to Jayesh Pankhania. Anthony Moffatt will stand down as a director at the next AGM, after which the composition of the Board will meet the requirements of this QCA principle.

The Board will be supported by four committees, namely an Audit & Risk Committee, a Disclosure and AIM Rules Compliance Committee, a Remuneration Committee and a Nomination Committee with formally delegated duties and responsibilities. The Audit & Risk Committee, Remuneration and Nomination committees will all consist of at least 2 Non-executive Directors.

Audit & Risk Committee

The Audit & Risk Committee will have the primary responsibility of monitoring the quality of internal controls to ensure that the financial performance of the Group is properly measured and reported on, as well as maintaining the risk register. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit & Risk Committee will meet not less than four times in the first year following Admission and will have unrestricted access to the Group's external auditors. The Audit & Risk Committee comprises Richard Cotton (as Chair), Anthony Bourne and Dr. Ceri Morgan.

Disclosure and AIM Rules Compliance Committee

The Disclosure and AIM Rules Compliance Committee will provide support to the Board in relation to compliance with the UK Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the AIM Rules for Companies and the identification, control and disclosure of inside information. The Disclosure and AIM Rules Compliance Committee will meet at such times and in such manner (including by telephone) as shall be necessary or appropriate. The Disclosure and AIM Rules Compliance Committee comprises Dr. Ceri Morgan (Chair), Douglas Le Fort, Mike Griffiths and Jayesh Pankhania.

Remuneration Committee

The Remuneration Committee will review the performance of the Executive Directors, Non-executive Chairman and senior management of the Group and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation for the time being.

The Remuneration Committee will meet as and when necessary, but at least twice each year. In exercising this role, the members of the Remuneration Committee will have regard to the recommendations put forward in the QCA Code and, where appropriate, associated guidance. The remuneration of Non-executive Directors (other than the Non-executive Chairman) will be a matter for the Non-executive Chairman and the Executive Directors. The Remuneration Committee comprises Anthony Bourne (as Chair), Dr. Ceri Morgan and Richard Cotton.

Nomination Committee

The Nomination Committee will lead the process for Board appointments and make recommendations to the Board. The Nomination Committee will evaluate the balance of skills, experience, independence and knowledge on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. The Nomination Committee will meet as and when necessary, but at least once a year. The Nomination Committee comprises Douglas Le Fort (as Chair), Richard Cotton, Anthony Bourne and Dr. Ceri Morgan.

The Board will meet regularly and processes are in place to ensure that each Director is, at all times, provided with such high quality information as is necessary to enable each Director to discharge his or her respective duties. The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.

Principle 6: Ensure that between them the Directors have the necessary up to date experience, skills and capabilities

The skills and experience of the Directors are summarised in their biographies set out in paragraph 12 of this Part I.

The Board considers that its members have an effective and appropriate balance of skills and experience, running and growing public companies, capital markets experience, including mergers and acquisitions and capital raising, and experience in the highly regulated fields of medical technology and healthcare. The Board therefore believes that its members possess the relevant qualifications and skills necessary to oversee and execute the Group's strategy effectively. The Board is not dominated by one individual and all Directors have the ability to challenge information and strategies put forward to the Board. The Board are also free to seek advice from their corporate advisers (nominated adviser, lawyers and accountants) as needed and have received a briefing from the Company's Nominated Adviser in respect of continued compliance with, *inter alia*, the AIM Rules and MAR and the Company's solicitors in respect of continued compliance with, *inter alia*, MAR.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Directors will consider the effectiveness of the Board, the Audit & Risk Committee, the Remuneration Committee and the individual performance of each Director. The Company also has a Nomination Committee which will conduct a regular assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective. The outcomes of performance will be described in the annual report and accounts of the Group so as to ensure that Shareholders are kept well-informed.

In addition, the Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their terms of employment and remuneration, including short-term bonus and long-term incentives.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Group has a responsibility towards its staff and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The Group employee handbook and policies, which address matters such as whistleblowing, social media and anti-bribery and corruption, further engender and promote this culture. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group and for ensuring that such values and behaviours guide the objectives and strategy of the Group. The culture is set by the Board who intend for it to be discussed at Board meetings on an ongoing basis following Admission.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Non-executive Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-executive Directors are

responsible for bringing independent and objective judgment to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board is supported by the Audit & Risk Committee, Remuneration Committee, Disclosure and AIM Rules Compliance Committee and Nomination Committee, further details of which are set out under principle 5 above. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advice, as necessary, to enable the committee to fulfil its duties.

The Board intends to review the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders

The Company's annual report and accounts, as well as its half year report, will be key communication channels through which stakeholders will be informed as to how the Company is governed, how the Group is progressing in meeting its objectives and any updates to its strategic targets. Additionally, the Board will use the Company's AGM as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Group and its progress. The Company's website will be updated with information regarding the Group's activities and performance, including financial information, and contact details for shareholder communication can be found in the 'Investor Relations' section of the Company's website at www.aotinc.net.

In terms of its governance, the Company shall also, following Admission, disclose on its website and within its annual report and accounts how the Company complies with the QCA Code and, where it departs from the QCA Code, the Company will explain its reasons for doing so. The Company will review this information annually in accordance with the requirements of AIM Rule 26.

16. Share dealing policy

The Company has adopted a share dealing policy regulating share trading and confidentiality of inside information for persons discharging managerial responsibility (PDMRs) and persons closely associated with them (PCAs) which contains provisions appropriate for a company whose shares are admitted to trading on AIM. The Company takes all reasonable steps to ensure compliance by PDMRs and any relevant employees with the terms of that share dealing policy.

17. Dividend policy

The Directors intend to re-invest a significant portion of the Company's cash reserves and earnings to facilitate plans for further growth. Accordingly, whilst the Directors do not expect to declare any dividend in respect of the current financial year ending on 31 December 2024, it is the Board's intention, should the Group generate a sustained level of distributable profits, to consider a progressive dividend policy in future years.

The declaration of dividends will always remain subject to all and any applicable legal and regulatory requirements and recommendations of final dividends and payments of interim dividends will be at the discretion of the Board. The Board will not exercise such discretion where it is not commercially prudent to do so taking into account the policy set out above. Whilst the Board considers dividends as the primary method of returning capital to Shareholders, it may, at its discretion, consider share purchases when advantageous to Shareholders and where permissible. The Board may revise its dividend policy from time to time.

The only year in which the Company has declared a dividend since the start of the period covered by the financial information set out in Part IV (*Historical Financial Information on the Group*) of this document was the financial year ending 31 December 2022, where the dividend per share was $0.73.

18. Lock-ins and orderly market arrangements

Each of the Directors, who will hold Common Shares on Admission (being Michael Griffiths, Anthony Moffatt and Douglas Le Fort), who on Admission will hold 9,320,575 Common Shares in aggregate, representing approximately 8.9 per cent of the Enlarged Share Capital, have undertaken

to the Company and Peel Hunt not to dispose of any interest in any Common Shares owned by them or any connected person prior to the date which is 12 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 12 months following the expiry of the 12 month period, only to dispose of their Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

In addition, the Shareholders have each agreed to lock-up restrictions on the disposal of Common Shares:

- Shareholders who hold 73,942,515 Common Shares in aggregate (being each Shareholder who is an employee or will own 1% or more of the Enlarged Share Capital) representing 69.5 per cent of the Enlarged Share Capital, have undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares owned by them or any connected person prior to the date which is 12 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 12 months following the expiry of the 12 month lock-up period, only to dispose of their Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.
- Shareholders who hold 5,825,394 Common Shares in aggregate (being each of the non-employee Shareholders who will own less than 1% of the Enlarged Share Capital), representing 5.5 per cent of the Enlarged Share Capital, have undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares owned by them or any connected person prior to the date which is 6 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 18 months following the expiry of the 6 month lock-up period, only to dispose of their Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

In addition, the Option holders have each agreed to lock-up restrictions on the disposal any interest in any Common Shares (including any Options):

- Each Option holder who is an employee or consultant of the Company has undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares (including any Options) owned by them or any connected person prior to the date which is 12 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 12 months following the expiry of the 12 month lock-up period, only to dispose of their interest in any Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.
- Each other Option holder has undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares (including any Options) owned by them or any connected person prior to the date which is 6 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 18 months following the expiry the 6 month lock-up period, only to dispose of their interest in any Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

19. Details of the placing and use of proceeds

The Placing comprises the issue of 14,772,918 Placing Shares by the Company at the Placing Price (representing approximately 13.9 per cent of the Enlarged Share Capital and raising gross proceeds of approximately £19.5 million (approximately £13.5 million net of expenses) for the Company) and the sale by the Selling Shareholders of 11,818,336 Placing Shares at the Placing Price (representing approximately 11.1 per cent of the Enlarged Share Capital and raising aggregate gross proceeds of £15.6 million (approximately £15.0 million net of expenses) for the Selling Shareholders).

On Admission, it is expected that the Company will have a market capitalisation of approximately £140 million at the Placing Price. The New Common Shares, following their issue, will represent approximately 13.9 per cent of the Enlarged Share Capital and the Existing Common Shares will represent approximately 11.1 per cent of the Enlarged Share Capital.

The Directors believe that Admission will be an important step in the Group's development and future growth. In addition to broadening the Company's shareholder base, Admission will further strengthen the Group's brand and profile in the advanced wound healing market and enable the use of share incentive schemes to attract and retain key management and employees. Further, being able to raise additional financing (through debt or equity) or issue new shares as consideration will further strengthen the Group's ability to undertake strategic bolt-on acquisitions of complementary products and / or commercial platforms should suitable opportunities arise.

The net proceeds of the Placing will be used to repay a portion of the Group's existing financial debt ($15.5 million) with the balance going towards funding the continued expansion of the Group's sales team in the US and opening up new territories in which the Group's products can be sold. Finally, the Group will direct some modest funding towards continuing to enhance the clinical claims attached to its products, for instance, growing the evidence of efficacy in other indications such as VLUs.

20. Admission, settlement and dealings

Admission and CREST

Application has been made to the London Stock Exchange for the Common Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Common Shares on AIM will commence at 8.00 a.m. on 18 June 2024.

The Common Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (including in CREST, where they will be represented by Depositary Interests). Accordingly, following Admission, settlement of transactions in the Common Shares so represented by Depositary Interests may take place within the CREST system if a Shareholder so wishes. In respect of Shareholders who will receive Placing Shares in uncertificated form, Depositary Interests representing interests in underlying Common Shares will be credited to their CREST share accounts on 18 June 2024. Shareholders who wish to receive and retain share certificates are able to do so.

CREST is a voluntary, paperless settlement procedure enabling securities (including Depositary interests) to be evidenced otherwise than by a physical certificate and transferred otherwise than by way of a written instrument in accordance with the CREST Regulations. The system is designed to reduce the costs of settlement and facilitate the processing of settlements and the updating of registers through the introduction of an electronic settlement system.

The requirements of the AIM Rules for Companies provide that the Company must, on Admission becoming effective, have a facility for the electronic settlement of the Common Shares. As the Company is incorporated in the United States, its Common Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement. The Depositary Interests representing the Placing Shares will be issued to the individual Shareholders' CREST account on a one-for-one basis and with the Depositary providing the necessary custodial service. Depositary Interests representing Common Shares may be held in electronic form and evidence of title to Common Shares will be established on an electronic register maintained by the Registrar in Jersey. It is expected that, where Placees have asked to hold their Placing Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission.

Investors who are able to and elect to hold their Common Shares as Depositary Interests will be bound by a Deed Poll, executed by the Depositary in favour of the investors from time to time, the terms of which are summarised in paragraph 15 of Part VII (*Additional Information*) of this document. The rights and obligations pertaining to the Depositary Interests will be governed by English law. The Depositary Interests are settled within the CREST system in the same way as any other CREST security. The Shareholders that are non-US Persons have the choice of whether to hold their Common Shares in certificated form or in uncertificated form in the form of Depositary Interests.

The Company's share register, which will be kept by the Registrar in Jersey, will show the Depositary or its nominated custodian as the holder of the Common Shares represented by Depositary Interests but the beneficial interest will remain with the Shareholders who will continue to receive all the rights attaching to the Common Shares as they would have if they had themselves been entered on the Company's share register. Shareholders can withdraw their Common Shares

back into certificated form at any time using standard CREST messages. Those Placees that wish to hold their Shares in certificated form should contact the Registrars. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Common Shares (other than in respect of those Common Shares settled via Depositary Interests through CREST), transfers will be certified against the Company's share register.

Existing Common Shares will continue to be held in certificated form registered in the name of the legal holders thereof or their nominees on the Company's share register kept by the Registrar in Jersey. Such Common Shares will remain subject to transfer restrictions under the US securities laws and may only be resold in a transaction registered under the US Securities Act or pursuant to an exemption therefrom.

The ISIN number of the Common Shares is US03690C1027. The TIDM is AOTI.

21. Transfer restrictions

The Placing Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold only outside the United States to persons who are not US persons or acting for the account or benefit of any US Persons in "offshore transactions" (as defined in Regulation S) in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3), or Category 3, of Regulation S.

The Placing Shares will be subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. The Placing Shares are "restricted securities" as defined in Rule 144 under the US Securities Act. Purchasers of the Placing Shares may not offer, sell, pledge or otherwise transfer Placing Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to another exemption from the registration requirements of the US Securities Act.

Each purchaser of Placing Shares, by subscribing for or acquiring such Placing Shares, and each other person who deposits Shares into CREST against the issuance of Depositary Interests agrees to reoffer or resell the Common Shares only pursuant to registration under the US Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act. The above restrictions severely restrict subscribers and holders of Shares from reselling the Common Shares in the United States or to, or for the account or benefit of, any US Person. The Company currently intends that these restrictions will remain in place indefinitely.

Once the Placing Shares are admitted to trading on AIM, the Placing Shares will trade in the Company's restricted line of Common Shares under the symbol AOTI. The Shares (represented by the Depository Interests) purchased and held by non-Affiliates of the Company and any Common Shares subsequently deposited with CREST against the issuance of depositary interests will be held in the CREST system and identified with the marker "REG S". The "REG S" marker indicates that the Common Shares held in the CREST system will bear the legend set out in Part IX of this document which describes certain transfer restrictions and other information, including that: (a) the Common Shares may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, into or from the United States or to, or for the account or benefit of, US Persons except (i) in an offshore transaction meeting the requirements of Regulation S, (ii) pursuant to an available exemption from registration under the US Securities Act, or (iii) pursuant to an effective registration statement under the US Securities Act; and (b) hedging transactions involving the Common Shares may not be conducted unless in compliance with the US Securities Act.

The certifications, acknowledgements and agreements set out Part IX of this document must be made through the CREST system by those acquiring or withdrawing Common Shares with the "REG S" marker. If such certifications, acknowledgements and agreements cannot be made or are not made, settlement through CREST will be rejected. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek advice of independent US legal counsel prior to selling or transferring any Common Shares. These

restrictions, certifications, as well as the legend that will be affixed to the Common Shares (electronically or otherwise), are set out more fully in Part IX of this document.

22. Effects of US domicile and applicability of the City Code

The Company is a US corporation organised under the laws of the State of Florida. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in the UK. While the Directors consider that it is appropriate to retain the majority of the usual features of a US corporation, the Directors intend to take certain actions to conform to UK standard practice. Paragraph 16 of Part VII of this document is a description of the principal differences and, where appropriate, provisions contained in the Company's constitutional documents to incorporate English law principles in relation to pre-emption rights, notifiable interests and takeovers.

The Company is incorporated in the US State of Florida and, for purposes of the Takeover Panel, the Company is not resident in the UK, Channel Islands or the Isle of Man. As a result, although the Common Shares will be admitted to trading on AIM, the Company is not subject to the provisions of the City Code. Certain provisions have been inserted into the Articles of Incorporation which adopt similar procedures to the City Code in the event of any party (or parties acting in concert) obtaining 30 per cent or more of the voting rights attaching to the issued Common Shares, but there is no assurance that the courts of the US State of Florida will uphold or allow the enforcement of these provisions. These takeover provisions will cease to apply if the Common Shares cease to be admitted to trading on AIM.

23. Taxation

The tax legislation of a prospective investor's home country and of the Company's country of incorporation may have an impact on the income received from the securities.

Your attention is drawn to Part V (UK Taxation) and Part VI (US Taxation) of this document. These details are intended only as a general guide to the current tax position under UK and US tax law. Investors should consult their own independent financial advisers concerning the tax effects of an investment in the Common Shares.

24. Further information and risk factors

Prospective investors should read the whole of this document which provides additional information on the Group and the Placing and not rely on the summaries or individual parts only. In particular, the attention of prospective investors is drawn to Part II which contains a summary of the risk factors relating to an investment in the Company.

PART II

RISK FACTORS

Investment in the Company and the Common Shares carries a significant degree of risk, including risks in relation to the Company's business strategy, the execution of that strategy, operations, taxation and the Common Shares.

The investment described in this document may not be suitable for all recipients of the document. In addition to all of the other information set out in this document, the following specific risk factors should be considered carefully by potential investors, who should also ensure that they have read this document in its entirety before making a decision to invest in the Company and the Common Shares. Although the Directors and the Proposed Directors will seek to minimise the impact of the risk factors, investment in the Company and the Common Shares should only be made by investors able to sustain a total loss of their investment. Before making a decision and if they do not understand any part of this document, potential investors are strongly advised to consult a legal adviser, an independent financial adviser (a person authorised under FSMA if resident in the UK or, if not, another appropriately authorised independent financial adviser) or a tax adviser.

Prospective investors should be aware that an investment in the Company and the Common Shares is speculative and involves a high degree of risk and should not be regarded as a short-term investment. In addition to the other information contained in this document, the Directors and the Proposed Directors believe that the following risk factors are the most significant for potential investors and should be considered carefully in evaluating whether to make an investment in the Company and the Common Shares. If any of the risks described in this document actually occur, the Company may not be able to conduct its business as currently planned and its financial condition, operating results and cash flows could be seriously harmed. In that case, the market price of the Common Shares could decline and all or part of an investment in the Common Shares could be lost. However, the risks listed do not necessarily comprise all those associated with an investment in the Company and the Common Shares. Additional risks and uncertainties not presently known to the Directors and the Proposed Directors, or which the Directors and the Proposed Directors currently deem immaterial, may also have an adverse effect on the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. The risks listed below are not set out in any particular order of priority. They comprise the material risks and uncertainties that are known to the Directors and the Proposed Directors as at the date of this document and should be used as guidance only.

1. Risks specific to the Company

1.1 The success of the Company is dependent on customer acceptance of the Company's products

New technology carries the risk that the product is used incorrectly, is not used with the correct level of therapy compliance, or does not deliver as expected in some other way (for example due to the poor set up of the device in patients' homes), which could then lead to customer disappointment or negative outcomes for patients which gain public attention and affect the company's reputation. This could lead to the loss of new patient prescriptions for therapy usage, loss of contracts and potentially impact the Company's revenue, whilst more serious product failures could result in legal liability for the Company, which could materially adversely affect the market price of the Common Shares.

1.2 There is no guarantee that physicians will choose to adopt the Company's products and any slower than anticipated adoption of the Company's products could negatively impact the Company' financial position

There is no guarantee that physicians will choose to adopt the Company's products, including TWO_2 Therapy and the NEXA NPWT System. The frequency of use of either the TWO_2 Therapy and/or the NEXA NPWT System will always depend on the treating physician's preference. Low adoption and/or awareness of the TWO_2 Therapy and/or the NEXA NPWT System by physicians could negatively impact the Company's commercial prospects and its financial results, and its ability to generate significant revenues could be delayed or adversely affected, which could materially adversely affect the market price of the Common Shares.

1.3 **The Company is reliant upon the expertise and continued service of a relatively small number of key individuals of its management, board of directors and scientific advisers**

The Company relies on the expertise and experience of a relatively small number of key individuals of its management (in particular Dr Michael Griffiths), Directors and Proposed Directors and scientific advisers to continue to develop and manage the business of the Company. The retention of their services cannot be guaranteed. Accordingly, the departure of these key individuals could have a negative impact on the Company's operations, financial conditions, its ability to execute the Company's business strategy and future prospects.

Going forward, the Company will rely, in part, on the recruitment of appropriately qualified personnel, including personnel with a high level of scientific, commercialisation and technical expertise as well as knowledge of the industry. The Company may be unable to find a sufficient number of appropriately highly-trained individuals to satisfy its growth rate which could affect its ability to develop products as planned.

The Company's inability to recruit key personnel or the loss of the services of key personnel or consultants may impede the progress of the Company's commercial objectives, which could materially adversely affect the market price of the Common Shares.

1.4 **The Company is reliant on multiple information technology systems, which may be affected by unanticipated damage, disruption or shutdown**

The Company is reliant on multiple information technology systems, which are integral to the Company's operations and provision of its products, including TWO_2 Therapy. Any damage, disruption or shutdown due to problems with upgrading or replacing software, power outages, hardware issues, viruses, cyber-attacks, unauthorised access, telecommunication or connectivity failures, human error or other unanticipated events that affect the Company's information technology systems may have a significant impact on the Company's ability to provide its products, including TWO_2 Therapy, on a short or longer-term basis. Such events could also lead to data theft, the impersonation of the Company's employees or other cyber crime which may result in an unauthorised flow of funds or denial of access. Although the Company has appropriate safeguards and backup systems in place, including those provided by its suppliers, there can be no guarantee that such safeguards and systems will adequately cover all risks of damage, disruption or shutdown or whether the Company's insurance policies would cover any adverse effects of such events on the Company's business operations and overall financial position, which could materially adversely affect the market price of the Common Shares. The Company's customers are also reliant on information technology systems, which may be vulnerable to cyber attacks and outages, leading to delayed payments to the Company, which could materially adversely affect the market price of the Common Shares.

1.5 **If the Company fails to manage the risk of scaling its business across existing and new markets, this could adversely affect its growth plans**

The Company is seeking to grow its sales in existing and new markets which exposes it to further risks such as the risk of supply chain failure, revenue recognition issues, local regulatory requirements, complex local reimbursement requirements and loss of control of expenditures to support these market access initiatives. Without the appropriate measures in place to manage these risks, the Company may fail to fulfil the demand for its products resulting in a negative impact on the Company's revenues, potential reputational damage and ultimately an adverse effect on the Company's growth plans, which could materially adversely affect the market price of the Common Shares.

1.6 **If the Company has inadequate financial controls in place, this could have material adverse effects on the Company's financial position**

The presence of any error or fraud in the Company's financial control systems could lead to an inaccurate assessment of the Company's financial position which could in turn result in the Company making inaccurate statements to the stock market and/or lenders thus putting the Company at risk of breaching certain rules or contract terms. This could materially impact the Company through a loss of cash, reputational damage or loss of business partners or customers, which could materially adversely affect the market price of the Common Shares.

1.7 **If the Company does not sufficiently invest in obtaining adequate clinical data, it may be unable to maximise access into all markets, or achieve full market penetration in existing markets**

If the Company fails to maintain investment in clinical data at a sufficient level, including clinical discussion publications, white papers, posters as well as published clinical studies, the Company's ability to enter global markets and/or achieve full market penetration in its existing markets may be limited. This could negatively impact the Company's commercial prospects and its financial results and its ability to achieve its full potential and growth plans as set out in this document could be adversely affected, which could adversely affect the market price of the Common Shares.

1.8 **The Company is reliant on the maintenance of the quality and supply of the Company's own manufacturing capabilities as well as that of several third parties**

In order for the Company to achieve its growth plans and maintain its reputation in the market, the Company must ensure that its own manufacturing capabilities continue to meet the quality and volume requirements as the business grows. The Company cannot guarantee that it will be able to maintain the quality and volume required from its manufacturing capabilities as the business scales.

The Company is also reliant on third-party manufacturers and suppliers (in particular Team Technologies (previously known as International Imaging Materials or iiMed) in Mexico) for the manufacturing of its products, including TWO_2 Therapy. The Company's contract with Team Technologies may be terminated by either party upon six months' notice. The Company cannot guarantee that such third parties will continue to supply the Company.

If such third parties were to stop supplying the Company or the Company was no longer able to deliver on its manufacturing requirements, the Company would be required to obtain alternative supplies from a limited number of other third-party suppliers. This could lead to potential increased costs for the Company and there can be no guarantee that the Company would be able to secure alternative contracts on acceptable terms, which could materially adversely affect the market price of the Common Shares.

There is a risk that the third parties that the Company is reliant on may become insolvent. This may be as a result of general economic conditions or factors specific to that company or entity. In the event that a third party with which the Company trades becomes insolvent, this could have a material adverse impact on the revenues and profitability of the Company.

1.9 **The Company may be unable to sell its products to new customers, and existing customers may cease utilising the Company's products**

The Company relies on sales of its TWO_2 Therapy and NEXA NPWT System, for nearly all of its revenue. The Company's prospects going forward rely, in part, on its ability to sell its products to new customers and partners and on the continued use of its products by customers and partners.

The Company may be unable to increase its customer and partner base if it is unable to identify and sell its products to new customers or partners, for example because new products are introduced to the market which are superior to the products delivered by the Company or because new processes are developed. Fewer sales of the Company's products or reduced usage of existing products by customers would result in reduced revenue or slower revenue growth for the Company, which may have a material adverse effect on the Company's financial results.

1.10 **The Company's over reliance on a group of customers, specific sector or country/market could compromise the long-term progress of the Company**

If the Company were to be reliant on any small group of customers or be overly exposed to a specific sector or country/market, this could pose a risk to the long-term strategy of the Company, which could materially adversely affect the market price of the Common Shares.

1.11 **The Company's strategy involves generating commercially valuable IP that can be protected**

The Company intends to further build its IP portfolio. No assurance can be given that any current or future trademark, design right or patent applications will result in registered

trademarks, design rights or patents, that the scope of any patent, design or trademark protection or the protection provided by copyright or database rights or the right to bring actions for breach of confidentiality will exclude competitors or provide competitive advantages to the Company, that any of the Company's owned or licensed-in patents, design rights or trademarks will be held valid if challenged or that third parties will not claim rights or ownership of the patents, design rights, trademarks or other Intellectual Property rights held by the Company.

If the Company cannot successfully enforce its IP rights, this could have a material adverse effect on the Company's business, financial condition and prospects. A third party may infringe the Company' intellectual property, release information considered confidential about the Company's intellectual property and/or claim technology that is registered to the Company. In these instances the Company may be required to bring claims and seek remedies such as injunctions in order to protect its IP rights against such third parties. The Company may also be subject to claims in relation to the infringement of patents, design rights, trademarks or other Intellectual Property rights owned by third parties. Adverse judgments against the Company may give rise to significant liabilities in monetary damages, legal fees and/or an inability to manufacture, market or sell products either at all or in particular territories. Additionally, the time, cost and demand on the Company's capacity associated with bringing or defending claims may affect the Company's commercial prospects and/or its financial results.

If the Company fails to build its IP portfolio this may lower the barriers to entry for potential competitors to gain market share and damage the Company's position in the market in the long-term and its potential for growth, which could materially adversely affect the market price of the Common Shares.

1.12 **If the Company fails to have adequate contract management systems in place, this could expose the Company to commercial and legal risks**

If the Company fails to have adequate contract management systems in place, this could expose the Company to commercial and legal risks, which could materially adversely affect the market price of the Common Shares.

1.13 **The Company's inability to recruit personnel into specialised roles as required may undermine the Company's ability to achieve its commercial objectives**

As the Company grows, it will require additional support in specialised areas such as sales, customer service and payer management. The Company may not be able to recruit appropriately qualified personnel, including personnel with a high level of scientific, commercialisation and technical expertise as well as knowledge of the industry.

The Company may be unable to find a sufficient number of appropriately highly-trained individuals to satisfy its growth rate which could affect its ability to develop products as planned. If the Company fails to either recruit adequately qualified staff into these areas at the right times, or to put the right support systems, training and/or controls into place to support these new staff, this may undermine the Company's ability to operate effectively and may adversely impact its growth plans, which could materially adversely affect the market price of the Common Shares.

1.14 **The Company's failure to prevent a data breach would result in serious reputational damage to the Company and may result in civil or criminal lawsuits and associated penalties**

The Company is subject to increasingly stringent privacy and data security legislation, including the General Data Protection Regulation in the EU and the United Kingdom. The Company must ensure ongoing compliance with various data protection laws, including the General Data Protection Regulation (Regulation (EU) 2016/679) ("**GDPR**"), the UK's Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003, the U.S. Children's Online Privacy Protection Act, which regulate the collection, use, and disclosure of personal information from children under 13 years of age, and the California Consumer Privacy Act ("**CCPA**"), among others. Where the Company holds personal data of the end-users, employees and other individuals it is under an obligation to protect such personal data.

By its nature, the de-identified data that is being processed by the Company is highly sensitive and includes genetic and demographic information, the processing of which is subject to the most onerous obligations of applicable data protection legislation. If, due to a technical oversight or malicious action by an employee or third party, the privacy, security or integrity of the data were compromised, the Company would be obliged to report such breach once it became aware of it under applicable laws and regulations or other state specific laws.

The Company may also be required to inform the patients whose data was released or accessed as a result of a data breach, which may increase the severity of the reputational damage and may lead to patients revoking their consent for the data to be used by the Company.

To mitigate the risk of a data breach or related issue, the Company will employ technical security measures to protect data and work closely with its data providers to ensure that each party understands its obligations to protect data.

Depending on the nature and extent of any breach, the Company may become subject to a regulatory investigation, which would divert time and financial resources from the day-to-day operation of the business and may result in civil or criminal lawsuits and financial penalties as well as adverse publicity. If third parties and/or customers of the Company become aware of such breaches, they may opt to cancel existing contracts or not enter new contracts with the Company, which could reduce revenue and materially adversely affect the market price of the Common Shares.

1.15 **Failures in the Company's financial regulatory reporting could adversely impact the Company and its reputation**

If at any point there are errors or gaps in the Company's financial announcements, press releases, reports or price sensitive information is released through unofficial routes in an untimely manner, this could lead to reputational damage with investors and even fines or sanctions from the London Stock Exchange, which could materially adversely affect the market price of the Common Shares.

1.16 **If the Company fails to ensure adequate procedures are in place to minimise prosecution for acts of bribery, this may result in legal action against the Company and reputational damage**

If the Company fails to ensure that adequate anti-bribery policies and procedures are in place and followed by the Company's representatives to minimise prosecution under the anti-bribery legislation or regulations, this may result in legal action against the Company, the criminal prosecution of directors and/or reputational damage, which could materially adversely affect the market price of the Common Shares.

1.17 **The Company's failure to prevent the facilitation of tax evasion may result in civil or criminal sanctions against the Company and reputational damage**

If the Company fails to ensure that adequate procedures are in place and followed to prevent the facilitation of tax evasion across its business in any jurisdiction, this may result in civil or criminal sanctions against the Company as well as reputational damage, which could materially adversely affect the market price of the Common Shares.

1.18 **Failure to appropriately manage foreign exchange risk could negatively impact the Company's financial standing**

The Company has growing international trade, which exposes the Company to the risk of movements in foreign exchange rates.

The Company records its transactions and prepares its financial statements in US dollars, but a portion of the Company's income and expenditure is received and paid in euros, pounds sterling and other currencies. The Company's cash balances are principally held in US dollars. To the extent that the Company's foreign currency assets and liabilities are not matched, fluctuations in exchange rates between the US dollar, pounds sterling and the euro may result in realised or unrealised exchange gains and losses on translation of the underlying currency into and from US dollars that may increase or decrease the Company's results of operations and may adversely affect the Company's financial condition, each as stated in US dollars. In addition, if the currencies in which the Company earns its revenues and/or holds its cash

balances weaken against the currencies in which it incurs its expenses, this could adversely affect the Company's profitability and liquidity. Although, where a substantial net foreign currency liability exists, the Company will consider hedging against it to minimise foreign currency expense, the Company has not in the past, nor does it currently undertake, hedging, and were it do so, such hedging would be based on estimates of liabilities and future revenues which may be inaccurate. Therefore, there can be no assurance that the Company will partially or fully eliminate the effects of future foreign currency exchange fluctuations.

If the Company fails to manage this risk exposure, this could lead to loss on individual transactions and, depending on exposure, to a more general currency loss, which could materially adversely affect the market price of the Common Shares.

1.19 **If the Company fails to take into account the costs of international trade in its pricing, this could negatively impact the Company's revenues and ability to generate profit**

As the Company is increasingly engaging in international trade, it is exposed to the risk of duties and taxes imposed on its products as well as bureaucratic and other difficulties relating to the shipping of goods to other countries. If the Company fails to account for the cost of international trade in its pricing, this will negatively impact the Company's profits and ultimately its growth plans, which could materially adversely affect the market price of the Common Shares.

1.20 **Legal, regulatory, ethical practices, fraud, privacy, record-keeping and other trading practices.**

The Company's reputation is central to its future success in terms of the products and services it provides, the relationships it currently has and intends to develop in the future with distributors, partners and customers, the way in which it conducts its business and the financial results which it achieves. The Company may face reputational risk arising from a number of factors, including failure to deal appropriately with legal and regulatory requirements, ethical practices, fraud, privacy, record-keeping and other trading practices, as well as market risks inherent in the Company's business. The failure, or allegations or perceptions of failure, of the Company to deal appropriately with legal and regulatory requirements, privacy, record-keeping, sales and trading practices or its failure to meet the expectations of the press and the general public, as well as its customers, suppliers, employees, shareholders and other business partners may have a material adverse effect on the Company's reputation, business, results of operations, financial condition and future prospects.

1.21 **The Company may need to raise additional funding to take advantage of future opportunities**

The Company may need to raise additional funding to take advantage of future opportunities. No assurance can be given that any such additional funding will be available or, if available, that it will be on terms that are favourable to the Company or shareholders. If the Company is unable to obtain additional funding as required through equity fundraising in the capital markets or debt-based funding, it may miss out on opportunities for growth of the Company's business. This could require the Company to reduce the scope of its operations or anticipated expansion which could consequently increase the risk of the Company losing any competitive position in the market that it holds. This could result in the Company being unable to achieve its strategic goal of growing inorganically on an opportunistic basis, which could materially adversely affect the market price of the Common Shares.

1.22 **The Company is subject to research and product development risk**

Product development will be a key on-going activity in the Company. However, there can be no guarantee that further products will be developed, successfully launched or accepted by the market. All new product development has an inherent level of risk and can be a lengthy process and suffer unforeseen delays, cost overruns and setbacks, such as difficulty recruiting patients into clinical trials. The nature of the chronic wound industry may mean new products may become obsolete as a result of competition or regulatory changes which could have a material adverse effect on the Company's business, results of operations and financial condition, which could materially adversely affect the market price of the Common Shares.

In addition, research and development may be subject to various requirements, such as research subject protection for individuals participating in clinical evaluations of new products,

regulatory oversight and authorisations, and design control requirements. Failure to comply with requirements could result in penalties, delay or prevent commercialisation of products, which could materially adversely affect the market price of the Common Shares.

1.23 **Side effects from products could arise**

It might transpire in the future that the Company's products or future products which the Company intends to develop have side effects that are not known at present. This could result in claims being restricted or approvals being withdrawn. Side effects of individual products might result in other products sold by the Company or partners being refused due to weak consumer confidence or reduced confidence on the part of medical practitioners. As a result of this, future revenues of the Company may be adversely affected and/or the Company might be faced with group claims for damages, which could materially adversely affect the market price of the Common Shares.

1.24 **Product recalls might be necessary**

The Company may be faced with the necessity of recalling one or more products or batches of products from the market. This necessity may also occur if no *de facto* product property exists that makes a recall obligatory, in particular a side effect or defect, but rather if such a property is merely suspected of being present. A recall may result in loss of revenue, damage to reputation and consequential decrease in cashflow, among other things. Affected products could not be sold any longer, and moreover, trust among, in particular, doctors and patients could be adversely affected, which again could lead to reductions in sales or profits. A recall of the Company's products could have a material adverse impact on the Company's revenues and its business prospects, which could materially adversely affect the market price of the Common Shares.

1.25 **The Company may face product liability claims**

In carrying out its activities, the Company may potentially face contractual and statutory claims, or other types of claim from customers, suppliers and/or investors. In addition, the Company is exposed to potential product liability and professional indemnity risks that are inherent in the research, development, production and supply of its products. Customers, patients or persons selling products based on the Company's technologies may be able to bring claims against the Company based on the use of such products in clinical trials and the sale of products based on the Company's technology. No assurance can be made that product liability or any other future necessary insurance cover will be available to the Company at an acceptable cost, if at all, or that, if there is any claim, the level of the insurance the Company carries now or in the future will be adequate to cover all potential claims or that a product liability, professional indemnity or other claim would not materially and adversely affect the Company's business. Any significant claim may increase the insurance premiums to an unaffordable level. Such claims could have a material adverse impact on the Company's revenues and its business prospects, which could materially adversely affect the market price of the Common Shares.

1.26 **The Company's strategy involves expansion into new markets**

The Company intends to expand into new markets. However, there can be no guarantee that its products will be successfully approved, launched and/or reimbursed in new markets. Market expansion has an inherent level of risk and can be a lengthy process and suffer unforeseen delays, cost overruns and setbacks, such as difficulty obtaining regulatory approval or reimbursement at an acceptable rate, which could have a material adverse effect on the Company's business, results of operations and financial condition, which could materially adversely affect the market price of the Common Shares.

1.27 **Any change in the Company's tax status or a change in tax legislation could affect the Company's ability to provide returns to shareholders**

Tax rules and their interpretation (including taxation levels and available reliefs) relating to any investment in the Company may change during its lifetime. Any change in the Company's tax status or the tax applicable to holding Common Shares, or in taxation legislation or interpretation, could affect the value of the investments held by the Company, the Company's ability to provide returns to shareholders, and/or the post-tax returns to shareholders. Statements in this document in relation to tax and tax reliefs, and concerning the taxation of the Company and investors are based upon current tax law and practice which is subject to

change. The taxation of an investment in the Company depends on the individual circumstances of the relevant investor. Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined, their personal circumstances, and the financial resources available to them.

1.28 **The outbreak of epidemics or pandemics, such as COVID-19, may disrupt and/or otherwise negatively impact the operations of the Company, access to patients, third-party suppliers and/or its customers, and may result in the Company's core business being put on hold as viral testing is not a core business of the Company**

The Company's core business could be materially and adversely affected by the outbreak of a widespread health pandemic, such as COVID-19 or similar. The occurrence of a prolonged epidemic or pandemic or other adverse health developments in the US or elsewhere in the world could materially disrupt the Company's business and operations, including temporary suspension or delay of clinical trials and testing, closure of laboratories, or delays to regulatory submissions and approvals. The Company's operations could also be disrupted if its employees, customers and suppliers contract such a virus. The measures the Company can take to mitigate such a risk are limited given the nature of epidemic or pandemic outbreaks and inherent uncertainty. The Company's revenue and profitability could be adversely affected as a result, which could materially adversely affect the market price of the Common Shares.

1.29 **Certain contracts between the Company and third parties expose the Company to uncapped liabilities**

Certain contracts entered into between the Company and third parties expose the Company to uncapped liabilities in the event that claims are made by the relevant parties in certain circumstances. For example, the Company's liability is not limited or capped under the Nexa IP Licence Agreement (except as under common law / statute), as summarised in paragraph 14.8 of Part VII (*Additional Information*) below. A high value claim or a number of smaller claims brought under one or more of these indemnities could have a material adverse effect on the Group's financial condition, which could materially adversely affect the market price of the Common Shares.

1.30 **Failure to identify or anticipate future risks**

The Company's risk management procedures may not identify or anticipate current or future risks or the extent of future exposures, which could be significantly greater than historical measures indicate. Risk management methods depend on the evaluation of information regarding markets or other matters that is publicly available or otherwise accessible to the Company. Failure (or the perception that the Company has failed) to develop, implement and monitor the Company's risk management policies and procedures and, when necessary, pre-emptively upgrade them could give rise to reputational and trading issues which could have an adverse impact on the Company's business, prospects, results of operations and financial condition.

1.31 **The Company may be subject to risks related to Brexit**

On 31 January 2020, the United Kingdom left the European Union and the implementation period under the European Union (Withdrawal) Act 2018 expired on 31 December 2020 (commonly referred to as "Brexit"). There are significant uncertainties in relation to the terms and time frame within which the UK's future trading, regulatory and other relationships with European Union countries and countries with which the European Union has established trading relationships will be affected. There are significant uncertainties as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including, *inter alia*, the UK's tax system, the conduct of cross-border business and export and import tariffs between the UK and the EU. There is also uncertainty in relation to how these developments will impact on the economy in the UK and the future growth of its various industries and on levels of investor activity and confidence, on market performance and on exchange rates. Although it is not possible to predict the effect of the UK's exit from the European Union, any of these risks could have a material adverse effect on the Company's business, revenue, financial condition, profitability, prospects and results of operations. Leaving the EU may also change the trading terms with other countries that the UK currently trades with under EU agreements which could impact the Company's business.

There has not been any impact on supplier relationships resulting from Brexit, however, it cannot be guaranteed that any future disruption as a result of Brexit will not occur. Should Brexit result in disruption to supply chains, the Company may require alternative arrangements to be put in place which may have a negative impact on the Company's financial and operational performance.

2. Risks relating to the markets in which the Company will operate

2.1 **The Company's profitability is reliant on the continued expansion of reimbursement, coverage and the maintenance of pricing at an appropriate level. Failure to obtain or maintain adequate coverage and reimbursement for the Company's products or to set and maintain the Company's products at the right price could limit the Company's ability to market those products and decrease the Company's ability to generate revenue.**

The availability and adequacy of coverage and reimbursement by healthcare programmes, such as Medicare and Medicaid, other governmental funded programs such as the Veterans Health Administration, private health insurers and other third-party payors, is essential for most patients to be able to afford products such as the Company's products. The Company's ability to achieve acceptable levels of coverage and reimbursement for products by governmental authorities, private health insurers and other organisations will have an effect on the Company's ability to successfully market the Company's products. The Company does not control the process by which payors establish reimbursement rates, and even if payors agree to provide coverage, there is no assurance of the level at which such reimbursement will be provided. Reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. The Company cannot be sure that coverage and adequate reimbursement in the US, the European Union or elsewhere will be available for any product that the Company may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

Currently, the Company receives a substantial amount of revenue from US state Medicaid programmes and the Veterans Health Administration. The Company is currently reimbursed by the Veterans Health Administration pursuant to a Federal Supply Schedule which runs for a five-year term through June 14 2024, at which time the Company will need to obtain a renewal term. The Company is presently in the late stages of discussions to renew the contract for a further five years. The Company's participation in such programmes does not guarantee that customers will be subscribed or purchase Company products. Adverse changes in reimbursement amounts, the imposition of additional coverage limitations with respect to these programmes, or the loss of participation in these programmes could materially adversely affect the Company's ability to generate revenues and achieve or maintain profitability.

Increasingly, third-party payors are challenging prices charged for medical products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular products when a less expensive option is available. It is possible that a third-party payor may consider the Company's products as substitutable by less expensive products and only offer to reimburse patients for the less expensive product. Even with the Company demonstrating improved clinical utility and better patient outcomes with the Company's products, pricing of existing products may limit the amount the Company will be able to charge for the Company's products, once approved. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable the Company to realise an appropriate return on the Company's investment in product development. If reimbursement is not available or is available only at limited levels, the Company may not be able to successfully commercialise the Company's products, and may not be able to obtain a satisfactory financial return on products that the Company may develop.

In the US, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programmes, play an important role in determining the extent to which new tests will be covered. The Medicare and Medicaid programmes increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for products. Some third-party payors may require pre-approval of coverage for new or innovative devices or tests before they will reimburse health care providers who use such

products. It is difficult to predict what third-party payors will decide with respect to the coverage and reimbursement for the Company's future products.

Obtaining and maintaining reimbursement status is time-consuming and costly. No uniform policy for coverage and reimbursement for products exists among third-party payors in the US. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that will require the Company to provide scientific and clinical support for the use of the Company's products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and the Directors and Proposed Directors believe that changes in these rules and regulations are likely.

Moreover, increasing efforts by governmental and third-party payors in the US and abroad to cap or reduce healthcare costs may cause such organisations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for the Company's products. The Company expects to experience pricing pressures in connection with the sale of any of the Company's products due to the trend toward managed healthcare, the increasing influence of health maintenance organisations, and additional legislative changes. The downward pressure on healthcare costs in general has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. The continuing efforts of the government, insurance companies, managed care organisations and other payors of health care services to contain or reduce costs of health care may adversely affect: (i) the demand for any products for which the Company may obtain regulatory approval; (ii) the Company's ability to set a price that the Directors and Proposed Directors believe is fair for the Company's products; (iii) the Company's ability to obtain coverage and reimbursement approval for a product; (iv) the Company's ability to generate revenues and achieve or maintain profitability; and (v) the level of taxes that the Company is required to pay.

2.2 **The Company operates in a highly regulated field and is subject to various government regulations and policies in the countries in which it operates.**

The Company operates in a highly regulated field and is subject to various health regulatory laws, including laws pertaining to fraud and abuse and related matters, and any failure to comply with such laws could result in substantial civil or criminal penalties.

The Company's Directors, employees, independent contractors, consultants and collaborators may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could cause significant liability for the Company and harm the Company's operations and reputation.

The Company is exposed to the risk that the Company's Directors, employees, independent contractors, consultants and collaborators may engage in fraud or other misconduct to comply with manufacturing standards the Company has established, to comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable non-US regulatory authorities, to report financial information or data accurately or to disclose unauthorised activities to the Company. Such misconduct could result in regulatory sanctions and serious harm to the Company's reputation. It is not always possible to identify and deter misconduct, and the precautions the Company will take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws, standards or regulations. In addition, the Company is subject to regulatory audits and inspections. If the Company is deemed to fail any such audits or inspections or is issued with any letters requiring remedial action, this could result in the relevant regulator taking enforcement action against the Company.

If any such actions are instituted against the Company, or the Company's key employees, independent contractors, consultants, or collaborators, and the Company is not successful in defending itself or asserting the Company's rights, those actions could have a significant impact on the Company's business and results of operations, including the imposition of

significant criminal, civil and administrative sanctions including monetary penalties, damages, fines, disgorgement, individual imprisonment, additional reporting requirements and oversight if the Company becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, reputational harm, and the Company may be required to curtail or restructure the Company's operations, which could materially adversely affect the market price of the Common Shares.

2.3 **The Company is subject to increasingly stringent privacy and data security legislation**

The Company is subject to increasingly stringent privacy and data security legislation, including the General Data Protection Regulation in the EU and the UK and the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") in the US.

Regulatory, legislative or self-regulatory/standard developments regarding privacy and data security matters could adversely affect the Company's ability to conduct the Company's business. The Company is subject to laws, rules, regulations and industry standards related to data privacy and cyber security, and restrictions or technological requirements regarding the collection, use, storage, protection, retention or transfer of personally identifiable information, personal health information and other data, including most notably the HIPAA and GDPR. Penalties for non-compliance with such laws, rules, and regulations can be significant, particularly with respect to the protection of personally identifiable information and personal health information. For the foreseeable future, the Company only plans to process data relating to patients in the US and will therefore be subject to various rules and regulations, including those promulgated under the authority of the HHS, the Federal Trade Commission, and state cybersecurity and breach notification laws, as well as regulator enforcement positions and expectations. In certain circumstances, the Company and a healthcare provider may agree to share identifiable patient information and other patient data under a fully HIPAA-compliant Business Associates Agreement.

Globally, governments and agencies have adopted and could in the future adopt, modify, apply or enforce laws, policies, regulations, and standards covering user privacy, data security, technologies that are used to collect, store and/or process data, marketing online, the use of data to inform marketing, the taxation of products and services, unfair and deceptive practices, and the collection (including the collection of information), use, processing, transfer, storage and/or disclosure of data associated with unique individual internet users. New regulation or legislative actions regarding data privacy and security (together with applicable industry standards) may increase the costs of doing business and could have a material adverse impact on the Company's operations and cash flows.

Despite the Company's on-going efforts to ensure practices are compliant, the Company may not be successful either due to various factors within the Company control, such as limited financial or human resources, or other factors outside the Company's control.

Any failure or perceived failure (including as a result of deficiencies in the Company's policies, procedures, or measures relating to privacy, data protection, marketing, or client communications) by the Company to comply with laws, regulations, policies, legal or contractual obligations, industry standards, or regulatory guidance relating to privacy or data security, may result in governmental investigations and enforcement actions, litigation, fines and penalties or adverse publicity, and could cause the Company's clients and partners to lose trust in the Company, which could have an adverse effect on the Company's reputation and business. The Company expects that there will continue to be new proposed laws, regulations and industry standards relating to privacy, data protection, marketing, consumer communications and information security in the US, the EU and other jurisdictions, and the Company cannot determine the impact such future laws, regulations and standards may have on the Company's business. Future laws, regulations, standards and other obligations or any changed interpretation of existing laws or regulations could impair the Company's ability to develop and market new services and maintain and grow the Company's client base and increase revenue, which could materially adversely affect the market price of the Common Shares.

2.4 **The Company operates in a competitive market and may face competition from competitors involved in chronic wound treatment**

The Company may face competition from competitors involved in chronic wound treatment who may develop more advanced or alternative products for the treatment of chronic wounds as well as from companies that have developed or are developing products that target the drivers of some types of chronic wounds (for example, obesity and diabetes) which may indirectly adversely affect the value of the Company's Common Shares. The future success of the Company depends, in part, on its ability to maintain a competitive position.

Demand for the TWO_2 Therapy and/or NEXA NPWT System could be adversely impacted by the development of alternative technologies and alternative medical practices specifically intended for chronic wound treatment. Some of the Company's competitors may have access to greater research, development, marketing, financial and personnel resources which may provide commercial advantages to those competitors. New products may be more effective, cheaper or more effectively marketed than the Company's products, including TWO_2 Therapy and/or NEXA NPWT System, meaning other companies may succeed in commercialising products more rapidly than the Company. As a result, there is the possibility that new technologies or products may be superior to, or render obsolete, the technologies and products that the Company is currently selling and developing. A substantial increase in competition for any of these reasons could require the Company to, for example, increase its marketing or capital expenditure or require the Company to change its business model to remain competitive, which may have an adverse impact on the Company's business including its profitability and/or financial condition. While the Company will seek to develop its capabilities in order to remain competitive, there can be no assurance that research and development by others will not render the Company's products obsolete or uncompetitive. Any failure of the Company to ensure that its products remain up to date with the latest advances may have a material adverse impact on the Company's competitiveness and financial performance, which could materially adversely affect the market price of the Common Shares.

2.5 **Health and safety and environment**

The Company is, or may become, subject to UK, EU and US environmental laws and regulations governing the use, storage, handling and disposal of hazardous materials and other waste products, including the Waste Electrical and Electronic Equipment Regulations 2013 in the UK. The Company has health and safety policies and procedures in place to assess the risks associated with the use of hazardous materials, and the assessment includes information for employees on how the substances should be used to avoid contamination of the environment and inadvertent exposure to themselves and their colleagues. There can be no assurance that the Company's policies and procedures as they exist are sufficient to mitigate these risks. Despite its precautions for handling and disposing of these materials, the Company cannot eliminate the risk of accidental contamination or injury. In the event of a hazardous waste spill or other accident, the Company could be liable for damages, penalties or other forms of censure. If the Company fails to comply with any laws or regulations, or if an accident occurs, the Company may have to pay significant penalties and may be held liable for any damages that result. This liability could exceed the Company's financial resources and insurance coverages, and could harm its reputation. The Company may also have to incur significant additional costs to comply with current or future environmental laws and regulations.

2.6 **Changes in legal, governmental and regulatory requirements applicable to the Company's activities may have significant adverse impacts on the Company's ability to operate**

The Company's operations are subject to laws, regulatory restrictions and certain governmental directives, recommendations and guidelines relating to, amongst other things, health and safety, clinical laboratory operations, medical devices, data privacy and security, coverage and reimbursement, the use and handling of hazardous materials, prevention of illness and injury, environmental protection, personal data and privacy and the participation of human research subjects in clinical trials and research studies.

Such requirements, legislation and rules and their interpretation may change, which could affect the Company's ability to comply with applicable legal and regulatory requirements and could result in a variety of adverse effects, including fines, penalties, inability to obtain or maintain required licences, permits, or certifications, inability to obtain coverage or reimbursement from third-party payors, reputational damage and lack of market acceptance.

There also can be no assurance that future requirements, legislation or rules will not be imposed, which may adversely affect the operations and/or financial condition of the Company, which could materially adversely affect the market price of the Common Shares.

2.7 **Adverse public opinion may affect the Company's business**

The medical technology industry is frequently subject to adverse publicity on many topics, including corporate governance or accounting issues, product recalls and research and discovery methods, data privacy and security, as well as to political controversy over the impact of novel technologies, diagnostic and prognostic methodologies, and therapies on humans, animals and the environment. Adverse publicity about the Company and/or its products, its collaborators, its subsidiaries and subsidiary undertakings or any other part of the life sciences industry may adversely affect the Company's public image, which could harm its operations, impair its ability to gain market acceptance for its products, including TWO_2 Therapy or NEXA NPWT System, which could materially adversely affect the market price of the Common Shares.

2.8 **Losses from uninsured or partially insured risks, insurance premiums and maintenance of insurance**

The Company maintains at least the minimum level of insurance required under the laws of each jurisdiction in which it operates. In particular, the Company maintains insurance for, amongst others, directors' and officers' liability; workers' compensation and employers' liability insurance; commercial general liability insurance (including product liability insurance); automobile liability insurance; and umbrella liability insurance including sexual misconduct. Losses from uninsured risks (including losses which are in excess of the retention under the relevant policy) or partially insured risks may cause the Company to incur significant costs, and no assurance can be given that such insurance will thereafter continue to be available, that it will be available at commercially reasonable premiums or that the Company will obtain or maintain such insurance.

3. Risks relating to an investment in the Common Shares

3.1 **Failure to manage stock market and shareholder expectations**

If the Company fails to meet or adequately manage stock market expectations, this could potentially lead to a decline in the price of the Common Shares and therefore lead to the Company facing difficulties around raising sufficient funds in the future, which could materially adversely affect the market price of the Common Shares.

3.2 **Investment in AIM companies**

Although the Company is applying for the admission of its Common Shares to trading on AIM, there can be no assurance that an active trading market for the Common Shares will develop, or if developed, that it will be maintained. An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Common Shares may go down as well as up and that the market price of the Common Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

3.3 **AIM Rules for Companies and volatility of share price**

The AIM Rules for Companies are less onerous than those applicable to companies on the Official List and an investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document.

The share price of publicly traded, early-stage companies can be highly volatile and it may be more difficult for investors to realise their investment in a company whose shares are traded on AIM than to realise an investment in a company whose shares are quoted on the Official List. The price at which the Common Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts,

the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Common Shares, liquidity (or absence of liquidity) in the Common Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Common Shares, regardless of the Company's performance.

In addition, if the stock market in general experiences a loss of investor confidence, the trading price of the Common Shares could decline for reasons unrelated to the Company's business, financial condition or operating results. The trading price of the Common Shares might also decline in reaction to events that affect other companies in the industry in which the Company operates, even if such events do not directly affect the Company. Each of these factors, among others, could harm the value of the Common Shares.

The value of Common Shares will be dependent upon the success of the operational activities undertaken by the Company and prospective investors should be aware that the value of the Common Shares can go down as well as up. Furthermore, there is no guarantee that the market price of a Common Share will accurately reflect its underlying value. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration.

3.4 **Impact of research on Common Share price**

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and the trading volume of the Common Shares could decline. The trading market for the Common Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Company or its business. The Directors and the Proposed Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Common Shares could be negatively impacted. In the event that the Company obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Common Shares or publish inaccurate or unfavourable research about the Company's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Common Shares could decrease, which might cause the price and trading volume of the Common Shares to decline.

3.5 **Future sales of Common Shares could adversely affect the price of the Common Shares**

The Shareholders and Option holders have each agreed with the Company and the Nominated Adviser that they will not dispose of any interest in Common Shares for the period of 12 months (or 6 months in the case of those Shareholders who are non-employees and will hold less than 1% of the Enlarged Share Capital) following Admission except in certain limited circumstances. There can be no assurance that such parties will not effect transactions upon the expiry of such agreements or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Common Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Common Shares.

Shareholders not subject to lock-in arrangements and, following the expiry of the lock-in arrangements (or earlier in the event of a waiver of the provisions of the relevant lock-in arrangements), Shareholders who are otherwise subject to lock-in arrangements, may sell their Common Shares in the public or private market and the Company may undertake a public or private offering of Common Shares. The Company cannot predict what effect, if any, future sales of Common Shares will have on the market price of the Common Shares. If the Shareholders were to sell, or the Company was to issue a substantial number of Common Shares in the public market, the market price of the Common Shares could be materially adversely affected. Sales by the Shareholders could also make it more difficult for the Company to issue equity securities in the future at a time and price that it deems appropriate.

3.6 **Dilution of Shareholders' interests as a result of additional equity fundraising**

The Company may need or choose to raise additional funds in the future to finance, amongst other things, new commercial and/or strategic opportunities, expansion of the Company, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution. The Company may also issue shares as consideration for acquisitions or investments which would also dilute Shareholders' interests in the Company.

3.7 **Disapplication of pre-emption rights**

The Directors and the Proposed Directors have been granted authority to issue up to 30 million Common Shares following Admission (inclusive of all Common Shares issued and outstanding). Accordingly, potential investors should consider the risk that, following Admission, Shareholders may be diluted if the Directors and the Proposed Directors decide to issue further Common Shares. Pursuant to the Articles of Incorporation the Shareholders will have certain pre-emptive rights (as detailed in paragraph 6.6 of Part VII (*Additional Information*) below). However, such pre-emptive rights will not apply to certain issuances of new Common Shares of the Company as set forth in the Articles of Incorporation, including (among others) the authorisation and/or issuance for cash of new Common Shares of the Company where the nominal amount of such shares or the shares into which such new Common Shares of the Company may be converted, during any 12-month period, does not exceed, in aggregate, 10% of the outstanding Common Shares as of the first day of such 12-month period.

3.8 **Future payment of dividends**

There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors and the Proposed Directors, and will depend upon, amongst other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

3.9 **Valuation of Common Shares**

The Placing Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Common Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

3.10 **Tax**

Statements in this document in relation to tax and concerning the taxation of investors in Common Shares are based on current tax law and practice, which is subject to change. The taxation of an investment in the Company depends on the specific circumstances of the relevant investor. Any change in the Company's tax status or in taxation legislation (or its interpretation) in any jurisdiction in which the Company operates, could affect the Company's ability to provide returns to investors in Common Shares and/or alter the post-tax returns to such investors.

3.11 **Shareholders outside the United Kingdom may not be able to participate in future equity offerings**

Securities laws of certain jurisdictions, including US federal and state securities laws, may restrict the Company's ability to allow the participation of Shareholders in future offerings or in the exercise of pre-emptive rights provided in the Articles of Incorporation. In particular, Shareholders in the US may not be entitled to exercise these rights unless either the rights and Common Shares are registered under the US Securities Act and qualified under applicable US state securities laws, or the rights and Common Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act and the qualification requirements of applicable US state securities laws. Any

Shareholder who is unable to participate in future equity offerings or to exercise pre-emptive rights will suffer dilution.

3.12 **Forward-looking statements**

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business, which could materially adversely affect the market price of the Common Shares.

4. Risks relating to cross-border securities offerings

4.1 **Enforcement of judgments**

The Company is incorporated under the laws of the State of Florida and its assets are primarily located in the US. There is no convention or treaty between the US and the UK or the US and Ireland governing the recognition and enforcement of judgments. A US judgment cannot be automatically enforced in the UK or Ireland, or a UK or Irish judgement in the US. The only way to enforce a US judgment in the UK is to treat the US judgment as a debt and make a claim in court. To enforce a US judgment in Ireland, the judgment must be for a definite monetary sum, final and conclusive and given by a court of competent jurisdiction. Provided it satisfies these criteria, proceedings can be issued in Ireland to sue based on the US judgment being a debt. A UK or Irish judgment may be enforced against a US company in the UK or Ireland, provided the US company has assets in the UK or Ireland respectively.

4.2 **Restrictions on transfer under the US Securities Act**

The Common Shares have not been, and will not be, registered under the US Securities Act or qualified under applicable securities laws of any state or other jurisdiction of the US. The Common Shares are being offered and sold only to non-US Persons, who are not acting for the account or benefit of any US Persons, outside the US in transactions exempt from, or not subject to, the registration requirements of the US Securities Act, in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3) or Category 3, of Regulation S, and otherwise in transactions that are exempt from the registration requirements set out under the US Securities Act and applicable securities laws of any state or other jurisdiction in the US. In the US, the Common Shares may be offered and sold to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the US Securities Act) in accordance with Section 4(a)(2) of the US Securities Act or otherwise in transactions that are exempt from the registration requirements set out under the US Securities Act. Accordingly, the Common Shares are a "restricted securities" as defined in Rule 144 under the US Securities Act. The Common Shares may not be offered, sold, pledged, transferred or delivered, directly or indirectly, in or into the US or to, or for the account or benefit of, any US Person, unless pursuant to an effective registration statement under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available, including in an "offshore transaction" meeting the requirements of Regulation S. Only the Company is entitled to register the Common Shares under the US Securities Act, and the Company has no obligation, and does not intend, to register or qualify the Common Shares under the US Securities Act or applicable securities laws of any state or other jurisdiction of the US. The Company can give no assurances that an exemption from registration or qualification will be available for any resales or transfers of Common Shares.

In addition, the Common Shares offered and sold to non-US Persons in the Placing in reliance on Regulation S, are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Shares. All Common Shares are subject to these restrictions until at least the expiry of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Common Shares. These restrictions may remain in place or be reintroduced following the expiry of the one-year distribution compliance period following the date of Admission (under Regulation S) in relation to the Common Shares, at the discretion of the Company. The Common Shares will bear and be subject to a legend describing restrictions on offers, resales and transfers to, or for the benefit of, US Persons and prohibiting

hedging transactions in the Common Shares unless in compliance with the US Securities Act. Each subscriber for or acquirer of Common Shares, by subscribing for or acquiring such Common Shares, agrees to reoffer or resell the Common Shares only pursuant to registration under the US Securities Act and qualification under applicable securities laws of any state or other jurisdiction of the US, or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act and applicable securities laws of any state or other jurisdiction of the US. Representations, warranties, certifications, acknowledgements and agreements must be made through the CREST system by those selling or acquiring the Common Shares (represented by the Depositary Interests) or withdrawing the same from CREST. If such representations, warranties, certifications, acknowledgments and agreements cannot be made or are not made, settlement through CREST will be rejected.

These Category 3 offering restrictions may negatively impact the ability of subscribers in the Placing or holders of Common Shares to sell such shares at the time or at the price or upon such other terms as the holder desires.

Furthermore, Common Shares held by Affiliates of the Company shall be held in certificated form and subject to restrictive legends prohibiting transfer without the authorization of the Company, and accordingly settlement shall not be permitted via CREST until such time as the restrictions are no longer applicable. The above restrictions may severely restrict subscribers for Common Shares from reselling the Common Shares. The Common Shares will not be admitted for trading on any US securities exchange in connection with the Placing.

4.3 **SEC review of the Euroclear electronic settlement procedures for securities offered and sold pursuant to Category 3 of Regulation S**

Following Admission, holders of New Common Shares may choose to convert the Common Shares into Depositary Interests for the purpose of secondary trading on the CREST automated system managed and operated by Euroclear UK & International to the extent such secondary trading constitutes an "offshore transaction" for purposes of Regulation S and no other transfer restrictions apply to such Common Shares. Because the Company is a US ''domestic issuer'' under the US Securities Act, the New Common Shares to be sold in reliance on Regulation S qualify as Category 3 securities under Rule 903 of Regulation S under the US Securities Act. Category 3 securities are subject to strict transfer restrictions (the "**Transfer Restrictions**") and must bear certain legends so that counterparties in the secondary market for the Common Shares can determine whether any particular offer and resale complies with the resale safe harbour under Regulation S. Pursuant to EU regulatory requirements regarding the clearance and settlement of securities traded on regulated markets, Euroclear has established procedures designed to facilitate the trading of dematerialised Category 3 securities in accordance with the Transfer Restrictions applicable to resales of such securities (the "**Procedures**"). To the knowledge of the Directors and the Proposed Directors, the commissioners and staff of the SEC have thus far declined requests to express any view, and have not in fact expressed any view, on the sufficiency of the Procedures for the purpose of complying with the Transfer Restrictions. The SEC may determine the Procedures to be insufficient for the purpose of complying with the Transfer Restrictions. If this were to occur, the SEC could make a determination that the Company did not comply with the requirements of Regulation S. Although the outcome of such a determination is difficult to predict, the secondary market in the Common Shares could be adversely affected. The Company may be required to register the Common Shares with the SEC, which would entail significant expense to the Company and a significant amount of time on behalf of the Directors and the Proposed Directors. Furthermore, the Company, the Directors and the Proposed Directors could also be subject to criminal, civil or administrative proceedings.

4.4 **Application of United Kingdom and United States legislation**

The Company is incorporated under the laws of the State of Florida, US. Accordingly, a significant amount of the legislation in England and Wales regulating the operation of companies does not apply to the Company. In addition, the laws of the State of Florida will apply in respect to the Company and these laws may provide for mechanisms and procedures that would not otherwise apply to companies incorporated in England and Wales. The rights of Shareholders are governed by Florida law and by the Articles of Incorporation and Bylaws,

which may differ from the typical rights of Shareholders in the UK and other jurisdictions. It should be noted that certain provisions have been incorporated into the Articles of Incorporation and Bylaws to enshrine rights that are not conferred by the provisions of Florida Corporation Law, but which the Company believes Shareholders would expect to see in a company whose shares are admitted to trading on AIM, however there is no assurance that the courts of the State of Florida, US will uphold or allow the enforcement of these provisions.

4.5 **Takeover regulations**

The Company is incorporated in and subject to the laws of the State of Florida, US. Accordingly, the Company and transactions in its Common Shares are not subject to the provisions of the UK Takeover Code. Certain provisions of the Articles of Incorporation adopt similar procedures to the UK Takeover Code, however there is no assurance that the courts of the State of Florida, US will uphold or allow the enforcement of these provisions.

PART III

INTELLECTUAL PROPERTY REPORT

14 June, 2024

The Directors
Advanced Oxygen Therapy Inc.
3512 Seagate Way
Oceanside, CA 92056

Re: Intellectual Property Report on AOTI

Dear Sirs:

This report has been prepared by Alston & Bird LLP ("Alston & Bird") for AOTI, Inc. ("AOTI") for inclusion in an admission document relating to an Initial Public Offering of shares in AOTI (the "Admission Document"). This report summarizes intellectual property ("IP") of AOTI, specifically, patents and patent applications identified in patent families listed in this report and the trademarks and trademark applications identified in this report.

The information provided in this report is subject to the limitations and caveats set out in Section 13 of this report. Except as otherwise expressly stated, all information contained in this report is current as of the date hereof, and we assume no obligation to update this report based on future developments of law, fact, or information that may come to our attention after the date of this report.

1. Executive Summary

AOTI is a medical device company focused on helping people with chronic conditions get back to living their lives to the fullest. The company is currently targeting difficult to heal, acute and chronic wounds with its proprietary Topical Wound Oxygen (TWO2) multimodality therapy and NEXA negative pressure wound therapy product offerings. AOTI's intellectual property portfolio focuses on protecting the unique features associated with the TWO2 and NEXA product lines. The intellectual property portfolio relevant to the TWO2 product line includes patents drafted to protect devices and methods of both delivery and manufacturing of topical hyperbaric oxygen devices, with different delivery methods for treating different sizes of wounds on a patient. The NEXA-related intellectual property portfolio includes patents that focus on devices and methods of both delivery and manufacturing of portable negative pressure wound therapy devices, and for treating wound care patients in different care settings. The patents in both portfolios were drafted to provide broad patent protection, and AOTI is constantly expanding the scope of its portfolio by filing new patent applications. AOTI's strategy for protection of all its wound care devices and methods of operating those devices is to seek as broad as possible patent protection in the main global markets for novel conceptual ideas and devices that have broad application while keeping strategic details of its technology as trade secrets.

AOTI has several published patents and pending patent applications and two federal trademark registrations in the United States and several trademark registrations in other countries. AOTI also has an exclusive license to use technologies covered by several patents owned by i2r Medical Limited. AOTI has not licensed any of its IP to any third parties.

We are not aware of any pending or threatened challenges to any of AOTI's patents or trademarks, nor are we aware of any allegations or assertions that AOTI is infringing the IP of any third party. Similarly, AOTI is not aware of any infringement of any of AOTI's patents, nor any challenge by any third party to any of AOTI's patents or patent applications. AOTI is not aware of any patent or other publications that it believes currently poses any infringement risk.

2. AOTI's Patent and Trademark Policy

2.1 Patent Strategy

AOTI's strategy, as we understand it, is to file patent applications on newly developed technologies that arise from ongoing research and development efforts. AOTI also watches the ongoing evolution of the patent landscape in wound-care technologies, and files patent applications to protect device performance characteristics that separate AOTI products from competitors in the main global

markets. AOTI also evaluates new product developments and protects certain of those developments through trade secret protective measures when applicable.

2.2 Trademarks and Copyrights Strategy

AOTI's overall strategy is to project a unique global brand that includes trademarks, trade names, and copyrights. Marks and copyrights are registered, and internet domain names are reserved, as deemed appropriate by AOTI.

3. Patents – Background

3.1 Patent Protection

In general, a patent provides the holder the right to prevent the making, using, offering to sell, selling, or importing of the invention disclosed by the patent. The scope of protection for the invention is described by the claims in the patent. Patents are granted by national intellectual property offices, and the protections provided by a patent are generally limited to the country in which the patent was granted. In most countries, the term of the patent is twenty years from the filing of the application for the patent, provided all applicable renewal and maintenance fees are paid. In most countries, "continuation" or "divisional" applications may be filed that claim priority to a first-filed patent application, so long as at least one patent application remains pending in the same "family" of patent applications that can be traced back to the first-filed application in that country. Those "continuation" or "divisional" applications – and the patents that subsequently grant therefrom – have a term calculated as twenty years from the earliest filing date in that patent family. Additionally, in the United States, the term of a patent may be extended beyond the initial twenty-year term under a process called Patent Term Adjustment ("PTA") in the event of certain delays caused by the United States Patent and Trademark Office during the examination of the patent application.

3.1 Overview of the Patenting Process

A patent may be obtained by filing a patent application at a national intellectual property office in a country. In most countries, patent applications undergo an examination process performed by a patent examiner at the national intellectual property office in which the patent was filed to determine if the patent should be granted for the claimed invention. In general, the patent examiner will assess whether the claimed invention of the patent application is patentable subject matter, new or novel, inventive or non-obvious, and is sufficiently described in the patent application.

One approach to obtaining patent rights is to first file a provisional patent application in which the invention is described to obtain a priority date for the patent application. The provisional application is not examined by the national patent office in which it was filed. Instead, the applicant is given twelve months to file a full patent application that will be examined by the national patent office, but the priority date of the full patent application is that of the filing of the provisional application.[1] Additionally and alternatively, a first filed patent application may be a non-provisional patent application that is examined by the national patent office in which it was filed, and the priority date for the patent application is the date that the application was filed if no claim to priority is made.

It is possible to challenge the validity of a patent after it has been granted by a national intellectual property office. A patent may be challenged in the national intellectual property office, court, or both. A successful challenge to the validity of the patent may result in the scope of the patent being narrowed or the patent being revoked entirely.

4. AOTI Patents

4.1 Overview of the Patenting Process

AOTI has several granted U.S. patents, one pending U.S. patent application, and several granted patents in countries around the world. These patents encompass several different patent families, as summarized below.

Legal title has been passed from the inventors to AOTI by way of individual assignments signed for patents in each patent family. Specifics relating to these assignments are provided in each patent family summary, below.

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[1] Note that the previously mentioned twenty-year patent term is calculated from the filing date of the first non-provisional patent application, the provisional application's filing date is ignored for purposes of calculating the active term of a patent.

4. 2 **Family 1 – Controller for an Extremity Hyperbaric Device**

Assignee: AOTI, Inc.

Inventors: Phillip Loori; George Hovorka

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the United States Patent and Trademark Office ("USPTO"). The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date[2]	Case Status
United States of America	12/156,466	May-30-2008	8,529,527	Sep-10-2013	May 30, 2028	Registered
United States of America	13/968,683	Aug-16-2013	10,420,699	Sep-24-2019	May 30, 2028	Registered
United States of America	16/574,177	Sep-18-2019			May 30, 2028	Published
United States of America	12/156,465	May-30-2008	8,939,961	Jan-27-2015	May 30, 2028	Registered
United States of America	14/150,178	Jan-08-2014	9,421,147	Aug-23-2016	May 30, 2028	Registered
Canada	2822163	May-30-2008	2822163	Oct-06-2015	May 30, 2028	Registered
Canada	2688831	May-30-2008	2688831	Aug-06-2013	May 30, 2028	Registered
European Patent Office	08767987.4	May-30-2008	EP2164440	Mar-20-2019	May 30, 2028	EP Granted
Germany	08767987.4	May-30-2008	EP2164440	Mar-20-2019	May 30, 2028	Registered
Spain	08767987.4	May-30-2008	EP2164440	Mar-20-2019	May 30, 2028	Registered
France	08767987.4	May-30-2008	EP2164440	Mar-20-2019	May 30, 2028	Registered
United Kingdom	08767987.4	May-30-2008	EP2164440	Mar-20-2019	May 30, 2028	Registered
Italy	08767987.4	May-30-2008	502019000031030	Mar-20-2019	May 30, 2028	Registered
Japan	2010-510360	May-30-2008	5374501	Sep-27-2013	May 30, 2028	Registered
Japan	2013-115220	May-30-2008	5758951	Jun-12-2015	May 30, 2028	Registered

Summary:

This patent family claims priority from Prov. Appl. Nos. 60/932,708 (filed May 31, 2007) and 61/002,077 (filed Nov. 6, 2007).

The disclosed invention relates to a controller for supplying gas to, and evacuating gas from, a hyperbaric wound treatment chamber for a limb. The limb can be placed into an inflatable sleeve with inflatable ribs and into a hyperbaric chamber, and the sleeve is inflated to seal the limb inside the chamber, where a treatment gas is then introduced into the treatment chamber to provide either positive or negative therapeutic gas pressure.

4.3 **Family 2 – Hyperbaric Oxygen Devices and Delivery Methods**

Assignee: AOTI, Inc.

Inventor: Phillip Loori; George Hovorka

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the USPTO. The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

[2] Calculated as 20 years from date of first application filing. Additional Patent Term Adjustment (PTA) awarded by any patent office and/or additional patent term resulting from differences in calculation of patent term in certain countries (e.g., if a country calculates patent term from the date of filing of an international application instead of an earlier filing date of a priority foreign domestic patent application) have not been considered in this calculation, and therefore the term of at least some patents may extend beyond the initial 20 year term. This same caveat applies to all of the following tables.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
United States of America	11/064,581	Feb-24-2005	7,540,283	Jun-02-2009	Feb 24, 2025	Registered
Canada	2598887	Oct-14-2005	2598887	Feb-21-2012	Feb 24, 2025	Registered
European Patent Office	05811886.0	Oct-14-2005	EP1850823	Jan-11-2017	Feb 24, 2025	Registered
Germany	05811886.0	Oct-14-2005	60200505115	Jan-11-2017	Feb 24, 2025	Registered
Spain	05811886.0	Oct-14-2005	EP1850823	Jan-11-2017	Feb 24, 2025	Registered
France	05811886.0	Oct-14-2005	EP1850823	Jan-11-2017	Feb 24, 2025	Registered
United Kingdom	05811886.0	Oct-14-2005	EP1850823	Jan-11-2017	Feb 24, 2025	Registered
Italy	05811886.0	Oct-14-2005	EP1850823	Jan-11-2017	Feb 24, 2025	Registered
Japan	2007-557011	Oct-14-2005	5180592	Jan-18-2013	Feb 24, 2025	Registered

Summary:

This patent family claims priority from Non-Prov. Appl. No. 11/064,581 filed February 24, 2005.

The disclosed invention relates to a hyperbaric oxygen device and method of applying hyperbaric treatment gas (e.g., oxygen) to a wound or an extremity of a patient. The extremity of a patient is placed into an open end of a collapsible enclosure. The enclosure is defined by inflatable pockets that can be inflated to maintain the enclosure in a substantially rigid condition

4.4 **Family 3 – Wound Treatment Device**

Assignee: AOTI, Inc.

Inventor: George Hovorka

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the USPTO. The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
United States of America	12/291,342	Nov-07-2008	7,922,678	Apr-12-2011	Nov. 7, 2028	Registered
Canada	2704932	Nov-07-2008	2704932	Jun-23-2015	Nov. 7, 2028	Registered
European Patent Office	08847541.3	Nov-07-2008	EP2217318	Oct-26-2016	Nov. 7, 2028	Registered
Germany	08847541.3	Nov-07-2008	EP2217318	Oct-26-2016	Nov. 7, 2028	Registered
Spain	08847541.3	Nov-07-2008	EP2217318	Oct-26-2016	Nov. 7, 2028	Registered
France	08847541.3	Nov-07-2008	EP2217318	Oct-26-2016	Nov. 7, 2028	Registered
United Kingdom	08847541.3	Nov-07-2008	EP2217318	Oct-26-2016	Nov. 7, 2028	Registered
Italy	08847541.3	Nov-07-2008	EP2217318	Oct-26-2016	Nov. 7, 2028	Registered
Japan	2010-533121	Nov-07-2008	5355581	Sep-06-2013	Nov. 7, 2028	Registered
Japan	2013-141800	Nov-07-2008	5657752	Dec-05-2014	Nov. 7, 2028	Registered

Summary:

This patent family claims priority from Prov. Appl. Nos. 61/002,268 (filed November 07, 2007), 61/002,269 (filed November 07, 2007), 61/127,809 (filed May 15, 2008), and 61/192,287 (filed September 17, 2008).

The disclosed invention relates to a limb wound treatment device that comprises an interior configured to accommodate a treatment gas. The device comprises a chamber, wherein a portion of the chamber is constructed from at least a flexible first sheet comprising a composite layer, said composite layer comprising a first polymer gas impermeable material layer coated with a second polymer gas impermeable material layer (selected from either ethyl vinyl acetate (EVA), polyethylene (PE), or nylon). The device further includes an inflatable cuff seal for hermetically sealing against the limb being treated.

4.5 **Family 4 – Pressure Compensating Seal with Positive Feedback**

Assignee: AOTI, Inc.

Inventor: Phillip Loori; George Hovorka; Mike Griffiths

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the USPTO. The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
United States of America	12/291,347	Nov-07-2008	9,211,227	Dec-15-2015	Nov. 7, 2028	Registered

Summary:

This patent family has the same priority as Family 3 and the disclosure is identical to Family 3. This patent claims priority from Prov. Appl. Nos. 61/002,268 (filed November 07, 2007), 61/002,269 (filed November 07, 2007), 61/127,809 (filed May 15, 2008), and 61/192,287 (filed September 17, 2008). However, the scope of the claims – and therefore the scope of patent protection – differs from Family 3.

The disclosed invention relates to a limb wound treatment device configured to treat a patient's limb by a gas supplied to a housing within the device. The wound treatment device further comprises an inflatable cuff for sealing the housing against the limb of the patient and a controller for measuring the treatment and cuff pressure and to control the pressure in the cuff in response to the gas pressure in the treatment chamber.

4.6 **Family 5 – Access Port for Flexible Wound Treatment Devices**

Assignee: AOTI, Inc.

Inventor: George Hovorka

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the USPTO. The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
United States of America	12/291,338	Nov-07-2008	8,034,008	Oct-11-2011	Nov 7, 2028	Registered

Summary:

This patent family has the same priority as Family 3 (and Family 4) and the disclosure is identical to Family 3. This patent claims priority from Prov. Appl. Nos. 61/002,268 (filed November 07, 2007), 61/002,269 (filed November 07, 2007), 61/127,809 (filed May 15, 2008), and 61/192,287 (filed September 17, 2008). However, the scope of the claims – and therefore the scope of patent protection – differs from Families 3 and 4.

The disclosed invention relates to a limb wound treatment device configured to treat a patient's limb by a gas supplied to a housing within the device. The device includes removable annular foam seals formed between concentric lines of perforations to allow for sizing and sealing the chamber. The device also comprises a second end having an access port, and a clamping mechanism for

sealing and unsealing the access port. The clamping mechanism comprises a flexible enclosure configured to seal against a limb.

4.7 **Family 6 – Triple Modality Wound Treatment Device**

Assignee: AOTI, Inc.

Inventor: Phillip Loori; George Hovorka; Francis Rossi

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the USPTO. The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
United States of America	12/291,348	Nov-07-2008	8,704,034	Apr-22-2014	Nov. 7, 2028	Registered

Summary:

This patent family claims has the same priority as Family 3 and the disclosure is identical to Family 3. This patent claims priority from Prov. Appl. Nos. 61/002,268 (filed November 07, 2007), 61/002,269 (filed November 07, 2007), 61/127,809 (filed May 15, 2008), and 61/192,287 (filed September 17, 2008). However, the scope of the claims – and therefore the scope of patent protection – differs from Families 3-5.

The disclosed invention relates to a limb wound treatment device the device can include a controller that can inflate that housing, inflate the cuff seal and provide treatment gas to the interior, in response to pressures within the cuff seal and the housing. Further, the device can accommodate different types of wound treatments, such as hyperbaric therapy, compression therapy or negative pressure therapy.

4.8 **Family 7 – Hyperbaric Wound Treatment Device**

Assignee: AOTI, Inc.

Inventor: Phillip Loori; Steve Miszencin

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the USPTO. The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
Canada	2705056	Nov-06-2008	2705056	Jun-02-2009	Nov. 6, 2028	Registered
Germany	08846367.4	Nov-06-2008	EP2217317	Mar-04-2015	Nov. 6, 2028	Registered
Spain	08846367.4	Nov-06-2008	EP2217317	Mar-04-2015	Nov. 6, 2028	Registered
France	08846367.4	Nov-06-2008	EP2217317	Mar-04-2015	Nov. 6, 2028	Registered
United Kingdom	08846367.4	Nov-06-2008	EP2217317	Mar-04-2015	Nov. 6, 2028	Registered
Italy	08846367.4	Nov-06-2008	EP2217317	Mar-04-2015	Nov. 6, 2028	Registered
Japan	2010-533116	Nov-06-2008	5519520	Apr-11-2014	Nov. 6, 2028	Registered

Summary:

This patent family claims priority from Prov. Appl. No. 61/002,085 (filed November 06, 2007). A United States non-provisional application was also filed in this family – U.S. Appl. No. 12/291,328 (filed Nov. 6, 2008), but this US application was abandoned prior to allowance.

The disclosed invention relates to a limb wound treatment device that comprises hyperbaric chambers that create sealed environments for the application of therapeutic gases to hasten healing of lesions or wounds on a patient's body. The device comprises an inflatable cuff that includes an outer wall coupled to an inner wall forming a cuff interior adaptable for fluid communication with an inflating gas source.

4.9 Family 8 – Adaptable Topical Hyperbaric Device

Assignee: AOTI, Inc.

Inventor: Phillip Loori; George Hovorka

Right of Ownership: Assignments from all inventors to AOTI, Inc. have been recorded with the USPTO. The recorded assignments from the inventors to AOTI, Inc. include provisions for assigning all patent rights, in any country around the world, to AOTI, Inc. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact its ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
United States of America	12/291,317	Nov-06-2008	9,174,034	Nov-03-2015	Nov 6, 2028	Registered

Summary:

This patent family claims priority from Prov. Appl. No. 61/001,966 (filed November 06, 2006). AOTI filed an international PCT patent application (PCT Appl. No. PCT/US2008/012535, filed Nov. 6, 2008), however this international application was allowed to expire without filing any counterpart national stage applications in other countries.

The disclosed invention relates to a limb wound treatment device that includes a seal of variable size for attaching the device to various locations on a patient for treatment of wounds or lesions. The seals have a plurality of weakened areas which allows portions of the seal to be removed for increasing the size of the seal opening to accommodate wounds or lesions of different sizes.

5. NEXA Patents

5.1 Summary

Nexa Medical Limited (a subsidiary of AOTI, Inc.) has the following patents within one family of patents for a Wound-Dressing Conditioning Device which comprises 2 patent registrations (UK and Hong Kong) and 2 pending applications (US and Europe).

Owner: Nexa Medical Limited

Inventors: Keith Heaton; Ian Hardman

Right of Ownership: Assignments from all inventors to Nexa Medical Limited have been recorded with the USPTO. The recorded assignments from the inventors to Nexa Medical Limited include provisions for assigning all patent rights, in any country around the world, to Nexa Medical Limited. We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact Nexa Medical Limited's ownership of this patent family.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
United Kingdom	1819440.7	Nov-29-2018	GB2579368	Oct-11-2022	Nov. 29, 2038	Registered
United States of America	17/297,454	Nov-28-2019			Nov. 29, 2038	Pending
European Patent Office	19874776.8	Nov-28-2019			Nov. 29, 2038	Pending
Hong Kong	42020022109	Dec-14-2020	HK40032353	Jun-16-2023	Nov. 29, 2038	Registered

Summary:

This patent family claims priority from EP Appl. No. 1819440.7 (filed Nov 29, 2018). The disclosed invention relates to a wound dressing conditioning device for conditioning a wound dressing with a treatment fluid flow inlet, a waste-fluid flow outlet, and a pump for applying negative pressure to the wound via a controller that monitors a volume of treatment fluid pumped into the wound dressing.

6. AOTI's Licensed Patents

6.1 Summary

AOTI has the benefit of an exclusive, fully paid-up, and worldwide license to the following patents under the terms of a license agreement between i2r Medical Limited and AOTI dated 7 November 2022 (the "License Agreement"). This license agreement has a 20-year term that automatically renews for successive 20-year terms unless not renewed by AOTI.

6.2 Family 1 – Connector for a Medical Device

Licensor: i2r Medical Limited

Licensee: AOTI

Inventors: Keith Heaton; Ian Hardman

Right of Ownership: Assignments from all inventors to i2r Medical Limited have been recorded with the USPTO. The recorded assignments from the inventors to i2r Medical Limited include provisions for assigning all patent rights, in any country around the world, to i2r Medical Limited We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact i2r Medical Limited's ownership or ability to license this patent family to AOTI, Inc. As mentioned above, this patent family was subject to an exclusive license from i2r Medical Limited to AOTI.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
Hong Kong	18115940.9	12-Dec-18			Nov 3, 2036	Pending
Europe	16794397.6	3-Nov-16			Nov 3, 2036	Pending
United States	15/771407	3-Nov-16	11027109	8-Jun-21	Nov 3, 2036	Registered

Summary:

This patent family claims priority from Great Britain Patent Appl. GB1519388.1, which was filed on Nov. 3, 2015. This Great Britain application was allowed to lapse in favor of the pending European application.

The disclosed invention relates to a releasable tubing connector for controlling pressure in a negative pressure wound therapy device.

6.3 **Family 2 – Portable Medical Device System**

Licensor: i2r Medical Limited

Licensee: AOTI

Inventors: Keith Heaton; Ian Hardman

Right of Ownership: Assignments from all inventors to i2r Medical Limited have been recorded with the USPTO. The recorded assignments from the inventors to i2r Medical Limited include provisions for assigning all patent rights, in any country around the world, to i2r Medical Limited We are not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) relating to any patent or pending application in this patent family, that are effective in any country. AOTI, Inc. is similarly not aware of any other assignments, liens, security interests, judgments, or any other claims of ownership (whether valid or invalid) that would impact i2r Medical Limited's ownership or ability to license this patent family to AOTI, Inc. As mentioned above, this patent family was subject to an exclusive license from i2r Medical Limited to AOTI.

Patent Family:

Country	Appln. No.	Appln. Date	Reg. No.	Reg. Date	Exp. Date	Case Status
Brazil	1120150061656	20-Sep-13	112015006165-6	3-Nov-21	Sept. 20, 2033	Registered
United States	14/430225	20-Sep-13	10226553	12-Mar-19	Sept. 20, 2033	Registered
Australia	2013320005	20-Sep-13	2013320005	1-Sep-16	Sept. 20, 2033	Registered
Canada	2884773	20-Sep-13	2884773	04-May-21	Sept. 20, 2033	Registered
China	201380056574	20-Sep-13	104797277B	22-May-18	Sept. 20, 2033	Registered
France	13771572.8	20-Sep-13	2897663	13-Nov-19	Sept. 20, 2033	Registered
Germany	13771572.8	20-Sep-13	2897663	13-Nov-19	Sept. 20, 2033	Registered
Hong Kong	15108094.1	20-Sep-13	HK1207325	12-Jul-19	Sept. 20, 2033	Registered
Ireland	13771572.8	20-Sep-13	2897663	13-Nov-19	Sept. 20, 2033	Registered
United Kingdom	1316705.1	20-Sep-13	2508696	22-Apr-15	Sept. 20, 2033	Registered
Japan	2015-532502	20-Sep-13	6591287	27-Sep-19	Sept. 20, 2033	Registered
Europe*	19203936	20-Sep-13			Sept. 20, 2033	Pending
Australia*	2016202642	26-Apr-16	2016202642	5-Jul-18	Sept. 20, 2033	Registered
United Kingdom*	1411374	20-Sep-13	2515405	2-Dec-15	Sept. 20, 2033	Registered
Japan	2019-112492	18-Jun-19	6831872	02-Feb-21	Sept. 20, 2033	Registered
United States	16/248320	20-Sep-13	11,197,953	14-Dec-21	Sept. 20, 2033	Registered
United States	17/523336	10-Nov-21			Sept. 20, 2033	Pending

Summary:

This patent family claims priority from Great Britain Patent Appl. GB1216928.0, which was filed on September 21, 2012. This initial Great Britain patent application was allowed to lapse in favor of the European applications mentioned in the table above.

The disclosed invention relates to a negative pressure wound therapy system that is usable in a patient's home without need for a rigid fluid collection container. *These patent applications were filed as continuation applications in their respective countries to include claims that focus on the configuration of the fluid container.

7. Trademarks – Background

7.1 **Trademark Protection**

A trademark is a designation of source used to distinguish the goods and services of one business from those of others. A trademark can be a word, phrase, logo, slogan, sound, or shape.

A registered trademark provides the owner with the exclusive right to use or authorize others to use the trademark in connection with the goods and services specified for the registration and in the country or region where the trademark is registered.

A trademark can be used and enforced without seeking trademark registration. However, in some countries, the first party to register the trademark has the legal rights to the trademark in that country, even if it has been previously used by another party without being registered.

In general, the registration of a trademark can be maintained indefinitely, so long as renewal fees are paid and, as required in some countries, that the trademark owner can show that the trademark is still being used in connection with the goods and services for the trademark registration.

7.2 **Procedure for Obtaining Trademark Protection**

An application to register a trademark is made at a national intellectual property office. The application must include a description of the goods or services for which the trademark will be used. These goods or services fall into one or more of forty-five international classes of goods and services.

Trademark applications are examined by trademark examiners at the national intellectual property office in which the trademark was filed to ensure the trademark meets the registration criteria. In general, a trademark meets the registration criteria if the trademark is capable of distinguishing the goods and services of the trademark owner and that the trademark is not the same as or similar to other trademarks already registered.

8. AOTI's Trademarks

8.1 **TWO2**

two2

The TWO2 trademark is registered in the United States of America under registration no. 3,797,979.

The registration is for Intl. Class 10 and U.S. Classes 26, 39, and 44 and relates to surgical, medical, dental and veterinary apparatus and instruments; artificial limbs, eyes and teeth; orthopedic articles; suture materials; therapeutic and assistive devices adapted for persons with disabilities; massage apparatus; apparatus, devices and articles for nursing infants; sexual activity apparatus, devices and article (Intl. Class 10), lace and embroidery, ribbons and braid; buttons, hooks, eyes, pins, and needles; artificial flowers (U.S. Class 26), Transport; packaging and storage of goods; travel arrangement (U.S. Class 39), and Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture, and forestry services (U.S. Class 44).

8.2 **EYES ON THE WOUND**

EYES ON THE WOUND

The EYES ON THE WOUND trademark is registered in the United States of America under registration no. 6,849,377.

The registration is for Intl. Class 10 and relates to surgical, medical, dental and veterinary apparatus and instruments; artificial limbs, eyes and teeth; orthopedic articles; suture materials; therapeutic and assistive devices adapted for persons with disabilities; massage apparatus; apparatus, devices and articles for nursing infants; sexual activity apparatus, devices and articles (Intl. Class 10).

8.3 **TOPICALWOUND OXYGEN**

TopicalWound OXYGEN

The TOPICALWOUND OXYGEN trademark is registered in the European Union Trademark Office under registration no. 008362212 and in the United Kingdom under registration no. UK00908362212.

The registration is for Intl. Classes 9, 10, 42, and 44 and relates to scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs;

automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; surgical, medical, dental and veterinary apparatus and instruments; artificial limbs, eyes and teeth; orthopedic articles; suture materials; Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture, and forestry services.

8.4 **TOPICALWOUND OXYGEN**

The TOPICALWOUND OXYGEN trademark is registered in the European Union Trademark Office under registration no. 008362261 and in the United Kingdom under registration no. UK00908362261.

The registration is for Intl. Classes 9, 10, 42, and 44 and relates to scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; surgical, medical, dental and veterinary apparatus and instruments; artificial limbs, eyes and teeth; orthopedic articles; suture materials; scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture, and forestry services.

8.5 **TOPICALWOUND OXYGEN TWO2 (stylized)**

The TOPICALWOUND OXYGEN TWO2 trademark is registered in the Japanese Trademark Office under registration no. 5154246.

The registration is for Intl. Class 10, and relates to therapeutic apparatus for the administration of oxygen (medical); chambers for oxygen administration (medical); oxygen enrichment apparatus for medical use; other medical apparatus and instruments.

9. NEXA's Trademarks

9.1 **MERCURY**

The MERCURY word mark is registered in the UK with the United Kingdom Intellectual Property Office under registration no. UK00003340901 in the name of Nexa Medical Limited.

The registration is for Intl. Class 10 and relates to negative pressure wound therapy (NPWT) systems for the treatment of acute wounds, chronic wounds, diabetic foot ulcers, pressure ulcers, incisional wounds, burns, skin grafts, reconstruction surgery, lymphoedema, abdominal compartment syndrome; parts accessories and spare parts for all the aforesaid NPWT systems.

9.2 **Figurative mark**

The above figurative mark is registered in the UK with the United Kingdom Intellectual Property Office under registration no. UK00003340907 in the name of Nexa Medical Limited.

The registration is for Intl. Class 10 and relates to negative pressure wound therapy (NPWT) systems for the treatment of acute wounds, chronic wounds, diabetic foot ulcers, pressure ulcers, incisional wounds, burns, skin grafts, reconstruction surgery, lymphoedema, abdominal compartment syndrome; parts accessories and spare parts for all the aforesaid NPWT systems.

9.3 **hdNPWT**

The hdNPWT word mark is registered in the UK with the United Kingdom Intellectual Property Office under registration no. UK00003350322 in the name of Nexa Medical Limited.

The registration is for Intl. Class 10 and relates to negative pressure wound therapy (NPWT) systems for the treatment of acute wounds, chronic wounds, diabetic foot ulcers, pressure ulcers, incisional wounds, burns, skin grafts, reconstruction surgery, lymphoedema, abdominal compartment syndrome; parts accessories and spare parts for all the aforesaid NPWT systems.

10. AOTI's Licensed Trademarks

AOTI has the benefit of an exclusive license to the following UK trademarks under the terms of the License Agreement. Under clause 11 of the License Agreement, i2r Medical Limited agrees to cooperate with AOTI promptly as requested to transfer all rights or ownership and registration in the following marks to AOTI or its designated subsidiaries or affiliates.

10.1 **NEXA (word mark)**

The NEXA word mark is registered in the UK with the United Kingdom Intellectual Property Office under registration no. UK00003110030 in the name of i2r Medical Limited.

The registration is for Intl. Class 10 and relates to medical apparatus and instruments; wound treatment and wound therapy apparatus and instruments; negative pressure wound treatment and negative pressure wound therapy apparatus and instruments for use with wound dressings and drainage receptacles for promoting wound healing, medical devices, namely portable electronic devices for providing negative pressure wound therapy.

10.2 **Figurative mark**

The above figurative mark is registered in the UK with the United Kingdom Intellectual Property Office under registration no. UK00003110030 in the name of i2r Medical Limited.

The registration is for Intl. Class 10 and relates to medical apparatus and instruments; wound treatment and wound therapy apparatus and instruments; negative pressure wound treatment and negative pressure therapy apparatus and instruments for use with wound dressings and drainage receptacles for promoting wound healing; electro mechanical medical devices.

11. Website Registrations

AOTI also owns the following domain names:

- AOTInc.net
- Topicalwoundoxygen.com
- Topicalwoundoxygen.net
- Nexanpwt.com

12. Protection of Know-How & Trade Secrets

AOTI's policy is to protect certain details of its wound care devices, such as the exact manufacturing methods and material composition of the wound treatment chamber device as confidential know-how or trade secrets. AOTI has indicated that it takes reasonable measures to secure and protect its confidential know-how and trade secrets. This includes incorporating broad Confidentiality, Proprietary Information and Invention ownership and assignment clauses into all its employee and independent contractor agreements.

There can be no assurance that AOTI can absolutely protect its right to unpatented proprietary know-how and trade secrets or that others will not independently develop substantially equivalent or superior technology.

13. Limitations and Caveats

13.1 Search Limitations

Searches for publicly available documents conducted by patent offices to determine whether a patent should be granted have limitations. The databases used in searching may not include older published documents and may not cover certain jurisdictions. Searches cannot locate documents that have not been published at the time of conducting the search. In most countries, publication of a patent does not occur until 18 months from the earliest priority date. There can also be delays between official publication and accessibility of the publication from relevant databases.

All searches are limited to the accuracy and scope of the databases searched together with the search criteria adopted. Further, no search can be considered as conclusive or exhaustive as some forms of prior art, such as public use, oral disclosures, and prior commercial exploitation cannot be searched systematically.

13.2 Duty of Disclosure

In some jurisdictions there is a duty to disclose information, such as examination reports from other patent offices or published documents known to the applicant or its agents, to the relevant patent office while an application is pending. Failure to disclose this information in accordance with these obligations may adversely affect the validity or enforceability of the patent.

13.3 No Guarantee of Validity

Grant of a patent by a patent office does not provide a guarantee of its validity. In most jurisdictions, a patent application is subject to examination prior to grant. A patent may be challenged at any time after grant. In some countries a granted patent may be subjected to re-examination by the patent office, particularly if relevant information is identified that was not considered during examination of the application before grant.

13.4 No Guarantee of Non-Infringement

Grant of a patent provides no guarantee that the patent owner is entitled to commercialize the patented invention. For example, the working of an invention, even if validly patented, may

nevertheless infringe an earlier patent or other intellectual property rights in the country of commercialization.

13.5 **Information Relied Upon**

This report relies on information accessible from publicly available databases, and as confirmed and supplemented by information provided by AOTI.

13.6 **Interests of Alston & Bird**

Alston & Bird is not engaged in the preparation, filing, and/or prosecution of patent applications or trademark applications for AOTI. Alston & Bird has been retained to review the portfolios discussed above only and has no financial interest in AOTI.

13.7 **Consent**

We have given our consent to inclusion of this report in the Admission Document in the form in which it now appears and such consent has not been revoked as at the date of the Admission Document. We have not been involved in the preparation of the Admission Document other than the preparation of this report related to the registered intellectual property of AOTI.

Sincerely,

Daniel J. O'Connor, Esq.
Alston & Bird, LLP

PART IV (A)

Historical financial information for the three years ended 31 December 2023

The Group's historical financial information for the three years ended 31 December 2023 is presented in this Part IV as follows:

Part B: Accountant's report on historical financial information for the year ended 31 December 2023 issued by Grant Thornton LLP.

Part C: Historical financial information for the year ended 31 December 2023.

Part D: Accountant's report on historical financial information for the two years ended 31 December 2022 issued by KPMG LLP.

Part E: Historical financial information for the two years ended 31 December 2023.

The consolidated balance sheets of AOTI, Inc. as at 31 December 2021, 2022 and 2023, and the consolidated statements of operations and consolidated statements of cash flows of AOTI, Inc. for the three years ended 31 December 2023 are presented in this Part IV(A) for information purposes only and have been extracted without adjustment from Part IV(C) and Part IV(E)

Consolidated Balance Sheets

	US$	US$	US$
		December 31,	
	2023	2022	2021
Assets			
Current assets			
Cash and cash equivalents	778,484	4,014,102	1,640,980
Trade accounts receivable, net	5,221,915	3,993,686	2,418,062
Inventory	2,203,516	1,434,936	763,940
Income tax receivable	40,145	240,481	248,000
Other receivables and prepayments	99,492	48,754	—
Total current assets	8,343,552	9,731,959	5,070,982
Property and equipment, net	2,653,246	1,911,863	1,236,714
Intangible assets, net	9,423,438	9,801,129	190,494
Operating lease right of use assets	634,617	580,040	38,625
Deposits	26,000	20,000	—
Total assets	21,080,853	22,044,991	6,536,815
Liabilities and Stockholders' Equity			
Current liabilities			
Short-term debt	—	202,808	—
Accounts payable – trade	5,789,137	952,445	794,384
Accrued expenses	4,241,888	3,630,149	1,272,314
Deferred acquisition liability	242,467	—	—
Income tax payable	612,035	388,865	496,504
Deferred revenue	1,941,957	1,768,561	1,412,408
Related party note payable, current	—	—	230,453
Current portion of operating lease liabilities	286,245	178,942	38,625
Total current liabilities	13,113,729	7,121,770	4,244,688
Long-term deferred acquisition liability	—	242,467	—
Long-term debt, net	11,694,645	11,598,218	—
Deferred income tax liabilities	1,812,449	1,891,326	768,401
Long-term operating lease liabilities	370,843	431,006	—
Total liabilities	26,991,666	21,284,787	5,013,089
Stockholders' equity			
Common stock, $0.00010 par value, 8,240,534 shares authorized, issued, and outstanding at December 31, 2023, 2022, and 2021, respectively	824	824	824
Additional paid-in capital	9,978,102	8,461,909	420,858
Retained earnings (deficit)	(15,889,739)	(7,702,529)	1,102,044
Total stockholders' equity (deficit)	(5,910,813)	760,204	1,523,726
Total liabilities and stockholders' equity	21,080,853	22,044,991	6,536,815

Consolidated Statements of Operations

	US$	US$	US$
	Year Ended December 31,		
	2023	2022	2021
Revenues			
Equipment rentals	28,707,407	22,856,178	15,300,769
Product sales, net of returns and allowances	15,210,427	10,654,130	7,675,491
Total revenues	43,917,834	33,510,308	22,976,260
Cost of revenues			
Cost of equipment rentals	610,359	412,351	282,706
Cost of product sales	5,713,682	3,601,786	1,903,859
Total cost of revenues	6,324,041	4,014,137	2,186,565
Gross profit	37,593,793	29,496,171	20,789,695
Operating expenses			
Commissions	10,494,683	10,824,836	6,226,603
Salaries, wages, and benefits	17,434,923	10,495,010	6,372,458
Other operating expenses	15,200,802	8,355,989	5,004,059
Total operating expenses	43,130,408	29,675,835	17,603,120
(Loss) income from operations	(5,536,615)	(179,664)	3,186,575
Other income (expense)			
Realized/unrealized losses on foreign currency transactions (net)	(226,258)	—	—
Gain (loss) on disposal of fixed assets	63,240	4,178	(10,062)
Interest expense	(1,950,087)	(1,343,582)	(34,242)
(Loss) income before income taxes	(7,649,720)	(1,519,068)	3,142,271
Provision for income taxes	537,490	1,285,505	1,115,297
Net (loss) income	(8,187,210)	(2,804,573)	2,026,974
Earnings (loss) per common share attributable to AOTI:			
Basic and diluted	(0.99)	(0.34)	0.25
Weighted average shares outstanding:			
Basic and diluted	8,240,534	8,240,534	8,240,534

Consolidated Statements of Cash Flows

	US$	US$	US$
	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities			
Net income (loss)	(8,187,210)	(2,804,573)	2,026,974
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	1,419,044	651,100	407,973
(Gain) loss on disposal of fixed assets	(63,240)	(4,178)	10,062
Loan fees amortization	96,427	200,356	—
Share-based compensation	1,516,193	1,227,999	—
Deferred income taxes	(78,878)	294,496	284,427
Allowance for credit losses	144,857		
Other noncash items	(153,223)	82,073	—
Changes in operating assets and liabilities:			
Accounts receivable	(1,373,085)	(1,395,624)	(235,366)
Inventory	(768,580)	(670,996)	(49,441)
Income tax receivable	200,336	—	—
Other receivables and prepayments	(50,737)	(68,046)	—
Accounts payable	4,836,692	158,062	387,283
Accrued expenses and income taxes payable	840,814	1,753,758	(1,414,435)
Deferred revenue	173,396	356,154	513,776
Net cash provided by (used in) operating activities	(1,447,194)	(219,419)	1,931,253
Cash flows from investing activities			
Purchases of property and equipment	(1,315,081)	(1,088,240)	(904,531)
Payment of lease liability	(270,535)	—	—
Acquisition of subsidiary	—	(2,042,670)	—
Net cash used in investing activities	(1,585,616)	(3,130,910)	(904,531)
Cash flows from financing activities			
Change in debt valuation	—	—	27,768
Principal payments on related party notes payable	(202,808)	(230,453)	(719,811)
Proceeds from loans	—	11,776,283	—
Dividends paid	—	(5,678,736)	—
Operating lease liabilities	—	(143,643)	—
Net cash provided by (used in) financing activities	(202,808)	5,723,451	(692,043)
Net increase (decrease) in cash and cash equivalents	(3,235,618)	2,373,122	334,679
Cash and cash equivalents – beginning of year	4,014,102	1,640,980	1,306,301
Cash and cash equivalents – end of year	778,484	4,014,102	1,640,980
Supplemental disclosures of cash flow information			
Cash paid during the year for interest	1,881,145	1,004,626	430,931
Cash paid during the year for income taxes	136,702	1,091,132	1,434,488
Supplemental disclosures of noncash financing activities			
Fair value of common stock warrant	—	378,423	—
Fair value of redeemable shares issued	—	6,434,630	—

PART IV (B)

Accountant's report on historical financial information for the year ended 31 December 2023

The Directors
AOTI, Inc.
3512 Seagate Way
Suite 100
Oceanside, CA 92056
USA

14 June 2024

Ladies and Gentlemen

AOTI, Inc.

We report on the financial information set out on pages 87 to 104 for the year ended 31 December 2023. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 14 June 2024, a true and fair view of the state of affairs of AOTI, Inc. as at 31 December 2023 and of its profits and losses, cash flows and changes in stockholders equity for the year ended 31 December 2023 in accordance with the basis of preparation set out in note 1 and in accordance with US GAAP as described in note 1.

Responsibilities

The Directors of AOTI, Inc. are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with US GAAP.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of Preparation

The financial information has been prepared for inclusion in the AIM Admission Document dated 14 June 2024 of AOTI, Inc. on the basis of the accounting policies set out in note 1.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC'). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the

accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Conclusions Relating to Going Concern

The Directors of AOTI Inc. have prepared the financial information on the going concern basis as they do not intend to liquidate the entity or to cease its operations, and as they have concluded that the entity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial information ("the going concern period").

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the entity's financial information is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the above conclusions are not a guarantee that the entity will continue in operation.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

Grant Thornton
Ireland

14 June 2024

PART IV (C)

Financial information for the year ended 31 December 2023

Consolidated Balance Sheet

	Note	*US$* December 31, 2023
Assets		
Current assets		
Cash and cash equivalents		778,484
Trade accounts receivable, net		5,221,915
Inventory	2	2,203,516
Income tax receivable		40,145
Other receivables and prepayments		99,492
Total current assets		8,343,552
Property and equipment, net	3	2,653,246
Intangible assets, net	4	9,423,438
Operating lease right of use assets		634,617
Deposits		26,000
Total assets		21,080,853
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable – trade		5,789,137
Accrued expenses		4,241,888
Deferred acquisition liability	5	242,467
Income tax payable		612,035
Deferred revenue	2	1,941,957
Current portion of operating lease liabilities	7	286,245
Total current liabilities		13,113,729
Long-term debt, net	6	11,694,645
Deferred income tax liabilities		1,812,449
Long-term operating lease liabilities	7	370,843
Total liabilities		26,991,666
Stockholders' equity (deficit)		
Common stock, $0.00010 par value, 8,240,534 shares authorized, issued, and outstanding at December 31, 2023		824
Additional paid-in capital		9,978,102
Retained earnings (deficit)		(15,889,739)
Total stockholders' equity (deficit)		(5,910,813)
Total liabilities and stockholders' equity		21,080,853

See notes to consolidated financial statements.

Consolidated Statement of Operations

	Note	*US$* Year Ended December 31, 2023
Revenues		
Equipment rentals		28,707,407
Product sales, net of returns and allowances		15,210,427
Total revenues		43,917,834
Cost of revenues		
Cost of equipment rentals		610,359
Cost of product sales		5,713,682
Total cost of revenues		6,324,041
Gross profit		37,593,793
Operating expenses		
Commissions		10,494,683
Salaries, wages, and benefits		17,434,923
Other operating expenses		15,200,802
Total operating expenses		43,130,408
Loss from operations		(5,536,615)
Other income (expense)		
Realized/unrealized losses on foreign currency transactions (net)		(226,258)
Gain on disposal of fixed assets		63,240
Interest expense	6	(1,950,087)
Loss before income taxes		(7,649,720)
Provision for income taxes	10	537,490
Net loss		(8,187,210)
Loss per common share:		
Basic and diluted	13	(0.99)
Weighted average shares outstanding:		
Basic and diluted		8,240,534

See notes to consolidated financial statements.

Consolidated Statement of Changes in Stockholders' Equity (Deficit)

	US$		*US$*	*US$*	*US$*
	Common Stock				
	Shares	**$**	**Additional Paid-in Capital**	**Retained Earnings (Default)**	**Total Stockholders' Equity (Deficit)**
Balances at December 31, 2022	8,240,534	824	8,461,909	(7,702,529)	760,204
Net loss	—	—	—	(8,187,210)	(8,187,210)
Share-based compensation	—	—	1,516,193	—	1,516,193
Balances at December 31, 2023	8,240,534	824	9,978,102	(15,889,739)	(5,910,813)

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

	US$ Year Ended December 31, 2023
Cash flows from operating activities	
Net loss	(8,187,210)
Adjustments to reconcile net loss to net cash used in operating activities	
Depreciation and amortization	1,419,044
Gain on disposal of fixed assets	(63,240)
Loan fees amortization	96,427
Share-based compensation	1,516,193
Deferred income taxes	(78,878)
Allowance for credit losses	144,857
Other noncash items	(153,223)
Changes in operating assets and liabilities:	
Accounts receivable	(1,373,085)
Inventory	(768,580)
Income tax receivable	200,336
Other receivables and prepayments	(50,737)
Accounts payable	4,836,692
Accrued expenses and income taxes payable	840,814
Deferred revenue	173,396
Net cash used in operating activities	(1,447,194)
Cash flows from investing activities	
Purchases of property and equipment	(1,315,081)
Payment of lease liability	(270,535)
Net cash used in investing activities	(1,585,616)
Cash flows from financing activities	
Principal payments on related party notes payable	(202,808)
Net cash (used in) provided by financing activities	(202,808)
Net (decrease) increase in cash and cash equivalents	(3,235,618)
Cash and cash equivalents – beginning of year	4,014,102
Cash and cash equivalents – end of year	778,484
Supplemental disclosures of cash flow information	
Cash paid during the year for interest	1,881,145
Cash paid during the year for income taxes	136,702

See notes to consolidated financial statements.

Note 1 – Nature of Business and Basis of Presentation

Nature of Business

AOTI, Inc., a Florida corporation, was incorporated in 2008. References to the "Company" in these consolidated financial statements are to AOTI, Inc. and its wholly owned consolidated subsidiaries, Advanced Oxygen Therapy, Inc., AOTI Limited, and Nexa Medical Limited. The specific purposes of the Company are to patent, produce, rent, and sell medical devices to help resolve severe acute and chronic wounds for customers globally. The Company provides innovative and efficacious topical wound oxygen solutions for use in both the institutional and the home care settings to improve the health, well-being, and independence of patients.

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The accompanying consolidated financial statements for the year ended December 31, 2023, includes the accounts of AOTI, Inc., and its wholly owned subsidiaries, Advanced Oxygen Therapy, Inc., AOTI Limited and Nexa Medical Limited, acquired in November 2022. On November 1, 2022 AOTI Inc acquired 100% of the shares of Nexa Medical Limited, a British company, that became a wholly owned subsidiary (Note 5 – Acquisitions). All intercompany balances and transactions have been eliminated.

The consolidated financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

- In preparing their assessment of going concern, the directors have considered available cash resources, financial performance, forecast performance, fundraising from a successful IPO, as well as the Company's principal risks and the general uncertainties in the market.
- The group took out a $12,000,000 loan in March 2022 to help finance its expansion plans and to finance a distribution to existing shareholders. This facility is fully drawn. The group has drawn down an additional $2,000,000 facility in May 2024. The original terms of the loan do not require repayment until March 21st, 2027, and carry covenant requirements over minimum aggregate revenue, minimum consolidated unencumbered liquid assets (cash), and minimum EBITDA. The Group and its lender agreed to an amendment on September 10, 2023, to reduce the cash covenant from the end of October 2023.The Group and its lender agreed an amendment on February 14th 2024 to capitalize the February interest into the principal of the loan. The Group and its Lender agreed to an amendment on 17thMay 2024 to reduce its minimum EBITDA covenant requirement. In addition, the group has access to $2,300,000 of management funding, of which $1,000,000 has been drawn down.
- The directors have prepared cashflow forecasts for a period of at least 12 months from the date of the approval of these financial statements and these projections are on the basis a successful IPO is completed, raising at least $25,000,000 of primary proceeds. At the date of Board approval of this historical financial information the completion of the IPO, including raising of at least $25,000,000 primary proceeds, is subject to completion of the admission process. The directors have assessed the risk of non-completion of the admission process and do not believe this to be a plausible event, based on the committed fund allocations in place at the time of approving the historical financial information, the terms of those commitments and the directors' satisfaction that the Company is in compliance with the terms of the placing agreement, and the administrative nature of the remaining admission process.
- The base cash flow forecasts assume the $25,000,000 of primary proceeds from the IPO are used to repay the debt facility during 2024. The Group's modelling of a severe but plausible downside, which includes a restriction to revenue growth of approximately 17% for the total business, together with a removal of new revenue streams and an increase in product raw material costs, shows the Group is forecast to meet its covenant requirements, and there is sufficient headroom on liquidity for the Group to meet its liabilities as they fall due.

Based on their assessment of the Group's financial position and cash flow forecasts, the directors have a reasonable expectation that the Group will be able to continue in operational existence for

the foreseeable future and are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements and they do not include any adjustments that would result from the basis of preparation being inappropriate.

Note 2 – Summary of Significant Accounting Policies

Foreign Currency Translation

The Company's reporting currency is the U.S. dollar (USD). The functional currency of the Company and its subsidiaries is the USD except for Nexa Medical Limited where it is the British pound (GBP). All adjustments resulting from the translation of the accompanying consolidated financial statements from the functional currency into the reporting currency are recorded in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 830, *Foreign Currency Matters*.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions regarding the allowance for credit losses, stock-based compensation, the fair value of net assets acquired in business combinations, income taxes (including valuation allowances) and the fair value of warrants. These estimates are based on information available as of the date of the consolidated financial statements, and assumptions are inherently subjective in nature. Therefore, actual results could differ from those estimates.

Segments

The Company operates in one reportable segment, which comprises the development and sale of innovative medical devices for therapeutic care. The majority of the Company's sales are to customers located in the United States and the majority of its assets are located in the United States.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company's accounts at each U.S. financial institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times during the year cash balances may exceed the FDIC limit which provides basic coverage up to $250,000 per owner. Generally, these deposits may be redeemed upon demand and, therefore, are believed to bear minimal risk.

Accounts Receivable and Concentration of Credit Risk

Accounts receivable arise in the normal course of business. The Company's accounts receivable are recorded at the invoiced amount less an allowance for credit losses. The Company utilizes a historical loss rate method, adjusted for any changes in economic conditions or risk characteristics, to estimate its expected credit losses each period. When developing an estimate of expected credit losses, the Company considers all available relevant information regarding the collectability of cash flows, including historical information, current conditions, and reasonable and supportable forecasts of future economic conditions over the contractual life of the receivable. The historical loss rate method considers past write-offs of trade accounts receivable over a period commensurate with the initial term of the Company's contracts with its customers. The Company recognizes the allowance for credit losses at inception and reassesses quarterly based on management's expectation of the asset's collectability. The Company's accounts receivable are short-term in nature and written off only when all collection attempts have failed. The Company recorded $891,971 in allowance for credit losses as of December 31, 2023. Accounts receivable (recovered) written-off to bad debt expense, net for the year ended December 31, 2023 was $(12,277). Due to the nature of medical billings and the possibility of Medicaid claim denials occurring subsequent to prior approval after services are rendered, the allowance for credit losses is a significant estimate. Actual collections on accounts receivable may be materially different than management estimates.

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or net realizable value. Inventory consists of the following as of December 31, 2023:

	US$
	December 31, 2023
Raw materials	435,682
Finished goods	1,767,834
	2,203,516

Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets.

The estimated useful lives of the assets are as follows:

Medical equipment, available for lease	5 years
Computers and software	3 years
Furniture and equipment	5 years

Repairs and maintenance expenditures that do not significantly add to the value of the property, or prolong its life, are charged to expense as incurred. Major additions are capitalized and depreciated over the remaining estimated useful lives of the related assets. When property and equipment is sold or retired, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the consolidated statements of operations.

Intangible Assets

Intangible assets consist of patents and intellectual property. Patents are carried at cost related to legal fees incurred in perfecting the assets, net of accumulated amortization. Amortization is calculated on a straight-line basis over the useful lives of the respective assets. The useful lives of patents are 20 years, plus any extension period within the respective patent agreements. The estimated useful lives of patents are based on the benefits that the patent provides for its remaining terms unless competitive, technological obsolescence or other factors indicate a shorter life. Intellectual property was acquired through an asset acquisition and is recorded at its cost at the date of acquisition (Note 5 – Acquisitions). Cost is comprised of cash consideration, legal fees, and the present value of deferred and contingent consideration. Amortization of the licensed developed technology is calculated on a straight-line basis over the 20-year initial term of the license.

Impairment of Long-Lived Assets

The Company records impairment losses on long-lived assets with finite lives used in operations when events and circumstances indicate that their carrying value might not be recoverable. The Company reviews related carrying values annually to determine whether or not impairment has occurred or whenever events or circumstances indicate that impairment may exist. If these reviews indicate that the assets will not be recoverable, as determined based upon the undiscounted cash flows of the operating assets over the remaining useful lives, the carrying value of the assets will be reduced to their estimated fair value.

For the year ended December 31, 2023, there were no events or changes in circumstances which indicate that it is more likely than not that the carrying amount of the Company's long-lived assets exceeds fair value.

Leases

The Company determines if an arrangement is a lease at inception. Right-of-use ("ROU") assets and liabilities for operating leases and finance leases are recognized at the commencement date based on the present value of future minimum lease payments over the lease term. When the rate implicit in the lease is not known or determinable, the Company uses its incremental borrowing rate at lease commencement to measure lease liabilities and ROU assets. The lease term may include

an option to extend or terminate early when exercise of that option is considered reasonably certain. Reductions to finance lease ROU assets are recognized as amortization on a straight-line basis over the lease term. Reductions to operating lease ROU assets are recognized as lease cost on a straight-line basis over the lease term.

Fair Value of Financial Instruments

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, loans and related party note payable. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, loans and related party note payable, approximate fair value as of December 31, 2023.

The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels.

Level 1 Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, at the measurement date.

Level 3 Inputs are unobservable for the asset or liability and usually reflect the reporting entity's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Earnings (Loss) Per Share

The Company computes basic earnings (loss) per share by dividing income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding. The Company computes diluted earnings (loss) per share after giving consideration to all potentially dilutive securities outstanding during the period using the treasury stock method or the if-converted method based on the nature of such securities. For periods in which the Company reports net losses, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, because potentially dilutive shares are not assumed to have been issued if their effect is anti- dilutive.

Revenue Recognition

A sales invoice is the identified contract between the Company and its customers. The Company enters into contracts to sell single-use and consumable extremity or sacral systems and/or to rent reusable extremity systems. The selling and rental portions of the invoices are capable of being distinct and accounted for as separate performance obligations. For medical equipment ("product") sales, revenue is recognized by the individual invoice line item for the consumable product, which indicates the transaction price of the line item. For medical equipment rentals, revenue is recognized by the individual invoice line item for the reusable product, which indicates the transaction price of each line item and the rental period for that item.

Revenue Accounting under ASC 606

The Company's sale of medical equipment, parts and supplies provided to customers are recognized under ASC 606, *Revenue from Contracts with Customers.* The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product to a customer. The amount of revenue recognized reflects the consideration the Company expects to be entitled to in exchange for such products. Performance obligations are complete and revenue is recognized at the point in time that the title to the products are transferred to the customer, typically upon delivery, meaning the customer has the ability to direct the use and obtain the benefit of the product.

Revenue Accounting under ASC 842

The Company's rental transactions are accounted for under ASC 842, *Leases.* Equipment rental revenue includes revenue generated from renting medical equipment to customers and

is recognized on a straight-line basis under operating leases over the length of the rental contract. Rental contracts are short-term in nature and do not include any provisions for the customers to acquire the equipment at the end of the lease term.

The performance obligations of the Company's medical equipment rentals to customers paying through the Centers for Medicare & Medicaid Services ("CMS or Medicaid") are considered complete, and revenue is recognized upon receipt of the equipment by the customer. The performance obligations of the Company's medical equipment rentals to customers through the Department of Veterans Affairs (the "VA") are satisfied over the period of time that the products are being rented by the customers, or the "rental period". Rental periods are typically for 30, 60, or 90 days. Performance obligations are deemed complete upon receipt of the equipment by the customer and revenue is fully recognized at the end of each 30 days during the rental period. Invoices with incomplete equipment rental period performance obligations as of the end of the period are recognized as Deferred revenue on the consolidated balance sheets. Invoices for which payment was received and performance obligations, including rental periods and delivery of sales products, were incomplete as of the end of the period are recognized as Deferred revenue on the consolidated balance sheets. Deferred revenue consisted of the following as of December 31:

	US$
	December 31, 2023
Incomplete equipment rental performance obligations	985,082
Payment received in advance of service delivery	956,875
	1,941,957

The Company generally expenses sales commissions when the corresponding revenue is recognized because the amortization period is generally one year or less. These costs are recorded as cost of revenues. Certain contracts provide for rebates and other customer incentives which are deemed to be variable consideration. The Company estimates and records these rebates as a reduction in sales based on historical experience, current trends, and expectations regarding future experience.

The Company has determined that the revenue sources are disaggregated within the consolidated statements of operations based on obligations that are substantially the same and have the same pattern of transfer to the end customer. As such, the Company has not disaggregated revenue differently than the revenue sources previously depicted in the consolidated statements of operations.

Income Tax

The Company uses the asset and liability method of accounting for and reporting income taxes in accordance with ASC 740. Deferred income tax assets and liabilities are computed annually and are recognized based on the differences between financial statement and income tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to adjust deferred tax assets to the amount expected to be realized. The provision for income taxes represents the current taxes payable for the period and the change during the period in deferred tax assets and liabilities.

The Company's federal income tax returns for 2020 tax year and beyond remain subject to examination by the Internal Revenue Service. The Company's state income tax returns for 2019 tax year and beyond remain subject to examination by state tax jurisdictions. The Company's wholly owned foreign subsidiary, AOTI Limited, files tax returns in Ireland. The Company's wholly owned foreign subsidiary, Nexa Medical Limited, files tax returns in The United Kingdom. The Company recognizes interest and penalties for unrecognized tax benefits, if any, through interest and operating expenses, respectively. No interest and penalties for unrecognized tax benefits were recognized during any of the periods presented.

ASC 740 provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions. It requires an entity to recognize the financial statement impact

of a tax position when it is more likely than not that the position will not be substantiated under examination. The Company files income tax returns in the United States and various state and local jurisdictions. As of December 31, 2023, the Company had no changes to its uncertain tax positions.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense for the year ended December 31, 2023, was approximately $138,930, and is reflected within other operating expense in the consolidated statements of operations.

Share-based Payments

The Company recognizes employee stock-based compensation as a cost within salaries, wages and benefits in the consolidated statements of operations. Equity-classified awards are measured based on the grant date fair value of the share-based compensation award. The Company estimates grant date fair value using the Black-Scholes and binomial-lattice option-pricing models. For share-based payments subject to time-based vesting, the Company recognizes employee stock-based compensation expense on a straight- line basis over the requisite service period of the awards, generally from the date of grant through each vesting date. Excess tax benefits of awards related to stock option exercises are recognized as an income tax benefit in the consolidated statements of operations and reflected in operating activities in the statement of cash flows. The Company recognizes forfeitures at the time they occur.

Stock-based compensation expense was $1,516,193 for the year ended December 31, 2023.

Financial Instruments

The Company classifies common stock purchase warrants and other free standing derivative financial instruments as equity if the contracts (i) require physical settlement or net-share settlement or (ii) give the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the Company), (ii) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement), or (iii) contain reset provisions as either an asset or a liability. The Company assesses classification of its freestanding derivatives at each reporting date to determine whether a change in classification between equity and liabilities is required.

The Company determined that certain warrants to purchase common stock satisfy the criteria for classification as equity instruments as the settlement provisions require physical settlement or net-share settlement. The Company also determined that certain contingent common shares issued in connection with the Nexa acquisition satisfy the criteria for classification as equity instruments as the settlement obligation is in a fixed number of shares of the Company or cash settlement.

Comprehensive Income (Loss)

For all periods presented, net income (loss) is the same as comprehensive income (loss) as there are no comprehensive income items.

Note 3 – Property and Equipment

Property and equipment consisted of the following as of December 31, 2023:

	US$
	December 31, 2023
Medical equipment, available for lease	4,487,948
Computers and software	356,715
Furniture and equipment	85,731
Leasehold improvements	58,350
	4,988,744
Less accumulated depreciation	(2,335,498)
	2,653,246

Depreciation expense for the years ended December 31, 2023 was $636,937.

Note 4 – Intangible Assets

Intangible assets consisted of the following as of December 31, 2023:

	December 31, 2023			
	Weighted Average Remaining Useful Life (Years)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net**
Other intangible assets				
License Agreement	18.8	9,855,853	(574,924)	9,280,929
Patents	6.2	507,794	(365,285)	142,509
Total intangibles		10,363,647	(940,209)	9,423,438

Amortization expense was $524,915 for the year ended December 31, 2023.

The estimated amortization expense for each of the five succeeding fiscal years and thereafter as of December 31, 2023, is as follows:

Year ended December 31,	*US$*
2024	526,172
2025	525,742
2026	523,687
2027	523,687
2028	523,687
Thereafter	6,800,463
Total amortization	9,423,438

Note 5 – Acquisitions

On November 1, 2022, the Company acquired 100% of the shares of Nexa Medical Limited ("NEXA"). NEXA was a precommercial company with an element of intellectual property ("IP") and trademarks registered in its name. The acquisition of NEXA has been treated as an asset acquisition under the guidance in ASC 805, *Business Combinations* ("ASC 805"). The Company determined that NEXA did not meet the definition of a business as substantially all of the fair value of NEXA was concentrated in a single asset or group of assets. The primary asset acquired was

intellectual property for the Negative Pressure Wound Therapy ("NPWT") system consisting of three main components: the NEXA NPWT device that generates the Negative Pressure; the NEXA Fluid Container Pack; the NEXA Wound Dressing. Intellectual property rights were recognized at fair value plus legal fees and the deferred tax liability of $828,429 as intangible assets in the amount of $9,855,853.

As a consideration for the acquisition, the Company paid in cash, net of cash acquired, GBP £1,753,520 (USD 2,042,670). In addition, the Company entered into a 20-year royalty-free license agreement with the prior owners which automatically renews for successive 20-year periods unless terminated by the Company. Consideration for the license agreement consisted of 508,866 contingently issuable shares of the Company stock which are issuable upon any of the following Triggering Events:

- Change of control of the Company
- IPO of the Company
- Upon demand by the holder

The Company has the option to redeem the shares at any time for GBP 6,000,000. The fair value of the redeemable shares has been recorded to additional paid-in capital at the acquisition date based on the redemption value as of the acquisition date ($6,434,630).

Also based on the acquisition agreement, there is a contingent deferred payable in the event of receipt of approval for NEXA NPWT from the U.S. Food and Drug Administration and under the Medical Device Regulation (EU) 2017/45. A deferred acquisition liability was recognized at fair value of $228,863 in long- term liabilities with a final contingency deadline of December 31, 2024. As of December 31, 2023, the carrying amount for the deferred acquisition liability was $242,467.

Note 6 – Long-Term Debt

Long-term debt consisted of the following as of December 31, 2023:

	US$
	December 31, 2023
Long-term commitment – finance company	12,000,000
Less: Unamortized financing fees	(65,688)
Less: Unamortized debt discount – warrant	(239,668)
	11,694,645
Other indebtedness	—
Total indebtedness	11,694,645
Total long-term debt	11,694,645

Long-term Commitment

On March 21, 2022, the Company entered into a loan agreement with a finance company for the principal amount of $12,000,000 with maturity on or before March 21, 2027. The loan bears interest at a contract rate of 3-month LIBOR, (5.61% at December 31, 2023) subject to a floor of 1.0%, plus 9.95%, payable on a quarterly basis.

In March 2023, the Company entered into the first amendment to the loan agreement which replaced LIBOR as the reference rate with the Term Secured Overnight Financing Rate ("SOFR"). In addition, the contract rate on borrowings was amended from LIBOR plus 9.95% to Term SOFR plus 10.20%. Repayment of principal is initially based on certain levels of EBITDA through December 31, 2023. The Group and its lender agreed to a second amendment on September 10, 2023, to reduce the cash covenant from the end of October 2023.The Group and its lender agreed to a third amendment on February 14th 2024 to capitalize the February 2024 interest into the principal of the loan. The Company incurred financing fees of $223,717, of which $120,000 were expensed in 2022 with the remaining being amortized over the life of the loan. Interest expense related to the loan agreement for the year ended December 31, 2023 was approximately $2.0 million, including

amortization of financing fees of $20,743 and debt discounts of $75,685. The loan is secured by a security interest in substantially all of the assets of the Company. The effective interest rate on the loan for the year ended December 31, 2023 was 15.7%.

The loan agreement also provides that the Company comply with certain financial covenants based on minimum levels of aggregate revenues, EBITDA, and consolidated unencumbered liquid assets, as defined in the loan agreement. During 2023, the Company was not in compliance with the covenant to maintain minimum consolidated unencumbered liquid assets. The Company received a waiver of this event of noncompliance. At December 31, 2023, the Company was in compliance with all required covenants.

Warrant

In connection with the long-term borrowing commitment, the Company issued a warrant to the lender to purchase 92,490 shares of the Company's stock at an exercise price of $9.56. The warrant is exercisable effective March 21, 2022 and is exercisable for a seven-year period ending March 21, 2029. The warrant agreement provides for the lender to exercise the warrant in cash or as an option in whole or in part under a cashless exercise, based on a formula as defined in the warrant agreement. Upon the sale of greater than 50% of the Company's outstanding shares ("Acquisition"), the successor entity would assume the liabilities and obligations under the warrant agreement.

The warrant was recorded at fair value at date of issuance in the amount of $378,581 and included as a discount against the carrying value of the long-term borrowing commitment. The fair value of the warrant was determined using the Black-Scholes model based on the following assumptions:

Expected dividend yield	0.00%
Expected stock price volatility	55.00%
Risk-free interest rate	2.33%
Expected life of warrant (years)	7.0

As of December 31, 2023, scheduled maturities of long-term debt by year were as follows:

Year ended December 31,	***US$***
2024	—
2025	—
2026	—
2027	12,000,000
Total principal	12,000,000

Note 7 – Leases

The Company leases office space, office equipment, and vehicles under non-cancellable operating leases which expire on various dates through August 2027. These leases may provide for periodic rent increases and may contain extension or early termination options. In calculating the lease liability, an option to extend or terminate the lease early is included in the lease term when it is reasonably certain the option will be exercised. Some leases require additional payments for common area maintenance, taxes, insurance, and other costs which are not included in calculating the lease liability by accounting policy election.

The ROU assets and lease liabilities are based on the lease components as identified in the underlying agreements. A lease component is the cost stated in the agreement that directly relates to the right to use the identified assets.

The Company made an accounting policy election to not apply the lease accounting requirements to short-term lease arrangements with an initial term of 12 months or less.

A summary of lease expense for the year ended December 31, 2023 is as follows:

	US$
	December 31, 2023
Lease Expense	
Operating lease expense	253,152
Short-term lease expense	23,929
	277,081

Supplemental quantitative information related to operating leases for the year ended December 31, 2023 is as follows:

	US$
	December 31, 2023
Other Information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	254,853
ROU assets obtained in exchange for new operating lease liabilities	301,992

	US$
	As of December 31, 2023
Weighted-average remaining lease term in years for operating leases	2.93
Weighted-average discount rate for operating leases	2.66%
As of December 31, 2023, maturities of operating lease liabilities were as follows:	
2024	302,192
2025	157,685
2026	123,884
2027	97,738
2028	3,026
Thereafter	—
Total lease payments	684,525
Less: amount representing interest	(27,437)
Present value of operating lease liabilities	657,088
Less: current portion of operating lease liabilities	(286,245)
Long-term operating lease liabilities, net of current portion	370,843

Note 8 – Related Party Transactions

Other Transactions

Eumena Medical Ltd is a company with common directorship with AOTI Limited. Amounts were paid by AOTI Limited in respect of services provided by Eumena Medical Ltd for the year ended December 31, 2023 of $41,793.

IP Business Solutions Ltd is a company with common directorship with AOTI Limited. Amounts owed by IP Business Solutions to AOTI Limited for the year ended December 31, 2023 was $9,375.

Note 9 – Concentration of Credit Risk

Major Customers

Two customers represented approximately 38% of the Company's gross accounts receivable at December 31, 2023. Two customers represented approximately 19% of total net revenues for the year ended December 31, 2023.

Note 10 – Income Tax

The components of the income tax expense (benefit) for the year ended December 31, 2023, was as follows:

	US$
	Year Ended December 31, 2023
Current income tax	616,368
Deferred income tax	3,797,628
	4,413,996
Valuation allowance	(3,876,506)
	537,490

Income tax expense (benefit) for the year ended December 31, 2023, differed from the amounts computed by applying the U.S. federal income tax rate to pretax income as a result of the following:

	US$
	Year Ended December 31, 2023
Federal statutory income tax rate	21.00%
State taxes, net of federal benefit	1.93%
Foreign tax rate differential	4.01%
Effect of foreign/U.S. eliminations	(5.74)%
Change in deferred tax liabilities	2.28%
Change in valuation allowance	(4.77)%
Federal permanent items	(24.32)%
Other, net	(1.42)%
Effective tax rate	(7.03)%

The effects of temporary differences that give rise to deferred tax assets (liabilities) are as follows:

	US$
	December 31, 2023
Accelerated depreciation and amortization	(1,772,757)
Net operating losses and credit carryforwards	2,835,798
Allowance for doubtful accounts	230,722
Accruals	113,119
Operating lease assets	(145,759)
Operating lease liabilities	151,571
Stock compensation	548,558
Unremitted earnings	(1,314,605)
Asset acquisition	(780,104)
Other	186,586
	53,129
Valuation allowance	(1,865,578)
Net deferred tax (liability)	(1,812,449)

As of December 31, 2023, the Company had net operating loss (NOL) carryforwards of approximately $2.3 million for federal income tax purposes and $7.6 million for multi-state income tax purposes. Such carryforwards expire in varying amounts through the year 2043. For federal and certain state tax losses arising in tax years ending after December 31, 2017, the NOL carryforwards are allowed indefinitely. As of December 31, 2023, the Company had $1.7 million of federal and state tax credit carryforwards. The tax credits will begin to expire if unutilized in 2031. As of December 31, 2023, the Company had foreign net operating loss carryforwards of $0.8 million. The foreign net operating loss carryforwards do not expire.

In evaluating the Company's ability to recover deferred income tax assets, all available positive and negative evidence is considered, including scheduled reversal of deferred tax liabilities, operating results and forecasts of future taxable income in each of the jurisdictions in which the Company operates. Management has determined that it is more likely than not that the Company will not recognize the benefits of its federal and state deferred tax assets, and as a result, a valuation allowance of $1.8 million was established at December 31, 2023. A deferred tax liability of $828,428 has been recognized in respect of the acquisition of the Nexa Medical Limited share capital with a corresponding increase in the gross carrying value of the License Agreement as required under US GAAP. Timing differences arising in the Irish jurisdiction, in respect of withholding tax that any repatriation of Irish profit to the U.S. would be subject to, require management to recognize deferred tax liabilities of $1.3 million at December 31, 2023.

Note 11 – Stock-based Compensation

On March 21, 2022, the Company adopted the AOTI Inc. 2022 Equity Incentive Plan (the "Plan") for the purpose of motivating, attracting, and retaining key employees. The aggregate number of shares reserved and available for issuance under Stock Option Awards ("Stock Options") granted under the Plan is 916,000. The Stock Options have a term of ten years. The Company recognizes expense on a straight-line basis over the requisite service period which is generally three years. Grants to employees generally vest in annual increments of 33.33% each year, commencing one year after the date of grant. In limited circumstances, the Company will issue Stock Options that vest upon issuance.

A summary of option activity under the Plan for the year ended December 31, 2023, is presented below:

		US$	
	Number of shares	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term (Years)**
Balance, December 31, 2022 (unaudited, as restated)	594,000	9.56	9.4
Granted	183,000	9.56	9.1
Exercised	—	—	—
Forfeited or expired	(42,000)	9.56	9.0
Balance, December 31, 2023	735,000	9.56	8.5
December 31, 2023:			
Stock options exercisable	255,000	9.56	8.3

The weighted-average grant-date fair value of options granted during the year ended December 31, 2023 was $7.26. The aggregate fair value of Stock Options vesting during the year ended December 31, 2023 was $0.7 million. The aggregate intrinsic value of Stock Options outstanding as of December 31, 2023 was $7.2 million.

Prior to August 2022, the fair value of Stock Options granted was estimated on the date of the grant using the Black-Scholes option-pricing model. Beginning with the Stock Options granted in August 2022 and all future grants, a binomial-lattice option-pricing model has been used as the Company believes this model is more representative of actual and future expected exercise experience than the Black-Scholes model. The following table details the weighted-average assumptions used for the year ended December 31, 2023:

	2023
	Binomial-lattice model
Expected dividend yield	0.00%
Expected stock price volatility	54.34%
Risk-free interest rate	3.68%
Expected life of options (years)	6.0

The expected life of an option is based on the simplified method, which is an average of the time from vesting to the time of expiration. The risk-free rate is based on the U.S. Treasury rates in effect at grant date for maturity dates approximately equal to the expected life at the grant date. Volatility is based on the historical volatility of public entities that are similar to the Company, as the Company does not have sufficient historical transactions of its own shares on which to base expected volatility. The dividend paid to stockholders in 2022 was considered to be a one-time event. The Company does not expect to pay dividends in the future and, accordingly, a zero dividend yield has been assumed for purposes of pricing stock options.

Compensation cost relating to share-based payment awards has been recognized as an operating expense in salaries, wages and benefits in the consolidated statement of operations, in the amount of $1.5 million for the year ended December 31, 2023, and is included in salaries, wages, and benefits expense in the consolidated statement of operations.

As of December 31, 2023, the remaining unrecognized compensation expense related to nonvested stock options is $1,087,549 to be recognized over the remaining vesting periods through 2026.

Year ended December 31,	***US$***
2024	796,041
2025	263,583
2026	27,925
Total unrecognized compensation expense	1,087,549

Note 12 – Commitments and Contingencies

Legal Proceedings

The Company is not currently subject to any material legal proceedings; however, the Company may from time to time become a party to various legal proceedings and claims arising in the ordinary course of business. Management believes that none of these actions will have a material effect on the consolidated financial statements.

Note 13 – Earnings (Loss) Per Share

The computation of basic and diluted earnings (loss) per share for the year ended December 31, 2023 was as follows:

	US$
	Year Ended December 31, 2023
Numerator:	
Net loss	(8,187,210)
Denominator:	
Weighted-average shares outstanding, basic and diluted	8,240,534
Loss per share	
Basic and diluted	(0.99)

For the year ended December 31, 2023, the effect of 255,000 share-based awards, 92,490 shares attributable to warrants, and 508,866 shares attributable to contingent shares have been excluded as their effect would be anti-dilutive.

Note 14 – Subsequent Events

The Company evaluated subsequent events through June 7, 2024, which is the date the consolidated financial statements were available to be issued. On February 14, 2024, the Company entered into the third amendment to the credit agreement which capitalized the February 2024 interest payment and in May 2024 drew down an additional $2,000,000 of funding through the existing current facility with SWK.

The Company arranged loan agreements with the management of the Company to the value of $2,300,000 and at the date of signing the accounts had drawn down $1,000,000.

On June 28, 2023, the Board of Directors of the Company approved a plan to proceed with an initial public offering (“IPO”) on the Alternative Investment Market (“AIM”), a submarket of the London Stock Exchange. The plan was re-approved on April 26, 2024 to resume the efforts for listing.

On May 17, 2024, the Company entered into an amendment to its long-term credit agreement to retrospectively amend the covenant to maintain minimum consolidated EBITDA for the year ended December 31, 2023 and for each Fiscal Quarter thereafter.

PART IV (D)

Accountant's report on historical financial information for the two years ended 31 December 2022

The Directors
AOTI, Inc.
3512 Seagate Way
Suite 100
Oceanside, CA 92056
USA

14 June 2024

Ladies and Gentlemen

AOTI, Inc.

We report on the financial information set out on pages 107 to 125 for the two years ended 31 December 2022. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 14 June 2024, a true and fair view of the state of affairs of AOTI, Inc. as at 31 December 2021 and 31 December 2022 and of its profits and losses, cash flows and changes in stockholders equity for the year ended 31 December 2021 and the year ended 31 December 2022 in accordance with the basis of preparation set out in note 1 and in accordance with US GAAP as described in note 1.

Responsibilities

The Directors of AOTI, Inc. are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with US GAAP.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of Preparation

The financial information has been prepared for inclusion in the AIM Admission Document dated 14 June 2024 of AOTI, Inc. on the basis of the accounting policies set out in note 1.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the 'FRC'). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Conclusions Relating to Going Concern

The Directors of AOTI Inc. have prepared the financial information on the going concern basis as they do not intend to liquidate the entity or to cease its operations, and as they have concluded that the entity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial information ("the going concern period").

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the entity's financial information is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the above conclusions are not a guarantee that the entity will continue in operation.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies

Yours faithfully

KPMG LLP
15 Canada Square
London
E14 5GL

14 June 2024

PART IV (E)

Financial information for the two years ended 31 December 2022

Consolidated Balance Sheets

		US$	*US$*
		December 31,	
		2022	**2021**
Assets			
Current assets			
Cash and cash equivalents		4,014,102	1,640,980
Trade accounts receivable, net		3,993,686	2,418,062
Inventory	2	1,434,936	763,940
Income tax receivable		240,481	248,000
Other receivables and prepayments		48,754	—
Total current assets		9,731,959	5,070,982
Property and equipment, net	3	1,911,863	1,236,714
Intangible assets, net	4	9,801,129	190,494
Operating lease right of use assets	7	580,040	38,625
Deposits		20,000	—
Total assets		22,044,991	6,536,815
Liabilities and Stockholders' Equity			
Current liabilities			
Short-term debt	6	202,808	—
Accounts payable – trade		952,445	794,384
Accrued expenses	2	3,630,149	1,272,314
Income tax payable		388,865	496,504
Deferred revenue	2	1,768,561	1,412,408
Related party note payable, current	8	—	230,453
Current portion of operating lease liabilities	7	178,942	38,625
Total current liabilities		7,121,770	4,244,688
Long-term deferred acquisition liability	5	242,467	—
Long-term debt, net	6	11,598,218	—
Deferred income tax liabilities		1,891,326	768,401
Long-term operating lease liabilities	7	431,006	—
Total liabilities		21,284,787	5,013,089
Stockholders' equity			
Common stock, $0.00010 par value, 8,240,534 shares authorized, issued, and outstanding at December 31, 2022, and 2021, respectively		824	824
Additional paid-in capital		8,461,909	420,858
Retained earnings (deficit)		(7,702,529)	1,102,044
Total stockholders' equity		760,204	1,523,726
Total liabilities and stockholders' equity		22,044,991	6,536,815

Consolidated Statements of Operations

		US$	*US$*
		Year Ended December 31,	
		2022	2021
Revenues			
Equipment rentals		22,856,178	15,300,769
Product sales, net of returns and allowances		10,654,130	7,675,491
Total revenues		33,510,308	22,976,260
Cost of revenues			
Cost of equipment rentals		412,351	282,706
Cost of product sales		3,601,786	1,903,859
Total cost of revenues		4,014,137	2,186,565
Gross profit		29,496,171	20,789,695
Operating expenses			
Commissions		10,824,836	6,226,603
Salaries, wages, and benefits		10,495,010	6,372,458
Other operating expenses		8,355,989	5,004,059
Total operating expenses		29,675,835	17,603,120
(Loss) income from operations		(179,664)	3,186,575
Other income (expense)			
Gain (loss) on disposal of fixed assets		4,178	(10,062)
Interest expense	6	(1,343,582)	(34,242)
(Loss) income before income taxes		(1,519,068)	3,142,271
Provision for income taxes	10	1,285,505	1,115,297
Net (loss) income		(2,804,573)	2,026,974
Earnings (loss) per common share attributable to AOTI: Basic and diluted	13	(0.34)	0.25
Weighted average shares outstanding: Basic and diluted		8,240,534	8,240,534

Consolidated Statements of Stockholders' Equity (Deficit)

	US$	*US$*	*US$*	*US$*
	Common Stock		Additional Paid-in Capital	Retained Earnings (Default)	Total Stockholders' Equity (Deficit)
	Shares	$			
Balances at December 31, 2020	8,240,534	824	393,090	(924,930)	(531,016)
Net income	—	—	—	2,026,974	2,026,974
Adjustment to fair value of debt	—	—	27,768	—	27,768
Balances at December 31, 2021	8,240,534	824	420,858	1,102,044	1,523,726
Net loss	—	—	—	(2,804,573)	(2,804,573)
Dividends paid to stockholders	—	—	—	(6,000,000)	(6,000,000)
Share-based compensation	—	—	1,227,999	—	1,227,999
Fair value of debt warrant	—	—	378,423	—	378,423
Fair value of redeemable shares issued	—	—	6,434,629	—	6,434,629
Balances at December 31, 2022	8,240,534	824	8,461,909	(7,702,529)	760,204

Consolidated Statements of Cash Flows

	US$	*US$*
	Year Ended December 31,	
	2022	**2021**
Cash flows from operating activities		
Net income (loss)	(2,804,573)	2,026,974
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	651,100	407,973
(Gain) loss on disposal of fixed assets	(4,178)	10,062
Loan fees amortization	200,356	—
Share-based compensation	1,227,999	—
Deferred income taxes	294,496	284,427
Other noncash items	82,073	—
Changes in operating assets and liabilities:		
Accounts receivable	(1,395,624)	(235,366)
Inventory	(670,996)	(49,441)
Other receivables and prepayments	(68,046)	—
Accounts payable	158,062	387,283
Accrued expenses and income taxes payable	1,753,758	(1,414,435)
Deferred revenue	356,154	513,776
Net cash provided by (used in) operating activities	(219,419)	1,931,253
Cash flows from investing activities		
Purchases of property and equipment	(1,088,240)	(904,531)
Acquisition of subsidiary	(2,042,670)	—
Net cash used in investing activities	(3,130,910)	(904,531)
Cash flows from financing activities		
Change in debt valuation	—	27,768
Principal payments on related party notes payable	(230,453)	(719,811)
Proceeds from loans	11,776,283	—
Dividends paid	(5,678,736)	—
Operating lease liabilities	(143,643)	—
Net cash provided by (used in) financing activities	5,723,451	(692,043)
Net increase in cash and cash equivalents	2,373,122	334,679
Cash and cash equivalents – beginning of year	1,640,980	1,306,301
Cash and cash equivalents – end of year	4,014,102	1,640,980
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	1,004,626	430,931
Cash paid during the year for income taxes	1,091,132	1,434,488
Supplemental disclosures of noncash financing activities		
Fair value of common stock warrant	378,423	—
Fair value of redeemable shares issued	6,434,630	—

Notes to Consolidated Financial Information

1. Nature of Business and Basis of Presentation Nature of Business

AOTI, Inc., a Florida corporation, was incorporated in 2008. References to the "Company" in these Notes are to AOTI, Inc. and its wholly owned consolidated subsidiaries, Advanced Oxygen Therapy, Inc., AOTI Limited, and Nexa Medical Limited. The specific purposes of the Company are to patent, produce, rent, and sell medical devices to help resolve severe acute and chronic wounds for customers globally. The Company provides innovative and efficacious topical wound oxygen solutions for use in both the institutional and the home care settings to improve the health, well-being, and independence of patients.

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the U.S. ("U.S. GAAP"). The accompanying consolidated financial statements for the years ended December 31, 2022, and 2021 include the accounts of AOTI, Inc., and its wholly owned subsidiaries, Advanced Oxygen Therapy, Inc., AOTI Limited and Nexa Medical Limited, acquired in November 2022. All intercompany balances and transactions have been eliminated.

On November 1, 2022 AOTI Inc acquired 100% of the shares of Nexa Medical Limited, a British company, that became a wholly owned subsidiary (Note 5).

2. Significant Accounting Policies

Foreign Currency Translation

The Company's reporting currency is the U.S. dollar (USD). The functional currency of the Company and its subsidiaries is the USD except for Nexa Medical Limited where it is the British pound (GBP). All adjustments resulting from the translation of the accompanying consolidated financial statements from the functional currency into the reporting currency are recorded in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 830, *Foreign Currency Matters*.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions regarding the allowance for credit losses, stock-based compensation, the fair value of net assets acquired in business combinations, income taxes (including valuation allowances) and the fair value of warrants. These estimates are based on information available as of the date of the consolidated financial statements, and assumptions are inherently subjective in nature. Therefore, actual results could differ from those estimates.

Going Concern

The consolidated financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

- In preparing their assessment of going concern, the directors have considered available cash resources, financial performance, forecast performance, fundraising from a successful IPO, as well as the Company's principal risks and the general uncertainties in the market.
- The group took out a $12,000,000 loan in March 2022 to help finance its expansion plans and to finance a distribution to existing shareholders. This facility is fully drawn. The group has drawn down an additional $2,000,000 facility in May 2024. The original terms of the loan do not require repayment until March 21st, 2027, and carry covenant requirements over minimum aggregate revenue, minimum consolidated unencumbered liquid assets (cash), and minimum EBITDA. The Group and its lender agreed to an amendment on September 10, 2023, to reduce the cash covenant from the end of October 2023.The Group and its lender agreed an amendment on February 14th 2024 to

capitalize the February interest into the principal of the loan. The Group and its Lender agreed to an amendment on 17th May 2024 to reduce its minimum EBITDA covenant requirement. In addition, the group has access to $2,300,000 of management funding, of which $1,000,000 has been drawn down.

- The directors have prepared cashflow forecasts for a period of at least 12 months from the date of the approval of these financial statements and these projections are on the basis a successful IPO is completed, raising at least $25,000,000 of primary proceeds. At the date of Board approval of this historical financial information the completion of the IPO, including raising of at least $25,000,000 primary proceeds, is subject to completion of the admission process. The directors have assessed the risk of non-completion of the admission process and do not believe this to be a plausible event, based on the committed fund allocations in place at the time of approving the historical financial information, the terms of those commitments and the directors' satisfaction that the Company is in compliance , and the administrative nature of the remaining admission process.
- The base cash flow forecasts assume the $25,000,000 of primary proceeds from the IPO are used to repay the debt facility during 2024. The Group's modelling of a severe but plausible downside, which includes a restriction to revenue growth of approximately 17% for the total business, together with a removal of new revenue streams and an increase in product raw material costs, shows the Group is forecast to meet its covenant requirements, and there is sufficient headroom on liquidity for the Group to meet its liabilities as they fall due.

Based on their assessment of the Group's financial position and cash flow forecasts, the directors have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future and are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements and they do not include any adjustments that would result from the basis of preparation being inappropriate.

Segments

The Company operates in one reportable segment, which comprises the development and sale of innovative medical devices for therapeutic care. The majority of the Company's sales are to customers located in the United States and the majority of its assets are located in the United States.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company's accounts at each U.S. financial institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times during the year cash balances may exceed the FDIC limit which provides basic coverage up to $250,000 per owner. Generally, these deposits may be redeemed upon demand and, therefore, are believed to bear minimal risk.

Accounts Receivable and Concentration of Credit Risk

Accounts receivable arise in the normal course of business. The Company's accounts receivable are recorded at the invoiced amount less an allowance for credit losses. The Company utilizes a historical loss rate method, adjusted for any changes in economic conditions or risk characteristics, to estimate its expected credit losses each period. When developing an estimate of expected credit losses, the Company considers all available relevant information regarding the collectability of cash flows, including historical information, current conditions, and reasonable and supportable forecasts of future economic conditions over the contractual life of the receivable. The historical loss rate method considers past write-offs of trade accounts receivable over a period commensurate with the initial term of the Company's contracts with its customers. The Company recognizes the allowance for credit losses at inception and reassesses quarterly based on management's expectation of the asset's collectability. The Company's accounts receivable are short-term in nature and written off only

when all collection attempts have failed. The Company recorded $459,428, and $317,000 in allowance for credit losses as of December 31, 2022, and 2021, respectively. Accounts receivable written off to bad debt expense for the years ended December 31, 2022, and 2021 were $279,637, and $249,304, respectively. Due to the nature of medical billings and the possibility of Medicaid claim denials occurring subsequent to prior approval after services are rendered, the allowance for credit losses is a significant estimate. Actual collections on accounts receivable may be materially different than management estimates.

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or net realizable value. Inventory consists of the following as of December 31:

	US$	*US$*
	December 31,	
	2022	**2021**
Raw materials	456,887	271,655
Finished goods	978,049	492,285
	1,434,936	763,940

Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets.

The estimated useful lives of the assets are as follows:

Medical equipment, available for lease	5 years
Computers and software	3 years
Furniture and equipment	5 years

Repairs and maintenance expenditures that do not significantly add to the value of the property, or prolong its life, are charged to expense as incurred. Major additions are capitalized and depreciated over the remaining estimated useful lives of the related assets. When property and equipment is sold or retired, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the consolidated statements of operations.

Intangible Assets

Intangible assets consist of patents and intellectual property. Patents are carried at cost related to legal fees incurred in perfecting the assets, net of accumulated amortization. Amortization is calculated on a straight-line basis over the useful lives of the respective assets. The useful lives of patents are 20 years, plus any extension period within the respective patent agreements. The estimated useful lives of patents are estimated based on the benefits that the patent provides for its remaining terms unless competitive, technological obsolescence or other factors indicate a shorter life. Intellectual property was acquired through an asset acquisition and is recorded at its cost at the date of acquisition (Note 5). Cost is comprised of cash consideration, legal fees, and the present value of deferred and contingent consideration. Amortization of the licensed developed technology is calculated on a straight-line basis over the 20-year initial term of the license.

Impairment of Long-Lived Assets

The Company records impairment losses on long-lived assets with finite lives used in operations when events and circumstances indicate that their carrying value might not be recoverable. The Company reviews related carrying values annually to determine whether or not impairment has occurred or whenever events or circumstances indicate that impairment may exist. If these reviews indicate that the assets will not be recoverable, as determined

based upon the undiscounted cash flows of the operating assets over the remaining useful lives, the carrying value of the assets will be reduced to their estimated fair value.

Leases

The Company determines if an arrangement is a lease at inception. Right-of-use ("ROU") assets and liabilities for operating leases and finance leases are recognized at the commencement date based on the present value of lease payments over the lease term. When the rate implicit in the lease is not known or determinable, the Company uses the applicable incremental borrowing rate at lease commencement to measure lease liabilities and ROU assets. The lease term may include an option to extend or terminate early when exercise of that option is considered reasonably certain. Reductions to finance lease ROU assets are recognized as amortization on a straight-line basis over the lease term. Reductions to operating lease ROU assets are recognized as lease cost on a straight-line basis over the lease term.

Fair Value of Financial Instruments

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, loans and related party note payable, current. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, loans and related party note payable, approximate fair value as of December 31, 2022, and 2021.

The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels.

Level 1 Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, at the measurement date.

Level 3 Inputs are unobservable for the asset or liability and usually reflect the reporting entity's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Earnings (Loss) Per Share

The Company computes basic earnings (loss) per share by dividing income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding. The Company computes diluted earnings (loss) per share after giving consideration to all potentially dilutive securities outstanding during the period using the treasury stock method or the if-converted method based on the nature of such securities. For periods in which the Company reports net losses, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, because potentially dilutive shares are not assumed to have been issued if their effect is anti-dilutive.

Revenue Recognition

A sales invoice is the identified contract between the Company and its customers. The Company enters into contracts to sell single-use and consumable extremity or sacral systems and/or to rent reusable extremity systems. The selling and rental portions of the invoices are capable of being distinct and accounted for as separate performance obligations. For medical equipment ("product") sales, revenue is recognized by the individual invoice line item for the consumable product, which indicates the transaction price of the line item. For medical equipment rentals, revenue is recognized by the individual invoice line item for the reusable

product, which indicates the transaction price of each line item and the rental period for that item.

Revenue Accounting under ASC 606

The Company's sale of medical equipment, parts and supplies provided to customers are recognized under ASC 606, *Revenue from Contracts with Customers.* The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product to a customer. The amount of revenue recognized reflects the consideration the Company expects to be entitled to in exchange for such products. Performance obligations are complete and revenue is recognized at the point in time that the title to the products are transferred to the customer, typically upon delivery, meaning the customer has the ability to direct the use and obtain the benefit of the product.

Revenue Accounting under ASC 842

The Company's rental transactions are accounted for under ASC 842, *Leases.* Equipment rental revenue includes revenue generated from renting medical equipment to customers and is recognized on a straight- line basis under operating leases over the length of the rental contract. Rental contracts are short-term in nature and do not include any provisions for the customers to acquire the equipment at the end of the lease term.

The performance obligations of the Company's medical equipment rentals to customers paying through the Centers for Medicare & Medicaid Services ("CMS or Medicaid") are considered complete, and revenue is recognized upon receipt of the equipment by the customer. The performance obligations of the Company's medical equipment rentals to customers through the Department of Veterans Affairs (the "VA") are satisfied over the period of time that the products are being rented by the customers, or the "rental period". Rental periods are typically for 30, 60, or 90 days. Performance obligations are deemed complete upon receipt of the equipment by the customer and revenue is fully recognized at the end of each 30 days during the rental period. Invoices with incomplete equipment rental period performance obligations as of the end of the period are recognized as Deferred revenue on the consolidated balance sheets. Invoices for which payment was received and performance obligations, including rental periods and delivery of sales products, were incomplete as of the end of the period are recognized as Deferred revenue on the consolidated balance sheets. Deferred revenue consisted of the following as of December 31:

	US$	***US$***
	December 31,	
	2022	**2021**
Incomplete equipment rental performance obligations	1,38,949	895,285
Payment received in advance of service delivery	629,612	517,123
	1,768,561	1,412,408

The Company generally expenses sales commissions when the corresponding revenue is recognized because the amortization period is generally one year or less. These costs are recorded as cost of revenues. Certain contracts provide for rebates and other customer incentives which are deemed to be variable consideration. The Company estimates and records these rebates as a reduction in sales based on historical experience, current trends, and expectations regarding future experience.

The Company has determined that the revenue sources are disaggregated within the consolidated statements of operations based on obligations that are substantially the same and have the same pattern of transfer to the end customer. As such, the Company has not disaggregated revenue differently than the revenue sources previously depicted in the consolidated statements of operations.

Income Tax

The Company uses the asset and liability method of accounting for and reporting income taxes in accordance with ASC 740. Deferred income tax assets and liabilities are computed annually and are recognized based on the differences between financial statement and income tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to adjust deferred tax assets to the amount expected to be realized. The provision for income taxes represents the current taxes payable for the period and the change during the period in deferred tax assets and liabilities.

The Company's federal income tax returns for 2020 tax year and beyond remain subject to examination by the Internal Revenue Service. The Company's state income tax returns for 2019 tax year and beyond remain subject to examination by state tax jurisdictions. The Company's wholly owned foreign subsidiary, AOTI Limited, files tax returns in Ireland. The Company's wholly owned foreign subsidiary Nexa Medical Limited files tax returns in The United Kingdom. The Company recognizes interest and penalties for unrecognized tax benefits, if any, through interest and operating expenses, respectively. No interest and penalties for unrecognized tax benefits were recognized during any of the periods presented.

ASC 740 provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be substantiated under examination. The Company files income tax returns in the United States and various state and local jurisdictions. The Company had no uncertain tax positions as of December 31, 2021. As of December 31, 2022, the Company has recorded a liability of $160,000 relating to an uncertain tax position which is included in income tax payable in the accompanying consolidated balance sheets.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2022, and 2021 was approximately $0, and $2,500, respectively.

Share-based Payments

The Company recognizes employee stock-based compensation as a cost in the consolidated financial statements. Equity-classified awards are measured based on the grant date fair value of the share-based compensation award. The Company estimates grant date fair value using the Black-Scholes and binomial- lattice option-pricing models. For share-based payments subject to time-based vesting, the Company recognizes employee stock-based compensation expense on a straight-line basis over the requisite service period of the awards, generally from the date of grant through each vesting date. Excess tax benefits of awards related to stock option exercises are recognized as an income tax benefit in the consolidated statements of operations and reflected in operating activities in the statement of cash flows. The Company recognizes forfeitures at the time they occur.

Financial Instruments

The Company classifies common stock purchase warrants and other free standing derivative financial instruments as equity if the contracts (i) require physical settlement or net-share settlement or (ii) give the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the control of the Company), (ii) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement), or (iii) contain reset provisions as either an asset or a liability. The Company assesses classification of its freestanding derivatives at each reporting date to determine whether a change in classification between equity and liabilities is required.

The Company determined that certain warrants to purchase common stock satisfy the criteria for classification as equity instruments as the settlement provisions require physical settlement or net-share settlement. The Company also determined that certain contingent common shares

issued in connection with the Nexa acquisition satisfy the criteria for classification as equity instruments as the settlement obligation is in a fixed number of shares of the Company or cash settlement.

Comprehensive Income (Loss)

For all periods presented, net income (loss) is the same as comprehensive income (loss) as there are no comprehensive income items.

3. Property and Equipment

Property and equipment consisted of the following as of December 31:

	US$	*US$*
	December 31,	
	2022	**2021**
Medical equipment, available for lease	3,218,513	2,227,400
Computers and software	250,836	245,475
Furniture and equipment	72,179	57,059
Leasehold improvements	58,350	16,000
	3,599,878	2,545,934
Less accumulated depreciation	(1,688,015)	(1,309,220)
	1,911,863	1,236,714

Depreciation expense for the years ended December 31, 2022, and 2021 was $388,358, and $258,722, respectively.

4. Intangible Assets

Intangible assets consisted of the following as of December 31:

	US$				*US$*		
	December 31,				**December 31,**		
	2022				**2021**		
	Weighted Average Remaining Useful Life (Years)	**Gross Carrying Amount**	**Accumulated Amortization**	**Net**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net**
Other intangible assets							
License Agreement	19.8	9,708,629	(74,002)	9,634,627	—	—	—
Patents	7.2	507,794	(341,292)	166,502	507,794	(317,300)	190,494
Total intangibles		10,216,423	(415,294)	9,801,129	507,794	(317,300)	190,494

Amortization expense was $97,994, and $23,993 for the years ended December 31, 2022, and 2021, respectively.

The estimated amortization expense for each of the five succeeding fiscal years and thereafter is as follows:

Year ended December 31,	*US$*
2023	526,172
2024	526,172
2025	525,742
2026	523,687
2027	523,687
Thereafter	7,175,669
Total amortization	9,801,129

5. Acquisition of Nexa Medical Limited

On November 1, 2022, the Company acquired 100% of the shares of Nexa Medical Limited ("NEXA"). NEXA was a precommercial company with an element of intellectual property ("IP") and trademarks registered in its name. The acquisition of NEXA has been treated as an asset acquisition under the guidance in ASC 805. The Company determined that NEXA did not meet the definition of a business as substantially all of the fair value of NEXA was concentrated in a single asset or group of assets. The primary asset acquired was intellectual property for the NPWT system consisting of three main components: the NEXA NPWT device that generates the Negative Pressure; the NEXA Fluid Container Pack; the NEXA Wound Dressing. Intellectual property rights were recognized at fair value as intangible assets in the amount of $9,708,629 (Note 4).

As a consideration for the acquisition, the Company paid in cash, net of cash acquired, GBP 1,753,520 (USD 2,042,670). In addition, the Company entered into a 20-year royalty-free license agreement with the prior owners which automatically renews for successive 20-year periods unless terminated by the Company. Consideration for the license agreement consisted of 508,866 contingently issuable shares of the Company stock which are issuable upon any of the following Triggering Events.

- Change of control of the Company
- IPO of the Company
- Upon demand by the holder

The Company has the option to redeem the shares at any time for GBP 6,000,000. Interest accrues on the redemption amount at a rate of 4% per annum. The fair value of the redeemable shares has been recorded to additional paid-in capital at the acquisition date based on the redemption value as of the acquisition date ($6,434,630).

Also based on the acquisition agreement, there is a contingent deferred payable in the event of receipt of approval for NEXA NPWT from the U.S. Food and Drug Administration and under the Medical Device Regulation (EU) 2017/45. The deferred acquisition liability was recognized at fair value of $228,863 in long- term liabilities with a final contingency deadline of December 31, 2024. As of December 31, 2022, the carrying amount for the deferred acquisition liability was $242,467.

6. Long-Term Debt

Long-term debt consisted of the following at December 31, 2022, and 2021:

	US$	*US$*
	December 31,	
	2022	**2021**
Long-term commitment – finance company	12,000,000	—
Less: Unamortized financing fees	(86,430)	—
Less: Unamortized debt discount – warrant	(315,352)	—
	11,598,218	—
Other indebtedness	202,808	—
Total indebtedness	11,801,026	—
Less: Current portion – Classified as short-term debt	(202,808)	—
Total long-term debt	11,598,218	—

Long-term Commitment

On March 21, 2022, the Company entered into a loan agreement with a finance company for the principal amount of $12,000,000 with maturity on or before March 21, 2027. The loan bears interest at a contract rate of 3-month LIBOR (4.61% at December 31, 2022), subject to a floor of 1.0%, plus 9.95%, payable on a quarterly basis. Repayment of principal is initially based on certain levels of EBITDA through December 31, 2023. If those levels are not met, the Company pays $600,000 quarterly in principal beginning in August 2024 through maturity. In connection with the loan agreement, the Company also incurred financing fees of $223,717, of which $120,000 were expensed in 2022 with the remaining $103,717 being amortized over the life of the loan. Interest expense for the year ended December 31, 2022 was $1,343,582, including amortization of financing fees and debt discounts. The effective interest rate on the loan for the year ended December 31, 2022 was 14.6%.

The loan agreement also provides that the Company comply with certain financial covenants based on minimum levels of aggregate revenues, EBITDA, and consolidated unencumbered liquid assets, as defined in the loan agreement. At December 31, 2022, the Company was in compliance with all such covenants.

Warrant

In connection with the long-term borrowing commitment, the Company issued a warrant to the lender to purchase 92,490 shares of the Company's stock at an exercise price of $9.56. The warrant is exercisable effective March 21, 2022 and is exercisable for a seven-year period ending March 21, 2029. The Warrant Agreement provides for the lender to exercise the warrant in cash or as an option in whole or in part under

a Cashless Exercise, based on a formula as defined in the Warrant Agreement. Upon the sale of greater than 50% of the Company's outstanding shares ("Acquisition"), the successor entity would assume the liabilities and obligations under the Warrant Agreement.

The warrant was recorded at fair value at date of issuance in the amount of $378,581 and included as a discount against the carrying value of the long-term borrowing commitment. The fair value of the warrant was determined using the Black-Scholes model based on the following assumptions:

Expected dividend yield	0.00%
Expected stock price volatility	55.00%
Risk-free interest rate	2.33%
Expected life of warrant (years)	7.0

The estimated fair value of the warrant at December 31, 2022 is approximately $573,000.

At December 31, 2022, scheduled maturities of long-term debt in each of the years ending December 31, were as follows:

Year ended December 31,	***US$***
2023	—
2024	1,200,000
2025	2,400,000
2026	2,400,000
2027	6,000,000
Total principal	12,000,000

7. Leases

The Company leases office space, office equipment, and vehicles under non-cancellable operating leases which expire on various dates through August 2027. These leases may provide for periodic rent increases and may contain extension or early termination options. In calculating the lease liability, an option to extend or terminate the lease early is included in the lease term when it is reasonably certain the option will be exercised. Some leases require additional payments for common area maintenance, taxes, insurance, and other costs which are not included in calculating the lease liability by accounting policy election.

The ROU assets and lease liabilities are based on the lease components as identified in the underlying agreements. A lease component is the cost stated in the agreement that directly relates to the right to use the identified assets.

The Company made an accounting policy election to not apply the lease accounting requirements to short- term lease arrangements with an initial term of 12 months or less.

A summary of lease expense is as follows:

	US$	***US$***
	December 31,	
	2022	**2021**
Lease Expense		
Operating lease expense	173,783	126,258
Short-term lease expense	49,247	30,998
Total	223,030	157,256

Supplemental quantitative information related to operating leases is as follows:

	US$	***US$***
	For the Year Ended December 31,	
	2022	**2021**
Other Information		
Cash paid for amounts included in the measurement of lease liabilites:		
Operating cashflows from operating leases	143,643	126,258
ROU assets obtained in exchange for the new operating lease liabilities	731,599	—

	As of December 31,	
	2022	2021
Weighted-average remaining lease term in years for operating leases	3.70	0.51
Weighted-average discount rate for operating leases	1.88%	1.52%

Maturities of operating lease liabilities are as follows:

Year ended December 31,	*US$*
2023	188,785
2024	194,042
2025	103,975
2026	87,573
2027	59,597
Thereafter	—
Total lease payments	633,972
Less: amount representing interest	(24,024)
Present value of operating lease liabilities	609,948
Less: current portion of operating lease liabilities	(178,942)
Long-term operating lease liabilities, net of current portion	431,006

8. Related Party Transactions

Related Party Notes Payable

The Company entered into a note payable agreement with a shareholder of the Company in July 2010 for a principal amount of $220,000. This note was extended to mature on or before September 30, 2021. The terms of the agreement include the full repayment of principal and interest on or before September 30, 2021. The note bears interest at 12% and is unsecured. Accrued interest related to this note was $135,000 as of December 31, 2020. Interest expense of $12,343 related to this note was incurred during the year ended December 31, 2021. The note was repaid in 2021 in accordance with the terms of the note.

The Company entered into a note payable agreement with a second shareholder of the Company in February 2013 for a principal amount of $52,778. This note was extended to mature on or before May 30, 2023. The terms of the agreement included the full repayment of principal and interest on or before May 30, 2023. The Company paid the balance in full in September 2021. The note bore interest at 12% and was unsecured. Accrued interest related to this note was $49,611 as of December 31, 2020. Interest expense of $4,617 related to this note was incurred during the year ended December 31, 2021.

The Company entered into a note payable agreement with the second shareholder of the Company in December 2009 for a principal amount of $232,552. This note was extended to mature on or before November 30, 2022. The terms of the agreement included the full repayment of principal and interest on or before November 30, 2022. The note was paid in full as of that date. The note bore interest at 12% and was unsecured. Accrued interest related to this note was $0, and $49,711 as of December 31, 2022 and 2021, respectively. Interest expense of $7,617 and $27,906 related to this note was incurred during the years ended December 31, 2022 and 2021, respectively.

In 2016, the Company entered into a debt-to-equity agreement with the second shareholder of the Company to convert a $750,000 note payable into 244,300 shares of stock at a conversion rate of $3.07 per share. On January 1, 2020, the Company entered into a promissory note agreement with this related party to convert 244,300 shares of equity into a $750,000 note payable at $3.07 per share. The terms of the promissory note agreement included weekly principal payments of $5,000 with the balance becoming due and payable on or before December 31, 2022. The Company paid the balance in full in July 2021. The note was non-interest bearing and was unsecured. The note payable balance to this second related party for

all outstanding notes payable totaled $0 and $230,453 as of December 31, 2022 and 2021, respectively. $230,453 is classified as a current liability in the consolidated balance sheet as of December 31, 2021.

Other Transactions

Eumena Medical Ltd is a company with common directorship with AOTI Limited. Amounts were paid by AOTI Limited in respect of services provided by Eumena Medical Ltd for the years ended December 31, 2022, and 2021 of $122,250, and $91,500, respectively.

Advanced Oxygen Therapy, Inc. owed $26,250 to Anthony Moffatt, a director of the Company, as of December 31, 2021.

Advanced Oxygen Therapy, Inc. made a payment of $20,000 and $63,436 to Gerry Coughlan, a director of the Company, during the years ended December 31, 2022 and 2021, respectively.

9. Concentration of Credit Risk

Major Customers

Two customers represented 51% of the Company's gross accounts receivable at December 31, 2022. Two customers represented more than 23% of total net revenues for the year ended December 31, 2022.

Two customers represented 62% of the Company's gross accounts receivable at December 31, 2021. Two customers represented more than 27% of total net revenues for the year ended December 31, 2021.

10. Income Tax

The components of the income tax expense (benefit) for the years ended December 31 were as follows:

	US$	*US$*
	Year Ended December 31,	
	2022	**2021**
Current income tax	991,000	830,870
Deferred income tax	(1,373,593)	(617,014)
	(382,593)	213,856
Valuation allowance	1,668,098	901,441
	1,285,505	1,115,297

Income tax expense (benefit) for the years ended December 31, 2022, and 2021 differed from the amounts computed by applying the U.S. federal income tax rate to pretax income as a result of the following:

	Year Ended December 31,	
	2022	**2021**
Federal statutory income tax rate	21.00%	21.00%
State taxes, net of federal benefit	(6.51)%	11.07%
Foreign tax rate differential	(40.52)%	19.12%
Effect of foreign/U.S. eliminations	(16.84)%	(8.61)%
Change in deferred tax liabilities	(19.39)%	9.05%
Change in valuation allowance	(30.59)%	(13.56)%
Other, net	8.21%	(2.60)%
Effective tax rate	(84.64)%	35.47%

The effects of temporary differences that give rise to deferred tax assets (liabilities) are as follows:

	US$	*US$*
	December 31,	
	2022	2021
Accelerated depreciation and amortization	(1,559,000)	$(898,000)
Net operating losses and credit carryforwards	3,946,033	1,906,687
Allowance for doubtful accounts	215,094	198,680
Accruals	137,000	26,000
Stock-based compensation	332,000	—
Unrealized profit on intercompany eliminations	1,838,415	1,187,657
Unremitted earnings	(1,062,897)	(768,401)
Asset acquisition	(828,429)	—
Operating lease assets	(150,000)	—
Operating lease liabilities	158,000	—
	3,026,216	1,652,623
Valuation allowance	(4,917,542)	(2,421,024)
	(1,891,326)	(768,401)

As of December 31, 2022, the Company had net operating loss (NOL) carryforwards of approximately $2.1 million for federal income tax purposes and $10.1 million for multi-state income tax purposes. Such carryforwards expire in varying amounts through the year 2042. For federal tax losses arising in tax years ending after December 31, 2017, the NOL carryforwards are allowed indefinitely. In evaluating the Company's ability to recover deferred income tax assets, all available positive and negative evidence is considered, including scheduled reversal of deferred tax liabilities, operating results and forecasts of future taxable income in each of the jurisdictions in which the Company operates. Management has determined that it is more likely than not that the Company will not recognize the benefits of its federal and state deferred tax assets, and as a result, a valuation allowance of $4.9 million, and $2.4 million has been established at December 31, 2022, and 2021, respectively. A deferred tax liability of $828,428 has been recognized in respect of the acquisition of the Nexa Medical Limited share capital with a corresponding increase in the gross carrying value of the License Agreement as required under US GAAP. Timing differences arising in the Irish jurisdiction, in respect of withholding tax that any repatriation of Irish profit to the U.S. would be subject to, require management to recognize deferred tax liabilities of $1.1 million, and $0.8 million at December 31, 2022, and 2021, respectively.

11. Stock-based Compensation

On March 21, 2022, the Company adopted the AOTI Inc. 2022 Equity Incentive Plan (the "Plan") for the purpose of motivating, attracting, and retaining key employees. The aggregate number of shares reserved and available for issuance under Stock Option Awards ("Stock Options") granted under the Plan is 916,000. The Stock Options have a term of ten years. The Company recognizes expense on a straight-line basis over the requisite service period which is three years. Grants to employees generally vest in annual increments of 33.33% each year, commencing one year after the date of grant. In limited circumstances, the Company will issue Stock Options that vest upon issuance.

A summary of option activity under the Plan for the year ended December 31, 2022 is presented below:

		US$	
	Number of shares	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Term (Years)**
Balance, December 31, 2021	—	—	—
Granted	621,000	9.56	9.4
Exercised	—	—	—
Forfeited or expired	(27,000)	9.56	9.3
Balance, December 31, 2022	594,000	9.56	9.4
December 31, 2022:			
Stock options exercisable	96,000	9.56	9.3

The weighted-average grant-date fair value of options granted during the year ended December 31, 2022 was $4.42. The aggregate fair value of Stock Options vesting during the year ended December 31, 2022 was $0.4 million. The aggregate intrinsic value of Stock Options outstanding at December 31, 2022 was $1.0 million.

The fair value of the initial 489,000 Stock Options granted on April 1, 2022 was estimated on the date of the grant using the Black-Scholes option-pricing model. Beginning with the Stock Options granted on August 4, 2022 and November 4, 2022 and all future grants, a binomial-lattice option-pricing model has been used as the Company believes this model is more representative of actual and future expected exercise experience than the Black-Scholes model. The following table details the weighted-average assumptions used for each of the models for the year ended December 31, 2022:

	Binomial-lattice model	**Black-Scholes model**
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	54.80% – 54.90%	61.00%
Risk-free interest rate	2.61% – 4.00%	3.51%
Expected life of options (years)	6.0	6.0

The expected life of an option is based on the simplified method, which is an average of the time from vesting to the time of expiration. The risk-free rate is based on the U.S. Treasury rates in effect at grant date for maturity dates approximately equal to the expected life at the grant date. Volatility is based on the historical volatility of public entities that are similar to the Company, as the Company does not have sufficient historical transactions of its own shares on which to base expected volatility. The dividend paid to stockholders in 2022 was considered to be a one-time event. The Company does not expect to pay dividends in the future and, accordingly, a zero dividend yield has been assumed for purposes of pricing stock options.

Compensation cost relating to share-based payment awards has been recognized as an operating expense in the amount of $1.2 million for the year ended December 31, 2022 and is included in salaries, wages, and benefits expense in the consolidated statements.

As of December 31, 2022, the remaining unrecognized compensation expense related to nonvested stock options and the expected amount of expense for each year until fully vested is as follows:

Year ended December 31,	*US$*
2023	879,567
2024	373,618
2025	89,670
Total unrecognized compensation expense	1,342,855

12. Commitments and Contingencies

Legal Proceedings

The Company is not currently subject to any material legal proceedings; however, the Company may from time to time become a party to various legal proceedings and claims arising in the ordinary course of business.

13. Earnings (Loss) Per Share

The computation of basic and diluted earnings (loss) per share for the years ended December 31, 2022, and 2021 was as follows:

	US$	*US$*
	Year Ended December 31,	
	2022	2021
Numerator:		
Net (loss) income attributable to AOTI	(2,804,573)	2,026,974
Denominator:		
Weighted-average shares outstanding, basic and diluted	8,240,534	8,240,534
Earnings (loss) per share		
Basic and diluted	(0.34)	0.25

For the year ended December 31, 2022, the effect of 96,000 share-based awards, 92,490 shares attributable to warrants, and 508,866 shares attributable to contingent shares have been excluded as their effect would be anti-dilutive. There were no potentially dilutive shares for the year ended December 31, 2021.

14. Subsequent Events

The Company evaluated subsequent events through June 7, 2024, which is the date the consolidated financial statements were available to be issued.

- In March 2023, the Company entered into the first amendment to its long-term credit agreement which replaced LIBOR as the reference rate with the Term Secured Overnight Financing Rate (“SOFR”). In addition, the contract rate on borrowings was amended from LIBOR plus 9.95% to Term SOFR plus 10.20%.
- On June 28, 2023, the Board of Directors of the Company approved a plan to proceed with an initial public offering (“IPO”) on the Alternative Investment Market (“AIM”), a submarket of the London Stock Exchange.
- At June 30, 2023, the Company was not in compliance with the covenant to maintain minimum consolidated unencumbered liquid assets on its loan agreement. Subsequent to June 30, 2023, the finance company has waived this event of noncompliance.

- On February 14, 2024, the Company entered into the third amendment to the credit agreement which capitalized the February 2024 interest payment.
- The Company arranged loan agreements with the management of the Company to the value of $2,300,000 and at the date of signing the accounts had drawn down $1,000,000.The Company drew down an additional $2,000,000 on top of the existing credit facility with SWK.
- On May 17 2024, the Company entered into an amendment to its long-term credit agreement to retrospectively amend the covenant to maintain minimum consolidated EBITDA for the year ended December 31 2023 and for each Fiscal Quarter thereafter.

PART V

UK TAXATION

1. Taxation in the United Kingdom

The following summary is based on current UK tax law and HMRC published practice as at the date of this document. Such law and practice (including, without limitation, rates of tax) are subject to change at any time, possibly with retrospective effect.

The following statements are intended as a general guide to certain limited aspects of UK taxation in relation to the Common Shares and do not constitute legal or tax advice. They relate only to individuals and companies who are the absolute beneficial owners of Common Shares and any dividends paid on them, who are resident and (if individuals) domiciled solely in the UK for tax purposes and who hold Common Shares as investments.

The following summary is not a description of all tax considerations that may be relevant to a decision to invest, or hold or dispose of an investment in the Company. In addition, the following summary does not take into account Shareholders' individual circumstances and should not be relied upon by any prospective Shareholder or other investor. It does not apply to certain categories of Shareholders to whom special rules may apply, for example, dealers in securities, intermediaries, insurance companies, collective investment schemes, Shareholders who have (or are deemed to have) acquired their Common Shares by virtue of an office or employment, tax-exempt entities, or Shareholders who hold their Common Shares within an ISA or pension. In addition, the tax position of any Shareholder who together with any associated or connected persons holds or intends to hold 10 per cent or more of the Common Shares or any class of shares in the Company and voting rights of the Company is not dealt with below.

Any Shareholder or potential Shareholder should obtain, and solely rely upon, their own professional advice regarding the tax consequences of acquiring, holding or disposing of the Common Shares under the laws of any jurisdictions that may apply. Any Shareholder or potential Shareholder who is in any doubt as to their tax position, or who may be subject to tax in any other jurisdiction, should consult an appropriate professional adviser immediately.

2. Tax treatment of the Company

It is the intention of the Directors and Proposed Directors, insofar as it is within their control, to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the UK in order that the Company does not become resident in the UK for taxation purposes. It is acknowledged that, if relevant, the Company may be assessable to UK tax in certain other cases, including, if and to the extent applicable, in respect of any UK permanent establishment, any UK source income, or any income or gains arising in connection with UK land (or interests in UK land).

3. Tax treatment of UK investors

3.1 Dividends

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK tax resident individual Shareholders will be subject to UK income tax on the amount of dividends received from the Company.

UK tax resident individuals are currently entitled to a £500 annual dividend tax allowance (for the tax year until 5 April 2025). Subject to the availability of any income tax personal allowance, dividend receipts in excess of the annual dividend tax allowance are taxed at 8.75 per cent (to the extent falling within an individual's basic rate income), 33.75 per cent (to the extent falling within an individual's higher rate income), or 39.35 per cent (to the extent falling within an individual's additional rate income) for the tax year until 5 April 2025.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be exempt from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

3.2 Disposals of Common Shares

A disposal or deemed disposal of Common Shares (including by way of a disposal or deemed disposal of any Depositary Interests if relevant) by a Shareholder may give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains (subject to any available exemptions or reliefs).

For UK tax resident individual Shareholders, the rate of capital gains tax on chargeable gains arising from the disposal (or deemed disposal) of Common Shares is 10 per cent (for basic rate taxpayers), and 20 per cent (for higher rate and additional rate taxpayers) for the tax year until 5 April 2025. Certain reliefs and allowances (including a personal annual capital gains exemption allowance) may be available, depending on the Shareholder's personal circumstances.

For shareholders within the charge to UK corporation tax, the main rate of UK corporation tax on chargeable gains arising from the disposal (or deemed disposal) of Common Shares is currently 25 per cent. Companies which (together with their associated companies) have relevant profits of £250,000 or less in an accounting period may be subject to a lower rate of corporation tax (subject to meeting certain criteria).

3.3 Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The statements below are intended as a general guide to the certain UK stamp duty and SDRT considerations in respect of the Common Shares and, separately, the Depositary Interests under current UK tax law and HMRC published practice as at the date of this document.

No stamp duty or SDRT will generally be payable on the issue of Common Shares.

Agreements to transfer the Common Shares may generally be exempt from SDRT if the Company keeps its share register outside the UK and the Common Shares are not paired with shares issued by a UK incorporated body.

No charge to UK stamp duty or SDRT should, in any case, arise on transfers of Common Shares on AIM (including instruments transferring Common Shares and agreements to transfer Common Shares) based on the following assumptions:

(a) the Common Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986); and

(b) AIM is and continues to be treated as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986.

No charge to SDRT is expected to arise on agreements to transfer Depositary Interests (where these are traded wholly within CREST) on the basis that the assumptions set out above apply (and continue to apply) in respect of the underlying Common Shares.

Other rules may apply if the Common Shares (or Depositary Interests) are issued or transferred into a depositary receipts or clearance system.

PART VI

US TAXATION

1. Taxation in the United States

The following is a summary of certain material United States federal income tax consequences of the ownership and disposition of Shares by a Non-US Holder. A "**Non-US Holder**" is a Shareholder which, for United States federal income tax purposes, is the beneficial owner of the Company's Common Shares and is

(a) an individual who is not a United States citizen or United States resident alien;

(b) a corporation other than a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;

(c) an estate other than an estate whose income is subject to United States federal income tax regardless of its source; or

(d) a trust other than a trust that either is subject to the supervision of a court within the United States and has one or more United States persons with authority to control all of its substantial decisions, or has a valid election in effect to be treated as a United States person.

This summary does not address all of the tax considerations that may be relevant to Non-US Holders in light of their particular circumstances, and it does not discuss special tax provisions, which may apply to holders subject to special treatment under United States federal income tax laws, such as certain financial institutions or financial services entities, insurance companies, tax-exempt entities, dealers in securities, partnerships or other entities or arrangements that are treated as partnerships for United States federal income tax purposes, "controlled foreign corporations," "passive foreign investment companies," former United States citizens or long-term residents, persons owning, directly, indirectly or constructively, 5 per cent. of the Company's equity by vote or value and persons that hold the Common Shares as part of a straddle, conversion transaction, or other integrated investment. Furthermore, this summary does not address any tax considerations arising under estate taxes, the Medicare contribution tax, the alternative minimum tax, or the laws of any state, local or foreign jurisdiction, or under any United States federal laws other than those pertaining to income taxes.

If a partnership (or any other entity or arrangement treated as a partnership for United States federal income tax purposes) holds Common Shares, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the United States federal income tax consequences to them of the ownership and disposition of the Company's Common Shares.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986 (the "**Code**"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all of which are subject to change at any time, possibly with retroactive effect.

INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE THE TAX CONSEQUENCES TO THEM OF OWNING AND DISPOSING OF COMMON SHARES, INCLUDING THE APPLICATION TO THEIR PARTICULAR SITUATION OF THE UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW, AS WELL AS THE APPLICATION OF ESTATE TAX, THE MEDICARE CONTRIBUTION TAX, THE ALTERNATIVE MINIMUM TAX, AND STATE, LOCAL, NON-UNITED STATES OR OTHER TAX LAWS.

2. Dividends

Distributions will constitute dividends for United States federal income tax purposes to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent those distributions exceed the Company's current and accumulated earnings and profits, the excess will constitute a return of

capital and will first reduce the holder's basis in the Common Shares, but not below zero, and then will be treated as a gain on the disposition of Common Shares as described below.

Except as described below, any dividend paid with respect to the Common Shares will be subject to United States federal withholding tax at a rate of 30 per cent. of the gross amount of the dividend or at a lower rate if the Non-US Holder is eligible for the benefits of an income tax treaty that provides for a lower rate. Even if a Non-US Holder is eligible for a lower treaty rate, the Company and other payors generally will be required to withhold tax at a 30 per cent. rate (rather than the lower treaty rate) on dividend payments to such Non-US Holder, unless the Non-US Holder has furnished to the Company or another payor:

(a) a valid Internal Revenue Service ("**IRS**") Form W–8BEN or IRS Form BEN-E or an acceptable substitute form upon which the Non-US Holder certifies, under penalties of perjury, their status as a Non-US person (as defined by the Code) and their entitlement to the lower treaty rate with respect to such payments; or

(b) in the case of payments made outside the United States to an offshore account (generally, an account maintained by the Non-US Holder at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing their entitlement to the lower treaty rate in accordance with United States Treasury regulations.

If dividends paid to a Non-US Holder are "effectively connected" with such Non-US Holder's conduct of a trade or business within the United States or, if required by a tax treaty, the dividends are attributable to a permanent establishment that such Non-US Holder maintains in the United States, the Company and other payors generally are not required to withhold tax from the dividends, provided that the Non-US Holder has furnished to the Company or another payor a valid IRS Form W–8ECI or an acceptable substitute form upon which such Non-US Holder represents, under penalties of perjury, that they are a non-US person and the dividends are effectively connected with the conduct of a trade or business within the United States and are includible in the Non-US Holder's gross income.

"Effectively connected" dividends are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations. In the case of a corporate Non-US Holder, "effectively connected" dividends that such Non-US Holder receives may, under certain circumstances, be subject to an additional "branch profits tax" at a 30 per cent. rate or at a lower rate if the Non-US Holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

3. Gain on Disposition of Common Shares

A Non-US Holder generally will not be subject to United States federal income tax on gain that such Non-US Holder recognises on a disposition of Common Shares unless:

(a) the gain is "effectively connected" with the conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that the Non-US Holder maintains in the United States, if that is required by an applicable income tax treaty as a condition for subjecting the holder to United States taxation on a net income basis;

(b) the Non-US Holder is a non-resident alien individual, holds Common Shares as a capital asset, is present in the United States for 183 or more days in the taxable year of the sale, and certain other conditions are met; or

(c) the Company has been a United States real property holding corporation for United States federal income tax purposes and certain exemptions are inapplicable.

"Effectively connected" gains are taxed at rates applicable to United States citizens, resident aliens and domestic United States corporations. In the case of a corporate Non-US Holder, "effectively connected" gains that such Non-US Holder recognises may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30 per cent. rate or at a lower rate if such Non-US Holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

The Company does not believe that it has been or is a United States real property holding corporation for United States federal income tax purposes. The Company does not anticipate

becoming a United States real property holding corporation for United States federal income tax purposes.

4. Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("**FATCA**") imposes a 30 per cent. withholding tax on certain types of payments to non-United States financial institutions (an "**FFI**") that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. If such failure occurs, withholding may apply with respect to Company dividends payable to a Non-US Holder to the extent such payments are directed to an account with an FFI. Proposed United States Treasury regulations would eliminate FATCA withholding on payments of proceeds on a disposition of Common Shares. Applicable withholding agents generally may rely on these proposed United States Treasury regulations until final United States Treasury regulations are issued, but such United States Treasury regulations are subject to change.

Many governments have entered into intergovernmental agreements with the United States that implement FATCA. Under this approach, an FFI that satisfies the conditions imposed under the bilateral agreement and any applicable implementing legislation generally will report FATCA information to its local governmental authorities rather than the IRS and in turn will be treated as FATCA compliant. The local governmental authorities will then report such information to the IRS in compliance with the bilateral agreement. Additional information and/or certifications may be requested by an FFI as a result of FATCA or the applicable bilateral agreement. Non-US Holders should consult their tax adviser on how these rules may apply to owning or disposing of Common Shares.

5. Information Reporting and Backup Withholding

Non-US Holders generally will be required to comply with certain certification requirements to establish that they are not a United States person to avoid backup withholding with respect to dividends or the proceeds of a disposition of Common Shares. In addition, the Company may be required to annually report to each Non-US Holder and to the IRS the amount of any distributions paid to the Non-US Holder, regardless of whether the Company actually withheld any tax.

Copies of the information returns reporting such distributions and the amount withheld, if any, may also be made available to the tax authorities in the country in which the Non-US Holder resides under the provisions of an applicable income tax treaty.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a Non-US Holder may entitle the Non-US Holder to a refund, provided that the required information is timely furnished to the IRS in the manner required.

PART VII

ADDITIONAL INFORMATION

1. Persons responsible

Each of the Directors and the Proposed Directors, whose names and functions appear on pages 36 and 37 of this document, and the Company accept responsibility, both collectively and individually, for the information contained in this document and for its compliance with the AIM Rules for Companies. To the best of the knowledge and belief of each of the Directors, the Proposed Directors and the Company, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and status of the Company

2.1 The Company was incorporated and registered under the laws of Florida on March 27, 2008 as a domestic for profit corporation with the name AOTI, Inc. The Company has no separate commercial or trading name.

2.2 The Company is domiciled in Florida with its registered office at 7901 4th St N, STE 300, St. Petersburg, FL 33702. The principal place of business of the Company is 3512 Seagate Way, STE 100, Oceanside, California 92056. The telephone number of the principal place of business of the Company is 760-431-4700.

2.3 The Company's principal activity is the development of wound care technology.

2.4 The principal legislation under which the Company operates is the Florida Business Corporation Act.

2.5 The Common Shares have been issued by the Company pursuant to the Florida Business Corporation Act.

2.6 The liability of the Company's Shareholders is limited.

2.7 The address of the Company's website, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is www.aotinc.net.

2.8 The Company has (and will at Admission) have the following subsidiaries:

Name	Country of registration or incorporation	Percentage of issued share capital held by the Company and (if different) proportion of voting power held
Nexa Medical Limited	United Kingdom	100%
Advanced Oxygen Therapy Inc.	United States	100%
AOTI Limited	Ireland	100%

3. Share capital

3.1 As at the date of this document the Company is authorised to issue up to 300,000,000 Common Shares.

3.2 Changes in the amount of the outstanding share capital of the Company during the years covered by the financial information set out in Part IV (*Historical Financial Information on the Group*) of this document are as follows:

	As of 31 December 2021	As of 31 December 2022	As of 31 December 2023
Share Capital	8,204,534 common shares of par value $0.0001 (all fully paid)	8,204,534 common shares of par value $0.0001 (all fully paid)	8,603,586 common shares of par value $0.0001 (all fully paid)

3.3 The Company's outstanding share capital as at the date of this document is:

Class	Number	Par value per share ($)
Common Shares (all fully paid)	86,035,860	0.00001

3.4 On 1 September 2023, the Company issued the Restricted Shares, which will vest upon Admission. Further details of the Restricted Shares are included in paragraph 3.8 below.

3.5 On 30 May 2024, the Company effected a share split (the "**Share Split**") pursuant to which each existing common share of par value $0.0001 was split into 10 Common Shares of par value $0.00001 each, so increasing the total number of shares in issue by a multiple of 10. To effect such Share Split, the number of authorised shares under the Company's Articles of Incorporation needed to be increased. The Board of Directors of the Company approved the Amended and Restated Articles of Incorporation on 30 May 2024 and recommended that the Company's shareholders approve and adopt the Amended and Restated Articles of Incorporation. The Amended and Restated Articles of Incorporation increased the number of authorised shares from 30,000,000 to 300,000,000. Following the Board's approval and recommendation, the Amended and Restated Articles of Incorporation were submitted to the Company's shareholders for the approval via written consent, which was received from the majority of the Company's shareholders prior to 30 May 2024. Following such shareholder approval, the Company filed the Amended and Restated Articles of Incorporation with the Florida Secretary of State, which took effect upon filing on 30 May 2024.

3.6 The Company has agreed to issue the DLF Shares to Douglas Le Fort immediately prior to Admission. Further details of the DLF Shares are included in paragraph 14.12 below.

3.7 As at the date of this document, the Company is subject to the following share options and warrants over its share capital:

(a) The Company is party to a share issuance agreement, dated 9 November 2022, pursuant to which it is obligated to issue I2R Medical Limited an aggregate of 5,088,660 Common Shares (the "**I2R Shares**") in the Company upon (i) the completion of a change of control of the Company, (ii) the completion of an initial public offering of the Company, or (iii) upon the demand of I2R Medical Limited. The Company may redeem the obligation to issue such Common Shares at a price of £6,000,000 plus interest; provided, however, that if the Company completes a change of control or initial public offering within six months from the redemption date, the Company is required to pay I2R Medical Limited the amount by which the proceeds from such change of control or initial public offering with respect to such Common Shares is in excess of the redemption payment. The obligation to issue such Common Shares will be triggered by the Admission and, as such, the Company will issue 5,088,660 Common Shares to I2R Medical Limited immediately prior to Admission.

(b) The Company is party to a warrant to purchase stock, dated 21 March 2022, granting SWK Funding LLC the right to purchase 924,900 Common Shares (as adjusted pursuant to the Share Split) (the "**SWK Shares**") for an exercise price of $0.9556 per share. The warrant was granted in connection with the Company's entry into its senior credit facility with SWK Funding LLC and expires on 21 March 2029. SWK Funding LLC has elected to exercise its warrants in connection with the Admission and, as such, the Company will issue 402,634 Common Shares to SWK Funding LLC immediately prior to Admission.

(c) As at the date of this document 7,350,000 Options have been awarded by the Company pursuant to the AOTI Inc. 2022 Equity Incentive Plan and remain outstanding, of which 7,350,000 will remain outstanding. Further information on the AOTI Inc. 2022 Equity Incentive Plan is included in paragraph 7 below.

3.8 In addition to the options and warrants described in paragraph 3.7 above, four employees and one independent contractor of the Company were entitled to cash bonuses upon a sale of the Company or similar transaction which were intended to be paid by the Company in connection with the contemplated Admission. The Board of Directors has approved satisfying such cash bonuses by the issuance of common shares in the capital of the Company in

connection with the Admission, and such shares were issued by the Company on 1 September 2023. These shares are "restricted stock" which will vest upon Admission (the "**Restricted Shares**"). In the event that the Admission has not occurred by June 30, 2024, the restricted stock would automatically be cancelled for no consideration and the terms of the cash bonus would be reinstated for each employee and contractor. The Company has obtained amendments to the employee and contractor agreements to reflect the above. A summary of the amounts is set forth below:

Name	Number of Shares of Restricted Stock In Lieu of Cash
Michael Griffiths	1,491,990 shares
Anthony Moffatt	373,000 shares
Chad Yount	186,500 shares
Matthew Garoufalis	186,500 shares
Doug Le Fort	1,392,530 shares

3.9 Other than as described in 3.7 and 3.8 above, the Company is not subject to any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.

3.10 There are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company.

3.11 No more than 10% of the Company's capital has been paid for with assets other than cash within the period covered by the financial information set out in Part IV (*Historical Financial Information on the Group*) of this document.

3.12 Assuming that the Placing is fully subscribed, and assuming the I2R Shares, SWK Shares and DLF Shares are fully issued, immediately following Admission, the outstanding and fully paid up and non-assessable share capital of the Company will be as follows:

Class	Number	Par value per share ($)
Common Shares (all fully paid)	106,359,163	0.00001

4. CREST

4.1 CREST is a paperless settlement system enabling title to securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument, in accordance with the CREST Regulations. However, as set out in paragraph 20 of Part I of this document, in the case of Placees that are not US Persons and where such Placees have asked to hold their Common Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Note, however, that the Common Shares offered to non-US Persons in the Placing are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Shares. Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Common Shares held by Affiliates of the Company, and accordingly settlement, shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. These restrictions, representations and warranties, as well as the legend that will be affixed to certificates for the Common Shares, are set out more fully in Part IX of this document.

4.2 The holders of the Common Shares will participate on a *pari passu* basis and proportionately to their shareholdings in all distributions of capital or income by the Company or any surplus arising on liquidation of the Company. There are no fixed dates for dividend payments on the Common Shares. Each Common Share affords the holder of such share the right to one vote. Other than restrictions pursuant to the U.S. federal securities laws and Regulation S, there are no restrictions on the transferability of the Common Shares.

4.3 The New Common Shares will be issued on Admission, which is expected to occur on 18 June 2024. The ISIN of the Common Shares is US03690C1027.

5. Articles of Incorporation and Bylaws

The following is a summary of certain provisions of the Articles of Incorporation, Bylaws and provisions of the Florida Business Corporation Act that apply to the Company as in effect from Admission. As summarised in paragraph 16 of this Part VII, certain provisions have been incorporated into the Articles of Incorporation and Bylaws to enshrine rights that are not conferred by the provisions of the Florida Business Corporation Act, but which the Company believes shareholders would expect to see in a company whose shares are admitted to trading on AIM, and accordingly this paragraph 5 should be read in conjunction with that paragraph 16. Reference is made to the actual Articles of Incorporation.

5.1 Objects

The Company may, and is authorised by its Articles of Incorporation to, engage in any and all lawful business permitted under the laws of the United States and the State of Florida.

5.2 Authorised shares

The Articles of Incorporation authorises the Company to issue one class of share to be designated Common Shares.

5.3 Common Shares

(a) ***Voting Rights***

The powers, preferences and rights of, and the qualifications, limitations and restrictions upon, the Common Shares shall be as follows:

(i) The holders of the Common Shares shall have the exclusive right to vote for the election of directors of the Company and on all other matters requiring shareholder action, each outstanding share entitling the holder thereof to one vote on each matter properly submitted to the shareholders of the Company for their vote;

(ii) Dividends upon all classes and series of shares shall be payable only when, as and if declared by the Board from funds lawfully available therefor, which funds shall include, without limitation, the Company's capital surplus. Dividends upon any class or series of Company shares may be paid in cash, property, or shares of any class or series or other securities or evidences of indebtedness of the Company or any other issuer, as may be determined by resolution or resolutions of the Board;

(iii) Upon the voluntary or involuntary liquidation, dissolution or winding up of the Company, the net assets of the Company shall be distributed *pro rata* to the holders of the Common Shares;

(iv) Other than in relation to (ii) and (iii) above, the holders of the Common Shares shall have no right to share in the profits of the Company; and

(v) The Common Shares have no rights of redemption or conversion.

(b) ***Issue of Common Shares***

The Company may issue Common Shares from time to time for such consideration as may be fixed by the Board in accordance with the Articles of Incorporation and the laws of the United States and the State of Florida.

5.4 Dividends

The Board of Directors may, from time to time, declare, and the Company may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Articles of Incorporation. For the purpose of determining shareholders entitled to receive payment of any dividend, the Company's Board of Directors may close the Company's share transfer books for a stated period not to exceed 70 days, unless otherwise required by law. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than 70 days prior to the date on which

the particular action requiring such determination of shareholders is to be taken, unless otherwise required by law. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a shareholders' meeting, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

5.5 **Rights upon liquidation, dissolution or winding-up**

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the net assets of the Company shall be distributed *pro rata* to the holders of the Common Shares.

5.6 **Pre-emptive rights**

(a) The Articles of Incorporation provide that, subject to the Florida Business Corporation Act, as amended from time to time, and the terms of any resolution creating new shares of capital stock of the Company:

(i) the unissued shares from time to time shall be under the control of the Board, which may allot the same to such individuals, corporations, firms, partnerships (general or limited), associations, limited liability companies, joint ventures, trusts, estates or other legal entities or organisations (each, a "**Person**"), for cash or for such other consideration which is not cash, with such restrictions and conditions, in excess of their nominal value or at their nominal value and/or with payment of commission and at such times as the Board shall deem appropriate; and

(ii) except as otherwise provided in the Articles of Incorporation, the Board is expressly authorised to create and issue, by resolutions adopted from time to time, rights, warrants or options entitling the holders thereof to purchase Common Shares of any kind, class or series, whether or not in connection with the issuance and sale of any Common Shares, or other securities or indebtedness. The Board also is authorised expressly to determine the terms, including, without limitation, the time or times within which and the price or prices at which shares may be purchased upon the exercise of any such right or option. The Board's judgment shall be conclusive as to the adequacy of the consideration received for any such rights or options.

(b) So long as the Company's Common Shares is listed for trading on AIM, or such other stock exchange acceptable to the Board in its sole discretion, unless otherwise determined by holders of seventy-five per cent (75%) of the voting power of the shares of capital stock voted at a meeting of the shareholders, the Company shall not allot or issue for cash, shares of capital stock of the Company or any other shares or securities convertible into shares of capital stock of the Company or any warrants or options to purchase for cash, shares or securities convertible into shares of capital stock of the Company (collectively, "**New Securities**"), unless it shall first have made an offer to each shareholder to sell to such shareholder on substantially the same or more favorable terms a proportion of those shares, securities, options or warrants which is, as close as practical, equal to the proportion of the outstanding shares of Common Shares held by such shareholder on the record date for any such sale in relation to the aggregate of all outstanding shares of Common Shares (the "**Pro Rata Share**"), but subject to such exclusions or other arrangements as the Board may deem necessary, appropriate or expedient in their exclusive discretion to deal with fractional entitlements or legal restrictions under the laws of, or the requirements of any regulatory authority or stock exchange or otherwise in any jurisdiction; provided, however, that these pre-emption rights shall not apply with respect to:

(i) the allotment and/or issuance for cash of New Securities provided that the nominal amount of such shares or the shares into which such New Securities may be converted, during any twelve (12) month period, does not exceed, in the aggregate, ten per cent (10%) of the outstanding Common Shares as of the first day of such twelve (12) month period;

(ii) the placing and/or sale of any Common Shares in connection with and simultaneous with the admission of shares of the Company's Common Shares to trading on AIM or the London Stock Exchange on terms and conditions acceptable to the Board in its sole discretion as part of the Company's initial public offering;

(iii) options, restricted stock units, shares or other equity awards not exceeding ten per cent (10%) of the share capital of the Company previously or to be granted to employees, officers, directors, consultants, contractors or advisors of the Company and/or its subsidiaries under, and the issuance of shares pursuant to such securities or benefits granted under any stock option or incentive plan or agreement heretofore or hereafter adopted by the Company, including without limitation any of the foregoing granted or to be granted under any agreement, arrangement, scheme or plan for incentivising, encouraging or facilitating the holding of options, shares, restricted stock units or debentures or other equity awards in the Company by or for the benefit of: (A) *bona fide* employees, officers, directors, consultants or former employees, officers or directors or consultants of the Company or any subsidiary of the Company; or (B) the wives, husbands, widows, widowers, children or step-children under the age of 18 of such employees or former employees (an "**Employees' Share Scheme**"); and

(iv) shares issued upon the exercise of any outstanding warrants, options, or upon conversion of any convertible promissory notes or debt, in each case that were outstanding before or as of the Admission Date.

(c) If the Company proposes to issue New Securities for cash that are not excluded from the pre-emption rights described in section 6.6(b) above, it shall give each shareholder of the Company written notice (the "**Rights Notice**") of its intention, this notice shall describe the New Securities, the proposed price per share of the offer of such New Securities, the general terms upon which the Company proposes to allot the New Securities, the number of shares that the shareholder has the right to purchase, and a statement that each shareholder shall have not less than twenty-one (21) days from delivery of the Rights Notice to agree to purchase all or any part of his, her or its *Pro Rata* Share of such New Securities for the price and upon the general terms specified in the Rights Notice provided that such shareholder can waive in writing the obligation of the Company to provide a Rights Notice or participate in such offer of New Securities, including with respect to any future offering of New Securities provided such waiver complies with applicable law and the rules of AIM or the London Stock Exchange. A shareholder may elect to purchase all or any part of his, her or its *Pro Rata* Share of New Securities by giving written notice to the Company prior to the expiration of the period contained in the applicable Rights Notice, which sets forth the quantity of New Securities to be purchased by the shareholder. If a shareholder fails to exercise its pre-emption right within the period specified in the Rights Notice for all or any portion of his, her or its *Pro Rata* Share of such New Securities, the Company shall have one hundred and twenty (120) days after expiration of the period contained in the applicable Rights Notice to sell such unsold New Securities at a price and upon general terms no more favorable, in all material respects, to the purchasers than specified in the Rights Notice. If the Company has not sold the New Securities within that period, the Company shall not thereafter issue or sell any New Securities without first offering such securities to the shareholders of the Company in the manner provided above.

5.7 **Meetings of shareholders**

The Bylaws provide for an annual or special meeting of shareholders called in accordance with the Bylaws and the Florida Business Corporation Act.

The Bylaws provide that an annual meeting of the shareholders shall be called for the election of directors and for the transaction of such other business as may properly come before the meeting. A special meeting of the shareholders for any purpose or purposes may be called at any time by the Board acting pursuant to a resolution approved by a majority of the directors then in office, or by the person or persons authorised to do so by the Board.

5.8 **Notices of shareholder meetings**

The Bylaws provide for notice to shareholders to be communicated or delivered to any shareholder in person, or by teletype, telegraph, or other forms of electronic communication, or by mail in accordance with applicable law and the Bylaws. Unless otherwise required by applicable law or the Articles of Incorporation, notice of meetings of shareholders shall be given not less than ten, nor more than 60, days before the date of the meeting to each shareholder entitled to vote at such meeting.

A shareholder may waive notice required by the Articles of Incorporation or Bylaws before or after the date and time stated in the notice. The waiver must be in writing, be signed by the shareholder entitled to the notice, and be delivered to the Company for inclusion in the minutes or filing with the corporate records. Neither the business to be transacted at nor the purpose of any regular or special meeting of the shareholders need be specified in any written waiver of notice. Attendance by a shareholder at a meeting waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

5.9 **Method of appointing proxy**

A Shareholder, a person entitled to vote on behalf of a Shareholder pursuant to law, or an attorney in fact, may vote the Shareholder's shares in person or by proxy. A Shareholder may appoint a proxy to vote or otherwise act for him/her by signing an appointment form, either personally or by his/her attorney in fact. An executed telegram or cablegram appearing to have been transmitted by such person, or a photographic, photo static, telecopy, electronic transmission (including a .PDF file) or equivalents reproduction of an appointment form is a sufficient appointment form. An appointment of a proxy is effective when received by the officer authorised to tabulate votes and is valid for up to eleven months, unless a longer period is expressly provided in the appointment form. The death or incapacity of a shareholder appointing a proxy does not affect the right of the Company to accept the proxy's authority unless notice of the death or incapacity is received by the officer authorised to tabulate votes before the proxy exercises his authority under the appointment. A proxy shall be irrevocable if it conspicuously states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A transferee for value of shares subject to an irrevocable appointment may revoke the appointment if he or she did not know of its existence when he or she acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates. Subject to the Bylaws and to any express limitation on the proxy's authority appearing on the face of the appointment form, the Company is entitled to accept the proxy's vote or other action as that of the Shareholder making the appointment. If an appointment form expressly provides, any proxy holder may appoint, in writing, a substitute to act in his or her place.

5.10 **Directors**

(d) *Powers of Directors*

Subject to the provisions of the Articles of Incorporation, the Bylaws and applicable law, the business and affairs of the Company shall be managed by the Board.

(e) *Number of Directors*

The Articles of Incorporation provide that the Board shall consist of five (5) to eleven (11) directors, as determined by the Board, and the number of directors may be increased or decreased solely and exclusively by resolution duly adopted from time to time by the Board.

(f) *Annual retirement and election*

Pursuant to the Articles of Incorporation, each director will serve until the next annual meeting at which such director's successor is duly elected and qualified or until such director's earlier death, resignation or removal.

(g) *Director terms and removal*

A Director may resign at any time by giving written notice to the Board, the Chairman, the Chief Executive Officer or the President of the Company. Unless otherwise specified

in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, without any need for acceptance of such resignation. A resignation that specifies a later effective date or that is conditioned upon the subsequent happening of an event or events or upon failing to receive a specified vote for election as a director may provide that the resignation is irrevocable. Any Director (including persons elected by directors to fill vacancies in the Board) may be removed from office only with cause. A Director may be removed if the number of votes cast to remove the director exceeds the number of votes cast not to remove the Director at a Shareholders' meeting duly called and held for that purpose. At least twenty-eight (28) days prior to any annual or special meeting of Shareholders at which it is proposed that any Director be removed from office with cause, written notice of such proposed removal and the alleged grounds thereof shall be sent to the Director whose removal will be considered at the meeting.

(h) *Vacancies*

Any and all vacancies in the Board, however occurring, including, without limitation, by reason of an increase in the size of the Board, or the death, resignation, disqualification or removal of a director, shall be filled solely and exclusively by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum of the Board, and not by the shareholders. Any director appointed in accordance with the preceding sentence shall hold office until the next Shareholders' meeting at which Directors are elected, where he or she may stand for re-election. No decrease in the number of directors shall shorten the term of any incumbent director. In the event of a vacancy in the Board, the remaining Directors, except as otherwise provided by law, shall exercise the powers of the full Board until the vacancy is filled.

(i) *Board Action without a Meeting*

The Bylaws provide that any action required or permitted to be taken at a meeting of the Board or any committee thereof may be taken without a meeting if a written consent setting forth the action taken is signed by all members of the Board or committee, as the case may be, and such written consent or consents are filed with the minutes of the proceedings of the Board or of such committee. Such consents shall have the same effect as a unanimous vote of the Board or committee, as the case may be.

(j) *Meetings of Directors*

The Bylaws provide that the annual organisational meeting of the Board shall be held without notice immediately after, and at the same place as the annual shareholders' meeting. The Board may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution. Special meetings of the Board may be called at any time, at any place and for any purpose by or at the request of the Chairman, the Chief Executive Officer, the President or any three directors where at least two of such directors are non-executive directors. The person or persons authorised to call special meetings of the Board may fix the place for holding any special meeting called by them.

(k) *Board Committees*

Pursuant to the Bylaws and the Florida Business Corporation Act, the Board may, by resolution, designate or eliminate one or more committees, each committee to consist of three or more directors. Any such committee, to the extent provided in the resolution or resolutions of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Company during intervals between meetings of the Board, and may authorise the seal of the Company to be affixed to all papers that may require it; but no such committee shall have any power or authority to declare a dividend or distribution from capital or earned surplus, issue shares of the Company, amend the Articles of Incorporation, adopt an agreement of merger or consolidation, recommend to the shareholders the sale, lease, or exchange of all or substantially all of the Company's property and assets, recommend to the shareholders a dissolution of the Company or a revocation thereof, fill vacancies on the Board, amend the Bylaws or the Articles of Incorporation, or adopt any plan of bankruptcy or reorganisation. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board.

The Company shall have an Audit & Risk Committee, a Compensation Committee and such other committees as the Board may establish or eliminate from time to time. Such committees may adopt written charters approved by the Board, provided the Audit & Risk Committee shall have a charter. The sections of these Bylaws which govern meetings, notice and waiver of notice, and quorum and voting requirements of the Board apply to committees and their members as well.

5.11 **Officers**

The officers of the Company shall be appointed or elected by the Board. The officers shall include a Chief Executive Officer, a President and such other officers as the Board may from time to time determine. A duly appointed officer may appoint one or more assistant officers. The President shall be Chief Executive Officer unless the Board shall determine otherwise. The Chairman shall preside at all meetings of the Board and shareholders and shall perform such other duties as may be assigned from time to time by the Board. In the absence of the Chairman or if such office shall be vacant, the Senior Independent Director shall preside at all meetings of the Board and the shareholders. In the absence of the Senior Independent Director, any other Board member designated by the Board may preside at all meetings of the shareholders and of the Board.

5.12 **Exculpation and indemnification of officers, directors, employees and other agents**

The Articles of Incorporation provide that the Company shall indemnify any Director of the Company or any officer elected by the Board (and may indemnify any other officer or any employee or agent of the Company) who was or is a party to any proceeding (other than an action by or in the right of the Company) by reason of the fact that such person is or was a Director, officer, employee or agent of the Company, or, while a Director of officer of the Company, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, against liability incurred in connection with such proceeding, including any appeal thereof, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the Company's best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any proceeding by judgment, order, settlement or conviction or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interests of the Company, or, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The Bylaws also require the Company to pay all expenses (including attorneys' fees) incurred by an indemnified person in defending any such proceeding as they are incurred in advance of its final disposition, subject to limitations and repayment as provided in the Bylaws.

5.13 **Disclosure of significant shareholdings**

The Articles of Incorporation provide that a person must notify the Company, subject to the Florida Business Corporation Act, the US Exchange Act (if the Company has any equity securities registered under the US Exchange Act) and any applicable SEC regulations or other law, where the person acquires an aggregate number of the Company's securities which carry voting rights equal to or more than three per cent of such securities and of any subsequent relevant change to their holdings (being a one per cent. incremental increase or decrease while their holdings are above the three per cent threshold or a decrease in their holdings to below three per cent).

5.14 **Amendments to Articles of Incorporation and Bylaws**

The Company reserves the right to amend or repeal these Articles of Incorporation in the manner now or hereafter prescribed by statute and these Articles of Incorporation, and all rights conferred upon Shareholders herein are granted subject to this reservation. Whenever any vote of the holders of capital stock of the Company is required to amend or repeal any provision of the Articles of Incorporation, and in addition to any other vote of holders of capital stock that is required by the Articles of Incorporation or by law, such amendment or repeal shall require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of the majority

of the outstanding shares of each class entitled to vote thereon as a class, at a duly constituted meeting of Shareholders called expressly for such purpose; provided, however, that the affirmative vote of not less than 75% of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of not less than 75% of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of:

(a) Section 4.02 (Voting Rights) of Article IV (Capital Stock);

(b) Section 4.03 (Pre-emptive Rights) of Article IV (Capital Stock);

(c) Article VII (Board of Directors);

(d) Article VIII (Shareholder Action);

(e) Article IX (Limitation of Liability);

(f) Article X (Indemnification);

(g) Article XI (Disclosure of Voting Rights and Interests and Mandatory Offers);

(h) Article XII (Exclusive Jurisdiction of Florida Courts); and

(i) Article XIII (Amendment of Bylaws).

The Articles of Incorporation provide that, except as otherwise provided by law, the Bylaws of the Company may be amended or repealed by the Board by the affirmative vote of a majority of the directors then in office. The Bylaws of the Company may be amended or repealed at any annual meeting of Shareholders, or special meeting of Shareholders called for such purpose, by the affirmative vote of at least 75% of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board recommends that Shareholders approve such amendment or repeal at such meeting of Shareholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class.

5.15 **Takeover provisions**

The Articles of Incorporation provide that the Company expressly elects to be governed by Section 607.0902 of the Florida Business Corporation Act, as amended from time to time, relating to control share acquisitions.

Subject to the Florida Business Corporation Act, the US Securities Act, and the US Exchange Act (if the Company has a class of equity securities registered under the US Exchange Act) and any applicable SEC rules and regulations, from the Admission Date and for so long as the Company has any shares admitted to trading on AIM (or any successor body or organisation) when:

(a) any Person acquires, whether by a series of transactions over a period of time or not, beneficial ownership of securities that (taken together with securities owned, held or acquired by Persons acting in concert with such Person) represents at the time of, and including such acquisition, thirty per cent (30%) or more of the Voting Rights; or any Person who, together with Persons acting in concert with such Person, holds beneficial ownership of securities representing not less than thirty per cent (30%) but not more than fifty per cent (50%) of the Voting Rights and such Person, or any Person acting in concert with such Person, acquires additional securities that will increase his, her or its percentage of the Voting Rights then such Person and any Person acting in concert with such Person (each such Person referred to as an "**Offeror**") shall extend an offer to purchase all issued and outstanding shares of the Company's capital stock, in accordance with Section 11.05 of the Articles of Incorporation (an "**Offer**"), to the holders of all issued and outstanding capital stock of the Company; provided, however, that the obligation to make an Offer pursuant to Section 11.05 of the Articles of Incorporation shall not apply to (i) any underwriter or (ii) any Person(s) in relation to whom the obligation to make an Offer pursuant to Section 11.05 of the Articles of Incorporation would not have arisen but for the exercise by any such Person of an entitlement or right to acquire shares of capital stock of the Company pursuant to an option or warrant granted to such Person by the Company prior to the Admission Date or pursuant to an option or warrant granted to such Person by the Company after the

Admission Date pursuant to a pre-existing contractual commitment of the Company to issue such warrant or option existing prior to the Admission Date or (iii) in the case of a natural shareholder, if such shareholder dies, the survivors or survivor (where he was a joint holder), his personal representative and any person registered as holder of stock pursuant to its transmission to that person by operation of the law. Such Offer must be conditional only upon the Offeror having received acceptances in respect of shares of capital stock of the Company that, together with all of the shares of capital stock of the Company beneficially owned by such Offeror or any Person acting in concert with it, will result in the Offeror and any Person acting in concert with it beneficially owning shares of capital stock of the Company representing more than fifty per cent (50%) of the Voting Rights; provided, however, that an offer must be unconditional if the Offeror (and any Person acting in concert with it) holds securities of the Company carrying more than fifty per cent (50%) of the Voting Rights before the Offer is made.

The grant of an option to acquire existing issued shares of capital stock of the Company will be deemed to constitute the acquisition by the grantee of the option of securities giving rise to the obligation to make an Offer under Section 11.05 of the Articles of Incorporation where the relationship and arrangements between the parties concerned is such that effective control of the shares of capital stock of the Company has passed to the grantee of the option.

The takeover provisions, as summarised above, which would fall under the jurisdiction of the UK Panel on Takeovers and Mergers if the UK Takeover Code applied to the Company, shall be determined by the Board.

These takeover provisions will cease to apply if the Common Shares cease to be admitted to trading on AIM.

5.16 **Choice of forum**

The Articles of Incorporation provide that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Florida shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Company to the Company or the Company's Shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Florida Business Corporation Act, as amended from time to time, or the Articles of Incorporation or Bylaws, (iv) any action asserting a claim against the Company governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and consented to the provisions of Article XII of the Articles of Incorporation.

6. Squeeze-out rules relevant to the holders of Common Shares as set out in the Florida Business Corporation Act

6.1 Section 607.1104 of the Florida Corporation Business Act outlines the procedures by which a controlling shareholder or parent corporation that has obtained 80%, or more of the Company's Common Shares may consummate a short-form merger to squeeze out the remaining shareholders. Generally, Section 607.1104 allows for a short-form merger between a parent and a subsidiary, whereby a parent corporation that owns at least 80%, of the outstanding common shares of each class of a subsidiary corporation's shares may merge the subsidiary corporation into itself, or, alternatively, may merge both itself and the subsidiary corporation into a third corporation in which the parent eligible entity owns at least 80% of the voting power of each class and series of the outstanding shares or eligible interests that have voting power. A short-form merger is effected through the approval of the parent company in accordance with its governing documents and by filing with the Secretary of State of Florida an articles of merger. A Shareholder would be entitled to certain appraisal rights under Section 607.1103 of the Florida Business Corporation Act (as discussed below) in connection with the squeeze-out merger if the merger consideration was considered by such Shareholder to be below "fair value". However, no resolution of the Board or the Shareholders of the Company would be required to effect the squeeze-out merger.

6.2 Under Section 607.1302 of the Florida Business Corporation Act, a holder of common shares of a corporation that is the target of a merger, sale or consolidation who does not wish to accept the consideration being offered may elect to have the corporation pay in cash to him or her the "fair value" of his or her common shares provided that the shareholder complies with the conditions set forth in Sections 607.1302 and 607.1303 of the Florida Business Corporation Act. If there is a dispute between the shareholder and the corporation as to the fair value of the common shares, Section 607.1330 of the Florida Business Corporation Act provides that the fair value may be judicially determined.

7. Share-based incentive plan

7.1 Overview

The Company has adopted the AOTI Inc. 2022 Equity Incentive Plan to promote the success, and enhance the value of, the Company by linking the personal interests of employees, officers, directors and consultants of the Company or any Affiliate (as defined below) to those of Company stockholders and by providing such persons with an incentive for outstanding performance.

7.2 Administration

The 2022 Equity Incentive Plan is administered by the Board and, at the discretion of the Board from time to time, may be administered by a committee of the Board.

7.3 Grant of awards

The 2022 Equity Incentive Plan is authorising the grant of stock options and other stock-based awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to the Company's shares, including without limitation Company shares awarded purely as a "bonus" and not subject to any restrictions or conditions, convertible or exchangeable debt securities, other rights convertible or exchangeable into Company shares, and awards valued by reference to book value per share (or net asset value per share) or the value of securities of or the performance of the Company or its subsidiaries.

7.4 Eligibility

Any employee, officer, Director or consultant of the Company or any of its Affiliates are eligible participants under the 2022 Equity Incentive Plan.

7.5 Limits on awards

Subject to adjustments for stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividends, the aggregate number of Company shares reserved and available for issuance pursuant to awards granted under the 2022 Equity Incentive Plan is 13,160,000. The maximum number of Company shares that may be issued upon exercise of incentive stock options granted under the 2022 Equity Incentive Plan is 9,160,000.

7.6 Options

The Board is authorised to grant stock options to eligible participants. The exercise price per share under an option shall be determined by the Board, provided that the exercise price for any option shall not be less than the fair market value as of the grant date. The Board shall determine the time or times at which an option may be exercised in whole or in part. The Board shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an option may be exercised or vested. The Board shall determine the methods by which the exercise price of an option may be paid, the form of payment, and the methods by which Company shares shall be delivered or deemed to be delivered to participants. As determined by the Board at or after the grant date, payment of the exercise price of an option may be made, in whole or in part, in the form of (i) cash or cash equivalents, (ii) delivery (by either actual delivery or attestation) of previously-acquired Company shares based on the fair market value of the Company shares on the date the option is exercised, (iii) withholding of shares from the option based on the fair market value of the shares on the date the option is exercised, (iv) broker-assisted market sales, or (iv) any other "cashless exercise" arrangement.

7.7 **Full Value Awards**

The Board is authorised, subject to limitations under applicable law, to grant to participants such other awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Company shares, as deemed by the Board to be consistent with the purposes of the 2022 Equity Incentive Plan, including without limitation Company shares awarded purely as a "bonus" and not subject to any restrictions or conditions, convertible or exchangeable debt securities, other rights convertible or exchangeable into Company shares, and awards valued by reference to book value per share (or net asset value per share) or the value of securities of or the performance of the Company or its subsidiaries. The Board shall determine the terms and conditions of such awards.

7.8 **Cash Incentive Awards**

At the discretion of the Board, payment of awards may be made in cash, stock, a combination of cash and stock, or any other form of property as the Board shall determine. Further, payment of awards may be made in the form of a lump sum, or in installments, as determined by the Board.

7.9 **Change in Control**

Stock options and other awards do not automatically accelerate upon a change of control of the Company. However, the Board may in its sole discretion at any time determine that all or a portion of such participant's options and other awards in the nature of rights that may be exercised shall become fully or partially exercisable, that all or a part of the restrictions on all or a portion of the participant's outstanding awards shall lapse, and/or that any performance-based criteria with respect to any awards held by that participant shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Board may, in its sole discretion, declare. The Board is not required to treat all participants and all awards the same in exercising its discretion with respect to the foregoing.

In addition, upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalisation, combination or exchange of shares), the Board may, in its sole discretion, provide (i) that awards will be settled in cash rather than stock, (ii) that awards will become immediately vested and non-forfeitable and exercisable (in whole or in part) and will expire after a designated period of time to the extent not then exercised, (iii) that awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding awards may be settled by payment in cash or cash equivalents equal to the excess of the fair market value of the underlying stock, as of a specified date associated with the transaction (or the per-share transaction price), over the exercise or base price of the award, (v) that performance targets and performance periods for awards will be modified, or (vi) any combination of the foregoing. The Board's determination need not be uniform and may be different for different participants whether or not such participants are similarly situated.

7.10 **Amendment and termination**

The Board may, at any time and from time to time, amend, modify or terminate the 2022 Equity Incentive Plan without stockholder approval; provided, however, that if an amendment to the plan would, in the reasonable opinion of the Board, constitute a material change requiring stockholder approval under applicable laws, policies or regulations, then such amendment shall be subject to stockholder approval; and provided, further, that the Board may condition any other amendment or modification on the approval of stockholders of the Company for any reason.

7.11 **Adjustments for corporate transactions**

In the event of a nonreciprocal transaction between the Company and its stockholders that causes the per-share value of the Company's stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorisation limits under the plan shall be adjusted proportionately, and the Board shall make such adjustments to the plan and awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Board may include: (i) adjustment of the number and kind of shares that may

be delivered under the plan; (ii) adjustment of the number and kind of shares subject to outstanding awards; (iii) adjustment of the exercise price of outstanding awards or the measure to be used to determine the amount of the benefit payable on an award; and (iv) any other adjustments that the Board determines to be equitable. Without limiting the foregoing, in the event of a subdivision of the outstanding stock (stock-split), a declaration of a dividend payable in shares, or a combination or consolidation of the outstanding stock into a lesser number of shares, the authorisation limits under the plan shall automatically be adjusted proportionately, and the shares then subject to each award shall automatically, without the necessity for any additional action by the Board, be adjusted proportionately without any change in the aggregate purchase price therefor.

Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganisation, recapitalisation, combination or exchange of shares), the Board may, in its sole discretion, provide (i) that awards will be settled in cash rather than stock, (ii) that awards will become immediately vested and non-forfeitable and exercisable (in whole or in part) and will expire after a designated period of time to the extent not then exercised, (iii) that awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding awards may be settled by payment in cash or cash equivalents equal to the excess of the fair market value of the underlying stock, as of a specified date associated with the transaction (or the per-share transaction price), over the exercise or base price of the award, (v) that performance targets and performance periods for awards will be modified, or (vi) any combination of the foregoing. The Board's determination need not be uniform and may be different for different participants whether or not such participants are similarly situated.

7.12 **Tax**

The tax treatment of the benefits provided under the 2022 Equity Incentive Plan or any award is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers (other than in his or her capacity as a participant) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any participant or other taxpayer as a result of the plan or any award.

The Company and its Affiliates shall have the authority and the right to deduct or withhold, or require a participant to remit to the Company or such Affiliate, an amount sufficient to satisfy federal, state, and local taxes (including the participant's U.S. federal payroll tax obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the 2022 Equity Incentive Plan. The obligations of the Company under the plan will be conditioned on such payment or arrangements and the Company or such Affiliate will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the participant. Unless otherwise determined by the Board at the time the award is granted or thereafter, any such withholding requirement may be satisfied, in whole or in part, by withholding from the award shares having a fair market value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements, all in accordance with such procedures as the Board approves (which procedures may permit withholding up to the maximum individual statutory rate in the applicable jurisdiction as may be permitted under then-current accounting principles to qualify for equity classification). All such elections shall be subject to any restrictions or limitations that the Board, in its sole discretion, deems appropriate.

7.13 **Grant of Options prior to Admission**

As at the date of this document 7,350,000 Options have been awarded by the Company pursuant to the 2022 Equity Incentive Plan and remain outstanding, of which 7,350,000 will remain outstanding following Admission. The Company currently does not plan to issue additional stock options prior to Admission.

7.14 **Options granted under Prior Incentive Plans**

No stock options or awards remain issued and outstanding under any prior incentive plans of the Company other than the AOTI Inc. 2022 Equity Incentive Plan.

8. Interests of the Directors and the Proposed Directors

8.1 The interests of the Directors and the Proposed Directors and their respective immediate families in the outstanding share capital of the Company (all of which are beneficial unless otherwise stated), as at the date of this document and as expected to be immediately following Admission are as follows:

	As at the date of this document		On Admission	
Name	Number of outstanding Common Shares	Percentage of share capital	Number of outstanding Common Shares	Percentage of share capital
Michael Griffiths	9,151,690	10.0%	6,788,054	6.38%
Anthony Moffatt	1,180,900	1.29%	1,180,900	1.11%
Douglas Le Fort	1,392,530	1.52%	1,451,621	1.37%
Jayesh Pankhania	0	0%	0	0%
Anthony Bourne	0	0%	0	0%
Richard Cotton	0	0%	0	0%
Ceri Morgan	0	0%	0	0%

The interests of Michael Griffiths, Anthony Moffatt and Douglas Le Fort on Admission above include 1,491,990, 373,000 and 1,392,530 Common Shares of restricted stock, respectively, issued in lieu of cash bonuses that would otherwise have been paid upon the sale of the Company or a similar transaction, further details of which are set out in paragraph 3.8 above. In the event that Admission has not occurred by June 30, 2024, the restricted stock would automatically be cancelled for no consideration and the terms of the cash bonus would be reinstated for each individual.

8.2 Options over the outstanding share capital of the Company held by the Directors and Proposed Directors on Admission as at the date of this document are as set out below:

Name	Number of outstanding Common Shares under option	Date of grant	Exercise price (in $ per Common Share)	Last date to exercise
Michael Griffiths	450,000	4 April 2022	0.9556	4 April 2032
Anthony Moffatt	450,000	4 April 2022	0.9556	4 April 2032

8.3 Save as disclosed above, none of the Directors, the Proposed Directors nor any member of their respective immediate families holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company.

8.4 None of the Directors or the Proposed Directors are, nor have any of them been, interested in any transaction which is, or was when entered into, unusual in its nature or conditions or significant to the business of the Company during the current or immediately preceding financial year and which was effected by the Company and remains in any respect outstanding or unperformed. There are no loans made or guarantees granted or provided by the Company to or for the benefit of any of the Directors or the Proposed Directors which are outstanding.

8.5 None of the Directors, the Proposed Directors or any significant Shareholders have different voting rights to the other Shareholders.

8.6 None of the Directors, the Proposed Directors or members of their respective families have a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Common Shares.

9. Additional information on the Directors and the Proposed Directors

9.1 The Directors and the Proposed Directors have not held any directorships of any company (other than the Company) or partnerships within the five years prior to the date of this document, except as set forth below:

Name	Current	Previous
Douglas William Frederick Le Fort	Advanced Medical Solutions Plc Clini-supplies Limited Cura Bidco 1 Limited The Insides Company Limited Wolfpack Consulting Limited	MedTrade Products Limited Trio Healthcare Limited
Anthony Rhys Bourne	153 Holland Park Avenue RTM Company Limited CWPLUS Barchester Healthcare Limited Barchester Holdco (Jersey) Limited Barchester Finco 2019 Limited Barchester Hellens Limited Conjoint Export Services (Near East) Limited Grove Limited Novamed Europe Limited The Friends of Seva Mandir Totally plc	Remedium Partners Limited Spire Healthcare Group plc Sensyne Health plc Universal Engineering Holdings Limited Universal Drilling & Cutting Equipment Limited Virtualstock Holdings Limited Virtualstock Limited
Richard John Cotton	Spectral AI	Apex Laboratories N.Z. Limited AST Farma B.V. Arnolds Veterinary Products Limited Broomco 4263 Limited Dales Pharmaceuticals Limited Dechra Development LLC Dechra Holding Australia Pty Ltd Dechra Holdings US Inc Dechra Finance Australia Limited Dechra Finance Limited Dechra Finance Sterling Limited Dechra Finance Australia Limited Dechra Investments Limited Dechra Limited Dechra Pharmaceuticals plc Dechra Regulatory B.V. Dechra Veterinary Products Limited Dechra Veterinary Products (Australia) Pty Limited Dechra Veterinary Products S.r.l Dechra Veterinary Products AB Dechra Veterinary Products A/S Dechra Veterinary Products AS Dechra Veterinary Products B.V. Dechra Veterinary Products GmbH Dechra Veterinary Products, LLC Dechra Veterinary Products Oy Dechra Veterinary Products SAS Dechra Veterinary Products Sp.

Name	Current	Previous
		z.o.o Dechra Veterinary Products N.V. Dechra Veterinary Products NZ Limited Dechra-Brovel, S.A. de C.V. Eurovet Animal Health B.V. Le Vet, Beheer B.V. Le Vet. B.V. Putney, Inc Veneto Limited
Dr. Ceri Elizabeth Morgan	Inklings Group Community Interest Company Syniad Innovations	Dr Ceri Morgan Limited Peel Hunt LLP
Dr. Michael Griffiths	AOTI, Inc. AOTI Limited Advanced Oxygen Therapy Inc. International Bipolar Foundation Lanai Owners Association Nexa Medical Limited	Advanced Alternative Consulting Limited MG Consulting, LLC IP Business Solutions Limited
Anthony Moffatt	AOTI, Inc. AOTI Limited Eumena Medical Limited Nexa Medical Limited	Johali Medical International Advanced Alternative Consulting Limited
Jayesh Pankhania		Ealing Mencap Horizon Discovery Group Limited Horizon Diagnostics Limited Horizon Discovery Limited Horizon Discovery Biosciences Limited Synthetx Limited

9.2 Richard Cotton is a former director of Wagon plc. Wagon plc was a European automotive components group, whose ordinary shares were traded on AIM and preference shares were traded on the Main Market of the London Stock Exchange until 2 March 2009. Wagon plc was placed into administration on 8 December 2008 as a result of a downturn in trading caused by the global economic conditions at that time. As a result of the administration, the secured creditors received £324,561 of the approximately £108.25 million that they were due on the date the administrators were appointed. There was no recovery of any sums due to unsecured creditors.

9.3 Richard Cotton was a director of a number of former dormant subsidiaries of McLeod Russel plc which were liquidated as part of a corporate reorganisation following its acquisition by SPX Corp. The companies were dissolved by creditors voluntary liquidation on the dates shown below:

Company Name	Date dissolved
Air Filter Products Ltd	14 September 2005
Beck & Frost Ltd	14 September 2005
Buchanan's Warehouse Ltd	9 November 2005
CRC Air Filters Ltd	9 November 2005
Granyte Paints Ltd	4 November 2005
Hedgeferry Ltd	9 November 2005
Ideas Telecom Ltd	9 November 2005
Hole Holdings Ltd	30 December 2007
Irwell Leasing Ltd	13 September 2005
Jeffes Engineering Ltd	13 September 2005

Company Name	Date dissolved
Joseph Mason Paints Ltd	9 November 2005
Joseph Mason Paints (Scotland) Ltd	10 September 2005
Kennedy Industrial Textiles (1990) Ltd	10 September 2005
Kennedy Smale PLC	8 November 2005
Perfection Products Ltd	8 November 2005
R&M Knotting Machinery Ltd	9 November 2005
Seasafe Ltd	13 September 2005
Seldon (Air Conditioning) Ltd	15 September 2005
Warren PS Ltd	14 November 2007
Wheway Becker Ltd	13 September 2005
Wheway Distribution Ltd	15 September 2005
Wheway Network Systems Ltd	14 September 2005
Wheway (Old Hill) Ltd	15 September 2005
Airflow Construction Ltd	30 December 2007
Blackwall Warehousing Ltd	9 January 2008
Coroless International Ltd	9 January 2008
Filter Supply and Manufacturing Company Ltd	9 January 2008
Granyte Surface Coating (Southern) Ltd	9 January 2008
H Sharp & Son Ltd	30 December 2007
Joseph Mason Ltd	9 January 2008
Joseph Shakespeare & Co Ltd	30 December 2007
NESW2 Ltd	30 December 2007
NESW3 Ltd	30 December 2007
NESW6 Ltd	30 December 2007
NESW1 Ltd	30 December 2007
NESW5 Ltd	30 December 2007
Heat, Insulation & Ventilation Co. Ltd	9 January 2008
Methworth Ltd	30 December 2007
WPH Papua New Guinea Plantations Ltd	9 January 2008
Premium Coatings Ltd	9 January 2008
Seldon Refrigeration Ltd	9 January 2008
Wheway Corporate Services Ltd	9 January 2008
Wheway Secretarial Services Ltd	9 January 2008
Wilson Filters Ltd	9 January 2008

9.4 Douglas Le Fort was a Director of Freehand Surgical plc in 2010 when it, and its subsidiary Prosurgics Limited, was put into administration. Mr Le Fort had previously been a Director of Prosurgics Limited which had been acquired by Freehand Surgical plc . Freehand Surgical plc was subsequently acquired by Freehand 2010 Limited by way of a pre-pack sale. Mr Le Fort was a Director of Freehand 2010 Limited at the time of it acquiring Freehand Surgical plc.

9.5 Save as described in paragraphs 9.2, 9.3 and 9.4 of this Part VII, none of the Directors or the Proposed Directors have:

(a) any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or entered into any voluntary arrangements;

(c) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

(g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

10. Selling Shareholders

The details of the Selling Shareholders are as follows:

Name	Business address	Nature of any position, office, or other material relationship within the past three years with the Company or any of its predecessors or affiliates	Number of Common Shares being offered in connection with the Placing
Richard M. Muller & Nathaly V. Muller	—	Former director of AOTI (RMM)	2,363,636
Beatriz H. Pierson	—	—	2,363,636
Rene Hausler	—	Former director of AOTI	2,363,636
Michael and Tanya Griffiths (as trustees for benefit of Griffiths Family Trust dated October 7, 2004)	—	CEO	2,363,636
Samantha Loori (as trustee of the Trust FBO Phillip Loori)	—	—	455,541
Samantha Loori (as trustee of the Trust FBO Samantha Loori)	—	—	82,827
I2R Medical Limited	Richmond Point, 43 Richmond Hill, Bournemouth, BH2 6LR	Vendors of NEXA Medical Limited	998,218
Friedrich Schwab	—	Employee	481,875
James Bo Hamlett	—	Contractor	281,831
Jannita Gonzales	—	—	63,500

11. Significant Shareholders

11.1 Insofar as is known to the Company, the Directors and Proposed Directors, as at the date of this document, the following persons are, and/or will be following the Placing and Admission, interested directly or indirectly, in three per cent or more of the Common Shares:

	As at the date of this document		On Admission	
Name	Number of outstanding Common Shares	Percentage of share capital	Number of outstanding Common Shares	Percentage of share capital
Richard M. Muller & Nathaly V. Muller	16,532,420	18.1%	14,168,784	13.3%
Beatriz H. Pierson	16,068,500	17.6%	13,704,864	12.9%
Rene Hausler	9,531,000	10.4%	7,167,364	6.7%
Michael and Tanya Griffiths (as trustees for benefit of Griffiths Family Trust dated October 7, 2004)	9,151,690	10.0%	6,788,054	6.4%
Samantha Loori (as trustee of the Trust FBO Phillip Loori)	8,700,000	9.5%	8,244,459	7.8%
Samantha Loori (as trustee of the Trust FBO Samantha Loori)	8,700,000	9.5%	8,617,173	8.1%
I2R Medical Limited	5,088,660	5.6%	4,090,442	3.8%
Friedrich Schwab	4,818,750	5.3%	4,336,875	4.1%
Artemis Investment Management LLP	—	—	3,787,878	3.6%
Wasatch Advisors, Inc.	—	—	3,575,402	3.4%

11.2 No significant holder of Common Shares, as listed above in paragraph 11.1 of this Part VII, has voting rights different to other Shareholders.

11.3 Save as disclosed in paragraph 11.1 of this Part VII, none of the Directors or the Proposed Directors are aware of any persons who, directly or indirectly, jointly or severally, exercise or

could exercise control over the Company. To the best knowledge of the Company there are no arrangements in place on the date of this document which could at a date subsequent to Admission result in a change of control of the Company.

12. Directors' service agreements and letters of appointment

12.1 Executive Directors

There are three Executive Directors. The principal terms of each service agreement are set out below:

Name	Title	Date of first appointment to the Board
Michael Griffiths	CEO	April 2008
Anthony Moffatt	COO	October 2023
Jayesh Pankhania	CFO	June 2024

Service Agreement of Michael Griffiths

Dr. Michael Griffiths is employed as Chief Executive Officer and President pursuant to the terms of an amended employment agreement with AOTI Inc. dated 5 June 2024. The agreement has an initial term of three years and, at the end of the initial term or any renewal term, will automatically renew for an additional one-year period unless either party gives notice of non-renewal at least six months prior to the expiration of the then-current term. The agreement is terminable by either party on not less than twelve months' written notice and contains a payment of lieu of notice provision and a garden leave clause. Dr. Griffiths is paid a basic annual salary of $442,000 and is entitled to participate in the company's annual bonus program, with a target annual bonus equal to 100% of his basic salary. The criteria for eligibility for an annual bonus payment will be determined by the Board from time to time. His basic salary is subject to annual review by the Board or the Remuneration Committee, which may increase his basic salary at any time in its discretion. In addition, Dr. Griffiths is eligible to receive awards under the company's long-term incentive plan, up to a maximum annual award equivalent to 150% of his basic salary. Amounts of awards under the long-term incentive plan are at the discretion of the Board, and awards will be subject to performance conditions determined by the Board. The annual bonus program and the long-term incentive plan are not contractual and can be changed or withdrawn in their entirety at the discretion of the Board. Dr. Griffiths is also entitled to participate in any benefit plans of general application to the executives of the company (including medical, dental and life insurance plans, disability income plans, and retirement arrangements), and during his employment the company will contribute $2,500 per month towards the cost of all insurances selected by Dr. Griffiths. The agreement contains confidentiality undertakings and detailed intellectual property provisions, along with covenants prohibiting his recruitment of employees and independent contractors during his employment and the two-year period following termination, and a non-disparagement covenant that applies during his employment and the three-year period following termination. No benefits are owed to Dr. Griffiths upon termination of his employment. The agreement is governed by the law of the State of California and is subject to the jurisdiction of the state and U.S. federal courts located in the State of California.

Service Agreement of Anthony Moffatt

Anthony Moffatt is employed as Chief Operating Officer & Director of Customer Service pursuant to the terms of an amended senior executive employment agreement with AOTI Limited dated 4 June 2024. The agreement is terminable by either party on not less than 12 months' written notice given by the Company to Mr Moffatt or six months' written notice given by Mr Moffatt to the Company and contains a payment of lieu of notice provision and a garden leave clause. Mr. Moffatt is paid a basic annual salary of €230,000 and is entitled to participate in the company's annual bonus program. The criteria for eligibility for an annual bonus payment will be determined by the Board from time to time. His basic salary is subject to annual review by the Board without any undertaking by the company that his compensation will be automatically increased and may decrease. In addition, Mr. Moffatt is eligible to receive awards under the company's long-term incentive plan, up to a maximum annual award equivalent to 100% of his basic salary. Amounts of awards under the long-term incentive plan are at the discretion of the Board, and awards will be subject to performance

conditions determined by the Board. The annual bonus program and the long-term incentive plan are not contractual and can be changed or withdrawn in their entirety at the discretion of the Board. Mr. Moffatt is also entitled to receive an annual contribution of 10% of his basic salary to a Personal Retirement Savings Account, is covered for disability and death in service benefits, and is provided with access to a health insurance scheme. The agreement contains confidentiality undertakings and detailed intellectual property provisions, along with the following covenants that apply during his employment and the 12-month period following termination: non-competition, non-solicitation of customers, non-solicitation of employees, and interference with suppliers. No benefits are owed to Mr Moffatt upon termination of his employment. The agreement is governed by the laws of the Republic of Ireland and is subject to the jurisdiction of the Irish Courts.

Service Agreement of Jayesh Pankhania

Jayesh Pankhania is employed as Chief Financial Officer pursuant to the terms of a senior executive employment agreement with AOTI Limited dated 20 May 2024. The agreement is terminable by either party on not less than six months' written notice and contains a payment of lieu of notice provision and a garden leave clause. Jayesh Pankhania is paid a basic annual salary of £275,000 and is entitled to participate in the company's annual bonus program. The criteria for eligibility for an annual bonus payment will be determined by the Board from time to time. The basic salary is subject to annual review by the Board without any undertaking by the company that compensation will be automatically increased and may decrease. In addition, Jayesh Pankhania is eligible to receive awards under the company's long-term incentive plan, up to a maximum annual award equivalent to 80% of his basic salary. Amounts of awards under the long-term incentive plan are at the discretion of the Board, and awards will be subject to performance conditions determined by the Board. The annual bonus program and the long-term incentive plan are not contractual and can be changed or withdrawn in their entirety at the discretion of the Board. Jayesh Pankhania is also entitled to receive an annual contribution of 10% of his basic salary to a Personal Retirement Savings Account, is covered for disability and death in service benefits, and is provided with access to a health insurance scheme. The agreement contains confidentiality undertakings and detailed intellectual property provisions, along with the following covenants that apply during his employment and the 12-month period following termination: non-competition, non-solicitation of customers, non-solicitation of employees, and interference with suppliers. No benefits are owed to Jayesh Pankhania upon termination of his employment. The agreement is governed by the laws of England and is subject to the jurisdiction of the English Courts.

12.2 **Non-executive Directors' Letters of Appointment**

There are four Non-executive Directors including the chair. The principal terms of each letter of appointment (each, a **"Letter of Appointment"**) are set out below:

Name	**Title**	**Date of first appointment to the Board**
Douglas William Frederick Le Fort	Non-executive Chairman	On Admission
Anthony Rhys Bourne	Non-executive Director	On Admission
Dr. Ceri Elizabeth Morgan	Non-executive Director	On Admission
Richard John Cotton	Non-executive Director	On Admission

Letter of Appointment of Douglas William Frederick Le Fort

Douglas William Frederick Le Fort (Non-executive Chairman) has been appointed to the Board pursuant to the terms of an appointment letter dated 14 June 2024. Douglas William Frederick Le Fort's appointment will commence on Admission and end on the conclusion of the Company's annual meeting of Shareholders occurring in 2027, unless terminated by either Douglas William Frederick Le Fort or the Company by giving three months' prior written notice. The annual fee payable to Douglas William Frederick Le Fort is £95,000. No benefits are owed to Mr. Le Fort upon termination of his appointment.

Letter of Appointment of Anthony Rhys Bourne

Anthony Rhys Bourne (Non-executive Director) has been appointed to the Board pursuant to the terms of an appointment letter dated 14 June 2024. Anthony Rhys Bourne's appointment will commence on Admission and end on the conclusion of the Company's annual meeting of Shareholders occurring in 2027, unless terminated by either Anthony Rhys Bourne or the Company by giving three months' prior written notice. The annual fee payable to Anthony Rhys Bourne is £65,000, consisting of a £50,000 NED fee and £15,000 attributable to Anthony's role as Chair of the Remuneration Committee. No benefits are owed to Mr. Bourne upon termination of his appointment.

Letter of Appointment of Dr. Ceri Elizabeth Morgan

Dr. Ceri Elizabeth Morgan (Non-executive Director) has been appointed to the Board pursuant to the terms of an appointment letter dated 14 June 2024. Dr. Morgan's appointment will commence on Admission and end on the conclusion of the Company's annual meeting of Shareholders occurring in 2027, unless terminated by either Dr. Morgan or the Company by giving three months' prior written notice. The annual fee payable to Dr. Morgan is £65,000, consisting of a £50,000 NED fee and £15,000 attributable to Ceri's role as Chair of the Disclosure and AIM Rules Compliance Committee. No benefits are owed to Dr. Morgan upon termination of her appointment.

Letter of Appointment of Richard John Cotton

Richard John Cotton (Non-executive Director) has been appointed to the Board pursuant to the terms of an appointment letter dated 14 June 2024. Richard John Cotton's appointment will commence on Admission and will end on the conclusion of the Company's annual meeting of Shareholders occurring in 2027, unless terminated by either Richard John Cotton or the Company by giving three months' prior written notice. The annual fee payable to Richard John Cotton is £80,000 consisting of a £50,000 NED fee, £15,000 attributable to Richard's role as Chair of the Audit & Risk Committee and £15,000 attributable to his position as a Senior Independent Director. No benefits are owed to Mr. Cotton upon termination of his appointment.

12.3 **General**

(a) Save as disclosed in paragraphs 3.7, 12.1 and 12.2 above, the Company has not amended or entered into any service agreements with any Director within the last six months and no Director has a service agreement that has more than 12 months to run.

(b) Save as disclosed in paragraphs 12.1 and 12.2 above, there are no service contracts or agreements existing or proposed between any Director, or parties in which they are interested, and the Company.

(c) There are no proposals existing in connection with the Admission whereby any member of the administrative or management bodies of the Company or any other person and the Company which provide for benefits upon termination of employment or in connection with retirement from office.

(d) No amount has been set aside or accrued by the Company to provide pension, retirement or other benefits to the Directors.

(e) It is estimated that under the arrangements in force at the date of this document, the maximum aggregate remuneration and benefits in kind which will be paid for the services of the Directors for the financial period ending 31st December 2024 will be approximately £300,000 – £325,000.

13. Employees

13.1 The average number of employees of the Group for each financial year for the period covered by the historical financial information and the number of employees of the Group at the date of this document is as follows, broken down by category of activity and geographical location:

	31 December 2021	31 December 2022	31 December 2023	Date of this document
Sales Reps	34	49	67	62
Other employees	21	30	53	66
Totals	55	79	120	128

14. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company during the two years immediately preceding the date of this document and contain provisions under which the Company has an obligation or entitlement which is material at the date of this document.

14.1 **Placing Agreement between the Company, the Directors, the Proposed Directors, the Selling Shareholders and Peel Hunt**

In connection with the Placing, the Company, the Directors, the Proposed Directors, the Selling Shareholders and Peel Hunt have entered into the Placing Agreement dated 14 June 2024 pursuant to which, conditional upon, among other things, the fulfilment by the Company of its obligations under the Placing Agreement; the Company having issued the New Common Shares; Peel Hunt not having exercised its right to terminate the Placing Agreement; and Admission occurring not later than 8:00am on 18 June 2024 or such later date as the Company and Peel Hunt may agree, but in any event not later than 8:00am on 30 June 2024, Peel Hunt has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price. The Company has agreed to pay Peel Hunt a commission payment in respect of the Placing. The Company has agreed to pay all of the costs and expenses of and incidental to the Placing, together with any applicable VAT. The Company, the Directors, the Proposed Directors and the Selling Shareholders have given certain warranties to Peel Hunt as to the accuracy of the information in this document and as to other matters relating to the Company. The liability of the Directors, the Proposed Directors and the Selling Shareholders under these warranties is limited in time and amount, save in certain circumstances. The Company and the Selling Shareholders have given an indemnity to Peel Hunt against any losses or liabilities arising out of the proper performance by Peel Hunt of its duties under the Placing Agreement. Peel Hunt may terminate the Placing Agreement before Admission in certain circumstances, including for material breach of the warranties referred to above.

The Placing Agreement is governed by English law.

14.2 **Lock-in and Orderly Market Agreements**

The Lock-in and Orderly Market Agreements were entered into on 14 June 2024 pursuant to which:

(a) Each of the Directors who will hold Common Shares on Admission (being Michael Griffiths, Anthony Moffat and Douglas Le Fort), who on Admission will hold 9,420,575 Common Shares in aggregate, representing approximately 8.9 per cent of the Enlarged Share Capital, have undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares owned by them or any connected person prior to the date which is 12 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 12 months following the expiry of such initial 12 month period from the date of Admission, only to dispose of their Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

(b) In addition, the Shareholders have each agreed to lock-up restrictions on the disposal of Common Shares as follows:

i. Shareholders who hold 73,942,515 Common Shares in aggregate (being each Shareholder who is an employee or will own 1% or more of the Enlarged Share Capital), representing 69.5 per cent of the Enlarged Share Capital, have undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares owned by them or any connected person prior to the date which is 12 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 12 months following the expiry of such initial 12 month period from the date of Admission, only to dispose of their Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

ii. Shareholders who hold 5,825,394 Common Shares in aggregate (being each of the non-employee Shareholders who own less than 1% of the share capital of the Company on Admission), representing 5.5 per cent of the Enlarged Share Capital, have undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares owned by them or any connected person prior to the date which is 6 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 18 months following the expiry of such initial 6 month period from the date of Admission, only to dispose of their Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

(c) In addition, the Option holders have each agreed to lock-up restrictions on the disposal any interest in any Common Shares (including any Options):

i. Each Option holder who is an employee or consultant of the Company has undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares (including any Options) owned by them or any connected person prior to the date which is 12 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 12 months following the expiry of the 12 month lock-up period, only to dispose of their interest in any Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

ii. Each other Option holder has undertaken to the Company and Peel Hunt not to dispose of any interest in any Common Shares (including any Options) owned by them or any connected person prior to the date which is 6 months from the date of Admission without the prior written consent of Peel Hunt, and, for a further period of 18 months following the expiry of the 6 month lock-up period, only to dispose of their interest in any Common Shares through Peel Hunt, during that period in such a way as to maintain an orderly market, except in certain limited circumstances considered customary for an agreement of this nature.

The Lock-in and Orderly Market Agreements are governed by English law.

14.3 **Agreement with Peel Hunt to act as nominated adviser, financial adviser and broker on an ongoing basis**

Pursuant to a nominated adviser and broker agreement dated 14 June 2024 between Peel Hunt, the Directors, the Proposed Directors and the Company, Peel Hunt has agreed to act as the Company's nominated adviser, financial adviser and sole broker from Admission for the purpose of the AIM Rules for Companies. The agreement provides that Peel Hunt shall be paid an annual retainer fee for the provision of nominated adviser and broker services of £100,000, (excluding VAT), together with any properly incurred costs and expenses incurred by Peel Hunt in respect of the services.

The appointment of Peel Hunt as nominated adviser and broker under the nominated adviser and broker agreement shall (subject to certain early termination provisions in the agreement) continue thereafter unless and until terminated by either the Company or Peel Hunt giving to

the other not less than three months' notice expiring on or after the first anniversary of the date of the agreement.

The nominated adviser and broker agreement also contains indemnities and undertakings given by the Company.

The nominated adviser and broker agreement is governed by English law.

14.4 **Registrar Agreement**

On 7 June 2024, the Company entered into a registrar agreement under which the Registrars will provide services connected with the maintenance of the Company's register. The annual fixed fee for maintenance of the share register under the Registrar Agreement is £9,500 per annum. The initial term of the Registrar Agreement shall be for 3 years from the commencement date and thereafter until terminated by either party giving to the other not less than 6 months' written notice The Registrar Agreement contains certain indemnities given by the Company to the Registrars that are customary for an agreement of this nature.

The Registrar Agreement is governed by the laws of Jersey.

14.5 **Depositary Agreement**

On 7 June 2024, in connection with the Placing, the Company and the Depositary entered into the Depositary Agreement, pursuant to which the Company appointed the Depositary to act as the depositary and custodian in respect of the Depositary Interests and to provide the services set out in the Depositary Agreement. The Company has agreed to pay the Depositary a one-off set-up fee of £10,000, and a management fee of £10,000 per annum payable quarterly and to reimburse the Depositary for all reasonable out-of-pocket expenses. The Depositary's maximum liability over any 12 month period under the Depositary Agreement is capped at an amount equal to two times the Fees payable in any 12 month period in respect of a single claim or in the aggregate. The parties are required under the Depositary Agreement to indemnify each other in certain circumstances. Neither party is liable to indemnify the other in respect of any loss arising from the fraud, negligence or willful default of the other party or as a result of a breach by the other party of the Depositary Agreement. Upon completion of an initial period of three years, the appointment of the Depositary shall continue in force until terminated by either party giving the requisite period of notice.

The Depositary Agreement is governed by English law.

14.6 **Deed Poll**

On 5 June 2024, the Depositary entered into the Deed Poll which contains, among other things, provisions to the following effect which are binding on holders of Depositary Interests:

(a) The Depositary will hold (itself or through the custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or the custodian pertaining to the Depositary Interests for the benefit of the holders of the Depositary Interests as tenants in common. The Depositary will re-allocate securities or distributions allocated to the custodian *pro rata* to the Common Shares held for the respective accounts of the holders of Depositary Interests but will not be required to account for fractional entitlements arising from such re-allocation.

(b) Each holder of Depositary Interests warrants, *inter alia*, that the securities in the Company transferred or issued to the custodian on behalf of the Depositary for the account of the Depositary Interests holder are free and clear of all liens, charges, encumbrances or third-party interests and that such transfers or issues of securities to the custodian are not in contravention of the Bylaws, the Articles of Incorporation, any contractual obligation or applicable law or regulation binding or affecting such holder. Holders of Depositary Interests shall indemnify the Depositary against any liabilities it may suffer by reason of any breach of any such warranty.

(c) The Depositary and the custodian must pass on to holders of Depositary Interests, or exercise on their behalf, all rights and entitlements received by the Depositary or the custodian in respect of the underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at

general meetings shall, subject to the Deed Poll, be passed on in the form in which they are received by the custodian, together with amendments and additional documentation necessary to effect such passing-on. If arrangements are made which allow a holder to take up rights in the Company's securities requiring further payment, the holder must pay the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.

(d) The Depositary will be entitled to cancel Depositary Interests and treat the holder as having requested a withdrawal of the underlying securities in certain circumstances including where a holder of Depositary Interests fails to furnish to the Depositary such certificates or representation or warranties as to material matters of fact, including the holder's identity, as the Depositary deems necessary or appropriate.

(e) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interests holder or any other person for liabilities incurred in connection with the performance or non-performance of its obligations or duties under the Deed Poll or otherwise except as may result from their negligence or wilful default or fraud or that of any person for whom they are vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of the custodian or agent. Furthermore, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

  (i) the value of the shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and

  (ii) that proportion of £5,000,000 which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder bears to the aggregate of the amounts that the Depositary would otherwise be liable to pay to all or any holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such other amounts, £5,000,000.

(f) The Depositary is entitled to charge Depositary Interest holders fees and expenses for the provision of their services under the Deed Poll.

(g) The holders of Depositary Interests are required to agree and acknowledge with the Depositary that it is their responsibility to ensure that any transfer of Depositary Interests by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary if this is not the case, and to pay to Euroclear any interest, charges or penalties arising from non-payment of stamp duty reserve tax in respect of such transaction.

(h) Each holder of Depositary Interests is liable to indemnify the Depositary and the custodian (and their respective agents, officers and employees) against all liabilities arising from or incurred in connection with or arising from any act related to, the Deed Poll insofar as they relate to the Depositary Interests (and any property or rights held by the Depositary or custodian in connection with the Depositary Interests) held by that holder other than those resulting from the wilful default, negligence or fraud of the Depositary, or the custodian or any agent if the custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of the custodian or agent.

(i) The Depositary is entitled to make deductions from any income or capital arising from the underlying securities, or to sell such underlying securities and make deductions from the sale proceeds therefrom, in order to discharge the indemnification obligations of Depositary Interest holders.

(j) The Depositary may terminate the Deed Poll by giving at least 30 days' notice to the holders of the Depositary Interests concerned. During such notice period holders shall be obliged to cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination the Depositary shall, among other things, deliver the deposited property in respect of the Depositary

Interests to the relevant Depositary Interest holders or, at its discretion sell all or part of such deposited property. The Depositary shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any monies due to it, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests.

(k) The Depositary may require from any holder or former or prospective holder information as to the capacity in which Depositary Interests are or were owned and the identity of any other person with or previously having any interest in such Depositary Interests and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of Depositary Interests and such information as is required for the transfer of the relevant Common Shares to the holders. Holders agree to provide such information requested and consent to the disclosure of such information by the Depositary or the custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Bylaws or the Articles of Incorporation require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of Depositary Interests are to comply with the Company's instructions with respect thereto.

The Deed Poll is governed by English law.

14.7 **NEXA Acquisition Agreement**

On 7 November 2022, the Company entered into the NEXA Acquisition Agreement with each of the NEXA Sellers in connection with the acquisition by the Company of the entire issued share capital of NEXA.

The consideration under the NEXA Acquisition Agreement was as follows:

- £1,754,758.70 was paid to the NEXA Sellers in cash on completion which, following agreement by the parties of a completion statement, is not subject to adjustment;
- up to £125,000 of deferred consideration is owed to the NEXA Sellers subject to the Company (or any member of its Group) receiving approval from the U.S. Food and Drug Administration for use of the "NEXA NPWT" products for home health care patients on or before 31 December 2024; and
- up to a further £125,000 of deferred consideration is owed to the NEXA Sellers subject to NEXA (or any member of its group) receiving approval and certifications for the "NEXA NPWT" products under the Medical Device Regulation (EU) 2017/45 on or before 31 December 2024.

Under the terms of the NEXA Acquisition Agreement, the Company is under an obligation (lasting until 31 December 2024) to procure that:

- sufficient working capital, finance and resources are made available to NEXA to enable the deferred consideration milestones to be met as soon as reasonably practicable;
- NEXA's business is carried on by NEXA as a going concern in the ordinary course;
- NEXA will not dispose of or transfer its business or its assets in whole or in part without the Sellers' prior written consent; and
- NEXA will remain a wholly owned subsidiary of the Company.

Under the terms of the NEXA Acquisition Agreement, the Company was under an obligation to repay, on behalf of NEXA, a loan of £168,460 owed by NEXA to I2R Medical Limited no later than 90 days following completion. The Company satisfied this obligation in February 2023.

Under the terms of the NEXA Acquisition Agreement, each of the NEXA Sellers gave the company certain customary warranties and indemnities. The warranties are subject to certain financial caps, where the NEXA Sellers' liability is limited to the actual consideration received by each NEXA Seller. Claims in respect of the tax indemnities and certain fundamental warranties must be brought no later than the sixth anniversary of completion and claims in relation to all other warranties must be brought no later than the second anniversary of completion.

Under the terms of the NEXA Acquisition Agreement, the NEXA Sellers gave the Company certain customary restrictive covenants lasting for a period of three years following completion, including an undertaking not to compete with NEXA in the United Kingdom and an undertaking not to solicit NEXA' employees.

The agreement is governed by English law.

14.8 **NEXA IP Licence Agreement**

The NEXA IP Licence Agreement (as well as a deed of variation dated 31 October 2023) grants the Company an exclusive, worldwide, royalty-free, fully paid up licence for an initial period of 20 years (which will automatically renew for successive 20 year periods unless the Company gives notice in writing of its intention not to renew the licence) to use the "**Patents**" (as set out in the Patents schedule to the NEXA IP Licence Agreement) and the **"Other Intellectual Property Rights**" (comprising the copyright and database rights in technical information, the NEXA trade marks, the design rights and any other IP subsisting in the technical information) (together, the "**NEXA IP**") in order to develop, manufacture, use, and sell or otherwise supply, "**NEXA Licensed Products**" (the NEXA NPWT System plus other articles falling within the claims of the Patents).

The consideration under the NEXA IP Licence Agreement was entry into the I2R Share Issue Agreement (as described at paragraph 14.10 below). The licence granted under the NEXA IP Licence Agreement is exclusive to the Company such that no other person other than the Company can exploit the licence during its term. The Company is subject to customary confidentiality undertakings relating to the agreement itself as well as technical information and know-how. The NEXA IP Licence Agreement also requires the Company to maintain the NEXA IP throughout the term of the NEXA IP Licence Agreement, which includes payment of maintenance fees that become due. In addition, the Company is subject to customary quality control and marketing provisions to protect the integrity of the NEXA IP as well as to promote the NEXA Licensed Products.

Under the NEXA IP Licence Agreement, the Company can grant licences to third parties to use the NEXA IP, subject to I2R Medical Limited's prior written consent (except for where a sub-licence is granted to a Group Company). Any sub-licence will terminate on expiry or termination of the NEXA IP Licence Agreement (or the I2R Share Issuance Agreement described at paragraph 14.10 below). The Company can also sub-contract the manufacture of the NEXA Licensed Products provided a suitable confidentiality agreement is entered into and that the Company assumes all liability for any sub-contractor.

The parties can assign the rights under the NEXA IP Licence Agreement with the prior written consent of the other party.

The insolvency or bankruptcy of I2R Medical Limited or the Company gives the parties a right to terminate the NEXA IP Licence Agreement.

Under the NEXA IP Licence Agreement, I2R Medical Limited gave the Company certain customary warranties.

In the event that a third party infringes the NEXA IP such that the Company's business is materially interfered with, the Company can require I2R Medical Limited to be involved with any proceedings subject to the Company indemnifying I2R Medical Limited in respect of any costs, damages and expenses incurred.

The remedies available to the parties for threatened or actual breaches of the NEXA IP Licence Agreement extend beyond damages alone to include remedies of injunction, specific performance or other equitable relief. There are no limitation of liability provisions in the agreement. Therefore the Company's liability is not limited or capped under the IP Licence Agreement (except as under common law / statute).

The NEXA IP Licence Agreement is governed by English law.

14.9 **Assignment of Trade Marks**

In connection with the NEXA IP Licence Agreement (as summarised at 14.8 above), I2R Medical Limited and the Company agreed to enter into a deed of assignment (the "Assignment") whereby I2R Medical Limited agreed to transfer all rights of ownership and registration in and to the "Marks" (described at Schedule 1 to the Assignment) from I2R

Medical Limited to the Company, including by recording any such transfer with the relevant registries or authorities.

The Assignment sets out the terms of the assignment, including that, pending the recordal of the Assignment and at the Company's cost, I2R Medical Limited will assist the Company with certain administrative duties, provide assistance to the Company with respect to any proceedings and grant the Company irrevocable power of attorney to secure proper performance of the Assignment.

The Assignment is governed by English law.

14.10 **I2R Share Issuance Agreement**

Under the I2R Share Issuance Agreement, the Company agreed to issue 5,088,660 shares of common stock in the Company (the "**I2R Shares**") on the earlier of (i) the demand of I2R Medical Limited, (ii) completion of a change of control of the Company or (iii) completion of an initial public offering of the Company (the "Obligation"). The I2R Share Issuance Agreement was entered into in consideration for I2R Medical Limited entering into the NEXA IP Licence Agreement.

The Obligation (so far as not converted into the I2R Shares pursuant to the terms of the I2R Share Issuance Agreement) is 'redeemable' on notice by the Company at a 'redemption' price of £6,000,000 (plus interest accruing from 9 May 2024 at 4% per annum). In the event that there is a change of control or initial public offering of the Company within 6 months of the date of 'redemption', the 'redemption' price of the I2R Shares shall increase (if relevant) to the value that would have been attributed to the I2R Shares in connection with the change or control or initial public offering.

The obligation to issue such Common Shares will be triggered by the Admission and, as such, the Company will issue 5,088,660 Common Shares to I2R Medical Limited immediately prior to Admission.

The agreement is governed by English law.

14.11 **Credit Agreement (AOTI and SWK Funding LLC)**

The Company is party to that certain Credit Agreement, dated as of March 21, 2022 (the "**Credit Agreement**") by and among the Company, as borrower, SWK, as agent, sole lead arranger and sole bookrunner and the financial institutions party thereto from time to time as lenders. Thereunder, the Company is the borrower of a $12 million term loan credit facility (the "**Credit Facility**"), which is secured by substantially all of the assets of the Company and its subsidiaries. The subsidiaries of the Company are guarantors to the Credit Facility.

On February 14, 2024, the Company amended its Credit Agreement with SWK to capitalise the February 2024 interest payment of $500,000.

On April 26, 2024, the Company amended its Credit Agreement with SWK to add an additional $2 million of borrowing capacity, which was fully drawn down on May 9, 2024. The current total loan balance is $14.5m, including capitalised interest.

The Credit Facility is repayable on March 21, 2027. Upon any repayment of the loans under the Credit Facility on or prior to March 21, 2025, a prepayment premium would apply in the amount of 2% of the amount repaid if repaid on or prior to March 21, 2024, or 1% of the amount repaid if repaid after March 21, 2024, but on or prior to March 21, 2025. An exit fee of $625,000 applies to the original drawdown and an exit fee of $350,000 applies to the most recent drawdown.

In connection with the entry into the Credit Agreement, the Company issued SWK the Warrant, as described herein.

The agreement is governed by New York law.

14.12 **Promissory Notes**

The Company is party to promissory notes with certain employees of the Company, being Michael Griffiths, Anthony Moffat and Douglas Le Fort each dated April 1, 2024, pursuant to which such employees have agreed to loan amounts to the Company. Interest accrues at 15% per annum, and all principal and interest are due and payable 12 months after funding. The Company may prepay the notes at any time. The total loan commitment from Michael

Griffiths is $1.5 million, the total loan commitment from Anthony Moffatt is $300,000 and the total loan commitment from Douglas Le Fort is $500,000. As at the date of this document, an aggregate amount of approximately $1 million has been drawn down by the Company pursuant to these promissory notes, all of which will be repaid by the Company on Admission.

The Company has agreed to issue the DLF Shares (with effect from immediately prior to Admission) to Douglas Le Fort in consideration for the repayment in full of the $100,000 drawn down by the Company under the Promissory Note with Douglas Le Fort.

All other outstanding drawn down amounts under the Promissory Notes will be repaid by the Company in cash on Admission. No amounts will be owed by the Company under these promissory notes following Admission, and the Company will not be able to draw down any further amounts.

14.13 **Warrant to Purchase Common Stock (AOTI and SWK Funding LLC)**

The Company has issued that certain Warrant to Purchase Stock, dated as of March 21, 2022, with an expiration date of March 21, 2029, to SWK Funding LLC ("SWK," and such warrant, the "Warrant"). The Warrant grants SWK the right to purchase 924,900 Common Shares at an exercise price of $0.9556 per share. The exercise of the Warrant may be conditioned on the consummation of the Admission. Upon a change of control of the Company, any successor entity is required to assume the obligations under the Warrant. The number of shares for which the Warrant is exercisable and the price per share are subject to anti-dilutive adjustments as set forth in the Warrant. If the Company at any time declares, orders, pays or makes a cash dividend or other cash distribution with respect to shares of common stock, the Company will reserve for, and hold for the benefit of SWK, a dollar amount equal to the amount that SWK would have received if it had fully exercised the Warrant immediately prior to such dividend or distribution, and SWK will be entitled to receive such amount in full upon exercise of the Warrant. In lieu of such cash payment, SWK may choose to have the Warrant Price reduced by the amount of cash, or value of the other securities or property payable per share.

SWK Funding LLC has elected to exercise its warrants in connection with the Admission and, as such, the Company will issue 402,634 Common Shares to SWK Funding LLC immediately prior to Admission.

The agreement is governed by Florida law.

15. Electronic settlement and Depositary Interest arrangement

The requirements of the AIM Rules for Companies provide that the Company must, upon Admission becoming effective, have a facility for the electronic settlement of the Common Shares. The shares of companies incorporated in England (and the shares of companies incorporated in certain other jurisdictions) which are traded on AIM are settled through CREST. However, with limited exceptions, only shares and other securities which are constituted under English law can be settled through the CREST system, regardless of the fact that they may be admitted to trading on AIM. As the Company is incorporated in the United States, its Common Shares are not eligible to be held directly through CREST and, accordingly, the Company has established, via the Depositary, a Depositary Interest arrangement.

The Depositary Interests representing the Common Shares will be issued to the individual Shareholders' CREST account on a one-for-one basis and with the Depositary providing the necessary custodial service. It is expected that, where Placees have asked to hold their Common Shares in uncertificated form, they will have their CREST accounts credited with Depositary Interests on the day of Admission. Investors who are able to and elect to hold their Common Shares as Depositary Interests will be bound by a Deed Poll, executed by the Depositary in favour of the investors from time to time, the terms of which are summarised below. The rights and obligations pertaining to the Depositary Interests will be governed by English law. Holders of Depositary Interests will have no rights in respect of the underlying Common Shares or the Depositary Interests against CREST, the operating company of the CREST system, or its subsidiaries. The Depositary Interests are themselves independent securities constituted under English law and can be traded and settled within the CREST system in the same way as any other CREST security. The Shareholders that are non-US Persons have the choice of whether to hold their Common Shares in

certificated form or in uncertificated form in the form of Depositary Interests. Shareholders who are able to and elect to hold their Common Shares in uncertificated form through the Depositary Interest facility will be bound by the Deed of Poll.

The Company's share register, which will be kept by the Registrars in Jersey, will show the Depositary or its nominated custodian as the holder of the Common Shares represented by Depositary Interests but the beneficial interest will remain with the Shareholders who will continue to receive all the rights attaching to the Common Shares as they would have if they had themselves been entered on the Company's share register. Shareholders can withdraw their Common Shares back into certificated form at any time using standard CREST messages.

Where Placees have requested to receive their Common Shares in certificated form, share certificates will be dispatched by first-class post within 10 Business Days of the date of Admission. No temporary documents of title will be issued. Pending the receipt of definitive share certificates in respect of the Common Shares (other than in respect of those Common Shares settled via Depositary Interests through CREST), transfers will be certified against the Company's share register.

The Common Shares have not been, and will not be, registered under the US Securities Act or qualified under any securities laws of any US state or other jurisdiction of the United States. The Placing Shares are being offered only to non-US Persons outside the United States in transactions exempt from the registration requirements of the US Securities Act in reliance on Category 3 of Regulation S or pursuant to another available exemption from, or transaction not subject to, the US Securities Act and applicable US state securities laws. The Placing Shares offered to non-US Persons in the Placing are subject to the conditions listed under section 903(b)(3), or Category 3, of Regulation S.

Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Shares. The Common Shares are "restricted securities" as defined in Rule 144 under the US Securities Act.

Each subscriber for or acquirer of Common Shares, by subscribing for or acquiring such Common Shares, agrees to reoffer or resell the Common Shares only pursuant to registration under the US Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration and qualification under applicable state securities laws, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act. The above restrictions severely restrict purchasers of Common Shares from reselling the Common Shares in the United States or to a US Person. These restrictions may remain in place or be reintroduced following the expiry of the Distribution Compliance Period in relation to the Common Shares, at the discretion of the Company for example in the event the Company issues additional Common Shares under the same ISIN as the New Common Shares.

Once the Common Shares are admitted to trading on AIM, Common Shares (represented by the Depositary Interests) held in the CREST system will be identified with the marker "REG S". The "REG S" marker also indicates that the Common Shares held in the CREST system will also bear a legend setting out certain transfer restrictions and other information, including that: (i) transfers of the Common Shares are prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act or in a transaction exempt from, or not subject to the registration requirements of the US Securities Act and applicable state securities law; and (ii) hedging transactions involving the Common Shares may not be conducted unless in compliance with the US Securities Act and applicable state securities law. Accordingly, resale of the Common Shares following the Placing will be subject to restrictions under US federal and state securities laws, including the US Securities Act.

Representations, warranties and certifications must be made through the CREST system by those selling or acquiring the Common Shares. If such representations, warranties and certifications cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Common Shares held by Affiliates of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable.

Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek independent US legal counsel prior to selling or transferring any Common Shares.

16. Effect of US domicile

The Company is a US corporation organised under the laws of the State of Florida. There are a number of differences between the regulation of corporations incorporated under the Florida Business Corporation Act and that of a public limited company incorporated in England under the Companies Act. While the Directors consider that it is appropriate to retain the majority of the usual features of a US corporation, the Directors intend to take certain actions to conform to UK standard practice adopted by companies incorporated under the Companies Act and whose shares are admitted to AIM. Set out below is a description of those principal differences and, where appropriate, the actions the Board intends to take, which should be read in conjunction with paragraph 5 of this Part VII.

(a) ***Share Allotment; Limitations on Borrowing***

Companies incorporated under the Companies Act must explicitly authorise directors to allot shares under Sections 550 or 551 of the Companies Act. It is usual for UK companies to place restrictions on the authority of directors to allot shares. In particular, it is a requirement under Section 551 of the Companies Act that such authority be limited to expire after a specified time period of no longer than five years, with Shareholder approval required for renewal. An issue of shares and other equity securities of a company incorporated in the State of Florida requires prior approval by the Board of Directors. However, in the case of the Company, the authority of the Board to issue equity securities is not unconditional; it is limited by the number of shares authorised for issue in the Articles of Incorporation, which has authorised a total of three hundred million (300,000,000) shares, all of which are Common Shares.

UK companies may impose limits on their borrowing powers by, for example, specifying that borrowed amounts may not exceed a multiple of the company's capital and reserves. The Company does not have limitations on its ability to borrow funds, as this type of limitation is extremely rare for US companies.

(b) ***Pre-emptive rights***

Companies incorporated under the Companies Act are subject to pre-emption rights on new shares issued by the company for cash pursuant to Section 561 of the Companies Act. These rights provide for existing shareholders to have a right of first refusal on the issue of new shares for cash.

The Florida Business Corporation Act does not automatically provide for pre-emptive rights and the Company shall have no obligation to provide any pre-emptive rights to its Shareholders. However, the Articles of Incorporation provide that, subject to the Florida Business Corporation Act and so long as the Common Shares are admitted to trading on AIM or the London Stock Exchange and unless otherwise determined in a general meeting by Shareholders holding at least 75% of the voting power of the then outstanding share capital, the Company shall not issue any New Securities unless it has first made an offer to each Shareholder (unless waived by such Shareholder) to issue to the Shareholders a *pro rata* share of such New Securities in accordance with the pre-emptive rights. The pre-emptive rights are subject to such exclusions or other arrangements as the Board may deem necessary or expedient. The pre-emptive rights shall not apply to certain issuances of New Securities set forth in the Articles of Incorporation, including (among others) the authorisation and/or issuance for cash of New Securities, provided that the nominal amount of such shares or the shares into which such New Securities may be converted, during any 12-month period, does not exceed, in aggregate, 10% of the outstanding Common Shares as of the first day of such 12-month period.

(c) ***Takeovers***

Except to the extent voluntarily incorporated by the Company to be administered by the Board, the Company will not be subject to the UK Takeover Code, and certain provisions contained in the Articles of Incorporation and Bylaws make a hostile takeover of the Company more difficult to achieve. These provisions are set out below.

The Company has included a provision in its Articles of Incorporation requiring Shareholders who acquire certain percentages of shares of the Company to offer to purchase all of the outstanding share capital of the Company at a value not less than the highest price paid by such Shareholder for shares of that class during the previous 12 months. The provision is intended to give the Company and its Shareholders protections similar to those available under Rule 9 of the UK Takeover Code as if it applied to the Company.

Under the Florida Business Corporation Act, the Board is charged with the management of the business and affairs of the Company. In managing the business and affairs of the Company, the Board is required to chart a course for the Company that is in the best interests of the Company and the Shareholders. To the extent the Board determines that a proposed merger transaction is undesirable, the Board has no duty to accept an offer or commence negotiations in respect of such proposed merger transaction. In addition, the Board may, consistent with its fiduciary duties, adopt and maintain defensive measures to protect against unsolicited takeover bids that the Board determines are not in the best interests of the Company and all of the Shareholders. Additionally, Section 607.0901 of the Florida Business Corporation Act imposes restrictions on "business combinations" (such as mergers) between the Company and an "interested shareholder" (each as defined in Section 607.0901 of the Florida Business Corporation Act. An "interested shareholder" is defined to include the holders of 15% or more of the outstanding voting shares of a company. The US federal securities laws and applicable state securities laws can also regulate certain types of takeover activity. In particular, the Williams Act (which is part of the US Exchange Act) regulates tender offers and requires public disclosure, by means of a filing with the SEC, of acquisitions of a substantial block of equity securities in a publicly traded company. Many of the provisions of the Williams Act will not apply to the Company unless and until it has a class of shares registered under the US Exchange Act.

(d) ***Limitation of Director liability***

While both the Companies Act and the Florida Business Corporation Act allow for indemnification of directors, the scope of indemnification allowed under the Florida Business Corporation Act is broader. Section 232 of the Companies Act generally prohibits UK companies from exempting directors from, or indemnifying them against, liabilities in instances where the directors are found to be negligent, in default, or in breach of duty or trust (subject to certain statutory relaxations, whereby directors may (if a company so chooses) be indemnified against third-party proceedings and the costs of defending actions brought against them by the company).

By comparison, the Articles of Incorporation provide that, to the fullest extent permitted by law, no director of the Company shall be personally liable to the Company or to any other person for monetary damages for breach of fiduciary duty as a director, unless, under the Florida Business Corporation Act, (a) the director breached or failed to perform his or her duties as a director of the Company, and (b) the director's breach, or failure to perform, those duties constitutes any of the following:

(i) A violation of the criminal law, unless the director had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful;

(ii) A circumstance under which the transaction at issue is one from which the director derived an improper personal benefit, either directly or indirectly;

(iii) A circumstance under which the liability provisions for unlawful distributions, under Section 607.0834, are applicable;

(iv) In a proceeding by or in the right of the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of the corporation, or willful or intentional misconduct; or

(v) In a proceeding by or in the right of someone other than the corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property. If the Florida Business Corporation Act is amended to authorise the further elimination or limitation of the liability of a director, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted

by the Florida Business Corporation Act, as so amended. To the fullest extent permitted by applicable law, the Company is also authorised to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which the Florida Business Corporation Act permits the Company to provide indemnification) through the Bylaws, agreements with such agents or other persons, vote of stockholders or disinterested directors, or otherwise in excess of the indemnification and advancement otherwise permitted by the Florida Business Corporation Act.

In addition, the Bylaws provide that the Company will indemnify and hold harmless any of its directors or officers, to the fullest extent permitted by the Florida Business Corporation Act, who was or is made a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person (or a person of whom such person is the legal representative), is or was a member of the Board or officer of the Company or, while a member of the Board of officer of the Company, is or was serving at the request of the Company as a member of the board of directors, officer or trustee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans. Such indemnification is against all expenses, liability and loss (including attorneys' fees, judgments, fines, Employee Retirement Income Security Act excise taxes and penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such indemnitee in connection with the proceedings. However, the Company shall only indemnify any such indemnitee seeking indemnity in connection with a proceeding that was authorised by the Board or where such indemnification is authorised by an agreement approved by the Board.

The Bylaws provide that the Company will pay expenses to its directors or officers in connection with any such proceeding for which indemnification is allowed; provided, however, that (a) if the Company then so requires, the payment of such expenses incurred by such an indemnitee in advance of the final disposition of such proceeding shall be made only upon delivery to the Company of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it should be determined ultimately by final judicial decision from which there is no appeal that such indemnitee is not entitled to be indemnified under the Bylaws or otherwise; and (b) the Company shall not be required to advance any expenses to a person against whom the Company directly brings a claim, in a proceeding, alleging that such person has breached such person's duty of loyalty to the Company, committed an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, or derived an improper personal benefit from a transaction.

(e) ***Shareholder notifications of interests***

As a company incorporated under the laws of the State of Florida, the Company is not subject to the provisions of the Disclosure Guidance and Transparency Rules and, consequently, Shareholders would not ordinarily be subject to any requirement to disclose to the Company the level of their interests in Common Shares or any changes thereto in accordance with Rule 17 of the AIM Rules for Companies. However, in line with current best practice for companies incorporated outside the United Kingdom whose shares are admitted to trading on AIM, the Company has elected to incorporate certain provisions of the Disclosure Guidance and Transparency Rules and the Companies Act into the Articles of Incorporation, further details of which are set out in paragraph 5.13 of this Part VII.

(f) ***Additional corporate matters***

In addition, the following provisions of Florida law applicable to the Company, and the following provisions in the Articles of Incorporation and Bylaws, are customary for US corporations but may not be typical for UK companies:

(i) the holders of a majority of the shares issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for action at all meetings of the Shareholders; and

(ii) the quorum required for action at a meeting of the Board is a majority of the total number of authorised directors. A summary of the terms of the Articles of Incorporation and Bylaws and certain other provisions of the Florida Business Corporation Act are set out in paragraph 5 of this Part VII.

17. Related party transactions

Save as disclosed in paragraph 14.12 of Part VII, there are no related party transactions (within the meaning of the requirements of the AIM Rules for Companies in relation to the contents of an admission document) which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company during the periods for which historical financial information appears in this document or during the period from 1 January 2021 to the date of this document.

18. No governmental, legal or arbitration proceedings

The Company is not and has not been involved in any governmental, legal or arbitration proceedings which may have, or have had during the last 12 months preceding the date of this document, a significant effect on the Company's financial position or profitability and, so far as the Directors and Proposed Directors are aware, there are no such proceedings pending or threatened against the Company.

19. Significant change

There has been no significant change in the trading or financial position of the Company since 31 December 2023, being the date to which the historical financial information for the 12 months ended 31 December 2023 set out in Part IV (C) of this document was prepared, other than that:

(i) On February 14, 2024, the Company amended its Credit Agreement with SWK to capitalise the February 2024 interest payment of $500,000, further details of which are included in paragraph 14.11 of Part VII of this document;

(ii) On April 26, 2024, the Company amended its Credit Agreement with SWK to add an additional $2 million of borrowing capacity, which was fully drawn down on May 9, 2024, further details of which are included in paragraph 14.11 of Part VII of this document;

(iii) On April 1, 2024, the Company entered into promissory notes with certain employees of the Company, being Michael Griffiths, Anthony Moffat and Douglas Le Fort, further details of which are included in paragraph 14.12 of Part VII of this document, pursuant to which an aggregate amount of approximately $1 million has been drawn down as at the date of this document.

20. Working capital

The Directors and Proposed Directors are of the opinion, having made due and careful enquiry, and taking into account the net proceeds of the Placing and available committed facilities, that the Group will have sufficient working capital for its present requirements, that is for at least the period of 12 months following the date of Admission.

21. Environmental

There are no environmental issues that the Directors have determined may affect the Company's utilisation of tangible fixed assets.

22. Consents

22.1 Peel Hunt, the nominated adviser and broker to the Company, is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Peel Hunt has given and not withdrawn its written consent to the inclusion in this document of its name and reference to it in the form and context in which they appear.

22.2 KPMG, the reporting accountant to the Company, is a firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales. KPMG has given and not withdrawn its written consent to the inclusion in this document of its report in relation to the historical financial information for the two years ended 31 December 2022 included in Part IV (D) of this document and authorises the contents of that report pursuant to Schedule Two of the AIM Rules for Companies.

22.3 Grant Thornton, the auditor to the Company, is a firm of chartered accountants regulated by Chartered Accountants Ireland. Grant Thornton has given and not withdrawn its consent to

the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

22.4 Swenson Advisors LLP of 600 B Street, Suite 1540 San Diego, CA 92101 United States has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear. Swenson Advisors LLP was the Company's auditor for the period covered by the historical financial information pertaining to the two years ending 31 December 2021 and 2022 and is a member of American Chartered Accountants.

22.5 Alston & Bird LLP has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear. Alston & Bird LLP has given and not withdrawn its written consent to the inclusion in this document of its report in relation to the Group's intellectual property portfolio included in Part III (Intellectual Property Report) of this document and accepts responsibility for the same pursuant to Schedule Two of the AIM Rules for Companies.

23. Dilution

23.1 The percentage dilution as a result of the Placing is 29 per cent., on the basis of participation in share capital and voting rights for existing Shareholders before and after the capital increase resulting from the Placing, with the assumption that existing Shareholders do not subscribe for the New Common Shares.

23.2 The net asset value per Common Share as of the date of the latest balance sheet before the Placing is (5) pence and the offering price per Common Share in the Placing (following the Share Spilt) is 132 pence.

24. General

24.1 Save as disclosed otherwise in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

(a) received, directly or indirectly, from the Group within the 12 months preceding the date of application for Admission; or

(b) entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission, any of the following:

(i) fees totaling £10,000 or more;.

(ii) securities with a value of £10,000 or more calculated by reference to the Placing Price.

24.2 The Group has made the following payments in the 12 months preceding the date of this document:

Name	Nature of relationship with the Company	Fees paid (in aggregate)(US$)
AOTI and American Diabetes Association	Strategic Alliance Council Member	$139,800
Society for Vascular Surgery Foundation	Industry Partnership	$42,300

25. Rule 26 website

The address of the Company's website, at which the information required by Rule 26 of the AIM Rules for Companies can be found, is www.aotinc.net.

26. Availability of document

Copies of this document will be available for inspection during normal business hours on any day (except Saturdays, Sundays and UK public holidays) at the principal place of business of the Company, at the offices of Burges Salmon LLP, One Glass Wharf, Bristol BS2 0ZX, and on the Company's website at www.aotinc.net from the date of this document until the date which is one month after Admission.

PART VIII

TERMS AND CONDITIONS OF THE PLACING

FOR INVITED PLACEES ONLY

THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THE "**TERMS AND CONDITIONS**") (WHICH ARE FOR INFORMATION PURPOSES ONLY) ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017, (THE "**EU PROSPECTUS REGULATION**") ("**EU QUALIFIED INVESTORS**"); (B) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1179 WHICH FORMS PART OF DOMESTIC LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**") ("**UK QUALIFIED INVESTORS**") WHO ARE ALSO PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"); OR (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; (C) A LIMITED NUMBER OF PERSONS IN THE UNITED STATES THAT ARE "QUALIFIED INSTITUTIONAL BUYERS" WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT ("**QIBS**"), AND (D) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THESE TERMS AND CONDITIONS AND THE INFORMATION IN THEM MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THESE TERMS AND CONDITIONS MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THESE TERMS AND CONDITIONS RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THESE TERMS AND CONDITIONS DO NOT THEMSELVES CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

The Placing Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold only (i) outside of the United States to persons who are not US Persons or acting for the account or benefit of any US Persons in "offshore transactions" (as defined in Regulation S) in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3), or Category 3, of Regulation S and (ii) in the United States to persons reasonably believed to be QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any proposed offering of the Placing Shares, or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. There will be no public offer of the securities mentioned herein in the United States. Hedging transactions in the Placing Shares may not be conducted unless in compliance with the US Securities Act.

The Company has not been and will not be registered under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and, as such, investors will not be entitled to the benefits of the Investment Company Act. No offer, purchase, sale or transfer of the Placing Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the Investment Company Act.

These Terms and Conditions or any part of them do not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for any securities in the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offer of securities of the Company,

including the Placing Shares, is being made in the United Kingdom, the EEA, the United States or elsewhere.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be registered under or offered in compliance with the securities laws of any state, province or territory of Australia, New Zealand, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom and the EEA.

Introduction

Each Placee which confirms its agreement to Peel Hunt (whether orally or in writing) to subscribe for or purchase Placing Shares under the Placing, hereby agrees with Peel Hunt and the Company that it will be bound by these Terms and Conditions and will be deemed to have accepted them. By participating in the Placing, each Placee will be deemed to have read and understood this document, including these Terms and Conditions, in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in these Terms and Conditions.

The Company and/or Peel Hunt may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as they (in their absolute discretion) see fit, and/or may require any such Placee to execute a separate placing letter or representation letter.

No prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of their own assessment of the Company, the Placing Shares and the Placing based on the information contained in this document (including these Terms and Conditions) and subject to any further terms set forth in any trade confirmation sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the contents of this document are exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of Peel Hunt, the Company, the Selling Shareholders or any other person and none of Peel Hunt, the Company, the Selling Shareholders nor any other person acting on such person's behalf nor any of their respective Affiliates has or shall have any responsibility or liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received, and no reliance may be placed by a Placee on any earlier version or draft of this document, including any pathfinder admission document or printers proof admission document. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. No Placee should consider any information in this document to be legal, tax or business advice. Each Placee should consult its own attorney, tax adviser, and business adviser for legal, tax and business advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraud or fraudulent misrepresentation by that person.

Details of the Placing Agreement and the Placing Shares

In connection with the Placing, Peel Hunt is acting as Nominated Adviser and sole Broker. Peel Hunt has today entered into the Placing Agreement with the Company, the Directors and the Selling

Shareholders under which, on the terms and subject to the conditions set out therein, Peel Hunt has agreed to use its reasonable endeavours to procure placees for the New Common Shares (as agent for the Company) and, in accordance with the instructions of the Company, to use its reasonable endeavours to procure placees for the Sale Shares (as agent for the Selling Shareholders).

The Placing is not underwritten by Peel Hunt.

The New Common Shares will, when issued, be credited as fully paid up and will be issued subject to the Company's Articles of Incorporation and Bylaws and rank *pari passu* in all respects with the Existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Common Shares after the date of issue of the Placing Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

The Sale Shares will, when sold, be credited as fully paid up. The Sale Shares are subject to the Company's Articles of Incorporation and Bylaws and rank *pari passu* in all respects with the other Existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Common Shares. The Sale Shares will be sold free of all claims, liens, charges, encumbrances and equities.

Peel Hunt and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before Admission.

Application for admission to trading

Application will be made to the London Stock Exchange for the admission of the Placing Shares to trading on AIM ("**Admission**").

It is expected that Admission of the Placing Shares will become effective at 8.00 a.m. (London time) on or around 18 June 2024 (or such later time and/or date as Peel Hunt may agree with the Company, being no later than 30 June 2024) and that dealings in the Placing Shares will commence at that time.

Once the Placing Shares are admitted to trading on AIM, the Placing Shares will trade under the symbol AOTI. The Placing Shares (represented by the Depository Interests) acquired in reliance on Regulation S will be held in the CREST system and identified with the marker "REG S" and segregated into a separate sector of the trading system within CREST for the duration of the Distribution Compliance Period.

Participation in, and principal terms of, the Placing

1. Peel Hunt is arranging the Placing as agent for the Company and for the Selling Shareholders (on instructions from the Company). Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Peel Hunt. Peel Hunt may itself agree to be a Placee in respect of all or some of the Placing Shares or may nominate any member of its group to do so.

2. Allocations of the Placing Shares will be determined by Peel Hunt after consultation with the Company (the proposed allocations having been supplied by Peel Hunt to the Company in advance of such consultation). Allocations will be confirmed to Placees acquiring Placing Shares in reliance on Regulation S either orally or in writing by Peel Hunt and a contract note may be despatched thereafter. If a contract note is despatched, these Terms and Conditions shall be deemed incorporated into that contract note. Peel Hunt's confirmation to such Placee constitutes an irrevocable legally binding commitment upon such person (who will at that point become a Placee), in favour of Peel Hunt and the Company, pursuant to which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay or procure the payment of the Placing Price in respect of such shares on the terms and conditions set out in these Terms and Conditions (the "**Placing Participation**"). Except with Peel Hunt's consent, such confirmation will be legally binding on the Placee on behalf of which it is made and will not be capable of variation or revocation after the time at which it is submitted.

3. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to

be made at the same time, on the basis explained below under "Registration and Settlement".

4. All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

5. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

6. To the fullest extent permissible by law, neither Peel Hunt, nor the Company, nor the Directors, nor the Selling Shareholders, nor any of their respective Affiliates, agents, directors, officers or employees shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Peel Hunt, nor the Company, nor the Directors, nor the Selling Shareholders, nor any of their respective Affiliates, agents, directors, officers or employees shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of Peel Hunt's conduct of the Placing or of such alternate method of effecting the Placing as Peel Hunt and the Company may determine.

7. The Placing Shares will be issued subject to these Terms and Conditions and each Placee's commitment to subscribe for or purchase Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's, or Peel Hunt's conduct of the Placing.

8. All times and dates in this document may be subject to amendment. Peel Hunt shall notify the Placees and any person acting on behalf of the Placees of any changes.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. Peel Hunt's obligations under the Placing Agreement are conditional on customary conditions including (amongst others) (the "**Conditions**"):

1. each of the Company, the Directors and the Selling Shareholders having complied with all of their respective undertakings and obligations under the Placing Agreement which fall to be performed or satisfied on or prior to Admission;

2. none of the warranties contained in the Placing Agreement being untrue or inaccurate or misleading in a material respect; and

3. Admission occurring no later than 8.00 a.m. (London time) on 18 June 2024 (or such later time and/or date, not being later than 8.00 a.m. (London time) on 30 June 2024, as Peel Hunt may otherwise agree with the Company) (the "**Long Stop Date**").

Peel Hunt may, at its discretion and upon such terms as it thinks fit, extend the time for satisfaction of, or waive compliance by the Company, the Directors or the Selling Shareholders with the whole or any part of any of their respective obligations in relation to the Conditions, or extend the time or date provided for fulfilment of any such Conditions in respect of all or any part of the performance thereof, provided that it shall not be later than the Long Stop Date. The condition in the Placing Agreement relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in these Terms and Conditions.

If: (i) any of the Conditions are not fulfilled or (where permitted) waived or extended by Peel Hunt by the relevant time or date specified (or such later time or date as the Company and Peel Hunt may agree, not being later than the Long Stop Date); or (ii) the Placing Agreement is terminated in the circumstances specified below under "Right to terminate under the Placing Agreement", the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it or on its behalf (or any person on whose behalf the Placee is acting) in respect thereof.

Neither Peel Hunt, nor the Company, nor the Selling Shareholders, nor any of their respective Affiliates, agents, directors, officers or employees shall have any liability to any Placee (or to any

other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any Condition to the Placing, nor for any decision they may make as to the satisfaction of any Condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Peel Hunt.

Right to terminate under the Placing Agreement

Peel Hunt is entitled, at any time before Admission, to terminate the Placing Agreement in accordance with its terms in certain circumstances, including where (amongst other things):

1. any statement contained in this document, is or has become or has been discovered to be untrue, inaccurate or misleading;
2. there has been a material breach by the Company, the Selling Shareholders or the Directors of any of the warranties contained in the Placing Agreement;
3. the Company, the Selling Shareholders or the Directors have failed to comply with any of their obligations under the Placing Agreement;
4. there has been a material adverse change in connection with the Group; or
5. a force majeure event occurs.

Upon termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, each Placee agrees that (i) the exercise by Peel Hunt of any right of termination or of any other discretion under the Placing Agreement shall be within the absolute discretion of Peel Hunt (acting in good faith) and that Peel Hunt need not make any reference to, or consult with, Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise or failure to so exercise and (ii) its rights and obligations terminate only in the circumstances described above under "Right to terminate under the Placing Agreement" and "Conditions of the Placing", and its participation will not be capable of rescission or termination by it after oral confirmation by Peel Hunt of the allocation and commitments.

Company undertakings

The Company has undertaken to Peel Hunt that, between the date of the Placing Agreement and 180 days after Admission, it will not, without the prior written consent of Peel Hunt (such consent not to be unreasonably withheld or delayed) directly or indirectly, offer, issue, lend, pledge, sell or contract to sell or issue, grant any option in respect of or otherwise dispose of, any Common Shares (or any interest therein or in respect thereof) or announce an offer or issue of any Common Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into, or representing the right to receive, Common Shares or substantially similar to Common Shares, or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing. However, this undertaking shall not prevent or restrict (i) the issue of the New Common Shares;; (ii) the grant or exercise of options or other rights to subscribe for Common Shares (or any interest therein or in respect thereof) pursuant to any share option or other incentive schemes of the Group in existence at the date of the Placing Agreement and described in paragraph 3.7 of Part VII (*Additional Information*) of this document, and (iii) the issue by the Company of any Common Shares upon the exercise of any right or option or the conversion of a security in existence as at the date of the Placing Agreement.

By participating in the Placing, Placees agree that the exercise by Peel Hunt of any power to grant consent to the undertaking by the Company of a transaction which would otherwise be subject to the undertakings under the Placing Agreement shall be within the absolute discretion of Peel Hunt and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise of the power to grant consent.

Registration and Settlement

Settlement of transactions in the Placing Shares (as represented by Depositary Interests) (ISIN: US03690C1027 with the marker "REG S") following Admission will take place within the system administered by CREST, subject to certain exceptions. The Company reserves the right to

require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if, in Peel Hunt's opinion, delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction. Placing Shares acquired or held by Affiliates of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek independent US legal counsel prior to selling or transferring any Common Shares.

Each Placee to be allocated Placing Shares in the Placing in reliance on Regulation S will have the number of Placing Shares allocated to them at the Placing Price, the aggregate amount owed by such Placee to Peel Hunt and settlement instructions confirmed to them by Peel Hunt. Each Placee acquiring Placing Shares in reliance on Regulation S agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with Peel Hunt.

The Company will deliver the Placing Shares sold in reliance on Regulation S to a CREST account operated by Peel Hunt (or such nominee for Peel Hunt as may be notified by Peel Hunt), as agent for the Company, and Peel Hunt will enter its delivery instruction into the CREST system against each Placee. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery against payment of the relevant Placing Shares to that Placee.

Each Placee acquiring Placing Shares in reliance on Regulation S should provide its settlement details in order to enable instructions to be successfully matched in CREST. The relevant settlement details are as follows:

CREST participant ID of Peel Hunt:	871
Trade date:	5 June 2024
Settlement date:	18 June 2024
ISIN code for the Common Shares:	US03690C1027
Deadline for instructions input into CREST:	noon (London time) on 14 June 2024

It is expected that settlement in respect of the Placing Shares will take place on 18 June 2024 on a delivery versus payment basis.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the Bank of England's base rate.

Each Placee is deemed to agree that, if it does not comply with these obligations, Peel Hunt may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for their account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and will be required to bear any stamp duty or stamp duty reserve tax or other taxes or duties (together with any interest or penalties) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that any trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are issued in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. If there are any circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes or duties (including any interest and penalties relating thereto) is payable in respect of the allocation, issue, sale, transfer or delivery of the Placing Shares (or, for the avoidance of doubt, if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), neither Peel Hunt nor the Company shall be responsible for payment thereof.

Notwithstanding the above, the right is reserved to deliver all of the Placing Shares to which the Placee is entitled in certificated form should Peel Hunt consider this necessary or desirable.

CREST: Regulation S Category 3 Settlement Service

The Placing Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold only (i) outside the United States to persons who are not US persons or acting for the account or benefit of any US Persons in "offshore transactions" (as defined in Regulation S) in accordance with, and in reliance on, the safe harbour from registration provided by Rule 903(b)(3), or Category 3, of Regulation S and (ii) in the United States to persons reasonably believed to be QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in accordance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares sold in reliance on Regulation S will be subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. The Placing Shares are "restricted securities" as defined in Rule 144 under the US Securities Act. Purchasers of the Placing Shares may not offer, sell, pledge or otherwise transfer Placing Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act.

Each Placee, by subscribing for or purchasing Placing Shares, agrees to reoffer or resell the Placing Shares only pursuant to registration under the US Securities Act or in accordance with the provisions of Regulation S or pursuant to another available exemption from registration, and agrees not to engage in hedging transactions with regard to such securities unless in compliance with the US Securities Act. The above restrictions severely restrict Placees from reselling the Placing Shares in the United States or to, or for the account or benefit of, any US Person. The Company currently intends that these restrictions will remain in place indefinitely.

Once the Placing Shares are admitted to trading on AIM, the Placing Shares will trade in the Company's restricted line of Shares under the symbol AOTI, and the Placing Shares (represented by the Depository Interests) subscribed for and held by non-Affiliates of the Company will be held in the CREST system and identified with the marker "REG S". The "REG S" marker indicates that the Placing Shares held in the CREST system will bear the legend set out in Part IX of this document (*Restrictions on Transfers to US Persons*), which describes certain transfer restrictions and other information, including that: (a) the Common Shares may not be taken up, offered, sold, resold, delivered or distributed, directly or indirectly, within, into or from the United States or to, or for the account or benefit of, US Persons except (i) in an offshore transaction meeting the requirements of Regulation S, (ii) pursuant to an available exemption from registration under the US Securities Act or (iii) pursuant to an effective registration statement under the US Securities Act; and (b) hedging transactions involving the Common Shares may not be conducted unless in compliance with the US Securities Act.

The certifications, acknowledgements and agreements set out in Part IX of this document (*Restrictions on Transfers to US Persons*) must be made through the CREST system by those selling or acquiring the Common Shares with the "REG S" marker. If such certifications, acknowledgements and agreements cannot be made or are not made, settlement through CREST will be rejected. Furthermore, Placing Shares held by Affiliates of the Company shall be held in certificated form and accordingly settlement shall not be permitted via CREST until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek advice of independent US legal counsel prior to selling or transferring any Common Shares.

Certificated Settlement

If you are not a CREST member, or if you are electing for, or required to receive, delivery of your Placing Shares outside of the CREST system, delivery of your Placing Shares will take place in certificated form.

Representations, warranties, undertakings and acknowledgements

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with Peel Hunt (in its capacity as Broker of the Company and the Selling Shareholders in

respect of the Placing) and the Company, in each case as a fundamental term of their application for Placing Shares, the following:

General

1. it has read and understood this document, including these Terms and Conditions, in its entirety and its acquisition and/or subscription for Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with the Placing, the Company, the Placing Shares or otherwise other than the information contained in this document;
2. its acceptance, whether by telephone or otherwise, of its participation in the Placing on the terms set out in this document and these Terms and Conditions is legally binding, irrevocable and is not capable of termination or rescission by it in any circumstances;
3. the person whom it specifies for registration as holder of the Placing Shares will be (a) itself or (b) its nominee, as the case may be. Neither Peel Hunt, nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes or duties imposed in any jurisdiction (including interest and penalties relating thereto) ("**Indemnified Taxes**"). Each Placee and any person acting on behalf of such Placee agrees to indemnify the Company and Peel Hunt on an after-tax basis in respect of any Indemnified Taxes;
4. neither Peel Hunt nor any of its Affiliates, agents, directors, officers and employees accepts any responsibility for any acts or omissions of the Company or any of the directors of the Company or any other person (other than Peel Hunt) in connection with the Placing;
5. time is of the essence as regards its obligations under these Terms and Conditions;
6. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Peel Hunt;
7. it agrees to be bound by the Articles of Incorporation and Bylaws of the Company (as amended from time to time) once the Placing Shares, which it has agreed to subscribe for or purchase pursuant to the Placing, have been acquired by it;
8. it agrees that these Terms and Conditions shall survive after completion of the Placing and Admission;

No distribution of Admission Document

9. it will not redistribute, forward, transfer, duplicate or otherwise transmit this document or any part of it, or any other presentational or other material concerning the Placing (including electronic copies thereof) to any person and represents that it has not redistributed, forwarded, transferred, duplicated, or otherwise transmitted any such materials to any person;

No prospectus

10. no prospectus or other offering document is required under the UK Prospectus Regulation or the EU Prospectus Regulation, nor will one be prepared in connection with the Placing, or the Placing Shares and it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares;

Purchases by Peel Hunt for its own account

11. in connection with the Placing, Peel Hunt and any of its Affiliates acting as an investor for its own account may subscribe for or acquire Placing Shares and in that capacity may retain, purchase or sell for its own account such Placing Shares and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this document to the Placing Shares being issued, sold, offered or placed should be read as including any issue, sale, offering or placement of such shares in the Company to Peel Hunt or any of its Affiliates acting in such capacity;

12. each of Peel Hunt and its Affiliates may enter into financing arrangements and swaps with investors in connection with which each of Peel Hunt and its Affiliates may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares;

13. Peel Hunt does not intend to disclose the extent of any investment or transactions referred to in paragraphs 11 and 12 above otherwise than in accordance with any legal or regulatory obligation to do so;

No fiduciary duty or client of Peel Hunt

14. none of Peel Hunt, the Company, the Directors or the Selling Shareholders owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;

15. its participation in the Placing is on the basis that it is not and will not be a client of Peel Hunt in connection with its participation in the Placing and that Peel Hunt does not have any duties or responsibilities to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

No responsibility of Peel Hunt for information

16. the contents of this document have been prepared by and are exclusively the responsibility of the Company and neither Peel Hunt, nor its Affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is responsible for or has or shall have any responsibility or liability for any information, representation or statement contained in, or omission from, this document or otherwise nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this document or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by such person;

Reliance on information regarding the Placing

17. (a) the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for or purchase Placing Shares, is contained in this document, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares;

(b) it has neither received nor relied on any other information given, or representations, warranties or statements, express or implied, made, by Peel Hunt, nor the Company nor any of their respective Affiliates, agents, directors, officers or employees acting on behalf of any of them (including in any management presentation delivered in respect of the Placing) with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of any information contained in this document or otherwise;

(c) neither Peel Hunt, nor the Company, nor any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, nor will provide, it with any material or information regarding the Placing Shares or the Company or any other person other than the information in this document; nor has it requested any of Peel Hunt, the Company, any of their respective Affiliates or any person acting on behalf of any of them to provide it with any such material or information; and

(d) neither Peel Hunt nor the Company will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement,

provided that nothing in this paragraph 17 excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;

Conducted own investigation and due diligence

18. it may not rely, and has not relied, on any investigation that Peel Hunt, any of its Affiliates or any person acting on their behalf, may have conducted with respect to the Placing Shares, the terms of the Placing or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing, the Placing Shares or the accuracy, completeness or adequacy of the information in this document or any other information;

19. in making any decision to subscribe for or acquire Placing Shares it:

    (a) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or acquiring the Placing Shares;

    (b) is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Placing Shares;

    (c) is able to sustain a complete loss of an investment in the Placing Shares;

    (d) will not look to Peel Hunt for all or part of any such loss it may suffer;

    (e) has no need for liquidity with respect to its investment in the Placing Shares;

    (f) has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Placing Shares; (including, without limitation, any federal, state or local tax consequences affecting it in connection with its purchase and subsequent disposal of the Placing Shares);

    (g) will be relying solely on the information contained in this document and these Terms and Conditions and will not be relying on any agreements or statements by the Company and its subsidiaries or Peel Hunt or any director, employee or agent of the Company or Peel Hunt other than expressly set out in this document and these Terms and Conditions; and

    (h) has conducted its own due diligence, examination, investigation and assessment of the Company, the Placing Shares and the terms of the Placing and has satisfied itself that the information resulting from such investigation is still current and relied on that investigation for the purposes of its decision to participate in the Placing;

Capacity and authority

20. it is subscribing for or acquiring the Placing Shares for its own account or for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the acknowledgements, representations and agreements contained in these Terms and Conditions;

21. it is acting as principal only in respect of the Placing or, if it is acting for any other person, it is:

    (a) duly authorised to do so and has full power to make the acknowledgments, representations, indemnities, undertakings, warranties and agreements herein on behalf of each such person; and

    (b) will remain liable to the Company and/or Peel Hunt for the performance of all its obligations as a Placee in respect of the Placing (whether or not it is acting for another person);

22. it and any person acting on its behalf is entitled to subscribe for or purchase the Placing Shares under the laws and regulations of all relevant jurisdictions that apply to it and that it has fully observed such laws and regulations, has capacity and authority and is entitled to enter into and perform its obligations as a subscriber or purchaser of Placing Shares and will honour such obligations, and has obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to

agree to the terms set out or referred to in these Terms and Conditions) and will honour such obligations and that it has not taken any action or omitted to take any action which will or may result in Peel Hunt, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;

23. where it is subscribing for or purchasing Placing Shares for one or more managed accounts, it is authorised in writing by each managed account to subscribe for or purchase the Placing Shares for each managed account;

24. it irrevocably appoints any duly authorised officer of Peel Hunt as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares which it agrees to subscribe for or purchase upon the terms of these Terms and Conditions;

Excluded territories

25. the Placing Shares have not been and will not be registered or otherwise qualified and a prospectus will not be cleared in respect of any of the Placing Shares under the securities laws or legislation of the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa, or any state, province, territory or jurisdiction thereof;

26. the Placing Shares may not be offered, sold, or delivered or transferred, directly or indirectly, in or into the above jurisdictions (subject to certain exceptions) or any jurisdiction in which it would be unlawful to do so and no action has been or will be taken by any of the Company, Peel Hunt or any person acting on behalf of the Company or Peel Hunt that would, or is intended to, permit a public offer of the Placing Shares in the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa or any other country or jurisdiction, or any state, province, territory or jurisdiction thereof, where any such action for that purpose is required;

27. unless otherwise specifically agreed with Peel Hunt, it is not and at the time the Placing Shares are subscribed for or purchased neither it nor the beneficial owner of the Placing Shares will be, a resident of, nor have an address in, Australia, New Zealand, Japan, the Republic of South Africa or any province or territory of Canada;

28. it has not distributed, forwarded, transferred or otherwise transmitted and will not distribute, forward, transfer or otherwise transmit this document or any part of it, or any other presentational or other materials concerning the Placing (including electronic copies thereof) in or into or from the United States, Australia, New Zealand, Canada, Japan or the Republic of South Africa;

29. it may be asked to disclose in writing or orally to Peel Hunt:

    (a) if he or she is an individual, his or her nationality; or

    (b) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned;

Compliance with US securities laws

30. the Placing Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the US Securities Act, and the Placing Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and are "restricted securities" within the meaning of Rule 144 under the US Securities Act. Further, the Company has not registered and does not intend to register under the US Investment Company Act of 1940, as amended;

31. it, and the prospective beneficial owner of the Placing Shares, are:

    (a) (i) outside the United States, (ii) not US Persons and are not subscribing for or acquiring the Placing Shares for the account or benefit of a US Person, and (iii) subscribing for or acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S, and the Placing Shares have not been offered to them by means of any "directed selling efforts" (as defined in Regulation S); or

(b) (i) in the United States, (ii) a QIB, (iii) aware that the sale or issue of the Placing Shares to it is being made in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, and the Placing Shares have not been offered to them by means of any "general solicitation" or "general advertising" (within the meaning of Regulation D promulgated under the US Securities Act);

32. the Placing Shares are "restricted securities" under Rule 144 under the US Securities Act, it agrees that it will not offer, sell, pledge or otherwise transfer the Placing Shares, directly or indirectly, within, into or from the United States or to, or for the account or benefit of, US Persons except (i) in an "offshore transaction" (as defined in Regulation S) meeting the requirements of Regulation S, (ii) pursuant to an available exemption from registration under the US Securities Act and in accordance with applicable state securities laws, or (iii) pursuant to an effective registration statement under the US Securities Act. The Company is under no obligation, and does not intend, to register or qualify the Placing Shares under the US Securities Act or applicable securities laws of any state or other jurisdiction of the United States;

33. the Placing Shares to be sold or issued in reliance on Regulation S are subject to the restrictions of Category 3 of Regulation S set forth in Rule 903(b)(3) of Regulation S, and may not be sold to, or for the account or benefit of, any US Person until at least the expiry of one year after the later of (a) the time when the Placing Shares are first offered to persons other than distributors in reliance upon Regulation S and (b) the date of the closing of the Placing, or such longer period as may be required under applicable law or as determined by the Company (the "**Distribution Compliance Period**");

34. the Placing Shares will bear the legends set forth in Part IX of this document (*Restrictions on Transfers to US Persons*) (as applicable);

35. it will not engage in any hedging transactions, directly or indirectly, with regard to the Placing Shares unless in compliance with the US Securities Act;

36. the Company may refuse to register any transfer of the Common Shares, including the Placing Shares not made in accordance with the provisions of Regulation S, pursuant to an effective registration under the US Securities Act, or pursuant to an available exemption from registration;

37. it is not registered and is not required to be registered as a broker or a dealer under the United States Securities Exchange Act of 1934, as amended, and it has not been granted, nor shall it accept, any selling concession, discount or other allowance from a participant in the Placing that is a member of the United States Financial Industry Regulatory Authority and are acquiring the Placing Shares for investment purposes and not with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Shares into the United States;

38. if it is permitted and wishes to take delivery of the Placing Shares in a CREST account, it must make, and hereby makes, the certifications, acknowledgments and agreements, as summarised in Part IX of this document (*Restrictions on Transfers to US Persons*), through the CREST system; if such certifications, acknowledgments and agreements cannot be made or are not made, delivery through CREST will be rejected;

39. any offer or sale of the Placing Shares held through CREST must be made to persons who are not US Persons, or acting for the account or benefit of US Persons, in "offshore transactions" (as defined in Regulation S) meeting the requirements of Regulation S and in accordance with the transfer restrictions set forth in Part IX of this document (*Restrictions on Transfers to US Persons*); during the Distribution Compliance Period, prior to any proposed transfer of the Placing Shares, other than pursuant to an effective registration statement, the certifications, acknowledgments and agreements, as summarised in Part IX of this document (*Restrictions on the Transfers to US Persons*), must be made through the CREST system by those selling or acquiring the Placing Shares; if such certifications, acknowledgments and agreements cannot be made or are not made, settlement through CREST will be rejected;

40. if it is acquiring Placing Shares being sold or issued in reliance on Regulation S, it has complied and will comply with the offering restrictions requirement set out under Rule 903(b)(3) of Regulation S;

41. it is not an Affiliate of the Company, nor does it expect to become an Affiliate of the Company as a result of its participation in the Placing; and

42. it will not distribute, forward, transfer or otherwise transmit this document or any part of it, or any other presentational or other materials concerning the Placing (including electronic copies thereof) in or into or from the United States to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;

Compliance with EEA selling restrictions and the EU Prospectus Regulation

43. if in a member state of the EEA, unless otherwise specifically agreed with Peel Hunt in writing, it is an EU Qualified Investor;

44. it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA except to EU Qualified Investors or otherwise in circumstances which have not resulted in, and which will not result in an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;

45. if a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation, the Placing Shares subscribed for or acquired by it in the Placing will not be subscribed for or acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA other than EU Qualified Investors, or in circumstances in which the prior consent of Peel Hunt has been given to each proposed offer or resale;

Compliance with FSMA, the UK Prospectus Regulation, the UK financial promotion regime and UK MAR

46. if in the United Kingdom, that it is both: (i) a UK Qualified Investor; and (ii) a person (a) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) (Investment Professionals) of the Order, or (b) who falls within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, or (c) to whom it may otherwise lawfully be communicated;

47. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the Financial Services and Markets Act 2000, as amended ("**FSMA**");

48. if a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, the Placing Shares subscribed for or acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be subscribed for or acquired with a view to their offer or resale to, persons in the United Kingdom other than UK Qualified Investors, or in circumstances in which the prior consent of Peel Hunt has been given to each proposed offer or resale;

49. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this document has not and will not have been approved by Peel Hunt in their capacity as authorised persons under section 21 of the FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as a financial promotion by an authorised person;

50. it has complied and will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all applicable provisions in FSMA and the Market Abuse Regulation (EU Regulation No. 596/2014 which forms part of domestic law pursuant to the European Union (Withdrawal) Act 2018) ("**UK MAR**") in respect of anything done in, from or otherwise involving, the United Kingdom);

Compliance with laws

51. if it is a pension fund or investment company, its subscription for or acquisition of Placing Shares is in full compliance with applicable laws and regulations;

52. it is not a (i) a person named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (ii) a person subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations;

53. it has complied with its obligations under the Criminal Justice Act 1993 and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, the Anti-terrorism, Crime and Security Act 2001 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

54. in order to ensure compliance with the Regulations, Peel Hunt (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Peel Hunt or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at Peel Hunt's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at Peel Hunt's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity, either of Peel Hunt (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either Peel Hunt and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of issue will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

Depositary receipts and clearance services

55. the allocation, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer Placing Shares into a clearance service;

Undertaking to make payment

56. it (and any person acting on its behalf) has the funds available to pay for the Placing Shares for which it has agreed to subscribe or purchase and acknowledges and agrees that it will make payment in respect of the Placing Shares allocated to it in accordance with these Terms and Conditions on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or purchasers or sold as Peel Hunt may in its sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the relevant Placing Price and the number of Placing Shares allocated to it and will be required to bear any stamp duty, stamp duty reserve tax or other taxes or duties (together with any interest, fines or penalties) imposed in any jurisdiction which may arise upon the sale of such Placee's Placing Shares;

Money held on account

57. any money held in an account with Peel Hunt on behalf of the Placee and/or any person acting on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the

protections conferred by the client money rules: as a consequence, this money will not be segregated from Peel Hunt's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee;

Allocation

58. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for or purchase, and that Peel Hunt or the Company may call upon it to subscribe for or purchase a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

No recommendation

59. neither it nor, as the case may be, its clients expect Peel Hunt, nor any of its Affiliates, nor any person acting on behalf of them, to have any duties or responsibilities to it similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook contained in the FCA's Handbook of Rules and Guidance, and that Peel Hunt is not acting for it or its clients, and that Peel Hunt will not be responsible to any person other than the Company for providing protections afforded to its clients;

Inside information

60. if it has received any 'inside information' (for the purposes of UK MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities in advance of the Placing, it confirms that it has received such information within the market soundings regime provided for in article 11 of UK MAR and associated delegated regulations and it has not:

    (a) used that inside information to acquire or dispose of securities of the Company or financial instruments related thereto or cancel or amend an order concerning the Company's securities or any such financial instruments;

    (b) used that inside information to encourage, require, recommend or induce another person to deal in the securities of the Company or financial instruments related thereto or to cancel or amend an order concerning the Company's securities or such financial instruments; or

    (c) disclosed such information to any person, prior to the information being made publicly available;

Rights and remedies

61. the rights and remedies of the Company, and Peel Hunt under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others;

Times and dates

62. all times and dates in this document and under these Terms and Conditions may be subject to amendment and Peel Hunt shall notify it of any such amendments; and

Governing law and jurisdiction

63. these terms and conditions of the Placing and any agreements entered into by it pursuant to the terms and conditions of the Placing, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non- contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by either the Company or Peel Hunt in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

The foregoing representations, warranties, confirmations, acknowledgements, agreements and undertakings are given for the benefit of the Company as well as Peel Hunt and are irrevocable. Peel Hunt, the Company and their respective Affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, confirmations, acknowledgements, agreements and undertakings. Each Placee, and any person acting on behalf of such Placee, irrevocably authorises the Company and Peel Hunt to produce these Terms and Conditions, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein.

Indemnity

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify on an after tax basis and hold the Company, Peel Hunt and their respective Affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in these Terms and Conditions or incurred by Peel Hunt, the Company or each of their respective Affiliates, agents, directors, officers or employees arising from the performance of the Placees' obligations as set out in these Terms and Conditions, and further agrees that the provisions of these Terms and Conditions shall survive after completion of the Placing.

Information to Distributors

UK Product Governance Requirements

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Common Shares have been subject to a product approval process, which has determined that the Common Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Common Shares may decline and investors could lose all or part of their investment; the Common Shares offer no guaranteed income and no capital protection; and an investment in the Common Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

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

Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Peel Hunt, as Broker, shall only procure investors in the United Kingdom which meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Common Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Common Shares and determining appropriate distribution channels.

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II;

and (c) local implementing measures(together, the "**EU Product Governance Requirements**") and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the EU Product Governance Requirements) may otherwise have with respect thereto, the Common Shares have been subject to product approval process, which has determined that the Common Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in EU Product Governance Requirements; and (ii) eligible for distribution through all distribution channels as are permitted by EU Product Governance Requirements (the "**EU Target Market Assessment**"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Common Shares may decline and investors could lose all or part of their investment; the Common Shares offer no guaranteed income and no capital protection; and an investment in the Common Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

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

Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Peel Hunt, as Broker, shall only procure investors in the European Union which meet the criteria of professional clients and eligible counterparties.

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

Each distributor is responsible for undertaking its own target market assessment in respect of the Common Shares and determining appropriate distribution channels.

PART IX

RESTRICTION ON TRANSFERS TO US PERSONS

Capitalised terms used in this Part IX that are not defined in the document have the meaning given such terms in Rule 902 of Regulation S under the US Securities Act.

Common Shares Admitted To Trading On AIM

The Common Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the US and are "restricted securities" as defined in Rule 144 under the US Securities Act ("Rule 144"). In addition, as more fully explained in this Part IX, the Common Shares to be sold in reliance on Regulation S are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined under Regulation S) must be in place in connection with the Placing and additional restrictions are imposed on resales of the Common Shares. A purchaser of Common Shares may not offer, sell, pledge or otherwise transfer Common Shares, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to a transaction meeting the requirements of Rules 901 to 905 (including the Preliminary Notes) of Regulation S, pursuant to an effective registration statement under the US Securities Act or pursuant to an exemption from the registration requirements of the US Securities Act. Hedging transactions in the Common Shares may not be conducted, directly or indirectly, unless in compliance with the US Securities Act. Furthermore, the Common Shares to be sold in reliance on Regulation S may not be sold to, or for the account or benefit of, any US Person until at least the expiry of the Distribution Compliance Period. The Company currently intends that these restrictions will remain in place indefinitely.

Once the Common Shares are admitted to trading on AIM, Common Shares (as represented by the Depositary Interests) held in the CREST system will be identified with the marker "REG S" and will be segregated into a separate sector of the trading system within CREST for the duration of the Distribution Compliance Period, as more fully explained in the Appendix (*Terms and Conditions of the Placing – CREST: Regulation S Category 3 Settlement Services*).

CREST Legend

The Common Shares (represented by the Depositary Interests and held in the CREST system) will bear a legend in substantially the form set forth below, unless the Company determines otherwise in compliance with applicable law:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S")). THE SECURITIES ARE BEING OFFERED ONLY TO NON-US PERSONS OUTSIDE THE UNITED STATES IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT IN RELIANCE ON REGULATION S. THE SECURITIES ARE "RESTRICTED SECURITIES" AS DEFINED UNDER RULE 144(a)(3) PROMULGATED UNDER THE US SECURITIES ACT. THE SECURITIES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S) EXCEPT: (I) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT.

RESALES OR REOFFERS OF THE SECURITIES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S OR SUCH LONGER PERIOD AS MAY BE REQUIRED UNDER APPLICABLE LAW OR AS DETERMINED BY THE COMPANY. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE US SECURITIES ACT.

BY ACCEPTING THESE SECURITIES, THE HOLDER REPRESENTS AND WARRANTS THAT IT (A) IS NOT A US PERSON (AS DEFINED IN REGULATION S) AND (B) IS NOT HOLDING THE SECURITIES FOR THE ACCOUNT OR BENEFIT OF ANY US PERSON.

Please note that the capitalised terms used below have the meanings as set forth in Rule 902 of the US Securities Act.

- The offer or sale must be made in an "offshore transaction";
- No "directed selling efforts" may be made in the United States by, for purposes of Rule 903, the issuer, a Distributor, any of their respective Affiliates, or any person acting on behalf of any of the foregoing, or, for the purposes of Rule 904, the seller, an affiliate, or any person acting on their behalf;
- Offering Restrictions must be implemented;
- The offer or sale, if made prior to the expiration of a one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company, may not be made to a US Person or for the account or benefit of a US Person (other than a Distributor); and
- The offer or sale, if made prior to the expiration of a one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company, must be made pursuant to the following conditions:
    - The purchaser of the Common Shares (other than a Distributor) must certify that it is not a US Person and is not acquiring the Common Shares for the account or benefit of any US Person or is a US Person who purchased Common Shares in a transaction that did not require registration under the US Securities Act;
    - The purchaser of the Common Shares must agree to resell such Common Shares only in accordance with the provisions of Regulation S , pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; and must agree not to engage in hedging transactions with regard to such Common Shares unless in compliance with the US Securities Act;
    - The Common Shares of the Company must contain a legend to the effect that transfer is prohibited except in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; and that hedging transactions involving those Common Shares may not be conducted unless in accordance with the US Securities Act;
    - The Company is required, either by contract or a provision in its bylaws, articles, charter or comparable document, to refuse to register any transfer of the Common Shares not made in accordance with the provisions of Regulation S, pursuant to registration under the US Securities Act, or pursuant to an available exemption from registration; provided however, that if the Common Shares are in bearer form or foreign law prevents the Company from refusing to register securities transfers, other reasonable procedures (such as a legend as described immediately above) are implemented to prevent any transfer of the Common Shares not made in accordance with the provisions of Regulation S; and
    - Each Distributor selling Common Shares to a Distributor, a dealer (as defined in Section 2(a)(12) of the US Securities Act), or a person receiving a selling concession, fee or other remuneration, prior to the expiration of the one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company, must send a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a Distributor.
- In the case of an offer or sale of Common Shares prior to the expiration of the one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company by a dealer (as defined in Section 2(a)(12) of the US Securities Act), or a person receiving a selling concession, fee or other remuneration in respect of the Common Shares offered or sold:

- Neither the seller nor any person acting on its behalf may know that the offeree or buyer of the Common Shares is a US Person; and
- If the seller or any person acting on the seller's behalf knows that the purchaser is a dealer (as defined in Section 2(a)(12) of the US Securities Act) or is a person receiving a selling concession, fee or other remuneration in respect of the Common Shares sold, the seller or a person acting on the seller's behalf must send to the purchaser a confirmation or other notice stating that the Common Shares may be offered and sold during the one-year Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company only in accordance with the provisions of Regulation S; pursuant to registration of the Common Shares under the US Securities Act; or pursuant to an available exemption from the registration requirements of the US Securities Act.

- In the case of an offer or sale of Common Shares by an officer or director of the issuer or a Distributor, who is an affiliate of the issuer or Distributor solely by virtue of holding such position, no selling concession, fee or other remuneration may be paid in connection with such offer or sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent.
- Common Shares acquired from the Company, a Distributor, or any of their respective Affiliates in a transaction subject to the conditions of Rule 901 or Rule 903 are deemed to be "restricted securities" as defined in Rule 144 . Resales of any of such restricted securities by the offshore purchaser must be made in accordance with Regulation S, the registration requirements of the US Securities Act or an exemption therefrom. Any "restricted securities", as defined in Rule 144, will continue to be deemed to be restricted securities, notwithstanding that they were acquired in a resale transaction made pursuant to Rule 901 or 904

Purchaser and Seller Certifications for Common Shares Held in the CREST System

While any Common Shares held in the CREST system have a "REG S" marker, persons taking delivery of the Common Shares (including in connection with the Placing), acquiring Common Shares by way of transfer or otherwise, or, upon withdrawal of the Common Shares from CREST, selling Common Shares, will be required in advance of such transaction to make the certifications, acknowledgements and agreements (as applicable), on its own behalf and on behalf of each person for which it is acquiring or, in certain instances, selling the Common Shares, summarised below:

- The Common Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons except pursuant to registration under the US Securities Act or an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.
- It is neither the Company nor an affiliate of the Company.
- It is not a US Person and is not acting for the account or benefit of any US Person.
- Unless the Company determines otherwise in compliance with applicable law, the Common Shares will bear a restrictive legend in substantially the form set out above.
- It has reviewed the restrictive legend (in substantially the form set out above), including the restrictions set forth in the text of the legend, and agrees to those restrictions.
- Unless the Common Shares are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act:
  - the Company will not be required to accept for registration of transfer any Common Shares that are being transferred to a US Person; and
  - the Company may require any person who is required to be a non-US Person, but is not, to transfer the Common Shares immediately in a manner consistent with the transfer restrictions.
- The Company's bylaws and articles may contain additional provisions that further limit your, or any such person's rights relating to these Common Shares.
- If it offers, resells, pledges or otherwise transfer the Common Shares, such Common Shares will be offered, resold, pledged or otherwise transferred only: (i) to the Company, (ii) to a

transferee that agrees to also comply with the restrictions set forth in the certification (either in electronic form or in a form otherwise acceptable to the Company) and who is also a non-US Person in an offshore transaction in accordance with Regulation S, or (iii) pursuant to registration, or an available exemption from registration, under the US Securities Act.

- It will not engage, directly or indirectly, in hedging transactions with regard to the Common Shares unless in compliance with the US Securities Act.
- The Company, its Affiliates, Peel Hunt and others will rely on the acknowledgments, representations and warranties contained in this certification as a basis for establishing the exemption of the sale of the Common Shares under the US Securities Act and under the securities laws of all applicable states, and for other purposes.
- By completing the purchase your certifications and agreements contained herein may be relied on by the Company or any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.
- If you are a broker dealer, your customer has been advised of and understands the contents of this certification and has authorized you to make the acknowledgements, representations, warranties and covenants contained herein on its behalf.

The legends and form of certification are in standard form and cannot be amended or tailored to different situations. The form and text of the certifications and the legends are subject to change in event of a change in applicable laws or regulations, market practice or operational procedures.

Purchasers of Common Shares in certificated form will be required in advance of any transfer to make equivalent certifications, acknowledgements and agreements in a form acceptable to the Company.

Certificated Legend

Common Shares in certificated form will bear a legend in substantially the form set forth below, unless the Company determines otherwise in compliance with applicable law:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE SECURITIES ARE "**RESTRICTED SECURITIES**" AS DEFINED UNDER RULE 144(a)(3) UNDER THE US SECURITIES ACT.

THE HOLDER HEREOF AGREES FOR THE BENEFIT OF THE COMPANY THAT THE SECURITIES MAY NOT BE TAKEN UP, OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR FROM THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT ("REGULATION S")) EXCEPT: (I) IN AN "OFFSHORE TRANSACTION" (AS DEFINED IN REGULATION S) MEETING THE REQUIREMENTS OF REGULATION S, (II) PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE US SECURITIES ACT (WHICH IT ACKNOWLEDGES THAT THE COMPANY IS UNDER NO OBLIGATION TO DO), IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE US SECURITIES LAWS AND, IN THE CASE OF (II), AN OPINION OF COUNSEL (OR SUCH OTHER EVIDENCE AS IS ACCEPTABLE TO THE COMPANY IN ITS SOLE DISCRETION) SHALL BE DELIVERED TO THE COMPANY (AND UPON WHICH THE COMPANY MAY RELY) REGARDING THE AVAILABILITY OF SUCH EXEMPTION. RESALES OR REOFFERS OF SECURITIES MADE OFFSHORE IN RELIANCE ON REGULATION S MAY NOT BE SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON (AS DEFINED IN REGULATION S) DURING THE ONE YEAR DISTRIBUTION COMPLIANCE PERIOD UNDER REGULATION S. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE US SECURITIES ACT.

Rule 144 Restrictions

All Placing Shares and Sale Shares are deemed to be restricted securities under the US Securities Act. Purchasers of Placing Shares or Sale Shares who are not Affiliates will need to comply with Rule 144 with respect to any resales of Placing Shares or Sale Shares within the United States or

to, or for the account or benefit of, US Persons on the market or otherwise until the later of (i) the first anniversary of the initial purchase of such Placing Shares or

Sale Shares and (ii) in the case of Placing Shares, the expiration of the Distribution Compliance Period or such longer period as may be required under applicable law or as determined by the Company.

Rule 144 may be available for US resales of Common Shares by Affiliates of the Company, subject to various conditions including, among others, the availability of current information regarding the Company, satisfaction of applicable holding periods and volume and manner of sale restrictions. Common Shares held by Affiliates of the Company shall be held in certificated form and, accordingly, settlement shall not be permitted via the CREST system until such time as the relevant restrictions are no longer applicable. Affiliates of the Company at the time of the Placing, or investors that become Affiliates at any time after the Placing, should seek advice of independent US legal counsel prior to selling or transferring any Common Shares. A liquid trading market for the Common Shares does not currently exist in the United States, and the Company does not expect such a market to develop soon.

Definition of US Person

In this document, a "US Person" has the meaning set forth in Regulation S and includes:

- any natural person resident in the United States;
- any partnership or corporation organised or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a US Person;
- any trust of which any trustee is a US Person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- any partnership or corporation if it is organised or incorporated under the laws of any foreign jurisdiction and formed by a US Person principally for the purpose of investing in securities not registered under the US Securities Act, unless it is organised or incorporated and owned, by accredited investors (as defined in Rule 501(a) under the US Securities Act) who are not natural persons, estates or trusts.

The following are specifically identified as not being "US Persons":

- any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;
- any estate of which any professional fiduciary acting as executor or administrator is a US Person if an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and the estate is governed by foreign law;
- any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- any agency or branch of a US Person located outside the United States if the agency or branch operates for valid business reasons; and the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

- the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.

GLOSSARY OF MEDICAL TERMS

- **Anaerobic bacteria** – bacteria that do not rely on oxygen to survive and multiply and hence thrive in the tissue of ischaemic / hypoxic wounds.
- **Bactericidal** – bacteria-killing.
- **Cardiovascular diseases** – conditions affecting the heart or blood vessels.
- **Cochrane criteria** – a standardised way to examine the methodology of systematic reviews, RCTs and RWE studies.
- **Co-morbidities** – multiple diseases / conditions present in a person at the same time.
- **Dehiscence** – the failure of a wound to close properly or the re-opening of a previously healed wound.
- **Diabetic foot ulcer (DFU)** – a non-healing, open sore resulting from minor injury. Due to the nerve damage that results from high blood sugar, diabetics can lose pain sensation in their extremities, leading to an increased risk of minor cuts and abrasions in the affected area.
- **Diabetic polyneuropathy** – a condition, caused by high blood sugar, that results in nerve damage that mostly affects the sensitivity and movement of the feet.
- **Durable Medical Equipment (DME)** – any medical equipment used in the home to aid in a better quality of living.
- **EMA** – the European Medicines Agency
- **Exudate** – the fluid that leaks out of blood vessels and into surrounding tissue due to hydrostatic pressure, causing swelling.
- **FDA** – the United States Food and Drug Administration
- **Granulation tissue** – a type of connective tissue that repairs wounds and protects from infection.
- **Hypoxic wounds** – wounds receiving a lack of oxygen due to poor blood flow, which causes the death of affected cells and further tissue damage.
- **Hydrogels, hydrocolloids, silver & alginates** – types of advanced wound dressings that provide a moist and protective healing environment for wounds.
- **Ischaemic wounds** – wounds receiving poor blood flow, resulting in death of affected cells and further tissue damage.
- **Medicaid** – US public health insurance programme for people with low income.
- **Medicare** – US public health insurance programme for people aged 65 and older and some individuals under 65 with certain disabilities and / or conditions.
- **MHRA** – the Medicines and Healthcare products Regulatory Agency
- **Oedema** – a build-up of fluid resulting in the affected tissue becoming swollen. Common in the feet, ankles and legs.
- **Osteoarthritis** – a condition characterised by the deterioration of the cartilage that cushions the movement of bones within joints.
- **Peripheral arterial disease** – a build-up of fatty deposits in the arteries of the legs and / or arms resulting in restricted blood supply to extremities.
- **Peripheral vascular disease** – a circulation disorder characterised by the narrowing of blood vessels, resulting in blockages and / or vessel spasms.
- **Pressure ulcer (PU)** – open sores that form as a result of constant / prolonged pressure exerted on the affected area, also known as bedsores.
- **Revascularisation** – the growth of new blood vessels, required for wound healing.
- **Randomised Control Trial (RCT)** – a prospective study that measures the effectiveness of a new medical intervention / treatment, in which subjects are randomly assigned to the sham (control) or to the novel intervention / treatment.

- **Real-World Evidence study (RWE)** – analysis generated from real-world patient data that complements RCTs by generalising the findings to the general population and the co-morbidities typically found therein.
- **Type 1 diabetes** – a hereditary autoimmune condition that results in a lack of insulin production and hence high blood sugar levels.
- **Type 2 diabetes** – a loss of sensitivity to insulin resulting in high blood sugar levels.
- **Venous leg ulcer (VLU)** – a painful sore on the leg / foot that takes more than two weeks to heal, caused by high pressure in the veins leading to weakened skin.
- **Veterans Affairs (US Department of) (VA)** – US federal department that provides military veterans with access to free healthcare services and other benefits.