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Observe Medical ASA – Registration of share capital increase

Reference is made to the previous stock exchange announcements by Observe Medical ASA (the "Company") regarding the rights issue of 4,090,909 new shares (the "Offer Shares") in the Company (the "Rights Issue").

The share capital increase pertaining to the Rights Issue has now been registered in the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret). The Company's new share capital is NOK 5,052,731.32 divided into 19,433,582 shares, each with a nominal value of NOK 0.26.

Following the registration of the Offer Shares in the Norwegian Central Securities Depository (the VPS), which is expected to take place today, on 15 July 2020, the Offer Shares will be listed on Oslo Axess and delivered to the subscribers allocated shares in the Rights Issue.

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About Observe Medical

Observe Medical develops and markets innovative hospital products that contribute to increased patient safety and a more efficient care system. The company's headquarter is in Oslo and its operations are based out of Sweden. Observe Medical's initial product was Sippi®, the only automated digital urine meter with wireless data transfer to the hospital patient data management systems, and also prevents bacterial migration that can lead to urinary infections (Sippcoat®). Sippi® is CE marked and is currently being launched at selected hospitals in Europe.

IMPORTANT INFORMATION

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Depository (the "VPS") as at the expiry of 18 June 2020 pursuant to the two days' settlement procedure of VPS) who are "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act. No public offering of the securities will be made in the United States.

In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State).

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The offering of the securities referred to in this announcement is made by means of the prospectus dated 18 June 2020, comprising a registration document, a securities note and a summary (jointly, the "Prospectus"). This announcement is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended) as implemented in any Member State. Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the Prospectus. Copies of the Prospectus are available from the Company's registered office and, subject to certain exceptions, on the website of the Company (<https://observemedical.com/prospectus-check/>) and SpareBank 1 Markets (<https://www.sb1markets.no/>).

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