

Observe Medical ASA: Interim report third quarter 2020

Oslo, November 3rd, 2020 - Observe Medical ASA (OSE: OBSERV) today released its presentation of the third quarter 2020, reporting important steps forward in terms of the commercialization and go-to-market strategy for its first product Sippi®. Sippi® is a unique and proprietary solution for digital automated urine monitoring in hospitals.

“With Sippi®, Observe Medical contributes to improved clinical results for patients and increased efficiency for the health care system. For us, it is now paramount to roll the Sippi® system out to hospitals, and through the acquisition of Sylak AB, which was completed in October, we have in place a strong sales and distribution vehicle in the Nordics with access to Sippi® target customers,” CEO of Observe Medical Björn Larsson says.

Observe Medical confirms its global current market estimate potential of 500,000 Sippi® base units and 30 million Sippi® disposable units per year, with further expected increase post Covid-19.

“We see tremendous potential for Sippi®, and after the rights issue of NOK 45 million in July we have a solid financial platform in place. We are now pushing hard to strengthen our capabilities in terms of commercial roll-out. At this stage, we focus on the potential in the Nordics and selected European markets. For the Nordics, Sylak is essential, and when it comes to Europe we have a strong belief that the distribution agreement we signed for Italy in the third quarter will be followed by similar agreements for other markets soon,” Björn Larsson says.

“Covid-19 is a big challenge for the health care system all over the world. Observe Medical has been fully operational during the pandemic, but customer access and relationship-building has been difficult due to travel restrictions and hospital constraints, which has temporarily slowed down sales processes,” Björn Larsson says.

Observe Medical’s revenues in the third quarter of 2020 was NOK 9,000, as the company is still in launch stage and some of the sales activities has slowed down due to the Covid-19. The Company’s EBITDA was negative NOK 4.8 million (negative NOK 2.4 million in the same quarter in 2019). The net result in the period ended at negative NOK 5.9 million (negative 3.9 million), as the result was affected by increased operating expenses due to increased headcount, increased consultancy cost and increased other operating expenses as a standalone listed company.

Observe Medical is hosting a presentation of the third quarter 2020 financial results at Felix Konferansesenter in Oslo on Tuesday, November 3rd. The event will start at 08.30 CET and will be webcasted live on www.observemedical.com - Investor relations and on the following link:

https://channel.royalcast.com/hegnarmedia/#!/hegnarmedia/20201103_4

Due to COVID-19 and corresponding infection control considerations, we encourage all to follow the presentation at the webcast and not in physical presence.

For further information, please contact:

Björn Larsson, CEO.

Mobile: +46 76 620 17 25

E-mail: bjorn.larsson@observemedical.com

Per Arne Nygård, CFO

Mobile: +47 411 04 345

E-mail: perarne.nygard@observemedical.com

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 Sippi®, is the only automated digital urine meter with wireless data transfer to hospital patient data management systems, and hinders bacterial migration that can lead to urinary infections (Sippcoat®). Sippi® is CE marked and is currently being launched at selected hospitals in Europe.