

## Observe Medical ASA: Interim report for the second quarter and first half-year 2021

Oslo, August 20<sup>th</sup>, 2021 – Observe Medical ASA (OSE: OBSRV) today released its financial results and presentation of the second quarter and first half-year of 2021, reporting continuous progress in the go-to-market execution for Sippi®, a unique and proprietary solution for digital, automated urine monitoring.

“We have a sharp focus on continuous roll-out of Sippi®, and during the second quarter we made important steps forward, even though we operate under difficult conditions due to the pandemic. We have strengthened our distribution network by signing an agreement with the company Skamex for the launch of Sippi® in Poland and Romania. Skamex has placed the first order and launch is planned for second half 2021,” said CEO of Observe Medical, Björn Larsson.

Observe Medical continues to gather clinical evidence of the benefits of Sippi®. Nya Karolinska Sjukhuset in Stockholm has started a new study with the aim to broaden the Sippi® clinical scope of use. This including acute kidney injury which is a common and serious complication in critically ill patients.

“We already have a good position when it comes to clinical evidence, but it is essential to continue to add to this in order to further build the value proposition of Sippi®. During Q2 we have conducted health economic initiatives that strongly support the value proposition. Going forward we will continue this important workstream, aiming to transform clinical evidence into economic value for our customers and Observe Medical. Over time we aim to obtain value-based pricing for Sippi®, and capture a share of the great value Sippi® provides to patients and the healthcare system,” said Björn Larsson.

Observe Medical's revenue in the second quarter of 2021 was NOK 9.7 million, up from NOK 3.1 million in the first quarter 2021 and NOK 0 in the same quarter in 2020. The increase from 2020 was primarily driven by the added revenue from the acquired sales and distribution operations in Sweden. On a comparable basis, the Nordic sales operations grew its revenues with close to 60 percent in the first half-year compared to the same period in 2020.

“This portfolio is highly synergistic with Sippi®, and the Nordic sales operations provides market access for our proprietary Sippi® products. We see strong potential for the Nordic sales operations, and our ambition for this portfolio is revenues of NOK 100 million and more than 40 percent gross margin,” said Björn Larsson.

Observe Medical's EBITDA in Q2 2021 was negative NOK 4.8 million (negative NOK 6.3 million in the same quarter in 2020), affected by improved gross profit from the sales operation. The net result in the period ended at NOK 1.3 million (negative 10.1 million), driven by net finance income.

Observe Medical ASA invites you to a presentation of the second quarter and first half year 2021. The presentation will take place at Felix Konferansesenter in Oslo on Friday, August 20<sup>th</sup>. The event will start at 08.30 CET and will be webcasted live on

www.observemedical.com - Investor relations and at the following link:  
[https://channel.royalcast.com/landingpage/hegnarmedia/20210820\\_3/](https://channel.royalcast.com/landingpage/hegnarmedia/20210820_3/)

Representatives from the Company will be: CEO Björn Larsson and CFO Per Arne Nygård. Shortly after the presentation the webcast recording will be published on the same site.

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About Observe Medical (<https://obervemedical.com>) Observe Medical develops and markets and sells innovative hospital products that contribute to increased patient safety and a more efficient care system. The company's ambition is to drive growth by leveraging its expertise in sales and commercialization of its broad portfolio of medical technology products, mainly in the areas of Urine measurement, Anesthesiology/ICUs and wound care, in combination with targeted M&A. The company's headquarters is in Oslo, Norway and its operations is based out of Gothenburg, Sweden. Observe Medical has a direct sales organization in the Nordics and a distributor network internationally. Observe Medical's product Sippi® is the only automated digital urine meter with possibility for wireless data transfer to the hospital patient data management systems and hinders biofilm formation that can lead to urinary infections (Sippcoat®). Sippi® is currently being launched with focus on selected markets and hospitals in Nordics and in Europe.