

Observe Medical ASA – Terms of the fully underwritten rights issue

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Reference is made to the stock exchange announcement published by Observe Medical ASA (the "Company") on 14 January 2022, regarding a proposed fully underwritten rights issue (the "Rights Issue"), which is subject to the approval by the extraordinary general meeting of the Company to be held at 10:00 (CET) on 4 February 2022.

The Company's board of directors has today, on 3 February 2022, based on a recommendation from Carnegie AS and DNB Markets, a part of DNB Bank ASA (acting as "Managers" in the Rights Issue), determined the following proposed (i) subscription price, (ii) number of new shares and (iii) share capital increase pertaining to the Rights Issue:

- The subscription price is proposed to be NOK 7.0 per new share offered in the Rights Issue (the "Offer Shares"), representing a discount of 30% to the theoretical ex rights price (TERP) of the Company's shares based on the volume-weighted average price (VWAP) of the Company's shares on Euronext Expand in the three days' period from 1 February 2022 to and including 3 February 2022, of NOK 13.939;
- The share capital of the Company is proposed to be increased by NOK 6,685,714.36 through the issue of 25,714,286 Offer Shares, representing a ratio of 1.3116 Offer Shares per each existing share; and
- The Company will raise approximately NOK 180 million in gross proceeds in the Rights Issue.

Each existing shareholder as of 4 February 2022 (and being registered as such in Euronext Securities Oslo, the Norwegian Central Securities Depository, (the "VPS") as at the expiry of 8 February 2022 (the record date)) will be granted 1.3116 subscription rights for each share registered as held by the shareholder. The number of subscription rights granted to each existing shareholder will be rounded down to the nearest whole subscription right. Each subscription right will, subject to applicable securities laws, give the right to subscribe for and be allocated one (1) Offer Share in the Rights Issue.

The proposal to increase the share capital of the Company as set out in the notice from 14 January 2022 to the extraordinary general meeting of the Company to be held tomorrow, on 4 February 2022, will be adjusted to reflect the (i) subscription price, (ii) the number of new shares and (iii) the share capital increase pertaining to the Rights Issue as set out above. For further information regarding the Rights Issue, see the notice of the extraordinary general meeting available on www.observemedical.com.

The full terms and conditions of the Rights Issue will be included in a prospectus, (the "Prospectus"), which will be published prior to the commencement of the subscription period in the Rights Issue, expected to take place from 9 February 2022 to 23 February 2022 at 16:30 CET.

Carnegie AS and DNB Markets, a part of DNB Bank ASA, are acting as managers for the Rights Issue. Advokatfirmaet Thommessen AS is acting as legal counsel to the Company. Advokatfirmaet Schjødt AS is acting as legal advisor to the Managers in connection with the Rights Issue.

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About Observe Medical

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 headquarter 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 bacterial migration that can lead to urinary infections (SippCoat®). Sippi® is CE marked and is currently being launched with focus on selected markets and hospitals in Nordics and in Europe.

IMPORTANT INFORMATION

This announcement does not constitute an offer of securities for sale or a solicitation of an offer to purchase securities of the Company in the United States or any other jurisdiction. The securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The securities of the Company have not been, and will not be, registered under the U.S. Securities Act. The information contained in this announcement is for informational purposes only and does not purport to be full or completed. The Company does not intend to register any portion of this offering in the United States or to conduct a public offering in the United States. Copies of this announcement are not being, and should not be, distributed in or sent into the United States.

This announcement has been prepared on the basis that any offer of securities in any Member State of the European Economic Area, other than Norway, which has implemented the Prospectus Regulation (EU) (2017/1129, as amended, the "Prospectus Regulation") (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Regulation, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of securities. Accordingly any person making or intending to make any offer in that Relevant Member State of securities which are the subject of the offering contemplated in this announcement, may only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 16 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Company

nor any of the Managers have authorised, nor do they authorise, the making of any offer of the securities through any financial intermediary, other than offers made by the Managers which constitute the final placement of the securities contemplated in this announcement. Neither the Company nor any of the Managers have authorised, nor do they authorise, the making of any offer of securities in circumstances in which an obligation arises for the Company or any Managers to publish or supplement a prospectus for such offer.

In the United Kingdom, this announcement is only addressed to and is only directed at Qualified Investors who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) are persons falling within Article 49(2)(a) to (d) of the Order (high net worth companies, unincorporated associations, etc.) (all such persons together being referred to as "Relevant Persons"). This announcement are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

This announcement is made by and, and is the responsibility of, the Company. The Managers are acting exclusively for the Company and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, or for advice in relation to the contents of this announcement or any of the matters referred to herein.

Neither the Managers nor any of their respective affiliates makes any representation as to the accuracy or completeness of this announcement and none of them accepts any responsibility for the contents of this announcement or any matters referred to herein.

This announcement is for information purposes only and is not to be relied upon in substitution for the exercise of independent judgment. It is not intended as investment advice and under no circumstances is it to be used or considered as an offer to sell, or a solicitation of an offer to buy any securities or a recommendation to buy or sell any securities of the Company. Neither the Managers nor any of their respective affiliates accepts any liability arising from the use of this announcement.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is an advertisement and is not a prospectus for the purposes of the Prospectus Regulation. Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus. Copies of any such prospectus will, following publication, be available at the Company's registered office and, subject to certain exceptions, on the websites of

the Company (www.observemedical.com), Carnegie (ww.carnegie.no/ongoing-prospectuses-and-offerings) and DNB Markets (www.dnb.no/emisjoner).

Each of the Company, the Managers and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any statement contained in this announcement whether as a result of new information, future developments or otherwise.

The distribution of this announcement and other information may be restricted by law in certain jurisdictions. Persons into whose possession this announcement or such other information should come are required to inform themselves about and to observe any such restrictions.

This information is considered to be inside information pursuant to the EU Market Abuse Regulation article 7 and is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act. This stock exchange announcement was published by Per Arne Nygård on 3 February 2022 at 18:15 CET on behalf of the Company.