

Observe Medical provides an update on contemplated financing

Oslo, 14 December 2022 – The Nordic medtech company Observe Medical ASA ("Observe Medical" or "the Company") is planning to issue a NOK 30-50 million bond loan in the first quarter of 2023, which is expected to be followed by a NOK 100-150 million equity issue around mid-year 2023. It is contemplated that the bond loan may be used by the creditors as payment of their subscription amount in the equity issue by way of set-off their claim against the Company. Certain of the largest shareholders have indicated that they will support the contemplated financing.

The Company intends to use the net proceeds from the transactions to finance the two contemplated acquisitions that are expected to be closed in the first quarter of 2023, working capital, as well as other growth initiatives. The two transactions are the potential acquisitions of the Unometer™ urine measurement product range and the Ferrari L. production facility in Verona, Italy. The contemplated acquisitions are described in separate stock exchange announcements dated 21 October 2022 and 14 December 2022, respectively.

The two potential acquisitions are, if completed, expected to be truly transformative for Observe Medical, which develops, markets and sells innovative medtech products for the global market. The Unometer™ products reached sales of around NOK 180 million in 2021, and Ferrari L. turned over approximately another NOK 27 million in 2021. Observe Medical generated approximately NOK 24 million in revenues in 2021.

“The two acquisitions are expected to allow a speedier roll-out of Sippi®, our automated urine measurement product, and potentially also our Biim ultrasound probe. Having our own production facility will likely reduce the cost of goods sold and strengthen the profitability of our business,” said Rune Nystad, CEO of Observe Medical.

“We are fortunate in Observe Medical to have such financially strong and committed shareholders that support our growth initiatives, and that encourage management to pursue great growth and business opportunities, which ultimately result in increased patient welfare and health economics, and grows shareholder value,” Mr. Nystad added.

It is emphasized that no assurance can be made that final acquisition agreements will be entered into for the acquisition of the Unometer™ urine measurement product range and/or the Ferrari L. production facility in Italy nor that the contemplated financing will be successfully secured. Furthermore, if it prior to the issuance of the contemplated bond loan or the equity issue, as applicable, becomes evident that no agreements will be made, the Company may not issue such bond loan and/or raise equity as set out above.

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About Observe Medical

Observe Medical is a Nordic medtech company that develops, markets and sells innovative medtech products for the global market. The Company is committed to improving patient welfare and patient outcomes, improving clinical data accuracy and promoting positive health economics.

The Company seeks to drive growth by leveraging its expertise in sales and commercialization of its broad portfolio of medical technology products, mainly in urine measurement, ultrasound, anesthesiology/ICUs, surgery and wound care, in combination with targeted M&A.

The Company is headquartered in Oslo, Norway, with additional offices in Narvik, Norway and Gothenburg, Sweden, and subsidiaries in Finland and the US. In addition, Observe Medical has a direct sale organization in the Nordics and a distributor network internationally.

Further information is available at www.observemedical.com.

The information is such that Observe Medical ASA is required to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 15.45 CET, 14.12.2022.