

Observe Medical signs milestone agreement with Unomedical

Oslo, 11 September 2023 - Observe Medical ASA ("Observe Medical" or the "Company") has, through its wholly owned subsidiary Observe Medical AS ("OMAS"), signed an asset transfer agreement with Unomedical A/S and Unomedical s.r.o. as sellers (which are ultimately owned by Convatec Group Plc) (the "ATA"), following the entry of an exclusivity agreement in October 2022. Pursuant to the ATA, OMAS acquires the trademarks and other intellectual property rights relating to state-of-the-art urine measurement products known as the Unometer™ and Abdo-Pressure™ products (the "Transaction"). The Transaction is a significant step forward for Observe Medical as it expands its product portfolio and strengthens its position in the market.

Becomes market leader in Europe for Urine Measurement Products

The Unometer™ portfolio holds a strong market share of around 80-90% in Europe's urine measurement segment. Known for its high quality, it's a leading brand in Europe and beyond, selling over 5 million units annually. This acquisition is also expected to expand Observe Medical's reach, by connecting it with over 600 distributors in more than 50 countries, enhancing Observe Medical's current medtech portfolio (including Sippi™ and Biim Ultrasound™).

Observe Medical's CEO, Rune Nystad, expresses enthusiasm about the agreement, stating, "This acquisition marks a monumental milestone for our organization and is in line with our growth strategy and long-term ambition. Finally, we can leverage on our commercial and operational efforts in the market the last 12 months. We have already received orders for more than NOK 10 million and are immediately releasing shipments to customers".

Terms of the agreement

As per the ATA, the total purchase price is USD 4,195,000. This amount will be divided and settled in accordance with the following payment plan:

1. An initial payment of USD 300,000 will be made upon signing of the agreement
2. An additional prepayment of USD 1,500,000 will be made as follows:
 - USD 500,000 by 28 June 2024
 - USD 1,000,000 by 30 December 2024
3. The closing payment, \$2,395,000, will be made no later than 1 September 2025

The initial payment will be financed by the loan agreements entered into by the Company as per a separate stock exchange notification. The Company is working to secure the required financing to fund the remaining purchase price. The sellers may terminate the ATA upon non-payments of the agreed installments. It is important to note that the payments are non-refundable if the closing of the Transaction does not take place.

Closing of the Transaction is expected to take place no event later than 1 September 2025. OMAS has simultaneously with entering the ATA, entered into a temporary license agreement with the sellers securing OMAS the right to use the assets and rights acquiring under the ATA in the period between signing and closing of the ATA.

For further information, please contact:

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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.

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.