

OBSERVE MEDICAL ASA – Final results of the rights issue

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Oslo, 12 December 2023: Reference is made to the stock exchange announcements published by Observe Medical ASA (the "Company") regarding the rights issue of minimum 69,230,770 new shares and maximum 211,538,461 new shares in the Company (the "Offer Shares"), each with a nominal value of NOK 0.26, at a subscription price of NOK 0.26 per Offer Share (the "Rights Issue").

The subscription period for the Rights Issue (the "Subscription Period") expired earlier today on 12 December 2023, at 16:30 hours (CET).

At the expiry of the Subscription Period, the Company had received subscriptions for a total of 137,193,548 Offer Shares. The Rights Issue was accordingly subscribed by approximately 65% of the maximum number of Offer Shares offered.

The final allocation of the Offer Shares in the Rights Issue has now been completed based on the allocation criteria set out in the Company's prospectus dated 24 November 2023 (the "Prospectus").

A total of 137,193,548 Offer Shares were allocated, whereas 82,790,023 Offer Shares were subscribed by way of cash settlement of the subscription amount and 54,403,525 Offer Shares were subscribed by way of set-off against the shareholder loans (as further described in the minutes from the extraordinary general meeting held by the Company on 22 November 2023). A total of 112,544,558 Offer Shares were allocated based on valid subscriptions from investors with granted and/or acquired subscription rights, 21,070,275 Offer Shares were allocated to subscribers who have exercised their subscription rights and over-subscribed, on a pro rata basis based on the number of subscription rights exercised by such subscriber, and 3,578,715 Offer Shares were allocated to subscribers without subscription rights. Approximately 53% of the subscription rights granted in the Rights Issue were exercised.

Notifications of allocated Offer Shares and the corresponding subscription amount to be paid by each subscriber are expected to be distributed tomorrow, on 13 December 2023.

Payment in cash for the allocated Offer Shares subscribed by way of cash payment falls due on 15 December 2023 in accordance with the payment procedures described in the Prospectus.

The Offer Shares may not be transferred or traded before they have been fully paid and the share capital increase pertaining to the Rights Issue has been registered with the Norwegian Register of Business Enterprises (Nw. Foretaksregisteret). It is expected that the share capital increase will be registered in the Norwegian Register of Business Enterprises on or about 21 December 2023 and that the Offer Shares will be delivered to the VPS accounts of the subscribers to whom they are allocated on or about the next day.

Sparebank 1 Markets AS is acting as manager for the Rights Issue. Advokatfirmaet Thommessen AS is acting as legal counsel to the Company.

This information is considered to be inside information pursuant to the EU Market Abuse Regulation 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, CFO at Observe Medical ASA, on 12 December 2023 at 20:45 hours (CET).

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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.

- IMPORTANT INFORMATION -

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Any offering of the securities referred to in this announcement will be made by means of a prospectus (the "Prospectus") which was approved by the Norwegian Financial Supervisory Authority on 24 November 2023. This announcement is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended) as implemented in any EA Member State (the "Prospectus Regulation"). Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the Prospectus. Copies of the Prospectus is available from the Company's registered office and, subject to certain exceptions, on the websites of the Manager and the Company.

In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

In the United Kingdom, this communication 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"). These materials 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.

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The Manager is acting for the Company in connection with the Rights Issue 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 providing advice in relation to the Rights Issue or any transaction or arrangement referred to in this announcement.

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 is the responsibility of, the Company. Neither the Manager nor any of its 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.

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