



Update on acquisition of Ferrari L. and Shareholder Letter

Oslo, 20 April 2023 - Observe Medical ASA ("the Company" or "Observe Medical") today announces it has informed Ferrari L., an Italian manufacturer of medical equipment, that the Company has decided to discontinue the process of acquiring Ferrari L. The contemplated acquisition was originally announced in a press release on 14 December 2022.

This decision is the result of Observe Medical having identified a more cost-efficient manufacturer alternative, which is expected to secure high-quality volume production of the Observe Medical products. This decision will reduce the Company's future funding needs and will have an impact on the previously communicated run-rate target of NOK 200-250 million by year-end. Observe Medical will provide further information concerning the financial impact of not acquiring Ferrari L. in due course.

More information concerning the decision is available in the attached Shareholder Letter.

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.