

ANNUAL REPORT

2025

Observe Medical ASA



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OBSERVE MEDICAL IN BRIEF

Observe Medical is a Nordic medtech company focused on developing, commercialising and scaling innovative medical technologies for the global healthcare market. The Company's solutions aim to improve patient outcomes, enhance clinical decision-making through more accurate data, and contribute to cost-efficient healthcare delivery.

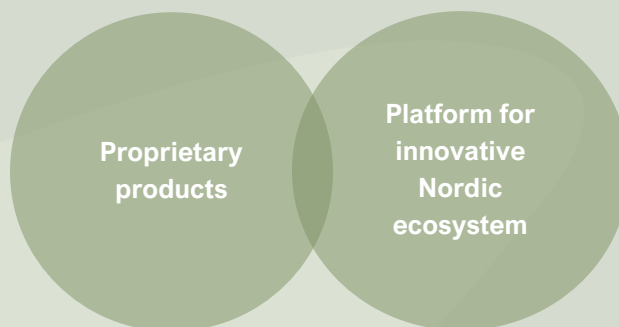
The Group's core focus is within urine output measurement, where it leverages its expertise in product development, regulatory execution and international commercialisation. Through its integrated portfolio, Observe Medical addresses both traditional and digital clinical workflows

The Company's strategic vision is a scalable Nordic medtech platform – with global reach, combining product innovation with efficient market access, regulatory capabilities and a flexible manufacturing setup to enable profitable growth.

Observe Medical is headquartered in Oslo, Norway, with key functions including R&D, regulatory and commercial operations based in Gothenburg, Sweden. The Group operates through a global network of distributors and partners.

The current portfolio of proprietary products consists of;

- The UnoMeter™ portfolio provides manual urine output measurement solutions designed for reliable and accurate monitoring of hourly diuresis, supporting clinical decision-making and patient management. Building on the success of UnoMeter™ Safeti™ Plus, the Company has internally developed UnoMeter™ Safeti™ Max. This successor introduces enhanced functionality and innovation, specifically designed to further improve patient safety, clinical outcomes, and health economics.
- Sippi®, a CE-marked digital urine output monitoring system featuring automated measurement, biofilm control and wireless connectivity, designed to improve accuracy, reduce manual workload and enhance patient safety



Patient welfare



Health economics



Data accuracy

2025 HIGHLIGHTS

- **Revenue growth:** The Company recorded total operating revenues of NOK 18.8 million. Underlying revenues from proprietary products increased by approximately NOK 7.3 million (+64%), reflecting continued scale-up of the UnoMeter™ portfolio.
- **Successful recapitalization and balance sheet strengthening:** The Group successfully raised NOK 58.5 million in gross proceeds through equity issuances, of which 50.5 million was settled in cash through private placements and a fully subscribed subsequent offering.

In parallel, the Group completed a comprehensive debt restructuring, reducing total debt significantly, while at the same time closing the asset transfer agreement transferring all UnoMeter™ associated assets to the Group.

- **Product innovation:** Development of the enhanced version of UnoMeter™ Safeti™ Plus, the new UnoMeter™ Safeti™ Max, with a scheduled commercial launch in March/April 2026. The product integrates patented technology developed for Sippi®, strengthening the technological platform across the portfolio.
- **Portfolio expansion:** Further expanding the product portfolio within the Urological drainage segment with 3 new products. Combined, these products target an estimated global market value of NOK 1.6-1.8 billion.
- **Impairment:** The Group recognised an impairment of intangible assets related to Biim Ultrasound of NOK 41.7 million for the full year (including NOK 37.7 million in H2). The impairment has no cash impact and reflects updated commercial expectations.

EVENTS AFTER THE BALANCE SHEET DATE

- **Strengthened liquidity position:** The Group has successfully signed and received a loan from Innovation Norway of NOK 15 million
- **Dismantling complexity:** On March 4th the Company announced that as a consequence of the lack of progress with the key customer of Biim, the final steps to close down all Biim related activities has been resolved by the board including to wind up Biim Ultrasound AS and its subsidiaries.

KEY FIGURES

(Amounts in NOK thousand, except EPS, equity ratio and number of FTE)

	FY 2025	FY 2024
Operating revenue	18 811	17 229
Gross result adjusted*	5 338	4 905
Other income	2 253	1 255
Operating expenses	30 973	33 093
EBITDA adjusted*	-25 635	-28 189
Depreciation and amortization	13 320	14 380
Impairment	41 725	2 675
EBIT	-79 065	-47 074
Net finance	30 427	-11 652
Result	-48 639	-58 727
EPS	-0.73	-3.95
Equity	29 959	21 136
Total balance	101 169	142 647
Equity ratio	29.6%	14.8%
Number of FTE's at end of period	5	5

OPERATING REVENUES**	OPERATING REVENUES URINE MEASUREMENT	GROSS MARGIN*	EBITDA*
18.8 MNOK	18.8 MNOK	28.4%	-25.6 MNOK
+1.6 MNOK	+7.4 MNOK	-0.1 p.p. YoY	+2.6 MNOK
+9%	+64%		+9%

* Alternative performance measures (APMs), adjusted for Inventory write-down and other income

** 2024 include revenues from Observe Medical Nordic AB' distribution portfolio of 5.7 MNOK

LETTER FROM THE CEO

Dear shareholders,

2025 has been a defining year for Observe Medical. We have taken important steps to transform the Company from a development-focused organisation into a commercially driven medtech platform with global reach. We have executed well in the establishment of a platform that can drive our commercial growth, we have seen acceptable financial traction and the strategic direction remains clear.

Distribution platform

A key priority throughout 2025 has been to scale our distribution platform. During the year, we strengthened our third-party network, now covering 46 countries across Europe, Asia and South America. This footprint represents the vast majority of the historic UnoMeter™ sales base and continues to expand.

Executing our portfolio strategy

Late 2024 we launched UnoMeter™ Safeti™ Plus, the strongest product in the historic performance of the UnoMeter family. During 2025 we have seen very good market feedback and commercial traction, and this product now accounts for 60% of our revenue.

In 2025, another significant part of our portfolio strategy has been the development of UnoMeter™ Safeti™ Max - a product that directly addresses key challenges in healthcare related to infection control, health economics and sustainability and which will be first innovative product in this segment since UnoMeter™ Safeti™ Plus was launched more than 20 years ago.

We have also expanded our urological drainage portfolio with new products within the urological drainage category with the A4, A6 and UnoMeter™ 400 products, increasing our addressable market by NOK 1.6–1.8 billion. This marks our transition from a single-product company to a provider of a complete drainage portfolio, strengthening our position with distributors and increasing our commercial potential.

Commercial Momentum

We achieved 64% year-on-year growth for our UnoMeter™ products in 2025, although revenue was impacted by the timing of market re-entry. The

momentum into 2026 is strong, supported by a broader product offering and increased commercial focus.

We continue to align investments with liquidity, ensuring disciplined execution while accelerating sales efforts.

Strengthening the operational platform

During the year, we simplified and strengthened the organisation to align with our strategic ambitions and to make sure we have a proactive approach to managing our financial capacity. Focus going into 2026 is building operational capacity to support our commercial strategy, particularly within sales and product management.

Securing the Future

In 2025, Observe Medical secured NOK 58.5 million in new equity and in 2026 we received a NOK 15 million loan from Innovation Norway. Combined with ongoing efforts to reduce complexity, this positions us well for the next phase.

Looking Ahead

As we move further into 2026, our priorities remain clear:

- Accelerate revenue growth through increased market penetration
- Leverage our expanded product portfolio
- Continue scaling our commercial and operational capabilities
- Maintain financial discipline on the path to profitability

The actions taken in 2025 have positioned Observe Medical for its next phase of growth. With a stronger platform, an expanded portfolio and improving commercial momentum, I am confident that we are moving towards positive operational cash flow and building a sustainable, profitable medtech company.

Thank you for your continued support.

Jørgen Mann
CEO





The image shows a close-up of a medical device, likely an IV drip chamber, mounted on a metal stand. The device has a white plastic body with a blue control panel. The panel features a digital display showing '280 ml/h' and '1225 ml'. Below the display are several touch-sensitive icons: a refresh icon, a trash icon, a Wi-Fi icon, a bar chart icon, and a power icon. The brand name 'sippi' is visible on the left side of the panel. A clear plastic drip chamber is attached to the bottom of the device, containing a white filter and a clear liquid. A white tube is connected to the top of the drip chamber. The background is a plain, light-colored surface.

BOARD OF DIRECTOR'S REPORT

INTRODUCTION

Observe Medical ASA is a Norwegian listed medtech company focused on urine measurement and related urological drainage solutions. The Group's core strategic platform comprises the UnoMeter™ portfolio and the Sippi® digital urine measurement system.

During 2025, the Group completed a comprehensive financial structuring and further expanded its commercial distribution footprint. The Board considers 2025 a successful transitional year to commercial scaling.

The Group operates internationally through subsidiaries in Norway, Sweden and Denmark

Subsequent to the reporting period, the Board of directors announced 4th of March 2026 that as a consequence of the lack of commercial progress with the key customer for Biim Ultrasound, the final steps to close down all Biim related activities was resolved by the board, including to wind up Biim Ultrasound AS and its subsidiaries.

The decision forms part of the Company's ongoing efforts to streamline its corporate structure and reduce administrative complexity and costs. Following completion of this process the Group structure will be simplified, and our cost base will be reduced accordingly.

FINANCIAL REVIEW

COMMENTS ON THE GROUP'S RESULTS

Operating revenues for the year 2025 amounted to NOK 18.8 million, reflecting a year-over-year increase of 1.6 million, driven by growth in the UnoMeter™ portfolio of 7.3 million / +64%, partly offset by the phased-out Nordic distribution business in 2024 (NOK -5.7 million).

The increase is mainly driven by the introduction of UnoMeter™ Safeti Plus in 2025.

Gross result adjusted for inventory write downs was NOK 5.3 million compared to NOK 4.9 million last year, corresponding to an adjusted gross margin of 28.4%. Margin development reflects improved product mix and scaling effects, partly offset by freight and supply chain costs.

Other income in 2025 represents Gain on derecognition of trade payables, related to negotiated debt reductions. This amounts to NOK 2.3 million.

The Group had operational expenses of NOK 31.0 million, compared to NOK 33.1 million last year. The reduction of NOK -3.1 million / 10% is driven by lower employee benefit expenses from redundancies in the first half of 2024, lower consultancy expenses and other operating expenses, partly offset by higher legal and audit costs.

The average number of FTE's in 2025 was 4.9 compared to 6.2 last year.

Adjusted **EBITDA** for 2025 was negative NOK 25.6 million (2024: negative NOK 28.2 million), adjusted for inventory write-downs and other income.

Depreciation and amortization were NOK 13.3 million, compared to NOK 14.4 million in 2024.

The Group recorded an **impairment loss** of intangible assets related to the CGU Ultrasound totaling NOK 41.7 million for the year. Following updated commercial assumptions, the carrying amount of the Ultrasound CGU was reduced to zero. No impairment was recognized for the CGU Urine Measurement. Please refer to note 17 in the explanatory notes to the consolidated financial statements for details.

Net financial income for 2025 amounted to NOK 30.4 million (2024: net financial expense NOK 11.7 million). The positive development reflects gain on derecognition of financial liabilities in connection with the debt restructuring completed during the year.

The result for the year was negative NOK 48.6 million compared to negative NOK 58.7 million in 2024.

Earnings per share was negative NOK 0.73 compared to negative NOK 3.95 in 2024.

CASH FLOW

Net cash flow from operating activities in 2025 was negative NOK 24.8 million, compared to negative NOK 27.4 million in 2024. While 2024 was characterized by a substantial positive contribution from working capital, the 2025 figures were dominated by large, offsetting non-cash items. These included a NOK 41.7 million impairment and a NOK 42.8 million accounting gain from debt restructuring, neither of which impacted the Group's liquidity. Furthermore, the positive cash effect from working capital movements decreased from the previous year, primarily due to a NOK 2.2 million increase in inventory levels in 2025, contrasted with a reduction in 2024.

Net cash flow from investing activities was negative 1.1 million, related to the Group's product development, compared to net investment cash outflows of NOK 1.1 million in 2024.

Net cash flow from financing activities was positive at NOK 35.4 million, compared to NOK 16.8 million in 2024. This primarily reflects equity raises of NOK 50.4 million, which were partly offset by a payment of NOK 10.1 million related to the asset transfer agreement with Convatec and transaction costs associated with the capital increases.

Cash and cash equivalents at 31 December 2025 amounted to NOK 11.5 million (2024: NOK 2.0 million)

FINANCIAL POSITION

Total assets at 31 December 2025 amounted to NOK 101.2 million, compared to NOK 142.6 million at the end of 2024.

Non-current assets of NOK 79.8 million mainly consisting of goodwill NOK 35.2 million (NOK 33.1 million LY - change due to currency) and intangible assets associated with the technologies and patents for the Sippi® system and the trademark of and assets related to UnoMeter™ of NOK 44.6 million, compared to NOK 97.7 million at 31 December 2024. The change includes impairment of assets related to Biim Ultrasound of NOK 41.7 million.

Current assets, including inventory and other prepaid expenses amounted to NOK 9.9 million as of 31 December 2025, compared to NOK 7.0 million at year-end 2024. The liquidity position was significantly strengthened during the period, with **bank deposits** increasing to NOK 11.5 million at 31 December 2025, up from NOK 2.0 million at the end of 2024.

As of 31 December 2025, the Group had **equity** of NOK 30.0 million compared to NOK 21.1 million at 31 December 2024. The equity ratio was 29.6% at 31 December 2025 compared to 14.8% at 31 December 2024.

As at 31 December 2025, the Groups **total liabilities** amounted to NOK 71.2 million, a reduction from NOK 121.5 million at 31 December 2024.

During 2025, the Group achieved a substantial reduction in total debt as a result of a restructuring process. The Group completed private placements and a subsequent offering totaling gross proceeds of NOK 58.5 million, where NOK 50.5 million were cash and NOK 8.0 million were conversion of debt. 116,890,000 shares were allocated in total.

RISK FACTORS

Effective risk management remains a priority for the Board of Directors in supporting long-term value creation. The Group faces risks both of operational and financial nature. A summary of the main risks follows below and is further described in Note 4 in the consolidated financial statements 2025.

FINANCIAL RISK

The Group is exposed to various financial risks inherent in its current development and scale-up phase.

Liquidity remains a key financial risk; however, this risk has been mitigated through a substantial reduction in liabilities and new financing. The Group actively manages its liquidity through rolling forecasts and rigorous monitoring of both cost development and available funding sources. Achieving projected sales growth remains a key factor for the Group's long-term liquidity.

The Group's balance sheet has been significantly strengthened over the past twelve months, driven by debt restructuring agreements with major creditors and suppliers, alongside successful equity raises. Subsequent to the reporting date, the Group secured a loan of NOK 15 million from Innovation Norway, further enhancing its financial position. Consequently, the overall financial risk is considered to be significantly reduced compared with previous years.

The Group's functional currency is NOK. However, through its international operations, the Group is exposed to fluctuations in foreign exchange rates, primarily EUR, USD, SEK, and DKK. For the

UnoMeter™ portfolio and other products, the cost of goods sold is mainly denominated in USD and EUR, while the majority of sales revenues are currently generated in the same currencies. This provides a natural hedge that mitigates the net impact of currency fluctuations on operating margins. Expected sales growth in the coming periods will increase the absolute exposure to foreign currencies. The Group currently does not use derivative financial instruments to hedge this risk but monitors its exposure closely. As the Group transitions towards becoming self-financing through its operations, the strengthened cash flow and reduced reliance on external financing are expected to further improve its capacity to manage currency volatility.

Regarding credit risk, the Group's exposure has historically been low, as the customer base primarily consists of large public enterprises and established distributors. While global expansion may lead to a moderate increase in credit exposure, the Group has implemented several measures to mitigate this risk. The Group maintains a factoring agreement with Avida for the purchase of receivables. This agreement is without recourse, effectively transferring the credit risk to the factor while simultaneously improving the Group's working capital position. For customers or transactions not covered by the factoring agreement, prepayment is maintained as the standard commercial term. Consequently, the Group considers its net credit risk to be well-managed.

OPERATIONAL AND MARKET RISK

Observe Medical operates in the medical technology market and faces common industry risks, including competition from new products with better features or stronger market penetration. Increased competition may also impact pricing potential.

The Group's operations are characterized by third-party dependencies across two key areas: the commercial effectiveness of international distributors and the production integrity of our manufacturing partners. Commercially, growth is contingent upon the capacity of the distribution network to penetrate local markets and successfully secure competitive tenders. Operationally, the Group maintains a high degree of reliance on its manufacturers to uphold stringent quality standards and meet delivery timelines, as any disruption could delay commercialization and impact market position.

The Group is further subject to risks stemming from geopolitical volatility, as ongoing global conflicts continue to disrupt raw material supplies, financial markets, and international logistics. These instabilities directly affect access to critical components and lead to fluctuating freight costs, to

which the Group is particularly exposed regarding shipments from China. Such fluctuations and logistical disruptions may lead to increased transportation costs and delayed deliveries, which could in turn negatively affect the Group's margins and market position. To mitigate these risks, the Group focuses on supply chain resilience and cost-management routines. Furthermore, the Group recognizes that climate-related factors and extreme weather events can disrupt international logistics and manufacturing, while evolving environmental regulations may impact product requirements.

Regulatory Environment and the International Procurement Instrument (IPI): The Group manufactures a significant portion of its medical device portfolio in China and serves the European market primarily through independent distributors participating in public procurement processes. On June 30th the EU adopted new rules related to the EU procurement directives (Directive 2014/23/EU, Directive 2014/24/EU and Directive 2014/25/EU). The rules apply to the procurement of medical devices through tender procedures in the EU, where the estimated value of the tender is EUR 5 million exclusive of VAT or more. The rules aim at regulating the access of economic operators and the use of medical devices originating in the People's Republic of China to the EU public procurement market.

As the rules are still new and legally untested and the reaction from the tenderers remains to be seen, the actual effect on Observe Medical remains uncertain but the effect of the rules will be monitored closely in cooperation with its distributors across the EU.

Protecting intellectual property is crucial to the Group's long-term success. Failure to do so, or infringement by third parties, could harm brand value and business operations.

Ensuring compliance with applicable laws and regulations is a key priority for Observe Medical. This includes adherence to data protection standards (GDPR) and maintaining robust IT security to protect against potential cyber threats. Non-compliance or security breaches can result in financial penalties, operational disruptions, and reputational damage.

Observe Medical is mindful of the risk profile associated with limited internal resources and "key person" dependency. Such conditions may impact operational flexibility and the capacity to navigate unforeseen challenges. Consequently, risk management remains a top priority for both Management and the Board. To strengthen the organization and enhance operational capacity, recruitment of new resources has been initiated

Research and development expenditures are managed across the product portfolio in accordance with our strategic priorities. Investment decisions

about whether to proceed with development projects are made on a project-by-project basis. Limited financial resources may delay planned developments, hence there is risk of delayed launch of Sippi®.

C O R P O R A T E S O C I A L R E S P O N - S I B I L I T Y

Corporate social responsibility (CSR) means to run the business in a responsible and sustainable manner over time and in a way that contributes to a positive, trust-based relationship between the Group, the Group's stakeholders, and society as a whole.

The Transparency Act shall promote companies' respect for basic human rights and decent working conditions and ensure the public's access to information. The Act imposes, among other things, a duty for Observe Medical to inform and carry out due diligence assessments which must be explained and made public. Observe Medical has established routines and Code of Conduct that covers such due diligence assessments on suppliers and business relationships as part of our Quality Management System. This work is led by the QA/RA department and is based on a risk based approach. The obligation to provide information came into effect from 1 July 2022.

The Company is small and operates with limited resources, but our commitment to the values of transparency, responsibility, and respect for human rights makes the Norwegian Transparency Act a natural focus area for us. This legislation supports our ambition to operate ethically by helping us identify and reduce risks related to labor conditions and human rights across our supply chain.

By embedding these principles into our business practices, we aim to build trust with customers, investors, and partners — not just as a matter of compliance, but because it reflects who we are and how we want to grow. This approach also supports our long-term goal of contributing to a more sustainable and responsible business environment.

In line with this commitment, the Company will publish its due diligence report by June 30, 2026.

For further information about corporate social responsibility, see the Sustainability report as part of this Annual Report.

ORGANISATION

The Group had 5 employees at year-end 2025: 2 in Norway, 2 in Sweden and 1 in Denmark.

Due to the Group's financial situation, the Group has taken necessary steps to reduce costs.

In accordance with the Public Limited Companies Act, the board has prepared a statement of salary and other remuneration to senior executive employees, which is included in Note 8.

WORK ENVIRONMENT, GENDER EQUALITY AND DISCRIMINATION

The working environment is generally satisfactory. While the organization has been impacted by previous downsizing and the prevalence of remote work, the Group works continuously to maintain a strong team culture and protect health and safety.

Observe Medical is committed to being a responsible employer offering equal career opportunities regardless of gender, ethnicity, functional ability, religion, or sexual orientation. The Group follows the Norwegian Equality and Anti-discrimination Act to promote equality and prevent discrimination.

The Group has a zero-tolerance policy for discrimination and employees are encouraged to report discriminating practices or other concerns regarding the working environment to their nearest line manager or to the CEO.

The Group's leadership consisted of two members at the end of 2025, both men. The Company focuses on gender equality and diversity in the organization and will work to ensure that this is also reflected in the management team in the future. In total, there were five employees in the Group at December 31, 2025, one woman and four men (unchanged from 2024).

The Group aims to strengthen the competence of its employees to maintain a position as an attractive employer and an innovative and trusted supplier of medical technology products to the benefit of patients, healthcare professionals and hospitals. Through recruitment, the company seeks to employ people with high competence within all areas of its business.

The Board of Directors consists of three members, with a gender distribution of one woman and two men. No serious incidents involving personal injury,

absence, or damage to property were reported in 2025.

THE DIRECTORS' AND MANAGEMENT LIABILITY INSURANCE

The Company has established a Board of Directors and management insurance that covers members of the board, committees and the Company's management. The insurance applies worldwide. The insurance covers the Insured's financial liability for damage due to claims made against the insured during the insurance period as a result of an alleged liability-related act or omission in their capacity as directors or officers. The insurance policy is with a reputable firm, and it applies to Observe Medical ASA as well as all of its subsidiaries.

C O R P O R A T E G O V E R N A N C E

Observe Medical ASA considers good corporate governance to be a prerequisite for value creation and trustworthiness, and for access to capital. In order to secure strong and sustainable corporate governance, it is important that Observe Medical ASA ensures good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations across the Group.

Observe Medical ASA has governance documents setting out principles for how its business should be conducted. These apply to all group entities. References to certain more specific policies are included in this corporate governance policy.

Observe Medical is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, cf. section 4.4 on the continuing obligations for issuers of shares pursuant to Oslo Rule Book II – Issuer Rules. The Accounting Act may be found (in Norwegian) at www.lovdata.no. The Norwegian Code of Practice for Corporate Governance, which was last revised on October 14, 2021, may be found at www.nues.no (the "Corporate Governance Code"). The annual statement on corporate governance for 2025 was approved by the board of directors on April 29, 2026 and follows below.

IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The board of directors is committed to building a sound and trust-based relationship between Observe Medical ASA and the company's shareholders, the capital market participants, and other stakeholders. The Group's overall principles for corporate governance are approved by the board of directors and can be found at www.observemedical.com/investor-relations/. The Group complies with the Corporate Governance Code. The board of directors' annual statement on how Observe Medical has implemented the Corporate Governance Code is set out below. The presentation covers each section of the Corporate Governance Code, and deviations from the code, if any, are specified under the relevant section.

BUSINESS

The operations of the company and its subsidiaries shall be conducted in a sustainable manner and in compliance with the business objective set forth in Observe Medical ASA's articles of association, which shall be stated in the company's annual report together with the Group's primary objectives and strategies. The Group's objectives, strategies and risk profiles are evaluated annually by the board of directors. The company's business objective reads as follows: "The company's objective is to develop, produce, market and sell medical technical equipment and related products, provide connected consulting services and invest in related business."

EQUITY AND DIVIDENDS

The board of directors is responsible for ensuring that the group is adequately capitalized relative to the risk and scope of operations and that the capital requirements set forth in laws and regulations are met.

The company should have equity capital at a level appropriate to its objectives, strategy and risk profile. The board of directors shall continuously monitor the Group's capital situation and shall immediately take adequate steps if the company's equity or liquidity is less than adequate. As of December 31, 2025, the Group had a consolidated equity of NOK 30.0 million, corresponding to an equity ratio of 29.6%.

The Group focuses on the development and commercialization of medical technology products, and the company does not anticipate paying any cash dividend until sustainable profitability is achieved.

AUTHORIZATIONS TO THE BOARD OF DIRECTORS

Any authorization granted to the board of directors to increase the company's share capital or to purchase treasury shares shall be restricted to defined purposes. When the general meeting is to pass resolutions on such authorizations to the board of directors for different purposes, each authorization shall be considered and resolved separately by the general meeting. Authorizations granted to the board of directors to increase the share capital or purchase treasury shares shall be limited in time and shall in no event last longer than two years. However, it is recommended that an authorization to increase the share capital or purchase of treasury shares does not last longer than until the company's next annual general meeting.

The Extraordinary General Meeting held on July 3, 2025, granted two new authorizations to the board of directors, replacing all previous mandates: 1) An authorization to increase the share capital by up to NOK 10,080,000 in connection with a subsequent repair offering at a subscription price of NOK 0.50 per share. This authorization remained in force until December 31, 2025. 2) An authorization to increase the share capital by up to NOK 7,740,465.60 to finance further growth, acquisitions, or general corporate purposes. This mandate is valid until the 2026 Annual General Meeting, but no later than June 30, 2026. This authorization includes the right to increase the share capital against contributions in kind and in connection with mergers.

As of December 31, 2025, the Company had 2 766 665 options issued and outstanding, which includes the options granted to the Company's CEO and CFO in July 2025.

EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

The company has only one class of shares. Each share in the company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis, unless there is just cause for treating them differently. In the event of an increase in share capital through the issuance of new shares, a decision to deviate from existing shareholders' pre-emptive rights to subscribe for shares shall be justified. Where the board of directors resolves to issue shares and deviate from the pre-emptive rights of existing shareholders pursuant to an authorization granted to the board of directors by the general meeting, the justification will be publicly disclosed in

a stock exchange announcement issued in connection with the share issuance.

In 2025, the board resolved to deviate from existing shareholders' pre-emptive rights in connection with the Private Placement. This was justified by the need to secure necessary funding efficiently, with lower transaction risk and at a lower cost than a rights issue, which was considered to be in the best interest of the Company in its given financial situation. To mitigate the dilutive effect and ensure equal treatment of the shareholders, a Subsequent Offering (repair offering) was carried out, directed towards shareholders who were not allocated shares in the Private Placement. The board considers this overall approach to be in the best interest of the Company and its shareholders collectively.

Any transactions in treasury shares carried out by the company shall be carried out on the exchange where the company's shares are listed, and in any case at the prevailing stock exchange price. In the event that there is limited liquidity in the company's shares, the company will consider other ways to ensure equal treatment of shareholders. Any transaction in treasury shares by the company is subject to applicable reporting requirements.

In the event of transactions that are considered to be material between the company and its shareholders, a shareholder's parent company, members of the board of directors, executive management or close associates to any such party, the board of directors shall arrange for an independent third-party valuation. This will, however, not apply for transactions that are subject to the approval of the general meeting pursuant to the provisions in the Norwegian Public Limited Liability Companies Act. Independent valuations shall also be procured for transactions between companies within the Group if any of the companies involved have minority shareholders.

SHARES AND NEGOTIABILITY

The company's shares are freely transferrable, and the articles of association do not impose any restriction on the transfer of shares. There are no restrictions on owning, trading or voting for shares in the Company other than as described in mandatory law.

GENERAL MEETINGS

The board ensures that its shareholders can attend and participate in the general meeting. For shareholders who are not able to be present at the general meeting, the company shall facilitate electronic participation unless the board of directors

finds that it has reasonable cause to refuse such electronic participation. The annual general meeting shall take place prior to 30 June each year.

The Group's financial calendar is published via Oslo Børs and in the investor relations section of the Group's website. The notice and supporting information of the general meeting, will be sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting. The notice will be published and sent to the company's shareholders with a known address no later than 21 days prior to the meeting to ensure that all shareholders may form a view on all matters to be considered at the meeting. The annual general meeting shall consider the following matters:

1. Approval of the annual accounts and annual report, including any proposal from the board regarding dividends or other distributions.
2. Other matters which are pursuant to law or the articles of association shall be considered by the general meeting.

The board of directors may decide that shareholders who want to participate in the general meeting must notify the company thereof within a specific deadline that cannot expire earlier than three days prior to the general meeting.

The shareholders may cast their votes in writing, including through electronic communication, in a period prior to the general meeting. The board of directors may establish specific guidelines for such advance voting. It must be stated in the notice of the general meeting which guidelines have been set. Documents concerning matters to be considered at the general meeting may be made available on the company's website. This is also applicable for documents that by law shall be included in or attached to the notice. In case documents are made available in such manner, the statutory requirements for distribution to shareholders shall not be applicable. A shareholder still has the right to receive documents concerning matters to be considered at the general meeting upon request.

General meetings have to date been and are currently planned to be chaired by the chairperson of the board. The chairperson of the board and chief executive officer are required to attend the general meeting. The chairperson of the nomination committee is encouraged to attend those general meetings where the election and remuneration of directors and members of the nomination committee are to be considered. The company's auditor is not physically present at the Annual General Meeting, but is available by phone or video conference to

answer questions. Shareholders are able to vote on each individual matter on the agenda for the general meeting, including on each individual candidate nominated for election. Shareholders who cannot attend the meeting in person are given the opportunity to vote through advanced electronic voting and through proxy. The company prepares the proxy form in such way that it enables shareholders to vote on each individual matter and nominates the chairperson of the board of directors to act as a proxy for the shareholders. Minutes from general meetings are published as soon as practicable via the stock exchange's reporting system ([www. newsweb.no](http://www.newsweb.no), ticker code: OBSRV) and in the investor relations section of the Group's website.

Deviations: The entire board of directors have normally not participated at the general meetings because the matters that have been on the agenda have not previously required this, however the chairperson of the board is always present at general meetings to answer questions from the shareholders on behalf of the board of directors. The board of directors finds this solution appropriate but will consider this arrangement if requested by the shareholders in future general meetings or if deemed appropriate on a case-by-case basis.

NOMINATION COMMITTEE

The company has a nomination committee, and the nomination committee is stipulated in the company's articles of association. The general meeting has resolved guidelines for the duties of the nomination committee. The nomination committee currently comprises two members, as resolved by the general meeting, and all members of the nomination committee are independent of the board of directors and the management. The nomination committee's duties include nomination of candidates to the board of directors and the nomination committee, including the chairpersons. The nomination committee also submits proposals on board remuneration and remuneration to the members of the nomination committee. The term of the members of the nomination committee shall be two years at a time unless the general meeting decides otherwise in connection with the election. The current members of the nomination committee are Bård Brath Ingerø (chair) and Kathrine Gamborg Andreassen. No directors or members of executive management are represented in the nomination committee.

BOARD OF DIRECTORS - COMPOSITION AND INDEPENDENCE

Pursuant to the articles of association, the board of directors may comprise three to seven members.

The board currently has three shareholder-elected directors. The board members and the chairperson of the board are currently elected by the general meeting based on a proposal from the nomination committee. The composition of the board is intended to secure the interests of the shareholders in general, while the directors also collectively possess a broad business and management background as well as in-depth sector understanding and expertise in investment, financing and capital markets. Consideration is also given to the board's ability to make independent judgements of the business in general and of the individual matters presented by the executive management.

Consideration has also been given to gender representation and the independence of directors from the company and its management. The board of directors does not include executive personnel. All shareholder-elected directors are independent of the Group's executive management, the majority of the board members are independent from the company's significant business relations and at least two of the members of the board are independent of the company's main shareholders. Details on background, experience and independence of the board members are presented on the Group's website. Each board member's attendance at board meetings is recorded by the company. The shareholding of each board member can be found in Note 24 to the consolidated financial statements.

THE WORK OF THE BOARD OF DIRECTORS

The board has the ultimate responsibility for the management of the company and for supervising its day-to-day management and activities in general. This includes developing the company's strategy and monitoring its implementation. In addition, the board exercises supervision responsibilities to ensure that the company manages its business and assets and carries out risk management in a prudent and satisfactory manner. The board is responsible for the appointment of the CEO. The board has an annual plan for its work.

In accordance with the provisions of Norwegian company law, the terms of reference for the board are set out in a formal mandate that includes specific rules and guidelines on the work of the Board and decision making, including how the board of directors and executive management shall handle agreements with related parties. The chairperson of the board is responsible for ensuring that the work of the board is carried out in an effective and proper manner in accordance with legislation. The board issues a mandate for the work of the CEO. There is a clear division of responsibilities between the board

and the CEO. The CEO is responsible for the operational management of the company.

The board holds regular meetings. Extraordinary board meetings are held as and when required, to consider matters that cannot wait until the next regular meeting. In 2025, eighteen board meetings were held, and the duties of the Board were also addressed through updates via phone conferences, with and without the management team present.

The Company has established Directors' and Officers' (D&O) liability insurance covering the board and management against financial liability for alleged liability-related acts or omissions.

The Board has the objective of conducting an annual evaluation of its work, working methods, and qualifications. A similar evaluation is also conducted of the CEO.

Audit Committee

The audit committee is appointed by the board. Its main responsibilities are to supervise the company's systems for internal control, to ensure that the auditor is independent and that the interim and annual accounts give a fair and true representation of the company's financial results and financial condition in accordance with generally accepted accounting principles. The audit committee receives reports on the work of the external auditor and the results of the audit. Also, the audit committee meets regularly and can have meetings with the auditor where no member of the executive management is present. The authorities governing the role and responsibilities of the Audit committee have increased the tasks and responsibilities over the last years. The audit committee has taken steps to ensure it can uphold compliance with its requirements. As of December 31, 2025, the audit committee consisted of the following board members:

- Line Tønnessen, Chair
- Eskild Endrerud

Compensation Committee

The compensation committee makes proposals to the board on the employment terms, as well as conditions and total remuneration of the CEO and other executive personnel. As per December 31, 2025, the compensation committee consisted of the board members.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board's supervision must ensure that the company has sound risk management and an internal control system that is appropriate to its

activities. The risk management and internal control systems in Observe Medical are based on its corporate values and principles for sustainability. The board reviews the company's internal control system and the main areas of risk annually. Observe Medical's management conducts the day-to-day follow-up of financial management and reporting. Management reports to the audit committee that conducts a review of the quarterly and annual presentation and reports before publication. The audit committee assesses the integrity of Observe Medical's accounts. It also inquires into, on behalf of the board, and assesses issues related to financial review and internal control, and the external audit of Observe Medical's accounts. The board ensures that Observe Medical is capable of producing reliable annual reports and that the external auditors' recommendations are given thorough consideration. A description of the company's financial risk management objectives and policies are included in Note 4 to the financial accounts.

Financial Reporting

The Group has processes and routines for internal control over financial reporting. The main principles are transparency, segregation of duties, analytical controls and systematic and thorough management reviews. Management prepares periodic reports on business and operational developments to the board, which are discussed at board meetings. These reports are based on the results of the review process and include the status of key performance indicators, update of market developments, operational issues, financial results and highlights of organizational issues. Financial position and results are followed up in monthly accounting reports, compared to prior year, budgets and forecasts. Reporting also includes non-financial key performance indicators. In addition, management prepares a forecast of financial trends, showing profits and cash flow development. The interim reports and annual financial statements are reviewed by the audit committee in advance of consideration and discussion in the board.

Following the review by the Norwegian Financial Supervisory Authority (NFSA) regarding the 2023 period, the Group has implemented targeted enhancements to its internal control framework. This includes more rigorous review procedures and increased oversight by the audit committee to ensure reliable financial reporting and mitigate future risks.

Financial risk management and internal control are also addressed by the board's audit committee. The latter reviews the external auditor's findings and assessments after the interim and annual financial

audits. Significant issues in the auditor's report, if any, are also reviewed by the entire board. The Group is committed to further improving its internal control framework by ensuring adequate capacity and competence, including staff training and recruitment where necessary, to mitigate future risks.

REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration to the board of directors are determined by the general meeting following proposals from the nomination committee. The remuneration payable to the board of directors is meant to reflect the board's responsibility, expertise, time commitment and the complexity of the business. The remuneration to the board of directors is not linked to the company's performance and no directors have been awarded share options or any other form of incentive-based remuneration in their role as directors. An overview of shares owned by the directors and their close associates is included in Note 24 to the consolidated financial statement.

Members of the board of directors and/or companies which they are associated with should not take on specific assignments for the company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this must be disclosed to the board of directors and any remuneration for such additional duties shall be approved by the board.

REMUNERATION OF EXECUTIVE PERSONNEL

The board has a remuneration committee. Its main responsibilities are evaluation and advice to the board of directors relating to remuneration strategy, main principles and systems for the total remuneration (including bonus) to the CEO and other members of the Group executive management. The annual general meeting in 2022 approved guidelines for determination of salary and other remuneration to the executive personnel of the company in accordance with the Public Limited Liability Act section 6-16 a, cf. section 5-6 (3). The guidelines are available at the company's website. Performance-related remuneration of the executive personnel in the form of share options, bonus programs or similar arrangements are linked to value creation for shareholders or the Group's earnings performance over time. Such arrangements, including share option arrangements, are implemented to incentivise performance and are based on quantifiable factors over which the employee in question can have influence. All performance-based remuneration to the Group's leading personnel is to be subject to an absolute limit.

INFORMATION AND COMMUNICATION

The Board of Directors has established guidelines for investor communication and corporate governance. These guidelines are based on the principles of transparency, full disclosure, and equal treatment of all market participants. Observe Medical is committed to providing the capital markets with accurate, consistent, and relevant information to support informed investment decisions and build long-term trust.

All information considered significant for the valuation of the Company's shares is published in English via the Oslo Børs disclosure system (www.newsweb.no) and the Group's website.

The Board ensures that the Group's interim and annual reports provide a true and complete picture of the financial and business position, including progress toward operational and strategic goals and risk factors. Periodic financial reporting is published in accordance with the guidelines for companies listed on the Oslo Stock Exchange.

The CEO and CFO are responsible for the main dialogue with the investor community. To ensure the equal treatment of all market participants, the Board of Directors and the Executive Management shall exclusively communicate information that has been formally disclosed to the market when engaging with analysts and investors.

The Group publishes an annual financial calendar providing an overview of important dates, including the general meeting and the publication of interim reports. This calendar is made available as a stock exchange announcement and on the Group's website as soon as it has been approved by the Board.

TAKEOVERS

In the event of a takeover bid being made for the company, the board will follow the overriding principle of equality treatment of all shareholders and will seek to ensure that the Group's business activities are not disrupted unnecessarily. The board will strive to ensure that shareholders are given sufficient information and time to form a view of the offer. The board will not seek to prevent any takeover bid unless it believes that the interests of the Group and the shareholders justify such actions. The board will not exercise mandates or pass any resolutions with the intention of obstructing any takeover bid unless this is approved by the general meeting following the announcement of the bid. If a takeover

bid is made, the board will issue a statement in accordance with statutory requirements and the recommendations in the Corporate Governance Code. Any transaction that is in effect a significant disposal of the Group's activities will be submitted to the general meeting for its approval.

AUDITOR

The Company's external auditor, EY, annually presents its overall plan for the audit of the Group for the Audit Committee's consideration. The auditor attends Board meetings in connection with the annual financial statements and most Audit Committee meetings. At least one meeting a year is held between the auditor and the Board without the CEO or any other member of the Company's executive management present. The Board reports annually to the Annual General Meeting on the external auditor's total fees and provides information on the split between audit and non-audit services. The Annual General Meeting approves the auditor's fees for the Company.

PARENT COMPANY

Observe Medical ASA is the parent company of the Group. Beyond its holding functions, the Company provides strategic management, financial oversight, and shared services to its subsidiaries. These services are governed by intercompany agreements to ensure correct allocation of costs and resources across the Group.

The Company supports its subsidiaries with financing, as well as common functions and services. The assets of the Company are primarily related to shares in and receivables from its subsidiaries.

In 2025, Observe Medical ASA had revenues of NOK 1.7 million related to invoiced services and expenses to subsidiaries, and NOK 1.2 million in other income from gain from derecognition of debt. The Company had operating expenses of NOK 19.2 million, mainly consisting of employee benefit expenses (salaries, Board and Audit Committee fees, and share option expenses) and other operating expenses.

EBIT for 2025 was negative at NOK 16.3 million, compared to negative NOK 14.6 million in 2024. Net financial items were negative NOK 32.9 million, significantly impacted by the impairment of receivable from the subsidiary Biim Ultrasound AS, partly offset by the debt reduction agreements reached with Navamedic during the year, where the Company successfully reduced its overall debt.

The result for the year for Observe Medical ASA was negative NOK 49.1 million, compared to negative NOK 194.2 million in 2024.

ALLOCATION OF RESULT FOR THE YEAR 2025

The Board of Directors proposes that the loss for the year should be covered by a transfer to uncovered losses.

SUBSEQUENT EVENTS

After the reporting date, Observe Medical ASA has received a NOK 15.0 million loan from Innovation Norway to support the continued commercialisation of the UnoMeter™ product portfolio, and commercial preparation for the launch of Sippi.

On 4 March 2026, the Board of Directors announced the decision to discontinue all operations in Biim Ultrasound AS and its subsidiaries. The process of winding up these entities has commenced. This strategic refocusing is intended to preserve Group liquidity and concentrate resources on core activities.

Additionally, the geopolitical escalation in the Middle East in early 2026 has increased global market uncertainty. Management continues to monitor potential indirect effects on energy prices and the wider economy. These events do not require adjustments to the financial statements as of 31 December 2025.

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis. During 2025, the Group significantly strengthened its financial position through debt restructuring and equity issues, and this was further supported in early 2026 by the formal signing and drawdown of a NOK 15 million loan facility from Innovation Norway.

Management's cash flow forecasts cover at least twelve months from the reporting date. These forecasts are based on continued revenue growth and assume that the Group achieves positive cash flow from operating activities during the fourth quarter of 2026, which is necessary to support the

Group's continued liquidity beyond this period. The ability to achieve this development is dependent on continued growth in sales and order intake and prevailing market conditions. While management considers its assumptions to be reasonable and notes that the Group has some flexibility to adjust its cost base, a failure to achieve the forecasted revenue growth and operating cash flow would require the Group to obtain additional financing or implement other measures in order to meet its obligations as they fall due. There is a risk that the Group's achievement of positive cash flow from operating activities will be delayed. Accordingly, there is material uncertainty with regard to the going concern assumption, should the Group be unable to reach its forecasted cash flows and are unable to obtain financing from other sources.

Having reviewed the forecasts and the available mitigation strategies, the Board considers the going concern basis to be appropriate. Reference is made to note 4 Financial Risk management for further information on liquidity risk.

OUTLOOK

Observe Medical's vision is to become a leading global Medtech company, driven by the commercialization of proprietary medical solutions that enhance patient care and support positive health economics. The Group is building a scalable Nordic medtech platform, combining a portfolio of proprietary products and innovation with partnerships that leverage its manufacturing, development, regulatory, and commercial capabilities to bring new technologies to market.

During the last year, Observe Medical has undergone a strategic refocusing. Following the decision on 4 March 2026 to wind up the operations of Biim Ultrasound, the Group has concentrated its resources entirely on its core growth driver: the UnoMeter™ portfolio. This move reduces operational complexity and eliminates future funding requirements for non-core activities, allowing for a disciplined execution of the Group's commercial strategy.

The Group's strategy is built on reclaiming market leadership in the urine measurement segment, where the UnoMeter™ brands historically held a dominant 50-60% market share in Europe. With the successful establishment of a proprietary manufacturing platform and the regulatory approval of UnoMeter™ Safeti™ Plus, the Group has moved from a transition phase into a phase of global commercial scaling. To further drive growth, the Group has launched an extension of its urological

drainage portfolio, including a front-mounted UnoMeter and two Closed System products. These additions enable the Group to offer a comprehensive range of sterile solutions, addressing an estimated global market value of NOK 1.6–1.8 billion, and become a comprehensive category leader.

Management sees significant scalability potential in its global distribution network, which already covers the majority of the historical Convatec geographical footprint. The priority for 2026 is to convert this extensive market access into sustained revenue growth, supported by the upcoming launch of UnoMeter™ Safeti™ Max. This established network also serves as the primary commercial vehicle for the digital expansion of the portfolio.

Despite current global market uncertainties and geopolitical tensions, the demand for essential medtech products remains resilient. The Group enters 2026 with a strengthened financial position, supported by the 2025 equity issues and the NOK 15 million loan facility from Innovation Norway. This financial foundation, combined with a leaner cost base following the Biim restructuring, provides a robust platform for operational expansion

The Board of Directors expects Observe Medical to show solid growth in the coming years. By focusing on high quality, proprietary products and a scalable distribution model, the Group is well-positioned to deliver long-term value for its shareholders. The Group will also continue to explore strategic opportunities, including partnerships and portfolio expansions, that align with its core competencies in manufacturing and global distribution.

Sippi®, the Group's proprietary automated digital urimeter, remains the most strategically important product in the portfolio. As the healthcare sector increasingly moves toward digitalization and automation to improve patient safety and clinical efficiency, Sippi® is uniquely positioned to meet these needs. The strategy is to leverage the global distribution network being established by the UnoMeter™ portfolio. By utilizing the same sales channels and hospital access, the Group aims to introduce Sippi® as the high-end, digital successor to traditional manual measurement, providing a clear path for margin expansion and technological leadership.

FORWARD - LOOKING STATEMENTS

This annual report contains forward-looking statements regarding Observe Medical's growth initiatives, financial performance, and strategic objectives. These statements reflect the Group's expectations as of the date of this report regarding future results, including the commercialization of the UnoMeter™ portfolio and the rollout of Sippi®. All such statements are subject to inherent risks and uncertainties, and actual outcomes may differ materially from those expressed or implied due to various factors. These factors include risks related to the Group's activities, as detailed in the Risk Management section of this report. The Group undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

SHAREHOLDER INFORMATION

As of 31 December, 2025, Observe Medical ASA had 2,309 shareholders and a total of 136 148 412 shares with a par value of 2.90. The 20 largest shareholders control 68.85 percent of total shares outstanding.

Rank	Name	Holding	Stake
1	NAVAMEDIC ASA	12 564 279	9.23 %
2	R INVESTMENT COMPANY AS	10 703 684	7.86 %
3	SONGA CAPITAL AS	10 000 000	7.34 %
4	JPB AS	7 170 996	5.27 %
4	KING KONG INVEST AS	6 333 333	4.65 %
6	JIANGSU HONGXIN MEDICAL TECHNOLOGY	6 000 000	4.41 %
7	SEED CAPITAL AS	5 236 268	3.85 %
8	BJØRNTVEDT, VEGARD	4 493 951	3.30 %
9	RO, LARS	4 004 004	2.94 %
10	EIDCO AS	4 000 000	2.94 %
11	LIVERMORE INVEST AS	3 597 508	2.64 %
12	GLIMT INVEST AS	3 005 113	2.21 %
13	Em Kapital As	3 000 000	2.20 %
14	JJB AS	2 100 000	1.54 %
15	AKB AS	2 100 000	1.54 %
16	SONGA X AS	2 100 000	1.54 %
17	AGMABLY AS	2 100 000	1.54 %
18	ABAGUST AS	2 000 000	1.47 %
19	GINNY INVEST AS	1 616 666	1.19 %
20	NORDNET LIVSFORSIKRING AS	1 612 772	1.18 %
	SUM TOP 20 SHAREHOLDERS	93 738 574	68.85 %
	OTHER SHAREHOLDERS	42 409 838	31.15 %
	Total	136 148 412	100.00 %

GLOBAL FOOTPRINT

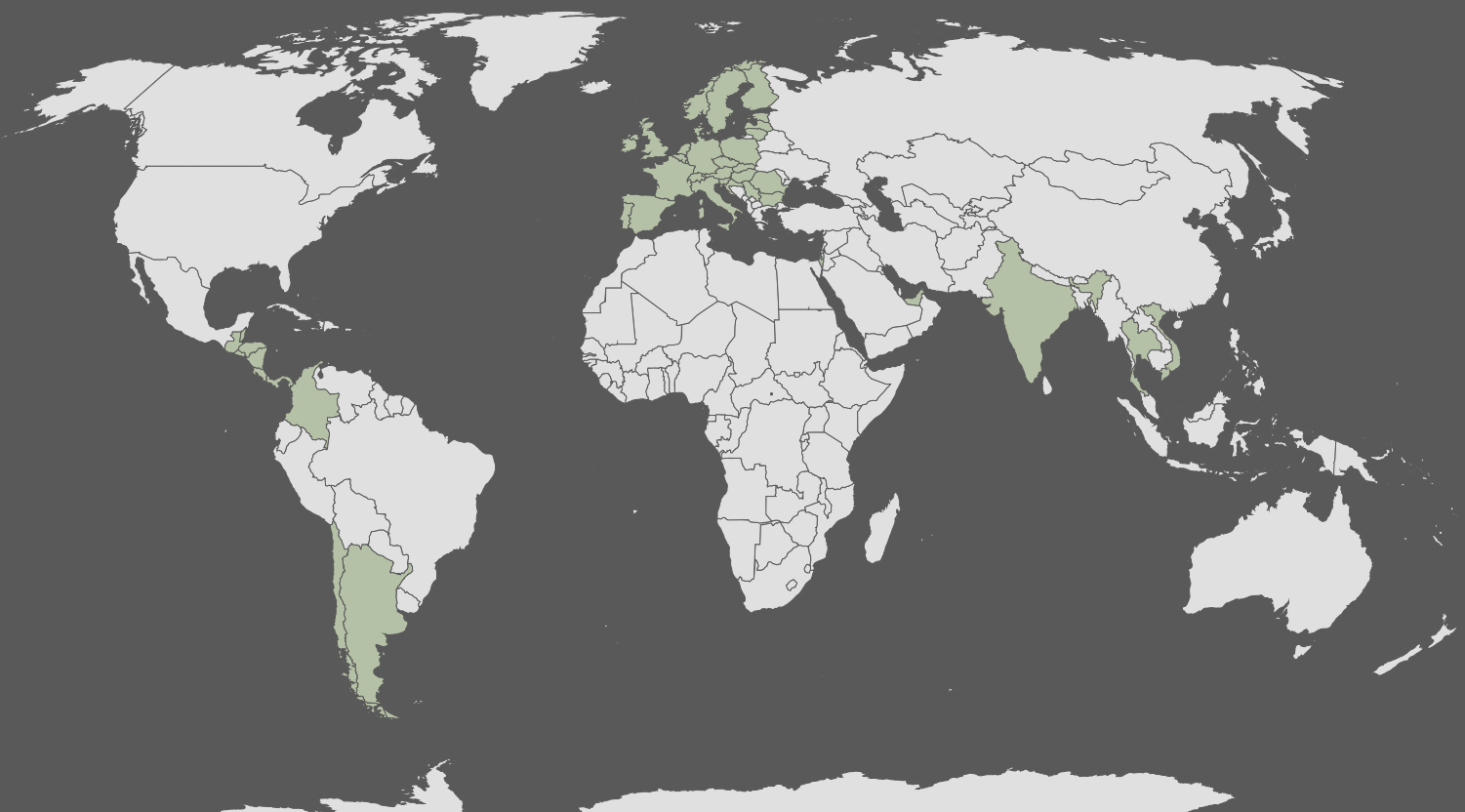
46 27 → 7 2.6bn

Global distribution with a network of distributors established in 46 countries

Highly qualified & relevant distributors globally

Strategically expanded product portfolio from 3 to 7 products

Total addressable market – from NOK ~670m to ~2.6bn



BOARD OF DIRECTORS



Terje Bakken | Chair of the Board

Terje Bakken | Chair of the Board Terje Bakken is a partner in Reiten & Co AS and has been the chairperson of the Board of Directors of the Company since its incorporation in 2019. Mr. Bakken has an extensive Private Equity/Active Ownership experience through leading and implementing various strategic and operational value-based processes across different industries, combined with a significant financial transaction and structured finance experience. Mr. Bakken holds a Master of Science in Financial Economics degree and Bachelor of Business and Administration degree from the Norwegian School of Management. He currently sits on the board of directors of various companies and has previous board experience from both public and private companies in different industries. Mr. Bakken is a Norwegian citizen and resides in Oslo, Norway



Line Tønnessen | Board Member

Line Tønnessen is a partner in Reiten & Co, bringing a strong analytical and strategic background to the Board. Ms. Tønnessen has extensive experience across equity and debt capital markets, bank financing, mergers and acquisitions and sustainability initiatives, as well as brings board-level experience from various other industries and listed companies. She holds a Bachelor of Business Administration from BI Norwegian Business School, an MBA in Finance from the Norwegian School of Economics (NHH), and is a Certified European Financial Analyst (CEFA)



Eskild Endrerud | Board Member

Eskild Endrerud holds the position as Managing Director of Arctic Investment Group AS, a Norwegian early- and growth-stage investment company based in Tromsø. Mr. Endrerud has extensive experience from early-stage investing and operational value creation across the healthtech, deeptech and consumer sectors, combined with board work and financial transactions in growth companies. Mr. Endrerud has previously held the position of Chairman of Biim Ultrasound AS. He currently sits on the board of directors of several investment companies and portfolio companies, including Lifeness AS, Heymat AS and Nanize AS.

Mr. Endrerud holds a BSc in Entrepreneurship and Business Administration from BI Norwegian Business School and an MSc in Real Estate Development from NMBU Norwegian University of Life Sciences. Mr. Endrerud is a Norwegian citizen and resides in Tromsø, Norway.

Oslo, April 29, 2025

The Board of Directors and CEO of Observe Medical ASA



Terje Bakken
Chair



Line Tønnessen
Board member



Eskild Endrerud
Board member



Jørgen Mann
CEO

DECLARATION IN ACCORDANCE WITH § 5 - 5 OF THE SECURITIES TRADING ACT

We confirm that the financial statements for 2025 have, to the best of our knowledge, been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the Group as a whole. The Board of Directors' report includes a fair review of the development and performance of the business and the position of the company and the Group as a whole, together with a description of the principal risks and uncertainties that they face.

Oslo, April 29, 2026

The Board of Directors and CEO of Observe Medical ASA



Terje Bakken
Chair



Line Tønnessen
Board member



Eskild Endrerud
Board member



Jørgen Mann
CEO

SUSTAINABILITY STATEMENT

OUR APPROACH TO ESG

Observe Medical is committed to integrating Environmental, Social, and Governance (ESG) principles into our core business strategy. As we scale our global Medtech platform, we recognize that sustainable operations are a prerequisite for long-term value creation. This statement is informed by the Euronext guidelines for sustainability reporting and reflects our ongoing transition towards the EU Corporate Sustainability Reporting Directive (CSRD) framework.

SUSTAINABILITY FOCUS

The Group's sustainability efforts are dedicated to the commercial scaling of the UnoMeter™ and Sippi® portfolios. While the expansion of the UnoMeter™ family increases our physical product volume, it also allows us to exert greater influence on sustainability standards within the urological drainage category through material innovation, supply chain management, and digitalization.

ENVIRONMENTAL RESPONSIBILITY

We strive to minimize our environmental footprint through material innovation and operational efficiency:

- **Product innovation:** Our digital urimeter, Sippi®, reduces plastic waste by replacing traditional manual systems with a multi-year digital base unit and long-durability disposables.
- **Materials:** We actively investigate sustainable alternatives to Polyvinyl Chloride (PVC) and work with suppliers to optimize packaging, reducing waste for our hospital customers.
- **Logistical efficiency:** With the global roll-out of the UnoMeter™ portfolio, we prioritize the consolidation of shipments and partner with carriers committed to carbon reduction to mitigate emissions from international transport. To minimize business travels, the Group utilizes a "hub-and-spoke" model, prioritizing major international industry trade fairs for distributor meetings instead of extensive regional travel. The Group's direct operational footprint is further limited by no company-owned vehicles

and a focus on minimizing business travel through digital collaboration.

SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

Observe Medical's license to operate is built on trust, safety, and respect for human rights:

- **Product Safety:** This is our primary social responsibility. Our Quality Management System is certified to EN ISO 13485:2016, ensuring all products meet stringent MDR and FDA requirements.
- **The Norwegian Transparency Act:** The Norwegian Transparency Act places a significant emphasis on responsible sourcing and supply chain transparency. For businesses like ours, this provides an opportunity to enhance our sustainability practices by ensuring that we uphold human rights, avoid corruption, and address any negative environmental impacts across our value chain. We view this as an opportunity to align with global sustainability standards, reinforce our commitment to ethical practices, and strengthen the trust of our stakeholders, customers, and investors. We conduct due diligence to ensure fair labor practices across our value chain. Following our manufacturing in Asia, we have intensified our screening and monitoring of our suppliers to ensure compliance with human rights standards. In 2025, management conducted on-site inspections at our key manufacturing sites in China.
- **Our people:** We recognize that our success is tied to the expertise and dedication of our team. We prioritize a culture of inclusion and equality. As of 31 December 2025, the Group had 5 employees, consisting of 1 woman and 4 men. We maintain a professional environment characterized by mutual respect, striving for gender balance across all levels of the organization.

CORPORATE GOVERNANCE AND ETHICS

Good governance ensures that our growth is transparent and accountable:

- **Ethical Conduct:** The Group maintains a zero-tolerance policy towards corruption and bribery. Our Code of Conduct applies to all employees and business partners.
- **Supply Chain:** We utilize a risk-based approach to monitor our global manufacturing partners. In 2025, there were zero reported incidents of corruption or policy breaches within the Group.
- **Sanctions Compliance:** Observe Medical remains committed to its policy of not engaging in business with entities in Russia or Belarus.

FUTURE GOALS AND TARGETS

To ensure continuous improvement, the Group has defined the following targets:

- **LCA analysis:** Initiate Life Cycle Assessments for the UnoMeter™ products to identify opportunities for carbon reduction. This documentation is increasingly becoming a key requirement in public procurement processes and is essential for maintaining the Group's competitive advantage in international markets.

- **Supply chain audits:** Perform annual risk assessments of all key manufacturing partners in accordance with the Norwegian Transparency Act.
- **Plastic waste reduction:** Increase the market penetration of Sippi® to further reduce the healthcare sector's reliance on single-use plastics. Furthermore, the new UnoMeter™Safeti™ Max will likely have a longer durability and typically has a lower carbon footprint over time, as they reduce the need for frequent replacements and disposal.
- **Reporting maturity:** Continue the development of internal systems for ESG data collection to align with the EU Corporate Sustainability Reporting Directive (CSRD). This will ensure future compliance and provide stakeholders with transparent, comparable, and verified sustainability data



Materials

OUR VALUE CHAIN – FROM RESPONSIBLE SOURCING TO PATIENT SAFETY

This illustration outlines the key stages of our supply chain, from sourcing of raw materials and manufacturing to quality assurance, logistics and delivery to distributors and healthcare providers.



Manufacturing

As a Medtech company, ensuring transparency, traceability and responsibility throughout our value chain is essential to our commitment to quality, sustainability and human rights.



Transportation

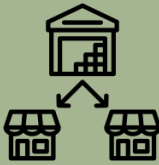
We collaborate closely with our suppliers to uphold high standards for labour conditions, environmental impact and product integrity



Warehousing



Sales and distribution



Distributors



Hospitals



Patients



Waste and end-of-life



CONSOLIDATED FINANCIAL STATEMENTS 2025



CONSOLIDATED FINANCIAL STATEMENTS

Observe Medical Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2025	2024
<i>(Amounts in NOK thousand)</i>			
Operating revenues	6	18 811	17 229
Cost of materials	12	14 112	15 409
Gross result		4 700	1 820
Other income	6	0	1 255
Gain on derecognition of trade payables	6	2 253	0
Total other income		2 253	1 255
Employee benefit expenses	7,8	15 287	16 138
Other operating expenses	10	15 686	16 955
Operating expenses		30 973	33 093
Operating result before depreciation and amortisation (EBITDA)		-24 020	-30 019
Depreciation and amortisation	15,16	13 320	14 380
Impairment	16	41 725	2 675
Operating result (EBIT)		-79 065	-47 074
Financial income and expenses			
Financial income		44 158	5 677
Financial expenses		13 732	17 329
Net financial items	11	30 427	-11 652
Result before tax		-48 639	-58 727
Income tax expense	21	0	0
Result for the period		-48 639	-58 727
<i>Result for the period attributable to:</i>			
Equity holders of the parent company		-48 639	-58 727
Other comprehensive income that may be reclassified subsequently to profit or loss			
Currency translations differences		3 972	2 367
Total comprehensive income/loss for the period		-44 667	-56 360
<i>Total comprehensive income attributable to:</i>			
Equity holders of the parent company		-44 667	-56 360
Basic earnings per share (NOK per share)	13	-0.73	-3.95
Diluted earnings per share (NOK per share)	13	-0.73	-3.95

Observe Medical Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	At 31 December 2025	At 31 December 2024
<i>Amounts in NOK thousand</i>			
Non-current assets			
Goodwill	16	35 159	33 067
Intangible assets	16	44 599	97 658
Tangible assets	15	59	196
Total non-current assets		79 816	130 921
Current assets			
Trade receivables	17	0	2 759
Inventories	18	7 479	5 327
Other receivables and prepaid expenses		2 374	1 661
Cash and cash equivalents	5	11 500	1 978
Total current assets		21 353	11 726
Total assets		101 169	142 647
EQUITY AND LIABILITIES			
<i>Amounts in NOK thousand</i>			
Share capital	23	57 183	75 108
Share premium	23	3 055	288 433
Other paid-in equity		1 342	14 265
Total paid-in equity		61 580	377 807
Retained earnings		-31 622	-356 671
Total equity		29 959	21 136
Non-current liabilities			
Contingent financial liability	19	6 899	0
Non-current interest bearing liabilities	19	19 919	61 642
Total non-current liabilities		26 818	61 642
Current liabilities			
Trade payables		12 939	18 120
VAT and other public taxes and duties payables		6 420	7 698
Interest bearing current liabilities	19	10 822	21 728
Other current liabilities	19	14 211	12 324
Total current liabilities		44 392	59 870
Total liabilities		71 210	121 511
Total equity and liabilities		101 169	142 647

Observe Medical Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in NOK thousand)</i>	Share capital	Share premium	Other paid-in equity	Total paid-in capital	Retained earnings	Translation differences	Total
Equity as of 1 January 2024	49 578	277 970	13 631	341 180	-295 658	-4 654	40 868
Share issue	25 530	13 747		39 277			39 277
Transaction costs		-3 284		-3 284			-3 284
Share options ¹⁾			634	634			634
Result for the period					-58 727		-58 727
Translation differences						2 367	2 367
Equity as of 31 December 2024	75 108	288 433	14 265	377 807	-354 385	-2 287	21 136
Equity as of 1 January 2025	75 108	288 433	14 265	377 807	-354 385	-2 287	21 136
Share capital reduction	-67 019	-288 433	-14 265	-369 717	369 717		
Share issue	49 094	9 351		58 445			58 445
Transaction costs		-6 296		-6 296			-6 296
Share options ¹⁾			1 342	1 342			1 342
Result for the period					-48 639		-48 639
Translation differences						3 972	3 972
Equity as of 31 December 2025	57 183	3 055	1 342	61 580	-33 306	1 685	29 959

¹⁾ Share options are reclassified from retained earnings to other paid in equity

Observe Medical Group

CONSOLIDATED CASH FLOW STATEMENT

	Note	2025	2024
<i>(Amounts in NOK thousand)</i>			
Cash flow from operating activities			
Result before tax		-48 639	-58 727
Tax paid		0	0
Depreciation and amortization		13 320	14 380
Impairment of goodwill	16	41 725	2 675
Gain(-)/Loss(+) from sale of fixed assets		0	-55
Effects from debt restructuring	11	-42 845	0
Change in net finance, no cash effect	11	9 756	2 085
Change in inventories		-2 152	1 563
Change in trade receivables and other receivables		408	1 798
Change trade payables and other current liabilities		3 594	8 848
Net cash flow from operating activities		-24 833	-27 432
Cash flow used in investing activities			
Sale of tangible and intangible assets		0	790
Purchase of tangible and intangible assets		-1 139	-1 841
Net cash flow from investing activities		-1 139	-1 051
Cash flow from financing activities			
Share issues	23	50 445	22 922
Transaction costs		-6 296	-3 284
Loans received	19	2 200	0
Payment of interest-bearing debt	19	-10 920	-2 378
Payment of lease liabilities		0	-501
Net cash flow from financing activities		35 429	16 759
Currency translation differences		64	27
Change in bank deposits		9 522	-11 698
Bank deposits start of period		1 978	13 676
Bank deposits at the end of period	5	11 500	1 978

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – GENERAL INFORMATION

Observe Medical ASA is a Norwegian limited liability, public listed company located in Norway and whose shares are public traded on Euronext Expand Oslo. Its head office is located in Dronning Eufemias gate 16, 0191 Oslo, Norway.

Observe Medical is a Nordic-based Medtech group that develops and commercializes innovative medical technology globally. As of 31 December 2025, the Group's portfolio was centered around the UnoMeter™ portfolio: A comprehensive range of manual urine measurement systems and intra-abdominal pressure measurement solutions, Sippi®: The next-generation digital urine meter with biofilm prevention and Biim Ultrasound: Wireless, pocketable ultrasound technology.

Subsequent Event: On 4 March 2026, the Board of Directors resolved to discontinue all activities related to the Biim Ultrasound business, including the winding up of Biim Ultrasound AS and its subsidiaries. This shift allows the Group to consolidate all resources toward the global commercial expansion of the Urine Measurement portfolio (UnoMeter™ and Sippi®). Refer to Note 24 – Events after the Balance Sheet Date

The consolidated financial statements comprise the Company and its subsidiaries. As of 31 December 2025, the Group consisted of the following entities: Observe Medical ASA (Oslo, Norway), Observe Medical AS (Oslo, Norway), Observe Medical AB (Gothenburg, Sweden), Observe Medical Nordic AB (Gothenburg, Sweden), Observe Medical ApS (København, Denmark), Biim Ultrasound AS, (Oslo, Norway), Biim Ultrasound Oy (Finland) Biim Ultrasound Inc. (USA).

The Group's activities are described in the Board of Director's report.

The consolidated financial statements for Observe Medical ASA ("OM group" or "the Group"), including notes, for the year 2025 were approved by the Board of Directors of Observe Medical ASA on April 29,

2026 and will be proposed to the Annual General Meeting.

NOTE 2 – BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The group prepares its consolidated annual financial statements in accordance with IFRS® accounting standards as adopted by the EU.

Preparing financial statements in accordance with IFRS requires the use of estimates. Furthermore, applying the Group's accounting policies requires the management team to use its judgment. Areas that involve a high degree of estimation and a high degree of complexity, or areas where assumptions and estimates are significant for the Group's financial statements, are described in Note 3.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, such as contingent considerations and milestone-based liabilities, which are measured at fair value or adjusted amortized cost. The basis and policies are applied consistently in all the periods presented, unless the description states otherwise.

Going Concern Assumption

The consolidated financial statements have been prepared on a going concern basis. During 2025, the Group significantly strengthened its financial position through debt restructuring and equity issues, and this was further supported in early 2026 by the formal signing and drawdown of a NOK 15 million loan facility from Innovation Norway.

Management's cash flow forecasts cover at least twelve months from the reporting date. These forecasts are based on continued revenue growth and assume that the Group achieves positive cash flow from operating activities during the fourth quarter of 2026, which is necessary to support the Group's continued liquidity beyond this period. The ability to achieve this development is dependent on continued growth in sales and order intake and prevailing market conditions. While management

considers its assumptions to be reasonable and notes that the Group has some flexibility to adjust its cost base, a failure to achieve the forecasted revenue growth and operating cash flow would require the Group to obtain additional financing or implement other measures in order to meet its obligations as they fall due. There is a risk that the Group's achievement of positive cash flow from operating activities will be delayed. Accordingly, there is material uncertainty with regard to the going concern assumption, should the Group be unable to reach its forecasted cash flows and are unable to obtain financing from other sources.

Having reviewed the forecasts and the available mitigation strategies, the Board considers the going concern basis to be appropriate. Reference is made to note 4 Financial Risk management for further information on liquidity risk.

New and amended standards adopted by the group

New or amended standards and interpretations issued by the IASB and adopted by the EU, effective from 1 January 2025, have been reviewed by management. These standards are not expected to have a material impact on the Group's consolidated financial statements in the current or future reporting periods.

New standards and interpretations not yet adopted

IFRS 18 *Presentation and Disclosure in Financial Statements* was issued on 9 April 2024. The standard is not mandatory for the reporting period ending 31 December 2025 and has not been early adopted by Observe Medical ASA. The Group is currently evaluating the potential impact of IFRS 18 on its financial reporting.

IFRS 18 is expected to introduce substantial changes to the presentation and disclosure of the Group's consolidated income statement, balance sheet, and accompanying notes. The standard will require more detailed breakdowns of income and expense categories, including the separate disclosure of foreign exchange gains and losses. This additional detail will provide enhanced transparency regarding the effect of exchange rate fluctuations on the Group's financial performance. Furthermore, IFRS 18 may require a more granular presentation or disclosure of certain items of income, expense, assets and liabilities. Key performance indicators disclosed under IFRS 18 may also be subject to tighter definitions and reconciliation requirements to the primary statements. As the Group continues its

assessment of IFRS 18, any material impacts, including changes in the presentation of exchange rate effects, segment information, and management's analysis of performance, will be communicated in future financial statements once the standard is effective. IFRS 18 is effective from 01 January 2027. Other new or amended accounting standards and interpretations have been published that are not mandatory for the 31 December 2025 reporting period and have not been early adopted by the Group. These are not expected to have a material impact on the Group.

Basis of Consolidation

Companies that have been controlled by Observe Medical ASA, have been fully combined and consolidated for all periods presented for the purpose of these financial statements ("subsidiaries"). Control exists when an entity is exposed, or has rights, to variable returns from its involvement with the investee and is able to affect those returns by exercising power over the investee. Power means existing rights that provide the investor with the ability to direct relevant activities, i.e. the activities that significantly affect the investee's returns. There are no non-controlling interests for the periods presented. Intra-group income, expenses, and balances are eliminated in preparing the Groups financial statements.

Segment Information

For management purposes, the Group is organized as one operating segment, consistent with the reporting to the chief operating decision maker (the CEO and the Board of Directors). All operational decisions and assessments of performance are made on a consolidated basis for the Group as a whole.

Translation of Foreign Currency

The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company. Foreign companies that are part of the Group and have different functional currencies are translated to Norwegian kroner. Assets and liabilities are translated at the exchange rate at the reporting date, while monthly average exchange rates are used as an approximation of the transaction exchange rate for income and expenses. Translation differences are recognized in other comprehensive income. All values are rounded to the nearest thousand (NOK 000), except when otherwise indicated.

Intangible Assets and Goodwill

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Goodwill is not amortized. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The Group capitalizes costs for product development projects. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the asset, discount rates to be applied and the expected period of benefits. For the periods presented, capitalized expenditures are related to development of the UnoMeter™ Safeti™ Max.

Impairment of Non-Financial Assets

Tangible assets and intangible assets with finite useful lives are assessed for impairment when there are indications of impairment. An impairment amounting to the difference between the carrying value and recoverable amount is recognized through

profit or loss. The recoverable amount is the highest of value in use and fair value less cost of disposal. When assessing possible impairment, assets are grouped at the lowest level that generates cash inflows that are largely independent of cash inflows from other assets or groups of assets. Goodwill and trademarks with indefinite useful life are not amortized but tested at least annually for impairment.

Inventories

Inventories are measured at the lower cost and at net realizable value (NRV). To determine cost the company uses the first-in, first-out method (FIFO). Net realizable value is the estimated selling price and the estimated costs necessary to make the sale. If NRV has fallen below cost, a write-down must be recognized in the period. Adjustments to inventory (e.g., obsolescence) must be recognized as they occur.

Financial Assets

The company has financial assets in the category of amortized cost, which primarily consist of short-term receivables and bank deposits. Accounts receivables are initially measured at the transaction price. Other financial assets are initially recognized at fair value in addition to transaction costs and then at amortized cost using the effective interest method adjusted for impairment. The Group uses historical figures to calculate provision for expected credit losses on trade receivables. A significant proportion of the customers are public customers/healthcare institutions and hospitals, and historically the company has had immaterial credit losses for the periods presented, no credit losses have been realized and no provisions for expected credit losses have been recognized.

Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise bank deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank deposits as defined above.

Financial Liabilities

Financial liabilities are generally measured at amortized cost and consist of interest-bearing debt to Navamedic ASA, Business Finland and instalments of the restructured debt to Convatec regarding the acquisition of UnoMeter™, in addition to trade payables.

Contingent milestone payments agreed as part of the debt restructuring with Navamedic ASA are, however, classified as a financial liability in accordance with IAS 32 and IFRS 9. This liability is initially recognised at fair value, determined as the present value of probability-weighted expected future payments, and subsequently measured at amortised cost using the effective interest method. The measurement involves significant judgement and estimation uncertainty regarding probability-weighted revenue scenarios, expected timing of milestone achievement, and the application of an appropriate discount rate. Changes in the carrying amount of the liability resulting from revisions of estimated future payments are recognised as financial income or expense in the statement of profit or loss. There exist no cash effects until the defined revenue milestones are reached.

The Group accounts for financial liabilities in accordance with IFRS 9 Financial Instruments. Modifications to financial liabilities are assessed as substantial or non-substantial. Non-substantial modifications result in an adjustment to the carrying amount, with any gain or loss recognized in profit or loss. Substantial modifications lead to derecognition of the original liability and recognition of a new financial liability.

Income Tax

The tax expense consists of tax payable and deferred tax. The Group has historically operated with significant losses for tax and accounting purposes. The Group has operations, and tax losses carried forward, in Norway, Denmark and Sweden. So far, the Group has had no basis for recognition of net deferred tax assets according to IAS 12 Income taxes. For all periods presented, the Group has reported zero net deferred tax assets or income tax expense. Deferred tax assets and deferred tax is offset if there is a legally enforceable right to offset assets in the event of tax payable against liabilities in the event of tax payable, and the deferred tax assets and deferred tax relate to income tax that is imposed by the same tax authority for either the same taxable enterprise or different taxable enterprises that intend to settle liabilities and assets in the event of tax payable net. At the acquisition of Observe Medical International AB in 2015, deferred tax asset was recognized on tax losses carried forward in the same amount as deferred tax liability recognized on the fair value adjustments of the intangible technology assets, with net zero deferred tax recognized. In subsequent periods, the deferred tax asset has been reduced in line with the reduced deferred tax liability on the intangible assets.

Pensions

The Group has entered into a mandatory defined-contribution pension scheme for all employees. The contributions are recognized as payroll expenses as the obligation to pay contributions accrue.

Revenue Recognition

The Group is in the business of providing medtech products to customers globally. Revenue recognition for products and revenue streams have the same principle. Revenue from customers is recognized at the point in time when control of the goods is transferred to the customer, generally at the agreed place of delivery. The customers have no return rights if the delivery is according to the agreed specification and quality. Revenues are recognized based on the agreed price, less any discounts. The Group's contracts primarily involve the sale of goods, with each delivery representing a single performance obligation satisfied at a point in time. For contracts with multiple or complex performance obligations, revenue is recognised based on the allocation of the transaction price to each obligation as per IFRS 15, and recorded according to satisfaction of each performance obligation. No such complex performance obligations were identified in the periods presented. Invoices are issued upon delivery with payment terms typically ranging from 15 to 30 days.

Leases

The Group recognizes right-of-use assets and lease liabilities for all leases, except for agreements with a lease period of less than one year or where the value of the underlying asset is low. Depreciation, impairment, and interest expenses are recognized in the consolidated statement of comprehensive income. For lease contracts with a term of less than one year or where the value of the underlying asset is low, the lease payments are recognized as an expense on a straight-line basis over the lease period.

Share Options

The Group has one share options scheme under which options to subscribe for the Group's shares have been granted to certain senior executives (employee stock option plan under which an employee is granted the right to purchase shares at a fixed price). The fair value of options granted to members of management is recognized as employee benefit expense with a corresponding increase in equity for equity settled awards. There are no cash settled share options. The total amount to be

expensed is determined by reference to the fair value of the options granted. The total expense is recognized over the vesting period. Social security contributions payable in connection with an option grant are treated as cash-settled transactions and expensed as employee benefit expenses.

Events after the balance sheet date

Information on the Group's positions at the balance sheet date is considered in the annual financial statements. Events after the balance sheet date that do not affect the Group's position at the balance sheet date, but which will affect the Group's position in the future, are stated if significant. Please refer to note 24.

NOTE 3 – SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES

The preparation of the Group's consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Development costs

The Group capitalizes costs for product development projects. Initial capitalization of costs is based on

management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. Capitalization of further development costs requires documentation that all criteria for capitalization of own development still are met, including that sufficient resources are available to complete the development and management's expectations and estimates of future economic benefits to be generated by the assets. For the periods presented, these judgements primarily relate to the continued development and commercialization of the UnoMeter™ portfolio.

Impairment of non-financial assets

In accordance with IAS 36, impairment is recognised when the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, defined as the higher of its fair value less costs of disposal (FVLCD) and its value in use (VIU)

Management has assessed and concluded that FVLCD is lower than the value in use, primarily due to the lack of commercial history for the Company's products, meaning that any disposal of assets is expected to generate lower cash flows than their continued use and commercialization. Consequently, the recoverable amount for impairment testing purposes has been determined based on value in use.

The VIU is calculated using a discounted cash flow (DCF) model based on the Group's updated five-year cash flow estimates. These estimates rely heavily on expected future orders and agreements, which are subject to high uncertainty. Key assumptions include the discount rate (WACC), expected cash inflows, growth rates used for extrapolation, gross margin and EBITDA margin, all of which are sensitive and carry a risk of material adjustments to the carrying amounts in future periods, particularly for goodwill and intangible assets with indefinite useful lives.

Sources of estimation uncertainty with a significant risk of a material adjustment to the carrying amount in the following period relates primarily to the measurement of goodwill, technology assets and other intangible assets. The estimation uncertainty arises from the limited historical data supporting commercialisation, the reliance on future orders and agreements, and the inherent volatility in forecasting future cash flows. Key assumptions used in determining the recoverable amount for different CGUs, along with a sensitivity analysis, are disclosed and further explained in Note 16.

Deferred tax asset

The Group has so far not been able to demonstrate convincing evidence of future taxable profits to be able to recognize net deferred tax assets on its tax losses carried forward according to IAS 12.

Contingent consideration and financial liability for contingent milestone payments

The Group has two separate contractual obligations related to future sales of Sippi®:

a) The contingent consideration relates to the purchase of Observe Medical International (OMI) AB. As management does not expect Sippi® sales to reach the revenue thresholds defined in the sales agreement within 2026, the fair value of this obligation is measured at zero as of 31 December 2025.

b) Financial liability for contingent milestone payments: As part of the 2025 debt restructuring with Navamedic ASA, the Group has recognized a financial liability for contingent milestone payments. Unlike the acquisition-related consideration, this liability reflects Navamedic's commercial interest in future Sippi® revenue over a potentially different timeframe or structure. This liability is measured at amortised cost using the effective interest method. The measurement involves significant estimation uncertainty regarding: probability-weighted revenue scenarios, expected timing of milestone achievement and the application of a risk-adjusted discount rate.

Changes in these assumptions, particularly the speed of market rollout for Sippi, could result in material adjustments to the liability's carrying amount. Reference is made to Note 19.

Going Concern Assumption

The Board and Management's assessment of the going concern basis is a key judgement for 2025. This assessment considers the successful debt restructuring and equity issues in 2025, and the subsequent NOK 15 million loan facility from Innovation Norway in early 2026. The assessment is based on achieving forecasted revenue growth and maintaining operational flexibility. Reference is made to Note 2.

NOTE 4 – FINANCIAL RISK MANAGEMENT

The Group's operations are exposed to various types of financial risk: market risk (including currency risk,

interest risk, and price risk), credit risk, and liquidity risk.

Market and Operational Risk

The Group believes that market risk primarily arises in relation to the future sales of the Group's products, measured in terms of both price and volume. In accordance with IFRS, market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Factors that can influence market risk include increased competition from existing and future medtech companies and instructions to reduce prices from the authorities. It is a risk that the fair value or future cash flows of a financial instrument or intangible assets will fluctuate because of changes in market prices.

Observe Medical faces market risks related to competition in terms of volume and pricing pressure, which may adversely affect gross margins and the recoverable amount of intangible assets. Growth is contingent upon the commercial effectiveness of international distributors and their ability to secure competitive tenders. Operationally, the Group relies on third-party manufacturers to meet delivery timelines and quality standards; any disruption here could delay commercialization, increase working capital tied up in stocks, or lead to a write-down of inventory to its net realizable value if products cannot be sold as planned.

The Group's operations are further subject to risks stemming from geopolitical volatility, as ongoing global conflicts continue to disrupt international logistics and raw material supplies. These instabilities affect directly access to critical components and lead to fluctuating freight costs, to which the Group is exposed regarding shipments from China.

Logistical disruptions and volatile pricing for raw materials may lead to increased transportation costs and delayed deliveries, potentially impacting the Group's margins and market position. To mitigate these risks, the Group maintains a rigorous focus on supply chain resilience, including diversified sourcing strategies and enhanced cost-management. Furthermore, the Group recognizes that climate-related factors and extreme weather events can disrupt manufacturing and international logistics, while evolving environmental regulations may impact product requirements. The Group continuously monitors these external factors to adapt its procurement and distribution strategies accordingly.

Regulatory Environment and the International Procurement Instrument (IPI): The Group manufactures a significant portion of its medical

device portfolio in China and serves the European market primarily through independent distributors participating in public procurement processes. On June 30th the EU adopted new rules related to the EU procurement directives (Directive 2014/23/EU, Directive 2014/24/EU and Directive 2014/25/EU). The rules apply to the procurement of medical devices through tender procedures in the EU, where the estimated value of the tender is EUR 5 million exclusive of VAT or more. The rules aim at regulating the access of economic operators and the use of medical devices originating in the People's Republic of China to the EU public procurement market.

As the rules are still new and legally untested and the reaction from the tenderers remains to be seen, the actual effect on Observe Medical remains uncertain. Management has evaluated the potential impact on the Group's commercial reach and notes that any restriction on access to large-scale EU tenders could affect future revenue streams and the overall profitability of the product portfolio. The effect of the rules will be monitored closely in cooperation with its distributors across the EU to ensure timely adjustments to the commercial strategy if required.

Protecting intellectual property is crucial to the Group's long-term success. Failure to do so, or infringement by third parties, could harm brand value and business operations, potentially reducing the competitive advantage and the future revenue-generating capacity of the Group's product portfolio.

Ensuring compliance with applicable laws and regulations is a key priority for Observe Medical. This includes adherence to data protection standards (GDPR) and maintaining robust IT security to protect against potential cyber threats. Non-compliance or security breaches can result in financial penalties, operational disruptions, and reputational damage, all of which could have a material impact on the Group's financial position and cash flows.

Observe Medical is mindful of the risk profile associated with limited internal resources and "key person" dependency. Such conditions may impact operational flexibility and the capacity to navigate unforeseen challenges. Consequently, risk management remains a top priority for both Management and the Board. To strengthen the organization and enhance operational capacity and ensure business continuity, recruitment of new resources has been initiated

The markets in which the Group operate are highly competitive, characterized by rapid development and entry of new healthcare products. Some competitors benefit from vertical integration, product diversity, or

greater financial resources, which may impact the Group's ability to compete on sustainable terms. While the Group is currently not aware of any new successful competing products within Digital Urine Output Measurement (Sippi®), the potential for alternative solutions that outdate current technology remains a constant consideration. Consequently, Management monitors these competitive dynamics closely to ensure they are accurately reflected in the Group's long-term revenue projections and the valuation of its product portfolios

Climate Risk

The Group evaluates climate-related risks across its operations and key parts of the value chain. Management considers both the physical impacts of climate change and the transition risks related to evolving regulations and market expectations. Potential impacts on the Group's financial estimates, including transportation costs and material sourcing, are monitored as part of the overall risk management framework. Currently, the Group assesses the direct financial risk to be limited. However, climate-related factors are integrated into the Group's long-term supply chain planning to ensure that future cost estimates and the availability of resources remain aligned with the Group's operational strategy.

Currency Risk

For the periods presented, currency risk has primarily been related to payables and receivables within the Group and related parties. Payroll and operating expenses are generally incurred in the functional currency of each entity (NOK, SEK, DKK, EUR, and USD). For entities in the USA and Finland, where expenses are primarily in USD and EUR, currency risk arises when NOK-denominated funding is converted to cover these obligations.

The Group's largest foreign currency exposures relate to long-term liabilities. The debt to Convatec is denominated in USD, where a +/- 10% change in the NOK/USD exchange rate would impact the Group's financial results by approximately NOK 1 million. Similarly, a government innovation loan in Finland of approximately EUR 400 thousand carries a currency risk where a +/- 10% change in the NOK/EUR rate would have an estimated effect of NOK 0.45 million.

Going forward, the Group's currency risk profile will evolve alongside its commercial growth. While the UnoMeter™ portfolio and other products incur cost of goods sold (COGS) mainly in USD and EUR, the majority of sales revenues are also generated in these same currencies. Management considers this to be a significant natural hedge, as the inflow of

foreign currency from sales increasingly offsets the outflow related to production and logistics. Consequently, as the Group moves toward self-financing operations, the net exposure to exchange rate fluctuations is expected to stabilize. The Group currently manages currency risk through this operational alignment and has not yet implemented separate financial hedging derivatives.

Credit Risk

Regarding credit risk, the Group's exposure has historically been low, as the customer base primarily consists of large public enterprises and established distributors. While global expansion will lead to an increase in credit exposure, the Group has implemented several measures to mitigate this risk.

The Group maintains a factoring agreement with Avida for the purchase of receivables. As this agreement is without recourse, the credit risk is effectively transferred to the factor while simultaneously improving the Group's working capital position. For customers or transactions not covered by the factoring agreement, prepayment is maintained as the standard commercial term. Consequently, through a combination of risk transfer and upfront settlement, the Group considers its net credit risk to be well-managed and the requirement for expected credit loss provisions to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. Management and the Board of Directors monitor liquidity through continuous cash flow forecasting to ensure that the Group maintains sufficient funds for its operational and financial commitments. The Group's liquidity position is primarily influenced by the timing of revenue generation and the efficient management of working capital.

The current liquidity forecast is sensitive to the pace of commercial execution, where any significant delays in the market penetration of the UnoMeter™ portfolio or lower-than-expected sales volumes could impact the transition to self-financing operations. Furthermore, the timing of large-scale procurement and production cycles requires disciplined capital allocation, particularly as global logistics and material

costs remain subject to fluctuation. While the Group has a history of securing capital, long-term liquidity remains dependent on the ability to access capital markets or debt financing should operational cash flows deviate from current projections.

Based on realized funding activities and updated commercial forecasts, it is the Board's assessment that the Group possesses sufficient liquidity to support its operations for the next 12 months. Should the aforementioned risk factors materialize, the Group is prepared to implement mitigating measures, including further cost-containment or seeking additional external financing to ensure continued operational stability. However, there is a risk that the Group's achievement of positive cash flow from operating activities may be delayed. Accordingly, there is material uncertainty with regard to the going concern assumption should the Group be unable to reach its forecasted cash flows and are unable to obtain financing from other sources.

Variable Interest Rate Risk

The Group is exposed to variable interest rate risk as the interest-bearing liabilities to Navamedic ASA is agreed at interest at 3-month NIBOR + 6% (percentage points). A sensitivity analysis indicates that a +/- 1% change in the 3-month NIBOR rate would impact the Group's annual interest expense by approximately NOK 150 thousand. Fluctuations in interest rates also do not pose a significant risk on the Group's bank deposits. The Group has not hedged its interest rate exposure.

Management of Capital

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, while maintaining an optimal capital structure to support the commercialization of its product portfolio. In the short term, the Group prioritizes the allocation of capital toward operational scaling and market expansion. In the longer term, the Group's objectives include securing competitive returns for its shareholders and maintaining a structure that minimizes the cost of capital. As of the reporting date, the Group has no debt instruments with financial covenant restrictions, and there have been no changes in the Group's approach to capital management during the period.

NOTE 5 – BANK DEPOSITS

As of December 31, 2025, the Group held bank deposits of NOK 11,500 thousand. Within this balance, NOK 101 thousand was classified as restricted cash, specifically related to tax withholding accounts. This represents an

increase from the prior year where bank deposits amounted to NOK 1 978 thousand, whereof NOK 191 thousand was classified as restricted cash.

NOTE 6 – OPERATING REVENUES AND OTHER INCOME

Amounts in NOK thousand

Revenue per product group	2025	2024
Urine Measurement	18 811	11 487
Nordic distribution portfolio ¹⁾	0	5 614
Other	0	128
Operating revenues	18 811	17 229
Gain on derecognition of trade payables ²⁾	2 253	0
Other income ³⁾	0	1 255
Other income	2 253	1 255

¹⁾ During 2024, the company transferred certain customer contracts and inventory to Vingmed as part of a strategic restructuring initiative. The transaction does not constitute a disposal of a separate major line of business under IFRS 5 and is therefore not classified as a discontinued operation. The company continues to operate within the same industry and market, serving existing customers and generating revenue from its remaining product and service offerings.

²⁾ Gain related to debt settlements with creditors recognised as other income 2025.

³⁾ Indemnity settlement agreement related to the Biim acquisition leading to other income in 2024.

The Group's revenue is primarily derived from international markets. The Group's operating revenues are generated by the Swedish operations, and all sales are made from Sweden to the geographical regions specified in the table below. For management and reporting purposes, revenue is categorized into the following geographical regions:

Geographic revenue	2025	2024
Europe	16 139	15 522
Asia	2 133	1 505
Americas	539	202
Total	18 811	17 229

Revenue for 2024 includes NOK 5.6 million related to the Group's former distribution business in Sweden, which was phased out during 2024. Excluding this discontinued third-party distribution business, the Group's core revenue from proprietary products showed an underlying growth of approximately 62% in 2025. The Group's market strategy for its proprietary products relies on a network of regional distributors. In 2025, two of these partners each accounted for more than 10% of the Group's total revenue, representing a combined total of approximately NOK 6.0 million. In 2024 two customers each accounted for more than 10% of the total revenue, representing a combined total of approximately NOK 6.0 million. This reflects the successful scale-up of the UnoMeter™ portfolio in key international markets

NOTE 7 – PAYROLL EXPENSES

Amounts in NOK thousand

	2025	2024
Salaries	10 843	11 381
Remuneration to the Board and Nomination Committee	1 198	1 300
Employer's tax	1 182	1 628
Share options for employees	1 342	634
Pension expenses – defined-contribution scheme	565	894
Other payroll expenses	156	300
Total	15 287	16 138
Average number of full-time equivalents	4.9	6.2
Headcount at 31 December	5	5

NOTE 8 – REMUNERATION TO CORPORATE MANAGEMENT AND BOARD OF DIRECTORS

In accordance with the Norwegian public Limited Companies Act §6-16 a, the board of directors prepares a separate statement related to the determination of salary and other benefits for the corporate management. This report can be found on the Company's web page observemedical.com. The total remuneration to the corporate management consists of basic salary (main element), bonus, benefits in-kind and pension schemes, but varies from person to person. The Group's Chief Executive Officer determines the remunerations to other management in agreement with the Chair of the Board of Directors. The total remuneration is determined based on the need to offer competitive terms and reflect the responsibility for the CEO and other members of the management team. The total

remuneration shall not be market leading but should ensure that Observe Medical attracts and retains senior executives with the desired skills and experience. The basic salary is subject to an annual evaluation and is determined based on general salary levels in the labor market.

The Company is entitled to terminate the CEO's employment agreement by giving 6 months' notice, and the Executive by giving 4 months' notice. The notice of termination must always be in writing and will expire on the last day of a month. If the CEO's employment is terminated by the Company other than for misconduct, the Executive will be entitled to a severance payment equivalent to 12 months' Base Salary. The Group has defined contribution pension schemes. The CEO participates in a defined contribution pension scheme on market terms, where the Company pays a contribution representing 10% of the base salary.

Remuneration to the Group Management

2025

<i>Amounts in NOK thousand</i>	Salary	Other benefits ³⁾	Bonus	Pension expenses	Option expenses	Total	Options	Shares
CEO Jørgen Mann ¹⁾	2 947	175	1 570	293	1 051	6 035	1 866 666	870 000
CFO Johan Fagerli	1 502	99	680	182	317	2 784	833 333	356 716
Total	4 453	274	2 250	475	1 368	8 819	2 699 999	1 226 716

2024

<i>Amounts in NOK thousand</i>	Salary	Other benefits ³⁾	Bonus	Pension expenses	Option expenses	Total	Options ⁵⁾	Shares ⁵⁾
CEO Jørgen Mann (from 29.02.24) ^{2) 4)}	2 151	215	1 021	215	99	3 701	66 667	40 000
CFO Johan Fagerli (from 21.03.24) ²⁾	1 081	70	150	125	4	1 430	33 333	16 718
CEO Rune Nystad (until 29.02.24) ²⁾	441	2	350	31	31	853	66 667	110 832
CFO Per Arne Nygård (until 21.03.24) ²⁾	867	49		46		961		
Total	4 539	336	1 521	417	133	6 946	166 667	167 550

1) The amounts have been converted from DKK to NOK using an exchange rate of 1.57

2) For members of executive management who either joined or resigned during the year, total remuneration expensed presented in the table above is for the period where the members are part of the executive management team

3) Other benefits include car allowance, mobile phone and other allowances according to Danish law.

4) The amounts have been converted from DKK to NOK using an exchange rate of 1.56

5) Converted to reverse share split ratio 15:1.

Remuneration to the Board of Directors

2025

Amounts in NOK thousand, except number of shares

Function	Name	Board fee	Other fee	Shares ⁸⁾	Shares owned by related parties ⁶⁾
Chair	Terje Bakken	300		3 095 112	10 703 684
Board member	Kathrine G. Andreassen	158 ⁸⁾		244 343	12 564 279
Board member	Eskild Endrerud	255 ⁷⁾		6 145 753	
Board member	Line Tønnessen	265 ⁷⁾		253 037	
	Total	968		9 738 245	23 267 963

⁶⁾ Terje Bakken is partner in R. Investment Company AS who owns 10,703,684 shares in Observe Medical ASA. Kathrine Gamborg Andreassen is CEO in Navamedic ASA who own 12,564,279 shares in Observe Medical ASA

- ⁷⁾ Includes NOK 20 thousand in fee as member of the Audit Committee, Includes NOK 30 thousand in fee as Chair of the Audit Committee
⁸⁾ The board member's term ended 5. February 2025

2024

Amounts in NOK thousand, except number of shares

Function	Name	Board fee	Other fee	Shares ⁹⁾	Shares owned by related parties ⁹⁾
Chair	Terje Bakken	300		90 000	2 103 571
Board member	Kathrine G. Andreassen	225		57 917	3 007 318
Board member	Sanna Rydberg	225			
Board member	Eskild Endrerud	255		981 257	
Board member	Line Tønnessen	265		62 179	
	Total	1 270		1 191 353	5 110 889

⁹⁾ Converted to reverse share split ratio 15:1.

Executive personnel are defined as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). No loans were granted, and no assets were pledged for the benefit of employees, shareholders, or members of the Board of Directors in 2025 or 2024.

NOTE 9 – SHARE OPTIONS

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognized as an expense over the vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted, using the Black-Scholes option-pricing model. The social security provision is calculated based on the intrinsic value of the options at each reporting date and is adjusted for changes in the share price and the number of options expected to vest.

Reverse Share Split: On 7 January 2025, the Group executed a 15:1 reverse share split. In accordance with IFRS, all prior-period option grants and exercise prices have been restated to reflect this adjustment. The 1,500,000 options granted in 2024 were adjusted to 100,000 options with a weighted average exercise price of NOK 6.45.

During the second half of 2025, the Group granted a total of 2,600,000 share options to the CEO and CFO. These options vest over two years (1/3 at grant date, 1/3 after 12 months, and 1/3 after 24 months) and expire on 22 July 2028, 1,900,000 options with exercise price of NOK 0.50 and 700,000 options with exercise price of NOK 2.00. The fair value of options granted in 2025 was calculated using the Black-Scholes model. Key inputs include a risk-free interest rate based on government bonds, expected volatility based on historical data, and the expected life of the options.

As of 31 December 2025, the Group's share price was NOK 0.74. At this price, 633,334 vested options were in the money (primarily the NOK 0.50 tranche). The Group has recognized a social security provision of NOK 21 thousand (NOK 0 in 2024) related to these options. Total expense recognized for share-based payments in 2025 amounted to NOK 1,340 thousand (NOK 634 thousand in 2024).

Contractual life*	3.00	Share price*	1.18	Volatility*	121.89%	Dividend*	0
Strike price*	0.90	Expected lifetime*	2.00	Interest rate*	3.61%	FV per instrument*	0.81

*Weighted average parameters at grant of instrument.

Share options at 31 December 2025								
Name and position	Award date	Exercise price	Exercise period	Held at beg. of year	Awarded in year	Vested per 31.12.25	Awardee and unvested	Held at end of year
Jørgen Mann (CEO)	2024	6.60	2024–2027	66 667		44 444	22 222	66 666
	2025	0.50 – 2.00	2025–2028		1 800 000	600 000	1 200 000	2 000 000
Johan Fagerli (CFO)	2024	6.00	2024–2027	33 333		22 222	11 111	33 333
	2025	0.50 – 2.00	2025–2028		800 000	266 667	533 333	600 000
Rune Nystad (former CEO)	2022	67.5	2023–2026	66 666		66 666	0	66 666
Total				166 667	2 600 000	1 000 000	1 766 665	2 766 665

NOTE 10 – OTHER OPERATING EXPENSES*Amounts in NOK thousand*

	2025	2024
Consultants	2 347	4 345
Audit Services	3 063	2 688
Legal and professional fees	2 163	1 189
Expense relating to short-term leases	584	637
Accounting and financial services	1 953	2 310
IT expenses	730	1 018
Travel expenses	431	344
Advertising expenses	23	141
IR expenses	1 161	1 189
Patent, trademark, certification etc.	1 763	1 196
Other operating expenses	1 468	1 896
Total	15 686	16 955

Audit fees*Amounts in NOK thousand*

	2025	2024
Statutory audit services	2 422	2 488
Tax advisory	0	0
Other assurance services	956	345
Total	3 378	2 833

Fees to the auditor are recognized as an expense in the period in which the related services are rendered. Only costs expensed in the reporting period are included in the table above. Assurance services related to capital increase of NOK 315 thousand is booked against equity, (145 thousand in 2024).

NOTE 11 – FINANCIAL ITEMS*Amounts in NOK thousand*

	2025	2024
Financial income		
Interest income	2	1 780
Change contingent consideration	0	1 452
Currency gain	5 121	2 445
Other financial income ¹⁾	39 035	0
Total	44 158	5 677
	2025	2024
Financial expenses		
Interest expenses	5 169	9 551
Change contingent consideration	0	-108
Currency loss	1 663	7 864
Other financial expenses	0	22
Contingent milestone liability, Navamedic ²⁾	6 899	
Total	13 732	17 329
Net financial items	30 427	-11 652

The Group recognized a net financial income of 30 427 thousand in 2025. The significant improvement compared to the net financial loss in 2024 is primarily attributed to the strategic debt restructuring of the Navamedic and Convatec liabilities.

^{1), 2)} Other financial income for 2025 is presented as a net amount of 39 035 thousand. This figure consists primarily of a 40 611 thousand gain related to the derecognition of financial liabilities following the successful restructuring

of loans from Navamedic and outstanding debt to Convatec. Under IFRS, the difference between the carrying amount of the original debt and the fair value of the newly established terms is recognized as a gain in the statement of comprehensive income. The net amount reflects this gain offset by other minor financial adjustments during the period.

The Group has recognized a contingent milestone liability to Navamedic. The liability represents the fair value of two potential payments of NOK 10 million each, contingent upon the product Sippi® reaching specific accumulated revenue thresholds. In accordance with IAS 32 and IFRS 9, the arrangement is classified as a financial liability. At initial recognition, the liability was measured at a fair value of 6,899 thousand using a discounted cash flow model. The valuation incorporates probability-weighted revenue scenarios and a discount rate of 20%. The liability is subsequently measured at amortized cost using the effective interest method.

NOTE 12 – COST OF MATERIALS

<i>Amounts in NOK thousand</i>	2025	2024
Cost of materials for resale	13 473	12 324
Write-down of inventory	639	3 085
Total cost of materials	14 112	15 409

Inventory write-down of 639 thousand recognized in 2025 relates to a precautionary adjustment of carrying values to reflect estimated net realizable value. While the affected inventory remains available for sale, the write-down has been recognized to ensure a robust valuation on the balance sheet date. In 2024, the inventory write-down was primarily related to Biim components and obsolete inventory.

NOTE 13 – EARNINGS PER SHARE

For the periods presented there are no dilutive effects on profits or number of shares. Basic and diluted earnings per share are therefore the same. At 31 December 2025, 2 766 667 share options were outstanding. These instruments were excluded from the calculation of diluted earnings per share as they were anti-dilutive for the periods presented (ref. IAS 33.70c). Average number of shares and earnings per share for 2024 is adjusted retrospectively for the reverse share split of 15:1 in 2025 (IAS 33.64).

	2025	2024
Profit for the period (TNOK)	-48 639	-58 727
Average no of shares	66 703 412	14 870 157
Earnings per share (NOK)	-0.73	-3.95

NOTE 14 – RESEARCH AND DEVELOPMENT

Observe Medical performs research and development (R&D) activities related to its product portfolio. Total R&D expenditure amounted to NOK 2 000 thousand in 2025, compared to NOK 2 624 thousand in 2024. Of the total expenditure in 2025, NOK 1 139 thousand has been capitalized in accordance with the criteria in IAS 38, as these costs relate to the development phase of specific projects where future economic benefits are probable. Capitalized R&D will be amortized over the estimated useful lives of the related assets once they are available for use. Operating R&D expenses, primarily comprise internal personnel costs and external consultancy fees that do not meet the criteria for capitalization. These costs are recognized in the statement of comprehensive income as incurred. For further information on the accounting treatment of intangible assets, please refer to Note 2.

<i>Amounts in NOK thousand</i>	2025	2024
Operational expenses, internal and external resources	861	850
Capitalized expenses	1 139	1 774
Total	2 000	2 624

NOTE 15 - TANGIBLE ASSETS AND LEASE

<i>Amounts in NOK thousand</i>	Right-of-use	Other	Sum
Acquisition cost 1 January 2024	1 035	2 917	3 952
Disposals	-1 053	-1 214	-2 267
Currency translation differences	19	-28	-10
Acquisition cost 31 December 2024	0	1 675	1 675
Acquisition cost 1 January 2025	0	1 675	1 675
Currency translation differences	0	54	54
Acquisition cost 31 December 2025	0	1 729	1 729
Accumulated depreciation 1 January 2024	273	1 722	1 995
Depreciation for the year	463	267	731
Disposals	-726	-479	-1 204
Currency translation differences	-11	-31	-42
Accumulated depreciation 31 December 2024	0	1 479	1 479
Accumulated depreciation 1 January 2025	0	1 479	1 479
Depreciation for the year	0	146	146
Currency translation differences	0	45	45
Accumulated depreciation 31 December 2025	0	1 670	1 670
Carrying value 31 December 2024	0	196	196
Carrying value 31 December 2025	0	59	59
Expected useful economic life ¹	3-5 years	3-5 years	

No additions to tangible assets were recognised during 2025

Lease Liability	2025	2024
As at 1 January	0	792
Disposal	0	-328
Lease payments in the period	0	-501
Interest cost	0	6
Currency translation differences	0	31
Closing liability at 31 December	0	0
Current	0	0
Non-Current	0	0
	0	0

Effect of leases Contract on the Statement of Comprehensive Income

<i>Amounts in NOK thousand</i>	2025	2024
Depreciation expense of right-of-use assets	0	463
Interest expense on lease liabilities	0	6
Expense relating to short-term leases (included in other operating expenses)	0	637
Total amount recognised in result for the period	0	1 107

Undiscounted Lease Liabilities and Maturity of Cash Outflow

<i>Amounts in NOK thousand</i>	2025	2024
Due within 1 year	0	0
Due between 1 year and 3 years	0	0
Total	0	0

The Group had no active lease agreements in 2025. Consequently, expenses for short-term and low-value leases, as well as total cash outflow for leases, were NOK 0. Lease contracts relating to company cars and offices were disposed during 2024.

¹ IAS 38.118-119, IAS 38.122a

NOTE 16 – INTANGIBLE ASSETS

<i>Amounts in NOK thousand</i>	Goodwill	Trademark	Licence agreement	Customer relations	Technology assets / Patent	Technology development	Sum (Restated)
Acquisition cost 1 January 2024	102 314	27 976	4 273	3 329	102 388	15 625	255 905
Additions	0					1 775	1 775
Currency translation differences	535				1 110	164	1 808
Acquisition cost 31 December 2024	102 849	27 976	4 273	3 329	103 498	17 563	259 488
Acquisition cost 1 January 2025	102 849	27 976	4 273	3 329	103 498	17 563	259 488
Additions	0					1 139	1 139
Currency translation differences	2 091				513	87	2 691
Acquisition cost 31 December 2025	104 940	27 976	4 273	3 329	104 011	18 789	263 318
Accumulated amortization and impairment 1 January 2024	67 106	0	712	492	34 612	8 584	111 506
Amortization for the year	0		2 137	333	9 099	2 081	13 650
Impairment for the year	2 675						2 675
Currency translation differences	0				332	599	931
Accumulated amortization and impairment 31 December 2024	69 781	0	2 849	825	44 043	11 264	128 762
Acc. Amort. and Impairment 1 January 2025	69 781	0	2 849	825	44 043	11 265	128 762
Amortization for the year	0	0	1 425	332	9 067	2 350	13 174
Impairment for the year				1 567	40 158		41 725
Currency translation differences	0				-80	-20	-101
Acc. Amort. and Impairment 31 December 2025	69 781	0	4 274	2 723	93 188	13 594	183 560
Carrying value 31 December 2024	33 067	27 976	1 425	2 504	59 454	6 300	130 725
Carrying value 31 December 2025	35 159	27 976	0	605	10 823	5 195	79 758
Expected useful economic life ²	Indefinite	Indefinite	2 years	10 years	10 years	5 years	

Overview

Goodwill arises from the acquisition of Observe Medical International AB in 2015 and is allocated to the cash-generating unit (CGU) Urine Measurement. Goodwill related to CGU Ultrasound, from the acquisition of Biim Ultrasound AS in 2022 of NOK 67.1 million was fully impaired in the 2023 restated financial statements, and goodwill related to the acquisition of Sylak AB in 2020 (CGU Other Business) of NOK 2.7 million was impaired in 2024.

The assets acquired from Convatec in 2023 have been separately identified, measured at fair value and allocated a relative part of the total consideration for the acquired assets. The trademark of UnoMeter™ was identified as a material part of the transaction based on the well-known reputation and historical sales of the products in the portfolio. The valuation of the trademark was based on a relief-from-royalty method, measuring the trademark to NOK 28.0 million.

The trademark has been assessed to have an indefinite lifespan. For over 30 years, Convatec has produced and sold UnoMeter™, building a brand within urine output measurement solutions that is highly regarded globally. With a historical footprint encompassing more than 600 customers across 50 countries, the UnoMeter™ brand represents an established global market position that provides a robust platform for accelerated market access. The primary purpose of acquiring the assets was the ability to approach customers with a well-known brand, enabling opportunities to relaunch Sippi®, as part of the UnoMeter™ product family and leverage synergies within the urine output measurement portfolio.

By providing a comprehensive portfolio that spans from traditional manual instruments to advanced digital technology, the Company enhances its value proposition toward major distributors and consolidates its competitive position within the

² IAS 38.118-119, IAS 38.122a. Linear amortization.

segment. While an established distribution network did not exist, the Company gained access to a list of potential distributors familiar with the UnoMeter™ brand (historical customer-/distribution information), enabling opportunities to re-launch the UnoMeter™ product family and introduce Sippi® to leverage synergies within the urine measurement product portfolio. Consequently, The Company assesses that the UnoMeter™ trademark constitutes a significant portion of the acquisition cost.

The two-year license agreement with Convatec, securing the Group the rights to the UnoMeter™ assets, was allocated an initial value of NOK 4.3 million. This valuation was based on the relief-from-royalty method, corresponding to the expected revenues during the license period. Following the restructuring of the debt to Convatec in 2025, the acquisition was considered closed, and the license agreement consequently lapsed. As of 31 December 2025, the asset is fully amortized, reflecting both the original two-year amortization schedule and the final closing of the transaction.

Further, NOK 0.8 million and NOK 4.4 million was allocated to assets measured at a replacement cost for information related to historical UnoMeter customers/distributors and technical documentation related to UnoMeter™. These assets are amortized over 10 years, reflecting their long-term value in supporting the Group's integrated urine measurement strategy.

Other technology assets and patents primarily comprise the Sippi® technology, while technology development comprises capitalized costs associated with the development of the Group's product portfolio. Development costs are capitalized when the recognition criteria are met. Amortization of capitalized development costs commences typically when the product is available for use and required regulatory approvals have been obtained. Goodwill and trademarks are not amortized but are tested annually for impairment.

Cash-generating units (CGUs)

The Group has identified the following CGUs for impairment testing purposes: CGU Ultrasound – Biim ultrasound technology and CGU Urine Measurement which comprises the integrated product portfolio, including UnoMeter™ and Sippi technologies, which share common commercial, operational and regulatory platforms and generate largely interdependent cash inflows. Management therefore considers these assets to form a single cash-generating unit in accordance with IAS 36.

Impairment testing methodology

The Group performs annual impairment tests for goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use. Additionally, impairment tests are conducted for other assets if there are indications of impairment.

The recoverable amount is determined as the higher of value in use (VIU) and fair value less costs of disposal (FVLCTD). In accordance with IAS 36, the recoverable amount of the CGU Urine Measurement has been determined based on VIU using a discounted cash flow (DCF) model. Management considers VIU to be the most appropriate method given the absence of observable market transactions for determining fair value.

If the carrying amount of a cash-generating unit (CGU) exceeds its recoverable amount, an impairment loss is recognized. Impairment losses on goodwill are not reversed, while reversals for other assets may be considered if the underlying estimates change.

The DCF model is based on management's five-year forecasts reflecting management's best estimate of future economic conditions, calibrated against actual performance, current commercial developments and available external information.

Key assumptions include:

- expected future revenue growth and market penetration
- gross margins and operating cost development
- timing of commercialisation activities
- discount rate (WACC)
- terminal growth rate

Scenario-based modelling has been applied to reflect uncertainties related to commercial ramp-up, product launch timing and margins.

Impairment testing of goodwill and other intangible assets

CGU Ultrasound

During the first half of 2025, increased uncertainty led to a reduced probability assigned to the base case scenario in the probability-weighted cash flow model, resulting in a recoverable amount below the carrying amount and an impairment loss of NOK 4 million.

During the second half of 2025, the Group received updated information from Fresenius Medical Care confirming that Biim would not be rolled out at scale across its clinics. This constituted a new impairment indicator under IAS 36. Based on updated expectations regarding future cash flows and

commercialisation prospects, management performed a revised impairment assessment and concluded that the recoverable amount of the Ultrasound CGU was lower than its carrying amount. Following the impairment, the carrying amount of the Ultrasound CGU is reduced to zero and based on current commercial expectations no recoverable value is recognised. The impairment assessments were based on management's best estimates and assumptions reflecting the information available at the respective reporting dates.

CGU Urine Measurement

The Urine Measurement portfolio is the main strategic and commercial area for the Company.

As of 31 December 2025, management has assessed whether any impairment indicators exist for CGU Urine Measurement. The assessment did not identify any indicators of impairment.

The impairment test incorporates revised estimates reflecting:

- calibration against actual performance in 2025
- updated commercial developments and distributor progress
- conservative scenario assumptions, including delayed commercial ramp-up and lower margin assumptions in downside scenarios

The recoverable amount was determined based on value in use calculations using probability-weighted discounted cash flow scenarios. The recoverable amount exceeded the carrying amount of the CGU, and no impairment was recognised. The assumptions applied reflect management's best estimates and incorporate conservative scenario assumptions.

The table below summarizes the carrying amounts of goodwill and intangible assets in each CGU as of 31 December 2025 and 31 December 2024.

<i>Amounts in NOK thousand</i>	CGU Urine measurement	CGU Ultrasound	Sum
As at 31 December 2025			
Goodwill	35 159	0	35 159
Trademark	27 976	0	27 976
Licence agreement	0	0	0
Technology/Patent	16 017	0	16 017
Customer relationships and other	605	0	605
Other tangible assets	59	0	59
Carrying value	79 816	0	79 816

<i>Amounts in NOK thousand</i>	CGU Urine measurement	CGU Ultrasound	Sum
As at 31 December 2024			
Goodwill	33 067	-	33 067
Trademark	27 976	-	27 976
Licence agreement	1 425	-	1 425
Technology/Patent	18 916	46 838	65 754
Customer relationships and other	683	1 821	2 504
Other tangible assets	154	42	196
Carrying value	82 221	48 700	130 921

The Urine Measurement CGU includes goodwill and intangible assets related to Sippi® and UnoMeter™ products. Management's assumptions have been updated and calibrated against actual performance in 2025, current commercial developments and revised timing assumptions for product rollout. The impairment test confirmed that the recoverable amount exceeded the carrying amount and no impairment was recognized.

Estimates for the Urine measurement CGU are based on a continued roll-out of the UnoMeter™ products, reaching full historical market³ sales in 2029-2030. Estimates for the Sippi® device anticipate new sales starting with impact in 2027, followed by gradual growth as both sales and recurring revenue from established customers increase.

The recoverable amount was determined using VIU, based on a DCF model over a 5-year forecast period (2026–2030)

³ Based on sales statistics from Convatec

The DCF model incorporates four probability-weighted scenarios, including moderate downside, severe downside and a zero-commercialisation case.

- Base Case (40% weighting): Management's best estimate, reflecting continued rollout of UnoMeter™ and gradual Sippi® sales from 2027.
- 30% revenue reduction in base case (25% weighting)
- 50% revenue reduction in base case revenue (25% weighting)
- "Zero scenario" (10% weighting)

By applying this probability-weighted approach, the reported recoverable amount is inherently adjusted for the identified risks of delays and margin pressure. The inclusion of a "Zero scenario" ensures that the valuation accounts for the possibility of a complete absence of commercial success for new products, effectively acting as a significant risk-adjustment to the total recoverable amount.

The VIU calculation for the base case is based on the following key assumptions, derived from management's forecasts, historical data, and market expectations for market pricing and economy of scale:

- Revenue Growth: Compound average annual revenue growth of 41.7 % (2026–2030), reflecting increased gradual market penetration of UnoMeter™, including introduction of UnoMeter™ Safeti™ Max, reaching historical market sales for the brand annually by 2029–2030). Installed Sippi base unit gradually from 2027 (<2% of global ICU beds by 2030), including US, with recurring revenue from disposable units on installed base.
- Gross Margin: Average of 34.6%, based on actual production costs and expected economies of scale.
- EBITDA Margin: Average of 4.8% over the 5-year period, reflecting operational efficiencies as sales scale.
- Discount Rate: 13.3% WACC, and is calculated using a risk-free rate, a risk premium, a market-specific risk premium adjusted by beta via CAPM, and a company-specific risk premium. The tax-adjusted cost of debt is weighed with equity and debt.
- Terminal Growth Rate: 2.0%, aligned with long-term inflation and medical device market growth.

To reflect long-term market dynamics and potential competitive pressure, management has applied a conservative downward adjustment to the gross

margin in the terminal value calculation. Management has recognized that the speed of technological change and possibility of new entrants may have a significant impact on growth rate assumptions.

Management considers the headroom to be sufficient, and the sensitivity analysis shows that the carrying amount is robust against isolated changes in key assumptions. An isolated increase in the discount rate of 1 percentage point, a reduction in gross margin of 3 percentage points, a 2-percentage point reduction in EBITDA margin or revenue growth, or a 0.5 percentage point reduction in the long-term growth rate, would not result in an impairment charge. The headroom remains positive even when these changes are applied to the probability-weighted recoverable amount, which already incorporates a 60% combined weighting of downside and zero-commercialisation scenarios. Management recognises that the recoverable amount is sensitive to combined adverse shifts, but considers the likelihood of such simultaneous events, beyond what is already reflected in the weighted scenarios, to be low.

The table below illustrates the sensitivity of the probability-weighted recoverable amount (VIU), expressed as headroom (TNOK), to combined changes in the discount rate (WACC) and the gross margin in the terminal value:

		Gross margin (TV) - Urine Measurement				
		-6 %	-4 %	-2 %	0 %	2 %
WACC	11,0 %	25 711	39 386	53 062	66 738	80 413
	12,0 %	9 019	20 783	32 546	44 310	56 074
	13,0 %	4 444	5 782	16 008	26 234	36 460
	13,3 %	7 655	2 205	12 065	21 925	31 785
	14,0 %	15 495	6 528	2 439	11 407	20 374
	15,0 %	24 699	16 777	8 855	933	6 989

To further address the estimation uncertainty related to the commercial roll-out and sales volumes, management has also performed a sensitivity analysis on the probability-weighted recoverable amount against combined changes in the discount rate (WACC) and overall sales volumes. This demonstrates the robustness of the valuation against further adverse volume shifts beyond the 60% downside weighting already incorporated into the model:

		Sales volume - Urine Measurement				
		-20 %	-15 %	-5 %	0 %	5 %
WACC	11,0 %	55 376	58 216	63 897	66 738	69 578
	12,0 %	34 698	37 101	41 907	44 310	46 713
	13,0 %	18 024	20 077	24 182	26 234	28 286
	13,3 %	14 048	16 018	19 956	21 925	23 894
	14,0 %	4 340	6 106	9 640	11 407	13 174
	15,0 %	7 056	5 525	2 464	933	598

As illustrated above, the carrying amount remains supported with a further reduction in sales volumes at the current WACC. Management considers the likelihood of a combined adverse event that would result in a recoverable amount below the carrying value (e.g., a 15% WACC combined with a 10% volume reduction) to be low, as the starting point for this sensitivity already includes a significant risk-adjustment through the scenario-based weighting

During 2025, the Group has prioritized the commercialization of the UnoMeter™ portfolio, with UnoMeter™ Safeti™ Plus—historically the largest revenue generator—launched successfully early in the year. A key milestone in the Group's integrated strategy is the development of UnoMeter™ Safeti™ Max. As the first major innovation in this segment for years, the Safeti™ Max incorporates patented technology originally developed for Sippi®, creating a direct technological bridge to the digital product.

This integration further differentiates our offering from competitors and improves patient welfare while establishing the market foundation for Sippi®, the digital and connected urimeter. Sippi® is planned for a larger-scale roll-out once the UnoMeter™ products have fully re-established their global market presence. While this phased approach has resulted in delayed cash flows for Sippi® compared to previous estimates, management maintains that the asset holds significant value. The commercial progress achieved through the UnoMeter™ brand, which Sippi® will be part of, demonstrates that the digital platform is now better positioned for long-term commercial success, and its global revenue potential remains robust.

Sensitivity and estimation uncertainty

The recoverable amount is sensitive to assumptions regarding future sales volumes, timing of market penetration, operating margins, the discount rate, and long-term growth assumptions. Management has also considered the potential impact of global economic uncertainties, including supply chain dynamics and geopolitical factors, on future operating costs and market access. While no significant adverse impacts have been identified as of the reporting date, these factors are incorporated into the scenario-based modeling to ensure that the recoverable amounts reflect a realistic risk-adjusted outlook.

The sensitivity analysis shows that the carrying amount remains robust even when accounting for a 60% combined probability of downside and zero-growth outcomes. Management considers the headroom to be sufficient, even after applying conservative terminal value assumptions that reflect long-term competitive pressure.

Management considers the assumptions applied to represent reasonable and supportable estimates at the reporting date. However, due to the inherent uncertainty in future market developments, actual outcomes may differ from these estimates.

Conclusion

Based on management's assessment, assumptions, and the expectations applied in the business cases and future plans, it is the Group's conclusion that the recoverable amounts for the cash-generating units justify their carrying values as recognized in the balance sheet as of 31 December 2025.

NOTE 17 – TRADE RECEIVABLES AND OTHER RECEIVABLES

<i>Amounts in NOK thousand</i>	2025	2024
Trade receivables	0	2 759
Other receivables	2 374	1 629
Total	2 374	4 389
Due date profile for trade receivables	2025	2024
Not due	0	1 277
0-3 months	0	0
> 3 months	0	1 482
Total	0	2 759

Trade receivables are recognized at zero as of 31 December 2025 due to the Group's factoring agreement, under which the credit risk has been transferred to the factoring provider. Consequently, receivables are derecognized upon sale to the factoring company. Other receivables mainly consist of prepaid expenses, VAT receivables, and security deposits. Management considers the carrying amount of other receivables to be a reasonable approximation of their fair value, as there are no indications of significant credit risk associated with these items

NOTE 18 – INVENTORIES

<i>Amounts in NOK thousand</i>	2025	2024
Raw materials and extra parts (at cost)	349	2 987
Finished goods (at lower of cost and net realisable value)	7 769	5 425
Write-down	-639	-3 085
Total	7 479	5 327

Inventories are valued at the lower of cost and net realisable value. The reduction in the carrying amount of raw materials and components, as well as the corresponding decrease in write-downs, is primarily due to the Biim materials that were written down in 2024. Finished goods as of 31 December 2025 consists of the UnoMeter™ portfolio. Write down are primarily related to specific finished goods where management has applied a conservative valuation approach to reflect current commercial timeline

NOTE 19 – FINANCIAL INSTRUMENTS**Navamedic loans**

The Company has two subordinated loan agreements with Navamedic for loans with an aggregate outstanding amount of NOK 15.9 million (including accrued interest) as of 31 December 2025. Both loans have a maturity date of 31 December 2027.

During 2025, the Group completed a restructuring of these facilities, including a principal reduction (haircut), partial conversion into equity, and revised repayment terms for the remaining loan balances. In accordance with IFRS 9, the modification was considered substantial, leading to the derecognition of the original financial liabilities and the recognition of new liabilities at fair value. The resulting gain/loss from the restructuring was recognized in the income statement under financial items.

The new loans carry an interest rate of 3-month NIBOR + 6%, which management considers to reflect market terms at the restructuring date. As of 31 December 2025, the balances were: Loan 1: NOK 9.055 million and Loan 2: NOK 6.839 million, both measured at amortized cost.

As part of the loan agreement entered into on 6 September 2023 between Observe Medical ASA and Navamedic ASA, the loan is secured by first-priority pledges over the shares in Biim Ultrasound AS and Observe Medical AS, as well as floating charges over machinery, inventory, trade receivables, bank accounts, and other material assets of Observe Medical ASA. The lender may also require additional pledges over shares in Observe Medical AB, Observe Medical Nordic AB, and Observe Medical ApS. The security is granted in favour of Navamedic ASA as security agent on behalf of itself and other

lenders, and secures obligations under this and related loan agreements on a shared and pro rata basis

Following the reporting date, the Group secured new financing from Innovation Norway in early 2026, leading to updated priority and payment terms for the Navamedic loans, Where Navamedic ASA has agreed to subordinate its security interest to the benefit of Innovation Norway. See Note 24 Events after the reporting period for further information.

Contingent milestone payments

As part of the restructured agreement, Navamedic is entitled to participate in a commercial upside, independent of the loan repayments, through two contingent milestone payments of NOK 10 million each. These payments are subject to the achievement of specified cumulative sales thresholds for Sippi® (NOK 20 million and NOK 50 million).

Management has assessed the arrangement under IAS 32 Financial Instruments: Presentation and IFRS 9 Financial Instruments. The milestone arrangement has been classified as a financial liability and initially recognised at fair value, determined as the present value of probability-weighted expected future payments. Key valuation inputs include probability-weighted commercial scenarios (consistent with the Group's impairment testing), expected timing of threshold achievement, and a risk-adjusted discount rate of 20% reflecting the performance-contingent nature of the obligation. At initial recognition, the fair value of the milestone liability amounted to NOK 6.9 million.

Subsequently, the liability is measured at amortised cost using the effective interest method (unwinding of discount). This increase reflects that the payment

date is approaching and does not represent a change in the underlying risk profile. At the reporting date, the Group reassesses the probability of reaching the specified milestones. If the probability remains unchanged, the liability is adjusted solely by the calculated interest expense for the period. There exist no obligations to pay cash until the cumulative sales thresholds have been achieved.

Estimation uncertainty

The valuation of the milestone liability involves significant judgement, particularly relating to expected future sales performance, timing of milestone achievement, and selection of an appropriate risk-adjusted discount rate. Changes in these assumptions may materially affect the carrying amount of the liability.

Shareholder loans

During the first half of 2025, the Group entered into shareholder loan agreements with certain existing shareholders (ELI AS, JPB AS, and RIC) to secure short-term working capital financing. The total loan amount outstanding under these agreements was NOK 1.6 million at the reporting date. The loans carried an annual interest rate of 15% until the due date 30.06.2025. Following this date, the loan is extended at an interest rate of +10% from the due date. The agreements include customary terms for this type of financing, including a right for the lenders to convert outstanding amounts into equity either in connection with a future equity raise on the same terms as other investors, or at an agreed price not exceeding the prevailing market price at the time of conversion. The loans are classified as financial liabilities measured at amortised cost. Management considers the terms to be in line with market conditions given the Group's financial position at the time the agreements were entered into.

Business Finland

The Finnish subsidiary of Biim Ultrasound AS, Biim Ultrasound Oy has a "start-up funding" loan from Business Finland of approximately EUR 400,000 including accrued interest. The loan is classified as

short-term interest-bearing debt. The company has been offered a payment plan over 6 years starting September 2025, but currently not signed any addendum to the agreement. On 4 March 2026, the Board of Directors decided to initiate a winding up of Biim Ultrasound AS and its subsidiaries, including Biim Ultrasound Oy. The loan liability is expected to be addressed as part of the winding-up process. See also Note 24 Events after the reporting period.

UnoMeter™ Asset Transfer Agreement – Restructured Settlement

During 2025, the Group reached a final agreement with Convatec/Unomedical regarding the remaining consideration for the UnoMeter™ portfolio acquisition. This restructuring replaced all previous repayment schedules and terms. Under the new agreement, the Group settled USD 1.0 million in cash during 2025, while the remaining unsecured debt was fixed at USD 1.0 million. This residual liability is non-interest bearing and is payable in two equal instalments of USD 500,000 due on 31 December 2026 and 31 December 2027.

In accordance with IFRS 9, management has assessed the restructuring as a substantial modification of a financial liability. The original liability, which had a carrying amount of NOK 38.6 million, was derecognised in its entirety. The new liability was recognised at a fair value of NOK 8.1 million, determined by discounting the future instalments using a discount rate of 12.0%.

The difference between the carrying amount of the derecognised debt, the cash settlement, and the fair value of the new liability, resulted in a gain on debt restructuring of NOK 20.2 million recognised in the 2025 income statement as other financial income (see also note 11). Subsequent to initial recognition, the liability is measured at amortised cost using the effective interest method of 12.0%. As the liability is denominated in USD, the carrying amount is also subject to currency translation adjustments at each reporting date.

Financial liabilities as at 31 December 2025

<i>Amounts in NOK million</i>	0-3 months	3-12 months	1-2 years	2-3 years	3-4 years	> 4 years	Total	Carrying amount
Payables loan to Navamedic group ¹⁾		1.6	18.5				20.1	15.9
Trade account payables	11.4	1.5					12.9	12.9
Other current liabilities		0.9					0.9	0.9
Payables to Convatec ²⁾		5.0	5.0				10.1	8.5
Other current interest-bearing liabilities ³⁾	6.3						6.3	6.3
Contingent milestone liability, Navamedic ⁴⁾					20.0		20.0	6.9
Total	17.8	9.0	23.6		20.0		70.3	51.4

Financial liabilities as at 31 December 2024

<i>Amounts in NOK million</i>	0-3 months	3-12 months	1-2 years	2-3 years	3-4 years	> 4 years	Total	Carrying amount
Payables loan to Navamedic group	0.0	3.1	25.1	23.1			51.2	38.4
Trade account payables	16.6	1.5					18.1	18.1
Other current liabilities		1.4					1.4	1.4
Payables to Convatec		18.0	29.5				47.6	40.2
Other current interest-bearing liabilities	4.7						4.7	4.7
Total	21.3	24.0	54.6	23.1			123.0	102.8

¹⁾ Significant change from 31 December 2024 due to restructuring of debt through haircuts of approximately 50% and conversion to shares of NOK 5.0 million.

²⁾ Significant change from 31 December 2024 due to restructuring of debt through haircuts of approximately 50%, and payment to of NOK 10 million, resulting in full asset transfer.

³⁾ Innovation loan from Business Finland to Biim Ultrasound Oy, and loan arrangements with existing shareholders

⁴⁾ Contingent milestone liability reflecting a maximum payment of NOK 20 million in two equal payments when a) Sippi sales reach NOK 20 million and b) when Sippi sales reaches NOK 50 million. The recognized financial liability (IAS32) is probability-weighted and discounted to present value, and will be amortised by effective interest. No cash obligations exist until revenue thresholds have been achieved.

Classification of financial assets and liabilities as at 31 December 2025

<i>Amounts in NOK million</i>	Measured at amortised cost	Fair value through profit or loss	Total
Current assets			
Cash and cash equivalents		11.5	11.5
Trade receivables and other receivables		1.4	1.4
Total current financial assets		12.9	12.9
Non-current financial liabilities			
Payables loan to Navamedic		15.9	15.9
Payables debt to Convatec		4.0	8.5
Contingent milestone liability (Sippi), Navamedic		6.9	6.9
Total non-current financial liabilities		26.8	26.8
Current financial liabilities			
Trade account payables		12.9	12.9
Other current liabilities		0.9	0.9
Payables debt to Convatec		4.5	4.5
Other current interest-bearing liabilities ¹⁾		6.3	6.3
Total current financial liabilities		24.6	24.6
Total financial liabilities		51.4	51.4

Classification of financial assets and liabilities as at 31 December 2024

<i>Amounts in NOK million</i>	Measured at amortised cost	Fair value through profit or loss	Total
Current assets			
Cash and cash equivalents	2.0		2.0
Trade receivables and other receivables	3.9		3.9
Total current financial assets	5.9		5.9
Non-current financial liabilities			
Payables loan to Navamedic group	38.4		38.4
Payables debt to Convatec	23.2		23.2
Total non-current financial liabilities	61.6	0.0	61.6
Current financial liabilities			
Trade account payables	18.1		18.1
Other current liabilities	1.4		1.4
Payables loan to Convatec	17.0		17.0
Other current interest-bearing liabilities ²⁾	4.7		4.7
Total current financial liabilities	41.2		41.2
Total financial liabilities	102.8	0.0	102.8

¹⁾ Other non-current interest-bearing liabilities consisting of "Business Finland" innovation loan in Biim Ultrasound Oy and loan arrangements with existing shareholders

²⁾ Other non-current interest-bearing liabilities consisting of "Business Finland" innovation loan in Biim Ultrasound Oy

Additional information about the change in financial liabilities arising from financing activities

<i>Amounts in NOK million</i>	Bank loans	Overdraft facility	Loans from Navamedic Group	Contingent milestone liability, Navamedic	Contingent consideration upon acquisitions	Lease liabilities	Payables debt to Convatec	Other ⁴⁾	Total
Carrying value 1									
January 2025			38.4				40.2	4.7	83.4
Cash flow							-10.1	1.4	-8.7
Change in liability due to aquisition									
Change in liability with no cash effect ⁵⁾			-22.5	6.9			-16.8	0.2	-32.2
FX movement							-4.8		-4.8
Carrying value 31 December 2025	0.0	0.0	15.9	6.9	0.0	0.0	8.5	6.3	37.6
Carrying value 1									
January 2024	0.9		49.9		1.6	0.8	35.2	1.5	89.9
Cash flow	-0.9					-0.5			-1.4
Change in liability due to aquisition									
Change in liability with no cash effect			-11.5		-1.6	-0.3	5.0	3.2	-5.2
Carrying value 31 December 2024	0.0	0.0	38.4	0.0	0.0	0.0	40.2	4.7	83.3

⁴⁾ Loan arrangements with existing shareholders and Biim Ultrasound Oy loan, Finland

⁵⁾ Navamedic loan restructuring and conversion to share capital, partly offset by interest. Navamedic milestone payment liability with no cash effect and Convatec debt restructuring.

<i>Amounts in NOK million</i>	31.12.2025		31.12.2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Current financial assets				
Trade receivables and other receivables	1.4	1.4	3.9	3.9
Cash and cash equivalents	11.5	11.5	2.0	2.0
Total current financial assets	12.9	12.9	5.9	5.9
Total financial assets	12.9	12.9	5.9	5.9
Non-current financial liabilities				
Other non-current interest bearing liabilities				
Lease liabilities				
Payables loan to Navamedic group	15.9	15.9	38.4	38.4
Payables loan to Convatec ⁶⁾	4.0	4.0	23.2	24.8
Total non-current financial liabilities	19.9	19.9	61.6	63.2
Current financial liabilities				
Payables loan to Convatec ⁶⁾	4.5	4.5	17.0	17.0
Trade account payables	12.9	12.9	18.1	18.1
Other current interest bearing liabilities ⁷⁾	6.3	6.3	4.7	4.7
Other current liabilities	0.9	0.9	1.4	1.4
Total current financial liabilities	24.6	24.6	41.2	41.2
Total financial liabilities	44.5	44.5	102.8	104.5

⁶⁾ The debt to Convatec was previously non-interest-bearing and was renegotiated to interest-bearing debt in 2024. It is classified as Level 3 in the fair value measurement hierarchy.

⁷⁾ Other non-current interest-bearing liabilities consisting of "Business Finland" innovation loan in Biim Ultrasound Oy and loan arrangements with existing shareholders.

For financial instruments recognised at amortised cost, the carrying amounts of current financial assets and liabilities are considered a reasonable approximation of fair value due to their short-term nature. For non-current financial liabilities, management has assessed that the contractual interest rates are broadly consistent with current market conditions, and accordingly the carrying amounts are considered to approximate fair value.

NOTE 20 – CONTINGENT CONSIDERATION

Observe Medical International AB (OMI AB) was acquired in 2015. The purchase price included a contingent consideration consisting of royalty payments and sales-based milestones for Sippi®.

The royalty period, which was based on revenues from sales of Sippi®, concluded at the end of 2024. As no royalty thresholds were met during the period, the Group has no further obligations related to these payments. The agreement included a final milestone payment contingent on accumulated Sippi® sales exceeding NOK 900 million by 31 December 2026. As of 31 December 2025, management has reassessed the probability of reaching this target. Given the current commercial status and the remaining time until the deadline, it is considered unlikely that the threshold will be achieved.

Consistent with the assessment in 2024, the fair value of the contingent consideration is measured at NOK 0 as of 31 December 2025. There have been no changes in the estimated fair value recognized through profit or loss during the 2025 financial year.

NOTE 21 – TAXES

Income tax	2025	2024
Current tax	0	0
Deferred tax	0	0
Tax expense/income recognised	0	0

Reconciliation of income tax			
<i>Amounts in NOK thousand</i>	Tax rate	2025	2024
Result before tax		-48 639	-58 727
Expected income taxes, 22% of result before tax		10 700	12 920
Differences in tax rates		-62	-164
Tax expense before not recognised tax assets		12 698	13 593
Norway, change in deferred tax assets not recognised	22 %	-10 947	-11 284
Denmark, change in deferred tax assets not recognised	22 %	-738	-546
Sweden, change in deferred tax assets not recognised	21 %	-1 013	-1 763
Total taxes		0	0

Effective tax rate	0,0 %	0,0 %
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Basis for Deferred Tax Liabilities and Tax Assets (-)

2025	Temporary differences Norway	Temporary differences Sweden	Temporary differences Denmark	Total 2025
<i>Amounts in NOK thousand</i>				
Fixed assets	-506	7 375	0	6 869
Other	-6 440	0	0	-6 440
Total temporary differences	-6 946	7 375	0	429
Tax losses carried forward	-312 154	-107 350	-99 466	-518 970
Basis for temporary differences	-319 100	-99 975	-99 466	-518 541
Unrecognised temporary differences	319 100	99 975	99 466	518 541
Total recognised temporary differences	0	0	0	0
Tax rate	22 %	21 %	22 %	
Recognised deferred tax liabilities and tax assets (-)	0	0	0	0
2024				
<i>Amounts in NOK thousand</i>				
Intangible assets	48 771	8 672	0	57 443
Other	-9 591	0	0	-9 591
Total temporary differences	39 180	8 672	0	47 852
Tax losses carried forward	-327 135	-97 975	-100 172	-525 282
Basis for temporary differences	-287 955	-89 303	-100 172	-477 430
Unrecognised temporary differences	287 955	89 303	100 172	477 430
Total recognised temporary differences	0	0	0	0
Tax rate	22 %	21 %	22 %	
Recognised deferred tax liabilities and tax assets (-)	0	0	0	0
Deferred tax assets	0	0	0	0
Deferred tax liabilities	0	0	0	0

Change in Deferred Tax Assets and Deferred Tax Liabilities

<i>Amounts in NOK thousand</i>	01.01.2025	Recognised in profit and loss during the year	Effect of acquisition and equity transactions	Foreign currency exchange differences	31.12.2025
Intangible assets	12 516	-11 219		110	1 408
Other	-2 110	2 211			101
Tax losses carried forward	-114 190	-3 691		-1 850	-119 731
Gross tax liabilities / assets (-)	-103 784	-12 698		-1 740	-118 222
Deferred tax assets not recognised	103 784	12 698		1 740	118 222
Tax liabilities/assets (-) recognised	0	0	0	0	0

<i>Amounts in NOK thousand</i>	01.01.2024	Recognised in profit and loss during the year	Effect of acquisition and equity transactions	Foreign currency exchange differences	31.12.2024
Intangible assets	7 579	4 906		31	12 516
Other	5 801	-7 911			-2 110
Tax losses carried forward	-99 292	-10 588		-4 310	-114 190
Gross tax liabilities / assets (-)	-85 913	-13 593		-4 279	-103 784
Deferred tax assets not recognised	85 913	13 593		4 279	103 784
Tax liabilities/assets (-) recognised	0	0	0	0	0

Use of Tax Losses Carried Forward

There is not any expiration date for the use of tax losses carried forward.

NOTE 22 – RELATED PARTIES

Transactions and shared costs have historically been charged by the parent Company to its subsidiaries. In addition to Group companies, the group's related parties are: Key management personnel, close members of the family of a person and entities that are controlled or jointly controlled by any of these. Key management personnel are defined as the Board of Directors and the group management. Transactions and balances within the Group are eliminated in the financial statements and are not disclosed in this note.

During 2025, the Group secured short-term working capital through loan agreements with certain shareholders and related entities (including ELI AS, JPB AS, and RIC). These loans carried an interest rate of 15%, with a step-up to 25% for amounts remaining outstanding after the initial due date of 30 June 2025. The transactions were entered into on what management considers to be market terms given the Group's financial position at the time. As of 31 December 2025, the outstanding balance including accrued interest amounted to NOK 1.6 million.

Transactions and balances with related parties

<i>Amounts in NOK thousand</i>		As at 31.12.2025	As at 31.12.2024
Operational Expenses	Reiten&Co AS	75	750
Financial expenses	Navamedic ASA	2 381	5 523
Interest bearing debt	Navamedic ASA	15 894	38 317
Financial expenses	RIC	99	0
Interest bearing debt	RIC	949	0
Financial expenses	ELI AS	39	0
Interest bearing debt	ELI AS	39	0
Financial expenses	JPB AS	59	0
Interest bearing debt	JPB AS	609	0

Transactions and Balances with related parties includes transactions with Reiten&Co, 100% owned by R. Investment Company AS (RIC), Navamedic ASA the largest shareholder, ELI AS shareholder controlled by board member Eskild Endrerud and JPB AS, shareholder. During the period, certain shareholder loans were partially repaid in accordance with agreed terms. Navamedic ASA is the largest shareholder in Observe Medical ASA. The terms in the agreements between the parties are based on arm's length

NOTE 23 – SHAREHOLDER INFORMATION

Top shareholders at 31 December 2025

Rank	Name	Number of shares	% of top 20	Ownership %	Country
1	NAVAMEDIC ASA	12 564 279	13,40 %	9,23 %	Norway
2	R INVESTMENT COMPANY AS	10 703 684	11,42 %	7,86 %	Norway
3	SONGA CAPITAL AS	10 000 000	10,67 %	7,34 %	Norway
4	JPB AS	7 170 996	7,65 %	5,27 %	Norway
5	KING KONG INVEST AS	6 333 333	6,76 %	4,65 %	Norway
6	JIANGSU HONGXIN MEDICAL TECHNOLO	6 000 000	6,40 %	4,41 %	China
7	SEED CAPITAL AS	5 236 268	5,59 %	3,85 %	Norway
8	BJØRNTVEDT, VEGARD	4 493 951	4,79 %	3,30 %	Norway
9	RO, LARS	4 004 004	4,27 %	2,94 %	Norway
10	EIDCO AS	4 000 000	4,27 %	2,94 %	Norway
11	LIVERMORE INVEST AS	3 597 508	3,84 %	2,64 %	Norway
12	GLIMT INVEST AS	3 005 113	3,21 %	2,21 %	Norway
13	Em Kapital As	3 000 000	3,20 %	2,20 %	Norway
14	JJB AS	2 100 000	2,24 %	1,54 %	Norway
15	AKB AS	2 100 000	2,24 %	1,54 %	Norway
16	SONGA X AS	2 100 000	2,24 %	1,54 %	Norway
17	AGMABLY AS	2 100 000	2,24 %	1,54 %	Norway
18	ABAGUST AS	2 000 000	2,13 %	1,47 %	Norway
19	GINNY INVEST AS	1 616 666	1,72 %	1,19 %	Norway
20	NORDNET LIVSFORSIKRING AS	1 612 772	1,72 %	1,18 %	Norway
	Other	42 409 838		31,15 %	
Total number owned by top 20		93 738 574	100,00 %	68,85 %	
Total number of shares		136 148 412		100,00 %	

The total outstanding number of shares is 136 148 412 with a nominal value of 0.42 NOK.

Number of shares owned by board of directors and group management and at 31.12.2025

Name	Position	Total shares
Terje Bakken ¹	Chairman of the Board	3 095 112
Eskild Endrerud ²	Board Member	6 145 753
Line Tønnessen ³	Board Member	253 037
Jørgen Mann	Chief Executive Officer	870 000
Johan M. Fagerli	Chief Financial Officer	356 716

1) Bakken represents R. Investment Company, at the Board of Directors. 3,005,113 of the Shares owned by Bakken are owned through his privately held company, Glimt Invest AS, 83,333 of the shares through his privately held company, Kikinn Invest AS and 6,666 are directly owned shares.

2) Endrerud represents the Company's shareholder, ELI AS, at the Board of Directors. Endrerud owns 100% of ATHEND Holding AS. ATHEND Holding AS owns 25,266 shares in the Company and 50% of the shares in SEED Capital AS, who owns 5,236,268 shares in the Company. SEED Capital AS owns 91.932% of ELI AS, who owns 884,219 shares in the Company. In total, Eskild Endrerud indirectly owns 6 145 753 shares in the Company and directly owns 67,500 shares in the Company. 3) Tønnessen represents the shareholder R. Investment Company, at the Board of Directors. The Shares owned by Tønnesen are owned by her directly.

Movement in number of shares and share capital	Number of shares	Share capital (NOK thousand)	Share premium (NOK thousand)
1 January 2025	288 876 175	75 108	288 433
January 2025: Reverse share split ratio 15:1	- 269 617 763		
July 2025: Share capital reduction		-67 019	
July 2025: Private placement	72 890 000	30 613	5 831
October 2025: Subsequent offering	24 000 000	10 080	1 920
October 2025: Private placement	20 000 000	8 400	1 600
31 December 2025	136 148 412	57 183	291 488

An extraordinary general meeting was held on January 7 2025, amongst other, to adopt a consolidation of the Company's shares (reverse share split) in the ratio 15:1 to meet the Oslo Stock Exchange's requirement of a minimum market value of NOK 1 per share. During 2025, Observe Medical ASA issued 116 890 000 new shares at a subscription price of NOK 0.50 per share, and at a nominal value of NOK 0.42. 100 890 000 shares were settled by cash and 16 000 000 shares were settled by debt conversion.

NOTE 24 – EVENTS AFTER THE REPORTING DATE

In 2026, the Group signed a new loan agreement with Innovation Norway to support the Group's scaling of operations and development activities. The loan carries specific covenants, including a requirement that existing loans (the Navamedic loans) remain subordinated and that no payments are made on these until the debt to Innovation Norway is settled in full. No adjustments have been made to the financial statements as a result of this event.

On 4 March 2026, the Board of Directors of Observe Medical ASA resolved to initiate a formal winding-up process for Biim Ultrasound AS and its subsidiaries. This decision follows the lack of commercial progress from the Company's key customer. It represents a refocus of the Group's resources toward the UnoMeter™ portfolio. Based on management's assessment, the Group does not anticipate that the winding-up process will result in significant additional liabilities or cash outflows beyond the carrying amounts already recognized as of 31 December 2025. The winding-up is expected to result in a reduction of tax loss carryforwards related to Biim Ultrasound AS, which may have a negative impact on the Group's future taxable profit utilization. At the same time, the deconsolidation of Biim Ultrasound AS is expected to have a positive effect on the Group's equity, primarily due to the removal of accumulated losses and negative net assets within the Biim sub-group.

Following the reporting date, the geopolitical situation in the Middle East has escalated. Management monitors the situation, particularly regarding potential impacts on global supply chains and logistics costs.

Observe Medical ASA

INCOME STATEMENT

<i>Amounts in NOK thousand</i>	Note	2025	2024
Operating revenues		1 738	2 717
Other income	5	1 197	1 203
Total income		2 935	3 974
Personnel expenses	3	8 699	8 898
Other operating expenses	11	10 297	9 298
Operating expenses		18 995	18 196
Operating result before depreciation and amortization (EBITDA)		-16 061	-14 222
Depreciation and amortization	14	214	396
Operating result (EBIT)		-16 275	-14 618
Financial income and expenses			
Interest income from group companies		4 453	3 889
Financial income	10	20 238	3 409
Interest expense to group companies		-3 199	-3 523
Interest expenses	10	-2 724	-5 997
Financial expenses	10	-9 481	-1 777
Impairment of loan receivables	9,10	-42 158	-4 355
Impairment of shares in group companies	12	0	-171 243
Net financial items	10,13	-32 872	-179 598
Result before tax		-49 147	-194 216
Income tax expense	15	0	0
Result for the period		-49 147	-194 216
Allocation of result			
Retained earnings		49 147	194 216
Covered by retained earnings		-49 147	-194 216

Observe Medical ASA

BALANCE SHEET

<i>Amounts in NOK thousand</i>	Note	31.12.2025	31.12.2024
ASSETS			
Property, Plant and Equipment			
Equipment and other movables	14	35	250
Non-current assets			
Investments in subsidiaries	12	40 793	40 793
Loans to subsidiaries	9,13	30 106	53 992
Total non-current financial assets		70 898	94 785
Total non-current assets		70 934	95 035
Current assets			
Receivables from group companies	8,13	2 269	1 738
Other receivables and prepaid expenses		837	467
Bank deposits	4	10 127	843
Total current assets		13 233	3 048
Total assets		84 167	98 083
EQUITY AND LIABILITIES			
Share capital		57 183	75 108
Share premium		3 055	341 939
Other paid-in equity		1 342	2 464
Total paid-in equity		61 580	419 511
Retained earnings		-49 284	-411 559
Total equity		12 296	7 952
Non-current liabilities			
Contingent financial liability	6	6 899	0
Non-current liabilities to group companies	6,13	38 667	41 905
Interest bearing non-current liabilities	6	15 894	38 376
Total non-current liabilities		61 460	80 281
Current liabilities			
Trade payables	7	3 288	5 166
Public duties payable	7	198	319
Interest-bearing current liabilities	7	1 597	0
Other current liabilities	7	5 328	4 364
Total current liabilities		10 411	9 849
Total liabilities		71 871	90 130
Total equity and liabilities		84 167	98 083

Oslo, April 29, 2026

The Board of Directors and CEO of Observe Medical ASA



Terje Bakken
Chair



Line Tønnessen
Board member



Eskild Endrerud
Board member



Jørgen Mann
CEO

Observe Medical ASA

EQUITY*Amounts in NOK thousand*

	Share capital	Share premium	Other paid-in equity	Total paid-in capital	Retained earnings	Total
Equity as at January 1, 2025	75 108	341 939	2 464	419 511	-411 559	7 952
Share capital reduction	-67 019			-67 019	67 019	-
Share issue	49 094	9 351		58 445		58 445
Transaction costs		-6 296		-6 296		-6 296
Options			1 342	1 342		1 342
Result for the period					-49 147	-49 147
Equity as at December 31, 2025	57 183	344 994	3 806	405 983	-393 687	12 296

	Share capital	Share premium	Other paid-in equity	Total paid-in capital	Retained earnings	Total
Equity as at January 1, 2024	49 578	331 475	1 830	382 883	-217 342	165 541
Share issue	25 530	13 747		39 277		39 277
Transaction costs		-3 283		-3 283		-3 283
Options			634	634		634
Result for the period					-194 216	-194 216
Equity as at December 31, 2024	75 108	341 939	2 464	419 511	-411 559	7 952

Movement in number of shares and share capital	Number of shares	Share capital (NOK thousand)
1 January 2025	288 876 175	75 108
Reverse share split ratio 15:1	- 269 617 763	
Share capital reduction		-67 019
Share issues	116 890 000	49 094
31 December 2025	136 148 412	57 183

Nominal value as of 31 December 2025: NOK 0.42 per share

Observe Medical ASA

CASH FLOW STATEMENT

<i>Amounts in NOK thousand</i>	<i>Note</i>	2025	2024
Cash flow from operating activities			
Result before tax		-49 147	-194 216
Depreciation	14	214	396
Impairment of shares and receivables	9,10	42 158	175 598
Non-cash effects of debt restructuring	6,10	-21 395	0
Gain(-)/Loss(+) from sale of fixed assets		0	-54
Interest expenses and change in cont. liabilities not paid	6,10	9 812	4 009
Change in trade receivables and other receivables		-5	340
Change in trade payables and other current liabilities		4 139	1 390
Net cash flow from operating activities		-14 223	-12 537
Cash flow from investment activities			
Proceeds from sale of tangible and intangible assets		0	790
Payments to subsidiaries	9	-22 041	-16 967
Net cash flow used in investment activities		-22 041	-16 177
Cash flow from financing activities			
Share issue		50 445	19 638
Transaction costs		-6 296	-3 284
Payment of loans	7	-800	-2 378
Loans received	7	2 200	0
Net cash flow from financing activities		45 549	17 260
Change in bank deposits		9 285	-11 454
Bank deposits at the start of period		843	12 297
Bank deposits at the end of period	4	10 127	843

EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS 2025

NOTE 1 - GENERAL INFORMATION

Observe Medical ASA is a Norwegian public listed company incorporated on June 13, 2019 to own and manage the Observe Medical business. Observe Medical ASA was listed on Euronext Expand (previously Oslo Axess) on November 4, 2019. Observe Medical ASA holds 100% of all shares in its subsidiaries Observe Medical AS, Observe Medical AB, Observe Medical Nordic AB, Observe Medical ApS and Biim Ultrasound AS. Observe Medical ASA provides financing to entities in the Group.

The annual financial statements for Observe Medical ASA for the year 2025 were approved by the Board of Directors of Observe Medical ASA on April 29, 2026, and will be proposed to the Annual General Meeting.

The financial statements for Observe Medical ASA have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway (NGAAP). Preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as disclosures of contingencies. Actual results may differ from estimates.

Observe Medical ASA is registered and based in Norway. Its head office is located in Dronning Eufemias gate 16, 0191 Oslo, Norway.

NOTE 2 - ACCOUNTING POLICIES AND BASIS OF PREPARATION

Shares in Subsidiaries

Shares in subsidiary are presented according to the cost method. Dividends and group contribution will be recognized in the financial statement when these are proposed by the subsidiary. Shares in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value of the

investment. Indications may be operating losses or adverse market conditions. If it is considered probable that the fair value is below Observe Medical's carrying value, the investment is impaired. The impairment will be reversed if the impairment situation is no longer present.

Foreign Currency Transactions

The functional currency of Observe Medical ASA is Norwegian kroner (NOK). Transactions in currencies other than the functional currency are recorded at the exchange rate at the date of the transaction. Monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. Realized and unrealized currency gains and losses on transactions, assets and liabilities, denominated in a currency other than the functional currency are included in financial income and expenses.

Revenue

Revenue stems from sales of administrative services to subsidiaries. These are recognized when the services are delivered. Interest income is recognized in the income statement as it is accrued.

Receivables

Trade receivables and short-term intercompany receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

Cash Deposits

Cash deposits include bank deposits as at end of the reporting period. The cash held by Observe Medical ASA reflects that most external bank deposits are channeled through the group financing agreement.

Transparency Act

The company is committed to meeting its requirements in a responsible manner. A due diligence report, prepared in accordance with the

Act, will be published on the company's website no later than June 30.

Payables

Trade payables and short-term intercompany payables are recognized at nominal value.

Financial Assets and Liabilities

Financial assets are initially recognized in the balance sheet at fair value (cost) and subsequently at the lower of cost or fair value. Financial liabilities are initially recognized in the balance sheet at fair value (cost) and subsequently at amortized cost.

Expenses

Expenses are recognized in the financial statement in the period when the services or materials are consumed.

Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax payable is based on taxable profit for the year. Deferred tax is calculated on the basis of tax-reducing and tax increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilized. Changes resulting from amendments and revisions in tax laws and tax rates are recognized when the new tax laws or rates are adopted.

Classification and valuation of fixed assets

Fixed assets consist of assets intended for long-term ownership and use. Fixed assets are valued at acquisition cost less depreciation and write-downs. Long-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction. Plant and equipment is capitalized and appreciated over the economic lifetime of the asset. Significant items of plant and equipment that consist of several material components with different lifetimes are broken down in order to establish different depreciation periods for the different components. Direct maintenance of plant and equipment is expensed on an ongoing basis under operating costs, while additions or improvements are added to the asset's cost price and depreciated in line with the asset. Plant and equipment is written down to the

recoverable amount in the event of a fall in value that is not expected to be temporary. The recoverable amount is the higher of the net sales value and the value in use. Value in use is the present value of future cash flows related to the asset. The write-down is reversed when the basis for the write-down is no longer present.

Going Concern assumption

The financial statements have been prepared on a going concern basis. During 2025, the Group significantly strengthened its financial position through debt restructuring and equity issues, and this was further supported in early 2026 by the formal signing and drawdown of a NOK 15 million loan facility from Innovation Norway.

Management's cash flow forecasts cover at least twelve months from the reporting date. These forecasts are based on continued revenue growth and assume that the Group achieves positive cash flow from operating activities during the fourth quarter of 2026, which is necessary to support the Group's continued liquidity beyond this period. The ability to achieve this development is dependent on continued growth in sales and order intake and prevailing market conditions. While management considers its assumptions to be reasonable and notes that the Group has some flexibility to adjust its cost base, a failure to achieve the forecasted revenue growth and operating cash flow would require the Group to obtain additional financing or implement other measures in order to meet its obligations as they fall due. There is a risk that the Group's achievement of positive cash flow from operating activities will be delayed. Accordingly, there is material uncertainty with regard to the going concern assumption, should the Group be unable to reach its forecasted cash flows and are unable to obtain financing from other sources. Reference is made to note 4 in the consolidated financial statements for further information on financial risk.

NOTE 3 – SALARY EXPENSES

<i>Amounts in NOK thousand</i>	2025	2024
Salaries	5 030	5 595
Fees to Board of Directors	1 198	1 300
Employment taxes	692	1 033
Pension insurance	436	325
Other benefits	1 342	645
Total salary expenses	8 699	8 898

At year end the company had 2 employees. The company has a contribution pension scheme that meets the requirement of the Norwegian Act of Mandatory Occupational Pension. The CEO, Jørgen Mann is employed by the Danish subsidiary Observe Medical ApS. CEO costs including salary and expenses is invoiced to Observe Medical ASA and affiliates according to principles for internal transactions. For remuneration to the group management, please refer to the consolidated financial statement note 8.

Share option expenses of TNOK 1 342 (2024: TNOK 645) are included in "Other Benefits". The company is liable for the social security tax, and it is expensed over the estimated vesting period. See Note 9 in the Observe Medical group's consolidated financial statement 2025 for further information related to the share options.

NOTE 4 – BANK DEPOSITS

Bank deposits of NOK 10.127 thousand, where of restricted cash (tax withholding account) was NOK 101 thousand.

NOTE 5 - REVENUES AND OTHER INCOME

Revenues from internal services to subsidiaries. Other income in 2025 of NOK 1.2 million from gain on derecognition of supplier debt. In 2024, other income of NOK 1.2 million was from an indemnity settlement agreement related to the Biim acquisition.

NOTE 6 – NON-CURRENT LIABILITIES

<i>Amounts in NOK thousand</i>	2025	2024
Contingent financial liability ²⁾	6 899	0
Interest bearing debt to Observe Medical AB	38 667	41 905
Interest bearing debt to Navamedic ASA ¹⁾	15 894	38 376
Total non-current liabilities	61 460	80 281

¹⁾ Decrease in interest bearing debt towards Navamedic ASA from 2024 to 2025 due to debt restructuring, and a conversion of loan to shares of NOK 5 000 thousand.

²⁾ Contingent milestone payment liability: As part of the debt restructuring with Navamedic ASA, contingent milestone payments have been agreed and are classified as a financial liability measured at fair value through profit or loss. The liability is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method

Navamedic loans

The Company has two subordinated loan agreements with Navamedic for loans with an aggregate outstanding amount of NOK 15.9 million (including accrued interest) as of 31 December 2025. Both loans have a maturity date of 31 December 2027.

During 2025, the Group completed a restructuring of these facilities, including a principal reduction (haircut), partial conversion into equity, and revised repayment terms for the remaining loan balances. In accordance with IFRS 9, the modification was considered substantial, leading to the derecognition of the original financial liabilities and the recognition of new liabilities at fair value. The resulting gain/loss from the restructuring was recognized in the income statement under financial items.

The new loans carry an interest rate of 3-month NIBOR + 6%, which management considers to reflect market terms at the restructuring date. As of 31 December 2025, the balances were: Loan 1: NOK 9.055 million and Loan 2: NOK 6.839 million, both measured at amortized cost.

Following the reporting date, the Group secured new financing, leading to updated priority and payment terms for the Navamedic loans. See Note 16 Events after the reporting period for further information.

Contingent milestone payments

As part of the restructured agreement, Navamedic is entitled to participate in a commercial upside, independent of the loan repayments, through two contingent milestone payments of NOK 10 million each. These payments are subject to the achievement of specified cumulative sales thresholds for Sippi® (NOK 20 million and NOK 50 million).

Management has assessed the arrangement in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The milestone arrangement has been classified as a financial liability and initially recognised at fair value, determined as the present value of probability-weighted expected future payments. Key valuation inputs include probability-weighted commercial scenarios (consistent with the Group's impairment testing), expected timing of threshold achievement, and a risk-adjusted discount rate of 20% reflecting the performance-contingent nature of the obligation. At initial recognition, the fair value of the milestone liability amounted to NOK 6.9 million.

Subsequently, the liability is measured at amortised cost using the effective interest method (unwinding of discount). This increase reflects that the payment

date is approaching and does not represent a change in the underlying risk profile. At the reporting date, the Group reassesses the probability of reaching the specified milestones. If the probability remains unchanged, the liability is adjusted solely by the calculated interest expense for the period. There exist no obligations to pay cash until the cumulative sales thresholds have been achieved.

NOTE 7 – CURRENT LIABILITIES

<i>Amounts in NOK thousand</i>	2025	2024
Trade payables	3 288	5 166
Public duties payable	198	319
Interest-bearing current liabilities	1 597	0
Other liabilities	5 328	4 364
Total current liabilities	10 411	9 849

Interest-bearing current liabilities

During the first half of 2025, the Group entered into shareholder loan agreements with certain existing shareholders (ELI AS, JPB AS, and RIC) to secure short-term working capital financing. The total loan amount outstanding under these agreements was NOK 1.6 million at the reporting date. The loans carried an annual interest rate of 15% until the due date 30.06.2025. Following this date, the loan is extended at an interest rate of +10% from the due date. The agreements include customary terms for this type of financing, including a right for the lenders to convert outstanding amounts into equity either in connection with a future equity raise on the same terms as other investors, or at an agreed price not exceeding the prevailing market price at the time of conversion. The loans are classified as financial liabilities measured at amortised cost. Management considers the terms to be in line with market conditions given the Group's financial position at the time the agreements were entered into.

NOTE 8 – CURRENT ASSETS

<i>Amounts in NOK thousand</i>	2025	2024
Other short-term receivables	837	467
Receivables from group companies	2 269	1 738
Bank deposits	10 127	843
Total current assets	13 233	3 048

NOTE 9 – LOANS TO GROUP COMPANIES

<i>Amounts in NOK thousand</i>	2025	2024
Observe Medical ApS	9 178	5 341
Biim Ultrasound AS	0	39 193
Observe Medical AS	20 298	9 458
Total loans to group companies	30 106	53 992

As per 31.12.2025, a provision for loss of the loan to Biim Ultrasound AS was made of the full amount. All group internal loans have a fixed interest rate of 8.00% per annum. Accrued interest shall monthly be capitalized and added to the aggregate principal amount of the loans outstanding under the loan agreement.

NOTE 10 – FINANCIAL INCOME AND EXPENSES

<i>Amounts in NOK thousand</i>	2025	2024
Interest income from group companies	4 453	3 889
Net currency gain	0	1 849
Change in contingent consideration	0	1 560
Gain on derecognition of debt ¹⁾	20 238	0
Total financial income	24 690	7 298
Financial expenses	2025	2024
Interest expenses ¹⁾	2 724	5 997
Interest expenses to group companies	3 199	3 523
Other financial expenses and net currency loss ²⁾	9 481	1 777
Impairment of investment in subsidiaries	0	171 243
Impairment of loan receivables ²⁾	42 158	4 355
Total financial expenses	57 562	186 896
Net financial income(+)/expenses (-)	-32 872	-179 598

¹⁾ Related to restructuring of loans from Navamedic, the difference between the carrying amount of the original debt and the fair value of the newly established terms is recognized as a gain in the statement of comprehensive income. The net amount reflects this gain offset by other minor financial adjustments during the period.

²⁾ The Company has recognized a contingent financial (milestone) liability to Navamedic. The liability represents the fair value of two potential payments of NOK 10 million each, contingent upon the product Sippi® reaching specific accumulated revenue thresholds. The arrangement is classified as a financial liability. At initial recognition, the liability was

measured at a fair value of NOK 6,899 thousand using a discounted cash flow model. The valuation incorporates probability-weighted revenue scenarios and a discount rate of 20%. Changes related to the liability, including the unwinding of discount using the

effective interest method, are recognised as financial expenses.

NOTE 11 – OTHER OPERATING EXPENSES

<i>Amounts in NOK thousand</i>	2025	2024
Audit services	2 546	2 193
Accounting and financial services	770	687
Consultants	486	1 213
IT expenses	604	647
Legal and professional fees	2 149	1 053
Other operating expenses	1 079	1 164
Stock exchange expenses	1 161	833
Travel expenses	20	86
Other group services	1 482	1 420
Total other operating expenses	10 297	9 298

Auditor

Audit fees expensed for 2025 amount to NOK 2 546 thousand ex VAT. Fees for other assurance services amount to NOK 956 thousand, where of NOK 315 thousand is transaction costs booked against equity.

NOTE 12 – SUBSIDIARIES

<i>Amounts in NOK thousand</i>	Business office	Ownership share	Carrying amount December 31, 2025	Carrying amount December 31, 2024
Observe Medical AB ³⁾	Gothenburg, Sweden	100%	40 743	40 743
Observe Medical ApS ³⁾	Herlev, Denmark	100%	0	0
Observe Medical AS	Oslo, Norway	100%	50	50
Observe Medical Nordic AB ¹⁾	Gothenburg, Sweden	100%	0	0
Biim Ultrasound AS ²⁾	Oslo, Norway	100%	0	0
Total			40 793	40 793

NOTE 13 – RELATED PARTIES

<i>Amounts in NOK thousand</i>	Income	Operating expenses	Financial income	Financial expenses	Receivables	Liabilities
Navamedic ASA ¹⁾	0	0	0	2 774	0	15 894
R Investment Company AS ²⁾	0	0	0	99	0	949
JPB AS ³⁾	0	0	0	58	0	609
ELI AS ⁴⁾	0	0	0	39	0	39
Observe Medical AB	1 309	0	0	3 199	0	38 667
Observe Medical ApS	17	1 482	523	0	9 178	0
Observe Medical AS	0	0	1 027	0	20 928	0
Observe Medical Nordic AB	0	0	0	0	0	0
Biim Ultrasound AS	411	0	2 903	0	0	0
Total	1 738	1 482	4 453	6 070	30 106	56 158

¹⁾ Navamedic ASA owned 9.23% of all shares in Observe Medical ASA as of 31 December 2025. ²⁾ R Investment Company AS owned 7.86% of all shares in Observe Medical ASA as of 31 December 2025. ³⁾ JPB AS owned 5.27% of all shares in Observe

Medical ASA as of 31 December 2025. ⁴⁾ ELI AS owned 0.65% of all shares in Observe Medical ASA as of 31 December 2025, controlled by board member Eskild Endrerud.

NOTE 14 – NON-CURRENT ASSETS

<i>Amounts in NOK thousand</i>	Intangible assets	Plant and machinery	Fixtures and fittings	Total
Acquisition cost as of 01.01.25	635	0	506	1 141
Inflow purchased fixed assets	0	0	0	0
Outflow this year	0	0	0	0
Acquisition cost 31.12.25	635	0	506	1 141
Accumulated depreciation 31.12.25	600	0	506	1 105
Book value 31.12.25	35	0	0	35
This year's ordinary depreciations	212	0	3	214
Economic life	3 years	5 years	3 years	

NOTE 15 – TAXES

<i>Amounts in NOK thousand</i>	2025	2024
Income tax payable	0	0
Changes in deferred tax	0	0
Income tax expenses	0	0

Reconciliation of effective tax rate

<i>Amounts in NOK thousand</i>	2025	2024
Result before income tax	-49 147	-194 216
Permanent differences ⁴	35 862	172 317
Changes in temporary differences	7 267	88
Total taxable income	-6 017	-21 811
Expected income tax expenses, 22%	-1 324	-4 799

Specification of Tax Effect to Temporary Differences

Non-current assets	0	-52
Current assets	-582	-
Liabilities and provisions	-6 899	-
Non-recognized tax asset	-	-
Tax losses carried forward	-104 251	-111 708
Not included in the deferred tax calculation	111 732	111 760
Deferred tax assets/liabilities in the balance sheet	0	0

Reconciliation of Deferred Tax Assets in the Balance Sheet

Deferred tax assets January 1	0	0
Change in deferred taxes recognized in income statement	0	0

⁴ Related to impairment of shares and loan receivables, and transaction costs related to share issues

Observe Medical ASA is the holding company in Observe Medical group and has no income-generating activities other than group services and financing of group companies, as well as some consultancy services to related parties. In order to capitalize deferred tax assets, the company must prove taxable income through earnings in future years or through realistic tax adjustments that enable the benefit to be utilized. Tax losses carried forward in Norway have no expiry date. Since the company expects losses in the coming years, the company considers that the conditions for capitalizing deferred tax assets have not been fulfilled.

NOTE 16 – SUBSEQUENT EVENTS

In 2026, the Group signed a new loan agreement with Innovation Norway to support the Group's scaling of operations and development activities. The loan carries specific covenants, including a requirement that existing loans (the Navamedic loans) remain subordinated and that no payments are made on these until the debt to Innovation Norway is settled in full. No adjustments have been made to the financial statements as a result of this event.

On 4 March 2026, the Board of Directors of Observe Medical ASA resolved to initiate a formal winding-up process for Biim Ultrasound AS and its subsidiaries. This decision follows the lack of commercial progress from the Company's key customer. It represents a refocus of the Group's resources toward the UnoMeter™ portfolio. Based on management's assessment, the Group does not anticipate that the winding-up process will result in significant additional liabilities or cash outflows beyond the carrying amounts already recognized as of 31 December 2025.



AUDITOR'S REPORT



Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
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www.ey.no
Medlemmer av Den norske Revisorforening

To the General Meeting in Observe Medical ASA

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Observe Medical ASA (the Company), which comprise:

- The financial statements of the Company, which comprise the balance sheet as at 31 December 2025, the income statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the Group, which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements of the Group give a true and fair view of the financial position of the Group as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code) as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 4 years from the election by the general meeting of the shareholders on 3 June 2022 for the accounting year 2022.



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Material uncertainty related to going concern

We draw attention to note 2 and note 4 in the financial statements and the Board of Director's report, which describes the Company's liquidity situation. These and other matters disclosed in note 2 and 4 indicate that a material uncertainty exists that may cast significant doubt of the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and other intangible assets

Basis for the key audit matter

Goodwill and other intangible assets in the consolidated financial statement amount to NOK 35.2 million and NOK 44.6 million respectively as at 31 December 2025, together representing 77% of the Group's total assets.

Management performed an impairment assessment of these assets by determining the recoverable amount based on value in use calculations using a discounted cash flow model.

The assessment involves significant judgement and estimation uncertainty, in particular related to assumptions regarding future revenues, gross margins, operating costs, capital expenditures and the applied discount rate. Changes in these assumptions could have a material impact on the outcome of the impairment assessment.

Due to the high degree of estimation uncertainty and the significant management judgement involved in key assumptions, we considered the impairment assessment of goodwill and other intangible assets to be a key audit matter.

Our audit response

We obtained an understanding of management's impairment assessment process and evaluated the valuation model and methodology applied in the value in use model, including consistency with prior periods. We assessed the mathematical accuracy of the valuation model and evaluated the discount rate applied, with the involvement of valuation specialists.

We assessed the consistency between assumptions used and approved budgets, underlying agreements and other available supporting documentation.

Among other we tested key assumptions used in the cash flow projections, including projected revenues, gross margins, operating costs and capital expenditure. In assessing revenue and margin assumptions, we corroborated management's estimates against actual sales performance and gross margins realized in 2025 and after year end, as well as the order backlog and signed distribution agreements entered into during 2025 and 2026.

We assessed the adequacy of the related disclosures in the consolidated financial statements. We refer to note 3 and note 16 in the consolidated financial statement.

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Other information

The Board of Directors and CEO (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate Governance.

Responsibilities of management for the financial statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirement

Report on compliance with regulation on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Observe Medical ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Observemedicalasa-2025-12-31-1-en.zip, have been prepared, in all

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material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (the ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF Regulation.

Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation. We conduct our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in accordance with the ESEF Regulation.

As part of our work, we perform procedures to obtain an understanding of the Company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 29 April 2026
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The auditor's report is signed electronically

Anja Maan
State Authorised Public Accountant (Norway)

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Anja Maan

Partner

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ALTERNATIVE PERFORMANCE MEASURES (APMS)

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). In addition to IFRS measures, the Group presents certain alternative performance measures (APMs) that are used by management to monitor and evaluate operating performance and financial position. The APMs are intended to provide additional information to investors and should not be considered as a substitute for, or superior to, measures prepared in accordance with IFRS.

The APMs are defined and calculated consistently over time and are based on financial information derived from the Group's IFRS financial statements. As APMs are not defined under IFRS, the measures presented may not be comparable with similarly titled measures used by other companies.

Reconciliations between IFRS measures and APMs are presented below.

Gross result	Operating revenues less direct cost of materials, including cost price, transportation and warehouse-related costs of goods sold. Gross result is presented as a subtotal in the condensed consolidated statement of income.
Gross result adjusted	Gross result adjusted for specific items that management considers not reflective of underlying operating performance. Adjustments are described in the reconciliation tables below.
EBIT	Earnings before net financial items, results from associates and joint ventures and income tax. EBIT is presented as a subtotal in the condensed consolidated statement of income.
EBITDA adjusted	EBITDA adjusted for items that management considers non-recurring or not indicative of underlying operating performance. Adjustments are specified in the reconciliation tables below.
EBITDA	Earnings before interest, tax, depreciation and amortisation. EBITDA is presented as a subtotal in the condensed consolidated statement of comprehensive income.
Net interest-bearing debt	Interest-bearing liabilities less cash and cash equivalents
Equity ratio	Total equity divided by total assets

Adjusted gross result	FY 2025	FY 2024
Gross result (IFRS)	4 700	1 820
Inventory write-down	639	3 085
Gross result (adjusted)	5 338	4 905
Adjusted EBITDA		
EBITDA (IFRS)	-24 020	-30 019
Inventory write-down	639	3 085
Other income	-2 253	-1 255
EBITDA (adjusted)	-25 635	-28 189

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