

YEAR-END REPORT 1 JANUARY – 31 DECEMBER 2025

- **Significant company transformation through the purchase of real estate and continued progress in the medical device business**

"We have taken significant steps forward in 2025. For the fourth quarter, we show both increased order intake and revenue, while considerably reducing our operating costs, compared to the same quarter in 2024. Gross order intake for the quarter increased by 13% to SEK 3.5 million and the trend for the fourth quarter follows what we have seen earlier in the year. The largest increase for the full year is in the U.S., where albeit from low 2024 figures we show growth of 65%. Our business outside the U.S. has been affected by the staff reductions, but despite this we are seeing an increase in order intake, up by 3%. In the U.S., we see a 120% increase in our customer base during 2025. The year ended strongly, with a record in number of procedures performed in the U.S. in a single quarter. This figure was 50% higher than in any previous quarter. On December 30, we announced that the company is adding a new strategic business segment in real estate. The purpose of the acquisition is to complement the existing operations with a stable platform of income-generating real estate assets. This will provide an opportunity to support the financing of the medical device business, while simultaneously building a new and exciting company. We look forward to updating our shareholders with more information on this" says Katarina Flodström, CEO, Episurf Medical.

Fourth quarter 2025 compared to 2024, Group

- » Gross order intake amounted to SEK 3.5m (3.1)
- » Group net sales amounted to SEK 3.5m (3.4)
- » Loss for the period amounted to SEK -13.5m (-18.1)
- » Earnings per share amounted to SEK -0.01 (-0.03)

Twelve months 2025 compared to 2024, Group

- » Gross order intake amounted to SEK 14.8m (13.0)
- » Group net sales amounted to SEK 13.5m (13.0)
- » Loss for the year amounted to SEK -58.2m (-76.0)
- » Earnings per share amounted to SEK -0.06 (-0.16)

Significant events during the fourth quarter 2025

- » Episurf forms a new strategic business segment through the acquisition of real estate assets. The purchase price of up to SEK up 1,147m is partly paid through shares, convertibles and warrants.
- » Board members Annette Brodin Rampe and Laura Shunk resigned from the board of Episurf Medical
- » Scientific article on Episealer® Knee with up to 10 years' follow-up published
- » Episurf's implants market approved in Singapore

Significant events during previous quarters 2025

- » Episurf Medical announced that the response to the US FDA has been filed and addresses a request for additional information on the company's Episealer® MTP implant
- » Episurf Medical entered into a distribution agreement for several European countries with Joint Operations Ltd
- » Episurf Medical made progress in the FDA process for the Episealer® MTP implant, but certain validation activities remain, and the company is now following the FDA's guidance with a concrete plan to complete the process
- » Episurf Medical announced re-structuring initiatives and increased focus towards the US market
- » Episurf Medical announced a rights issue of units of up to approximately SEK 29.4m
- » Episurf Medical appointed new CEO – Katarina Flodström succeeded Pål Ryfors

Significant events after the quarter

- » Episurf has completed the first closing of acquired real estate assets, convenes an extraordinary general meeting and announces a board change by the proposal of Jens Andersson as new board member
- » Episurf acquires properties with an agreed property value of SEK 897m from KlaraBo

Dear shareholders,

The fourth quarter concluded with the significant news that Episurf is adding a new strategic business segment, which I will return to below. At the time of writing, intensive work is underway to plan for the next steps and ensure the right capabilities are in place. At the same time, the medical device business continues to operate according to plan, with full focus on continued commercialisation of the company's implants and surgical instruments.



We have taken significant steps forward in 2025. For the fourth quarter, we show both increased order intake and revenue, while considerably reducing our operating costs, compared to the same quarter in 2024. Gross order intake for the quarter increased by 13% to SEK 3.5 million and net revenue also rose to SEK 3.5 million. This was achieved despite the fact that during 2025 we were forced to reduce the workforce by approximately 30%.

The trend for the fourth quarter follows what we have seen earlier in the year. The largest increase in gross order intake for the full year is in the U. S., where albeit from low 2024 figures we show growth of 65%. Our business outside the U.S. has been affected by the staff reductions, but despite this we are seeing an increase in order intake, up by 3%. Throughout the year, we have worked extensively on initiating and training our distributors, in particular our new sales partner for the UK and Germany, Joint Operations. They cover our most important markets in Europe, and we now feel well positioned for increased sales in these markets in 2026. We have also worked to ensure efficient sales channels in a number of other European markets. In the U.S., we see a 120% increase in our customer base during 2025. Among the new customers added during the year are highly accomplished surgeons, whom we are very proud to have as customers. The year ended strongly, with a record in number of procedures performed in the U.S. in a single quarter. This figure was 50% higher than in any previous quarter. Additionally, we are now seeing consistent new orders from high-profile facilities such as The Hospital for Special Surgery in New York City and The Steadman Clinic in Vail, Colorado.

Many of us are awaiting FDA clearance of our next product, the big toe implant Episealer® MTP. The regulatory process to reach the US market has been more challenging than we had anticipated. We have made significant progress but have not yet completed the process, as we are still in dialogue with the FDA. Although much is in place, there are still a few open questions. Our current prognosis is that we are hoping for clearance during the spring. While the regulatory work is ongoing, we are working full speed to prepare for the manufacturing and product launch.

On December 30, we announced that the company is adding a new strategic business segment in real estate. The purpose of the acquisition is to complement the existing operations with a stable platform of income-generating real estate assets. This will provide an opportunity to support the financing of the medical device business, while simultaneously building a new and exciting company. We look forward to updating our shareholders with more information on this as additional details fall into place. For the medical device business, 2026 will involve a continued focus on expanding commercialisation in the U.S. and Europe. We look forward to supporting our distributors in reaching more customers, enabling more patients to benefit from the company's implants.

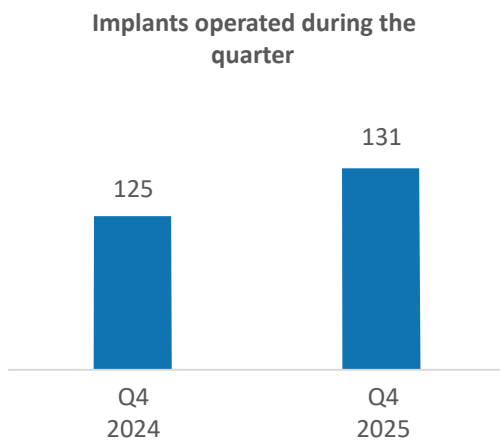
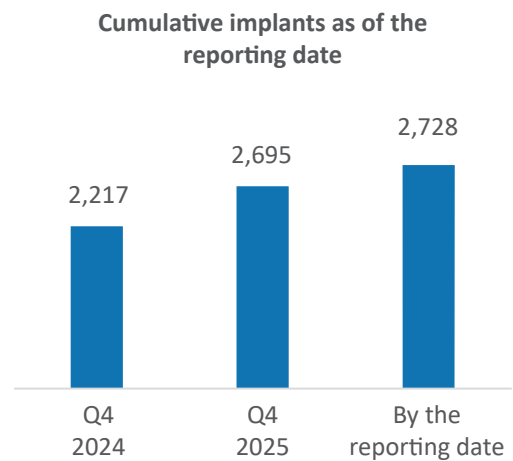
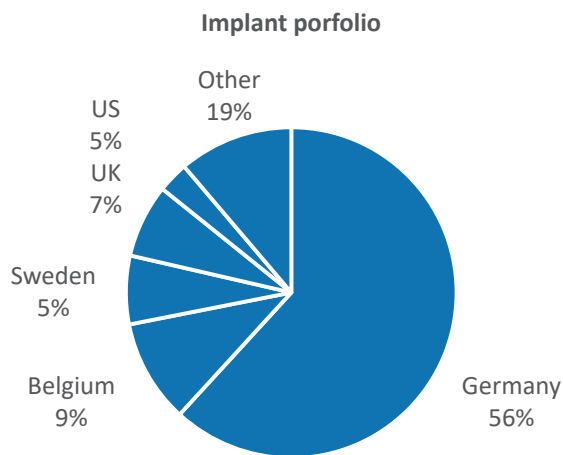
We are delighted to hear about the positive clinical outcomes for patients and are proud of the clinical data that has been published on the company's products. In addition, we see significant potential in continued product development. We are grateful for the ongoing transformation of the company and the opportunities we believe this can create for the business and for you as shareholders.

Stockholm February 2026

Katarina Flodström, CEO

BUSINESS UPDATE

By the reporting date on February 6, 2026, a total of 2,728 devices from Episurf Medical had been implanted. Clinical data show that patients treated with the company's products are experiencing significant improvements in pain and mobility, while the recovery time is considered short. Of the total implant portfolio of 2,728 implants, several patients have now had their implants between 5 and 13 years since the surgery date. During the fourth quarter, surgeries with 131 Episealer® implants were performed. 114 orders were approved for surgery during the quarter.



FINANCIAL INFORMATION

Net sales and operating profit/loss

Group net sales amounted to SEK 3.5m (3.4) in the fourth quarter and SEK 13.5m (13.0) for the year. Loss before tax amounted to SEK -13.8m (-18.2) for the quarter and SEK -58.0m (-76.0) for the year. Other expenses, which for example includes expenses for clinical trials, marketing and product development, amounted to SEK -8.4m (-9.0) in the quarter and SEK -31.5m (-42.5) for the year. The group has during the last quarter accrued an extraordinary cost of -1.0m due to the acquisition of real estate assets communicated on December 30, 2025. During the second to the fourth quarter, the company received SEK 2.6m, recorded as other operating income, as cost coverage from collaboration partners for certain personnel expenses.

Cash flow and financial position

Group cash and cash equivalents at end of period amounted to SEK 7.1m (50.5). The improved cash flow from the operating activities compared to the corresponding quarter last year is primarily due to increased operational focus and cost control. The board works continuously to evaluate various financing alternatives to ensure the continued operation of the business. On December 30, the company announced that it is creating a new strategic business segment through the acquisition of real estate assets. The purchase price of up to SEK 1,147m will be paid partly through shares, convertible bonds, and warrants. This is a transformative transaction for the company with an expected positive impact on the company's financial position. The transaction is subject to approval by the general meeting, and part of the transaction is subject to financing conditions. Until the general meeting approves the transaction and the transactions are completed, the company has a financing need for the next 12 months that is not secured. The absence of assurance at the time of submission of this report means that there is a significant uncertainty factor that may cast doubt on the Group's ability to continue as a going concern. The equity ratio was 79.3% (85.7). Group investments in intangible assets amounted to SEK -1.2m (-2.6) for the quarter of which SEK -1.0m (-2.3) are related to capitalised development costs, and for the year investments in intangible assets amounted to SEK -6.7m (-7.6) of which SEK -5.5m (-5.3) are related to capitalised development costs, remaining investments relates to patents. No significant investments have been made in tangible assets during the quarter or for the year of 2025 or 2024.

Parent company

The parent company's loss before tax amounted to SEK -83,8m (-12.6) for the quarter and SEK -110,8m (-201.7) for the year. The parent company has during the fourth quarter and the year written-down the value of shares in group companies by SEK -75.6m (-150.0).

Human resources

Number of employees in the Group at end of the period was 18 (27).

Transactions with closely related parties

Shareholder and Board member Leif Ryd has received consulting fees for ongoing work as well as work for the Clinical Advisory Board during the period of SEK 0.4m (0.6).

Completed rights issue of units

Episurf's Board of Directors resolved on July 2, 2025, subject to the subsequent approval of the general meeting, to carry out an issue of units with preferential right for existing shareholders of up to approximately SEK 29.4m. The Board of Directors' resolution on the rights issue was approved at the extraordinary general meeting of the Company held on August 4, 2025. The final outcome of the rights issue showed that approximately 84.4% of the rights issue was subscribed

for by exercise of unit rights. In addition, applications for subscription without unit rights corresponding to approximately 77.7% of the rights issue were received. Episurf received proceeds of approximately SEK 29.4m before issue costs.

Each unit in the rights issue consisted of six (6) new shares of series B and three (3) warrants of series TO14 B. Through the rights issue, 163,266,173 units, corresponding to 979,597,038 new shares and 489,798,519 warrants of series TO14 B, were issued. Furthermore, 4,516,608 units, corresponding to 27,099,648 new shares of series B and 13,549,824 warrants of series TO14 B, were issued to the guarantors of the rights issue who had chosen to receive guarantee remuneration in the form of units, which was communicated by the company through a press release on August 28, 2025. Each warrant of series TO14 B entitles to subscription of one (1) new share of series B at a subscription price of SEK 0.03 per share during the period February 9–20, 2026. Upon full exercise of warrants of series TO14 B issued in the Rights Issue and in the directed issue to guarantors, the number of shares in Episurf will increase by 503,348,343 shares of series B and the company will receive approximately SEK 15.1m before costs.

Rights Issue and warrants TO13B

Rights Issue

In 2024, Episurf Medical carried out a rights issue, raising approximately SEK 90m before issue costs. The issue included 375,662,430 new B-shares and 150,264,972 TO13B series warrants.

Guarantors had the option to receive compensation in the form of units (B-shares and TO13B warrants) instead of cash, amounting to approximately SEK 2.1m. An additional SEK 7.0m was paid in cash. The total number of shares increased from 267,065,447 to 651,477,842, consisting of 473,357 A-shares and 651,004,485 B-shares.

Warrants TO13B

Between 10 and 24 February 2025, a total of 1,586,850 TO13B warrants were exercised, corresponding to an exercise rate of 1.03%. Each warrant entitled the holder to subscribe for one new B-share at a price of SEK 0.24 per share, raising approximately SEK 381,000 before costs. The total number of shares increased to 653,064,692, consisting of 473,357 A-shares and 652,591,335 B-shares. The dilution effect was approximately 0.24%. Further information is available on the company's website.

Warrants and employee stock options

For more information about staff option programs, see Episurf's Annual Report 2024 note 9 and note 4 below.

Sustainability-related risks

Episurf strives towards monitoring and continuous evaluation of sustainability-related risks and their impact on the Group's operations and earnings. Episurf's opinion is that this work will increase in importance, and the work could include, among other things, materiality analyses, monitoring of targets and commitments and by auditing various units within the company. The Group works towards having an established governance structure that involves both company management and the Board, and aims at continuously improving the company's sustainability activities and minimizing associated risks.

Changes related to general economic and political conditions

Episurf has no direct exposure to Ukraine or Russia and has assessed that the company is currently not affected by the situation in Ukraine. Due to the conflict in Israel and Gaza, the company is also monitoring developments in the Middle East region. Episurf has some presence in countries in the Middle East, although sales are still limited, and has concluded that there is no material financial impact on the company. In previous quarters, new customs regulations were introduced in the USA, affecting the import of certain goods from the EU, including medical devices. We are closely monitoring the situation and maintain ongoing dialogue with our partners in the USA. Currently, our sales have not been significantly affected, but we are analyzing potential consequences and adjustments as needed.

Cyber security

Cyber security has become a significant threat in society and for Episurf, which is dependent on IT. The company continuously performs work to ensure that the company is well prepared to counter cyber attacks and other types of intrusion.

Rounding

Due to rounding, the sum of numbers may differ.

Share information

There are two types of shares in Episurf Medical, Class A and Class B. Each Class A-share carries three votes and entitles the holder to three votes at the General Meeting, and each class B-share carries one vote and entitles the holder to one vote at the General Meeting. Class B shares have been traded on Nasdaq Stockholm's Small Cap segment since 11 June 2014 with the ticker EPIS B.

31 December 2025

A-shares	473,357
B-shares	1,659,288,021
Total number of shares	1,659,761,378
Total number of votes	1,660,708,092

The following table notes the ten largest shareholders based on information available as of December 31, 2025:

Name	No. Of A-shares	No. Of B-shares	Share capital in %	Voting rights %
Ilija Batljan Invest AB (publ)	-	248 245 956	15,0	14,9
Health Runner AB	-	121 927 746	7,3	7,3
SIX SIS AG, W8IMY	-	104 955 031	6,3	6,3
Ålandsbanken Abp (Finland), svensk filial	-	44 718 574	2,7	2,7
Nyve Per	-	39 190 152	2,4	2,4
Ryfors Pål	-	31 408 808	1,9	1,9
Abanico Invest AB	-	29 250 000	1,8	1,8
Buri Holding AB	-	17 548 889	1,1	1,1
Grunander Ulf	-	15 355 600	0,9	0,9
Olsson Leif	-	15 320 133	0,9	0,9
Total, 10 largest shareholders	-	667 920 889	40,3	40,2
Summary, other	473 357	991 367 132	59,7	59,8
Total	473 357	1 659 288 021	100,0	100,0

OTHER INFORMATION

Significant risks and uncertainty factors

Episurf Medical's material business risks, for the Group as well as for the Parent Company, are to obtain regulatory approval and market acceptance, the outcome of clinical studies, the ability to protect intellectual property rights, the possibility to obtain the correct reimbursement for the Group's products and dependence on key personnel and partners. The Company does not see any new material risks for the upcoming three months. For a more detailed description of significant risks and uncertainties, refer to Episurf Medical's annual report.

The Board of Directors and the CEO hereby give their assurance that the year-end report gives a true and fair view of the business activities, financial position and results of operations for the Group and Parent Company, and describes significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Stockholm, 5 February 2026

Ulf Grunander
Board chairman

Leif Ryd
Board member

Christian Krüeger
Board member

Katarina Flodström
CEO

The information in this year-end report has not been reviewed by the company's auditor.

CONSOLIDATED INCOME STATEMENT

mSEK	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Operating income					
Net sales	2	3,5	3,4	13,5	13,0
Capitalised development expenditure		1,2	2,6	6,7	7,6
Other operating income		0,5	0,1	2,6	0,1
Total income		5,3	6,0	22,8	20,7
Operating expenses					
Merchandise		-2,7	-2,4	-10,1	-9,9
Other expenses	3	-8,4	-9,0	-31,5	-42,5
Personnel costs	4	-6,0	-11,1	-30,9	-36,5
Depreciation and write-down of equipment and non-current assets		-2,0	-2,4	-8,1	-9,0
Total operating expenses		-19,2	-25,0	-80,7	-97,9
Operating loss		-13,9	-19,0	-57,9	-77,2
Financial items					
Financial income, other		0,2	1,0	0,5	2,2
Financial expenses, other		-0,1	-0,2	-0,6	-1,0
Results from net financial items		0,1	0,8	-0,1	1,3
Loss before tax		-13,8	-18,2	-58,0	-76,0
Tax on income for the period		0,3	0,1	-0,3	-0,1
Loss for the period		-13,5	-18,1	-58,2	-76,0
Net loss attributable to:					
Parent company shareholders		-13,5	-18,1	-58,2	-76,0
Earnings per share before and after dilution, SEK		-0,01	-0,03	-0,06	-0,16
Average number of shares	1 659 761 378	651 477 842	986 513 296	479 131 851	
Average number of shares after dilution	1 659 761 378	651 477 842	986 513 296	479 131 851	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

mSEK	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net profit (loss)		-13,5	-18,1	-58,2	-76,0

Other comprehensive income for the period:

Other comprehensive income that may be reclassified subsequently to profit or loss for the period, net of tax

		-0,6	0,2	-0,6	0,2
Total comprehensive income (loss) for the period		-14,1	-17,9	-58,9	-75,9

The period's loss and comprehensive income attributable to

Owners of the parent

-14,1 -17,9 -58,9 -75,9

CONDENSED CONSOLIDATED BALANCE SHEET

mSEK	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
<i>Intangible fixed assets</i>			
Capitalised development costs	5	26,9	23,9
Patents	5	10,2	11,4
Total intangible fixed assets		37,0	35,2
<i>Equipment and right-of use asset</i>			
Right-of-use assets		5,1	2,8
Equipment		0,0	0,0
Total equipment and right-of-use asset		5,1	2,8
Total non-current assets		42,1	38,0
Current assets			
Inventories		3,0	3,2
Trade receivables		4,9	2,2
Other receivables		0,6	1,3
Deferred expenses and accrued income		2,1	2,6
Cash		7,1	50,5
Total current assets		17,7	59,7
TOTAL ASSETS		59,8	97,8

CONDENSED CONSOLIDATED BALANCE SHEET

mSEK	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Equity		47,5	83,8
Liabilities			
<i>Non-current liabilities</i>			
Non-current liabilities		0,0	0,0
Non-current lease liability		1,9	0,0
Total long-term liabilities		1,9	0,0
<i>Current liabilities</i>			
Trade payables		3,4	3,2
Current lease liability		3,0	2,3
Other liabilities		1,3	1,6
Accrued liabilities and deferred income		2,8	6,7
Total current liabilities		10,4	13,9
Total liabilities		12,4	13,9
TOTAL EQUITY AND LIABILITIES		59,8	97,8
Equity ratio		79,3%	85,7%
Equity per share, SEK		0,03	0,13

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

mSEK	Share capital	Other contributed capital	Reserves	Accumulated deficit incl. loss for the year	Total equity
Opening equity January 1, 2024	80,2	684,8	-0,3	-680,2	84,5
Total comprehensive income for the year				-76,0	-76,0
Other comprehensive income			0,2		0,2
Total comprehensive income			0,2	-76,0	-75,9
Transactions with shareholders					
Adjustment conversion warrants, net after issue expenses		0,2		-0,2	-
New share issue, net after issue expenses *	5,4	68,6			74,0
Reduction of share capital	-79,1	79,1			-
Warrants issued to staff				1,2	1,2
Total transactions with shareholders	-73,7	147,8		1,0	75,2
Closing equity December 31, 2024	6,5	832,6	-0,1	-755,2	83,8
Opening equity January 1, 2025	6,5	832,6	-0,1	-755,2	83,8
Total comprehensive income for the year				-58,2	-58,2
Other comprehensive income			-0,1	-0,5	-0,6
Total comprehensive income			-0,1	-58,8	-58,9
Transactions with shareholders					
New share issue, net after issue expenses **	10,1	11,8			21,9
Adjustment conversion warrants, net after issue expenses***	0,0	0,3			0,3
Warrants issued to staff				0,3	0,3
Total transactions with shareholders	10,1	12,1		0,3	22,5
Closing equity December 31, 2025	16,6	844,8	-0,2	-813,7	47,5

* Issue expenses amounts to SEK 16.2m

** Issue expenses amounts to SEK 7.5m

*** Expenses amounts to SEK 0.0m

CONSOLIDATED CASH FLOW STATEMENT

mSEK	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Operating activities					
Operating loss		-13,9	-19,0	-57,9	-77,2
<i>Adjustments for items not included in cash flow</i>					
Depreciation		2,0	2,4	8,1	9,0
Employee stock option expenses		0,1	0,2	0,3	1,0
Interest received		0,2	1,0	0,5	2,2
Interest paid		-0,1	-0,2	-0,3	-1,0
Cash flow from current operations before change in working capital		-11,7	-15,6	-49,3	-65,9
Change in working capital					
Decrease/increase in inventory		0,1	0,1	0,2	0,5
Decrease/increase in trade receivables		0,3	0,5	-2,8	-0,8
Decrease/increase in current receivables		1,0	-1,1	0,7	-1,8
Decrease/increase in current liabilities		-1,4	3,2	-4,2	-3,3
Change in working capital		0,0	2,7	-6,0	-5,5
Cash flow from operating activities		-11,7	-12,9	-55,3	-71,4
Investing activities					
Investments of intangible fixed assets		-1,2	-2,6	-6,7	-7,6
Cash flow from investing activities		-1,2	-2,6	-6,7	-7,6
Financing activities					
Amortisation of lease debt		-0,9	-0,8	-3,6	-2,4
Issuance of share options		0,0	-	0,3	-
New share issue		0,0	-0,0	29,4	90,2
Issue expenses		-0,8	0,0	-7,5	-16,2
Cash flow from financing activities		-1,7	-0,8	18,6	71,6
Cash flow for the period		-14,7	-16,3	-43,4	-7,4
Cash and cash equivalents at beginning of period		21,7	66,8	50,5	57,9
Cash and cash equivalents at end of period		7,1	50,5	7,1	50,5

INCOME STATEMENT, PARENT COMPANY

mSEK	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Operating income					
Net sales		0,3	0,3	1,0	1,2
Capitalised development expenditure		1,0	2,3	5,5	5,3
Total income		1,2	2,6	6,5	6,5
Operating costs					
Other external expenses		-5,2	-7,4	-21,2	-33,4
Personnel costs		-3,8	-7,9	-18,6	-23,1
Amortisation of intangible assets and depreciation of property, plant and equipment		-0,6	-0,7	-2,5	-3,0
Total operating costs		-9,6	-16,0	-42,2	-59,4
Operating loss		-8,4	-13,4	-35,7	-52,9
Financial items					
Write-downs of financial fixed assets and short-term investments		-75,6	-	-75,6	-150,0
Financial income, other		0,2	0,8	0,5	1,3
Financial expenses, other		-0,0	-0,1	-0,0	-0,2
Results from net financial items		-75,4	0,7	-75,1	-148,9
Loss before tax		-83,8	-12,6	-110,8	-201,7
Tax on income for the period		-	-	-	-
Loss at end of the period		-83,8	-12,6	-110,8	-201,7

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

mSEK	Note	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net profit		-83,8	-12,6	-110,8	-201,7
<i>Other comprehensive income for the period:</i>					
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		-83,8	-12,6	-110,8	-201,7

CONDENSED BALANCE SHEET, PARENT COMPANY

mSEK	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised development costs	5	26,9	23,9
Total intangible fixed assets		26,9	23,9
<i>Financial assets</i>			
Shares in group companies		12,3	66,0
Long-term receivables from group companies		14,0	17,2
Total financial assets		26,3	83,2
Total fixed assets		53,1	107,0
Current assets			
<i>Short term receivables</i>			
Trade receivables		0,0	-
Other receivables		0,2	0,1
Prepaid expenses and accrued income		0,7	1,5
Total short term receivables		1,0	1,6
Cash		4,4	43,7
Total current assets		5,4	45,3
TOTAL ASSETS		58,6	152,3

CONDENSED BALANCE SHEET, PARENT COMPANY

mSEK	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Equity		54,9	143,6
Liabilities			
<i>Non-current liabilities</i>			
Non-current liabilities to group companies		0,7	0,6
Total long-term liabilities		0,7	0,6
<i>Current liabilities</i>			
Trade payables		1,0	1,6
Other liabilities		0,5	0,8
Accrued liabilities and deferred income		1,4	5,8
Total current liabilities		2,9	8,2
Total liabilities		3,6	8,8
TOTAL EQUITY AND LIABILITIES		58,6	152,3

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY

mSEK	Share capital	Development fund	Share premium reserve	Loss brought forward	Loss for the period	Total equity
Opening equity January 1, 2024	80,2	21,5	684,1	-382,7	-131,8	271,3
Loss for the year					-201,7	-201,7
Disposition according to AGM						
Loss brought forward				-131,8	131,8	-
Development fund		2,4		-2,4		-
Total comprehensive loss for the period		2,4		-134,1	-70,0	-201,7
Transactions with shareholders						
New share issue, net after issue expenses *	5,4		68,6			74,0
Reduction of share capital	-79,1		79,1			-
Total transactions with shareholders	-73,7		147,7			74,0
Closing equity December 31, 2024	6,5	23,9	831,7	-516,8	-201,7	143,6
Opening equity January 1, 2025	6,5	23,9	831,7	-516,8	-201,7	143,6
Loss for the year					-110,8	-110,8
Disposition according to AGM						
Loss brought forward				-201,7	201,7	-
Development fund		3,0		-3,0		-
Total comprehensive loss for the period		3,0		-204,8	90,9	-110,8
Transactions with shareholders						
New share issue, net after issue expenses **	10,1		11,8			21,9
Conversion of warrants***	0,0		0,3			0,3
Total transactions with shareholders	10,1		12,1			22,2
Closing equity December 31, 2025	16,6	26,9	843,9	-721,6	-110,8	54,9

* Issue expenses amounts to SEK 16.2m

** Issue expenses amounts to SEK 7.5m

*** Expenses amounts to SEK 0.0m

CASH FLOW STATEMENT, PARENT COMPANY

mSEK	Note	Oct-Dec 2025	Oct-Dec 2024	Oct-Dec 2025	Oct-Dec 2024
Current operations					
Operating loss		-8,4	-13,4	-35,7	-52,9
<i>Adjustments for items not included in cash flow</i>					
Depreciation		0,6	0,7	2,5	3,0
Interest received		0,2	0,8	0,5	1,3
Interest paid		-0,0	-0,1	-0,0	-0,2
Cash flow from current activities before changes in working capital		-7,6	-11,9	-32,8	-48,8
Changes in working capital					
Decrease/increase in current receivables		0,4	0,3	0,7	-0,2
Decrease/increase in current liabilities		-0,8	2,2	-5,2	-1,1
Total changes in working capital		-0,4	2,5	-4,5	-1,2
Cash flow from operating activities		-8,0	-9,4	-37,2	-50,0
Cash flow from investing activities					
Acquisition of intangible assets		-1,0	-2,3	-5,5	-5,3
Shareholder contribution		-5,2	-6,0	-21,9	-14,0
Repaid group companies		5,4	32,0	24,0	43,6
Loan group companies		-4,8	-29,6	-20,9	-46,9
Cash flow from investing activities		-5,5	-5,9	-24,3	-22,6
Cash flow from financing activities					
New share issue		0,0	-0,0	29,4	90,2
Issue expenses		-0,8	-	-7,5	-16,2
Conversion warrants		0,0	-	0,3	-
Cash flow from financing activities		-0,8	-0,0	22,2	74,0
Cash flow for the period		-14,4	-15,3	-39,3	1,4
Cash and cash equivalents at beginning of period		18,7	59,1	43,7	42,3
Cash and cash equivalents at end of period		4,4	43,7	4,4	43,7

NOTES

Note 1 Accounting policies

The year-end report for the Group has been prepared in accordance with IAS 34 Interim Reports and the Annual Accounts Act. The parent company has prepared its year-end report in accordance with the Annual Accounts Act and the Swedish Financial Reporting Council's recommendation RFR 2 Accounting for legal entities.

The Group's accounting policies are unchanged from previous year and these correspond with the accounting principles that were used in the preparation of the most recent Annual Report. Information according to IAS 34.16A is included in these financial statements and related notes as well in other parts of this year-end report.

Note 2 Breakdown of net sales by country is as follows

mSEK	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Germany	1,1	1,7	5,1	6,1
US	1,0	0,7	3,3	2,7
Nordic	0,1	0,2	0,4	0,6
Other countries in Europe	1,3	0,6	4,5	3,2
Other countries outside of Europe	0,0	0,1	0,2	0,3
Total net sales	3,5	3,4	13,5	13,0

Note 3 Other expenses

mSEK	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Product development	1,8	2,9	5,5	7,6
Patent costs	1,6	0,2	2,7	2,2
Costs for clinical studies	0,4	1,1	2,2	8,8
Sales and marketing costs	2,8	2,4	10,9	11,9
Other expenses	1,7	2,4	10,2	12,0
Total other expenses	8,4	9,0	31,5	42,5

Note 4 Changes in outstanding stock options

Changes in outstanding stock options of series 2023/2026	31 Dec 2025	31 Dec 2024
Opening balance	2 418 835	2 479 537
Expired	-394 239	-60 702
Amount at end of period	2 024 596	2 418 835

Changes in outstanding stock options of series 2022/2025	31 Dec 2025	31 Dec 2024
Opening balance	1 456 340	1 456 340
Expired	-268 842	-
Amount at end of period	1 187 498	1 456 340

Changes in outstanding stock options of series 2021/2024	31 Dec 2025	31 Dec 2024
Opening balance	2 256 503	2 256 503
Expired	-2 256 503	-
Amount at end of period	-	2 256 503

Note 5 Intangible assets

Patents, mSEK	31 Dec 2025	31 Dec 2024
Opening cost	37,2	35,7
Purchases	1,2	2,3
Sales and disposals	-1,0	-0,7
Closing accumulated cost	37,5	37,2

Opening depreciation	-25,8	-23,5
The period's depreciation	-1,8	-2,4
Sales and disposals	0,3	0,0
Closing accumulated depreciation	-27,3	-25,8

Closing carrying amount	10,2	11,4
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Development expenses, mSEK	31 Dec 2025	31 Dec 2024
Closing cost	43,8	38,5
The period's capitalisation	5,5	5,3
Closing accumulated cost	49,3	43,8

Opening depreciation	-20,0	-17,0
The period's depreciation	-2,5	-3,0
Closing accumulated depreciation	-22,4	-20,0

Closing carrying amount	26,9	23,9
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Closing carrying amount, patents and development expenses	37,0	35,2
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DEFINITIONS

General:	All amounts in the tables are presented in mSEK unless otherwise stated. All amounts in brackets () represent comparative figures for the same period of the prior year, unless otherwise stated.
Net debt/equity ratio:	Net debt at the end of the period divided by equity at the end of the period.

GLOSSARY

Approved orders:	Orders which have been approved for surgery, are in production and will be invoiced.
Arthritis:	See Osteoarthritis.
Arthroscopy:	Inspection of the inside of a joint with the help of an arthroscope. An instrument is introduced through a small cut to investigate the inside of the joint and possibly correct any problems (a type of keyhole surgery).
Cartilage:	Shock absorbing and friction reducing tissue. This tissue that covers the end of bones and allows movement with low friction.
Cartilage defect of grade III (ICRS scale):	Lesion through the cartilage, exposing the bone.
Cartilage defect of grade IV (ICRS scale):	Defect extending down to >50% of the cartilage depth.
CE marking:	A CE mark means that the manufacturer or importer has the formal approvals necessary to market and sell the product in the European Economic Area.
Clinical results:	Outcome from clinical treatment of humans, where parameters such as efficacy and safety are evaluated.
Cobalt chrome:	A metal alloy mainly consisting of cobalt and chromium, commonly occurring in metal alloys used in knee prostheses.
Debridement:	Removal of damaged tissue.
Degenerative origin:	Conditions in which the cells, tissues or organs deteriorate and lose function. In degenerative joint disease, the deterioration is due to wear, tear or breakdown of cartilage.
ESSKA:	European Society of Sports Traumatology, Knee Surgery & Arthroscopy.
FDA:	US Food and Drug Administration.
Focal cartilage defect:	A cartilage defect in a well-defined area.
Femoral condyles:	Two bony protuberances on the thighbone side of the knee joint that articulate with the shinbone. The name originates from the anatomical terms femur (thighbone) and condyle (articular head).
Gross order intake:	Gross order intake represents the aggregated value of Episealer® orders received and approved by responsible surgeon during the relevant period.

Hydroxyapatite:	A mineral that is the major component of human bone tissue and the main mineral of dental enamel and dentin.
Invasive treatment alternative:	Treatments that require a surgical procedure.
Micro fracturing:	A biological surgical technique that can be used in treatment of focal cartilage defects (not extensive osteoarthritis) in an attempt to stimulate the growth of new cartilage.
MRI:	Magnetic resonance imaging, a medical imaging technique where images acquired using a strong magnetic field allows the user to get three-dimensional image data of the patient.
MTP:	Short for metatarsophalangeal, refers to relations between the metatarsal bones and the proximal phalanges (toe bones) of the toes.
OA:	See osteoarthritis.
Order book:	Order book represents all orders that have been booked but where no revenue has been recognised.
Orthopaedics:	The medical specialty that focuses on injuries and diseases of the body's musculoskeletal system. This complex system includes bones, joints, ligaments, tendons, muscles and nerves.
Osteoarthritis:	A type of joint disease that is characterised by loss of joint function with varying destruction of joint cartilage and the underlying bone.
Osteochondral defect:	Cartilage and underlying bone defect.
Patellofemoral:	Refers to relations between the patella (knee cap) and femur (thighbone) in the knee.
Prosthesis:	An artificial device that replaces a missing or injured body part, such as artificial arm or leg. The term prosthesis is also used for certain of the implants that are used to repair joints, such as hip and knee prostheses.
Reimbursement:	Reimbursement is a word that is used generally in the healthcare industry to describe the payment systems that apply to healthcare costs in various countries.
Talus:	A foot bone constituting a part of the ankle joint. Also referred to as astragalus and ankle bone.
TKA:	Total knee arthroplasty, total knee joint replacement, which is a surgical procedure primarily used to relieve arthritis in which the knee joint is replaced with artificial parts (prostheses).
Traumatic damage:	Damage caused by an outside force, such as fall injuries.
The trochlea area:	The part of the knee joint that is right under the knee-cap, part of the femur (thigh bone).
UKA:	Unicompartmental knee arthroplasty, partial knee joint replacement which is a surgical procedure primarily used to relieve arthritis in one of the knee compartments. Parts of the knee joint are replaced with artificial parts (prostheses).

THIS IS EPISURF MEDICAL

– a unique solution for every patient

EPISURF WAS FOUNDED IN 2009 on a commitment to offer people with painful joint injuries a more active and healthy life through customised treatment alternatives. We put the patient in the centre of the design of implants and surgical instruments. By combining advanced 3D imaging technology with the latest manufacturing technologies, we are able to adapt not only each implant to the patient's injury and anatomy, but also the surgical instruments used. In this way, we can ensure that each patient receives treatment that is perfectly suited to his or her anatomy and, thus, ensure a faster, more secure, and better patient-specific treatment for a more active and healthy life.



A proprietary web-based IT platform for individualised design and surgical pre-planning
Episurf Medical's scalable μ Fidelity® system has been developed for damage assessment, surgical pre-planning and cost-effective patient customisation of implants and associated surgical instruments. Initially, the company's main focus has been on early stage arthritic changes in the knee joint and in the ankle.

Episurf Medical has two types of knee implants on the market

» Episealer® Knee (comprising Episealer® Condyle Solo, Episealer® Trochlea Solo and Episealer® Femoral Twin) for the treatment of localised cartilage and underlying bone defects on the femoral condyles and in the trochlea area of the knee joint.

» Episealer® Patellofemoral System for the treatment of isolated osteoarthritis of the patellofemoral joint.



Episealer®
Condyle Solo



Episealer®
Trochlea Solo



Episealer®
Femoral Twin



Episealer®
Patellofemoral System



Episealer® Talus

Episurf Medical has one implant for the ankle on the market

» Episealer Talus® intended for osteochondral lesions of the talar dome of the ankle joint.

Patient-specific surgical instruments

Every product is delivered with our individualised surgical drill guide Epiguide® and a set of associated surgical instrument. Further, for the ankle Episurf Medical offers an individualised sawguide, Talus Osteotomy Guide. It is intended to help the surgeon to find the correct position and depth when performing an osteotomy of the medial malleolus for access to the talar dome of the ankle joint.

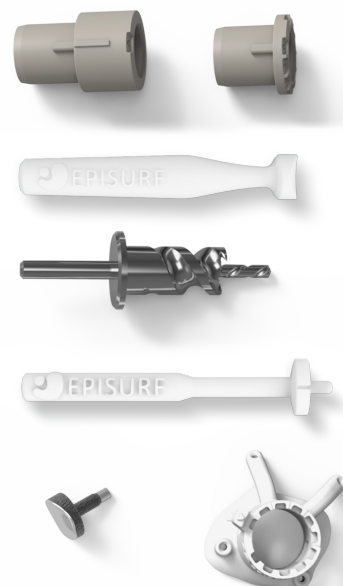
Patents and patent applications

The generation of new intellectual property and the ongoing maintenance of current IP is of paramount importance for Episurf Medical to ensure that Episurf Medical's proprietary, existing technologies and future innovations are well protected. In total Episurf Medical has more than 200 patents and patent applications worldwide, distributed over 35 patent families.

» The first Episealer® surgery in a human was performed in December 2012, and to date, more than 2,500 surgeries have been performed.

» Episurf Medical's head office is located in Stockholm and the company has sales representation in several countries in Europe, Asia and North America.

» The share (EPIS B) has been listed on Nasdaq Stockholm since June 2014.



FINANCIAL CALENDAR

Extra General Meeting	10 February 2026
Annual report 2025	6 March 2026
AGM 2026	10 April 2026
Interim Report January- March 2026	24 April 2026
Interim Report April-June 2026	24 August 2026
Interim Report July-September 2026	13 November 2026
Year-end Report 2026	5 February 2027

Annual General Meeting 2026

Episurf Medical's Annual General Meeting will be held on April 10, 2026, in Stockholm, Sweden. Shareholders may contact the Nomination Committee with proposals regarding the Committee's work. To allow the Nomination Committee sufficient time to consider a proposal, it must be received well in advance of the Annual General Meeting, but no later than 31 January 2026, and should be sent to the Chairman of the Nomination Committee via ir@episurf.com.

Nomination Committee for the 2026 Annual General Meeting

In accordance with the resolution of the Annual General Meeting, Episurf Medical's Nomination Committee shall consist of four members. The members are appointed by the three largest shareholders/shareholder groups in the company who wish to participate in the Nomination Committee. In addition, the Chairman of the Board shall be a member of the Committee. The members of the Nomination Committee shall appoint a Chairman from among themselves.

This is a translation of the original Swedish interim report. In the event of a discrepancy between this translation and the Swedish original, the Swedish interim report takes precedence. The information was submitted for publication, through the agency of the contact person set out below, on February 6, 2026 at 08.30 (CEST).

The following analysts follow Episurf Medical's development

Redeye Analyst: John Westborg

IR-contact



Katarina Flodström

CEO

Tel: +46 (0) 707 383 570

E-mail: katarina.flodstrom@episurf.com



Pål Ryfors

Acting CFO

Tel: +46 (0) 709 623 669

E-mail: pal.ryfors@episurf.com



Episurf Medical AB (publ) org.no 556767-0541

Karlavägen 60, 114 49 Stockholm, Sweden

www.episurf.com