

INTERIM REPORT

H2/FY 2025

Observe Medical ASA



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H I G H L I G H T S

- UnoMeter™ revenues of NOK 7.5 million, representing an increase of 69% from the same period in 2024. For the full year the Company recorded revenues from the UnoMeter™ portfolio of NOK 18.8 million, a growth of NOK 7.3 million / +64%.
- The Group successfully raised NOK 58.5 million in gross proceeds, where 50.5 million was settled in cash through private placements and a fully subscribed subsequent offering.
- The Group has, through the restructuring, reduced its total debt by approximately NOK 50 million and at the same time closed the asset transfer agreement, enabling the transfer of all UnoMeter™ associated assets to the Group.
- Innovative product development of the enhanced version of UnoMeter™ Safeti™ Plus, the new UnoMeter™ Safeti™ Max, to be launched in March/April 2026.
- Further expanding the product portfolio within the Urological drainage segment. The planned launch includes 3 new products: a front mounted UnoMeter™ which is a preference in some markets and two Closed System products which are sterile solutions used widely within hospitals globally. In combination it is estimated the global market value of these products is at a level of NOK 1.6-1.8 billion.
- Impairment of intangible assets related to Biim Ultrasound totaled NOK 37.7 million in H2 and NOK 41.7 million for the full year, reflecting updated commercialization assumptions after Fresenius Medical Care revised its business case and decided not to proceed with a full-scale rollout at this stage.

Subsequent events:

- After the reporting date, the Group successfully signed a loan agreement with Innovation Norway of NOK 15 million

KEY FIGURES

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

	H2 2025	H2 2024	FY 2025	FY 2024
Operating revenue	7 484	5 250	18 811	17 229
Gross result adjusted*	2 376	992	5 338	4 905
Other income	86	178	2 253	1 255
Operating expenses	17 176	15 494	30 973	33 093
EBITDA adjusted*	-14 800	-14 503	-25 635	-28 189
Depreciation and amortization	6 299	6 842	13 320	14 380
Impairment	37 692	2 675	41 725	2 675
EBIT	-59 343	-26 927	-79 065	-47 074
Net finance	29 753	-6 366	30 427	-11 652
Result	-29 591	-33 293	-48 639	-58 727
EPS	-0.26	-0.13	-0.73	-0.26
Equity	29 959	31 011	29 959	21 136
Total balance	101 169	142 647	101 169	142 647
Equity ratio	29.6%	14.8%	29.6%	14.8%
Number of FTE's at end of period	5	5	5	5

OPERATING REVENUES**

H2 7.5 MNOK
FY 18.8 MNOK
+1.6 MNOK / +9.2%

OPERATING REVENUES URINE MEASUREMENT

H2 7.4 MNOK
FY 18.8 MNOK
+7.3 MNOK / +64%

GROSS MARGIN*

H2 31.8%
FY 28.4%
-0.1 YoY

EBITDA*

H2 -14.8 MNOK
FY -25.6 MNOK
+9.1% YoY

*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,

The headlines for second half of 2025 have been to:

- **Scale** the distribution platform that can carry our products to the global market
- **Implement** our portfolio strategy
- **Penetrate** the markets where we already have established a strong platform
- **Secure** a healthy financial platform that will take Observe Medical to reach cash break-even and independent of additional liquidity

Distribution platform: We have now established a 3rd party distribution platform in 45 countries in Europe, Asia and South America, which represents more than 90% of the historic sales of UnoMeter products and we have more in the pipeline. Establishment of this global footprint represents a very important step in our global strategy, and it is a prerequisite for the execution of our commercial strategy.

Portfolio Strategy: A lot of work has gone into the implementation of our portfolio strategy by developing innovative products and adding new products to the portfolio that will expand the value of our addressable market. The development of the new and unique product UnoMeter™ Safeti™ Max remains on track for the scheduled launch in March/April 2026.

In December the Company announced an extension of its portfolio of products within the category of Urological Drainage. This launch include 3 new products that in total add NOK 1.6-1.8 billion NOK to our addressable market and will increase our value as a strong partner for our distributors.

The closing and the transfer for ownership of UnoMeter™ IP rights was also managed during H2.

Market penetration: We are seeing clear progress across the board on our commercial journey, but even with a growth of 64% (YoY) for our UnoMeter™ products we expected a higher growth for our revenue

numbers in 2025. We have made important decisions in terms of resource investments to continuously match our liquidity, however, with our improved marketing offering and strong commercial momentum into 2026, we will increase our resources within this area.

Securing a healthy financial platform: During the year Observe Medical secured NOK 58.5 million in new equity, whereof 50.5 million was cash through private placements and a subsequent offering. Additionally, we received a loan commitment of NOK 15 million from Innovation Norway.

Going forward we are focused on increasing our investments in line with our topline development and continuing our journey to dismantle our complexity and cut away non-value adding activities and assets. We are now fully focused on the next part of our journey. Taking all actions completed in 2025 into account I am confident that the next part of the commercial phase will bring Observe Medical ASA to a state of positive operational cashflow in 2026.



Jørgen Mann
CEO



FINANCIAL REVIEW

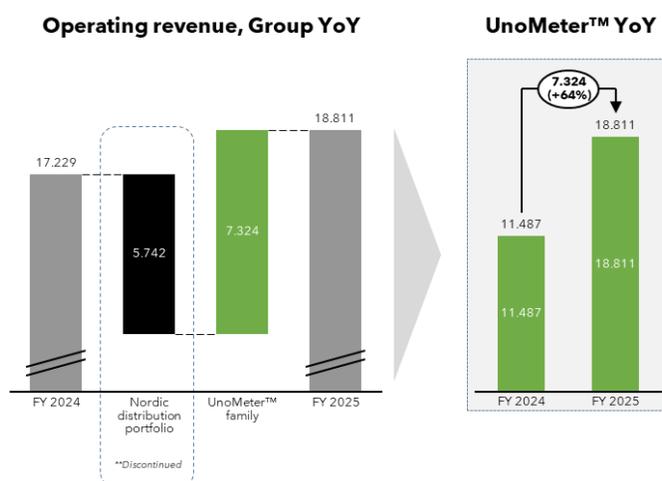
[UNAUDITED]

GROUP RESULTS

Operating revenues

Operating revenues for the second half year amounted to NOK 7.5 million, reflecting a year-over-year increase of NOK 2.2 million. Normalized for the Nordic distribution business in 2024, **the year-over-year increase amounts to NOK 3.0 million / +69%**. 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.



Adjusted gross result

Gross result adjusted for inventory write downs of NOK 2.4 million in H2 2025 vs NOK 1.0 million in H2 2024. For the full year, adjusted gross result was NOK 5.3 million compared to NOK 4.9 million last year.

Adjusted gross margin in the second half of 31.8% (+12.3pp YoY) driven by the UnoMeter™ Safeti™ Plus. For the full year the company recorded an adjusted gross margin of 28.4%, in line with LY. Higher product margins were partly offset by higher freight costs.

Other Income

Other income in 2025 represents gain on derecognition of financial liabilities, related to negotiated debt reductions. This amounts to 0.1 million for the second half year and NOK 2.3 million for the full year.

Operational expenses

Operational expenses were in the second half NOK 17.1 million, compared to NOK 15.5 million in the same period last year. For the full year the operational expenses were 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.

Adjusted EBITDA in the second half year of 2025 was negative NOK 14.8 million compared to negative NOK 14.5 million in the same period last year. For the full year adjusted EBITDA was negative NOK 25.6 million, an improvement of negative NOK 28.2 million last year.

Depreciation and amortization were NOK 6.3 million in the second half of 2025, NOK -0.5 million lower than last year. Refer to notes 6 and 7.

Impairment of intangible assets related to the CGU Ultrasound was recognized with NOK 37.7 million in the second half and NOK 41.7 million for the full year. Refer to note 7 to the condensed consolidated financial statements for details.

Net financial income in the second half improved to NOK 29.8 million compared to negative NOK 6.4 million in the same period in 2024. The change is mainly related to gain on derecognition of financial liabilities from the debt restructuring of Navamedic and Convatec with a total effect of NOK +40.6 million. For the full year net financial income was NOK 30.4 million compared to negative NOK 11.7 million last year.

Result for the period was negative NOK 29.6 million compared to negative NOK 33.3 million in the second half last year. For the full year, the result was negative NOK 48.6 million compared to negative NOK 58.7 million last year.

Earnings per share, basic and diluted, were negative NOK 0.26 compared to negative NOK 0.13 in the second half last year. For the full year EPS was negative 0.73 compared to negative 0.26 last year.

CASH FLOW SECOND HALF YEAR 2025

Net cash flow from **operating activities** was negative NOK 23.6 million, compared to negative NOK 17.4 million in the second half year of 2024.

Net cash flow from **investing activities** was negative NOK 1.1 million, compared to negative NOK 1.5 million in the second half year of 2024.

Net cash flow from **financing activities** was 33.2 million compared to negative NOK 19.6 million in the second half last year, driven by net proceeds from share issues and shareholder loans, partly offset by downpayment of debt.

Bank deposits at 31 December 2025 were NOK 11.5 million compared to NOK 2.0 million at 31 December 2024.

FINANCIAL POSITION AT 31 DECEMBER 2025

Total assets at 31 December 2025 amounted 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) 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.

As of 31 December 2025, the Group had **bank deposits** of NOK 11.5 million, at 31 December 2024 the bank deposits were NOK 2.0 million.

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.

EVENTS AFTER THE REPORTING DATE

Loan granted

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

RISKS AND UNCERTAINTIES

The Group is exposed to financial, operational and market risks as described in the 2024 Annual Report. Except for the developments related to the International Procurement Instrument (IPI) described below, there have been no material changes to the Group's overall risk profile during the period.

Financial risk and going concern assumption

The financial statements have been prepared on a going concern basis. During the period, the Group has taken active measures to reduce financial risk, including debt restructuring and settlements which have reduced outstanding financial obligations compared to previous reporting periods.

Based on current forecasts and working capital plans, the Group expects to have sufficient working capital to fund operations and meet financial obligations for the next twelve months. However, this assessment is dependent on achieving expected revenue growth and continued progress in commercial execution. If projected revenue development is not achieved, uncertainty related to the Group's liquidity and financial flexibility may increase. Management continues to monitor liquidity closely and prioritises measures to strengthen the financial position. The Board of Directors has reviewed the Group's cash flow forecasts and underlying assumptions and considers the going concern basis of preparation to be appropriate.

Operational and market risks

The Group operates in a competitive medtech market and remains exposed to risks related to commercialisation, distributor performance, supply chain dependencies and general geopolitical developments which may affect logistics, freight costs and access to components. No material changes to these risk factors have been identified during the period.

International Procurement Instrument (IPI) and Market Access

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 to the EU procurement directives EU procurement directives (Directive 2014/23/EU, Directive 2014/24/EU and Directive 2014/25/EU). The rules applies 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 reducing 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 our distributors across EU.

OUTLOOK

Observe Medical has made significant progress in the last year and continues to focus on commercial execution as well as strengthening its financial position. The Group expects further market penetration of the UnoMeter™ portfolio and continues preparations for the launch of UnoMeter™ Safeti™ Max.

The Group's short-term priority remains revenue growth and improved cash flow generation in order to strengthen financial flexibility. Based on current forecasts, management expects continued progress in order intake and distributor development; however, revenue development remains dependent on successful commercialization and market access

Forward-Looking Statements

This interim report contains forward-looking statements regarding Observe Medical's growth initiatives, financial performance, and strategic objectives. These statements reflect the Group's expectations for future results, including the commercialization of the UnoMeter™ portfolio. 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 Observe Medical's 2024 Annual Report.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

[U N A U D I T E D]

Observe Medical Group

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK thousand)	Note	H2 2025	H2 2024	FY 2025	FY 2024
		Unaudited	Unaudited	Unaudited	
Operating revenues	5	7 484	5 250	18 811	17 229
Cost of materials		5 747	7 343	14 112	15 409
Gross result		1 738	-2 094	4 700	1 820
Other income	5	0	178	0	1 255
Gain on derecognition of financial liabilities	5	86	0	2 253	0
Total other income		86	178	2 253	1 255
Employee benefit expenses		10 181	8 781	15 287	16 138
Other operating expenses	8	6 995	6 713	15 686	16 955
Operating expenses		17 176	15 494	30 973	33 093
Operating result before depreciation and amortisation (EBITDA)		-15 352	-17 410	-24 020	-30 019
Depreciation and amortisation	6,7	6 299	6 842	13 320	14 380
Impairment	7	37 692	2 675	41 725	2 675
Operating result (EBIT)		-59 343	-26 927	-79 065	-47 074
Financial income and expenses					
Financial income	9	42 312	3 781	44 158	5 677
Financial expenses	9,10	12 560	10 147	13 732	17 329
Net financial items		29 753	-6 366	30 427	-11 652
Result before tax		-29 591	-33 293	-48 639	-58 727
Income tax expense		0	0	0	0
Result for the period		-29 591	-33 293	-48 639	-58 727
Basic Earnings per share (NOK per share)		-0.26	-0.13	-0.73	-0.26
Diluted Earnings per share (NOK per share)		-0.26	-0.13	-0.73	-0.26

Observe Medical Group

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		Unaudited	
<i>Amounts in NOK thousand</i>	Note	At 31 December 2025	At 31 December 2024
Non-current assets			
Goodwill	7	35 159	33 067
Intangible assets	7	44 599	97 658
Tangible assets	6	59	196
Total non-current assets		79 816	130 921
Current assets			
Trade receivables		0	2 760
Inventories		7 479	5 327
Other receivables and prepaid expenses		2 374	1 661
Cash and cash equivalents		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>	Note		
Share capital		57 183	75 108
Share premium		291 488	277 970
Other paid in equity		15 608	11 800
Total paid-in equity		364 279	375 342
Retained earnings		-334 320	-354 206
Total equity		29 959	21 136
Non-current liabilities			
Contingent financial liability	10	6 899	0
Non-current interest bearing liabilities	10	19 919	61 642
Total non-current liabilities		26 818	61 642
Current liabilities			
Trade payables	10	12 939	18 120
VAT and other public taxes and duties payables		6 420	7 698
Interest bearing current liabilities	10	10 822	21 728
Other current liabilities	10	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

CONDENSED 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 at 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			35 993
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 at 31 December 2024	75 108	288 433	14 265	377 807	-354 385	-2 287	21 136

<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 at 1 January 2025	75 108	288 433	14 265	377 807	-354 385	-2 287	21 136
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
Share options ¹⁾			1 342	1 342			1 342
Result for the period					-48 639		-48 639
Translation differences						3 971	3 971
Equity as at 31 December 2025	57 183	291 488	15 608	364 279	-336 004	1 684	29 959

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

Observe Medical Group

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

<i>Amounts in NOK thousand</i>	Note	H2 2025 <i>Unaudited</i>	H2 2024 <i>Unaudited</i>	FY 2025 <i>Unaudited</i>	FY 2024
Cash flow from operating activities					
Result before tax		-29 591	-33 294	-48 639	-58 727
Tax paid		0	-209	0	0
Depreciation and amortization		6 299	6 842	13 320	14 380
Impairment		37 692	2 675	41 725	2 675
Gain(-)/Loss(+) from sale of fixed assets		0	70	0	-55
Effects from debt restructuring		-42 845	0	-42 845	
Change in net finance, no cash effect		9 431	-2 045	9 756	2 085
Change in inventories		-3 202	1 344	-2 152	1 563
Change in trade receivables and other receivables		839	-1 005	408	1 798
Change trade account payables and other current liabilities		-2 205	8 190	3 594	8 848
Net cash flow from operating activities		-23 582	-17 432	-24 833	-27 432
Cash flow used in investing activities					
Sale of tangible and intangible assets		0	-387	0	790
Purchase of tangible and intangible assets		-1 139	-1 524	-1 139	-1 841
Net cash flow from investing activities		-1 139	-1 911	-1 139	-1 051
Cash flow from financing activities					
Share issues		50 445	22 922	50 445	22 922
Transaction costs		-6 296	-3 284	-6 296	-3 284
Loans received	10	0	0	2 200	0
Payment of interest-bearing debt	10,12	-10 920	0	-10 920	-2 378
Payments of lease liabilities		0	0	0	-501
Net cash flow from financing activities		33 229	-19 638	35 429	16 759
Currency translation differences		33	-1 021	64	27
Changes in cash		8 541	-726	-9 522	-11 698
Cash and cash equivalents as at beginning of period		2 959	2 704	1 978	13 676
Cash and cash equivalents end of period		11 500	1 978	11 500	1 978

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

[U N A U D I T E D]

NOTE 1 – GENERAL INFORMATION

The condensed consolidated interim financial statements comprise the parent company Observe Medical ASA and its subsidiaries (collectively, the Group) presented as a single economic entity.

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. The Company and its subsidiaries (together the Group) is a growing medtech group which has developed the next generation digital urine meter, Sippi®. Observe Medical introduced in 2023 UnoMeter™, a manual Urine Measurement system and intraabdominal pressure measurement solution to a broad global distribution network. The manual system is an important step for Observe Medical to be established as a preferred supplier in this segment which will create a unique market access channel for Sippi® to the market.

The Group currently consists of the following companies: 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 interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements are unaudited

The Board of Directors approved this Interim report February 27, 2026.

NOTE 2 – BASIS OF PREPARATION AND STATEMENTS

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU under the International Accounting Standard for Interim Financial Reporting (IAS 34). As the interim financial statements do not include the full information and disclosures required for a complete set of consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for 2024.

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 Group's financial statements have been prepared based on historical cost. The basis and policies are applied consistently in all the periods presented, unless the description states otherwise.

Going Concern assumption and liquidity

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will continue its operations for the

foreseeable future and be able to realise its assets and discharge its liabilities in the normal course of business.

During the period, the Group has implemented measures to strengthen its financial position, including debt restructuring and settlements which have reduced outstanding financial obligations compared to previous reporting periods. During the second half of 2025, the Group received net proceeds from share issues amounting to NOK 50.4 million. After the reporting date, the Group also secured a loan facility from Innovation Norway, as announced 19 December 2025, amounting to NOK 15 million, further strengthening the Group's liquidity position.

Management has prepared updated cash flow forecasts covering a period of at least twelve months from the reporting date. Based on these forecasts and current working capital plans, the Group will have sufficient liquidity to fund its planned operations and meet its financial obligations as they fall due.

The assessment is dependent on achieving forecasted revenue growth and continued progress in commercialisation activities. Management continues to monitor liquidity closely.

The Board of Directors has reviewed management's assessment, including underlying assumptions and sensitivities, and considers the going concern basis of preparation to be appropriate.

Events after the balance sheet date

Information on the Group's positions at the balance sheet date is considered in the interim 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 14.

NOTE 3 – SIGNIFICANT JUDGEMENTS AND ACCOUNTING ESTIMATES

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those followed in the preparation of the Annual Financial Statements for 2024

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. 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.

Impairment of non-financial assets

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

For the present assessment, the recoverable amount has been determined based on value in use using a discounted cash flow (DCF) model. Management considers value in use to be the most appropriate method given the absence of observable market transactions or reliable market-based inputs for determining fair value less costs of disposal.

The value in use is calculated using a discounted cash flow model based on management's five-year forecasts representing management's best estimate of future economic conditions, using assumptions that are considered reasonable and supportable at the reporting date.

The recoverable amount is sensitive to assumptions regarding, expected future cash inflows, timing of commercialisation activities, market penetration, operating margins, discount rates and long-term

growth rates used for extrapolation. These estimates are particularly relevant for goodwill and other intangible assets with indefinite useful lives.

Sources of estimation uncertainty with a significant risk of material adjustment to the carrying amount in future periods primarily relate to the measurement of goodwill, technology assets, contingent consideration and recognition of deferred tax assets.

Contingent milestone payments

The Group has recognised a financial liability under IAS 32 and IFRS 9 related to contingent milestone payments agreed as part of the debt restructuring with Navamedic ASA. Measurement involves significant judgement regarding probability-weighted revenue scenarios, expected timing of milestone achievement and discount rate assumptions. Changes in these assumptions may affect the carrying amount in future periods. There exist no cash effects until revenue milestones are reached.

The Group has not recognised deferred tax assets on tax losses carried forward, as sufficient evidence of future taxable profits has not yet been established in accordance with IAS 12.

NOTE 4 – FINANCIAL RISK MANAGEMENT

Market Risk

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

Increased competition may lead to reduced revenue potential and reduced gross margin for Observe Medical's products.

Operational Risk

The Group's performance depends on a highly specialised team. There is a risk that key personnel may leave the Company and interrupt business continuity and negatively impact operations. The Group is managing this risk by recruitment planning.

Geo-political factors, such as the Russian invasion of Ukraine and war in the Middle East, has resulted in a rapidly evolving geo-political situation and introduced a new set of challenges with respect to maintaining business continuity. These events have been disrupting global supply chains which can impact our suppliers' ability to access materials in time, which in turn could lead to lack of components and delay the production of devices. Moreover, the geo-political situation could also create challenges related to logistics and delay in shipments. Consequently, this could lead to reduced revenue potential and gross margin for Observe Medical's products.

Rapid geo-political changes may impact both access to market, transportation, tariffs and taxes. There has also been a rise of protectionism leading to tariffs and sanctions which could disrupt trade lanes.

Operational risks also include errors that may occur at contracted suppliers and manufacturers of the Group's products and Observe Medical has processes in place to mitigate these risks.

The Group is exposed to risks related to fraud, corruption, and cyber threats. These are mitigated through internal controls, a code of conduct and anti-corruption policies, IT security, and supplier screening.

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 2025 the EU adopted new rules to the EU procurement directives EU procurement directives (Directive 2014/23/EU, Directive 2014/24/EU and Directive 2014/25/EU). The rules applies 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 reducing 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 our distributors across EU.

Climate Risk

The Group evaluates climate-related risks connected to its operations and important parts of the value chain. Rapid climate changes may impact on the Group's financial estimates, access to market, cost of materials, transportation and taxes. The Company currently sees limited risk and monitoring of these risks is going to continue in the future.

Currency Risk

For the periods presented, currency risk has primarily been related to payables and receivables within the Observe Medical group and related parties. Additionally, the Group's debt to Convatec, denominated in USD, is exposed to fluctuations between USD and NOK.

Payroll and operating expenses are generally incurred in the currency of the country in which the individual company is registered (NOK, SEK, DKK, EUR and USD). For the entities in the USA and Finland, where operating expenses are incurred in USD and EUR, respectively, there is currently no income and low expenses. This creates currency risk when NOK-denominated funding is converted to USD or EUR to cover expenses or debt.

Going forward, revenues are expected to be generated primarily in EUR and USD, with some revenues in the companies' functional currencies (e.g., NOK or SEK). For the UnoMeter™ portfolio and other products, the cost of goods sold is mainly in USD and EUR, while the majority of sales revenues are currently in EUR and USD. Currency risk arises when revenues in foreign currencies are translated into the company's functional currency and when trade receivables in EUR or USD are affected by exchange rate fluctuations until settlement. Expected sales growth in the coming months and years will increase exposure to foreign currencies, particularly EUR and USD. However, as the company becomes self-financing through its operations, the currency risk is expected to be reduced due to improved cash flow and reduced reliance on external financing. The group has not yet implemented specific currency hedging strategies to manage this risk

Credit Risk

For the periods presented, the Group has had low exposure to credit risk from its customers. The company's customers have been mainly large public enterprises and larger distributors that represent a low

credit risk. As the company grows through global expansion, the credit risk may somewhat increase. However, the Group has an agreement with Avida on the purchase of receivables. This agreement both reduces the credit risk and improves the Group's working capital. The factoring agreement is without recourse. For customers that for any reason is not included in factoring, prepayment is standard terms.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to settle its financial obligations as they fall due. The Group has utilized a combination of equity financing and debt financing to meet liquidity requirements relating to financial obligations, covering operational losses and investments.

Based on current forecasts and working plans, the Group's working capital is sufficient to fund operations and payment of financial obligations for the next 12 months from 31 December 2025, but is depending on continued increase in order intake and estimated revenues to execute on the product strategy and pay its liabilities, with reference to note 10.

If the Group is not able to successfully increase its revenues as estimated, material uncertainty would exist as to whether the Company will be able to continue as a going concern.

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).

Management of Capital

The Group has so far not had any expressed goals or requirements in relation to management of capital. Focus in the short term will be to further develop and commercialize UnoMeter™ Safeti™ Plus, UnoMeter™ Safeti™ Max, and Sippi®. In the longer term, goals will include securing returns for its owners, and maintaining an optimal capital structure to reduce capital expenses.

NOTE 5 – OPERATING REVENUES AND OTHER INCOME*Amounts in NOK thousand*

Revenue per product group	H2 2025	H2 2024	Change	FY 2025	FY 2024
Urine Measurement	7 484	4 439	4 279	18 811	11 487
Nordic distribution portfolio ¹⁾	0	682	-4 932	0	5 614
Other	0	128	0	0	128
Operating revenues	7 484	5 249	-653	18 811	17 229
Gain on derecognition of financial liabilities ²⁾	86	0	86	2 253	0
Other income ³⁾	0	178	-178	0	1 255
Other income	86	178	-92	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.

NOTE 6 - TANGIBLE ASSETS AND LEASE*Amounts in NOK thousand*

	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 1 January 2024	762	1 195	1 957
Disposals	-328	-735	-1 063
Depreciation	-463	-267	-731
Translation differences	29	3	32
Carrying value 31 December 2024	0	196	196
Carrying value 1 January 2025	0	196	196
Depreciation	0	-146	-146
Translation differences	0	9	9
Carrying value 31 December 2025	0	59	59
Expected useful economic life ¹	3-5 years	3-5 years	

¹ IAS 38.118-119, IAS 38.122a

No additions of tangible assets have been recognized as for the second half or for the year 2025

NOTE 7 – INTANGIBLE ASSETS

<i>Amounts in NOK thousand</i>	Goodwill	Trademark	Licence agree- ment	Customer relations	Technology assets / Patent	Technology develop- ment	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	4 980	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.

Intangible assets recognised in connection with the 2023 acquisition of the UnoMeter™ portfolio were measured at fair value at the acquisition date. The UnoMeter™ trademark was identified as a material component of the transaction due to its established

market position and historical commercial performance. The trademark was valued using a relief-from-royalty method and assessed to have an indefinite useful life. Other identifiable assets included a time-limited licence agreement, customer/distributor information and technical documentation, which are amortised over their respective useful lives. Other technology assets and patents include Sippi® and related technologies. Development costs are capitalised when recognition criteria are met, and amortisation commences when the related product is available for use. Goodwill and trademarks with indefinite useful lives are not amortised but are tested annually for impairment, or more frequently if indicators of impairment exist, in accordance with IAS 36.

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

Impairment testing methodology

The recoverable amount of the CGU Urine Measurement has been determined based on value in use (VIU) using a discounted cash flow (DCF) model. Management considers value in use to be the most appropriate method given the absence of observable market transactions or reliable market inputs for determining fair value less costs of disposal.

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.

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 assessment as of 31 December 2025*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. The underlying technology and related activities remain within the Group; however, 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.

Sensitivity and estimation uncertainty

The recoverable amount is sensitive to assumptions regarding future sales volumes and timing of market penetration, operating margins, discount rate, long-term growth assumptions

Management considers the assumptions applied to represent reasonable and supportable estimates at the reporting date; however, actual outcomes may differ due to inherent uncertainty in future market development.

The table below shows the carrying value of assets per CGU:

<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	15 985	0	15 985
Customer relationships and other	605	0	605
Other tangible assets	59	0	59
Carrying value	79 817	0	79 817

<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

NOTE 8 – OTHER OPERATING EXPENSES

<i>Amounts in NOK thousand</i>	H2 2025	H2 2024	FY 2025	FY 2024
Consultants	909	827	2 347	4 345
Audit Services	730	1 440	3 063	2 688
Legal and professional fees	1 698	732	2 163	1 189
Expense relating to short-term leases	263	474	584	637
Accounting and financial services	1 000	1 124	1 953	2 310
IT expenses	235	439	730	1 018
Travel expenses	269	180	431	344
Advertising expenses	19	47	23	141
IR, stock exchange expenses	248	667	1 161	1 189
Patent, trademark, certification etc.	880	346	1 763	1 196
Other operating expenses	744	434	1 468	1 896
Total	6 995	6 710	15 686	16 953

NOTE 9 – FINANCIAL ITEMS*Amounts in NOK thousand*

Financial income	H2 2025	H2 2024	FY 2025	FY 2024
Interest income	2	1 778	2	1 780
Change contingent consideration	0	1 365	0	1 452
Currency gain	3 275	687	5 121	2 445
Other financial income ¹⁾	39 035	-49	39 035	0
Total	42 312	3 781	44 158	5 677
Financial expenses				
Interest expenses	1 227	6 980	5 169	9 551
Change contingent consideration	0	-195	0	-108
Currency loss	4 439	5 410	1 663	7 864
Other financial expenses	-6	-2 049	0	22
Contingent milestone liability, Navamedic ²⁾	6 899	0	6 899	0
Total	12 559	10 147	13 731	17 329
Net financial items	29 753	-6 366	30 427	-11 652

¹⁾ Other financial income in H2 2025 and FY 2025 consisting primarily of gain on derecognition of financial liabilities related to debt restructuring of the Navamedic loans and Convatec debt. ²⁾ Contingent milestone payments to Navamedic recognized as financial liability (IAS32), probability-weighted and discounted to present value, and will be amortised by effective interest. No cash obligations exist until revenue thresholds have been achieved.

NOTE 10 – 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 interest) at the date of 31 December 2025 (the Navamedic Loans).

During 2025, the Group completed a restructuring of its subordinated loan facilities with Navamedic ASA. The restructuring included:

- a reduction of outstanding debt (haircut),
- partial conversion of debt into equity, and
- revised repayment terms for the remaining loan balances.

The modification was assessed under IFRS 9 Financial Instruments. As the revised terms were considered substantially different from the original contractual terms, the original financial liabilities were derecognised and new financial liabilities were recognised.

The new loan liabilities were recognised at fair value at initial recognition. Management assessed that the

revised contractual interest rate (3-month NIBOR + 6%) reflected market terms at the restructuring date, and accordingly the fair value was considered to approximate the revised contractual principal amounts. As at 31 December 2025, the outstanding balances of the loan facilities were:

- Loan 1: NOK 9.055 million
- Loan 2: NOK 6.839 million

Subsequent to initial recognition, the loan liabilities are measured at amortised cost.

Contingent milestone payments

As part of the restructured agreement, Navamedic is entitled to participate in a commercial upside, as to receive two contingent milestone payments of NOK 10 million each, subject to the achievement of specified cumulative sales thresholds for the Sippi product (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, expected timing of threshold achievement, and a risk-adjusted discount

rate reflecting the performance-contingent nature of the obligation. As 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 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. There is a risk that the loan cannot be serviced if there is no commercial progress in Biim.

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 to Convatec, resulting in closing of 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	0.0	26.8
Current financial liabilities			
Trade account payables	12.9		25.8
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	0.0	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 acquisition									
Change in liability with no cash effect ⁵⁾			-22.5	6.9			-21.6	0.2	-37.0
Carrying value 31 December 2025	0.0	0.0	15.9	6.9	0.0	0.0	8.5	6.3	37.6

<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	Total
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 acquisition									
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 11 – EARNINGS PER SHARE

For the periods presented there are no dilutive effects on profits or the number of shares. Diluted EPS includes only in-the-money options and other dilutive instruments. Basic and diluted earnings per share are therefore the same.

	H2 2025	H2 2024	FY 2025	FY 2024
Profit for the period (TNOK)	-29 591	-33 293	-48 639	-58 727
Average no of shares	114 148 412	255 419 513	66 703 412	223 052 358
Basic EPS (NOK)	-0.26	-0.13	-0.73	-0.26
Diluted EPS (NOK)	-0.26	-0.13	-0.73	-0.26

NOTE 12 – RELATED PARTIES

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 13 – SHARE OPTIONS

During the second half of 2025, the Company granted a total of 2,600,000 share options to the CEO and CFO under the existing equity-settled share option program. Each option entitles the holder to acquire one ordinary share in the Company. The options vest over a two-year period, with one third vesting on the grant date, one third vesting on the first anniversary of the grant date, and one third vesting on the second anniversary of the grant date. The options are exercisable from the respective vesting dates and until 22 July 2028. Options not exercised within this period will lapse. Of the total options granted, 700,000 options have an exercise price of NOK 2.00 per share and 1,900,000 options have an exercise price of NOK 0.50 per share. Shares issued upon exercise are subject to a 12-month lock-up period, subject to customary exceptions. The options are classified as equity-settled share-based payments. The fair value of the options granted is recognised as an employee benefit expense over the vesting period in accordance with IFRS 2.

NOTE 14 – SHAREHOLDER INFORMATION

Top 20 shareholders at 31 December 2025

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	GLIMIT 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 %

Movement in number of shares

1 January 2025	288 876 175
January 2025: Reverse share split ratio 15:1	- 269 617 763
July 2025: Private placement	72 890 000
October 2025: Subsequent offering	24 000 000
October 2025: Private placement	20 000 000
31 December 2025	136 148 412

NOTE 14 – EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, and with reference to the stock exchange announcement dated 19 December 2025, the Company entered into a loan agreement with Innovation Norway for a loan facility of NOK 15 million. The facility is intended to support the Group's ongoing operations and development activities and strengthen the Group's liquidity position. No adjustments have been made to the financial statements as a result of this event.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

The condensed consolidated interim 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	H2 2025	H2 2024	FY 2025	FY 2024
Gross result (IFRS)	1 738	-2 094	4 700	1 820
Inventory write-down	639	3 085	639	3 085
Gross result (adjusted)	2 376	992	5 338	4 905
Adjusted EBITDA				
EBITDA (IFRS)	-15 352	-17 410	-24 020	-30 019
Inventory write-down	639	3 085	639	3 085
Other income	-86	-178	-2 253	-1 255
EBITDA (adjusted)	-14 800	-14 503	-25 635	-28 189

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