INTERIM REPORT

H1/2025

Observe Medical ASA

observe medical

TABLE OF CONTENTS

OBSERVE MEDICAL
IN BRIEF

Observe Medical is a Nordic medtech company that develops, markets and sells innovative medtech products for the global market. Observe Medical is committed to improving patient welfare and patient outcomes, improving clinical data accuracy and promoting positive health economics.

Observe Medical seeks to drive growth by leveraging its expertise in sales and commercialization of its broad portfolio of medical technology products, mainly within urine output measurement. The strategic vision is to be a Nordic medtech platform for scalable and profitable growth, product development, regulatory performance and effective manufacturing.

The Group is headquartered in Oslo, Norway, with R&D, regulatory and distribution operations in Gothenburg, Sweden. In addition, Observe Medical has established a distributor and partner network globally.

The current portfolio of proprietary products consists of Sippi®, a CE marked digitalized system for urine output measurement, the UnoMeter™ portfolio consisting of manual urine output measurement products and solutions for measuring intra-abdominal pressure, and the Biim ultrasound probe, which is a wireless, pocketable imaging solution designed for quick and efficient point-of-care diagnostics, offering high-quality imaging, seamless connectivity, and user-friendly operation..

Proprietary products

Platform for innovative Nordic ecosystem

“M&A Opportunities”

Patient welfare

Health economics

Data accuracy

H1/2025
HIGHLIGHTS

UNOMETER™SAFETI PLUS MARKET CONFIRMATION AND CONTINUED EXPANSION OF SALES DISTRIBUTION NETWORK

The first major shipments of UnoMeter™ Safeti Plus have reached distributors across Europe, the Middle East, and Asia, re-establishing sales in key markets. The product has received orders from a broad range of countries, with multiple repeat orders confirming strong market acceptance.

DEBT RESTRUCTURING

The Group has successfully completed negotiations with a broad range of creditors, securing significant debt reductions and revised payment arrangements, strengthening its financial position.

EVENTS AFTER THE BALANCE SHEET DATE

Private Placement
After the reporting date, the Group successfully completed a private placement, strengthening its balance sheet and providing additional financial flexibility. The extraordinary general meeting was held on 3 July 2025, facilitating the fulfillment of conditional agreements with key creditors.

Convatec Asset Transfer and reduction of debt
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.

Manufacturer becoming a major shareholder
Following the private placement, the Group's main manufacturer has become a significant shareholder, strengthening the strategic relationship between the parties.

KEY FIGURES

(Amounts in NOK thousand, except EPS, equity ratio and number of FTE)	H1 2025	H1 2024 *Restated*	FY 2024
Operating revenue	**11 327**	**11 979**	**17 229**
Gross result adjusted*	2 962	3 913	4 905
Other income	2 167	1 077	1 255
Total operating income	**5 129**	**4 990**	**3 074**
Operating expenses	13 797	17 599	33 093
EBITDA adjusted*	**-8 668**	**-12 609**	**-26 934**
EBITDA	**-8 668**	**-12 609**	**-30 019**
Depreciation and amortization	7 021	7 538	14 380
Impairment	4 033	0	2 675
EBIT	-19 722	-20 147	-47 074
Net finance	674	-5 286	-11 652
Result	**-19 048**	**-25 449**	**-58 727**
EPS	-0.99	-0.13	-0.26
Equity	3 677	31 011	21 136
Total balance	133 510	166 325	142 647
Equity ratio	2.8%	18.6%	14.8%
Number of FTE's at end of period	4	9	5

OPERATING REVENUES	GROSS PROFIT*	GROSS MARGIN*	EBITDA*
11.3 MNOK -0.65 MNOK YoY	**3.0 MNOK** -0.95 MNOK YoY	**26.1%** -6.6 p.p. YoY	**-8.7 MNOK** +3.9 MNOK YoY

*Adjusted for Inventory write-down 3 085 TNOK FY 2024

LETTER FROM THE CEO

Dear shareholders,

Through the first half of 2025, Observe Medical has taken significant steps in the commercialization of the UnoMeter™ portfolio with the market introduction of UnoMeter™ Safeti™ Plus. Since the first deliveries in January, we have seen encouraging order intake and clear market confirmation. As expected, most distributors start by placing smaller sample orders to validate product quality with end-users and secure tender positions. Once this stage is successful, we expect larger follow-up orders and repeat purchasing, creating a cycle that drives broader market penetration.

Revenue for the first half of 2025 reflects the discontinuation of the Nordic business and the introduction of the UnoMeter™ Safeti™ Plus. Even though we always want a faster trajectory of sales we are happy to note a 61% sales growth for the UnoMeter™ product family in H1 2025 compared to H1 2024.

We have taken decisive steps to maintain a lean and efficient organization, keeping costs tightly controlled. Operational expenses were reduced by 22% compared to the same period last year, contributing to an improved EBITDA of NOK 3.9 million, while focusing on balancing operational momentum with financial discipline.

During the first half of 2025 we have executed measures to improve our liquidity and balance sheet, and we are deeply grateful for the steadfast support from our shareholders and creditors in supporting our journey going forward. resulting In the July 3, 2025, Private Placement that was successfully placed with gross proceeds of NOK 36,445,000, with a Subsequently Repair Offering during September 2025 strengthening our financial foundation, to be better positioned to pursue our strategic and commercial ambitions with renewed confidence.

Our debt has been reduced with approximately 40% and we have secured full ownership of all UnoMeter™ rights.

Our focus is now firmly on recapturing UnoMeter™'s historical market position. With distribution already established in more than 35 countries, we are well positioned to accelerate adoption and expand our footprint further throughout the second half of the year. In parallel, we are preparing for the development of UnoMeter™ Safeti™ MAX, which will incorporate advanced patented infection control technology from Sippi® and further reinforce our competitive edge and profitability.

We are continuously building a stronger Observe Medical for delivering innovative products and solutions to the benefit of the patients, to a global market. Pursuing sustainable growth for our shareholders.

Jørgen Mann
CEO

FINANCIAL REVIEW

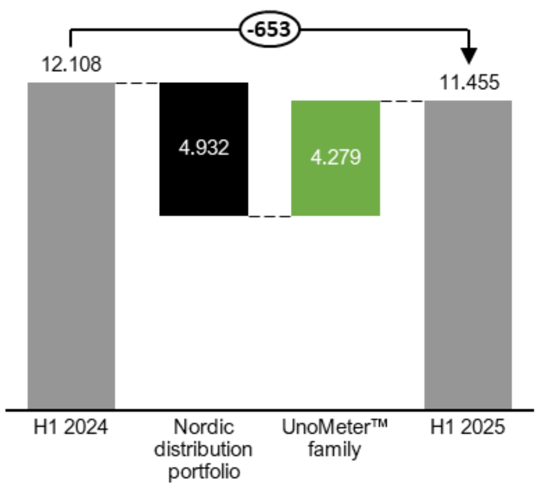
[Numbers are unaudited]

The H1 2024 comparable figures have been restated. For further details, please refer to Note 2 in the condensed consolidated financial statements.

GROUP RESULTS

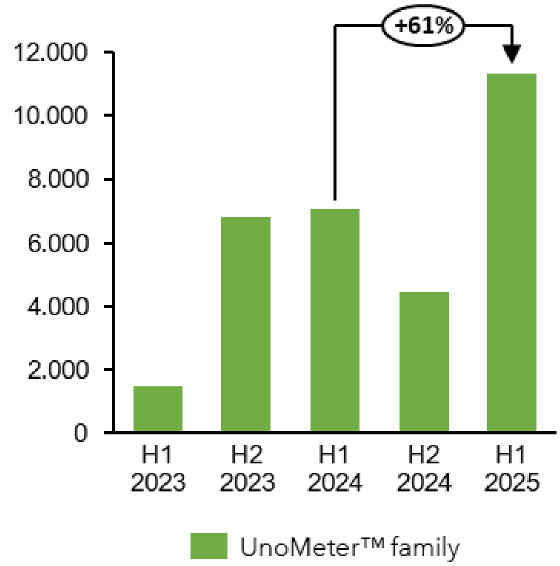
Revenue

Operating revenue for the first half year amounted to NOK 11.3 million, reflecting a year-over-year decrease of NOK -0.6 million / -5%.



The decrease is primarily driven by the discontinuation of the Nordic distribution business in 2024 (NOK -4.9 million).

The UnoMeter™ portfolio products generated revenues of NOK 11.3 million in H1 2025, an increase of NOK +4.3 million / +61% year-over-year. The increase is mainly driven by the introduction of UnoMeter™ Safeti Plus.



Other Income

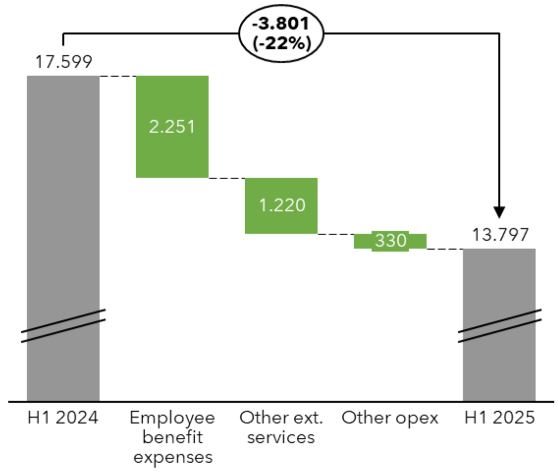
In the first half year of 2025, NOK 2.2 million has been recognized as other income related to negotiated debt reductions. In the first half year of 2024, other income consisted of an indemnity settlement agreement related to the Biim acquisition.

Gross result

Gross profit of NOK 3.0 million in H1 2025, NOK -0.9 million YoY, reflecting a gross margin of 26.1% vs 32.7% LY. The lower margin is primarily due to differences in product mix (Abdo-Pressure) and increased freight and transportation costs.

Operational expenses

Operational expenses were NOK 13.8 million, compared to NOK 17.6 million in the same period last year. The reduction of NOK -3.8 million / 22% is driven by lower employee benefit expenses from redundancies in the first half of 2024, including a temporary lay-off of one full-time employee (FTE) starting in April 2025. This measure was implemented in response to the company's financial situation and liquidity constraint.



EBITDA in the first half year of 2024 was negative NOK 15.7 million compared to negative NOK 20.1 million in the same period last year.

Depreciation and amortization
were NOK 7.0 million in the first half year of 2025, NOK -0.5 million lower than last year. Please refer to notes 6, 7 and 2 in the explanatory notes to the condensed consolidated financial statements for details.

Impairment of intangible assets related to the CGU Ultrasound was recognized with NOK 4.0 million. Refer to note 7.

Net financial income improved to NOK 0.7 million compared to negative NOK 5.3 million in the same period in 2024. The change is mainly related to currency effects.

Result for the period was negative NOK 19.0 million compared to negative NOK 25.5 million in the same period last year.

Earnings per share, basic and diluted, were negative NOK 0.99 compared to negative NOK 0.13 in the same period last year.

CASH FLOW FIRST HALF YEAR 2025

Net cash flow from **operating activities** was negative NOK 1.3 million, compared to negative NOK 10.0 million in the first half year of 2024.

Net cash flow from **investing activities** was 0, compared to NOK 0.9 million in the first half year of 2024, as no investments or development was made.

Net cash flow from **financing activities** was 2.2 million compared to negative NOK 2.9 million in the same period last year, reflecting a shareholder bridge-loan granted in January and April.

Bank deposits at 30 June 2025 were just below NOK 3.0 million.

FINANCIAL POSITION AT 30 JUNE 2025

Total assets at 30 June 2025 amounted NOK 137.5 million, compared to NOK 166.3 million at the end of first half year 2024 and NOK 142.6 million at the end of 2024.

Non-current assets of NOK 121.3 million mainly consisting of goodwill NOK 34.1 million (NOK 34.9 million at 30 June 2024) and intangible assets associated with the technologies and patents for the Sippi® system and the Biim ultrasound probe, as well as the trademark of and assets related to UnoMeter™ of NOK 87.1 million (NOK 102.9 million at 30 June 2024 and 97.7 million at 31 December 2024).

As of 30 June 2025, the Group had **bank deposits** of NOK 3.0 million, at 30 June 2024 the bank deposits were NOK 2.7 million and NOK 3.0 million at 31 December 2024.

As of 30 June 2025, the Group had **equity** of NOK 3.7 million compared to NOK 31.0 million at 30 June 2024 and 21.1 million at 31 December 2024. The equity ratio was 2.8% at 30 June 2025 compared to 18.6% at 30 June 2024 and 14.8% at 31 December 2024.

As at 30 June 2025, the Groups **total liabilities** amounted to NOK 129.8 million, a reduction from NOK 135.3 million at 30 June 2024 and an increase from 121.5 million at 31 December 2024.

Changes YoY include a NOK 16.4 million conversion of loan to shares partly offset by increased trade payables.

EVENTS AFTER THE REPORTING DATE

Private placement

After the reporting date, Observe Medical ASA announced the successful completion of a private placement of 72,890,000 new shares at a subscription price of NOK 0.50 per share, raising gross proceeds of NOK 36,445,000, of which NOK 8,000,000 was settled through debt conversion.

The private placement included:

- Issuance of 56,890,000 new shares
- Issuance of 10,000,000 shares to Navamedic ASA in connection with loan conversion of NOK 5,000,000
- Issuance of 6,000,000 shares to Jiangsu Hongxin Medical Technology Co. Ltd., the Company's largest manufacturing partner, through conversion of parts of its accounts receivable towards the Company and/or its subsidiaries. The Jiangsu Conversion is to be settled through set-off against a receivable of NOK 3,000,000

The extraordinary general meeting (EGM) was held on July 3, 2025.

At the EGM it was also approved to give the board of directors authorisation to increase the Company's share capital by up to NOK 10,080,000. The authorisation may be used to issue new shares in a subsequent repair offering directed towards the Company's shareholders

Debt restructuring

During the first half of 2025, the Company reached agreements with most of its creditors to reduce outstanding debt, providing a basis for a broader restructuring. After the reporting date, agreements were also reached with the two largest creditors, Navamedic ASA and Convatec, to reduce their claims by 50%, which was conditional upon a successful equity raise.

- Navamedic loans reduced by 50% from approximately NOK 40 million to approximately 20 million. Including the conversion to shares, the rest balance is approximately NOK 15 million as of the date of this report.
- Convatec debt is reduced from approximately NOK 40 million to approximately NOK 20 million. This was conditional upon a payment of USD 1 million (approximately NOK 10 million). After this payment, Observe Medical receives all rights and assets defined in the original Asset Transfer Agreement. The rest debt will then be USD 1 million (approximately NOK 10 million) payable in two equal instalments, December 2026 and December 2027.
- The debt arrangements, including conversions, has reduced the total liabilities of the Group of approximately NOK 50 million compared to the status as of end of the reporting period ending 31 December 2024, and combined with the completion of the Convatec asset transfer agreement, significantly strengthened the balance sheet. Refer to note 11 and 14.

RISKS AND UNCERTAINTIES

The Group is exposed to a range of financial, operational, and strategic risks, which are actively monitored and managed across the organisation. As of the end of the first half year of 2025, there have been no material changes to the Group's risk exposure or assessment compared to those outlined in the 2024 Annual Report. Key risk areas include:

Financial risk and going concern assumption

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Group still faces a risk regarding its ability to continue as a going concern and requires additional capital to sustain operations at the planned scale. Despite raising gross proceeds of NOK 28.4 million in cash and 8 million in terms of conversions, further funding is necessary to support product development, production, and sales. The Company does not have sufficient working capital for the next 12 months, and there is therefore material uncertainty with regards to the going concern assumption.

An authorization to issue a subsequent offering / repair issue was approved by the extraordinary general meeting 3 July 2025 in which potential can bring up to NOK 12 million in gross proceeds. Further financing options are actively being explored. If the required capital is not secured, the Company may struggle to meet its obligations.

The Group has actively mitigated the risk of funding constraints throughout the period by negotiating debt restructuring and haircuts of major debt. After the reporting date, the debt reductions have been settled, and the Group's financial obligations are significantly reduced compared to reported liabilities as of 30 June 2025.

The Group still has debt at a level that may restrict financial flexibility, increase borrowing costs, and limit growth opportunities. If it fails to generate sufficient revenue or secure financing on favorable terms, its ability to meet obligations and continue operations is at risk, potentially leading to bankruptcy.

Market risk

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

After Convatec/Unomedical exited the urimeter market in 2022, new and existing competitors have introduced alternative products to fill the gap. Competing products may launch before Observe Medical secures a viable market share, increasing price pressure and slowing market entry.

Operational risk

The Group relies on distributors for international sales and third-party manufacturers and is dependent on their performance. Distributor failures or production issues could delay commercialization and impact product quality.

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

Global instability, including ongoing wars and conflicts, is disrupting raw material supply, logistics, and financial markets, driving inflation. The company is vulnerable of fluctuating freight cost from China.

Management regularly evaluates cash flow projections, considering revenue, expenses, capital expenditures, and loan repayments. Failure to meet financial targets may impact liquidity, especially as the UnoMeter™ portfolio is still ramping up. If the Group does not achieve projected market share or pricing, revenue shortfalls could hinder its ability to meet obligations.

Ensuring compliance with applicable laws and regulations is a key priority for Observe Medical. Non-compliance can result in financial penalties, operational disruptions, and reputational damage.

Observe Medical is conscious of the increased risk exposure that can arise from operating with limited resources and current liquidity constraints. The Company acknowledges that such conditions may impact operational flexibility and the ability to respond swiftly to unforeseen challenges. As a result, risk management remains a key area of focus for both management and the Board of Directors. Ongoing efforts are being made to prioritize resources, strengthen financial discipline, and ensure robust internal controls.

Research and development expenditures being managed across the product portfolio in accordance with our strategic priorities. Investment decisions about whether to proceed with development projects is done on a project-by-project basis. Limited financial resources may delay planned developments, hence risk of delayed launch of new products and lower revenues.

There is a risk that key personnel may leave the Company and interrupt business continuity. 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.

OUTLOOK

With the continued strengthening of our portfolio, our geographical footprint is expanding, allowing us not only to reach new markets but also to regain the market share that the UnoMeter™ products held just a few years ago. Our goal is to reestablish a market-leading position in these segments.

We have a strong pipeline of innovative, new-to-market products. Notably, we expect the launch of UnoMeter™ Safeti™ Max and UnoMeter™ Sippi within the next 12 months.

Observe Medical's long-term ambition is to become a leading global medtech company by delivering innovative medical technology solutions that enhance patient care, improve clinical outcomes, and support positive health economics. Our growth strategy follows a two-tier approach:

- Expanding our own developed product portfolio.
- Positioning Observe Medical as a platform that collaborates closely with the Nordic medtech ecosystem, supporting innovative start-ups in bringing their solutions to the market.

Our journey will follow a step-by-step approach, unlocking the commercial potential of our products to generate the financial strength needed to fully execute our strategy.

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 and financial stabilization efforts. 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**

[UNAUDITED]

Observe Medical Group

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Amounts in NOK thousand)	Note	H1 2025	H1 2024 *Restated*	FY 2024
Operating revenues	6	11 327	11 979	17 229
Cost of materials		8 365	8 066	15 409
Gross result		**2 962**	**3 913**	**1 820**
Other income	6	2 167	1 077	1 255
Total operating income		**5 129**	**4 990**	**3 074**
Employee benefit expenses		5 106	7 357	16 138
Other operating expenses	9	8 691	10 242	16 955
Operating expenses		**13 797**	**17 599**	**33 093**
Operating result before depreciation and amortisation (EBITDA)		**-8 668**	**-12 609**	**-30 019**
Depreciation and amortisation	7,8	7 021	7 538	14 380
Impairment	8	4 033	0	2 675
Operating result (EBIT)		**-19 722**	**-20 147**	**-47 074**
Financial income and expenses				
Financial income		1 846	1 896	5 677
Financial expenses		1 172	7 182	17 329
Net financial items	10	**674**	**-5 286**	**-11 652**
Result before tax		**-19 048**	**-25 433**	**-58 727**
Income tax expense		0	16	0
Result for the period		**-19 048**	**-25 449**	**-58 727**
Basic Earnings per share (NOK per share)		**-0.99**	**-0.13**	**-0.26**
Diluted Earnings per share (NOK per share)		**-0.99**	**-0.13**	**-0.26**

Observe Medical Group

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Amounts in NOK thousand	Note	At 30 June 2025	At 30 June 2024 *Restated*	At 31 December 2024
Non-current assets				
Goodwill	11	34 108	34 871	33 067
Intangible assets	11	87 067	102 903	97 658
Tangible assets	10	127	264	196
Total non-current assets		**121 302**	**138 038**	**130 921**
Current assets				
Trade receivables		2 609	1 435	2 760
Inventories		4 277	6 672	5 327
Unpaid subscribed capital			15 255	
Other receivables and prepaid expenses		2 363	2 221	1 661
Cash and cash equivalents		2 959	2 704	1 978
Total current assets		**12 208**	**28 287**	**11 726**
Total assets		**133 510**	**166 325**	**142 647**

EQUITY AND LIABILITIES

Amounts in NOK thousand	Note	At 30 June 2025	At 30 June 2024 *Restated*	At 31 December 2024
Share capital		75 108	64 833	75 108
Share premium		288 433	276 870	277 970
Other paid in equity		11 800	11 800	11 800
Total paid-in equity		**375 342**	**353 503**	**375 342**
Uncovered losses		-371 665	-322 493	-354 206
Total equity		**3 677**	**31 011**	**21 136**
Non-current liabilities				
Contingent consideration		0	1 560	0
Non-current interest bearing liabilities	11,15	62 326	21 914	61 642
Other non-current liabilities		0	0	0
Total non-current liabilities		**62 326**	**23 474**	**61 642**
Current liabilities				
Trade payables	11	25 773	19 385	18 120
VAT and other public taxes and duties payables		6 634	8 068	7 698
Interest bearing current liabilities	11	19 860	55 971	21 728
Other current liabilities	11	15 240	28 416	12 324
Total current liabilities		**67 507**	**111 840**	**59 870**
Total liabilities		**129 833**	**135 314**	**121 511**
Total equity and liabilities		**133 510**	**166 325**	**142 647**

Observe Medical Group

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Share capital	Share premium	Other paid in equity	Total paid-in capital	Capital not paid in.	Retained earnings	Translation differences	Total
Equity as at 1 January 2024	**49 578**	**277 970**	**11 800**	**339 349**		**-293 827**	**-4 654**	**40 868**
Share issue					15 255		-	14 155
Transaction costs		-1 100		-1 100				
Options						139	-	139
Result for the period						-25 449	-	-25 449
Translation differences							1 298	1 298
Equity as at 30 June 2024	**49 578**	**276 870**	**11 800**	**338 249**	**15 255**	**-319 137**	**-3 356**	**31 011**

Amounts in NOK thousand	Share capital	Share premium	Other paid in equity	Total paid-in capital	Capital not paid in.	Retained earnings	Translation differences	Total
Equity as at 1 January 2024	**49 578**	**277 970**	**11 800**	**339 349**		**-293 827**	**-4 654**	**40 868**
Share issue	25 530	13 747		39 277				35 993
Transaction costs		-3 284		-3 284				
Options						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**	**11 800**	**375 342**		**-351 920**	**-2 287**	**21 136**

Amounts in NOK thousand	Share capital	Share premium	Other paid in equity	Total paid-in capital	Capital not paid in.	Retained earnings	Translation differences	Total
Equity as at 1 January 2025	**75 108**	**288 433**	**11 800**	**375 342**		**-351 920**	**-2 287**	**21 135**
Share issue								
Transaction costs								
Options						155		155
Result for the period						-19 048		-19 048
Translation differences							1 434	1 434
Equity as at 30 June 2025	**75 108**	**288 433**	**11 800**	**375 342**		**-370 813**	**-853**	**3 677**

Observe Medical Group

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Amounts in NOK thousand	Note	**H1 2025**	**H1 2024 *Restated***	**FY 2024**
Cash flow from operating activities				
Result before tax		-19 048	-25 433	-58 727
Tax paid		0	209	0
Depreciation and amortization		7 021	7 538	14 380
Impairment		4 033	0	2 675
Gain(-)/Loss(+) from sale of fixed assets		0	-125	-55
Change in net finance, no cash effect		325	4 130	2 085
Change in inventories		1 050	219	1 563
Change in trade receivables and other receivables		-431	2 803	1 798
Change trade account payables and other current liabilities		5 799	658	8 848
Net cash flow from operating activities		**-1 251**	**-10 000**	**-27 432**
Cash flow used in investing activities				
Sale of tangible and intangible assets		0	1 177	790
Purchase of tangible and intangible assets		0	-317	-1 841
Net cash flow from investing activities		**0**	**860**	**-1 051**
Cash flow from financing activities				
Share issues		0	0	22 922
Transaction costs		0	0	-3 284
Loans received	11,13	2 200	0	0
Payment of interest-bearing debt		0	-2 378	-2 378
Payments of lease liabilities		0	-501	-501
Net cash flow from financing activities		**2 200**	**-2 879**	**16 759**
Currency translation differences		32	1 047	27
Changes in cash		981	-10 972	-11 698
Cash and cash equivalients as at 1 January		1 978	13 676	13 676
Cash and cash equivalients end of period		**2 959**	**2 704**	**1 978**

EXPLANATORY NOTES TO THE CONSOLIDATED **FINANCIAL STATEMENTS** [UNAUDITED]

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® and the wireless and pocketable ultrasound probe, Biim. 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 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.

Going Concern assumption and liquidity

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Based on current forecasts and working plans, the Group's working capital is not sufficient to fund operations and payment of financial obligations for the next 12 months from 30 June 2025. Going forward, the Group will need to raise more equity, issue debt instruments or divest assets to fund further development of ongoing business.

Despite raising gross proceeds of NOK 28.4 million in cash and 8 million in terms of conversions, further funding is necessary to support product development, production, and sales.

The Group has actively mitigated the risk of funding constraints throughout the period by negotiating debt restructuring and haircuts of major debt. After the reporting date, the debt reductions have been settled, and the Group's financial obligations are significantly reduced compared to reported liabilities as of 30 June 2025.

An authorization to issue a subsequent offering / repair issue was approved by the extraordinary general meeting 3 July 2025 in which potential can bring up to NOK 12 million in gross proceeds. Further financing options are actively being explored.

If the required capital is not secured, the Company may struggle to meet its obligations.

There remains a risk that adequate sources of funds may not be available, or available at acceptable terms and conditions, when needed, and material uncertainty persists regarding the going concern assumption until sufficient capital injection is secured.

NOTE 2 – ACCOUNTING POLICIES

The accounting policies applied, and the presentation of the consolidated financial information are consistent with the previous interim financial statements.

References to IFRS in these financial statements refer to IFRS as approved by the EU.

Correction of errors – restatement

With reference to the stock announcement as of 25.10.2024 and 14.05.2025, as well as the Annual report for 2024, the company acknowledged certain accounting errors identified by the Financial Supervisory Authority of Norway's ("NFSA") review of certain topics related to the 2023 annual financial statements and the interim report for the first half of 2024. During this review, the company acknowledged certain accounting errors, which have been corrected in this report in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.* The annual financial statements reflect the retrospective restatement of the comparative figures for the six-month period ending 30 June 2024 as included in the H1 Financial Statements are summarized as follows:

(i) Capitalized development costs: Previously capitalized development costs of NOK 4.5 million related to UnoMeter™500 and regulatory approvals were deemed ineligible for capitalization. The reversal of amortization related to these costs reduced amortization expenses by NOK 0.5 million for the six months period ended 30 June 2024, increasing the reported profit compared to the previously issued interim report. Other intangible assets were reduced by NOK 4.5 million as of 30 June 2024.

(ii) Acquired assets and seller credit: The acquired assets and seller credit were restated at amortized cost using a 12% market interest rate, reducing their value by NOK 7.0 million as of 30 June 2024. This adjustment increased interest expenses by NOK 2.1 million, reducing the profit for the six months period ended 30 June 2024 compared to the previously issued interim report.

(iii) Reallocation of Convatec transaction consideration: A portion of the discounted consideration was reallocated to identifiable intangible assets, including the Convatec License Agreement (NOK 4.3 million), technical documentation (NOK 4.4 million), and customer/distributor information (NOK 0.8 million). These assets, with definite lifespans, increased amortization expenses by NOK 1.3 million, reducing the profit for the six months period ended 30 June 2024. Intangible assets were correspondingly reduced by NOK 2.2 million (NOK 0.9 million from 2023 plus NOK 1.3 million for the six-month period ended 30 June 2024) as of 30 June 2024 compared to the previously issued interim report.

(iv) Impairment of Goodwill: The restated financial statements for the financial year 2023 included a write-down of goodwill related to the Ultrasound Cash Generating Unit (CGU) of NOK 67.1 million as of 31 December 2023. This adjustment reduced goodwill by NOK 67.1 million in the balance sheet as of 30 June 2024, with no direct profit impact.

(v) Navamedic Loan renegotiation: The accounting for the November 2023 loan renegotiation with Navamedic was corrected, recognizing an additional interest expense of NOK 3.0 million for the six months period ended 30 June 2024, reducing the profit compared to the previously issued interim report. The debt obligation was increased by NOK 0.8 million as of 31 December 2023, with no further balance sheet impact specific to 30 June 2024.

(vi) Reversal of capitalized transaction expenses: Previously capitalized expenses of NOK 0.75 million related to the Convatec Transaction were reversed in 2023, reducing capitalized assets by NOK 0.75 million as of 30 June 2024. This adjustment had no additional profit impact for the six months period ended 30 June 2024 compared to the previously issued interim report.

NOTE 3 – 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 te 4.

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.

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 15.

NOTE 4 – 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, and the disclosures of contingent liabilities. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Impairment of non-financial assets
Impairment occurs when the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount, which is determined as the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal is based on available market data from binding arm's length sales transactions for similar assets or observable market prices, adjusted for incremental disposal costs.

The value in use is calculated using a discounted cash flow (DCF) model, where cash flows are derived from the Group's five-year estimates.

The recoverable amount is sensitive to the discount rate applied in the DCF model, the expected future cash inflows, and the growth rate used for extrapolation. These estimates are especially relevant for goodwill and other intangible assets with indefinite useful lives.

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

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

NOTE 5 – 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.

It is important that the Group can establish and keep its UnoMeter™ products in the market that Convatec left behind when withdrawing from the hospital care market and focusing on chronic care markets. Increased competition may lead to reduced revenue potential and reduced gross margin for Observe Medical's products.

Following any liquidity risk, if by any case the Group is unable to fulfill the terms of the contract related to the purchase of UnoMeter™ from Convatec, including payment of the contracted instalments of the seller credit, there is a risk that

Observe Medical will have to suspend its sales under the UnoMeter™ brand.

A significant market risk relates to the supply agreement with Fresenius Medical Care for Biim Ultrasound devices, which is a key revenue source. The contract was extended in May 2024 for two years. A potential non-renewal after 2026, posing a substantial risk to future revenues.

The markets in which the Group operate are highly competitive and there is strong competition in developing and bringing new health care products to the market. Some competitors have advantages, such as vertical integration, product diversity, greater financial resources or economies of scale, which may adversely affect the Group's ability to compete on sustainable terms. Although the Group is currently not aware of any new successful competing products within Digital Urine Output Measuremnet (Sippi®) being introduced or developed, there is a possibility that other companies develop competing products that achieve the same results as the Group's products and as such compete for market shares against the Group. There is also a possibility that a competing product will have alternative or new solutions which outdate the technology that is used by the Group.

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 the war in the Middle East as well as implications after the Covid-19 pandemic, 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. The US-China relationship could potentially influence sourcing patterns and tariff costs. The company is following the situation closely and is aware that production in Asia increase the risk exposure. The Biim probe is currently being manufactured in the US.

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.

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.

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, debt financing, and seller credit 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 not sufficient to fund operations and payment of financial obligations for the next 12 months from 31 December 2024. Going forward, the Group will need to raise more equity, issue debt instruments or divest assets to fund further development of ongoing projects and future operations. As outlined in note 1, the board has the authorization to issue a subsequent offering with a potential gross proceeds of up to NOK 12 million.

If the Group is not able to successfully obtain the required capital at acceptable terms, material uncertainty would exist as to whether the Company will be able to continue as a going concern. Should this occur, the Board of Directors may evaluate further strategic options including the restructuring, sale, bankruptcy proceedings or dissolution of the Company. In case of a situation where funds may not be available in the amount needed, the value of assets can be lower than presented in the financial statements. However, this is not reflected in the valuation of the assets, as the annual accounts are based on the assumption of going concern. Reference is also made to the going concern assumption.

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 ensure continued operations to further develop and commercialize UnoMeter™ Safeti™ Plus, UnoMeter™ Safeti™ Max, Sippi® and the Biim ultrasound probe. In the longer term, goals will include securing returns for its owners, and maintaining an optimal capital structure to reduce capital expenses. So far, the Group has not had any debt with financial covenant restriction.

NOTE 6 – REVENUE AND OTHER INCOME

Amounts in NOK thousand

Revenue per product group	H1 2025	H1 2024	Change	FY 2024	FY 2023
Urine Measurement	11 327	7 048	4 279	11 487	8 285
Biim Ultrasound	0	0	0	0	1 207
Nordic distribution portfolio[1)]	0	4 932	-4 932	5 614	15 589
Other	0	0	0	128	2 862
Operating revenues	**11 327**	**11 980**	**-653**	**17 229**	**27 943**
Other income[2)]	2 167	1 077	1 090	1 255	0

[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)] Debt settlements with creditors recognized as other income in H1 2025. Indemnity settlement agreement related to the Biim acquisition leading to other income in H1 2024.

NOTE 7 - 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	25	**25**
Acquisition cost 30 June 2025	**0**	**1 700**	**1 700**
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	74	**74**
Currency translation differences	0	20	**20**
Accumulated depreciation 30 June 2025	**0**	**1 573**	**1 573**
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	-74	**-74**
Translation differences	0	5	**5**
Carrying value 30 June 2025	**0**	**127**	**127**
Expected useful economic life[1]	3-5 years	3-5 years	

No additions of tangible assets have been recognized as for the first half of 2025

NOTE 8 – INTANGIBLE ASSETS

Amounts in NOK thousand	**Goodwill**	**Trademark**	**Licence agree-meent**	**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**						**0**
Currency translation differences	**1 041**				**612**	**104**	**1 757**
Acquisition cost 30 June 2025	**103 890**	**27 976**	**4 273**	**3 329**	**104 110**	**17 667**	**261 244**
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	1 068	166	4 356	1 356	**6 947**
Impairment for the year					4 033		**4 033**
Currency translation differences	0				260	67	**327**
Acc. Amort. and Impairment 30 June 2025	**69 781**	**0**	**3 917**	**991**	**52 692**	**12 687**	**140 069**
Carrying value 1 January 2024	35 208	27 976	3 561	2 837	67 777	7 040	**144 399**
Additions	0					1 775	**1 775**
Amortization	0		-2 137	-333	-9 099	-2 081	**-13 650**
Impairment for the year	-2 675						**-2 675**
Translation differences	534				777	-435	**876**
Carrying value 31 December 2024	**33 067**	**27 976**	**1 425**	**2 504**	**59 454**	**6 300**	**130 725**
Carrying value 1 January 2025	**33 067**	**27 976**	**1 425**	**2 504**	**59 454**	**6 300**	**130 725**
Additions	0						**0**
Amortization	0	0	-1 068	-166	-4 356	-1 356	**-6 947**
Impairment for the year					-4 033		**-4 033**
Translation differences	1 042				351	37	**1 431**
Carrying value 30 June 2025	**34 108**	**27 976**	**356**	**2 338**	**51 417**	**4 980**	**121 175**
Expected useful economic life[2]	Indefinite	Indefinite	2 years	10 years	10 years	5 years	

[1] IAS 38.118-119, IAS 38.122a
[2] IAS 38.118-119, IAS 38.122a. Linear amortization.

Overview
No additions of intangible assets were recognised as for the first half of 2025.

Goodwill arises from the acquisitions of Observe Medical International in 2015, (CGU Urine Measurement). Goodwill related to CGU Ultrasound 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 from the 2023 Convatec acquisition were measured at fair value. The trademark of UnoMeter™ was identified as a material part of the transaction based on its well-known reputation and historical sales of the products in the portfolio. The valuation of the trademark was based on a royalty-by-relief method where an assumed royalty of, discounting estimated future revenues, measuring the trademark to NOK 28.0 million. The trademark has been assessed to have an indefinite lifespan useful life. The two-year license agreement with Convatec securing the Group the rights to the UnoMeter™ assets has been allocated for UnoMeter™ assets was valued at a value of NOK 4.3 million using the same method based on revenues for the first two years corresponding to the length of the license agreement. This license agreement asset is amortized over two years. Further, NOK 0.8 million and NOK 4.4 million was allocated to assets measured at a replacement cost for were allocated to information related to historical UnoMeter™ customers/distributors and technical documentation related to UnoMeter™, respectively, measured at replacement cost. These assets are amortized over 10 years.

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

Impairment policy
The Group reviews assets for impairment indicators at each balance sheet date. If indicators exist, the recoverable amount is estimated. Goodwill, indefinite-life intangibles, and intangible assets not yet available for use are tested annually, regardless of indicators. Impairment losses are recognised in profit or loss when the carrying amount exceeds the recoverable amount. Goodwill impairments are not reversible, while other intangible asset impairments may be reversed if estimates change.

Impairment assessments as of 30 June 2025
As of 30 June 2025, the Group recognised an impairment loss of NOK 4.0 million on intangible assets, consisting of technology/patents within the cash-generating unit (CGU) Ultrasound, encompassing the Biim probe. The impairment was triggered by an indication of impairment under IAS 36, due to a reassessment of the likelihood of achieving the base case scenario (full rollout to Fresenius Medical Care's ("FMC" or "Fresenius") US clinics from Q1 2026).

The reassessment reflects a more conservative approach due to the lack of feedback from FMC, despite over six months having passed since their confirmation of technological benefits during the pilot study in February 2025. The scope for further upscaling will be determined by FMC's feedback on additional rollout—anticipated after their six-month monitoring period—and by the trends observed in device usage.

Impairment Details
- **Carrying Amount pre-impairment:** NOK 45.209 million, consisting of technology and patents. Goodwill related to CGU Ultrasound was fully impaired in 2023 (see Note 2)
- **Recoverable Amount**: NOK 41.176 million, based on value in use (VIU) calculated using

a discounted cash flow (DCF) model over a five-year forecast period (2025–2029).

- **Impairment Trigger**: The absence of positive feedback from FMC over six months since February 2025, when FMC's Chief Medical Officer confirmed technological benefits but purchases pending further monitoring, prompted management to reduce the likelihood of the base case scenario. This led to an updated impairment test with revised scenario weightings to reflect heightened uncertainty in achieving projected cash flows.
- **Amortisation**: Technology and patents are amortised over 10 years with an annual expense of NOK 6.8 million. Approximately NOK 3.4 million was amortised in H1 2025, with the remaining carrying amount expected to be fully amortised within six years.
- **Reversibility**: The impairment loss on technology and patents is reversible if future developments, such as positive FMC feedback or new market opportunities, increase the VIU, up to the original carrying amount less accumulated amortisation, in accordance with IAS 36.

The recoverable amount was determined using a DCF model, incorporating four scenarios to reflect uncertainty in cash flow projections due to reliance on FMC:

Scenario	Weighting	Description
Base Case	10% (down from 25% as of 31 December 2024)	Full rollout to FMC's US clinics from Q1 2026, based on the agreement valid until April 2026.
30% Lower Revenue	20% (up from 12.5%)	Reduced rollout scale to FMC clinics.
70% Lower Revenue	20% (up from 12.5%)	Significantly reduced rollout.
Zero Case	50% (unchanged)	No revenue, reflecting the risk of non-renewal of the FMC contract. VIU is zero, but fair value less costs of disposal (FVLCD) is expected to be higher in a potential technology sale.

Management considers these weightings to appropriately reflect the increased risk of non-realisation of the FMC business case, given the lack of progress in negotiations.

The following assumptions, unchanged since 31 December 2024, were used in the DCF model:

Assumption	Value	Basis
Discount Rate (WACC)	12.7%	Calculated using CAPM with risk-free rate, market risk premium, and company-specific premium.
Revenue Growth	12.0% CAGR from 2026 (no sales in 2025)	Based on gradual rollout to FMC's US clinics
Gross Margin	60.0%	Adjusted for economies of scale
EBITDA Margin	34.6% (2026–2029)	Reflects operational efficiency improvements.
Terminal Growth Rate	2.0%	Based on long-term medical technology market outlook.
Annual CAPEX	> NOK 6 million	Required for ongoing innovation.

No changes were made to these assumptions, as no significant developments in market conditions, economic parameters (e.g., risk-free rate or market risk premium), production costs, or operational estimates have occurred since December 2024. The adjustment is isolated to scenario weightings, ensuring compliance with IAS 36's requirement for management's best estimates.

The VIU is highly sensitive to revenue assumptions due to dependence on FMC. The CGU Ultrasound has no headroom post-impairment, indicating that adverse changes in key assumptions could lead to further impairment. The following table illustrates the impact of reasonably possible changes, considered likely given FMC uncertainties:

Assumption Change	Impact on VIU (MNOK)
+1% in WACC	Decrease of ~2
-2% in Revenue Growth Rate	Decrease of ~5
-2% in Gross Margin	Decrease of ~5

-1% in EBITDA Margin	Decrease of ~4
-0.5% in Terminal Growth Rate	Decrease of ~1

Changes since 31 December 2024

The scenario weightings were adjusted to reflect increased conservatism due to over six months without FMC feedback. The base case weighting was reduced from 25% to 10%, while the 30% and 70% lower revenue scenarios increased from 12.5% to 20% each, with the null case unchanged at 50%. This resulted in a VIU of NOK 41.176 million, necessitating the NOK 4.0 million impairment loss. No other assumptions were altered, as no material changes in market or operational conditions have occurred.

Compliance and outlook

This impairment loss is recognised in accordance with IAS 36 in this interim financial report. The impairment is presented in the condensed consolidated income statement under “Impairment”.

No indications of impairment have been found for CGU Urine Measurement as of 30 June 2025. For CGU Ultrasound, should an unfavorable feedback from FMC be received in 2025 (e.g., no further upscaling), it could trigger a new impairment test, potentially leading to:

- Further impairment losses based on revised VIU calculations.
- Classification as an asset held for sale under IFRS 5, based on fair value less costs to sell, but only if a decision to sell is made.

The Auditor’s Report for 2024, included in the annual report, contains a qualified opinion due to uncertainties in the impairment assessments of goodwill and other intangible assets for the Group, as well as the valuation of shares in subsidiaries, loans to subsidiaries, and intercompany receivables for the parent company.

Despite the risks, the Biim probe remains a strategically important asset, supported by FDA approval and patents, with potential for future revenue growth driven by market adoption and strategic partnerships.

The below table is showing the carrying value of assets per CGU:

Amounts in NOK thousand	CGU Urine measurement	CGU Ultrasound	CGU Other business	Sum
As at 30 June 2025				
Goodwill	34 108	-	-	**34 108**
Trademark	27 976	-	-	**27 976**
Licence agreement	356	-	-	**356**
Technology/Patent	16 916	39 482	-	**56 398**
Customer relationships and other	644	1 694	-	**2 338**
Other tangible assets	100	27	-	**127**
Carrying value	**80 100**	**41 203**		**121 302**

Amounts in NOK thousand	CGU Urine measurement	CGU Ultrasound	CGU Other business	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 9 – OTHER OPERATING EXPENSES

Amounts in NOK thousand

	H1 2025	H1 2024
Consultants	1 438	3 518
Audit Services	2 333	1 248
Legal and professional fees	465	457
Expense relating to short-term leases	321	163
Accounting and financial services	953	1 186
IT expenses	495	579
Travel expenses	162	164
Advertising expenses	4	94
IR expenses	913	522
Patent, trademark, certification etc.	883	850
Other operating expenses	724	1 462
Total	**8 691**	**10 242**

NOTE 10 – FINANCIAL ITEMS

Amounts in NOK thousand

	H1 2025	H1 2024 *Restated*
Financial income		
Interest income	0	2
Change contingent consideration	0	87
Currency gain	1 846	1 758
Other financial income	0	49
Total	**1 846**	**1 896**
Financial expenses		
Interest expenses	3 942	2 571
Change contingent consideration	0	87
Currency loss	-2 776	2 454
Other financial expenses	6	2 071
Total	**1 172**	**7 182**
Net financial items	**674**	**-5 286**

NOTE 11 – FINANCIAL INSTRUMENTS

Loans

Navamedic ASA: The Company has two subordinated loan agreements with Navamedic for loans with an aggregate outstanding amount of NOK 40.4 million (including interest) at the date of 30 June 2025 (the Navamedic Loans).

On 8 of April 2025, the Company and Navamedic entered into an agreement in principle to reduce the the current loan balances of the two loans Navamedic ASA has to Observe Medical ASA with 50% conditional upon the following:

- That Convatec, the other main creditor of Observe Medical ASA and its subsidiaries, agrees to reduce their debt by at least 50% as well

- That Observe Medical ASA will successfully perform a new capital issue where at least 25 MNOK of new capital is raised.
- Interest payments will commence on 1 July, 2026 (instead of April 2025 previously)
- Principal payments will commence on 1 July, 2026 of NOK 100 thousand pr month, increased to NOK 200 thousand pr month on 1 January 2027
- The remaining outstanding balances are due in full on 31. December 2027
- No other changes to the loan agreements, as per the amendment of December 18, 2024.
- Navamedic ASA shall receive 2 milestone payments of NOK 10 million each after the following milestones are achieved by Observe Medical:
    1. At the time when the accumulated sales value of Sippi reached NOK 20 million
    2. At the time when the accumulated sales value of Sippi reaches 50 million

If the conditions are met, a new amortization schedule will be applied for Navamedic Loans.

It remain a risk that the Company may not be able to pay the outstanding amounts under the Navamedic Loans upon maturity, or to make the required interest payments, if the Group's financial situation does not improve.

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

Shareholder bridge-loan: On 8 January 2025, ELI AS and R. Investment Company (RIC) granted a short-term bridge facility to Observe Medical ASA of 500,000 on a 50-50 basis each.

Further on given the urgency to inject working capital in the Company during the first half of 2025, the entity entered into a new loan agreement with three lenders (ELI AS, JPB AS, and RIC) for a secured loan totaling NOK 1,700,000 (the "Secured Loan"). The loan is allocated as follows:

- ELI AS: NOK 550,000
- JPB AS: NOK 550,000
- RIC: NOK 600,000

The Secured Loan is intended for working capital purposes. Additionally, the existing loan of NOK 500,000 has been refinanced and redocumented under this agreement, collectively referred to as the "Loans." The Loans, including accrued interest and any other outstanding indebtedness, are due for repayment in full by 30 June 2025 (the "Maturity Date"). The Borrower has the option for voluntary prepayment of the Loans in multiples of NOK 1,000,000 with at least five business days' notice, and mandatory prepayment is required if it becomes unlawful for the lenders to maintain the Loans. The Loans carry an interest rate of 15% per annum, payable in full on the Maturity Date. In case of default, an additional 10% default interest applies, compounded monthly, calculated on the basis of actual days elapsed and a 365-day year. Each lender has the right to convert the Loans and other outstanding indebtedness into newly issued shares in the Borrower (the "Debt Conversion") at any time, either in connection with a planned equity raise at the same terms as other investors or at an agreed price not exceeding the relevant stock trading price. The conversion will be effected by a set-off of the outstanding amount against the issuance of whole shares, with any excess amount remaining owed. The Borrower will cover costs related to share capital increases and ensure that converted shares are registered and free of encumbrances, ranking pari passu with existing shares. The Borrower shall on best effort basis, and subject to limitations in applicable laws and agreements, seek to establish and register the Security without undue delay following the date of this Agreement. The Borrower intends to prioritise repayment of the Secured Loan and shall make reasonable efforts to explore and identify options that facilitate the prioritisation of such repayment.

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.

The Group may also incur additional indebtedness in the future, including in the near-term future.

UnoMeter™ seller credit / asset transfer agreement

In April 2025 as part of the Group's debt restructuring, an agreement in principle of a debt haircut whereby all existing debt obligations owed by Observe Medical is reduced by approximately 50% to USD 2,000,000.

The remaining balance of the debt obligations, amounting to USD 2,000,000, shall be addressed through a structured repayment arrangement as follows:

- USD 1,000,000 "(the initial payment") shall be payable in connection with and conditional upon the successful completion of the contemplated capital injection.
- The remaining USD 1,000,000 shall be deferred and paid in two equal tranches: USD 500,000 by 31 December 2026 and USD 500,000 by 31 December 2027. The deferred balance shall be non-interest bearing and shall not accrue any further obligations or cumulative claims during the deferral period.

Upon receipt of the Initial Payment by the sellers, the acquired assets and transferred intellectual property rights will be considered transferred to the Buyer, and the purchase price will be deemed paid, with closing deemed to have occurred. Concurrently, the License Agreement will be terminated, and the sellers will ensure that all transferred intellectual property rights are formally registered in the Buyer's name, with the Buyer covering all related registration costs. The sellers are obligated to maintain all rights until the transfer is completed.

Upon the agreement entering into force, conditional on the successful capital injection, payment of the Initial Payment, no further obligations will exist between the parties other than the payment of the two deferred tranches of USD 500,000.

As the agreement is conditional upon a successful capital injection and payment of USD 1,000,000, which had not been fulfilled as of 30 June 2025, the agreement and related obligations are not reflected in the balance sheet as of that date. The entity will recognize the financial liability in the financial statements once the conditions are met and the agreement becomes effective.
Please refer to note 15 events after the reporting date.

Financial liabilities as at 30 June 2025

Amounts in NOK million	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		3.4	25.9	23.4			52.7	40.4
Trade account payables	22.2	1.8	1.8				25.8	25.8
Other current liabilities		1.4					1.4	1.4
Payables to Convatec[1)]	0.5	12.0	29.3				41.9	37.0
Other current interest-bearing liabilities[2)]	7.0						7.0	7.0
Total	31.8	18.3	55.2	23.4	0.0	0.0	128.7	111.6

Financial liabilities as at 31 December 2024

Amounts in NOK million	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)] Change from 31 December 2024 due to currency effects
[2)] Innovation loan from Business Finland to Biim Ultrasound Oy, and shareholder bridge-loan

As part of a broader debt restructuring, the company has negotiated haircuts and extended payment terms with a majority of suppliers, resulting in deferred trade payables. The haircut agreements are payable after the company formally adopted the private placement of 11 June 2025, at the extraordinary general meeting 3 July 2025.

Classification of financial assets and liabilities as at 30 June 2025

Amounts in NOK million	**Measured at amortised cost**	**Fair value through profit or loss**	**Total**
Current assets			
Cash and cash equivalents	3.0		3.0
Trade receivables and other receivables	4.0		4.0
Total current financial assets	7.0		7.0
Non-current financial liabilities			
Payables loan to Navamedic group	40.4		40.4
Payables debt to Convatec	21.8		21.8
Total non-current financial liabilities	**62.3**	**0.0**	**62.3**
Current financial liabilities			
Trade account payables	25.8		25.8
Other current liabilities	1.4		1.4
Payables debt to Convatec	15.1		15.1
Other current interest-bearing liabilities [1]	7.0		7.0
Total current financial liabilities	**49.3**		**49.3**
Total financial liabilities	**111.6**	**0.0**	**111.6**

Classification of financial assets and liabilities as at 31 December 2024

Amounts in NOK million	Measured at amortised cost	Fair value through profit or loss	Total
Current assets			
Cash and cash equivalients	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 loan 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 shareholders bridge loan
[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

Amounts in NOK million	Bank loans	Overdraft facility	Loans from Navamedic Group	Contingent consideration upon acquisitions	Lease liabilities	Other[3)]	Total
Carrying value 1 January 2025			38.4				38.4
Cash flow						2.2	2.2
Change in liability due to aquisition							
Change in liability with no cash effect			2.0				2.0
Carrying value 30 June 2025	0.0	0.0	40.4	0.0	0.0	2.2	42.6

Amounts in NOK million	Bank loans	Overdraft facility	Loans from Navamedic Group	Contingent consideration upon acquisitions	Lease liabilities	Other	Total
Carrying value 1 January 2024	0.9		49.9	1.6	0.8	-1.5	54.7
Cash flow	-0.9				-0.5	-1.5	-2.9
Change in liability due to aquisition							
Change in liability with no cash effect[4]			-11.5	-1.6	-0.3		-13.4
Carrying value 31 December 2024	0.0	0.0	38.4	0.0	0.0	0.0	38.4

[3)] Shareholder bridge loans of NOK 2.2 million
[4)] Navamedic loan converted to share capital, partly offset by interest

	30.06.2025		31.12.2024	
Amounts in NOK million	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Current financial assets				
Trade receivables and other receivables	4.0	4.0	3.9	3.9
Cash and cash equivalents	3.0	3.0	2.0	2.0
Total current financial assets	7.0	7.0	5.9	5.9
Total financial assets	**7.0**	**7.0**	**5.9**	**5.9**
Non-current financial liabilities				
Other non-current interest bearing liabilities				
Lease liabilities				
Payables loan to Navamedic group	40.4	38.4	38.4	38.4
Payables loan to Convatec[1)]	21.8	22.5	23.2	25.5
Total non-current financial liabilities	**62.3**	**63.0**	**61.6**	**63.9**
Current financial liabilities				
Payables loan to Convatec[1)]	15.1	15.1	17.0	17.0
Trade account payables	25.8	25.8	18.1	18.1
Other current interest bearing liabilities[2)]	7.0	7.0	1.4	1.4
Other current liabilities	1.4	1.4	18.1	18.1
Total current financial liabilities	49.3	49.3	41.2	41.2
Total financial liabilities	**111.6**	**112.3**	**102.8**	**105.2**

[1)] 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.
[2)] Other non-current interest-bearing liabilities consisting of “Business Finland” innovation loan in Biim Ultrasound Oy and shareholders bridge loan
[3)] Trade account payables include the agreed conversion of NOK 3.0 million to shares, refer to note 15.

For financial instruments recognized at amortized cost, the carrying amount of current financial assets and liabilities is considered a reasonable approximation of their fair value due to their short-term nature. This approach ensures a practical assessment of their value as of the reporting date. The interest rate of non-current financial liabilitities is considered not to be significantly different from what the Group could achieve as of 31 December 2024, as such the carrying amount is considered not to be significantly different from the fair value. Given the Group's financial position, the fair value may be lower than the carrying amount. See note 1 regarding Going concern and note 5 Financial risk management.

NOTE 12 – 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.

	H1 2025	**FY 2024**
Profit for the period (TNOK)	-19 048	-58 727
Average no of shares	19 258 412	228 982 947
Earnings per share (NOK)	**-0.99**	**-0.26**

NOTE 13 – RELATED PARTIES

Transactions and balances with related parties

Amounts in NOK thousand		**As at 30.06.2025**	**As at 31.12.2024**
Operational Expenses	Reiten&Co AS	22	750
Financial expenses	Navamedic ASA	2 050	5 523
Interest bearing debt	Navamedic ASA	40 367	38 317
Financial expenses	RIC	85	0
Interest bearing debt	RIC	800	38 317
Financial expenses	ELI AS	32	0
Interest bearing debt	ELI AS	800	0
Financial expenses	JPB AS	67	0
Interest bearing debt	JPB AS	550	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.

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 14 – SHAREHOLDER INFORMATION

Top 20 shareholders at 30 June 2024
Updated shareholder information can be found at https://observemedical.com/investor-relations/

		30 June 2025	
Rank	**Name**	**Holding**	**Stake**
1	NAVAMEDIC ASA	3 007 317	15.62 %
2	R INVESTMENT COMPANY AS	2 103 571	10.92 %
3	JPB AS	1 170 996	6.08 %
4	ELI AS	884 219	4.59 %
4	GINNY INVEST AS	616 666	3.20 %
6	RO, LARS	500 000	2.60 %
7	BJØRNTVEDT, VEGARD	498 370	2.59 %
8	CAM AS	442 210	2.30 %
9	SILVERCOIN INDUSTRIES AS	424 495	2.20 %
10	PHILIP HOLDING AS	366 666	1.90 %
11	KING KONG INVEST AS	333 333	1.73 %
12	WANGESTAD, ANDREAS	273 666	1.42 %
13	NYGAARD, ARVID HALVOR	259 551	1.35 %
14	GUNERIUS PETTERSEN AS	248 333	1.29 %
15	LAPAS AS	231 220	1.20 %
16	NORDNET LIVSFORSIKRING AS	211 238	1.10 %
17	KRISTIANSEN, DAGFINN HELGE	210 000	1.09 %
18	NORDNET BANK AB	204 242	1.06 %
19	ABC INVEST AS	166 666	0.87 %
20	TAJ HOLDING AS	165 433	0.86 %
	SUM TOP 20 SHAREHOLDERS	12 318 192	63.96 %
	OTHER SHAREHOLDERS	6 940 220	36.04 %
	Total	**19 258 412**	**100.00 %**

NOTE 15 – EVENTS AFTER THE REPORTING DATE

After the reporting date, Observe Medical ASA announced the successful completion of a private placement of 72,890,000 new shares at a subscription price of NOK 0.50 per share, raising gross proceeds of NOK 36,445,000, of which NOK 8,000,000 was settled through debt conversion. The extraordinary general meeting was held on July 3, 2025.

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
22 August 2025	**92 148 412**

The following primary insiders participated in the private placement:

Primary insiders	Private placement - No of shares	Holding as of 22 August 2025	
R Investment Company AS	8 000 000	10 103 571	Closely associated enterprise, Terje Bakken, Chairman of the Board and Line Tønnessen, board member and general manager in RIC
Seed Capital AS	5 000 000	5 016 155	Closely associated enterprise , Eskild Endrerud, Board Member
Glimt Invest AS	2 350 000	2 350 000	Closely associated enterprise, Terje Bakken, Chairman of the Board
Jørgen Mann	800 000	840 000	Chief Executive Officer
Johan Fagerli	340 000	356 716	Chief Financial Officer

Subsequent to the reporting period, the conditional agreements with Navamedic and Convatec has been fulfilled.

Navamedic loan:

- According to the agreement conditional upon a successful capital injection of minimum NOK 25 million, The loan has as of July 3 been reduced from approximately NOK 40.4 million to approximately 20.2 million.
- In addition, Navamedic has in the private placement converted NOK 5.0 million of the loan to shares in Observe Medical ASA.
- Following the above and the Extraordinary general meeting as of 3 July 2025, the loans to Navamedic amount in total to approximately NOK 15.2 million including accumulated interest. Details about the amendments in note 11.

Convatec / Unomedical:

- As the Extraordinary general meeting adopted the private placement, Observe Medical and Convatec / Unomedical has aggreed that the outstanding debt is reduced to USD 1.0 million after Observe Medical paid USD 1.0 million.
- The Licence agreement is terminated and all assets listed in the asset transfer agreement is transferred to Observe Medical.
- The remaining debt of USD 1.0 million is without interest, and is payable in two equal instalments, December 2026 and December 2027.

Subsequent to the reporting period, 22 July 2025, Observe Medical ASA granted 2,600,000 share options to its CEO and CFO. The options vest in three equal tranches over two years and are exercisable until 22 July 2028 at exercise prices of NOK 2.00 (700,000 options) and NOK 0.50 (1,900,000 options). Shares acquired are subject to a 12-month lock-up, subject to customary exceptions.

ALTERNATIVE PERFORMANCE MEASURES (APMS)

The condensed consolidated interim financial statements are prepared in accordance with international financial reporting standards (IFRS). In addition, management uses certain alternative performance measures (APMs). The APMs are regularly reviewed by management and their aim is to enhance stakeholders' understanding of the company's performance and financial position alongside IFRS measures. APMs should not be considered as a substitute for, or superior to, measures of performance in accordance with IFRS. APMs are calculated consistently over time and are based on financial data presented in accordance with IFRS and other operational data as described and reconciled below. As APMs are not uniformly defined, the APMs set out below might not be comparable to similarly labelled measures by other companies. The current interim financial statements include the retrospective restatement of a prior period error. The error is related to a financial liability not having been recognised for the obligation to acquire non-controlling interests in a subsidiary. No APMs are affected by this restatement. The income statement for previous periods is re-presented, see note 1 for further details. Affected APMs are re-presented accordingly and Earnings per share (adjusted) for continuing operations is presented as an APM.

Gross result	Operating revenues less direct cost of materials as cost price, transportation and warehouse cost of materials for sale. Gross result is a sub-total in the condensed consolidated statement of income.
Gross result adjusted	Gross Profit adjusted for one-off items, non-recurring expenses such as write-down
EBIT	Earnings before net financial items, results from associates and joint ventures and income tax. EBIT is a sub-total in the condensed consolidated statement of income.
EBITDA adjusted	EBITDA of the Company before any extraordinary or unusual one-time non-recurring expenses or other charges as reflected in the Company's audited consolidated financial statements for the year
EBITDA	Earnings before interest, tax, depreciation and amortization. EBITDA is asub-total in the condensed consolidated statement of comprehensive income.
Operating expenses	Employee benefit expenses plus other operating expenses.
Net interest-bearing debt	Non-current and current interest bearing liabilities deducted bank deposits
Equity ratio	Total equity divided by total assets

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This report includes, among other things, forward-looking information and statements that are subject to risks and uncertainties, which may cause actual results to differ from expectations. These statements and this report are based on current expectations, estimates, and projections regarding economic conditions. While Observe Medical ASA believes its expectations and assumptions are reasonable, there is no guarantee that they will be achieved or that actual results will align with those outlined in the report.

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