



## REPORT ON SALARIES AND OTHER REMUNERATION TO LEADING PERSONNEL IN OBSERVE MEDICAL ASA YEAR 2025

### Introduction

This report on salaries and other remuneration to leading personnel (the "**Report**") of Observe Medical ASA (the "**Company**") is based on the guidelines for the determination of salaries and other remuneration of leading personnel in the Company which were approved by the Company's general meeting on June 3, 2022 ("**Guidelines**").

The report is based on the requirements set out in the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 (the "**Companies Act**") section 6-16 and 6-16 b, as well as Regulation on guidelines and report on remuneration for leading personnel of 11 December 2021 No. 2730 (the "**Regulation**"). The report is formulated in line with the European Commission's template for remuneration reports.

Information required by the Norwegian Act relating to Annual Accounts of 17 July 1998 no. 56 ("**Accounting Act**") section 7-31 b is included in the notes to the Company's 2024 annual financial statements.

Remuneration to board members is not covered by this Report. None of the board members are employed by the Company.

### The Company

Observe Medical is a Nordic medtech company that develops, markets and sells innovative medtech products for the global market. The Company is committed to improving patient welfare and patient outcomes, improving clinical data accuracy and promoting positive health economics. The Company seeks to drive growth by leveraging its expertise in sales and commercialization of its broad portfolio of medical technology products. Observe Medical is working with a network of leading distributors to provide outstanding solutions for healthcare professionals globally. The Company is headquartered in Oslo, Norway. Further information is available at [www.observemedical.com](http://www.observemedical.com) and in the Annual Report for 2025.

### Guidelines for remuneration

The main principle for Observe Medical's remuneration policy is that the Senior Executives shall be offered competitive terms when their total remuneration package is taken into account. Such package may consist of elements such as base salary, bonus, investment and option programmes, benefits in kind and pension arrangements. The Company shall seek to offer a remuneration level that is considered competitive and on market terms, compared to the level offered by similar companies, and which contribute to satisfy the Company's need to recruit and keep highly qualified personnel.

The remuneration for senior executives consists of a number of elements. The salary is determined by taking into account the individual's position, experience and performance, the competitiveness in the market and the Company's salary budget shall be taken into account. In addition, senior executives are offered contribution in kind in the form of cost coverage for reasonable and documented business expenses related to the performance of required functions, including for phone and phone expenses, private broadband, company health services, insurances, car allowance and coverage of travel expenses. Furthermore, senior executives participate in the Company's insurance schemes and defined contribution pension schemes in accordance with mandatory law and market practice.

The Senior Executives may choose between disposing a company car or receive a fixed car allowance.

Senior executives may also receive variable remuneration. Performance-based bonus is based on both the Company's and the senior executives' individual performance. The targets to be reached by the chief executive officer are to be determined by the Company's board, and the chief executive officer will set relevant targets for the other members of the management, based on principles defined by the Company's board.

In order to further align the interests of the Senior Executives by those of the Company, share options in the Company may be granted to the Senior Executives as a



part of their total remuneration package. The Company may also implement share purchase programmes. Such alignment of interests is considered important to fulfil the Company's goals and business strategy. The board of directors may grant share options both in connection with individual grants and in connection with implementation of new share option programs or investment programs for the Company's employees, including the Senior Executives, or only to the Senior Executives. Any new options granted shall vest over a period of 0 - 3 year and shall be subject to a 12 to 24 months lock-up period upon issuance, at the board of directors' discretion. Any shares issued or sold under a share purchase program shall be subject to a 12 to 24 months lock-up period upon issuance, at the board of directors' discretion.

The Company's Guidelines on Salary and Other Remuneration to Leading Personnel were approved by the General Meeting on 3 June 2022. These guidelines must be reviewed and reapproved by the general meeting if significant changes occur or at least every four years. Since no significant changes are proposed for 2025, the company does not seek an update to these guidelines at the upcoming Annual General Meeting.

### **Company performance in 2025**

2025 represented a turning point for Observe Medical, characterized by the successful structuring of the Company's financial position and the continued commercialization of the UnoMeter™ portfolio. The Company's primary focus has been on reclaiming the market position of its core products and ensuring a sustainable foundation for growth.

- Operating revenues for 2025 amounted to NOK 18.8 million, reflecting a year-over-year increase of NOK 1.6 million. This growth was primarily driven by the strong performance of the UnoMeter™ portfolio, which grew by NOK 7.3 million (+64%) following the successful introduction of UnoMeter™ Safeti Plus. This robust organic growth more than offset the NOK

5.7 million revenue reduction resulting from the planned phase-out of the Nordic distribution business in 2024.

- The Group achieved a gross result (adjusted for inventory write-downs) of NOK 5.3 million, up from NOK 4.9 million in 2024. The adjusted gross margin of 28.4% reflects an improved product mix, even as the Company managed global freight and supply chain pressures.
- The Group's Adjusted EBITDA for 2025 was negative NOK 25.6 million, representing an improvement from negative NOK 28.2 million in 2024. This positive trend was supported by a 10% reduction in operating expenses, which decreased to NOK 31.0 million, driven by lower employee benefit expenses following 2024 redundancies and a reduction in consultancy spend.
- A critical milestone in 2025 was the comprehensive debt restructuring and capital raises. These efforts resulted in a significant gain on the derecognition of financial liabilities, amounting to NOK 30.4 million in net financial income (compared to a net financial expense of NOK 11.7 million in 2024). Additionally, the Company negotiated debt reductions resulting in other income of NOK 2.3 million. These actions have fundamentally addressed the working capital challenges identified at the end of 2024 and secured the Company's financial runway.
- The Company recorded an impairment loss of NOK 41.7 million related to the Ultrasound CGU, reducing its carrying amount to zero based on updated commercial assumptions. No impairment was recognized for the Urine Measurement CGU, which remains the Company's core growth driver. Consequently, the net result for the year improved to negative NOK 48.6 million, compared to negative NOK 58.7 million in 2024.

## Remuneration to leading personnel

Table 1 and 2 below shows total remuneration The Company's leading persons have been paid or have benefited from being paid by the Company in 2025, 2024, 2023, 2022 and 2021.

(Amounts in NOK thousand)

Table 1 - Current members									
Name of Director	Financial year	Fixed remuneration		Variable remuneration		Option expenses	Pension expense	Total remuneration	Proportion of fixed and variable remuneration, (excl options and pension expenses)
		Base salary	Other benefits	One-year variable	Multi-year variable				
Jørgen Mann, CEO <sup>1)</sup>	2025	2 947	175	1 570	0	952	293	5 937	67/33
Johan M. Fagerli, CFO	2025	1 506	99	680	0	317	182	2 784	70/30

<sup>1</sup> The amount is converted from DKK to NOK at an exch. rate of 1,57.

Table 2 - Former members									
Name of Director	Financial year	Fixed remuneration		Variable remuneration		Option expenses	Pension expense	Total remuneration	Proportion of fixed and variable remuneration, (excl options and pension expenses)
		Base salary	Other benefits	One-year variable	Multi-year variable				
Rune Nystad CEO <sup>2)</sup> (until 29.02.24)	2024	441	2	350	0	43	31	866	56/44
	2023	2 324	6	100	0	452	172	3 054	96/4
	2022	1 781	118	800	0	67	124	2 890	70/30
Per Arne Nygård CFO <sup>2)</sup> (until 21.03.24)	2024	867	49	0	0	0	46	961	100/0
	2023	1 640	96	500	0	26	172	2 434	78/22
	2022	1 636	95	810	0	256	158	2 955	68/32
	2021	1 588	104	750	0	867	182	3 491	69/31
	2020	1 272	88	0	0	0	119	1 479	100/0

<sup>2</sup> Rune Nystad stepped down from his position as CEO 29. February 2024, and amounts included above are remuneration in the period 1 January – 29 February 2024. Per Arne Nygård stepped down from his position as CFO from March 2024 and amounts included above are remuneration in the period 1 January – 11 April 2024.

Senior Executives participate in the Company's insurance scheme as well as in the Company's defined contribution pension scheme, which currently is 7% of salary from 0G to 7.1G and 13% from 7.1G to 12G. The CEO has a defined contribution pension scheme within the requirement of the law in Denmark, currently 10% of the Executive's salary. The pension contribution payable by the Executive amounts to 5% of the Executive's salary.

### Option-based remuneration to leading personnel in the Company

Table 3 below shows the number of options, warrants and other forms of remuneration related to shares or developments in the Company or other companies within the same group of companies that have been granted or offered, as well as the most important conditions for exercising the options, including subscription price, subscription deadline and any changes of these.

The company have no share options subject to performance conditions or share options subject to holding period.

Share options at 31 December 2025									
Name and position	Award date	Vesting date	End of holding period	Exercise period	Exercise price of the share and date[1]	Share options held at the beginning of the year	Share options awarded	Share options vested	Share options awardee and unvested
Jørgen Mann (CEO)	26.08.2024	26.08.2024	26.08.2025	26.8.24- 25.8.27	6.60	22 222		22 222	0
	26.08.2024	26.08.2025	26.08.2026	26.8.25-25.8.27	6.60	22 222		22 222	0
	26.08.2024	26.08.2026	26.08.2027	26.8.26-25.8.27	6.60	22 222			22 222
	22.07.2025	22.07.2025	22.07.2026	22.7.25- 22.7.28	0.50		500 000	500 000	0
	22.07.2025	22.07.2026	22.07.2027	22.7.26 - 22.7.28	0.50		500 000		500 000
	22.07.2025	22.07.2027	22.07.2028	22.7.27 - 22.7.28	0.50		500 000		500 000
	22.07.2025	22.07.2025	22.07.2026	22.7.25- 22.7.28	2.00		166 667	166 667	
	22.07.2025	22.07.2026	22.07.2027	22.7.26 - 22.7.28	2.00		166 667		166 667
22.07.2025	22.07.2027	22.07.2028	22.7.27 - 22.7.28	2.00		166 666		166 666	
<b>Sum</b>						<b>66 667</b>	<b>2 000 000</b>	<b>711 111</b>	<b>1 355 555</b>
Johan Fagerli (CFO)	12.12.2024	12.12.2024	12.12.2025	12.12.24-12.12.27	6.00	11 111		11 111	
	12.12.2024	12.12.2025	12.12.2026	12.12.25-12.12.27	6.00	11 111		11 111	
	12.12.2024	12.12.2026	12.12.2027	12.12.26-12.12.27	6.00	11 111			11 111
	22.07.2025	22.07.2025	22.07.2026	22.7.25- 22.7.28	0.50		133 333	133 333	
	22.07.2025	22.07.2026	22.07.2027	22.7.26 - 22.7.28	0.50		133 334		133 334
	22.07.2025	22.07.2027	22.07.2028	22.7.27 - 22.7.28	0.50		133 333		133 333
	22.07.2025	22.07.2025	22.07.2026	22.7.25- 22.7.28	2.00		66 667	66 667	
	22.07.2025	22.07.2026	22.07.2027	22.7.26 - 22.7.28	2.00		66 667		66 667
22.07.2025	22.07.2027	22.07.2028	22.7.27 - 22.7.28	2.00		66 666		66 666	
<b>Sum</b>						<b>33 333</b>	<b>600 000</b>	<b>222 222</b>	<b>411 111</b>
Rune Nystad (former CEO)	11.11.2022	11.11.2023	11.11.2024	11.11.23-11.11.26	67.5	22 222		22 222	0
	11.11.2022	11.11.2024	11.11.2025	11.11.24-11.11.26	67.5	22 222		22 222	0
	11.11.2022	11.11.2025	11.11.2026	11.11.25-11.11.26	67.5	22 222		22 221	0
<b>Sum</b>						<b>66 666</b>	<b>0</b>	<b>66 667</b>	<b>0</b>
<b>Total</b>						<b>166 666</b>	<b>2 600 000</b>	<b>1 000 000</b>	<b>1 766 665</b>

In line with the Company's long-term incentive plan, Observe Medical ASA granted a total of 2,600,000 share options to the CEO and CFO during 2025. These grants are designed to ensure a strong alignment between executive compensation and long-term shareholder value creation. To promote long-term commitment, the options are

subject to a graded vesting model over a two-year period. One-third (1/3) of the options vested immediately upon the award date, while the remaining two-thirds vest in equal installments on the first and second anniversaries of the grant. Furthermore, any shares acquired through the exercise of these options are subject to a 12-month lock-



up period, ensuring continued exposure to the Company's performance.

The 2025 grants were structured with two distinct exercise prices to balance performance incentives: 700,000 options were granted with an exercise price of NOK 2.00 per share and 1,900,000 options were granted with an exercise price of NOK 0.50 per share. All options granted in 2025 remain exercisable during specific windows until their final expiry on 22 July 2028, and will lapse if not exercised within this date.

CEO Jørgen Mann was granted a total of 2,000,000 options (500,000 at NOK 2.00 and 1,500,000 at NOK 0.50). Following this grant and accounting for the 2024 reverse share split, his total holding consists of 840,000 shares and 2,066,667 options. CFO Johan Fagerli was granted a total of 600,000 options (200,000 at NOK 2.00 and 400,000 at NOK 0.50). Following this grant and accounting for the 2024 reverse share split, his total holding consists of 356,716 shares and 633,333 options.

In accordance with IFRS 2, the fair value of the options is determined at the grant date and recognized as a personnel expense over the vesting period, with a corresponding increase in equity. Status of Previous Grants (2024): The executive management also holds options granted in 2024. These grants were adjusted following the reverse share split carried out in 2024. CEO Jørgen Mann holds 66,667 adjusted options from the August 2024 grant, with an adjusted exercise price of NOK 6.60. CFO Johan Fagerli holds 33,333 adjusted options from the December 2024 grant, with an adjusted exercise price of NOK 6.00. These earlier grants follow a similar 12-month lock-up period on shares acquired through exercise and remain part of the total incentive structure.

The option agreements regulate the adjustments in strike price in the event that a share issue or repair issue is conducted by the Company. If such events the exercise price shall be reduced to reflect the dilutive effect of the share issue.

#### **The company's use of access to recover variable remuneration**

The Company may not require repayment of variable remuneration, except in the event of obvious errors in the calculation or the payment process.

#### **Total remuneration paid compared to the Guidelines**

Total remuneration to leading personnel during 2025 has complied with the Company's Guidelines. The main principle is for the Guidelines to ensure that the Company can retain and recruit qualified and competent senior executives, so that the company's business strategy and, as such, long term interests can be achieved. The board believes that the remuneration paid and outlined in this Report has ensured that the Company is able to retain key personnel and therefore contributed to the Company's long-term results and strategies.

#### **Performance-based remuneration**

The Senior Executives may be offered bonuses in addition to their base salary. Such bonus shall be agreed on an individual basis if applicable.

The company's most important drivers for growth are innovative products with great market potential, high competence within the various phases of commercialization of medtech products, as well as strong customer and supplier relationships. When determining bonuses for senior executives, the board of directors shall consider fulfilment of the company's growth strategy.

The variable remuneration is earned over a period of one year.

For the variable remuneration paid to the executive management team in 2025, the board of directors has emphasized the following important steps in the execution of the company's strategy:

- Expand global sales channels through expanding distribution network
- Successful production set-up and commercialization of UnoMeter™ products
- Successful completion of share issue, capital structure and other financing

Based on these achievements, the Board of Directors decided to award variable remuneration to the company's management. The CEO was awarded performance-based incentives equivalent to 50% of the base salary, as well as an extraordinary bonus awarded in recognition of the successful completion of the capital raise (private placement). These payments were deemed essential to reflect the significant strategic efforts required during the year and to align executive rewards with the secured

financial position of the Company. The CFO was awarded variable remuneration equivalent to 50% of base salary, reflecting his contributions to the company's financial management and financial planning and successful share issues.

These payments are in line with the company's Guidelines for remuneration, and contribute to the company's long-term strategy by incentivizing performance aligned with key growth objectives

#### Derogations and deviations from the remuneration guidelines and from the procedure for implementation of the guidelines

The Company has not made any exception from the decision-making process when establishing the Guidelines or deviated from the Guidelines due to special circumstances as mentioned in section 4 (4) of the Regulation.

#### Information on changes in remuneration and company performance

Table 4 below shows the change in remuneration paid to leading personnel last five years. Observe Medical ASA was incorporated on June 13, 2019.

(Amounts in NOK thousand)

Year / Annual change		2025	2024	2023	2022	2021
Jørgen Mann, (CEO) <sup>1)</sup>	Total NOK	4 985	3 603	N/A	N/A	N/A
	Change NOK	1 382	N/A	N/A	N/A	N/A
	Change %	38,4 %	N/A	N/A	N/A	N/A
Johan M. Fagerli, (CEO) <sup>1)</sup>	Total NOK	2 467	1 426	N/A	N/A	N/A
	Change NOK	1 041	N/A	N/A	N/A	N/A
	Change %	73,0 %	N/A	N/A	N/A	N/A
Rune Nystad, (CEO)	Total NOK	N/A	823	2602	2 823	N/A
	Change NOK	N/A	N/A	-221	N/A	N/A
	Change %	N/A	N/A	-7,8 %	N/A	N/A
Per Arne Nygård (CFO)	Total NOK	N/A	961	2 408	2 699	2 624
	Change NOK	N/A	N/A	-294	75	1 145
	Change %	N/A	N/A	-10,9 %	2,9 %	77,4 %
Avg. remuneration on a FTE of the Company *	Total NOK	2 644	1 871	1 910	2 192	2 624
	Change NOK	773	-39	-282	-432	N/A
	Change %	41,3 %	-2,0 %	-12,9 %	-16,5 %	N/A
Avg. remuneration on a FTE of the Group **	Total NOK	1 734	1 829	1 333	1 525	N/A
	Change NOK	-95	496	-192	N/A	N/A
	Change %	-5,2 %	37,2 %	-12,6 %	N/A	N/A
Operating revenue (Group)	Total NOK	18 811	17 229	27 942	19 521	24 042
	Change NOK	1 582	-10 713	8 421	-4 521	21 081
	Change %	9,2 %	-38,3 %	43,1%	-18,8%	712 %
Net Loss (Group) <sup>1)</sup>	Total NOK	-48 639	-58 727	-135 099	-50 725	-26 321
	Change NOK	10 088	76 372	-9 620	-24 404	10 547
	Change %	17,2 %	56,5 %	-18,9%	-92,7%	28,6%

\*Avg. remuneration of 1.8 FTE, \*\*Avg. remuneration of 4.7 FTE in the group companies in 2025

<sup>1)</sup>Jørgen Mann was appointed as CEO in Observe Medical from February 29, 2024, Johan Fagerli was appointed CFO from March 21, 2024.

The 'total remuneration' in the table above does not include share option expenses.

**Consideration at general meeting.**

This report was approved by the Company's Chairman of the Board and Head of Remuneration Committee, Terje Bakken, on behalf of the Board of directors on 28 April and was subsequently submitted for final approval by the Company's annual general meeting on 29 May, 2025.

**Observe Medical ASA**  
**Oslo, 29 April, 2026**

A handwritten signature in blue ink, appearing to read "T. Bakken", with a long horizontal stroke extending to the right.

Terje Bakken

Chair of the Board



Statsautoriserte revisorer  
Ernst & Young AS

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To the General Meeting in Observe Medical ASA

## INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REMUNERATION REPORT

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Observe Medical ASA's report on salary and other remuneration to leading personnel (the remuneration report) for the financial year ended 31 December 2025 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### Our independence and quality control

We are independent of the company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we

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performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 29 April 2026  
ERNST & YOUNG AS

*The auditor's assurance report is signed electronically*

Anja Maan  
State Authorised Public Accountant (Norway)


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