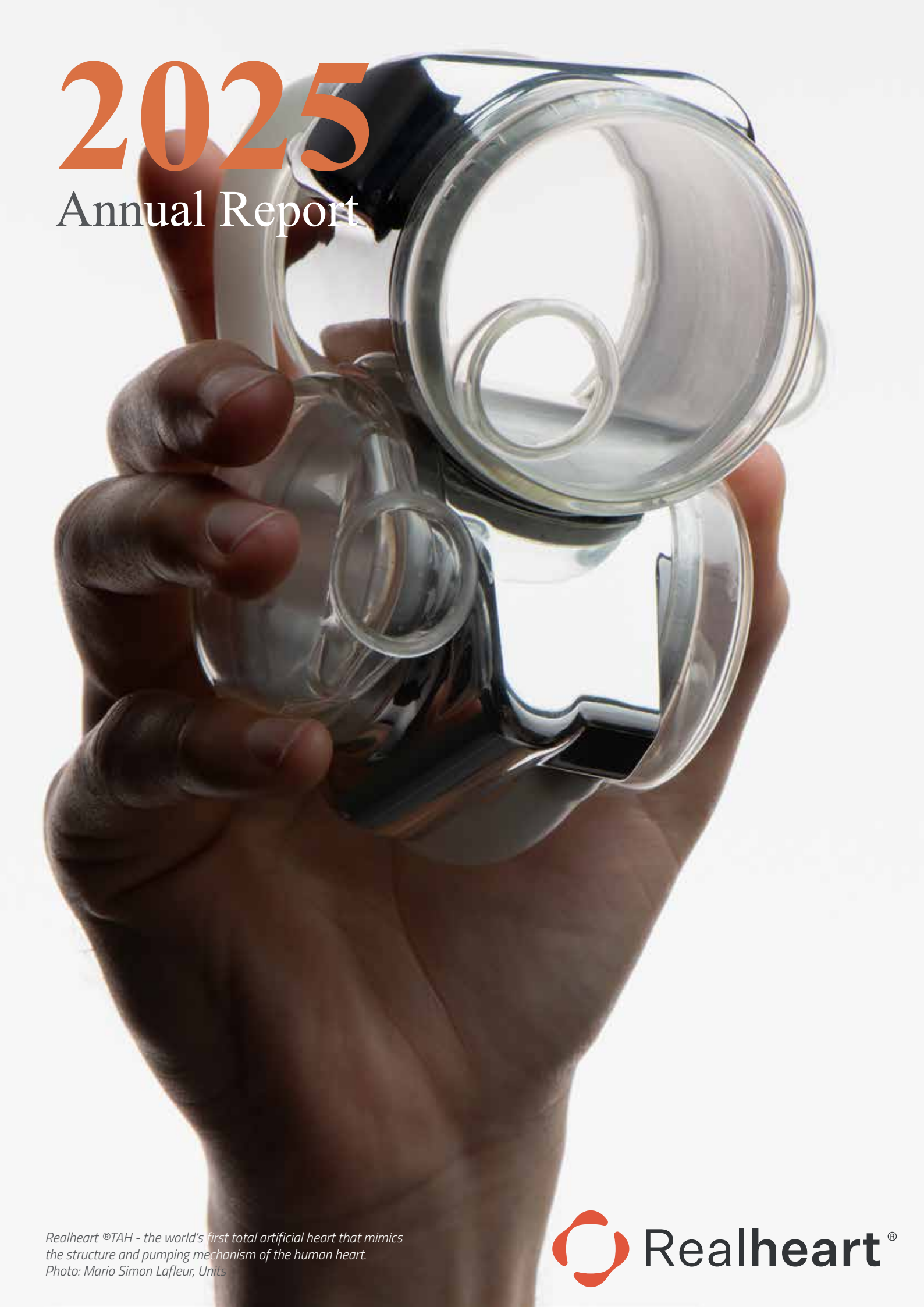
2025 Annual Report



Realheart ®TAH - the world's first total artificial heart that mimics the structure and pumping mechanism of the human heart.
Photo: Mario Simon Lafleur, Units

Realheart®

Content

"The Company" or "Realheart" refers to Scandinavian Real Heart AB with corporate registration number 556729-5588.

Images in the annual report show photo models demonstrating the Realheart® TAH. Both the implanted heart pump and the external patient unit are under development and not yet approved for clinical use.

CEO Ina Laura Perkins with a model of Realheart® TAH. Photo: Pia Nordlander, Studio BildN.

VD Ina Laura Perkins med Realheart® TAH.

CEO Ina Laura Perkins

2025 was a year in which Realheart took clear steps forward – scientifically, financially and organizationally. We confirmed that Realheart® TAH works according to our physiological idea, we achieved an important breakthrough in survival studies, we strengthened our ownership base and we began to prepare the company for industrialization and long-term sustainable production.

Breakthrough in Survival Studies
One of the most significant advances of the year was that, for the first time, we achieved seven-day survival in sheep. Realheart® TAH delivered automatically regulated blood flow that matched the animal's activity level, and the sheep exhibited normal behavior. This was a strong indication that our concept works in practice. Previous trials had been terminated after four days, which we assessed was due to renal effects associated with the heart-lung machine (HLM).

In 2025, we therefore improved the HLM procedure in close collaboration with the large animal lab, and we were able to perform an implantation that lasted seven days without signs of renal effects. The animal was euthanized electively due to bleeding - a known complication following major cardiac surgery - but the limitation that had previously halted our experiments had been overcome.

A Strengthened and Long-Term Ownership Base
During the year, we took important steps to reduce financial risk and create a more stable ownership structure. The private placement brought in two new major shareholders - Claes Mellgren and Per-Olof Andersson, the founders of AQ Group - and the EIC also subscribed to shares in the offering. In July, we received the linked payment from EIC, and in August, we received a grant payment from EIC Accelerator.

In December, a rights offering of approximately SEK 70 million was approved, with about 70% guaranteed by existing shareholders and the outcome being approximately 70% subscribed. Realheart now stands on a significantly stronger financial footing with long-term, value-driven principal shareholders.

From Validation to Industrialization
The breakthrough in the survival study and our strengthened ownership structure made it possible to broaden our focus to include production and quality. In 2025, we hired a production technician, a quality engineer, and a production manager. We refined our production processes, implemented an ERP system, and planned the move to new, purpose-built facilities in 2026, where we can build our production lines for future clinical needs.

The next technical step is system-level endurance bench testing, where Realheart® TAH will be tested for six months. At the component level, we have already seen very strong results, but full-scale testing requires stable and reproducible production processes.

Patent and International Visibility
In 2025, we strengthened our global patent position with new patents granted in the U.S., Japan, and China, primarily related to our pump technology, and sensor and, control innovations.

Our work also gained increased visibility. Realheart® TAH was featured in ARTE TV's documentary "Ein Herz auf Bestellung?", and Realheart also appeared on the cover of Artificial Organs. We participated in a panel discussion at MedTech Rodeo in Houston, where artificial hearts were one of the main tracks, and were interviewed on Swedish Radio regarding our collaboration with Sahlgrenska.

Realheart was also mentioned in a new textbook on the treatment of acute and chronic heart failure written by doctors for doctors. We published two important scientific articles: one on the physiological control of Realheart® TAH in Artificial Organs and one on 4D-flow MRI in Scientific Reports.

The Way Forward
Following the progress made with the seven-day-sheep, doctors at Sahlgrenska University Hospital proposed several improvements to the surgical technique, including measures to reduce the risk of bleeding. To identify the best surgical strategy, we therefore initiated a randomized series of emergency practice surgeries in lambs, comparing two methods. The study will be completed in the first quarter of 2026, after which we will submit an ethics application for survival studies.

At the same time, work continues on building our industrial base through the move to new premises, the implementation of ERP, strengthened quality processes, and preparations for long-term testing of Realheart® TAH as a system.

Thank You – And Why We Do this
This year belongs to our employees, our clinical partners, and our long-term shareholders. The breakthrough in the survival studies demonstrated what perseverance, knowledge, and the courage to improve every step can achieve. Realheart® TAH is designed to mimic the heart's shape and physiology - with the goal of providing stable, gentle, and natural circulation to patients with severe heart failure. Every step we take brings us closer to giving them a new lease on life.

Ina Laura Perkins
CEO, Realheart

No One Should Die of Heart Failure

A Global Need
Realheart® TAH will be used to save the lives of patients with advanced heart failure. Initially as a Bridge-To-Transplant (BTT) while waiting for a donated heart but eventually also as a permanent treatment. Heart failure is a fatal disease in which the heart can no longer pump as much blood as the body needs. 64 million patients worldwide are affected by heart failure, and half of all newly diagnosed patients are expected to die within 5 years of diagnosis. In the US, for example, this equates to 300,000 annual deaths. Frequent hospitalizations lead to huge healthcare costs, which including societal costs are estimated to reach USD 70 billion by 2030 in the US alone.

The only cure for advanced heart failure is a new heart, but only 8,000 donated hearts are available for transplantation globally each year. Not all patients make it onto the waiting list for a new heart, and if they do, they risk dying before a heart is available. Organ transplantation is simply not a sustainable solution, so doctors and surgeons need new safe and reliable alternatives available in the form of artificial hearts.

Our Natural Heart
The human heart has two pumps – one on the left side and one on the right side. Each pump has an atrium and a ventricle. The left pump sends the blood out to the body's circulatory system, while the right sends it to the lungs. The heart pumps the blood out in pulses, while new blood is constantly flowing back without interruption.

Realheart® TAH - Mimics the Human Heart
Realheart® TAH is the first total artificial heart (TAH) designed to mimic the structure and function of the human heart. Its unique patented dual-atrial, dual-chamber design allows it to pump blood in a natural way. Tests show that these unique features help reduce blood damage-related side effects. With a lightweight, quiet and flexible controller with a long battery life, the system is designed to allow the patient to live a normal life with a good quality of life.

Realheart® TAH will be fully integrated into the human body, replacing the natural heart and delivering blood to various organs in the same primary way as the natural heart. Outside the body, there is a battery and control unit that the patient can easily carry over the shoulder or in a bag. Battery life is expected to be approximately 12 hours.

Realheart® TAH is initially intended as a Bridge to Transplant (BTT) for severely ill heart failure patients who are on the waiting list for a transplant, but who are at risk of dying if they do not receive a new heart. Thereafter, Realheart® TAH will also serve as a permanent treatment.

As a patient, you should to be able to live a normal life with Realheart® TAH. Photo: Units.

The **Unique Advantages** of Realheart® TAH

NATURAL

A four-chamber system that mimics a human heart in structure and function.

ADAPTATIVE

Adaptable to each patient's blood flow needs thanks to intelligent sensors.

SIMPLE

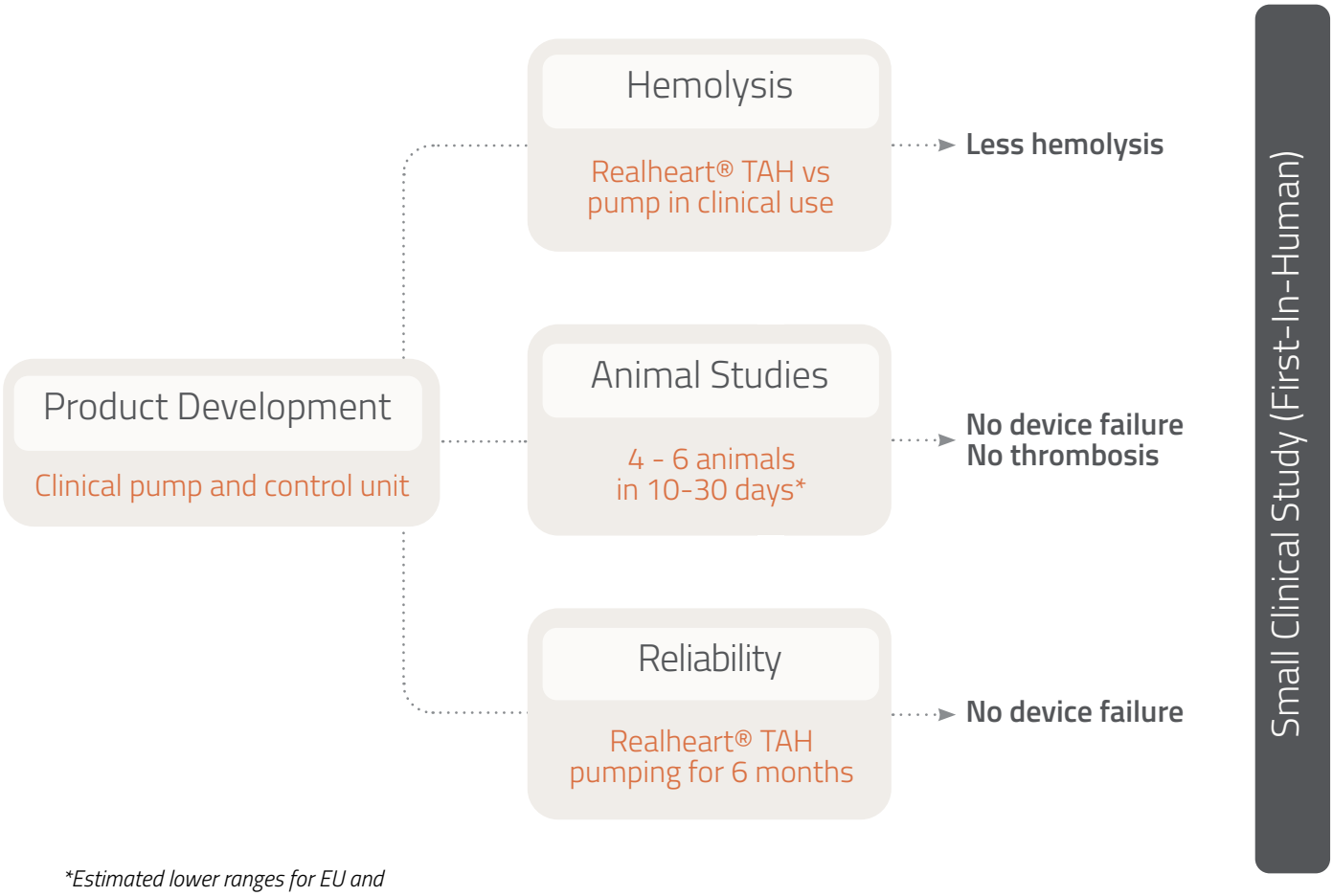
Designed with the patient in mind to create the best conditions for a good quality of life.

Feature	SynCardia	Carmat	BiVACOR	Realheart	
Flow	Co-Pulsatile	Counter Pulsatile	Continuous	Co-Pulsatile	Natural
Atria	No	No	No	Present	
Valves	4 Mechanical Valves	4 Bioprosthetic Valves	None	4 Mechanical Valves	
Cardiac Output Regulation	No	Yes	Yes, with limitations**	Yes	Adaptative
Atrial Pressure Regulation	No	Partially	No	Yes	
Suction Avoidance	No	Partially	Limited	Yes	
External Weight	~ 7 kg/15 kg	~ 4 kg/8.5 kg	~ 4 kg/8.5 kg	1 kg/2.5 kg	Simple
Cables	2 Percutaneous Cables	1 Percutaneous + 2 Battery Cables	1 Percutaneous + 2 Battery Cables	1 Percutaneous Cable (no battery cable)	
Sound Level	Loud (75 dB)	Silent	Silent	Silent	
Battery Life	3h	4h	8h	12h (5h+7h spare battery)	
Infection Risk	High Risk, 2 Stiff Cables (2x10 mm)	Low Risk, 1 Stiff Cable (8 mm)	Medium Risk, 1 Stiff Cable (10 mm)	Lowest Risk, Single Flexible Cable (-6 mm)	

***https://pubmed.ncbi.nlm.nih.gov/18959670/*

Aiming for **FDA Approval** and **CE Marking** for Destination Therapy and Bridge to Transplant (BTT)

The basic design of the Realheart® TAH is fully developed. To verify the design and its function, preclinical results from endurance tests, blood tests and long-term animal studies are required. These studies are being conducted in parallel. The purpose of the animal studies is to wake up the animal and observe it while it is living with the artificial heart. The length of time the animal must be kept alive is determined by the regulatory authorities.



**Estimated lower ranges for EU and upper ranges for US.*

Preclinical Studies

Blood tests, animal studies, and endurance tests are being conducted on the clinical version of Realheart® TAH. To date, Realheart® TAH has demonstrated 80% lower hemolysis than the market-leading product in blood tests; physiological blood flow and right-to-left balance in hybrid simulator studies and animal studies; achieved 7-day survival in animals; and over 20 months of membrane durability in ongoing component tests (the most critical component).

Preparing for Clinical Trials

Completion of preclinical studies and documentation to obtain approval to conduct clinical trials. Practice surgeries on sheep are being finalized, and survival studies will be initiated in collaboration with Sahlgrenska University Hospital. Anatomical studies are underway at Sahlgrenska and at Hannover Medical School to identify anatomical inclusion and exclusion criteria for the clinical trial.

First-In-Human

SMALL CLINICAL STUDY

Early small-scale study to initially assess safety and gather information about the product. Expected to include up to 4 patients at one clinic. Collaboration initiated with Sahlgrenska University Hospital and Hannover Medical School to perform the first implantations in Sweden and Germany. Interest has also been received from doctors at clinics in Belgium and Italy.

Product Development

The results of clinical trials may lead to the modification of specific product components. The focus will also be on scaling up production to enable higher volume manufacturing in the future.

BTT IDE (PMA) Study and CE Marking

An Investigational Device Exemption (IDE) study in patients on the transplant waiting list (bridge to transplant: BTT) is being initiated to apply for FDA approval for market introduction. The company estimates that a clinical study involving 10-20 patients would be suitable for CE marking.

Activities for Market Launch

Marketing, establishment of sales force and network of international distributors for market launch of Realheart® TAH.

Realheart's blood lab at Karolinska University Hospital, Huddinge, Stockholm. Photo: Helena Stenhem

Research, Development and Collaborations

In 2025, Realheart continued to drive progress in the field of artificial hearts through groundbreaking research, technological development, and strategic partnerships. The year was marked by important scientific and regulatory milestones that strengthened the company's position and brought Realheart® TAH closer to clinical use. Successful preclinical studies and published peer-reviewed research confirmed the technology's ability to mimic the structure and function of the human heart.

Through close collaborations with leading universities, hospitals, and medical experts, development work continued with a clear focus on risk reduction, clinical validation, and long-term value creation for investors, surgeons, and patients alike.

Reports and Research Results Clearly Reflect the Company's Strategic Focus and R&D Priorities

Publications That Strengthen the Scientific Foundation

Realheart published and shared several key reports and research findings that clearly reflect the company's strategic focus and R&D priorities. These were published, for example, in Artificial Organs, a specialized scientific journal focusing on artificial organs, mechanical circulatory support, and related medical device systems – making it highly suitable for studies on total artificial hearts, pumps, and blood compatibility – as well as in Physics World and Scientific Reports.

A successful published article was "Physiological Properties of the Control System" (2025 – since blood compatibility and adaptive control are key requirements for a safe TAH.

Articles on methods and simulations (e.g., Kelly et al. 2021) and the highly significant technical study on hemolysis (2023) are also important – they demonstrate how Realheart validates flow patterns and optimizes the design prior to safety and clinical trials.

Publications in scientific journals generally reach the experts (surgeons, engineers, regulatory experts, etc.) who are relevant to the development and future clinical use of artificial hearts. These publications strengthen the scientific foundation for continued development – particularly within research and engineering circles, but also among regulatory and clinical evaluators.

Dr. Seraina Anne Dual

Our data show that Realheart® TAH stands out in its ability to enable different levels of physical activity for patients who want to remain active. The combination of pressure-sensor based feedback control and the power of the pump mechanism to provide exercise flow makes it unique. We look forward to pursuing further studies and evaluating it against currently approved devices.

Dr Seraina Anne Dual, Assistant Professor in Biomedical Signal Processing at the Department of Biomedical Engineering and Health Systems, Royal School of Technology, Sweden.

New Studies and Results Regarding Physiological Control, Advanced Imaging Diagnostics, Risk Reduction and Technical Validation for Future Clinical Studies

Physiological Control of Realheart Total Artificial Heart

In 2025, a peer-reviewed scientific study was published focusing on the evaluation of the physiological control of the Realheart® TAH (Emanuele Perra et al., Artificial Organs, published online in June 2025, printed in October 2025). The study was conducted in an advanced hybrid-based circulatory system that mimics the body's blood circulation and enables detailed analysis of the heart's regulatory capacity.

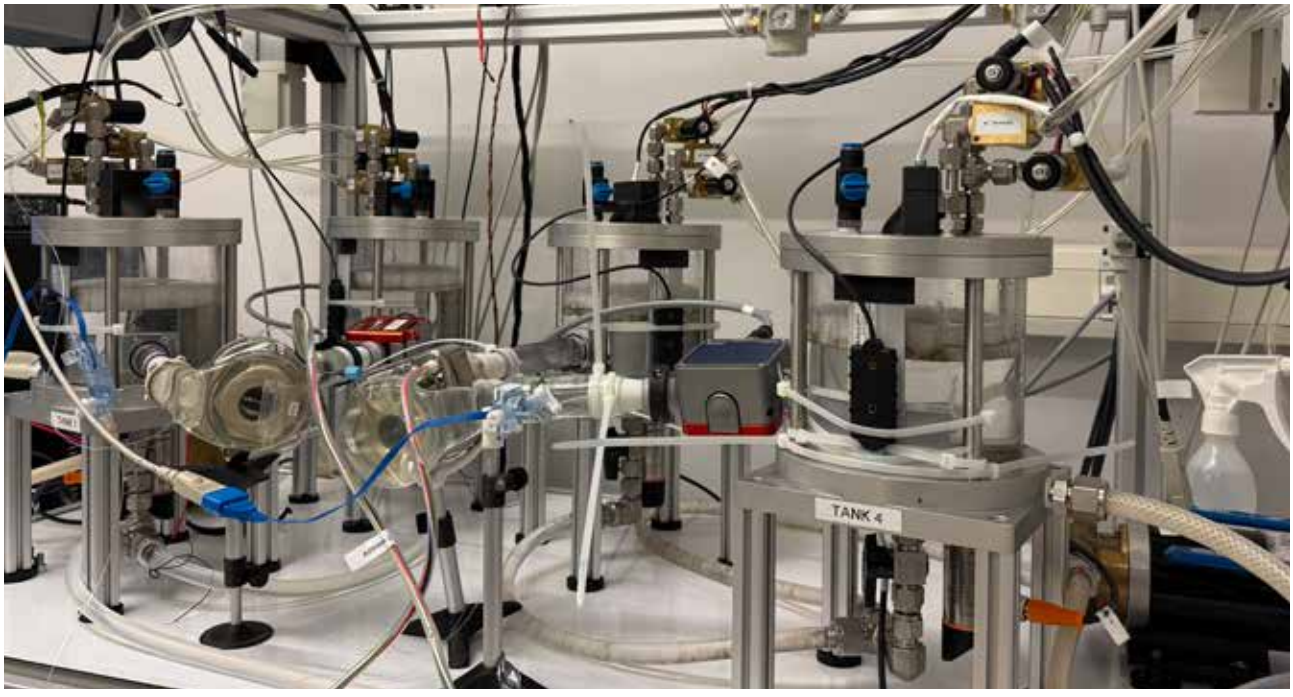
Method and Technical Approach
The study was based on a preload-based control strategy, in which the heart automatically adjusts both stroke volume and heart rate in response to changing load conditions. The tests were conducted in a state-of-the-art semi-virtual test environment, developed as part of a joint strategic initiative funded by Vinnova, Formas, and the Swedish Energy Agency.

Results
The results showed that Realheart® TAH can reliably mimic key physiological states of the human heart, such as sleep, rest, and physical activity. The heart continuously adjusted both blood flow and heart rate based on workload, which is a crucial feature for meeting the patient's varying needs in daily life.

Scientific and Clinical Significance
The study, conducted in collaboration between researchers from Realheart, the Royal Institute of Technology (KTH), and the Karolinska Institute, confirmed that Realheart® TAH is not merely a mechanical pump but a functional cardiac system that interacts with the body's physiology. The results reinforce confidence in the control system's performance and represent an important step in the company's work on risk reduction and preparations for upcoming clinical trials, where adaptability is central to both patient safety and quality of life.

The article, "Physiological Control of Realheart® Total Artificial Heart", is featured in Artificial Organs vol. June 17, 2025: https://lnkd.in/dM2Qq9XW

The QR code on the right leads to a video on the hybrid simulator.



The hybrid simulator, developed by Realheart together with the Royal Institute of Technology (KTH), Stockholm. Photo: Helena Stenhem

Advanced Imaging Diagnostics and Academic Collaboration – 4D Flow MRI Study

In 2025, Realheart, in close collaboration with Linköping University, conducted a scientific study that evaluated blood flow in the Realheart® TAH using advanced medical imaging. The results were announced in September 2025 via a press release and a university news article.

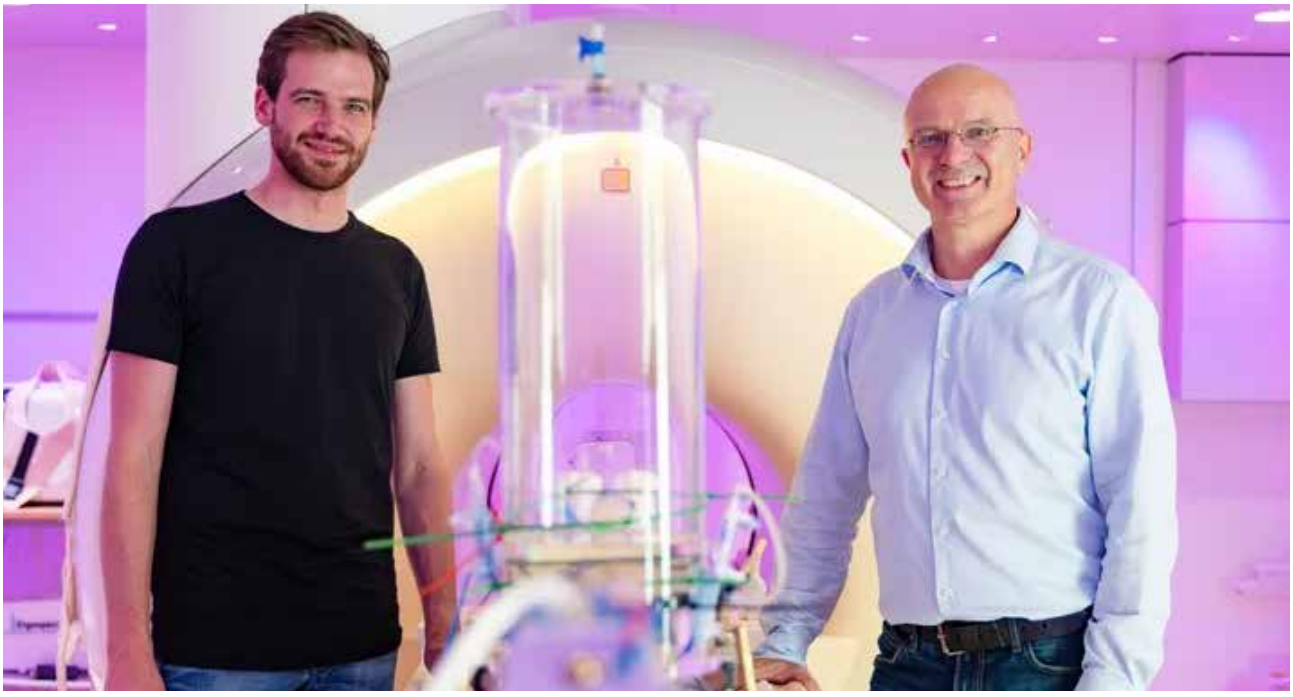
Method and Implementation
The study combined four-dimensional flow MRI (4D flow MRI) – a technique that enables the visualization of three-dimensional blood flow patterns over time – with a physical, 3D-printed, MRI-compatible model of the Realheart® TAH. This marks the first time a pulsatile, 3D-printed artificial heart has been constructed and successfully evaluated using 4D flow MRI in real time.

Results and Scientific Significance
The results showed that Realheart® TAH generates blood flow patterns that are highly comparable to those in a natural human heart. The analysis indicated low levels of stagnation and turbulence in the blood flow – two factors that are central to assessing the risk of blood clots and hemolysis. Areas of slow flow corresponded to similar areas in healthy human hearts, and measured turbulence levels were lower than in patients with heart valve disease.

Connection to Previous Research and Development Work
The study's results confirmed previous computer simulations and reinforce the picture of stable and physiologically beneficial blood flow in Realheart® TAH. As such, the study represents an important step in the company's work on risk reduction and technical validation ahead of future clinical trials.

Strategic Significance
The work exemplified how Realheart uses advanced imaging diagnostics as a tool for research and development, while also strengthening the company's long-term collaborations with leading academic institutions.

"Our study demonstrates that the combination of 4D flow MRI with 3D printing is a powerful way to evaluate blood flow in artificial hearts. The levels of stagnant blood, energy loss, and turbulence that were found when evaluating Realheart® TAH were comparable to those observed in the native human heart. Further, by pairing 4D flow MRI with 3D printing, we add a valuable tool to complement computer simulations and blood testing in the design process of medical cardiac devices"
Prof. Tino Ebbers



Twan Bakker, PhD student in medical science with specialization in image processing and fluid dynamics together with Tino Ebbers, Professor of Physiological Imaging at the MRI machine, Linköping University (LiU). Photo: Emma Busk Winquist.

Two Important Milestones for Realheart Were Achieved

In a relatively short period of time, Realheart achieved two very important milestones. One was a successful seven-day preclinical study and the other was a humanitarian approval from the FDA, which opens up new opportunities for an accelerated regulatory path.

Realheart® TAH Receives Humanitarian Use Device Designation by FDA

The Technology's Potential as a Life-Saving Treatment Option
In January 2025, Realheart's total artificial heart, the Realheart® TAH, received Humanitarian Use Device (HUD) designation from the U.S. Food and Drug Administration (FDA). This regulatory classification confirms the technology's potential as a life-saving treatment option for patients with severe heart failure and enables faster implementation of planned clinical trials in the United States. The decision serves as a key indicator of the quality of the preclinical research as well as the clinical relevance of the Realheart® TAH and marks a significant step toward the first patient implantation under controlled conditions.

Ongoing Dialogue With the FDA
The HUD designation means that Realheart® TAH is now eligible to apply for a Humanitarian Device Exemption (HDE), a special regulatory procedure that may grant limited marketing authorization for medical devices intended for rare and serious conditions. Following extensive dialogue with the FDA, the device was classified as a humanitarian medical device, paving the way for future treatment of patients with advanced biventricular heart failure who have limited or no alternative treatment options.

HDE approval requires the submission of data demonstrating probable safety and clinical benefit for the intended patient population. Realheart is therefore continuing its regulatory collaboration with the FDA to design a clinical trial strategy that supports future HDE approval prior to market launch.

"We are extremely pleased that Realheart® TAH has been granted Humanitarian Use Device designation by the FDA. It is gratifying to look forward to our efforts culminating in such humanitarian benefit."
Ina Laura Perkins, CEO

Successful Results for Realheart® TAH in Preclinical Implantations

Over the past year, Realheart also presented positive results from a successful preclinical implantation of the company's total artificial heart, Realheart® TAH. The seven-day study demonstrated that the device performed as expected in the preclinical model, with stable cardiac function, automatic adjustments to rest and activity, and maintained normal blood biochemistry.

Stability of the Technology
The results confirmed the technology's stability, safety, and ability to mimic physiological blood flow. Following the conclusion of the study, signs of bleeding were observed – a known complication of major heart surgery – but otherwise, the device functioned as intended. These successful preclinical data represent important steps toward future clinical trials and strengthen Realheart's plans for regulatory and clinical activities moving forward. At the same time, they underscore the potential of the Realheart® TAH as a new treatment option for patients with advanced heart failure.

"The results of the implantation test showed that the Realheart® TAH achieved the set target cardiac output, resulting in adequate perfusion of the body with low mechanical load and damage to red blood cells."
Ina Laura Perkins, CEO

Preclinical Program to Evaluate Safety
The company is currently conducting a preclinical program to evaluate the safety and function of Realheart® TAH prior to conducting clinical trials in heart failure patients. The results of this test will form the basis for further preclinical testing of Realheart® TAH and constitute an integral part of the data set used in discussions with regulatory authorities. Seven-day survival was achieved, with all indications that the Realheart® TAH was pumping as intended. A large-scale data collection effort is now underway, which will be analyzed to further optimize the process. The next goal is ten days, just as the French competitor achieved when they received approval for clinical trials.

"A really good heart pump must be gentle on the blood to minimize the number of side effects, which we know that Realheart® TAH is. And one conclusion we drew from the study is that it was not the product that failed - but the outcome was determined by how well you could take care of the animal. There are always big differences when comparing animals to humans, where we can and know so much more about humans."
Ina Laura Perkins, CEO

Continued Important Collaborations

Realheart remains the best at its own product in terms of design and production, but continued to collaborate with those who are best at testing and critically reviewing Realheart® TAH objectively. Therefore, a new collaboration with Uppsala University was initiated during the year, while previously initiated collaborations continued to be developed and deepened.

Uppsala University

The collaboration, which was initiated in the fall of 2025, is about blood research and includes collaboration with Professor Bo Nilsson's research group as well as with cardiac surgeon and Professor Karl-Henrik Grinnemo, who is passionate about heart pumps. Grinnemo is a strong driver when it comes to developing treatment with heart pumps as an alternative to transplantation.

Linköpings University

In 2025, Realheart continued its collaboration with Linköping University, primarily with the Center for Medical Imaging and Visualization (CMIV), to study and optimize blood flow in the Realheart® TAH using advanced diagnostic imaging. Among other methods, the researchers used 4D flow MRI to visualize three-dimensional blood flow patterns in real time and compared these with the flow profile of the natural human heart.

The collaboration provided important insights into heart function and contributed to the further development of the artificial heart's design. The results of the study complemented computer simulations and traditional tests and supported the company's preparations for future clinical trials.

Sahlgrenska University Hospital

In 2025, Realheart also continued its strategic collaboration with Sahlgrenska University Hospital in Gothenburg – one of two hospitals in Sweden that performs heart transplants – focused on preparations for the planned clinical trial of the company's artificial heart, Realheart® TAH. The collaboration was established with Senior Physician and Professor Göran Dellgren at the Transplant Center and the Department of Thoracic Surgery, and includes several experimental and preparatory studies to evaluate surgical methods and define suitable patient groups for upcoming clinical trials.

As part of this collaboration, a large number of so-called emergency practice surgeries are being performed on sheep in order to analyze and improve surgical techniques and determine the best way to care for the animal after surgery.

This collaboration contributes clinical expertise from a leading Swedish cardiac center and is an important part of Realheart's work to prepare Realheart® TAH for clinical evaluation and future market entry.

"Our goal is to test the pump well, not the animal model. Therefore, it is important that the animal is as well as possible so that we get the test results we are aiming for."
Ina Laura Perkins, CEO

Ina Laura Perkins, CEO

A seven-day chronic implantation was a significant milestone for our development, as this time period allowed for evaluation of device performance in an animal that was awake and mobile and subjected to various cardiac loads.

Patents Protect Realheart® TAH's Core Technology Globally

Realheart's patent portfolio is strong with multiple layers of protection. In addition to patents on the product, there are patents on other functions such as the company's pressure sensors and controls, which could be used separately or in other types of products. The company received several approved patents during the year – one in the US, two in Japan and one in China. Corresponding patent applications were pending in Europe, India and Australia at the end of the year.

USPTO – US

Realheart was granted a patent from the United States Patent and Trademark Office, (US 12318603 B2) for the core technology of the Realheart® TAH, the company's four-chamber total artificial heart that mimics the physiology of the natural human heart. A corresponding patent was previously granted by the European Patent Office (EPO). The patent provides market protection in the United States until 2037 and confirms the unique technical characteristics of the Realheart® TAH, including stable cardiac function, safety and the potential to reduce risks such as stroke, bleeding and anemia – common complications of current artificial hearts.

Asia

Realheart was granted patents in China and Japan covering both the core technology of the Realheart® TAH and the integrated feedback mechanism that regulates cardiac output in real time.

China

The patent, which was granted in China, includes a pressure sensor that enables accurate and safe monitoring of heart function. Through real-time data, the sensor can automatically control the device and help optimize blood flow and the patient's quality of life. The protection is valid until 2041.

Japan

The patent, granted in Japan covers an automated control function that continuously regulates pressure, flow and pump speed, ensuring stable and optimized cardiac function. The technology can be integrated into current and future versions of the Realheart® TAH as well as other comparable devices. The patent provides protection until 2041.

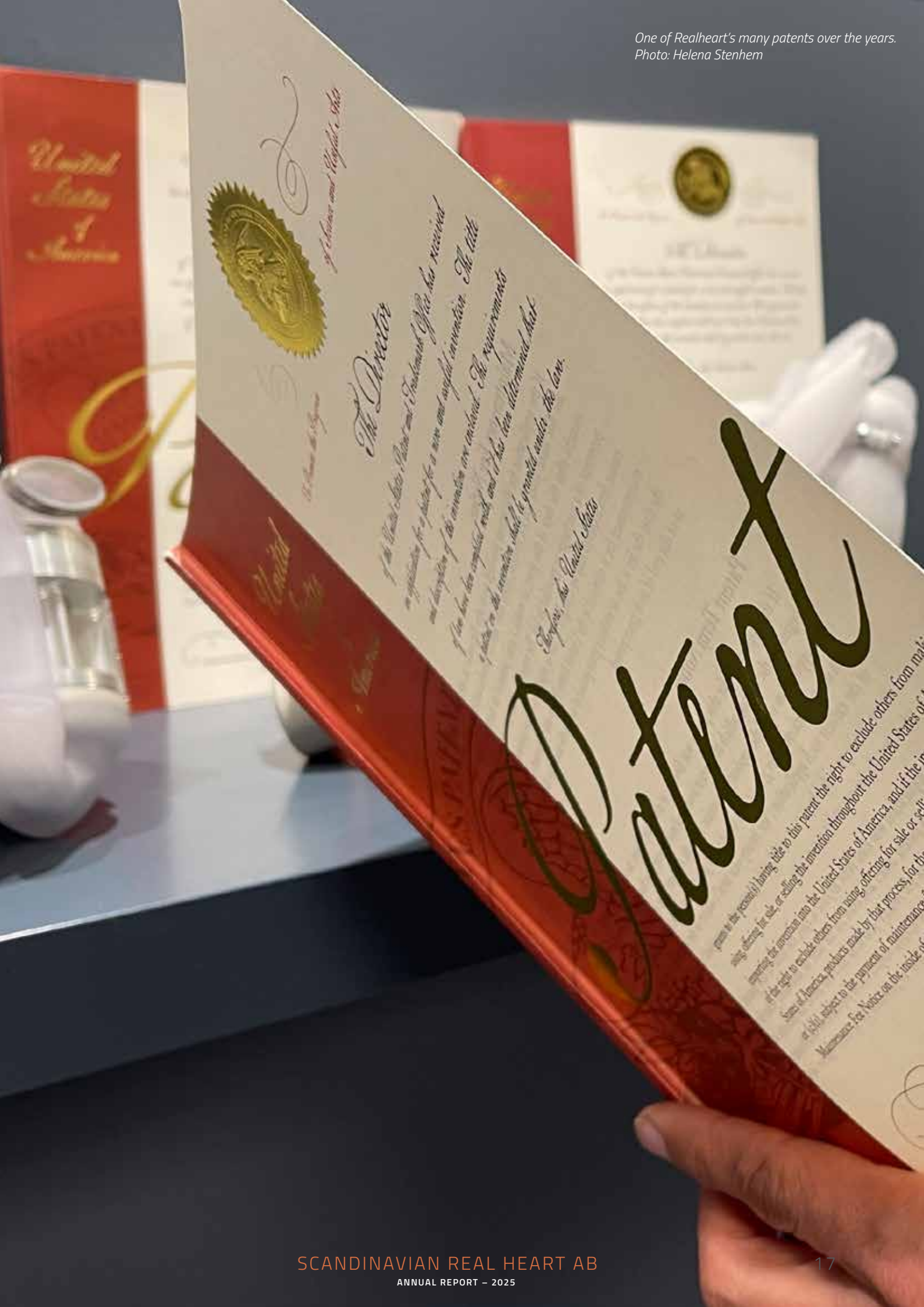
In addition to this granted patent, there was also a patent in Japan for the automatic control of the Realheart® TAH, with patent applications in several other jurisdictions pending. This patent covers an automatic control function for the device, which form an important part of the technical value of the product.

Realheart also obtained a Japanese patent covering a pressure sensor for artificial hearts and circulatory support systems, including the Realheart® TAH. The sensor is designed to enable accurate and safe real-time pressure measurements, supporting automated control and optimized blood flow – an important component for clinical function and monitoring. The approval is valid until 2041.

Additional Approvals in Asia

The company also announced that it had received additional patent approvals in both China and Japan. These covers both the core technology of the Realheart® TAH and the integrated feedback mechanism that regulates the device's cardiac output. The patents provides market protection in each country until 2041.

What these patents have in common is that they strengthen the global intellectual property protection of the Realheart® TAH, secure competitive advantages, and confirm the device's potential as a new and meaningful treatment option for patients with advanced heart failure awaiting heart transplantation.



One of Realheart's many patents over the years.
Photo: Helena Stenhem

Giovanni Lauricella, Lifeblood and member of the Realheart board, with Ina Laura Perkins during the MedTech Rodeo in Houston, Texas.

Communication and Visibility National and International

Realheart works in a structured way to raise awareness of heart failure and the need for innovative treatment options, both in Sweden and globally. Through strategic marketing and close collaboration with surgeons, healthcare professionals, patients and investors, the company strengthens its presence on the international Medtech scene.

All activities and collaborations aim to build trust in Realheart as a company and in Realheart® TAH as a groundbreaking medical technology innovation. The goal is clear: to pave the way for future clinical use and make the life-saving technology available to patients worldwide.

New Graphic Profile and Updated Visual Identity

At the beginning of the year, Realheart launched a new, modern and fresh graphic profile. The updated design included new colors, images and layout, which were implemented on the website, in digital channels as well as in reports, presentation materials and videos.

The main purpose of the change was to more clearly highlight the level of innovation of Realheart® TAH and to communicate the commercial potential of the company's artificial heart as a medical technology treatment for patients with serious heart diseases. The new visual identity strengthens Realheart's brand and underlines the company's position as a leading player in medical technology innovation.

The Idea Behind Realheart's New Visual Identity

The symbol in Realheart's new logo is made up of two hearts that come together, to symbolize how the old sick heart is exchanged for a new one.

Then you see that there are two separate parts – two pumps – where each pump has a "waist". The "waist" symbolizes the AV plane that divides each pump half into an upper (atria) and a lower (ventricular) part. In this way, the new logo symbolizes the Realheart® TAH's unique design as the world's only four-chamber artificial heart that can pump using "AV-Plane Displacement", the primary pumping mechanism of the human heart.

Presentations, Interviews, Productions and Global Scientific Conferences

During the year, Realheart participated in Karolinska Cardiogenic Shock Days, EACTS Annual Meeting, Innovation Summit Dublin, FOKUS Patient, MedTech Rodeo in Houston and the ISMCS conference. At each event, the company presented its total artificial heart and ongoing preclinical studies, and participated in discussions on clinical needs, mechanical circulatory support and innovations in medical technology. Realheart was also mentioned in a book; Management of Acute and Chronic Severe Heart Failure – a medical textbook on the care and management of patients with acute and chronic severe heart failure, including advanced mechanical circulatory support such as artificial hearts and ventricular assist systems (VAD/TAH) in general, written for doctors by doctors. Realheart ended the year proudly adorning the cover of Artificial Organs.

Realheart was presented at Insight Direct Day

Realheart participated at the beginning of the year at Insight Direkt-Dagen, an investor event organized by Infront Direkt Studios, where listed companies are given the opportunity to present their operations to a broad audience of investors and market participants. At the event, the company's CEO Ina Laura Perkins presented Realheart and the development of Realheart® TAH, focusing on the expected market launch, upcoming patient implantations, addressable market, collaborations with clinics in Gothenburg and Hannover, and the growing interest from doctors and surgeons.

The presentation's closing comment was given by trend analyst Eric Lindeen, who highlighted Realheart as an interesting player in medical technology and drew attention to the company's ownership structure with a large element of private investors.

The presentation also highlighted the global challenge of heart failure, one of the world's deadliest cardiovascular diseases and a significant public health problem. The disease affects an estimated 64 million people globally and imposes significant costs on society. At the same time, the supply of donated hearts is limited, with approximately 8,000 transplants per year worldwide, resulting in long and uncertain waiting times for patients in need of a transplant.

Against this background, Realheart® TAH was presented as a potential alternative, either as a bridge to transplantation or as a long-term treatment. An artificial heart does not require immunosuppressive drugs or donor matching, which may reduce risks and contribute to improved quality of life for patients with advanced heart failure.

Ina Laura Perkins

A natural solution is the most gentle on the blood. That's why our artificial heart, Realheart® TAH, imitates the human heart in terms of structure and pumping function.

Artificial Organs
Replacement, Recovery, and Regeneration
October 2025, Volume 49, Issue 10

Significance of prolonged physical activity in neurogenesis and neural regeneration p. 1468

Decellularization and crosslinking efficacy of perfusion bioreactors in small-diameter porcine carotid artery grafts p. 1512

Outcomes of extracorporeal cardiopulmonary resuscitation for refractory in-hospital cardiac arrest p. 1571

Realheart Ended the Year Proudly Adorning the Front Page of Artificial Organs.

Physiological Control of Realheart Total Artificial Heart p. 1548

WILEY

International Center for Artificial Organs and Transplantation

Realheart Was Featured on Sveriges Radio on Valentine's Day

On Valentine's Day, February 14, Realheart was featured in a segment on Sveriges Radio P4, in which the company's CEO, Ina Laura Perkins, and Chief Medical Officer (CMO), Ulf Kjellman, participated. The day, which is all about care and love, provided a natural context for raising the issue of heart failure and the importance of everyone having access to a functioning heart.

The segment tied in with the news that Realheart® TAH had received Humanitarian Use Device designation from the U.S. Food and Drug Administration (FDA – an important step in the development of a new treatment option for patients with severe heart failure. In connection with this, attention was also drawn to the possibility that Sahlgrenska University Hospital in Gothenburg could be the first to perform implantations with Realheart® TAH.

The appearance on Sveriges Radio helped raise awareness about heart disease, the need for innovation in cardiac care, and Realheart's work to give more patients the chance at a life with a functioning heart.

"It would be wonderful if that could happen at Sahlgrenska University Hospital; we have a great working relationship with the doctors who work there."
CMO Ulf Kjellman

Realheart at the MedTech Rodeo in Houston

Together, we are pushing the boundaries of innovation in medical technology. Technological development and interdisciplinary collaboration are essential to addressing the challenges facing the healthcare sector. The MedTech Rodeo conference therefore inspired further efforts to improve patient care and promote health through innovative medical technology solutions.

Under the theme "It's not easy, but it's worth it," Realheart participated in the conference, which brought together leading experts, innovators, and entrepreneurs in medical technology. The conference focused on groundbreaking technologies such as artificial hearts and brain-computer interfaces, and gave participants the opportunity to discuss how these innovations can shape the future of medicine.

Ina Laura Perkins participated alongside experts such as Malek Nasr of HighLife, Kurt Haggstrom of Synchron, and Giovanni Lauricella of Lifeblood, and presented the company's work on Realheart® TAH. The discussions centered on some of the most ambitious challenges in medical technology and the potential to improve patient care through innovation and interdisciplinary collaboration.

"Participating at the MedTech Rodeo in Houston truly inspired us to continue the development of our medical technology solutions and also strengthened the company's position as an innovative player working to expand the boundaries of future cardiac treatments."
CEO Ina Laura Perkins

Realheart at Innovation Summit Dublin

CEO Ina Laura Perkins presented the company's cardiovascular innovations at the Innovation Summit Dublin 2025 in April. She represented the company as one of the selected innovative medical technology firms and presented preclinical solutions to investors and strategic partners, thereby strengthening Realheart's position on the international MedTech scene.

MedTech Strategist's Innovation Summit Dublin 2025 brought together more than 500 leading experts, innovators, and key decision-makers to discuss the critical challenges facing the ever-changing global medical technology community.

Realheart at Karolinska Cardiogenic Shock Days

In early June, Realheart participated in the Karolinska Cardiogenic Shock Days, where clinicians, surgeons, researchers, and healthcare professionals had the opportunity to see the Realheart® TAH in action at the company's booth. Regardless of their specialty – cardiology, intensive care, cardiac and thoracic surgery, or medical technology – this was a chance for everyone to stay ahead of the curve and help shape the future of shock care.

CEO Ina Laura Perkins demonstrated the Realheart® TAH in a dynamic test rig, giving visitors a unique insight into the pumping mechanism and blood flow. The presentation demonstrated how Realheart mimics the structure and function of the natural heart, how the company works with physiological pulsation and blood flow control, and why size and adaptability are key to making the artificial heart available to more patients.

The conference brought together leading clinicians, researchers, and innovators for two days of focused discussions on cardiogenic shock and the latest advances in mechanical circulatory support.

Participants gained access to groundbreaking clinical insights, case-based multidisciplinary discussions, innovations in medical technology, and networking opportunities with global experts and decision-makers.

During the conference, Realheart also discussed ongoing preclinical studies and the clinical potential of Realheart® TAH, and the company fielded questions about the future of mechanical circulatory support and how the technology can offer more patients a life-saving alternative.

"By showcasing our total artificial heart in a dynamic test rig, we gave visitors a unique opportunity to observe the principle of its pumping mechanism and blood flow."
CEO Ina Laura Perkins

Ina Laura Perkins together with Prof. Dr. med. Diyar Saeed, cardiovascular surgery at Helios hospitals, Germany.

Prof. Emertius Henrik Ahn, Prof. Göran Dellgren, Sahlgrenska University Hospital, and Ulrich P Jorde, Montefiore Medical Center, Albert Einstein College of Medicine, New York.

Realheart® TAH in a Documentary Film for the General Public

The Realheart® TAH was presented during the year in a documentary film* broadcast by ARTE TV and aimed at viewers in Germany and France. The film gave the public the opportunity to see the technology and understand the principles behind the company's total artificial heart.

CEO Ina Laura Perkins explained that the Realheart® TAH is the only fully artificial heart device in the world that mimics both the structure and physiology of the natural human heart. The mechanical design makes the device silent, and Ina Laura also highlighted the collaboration with patients and healthcare professionals in the development of the user-friendly external patient unit with a simple overview of the heart's function.

Participating in the film was a fantastic opportunity for Realheart to showcase its unique system to a wide audience in Europe and contribute to a greater understanding of innovations in mechanical circulatory support.

**The film was available for a limited time only.*

"Little Saturday" - A smart way to fill up on both knowledge and new perspectives in the middle of the week

"Little Saturday" is the Flemingsberg Science Foundation's weekly breakfast seminar in life science – a meeting place for inspiring presentations and new contacts. In September, the seminar was hosted by Ina Laura Perkins, who shared how the company is developing the next generation of artificial hearts for patients with severe heart failure. In her presentation, she gave an overview of Realheart's operations and technology, focusing on a patient-centered solution that mimics the natural blood flow of the human heart – and how innovation in medical technology can contribute to both longer lives and better quality of life.

Realheart at EACTS

In October, Realheart participated in the EACTS – European Association for Cardio-Thoracic Surgery Annual Meeting in Copenhagen, a gathering where the world's leading cardiac and thoracic surgeons, researchers, and medical technology innovators came together to discuss the next steps in surgery, mechanical circulatory support, and artificial hearts.

For Realheart, the conference was a valuable opportunity to engage directly with surgeons and researchers, exchange experiences, and gain insights into the clinical needs driving development forward. The company also presented Realheart® TAH at EACTS Innovation, an "Invite Only" meeting with a limited number of participants, and took part in discussions on how advanced technology can improve the outlook for patients with severe heart failure.

The participation underscored that EACTS was not just about showcasing technology, but about being an active part of the global discussion on how innovations can save lives and contribute to future treatment options for heart patients.

"For us at Realheart, it is valuable to be able to discuss directly with surgeons and researchers – to listen, exchange experiences and understand the clinical needs that drive development forward. Our goal is clear: to contribute to future treatments for patients with advanced heart failure."
CEO Ina Laura Perkins

Realheart at FOKUS Patient, Sweden

In early October, Realheart participated as an exhibitor at FOKUS Patient, a forum where the future of healthcare meets innovation and the patient perspective. The FOKUS Patient Transplant Forum was held for the fourth time and highlighted the importance of information and knowledge regarding donation, transplantation, research, and technological innovations.

CEO Ina Laura Perkins and the company's Chief Medical Officer Ulf Kjellman represented Realheart to discuss the development of the company's artificial heart. A device designed not only to save lives but also to provide patients with a better quality of life while they wait for a heart transplant.

For many heart failure patients, the wait for a donated heart is both long and uncertain. Realheart therefore aims to offer more alternatives and provide patients with better options while they wait. During the conference, the company shared its progress while also gaining insights and learning from leading players in the fields of transplantation, medical technology, and pharmaceuticals.

Presentation at ISMCS Conference

Minu Bahrami from the University of Bath represented Realheart at this year's ISMCS (International Society for Mechanical Circulatory Support) conference in Vienna in early December. During the session "Hemocompatibility and Heart-Pump Interaction", Minu presented the study "Comparison of CFD and 4D Flow MRI Results in a Total Artificial Heart." The poster was displayed throughout the conference.

This year's conference, which brought together researchers, clinicians, engineers, and industry representatives working in the field of mechanical circulatory support (MCS), placed particular emphasis on innovation and next-generation technology in mechanical circulatory support.

Two Key Areas Were:
New generations of artificial hearts and pumps, with a focus on systems that were more patient-friendly and fully implantable.

Hemocompatibility and the interaction between the heart/pump and blood, i.e. how the device affected blood flow, coagulation and the risk of blood damage – a crucial factor for long-term safety and clinical function, for both patients and surgeons.

The Conclusions of the Study Were:

- The CAD-based CFD model of Realheart reliably reproduces the key flow structures and cycle times observed in 4D Flow MRI.
- Systematic differences (e.g., sharp versus soft gradients) highlight the complementary nature of high-resolution CFD and experimental MRI.
- Key conclusion: The results support the use of this CFD framework as a robust predictive design tool.
- Future work: Utilize the validated model to analyze hemocompatibility.

Thomas Finocchiaro, Realheart's Chief Technical Officer, demonstrates the Realheart® TAH at the ISMCS conference, together with Ina Laura Perkins.

Soteris Andreou, Thomas Finocchiaro and Oliver Chu in Realheart's development lab at the headquarters in Västerås. Photo: Helena Stenhem

Organization and Team

Realheart's skilled team is its greatest strength, a fact reflected in the breadth of expertise drawn from around the world. In 2025, Realheart continued to strengthen its skilled and dedicated team in the development of Realheart® TAH. At the end of the year, the Group had 13 full-time employees and 2 part-time employees, reflecting a focused and efficient organization tailored for advanced research and technology development.

During the year, significant changes were also made to the composition of the Board of Directors, with the election of Oskar Mellgren and Mia Tomczak, as well as the appointment of Oskar Mellgren as Chairman of the Board at the Annual General Meeting in June 2025, which strengthens the company's management structure ahead of upcoming development phases.

The Team's Expertise is the Greatest Strength

At the end of the year, Realheart had 13 full-time employees and 2 hourly employees in the group. This gives an idea of the company's size and resources in terms of employees during the year.

Board changes at the Annual General Meeting

At the Annual General Meeting on June 12, 2025, two new members were elected to Realheart's board of directors: Oskar Mellgren and Mia Tomczak. At the same time, Solveig Bergström resigned. The election of Oskar Mellgren as Chairman of the Board was an important change in the management structure that can be seen as part of the company's developed management and control capacity during the year.

Oskar Mellgren, MSc in Engineering from Uppsala University, has over ten years of experience from industrial production, with a particular focus on quality-controlled manufacturing and medical equipment. He has spent most of his professional career at AQ Group, where he has held several senior positions, including Quality Manager, Purchasing Manager, Production Manager, Vice President and CEO. In addition to his operational roles, Oskar has led global projects as a project manager and worked closely with international customers, including in the pharmaceutical industry. Today, he runs his own company focusing on business development and leadership training, where he combines technical expertise with strategic and organizational development work.

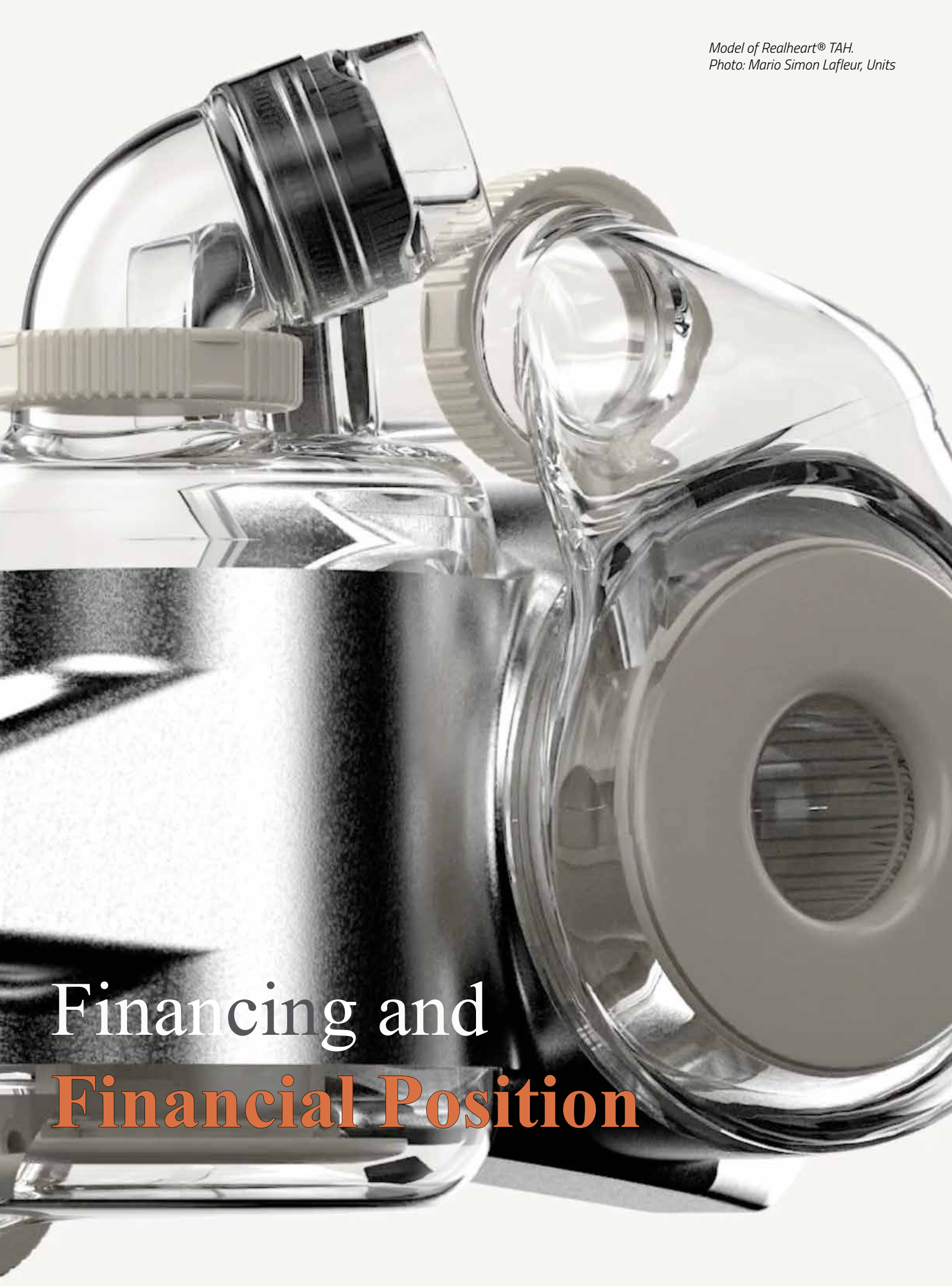
Oskar's broad experience in industrial operations, leadership and quality systems constitutes a valuable addition to Realheart's board in the company's continued development and commercialization phase.

Mia Tomczak, holds a Master of Science in Economics from Mälardalen University and an Executive MBA from Stockholm School of Economics. She has a solid background in economics, finance and corporate governance with extensive experience from both industrial companies and groups with international operations. She is currently working as Group CFO for Kamic Group, Amplex and Mindelon Group, where she is responsible for group-wide financial management, strategic follow-up and business development. Mia has previously held the role of CFO in AQ Group AB, and worked as CFO and controller within Sandvik and Outokumpu. In addition to this, she has also run a B2B-oriented advertising agency, which has given her broad experience in marketing, communication and business development. In addition to her operational role, Mia has several ongoing board assignments.

Mia is a member of several internal boards within the Kamic, Amplex and Mindelon group, ADDvise Group AB and a board member of Nodica Group AB, where she is also the chair of the audit committee. Mia's solid background in finance, industry and corporate governance provides the board with valuable expertise in Realheart's continued development towards clinical studies and commercialization.

Oskar Mellgren, Chairman

Realheart is today at an exciting milestone, where technological innovation and clear strategic direction meet. Our focus on patient-centered artificial hearts creates the conditions for long-term growth and enables a real difference for patients with advanced heart failure.



Model of Realheart® TAH.
Photo: Mario Simon Lafleur, Units

Financing and Financial Position

Realheart is a medical device research and development company in an early commercial phase. The company does not yet generate any revenue from its own products and finances its operations primarily through capital raising and external grants.

In 2025, financing was strengthened by SEK 36.5 million through a combination of new capital from investors and grant payments, creating the conditions for continued product development and regulatory preparations for upcoming clinical steps.

Focus On Long-Term Planning and Efficient Use of Resources

Capital Received From New Issues

During the year, a directed new share issue was carried out, in which Realheart was provided with capital from both existing and new investors. Among the new investors, the company gained two new main owners in Claes Mellgren and Per Olof Andersson, which thereby strengthens the company in the long term. Among the existing shareholders, the European Innovation Council (EIC) participated, which is proof of their long-term commitment to the company. In addition, the company was provided with capital from the subscription of shares supported by previously issued warrants. In total, the company received SEK 32.3 million.

Capital Received From Grants

Realheart has received a number of grant payments totaling 4.2 MSEK during the year. Of particular importance is the support within the EIC Accelerator, where Realheart has previously been awarded a grant totaling EUR 2.5 million. In 2025, the company received a third grant payment of EUR 250,000 to support the continued development of Realheart® TAH.

Liquidity and Funding Readiness

At the end of the year, the company's shareholders decided on a rights issue, which has resulted in the company receiving an additional SEK 49 million in January 2026. The company is assessed to have sufficient liquid funds to finance its operations over the next twelve months.

During the year, the company has also transitioned from quarterly reporting to semi-annual reporting, which strengthens the focus on long-term planning and efficient use of resources in development work.

During the year Realheart has:

Conducted a private placement to raise capital for upcoming development phases.

Secured strategic external financing through EIC investment commitments and ongoing grant payments.

Planned a larger rights issue for early 2026 to secure continued funding in development and regulatory phases prior to clinical trials.

These activities demonstrate the company's proactive work with capital raising and external validation of the technology's potential in a capital-intensive development stage.

"Our capital raisings and approved issues during the year have strengthened the company's liquidity and long-term room for manoeuvre. This allows us to focus on product development, regulatory milestones and future commercialisation with a secure foundation."
Chairman Oskar Mellgren

Ina Laura Perkins, CFO Jimmy Nybom and chairman Oskar Mellgren during the extraordinary general meeting in december.
Photo: Helena Stenhem

Board of Directors

Oskar Mellgren

Chairman of the Board, since 2025

Holding: 7 200 shares (21 600)*

Azad Najar

Board Member, since 2008

Holding: 31 809 shares

Oliver Voigt

Board Member, since 2022

Holding: 32 shares

Magnus Öhman

Board Member, since 2023

Holding: 3 000 shares (6 000)

Giovanni Lauricella

Board Member, since 2023

Holding: -

Stuart McConchie

Board Member, since 2023

Holding: -

Mia Tomczak

Board Member, since 2025

Holding: 3 400 shares (6 800)*

**Number of shares in () refers to holdings at the time of submission of the annual report. For the remaining members, the holdings are unchanged.*

Scandinavian Real Heart AB

Swedish innovation power has given the world medical technology inventions such as the heart and lung machine, the pacemaker and the dialysis machine. The next big innovation is Realheart's artificial heart. A Swedish patented innovation that will save the lives of heart failure patients. Every year, 3,500 people die of heart failure in Sweden alone. Today, the only rescue is a heart transplant, but the number of donated hearts is only enough for 2% of those in need.

The start-up of the Company was initiated by the doctor and inventor Azad Najar in 1999 when he started sketching an artificial heart that completely mimics the biological. In 2007, Azad co-founded Scandinavian Real Heart with two partners. The original idea behind Realheart® TAH is based on flow analyzes made at KTH 2002-2005 and is based on constructing an artificial heart that mimics the biological. By imitating its basic principle, a pressure and flow is created that reduces the risk of blood clots and provides an energy-efficient blood flow. These factors are important to give the patient a good quality of life.

The development of the product has progressed strongly over the years. Blood circulation, pump function, pressure, and pulse generation have been verified in ethically approved animal experiments. Today, research and development takes place in close collaboration with world-leading heart surgeons, researchers and engineers.

Patent Protection

Realheart has patent protection on the original pump principle in the US, UK, Sweden and Germany. Patents have been granted in Sweden, the EU, the US and China to protect the latest version of the Realheart® TAH. A patent for a pressure sensor for artificial hearts and circulatory support systems such as Realheart® TAH has been approved in Japan, China and most recently in Europe. The pressure sensor patents complete the control position around the TAH and are valid until 2041.

Realheart has also been granted patent approval by the United States Patent and Trademark Office (USPTO) and the European Patent Office (EPO) for the core technology of the Realheart® TAH. These patent approvals provide market protection for the device until 2037. Noteworthy are the approved patents that relate to the core technology in Realheart® TAH, the structure and function of the total artificial heart, and the integrated feedback mechanism that regulates the device's cardiac output. The latest approvals provide protection in Japan until 2041, more approvals in the same patent family are expected during 2026.

In 2025, a new connector was designed for a simple and safe connection between the Realheart® TAH and the body's circulatory system. A patent application for this has also been filed. Additionally, work to pro-actively protect relevant technology areas has been started, with the aim to identify key areas, where a strong core IP can be come key to have market leverage against the competitors.

Given the current activities, existing patents together with the new patent applications, the Board of Directors believes that the Company has and keeps building a strong patent situation and strong intellectual property protection.

Mission and Goal

Realheart's mission is to use medical technology solutions to save as many heart failure patients as possible and to create the best conditions for a life-affirming continuation of life. The Company's overall goal is for the artificial heart to be commercialized and become a full-fledged treatment alternative for patients with heart failure. The heart should have a better function than the solutions that are on the market today. It should be possible to use both as a bridge to transplantation and as final therapy.

The Share

The share was listed on Nasdaq First North Growth Market in December 2021. Nasdaq First North GM is a registered SME marketplace for growth companies that enables Nordic and international entrepreneurs to access growth capital to develop and expand their businesses. As of December 31, 2025, the number of shares in Scandinavian Real Heart AB amounted to 4 998 704.

Through the Rights Issue ended January 27, 2026, the total number of shares in the Company increased by 3,499,093 shares, from 4,998,704 shares to 8,497,797 shares, corresponding to a dilution effect of 41.18 percent of the total number of shares and votes in the Company.

Realheart's external patient unit should be easily carried on a strap over the shoulder. Photo: Mario Simon Lafleur, Units.

Realheart's TAHs externa kontrollenhet med integrerat batteri som enkelt kan bytas. Batteritiden beräknas uppgå till 12 timmar.

Board of Director's Report

General Information About the Business

Scandinavian Real Heart AB (publ) is listed on Nasdaq First North Growth Market Stockholm under the short name HEART. The company conducts research and development in medical technology and is developing an artificial heart that mimics the function of a natural heart – a so-called total artificial heart (TAH), Realheart® TAH.

The patented solution of Realheart® TAH is developed to mimic the blood flow pattern and function of the natural human heart, which creates the possibility of a long-term solution for patients diagnosed with advanced heart failure.

The group consists of the parent company based in Västerås, where most of the operations are conducted, and the subsidiary Scandinavian Realheart Pty based in the state of Victoria, Australia. The company is still in the development phase and currently has no sales of its own products. Development costs related to Realheart® TAH are capitalized in accordance with applicable accounting principles.

Development of the Company's Operations, Results and Position

Multi-Year Comparison

GROUP

		2025	2024	2023	2022
Balance sheet total	KSEK	72 688	83 280	102 638	119 816
Cash liquidity	%	250	226	321	71
Equity ratio	%	86	81	80	81

PARENT COMPANY

		2025	2024	2023	2022	2021
Balance sheet total	KSEK	77 593	85 837	103 222	111 229	117 815
Cash liquidity	%	227	224	309	95	1032
Equity ratio	%	87	82	80	88	95

For definitions of key figures, see Other notes.

Significant Events During the Financial Year

Corporate Governance, Organization and Management
During the year, Realheart has continued to strengthen its organizational and operational capabilities as the development work approaches clinical readiness. At the Annual General Meeting in June, Oskar Mellgren was elected as the new Chairman of the Board and Mia Tomczak as a regular Board member.

During the year, the company's board of directors decided to switch from publishing financial reports once a quarter to semi-annual reporting. The change is part of a strategic decision aimed at freeing up time for the company's management to devote to the development of Realheart® TAH and increasing cost efficiency.

An extraordinary general meeting resolved to amend the articles of association, whereby the limits for the number of shares in the articles of association (§ 5) are changed to a minimum of 4,500,000 and a maximum of 18,000,000 and the limits for the share capital in the articles of association (§ 4) are changed to a minimum of SEK 22,545,000 and a maximum of SEK 90,180,000. The amendment was implemented in order to enable the preferential issue of shares described below under the section on financing and events after the end of the financial year.

Research and Development Activities
The year was marked by several important advances in preclinical development and in the work towards clinical transition:

Regulatory Progress (US): Realheart® TAH received Humanitarian Use Device (HUD) designation from the FDA, which allows for the application for Humanitarian Device Exemption (HDE).

Preklinical Data: The company reported positive results from a seven-day animal study, in which the system demonstrated adequate cardiac function, adaptive regulation at rest/activity, and good blood biochemistry.

Scientific Validation: Results were published by academic collaborators validating the physiological control and hemodynamic balance of Realheart® TAH, including adaptive regulation of cardiac output in advanced simulation environments.

Communication and Visibility: Realheart® TAH was presented in a TV documentary (ARTE) aimed at the general public in France and Germany, which contributed to increased international visibility.

Advances Imaging Diagnostics: The company published data on blood flow patterns using a 4D-based medical imaging method that indicated blood flows comparable to natural heart.

Towards the end of the year, preparations for the next preclinical stage were intensified, including implantation series in collaboration with Sahlgrenska University Hospital with the aim of optimizing the surgical strategy for longer survival studies.

In light of the board's decision in connection with the 2023 financial statements to continuously write down the period's accumulated intangible assets, the year's capitalized development expenses have been written down in full, corresponding to an amount of SEK 20 million. The write-down does not affect cash flow. A write-down of the value of intangible assets means that the requirement for future depreciation is reduced, which will result in better future profits.

Financing
During the year, the Company continued to work actively with financing to secure the development plan:

During the year, the Company was provided with capital through share issues and exercise of warrants, as well as through continued support within the framework of the European Innovation Council (EIC), including payments of individual grants from, among others, Vinnova. In total, the Company was provided with SEK 36.5 million during the year.

During the fourth quarter, the Company decided on a rights issue of approximately SEK 70 million, approximately 70 percent of which was secured by subscription and guarantee commitments from existing shareholders, the Board of Directors and management.

As of the balance sheet date 2025-12-31, the Group's cash and cash equivalents amounted to SEK 16.6 million.

Patent Protection
Realheart continued to develop and broaden its intellectual property protection during the year:

Patent approval in Japan for pressure sensor for artificial hearts/circulatory support.

Patent approval in the United States (USPTO) for core technology related to Realheart® TAH, with market protection in the US until 2037.

Patent approvals in China and Japan for core technology and integrated feedback control, with protection until 2041.

The company stated at year-end that the patent portfolio includes over 30 granted patents in at least 15 countries, creating a broad international basis for future regulatory and commercial activities.

Expected Future Development and Significant Risks and Uncertainties
Realheart's focus remains on completing remaining preclinical activities and completing system components (heart pump and control unit) required to support applications and conduct clinical studies. The company needs to engage in parallel dialogue with the Notified Body in the EU and the FDA in the US to ensure an efficient and safe path to market.

The company is continuously working on measures to minimize delays. It is the board's assessment that continued operations are currently secured. Furthermore, long-term product development requires continued future financing, which the board is working on continuously.

Significant Events After the Financial Year

Outcome of the Rights Issue
The issue was subscribed to approximately 70%, which meant that the Company received approximately SEK 49 million before issue costs. The Board therefore assesses that continued operations are secured with the financing received.

Patent Approval
The Company communicated approval from the European Patent Office (EPO) which provides a uniform patent solution with protection in 17 EU countries until 2041 and patent approval in India until March 2041.

Ownership and The Share

During the period, the company has acquired two new principal owners in Claes Mellgren and Per Olof Andersson.

	Country	Owner Type	Number of Shares	Votes (%)	Capital (%)
Claes Mellgren	Sweden	Individual	928 757	18.58	18.58
Per Olof Andersson	Sweden	Individual	884 148	17.69	17.69
European Innovation Council Accelerator	Belgium	State, Municipality & Region	783 000	15.66	15.66
Objective Point Sweden AB	Sweden	Other	99 000	1.98	1.98
Avanza Pension	Sweden	Individual	96 538	1.93	1.93
Abbe Dikmen	Sweden	Individual	85 029	1.70	1.70
Eskilstunahem Fastighets AB	Sweden	Other	79 001	1.58	1.58
Nordnet Pensionsförsäkring	Sweden	Other	77 294	1.55	1.55
Ove Wikefeldt	Sweden	Individual	54 000	1.08	1.08
Roger Berggren	Sweden	Individual	45 000	0.90	0.90
Other			1 866 937	37.35	37.35
Total			**4 998 704**	**100**	**100**

Change in Equity

GROUP

	Share Capital	Other Contributed Capital	Other Equity incl. Loss for the Year	Total Equity Parent Company Shareholders
Opening Balance 2025-01-01	10 361 442	226 661 579	-169 682 900	67 340 121
New Share Issue	14 682 065	17 624 509	-	32 306 574
Loss for the Year	-	-	-35 496 149	-35 496 149
Translation gains/losses	-	-	-1 659 225	-1 659 225
Closing Balance 2025-12-31	**25 043 507**	**244 286 088**	**-206 838 274**	**62 491 321**

Change in Equity

PARENT COMPANY

	Share Capital	Share Premium Reserve	Development Expenditure Fund	Profit/loss Brought Forward	Loss for the Year	Total Equity
Opening balance as of January 1, 2025	10 361 442	226 661 579	38 354 755	-172 853 406	-32 409 725	70 114 645
Transfer of Prior Year's Earnings				-32 409 725	32 409 725	
New Share Issue	14 682 065	17 624 509				32 306 574
Impairment Loss for the Year			-1 087 272	1 087 272		–
Net Income for the Year					-34 846 165	-34 846 165
Closing Balance as of December 31, 2025	**25 043 507**	**244 286 088**	**37 267 483**	**-204 175 859**	**-34 846 165**	**67 575 054**

Allocation of Profits

The following retained earnings shall be appropriated by the Annual General Meeting (SEK):	
Share Premium Account	244 286 088
Accumulated Loss From Prior Years	-204 175 859
Net Income for the Year	-34 846 165
Total	**5 264 063**

The Board of Directors proposes that the retained earnings be allocated so that the following amounts are carried forward:

	5 264 063
	5 264 063

Income Statement
GROUP

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
	21		
Operating Income			
Other operating income	3	153 098	50 054
Total Operating Income		**153 098**	**50 054**
Operating Expenses			
Capitalized costs for own account		26 165 528	28 067 172
Other external expenses	4	-27 370 981	-29 870 408
Personnel costs	5	-13 884 897	-13 165 646
Depreciation and impairment of tangible and intangible fixed assets		-20 398 334	-19 184 271
Other operating expenses		-138 286	-520 599
Total operating expenses		-35 626 970	-34 673 752
Operating Profit/Loss		**-35 473 872**	**-34 623 698**
Result From Financial Items			
Interest income and similar items	7	350 514	914 926
Interest expense and similar income and expense items	8	-372 791	-641 466
Profit/Loss After Financial Items		**-35 496 149**	**-34 350 238**
Profit/Loss for the Year		**-35 496 149**	**-34 350 238**
Related to:			
Shareholders of the Parent Company		-35 496 149	-34 350 238

Balance Sheet
GROUP

	Note	2025-12-31	2024-12-31
ASSETS			
Fixed Assets			
Intangible fixed assets			
Capitalized expenditure on development, patents, licences, and trademarks	9	53 166 762	56 798 907
Total Intangible Fixed Assets		**53 166 762**	**56 798 907**
Tangible fixed assets			
Equipment, tools and installations	10	1 179 873	546 409
Total Tangible Fixed Assets		**1 179 873**	**546 409**
Total Fixed Assets		**54 346 635**	**57 345 316**
Current Assets			
Current receivables			
Current tax receivable		–	126 969
Other receivables		1 094 349	1 424 512
Prepayments and accrued income	12	681 529	667 634
Total Current Receivables		**1 775 878**	**2 219 115**
Cash and bank		16 565 374	23 715 242
Total Current Assets		**18 341 252**	**25 934 357**
TOTAL ASSETS		**72 687 887**	**83 279 673**
SHAREHOLDER'S EQUITY AND LIABLITIES			
Shareholder's Equity			
Share capital	13	25 043 507	10 361 442
Other contributed capital		244 286 088	226 661 579
Other equity, including profit for the year		-206 838 274	-169 682 900
Capital attributed to the parent company's shareholders		62 491 321	67 340 121
Total Equity		**62 491 321**	**67 340 121**
Non-Current Liabilities	14,16		
Liabilities to credit institutions		2 870 069	4 456 215
Total Non-Current Liabilities		**2 870 069**	**4 456 215**
Current Liabilities			
Liabilities to credit institutions		1 586 147	1 896 706
Advances from customers		799 062	3 552 196
Accounts payable		2 485 311	2 817 302
Tax liabilities		35 086	176 421
Other current liabilities		534 364	645 560
Accured expenses and deferred income	15	1 886 528	2 395 152
Total Current Liabilities		**7 326 496**	**11 483 337**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		**72 687 887**	**83 279 673**

Cash Flow Statement
GROUP

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Operating Activities			
Result after financial items		-35 496 149	-34 350 238
Adjustments for items not included in the cash flow, etc.	19	20 482 205	19 251 268
Income tax paid		-14 367	-
Cash Flow From Operating Activities		**-15 028 311**	**-15 098 970**
Cash flow from changes in working capital			
Change in current receivables		316 268	265 523
Change in accounts payable		-331 991	1 027 969
Change in current liabilities		-619 819	812 927
Cash Flow from Operating Activities		**-15 663 853**	**-12 992 551**
Investing Activities			
Investments in intangible assets		-27 426 996	-28 360 726
Refund of R&D tax		2 181 437	977 624
Acquisition of property, plant, and equipment		-865 131	–
Cash Flow from Investing Activities		**-26 110 690**	**-27 383 102**
Financing Activities			
New share issue		32 306 573	19 614 018
Warrants		–	-28 630
Grants received	22	4 214 806	3 099 500
Change in loans		-1 896 705	-1 896 705
Cash Flow from Financing Activities		**34 624 674**	**20 788 183**
Cash Flow for the Year		**-7 149 869**	**-19 587 470**
Cash and Cash Equivalents at Beginning of Year		**23 715 242**	**43 302 712**
Cash and Cash Equivalents at end of Year		**16 565 373**	**23 715 242**

Income Statement
PARENT COMPANY

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
	21		
Operating Income			
Other operating income	3	153 098	50 054
Total Operating Income		**153 098**	**50 054**
Operating Expenses			
Capitalized costs for own account		25 749 462	21 725 898
Other external costs	4	-26 681 687	-23 287 562
Personnel cost	5	-13 884 897	-13 165 646
Depreciation and impairment of tangible and intangible fixed assets		-19 982 268	-13 927 894
Other operating expenses		-138 286	-520 599
Total Operating Expenses		-34 937 676	-29 175 803
Operating Profit/Loss		**-34 784 578**	**-29 125 749**
Result From Financial Items			
Income from investments in Group companies	6	–	-3 543 234
Other interest income and similar income items	7	311 204	900 724
Interest expense and similar income statement items	8	-372 791	-641 466
Profit/Loss after Financial Items		**-34 846 165**	**-32 409 725**
Profit/Loss for the Year		**-34 846 165**	**-32 409 725**

Balance Sheet
PARENT COMPANY

	Note	2025-12-31	2024-12-31
ASSETS			
Fixed Assets			
Intangible fixed assets			
Capitalized expenses for research and development, patents, licenses, and trademarks	9	45 994 039	45 813 113
Total Intangible Fixed Assets		**45 994 039**	**45 813 113**
Tangible fixed assets			
Machinery and other technical equipment	10	1 179 873	546 409
Total Tangible Fixed Assets		**1 179 873**	**546 409**
Financial fixed assets			
Shares in group companies	11	**14 195 622**	**14 195 622**
Total Financial Fixed Assets		**14 195 622**	**14 195 622**
Total Fixed Assets		**61 369 534**	**60 555 144**
Current Assets			
Current receivables			
Other receivables		1 067 978	1 424 512
Prepaid expenses and accrued income	12	681 529	667 634
Total Current Receivables		**1 749 507**	**2 092 146**
Cash and bank		14 473 742	23 189 838
Total Current Assets		**16 223 248**	**25 281 984**
TOTAL ASSETS		**77 592 782**	**85 837 128**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Shareholder's Equity			
Restricted equity			
Share capital	13	25 043 507	10 361 442
Fund for development expenditure		37 267 483	38 354 755
Total Restricted Equity		**62 310 991**	**48 716 197**
Unrestricted equity			
Share premium account		244 286 088	226 661 579
Net income		-204 175 859	-172 853 406
Result for the year		-34 846 165	-32 409 725
Total Non-Restricted Equity		**5 264 063**	**21 398 448**
Total Equity		**67 575 054**	**70 114 645**
Long-Term Liabilities	14,16		
Other liabilities to credit institutions		2 870 069	4 456 215
Total Long-Term Liabilities		**2 870 069**	**4 456 215**
Current Liabilities			
Liabilities to credit institutions		1 586 147	1 896 706
Advance payment from grant		799 062	3 552 196
Accounts payable to suppliers		2 306 474	2 600 234
Tax liabilities		35 086	176 421
Other current liabilities		534 363	645 560
Accrued expenses and deferred income	15	1 886 529	2 395 151
Total Current Liabilities		**7 147 659**	**11 266 268**
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		**77 592 782**	**85 837 128**

Cash Flow Statement
PARENT COMPANY

	Note	2025-01-01 2025-12-31	2024-01-01 2024-12-31
Operating Activities			
Result after financial items		-34 846 165	-32 409 725
Adjustment for non-cash items	19	20 104 059	17 471 128
Income tax paid		-141 335	–
Cash Flow from Operating Activities		**-14 883 441**	**-14 938 597**
Changes in Working Capital			
Change in current receivables		342 639	-984 780
Change in accounts payable		-293 760	1 128 509
Change in current liabilities		-619 818	812 927
Cash Flow from Operating Activities		**-15 454 380**	**-13 981 941**
Investing Activities			
Capital contributions provided		–	-3 543 234
Acquisition of intangible fixed assets		-27 021 260	-22 074 779
Acquisition of tangible fixed assets		-865 131	–
Cash Flow From Investing Activities		**-27 886 391**	**-25 618 013**
Financing Activities			
New share issue		32 306 573	19 614 018
Warrants		–	-28 630
Grants received	22	4 214 806	3 099 500
Repayment of loans		-1 896 705	-1 896 705
Cash Flow From Financing Activities		**34 624 674**	**20 788 183**
Cash Flow for the Year		**-8 716 097**	**-18 811 771**
Cash and Cash Equivalents at the Beginning of the Year		**23 189 838**	**42 001 609**
Cash and Cash Equivalents at the end of the Year		**14 473 741**	**23 189 838**

Notes

Note 1 Accounting and Valuation Principles

Amounts are in SEK unless otherwise stated.

General Accounting Principles

The financial statements of the Group and the Parent Company have been prepared in accordance with the Annual Accounts Act and BFNAR 2012:1 (K3). The principles applied are unchanged compared to the previous year. The most important accounting and valuation principles used in preparing the financial statements are summarized below. In cases where the Parent Company applies deviating principles, these are stated under the Parent Company below.

Consolidated Financial Statements

Basis for the Consolidated Financial Statements

In the consolidated financial statements, the operations of the Parent Company and all subsidiaries are consolidated up to and including the balance sheet date. Subsidiaries are all companies in which the Group has the right to determine the company's financial and operating strategies with the aim of obtaining economic benefits. The Group obtains and exercises control by holding more than half of the voting rights. Special-purpose entities are also consolidated if the Parent Company has controlling influence, regardless of whether it holds an ownership interest. All subsidiaries have a balance sheet date of December 31 and apply the Parent Company's accounting policies.

The consolidated financial statements are presented in SEK, which is also the Parent Company's functional currency. Earnings for subsidiaries acquired or divested during the year are recognized from the date of acquisition or until the date the divestiture becomes effective, as applicable.

Currency Translation of Foreign Operations

Basis for the Consolidated Financial Statements

Upon consolidation, assets and liabilities, including goodwill and other consolidated gains and losses, are translated into SEK at the exchange rate on the balance sheet date. Revenues and expenses are translated into SEK at the average exchange rate for the reporting period, which approximates the transaction rate. Exchange rate differences arising from the translation of foreign operations are recognized in equity.

Income Statement

Grants

A grant that is not contingent on future performance is recognized as revenue when the conditions for receiving the grant have been met. A grant that is contingent on future performance is recognized as revenue when the performance has been completed. Grants received for which all conditions have not yet been met are recognized as a liability under the item "Advance grants." A grant may be either a government grant or other types of grants.

A grant related to development work reduces capitalized development costs by the amount received in the period to which the grant relates. Other grants are recognized in the item "Other operating income." A grant is measured at the fair value of the asset that the Group has received or will receive.

Interest Expense

All loan expenses are expensed in the period to which they relate and are reported under the item "Interest expense and similar income items.

Balance Sheet

Intangible Fixed Assets

Intangible fixed assets are measured at cost less accumulated amortization and impairment losses. Cost does not include borrowing costs. Intangible assets are amortized on a straight-line basis over the asset's estimated useful life. The useful life is reviewed at each balance sheet date. Cost is reduced by grants received for the acquisition of intangible assets.

Capitalized Development Expenses
The cost of capitalized expenses includes the costs incurred in producing the asset. Directly attributable expenses include personnel costs incurred during the development process. The corresponding amount has been transferred to the Development Expense Fund.

Depreciation
The depreciable amount is depreciated on a straight-line basis over the estimated useful life. Depreciation begins when the asset is available for use. Licenses are amortized over the term of the agreement. The useful life is reviewed at each balance sheet date. The following useful lives are used:

** Patent: 8 years*
** Currently, no amortization is being recognized because the asset is not yet ready for use.*

Removal From The Balance Sheet
An intangible fixed asset is derecognized from the balance sheet upon retirement or disposal, or when no future economic benefits are expected from the use, retirement, or disposal of the asset. When intangible fixed assets are disposed of, the gain or loss on disposal is determined as the difference between the sales price and the asset's carrying amount and is recognized in the income statement under either "Other operating income" or "Other operating expenses."

Property, Plant, and Equipment
Property, plant, and equipment are initially recognized at cost, which includes the purchase price and other directly attributable expenses, such as costs associated with bringing the asset to the location and condition necessary for it to be used in accordance with the investment's intended purpose. The cost includes the purchase price and other directly attributable expenses, such as expenses for delivery, handling, installation, assembly, title deeds, and consulting services. The cost of self-constructed tangible fixed assets also includes indirect manufacturing costs.

Depreciation
Depreciation of property, plant, and equipment is calculated based on the depreciable amount of the asset or component over its useful life and begins when the asset or component is put into service. Depreciation is calculated on a straight-line basis. The following useful lives are applied:

** Equipment, tools, and installations: 5 years*

Removal From The Balance Sheet
Property, plant, and equipment or components are removed from the balance sheet upon retirement or disposal, or when no future economic benefits are expected from the use, retirement, or disposal of the asset or component.

When property, plant, and equipment are disposed of, the gain or loss on disposal is determined as the difference between the sales price and the asset's carrying amount and is recognized in the income statement under either Other operating income or Other operating expenses.

Operating Lease
Lease agreements other than finance leases are classified as operating leases. When the Group is the lessee, lease payments under operating leases are expensed on a straight-line basis over the lease term. Related costs, such as maintenance and insurance, are expensed as incurred.

Impairment Testing of Intangible and Tangible Fixed Assets
As of each balance sheet date, an assessment is made to determine whether there is any indication that an asset's value is lower than its carrying amount. If such an indication exists, the asset's recoverable amount is calculated. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized and expensed.

An internally developed intangible fixed asset that is not yet ready for use or sale as of the balance sheet date is always tested for impairment. The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs to sell and value in use. Fair value less costs to sell consists of the price that the Group/Parent Company estimates it could obtain in a sale between knowledgeable, independent parties who have an interest in the transaction being completed. Deductions are made for costs directly attributable to the sale. Value in use consists of future cash flows that an asset or a cash-generating unit is expected to generate.

When testing for impairment, assets are grouped into cash-generating units. A cash-generating unit is the smallest identifiable group of cash inflows that are, in all material respects, independent. As a result, some assets are tested for impairment individually, while others are tested at the cash-generating unit level. All assets are reassessed for signs that a previous impairment is no longer justified. An impairment loss is reversed if the recoverable amount of the asset or the cash-generating unit exceeds the carrying amount and is allocated proportionally across all assets.

Receivables and Liabilities in Foreign Currency

Monetary items denominated in foreign currency are translated at the exchange rate on the balance sheet date, and any resulting exchange rate differences are recognized in the income statement. Exchange gains and losses on operating receivables and liabilities in foreign currency are recognized in the items Other operating income and Other operating expenses. Other exchange rate gains and losses are recognized under the heading "Income from financial items." Non-monetary items are not restated on the balance sheet date and are measured at cost (restated to the exchange rate on the transaction date).

Financial Instruments

Recognition and Measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms of the financial instrument. All financial instruments are measured at cost. Accounts receivable are measured at cost less estimated losses. Accounts payable and other non-interest-bearing liabilities are measured at their nominal amounts.

Removal From the Balance Sheet

Financial assets are derecognized from the balance sheet when the contractual right to the cash flows from the asset ceases or is settled, or when the risks and rewards associated with the asset are transferred to another party. Financial liabilities are derecognized from the balance sheet when the contractual obligation is fulfilled or ceases.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposits with banks and other financial institutions, as well as other short-term, liquid investments that can be readily converted into a known amount and are subject to an insignificant risk of fluctuations in value. Such investments have a maturity of no more than three months.

Equity

The Group's Equity Consists of the Following Items:

- Share capital, which represents the par value of issued and registered shares.
- Other contributed capital, which includes any premium received from a new issue of share capital. Any transaction costs associated with the new issue of shares are deducted from the share premium, taking into account any income tax effects.

Other Equity, Including Profit for the Year, Which Includes the Following:

- The development expense fund is increased annually by the amount capitalized in connection with the company's own development work. The fund is reduced annually by the amortization of the capitalized development work.
- Translation reserve; contains translation differences from the translation of financial statements for the Group's foreign operations into SEK.
- Retained earnings, i.e., all retained profits/losses and share-based payments for the current and prior periods. All transactions with the Parent Company's owners are reported separately in equity.

Employee Benefits

Current Employee Benefits

Current employee benefits, such as salaries, vacation pay, and bonuses, are benefits due to employees within 12 months of the balance sheet date of the year in which the employee earned the benefit. Current employee benefits are measured at the undiscounted amount that the Group is expected to pay as a result of the unvested entitlement.

Accounting and Valuation Principles – Alternative Rules for Legal Entities

The Parent Company's Valuation Principles

The parent company applies the same valuation principles as the Group, with the following exceptions:

Dividends From Subsidiaries

Dividends from subsidiaries are recognized as revenue when the parent company's right to the dividend is deemed certain and the amount can be reliably measured.

Investments in Subsidiaries

Investments in subsidiaries are valued at cost, less any impairment losses. Dividends from subsidiaries are recognized as revenue.

Group Contributions

All group contributions paid and received are recognized as appropriations.

Shareholder Contributions

The parent company recognizes shareholder contributions as an increase in the value of the shares in the subsidiary. Repayments of shareholder contributions reduce the carrying amount of the shares in the subsidiary.

Note 2: Estimates and Assessments

When preparing financial statements, the Board of Directors must, in accordance with applicable accounting and valuation principles, make certain estimates, judgments, and assumptions that affect the recognition and measurement of assets, provisions, liabilities, revenue, and expenses. The areas where such estimates and judgments may be of significant importance to the Group, and which may therefore affect future income statements and balance sheets, are described below.

Significant Judgments

The following are significant judgments made in applying the Group's accounting policies that have the most significant effect on the financial statements.

Capitalization of Intangible Assets

Determining the allocation between the research and development phases of new development projects and assessing whether the criteria for capitalizing development costs are met requires judgment. After capitalization, the Group monitors whether the accounting requirements for development costs continue to be met and whether there are indications that the capitalized expenses may be subject to impairment.

The Group holds capitalized intangible assets that have not yet been completed. Such assets must be tested for impairment at least annually. To do this, estimates must be made of future cash flows attributable to the asset or the cash-generating unit to which the asset will be allocated upon completion. An appropriate discount rate must also be determined to discount these estimated cash flows.

To assess whether the intangible asset requires impairment, a recoverable amount is calculated based on the expected future cash flows from the sale of the product. We have also calculated an appropriate discount rate (WACC) based on market conditions and by comparing with other similar companies, to discount the cash flows in the calculation of the recoverable amount. In this assessment, which extends several years into the future (through 2035), there are uncertainties regarding future cash flows and the appropriate discount rate. The selling price we have assigned to the product is on par with the only similar product currently available on the market, but which, in our assessment, is based on outdated technology and cannot truly be compared to our product in terms of user-friendliness, reliability, and mobility. Our assessment is based on available information and our commercialization plan. The risks we identify include potential delays in approvals from medical authorities in the EU and the US, which could in turn affect our own commercialization process.

Estimation Uncertainty

The following information describes the estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, revenue, and expenses. Actual results may differ materially from these estimates.

Impairment

To assess the need for impairment, the recoverable amount for each asset or cash-generating unit is calculated based on expected future cash flows and using an appropriate interest rate to discount the cash flows. Uncertainties arise from assumptions regarding future cash flows and the determination of an appropriate discount rate.

Useful Lives of Depreciable Assets

At each balance sheet date, a review is conducted of current estimates of the useful lives of depreciable assets. The uncertainty in these estimates stems from technological obsolescence, which may alter their use.

Note 3 Other Operating Income

	2025	2024
GROUP		
Exchange losses on operating receivables/liabilities	113 727	48 124
Other operating income	39 427	1 930
Total	**153 154**	**50 054**
PARENT COMPANY		
Exchange rate losses on operating receivables/liabilities	113 727	48 124
Exchange rate difference	39 427	1 930
Total	**153 154**	**50 054**

Note 4 Fees Paid to the Auditor

Costed compensation amounts to:	**2025**	**2024**
GROUP		
Grant Thornton Sweden AB		
-audit assignments	694 000	674 000
-audit activities in addition to audit assignments	25 000	228 000
-tax advice	-	-
-other services	-	-
Total	**719 000**	**902 000**
PARENT COMPANY		
Grant Thornton Sweden AB		
-audit assignments	644 000	624 000
-audit activities in addition to audit assignments	25 000	228 000
-tax advice	-	-
-other services	-	-
Total	**669 000**	**852 000**

Note 5 Salaries and Compensation for Employees

Costs reported for employee compensation are broken down as follows:	2025	2024
GROUP		
Salaries - CEO	1 307 634	1 279 603
Salaries - management	1 757 202	1 214 546
Board fees	586 250	650 599
Salaries - other employees	7 076 644	5 778 511
Total Salaries and Compensation	**10 727 730**	**8 923 259**
Pensions - Board and CEO	372 600	360 000
Pensions - other employees	810 832	1 446 841
Other social security contributions	1 581 452	1 375 487
Total Social Security Contributions	**2 764 884**	**3 182 328**
PARENT COMPANY		
Salaries - CEO	1 307 634	1 279 603
Salaries - management	1 757 202	1 214 546
Board fees	586 250	650 599
Salaries - other employees	7 076 644	5 778 511
Total Salaries and Compensation	**10 727 730**	**8 923 259**
Pensions - Board and CEO	372 600	360 000
Pensions - other employees	810 832	1 446 841
Other social security contributions	1 581 452	1 375 487
Total Social Security Contributions	**2 764 884**	**3 182 328**

Distribution of Board Fees	2025	2024
GROUP		
Oskar Mellgren	80 000	–
Magnus Öhman	118 750	160 116
Azad Najar	77 500	70 000
Stuart McConchie	77 500	93 175
Giovanni Lauricella	77 500	81 058
Mia Tomczak	38 750	–
Oliver Voigt	77 500	70 000
Ulf Grape	–	31 250
Crister Norström	–	75 000
Solveig Bergström	38 750	70 000
Total Fee	**586 250**	**650 599**
PARENT COMPANY		
Oskar Mellgren	80 000	–
Magnus Öhman	118 750	160 116
Azad Najar	77 500	70 000
Stuart McConchie	77 500	93 175
Giovanni Lauricella	77 500	81 058
Mia Tomczak	38 750	–
Oliver Voigt	77 500	70 000
Ulf Grape	–	31 250
Crister Norström	–	75 000
Solveig Bergström	38 750	70 000
Total Fee	**586 250**	**650 599**

Note 6 Income From Investments in Group Companies

PARENT COMPANY	2025	2024
Impairment losses	–	-3 543 234
Total	**0**	**-3 543 234**

Note 7 Other Interest Income and Similar Income Items

GROUP	2025	2024
Other interest income	350 514	914 926
Total	**350 514**	**914 926**
PARENT COMPANY		
Other interest income	311 204	900 724
Total	**311 204**	**900 724**

Note 8 Interest Expense and Similar Income Statement Items

GROUP	2025	2024
Other interest expenses	372 791	641 466
Total	**372 791**	**641 466**
PARENT COMPANY		
Other interest expenses	372 791	641 466
Total	**372 791**	**641 466**

Note 9 Capitalized Expenses for Development Work

	2025-12-31	2024-12-31
GROUP		
Opening accumulated acquisition values	129 975 776	110 297 215
This year's development work	26 399 724	28 096 195
New patent acquisitions	1 087 271	607 141
Activated contributions	-9 086 644	-8 986 197
Exchange rate differences	-1 816 161	-38 578
Closing Accumulated Acquisition Values	**146 499 966**	**129 975 776**
Opening accumulated depreciation	-457 766	-454 166
Depreciation for the year	-3 600	-3 600
Closing Accumulated Depreciation	**-461 366**	**-457 766**
Opening accumulated impairment losses	-72 719 102	-53 699 630
Impairment losses for the year	-20 152 736	-19 019 472
Closing Accumulated Impairment Losses	**-92 871 838**	**-72 719 102**
Carrying Amount	**53 166 762**	**56 798 908**

PARENT COMPANY		
Opening accumulated acquisition values	113 733 703	99 363 367
Development work of the year	25 749 462	21 754 949
New patent acquisitions	1 087 271	607 141
Capitalized grants	-6 905 207	-7 991 754
Closing Accumulated Acquisition Values	**133 665 229**	**113 733 703**
Opening accumulated depreciation	-457 766	-454 166
Depreciation for the year	-3 600	-3 600
Closing Accumulated Depreciation	**-461 366**	**-457 766**
Opening accumulated impairments	-67 462 823	-53 699 630
Impairments for the year	-19 747 001	-13 763 193
Closing Accumulated Impairments	**-87 209 824**	**-67 462 823**
Carrying Amount	**45 994 039**	**45 813 114**

The layout of the note for intangible assets has been changed compared to the previous year in order to provide a clearer presentation. The comparative figures have been adjusted and the change has not affected the reported amounts other than that in the previous year the capitalized tax refund for the period was reported on a separate line with SEK 994,443 for the Group and SEK 0 for the Parent Company, this item is now included in the item capitalized grants because its economic meaning is to be equated with a grant.

Note 10 Machinery and Equipment

	2025-12-31	2024-12-31
GROUP		
Opening accumulated acquisition values	1 598 473	1 598 473
Purchases	865 131	–
Closing Accumulated Acquisition Values	**2 463 604**	**1 598 473**
Opening accumulated depreciation	-1 052 064	-890 963
Depreciation for the year	-231 667	-161 101
Closing Accumulated Depreciation	**-1 283 731**	**-1 052 064**
Carrying Amount	**1 179 873**	**546 409**
PARENT COMPANY		
Opening accumulated acquisition values	1 598 473	1 598 473
Purchases	865 131	–
Closing Accumulated Acquisition Values	**2 463 604**	**1 598 473**
Opening accumulated depreciation	-1 052 064	-890 963
Depreciation for the year	-231 667	-161 101
Closing Accumulated Depreciation	**-1 283 731**	**-1 052 064**
Carrying Amount	**1 179 873**	**546 409**

Note 11 Shares in Group Companies

	Corporate ID No.	Number of Shares	Share %	Carrying Amount
Scandinavian Realheart Pty / Victoria, Australien	629303788	12	100	14 195 622

Change During the Year	**2025-12-31**	**2024-12-31**
PARENT COMPANY		
Opening accumulated acquisition values	17 738 856	14 195 622
Shareholder contributions provided	–	3 543 234
Closing Accumulated Acquisition Values	**17 738 856**	**17 738 856**
Opening accumulated impairments	-3 543 234	–
Impairments for the year	–	-3 543 234
Closing Accumulated Impairments	**-3 543 234**	**-3 543 234**
Carrying Amount	**14 195 622**	**14 195 622**

Note 12 Prepaid Expenses and Accrued Income

	2025-12-31	2024-12-31
GROUP		
Prepaid rent	224 320	141 434
Prepaid insurance	14 623	9 771
Other items	442 586	516 429
Carrying Amount	**681 529**	**667 634**
PARENT COMPANY		
Prepaid rent	224 320	141 434
Prepaid insurance	14 623	9 771
Other items	442 586	516 429
Carrying Amount	**681 529**	**667 634**

Note 13 Share Capital

The share capital of the Parent Company consists solely of fully paid ordinary shares with a nominal value of SEK 5,010. All shares have the same right to dividends and represent one vote at the Parent Company's general meeting.

	2025-12-31	2024-12-31
PARENT COMPANY		
Subscribed and paid shares:		
At the beginning of the year	2 068 152	96 994 446
New share issue	2 930 552	109 820 812
Withdrawal of shares	-	-58
Consolidation of shares	-	-204 747 048
Subscribed and Paid Shares	**4 998 704**	**2 068 152**

For changes in equity, see separate report.

Note 14 Long-Term Liabilities

	2025-12-31	2024-12-31
GROUP		
Amortization within 2-5 years	2 870 069	4 456 215
Amortization after 5 years	–	–
Subscribed and Paid Shares	**2 870 069**	**4 456 215**
PARENT COMPANY		
Amortization within 2-5 years	2 870 069	4 456 215
Amortization after 5 years	–	–
Subscribed and Paid Shares	**2 870 069**	**4 456 215**

Note 15 Accrued Expenses and Prepaid Income

	2025-12-31	2024-12-31
GROUP		
Personnel-related costs	1 400 739	1 229 929
Other items	485 790	1 165 223
Carrying Amount	**1 886 529**	**2 395 152**
PARENT COMPANY		
Personnel-related costs	1 400 739	1 229 929
Other items	485 790	1 165 222
Carrying Amount	**1 886 529**	**2 395 151**

Note 16 Pledged Assets and Contingent Liabilities

Pledged Collateral	**2025-12-31**	**2024-12-31**
GROUP		
Floating charge	10 000 000	10 000 000
PARENT COMPANY		
Floating charge	10 000 000	10 000 000

Note 17 Average Number of Employees

	2025-12-31		2024-12-31	
	Average number of employees	Of which men	Average number of employees	Of which men
GROUP				
Sweden	15	11	12	9
Australia	–	–	–	–
Total for the Group	**15**	**11**	**12**	**9**
PARENT COMPANY				
Sweden	15	11	12	9
Total for the Parent Company	**15**	**11**	**12**	**9**

Note 18 Significant Events After the End of the Financial Year

Results of the Rights Issue
The offering was subscribed to approximately 70%, which meant that the Company raised approximately SEK 49 million before issuance costs. The Board of Directors therefore assesses that continued operations are secured with the financing received.

Patent Approvals
The Company announced approval from the European Patent Office (EPO), which provides a unitary patent solution with protection in 17 EU countries through 2041, as well as patent approval in India through March 2041.

Note 19 Adjustments for Items not Included in Cash Flow

	2025-12-31	2024-12-31
GROUP		
Depreciation	235 267	164 701
Impairment of intangible assets	20 152 736	19 019 570
Unrealized exchange rate gains/losses	55 583	66 997
Other adjustments	38 619	–
Total Adjustments	**20 482 205**	**19 251 268**
PARENT COMPANY		
Depreciation	235 267	164 701
Impairment of intangible assets	19 747 001	17 306 427
Unrealized exchange rate gains/losses	55 583	–
Other adjustments	66 208	–
Total Adjustments	**20 104 059**	**17 471 128**

Note 20 Definition of Key Figures

Balance sheet total
Company's total assets.

Equity ratio (%)
Adjusted equity (equity and untaxed reserves less deferred tax) as percent of balance sheet total.

Cash flow (%)
Current assets excluding inventories and work in progress as a percentage of current liabilities

Note 21Transactions With Related Parties

Type of Transaction/Type of Related Party Relationship	2025	2024
GROUP		
Invoiced consulting services from board members	819 000	588 000
PARENT COMPANY		
Invoiced consulting services from board members	819 000	588 000

All transactions have taken place on market terms.

Note 22 Changed Classification of Grants Received

During the fiscal year, the Company changed the classification of grants received in the statement of cash flows. In the previous fiscal year, grants received were reported under the item "Investments in intangible fixed assets" within investing activities.

To provide a more accurate and transparent presentation of the Company's financing, management has determined that grants received should instead be reported as a separate item within financing activities. The classification effective from the 2025 fiscal year thus reflects the grants' function as a source of external financing, rather than as a direct reduction of investment outflows. To ensure comparability between fiscal years, the comparative figures for 2024 have been reclassified in accordance with the new principle. The reclassification affects only the presentation of the cash flow statement and has no effect on the income statement, balance sheet, or cash flow for the year as a whole.

Signatures

Västerås, March 19, 2026
The final content of the annual report was determined on 2026-03-19.

Oskar Mellgren
Chairman

Ina Laura Perkins
Chief Executive Officer

Oliver Voigt
Board Member

Giovanni Laruricella
Board Member

Azad Najar
Board Member

Stuart McConchie
Board Member

Magnus Öhman
Board Member

Mia Tomczak
Board Member

Our auditor's report was issued on March 19, 2026
Grant Thornton Sweden AB
Joakim Söderin
Authorized Public Accountant

The Group's income statement and balance sheet as well as the Parent Company's income statement and balance sheet are subject to adoption at the Annual General Meeting.

Auditor's Report

N.B. The English text is a translation of the official version in Swedish. In the event of any conflict between the Swedish and English version, the Swedish shall prevail.

To the Annual General Meeting of Scandinavian Real Heart AB

Corporate ID No. 556729 - 5588

Report on the Annual Accounts and Consolidated Accounts

Opinions

We have audited the annual accounts and consolidated accounts of Scandinavian Real Heart AB for the year 2025.

The annual accounts and consolidated accounts of the company are included on pages 34 - 57 in this document. In our opinion, the annual accounts and consolidated ac-counts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with the Annual Ac-counts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of Matter

Without affecting our statements above, we would like to draw attention to the description in the annual report (note 2, page 48) under the heading Capitalisation of intangible assets, which states that the value of the intangible asset is based on the assumption that the product will be fully developed and commercialised.

Other Information Than the Annual Accounts and Consolidated Accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 5 - 33. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated ac-counts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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

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

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on Other Legal and Regulatory Requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also performed an audit of the administration of the Board of Directors and the CEO of Scandinavian Real Heart AB for the year 2025 and of the proposed appropriation of the company's profit or loss.

We recommend that the Annual General Meeting allocate the profit in accordance with the proposal in the administration report and grant the members of the Board of Directors and the CEO discharge from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial

affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, according to the date indicated by the electronic signature.
Grant Thornton Sweden AB

Joakim Söderin
Authorized Public Accountant

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This English version of Realheart's annual report for 2025 is a translation from the original Swedish version.