



Interim Report Q2 2025

Announcement no. 33/2025

Sveinn Sölvason, President and CEO, comments:

“Sales in Q2 2025 amounted to USD 232 million, representing 7% reported growth, of which 5% was organic. Growth was strong in the Prosthetics & Neuro Orthotics segment, primarily driven by continued momentum in EMEA and supported by solid contribution from our recently launched innovation. Growth in Americas and APAC regions was also good, led by the Prosthetics & Neuro Orthotics segment. In contrast, sales in the Patient Care segment remained flat, while Bracing and Supports experienced a slight decline.

The EBITDA margin was strong at 21% in Q2 2025 and 20% for the first half of the year, compared to 19% (before special items) in the first half of 2024. The margin increase was driven by robust sales in Prosthetics & Neuro Orthotics, solid efficiency in manufacturing, and continued cost discipline in SG&A.

In line with our performance in the first half of the year and expectations for stronger growth in the second half, we are narrowing our full-year guidance for organic sales growth to 5-6% (previously 5-8%). We reiterate our guidance for the EBITDA margin before special items at 20-21%.”

Highlights Q2 2025

- Sales amounted to USD 232 million and organic growth was 5%, compared to 6% in Q2 2024.
- Prosthetics & Neuro Orthotics sales grew by 9% organic, Bracing & Supports (B&S) sales declined by 2% organic and Patient Care sales were flat, compared to 6%, 2% and 9% respectively in Q2 2024.
- Gross profit margin was 62%, compared to 64% in Q2 2024. For 1H 2025 the gross profit margin increased to 63% compared to 62% in the same period 2024. The gross profit margin in the quarter was positively impacted from strong performance in Prosthetics & Neuro Orthotics, in addition to efficiency in manufacturing, but the margin was adversely impacted by soft sales in B&S and Patient Care due to lower scale on fixed manufacturing cost, in addition to some impact from US tariffs.
- EBITDA was USD 49 million, and EBITDA margin was 21% of sales, compared to 22% in Q2 2024. EBITDA margin in the 1H 2025 was 20% compared to 19% before special items in 1H 2024. The EBITDA margin in the quarter was positively impacted by solid cost discipline in SG&A but negatively impacted by a softer gross profit margin than in the comparable period.
- Net profit grew by 5% and was USD 21 million, and the net profit margin was 9% of sales, the same as in Q2 2024. Net profit growth was 17% in 1H 2025. Net profit in Q2 and 1H was negatively impacted by net exchange differences.
- Free cash flow amounted to USD 12 million or 5% of sales, compared to 8% of sales in Q2 2024. Free cash flow benefitted from strong operating results but was partly offset by temporary working capital investments and elevated CAPEX in the quarter.
- NIBD/EBITDA before special items was 2.6x at the end of Q2 2025. The leverage ratio is within the target range of 2.0-3.0x and the share buyback program is ongoing. Embla Medical bought back 627,624 shares for approximately USD 3 million in the quarter.

Other highlights

- Agreement signed on 17 July 2025 to invest in a majority share (51% of the shares) in privately owned Streifeneder ortho.production GmbH, an international developer and supplier of orthopaedic mobility solutions, employing around 100 people, with sales of EUR 25 million in 2024 (USD 29 million). Closing of the transaction is subject to regulatory approval.
- Fior & Gentz (Neuro Orthotics) has been awarded a new reimbursement code in the United States (L-2006 code) for the “NEURO HiTRONIC MPKAFO” (bionic knee joint), which is the smallest and lightest microhydraulic knee joint on the market, a significant milestone in the introduction of Neuro Orthotics products in the United States.
- EUR 50 million loan signed with Nordic Investment Bank (NIB).
- Halfway through unifying our Patient Care facilities under the ForMotion brand. Patient care facilities in Iceland, Sweden, and Finland were rebranded to ForMotion in Q2 2025.

2025 Outlook

- Organic sales growth guidance narrowed to 5-6% (previously 5-8%).
- EBITDA margin before special items guidance is unchanged at 20-21%

	H1 2025	H1 2024	Q2 2025	Q2 2024	Guidance (current)	Guidance (previously)
Sales growth, organic	4%	6%	5%	6%	5-6%	5-8%
EBITDA margin, before special items	20%*	19%	21%	22%	20-21%*	20-21%*

*Potential impact from US trade tariffs continues to be an uncertain element to quantify given the frequent changes in the global tariff environment. Consequently, we deem it too speculative to quantify and guide an exact impact from potential tariffs on Embla Medical's financial results, but some absorption of tariffs is assumed in the guidance.

USD millions	Q2 2025	Q2 2024	1H 2025	1H 2024	FY 2024	FY 2023	FY 2022	FY 2021	
Income Statement									
Net sales	232	217	435	417	855	786	719	719	
Gross profit	144	139	272	259	535	486	440	455	
Operating expenses (excl. other income / exp.)	111	105	217	211	422	398	373	360	
EBITDA	49	47	85	76	169	139	114	149	
EBITDA before special items	49	47	85	80	173	139	128	149	
EBIT	34	33	56	49	113	89	65	97	
Net profit	21	20	33	28	69	59	43	66	
Sales Growth									
Sales growth USD	%	7	8	4	9	9	9	0	14
Growth breakdown:									
Organic growth	%	5	6	4	6	6	9	4	10
Currency effect	%	2	(1)	0	0	0	(1)	(7)	3
Acquired business	%	0	3	0	3	3	1	3	1
Balance Sheet									
Total assets	1,677	1,559	1,677	1,559	1,539	1,386	1,325	1,247	
Equity	836	754	836	754	781	705	636	627	
Net interest-bearing debt (NIBD)	472	470	472	470	414	395	404	363	
Cash Flow									
Cash generated by operations	34	41	57	54	160	126	92	128	
Free cash flow	12	18	20	10	77	52	35	74	
Key Ratios									
Gross profit margin	%	62	64	63	62	63	62	61	63
EBIT margin	%	15	15	13	12	13	11	9	14
EBITDA margin	%	21	22	20	18	20	18	16	21
EBITDA margin before special items	%	21	22	20	19	20	18	18	21
Equity ratio	%	50	48	50	48	51	51	48	50
Net debt to EBITDA before special items*		2.6	3.1	2.6	3.1	2.4	2.8	3.2	2.4
Effective tax rate	%	24	24	24	24	24	23	23	24
Return on equity*	%	9	9	9	9	9	9	7	11
CAPEX / Net sales	%	4.4	5.0	3.8	5.4	4.6	5.4	3.6	3.7
Market									
Market value of equity	2,250	1,811	2,250	1,811	2,125	1,713	2,035	2,724	
Number of shares in millions	428	428	428	428	428	421	423	423	
Basic EPS in US cents	5.0	4.7	7.8	6.6	16.2	14.0	10.3	15.6	
Diluted EPS in US cents	6.1	4.7	9.0	6.6	16.2	14.0	10.3	15.5	

Management's report

Financial performance

Sales increased by 5% organic in Q2 2025

Sales

Sales in 1H 2025 amounted to USD 435 million, compared to USD 417 million in 1H 2024, corresponding to 4% organic growth and a 4% reported growth (USD growth). Sales in Q2 2025 amounted to USD 232 million, compared to USD 217 million in Q2 2024, corresponding to 5% organic growth and a 7% reported growth (USD growth).

Positive FX impact of USD 5 million in Q2 2025

Reported sales were USD 5 million higher in Q2 2025 due to changes in FX when compared to Q2 2024, which corresponds to a 2%-point positive effect on the reported growth rate.

Sales by geographical segment (USD million)	Q2 2025	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth	1H 2025	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth
EMEA	113	7%	0%	6%	13%	215	7%	0%	2%	9%
Americas	102	3%	0%	(0%)	2%	187	1%	0%	(1%)	0%
APAC	18	3%	0%	(2%)	1%	34	8%	0%	(3%)	4%
Total	232	5%	0%	2%	7%	435	4%	0%	0%	4%

Sales by business segment (USD million)	Q2 2025	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth	1H 2025	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth
Prosthetics & Neuro Orthotics	126	9%	0%	3%	12%	237	9%	0%	0%	9%
Bracing & Supports	38	-2%	0%	1%	-1%	73	(1%)	0%	0%	(2%)
Internal product sales	(10)	-8%	0%	7%	-1%	(19)	0%	0%	2%	2%
External sales	154	8%	0%	2%	9%	291	7%	0%	0%	7%
Patient Care	78	0%	0%	3%	3%	144	0%	0%	1%	0%
Total	232	5%	0%	2%	7%	435	4%	0%	0%	4%

Growth in Q2 2025 was driven by solid volume growth in Prosthetics & Neuro Orthotics.

Growth across all regions in Q2 2025 with stronger sales growth in EMEA

Sales growth in the EMEA region was strong in the second quarter with 7% organic growth. In Prosthetics & Neuro Orthotics the strong growth momentum seen over several quarters continued across key European markets in Q2. Growth was driven by strong volume growth coupled with good uptake in Bionics and from our recent innovation such as Navii (bionic knee) and Pro-Flex Terra (mechanical feet solution). Sales performance in Patient Care was good in several European markets but partly offset by softer sales in selected markets. Sales in Bracing & Supports were soft during the quarter.

In Americas sales increased by 3% in Q2, partly ascribed to signs of improvement in Prosthetics & Neuro Orthotics versus previous quarters coupled with good growth in select categories such as bionics, with positive impact from our recently launched innovation. Sales in B&S continued to be soft, partly ascribed to lower patient volumes for elective procedures and moderate price pressure. Lastly, sales in our Patient Care business showed increased momentum following a soft first quarter.

In APAC organic sales ended at 3% in Q2 2025 with solid growth in Prosthetics & Neuro Orthotics as well as Bracing and Supports, while sales in Patient Care were temporarily impacted by shifts between quarters. Sales performance in Prosthetics & Neuro Orthotics was strong in APAC, mainly driven by markets such as Australia and New Zealand. In Bracing & Supports some recovery from previous quarters was seen.

As communicated previously, we expect to see a gradual uptake of eligible K2 patients in the periods to come as prosthetists are gaining experience from fitting the first patients and submitting reimbursement claims. We are however yet to see any material impact from the US Medicare coverage expansion for K2 patients but expect some contribution in the second half of the year as upgrades for eligible K2 patients are rolled out on a selective basis.

In this context, we expect our recently launched bionic knees Navii® by Össur and Icon® by College Park to address some of the active K2 amputees consistent with the coverage standards published by Medicare. We have received encouraging initial feedback on our launches from a clinical performance perspective and will continue our efforts to enable more active K2 functional level amputees to gain access to advanced bionic knee technology, which previously was restricted to functional level K3 and K4 users.

Operations

Gross profit margin of 62% in Q2 2025

Gross profit in 1H 2025 amounted to USD 272 million or 63% of sales, compared to USD 259 million or 62% of sales in 1H 2024 (63% before special items). Gross profit in Q2 2025 amounted to USD 144 million or 62% of sales, compared to USD 139 million or 64% of sales in Q2 2024.

The gross profit margin in the quarter was positively impacted from strong performance in Prosthetics & Neuro Orthotics, in addition to continued solid efficiency in manufacturing, but the margin was adversely impacted by soft sales in B&S and Patient Care due to lower scale on fixed manufacturing costs in addition to some impacts from US tariffs.

OPEX ratio of 48% in Q2 2025

Operating expenses (OPEX)

OPEX amounted to USD 217 million or 50% of sales in 1H 2025, compared to USD 211 million or 51% of sales in 1H 2024. OPEX amounted to USD 111 million or 48% of sales in Q2 2025, compared to USD 105 million or 49% of sales in Q2 2024.

OPEX growth was 2% organic in the quarter, compared to organic sales growth of 5%, highlighting strong cost discipline in the quarter.

EBITDA margin of 21% in Q2 2025

EBITDA

EBITDA amounted to USD 85 million or 20% of sales in 1H 2025, compared to EBITDA before special items of USD 80 million or 19% of sales in 1H 2024 (18% reported). EBITDA amounted to USD 49 million or 21% of sales in Q2 2025, compared to EBITDA of 47 million or 22% of sales in Q2 2024.

Financial items

Net financial expenses in 1H 2025 amounted to USD 17 million, compared to USD 13 million in 1H 2024. Net financial expenses in Q2 2025 amounted to USD 10 million, compared to USD 8 million in Q2 2024.

The increase in net financial expenses is mainly due to non-cash currency fluctuations, impacting net financial expenses negatively by USD 5 million in Q2 (USD 8 million in 1H 2025), compared to USD 2 million in Q2 2024 (USD 2 million in 1H 2024).

Effective tax rate of 24% in Q2 2025

Income tax

Income tax amounted to USD 10 million in 1H 2025, corresponding to a 24% effective tax rate, compared to USD 9 million in 1H 2024, corresponding to a 24% effective tax rate. Income tax amounted to USD 7 million in Q2 2025, corresponding to a 24% effective tax rate, compared to USD 6 million in Q2 2024, corresponding to a 24% effective tax rate.

Net profit

Net profit margin of 9% in Q2 2025

Net profit grew by 17% in 1H 2025 amounted to USD 33 million or 8% of sales, compared to USD 28 million or 7% of sales in 1H 2024. Net profit grew by 5% in Q2 2025, amounting to USD 21 million or 9% of sales, compared to USD 20 million or 9% of sales in Q2 2024.

Diluted earnings per share in 1H 2025 amounted to 7.8 US cents, compared to 6.6 in 1H 2024. Diluted earnings per share in Q2 2025 amounted to 5.0 US cents, compared to 4.7 in Q2 2024.

Cash flow

Cash generated by operations

Cash generation of USD 34 million in Q2 2025

Cash generated by operations amounted to USD 57 million or 13% of sales in 1H 2025, compared to USD 54 million or 13% of sales in 1H 2024. Cash generated by operations amounted to USD 34 million or 14% of sales in Q2 2025, compared to USD 41 million or 19% of sales in Q2 2024.

Cash generation was negatively impacted by net working capital investment, mainly attributed to a temporary increase in accounts receivable (AR) due to strong sales in the latter half of the quarter. The increase is driven by new receivables and therefore the expectation is that the accounts receivable level will normalize in the coming quarter.

Capital expenditures

CAPEX was 4% of sales in Q2 2025

Capital expenditures in 1H 2025 amounted to USD 16 million or 4% of sales, compared to USD 22 million or 5% of sales in 1H 2024. Capital expenditures in Q2 2025 amounted to USD 10 million or 4% of sales, compared to USD 11 million or 5% of sales in Q2 2024.

CAPEX in the quarter is elevated mainly due to timing of investments in manufacturing equipment in Iceland and Mexico. CAPEX ratio in the 1H 2025 is in line with guidance for the full year.

Free cash flow

Free cash flow was 5% of sales in Q2 2025

Free cash flow in 1H 2025 amounted to USD 20 million or 5% of sales, compared to USD 10 million or 2% of sales in 1H 2024. Free cash flow in Q2 2025 amounted to USD 12 million or 5% of sales, compared to USD 18 million or 8% of sales in Q2 2024.

Free cash flow was temporarily adversely affected in the quarter due to temporary net working capital investments and elevated CAPEX.

Bank balances and cash equivalents

Cash and undrawn facilities amount to USD 150 million

Bank balances and cash equivalents amounted to USD 94 million at the end of Q2 2025 and USD 56 million of existing facilities were undrawn. Bank balances and cash equivalents in addition to undrawn credit facilities at the end of Q2 2025, therefore, amounted to USD 150 million.

Capital structure

**NIBD/EBITDA
before special
items at 2.6x**

Net-interest bearing debt

Net interest-bearing debt, including lease liabilities, amounted to USD 472 million at quarter-end Q2 2025 compared to USD 470 million at quarter-end Q2 2024. Net interest-bearing debt to EBITDA before special items corresponded to 2.6x at quarter-end Q2 2025, within the target range of 2.0-3.0x.

The increase in net interest-bearing debt is mainly due to currency fluctuations as part of the loan portfolio is in EUR.

**Share buybacks
of USD 3 million
in Q2 2025**

Share buybacks and treasury shares

The purpose of the program is to reduce the Company's share capital and adjust the capital structure with a desired capital level of 2.0-3.0x net interest-bearing debt to EBITDA before special items, by distributing capital to shareholders in line with the Company's Capital Structure and Capital Allocation Policy.

During Q2 2025, Embla Medical bought back 627,624 shares at a market value of approximately USD 3 million (923,277 shares at a market value of approximately USD 4 million 1H 2025). At the end of Q2 2025, treasury shares totaled 1,624,924.

2025 Financial Guidance

Guidance	Guidance FY 2025 (July)	Guidance FY 2025 (April)	Guidance FY 2025 (February)
Sales growth, organic	5-6%	5-8%	5-8%
EBITDA margin before special items	20-21%	20-21%	20-21%
For modelling purposes			
CAPEX as % of sales	3-4%	3-4%	3-4%
Effective tax rate	23-24%	23-24%	23-24%

Guidance for organic sales growth is narrowed and is now expected to be in the range of 5-6%.

We continue to expect strong performance in Prosthetics across regions in the second half of 2025 supported by solid growth in the core business, including contributions from the recently launched Navii® and Icon® bionic knees. In Neuro Orthotics (Fior & Gentz) we expect the international expansion to new markets to continue to contribute to growth leveraging Embla/Össur's global commercial infrastructure and the ForMotion footprint within O&P clinics. In the past 12 months, the distribution of Fior & Gentz products have expanded into markets such as US, UK, France, Spain, Italy, Nordics, and Australia.

In Patient Care, we expect moderate growth reflecting underlying market growth across regions. All else equal, we expect to see volume growth pick up in the second half of the year supported by increased efficiency to drive growth. It should however be noted that growth in EMEA region may be somewhat impacted by a strong comparison in 2025 compared to 2024.

Lastly, Bracing & Supports is expected to grow approximately in line with market growth realizing that the market for Bracing & Support remains challenging due to lower patient volumes for elective procedures as well as we have seen increased competitive/price pressure in selected markets.

The guidance for EBITDA margin before special items remain unchanged and is expected to be in the range of 20-21% for 2025. The EBITDA margin is expected to be positively impacted by strong sales performance, a favorable product mix from high-end solutions, continued efficiency gains in manufacturing, and cost discipline in SG&A.

Pending closing, the agreement to invest in a majority share acquire (51% of the shares) in privately owned Streifeneder ortho.production GmbH is not expected to have any material impact on the financial guidance for 2025.

Potential impact from US trade tariffs

Potential impact from US trade tariffs continues to be an uncertain element to quantify given the frequent changes in the global tariff environment. Consequently, we deem it too speculative to quantify and guide an exact impact from potential tariffs on Embla Medical's financial results. Although, some absorption of tariffs is assumed in the guidance.

As previously communicated, we expect the main impact would be on our Bracing and Supports products manufactured in China and sold in the US. It is our expectation that adjustments could be made to our manufacturing setup to mitigate a large part of additional direct cost. Potential tariff impact on other manufacturing sites is deemed minimal as the tariff situation looks today.

Foreign exchange

Sales are particularly exposed to fluctuations in the EUR/USD exchange rate. Additionally, the ISK has a relatively high impact on operating results as part of manufacturing, R&D and some corporate functions are based in Iceland, while sales in ISK are minimal. A breakdown of sales and costs by main currencies can be found in note 4 of the accompanying Condensed Consolidated Financial Statements.

All else being equal, a +/- 5% movement in EUR/USD is estimated to have an annual impact on EBITDA in the range of +/- USD 3.5-4.5 million when unhedged. The same movement in ISK/USD is estimated to have an annual impact on EBITDA in the range of +/- USD 3.5-4.5 million when unhedged. Embla Medical utilizes forward contracts to hedge approximately 50% of the estimated net currency exposure in ISK.

Currency overview USD	EUR	ISK
Average exchange rate FY 2024	1.082	0.0073
Average exchange rate in Q1 2025	1.052	0.0072
Average exchange rate in Q2 2025	1.135	0.0078
Opening rate July 21 2025	1.165	0.0082
Estimated average exchange rate for FY 2025*	1.129	0.0078
Change in estimated exchange rate FY 2025 compared to last year's average	4%	8%

*Estimated average exchange rate is calculated as the exchange rate of H1 combined with the exchange rate (open) on July 21 2025 for the remainder of the year

Other highlights

Acquisition of Streifeneder ortho.production

On July 17, Embla Medical announced that the Company had signed an agreement to invest in a majority share (51% of the shares) in privately owned Streifeneder ortho.production GmbH ("Streifeneder"). Today Streifeneder ortho.production is part of Streifeneder KG (Group), a supplier of orthopaedic solutions and operator of a large O&P clinic network in Bayern, Germany.

Streifeneder is an international developer and supplier of orthopaedic mobility solutions, employing around 100 people. In addition to its offerings of prosthetic and orthotic components, Streifeneder ortho.production also supplies orthopaedic materials and equipment to the O&P industry. In 2024, Streifeneder ortho.production sales of EUR 25 million (approximately USD 29m) with ~70% of sales related to prosthetics and orthopaedic materials. The majority of sales are generated in Germany, while also selling into other key European markets and distributing into the Americas and APAC regions.

The investment in Streifeneder represents an attractive opportunity for Embla Medical to become a full range provider to a larger part of the global O&P market, ultimately reaching more patients. The majority investment in Streifeneder will furthermore strengthening Embla Medical's presence in Germany, the second largest O&P market in the world. Streifeneder is estimated to grow in line with the global prosthetics market in the range of 5-7% in the near-term, in addition to realizing commercial synergies by leveraging Embla Medical/Össur's global footprint. The closing of the transaction is subject to regulatory approvals.

In connection with the investment and when closing conditions are met, the Board of Directors of Embla Medical will resolve to utilize the authorization in Article 5, paragraph 1, of the Articles of Association to issue 2,805,135 new shares in Embla Medical, raising the total share capital in nominal value by 0.7% from ISK 427,636,122 to ISK 430,441,257. The price of each new share is DKK 33.26, and the total value of the share capital increase is thus DKK 93 million (EUR 12.5 million).

Pending closing, the transaction is not expected to have any material impact on the financial guidance for 2025.

Proposed CMS Bidding Rule on OTS Orthoses

On July 2, CMS (US Medicare) released a proposed rule with a section dedicated to its competitive bidding program, which is designed to reduce Medicare's spending on certain types of medical devices¹.

Back in 2021, CMS included off-the-shelf braces in the program for the first time. Focused on spinal and knee braces, the bidding process resulted in lower prices in selected categories.

Since those competitive bidding contracts expired, CMS has been in a self-declared "gap period" during which it has evaluated the program and developed proposed changes to it. It published those proposed changes on July 2 for notice and comment from the public. The proposed rule does not identify which OTS braces will be subject to the next competitive bidding round, nor does it specify the timeline for implementation. In the past, the competitive bidding process has taken roughly 18 months. If CMS operated on the same timeline here, the earliest we would expect to see the next round go live would be sometime in 2027.

As several factors remain uncertain, we believe it's still too premature to discuss potential impact at this stage.

EUR 50 million loan from Nordic Investment Bank

In June 2025 the Nordic Investment Bank (NIB) could announce that Embla Medical and NIB had entered into a loan agreement worth EUR 50 million. The loan has a term of seven years.

ForMotion Global rebranding: Halfway through unifying our Patient Care facilities under one brand

During Q2 2025 patient care facilities in Iceland, Sweden and Finland were rebranded to ForMotion.

Embla Medical Recognized for Leadership in Accessibility and International Reach

Embla Medical has been honored by Forbes Magazine for championing accessibility and by Iceland's President for excellence in global exports. Embla Medical is internationally recognized for its pioneering role in enhancing peoples' mobility and its business leadership. Forbes Magazine has named Embla Medical to its first-ever global Accessibility 100 list, recognizing the company's history of innovative prosthetics, neuro orthotics, and bracing solutions, in addition to high-quality patient care services.

Product launches during the last 12 months

Launch quarter	Segment	Product name	Product description
Q1 2025 (Limited launch Q2 2024)	Prosthetics Bionic knee	Icon® (College Park)	Icon® features responsive sensors, streamlined setup, and the intuitive Stride Studio app. Icon® is the versatile solution for low to high activity users.
Q1 2025 (Limited launch Q2 2024)	Prosthetics Bionic knee	Navii® (Össur)	Navii® is a fully waterproof bionic knee featuring a powerful actuator provided to support consistency for stair and ramp descent. Navii® possesses a variable-position mechanical lock that can securely lock at three different angles and stay locked for standing during longer periods of time.
Q3 2024	Prosthetics Upper limb	NP 3rd generation (Naked Prosthetics)	The third generation of Naked Prosthetics technology features significant enhancements to the PIPDriver®, MCPDriver®, ThumbDriver®, and GripLock Finger®. With a refreshed color palette, new surface textures, and customizable hardware, this update delivers greater personalization and improved durability, driven by market feedback and advanced manufacturing.
Q2 2024	Prosthetics Liners	Iceross Seal-In® X Locking TF (Össur)	Build for comfort and stability, the Icelock 850 Hybrid Lock and Iceross Seal-In X Locking TD liner bring the benefits of advanced vacuum suspension of the Seal-In system to users with lower limb amputations of all activity levels who prefer or rely on locking or lanyard suspensions.

Conference call and financial calendar

Conference call details

Embla Medical will host a conference call on July 22, 2025, at **9:00 CET / 7:00 GMT / 3:00 ET**.

To actively participate in the telephone conference, please use the dial-in details provided below:

DK: +45 78 76 84 90

UK: +44 20 3769 6819

US: +1 646 787 0157

Participant access code: 274982

The webcast will be available through following link: [Embla Medical Q2 2025 webcast](#)

Financial calendar and events 2025

July 22 2025	Interim report Q2 2025
July 22 2025	Q2 2025 HCA Capital virtual presentation and Q&A
July 22 2025	Q2 2025 US Virtual Road Show (SEB)
Aug 19 2025	Q2 2025 Road Show Copenhagen (SEB)
Aug 20 2025	Nordea Small & Midcap Days Stockholm
Aug 27 2025	Økonomisk Ugebrev Life Science Conference, Copenhagen
Sept 4 2025	Goldman Sachs MedTech conference, London
Sept 9 2025	Aktiespararna investor event (Retail), Falkenberg Sweden
Sept 16 2025	Pareto Securities Annual Healthcare Conference, Stockholm
Sept 18 2025	HC Andersen Investor Seminar, Copenhagen
Oct 1 2025	European MidCap Event, Paris
Oct 21 2025	Interim report Q3 2025
Nov 17 2025	InvestorDagen Dansk Aktionærforening, Copenhagen
Nov 18-20 2025	Jefferies Global Healthcare Conference, London
Nov 24-25 2025	AktiInfo Investor Event (Retail), Aalborg & Kolding
Nov 26 2025	Danske Bank Winter Seminar, Copenhagen
Dec 2 2025	Nordea Focus Seminar, Paris

For further information

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If you wish to receive Embla Medical's e-mail alerts, please register on our website:

<https://emblamedical.com/investor-relations>

Forward-looking statements

This press release includes "forward-looking statements" which involve risks and uncertainties that could cause actual results to differ materially from results expressed or implied by these statements. Embla Medical hf. undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

Embla Medical hf.

**Condensed Interim Consolidated
Financial Statements**

30.06.2025

Embla Medical hf

Grjóthálsi 5

110 Reykjavík

Id-no. 560271-0189

Statement by the Board of Directors and President and CEO

The Condensed Interim Consolidated Financial Statements of Embla Medical hf. for the period from 1 January 2025 to 30 June 2025 consist of the Financial Statements of Embla Medical hf. and its subsidiaries (together referred to as “the Company” or “Embla Medical”). The Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards for Interim Financial Reporting, IAS 34, as adopted by the EU. The Condensed Interim Consolidated Financial Statements are neither audited nor reviewed by the Company's auditors.

The total Net sales of the Company amounted to USD 435.2 million and the Net profit amounted to USD 33.1 million. Total assets of the Company amounted to USD 1,676.9 million at the end of period, liabilities were USD 841.0 million and equity was USD 835.9 million.

It is our opinion that these Condensed Interim Consolidated Financial Statements present all the information necessary to give a true and fair view of the Company's financial position at 30 June 2025 and financial performance and cash flow for the period ended 30 June 2025.

The Board of Directors and the President and CEO of Embla Medical hf. hereby confirm the Condensed Interim Consolidated Financial Statements for the period from 1 January 2025 to 30 June 2025 with their signatures.

Reykjavík, 22 July 2025

Board of Directors

Niels Jacobsen
Chairman of the Board

Svafa Grönfeldt
Vice Chairman of the Board of Directors

Arne Boye Nielsen
Member of the Board of Directors

Alberto Esquenazi
Member of the Board of Directors

Tina Abild Olesen
Member of the Board of Directors

Caroline Vagner Rosenstand
Member of the Board of Directors

President and CEO

Sveinn Sölvason

Consolidated Income Statement

All amounts in USD '000	Notes	1H 2025	1H 2024	Q2 2025	Q2 2024
Net sales	3	435,203	416,580	232,418	216,727
Cost of goods sold		(162,950)	(157,610)	(87,931)	(78,192)
Gross profit		272,253	258,970	144,487	138,535
Other income / (expenses)		814	362	447	126
Sales and marketing expenses		(160,586)	(155,190)	(82,529)	(78,882)
Research and development expenses		(22,420)	(20,329)	(11,851)	(10,481)
General and administrative expenses		(34,097)	(35,169)	(16,817)	(16,072)
Earnings before interest and tax (EBIT)		55,964	48,644	33,737	33,225
Financial income		1,151	1,488	476	780
Financial expenses		(10,318)	(12,463)	(5,069)	(6,443)
Net exchange rate difference		(7,778)	(1,743)	(5,172)	(1,880)
Net financial expenses		(16,945)	(12,718)	(9,764)	(7,543)
Share in net profit of associates		4,314	1,617	3,701	878
Earnings before tax (EBT)		43,333	37,543	27,674	26,559
Income tax		(10,192)	(9,175)	(6,561)	(6,493)
Net profit		33,141	28,368	21,113	20,066
Attributable to:					
Owners of the Company		33,069	28,209	20,911	19,949
Non-controlling interests		72	159	203	118
Net profit		33,141	28,368	21,113	20,066
Earnings per share					
Basic earnings per share (US cent)		7.8	6.6	5.0	4.7
Diluted earnings per share (US cent)		7.8	6.6	5.0	4.7

Consolidated Statement of Comprehensive Income

All amounts in USD '000	1H 2025	1H 2024	Q2 2025	Q2 2024
Net profit	33,141	28,368	21,113	20,066
Items that may be reclassified subsequently to profit or loss:				
Change in cash flow hedges	(391)	646	(312)	490
Exchange difference on translating foreign operations	21,478	(5,152)	12,937	251
Income tax	4,370	(2,216)	2,948	(1,402)
Other comprehensive income, net of income tax	25,457	(6,722)	15,573	(662)
Total comprehensive income	58,598	21,646	36,686	19,405
Attributable to:				
Owners of the Company	58,526	21,487	36,483	19,287
Non-controlling interests	72	159	203	118
Total comprehensive income	58,598	21,646	36,686	19,405

Consolidated Balance Sheet

Assets

All amounts in USD '000	Notes	30.06.2025	31.12.2024
Property, plant and equipment	5	75,823	71,824
Right of use assets	6	153,381	127,802
Goodwill	7	815,146	776,306
Other intangible assets	8	99,528	96,645
Investment in associates		25,719	20,364
Other financial assets		3,190	2,704
Deferred tax assets		52,886	46,365
Non-current assets		1,225,673	1,142,010
Inventories		157,003	143,102
Accounts receivable		144,999	121,915
Other financial assets		1,083	1,475
Other assets		54,040	44,300
Cash and cash equivalents		94,116	86,163
Current assets		451,241	396,955
Total assets		1,676,914	1,538,965

Consolidated Balance Sheet

Equity and liabilities

All amounts in USD '000	30.06.2025	31.12.2024
Issued capital and share premium	89,183	93,464
Other reserves	(51,721)	(75,390)
Retained earnings	794,652	759,112
Shareholders equity	832,115	777,186
Non-controlling interest	3,804	3,513
Total equity	835,919	780,699
Borrowings	360,884	328,754
Lease liabilities	145,471	118,279
Deferred tax liabilities	37,206	37,478
Provisions	8,751	7,937
Deferred income	10,038	8,589
Other financial liabilities	26,108	47,946
Non-current liabilities	588,458	548,982
Borrowings	32,085	28,620
Lease liabilities	27,253	24,136
Accounts payable	35,965	27,275
Income tax payable	21,435	18,305
Provisions	12,825	12,615
Accrued salaries and related expenses	49,801	48,715
Other financial liabilities	34,552	10,258
Other liabilities	38,622	39,361
Current liabilities	252,538	209,284
Total liabilities	840,996	758,266
Total equity and liabilities	1,676,914	1,538,965

Consolidated Statement of Cash Flow

All amounts in USD '000	Notes	1H 2025	1H 2024	Q2 2025	Q2 2024
Earnings before interests and tax (EBIT)		55,964	48,644	33,737	33,225
Depreciation and amortization	5, 6, 8	29,168	27,412	14,930	13,815
Change in inventories		(6,779)	(7,583)	1,314	(4,794)
Change in receivables		(23,938)	(14,353)	(20,303)	(9,532)
Change in payables		1,013	(1,943)	2,691	7,052
Change in provisions		481	2,739	304	623
Other operating activities		809	(741)	846	765
Cash generated from operations		56,718	54,174	33,519	41,154
Interest received		1,034	1,287	380	693
Interest paid		(9,920)	(12,147)	(4,820)	(6,197)
Income tax paid		(11,826)	(10,793)	(6,880)	(7,168)
Net cash generated from operating activities		36,006	32,521	22,199	28,482
Purchase of fixed and intangible assets	5, 8	(16,396)	(22,371)	(10,224)	(10,887)
Acquisition of subsidiaries, net of cash in acquired entities		(4,259)	(77,226)	(1,020)	(2,597)
Other investing activities		1,651	101	3,881	114
Cash flows used in investing activities		(19,004)	(99,496)	(7,363)	(13,370)
Proceeds from long-term borrowings		57,732	0	57,756	0
Repayments of long-term borrowings		(57,483)	0	(57,419)	0
Changes in revolving credit facility		3,776	84,875	(5,017)	(9,248)
Payments of lease liabilities		(13,404)	(11,743)	(6,944)	(5,890)
Purchased treasury shares		(4,281)	0	(3,004)	0
Cash flows generated from financing activities		(13,660)	73,132	(14,629)	(15,138)
Net change in cash		3,343	6,157	207	(26)
Exchange rate effects on cash held in foreign currencies		4,610	(1,596)	2,139	(118)
Cash and cash equivalents at beginning of period		86,163	72,653	91,770	77,358
Cash and cash equivalents at end of period		94,116	77,214	94,116	77,214

Consolidated Statement of Changes in Equity

All amounts in USD '000	Share capital	Share premium	Other reserves	Retained earnings	Share-holders equity	Non-controlling interests	Total equity
Balance at 1 January 2024	4,781	61,479	(64,045)	699,667	701,883	3,123	705,005
Net profit				28,209	28,209	159	28,368
Change in cash flow hedges			517		517		517
Transl. diff. of shares in subsidiaries			(7,238)		(7,238)		(7,238)
Total comprehensive income	0	0	(6,722)	28,209	21,487	159	21,646
Share option charge for the period			403		403		403
Share option vested during the period			(1,042)	1,042	0		0
Issued new shares	48	27,156			27,205		27,205
Change in non-controlling interests				382	382	(382)	0
Balance at 30 June 2024	4,829	88,635	(71,405)	729,301	751,360	2,899	754,259
Balance at 1 January 2025	4,829	88,635	(75,390)	759,112	777,186	3,513	780,699
Net profit				33,069	33,069	72	33,141
Change in cash flow hedges			(313)		(313)		(313)
Transl. diff. of shares in subsidiaries			25,770		25,770		25,770
Total comprehensive income	0	0	25,457	33,069	58,526	72	58,598
Share option charge for the period			902		902		902
Share option vested during the period			(2,690)	2,690	0		0
Purchase of treasury shares	(7)	(4,274)			(4,281)		(4,281)
Change in non-controlling interests				(219)	(219)	219	0
Balance at 30 June 2025	4,822	84,361	(51,721)	794,652	832,115	3,804	835,919

Notes to the Condensed Consolidated Financial Statements

1. Summary of Material Accounting Policies

Statement of compliance

The Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standard (IFRS) for Interim Financial Reporting, IAS 34 as adopted by the EU. The Condensed Interim Consolidated Financial Statements are presented in accordance with the new and revised IFRS accounting standards and new interpretations (IFRIC), applicable for the period. New and amended IFRS accounting standards that are effective for the current year have minor impact on the Company's Financial Statements. The Company has not early applied new and revised IFRS accounting standards that have been issued but are not yet effective. The Financial Statements are presented in USD, which is the Company's functional currency. They do not include all of the information required for full Annual Consolidated Financial Statements and should be read in conjunction with the Company's Annual Consolidated Financial Statements for the period ended 31 December 2024. The Company's Annual Consolidated Financial Statements can be found on the Company's website www.emblamedical.com.

Basis of preparation

The Condensed Interim Consolidated Financial Statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Condensed Interim Consolidated Financial Statements are presented in USD and all values are rounded to the nearest thousand ('000), except when otherwise indicated. This rounding may have impact on the total sum. The accounting policies adopted are consistent with those followed in the preparation of the Company's Annual Consolidated Financial Statements for the period ended 31 December 2024.

Notes to the Condensed Consolidated Financial Statements

2. Quarterly statements

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Net sales	232,418	202,786	224,781	213,528	216,727
Cost of goods sold	(87,931)	(75,020)	(82,663)	(79,916)	(78,192)
Gross profit	144,487	127,766	142,117	133,612	138,535
Gross profit margin	62%	63%	63%	63%	64%
Other income / (expenses)	447	367	(86)	123	126
Sales and marketing expenses	(82,529)	(78,057)	(80,628)	(75,333)	(78,882)
Research and development expenses	(11,851)	(10,569)	(11,005)	(9,498)	(10,481)
General and administrative expenses	(16,817)	(17,280)	(18,532)	(16,263)	(16,072)
EBIT	33,737	22,227	31,867	32,641	33,225
Net financial expenses	(9,764)	(7,181)	(8,041)	(5,171)	(7,543)
Share in net profit of associates	3,701	613	1,055	668	878
EBT	27,674	15,659	24,882	28,138	26,559
Income tax	(6,561)	(3,631)	(6,263)	(6,165)	(6,493)
Net profit	21,113	12,027	18,619	21,973	20,066
EBITDA	48,666	36,467	46,502	46,568	47,040
EBITDA margin	21%	18%	21%	22%	22%

There were no special items in the above quarters.

3. Net Sales

	1H 2025	1H 2024	Q2 2025	Q2 2024
Sales by geographical segment:				
EMEA	214,625	197,635	113,155	100,051
Americas	186,753	186,517	101,581	99,156
APAC	33,825	32,427	17,681	17,519
Total	435,203	416,580	232,418	216,727
Sales by business segment:				
Prosthetics & Neuro Orthotics	237,123	217,454	125,982	112,382
Bracing & Supports	73,088	74,334	38,085	38,417
Internal product sales	(18,804)	(18,379)	(9,930)	(9,984)
External product sales	291,407	273,409	154,137	140,815
Patient Care	143,796	143,171	78,281	75,912
Total	435,203	416,580	232,418	216,727

Notes to the Condensed Consolidated Financial Statements

4. Sales and expenses split by main currencies

	1H 2025			Q2 2025		
	LCY	USD	%	LCY	USD	%
Sales						
USD	167,129	167,129	38%	90,667	90,667	39%
EUR	119,627	130,891	30%	60,938	69,150	30%
ISK	263,866	1,979	1%	130,885	1,018	0%
Nordic curr. (SEK, NOK, DKK)		52,902	12%		28,793	12%
Other (GBP, AUD, CAD & Other)		82,303	19%		42,790	19%
Total		435,203	100%		232,418	100%
COGS and OPEX						
USD	154,153	154,153	41%	79,968	79,968	40%
EUR	80,700	88,259	23%	40,634	46,110	23%
ISK	5,849,540	43,871	12%	2,907,962	22,622	11%
Nordic curr. (SEK, NOK, DKK)		49,095	13%		26,076	13%
Other (GBP, MXN, CAD & Other)		43,861	12%		23,905	12%
Total		379,239	100%		198,681	100%
	1H 2024			Q2 2024		
	LCY	USD	%	LCY	USD	%
Sales						
USD	165,851	165,851	40%	87,907	87,907	41%
EUR	109,104	117,958	28%	54,197	58,340	27%
ISK	239,932	1,734	0%	129,026	926	0%
Nordic curr. (SEK, NOK, DKK)		50,938	12%		27,619	13%
Other (GBP, AUD, CAD & Other)		80,099	19%		41,935	19%
Total		416,580	100%		216,727	100%
COGS and OPEX						
USD	147,779	147,779	40%	75,705	75,705	41%
EUR	80,779	87,347	24%	38,830	41,792	23%
ISK	5,754,636	41,633	11%	2,683,182	19,267	11%
Nordic curr. (SEK, NOK, DKK)		46,645	13%		24,106	13%
Other (GBP, MXN, CAD & Other)		44,532	12%		22,632	12%
Total		367,936	100%		183,501	100%

Currency split is derived by using best available information at each time.

Notes to the Condensed Consolidated Financial Statements

5. Property, plant and equipment

2025	Leasehold improvements	Machinery & equipment	Office equipment	Computer equipment	Total
Cost					
At 1 January	51,273	80,116	14,939	13,941	160,269
Additions	2,970	5,877	709	1,702	11,258
Eliminated on disposal	(46)	(136)	(14)	(10)	(206)
Exchange rate differences	2,221	1,321	1,136	725	5,402
At 30 June 2025	56,418	87,178	16,769	16,357	176,723
Depreciation					
At 1 January	19,654	50,499	9,850	8,442	88,445
Charge for the period	2,808	3,979	787	1,803	9,379
Eliminated on disposal	(23)	(147)	(14)	(2)	(186)
Exchange rate differences	1,350	720	731	462	3,262
At 30 June 2025	23,789	55,052	11,355	10,705	100,900
At 30 June 2025	32,629	32,126	5,415	5,653	75,823
Depreciation classified by functional category:	1H 2025	1H 2024	Q2 2025	Q2 2024	
Cost of goods sold	4,965	4,759	2,352	2,388	
Sales and marketing expenses	2,001	2,095	1,130	1,106	
Research and development expenses	624	395	361	204	
General and administrative expenses	1,788	1,990	922	1,020	
Total	9,379	9,239	4,766	4,718	

Notes to the Condensed Consolidated Financial Statements

6. Leases

Right of use assets

2025	Buildings & sites	Machinery & equipment	Total
At 1 January	123,789	4,012	127,802
Additions and renewals	30,620	1,986	32,606
Depreciation charge for the period	(12,793)	(1,248)	(14,041)
Eliminated on disposal and termination	(1,958)	0	(1,958)
Exchange rate differences	8,476	497	8,973
At 30 June 2025	148,134	5,247	153,381

Depreciation classified by functional category:	1H 2025	1H 2024	Q2 2025	Q2 2024
Cost of goods sold	5,476	4,814	2,893	2,481
Sales and marketing expenses	4,493	2,407	2,373	1,241
Research and development expenses	1,545	1,444	816	744
General and administrative expenses	2,527	3,529	1,220	1,681
Total	14,041	12,194	7,302	6,147

7. Goodwill

	30.06.2025	31.12.2024
At 1 January	776,306	690,855
Business combinations	0	104,489
Exchange rate differences	38,840	(19,038)
At end of period	815,146	776,306

Notes to the Condensed Consolidated Financial Statements

8. Other intangible assets

2025	Customer & distribution relationships	Patents & development costs	Trademarks	Software & other	Total
Cost					
At 1 January	36,701	32,214	8,156	63,175	140,246
Additions	0	313	18	868	1,199
Additions - internally generated	0	0	0	3,939	3,939
Exchange rate differences	2,925	360	692	223	4,200
At 30 June 2025	39,626	32,887	8,866	68,204	149,584
Amortization					
At 1 January	9,393	9,789	523	23,896	43,601
Charge for the period	1,662	1,123	16	2,948	5,749
Exchange rate differences	453	136	0	117	706
At 30 June 2025	11,508	11,049	539	26,960	50,056
At 30 June 2025	28,118	21,838	8,327	41,244	99,528
Amortization classified by functional category:		1H 2025	1H 2024	Q2 2025	Q2 2024
Cost of goods sold		474	837	230	388
Sales and marketing expenses		3,492	2,895	1,671	1,594
Research and development expenses		868	784	472	379
General and administrative expenses		914	1,463	489	589
Total		5,749	5,979	2,862	2,950

9. Subsequent event

On 17 July 2025 Embla Medical signed an agreement to invest in a majority share (51% of the shares) in privately owned Streifeneder ortho.production GmbH, an international developer and supplier of orthopaedic mobility solutions, employing around 100 people, with sales of EUR 25 million in 2024 (USD 29 million). Closing of the transaction is subject to regulatory approval.

As a consequence of submission and approval of the Q2 2025 Condensed Interim Consolidated Financial Statement is close to the signing date of the agreement, the preparation of the purchase price allocation in accordance with IFRS 3 is not finalized. Therefore, assets acquired and liabilities consumed, consideration and profit and loss effects have not been disclosed within these Condensed Interim Consolidated Financial Statements.