



Interim Report Q3 2026

Announcement no. 51/2026

Sveinn Sölvason, President and CEO, comments:

"Sales in Q3 2026 were USD 250 million, representing 5% reported growth and 4% organic growth. Growth was driven by Prosthetics & Neuro Orthotics, with strong performance in EMEA, partially offset by softer results in Americas and APAC. Bracing & Supports delivered moderate growth, while Patient Care sales were flat in the quarter.

In Patient Care, sales performance has been below the expectations we set at the beginning of the year. Mainly as significant integration effort has slowed down our ability to drive growth in patient volumes in selected regions. We are encouraged by the progress we are making in a large part of our network of clinics, with significant work ongoing to enhance our performance across the whole Patient Care network.

EBITDA margin was strong in the quarter, or 22%, in line with Q3 2025, as disciplined cost control offset lower gross profit margin.

Based on our performance in the first nine months and our outlook for Q4 2026, we are narrowing our full-year guidance to approximately 5% organic sales growth (previously 5–7%) and an EBITDA margin of approximately 21% (previously 20–22%)."

Highlights Q3 2026

- Sales amounted to USD 250 million, growing by 4% organically and 5% reported and in local currencies incl. M&A.
- Organic sales growth by segment: Prosthetics & Neuro Orthotics +7%, Bracing & Supports +2%, Patient Care 0%.
- Gross profit margin was 62%, compared with 63% in Q3 2025. Stronger gross margin driven by Patient Care was partly offset by temporary costs related to the optimization of selected smaller manufacturing sites in our Prosthetics business. The initiative is expected to improve operational efficiency and support profitability over time. Gross margin in the first nine months of the year was broadly on par with the comparable period last year.
- EBITDA amounted to USD 56 million, corresponding to a margin of 22% of sales, on par with Q3 2025, as cost control in SG&A and stronger profitability in Patient Care offset a temporary lower gross profit margin related to the manufacturing optimization initiative.
- Net profit amounted to USD 26 million, corresponding to a net profit margin of 10%, compared with 11% in Q3 2025. The lower margin primarily reflected adverse net exchange rate differences between comparable quarters, partly offset by higher operating profit. Net profit for 9M 2026 increased 19% compared to 9M 2025.
- Free cash flow amounted to USD 31 million, or 12% of sales, compared with 16% of sales in Q3 2025. The year-on-year decline mainly reflected timing effects. For 9M 2026, free cash flow increased by 13%.
- NIBD/EBITDA before special items was 2.1x at the end of Q3 2026, which is within our target range of 2-3x EBITDA. In Q3 2026, Embla Medical repurchased 635,267 shares with a market value of USD 2.8 million.

Other highlights

- At the American Orthotic & Prosthetic Association (AOPA) National Assembly 2026, Össur showcased its latest innovations and engaged with clinicians and industry partners from across the O&P community, reinforcing its position as a trusted partner and innovation leader.
- Two new innovations launched during Q3 2026 across Prosthetics and Neuro Orthotics (detailed overview on page 9).

2026 Outlook

- Organic sales growth guidance narrowed to ~5% (previously 5-7%).
- EBITDA margin before special items guidance narrowed to ~21% (previously 20-22%).

	9M 2026	9M 2025	Q3 2026	Q3 2025	Guidance (current)	Guidance (previously)
Sales growth, organic	5%	5%	4%	7%	~5%	5-7%
EBITDA margin, before special items	21%	21%	22%	22%	~21%	20-22%

		Q3	Q3	9M	9M	FY	FY	FY	FY
USD millions		2026	2025	2026	2025	2025	2024	2023	2022
Income Statement									
Net sales		250	237	741	672	929	855	786	719
Gross profit		155	148	462	420	579	535	486	440
Operating expenses (excl. other income / exp.)		116	111	359	328	454	422	398	373
EBITDA		56	53	153	138	186	169	139	114
EBITDA before special items		56	53	153	138	186	173	139	128
EBIT		39	37	105	93	125	113	89	65
Net profit		26	26	70	59	84	69	59	43
Sales Growth									
Sales growth USD	%	5	11	10	7	9	9	9	0
Growth breakdown:									
Organic growth	%	4	7	5	5	6	6	9	4
Currency effect	%	0	3	3	1	2	0	(1)	(7)
Acquired business	%	2	1	3	0	1	3	1	3
Balance Sheet									
Total assets		1,697	1,722	1,697	1,722	1,730	1,539	1,386	1,325
Equity		950	870	950	870	896	781	705	636
Net interest-bearing debt (NIBD)		414	460	414	460	439	414	395	404
Cash Flow									
Cash generated by operations		51	58	122	115	178	160	126	92
Free cash flow		31	38	66	58	100	77	52	35
Key Ratios									
Gross profit margin	%	62	63	62	63	62	63	62	61
EBIT margin	%	16	16	14	14	13	13	11	9
EBITDA margin	%	22	22	21	21	20	20	18	16
EBITDA margin before special items	%	22	22	21	21	20	20	18	18
Equity ratio	%	56	51	56	51	52	51	51	48
Net debt to EBITDA before special items*		2.1	2.5	2.1	2.5	2.4	2.4	2.8	3.2
Effective tax rate	%	24	24	24	24	23	24	23	23
Return on equity*	%	10	9	10	9	10	9	9	7
CAPEX / Net sales	%	2.6	3.3	2.4	3.6	3.4	4.6	5.4	3.6
Market									
Market value of equity		1,765	2,091	1,765	2,091	2,202	2,125	1,713	2,035
Number of shares in millions		428	430	428	430	430	428	421	423
Basic EPS in US cents		6.1	6.0	16.4	13.8	19.6	16.2	14.0	10.3
Diluted EPS in US cents		6.1	6.0	16.3	13.8	19.6	16.2	14.0	10.3

* Financial ratios are based on operations for the preceding 12 months.

Management's report

Financial performance

Sales

Sales increased by 4% organic in Q3 2026

Sales in 9M 2026 amounted to USD 741 million, compared to USD 672 million in 9M 2025, corresponding to 5% organic growth, 8% growth including acquisitions (local currency growth) and 10% reported growth (USD growth). Sales in Q3 2026 amounted to USD 250 million, compared to USD 237 million in Q3 2025, corresponding to 4% organic growth, a 5% increase including acquisitions (local currency growth) and 5% reported growth (USD growth).

FX impact was neutral in Q3 2026

Impact on sales from acquisitions amounted to USD 4 million in Q3 2026 corresponding to about a 2%-point positive effect on the reported growth rate, while effects from FX were neutral in Q3 2026 compared to Q3 2025.

Sales by geographical segment (USD million)	Q3 2026	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth	9M 2026	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth
EMEA	125	8%	4%	-1%	11%	382	6%	6%	5%	17%
Americas	105	0%	0%	0%	0%	298	2%	0%	0%	2%
APAC	20	-2%	0%	4%	1%	60	6%	0%	5%	12%
Total	250	4%	2%	0%	5%	741	5%	3%	3%	10%

Sales by business segment (USD million)	Q3 2026	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth	9M 2026	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth
Prosthetics & Neuro Orthotics	148	7%	3%	0%	9%	435	9%	5%	3%	17%
Bracing & Supports	38	2%	0%	0%	2%	115	1%	0%	2%	3%
Internal product sales	(11)	8%	0%	0%	8%	(32)	7%	0%	3%	11%
External sales	176	5%	3%	0%	8%	518	7%	4%	3%	14%
Patient Care	74	0%	0%	1%	0%	223	-1%	0%	4%	2%
Total	250	4%	2%	0%	5%	741	5%	3%	3%	10%

Strong growth in EMEA in Q3 2026

Growth in Q3 2026 was driven by solid volume growth in Prosthetics & Neuro Orthotics.

In EMEA, organic sales growth was strong at 8% in the third quarter, driven by Prosthetics & Neuro Orthotics across key European and newer markets, including Ukraine. Performance was supported by broad-based demand, continued momentum in Bionics and a solid contribution from Streifeneder. Bracing & Supports sales were flat, while Patient Care delivered modest growth, as solid performance across several European markets was partly offset by continued softness in a few key markets, including Sweden, due to challenging market dynamics.

In the Americas, sales were flat in the third quarter. Prosthetics & Neuro Orthotics sales were flat, despite continued solid growth in Bionics and strong performance in College Park, which was partly offset by softness in other product categories. Neuro Orthotics continued to grow albeit from a low base as the US commercial rollout progressed. Bracing & Supports delivered good growth, supported by higher volumes across key sales channels. Patient Care sales were soft in the quarter, despite solid growth across key US clinics, as the ongoing integration and onboarding of additional clinics temporarily constrained growth. Management remains focused on strengthening commercial execution and expects the improving operating platform to support stronger performance over time.

In APAC, organic sales declined by 2% in the third quarter against a strong comparable period. Prosthetics & Neuro Orthotics delivered strong growth in Australia and New Zealand, supported by Bionics and Neuro Orthotics, while sales in Asia were lower, mainly due to increased competition in markets like China. Bracing & Supports delivered strong growth, driven by Australia and New Zealand and improved performance in Asia. Patient Care sales in Australia were soft in the quarter.

In Patient Care, initiatives implemented since the second half of 2025 are driving productivity improvements across key clinics and strengthening overall segment profitability. There is clear progress across a large part of the clinical network, although sales remain below the expectations set at the beginning of the year, primarily reflecting integration-related impacts and challenging market conditions in Sweden. The loss of a regional tender in Sweden earlier this year is estimated to negatively impact Patient Care sales growth by approximately 2 percentage points in 2026. A newly awarded tender in another Swedish region, commencing towards the end of 2026, is expected to offset this impact in 2027. With an increasingly integrated and efficient operating platform in place, management remains focused on strengthening commercial execution and translating operational improvements into renewed, sustainable sales growth.

Operations

Gross profit margin of 62% in Q3 2026

Gross profit in Q3 2026 amounted to USD 155 million or 62% of sales, compared to USD 148 million or 63% of sales in Q3 2025. Gross profit in 9M 2026 amounted to USD 462 million or 62% of sales, compared to USD 420 million or 63% for the same period last year.

Gross margin increased in Patient Care but was offset by softer than expected sales growth in Prosthetics & Neuro Orthotics and temporary cost fluctuations from optimizing the footprint for selected smaller manufacturing sites. The initiative is expected to improve operational efficiency and support profitability over time. For the first nine months of 2026, the gross profit margin was broadly in line with last year, at 62.4% compared with 62.6%.

Operating expenses (OPEX) excluding other income / (expenses)

OPEX ratio of 46% in Q3 2026

OPEX amounted to USD 116 million or 46% of sales in Q3 2026, compared to USD 111 million or 46% of sales in Q3 2025. OPEX amounted to USD 359 million or 49% of sales in 9M 2026, compared to USD 328 million or 49% of sales in 9M 2025.

OPEX growth was 2% organic in the quarter, compared to organic sales growth of 4% with continued focus on cost management in SG&A and stronger profitability in Patient Care.

**EBITDA margin
of 22% in Q3
2026**

EBITDA

EBITDA amounted to USD 56 million or 22% of sales in Q3 2026, compared to EBITDA of USD 53 million or on par relative to sales in Q3 2025. For 9M 2026 EBITDA amounted to USD 153 million or 21% of sales, compared to EBITDA of USD 138 million or on par relative to sales in 9M 2025.

The EBITDA margin in the quarter benefited from SG&A cost control and a 30-basis-point positive FX impact net of hedging, partly offset by a lower gross profit margin.

Financial items

Net financial expenses in 9M 2026 amounted to USD 17 million, compared to USD 21 million in 9M 2025. Net financial expenses in Q3 2026 amounted to USD 6 million, compared to USD 4 million in Q3 2025.

The increase in net financial expenses was primarily driven by higher net exchange differences compared to the same period last year, resulting in approximately USD 4 million negative impact on net financials in the quarter compared with Q3 2025.

**Effective tax rate
of 24% in Q3 2026**

Income tax

Income tax amounted to USD 8 million in Q3 2026, corresponding to a 24% effective tax rate, compared to USD 8 million in Q3 2025, corresponding to a 24% effective tax rate.

For 9M 2026 income tax amounted to USD 22 million, corresponding to a 24% effective tax rate, compared to USD 18 million in 9M 2025, corresponding to a 24% effective tax rate.

**Net profit margin
of 10% in Q3 2026**

Net profit

Net profit grew by 1% in Q3 2026 amounting to USD 26 million or 10% of sales, compared to USD 26 million or 11% of sales in Q3 2025. For 9M 2026 net profit grew by 19% in 9M 2026 amounted to USD 70 million or 9% of sales, compared to USD 59 million or on par relative to sales in 9M 2025.

Diluted earnings per share in Q3 2026 amounted to 6.1 US cents, compared to 6.0 in Q3 2025. Diluted earnings per share in 9M 2026 amounted to 16.3 US cents, compared to 13.8 in 9M 2025.

Cash flow

Cash generation of USD 51 million in Q3 2026

Cash generated by operations

Cash generated by operations amounted to USD 51 million or 20% of sales in Q3 2026, compared to USD 58 million or 24% of sales in Q3 2025. Cash generated by operations amounted to USD 122 million or 16% of sales in 9M 2026, compared to USD 115 million or 17% of sales in 9M 2025.

Cash generation was lower than in Q3 2025, as timing effects of net working capital requirement between quarters more than offset stronger operating results.

CAPEX was 3% of sales in Q3 2026

Capital expenditures

Capital expenditures in Q3 2026 amounted to USD 7 million or 3% of sales, compared to USD 8 million or 3% of sales in Q3 2025. Capital expenditures in 9M 2026 amounted to USD 18 million or 2% of sales, compared to USD 24 million or 4% of sales in 9M 2025.

CAPEX in the quarter is below a normalized level of 3-4% due to the absence of any material leasehold or facility improvements during the year.

Free cash flow was 12% of sales in Q3 2026

Free cash flow

Free cash flow in Q3 2026 amounted to USD 31 million or 12% of sales, compared to USD 38 million or 16% of sales in Q3 2025.

The YoY decline in the quarter mainly reflected timing effects of NWC and CAPEX investments as the free cash flow in 9M 2026 increased by 13% to USD 66 million, from USD 58 million in 9M 2025.

Cash and undrawn facilities amounted to USD 219 million

Bank balances and cash equivalents

Bank balances and cash equivalents amounted to USD 76 million at the end of Q3 2026 and USD 143 million of existing facilities were undrawn. Bank balances and cash equivalents in addition to undrawn credit facilities at the end of Q3 2026, therefore, amounted to USD 219 million.

Capital structure

NIBD/EBITDA before special items at 2.1x

Net-interest bearing debt

Net interest-bearing debt, including lease liabilities, amounted to USD 414 million at quarter-end Q3 2026 compared to USD 460 million at quarter-end Q3 2025. Net interest-bearing debt to EBITDA corresponded to 2.1x at quarter-end Q3 2026, within the target range of 2.0-3.0x.

Share buybacks of USD 2.8 million in Q3 2026

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 Q3 2026, Embla Medical bought back 635,267 shares at a market value of approximately USD 2.8 million. At the end of Q3 2026, treasury shares totaled 2,747,362.

2026 Financial guidance

Guidance	Guidance FY 2026 (Oct)	Guidance FY 2026 (July)	Guidance FY 2026 (April)	Guidance FY 2026 (Feb)
Sales growth, organic	~5%	5-7%	5-8%	5-8%
EBITDA margin before special items	~21%	20-22%	20-22%	20-22%
For modelling purposes				
CAPEX as % of sales	2-3%	3-4%	3-4%	3-4%
Effective tax rate	23-24%	23-24%	23-24%	23-24%

Organic sales growth guidance has been narrowed to approximately 5% (previously 5–7%), reflecting a slower than expected sales recovery in Patient Care, particularly in EMEA and the Americas, despite continued improvements in productivity and profitability.

We expect continued solid performance in Prosthetics & Neuro Orthotics in the fourth quarter of 2026, driven by strong momentum in EMEA, continued growth in Bionics and recently launched innovations. In the US, expanded Medicare coverage is expected to support access to microprocessor knee solutions over time, while our dedicated K2 MPK remains on track for launch in the latter part of 2027.

In Neuro Orthotics we expect to see the increasing effects from the ongoing roll out of our Neuro Orthotics offerings (Fior & Gentz) into new markets leveraging our global commercial infrastructure and ForMotion footprint within O&P Clinics. Albeit growing from a low base we expect to see continued solid growth in the EMEA region with some contributions expected in Americas in the fourth quarter of 2026 as we roll out our first bionic knee joint “NEURO HiTRONIC MPKAFO”.

In Patient Care, initiatives introduced since the second half of 2025 are driving improved productivity across key clinics and stronger overall segment profitability. The continued integration and onboarding of clinics are temporarily constraining growth, with sales performance remaining uneven across selected markets in the Americas and EMEA. This includes the loss of a regional tender in Sweden, which is expected to offset the impact in 2027 by a newly awarded tender in another key Swedish region. Patient Care Management remains focused on strengthening commercial execution and translating the improving operating platform into renewed sales growth over time.

Lastly, Bracing & Supports is expected to grow approximately in line with market growth. We assume solid growth in selected key regions supported by launches of new product categories but also with continued competitive pressure in selected markets.

EBITDA margin is expected to come in around 21% for 2026 (previously 20-22%) compared to 20% in 2025. The EBITDA margin is expected to be positively impacted by solid sales performance, a favorable product mix from increased sales of our high-end solutions, continued efficiency gains in manufacturing, increasing profitability in Patient Care, and cost control in SG&A.

At current foreign exchange rates, keeping all other factors constant, the EBITDA margin is expected to be neutral net of hedging in 2026 when compared to 2025.

Finally, for modelling purposes, expected CAPEX has been reduced to 2–3% of sales, from 3–4% previously in line with moderate CAPEX investments in the first nine months of the year.

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 4.0-5.0 million when unhedged. Embla Medical utilizes forward contracts to hedge approximately 50% of the estimated net currency exposure to ISK.

Currency overview USD	EUR	ISK
Average exchange rate FY 2025	1.130	0.0078
Average exchange rate in Q1 2026	1.170	0.0081
Average exchange rate in Q2 2026	1.163	0.0081
Average exchange rate in Q3 2026	1.151	0.0081
Opening rate October 19 2026	1.125	0.0083
Estimated average exchange rate for FY 2026*	1.152	0.0081
Change in estimated exchange rate FY 2026 compared to last year's average	2%	4%

*Estimated average exchange rate is calculated as exchange rate (open) on October 19, 2026, for the remainder of the year

Other highlights

Section 232 investigations on MedTech equipment

On 26 September 2025, the US Department of Commerce published a notice for a public consultation on a possible Section 232 Investigation concerning robotics/industrial machinery as well as personal protective equipment (PPE), medical consumables and medical equipment including devices such as hearing aids, prosthetics, orthopedic appliances, ventilators and respirators etc. The objective is to determine the effects on the US national security of imports of these goods. We are currently assessing the scope and potential implications of the Section 232 investigation and the potential trade restrictions that might result from this. As several factors remain uncertain at this stage, we deem it to be too premature to discuss potential impact until more clarity has been revealed.

Product launches in 2026

Launch quarter	Segment	Product name	Product description
Q3 2026	Neuro Orthotics (Fior & Gentz)	NEURO SWING Carbon 24 mm	Water-resistant, ultralight carbon fiber ankle joint. The new 24 mm width supports higher loads, extending its proven functionality to more users.
Q3 2026	Prosthetics (Össur)	Black Adapters	Two practical adapter kits that integrate with black prosthetic components and the latest Iceross liners for a cohesive, premium finish without compromising performance.
Q2 2026	Prosthetics (Össur)	Iceross Dermo & Synergy Cushion Liners + Iceross Sleeve	Dark melange liners and a black sleeve combine trusted Iceross performance with a coordinated, premium look.
Q2 2026	Prosthetics (Streifeneder)	Kinegen.flow	Lightweight, waterproof hydraulic knee offering a smooth, stable gait with reduced strain.
Q2 2026	Neuro Orthotics (Fior & Gentz)	NEURO HiSWING R+ 24 mm	Microprocessor-controlled ankle joint with automatic adjustment and integrated shock absorption. The new 24 mm width increases load capacity.
Q2 2026	Neuro Orthotics (Fior & Gentz)	NEURO SWING Carbon in 10mm	The NEURO SWING Carbon is a water-resistant, ultralight system ankle joint made of carbon fiber-reinforced plastics and is now available in 10mm system width.
Q2 2026	Bracing & Supports (Össur)	OA Move	The new OA Move knee brace brings clinically-proven OA pain relief to those with more active lifestyles. Featuring our 3-Points of Leverage design, dual Dynamic Force System™ straps, and medical-grade compression, OA Move is designed specifically for the needs of more active OA patients.
Q2 2026	Bracing & Supports (Össur)	Formfit® Walker (New Version)	The Formfit® Walker provides immobilization for patients suffering from soft tissue injury; grades 2 & 3 strains and sprains; and stable fractures. The new lightweight design is 25% lighter than before. Lower heel height reduces leg length discrepancy. The expert-designed orthopedic rocker bottom aids rollover. It has a shock absorbing sole for reduced impact at heel strike.
Q1 2026	Prosthetics (Össur)	AeroFit® Vent	AeroFit combines a 3D-printed Seal-In liner with a vented socket. The silicone liner increases comfort by reducing humidity accumulation, leaving the limb feeling drier and healthier. The unique design of AeroFit uses the user's own movement to expel air from the socket, promoting airflow leaving the skin feeling drier. Perceived skin health of the residual limb is improved by the micro-hole pattern, meshed silicone structure, and the AeroFit Seal-In liner fabric, which wicks humidity away.

Conference call and Financial calendar

Conference call details

Embla Medical will host a conference call on October 20, 2026, 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 Q3 2026 webcast](#)

Financial calendar and events 2026/2027

October 20 2026	Interim Report Q3 2026
October 20 2026	Q3 2026 Presentation & Q&A, virtual (HC Andersen Capital)
October 20 2026	Q3 2026 Investor Road Show, Copenhagen (Danske Bank)
October 21 2026	Q3 2026 Investor Road Show, Helsinki (ABG)
October 21 2026	Q3 2026 Virtual Investor Road Show (Nordea)
October 26 2026	Q3 2026 Investor Road Show, Reykjavik (Embla HQ)
November 10 2026	Berenberg Nordic Seminar, Paris
November 18-19, 2026	Jefferies Global Healthcare Conference, London
November 24, 2026	Aktie-Info Investor event (retail), Kolding Denmark
November 26, 2026	Danske Bank Winter Seminar, Copenhagen
January 11 2027	SEB Nordic Seminar, Copenhagen
February 2 2027	Q4 Report 2026 & 2026 Annual Report
March 2 2027	UBS European Healthcare Conference, London
March 17 2027	DNB Carnegie Healthcare Conference, Stockholm

For further information

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Embla Medical corporate announcements by e-mail

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 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**

30.9.2026

Embla Medical hf

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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 2026 to 30 September 2026 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 have not been audited or reviewed by the Company's auditors.

The total Net sales of the Company amounted to USD 740.5 million and the Net profit amounted to USD 69.9 million. Total assets of the Company amounted to USD 1,696.5 million at the end of period, liabilities were USD 746.2 million and equity was USD 950.3 million.

In our opinion, these Condensed Interim Consolidated Financial Statements present all the information necessary to give a true and fair view of the Company's financial position as at 30 September 2026 and its financial performance and cash flow for the period ended 30 September 2026.

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 2026 to 30 September 2026 with their signatures.

Reykjavík, 20 October 2026

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	9M 2026	9M 2025	Q3 2026	Q3 2025
Net sales	3	740,544	671,998	249,578	236,795
Cost of goods sold		(278,346)	(251,509)	(94,473)	(88,559)
Gross profit		462,198	420,489	155,106	148,236
Other income / (expenses)		2,396	432	640	(382)
Sales and marketing expenses		(261,186)	(241,986)	(83,632)	(81,400)
Research and development expenses		(39,129)	(33,909)	(13,213)	(11,489)
General and administrative expenses		(58,960)	(52,162)	(19,597)	(18,065)
Earnings before interest and tax (EBIT)		105,319	92,864	39,305	36,900
Financial income		1,569	1,699	517	548
Financial expenses		(15,397)	(16,553)	(5,005)	(6,235)
Net exchange rate difference		(3,385)	(6,226)	(1,985)	1,551
Net financial expenses		(17,213)	(21,081)	(6,473)	(4,135)
Share in net profit of associates		3,533	5,534	1,527	1,220
Earnings before tax (EBT)		91,639	77,317	34,358	33,984
Income tax		(21,751)	(18,395)	(8,296)	(8,203)
Net profit		69,888	58,922	26,062	25,782
Attributable to:					
Owners of the Company		69,812	58,932	26,130	25,863
Non-controlling interests		76	(10)	(68)	(81)
Net profit		69,888	58,922	26,062	25,782
Earnings per share					
Basic earnings per share (US cent)		16.4	13.8	6.1	6.0
Diluted earnings per share (US cent)		16.3	13.8	6.1	6.0

Consolidated Statement of Comprehensive Income

All amounts in USD '000	9M 2026	9M 2025	Q3 2026	Q3 2025
Net profit	69,888	58,922	26,062	25,782
Items that may be reclassified subsequently to profit or loss:				
Change in cash flow hedges	2,552	(881)	1,626	(490)
Exchange difference on translating foreign operations	(6,575)	21,052	(631)	(426)
Income tax	(1,918)	4,951	(355)	581
Other comprehensive income, net of income tax	(5,941)	25,122	640	(335)
Total comprehensive income	63,946	84,044	26,702	25,447
Attributable to:				
Owners of the Company	64,032	84,054	26,932	25,528
Non-controlling interests	(86)	(10)	(229)	(81)
Total comprehensive income	63,946	84,044	26,702	25,447

Consolidated Balance Sheet

Assets

All amounts in USD '000	Notes	30.9.2026	31.12.2025
Property, plant and equipment	4	78,149	80,215
Right of use assets	5	152,473	162,514
Goodwill	6	823,867	835,560
Other intangible assets	7	99,952	106,908
Investment in associates		34,674	27,950
Other financial assets		3,911	3,966
Deferred tax assets		53,082	55,380
Non-current assets		1,246,108	1,272,493
Inventories		165,546	165,617
Accounts receivable		149,467	144,782
Other financial assets		2,200	0
Other assets		57,213	45,092
Cash and cash equivalents		76,005	102,507
Current assets		450,431	457,998
Total assets		1,696,539	1,730,491

Consolidated Balance Sheet

Equity and liabilities

All amounts in USD '000	30.9.2026	31.12.2025
Issued capital and share premium	87,565	98,470
Other reserves	(55,454)	(50,494)
Retained earnings	913,062	842,572
Shareholders equity	945,174	890,549
Non-controlling interest	5,116	5,254
Total equity	950,290	895,803
Borrowings	181,585	292,174
Lease liabilities	145,138	153,499
Deferred tax liabilities	38,531	39,788
Provisions	8,830	8,723
Deferred income	11,236	11,346
Other financial liabilities	9,013	19,588
Non-current liabilities	394,334	525,117
Borrowings	136,414	67,678
Lease liabilities	27,313	28,218
Accounts payable	33,038	32,825
Income tax payable	19,193	21,322
Provisions	14,904	16,315
Accrued salaries and related expenses	54,712	59,550
Other financial liabilities	20,074	35,673
Other liabilities	46,267	47,989
Current liabilities	351,916	309,571
Total liabilities	746,249	834,688
Total equity and liabilities	1,696,539	1,730,491

Consolidated Statement of Cash Flow

All amounts in USD '000	Notes	9M 2026	9M 2025	Q3 2026	Q3 2025
Earnings before interest and tax (EBIT)		105,319	92,864	39,305	36,900
Depreciation, impairment and amortization	4, 5, 7	48,125	45,118	16,324	15,950
Change in inventories		(1,721)	(10,635)	(3,395)	(3,857)
Change in receivables		(20,445)	(19,900)	(1,979)	4,038
Change in payables		(5,293)	4,089	3,249	3,076
Change in provisions		(1,186)	1,329	(784)	848
Other operating activities		(3,037)	1,664	(2,137)	855
Cash generated from operations		121,762	114,529	50,583	57,810
Interest received		1,622	1,670	588	636
Interest paid		(14,969)	(16,139)	(4,847)	(6,219)
Income tax paid		(24,815)	(17,831)	(9,057)	(6,005)
Net cash generated from operating activities		83,600	82,229	37,267	46,222
Purchase of fixed and intangible assets	4, 7	(17,927)	(24,277)	(6,589)	(7,882)
Acquisition of subsidiaries, net of cash in acquired entities		(966)	(3,275)	(685)	(3,275)
Payment of contingent consideration and deferred payments		(21,935)	(4,259)	0	0
Other investing activities		(3,007)	749	(1,029)	(902)
Cash flows used in investing activities		(43,835)	(31,062)	(8,303)	(12,059)
Proceeds from long-term borrowings		0	57,463	0	0
Repayments of long-term borrowings		0	(57,822)	0	(339)
Changes in revolving credit facility		(32,537)	(6,684)	(41,318)	(10,730)
Payments of lease liabilities		(22,582)	(20,370)	(7,184)	(6,965)
Increase in subsidiaries that does not affect control		(325)	(5,123)	(325)	(5,123)
Dividends from subsidiaries paid to non-controlling interests		0	(35)	0	(35)
Purchased treasury shares		(10,905)	(6,951)	(2,757)	(2,670)
Cash flows generated from financing activities		(66,349)	(39,522)	(51,584)	(25,862)
Net change in cash		(26,584)	11,645	(22,620)	8,301
Exchange rate effects on cash held in foreign currencies		82	4,266	(150)	(343)
Cash and cash equivalents at beginning of period		102,507	86,163	98,775	94,116
Cash and cash equivalents at end of period		76,005	102,074	76,005	102,074

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 2025	4,829	88,635	(75,390)	759,112	777,186	3,513	780,699
Net profit				58,932	58,932	(10)	58,922
Change in cash flow hedges			(705)		(705)		(705)
Transl. diff. of shares in subsidiaries			25,827		25,827		25,827
Total comprehensive income	0	0	25,122	58,932	84,054	(10)	84,044
Payment of dividends					0	(35)	(35)
Share option charge for the period			1,453		1,453		1,453
Share option vested during the period			(2,715)	2,715	0		0
Issued new shares	23	14,550			14,573		14,573
Purchase of treasury shares	(11)	(6,939)			(6,951)		(6,951)
Change in non-controlling interests				(2,581)	(2,581)	(1,229)	(3,810)
Balance at 30 September 2025	4,841	96,246	(51,529)	818,177	867,735	2,239	869,974
Balance at 1 January 2026	4,836	93,634	(50,494)	842,572	890,549	5,254	895,803
Net profit				69,812	69,812	76	69,888
Change in cash flow hedges			2,041		2,041		2,041
Transl. diff. of shares in subsidiaries			(7,821)		(7,821)	(162)	(7,983)
Total comprehensive income	0	0	(5,780)	69,812	64,032	(86)	63,946
Share contract charge			1,634		1,634		1,634
Share contract vested/expired			(815)	815	0		0
Purchase of treasury shares	(20)	(10,885)			(10,905)		(10,905)
Change in non-controlling interests				(137)	(137)	(52)	(189)
Balance at 30 September 2026	4,816	82,749	(55,454)	913,062	945,174	5,116	950,290

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 new and amended IFRS accounting standards and interpretations (IFRIC) effective for the period. New and amended IFRS accounting standards, effective for the current year, had minor impact on the Company's Consolidated 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 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 2025. 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, which is the Company's functional currency, and all values are rounded to the nearest thousand ('000), except when otherwise indicated. This rounding may impact totals. 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 2025.

Notes to the Condensed Consolidated Financial Statements

2. Quarterly statements

	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
Net sales	249,578	258,571	232,395	256,691	236,795
Cost of goods sold	(94,473)	(94,531)	(89,343)	(98,625)	(88,559)
Gross profit	155,106	164,041	143,052	158,066	148,236
Gross profit margin	62%	63%	62%	62%	63%
Other income / (expenses)	640	415	1,341	175	(382)
Sales and marketing expenses	(83,632)	(90,524)	(87,031)	(92,194)	(81,400)
Research and development expenses	(13,213)	(13,000)	(12,916)	(11,948)	(11,489)
General and administrative expenses	(19,597)	(18,898)	(20,465)	(21,662)	(18,065)
EBIT	39,305	42,033	23,981	32,438	36,900
Net financial expenses	(6,473)	(5,497)	(5,243)	(2,947)	(4,135)
Share in net profit of associates	1,527	1,785	221	1,127	1,220
EBT	34,358	38,321	18,959	30,618	33,984
Income tax	(8,296)	(9,002)	(4,453)	(5,896)	(8,203)
Net profit	26,062	29,319	14,506	24,722	25,782
EBITDA	55,629	57,985	39,829	47,939	52,850
EBITDA margin	22%	22%	17%	19%	22%

There were no special items in the above presented quarters.

3. Net Sales

	9M 2026	9M 2025	Q3 2026	Q3 2025
Sales by geographical segment:				
EMEA	382,417	326,755	124,600	112,130
Americas	297,797	291,196	104,524	104,443
APAC	60,331	54,047	20,454	20,222
Total	740,544	671,998	249,578	236,795
Sales by business segment:				
Prosthetics & Neuro Orthotics	435,129	372,468	148,109	135,345
Bracing & Supports	114,521	110,885	38,495	37,796
Internal product sales	(31,855)	(28,736)	(10,761)	(9,932)
External product sales	517,795	454,616	175,843	163,209
Patient Care	222,749	217,382	73,736	73,586
Total	740,544	671,998	249,578	236,795

Notes to the Condensed Consolidated Financial Statements

4. Property, plant and equipment

2026	Leasehold improvements	Machinery & equipment	Office equipment	Computer equipment	Total
Cost					
At 1 January	62,745	92,228	17,862	15,764	188,600
Additions	2,941	6,297	688	3,704	13,630
Business Combinations	285	121	5	0	411
Eliminated on disposal	(486)	(298)	(65)	(78)	(926)
Fully depreciated assets	(77)	(1,683)	(493)	(66)	(2,319)
Exchange rate differences	(326)	(311)	(279)	(130)	(1,045)
At 30 September 2026	65,083	96,354	17,719	19,195	198,351
Depreciation					
At 1 January	27,086	58,810	12,175	10,315	108,385
Charge for the period	4,803	6,810	1,383	2,537	15,533
Eliminated on disposal	(363)	(257)	(42)	(54)	(717)
Fully depreciated assets	(77)	(1,683)	(493)	(66)	(2,319)
Exchange rate differences	(214)	(165)	(209)	(92)	(680)
At 30 September 2026	31,235	63,514	12,813	12,640	120,202
At 30 September 2026	33,848	32,840	4,906	6,555	78,149
Depreciation classified by functional category:					
	9M 2026	9M 2025	Q3 2026	Q3 2025	
Cost of goods sold	7,273	7,383	2,545	2,418	
Sales and marketing expenses	4,086	3,210	1,419	1,209	
Research and development expenses	1,082	1,000	379	376	
General and administrative expenses	3,092	2,718	911	930	
Total	15,533	14,311	5,254	4,933	

Notes to the Condensed Consolidated Financial Statements

5. Leases

Right of use assets

2026	Buildings & sites	Machinery & equipment	Total
At 1 January	157,857	4,658	162,514
Additions and renewals	12,861	2,982	15,843
Depreciation charge for the period	(20,304)	(2,252)	(22,557)
Eliminated on disposal and termination	(971)	0	(971)
Exchange rate differences	(2,223)	(134)	(2,357)
At 30 September 2026	147,220	5,253	152,473

Depreciation and impairment classified by functional category:	9M 2026	9M 2025	Q3 2026	Q3 2025
Cost of goods sold	7,662	8,956	2,360	3,479
Sales and marketing expenses	8,732	6,884	3,125	2,391
Research and development expenses	2,328	2,366	777	822
General and administrative expenses	3,835	3,946	1,283	1,419
Total	22,557	22,152	7,544	8,111

6. Goodwill

	30.9.2026	31.12.2025
At 1 January	835,560	776,306
Business combinations	517	18,698
Exchange rate differences	(12,211)	40,556
At end of period	823,867	835,560

Notes to the Condensed Consolidated Financial Statements

7. Other intangible assets

2026	Customer & distribution relationships	Patents & development costs	Trademarks	Software & other	Total
Cost					
At 1 January	47,559	34,163	8,627	69,448	159,798
Additions	0	132	0	566	698
Additions - internally generated	0	0	0	3,599	3,599
Exchange rate differences	(1,179)	(130)	(222)	(66)	(1,597)
At 30 September 2026	46,381	34,164	8,405	73,548	162,498
Amortization					
At 1 January	13,540	12,379	348	26,623	52,889
Charge for the period	3,141	1,855	210	4,830	10,036
Exchange rate differences	(275)	(51)	(9)	(44)	(380)
At 30 September 2026	16,406	14,182	549	31,409	62,545
At 30 September 2026	29,975	19,982	7,856	42,139	99,952
Amortization classified by functional category:		9M 2026	9M 2025	Q3 2026	Q3 2025
Cost of goods sold		378	689	99	215
Sales and marketing expenses		5,461	5,058	1,837	1,566
Research and development expenses		1,450	1,340	491	472
General and administrative expenses		2,747	1,568	1,098	653
Total		10,036	8,655	3,526	2,906