



ABG Expert Call

Emerging Markets

Gudjon Karason, Embla Medical

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Expert Call on Emerging Markets

Today's speaker



Gudjon Karason

- +27 years with Össur/Embla Medical
- President Growth Region (Emerging Markets)
- EVP EMEA & APAC
- EVP Clinics
- Managing Director Össur Nordic
- Director Business Development

Agenda

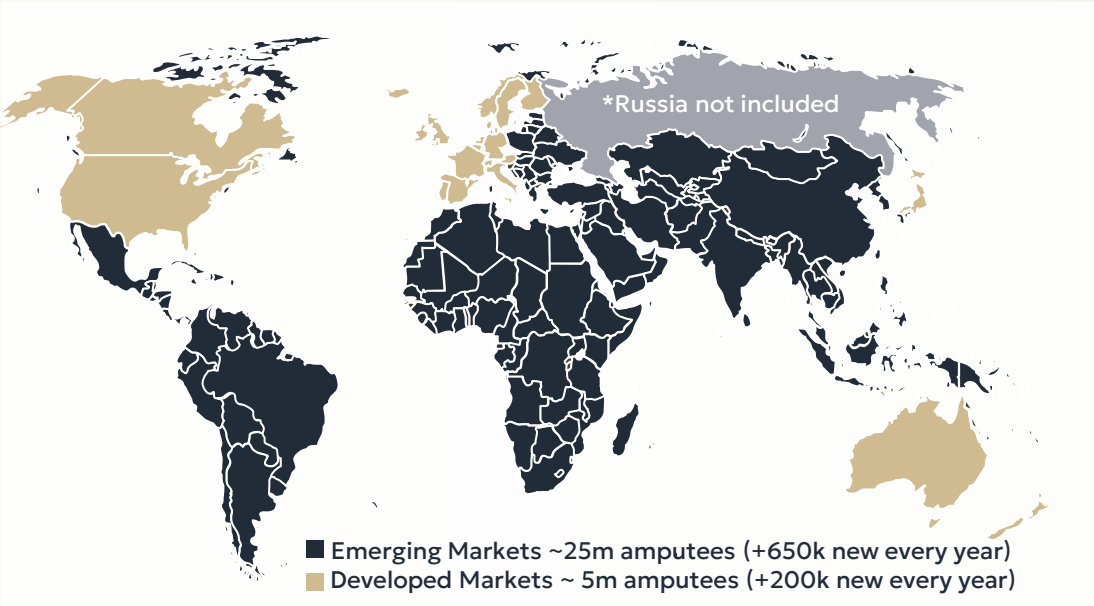
- Emerging Markets (EM) at glance
- How to navigate EM opportunities and challenges
- Emerging Markets maturing at different pace
- How our portfolio is positioned to fit local EM demands
- India: A pilot market for Private Pay
- Ukraine: Addressing a huge unmet need in a conflict zone
- Q&A



OUR VISION
Enable Life Without Limitations

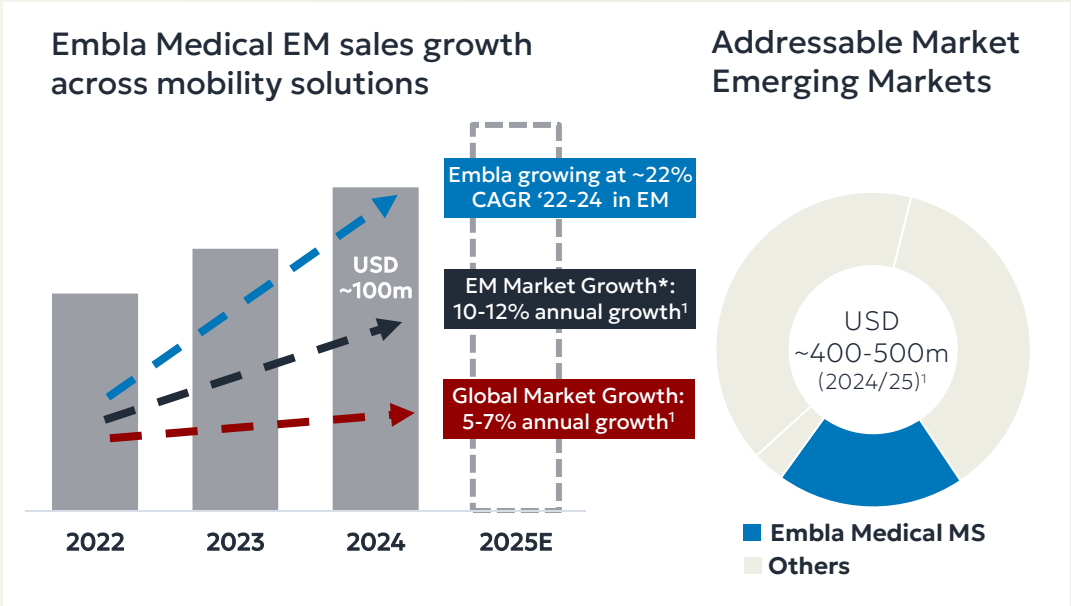
Emerging Markets represent +80% of the new amputee volume worldwide ...

Emerging Markets only make up ~10% of Embla Medical's current sales



Emerging Markets are different requiring a tailored approach and strategy, however, six of these markets represents ~90% of the volume opportunity

Emerging Markets represent a material growth contributor with ample room for further growth



Embla Medical's recent growth in Emerging Markets is attributed to markets such as Brazil, Mexico, India, South Africa and select Eastern European countries including Ukraine

*Our Emerging Market growth calculation does not include Russia. Embla has taken decision not to sell into Russia due to the ongoing war

1) Embla Medical Market Intelligence Reports and News reports

Less than 20% of new amputees in the Emerging Markets are fitted with a prosthesis - in some regions it is as low as 5%

What are the challenges and opportunities in Emerging Markets?

Challenges

- Lack of access to adequate healthcare
- Limited reimbursement (mainly Private Pay markets)
- Lack of infrastructure e.g. shortage of clinics/CPOs
- Low awareness with the end-users

Opportunities



Large underserved population in Private Pay Markets with growing middle class



Leverage stronger presence in select markets e.g. local sales and manufacturing



Leverage product line extensions and acquired portfolios to serve local needs e.g. Streifeneder



Fitting rates

EM	5-20%
DM	40-60%
GER	~60%
SWE	~60%

... and how do we act on these?

Our Growth Region strategy is built around three distinct strategic pillars to unlock the potential in Emerging Markets



Increase
Growth through optimizing current operational model



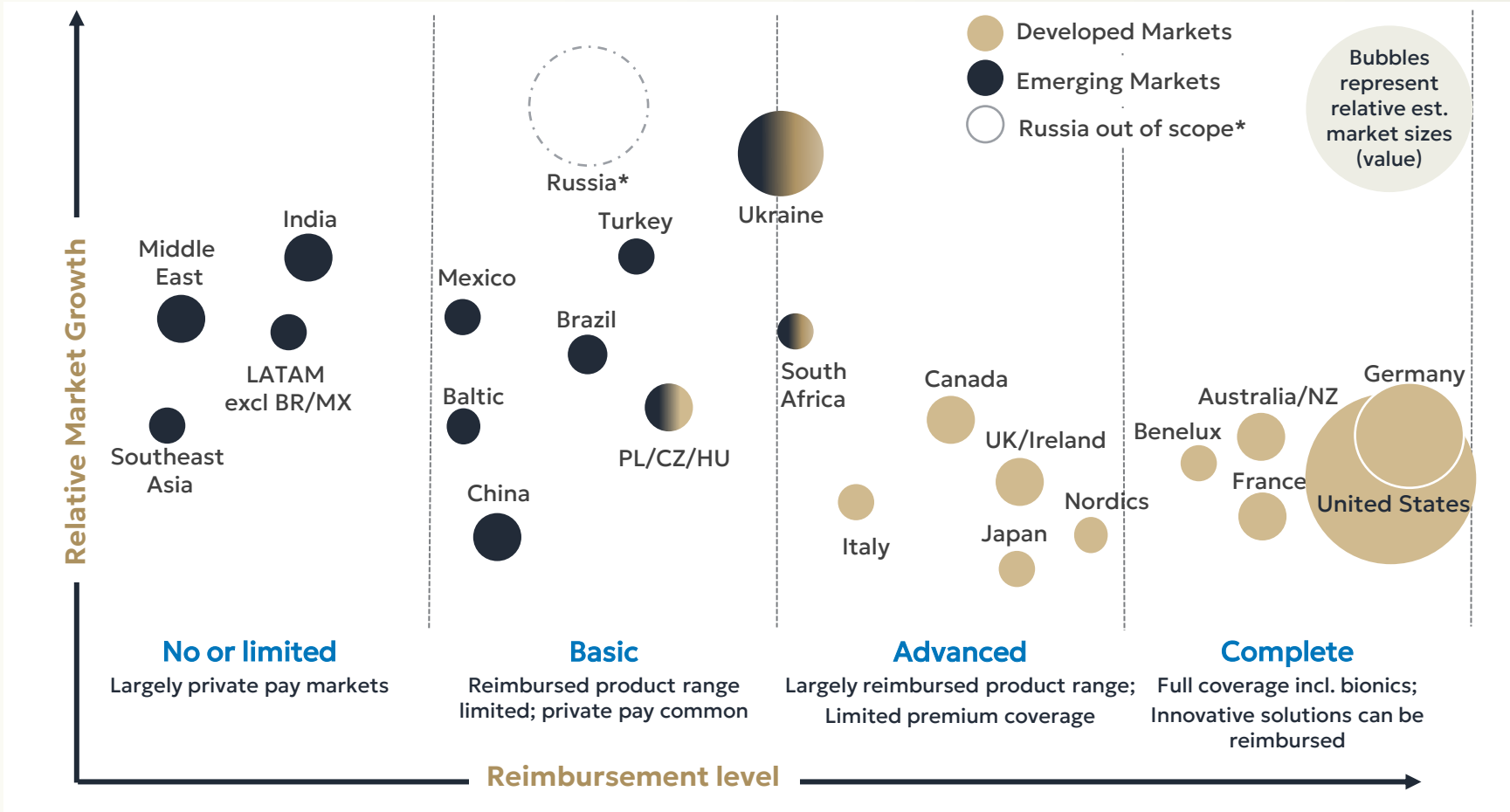
Expand
Acquire and/or establish distributors and clinics



Pioneer
New and agile Go-To-Market models for Private Pay

Emerging Markets are maturing at different pace with most markets still offering very limited Reimbursement - if any...

Comparison of selected prosthetic markets and regions



Developed markets

- Direct sales in most developed and mature emerging markets
- Continued focus on improving coverage
- New innovation in high demand
- Sound healthcare economics drive incentives for more fittings

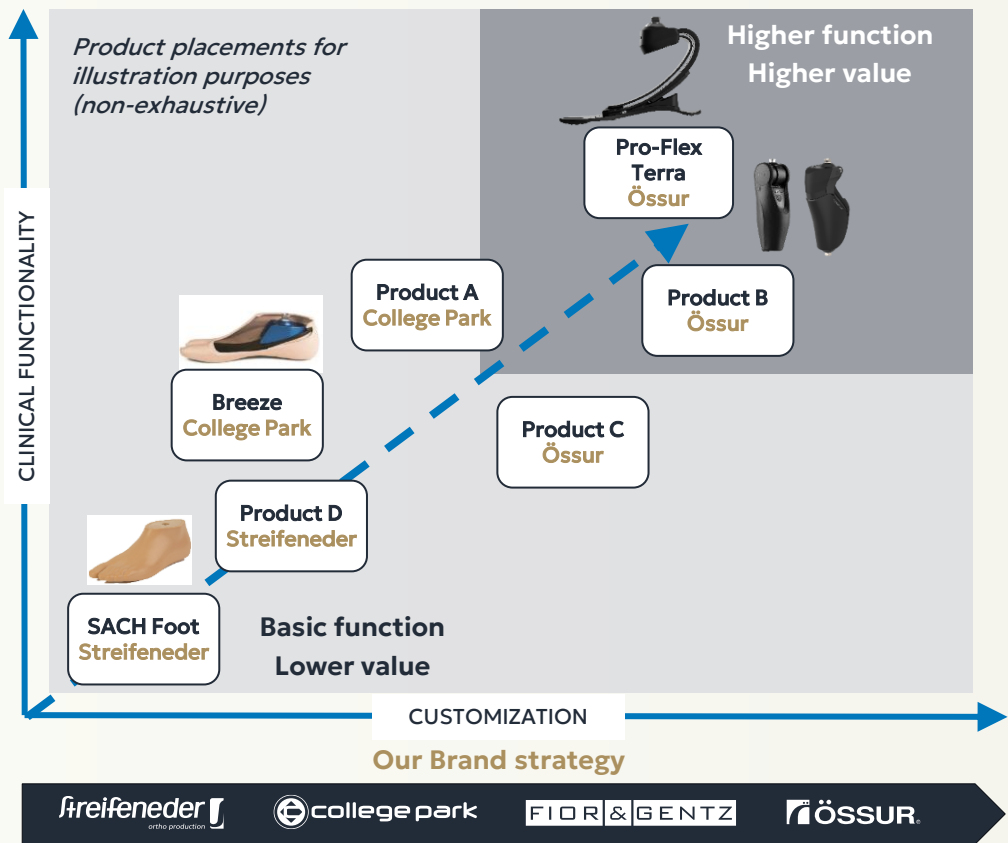
Emerging markets

- Direct sales in selected Emerging Markets, distributors in most other countries
- Often limited infrastructure with fewer clinics, basic services and low value products
- Reimbursement mostly limited to basic solutions
- Huge unmet need in conflict zones such as Ukraine, often with high dependency on external funding

Different markets different needs

- How our portfolio is positioned to fit local EM demands

Extending our portfolio into the value segment will help build attractive offerings tailored for Emerging Markets



Majority investment in Streifeneder will enable us to expand our reach in Emerging Markets as a full-range provider

An international developer and supplier of **prosthetic** and **orthotics** as well as **materials** and **equipment** for the O&P market

Streifeneder
ortho production

- Family-owned business (Bavaria, GE)
- Sales of EUR 25m in 2024 (~USD 29m)
- Employing around 100 people
- Key player in German O&P market
- Strong in Prosthetics “value segment”
- Solid O&P materials offering

Regional split

+50%

Germany
International

Sales split

Prosthetics
Materials
Orthotics/Equipment

Prosthetics – Lower Limb

Materials & Equipment

Case: India as a pilot market for private pay

India Market Characteristics



Existing amputee population estimated to be 8-9m people (2/3 lower limb and 1/3 from upper limb)¹



Estimated 5-15% getting fitted with some sort of prosthesis in India today¹



Main causes for amputations are vascular diseases with India being the “Diabetes capital of the world”



+80% of amputees in the “productive age” (below 60 years) vs. 65-70 years in DM on average¹



Insufficient infrastructure with ~350 O&P clinics¹ (less than 1/10 of the ratio in Developed Markets)

Untapped market with meaningful upside potential



Case: India as a pilot market for private pay

India Market Dynamics

- + Fast growing market (+12%) driven by volume
- + Private Pay Market with strong focus on price and value
- + India is seen as “low risk” market with strong upside potential when insurance schemes expand to Prosthetic solutions
- + Clinicians in India are in general considered well educated

- ÷ No public reimbursement today for prosthetics
- ÷ Only a small fraction of amputees receive prosthetics
- ÷ Majority of lower limb amputations in the “productive age” causing a massive burden to society when not fitted
- ÷ Limited infrastructure in a market dominated by local players and a few global players serving a minority of patients

Our mission to unlock the potential in India

Turn current “limitations” into “liberations”

Addressing the key limiting factors of **Access, Awareness, and Affordability**, using proprietary solutions in combination with an agile and innovative delivery model

Launch Pilot clinic



- Launch low-investment pilot clinics in Delhi
- Plan to scale up to other cities and regions when successful

Focus on Productive Age



- Simplified solution offering and process targeting patients in the productive age
- Using proven methods and proprietary technology to allow immediate return to community

Enable private pay opportunity



- Use of Value Brand components
- Focused patient selection keeping operations effective
- Adapted payment models

Case: Ukraine, serving a huge unmet need in a conflict zone

Ukraine Market Characteristics



Sharp increase of amputees in Ukraine since 2022 due to ongoing war; Est. 50k-100k new amputees¹



Vast majority of amputees are young men in the early stage of their productive life (25 to 35 years)²



High percentage of complex amputation cases with multiple and/or challenging traumatic injuries



Limited clinical infrastructure and capacity



Some reimbursement in place through public funding and donations for both civilians and veterans

Iceland Supports Mobility in Ukraine initiative



Announcement of the opening of a new prosthetic clinic in Kyiv, and, together with the Ministry for Foreign Affairs of Iceland, to launch a landmark initiative to support up to 1,000 Ukrainian amputees with advanced prosthetics and rehabilitation

Case: Ukraine, serving a huge unmet need in a conflict zone

Ukraine Market Dynamics

- + Acceleration in number of amputations in the early stage of “productive age” increasing the need for advanced bionics
- + Some reimbursement in place through insurance/donations including access to more “advanced solutions” for veterans
- + Substantial foreign investments in high-tech O&P clinics
- + Embla Medical/Össur well perceived in the market as a reliable and stable supplier and partner

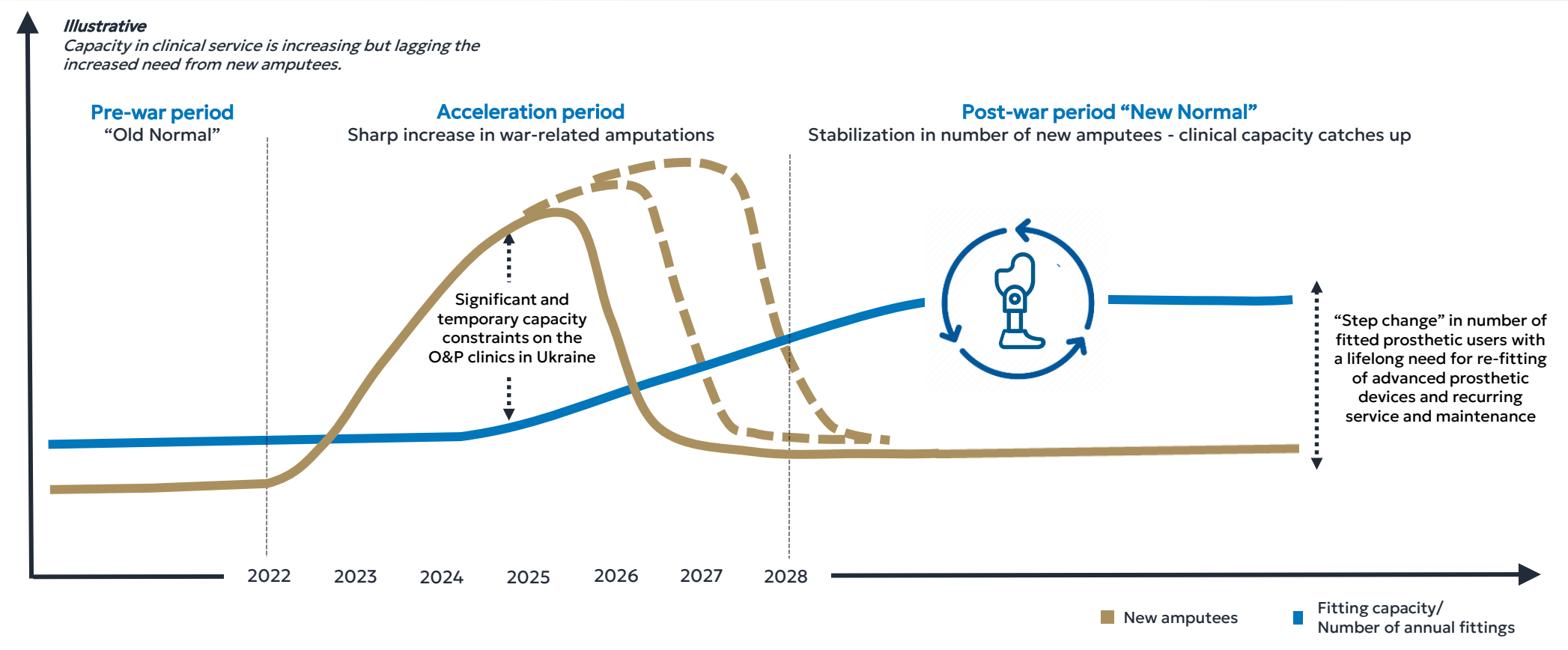
- ÷ High risk market due ongoing war and political/safety situation
- ÷ High degree of complex amputations (e.g. multiple limb loss, significant nerve damages) following severe war-injuries increasing the need for extensive multidisciplinary mobility care
- ÷ Delayed fittings of new amputees due to insufficient clinical infrastructure creating a substantial fitting backlog
- ÷ Limited possibility to be present in the market due to safety concerns increasing the dependency on local staff

Strengthening our local presence while securing funding will be key in Ukraine



Case: Ukraine, serving a huge unmet need in a conflict zone

Delayed fittings of new amputees due to insufficient clinical capacity and infrastructure creates a substantial fitting backlog for young amputees with a lifelong need for advanced prosthetic devices





Stories from the frontline

Vlad survived the brutal occupation of his hometown, Izyum, escaping by bicycle through more than 70 km of contested territory.

He volunteered for service, fought in multiple regions, and in November 2023 suffered a sniper wound. While trying to evacuate himself, he hit an anti-personnel mine, losing both legs and waiting nearly a full day for rescue.

Our clinicians met him entirely by chance on the street while he was waiting for a dentist appointment. One conversation led to another, he was fitted with prosthetic legs, and he now works as an administrator in our Kyiv clinic.

Q&A

Key take aways

1. Emerging Markets represent a material growth contributor with ample room for further growth expansion; however, markets are maturing at different pace with different needs
2. Unlocking the potential in India turning what is currently interpreted as “limitations” into “liberations” using our proprietary solutions in combination with an agile and innovative delivery model allowing active patients immediate return to the community
3. Ukraine is seeing a sharp increase of young amputees in the early stage of “productive life” increasing the need for advanced bionics. Strengthening local infrastructure and competence while securing funding is key to address the huge unmet need in Ukraine





THANK YOU.

 **EMBLA MEDICAL®**