

INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2025

- Strong US growth in gross-order intake and customer base
- Significantly improved financial results
- Continued focus on regulatory pathway for MTP-implant

“This is my first CEO statement as CEO of Episurf Medical, although I have been with the company since its inception. I will work hard to ensure that we achieve our goals, and I fully support our strategy to drive sales in our most important markets, achieve FDA clearance for our toe implant Episealer® MTP, and to deliver on the cost-saving program we launched earlier this year. If we successfully execute these initiatives, we believe we have good opportunities to create shareholder value. During Q3, we delivered substantial improvements in the financial results, in large due to the execution of our cost saving initiatives. We have a clear road ahead in our regulatory process for our MTP implant, and our operation in the US is growing, both in terms of gross-order intake and the customer base”, says Katarina Flodström, CEO Episurf Medical.

Third quarter 2025 compared to 2024, Group

- » Gross order intake amounted to SEK 4.0m (3.7)
- » Group net sales amounted to SEK 3.2m (3.4)
- » Loss for the period amounted to SEK -10.4m (-15.9)
- » Earnings per share amounted to SEK -0.01 (-0.02)

First nine months 2025 compared to 2024, Group

- » Gross order intake amounted to SEK 11.4m (9.9)
- » Group net sales amounted to SEK 10.0m (9.6)
- » Loss for the period amounted to SEK -44.7m (-57.9)
- » Earnings per share amounted to SEK -0.06 (-0.14)

Significant events during the third quarter 2025

- » Episurf Medical announced re-structuring initiatives and increased focus towards the US market
- » Episurf Medical announced a rights issue of units of up to approximately SEK 29.4m
- » Episurf Medical appointed new CEO – Katarina Flodström succeeds Pål Ryfors

Significant events during previous quarters 2025

- » Episurf Medical announced that the response to the US FDA has been filed and addresses a request for additional information on the company’s Episealer® MTP implant
- » Episurf Medical entered into a distribution agreement for several European countries with Joint Operations Ltd
- » Episurf Medical made progress in the FDA process for the Episealer® MTP implant, but certain validation activities remain, and the company is now following the FDA’s guidance with a concrete plan to complete the process

Significant events after the quarter

- » Scientific article on Episealer® Knee with up to 10 years’ follow-up published
- » Board member Annette Brodin Rampe resigned from the board of Episurf Medical

Dear shareholders,

This is my first CEO statement as CEO of Episurf Medical, although I have been with the company since its inception. I will work hard to ensure that we achieve our goals, and I fully support our strategy to drive sales in our most important markets, achieve FDA clearance for our toe implant Episealer® MTP, and to deliver on the cost-saving program we launched earlier this year. If we successfully execute these initiatives, we believe we have good opportunities to create shareholder value.



For the company, and not least for me personally, there is a very strong focus in having our toe implant Episealer® MTP reach the US market in the near future. This process has been affected by external factors that were difficult to foresee, but there is a clear plan, and we know what the FDA expects of us. We believe that there is a big need for a toe implant that can alleviate pain and improve the MTP joint function, and we are really looking forward to offering our solution to US surgeons. We have previously communicated that our goal is to obtain a clearance before the end of the year, and that goal remains unchanged. It should be noted, however, that the temporary lockdown of parts of the U.S. authorities may have some impact on the timeline. Naturally, we hope that the authorities will resume their operations soon.

For our products available on the market, the quarter represents a gross-order intake increase to SEK 4.0m, up 9% compared to the same period previous year. Although we would like to see a significantly higher growth rate, it is important to analyse the underlying figures. In the US, gross order intake grew by 60% in the quarter, and our customer base in the US grew by 111%. The last figure is particularly important as growing the user base is key for continued market penetration. Our goal is to grow the US customer base for the knee by at least 100% annually, hence it is pleasing to see that we are delivering on this target. The third quarter saw a number of highlights for our US business. In addition to our highest recorded volume of approved orders, we saw first-time orders placed within the states of Maryland, Massachusetts, and Virginia, as well as orders from new surgeons in Colorado, Georgia, New York and Ohio. In the quarter's last few days, the first Episealer® surgery at New York City's Hospital for Special Surgery, often regarded as the most prestigious orthopaedic hospital in the world, was performed. In addition, we entered into an exclusive distribution agreement covering the states of Arkansas, Louisiana, Oklahoma, and Texas with MSA Associates, Inc., also the exclusive distributor of products within Johnson & Johnson MedTech's Joint Replacement business.

As stated in previous reports, we have fully transformed our European business into a distributor business. This has not been without challenges, but we are committed to making it a success. Joint Operations is our partner for the largest European markets and while sales have not yet reached expected volumes through this channel, we see great opportunities in our collaboration. We hope to see improved progress going forward!

Episealer® Knee and Episealer® Talus, our implants on the European market, continue to provide satisfied patients and our confidence in these products, that is already high, is still increasing. The latest contribution to that is a new scientific publication by Francesca de Caro et al. in Journal of ISAKOS, reporting on clinical results from a study performed on 34 patients in Belgium. The patients have been followed up for up to 10 years after surgery, and the study shows good clinical outcomes as well as high implant survival rate.

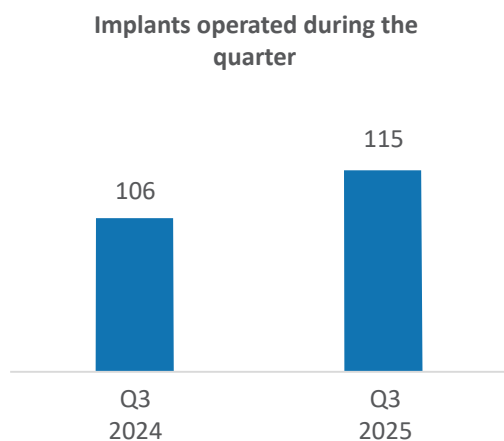
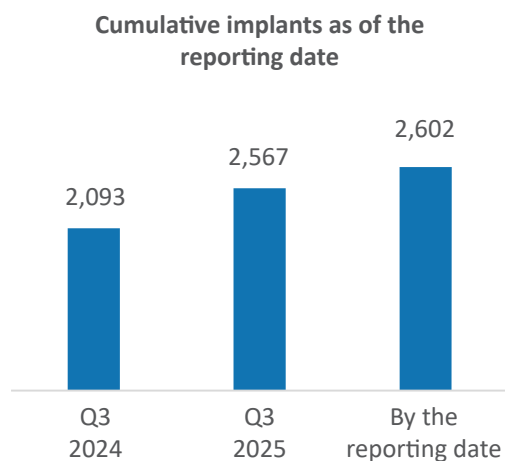
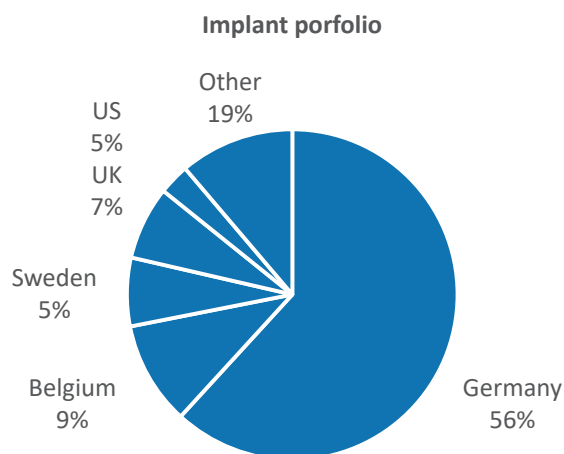
In conjunction with the Q2 report, we announced restructuring measures to significantly reduce our operating costs. These initiatives are expected to lead to annual cost savings of approximately SEK 20 m, which shall be achieved, among other things, through reduction in the operations and sales workforce in the European business. In this third quarter, we made a loss of SEK 10.3m, which is SEK 5.6m better than the corresponding period last year. The result includes a release of restructuring reserves of SEK 3.0m. This result indicates that we are moving in the right direction. The change was necessary to meet future challenges, even though making decisions like these are never easy. I would like to thank all colleagues leaving us for all your contributions through the years. Our warmest thanks also to all shareholders that supported us in the latest rights issue. With this behind us, we look forward to continued focused work towards our goals.

Stockholm, October 2025

Katarina Flodström, CEO

BUSINESS UPDATE AND FORWARD-LOOKING STATEMENTS

By the reporting date on October 24, 2025, a total of 2,602 devices from Episurf Medical had been implanted. Episurf Medical's patients are experiencing significant improvements in pain and mobility. Furthermore, they are also experiencing a short recovery time. Out of the total implant portfolio of 2,602 implants, several patients have now had their implants between 5 and 12 years since the surgery date. During the third quarter, 115 surgeries were performed with the Episealer® implant. 130 orders were approved for surgery during the third quarter.



FINANCIAL INFORMATION

Net sales and operating profit/loss

Group net sales amounted to SEK 3.2m (3.4) in the third quarter and SEK 10.0m (9.6) for the first nine months. Loss before tax amounted to SEK -10.3m (-15.9) for the quarter and SEK -44.1m (-57.8) for the first nine months. Other expenses, which for example includes expenses for clinical trials, marketing and product development, amounted to SEK -6.7m (-8.1) in the quarter and SEK -23.0m (-33.5) for the first nine months. During the second and third quarter, the company received SEK 2.1m, recorded as other operating income, as cost coverage from collaboration partners for certain personnel expenses.

Cash flow and financial position

Group cash and cash equivalents at end of period amounted to SEK 21.7m (66.8). The improved cash flow from the operating activities compared to the corresponding quarter last year is primarily due to increased operational focus and cost control. The board works continuously to evaluate various financing alternatives to ensure the continued operation of the business. The company has within the next twelve months additional financing needs that have not yet been secured but the board assesses that the company has good conditions to secure future financing through, for example, a new issue of shares, the interim report is therefore prepared using the going concern assumption. However, the absence of assurance at the time of submission of this report means that there is a significant uncertainty factor that may cast doubt on the Group's ability to continue as a going concern. The equity ratio was 80.7% (89.5). Group investments in intangible assets amounted to SEK -1.5m (-1.6) for the quarter of which SEK -1.1m (-1.1) are related to capitalised development costs, and for the first nine months investments in intangible assets amounted to SEK -5.4m (-5.0) of which SEK -4.5m (-3.0) are related to capitalised development costs, remaining investments relates to patents. No significant investments have been made in tangible assets during the quarter or for the year of 2025 or 2024.

Parent company

The parent company's loss before tax amounted to SEK -8.5m (-161.2) for the quarter and SEK -27.0m (-189.1) for the first nine months.

Human resources

Number of employees in the Group at end of the period was 26 (26).

Transactions with closely related parties

Shareholder and Board member Leif Ryd has received consulting fees for ongoing work as well as work for the Clinical Advisory Board during the period of SEK 0.4m (0.4).

Completed rights issue of units

Episurf's Board of Directors resolved on July 2, 2025, subject to the subsequent approval of the general meeting, to carry out an issue of units with preferential right for existing shareholders of up to approximately SEK 29.4m. The Board of Directors' resolution on the rights issue was approved at the extraordinary general meeting of the Company held on August 4, 2025. The final outcome of the rights issue showed that approximately 84.4% of the rights issue was subscribed for by exercise of unit rights. In addition, applications for subscription without unit rights corresponding to approximately 77.7% of the rights issue were received. Episurf will receive proceeds of approximately SEK 29.4m before issue costs.

Each unit in the rights issue consisted of six (6) new shares of series B and three (3) warrants of series TO14 B. Through the rights issue, 163,266,173 units, corresponding to 979,597,038 new shares and 489,798,519 warrants of series TO14 B, were issued. Furthermore, 4,516,608 units, corresponding to 27,099,648 new shares of series B and 13,549,824 warrants of series TO14 B, were issued to the guarantors of the rights issue who had chosen to receive guarantee remuneration in the form of units, which was communicated by the company through a press release on August 28, 2025. Each warrant of series TO14 B entitles to subscription of one (1) new share of series B at a subscription price of SEK 0.03 per share during the period February 9–20, 2026. Upon full exercise of warrants of series TO14 B issued in the Rights Issue and in the directed issue to guarantors, the number of shares in Episurf will increase by 503,348,343 shares of series B and the company will receive approximately SEK 15.1m before costs.

Rights Issue and warrants TO13B

Rights Issue

In 2024, Episurf Medical carried out a rights issue, raising approximately SEK 90m before issue costs. The issue included 375,662,430 new B-shares and 150,264,972 TO13B series warrants.

Guarantors had the option to receive compensation in the form of units (B-shares and TO13B warrants) instead of cash, amounting to approximately SEK 2.1m. An additional SEK 7.0m was paid in cash. The total number of shares increased from 267,065,447 to 651,477,842.

Warrants TO13B

Between 10 and 24 February 2025, a total of 1,586,850 TO13B warrants were exercised, corresponding to an exercise rate of 1.03%. Each warrant entitled the holder to subscribe for one new B-share at a price of SEK 0.24 per share, raising approximately SEK 381,000 before costs. The total number of shares increased to 653,064,692, consisting of 473,357 A-shares and 652,591,335 B-shares. The dilution effect was approximately 0.24%. Further information is available on the company's website.

Warrants and employee stock options

For more information about staff option programs, see Episurfs Annual Report 2024 note 9 and note 4 below.

Sustainability-related risks

Episurf strives towards monitoring and continuous evaluation of sustainability-related risks and their impact on the Group's operations and earnings. Episurf's opinion is that this work will increase in importance, and the work could include, among other things, materiality analyses, monitoring of targets and commitments and by auditing various units within the company. The Group works towards having an established governance structure that involves both company management and the Board, and aims at continuously improve the company's sustainability activities and minimizing associated risks.

Changes related to general economic and political conditions

The situation in Ukraine entails risks of impact on the world economy with increasing cost inflation and disruptions in supply chains. Episurf has no direct exposure to Ukraine or Russia and has assessed that the company is currently not affected.

Due to the escalated conflict in Israel and Gaza since October 2023, the company is also monitoring developments in the Middle East. Episurf has a presence in several countries in the Middle East with limited sales so far and has assessed that there is no material financial impact on the company.

In previous quarters, new customs regulations were introduced in the United States, affecting the import of certain goods from the EU, including medical devices. We are closely monitoring the situation and maintain an ongoing dialogue with our partners in the U.S. At present, our sales have not been significantly affected, but we are analyzing potential consequences and preparing adjustments if necessary.

Cyber security

Cyber security has become a significant threat in society and for Episurf, which is dependent on IT. The company continuously performs work to ensure that the company is well prepared to counter cyber attacks and other types of intrusion.

Rounding

Due to rounding, the sum of numbers may differ.

Share information

There are two types of shares in the Company. Each Class A-share carries three votes and entitles the holder to three votes at the General Meeting, and each class B-share carries one vote and entitles the holder to one vote at the General Meeting. Class B shares have traded on Nasdaq Stockholm's Small Cap segment since 11 June 2014 with the ticker EPIS B.

30 September 2025

A-shares	473,357
B-shares	1,659,288,021
Total number of shares	1,659,761,378
Total number of votes	1,660,708,092

The following table notes the ten largest shareholders based on information available as of September 30, 2025

Name	No, Of	No. Of	Share capital	Voting rights
	A-shares	B-shares	in %	%
Ilija Batljan	-	394 976 140	23,8	23,8
SIX SIS AG, W8IMY	-	105 005 031	6,3	6,3
Pål Ryfors*	-	44 902 799	2,7	2,7
Ålandsbanken Abp	-	44 718 574	2,7	2,7
Per Nyve	-	39 190 152	2,4	2,4
Abanico Invest AB	-	29 250 000	1,8	1,8
Ulf Grunander	-	15 355 600	0,9	0,9
Buri Holding AB	-	15 182 332	0,9	0,9
Leif Olsson	-	15 033 746	0,9	0,9
Fjärde AP-Fonden	-	15 000 000	0,9	0,9
Total, 10 largest shareholders	-	718 614 374	43,3	43,3
Summary, other	473 357	940 673 647	56,7	56,7
Total	473 357	1 659 288 021	100,0	100,0

*Pål Ryfors (CFO) owns 44,902,799 B-shares (14,653,211 personally and 30,249,588 subject to a call and put option to Niles Noblitt's trust Sacajo Investments LLC).

OTHER INFORMATION

Significant risks and uncertainty factors

Episurf Medical's material business risks, for the Group as well as for the Parent Company, are to obtain regulatory approval and market acceptance, the outcome of clinical studies, the ability to protect intellectual property rights, the possibility to obtain the correct reimbursement for the Group's products and dependence on key personnel and partners. The Company does not see any new material risks for the upcoming three months. For a more detailed description of significant risks and uncertainties, refer to Episurf Medical's annual report.

The Board of Directors and the CEO hereby give their assurance that the interim report gives a true and fair view of the business activities, financial position and results of operations for the Group and Parent Company, and describes significant risks and uncertainty factors to which the Parent Company and the companies included in the Group are exposed.

Stockholm, 23 October 2025

Ulf Grunander
Board chairman

Laura Shunk
Board member

Christian Krüeger
Board member

Leif Ryd
Board member

Katarina Flodström
CEO

AUDITOR'S REPORT

To the Board of directors in Episurf Medical AB, corporate identity number 556767-0541



Introduction

We have conducted a limited review of the condensed interim financial information (interim report) for Episurf Medical AB as of September 30, 2025, and the nine-month period ending on that date. The board of directors and the managing director are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our limited review.

The focus and scope of the limited review

We have conducted our limited review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A limited review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical procedures, and other review procedures. A limited review has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures taken in a limited review do not enable us to obtain the assurance that we would become aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a limited review does not have the assurance that a conclusion expressed based on an audit has.

Significant Uncertainty Related to the entity's ability to continue as Going Concern

We would like to draw attention to the section "Cash flow and financial position" on page 5 in the interim report. The company has financing needs within the next twelve months that have not yet been secured. The board of directors assesses that the company has good opportunities to secure future financing through for example a new share issue, and the interim report has thus been prepared under the going concern assumption. The absence of secured funding at the time of issuing this report indicates that there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Stockholm, 24 October 2025

Öhrlings PricewaterhouseCoopers AB

Tobias Strähle

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

CONSOLIDATED INCOME STATEMENT

mSEK	Note	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Operating income						
Net sales	2	3,2	3,4	10,0	9,6	13,0
Capitalised development expenditure		1,5	1,6	5,4	5,0	7,6
Other operating income		1,0	0,0	2,1	0,0	0,1
Total income		5,7	4,9	17,5	14,6	20,7
Operating expenses						
Merchandise		-2,5	-2,8	-7,4	-7,4	-9,9
Other expenses	3	-6,7	-8,1	-23,0	-33,5	-42,5
Personnel costs	4	-4,9	-8,1	-24,9	-25,4	-36,5
Depreciation and write-down of equipment and non-current assets		-1,8	-2,3	-6,1	-6,6	-9,0
Total operating expenses		-15,9	-21,3	-61,5	-72,9	-97,9
Operating loss		-10,2	-16,3	-44,0	-58,2	-77,2
Financial items						
Financial income, other		0,0	0,7	0,3	1,3	2,2
Financial expenses, other		-0,2	-0,2	-0,5	-0,8	-1,0
Results from net financial items		-0,2	0,4	-0,2	0,5	1,3
Loss before tax		-10,3	-15,9	-44,1	-57,8	-76,0
Tax on income for the period		-0,1	-0,0	-0,6	-0,2	-0,1
Loss for the period		-10,4	-15,9	-44,7	-57,9	-76,0
Net loss attributable to:						
Parent company shareholders		-10,4	-15,9	-44,7	-57,9	-76,0
Earnings per share before and after dilution, SEK		-0,01	-0,02	-0,06	-0,14	-0,16
Average number of shares	1 057 048 153	651 477 842	788 833 630	421 263 854	479 131 851	
Average number of shares after dilution	1 057 048 153	651 477 842	788 833 630	421 263 854	479 131 851	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

mSEK	Note	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Net profit (loss)		-10,4	-15,9	-44,7	-57,9	-76,0

Other comprehensive income for the period:

Other comprehensive income that may be reclassified subsequently to profit or loss for the period, net of tax

		-0,0	-0,1	0,0	-0,1	0,2
Total comprehensive income (loss) for the period		-10,5	-16,1	-44,7	-58,0	-75,9

The period's loss and comprehensive income attributable to

Owners of the parent		-10,5	-16,1	-44,7	-58,0	-75,9
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CONDENSED CONSOLIDATED BALANCE SHEET

mSEK	Note	30 Sep 2025	30 Sep 2024	31 Dec 2024
ASSETS				
Non-current assets				
<i>Intangible fixed assets</i>				
Capitalised development costs	5	26,5	22,2	23,9
Patents	5	10,5	12,1	11,4
Total intangible fixed assets		37,0	34,3	35,2
<i>Equipment and right-of use asset</i>				
Right-of-use assets		5,9	3,5	2,8
Equipment		0,0	0,0	0,0
Total equipment and right-of-use asset		5,9	3,5	2,8
Total non-current assets		42,9	37,9	38,0
Current assets				
Inventories		3,1	3,4	3,2
Trade receivables		5,2	2,7	2,2
Other receivables		1,0	0,5	1,3
Deferred expenses and accrued income		2,7	2,2	2,6
Cash		21,7	66,8	50,5
Total current assets		33,8	75,6	59,7
TOTAL ASSETS		76,6	113,5	97,8

CONDENSED CONSOLIDATED BALANCE SHEET

mSEK	Note	30 Sep 2025	30 Sep 2024	31 Dec 2024
EQUITY AND LIABILITIES				
Equity		61,8	101,5	83,8
Liabilities				
<i>Non-current liabilities</i>				
Non-current liabilities		0,0	0,0	0,0
Non-current lease liability		2,5	0,2	0,0
Total long-term liabilities		2,5	0,3	0,0
<i>Current liabilities</i>				
Trade payables		4,9	3,6	3,2
Current lease liability		3,2	2,9	2,3
Other liabilities		1,7	1,4	1,6
Accrued liabilities and deferred income		2,5	3,8	6,7
Total current liabilities		12,3	11,7	13,9
Total liabilities		14,8	11,9	13,9
TOTAL EQUITY AND LIABILITIES		76,6	113,5	97,8
Equity ratio		80,7%	89,5%	85,7%
Equity per share, SEK		0,04	0,16	0,13

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

mSEK	Attributable to equity holders of the parent				Total equity
	Share capital	Other contributed capital	Reserves	Accumulated deficit incl. loss for the year	
Opening equity January 1, 2024	80,2	684,8	-0,3	-680,2	84,5
Total comprehensive income for the year				-76,0	-76,0
Other comprehensive income			0,2		0,2
Total comprehensive income			0,2	-76,0	-75,9
Transactions with shareholders					
Adjustment conversion warrants, net after issue expenses		0,2		-0,2	-
New share issue, net after issue expenses *	5,4	68,6			74,0
Reduction of share capital	-79,1	79,1			-
Warrants issued to staff				1,2	1,2
Total transactions with shareholders	-73,7	147,8		1,0	75,2
Closing equity December 31, 2024	6,5	832,6	-0,1	-755,2	83,8
Opening equity January 1, 2025	6,5	832,6	-0,1	-755,2	83,8
Total comprehensive income for the period				-44,7	-44,7
Other comprehensive income			0,0	-0,5	-0,5
Total comprehensive income			0,0	-45,3	-45,2
Transactions with shareholders					
New share issue, net after issue expenses **	10,1	12,7			22,7
Adjustment conversion warrants, net after issue expenses***	0,0	0,3			0,3
Warrants issued to staff				0,2	0,2
Total transactions with shareholders	10,1	12,9		0,2	23,2
Closing equity September 30, 2025	16,6	845,6	-0,1	-800,2	61,8

* Issue expenses amounts to SEK 16.2m.

** Issue expenses amounts to SEK 6.7m.

*** Expenses amounts to SEK 0.0m.

CONSOLIDATED CASH FLOW STATEMENT

mSEK	Note	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Operating activities						
Operating loss		-10,2	-16,3	-44,0	-58,2	-77,2
<i>Adjustments for items not included in cash flow</i>						
Depreciation		1,8	2,3	6,1	6,6	9,0
Employee stock option expenses		0,2	0,2	0,2	0,8	1,0
Interest received		0,0	0,7	0,3	1,3	2,2
Interest paid		-0,2	-0,2	-0,5	-0,8	-1,0
Cash flow from current operations before change in working capital		-8,3	-13,4	-37,8	-50,4	-65,9
Change in working capital						
Decrease/increase in inventory		-0,3	-0,2	0,1	0,3	0,5
Decrease/increase in trade receivables		-1,8	-0,5	-3,1	-1,3	-0,8
Decrease/increase in current receivables		-0,1	0,1	-0,7	-0,7	-1,8
Decrease/increase in current liabilities		-3,5	-3,3	-2,2	-6,5	-3,3
Change in working capital		-5,7	-3,9	-5,9	-8,1	-5,5
Cash flow from operating activities		-14,0	-17,3	-43,6	-58,5	-71,4
Investing activities						
Investments of intangible fixed assets		-1,5	-1,6	-5,4	-5,0	-7,6
Cash flow from investing activities		-1,5	-1,6	-5,4	-5,0	-7,6
Financing activities						
Amortisation of lease debt		-1,2	-0,8	-2,7	-1,6	-2,4
Issuance of share options		-	-	0,3	-	-
New share issue		29,4	-	29,4	90,2	90,2
Issue expenses		-6,7	-0,3	-6,7	-16,2	-16,2
Cash flow from financing activities		21,5	-1,1	20,3	72,4	71,6
Cash flow for the period		6,0	-19,9	-28,7	8,9	-7,4
Cash and cash equivalents at beginning of period		15,8	86,7	50,5	57,9	57,9
Cash and cash equivalents at end of period		21,7	66,8	21,7	66,8	50,5

INCOME STATEMENT, PARENT COMPANY

mSEK	Note	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Operating income						
Net sales		0,2	0,3	0,8	0,9	1,2
Capitalised development expenditure		1,1	1,1	4,5	3,0	5,3
Total income		1,4	1,4	5,3	3,9	6,5
Operating costs						
Other external expenses		-4,9	-6,9	-15,9	-26,0	-33,4
Personnel costs		-4,5	-5,5	-14,8	-15,2	-23,1
Amortisation of intangible assets and depreciation of property, plant and equipment		-0,6	-0,7	-1,9	-2,2	-3,0
Total operating costs		-9,9	-13,1	-32,6	-43,4	-59,4
Operating loss		-8,6	-11,7	-27,3	-39,5	-52,9
Financial items						
Write-downs of financial fixed assets and short-term investments		-	-150,0	-	-150,0	-150,0
Financial income, other		0,0	0,5	0,3	0,5	1,3
Financial expenses, other		-0,0	-	-0,0	-0,1	-0,2
Results from net financial items		0,0	-149,5	0,3	-149,6	-148,9
Loss before tax		-8,5	-161,2	-27,0	-189,1	-201,7
Tax on income for the period		-	-	-	-	-
Loss at end of the period		-8,5	-161,2	-27,0	-189,1	-201,7

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

mSEK	Note	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Net profit		-8,5	-161,2	-27,0	-189,1	-201,7
<i>Other comprehensive income for the period:</i>						
Other comprehensive income for the period, net of tax		-	-	-	-	-
Total comprehensive income for the period		-8,5	-161,2	-27,0	-189,1	-201,7

CONDENSED BALANCE SHEET, PARENT COMPANY

mSEK	Note	30 Sep 2025	30 Sep 2024	31 Dec 2024
ASSETS				
Fixed assets				
<i>Intangible fixed assets</i>				
Capitalised development costs	5	26,5	22,2	23,9
Total intangible fixed assets		26,5	22,2	23,9
<i>Financial assets</i>				
Shares in group companies		82,7	60,0	66,0
Long-term receivables from group companies		14,7	35,2	17,2
Total financial assets		97,4	95,2	83,2
Total fixed assets		123,9	117,4	107,0
Current assets				
<i>Short term receivables</i>				
Trade receivables		-	-	-
Other receivables		0,2	0,0	0,1
Prepaid expenses and accrued income		1,1	1,5	1,5
Total short term receivables		1,3	1,5	1,6
Cash		18,7	59,1	43,7
Total current assets		20,0	60,6	45,3
TOTAL ASSETS		143,9	178,0	152,3

CONDENSED BALANCE SHEET, PARENT COMPANY

mSEK	Note	30 Sep 2025	30 Sep 2024	31 Dec 2024
EQUITY AND LIABILITIES				
Equity		139,5	156,2	143,6
Liabilities				
<i>Non-current liabilities</i>				
Non-current liabilities to group companies		0,5	16,2	0,6
Total long-term liabilities		0,5	16,2	0,6
<i>Current liabilities</i>				
Trade payables		1,6	1,6	1,6
Other liabilities		0,8	0,9	0,8
Accrued liabilities and deferred income		1,5	3,0	5,8
Total current liabilities		3,8	5,5	8,2
Total liabilities		4,4	21,8	8,8
TOTAL EQUITY AND LIABILITIES		143,9	178,0	152,3

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY

mSEK	Share capital	Development fund	Share premium reserve	Loss brought forward	Loss for the period	Total equity
Opening equity January 1, 2024	80,2	21,5	684,1	-382,7	-131,8	271,3
Loss for the year					-201,7	-201,7
Disposition according to AGM						
Loss brought forward				-131,8	131,8	-
Development fund		2,4		-2,4		-
Total comprehensive loss for the period		2,4		-134,1	-70,0	-201,7
Transactions with shareholders						
New share issue, net after issue expenses *	5,4		68,6			74,0
Reduction of share capital	-79,1		79,1			-
Total transactions with shareholders	-73,7		147,7			74,0
Closing equity December 31, 2024	6,5	23,9	831,7	-516,8	-201,7	143,6
Opening equity January 1, 2025	6,5	23,9	831,7	-516,8	-201,7	143,6
Loss for the period					-27,0	-27,0
Disposition according to AGM						
Loss brought forward				-201,7	201,7	-
Development fund		2,6		-2,6		-
Total comprehensive loss for the period		2,6		-204,3	174,7	-27,0
Transactions with shareholders						
New share issue, net after issue expenses **	10,1		12,7			22,7
Conversion of warrants***	0,0		0,3			0,3
Total transactions with shareholders	10,1		12,9			23,0
Closing equity September 30, 2025	16,6	26,5	844,7	-721,1	-27,0	139,5

* Issue expenses amounts to SEK 16.2m.

** Issue expenses amounts to SEK 6.7m.

*** Expenses amounts to SEK 0.0m.

CASH FLOW STATEMENT, PARENT COMPANY

mSEK	Note	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Current operations						
Operating loss		-8,6	-11,7	-27,3	-39,5	-52,9
<i>Adjustments for items not included in cash flow</i>						
Depreciation		0,6	0,7	1,9	2,2	3,0
Interest received		0,0	0,5	0,3	0,5	1,3
Interest paid		-0,0	-	-0,0	-0,1	-0,2
Cash flow from current activities before changes in working capital		-8,0	-10,4	-25,1	-36,9	-48,8
Changes in working capital						
Decrease/increase in current receivables		0,6	0,1	0,3	-0,5	-0,2
Decrease/increase in current liabilities		-1,5	-0,6	-4,4	-3,2	-1,1
Total changes in working capital		-0,9	-0,5	-4,1	-3,8	-1,2
Cash flow from operating activities		-8,9	-10,9	-29,2	-40,6	-50,0
Cash flow from investing activities						
Acquisition of intangible assets		-1,1	-1,1	-4,5	-3,0	-5,3
Shareholder contribution		-2,2	-	-16,7	-8,0	-14,0
Repaid group companies		2,8	4,7	18,5	11,7	43,6
Loan group companies		-4,8	-5,0	-16,1	-17,3	-46,9
Cash flow from investing activities		-5,3	-1,4	-18,8	-16,7	-22,6
Cash flow from financing activities						
New share issue		29,4	-	29,4	90,2	90,2
Issue expenses		-6,7	-0,3	-6,7	-16,2	-16,2
Conversion warrants		-	-	0,3	-	-
Cash flow from financing activities		22,7	-0,3	23,0	74,0	74,0
Cash flow for the period		8,5	-12,6	-25,0	16,7	1,4
Cash and cash equivalents at beginning of period		10,2	71,7	43,7	42,3	42,3
Cash and cash equivalents at end of period		18,7	59,1	18,7	59,1	43,7

NOTES

Note 1 Accounting policies

The interim report for the Group has been prepared in accordance with IAS 34 Interim Reports and the Annual Accounts Act. The parent company has prepared its interim report in accordance with the Annual Accounts Act and the Swedish Financial Reporting Council's recommendation RFR 2 Accounting for legal entities.

The Group's accounting policies are unchanged from previous year and these correspond with the accounting principles that were used in the preparation of the most recent Annual Report. Information according to IAS 34.16A is included in these financial statements and related notes as well in other parts of this interim report.

Note 2 Breakdown of net sales by country is as follows

mSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Germany	1,1	1,4	4,0	4,4	6,1
US	0,9	0,9	2,3	2,0	2,7
Nordic	0,1	0,1	0,3	0,4	0,6
Other countries in Europe	1,0	0,8	3,2	2,6	3,2
Other countries outside of Europe	0,1	0,0	0,2	0,2	0,3
Total net sales	3,2	3,4	10,0	9,6	13,0

Note 3 Other expenses

mSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Jan-Dec 2024
Product development	0,9	1,3	3,6	4,7	7,6
Patent costs	0,1	0,4	1,2	1,2	2,2
Costs for clinical studies	0,5	1,2	1,8	7,6	8,8
Sales and marketing costs	2,7	2,9	8,1	9,5	11,9
Other expenses	2,5	2,3	8,3	10,5	12,0
Total other expenses	6,7	8,1	23,0	33,5	42,5

Note 4 Changes in outstanding stock options

Changes in outstanding stock options of series 2023/2026	30 Sep 2025	31 Dec 2024
Opening balance	2 418 835	2 479 537
Expired	-394 239	-60 702
Amount at end of period	2 024 596	2 418 835

Changes in outstanding stock options of series 2022/2025	30 Sep 2025	31 Dec 2024
Opening balance	1 456 340	1 456 340
Expired	-268 842	-
Amount at end of period	1 187 498	1 456 340

Changes in outstanding stock options of series 2021/2024	30 Sep 2025	31 Dec 2024
Opening balance	2 256 503	2 256 503
Expired	-2 256 503	-
Amount at end of period	-	2 256 503

Note 5 Intangible assets

Patents, mSEK	30 Sep 2025	31 Dec 2024
Opening cost	37,2	35,7
Purchases	0,9	2,3
Sales and disposals	-0,5	-0,7
Closing accumulated cost	37,7	37,2

Opening depreciation	-25,8	-23,5
The period's depreciation	-1,4	-2,4
Sales and disposals	0,0	0,0
Closing accumulated depreciation	-27,2	-25,8

Closing carrying amount	10,5	11,4
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Development expenses, mSEK	30 Sep 2025	31 Dec 2024
Closing cost	43,8	38,5
The period's capitalisation	4,5	5,3
Closing accumulated cost	48,3	43,8

Opening depreciation	-20,0	-17,0
The period's depreciation	-1,9	-3,0
Closing accumulated depreciation	-21,9	-20,0

Closing carrying amount	26,5	23,9
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Closing carrying amount, patents and development expenses	37,0	35,2
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DEFINITIONS

General:	All amounts in the tables are presented in mSEK unless otherwise stated. All amounts in brackets () represent comparative figures for the same period of the prior year, unless otherwise stated.
Net debt/equity ratio:	Net debt at the end of the period divided by equity at the end of the period.

GLOSSARY

Approved orders:	Orders which have been approved for surgery, are in production and will be invoiced.
Arthritis:	See Osteoarthritis.
Arthroscopy:	Inspection of the inside of a joint with the help of an arthroscope. An instrument is introduced through a small cut to investigate the inside of the joint and possibly correct any problems (a type of keyhole surgery).
Cartilage:	Shock absorbing and friction reducing tissue. This tissue that covers the end of bones and allows movement with low friction.
Cartilage defect of grade III (ICRS scale):	Lesion through the cartilage, exposing the bone.
Cartilage defect of grade IV (ICRS scale):	Defect extending down to >50% of the cartilage depth.
CE marking:	A CE mark means that the manufacturer or importer has the formal approvals necessary to market and sell the product in the European Economic Area.
Clinical results:	Outcome from clinical treatment of humans, where parameters such as efficacy and safety are evaluated.
Cobalt chrome:	A metal alloy mainly consisting of cobalt and chromium, commonly occurring in metal alloys used in knee prostheses.
Debridement:	Removal of damaged tissue.
Degenerative origin:	Conditions in which the cells, tissues or organs deteriorate and lose function. In degenerative joint disease, the deterioration is due to wear, tear or breakdown of cartilage.
ESSKA:	European Society of Sports Traumatology, Knee Surgery & Arthroscopy.
FDA:	US Food and Drug Administration.
Focal cartilage defect:	A cartilage defect in a well-defined area.
Femoral condyles:	Two bony protuberances on the thighbone side of the knee joint that articulate with the shinbone. The name originates from the anatomical terms femur (thighbone) and condyle (articular head).
Gross order intake:	Gross order intake represents the aggregated value of Episealer® orders received and approved by responsible surgeon during the relevant period.

Hydroxyapatite:	A mineral that is the major component of human bone tissue and the main mineral of dental enamel and dentin.
Invasive treatment alternative:	Treatments that require a surgical procedure.
Micro fracturing:	A biological surgical technique that can be used in treatment of focal cartilage defects (not extensive osteoarthritis) in an attempt to stimulate the growth of new cartilage.
MRI:	Magnetic resonance imaging, a medical imaging technique where images acquired using a strong magnetic field allows the user to get three-dimensional image data of the patient.
MTP:	Short for metatarsophalangeal, refers to relations between the metatarsal bones and the proximal phalanges (toe bones) of the toes.
OA:	See osteoarthritis.
Order book:	Order book represents all orders that have been booked but where no revenue has been recognised.
Orthopaedics:	The medical specialty that focuses on injuries and diseases of the body's musculoskeletal system. This complex system includes bones, joints, ligaments, tendons, muscles and nerves.
Osteoarthritis:	A type of joint disease that is characterised by loss of joint function with varying destruction of joint cartilage and the underlying bone.
Osteochondral defect:	Cartilage and underlying bone defect.
Patellofemoral:	Refers to relations between the patella (knee cap) and femur (thighbone) in the knee.
Prosthesis:	An artificial device that replaces a missing or injured body part, such as artificial arm or leg. The term prosthesis is also used for certain of the implants that are used to repair joints, such as hip and knee prostheses.
Reimbursement:	Reimbursement is a word that is used generally in the healthcare industry to describe the payment systems that apply to healthcare costs in various countries.
Talus:	A foot bone constituting a part of the ankle joint. Also referred to as astragalus and ankle bone.
TKA:	Total knee arthroplasty, total knee joint replacement, which is a surgical procedure primarily used to relieve arthritis in which the knee joint is replaced with artificial parts (prostheses).
Traumatic damage:	Damage caused by an outside force, such as fall injuries.
The trochlea area:	The part of the knee joint that is right under the knee-cap, part of the femur (thigh bone).
UKA:	Unicompartmental knee arthroplasty, partial knee joint replacement which is a surgical procedure primarily used to relieve arthritis in one of the knee compartments. Parts of the knee joint are replaced with artificial parts (prostheses).

THIS IS EPISURF MEDICAL

– a unique solution for every patient

EPISURF WAS FOUNDED IN 2009 on a commitment to offer people with painful joint injuries a more active and healthy life through customised treatment alternatives. We put the patient in the centre of the design of implants and surgical instruments. By combining advanced 3D imaging technology with the latest manufacturing technologies, we are able to adapt not only each implant to the patient's injury and anatomy, but also the surgical instruments used. In this way, we can ensure that each patient receives treatment that is perfectly suited to his or her anatomy and, thus, ensure a faster, more secure, and better patient-specific treatment for a more active and healthy life.



A proprietary web-based IT platform for individualised design and surgical pre-planning
Episurf Medical's scalable μ iFidelity® system has been developed for damage assessment, surgical pre-planning and cost-effective patient customisation of implants and associated surgical instruments. In a first step, the company's main focus has been on early stage arthritic changes in the knee joint. This is now followed by lesions in the second joint, the ankle.

Individualised implants with a focus on early stages of arthritis

Episurf Medical has two types of knee implants on the market

» Episcaler® Knee (comprising Episcaler® Condyle Solo, Episcaler® Trochlea Solo and Episcaler® Femoral Twin) for the treatment of localised cartilage and underlying bone defects on the femoral condyles and in the trochlea area of the knee joint.

» Episcaler® Patellofemoral System for the treatment of isolated osteoarthritis of the patellofemoral joint.



Episcaler®
Condyle Solo



Episcaler®
Trochlea Solo



Episcaler®
Femoral Twin



Episcaler®
Patellofemoral System



Episealer® Talus

Episurf Medical has one implant for the ankle on the market

» Episealer Talus® intended for osteochondral lesions of the talar dome of the ankle joint.

Patient-specific surgical instruments

Every product is delivered with our individualised surgical drill guide Epiguide® and a set of associated surgical instrument. Further, for the ankle Episurf Medical offers an individualised sawguide, Talus Osteotomy Guide. It is intended to help the surgeon to find the correct position and depth when performing an osteotomy of the medial malleolus for access to the talar dome of the ankle joint.

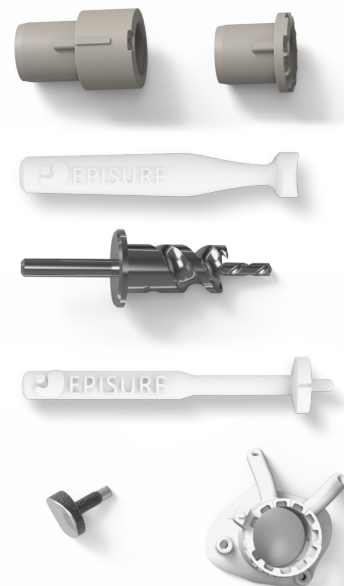
Patents and patent applications

The generation of new intellectual property and the ongoing maintenance of current IP is of paramount importance for Episurf Medical to ensure that Episurf Medical's proprietary, existing technologies and future innovations are well protected. In total Episurf Medical has more than 200 patents and patent applications worldwide, distributed over 35 patent families.

» The first Episealer® surgery in a human was performed in December 2012, and to date, more than 2,500 surgeries have been performed.

» Episurf Medical's head office is located in Stockholm and the company has sales representation in several countries in Europe, Asia and North America.

» The share (EPIS B) has been listed on Nasdaq Stockholm since June 2014.



FINANCIAL CALENDAR

Year-end Report 2025	6 February 2026
AGM 2026	10 April 2026
Interim Report January- March 2026	24 April 2026
Interim Report April-June 2026	24 August 2026
Interim Report July-September 2026	13 November 2026
Year-end Report 2026	5 February 2027

Annual General Meeting 2026

Episurf Medical's Annual General Meeting will be held on April 10, 2026, in Stockholm, Sweden. Shareholders may contact the Nomination Committee with proposals regarding the Committee's work. To allow the Nomination Committee sufficient time to consider a proposal, it must be received well in advance of the Annual General Meeting, but no later than 31 January 2026, and should be sent to the Chairman of the Nomination Committee via ir@episurf.com

Nomination Committee for the 2026 Annual General Meeting

In accordance with the resolution of the Annual General Meeting, Episurf Medical's Nomination Committee shall consist of four members. The members are appointed by the three largest shareholders/shareholder groups in the company who wish to participate in the Nomination Committee. In addition, the Chairman of the Board shall be a member of the Committee. The members of the Nomination Committee shall appoint a Chairman from among themselves.

This is a translation of the original Swedish interim report. In the event of a discrepancy between this translation and the Swedish original, the Swedish interim report takes precedence. The information was submitted for publication, through the agency of the contact person set out below, on October 24, 2025 at 08.30 (CEST).

The following analysts follow Episurf Medical's development

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