



# Capital Markets Day

2023



# Growth'27

Capital Markets Day 2023

# Agenda

8.30 – 8.40 **Welcome & Opening Remarks**  
Niels Jacobsen

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8.40 – 9.10 **Growth'27**  
Sveinn Sölvason

*Q&A Session*

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9.10 – 9.40 **Patient Reach**  
Ólafur Gylfason

*Q&A Session*

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9.40 – 10.00 **Team Össur**  
Fleur Jong

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10.00 - 10.15 *Coffee Break*

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10.15 – 10.50 **Innovative Solutions**  
Hildur Einarsdóttir

*Q&A Session*

10.50 – 11.10 **O&P Value Creation**  
Gudjón G. Kárason

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11.10 - 11.30 **Bracing Simplified**  
Christian Robinson

*Q&A Session*

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11.30 – 11.40 **Our Sustainability Commitment**  
Margrét Lára Fridriksdóttir

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11.40 - 12.00 **Profitable Growth**  
Gudný Arna Sveinsdóttir

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12.00 - 12.25 **Q&A Panel**  
Össur Executive Management

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12.25 - 12.30 **Closing Remarks**  
Sveinn Sölvason

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12.30 - 13.00 *Lunch*



# Changed Structure for Increased Impact



**Sveinn Sölvason**  
President and CEO



**Gudný Arna Sveinsdóttir**  
Chief Financial Officer



**Ólafur Gylfason**  
Chief Commercial Officer



**Hildur Einarsdóttir**  
EVP of Research and Development



**Gudjón G. Kárason**  
EVP of EMEA & APAC



**Christian Robinson**  
EVP of Americas and Global Bracing



**Margrét Lára Fridriksdóttir**  
EVP of People, Strategy & Sustainability



**Egill Jónsson**  
EVP of Operations



# Key Messages Today



Össur is well positioned in the increasingly integrated Orthotic & Prosthetic (O&P) market that serves people with chronic mobility challenges



Growth'27 is Össur's new five-year strategy focusing on reaching more people that need mobility solutions. We will drive accelerated organic growth focusing on Patient Reach, Innovative Solutions and O&P Value Creation



We will continue with our Bracing Simplified strategy for injuries, focusing on building partnerships with our customers



Acquisitions will supplement our organic growth strategy



We are focused on our foundational pillars of Sustainability, People and Scalability



Increased transparency, new sales segmentation and financial ambitions for Growth'27

OUR VISION

**To Enable  
Life Without Limitations**

OUR MISSION

**We Improve  
People's Mobility**



Founded in  
**1971**  
in Iceland

Operations in  
**36**  
countries

Over  
**4,000**  
employees

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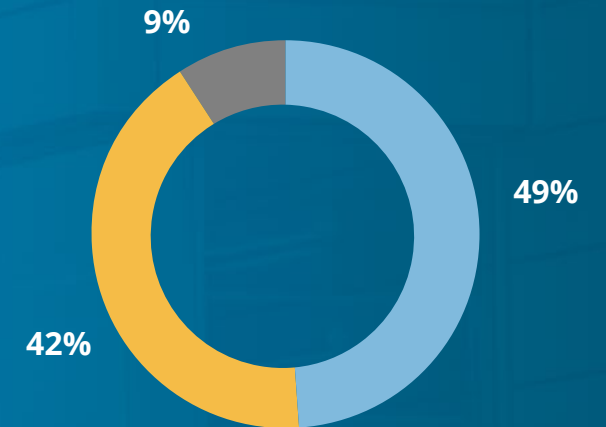
**~5%**  
of sales  
invested in R&D

**~2,000**  
granted  
patents

**17%**  
sales CAGR since  
listing 1999

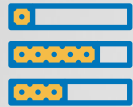
Sales 2022  
**USD 719**  
million

### Regional Split



● Americas ● EMEA ● APAC





## Business Performance

- › Össur has shown strength and resilience when faced with external challenges
- › Steady recovery after organic sales decline in 2020
- › Profitability remains strong, short-term impact mainly from supply chain turbulence



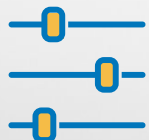
## Innovation Driven Growth

- › Continued investment in R&D, outpacing organic sales growth since last Capital Markets Day
- › Power Knee™ driving Bionic growth
- › Successful product launches and a robust product pipeline capturing both commercial opportunities and driving better patient outcomes



## Market Access

- › We will continue to reach more patients in emerging markets through our direct business model
- › Direct entry in nine additional emerging markets since 2019
- › Favorable structural dynamics driving strong growth in private pay markets



## Change in Business Mix

- › Divestment of Gibaud and B&S sales entities in the US in 2020
- › Acquisition of Patient Care entities in key markets as well as College Park and Naked Prosthetics in the US
- › New sales segmentation highlights shift in our business mix towards higher proportion of chronic mobility solutions

# Össur Has Opportunities For Further Growth in Key Markets



## Prosthetics

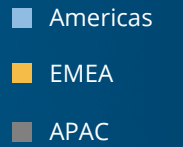
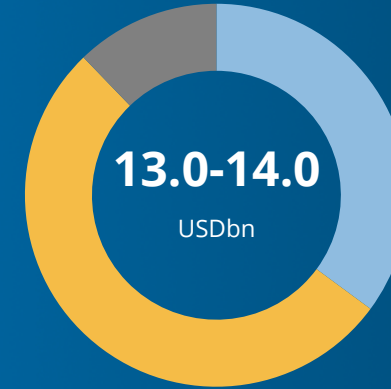
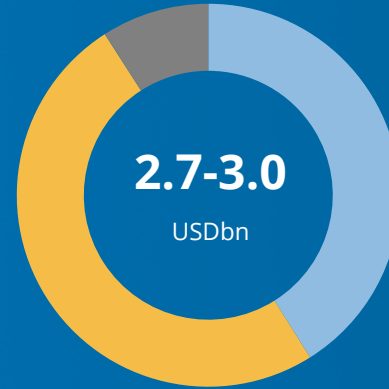
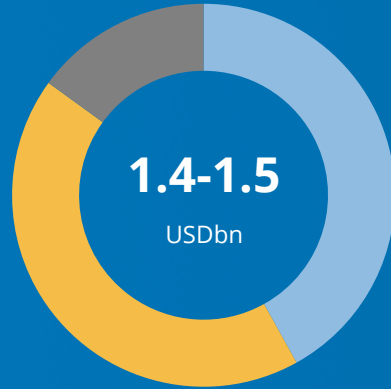


## Bracing & Supports



## Patient Care

### Market size



### Market growth

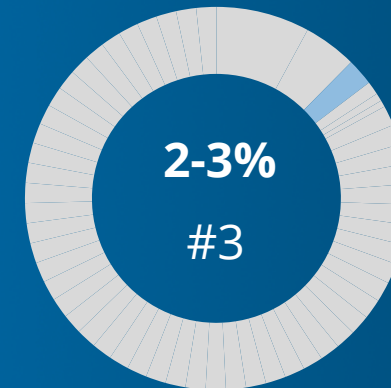
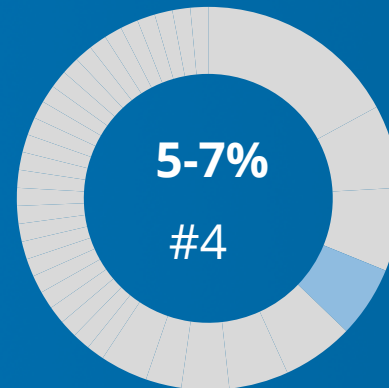
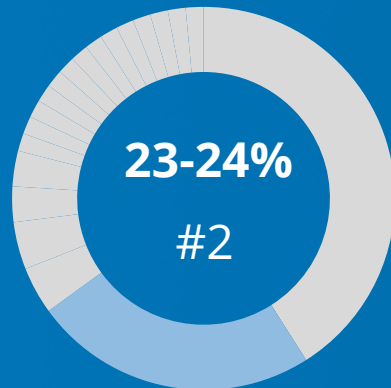
**4-5%**

**2-3%**

**3-4%**

### Market share

Market share position





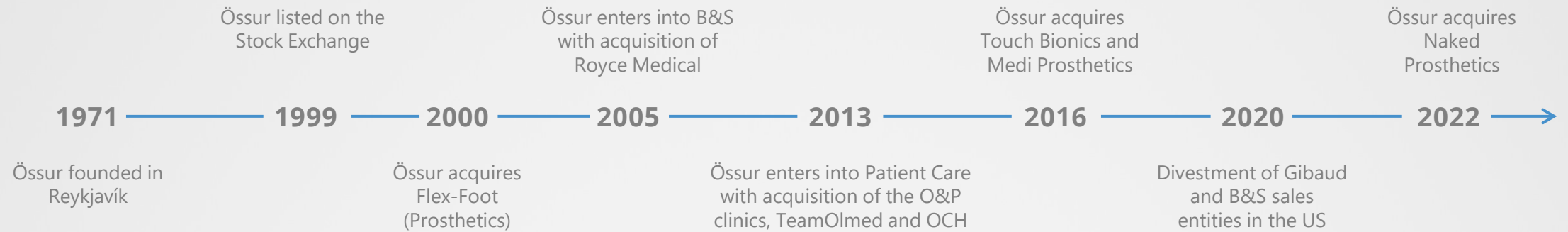
OUR STRATEGY

# Growth'27

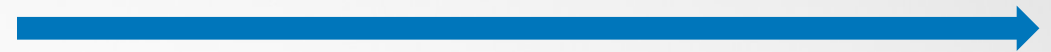




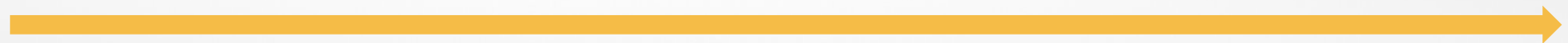
# We Will Continue to Build on a Solid Foundation



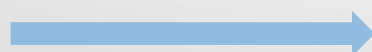
**2013+** Vertically integrated provider of mobility solutions



**1995+** Building market access and a broad portfolio



**1971-1995** Developing a product



# Key Industry Themes That Have Shaped Growth'27

## Key themes



**Consolidation increasing in O&P**  
Our industry is consolidating



**Reimbursement**  
Continuous demand for increased efficiency and outcomes



**Healthcare consumerism**  
Patients and caregivers are more informed and are actively seeking solutions

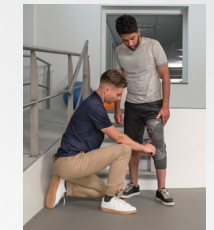
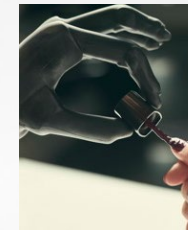
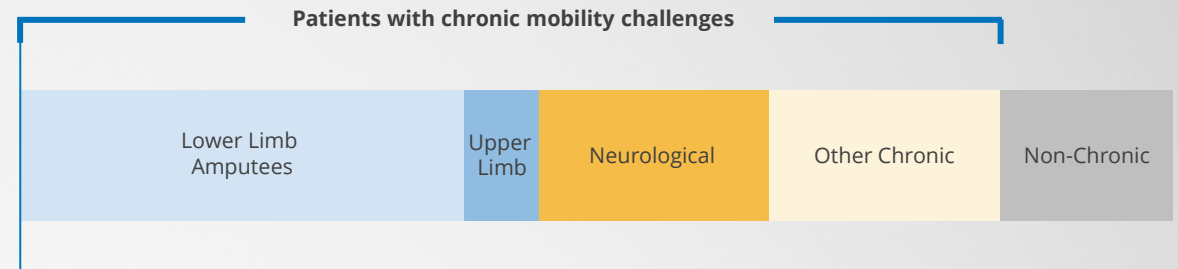


**Digitalization**  
Enables broader solutions offering for O&P and escalation of patient reach



**O&P clinics serve various chronic mobility patients**  
Chronic patients need repeated visits to a clinical setting

## Delivery of mobility solutions to the different patient groups served in the O&P channel

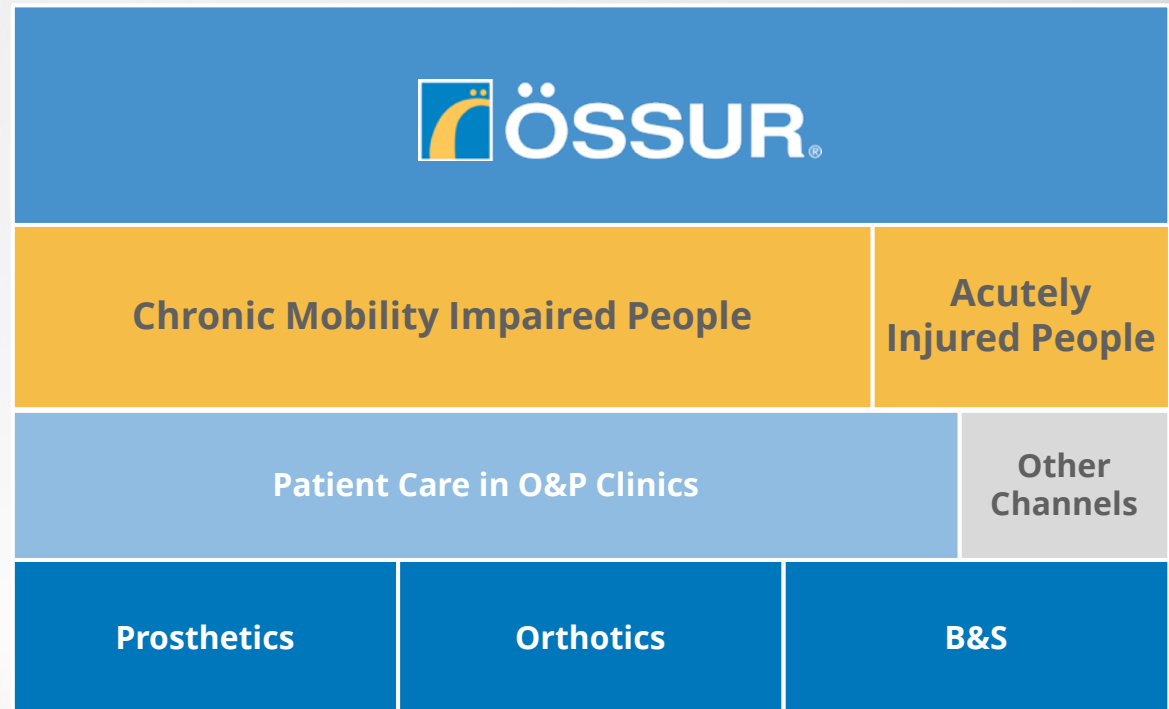


# Unlocking a Larger Playing Field as an Increasingly Patient Driven Company



## Increasingly Patient Driven Company

### Product Company





# We Will Drive Sustainable Growth Through Targeted Initiatives Across All Three Growth Drivers



## Patient Reach

- › Reach more patients with chronic mobility challenges
- › Key structural growth opportunities in emerging markets and further functional trade-up



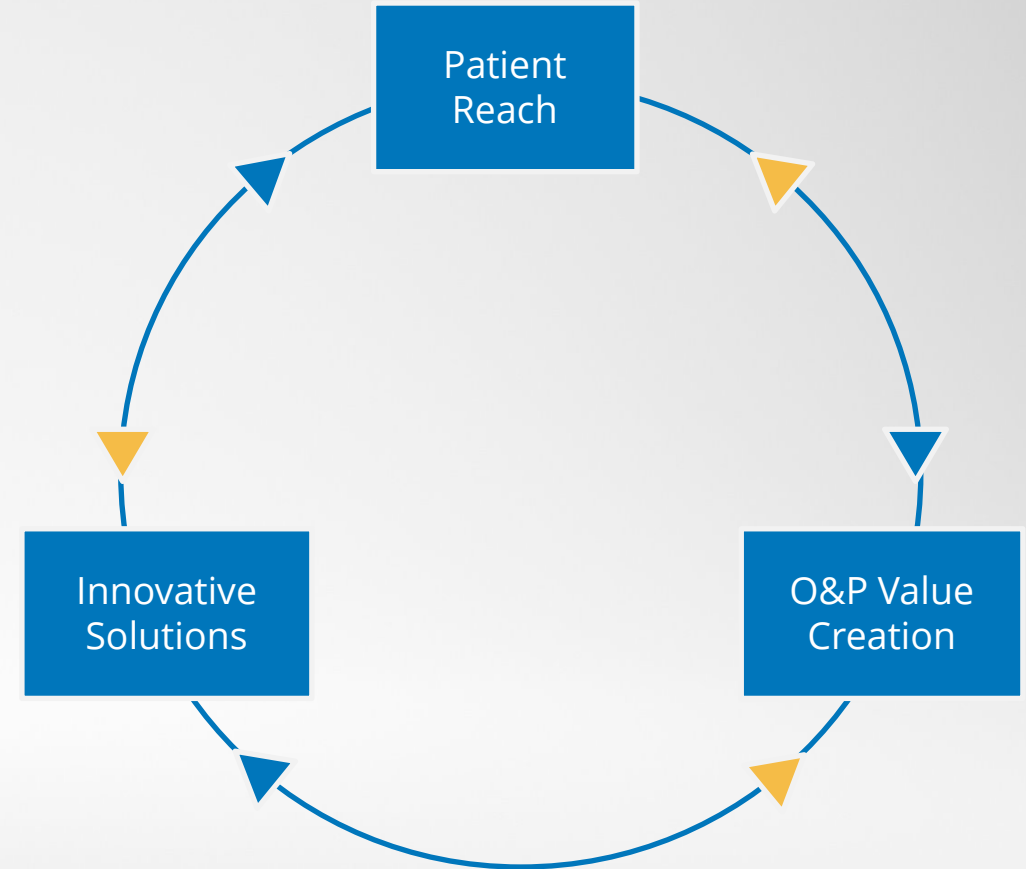
## Innovative Solutions

- › Patient centric solutions with proven clinical efficacy
- › Investment in innovation in line with commercial opportunities



## O&P Value Creation

- › Serving patients and driving innovation and value creation in the delivery process of mobility devices
- › Being a better partner to O&P customers



## Tactical and strategic opportunities to accelerate long-term growth



### Market Access



Reaching more patients



### Portfolio Expansion



Serving more chronic patients



### Technology



Innovative O&P solutions

# We Aim To Generate Organic Sales Growth of 5-7% and Actively Pursue Value-Adding Acquisitions

The Fundamentals	The Base	Growth'27								
<p><b>Market</b> 3-4% growth</p> <hr/> <ul style="list-style-type: none"> <li>+ Health economics</li> <li>+ Functional trade-up</li> <li>+ Private pay</li> <li>+ Aging and more active population</li> <li>+ OA, stroke, and diabetes on the rise</li> <li>+ Healthcare coverage in emerging markets</li> <li>± Reimbursement</li> <li>± Consolidation and value chain development</li> <li>- Better treatments and detection</li> <li>- Pricing (short-term)</li> </ul>	<p><b>Össur business mix in 2018</b> 4-5% organic growth</p> <table border="1"> <caption>Össur business mix in 2018</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Prosthetics</td> <td>46%</td> </tr> <tr> <td>B&amp;S</td> <td>38%</td> </tr> <tr> <td>Patient Care</td> <td>16%</td> </tr> </tbody> </table>	Category	Percentage	Prosthetics	46%	B&S	38%	Patient Care	16%	<p><b>Organic strategy</b> 5-7% organic growth</p> <hr/> <p>Patient Reach Innovative Solutions O&amp;P Value Creation</p>
Category	Percentage									
Prosthetics	46%									
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	<p><b>Össur business mix in 2022</b> 5-6% organic growth</p> <table border="1"> <caption>Össur business mix in 2022</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Prosthetics</td> <td>45%</td> </tr> <tr> <td>Patient Care</td> <td>36%</td> </tr> <tr> <td>B&amp;S</td> <td>19%</td> </tr> </tbody> </table>	Category	Percentage	Prosthetics	45%	Patient Care	36%	B&S	19%	<p><b>M&amp;A strategy</b> +2-3% acquisitive growth</p> <hr/> <p>Technology Portfolio expansion Market access</p>
Category	Percentage									
Prosthetics	45%									
Patient Care	36%									
B&S	19%									



# Our Growth'27 Strategy

## O&P Growth Drivers

## Continuity



Patient  
Reach



Innovative  
Solutions



O&P Value  
Creation



Bracing  
Simplified



Enabled by People, Sustainability & Scalability







# Patient Reach

Capital Markets Day 2023



## O&P Growth Drivers



Patient  
Reach



Innovative  
Solutions



O&P Value  
Creation

## Continuity



Bracing  
Simplified



Enabled by People, Sustainability & Scalability





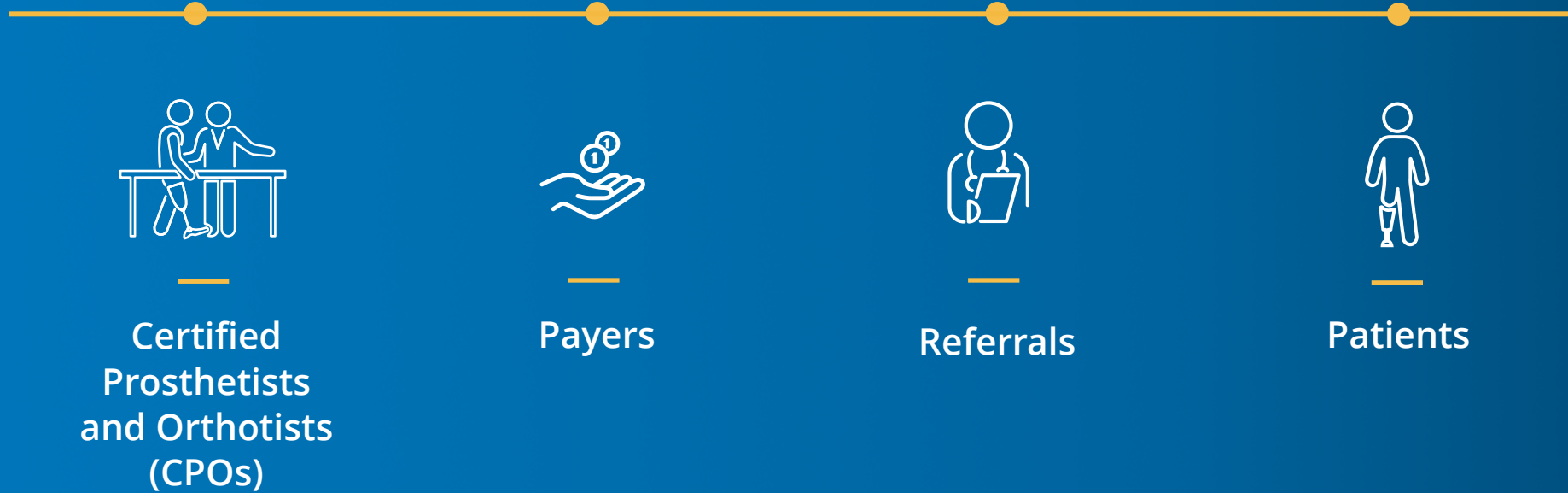
## Key Topics

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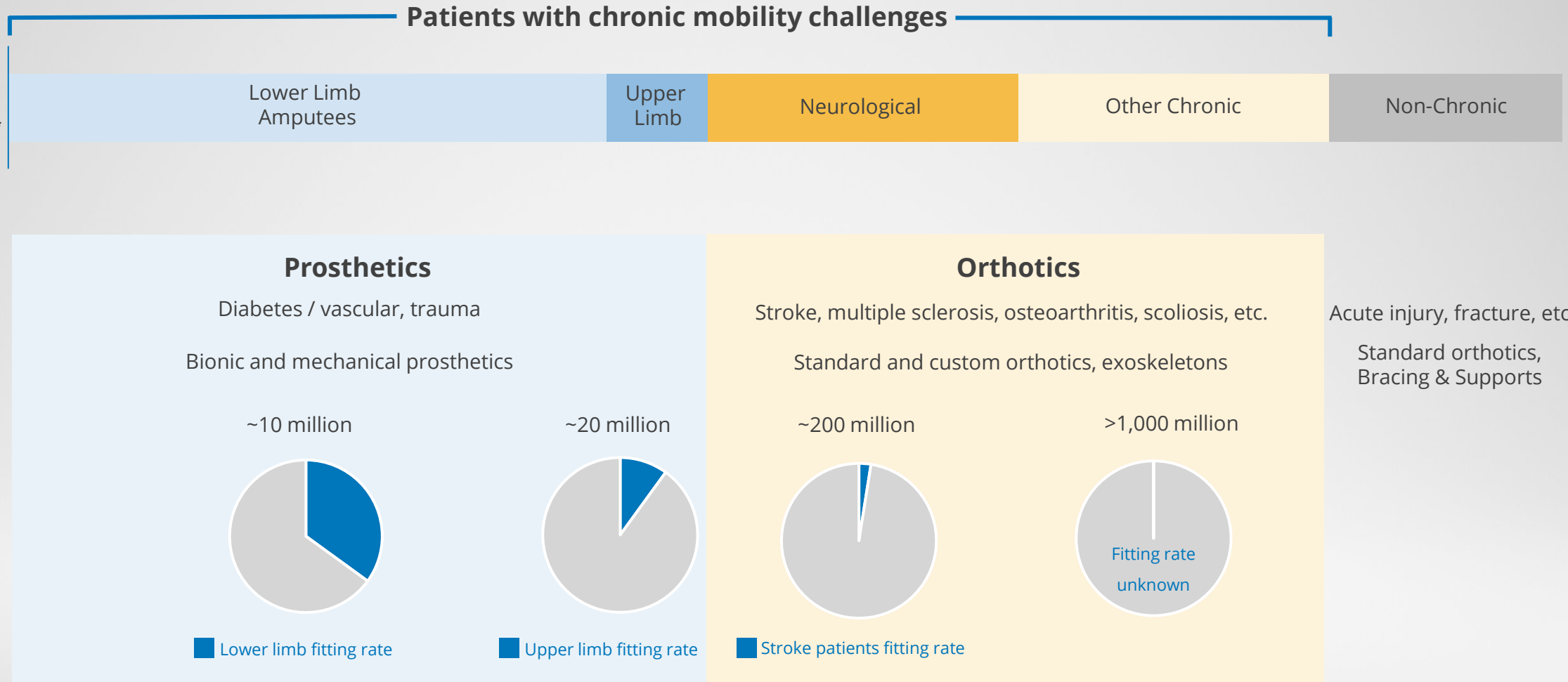
- A | **Chronic mobility challenges**
- B | **Patient journeys**
- C | **Growth opportunities**



Driving preference and value among all key stakeholders to better service the chronic patient population



# A | Majority of Patients in the O&P Channel have Chronic Mobility Challenges for Life



Source: Össur management estimates  
\*Indicative patient group split



A | We Are Servicing an Amputee Population That Needs Maintenance, Renewals, and Upgrades of Their Prosthesis



Above 70% of prosthetic component sales reoccurring sales to existing patients



# A | More Than 80% Of Amputees Residing in Emerging Markets



**~10%**  
of Össur sales generated in emerging markets with basic and developing reimbursement systems

**~90%**  
of Össur sales generated in developed markets with established reimbursement systems

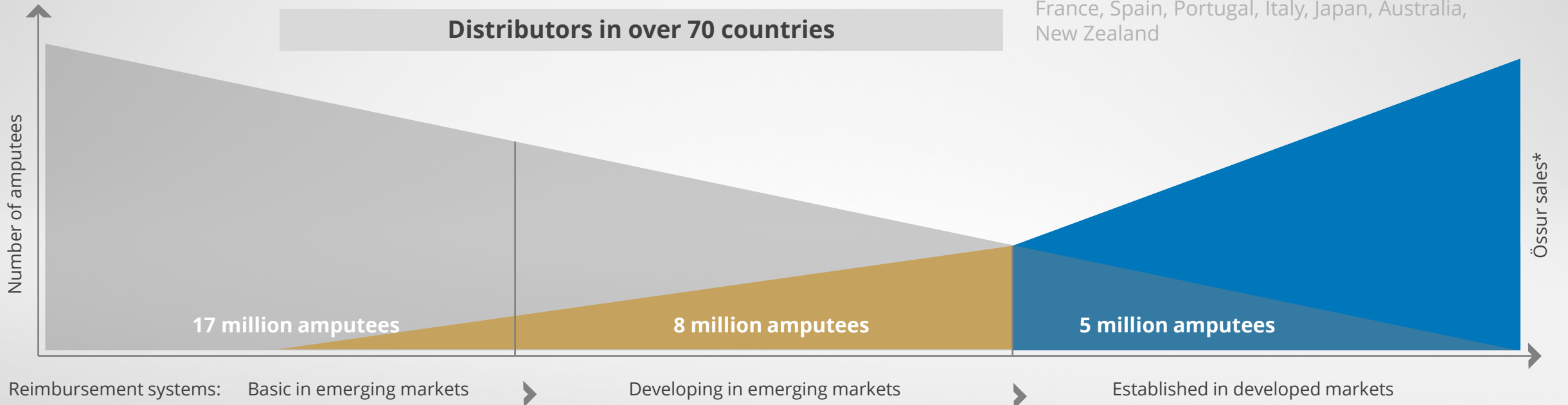
**Direct in 17 countries**

China, Korea, Singapore, India, Mexico, Brazil, Hungary, Bulgaria, Romania, Croatia, Slovakia, Slovenia, Czech Republic, Poland, Greece, Turkey, South Africa

**Direct in 22 countries**

USA, Canada, Iceland, Denmark, Finland, Sweden, Norway, UK, Ireland, Germany, Belgium, Netherlands, Switzerland, Austria, Luxembourg, France, Spain, Portugal, Italy, Japan, Australia, New Zealand

**Distributors in over 70 countries**



Source: Össur management estimates

\*Indicative sales split between markets with different reimbursement systems, ~90% of Össur sales are generated in developed markets with established reimbursement systems

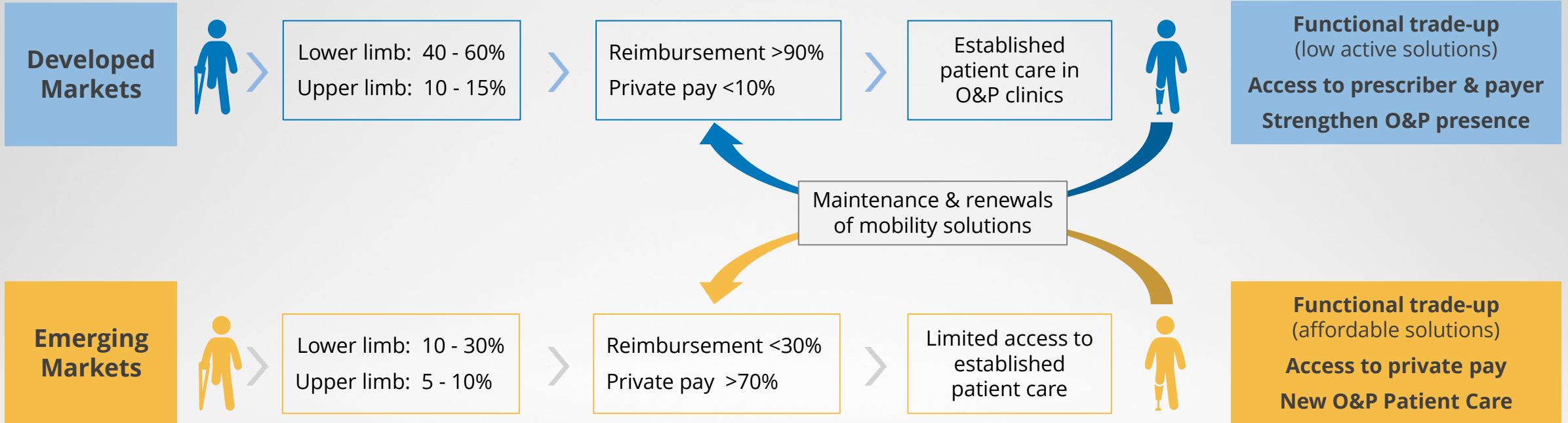
# B | Reaching More Patients Through Better Understanding of the Patient Journey

**Referrals**  
(fitting rate for new amputees)

**Payment considerations**

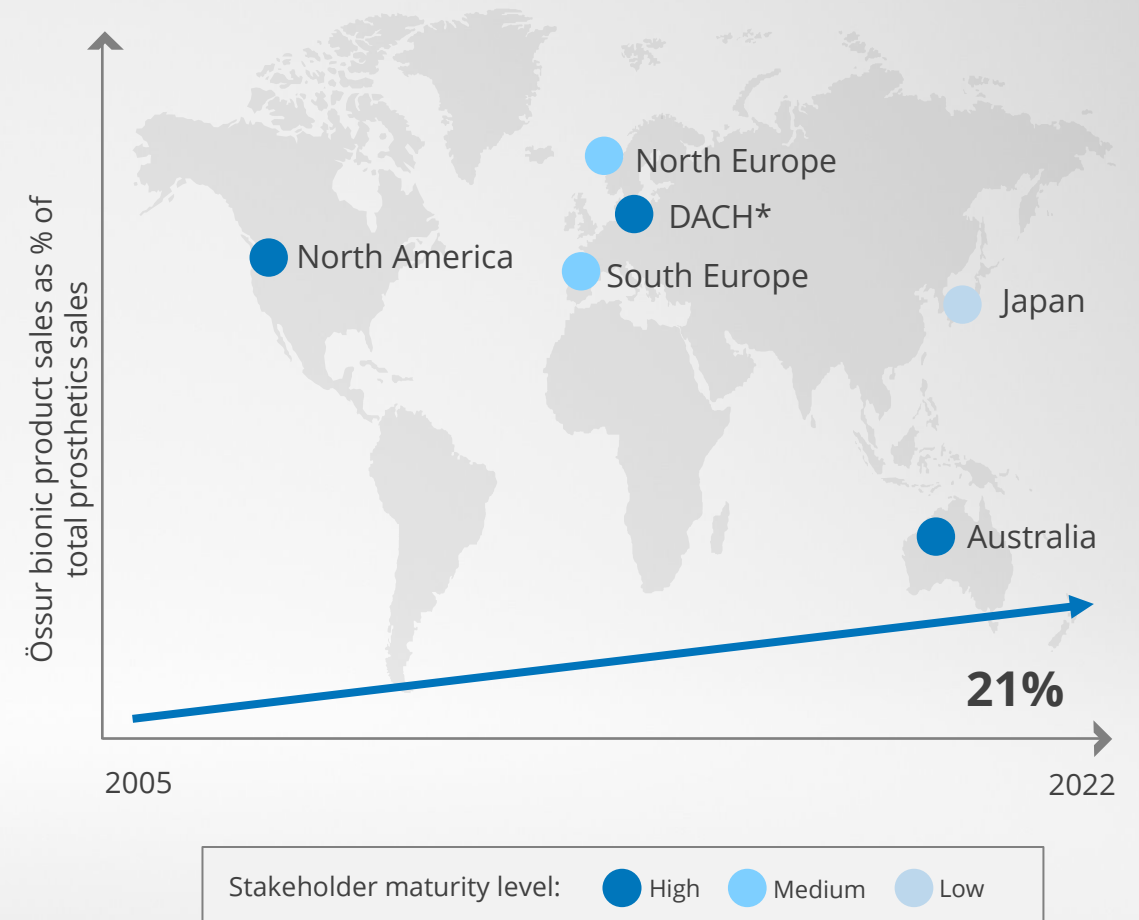
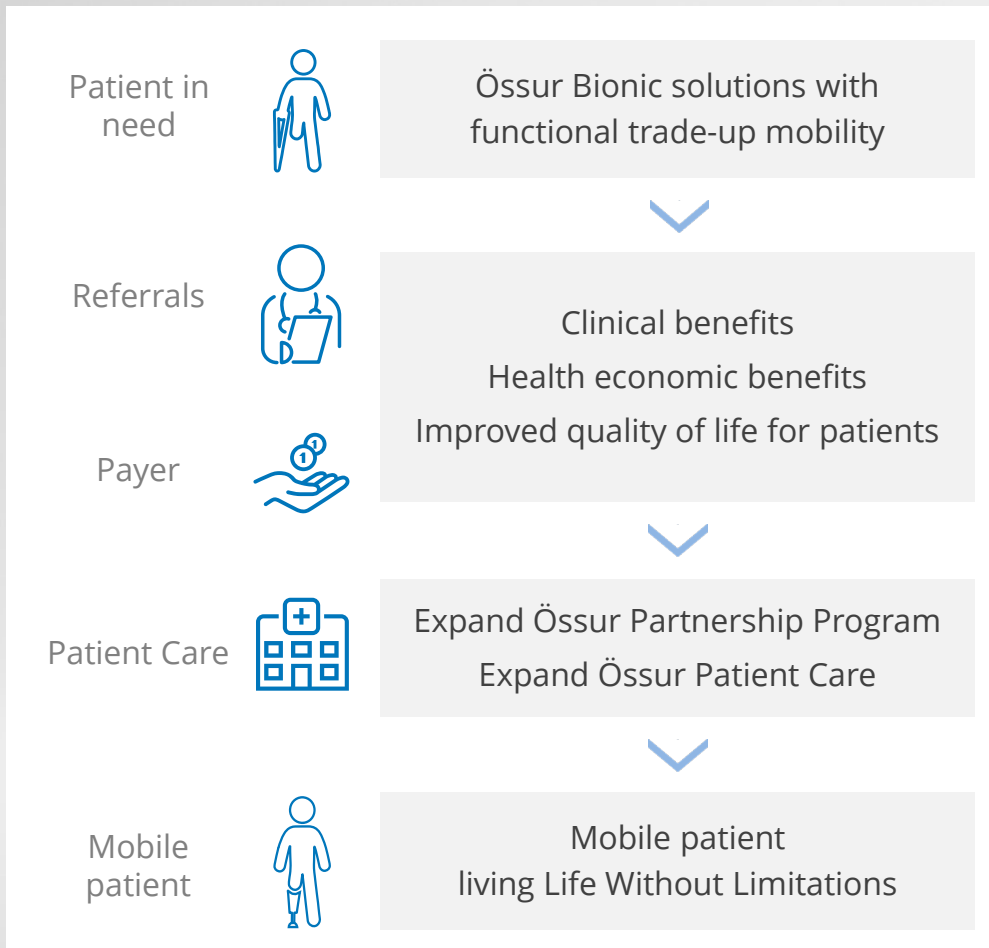
**Patient care**

**Patient reach**  
Össur focus



## C | Patient Reach in Developed Markets

### Driving preference and value among all stakeholders



\*DACH refers to Germany (D), Austria (A), and Switzerland (CH)



# C | Patient Reach in Emerging Markets

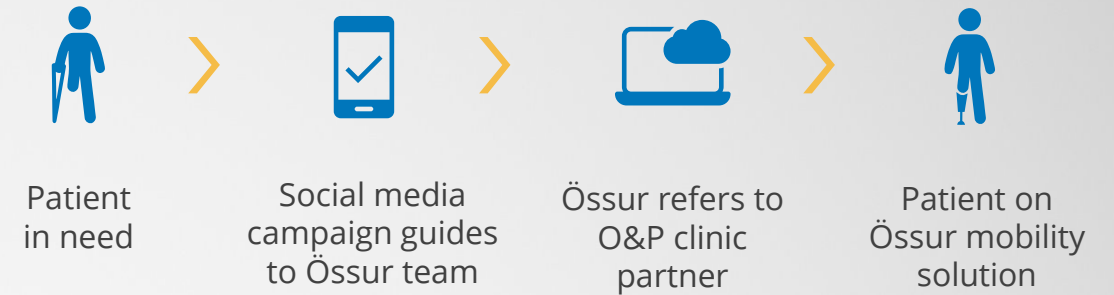
## New O&P Patient Care in Zambia



An alternative model to reach patients in new emerging markets



## Access to Private Pay in China



Social media influencers serve as Össur ambassadors creating awareness



杨志文 Zhiwen Yang  
Sports activist

翁翁 (Wenwen)  
Singer

## Key Messages

- Majority of patients in O&P channel are chronic patients that need service for life
- Less than half of all new amputees are fitted with prosthetic solutions
- Potential to develop further chronic mobility solutions, e.g. for stroke patients
- Further grow Bionics through functional trade-up in developed markets driving preference and value among all key stakeholders
- Developing new ways to reach patients in emerging markets, e.g. private pay



# Team Össur – Fleur Jong

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# Innovative Solutions

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## O&P Growth Drivers



Patient  
Reach



Innovative  
Solutions



O&P Value  
Creation

## Continuity



Bracing  
Simplified



Enabled by People, Sustainability & Scalability







## Key Topics

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- A | **Innovation strategy**
- B | **Growth within reach**
- C | **Future opportunities**



INNOVATIVE SOLUTIONS

# Innovation Strategy



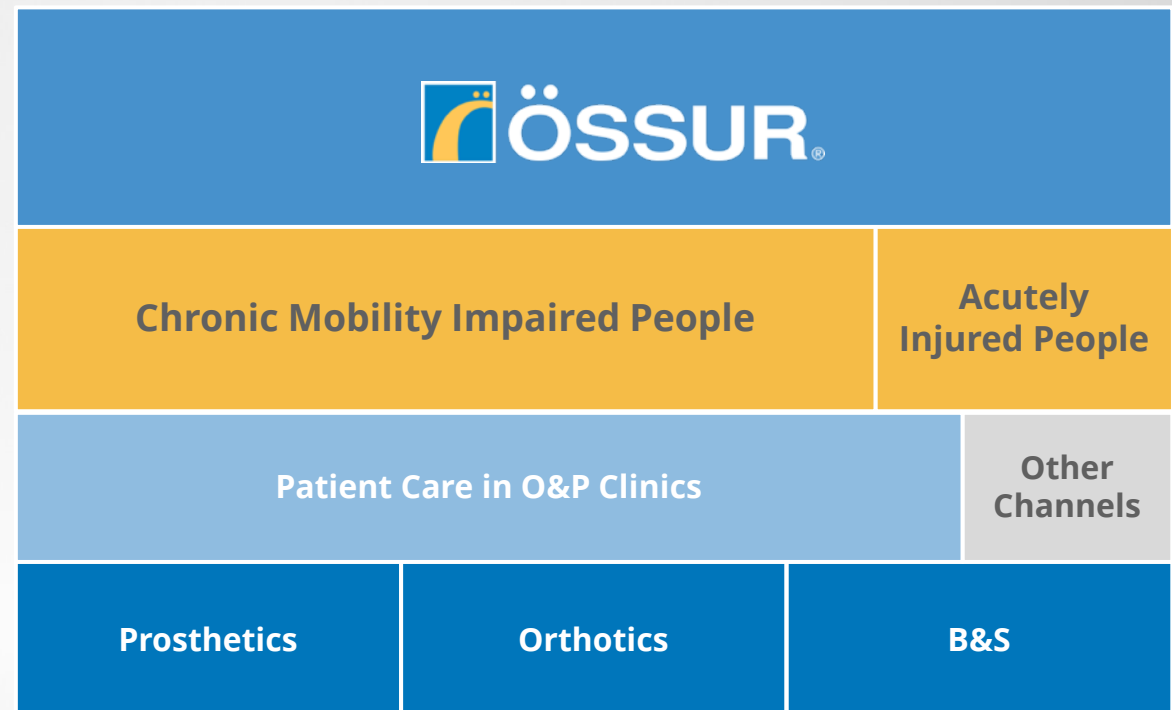


# Unlocking a Larger Playing Field as an Increasingly Patient Driven Company



## Increasingly Patient Driven Company

### Product Company

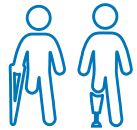


## A | Our Innovation Strategy

We capture commercial opportunities and drive better patient outcomes through innovative solutions



Technology & Innovation



Patient Needs & Outcomes



Clinical Evidence & Reimbursement





# A | The Core of Our Innovation Is Prosthetics

## Patients with chronic mobility challenges

Amputees

Neurological

Other Chronic

Non-Chronic



**Our prosthetic solutions accompany patients throughout their lives**



INNOVATIVE SOLUTIONS

# Growth Within Reach



## B | Recent Innovations to Drive Near-Term Growth



Contribute  
to higher  
fitting rates



Increase  
bionic  
penetration



Drive  
functional  
trade-up



## B | Contribute to Higher Fitting Rates

Socket innovations can drive adoption in large patient groups and shorten rehabilitation time

### We provide innovative socket solutions

- › Remove the need for complex processes
- › Can be constructed outside of the O&P clinic
- › Ensure fast route to leg fitting
- › One version specifically tailored for elderly patients



Direct Socket



Connect Socket



**40-60%**

current fitting rate for  
new lower limb amputees in  
developed markets

**Up to 98%**  
**time reduction**

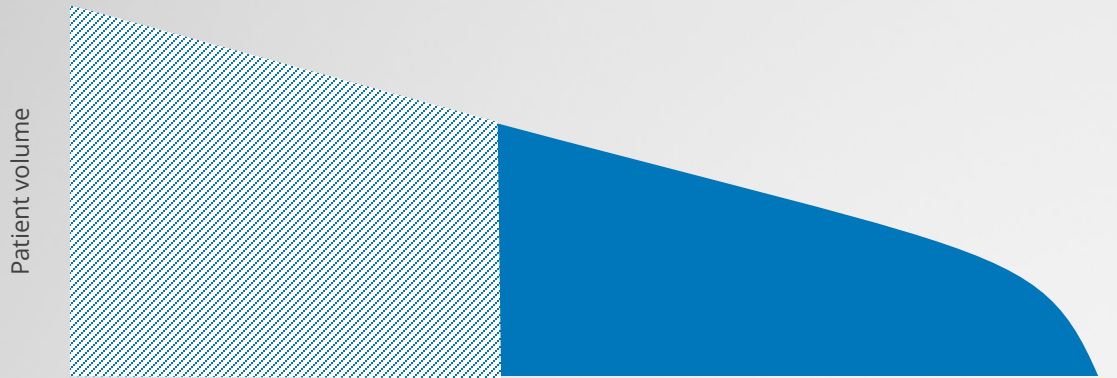
in socket making with  
Össur socket solutions

**~80**  
**patients**

in clinical studies



## B | Increase Bionic Penetration



Low active patients

Reimbursement evolving

Moderate - high active patients

Reimbursement established in developed markets



Powered MPK\*

» '24



Powered MPK\*

✓ '22



Powered MPA\*\*

✓ '23



MPK\*

» '23

21% of prosthetic sales

from Bionics in 2022

1 PP contribution to organic growth

from Bionics in 2022

~150 patients

in clinical studies



\*MPK: Microprocessor Controlled Knee \*\*MPA: Microprocessor Controlled Ankle



## B | Drive Functional Trade-up

Our AeroFit® solution addresses a major clinical challenge

### Sweat the leading challenge <sup>1</sup>

for amputees, resulting in reduced quality of life

63% amputees <sup>2</sup>

experience skin issues

~60 patients

in a clinical study

### Majority of skin issues are caused by profuse sweating

- › A fully breathable suspension solution significantly reduces build up of sweat on the residual limb
- › The world's first 3D printed breathable liner
- › The breathable socket is based on Össur's innovative socket platform



AeroFit Solution



<sup>1</sup> Hagberg, K. & Brånemark, R. Consequences of non-vascular trans-femoral amputation: a survey of quality of life, prosthetic use and problems. Prosthet. Orthot. Int. 25, 186-194 (2001).

<sup>2</sup> Meulenbelt, H. E., Geertzen, J. H., Jonkman, M. F. & Dijkstra, P. U. Determinants of skin problems of the stump in lower-limb amputees. Arch. Phys. Med. Rehabil. 90, 74-81 (2009).



INNOVATIVE SOLUTIONS

# Future Opportunities



## C | Ongoing Efforts to Drive Future Growth



Prepare for  
the future of  
healthcare



Drive functional  
trade-up



Shape novel  
solutions for  
the O&P  
population



## C | The Future of Healthcare

Data based applications will provide customized solutions for stakeholders in the O&P value chain



Payer Evidence & Reimbursement



Patient Engagement



Remote Care



Össur Services





## C | Provide Functional Trade-up

Mind Controls are intended to give amputees direct control over their prosthetics

### IMES

Utilizing implanted sensors that capture muscle signals and actuate the prosthesis accordingly

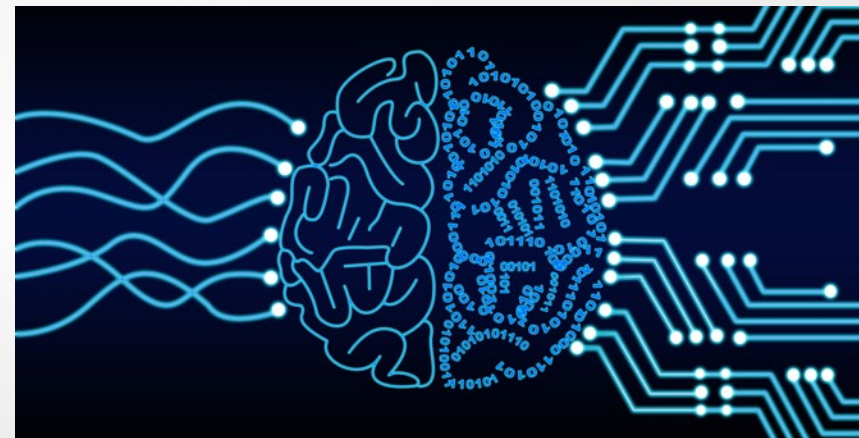
- › Current focus on upper limb solutions
- › Currently in a clinical research phase in Europe



### Artificial Intelligence & Machine Learning

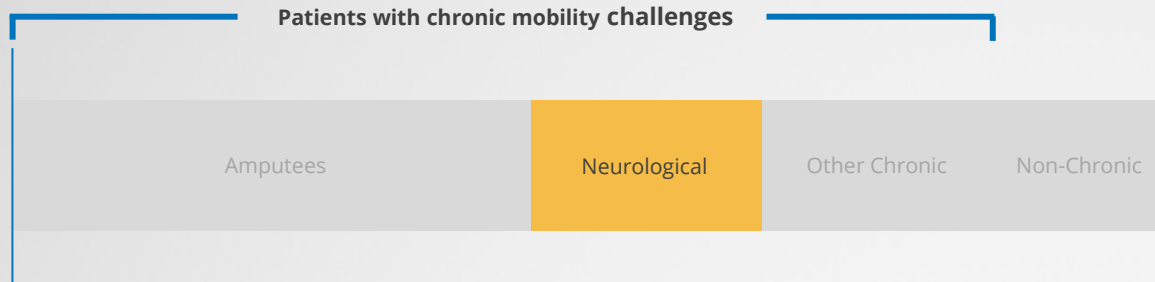
Non-invasive sensing and learning mechanisms that adapt to the patient

- › Current focus is on lower limb solutions
- › Currently in an exploratory phase



## C | Shape Novel Solutions for the O&P Population

Our future reaching innovation efforts are focused on indications served within O&P clinics



**~800k**  
new stroke incidents in  
the US each year

**~ USD 34bn**  
stroke cost in the US  
per year

**~10 million**  
**stroke survivors**  
estimated in the US by year 2030

### Majority of stroke survivors experience chronic mobility challenges

- › Labor intensive rehabilitation
- › Indications that wearable robotics can improve symmetry and gait





# Key Messages

- Össur is in a good position to transition from a provider of products to a provider of lifetime healthcare
- Our innovation investment is based on commercial opportunities, focusing on proven long-term benefits for our O&P patients
- We continue to drive functional trade-up coupled with groundbreaking technology
- We are planting seeds in other chronic categories served through the O&P channel



# O&P Value Creation

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## O&P Growth Drivers



Patient  
Reach



Innovative  
Solutions



O&P Value  
Creation

## Continuity



Bracing  
Simplified



Enabled by People, Sustainability & Scalability





# With O&P Value Creation The Growth Drivers Come Full Circle

Serving patients and driving productivity in the whole delivery process is a critical part of Growth'27



Direct access to patients



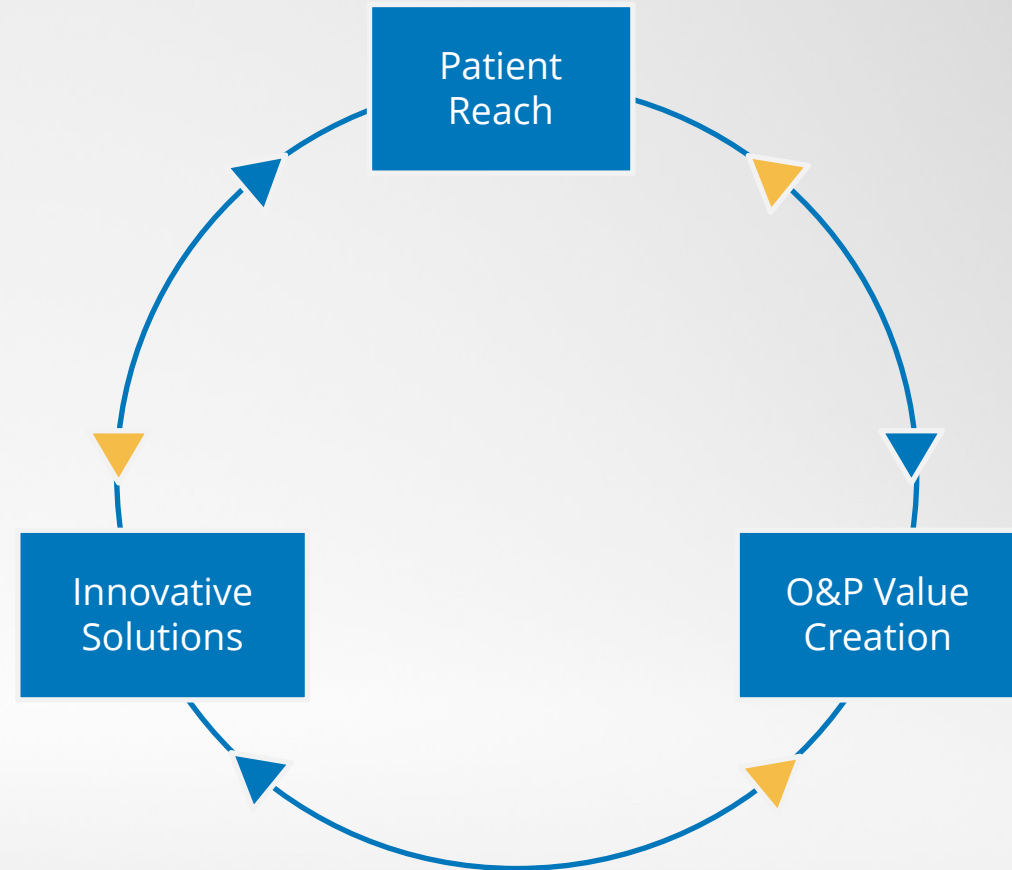
Direct access to payers and prescribers



Focus on the whole value chain



Strengthens our ability to be a full-scale partner to O&P clinics



## Key Topics

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- A | **Patient care development and presence**
- B | **Key value drivers**
- C | **Strategic initiatives**



# A| The Össur Patient Care Journey



**11**  
Countries

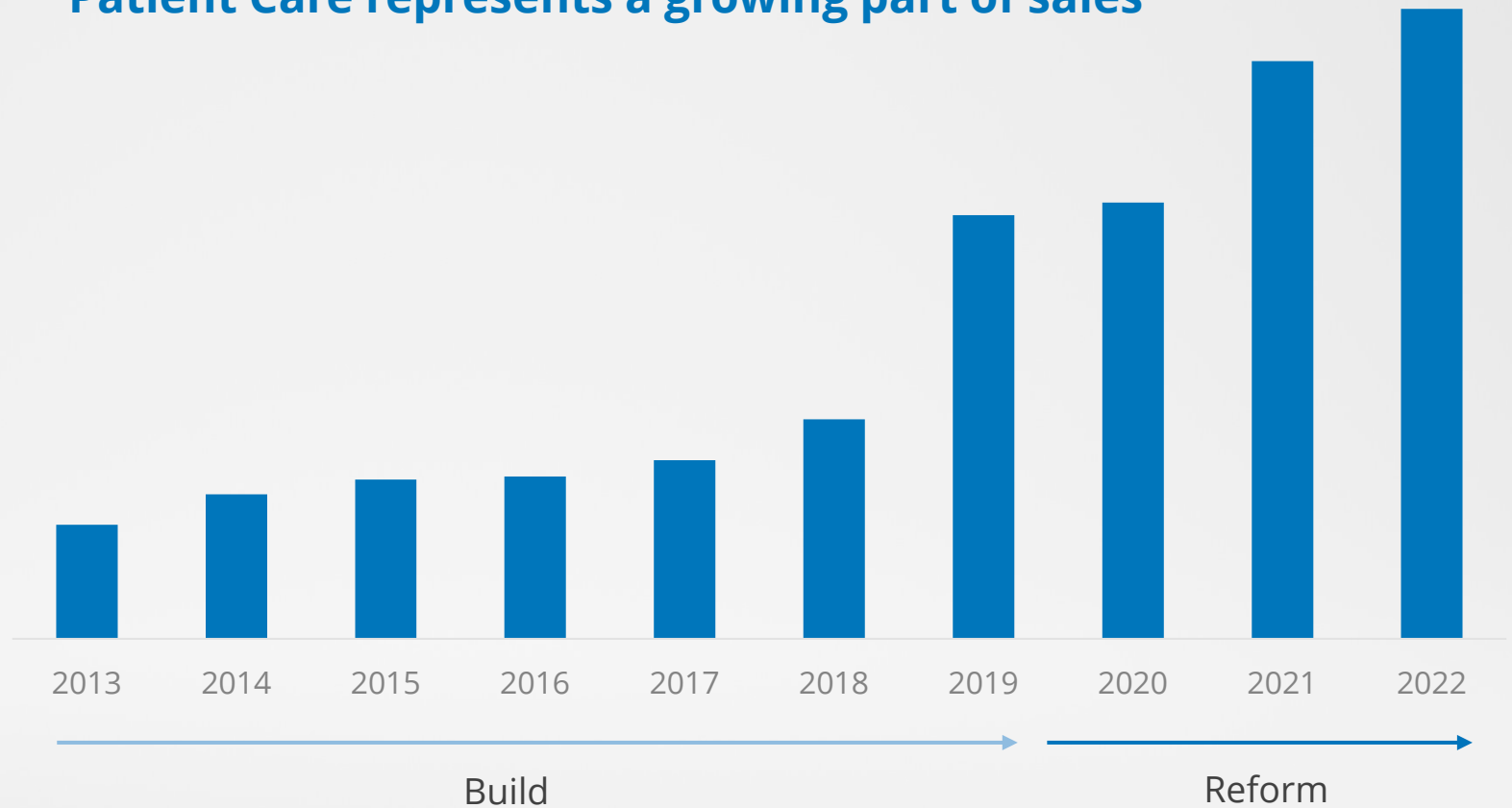


**~200**  
Locations



**1,500+**  
Employees

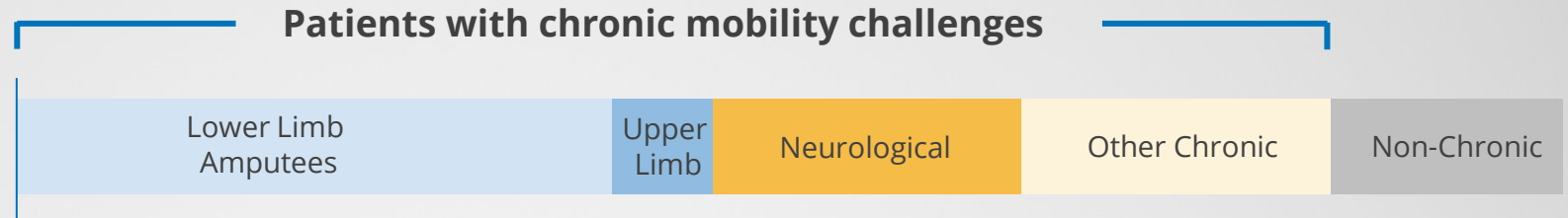
### Patient Care represents a growing part of sales





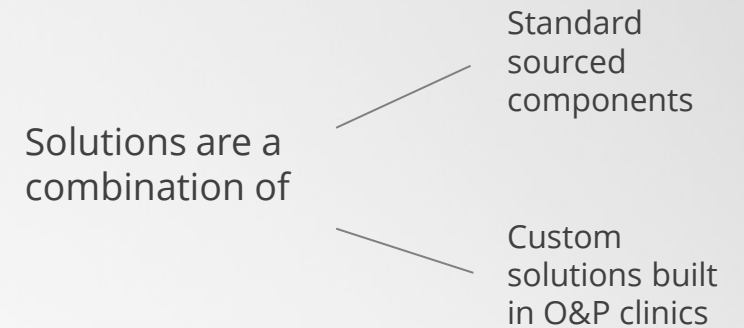
# A | What Goes on in O&P Clinics?

## Chronic mobility challenges



## Patients come in for both products and services

- › Selection and fitting of new solutions
- › Maintenance
- › Upgrades
- › Renewals



## Solutions vary in complexity and delivery time

### Simple solutions

Single visit, solutions built and delivered within an hour

### Complex Solutions

Multiple visits, solutions built and delivered in weeks

## B | Creating Value for O&P Clinics

Key trends in O&P Clinics calling for new ways of working











CPO shortage\*

New generation of CPOs

Regulatory burden

Reimbursement dynamics

Digitalization

	O&P Clinic P&L in the US**	Potential impact	Relative time to impact
<b>Increased Sales</b> Reach more patients through clinically proven innovative solutions	100%		
<b>Lower Cost of Goods and Technical Labor</b> Centralize sourcing, use of own products, complete solutions, and central manufacturing	36%		
<b>Clinical Efficiency</b> Standardization and full treatment pathway	15%		
<b>General and Administrative Efficiency</b> Centralize back-office, process and system support, and scalability	41%		
<b>Operating Profit</b> Opportunities for increased sales and cost efficiencies	8%		

## Efficiency

User friendly interface enables CPOs to focus on patient care instead of a complex ordering process

## Chronic Patient Needs

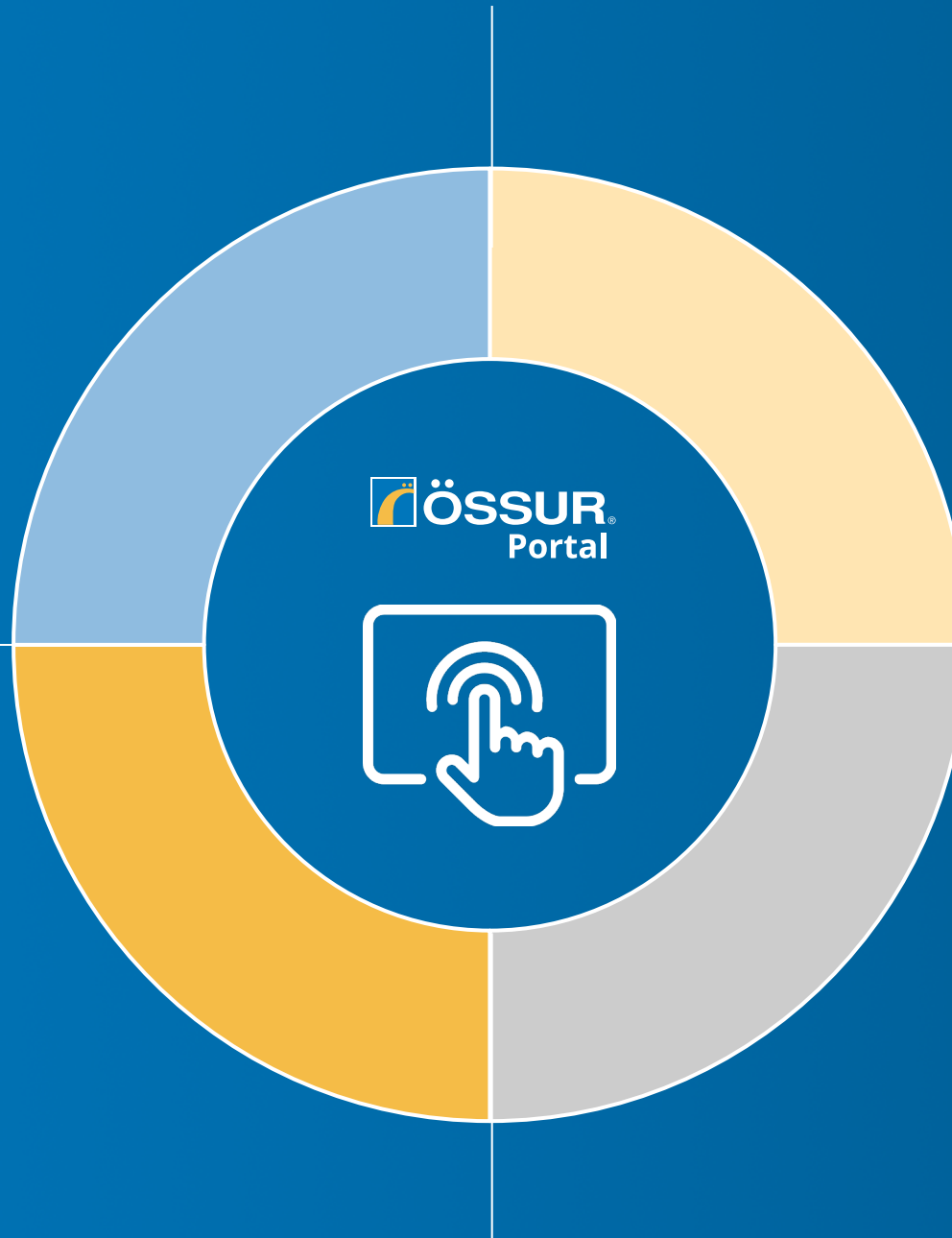
Reminders for maintenance, renewals and upgrades improving the patient's mobility

## Patient Engagement


Increased patient involvement leads to improved patient satisfaction

## Innovation Beyond Product

Developed with CPOs for CPOs to improve patient satisfaction, enabling solution sales that grow stickier customer relationships







*"I handle everything for five practitioners in nine locations. The Össur Portal enables me to quickly place orders, ensure we aren't missing any parts, and get them delivered on time."*

**Brittany Lee**

Prosthetic Coordinator at  
Oakland Orthopedic Appliances

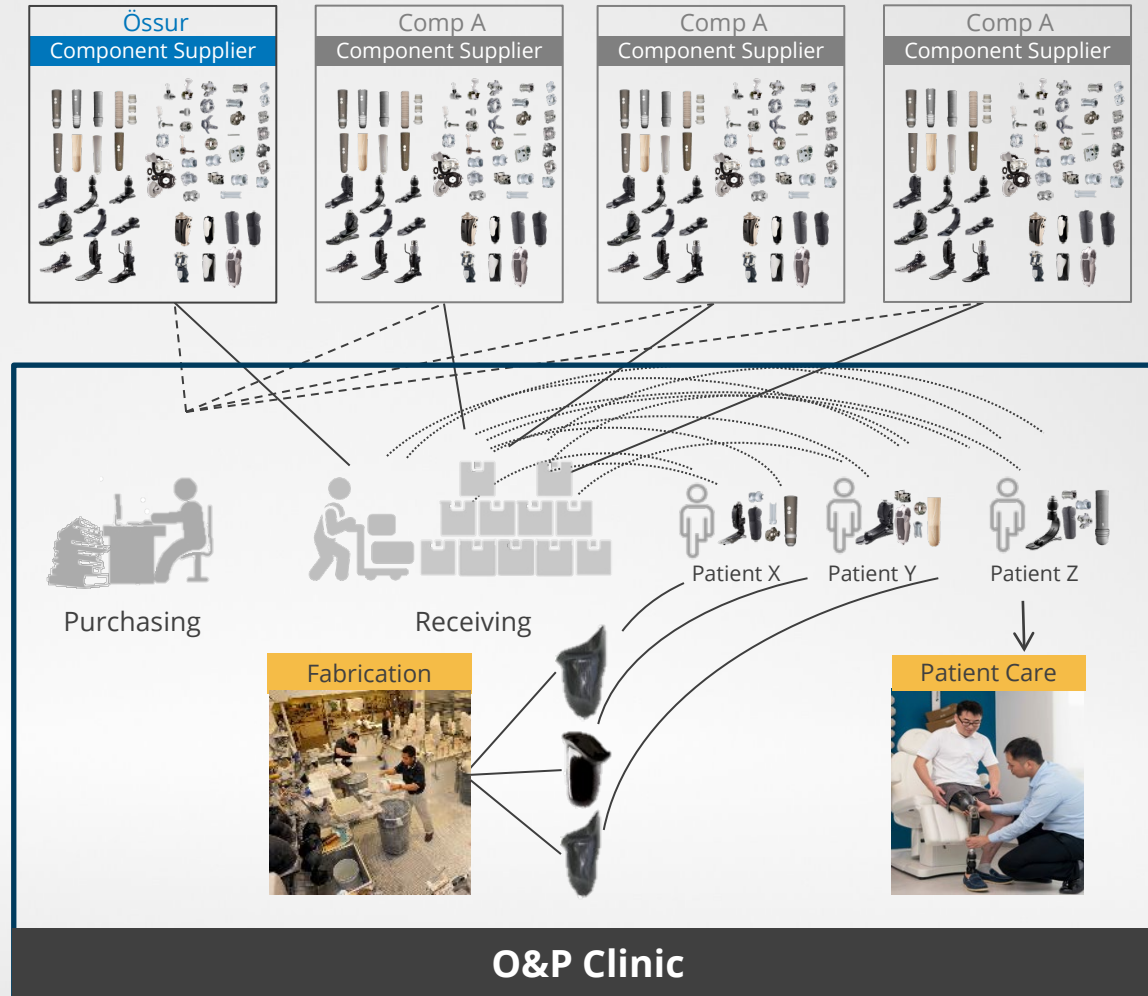
*"The portal is so easy to use, definitely a game changer in our practice. We love the simplicity and added benefits are a bonus."*

**Angela Wright**

Practice Manager at CB Wright Inc.

# C | The Traditional Process for Building a Prosthetic Leg Is Complicated

➤ Labor intensive and error-prone process

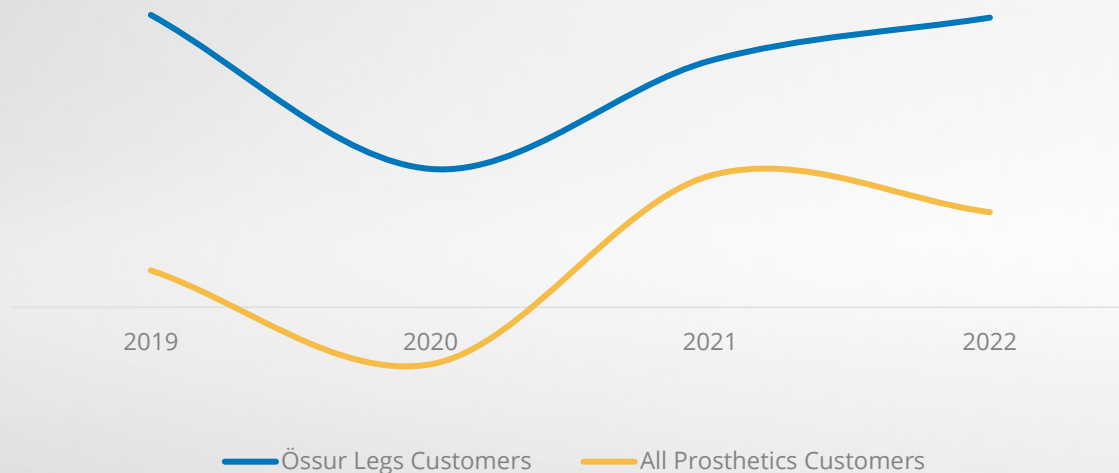




# C | Össur Legs Increase Efficiency in O&P Clinics and Service Level for Patients

- > Guided order process through user friendly portal
- > Single delivery of a complete solution

Sales to Össur Legs Customers Grow Faster\*



\*Sales growth to active Össur Legs customers in the US compared to sales growth to all Prosthetics customers in the US end of each year



## C | Our Efforts in Ukraine Demonstrate a Holistic O&P Partnership

### Extensive and immediate need for help within a limited infrastructure

#### Current assistance includes

- › Donations of products and equipment
- › Prosthetic fitting of Ukrainian patients in Össur clinics in Europe and the US
- › Training of clinicians in Ukraine and online



#### Further efforts being evaluated

- › Establishing prosthetic clinics in cooperation with local clinicians
- › Education and certification of clinicians to serve future needs



# Key Messages

- For the past ten years, we have been strategically expanding our Patient Care portfolio
- Being the best partner to O&P clinics is a fundamental element of our Growth'27 strategy
- The Össur Portal and Össur Legs improve efficiency, drive use of more Össur products and allow CPOs to spend more time on patient care
- Our increased presence in Patient Care allows us to capture a bigger part of the value generated in parallel to becoming a better partner to our O&P customers



# Bracing Simplified

Capital Markets Day 2023



## O&P Growth Drivers



Patient  
Reach



Innovative  
Solutions



O&P Value  
Creation

## Continuity



Bracing  
Simplified



Enabled by People, Sustainability & Scalability



# Key Developments in Bracing & Supports

## Timeline of Key Events



### Key Figures

Market growth est. 2-3%

2022 organic growth 2%

2022 sales USD 143m

### Growth & Market Factors

- Favorable demographics with an aging population
- Competitive advantage by targeting differentiated customer experience and service
- Ability to implement price increases

### Primary Markets & Channels

**Americas**

Orthopaedic clinics  
Hospitals

**Europe**

O&P clinics



## Identity

Be the trusted partner  
for our customers

- › Sales enablement training
- › Marketing campaign



## Customer Convenience

Reduce complexity  
for our partners

- › Curated digital education
- › Digital inventory management solution



## Product Confidence

Provide our partners  
with a simplified and  
strong portfolio

- › Value engineering
- › Portfolio streamlining



## Responsibility

Reduce our footprint  
and that of our partners

- › Responsible packaging





# Our Sustainability Commitment

Capital Markets Day 2023





## Our Sustainability Commitment

# RESPONSIBLE FOR TOMORROW™

We provide products and services that contribute to good health, using responsible production methods and supporting climate action, while being a sponsor for inclusivity and transparency.

We believe that sustainable growth is the only way to build a successful and responsible business for the benefit of future generations.



# Our Environment

## Responsible for our environmental impact

### Our Operations

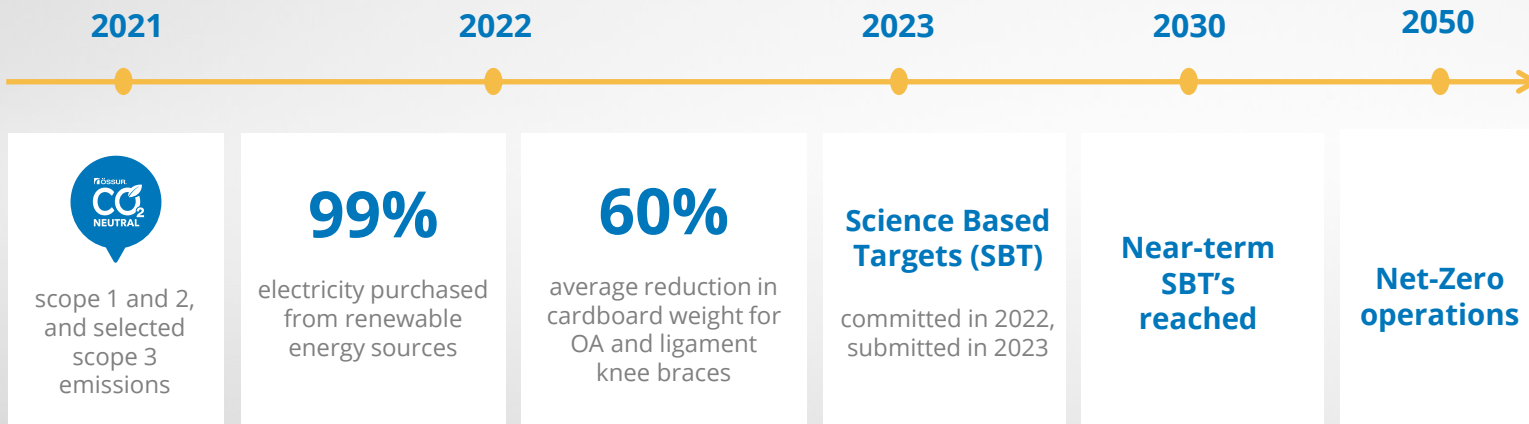
We are Carbon Neutral for scope 1 and 2, and selected scope 3 emissions, and are actively working towards Net Zero operations

### Our Products

We are reducing the environmental impact of our products and services

### Our Supply Chain

We collaborate with our key suppliers in reducing their environmental impact





# Our People



## Responsible for enhancing the social well-being of our people & communities

### Our Customers

We develop quality products and services that improve people's mobility

### Our Employees

We nurture the well-being and development of our employees within an inclusive and safe work environment








### Our Suppliers

We partner with suppliers who respect human rights and participate in social development

### Our Communities

We create a lasting positive impact on our communities, helping more people to live a Life Without Limitations



 <p>design and market functional products for the elderly, <b>3 out of 4</b> already launched of target set for 2024</p>	<p>Gender Ratio</p> <p>51%  49% </p> <p><b>38%</b> female in management positions</p>	 <p><b>4 of 5</b> global employee satisfaction as measured by Gallup</p>	 <p><b>620</b> implemented employee suggestions on improved workplace safety in 2022</p>
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# Our Business

## Responsible business leading with integrity and transparency

### Our Governance Practices

We practice sound governance in all our activities

### Our Business Integrity

We set high ethical standards and act with honesty and integrity

### Our Reporting Transparency

We ensure transparent reporting of our business practices



ÖSSUR  
SPEAK-UP  
LINE

**73%**  
of employees trained  
in our Code of  
Conduct

preparing for  
Corporate  
Sustainability  
Reporting Directive  
(CSRD)

# Key Messages

- Our purpose places us in a unique position to contribute in a meaningful way to society
- Designing functional products for elderly amputees linked to UN Sustainable Development Goal #3
- Submitting Science Based Targets in 2023
- We are Responsible For Tomorrow





# Profitable Growth

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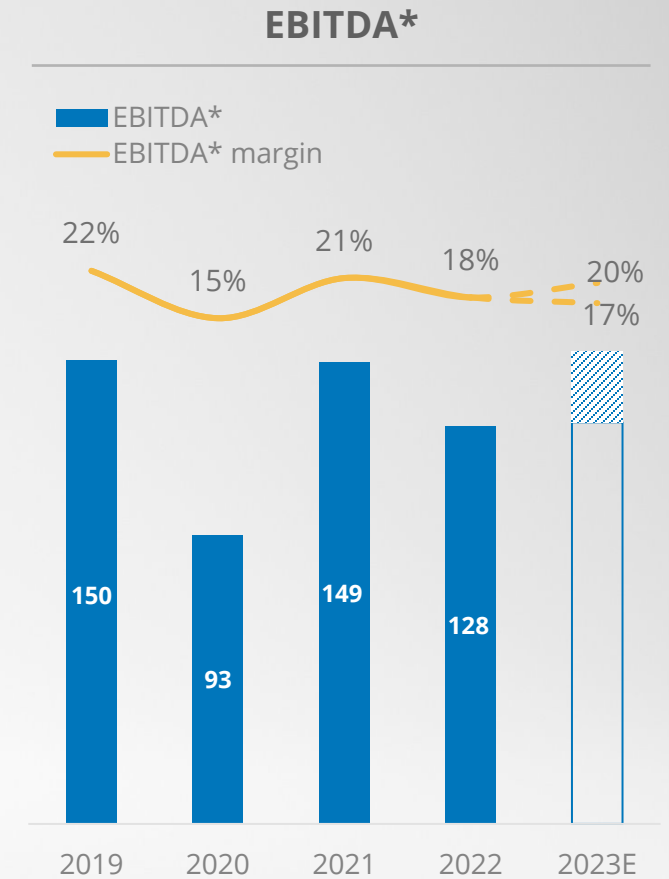
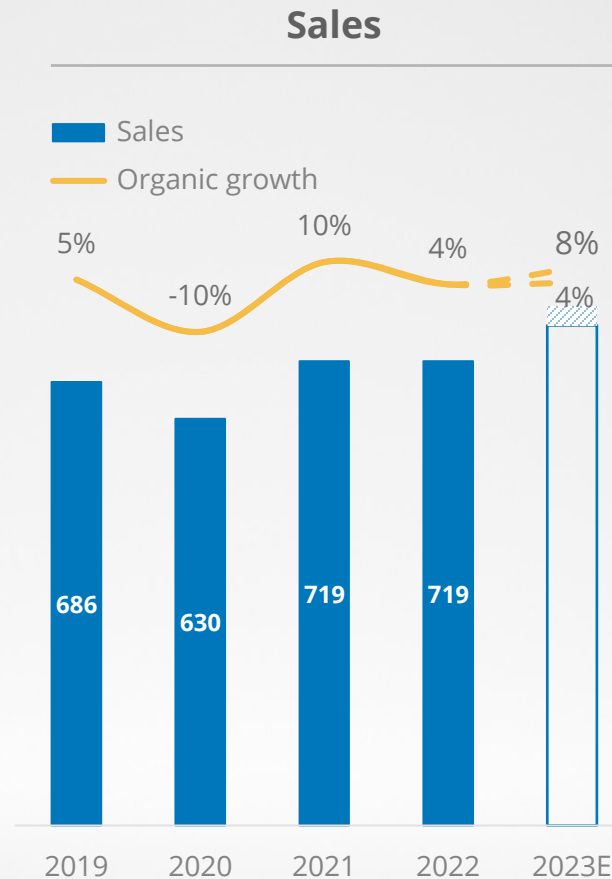
# Össur Has a Solid and Focused Business

## › Resilient and growing through a challenging external environment

### › Material topics:

- Prosthetics product acquisitions
- Patient Care acquisitions
- Divestments within Bracing & Supports
- COVID-19
- Suspension of sales to Russia
- Supply chain challenges

## › Looking ahead, several opportunities to deliver strong organic growth and margin expansion



\*EBITDA before special items



## Key Topics

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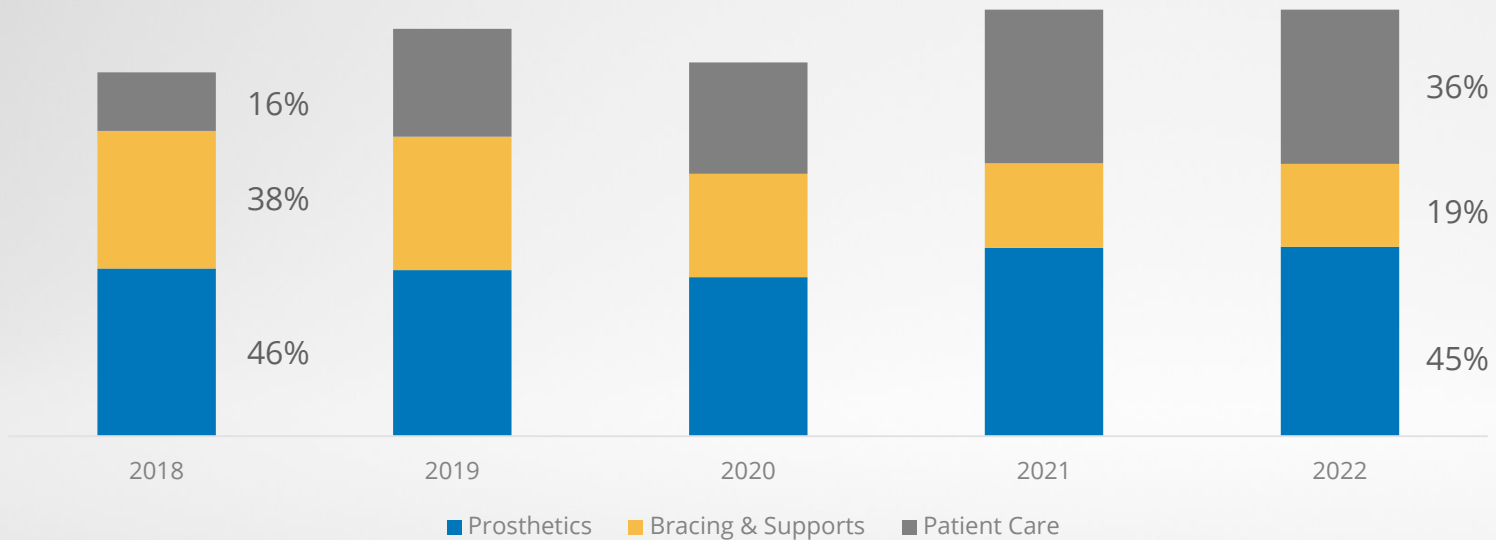
- A | **Change in business mix and new sales segmentation**
- B | **Financial ambitions for Growth'27**
- C | **Strong cash generation**



## A| Our Business Mix Has Changed Significantly

### Increased focus on chronic mobility challenges

- › Strong organic growth and acquisitions in both Prosthetics and Patient Care
- › Divestments of Gibaud and B&S sales entities



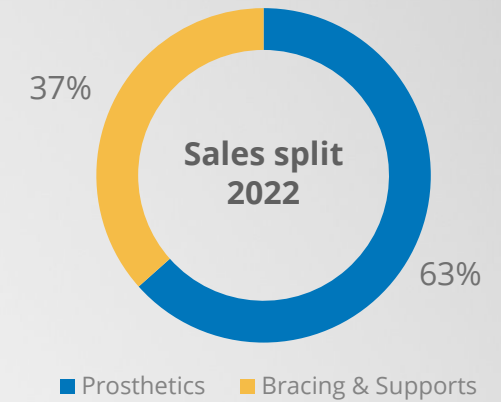
Note: Bars show sales for each segment  
Percentages refer to segment sales as % of total sales



## A | Introducing a New Sales Segmentation To Provide Better Transparency

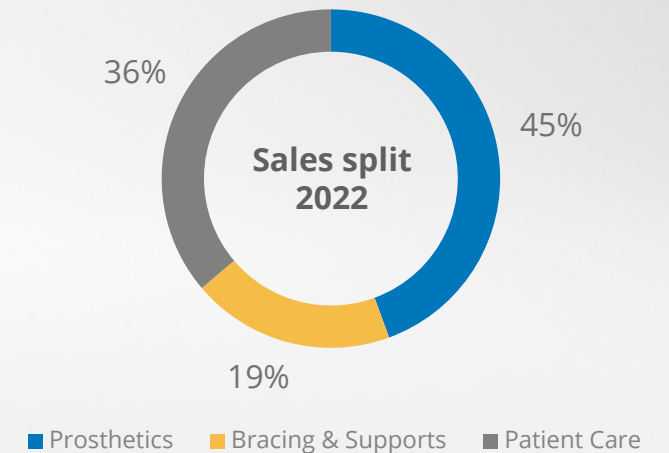
### Previous segment reporting

Previous Segment Report (USD million)	FY 2022	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth
Prosthetics	456	4%	3%	-6%	1%
Bracing & Supports	263	3%	4%	-8%	-1%
<b>Total sales</b>	<b>719</b>	<b>4%</b>	<b>3%</b>	<b>-7%</b>	<b>0%</b>



### New segment reporting

New Segment Report (USD million)	FY 2022	Organic growth	Δ Acq. / div.	Δ Curr. effect	USD growth
Prosthetics	347	6%	1%	-6%	1%
Bracing & Supports	143	2%	0%	-5%	-3%
Internal product sales	-31	9%	3%	-7%	6%
<b>External product sales</b>	<b>459</b>	<b>5%</b>	<b>1%</b>	<b>-6%</b>	<b>-1%</b>
<b>Patient Care</b>	<b>260</b>	<b>2%</b>	<b>7%</b>	<b>-8%</b>	<b>1%</b>
<b>Total sales</b>	<b>719</b>	<b>4%</b>	<b>3%</b>	<b>-7%</b>	<b>0%</b>





## B | Financial Ambitions for Growth'27

### › Sales growth

**7-10%**

LCY\* growth p.a.  
on average



**5-7%**

organic growth  
p.a. on average



**2-3%**

acquisitive growth  
p.a. on average

### › EBITDA margin before special items

- The ambition is to gradually increase the EBITDA margin before special items
- EBITDA margin before special items expansion is subject to acquisitions and currency movements, in addition to changes in the business mix

### › Capital allocation

- We will prioritize growth opportunities, value-adding investments and acquisitions, while maintaining a healthy balance sheet with a target range of 2.0-3.0x NIBD/EBITDA before special items
- Excess capital will be returned to shareholders via purchase of own shares

\*LCY refers to local currency growth which is comprised of organic growth and acquisitive growth





# B | We Aim To Generate Organic Sales Growth of 5-7% and Actively Pursue Value-Adding Acquisitions

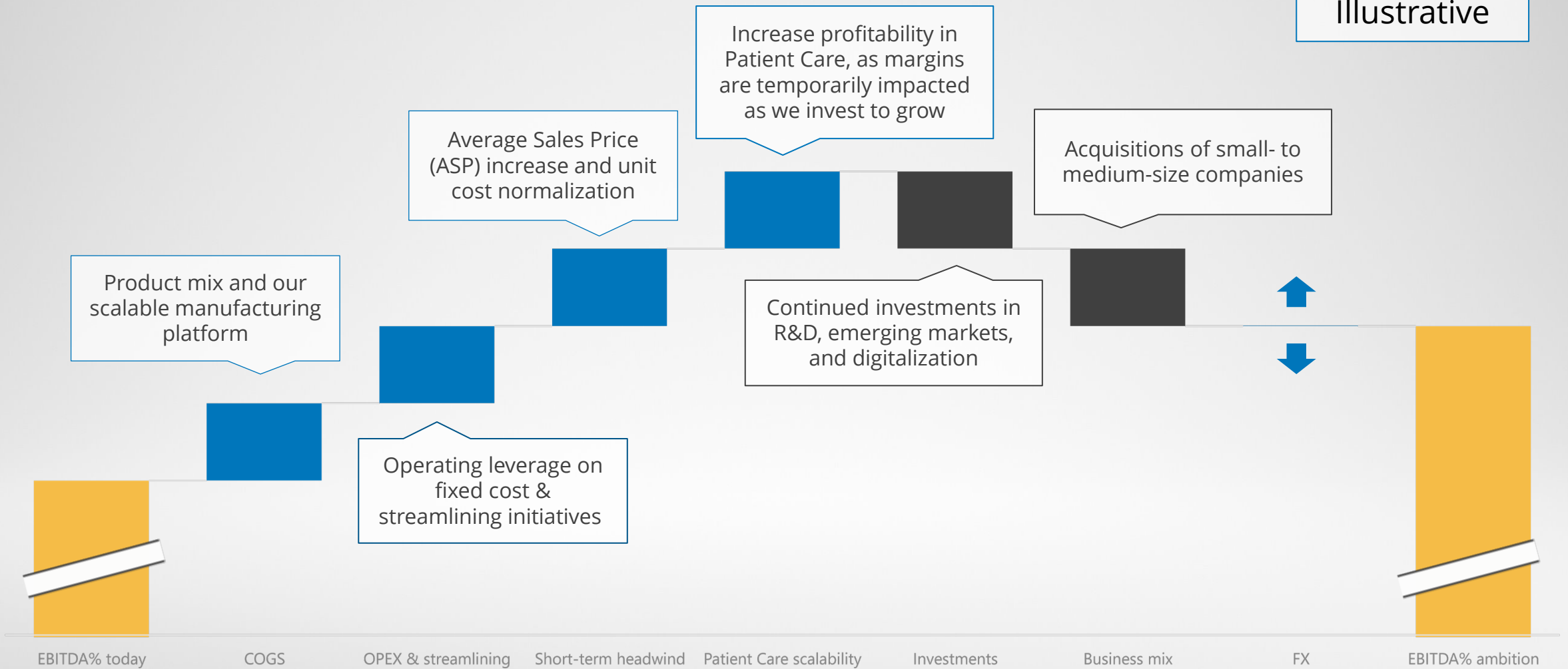
The History	The Fundamentals	The Base	Growth'27
<p><b>Organic sales growth 4-6%*</b></p> <p>■ Organic growth ■ Divestments and other</p>	<p><b>Market</b> 3-4% growth</p> <ul style="list-style-type: none"> <li>+ Health economics</li> <li>+ Functional trade-up</li> <li>+ Private pay</li> <li>+ Aging and more active population</li> <li>+ OA, stroke, and diabetes on the rise</li> <li>+ Healthcare coverage in emerging markets</li> <li>± Reimbursement</li> <li>± Consolidation and value chain development</li> <li>- Better treatments and detection</li> <li>- Pricing (short-term)</li> </ul>	<p><b>Össur business mix in 2018</b> 4-5% organic growth</p> <p>■ Prosthetics ■ B&amp;S ■ Patient Care</p>	<p><b>Organic strategy</b> 5-7% organic growth</p> <ul style="list-style-type: none"> <li>— Patient Reach</li> <li>— Innovative Solutions</li> <li>— O&amp;P Value Creation</li> </ul>
<p><b>Additional 2-4% sales growth from acquisitions**</b></p> <p>■ LCY growth</p>	<p><b>Market</b> 3-4% growth</p> <ul style="list-style-type: none"> <li>+ Health economics</li> <li>+ Functional trade-up</li> <li>+ Private pay</li> <li>+ Aging and more active population</li> <li>+ OA, stroke, and diabetes on the rise</li> <li>+ Healthcare coverage in emerging markets</li> <li>± Reimbursement</li> <li>± Consolidation and value chain development</li> <li>- Better treatments and detection</li> <li>- Pricing (short-term)</li> </ul>	<p><b>Össur business mix in 2022</b> 5-6% organic growth</p> <p>■ Prosthetics ■ B&amp;S ■ Patient Care</p>	<p><b>M&amp;A strategy</b> +2-3% acquisitive growth</p> <ul style="list-style-type: none"> <li>— Technology</li> <li>— Portfolio expansion</li> <li>— Market access</li> </ul>

\*Note: 6% organic growth in 2019 excluding Gibaud (5% reported organic growth) and 6% organic growth in 2022 excluding the impact of suspended sales to Russia, COVID-19 impact in China, and discontinued Department of Defense contract (4% reported organic growth)

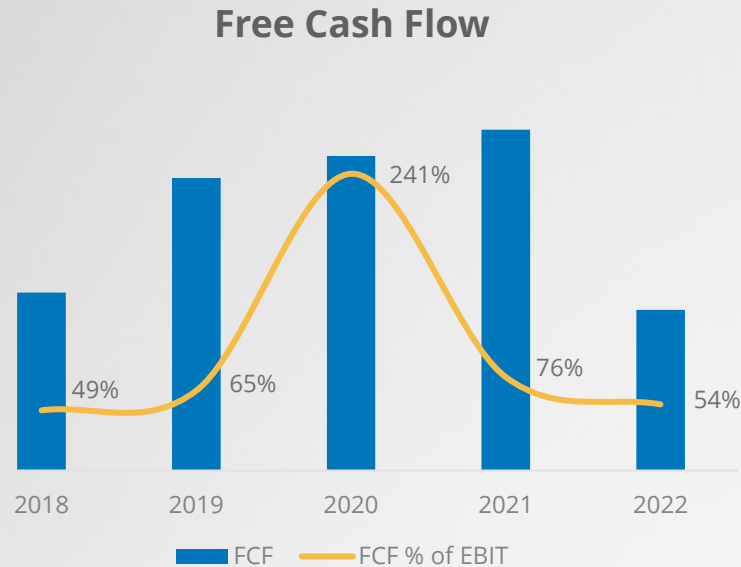
\*\*Note: 4% average acquisition growth 2018-2022, 2% average acquisition growth excluding 2019

## B | We Have Numerous Opportunities to Increase the EBITDA Margin

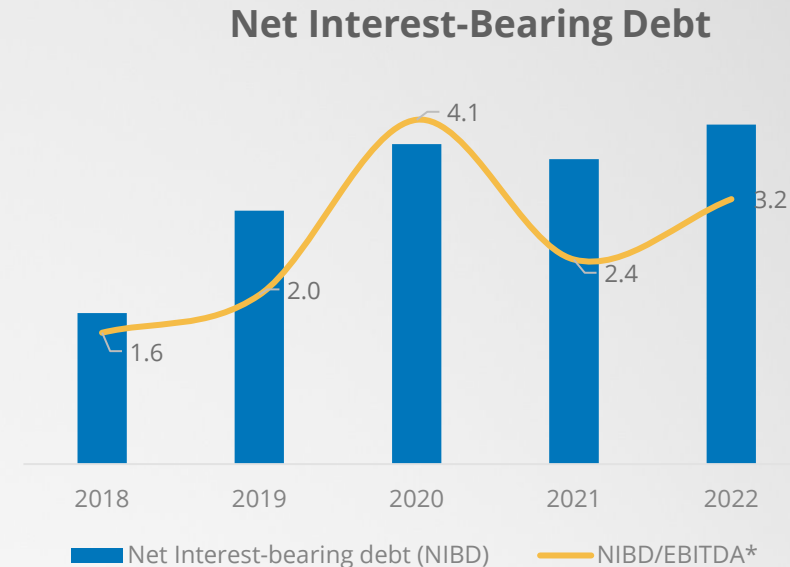
Illustrative



## C | Össur Has a History of Strong Cash Generation and a Healthy Capital Structure



- › Inventory buildup, largely as safety stock due to long lead times and uncertainty in the supply chain
- › AR and AP remained relatively stable
- › Össur has a history of strong cash generation with the majority of EBIT converted into free cash flow
- › Effective tax rate in the range of 23-24% and stable CAPEX investment around 4% of sales on average in the last five years



- › Prioritize growth, investments, and acquisitions
- › Target range of NIBD/EBITDA before special items 2.0-3.0x
- › Excess cash returned to shareholders via purchase of own shares

\*EBITDA before special items



## Key Messages

- New sales segmentation reporting to better reflect current business mix
- Ambition to grow sales 7-10% LCY on average p.a., driven by attractive market drivers and a sound Growth'27 strategy to reach and service more people with chronic mobility challenges
- The ambition is to gradually increase EBITDA before special items with positive product mix, scalability in manufacturing, and operating leverage on fixed cost
- We will deploy our strong cash generation for strategic investments and acquisitions, and return excess capital to shareholders via purchase of own shares



### **Forward-looking statement**

This presentation contains forward-looking statements, which reflect the Management's current views with respect to certain future events and financial performance. Although the statements are based upon estimates the Management believes to be reasonable, there is no assurance that these statements will be achieved.

Statements containing the financial outlook for 2023 and the following years naturally involve risks and uncertainties, and consequently actual results will differ, and may differ materially, from those projected or implied in the forward-looking statements.

The risks and uncertainties may include unexpected developments in the international currency exchange and securities markets, financing, market driven price decreases for Össur's products, delay or failure of development products, production problems and unexpected cost increases, development of new technologies by competitors, the introduction of competing products within Össur's core areas, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws.