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1971-2021

 **ÖSSUR®**
LIFE WITHOUT LIMITATIONS

A Global Leader in Non-Invasive Orthopaedics

Össur Company Presentation
July 2021

The big picture



Össur at a glance



Global Medical Device Company

- A global leader in non-invasive orthopaedics
- Operations in more than 30 countries
- Over 3,500 full-time employees across the globe



Innovation Driven

- ~5% of sales invested in R&D with ~1,700 granted patents
- New product launches every year
- Top tier brand recognition based on quality and high reliability



Profitable Growth

- Organic and acquisitive sales growth
- 18% sales growth CAGR since listing in 1999
- 22% EBITDA margin in 2019 (15% in 2020)

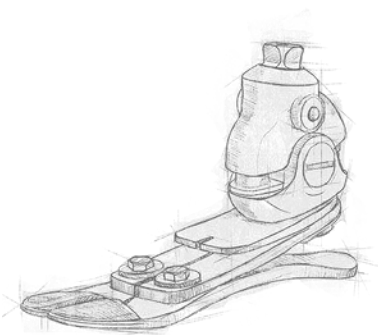


Shareholders

- Listed on Nasdaq in Copenhagen (Ticker: OSSR)
- Dividends and share buybacks
- International shareholder base

Össur is divided into two synergistic business segments

PROSTHETICS



Sub-segment

User profile

Improving mobility

Mechanical products



People living with lower extremity amputation

Broad product offering for lower extremity prosthetics

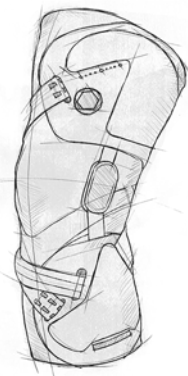
Bionic products



People living with lower and upper extremity amputation

Advanced microprocessor-controlled feet, knees, hands and fingers

BRACING & SUPPORTS



Sub-segment

User profile

Improving mobility

Injury solutions



People recovering from fractures, ligament injuries or need a post operative treatment

Products stabilizing joints and improving healing

OA solutions



People living with Osteoarthritis (OA)

Non-surgical treatment by unloading affected joint with braces



Americas

49%

as % of sales

USD 307 million

FTEs: ~1,300

EMEA

42%

as % of sales

USD 267 million

FTEs: ~1,500

APAC

9%

as % of sales

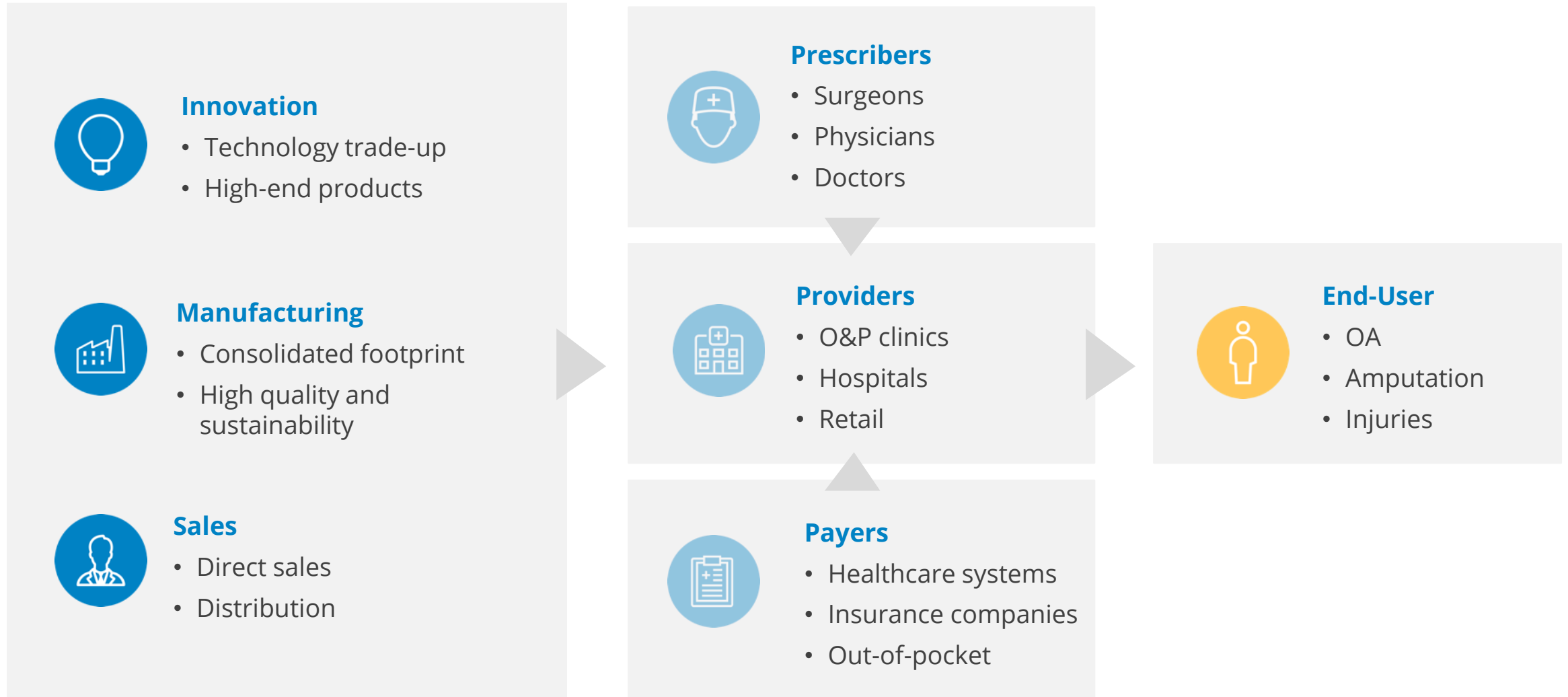
USD 55 million

FTEs: ~200

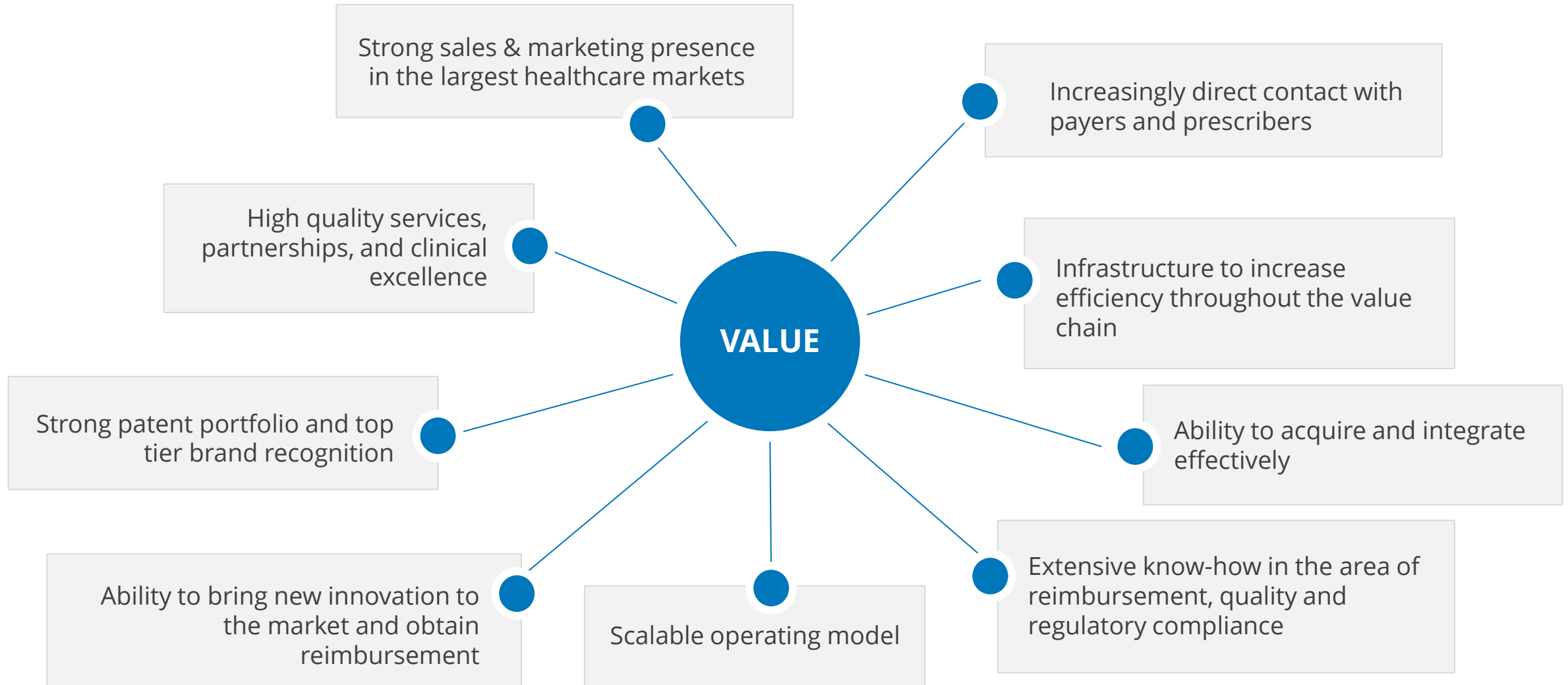
Note: Sales split for 2020
Employee split for year-end 2020

HQ FTEs: ~500

Össur's business model includes several stakeholders



Key strengths of the Össur business model





OUR VALUES

HONESTY

— Stay True —

FRUGALITY

— Make Every Step Count —

COURAGE

— Aim Higher —

We strive to create a Life Without Limitations® for all our users by improving people's mobility

MAIN FOCUS AREAS



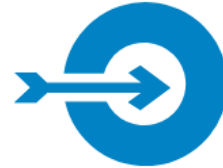
Innovation

We execute ideas that add value



Growth

We maintain sustainable growth

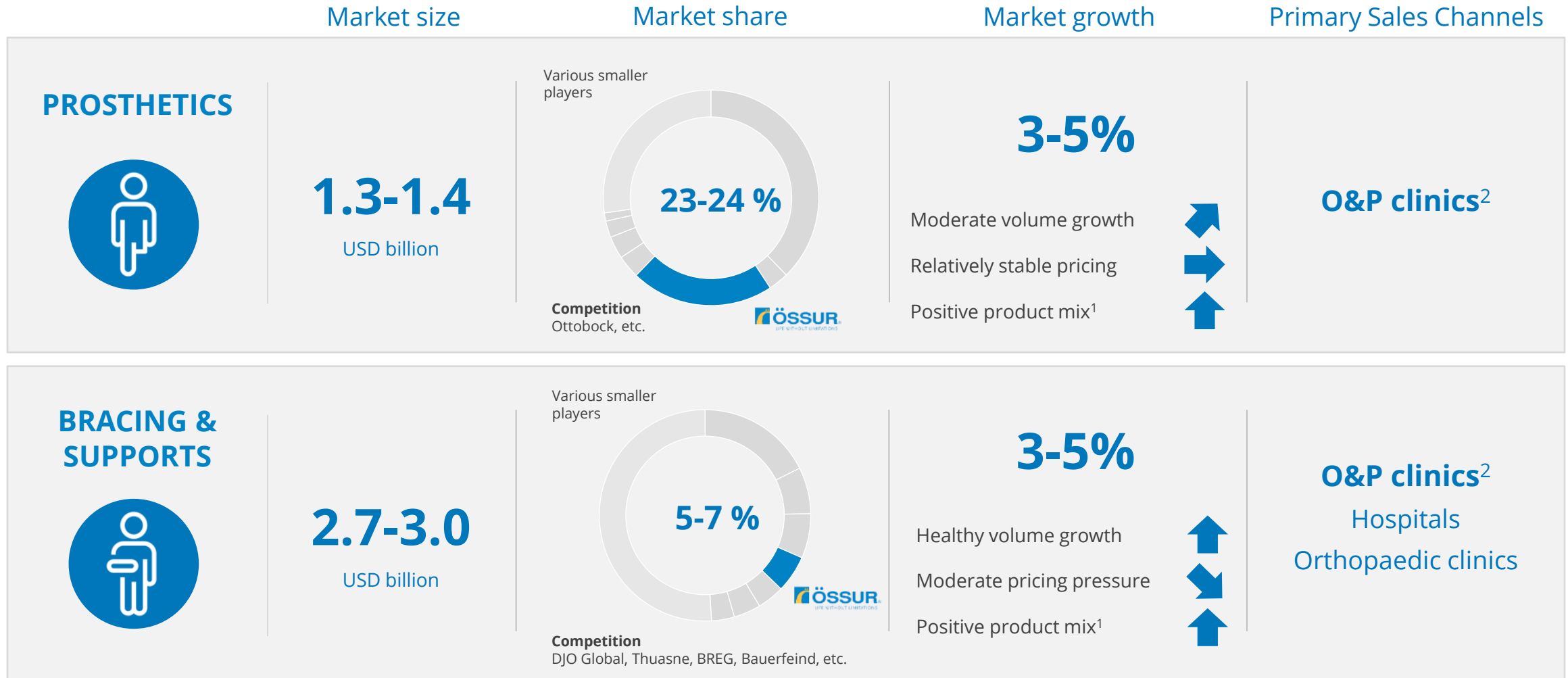


Efficiency

We conduct business efficiently



Össur has opportunities for further penetration in both markets



Source: Össur management estimates

Note: Estimates only account for component sales from providers to suppliers, i.e. not clinical services

¹ Increased penetration of high-end innovative products

² Orthotic & Prosthetic clinics

Only 30-40% of all new leg amputees are fitted with prosthetic solutions

>750,000

New lower limb
amputees per year

Western World	~200,000
Emerging Markets	~550,000

30-40%

of new leg amputees are fitted
with prosthetic solutions

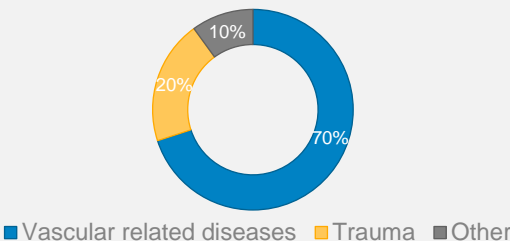
Western World	40-60%
Emerging Markets	10-30%

65-70

is the average age of the
amputee population

Western World	Above 70
Emerging Markets	Below 70

New lower limb amputations

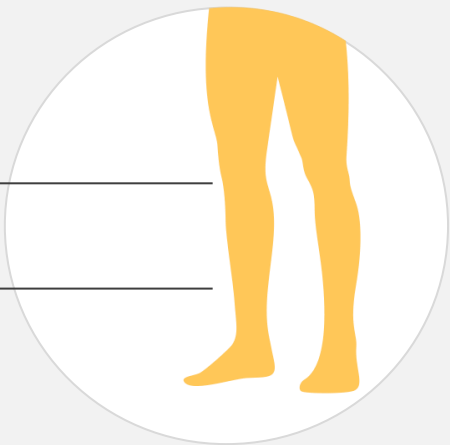


Western World	Vascular 70-90%
Emerging Markets	Trauma up to 90%

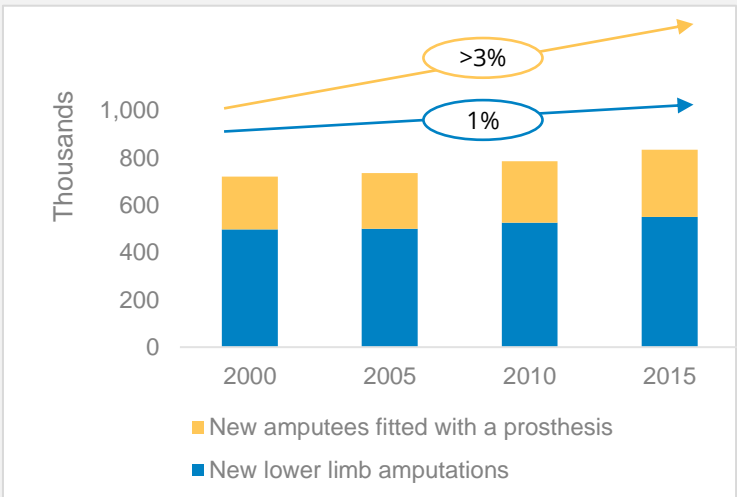
Level of
amputation

Above knee ~50%

Below knee ~50%



Growing number of
amputees
receiving
prosthetics



Example of megatrends that provide opportunity for positive development in volume, pricing and product mix for Össur



Aging and more active population

1. The global population of 65 and older is increasing, and so is the amputee population
2. Growing numbers affected by vascular disease, the leading cause of amputation
3. Increased amount of fractures, joint instability and joint afflictions



Increased penetration of high-end solutions

1. New innovative technologies being accepted for reimbursement
2. Gradual transition from volume to value-based payment in healthcare
3. Increased acknowledgement of healthcare economic benefits of bionics and OA bracing



Growing middle class in emerging markets

1. Global economic growth will be powered by emerging markets
2. Disposable income increasing in emerging markets, willingness to pay out-of-pocket
3. Increasing healthcare coverage in emerging markets



Increasing regulatory requirements

1. Investments in people and processes to adapt to changing healthcare requirements
2. Product development to meet prevailing regulatory requirements
3. Increasing importance of digital and personal data security



Increased pressure on healthcare budgets

1. Healthcare providers increasing efforts to manage cost
2. Demand for cost effective solutions without compromising quality
3. Consolidation in patient care



Improved treatment options

1. Earlier diabetic detection, limb salvage and alternative treatment options
2. Surgery, wound care and easily accessible pain medication provide alternatives to bracing
3. Increasing healthcare coverage and better access to patients

Össur works with a team of inspirational and accomplished athletes committed to changing the world's perception of what is possible

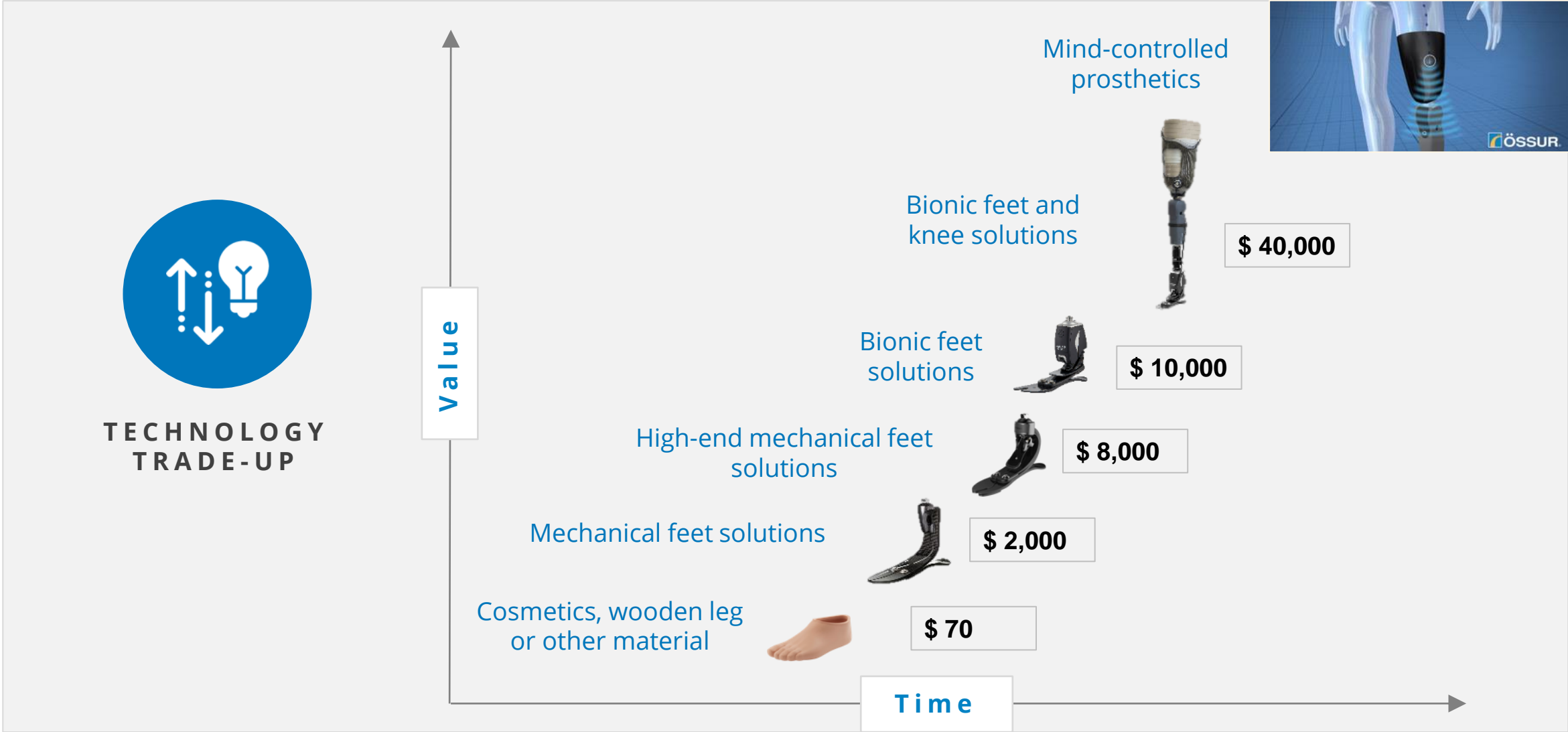


Team Össur is an accomplished group of elite international athletes and sporting role models, inspirational medal winners and world record holders alike who all choose to wear Össur products in their quest for the podium



Strategic priorities

From simple prosthetics to powered, intelligent and energy efficient bionic solutions



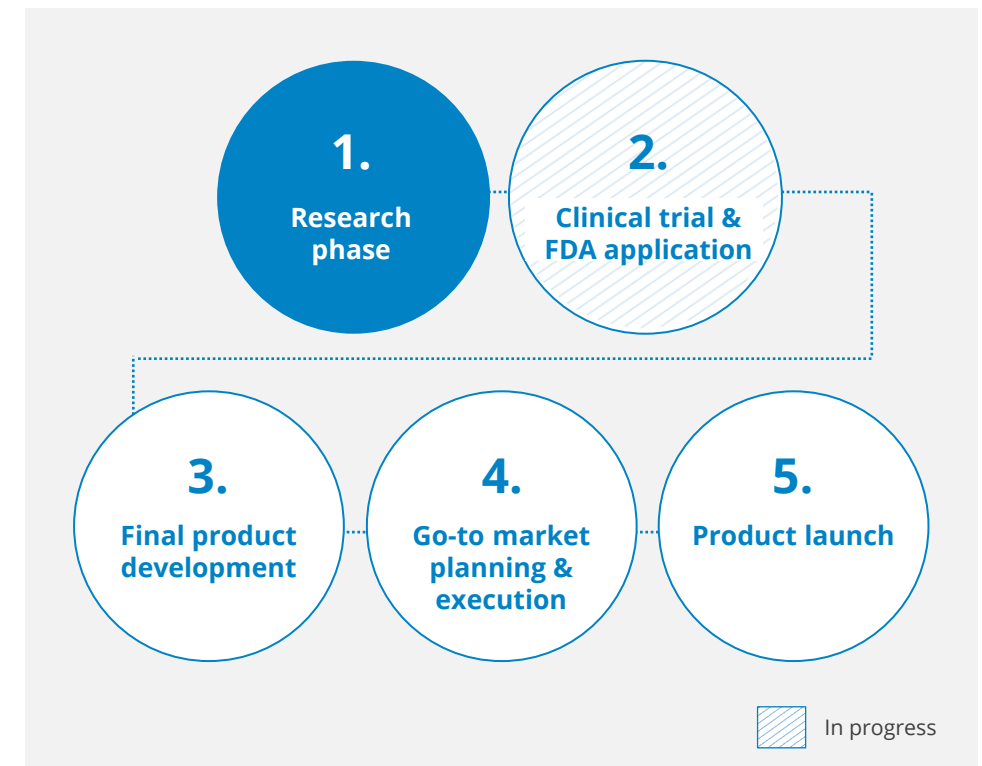
Note: Manufacturer sales price indicators in USD

All Össur bionic prosthetics are mind-controlled compatible with the IMES® sensors

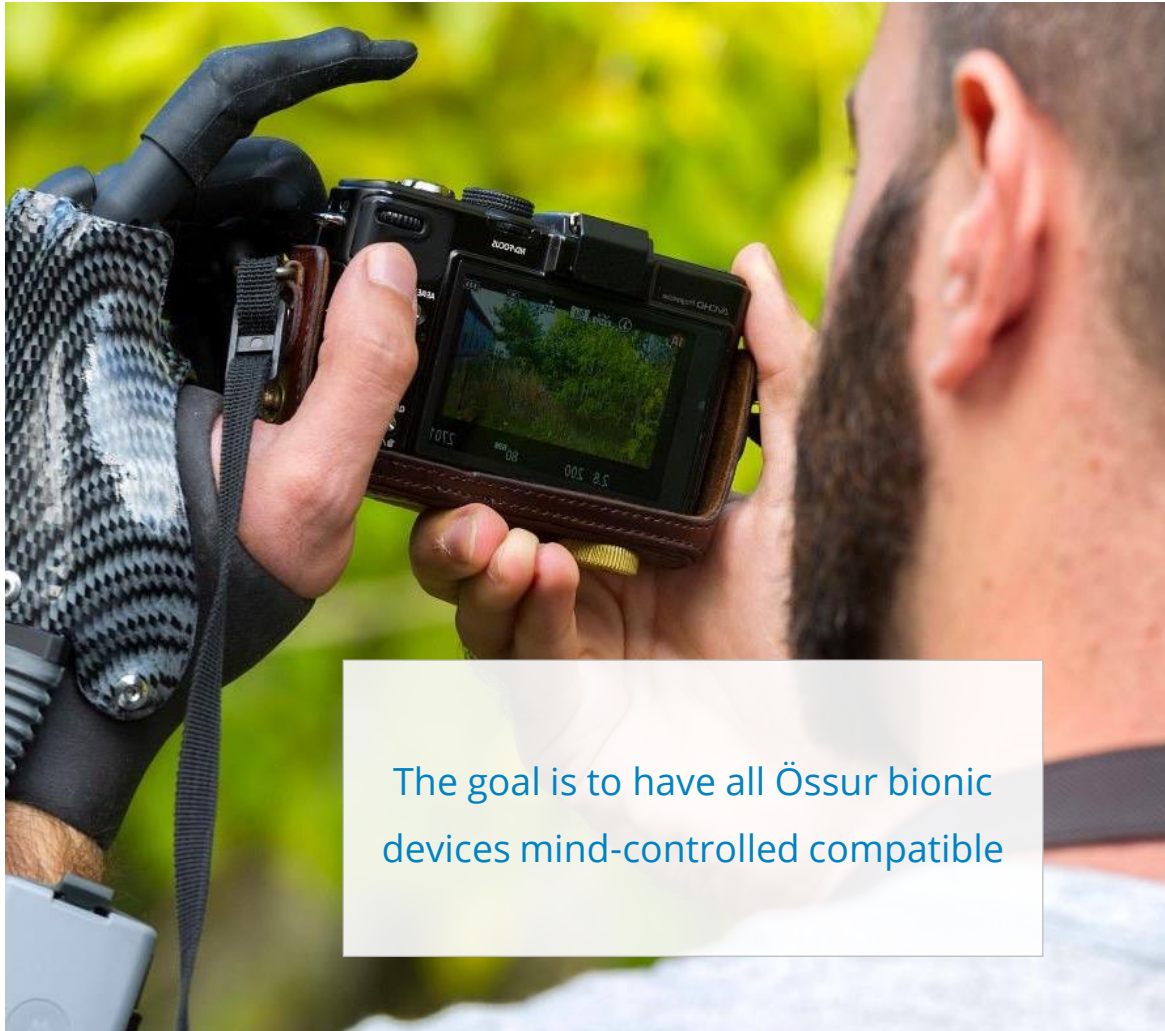
Össur and the Alfred Mann Foundation are collaborating on implanted myoelectric sensors

The IMES® sensors are implanted in muscles that directly control the desired movement of a bionic prosthetic limb

Two lower-limb amputees have had IMES® units surgically implanted into their residual muscle tissue and demonstrated their ability to control their Össur leg prostheses with their intentions



New generation of products will focus on the seamless integration of technology and human function



The goal is to have all Össur bionic devices mind-controlled compatible



Wearable bionic brace capable of providing assistance and improving quality of life

There is a need to create solutions that better match the needs of low active amputees

Elderly don't get solutions they need



The benefits of high-end solutions

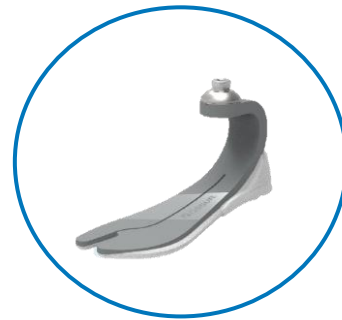
- Reduce risk of falls
- Reduce dependency on others
- Reduce cost in elderly care
- Increase mobility
- Increase daily prosthetic use



From socket molding to **user-friendly technology**



From a mechanical knee to a **powered knee**

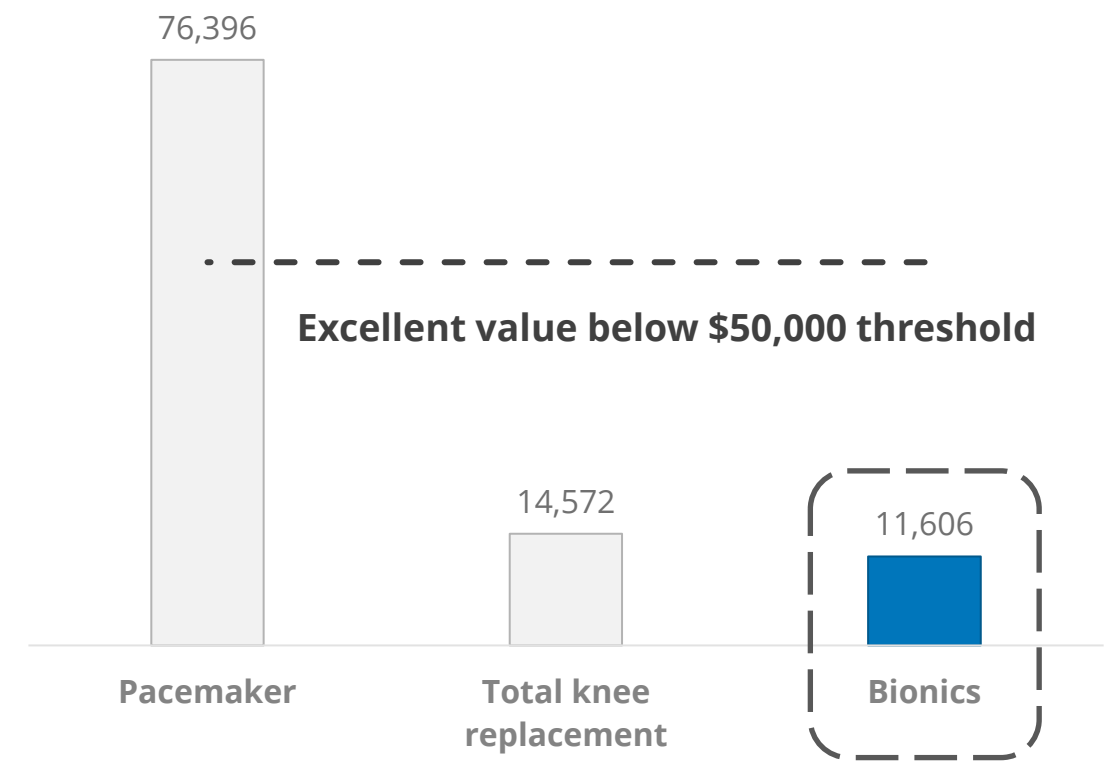


From passive feet to **energy efficient feet**



Recent studies clearly demonstrate the economic benefit of bionic solutions and their improvement to the quality of life for amputees

Incremental cost effectiveness ratio (ICER)*



To put the ICER on the left into perspective, amputees are less likely to fall with a bionic solution where the additional cost of a fall can be \$25,000 if hospitalized**

Statistics and recent studies support the cost-effectiveness of bionics for amputees

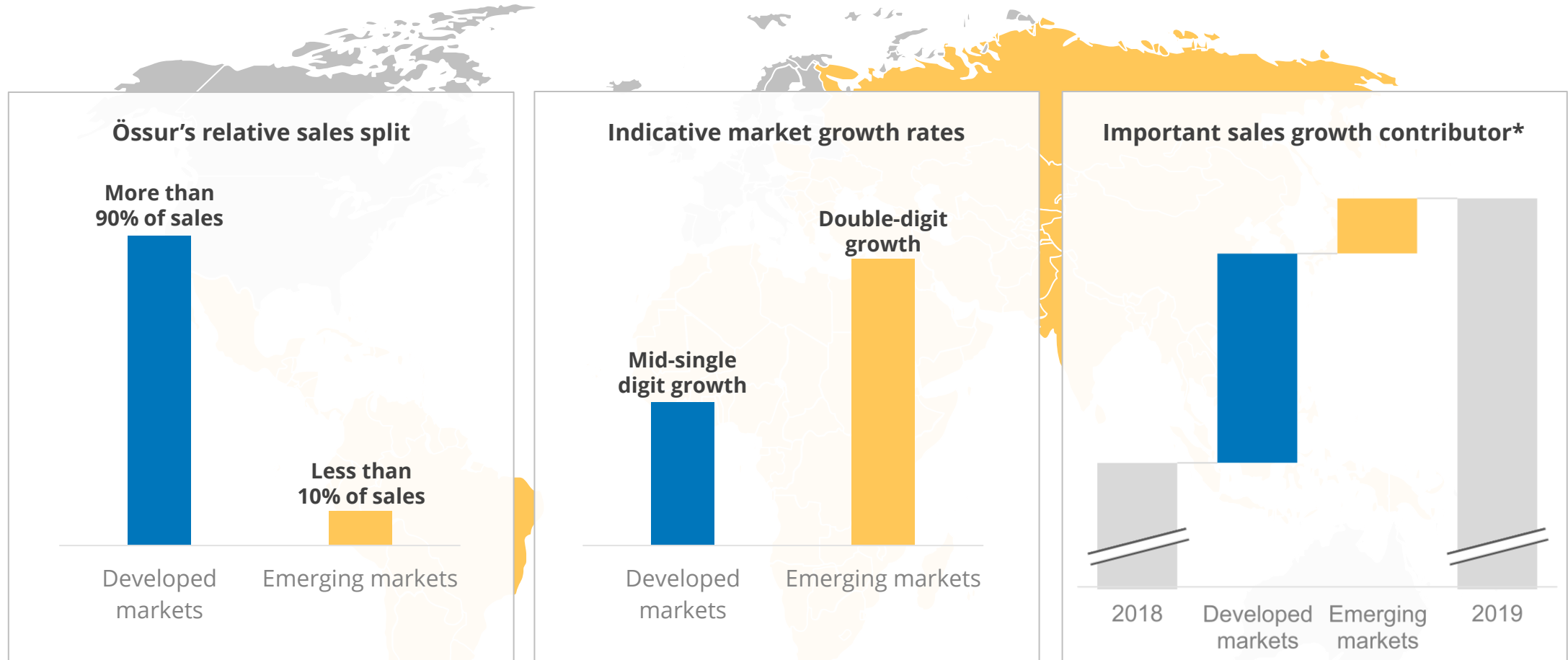
Studies provide evidence that it is not economical to withhold bionics from patients

Source: * L., Hangsheng, et.al. Economic Value of Advanced Transfemoral Prosthetics. Santa Monica, CA: RAND Corporation, 2017

** Mundell, et al., 2017

Note: ICER is a statistic used to assess the cost-effectiveness of a health care intervention and is synonymous with the cost per quality-adjusted life year (QALY) gained. Thresholds defined with consensus of the Institute for Clinical and Economic Review, 2017

Even though the emerging markets are a relatively small % of total sales they are an important growth contributor



* Graph has not been updated for 2020 as the impact of COVID-19 does not reflect a normalized run-rate

Össur's O&P Services (OPS) is an offering that strengthens Össur as a business partner

Service offering

Key benefit



Outsourced fabrication

- Central fabrication
- Complete Leg

**Reduced need
for manpower
and floor space**

Service offering

Key benefit



Patient outcomes

- PRO App
- Outcomes mgmt.

**Reimbursement
justification and
optimal product
selection**



Practice management

- Business IT solution
- Claims mgmt.

**Management
software to
increase
efficiency**



Business support

- Compliance audit
- Reimbursement
- Regulatory
- Partner network

**Support to
accelerate sales
growth**

Potential to increase efficiency in O&P across the P&L

P&L for an average O&P clinic in the United States						
COST OF GOODS SOLD			G&A			
Cost of goods (Raw materials, fabrication, supply management, freight)	Labor cost Clinical & technical		Office staff salaries	Occupancy	Employee benefits	Other G&A
29 - 31%	13 - 21%		16 - 23%	6 - 8%	4%	13 - 16%
43 - 54%			40 - 51%			
Industry average of around 7% profitability and profit leaders with around 15%						

Key trends for O&P clinics	Increasing cost of labor & materials and regulatory burden driving cost up	Pressure to lower and contain healthcare costs around the world	Complex consolidated operations demand enterprise class systems and processes	Need to improve profitability without sacrificing quality of care
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Partnership Services to support O&P with best practices to increase profitability and drive sales

CSR and Sustainability



Össur's contribution to the UN sustainable development goals

Össur's sustainability vision is to provide products and services that contribute to **good health**, using **responsible production** methods and supporting **climate action**, while being a **sponsor for gender equality**.



The 17 United Nations' Sustainable Development Goals are the world's blueprint to achieve a better and more sustainable future for all.

Össur has initiatives in place to support the UN Sustainable Development Goals



World goals	Ensure healthy lives and promote well-being for all at all ages	Achieve gender equality and empower all women and girls	Ensure sustainable consumption and production patterns	Take urgent action to combat climate change and its impacts
How Össur will contribute	Improve access to healthcare for amputees	Ongoing commitment towards gender equality	Reducing the environmental footprint of our products	Actively work towards a carbon neutral operation
Example of measurements	<ul style="list-style-type: none">• Launch products for elderlies• Initiate and/or support clinical investigations	<ul style="list-style-type: none">• Maintain an even employee gender split (+/- 10%)• Increase women in management	<ul style="list-style-type: none">• Sustainable product design• Reduce material in product packaging	<ul style="list-style-type: none">• Reduce emissions from travel and freight• Aim for renewable energy options

A closer look at good health and well-being



Globally, only 30-40% of new lower limb amputees are fitted with a prosthetic solution. The average age of amputees is between 65-70 years and vascular related amputations are above 80% in the developed world. Statistics demonstrate that if amputees in this age group do not become mobile, life-expectancy is materially reduced. Physical activity and exercise can have immediate and long-term health benefits and improve quality of life.

Össur is adding special focus on designing products that support the needs of elderly

1

Design and market functional products for the elderly

2

Initiate and/or support clinical investigations focusing on clinical benefits related to more functional products for elderly

3

Engage with industry specialists and decision makers to secure access to more functional products for elderly





We care about the environment and take our responsibility seriously

We are actively reducing our carbon footprint and to commemorate the Company's 50th anniversary,

Össur will be Carbon Neutral in 2021



Össur has partnered with First Climate, a leading service provider of carbon emissions management, to achieve carbon neutrality

Carbon neutral for Scope 1 and 2 emissions, and selected Scope 3 emissions



How will we do it?



Actively reduce emissions from our operations.



Improve energy efficiency at our locations.



Source 100% electricity from **renewable energy sources**.



Offset remaining emissions by supporting emission reduction projects.

Össur's greatest assets are its employees



36%

Female in management positions



54%

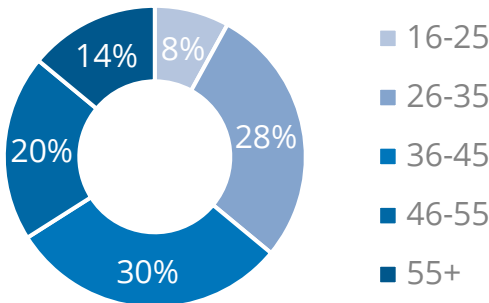
46%

Gender ratio at Össur



4.4 of 5.0

Global employee satisfaction

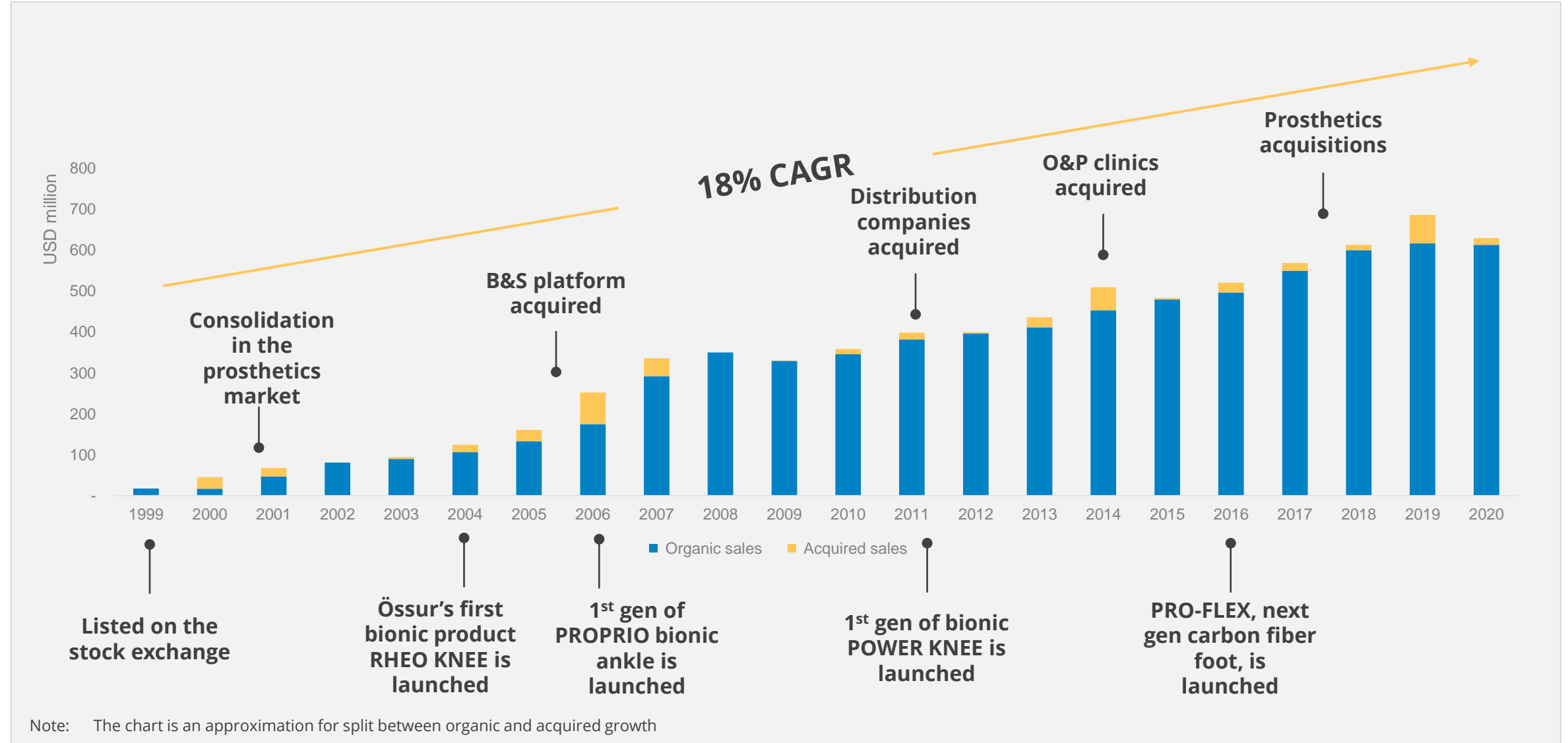


Age

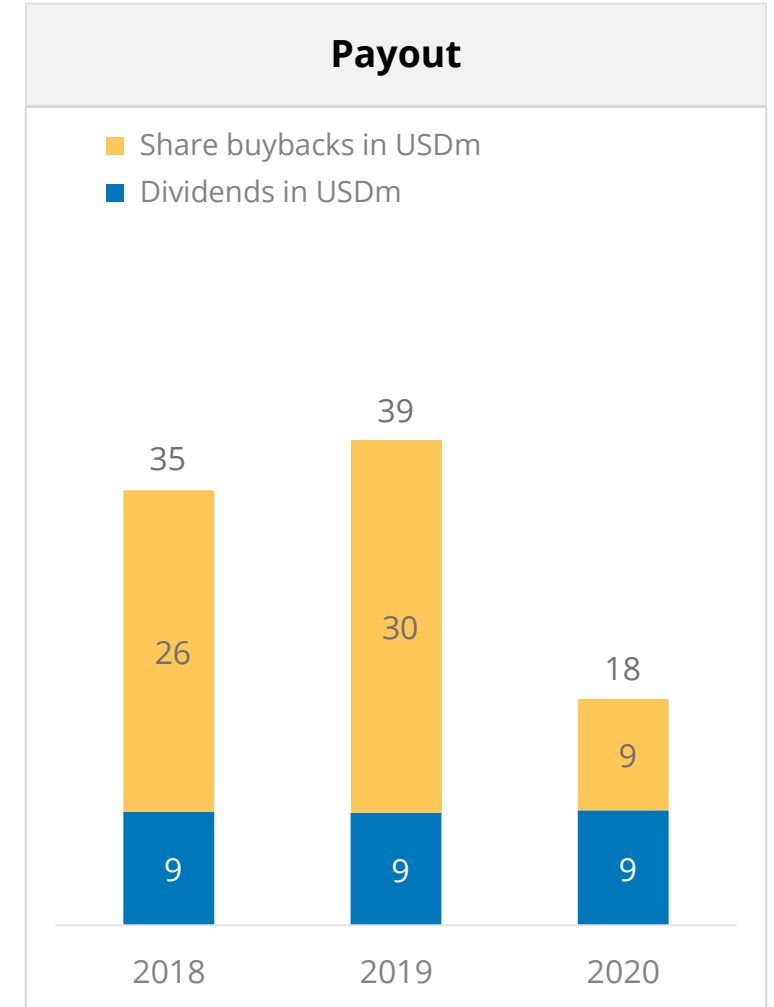
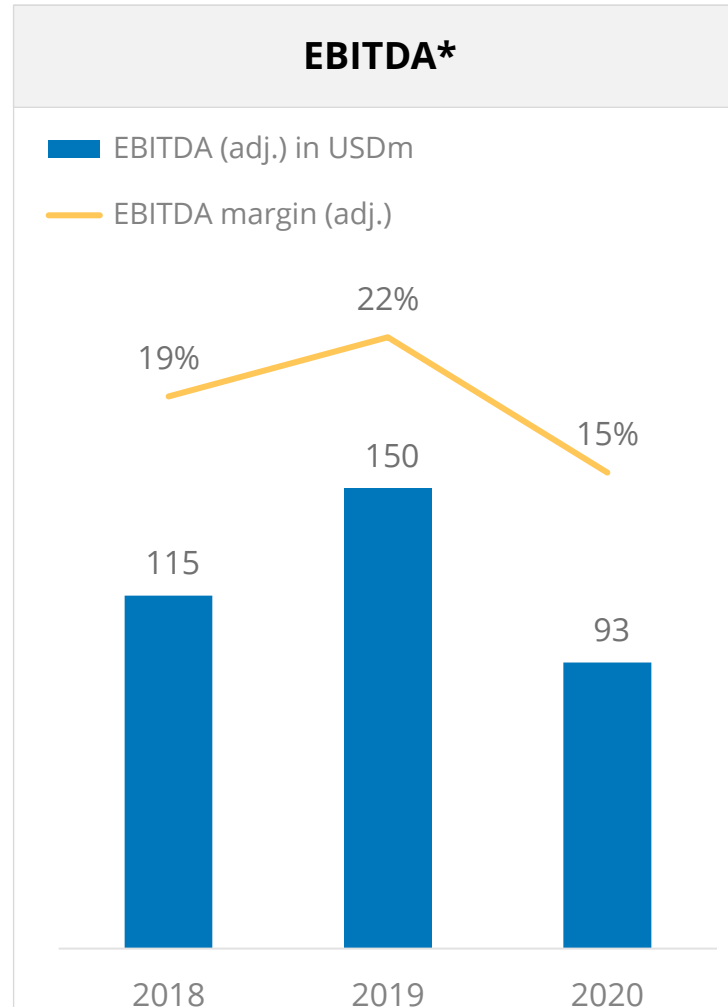
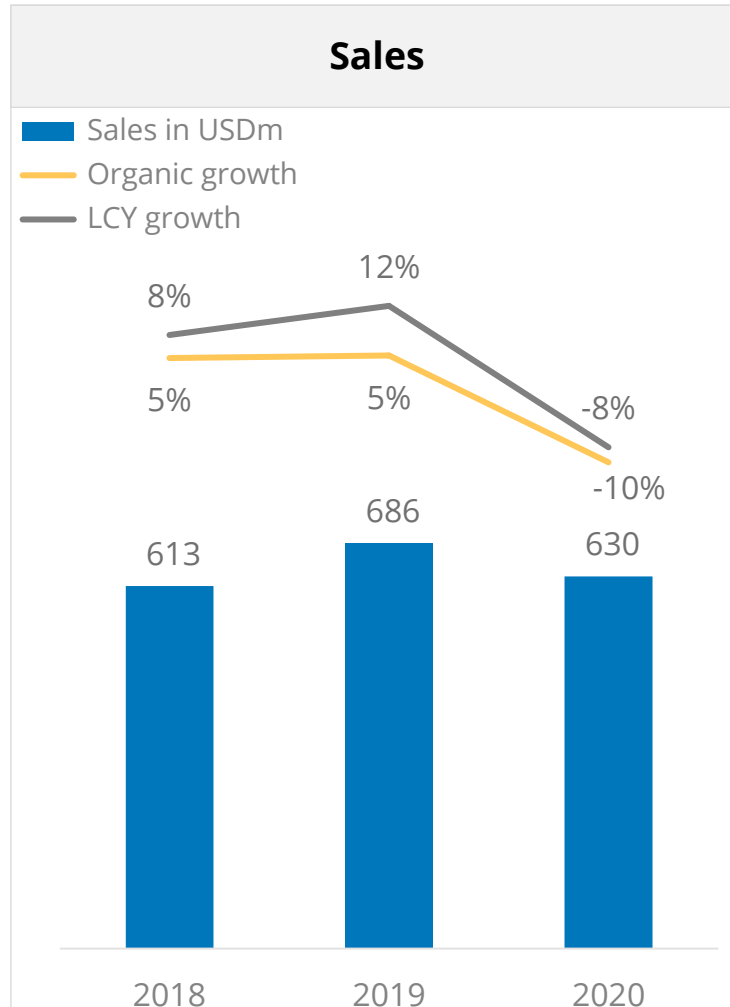


Financials

Össur has grown through a healthy combination of organic growth and acquisitions



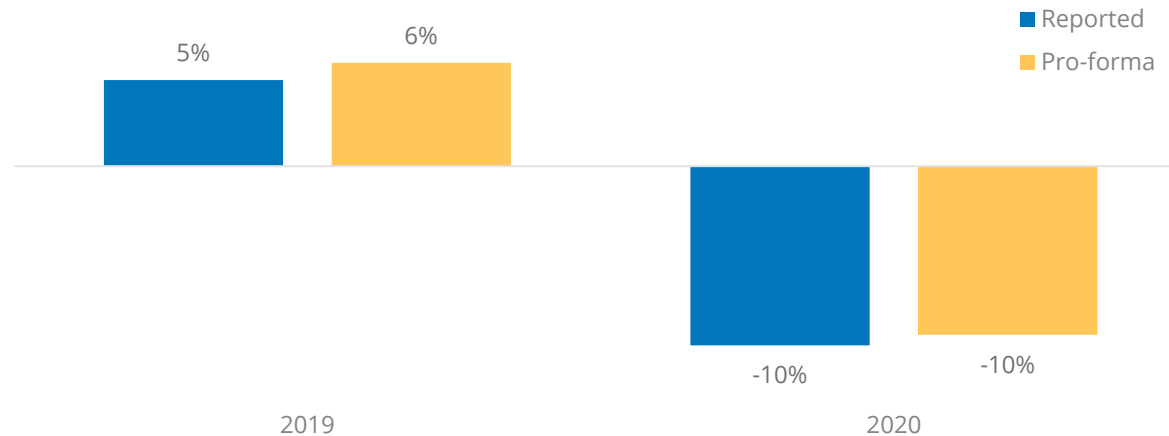
Össur has a history of strong organic growth, increasing profitability and strong cash flow



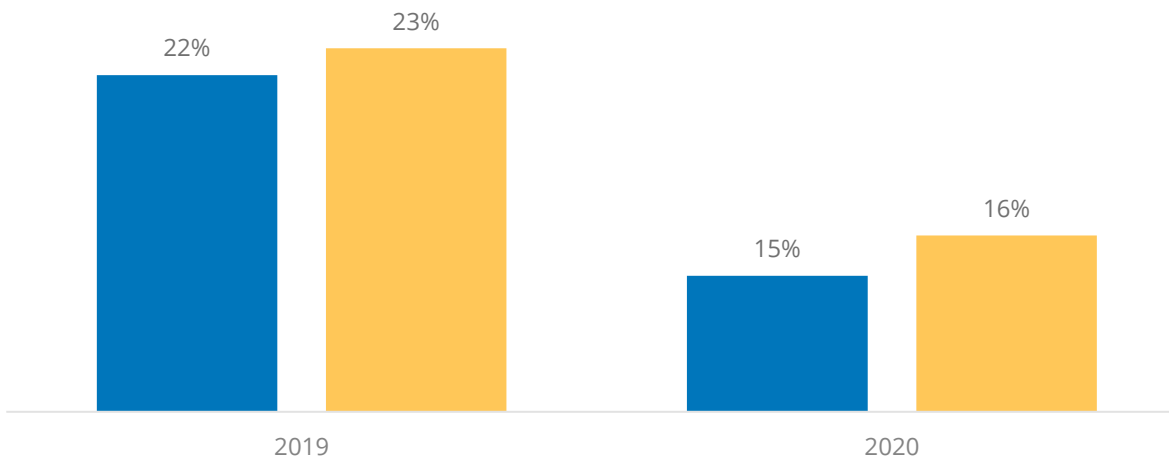
*EBITDA before special items in 2018 and 2019.

Impact from M&A activity in 2019 & 2020

Organic sales growth/decline



EBITDA margin before special items



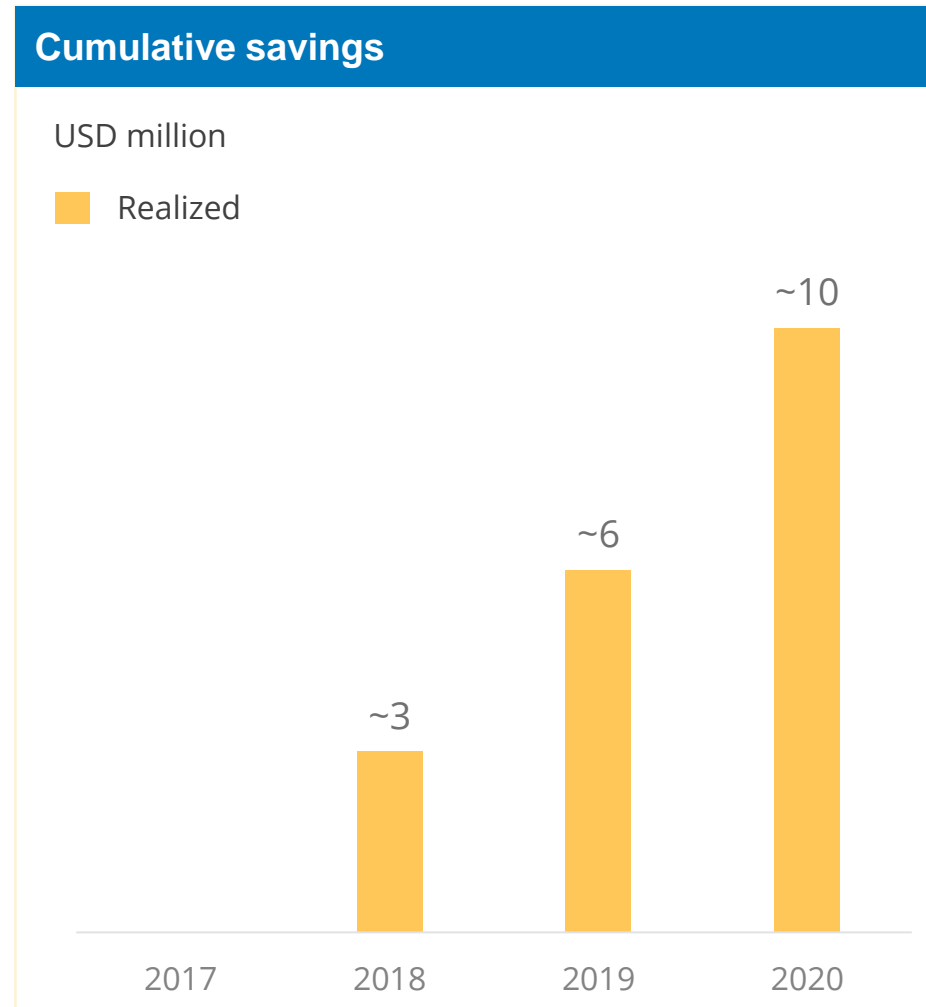
Note: Pro-forma figures exclude all divestments and include all acquisitions in 2019 and 2020.

Financial impact

- Sales increasing by ~10 MUSD using 2019 as a reference year not impacted by COVID-19
- Positive impact on organic growth with ~1 p.p. increase on 2019 figures and positive impact of ~0.6 p.p. in 2020
- GPM stable between reported and pro-forma figures
- EBITDA margin increasing by ~100 basis points
- B&S sales would have been 38% of total sales (reported 45%) in 2019 and 36% (reported 41%) in 2020

Overview of the efficiency initiatives launched in September 2017

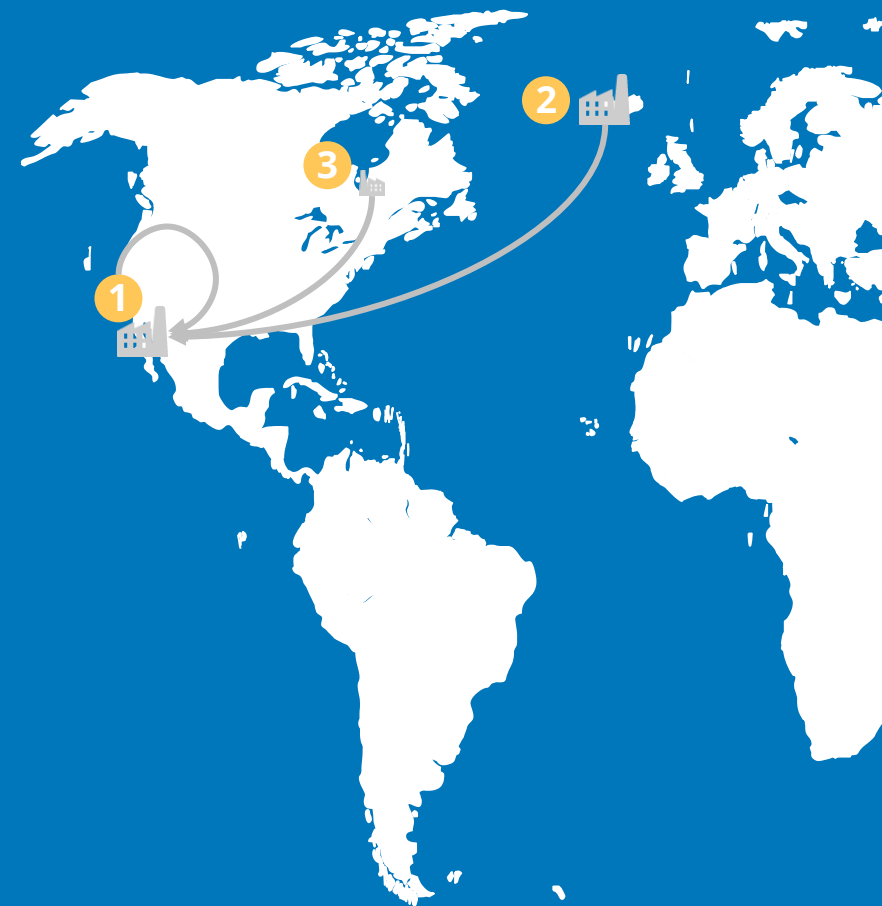
Initiative	Description
Distribution	Close a distribution facility and move its operations to the Mexico manufacturing facility to harvest scale and efficiency
Manufacturing	Move a part of the prosthetics manufacturing from Iceland to the Mexico manufacturing facility Close Össur's largest US manufacturing facility in Albion and move its activities to Mexico
Strategic sourcing	Establish a centralized strategic sourcing department to harvest savings across key spend categories



Note: Össur announced efficiency initiatives in September 2017. For further information see company announcement no. 68/2017.

Savings by moving certain distribution and manufacturing activities to a low-cost environment

#	Action	Impact
1	Close distribution facility in the US and move activities to Mexico	1 less site 20 new positions in Mexico
2	Move part of prosthetics manufacturing from Iceland to Mexico	60 new positions in Mexico
3	Close down manufacturing site in the US and move activities to Mexico	1 less site 30 new positions in Mexico
Total		2 less sites 110 new positions in Mexico



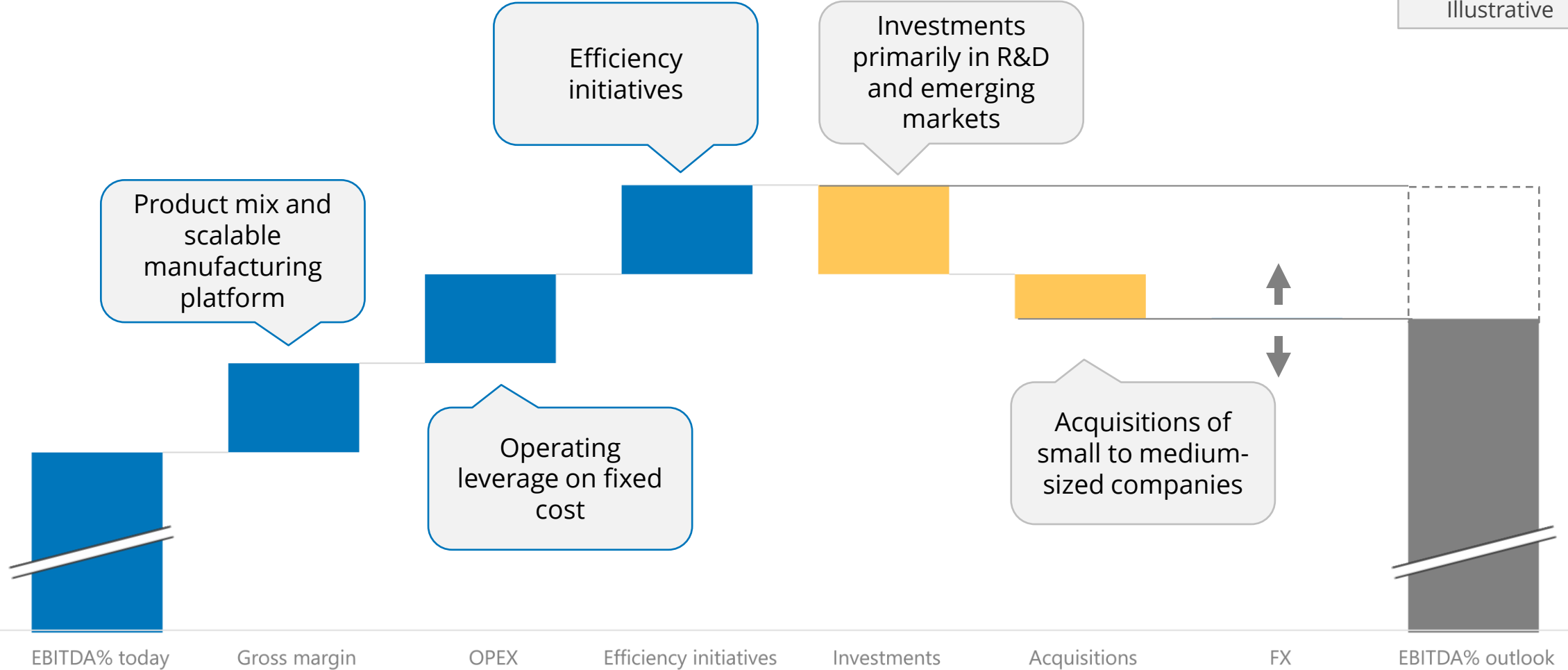
We have an increasingly scalable infrastructure

Category	Scalability	Key drivers impacting profitability
COGS	High	<ul style="list-style-type: none">• Scalable manufacturing platform• Centralized procurement (strategic sourcing)• 12 fewer locations since 2009
S&M	Medium	<ul style="list-style-type: none">• Implementation of a new CRM platform• Growing bionics sales• Össur's O&P Services• Investments in market access in emerging markets
G&A	High	<ul style="list-style-type: none">• Shared service center in Poland supporting around 60% of Össur's entities• Investments in global IT which is supporting majority of Össur's entities
R&D	Low	<ul style="list-style-type: none">• Investments in high-end product development• New innovation such as exoskeletons

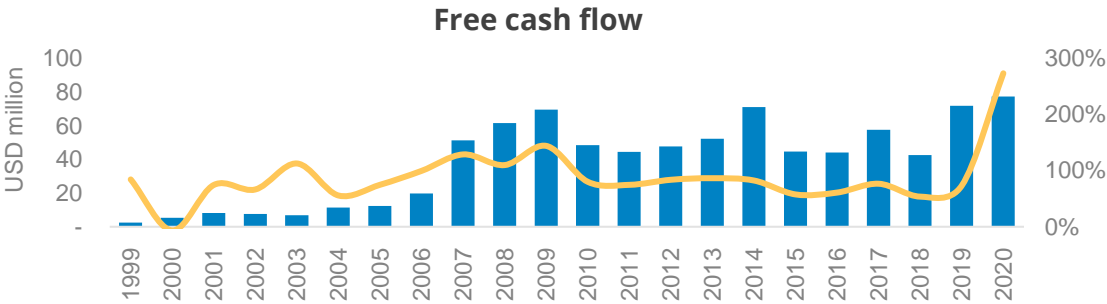


Illustration of expected EBITDA margin development in the short- to medium-term

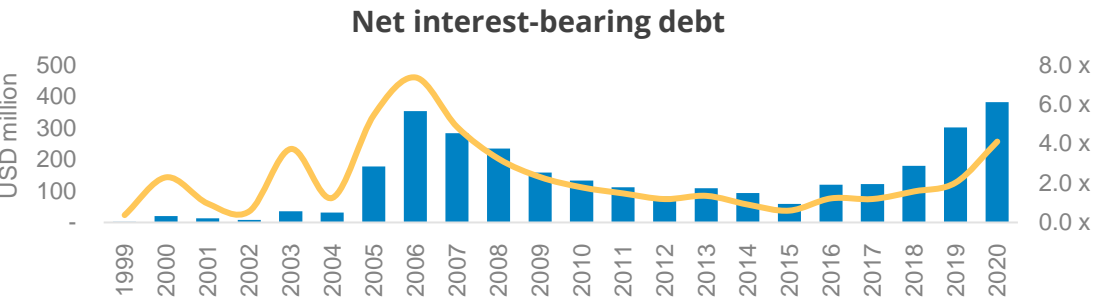
Illustrative



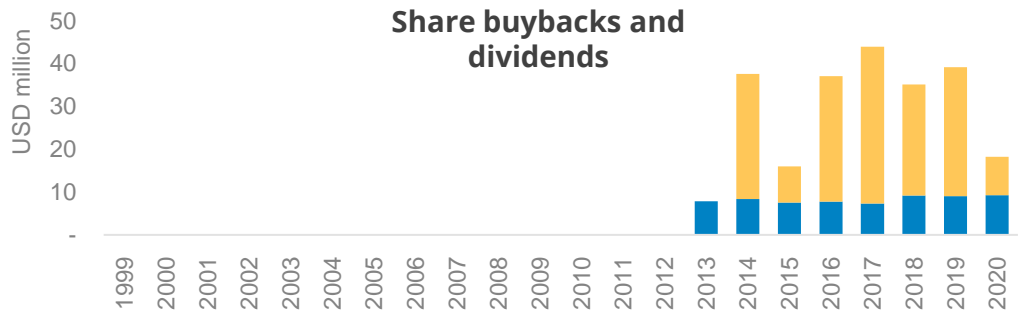
With a strong cash flow generation and capital structure, Össur began returning capital to shareholders via buybacks and dividends in 2013



FCF
~85% of EBIT
on average



Target
2.0-3.0x
NIBD/EBITDA



Total of USD
235 million
since 2013

Note: Free cash flow to firm is calculated as cash generated by operations less capital expenditures and taxes and excluding special items





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 2021 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.