

Sveinn Sölvason, President and CEO, Comments:

“Continued positive development and normalization of activity levels are driving demand for Prosthetics and B&S products in our key markets. We delivered solid organic growth despite all regions being impacted by COVID-19 in the first months of the year. We are managing temporary variable supply chain related cost increases which are expected to normalize gradually. Our Power Knee, the world’s first actively powered prosthetic knee, has now been successfully launched in all regions and is receiving excellent feedback. Highlighting our commitment to social responsibility and sustainable development, we published our Sustainability Report in the quarter and remain highly dedicated to providing our end-users with a Life Without Limitations.”

Highlights Q1 2022

- Sales amounted to USD 170 million. Sales growth was 10% in local currency and increased by 6% organic compared to a flat growth in local currency and an increase of 2% organic in Q1 2021.
- Prosthetics grew by 6% organic compared to a 3% growth in Q1 2021. Bracing & Supports (B&S) increased by 5% organic compared to a decline of 1% in Q1 2021.
- Gross profit margin was 62% in Q1 2022 compared to 64% in Q1 2021. Supply chain cost increases are expected to increase cost of goods sold by USD 13 million on a full-year basis in FY 2022 from pre-pandemic levels in FY 2019, compared to USD 10 million in FY 2021.
- EBITDA amounted to USD 27 million in Q1 2022, and the EBITDA margin was 16% compared to 18% in Q1 2021.
- Net profit in Q1 2022 amounted to USD 9 million or 5% of sales compared to USD 11 million or 7% of sales in Q1 2021.
- On 24 February, Össur suspended sales to Russia due to the ongoing war and has decided to extend the suspension while the situation remains unchanged. Sales to Russia amounted to around 1% of sales in FY 2021.
- Cash generated by operations amounted to USD 14 million or 8% of sales in Q1 2022 compared to USD 20 million or 12% of sales in the comparable period.
- NIBD/EBITDA was 2.5x at the end of Q1 2022 within the target ratio of 2.0x-3.0x.
- On 14 February 2022, Össur initiated a new share buyback program. The purpose of the program is to reduce the Company’s share capital and adjust the capital structure by distributing capital to shareholders in line with the Company’s Capital Structure and Capital Allocation Policy.
- In Q1 2022, Össur completed an acquisition with annual sales of USD 10 million.
- The financial guidance for the full year 2022 is unchanged, 6-9% organic sales growth, 20-21% EBITDA margin before special items, 3-4% CAPEX of sales, and an effective tax rate of 23-24%.

Key Financials and Guidance	Q1 2022	Q1 2021	Guidance 2022
Net sales in USD million	170	161	
Sales growth, organic	6%	2%	6-9%
EBITDA margin before special items	16%	18%	20-21%
CAPEX as % of sales	3%	3%	3-4%
Effective tax rate	24%	24%	23-24%

USD millions	Q1 2022	Q1 2021	2021	2020	2019	2018
Income Statement						
Net sales	170	161	719	630	686	613
Gross profit	105	103	455	391	439	387
Operating expenses (excl. other income / exp.)	91	86	360	338	341	304
EBITDA	27	29	149	93	141	107
EBITDA before special items	27	29	149	93	150	115
EBIT	14	17	97	28	98	79
Net profit	9	11	66	8	69	80
Sales Growth						
Sales growth USD	% 6	5	14	(8)	12	8
Growth breakdown:						
Organic growth	% 6	2	10	(10)	5	5
Currency effect	% (4)	5	3	0	(4)	1
Acquired/divested business	% 4	(2)	1	2	11	2
Balance Sheet						
Total assets	1,252	1,213	1,247	1,214	1,091	914
Equity	632	584	627	577	569	538
Net interest-bearing debt (NIBD)	368	386	363	381	302	180
Cash Flow						
Cash generated by operations	14	20	128	119	120	92
Free cash flow	5	9	74	68	63	39
Key Ratios						
Gross profit margin	% 62	64	63	62	64	63
EBIT margin	% 8	10	14	4	14	13
EBITDA margin	% 16	18	21	15	21	18
EBITDA margin before special items	% 16	18	21	15	22	19
Equity ratio	% 51	48	50	48	52	59
Net debt to EBITDA before special items	2.5	3.9	2.4	4.1	2.0	1.6
Effective tax rate	% 24	24	24	38	24	18
Return on equity	% 10	2	11	1	12	15
CAPEX / Net sales	% 3.0	2.9	3.7	3.8	4.6	5.0
Market						
Market value of equity	2,478	2,924	2,724	3,380	3,340	2,055
Number of shares in millions	423	423	423	423	425	431
Diluted EPS in US cents	2.2	2.7	15.5	1.9	16.2	18.7

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

Note: The Company applied IFRS 16 on 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

Management's Report

Financial Performance

Sales

Sales increased by 6% organic in Q1 2022

There was a positive trend in sales in Q1 2022, although COVID-19 impacted all regions in the quarter. Sales in Q1 2022 amounted to USD 170 million compared to USD 161 million in Q1 2021, corresponding to a 6% organic increase, 10% including acquisitions (local currency growth) and a 6% reported increase (USD growth).

Acquisitions completed in Q1

Össur made an acquisition in Q1 2022 with an effective date as of mid-February. Sales of the acquired entity amount to around USD 10 million on a full year basis.

Acquired sales amounted to USD 6 million in Q1

Impact on sales from acquisitions amounted to USD 6 million in Q1 2022 corresponding to a 4%-point positive effect on the reported growth rate. Currency movements in Q1 2022 impacted sales growth negatively by USD 7 million, which corresponds to about a 4%-point negative effect on the reported growth rate.

Sales By Region (USD million)	Q1 2022	Organic growth*	Δ Acq. / div.	Δ Curr. Effect	USD growth*
Americas	78	4%	4%	0%	8%
EMEA	78	10%	5%	-8%	7%
APAC	14	(6%)	0%	-4%	(10%)
Total	170	6%	4%	-4%	6%

Sales By Segment (USD million)	Q1 2022	Organic growth*	Δ Acq. / div.	Δ Curr. Effect	USD growth*
Prosthetics	106	6%	4%	-4%	6%
Bracing & Supports	64	5%	5%	-5%	5%
Total	170	6%	4%	-4%	6%

*growth/(decline)

In Q1 2022, prosthetics sales amounted to USD 106 million and increased by 6% organic. Bionic sales continue to normalize, and the Power Knee has been very well received. In the quarter, sales of bionic products accounted for 20% of prosthetics component sales compared to 19% in Q1 2021. B&S sales amounted to USD 64 million in Q1 2022 and increased by 5% organic.

**Continuous
organic growth**

EMEA showed strong growth in the first quarter of the year and sales in Americas are normalizing. Sales continued to grow although the impact from COVID-19 was more widespread than anticipated. It impacted all regions in the first months of the year, especially APAC as both China and Australia were affected. Towards the end of the quarter, the impact from COVID-19 started to diminish in most markets but the pandemic and the associated lockdowns are expected to continue to have an adverse effect on China in Q2.

On 24 February, Össur suspended sales to Russia due to the ongoing war and has decided to extend the suspension of all business to Russia, while the situation remains unchanged. Sales to Russia amounted to around 1% of sales in FY 2021. In addition, Össur has an outstanding receivable amounting to USD 2 million in connection with sales to Russia that has not been written off. Össur does not have direct operations in Russia nor Ukraine. However, Össur has outsourced part of ongoing IT project support to 32 employees in Ukraine who are all reported safe. Össur employees around the world have been showing great empathy by donating to local and international organizations helping with the relief efforts. Össur is evaluating the most appropriate delivery models for humanitarian provision of products and clinical services.

Operations

**Gross profit
margin 62% in Q1**

In Q1 2022, Gross profit amounted to USD 105 million or 62% of sales compared to USD 103 million or 64% of sales in Q1 2021. The gross profit margin in Q1 2022 was mainly affected by further temporary variable cost increases due to higher freight cost and inflation in raw material prices. Össur's manufacturing sites and warehouses are operating at normal capacity within local COVID-19 restrictions, but supply chain challenges have had a short-term negative effect on productivity. In FY 2021, cost of goods sold increased by USD 10 million from pre-pandemic levels in FY 2019 due to supply chain related cost increases. In the Q4 2021 Company Announcement, higher freight cost and inflation in raw material prices were estimated to increase cost of goods sold by USD 9 million on a full year basis in FY 2022 from pre-pandemic levels in FY 2019. However, cost of goods sold is expected to increase by USD 13 million on a full-year basis in FY 2022 from pre-pandemic levels in FY 2019. Thereof, around USD 5 million is estimated in freight and around USD 2 million in raw material prices in 1H 2022 and around USD 3 million in freight and around USD 3 million in raw material prices in 2H 2022. Extraordinarily high ocean freight rates and increased use of air and expedited sea freight to support demand are the main drivers for higher freight cost. Management estimates that most of this increase in cost of goods sold is temporary in nature.

COGS Increases vs. Pre-pandemic Levels in FY 2019 (USD Million)	Previous Estimate		Updated Estimate
	FY 2021	FY 2022	FY 2022
Freight	7	5	8
Raw material	3	4	5
Total	10	9	13

Price increases have been implemented as planned with an approximately 2.5% price increase effective in most markets mid Q1 2022. Sales price increases are estimated to largely absorb the before mentioned cost increases. However, some unpredictability can be expected in terms of sales price increases covering further inflation.

**OPEX increased by
5% in Q1 2022**

Operating expenses amounted to USD 91 million or 53% of sales in Q1 2022 compared to USD 86 million also 53% of sales in Q1 2021. Total operating expenses increased by 5%. The main driver for OPEX growth in Q1 was R&D cost as well as variable sales & marketing cost. Customer activities, higher payroll and cost in relation to further investments in the Emerging Markets platform and digital initiatives continue to be the main items impacting OPEX growth.

Operating profit

EBITDA margin of 16% in Q1

EBITDA in Q1 2022 amounted to USD 27 million or 16% of sales compared to USD 29 million or 18% of sales in Q1 2021. Currency impact on EBITDA margin including hedge was negative by about 20 basis points in the quarter.

Financial Items, Income Tax and Net Profit

Net financial expenses in Q1 2022 amounted to USD 2 million, the same as in Q1 2021.

Effective tax rate of 24% in Q1

Income tax amounted to USD 3 million in Q1 2022, corresponding to a 24% effective tax rate. Income tax amounted to USD 4 million in Q1 2021, also corresponding to a 24% effective tax rate.

Net profit in Q1 2022 amounted to USD 9 million compared to USD 11 million in Q1 2021. Diluted earnings per share in Q1 2022 amounted to 2.2 US cents compared to 2.7 US cents in Q1 2021.

Cash Flow

Cash generated by operations and capital expenditures

Cash generation of USD 14 million

Cash generated by operations amounted to USD 14 million or 8% of sales in Q1 2022 compared to USD 20 million or 12% of sales in Q1 2021. Generally, cash flow is seasonally lowest in the first quarter of the year. In addition, cash generated by operations was adversely affected by payables, partly offset by less investment in inventories compared to Q1 2021.

CAPEX was 3 % of sales in Q1

Capital expenditures for Q1 2022 amounted to USD 5 million or 3% of sales, the same as in Q1 2021, USD 5 million or 3% of sales.

Bank balances and cash equivalents

Cash and undrawn facilities amounted to USD 181 million

Bank balances and cash equivalents amounted to USD 84 million at the end of Q1 2022 and USD 96 million of existing credit facilities are undrawn. Bank balances and cash equivalents in addition to undrawn credit facilities at the end of Q1 2022, therefore, amounted to USD 181 million.

Capital Structure

Net-interest bearing debt

NIBD/EBITDA at 2.5x

Net interest-bearing debt, including lease liabilities, amounted to USD 368 million at the end of Q1 2022 compared to USD 363 million at year-end 2021. Net interest-bearing debt to EBITDA corresponded to 2.5x at the end of Q1 2022.

Share buybacks

New share buyback program

On 14 February 2022, Össur initiated a new share buyback program. The purpose of the program is to reduce the Company's share capital and adjust the capital structure with a desired capital level of 2.0-3.0x net interest-bearing debt to EBITDA, by distributing capital to shareholders in line with the Company's Capital Structure and Capital Allocation Policy. At the end of Q1 2022, treasury shares totaled 958,881.

Other Matters

New R&D Leadership

Dr. Kristleifur Kristjánsson has decided to retire from his position as Executive Vice President of Research and Development at Össur from 1 July 2022. Hildur Einarsdóttir has been appointed Executive Vice President of Research and Development and will become a member of the Össur Executive Committee, effective 1 July 2022. Mrs. Einarsdóttir has been a valuable leader in Össur R&D and Global Marketing during her 13 years with the Company. Her industry knowledge and passion for innovation will further advance Össur's technological leadership.

Power Knee™

The new Össur Power Knee continues to gain traction. Following a limited launch in 2021, Össur's next generation Power Knee has now been launched in all major markets. This world's first actively powered prosthetic knee, was fully launched in Americas in February 2022, EMEA in March and APAC in April.

The Power Knee is ideal for amputees seeking increased assistance from their prosthetic device and those who require better symmetry, more natural gait, and increased participation in the daily activities they enjoy.

The favorable reception has more than met expectations as numerous successful patient fittings have already been conducted among amputees of all ages and abilities. Patient and provider comments are very positive which fuels our ongoing dedication to improving people's mobility.

Sustainability Report

In February, Össur published its Annual Sustainability Report. The report also serves as the progress Report for Össur's commitment to the UN Global Compact Initiative and the UN Sustainable development Goals. In addition, Össur follows the NASDAQ ESG Reporting Guidelines. The report gives a good overview of the structure of sustainability within the Company and provides insight into key processes. The latest report offers enhanced information of all ESG areas adding to the transparency. Some of the key milestones in 2021 are Carbon Neutral operations and a new Global Code of conduct. The Report also offers insight into Össur's priorities and continued commitment to sustainability across its operations. [Össur Sustainability Report 2021](#).

Financial Guidance

Guidance	Guidance FY 2022	Actual FY 2021
Sales growth, organic	6-9%	10%
EBITDA margin before special items	20-21%	21%
CAPEX as % of sales	3-4%	4%
Effective tax rate	23-24%	24%

No changes have been made to the financial guidance for FY 2022.

The financial guidance assumes that Q2, Q3 and Q4 will largely be unaffected by COVID-19. The key factors impacting sales growth will be effect from price increases, impact from new product launches, pent-up demand, successful execution in Emerging Markets, stability in product supply and effect from COVID-19. In addition, at current FX rates, sales are estimated to be negatively affected by 3.6%-points in 2022. Further information on the financial guidance can be found in the Company Announcement from Q4 2021.

At current foreign exchange rates, keeping all other factors constant, the EBITDA margin is expected to be negatively impacted by about 40 basis points in 2022 when compared to 2021. Additional information on foreign exchange assumptions can be found in the next section.

Foreign Exchange

Sales are particularly exposed to fluctuations in the EUR against the USD. In addition to the EUR, the ISK has a relatively high impact on operating results as a substantial part of manufacturing, R&D and some corporate functions are based in Iceland whereas sales in ISK are minor. Split of sales and costs by main currencies can be found in note 4 of the accompanying consolidated financial statements.

All else being equal, a +/- 5% movement in EUR/USD is estimated to have an annual impact on EBITDA in the range of +/- USD 2.0-2.5 million when unhedged. The same movement in ISK/USD is estimated to have an annual impact on EBITDA in the range of +/- USD 2.7-3.2 million when unhedged. Össur utilizes forward contracts to hedge approximately 50% of the estimated net currency exposure in ISK.

Currency Overview USD	EUR	ISK
Average exchange rate FY 2021	1.1832	0.0079
Average exchange rate Q1 2022	1.1223	0.0078
Closing rate 25 April 2022	1.0746	0.0077
Estimated average exchange rate for 2022*	1.0865	0.0077
Change in estimated exchange rate 2022 compared to last year's average	-8%	-2%

* Estimated average exchange rate is calculated as the exchange rate of Q1 2022 combined with the closing rate on 25 April 2022 for the remainder of the year.

Financial Calendar and Conferences

Q1 2022 conference call details

Össur will host a conference call on 26 April 2022 at **9:00 CEST / 7:00 GMT / 3:00 ET**. To participate in the call please dial:

Europe: + 45 35 44 55 77, +44 (0) 333 300 0804 or +46 (0) 8 566 426 51

The United States: + 1 631 913 1422

Iceland: +354 800 7437

The PIN CODE to access the call is 48782473#. A webcast can be followed on the Össur website: www.ossur.com/investors.

Financial Calendar

Interim report Q2 2022	21 July 2022
Interim report Q3 2022	25 October 2022
Interim report Q4 2022 and Annual Report 2022	31 January 2023
Annual General Meeting	10 March 2023

Conferences

ABGSC Small & Mid Cap Seminar (DK)	31 May 2022
Pareto Securities' Healthcare Conference (SE)	7 September 2022
Goldman Sachs European Medtech Conference (UK)	7-8 September 2022
ABGSC Small & Mid Cap Seminar (DK)	21 September 2022

For Further Information

Contact Details

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Össur corporate announcements by e-mail

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About Össur

Össur (Nasdaq Copenhagen: OSSR) is a global leader in non-invasive orthopaedics that helps people live a Life Without Limitations®. A recognized “Technology Pioneer” with a rich 50-year history, Össur focuses on improving people’s mobility through the delivery of innovative technologies in Prosthetics and Bracing & Supports. Significant investment in research and development have led to over 2,000 patents, award-winning designs, successful clinical outcomes, and consistently strong market positions. Össur is signatory to the UN Global Compact, UN Women’s Empowerment Principles, contributes to the UN Sustainable Development Goals and became Carbon Neutral in 2021. Össur operates globally and employs around 4,000 employees. www.ossur.com

Forward-Looking Statements

This press release includes “forward-looking statements” which involve risks and uncertainties that could cause actual results to differ materially from results expressed or implied by these statements. Össur hf. undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

Össur hf.

**Condensed Interim Consolidated
Financial Statements**

31.3.2022

Össur hf

Grjóthálsi 5

110 Reykjavík

Id-no. 560271-0189

Statement by the Board of Directors and President and CEO

The Condensed Interim Consolidated Financial Statements of Össur hf. for the period from 1 January 2022 to 31 March 2022 consist of the Financial Statements of Össur hf. and its subsidiaries. The Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards for Interim Financial Reporting, IAS 34, as adopted by the EU. The Condensed Interim Consolidated Financial Statements are neither audited nor reviewed by the Company's auditors.

The total sales of the Össur Consolidation amounted to USD 170 million and the net profit amounted to USD 9 million. Össur's Consolidated total assets amounted to USD 1,252 million at the end of period, liabilities were USD 620 million, and equity was USD 632 million.

It is our opinion that these Condensed Interim Consolidated Financial Statements present all the information necessary to give a true and fair view of the Company's financial position at 31 March 2022 and operating performance of the period ended 31 March 2022.

The Board of Directors and the President and CEO of Össur hf. have today discussed the Condensed Interim Consolidated Financial Statements for the period from 1 January to 31 March 2022 and confirm them by means of their signatures.

Reykjavík, 26 April 2022

Board of Directors

Niels Jacobsen
Chairman of the Board

Svafa Grönfeldt

Alberto Esquenazi

Arne Boye Nielsen

Guðbjörg Edda Eggertsdóttir

President and CEO

Sveinn Sölvason

Consolidated Income Statement

All amounts in USD '000	Notes	Q1 2022	Q1 2021
Net sales	3	170,060	160,846
Cost of goods sold		(65,463)	(58,249)
Gross profit		104,597	102,597
Other income		149	273
Sales and marketing expenses		(65,293)	(59,935)
Research and development expenses		(9,283)	(7,272)
General and administrative expenses		(16,093)	(18,944)
Earnings before interest and tax (EBIT)		14,077	16,719
Financial income		296	154
Financial expenses		(2,747)	(2,974)
Net exchange rate difference		684	1,148
Net financial expenses		(1,767)	(1,672)
Earnings before tax (EBT)		12,310	15,047
Income tax		(2,973)	(3,656)
Net profit		9,337	11,391
Attributable to:			
Owners of the Company		8,760	11,128
Non-controlling interests		577	263
Net profit		9,337	11,391
Earnings per share			
Earnings per share (US cent)		2.2	2.7
Diluted earnings per share (US cent)		2.2	2.7

Consolidated Statement of Comprehensive Income

All amounts in USD '000	Q1 2022	Q1 2021
Net profit	9,337	11,391
Items that may be reclassified subsequently to profit or loss:		
Change in cash flow hedges	704	1,953
Exchange differences on translating foreign operations	(2,524)	(5,450)
Income tax relating to components of other comprehensive income	(411)	(1,768)
Other comprehensive income, net of income tax	(2,231)	(5,265)
Total comprehensive income	7,106	6,126
Attributable to:		
Owners of the Company	6,529	5,863
Non-controlling interests	577	263
Total comprehensive income	7,106	6,126

Consolidated Balance Sheet

Assets

All amounts in USD '000	Notes	31.3.2022	31.12.2021
Property, plant and equipment	5	55,401	55,349
Right of use assets	6	123,568	126,731
Goodwill	7	649,878	644,153
Other intangible assets	8	57,394	58,836
Investment in associates		13,717	13,647
Other financial assets		3,674	2,924
Deferred tax assets		27,066	27,044
Non-current assets		930,698	928,684
Inventories		110,569	103,985
Accounts receivables		100,919	102,768
Other assets		25,643	26,281
Bank balances and cash equivalents		84,410	85,197
Current assets		321,541	318,231
Total assets		1,252,239	1,246,915

Consolidated Balance Sheet

Equity and liabilities

All amounts in USD '000	31.3.2022	31.12.2021
Issued capital and share premium	74,342	75,571
Reserves	(48,164)	(45,917)
Retained earnings	600,623	591,932
Equity attributable to owners of the Company	626,801	621,586
Non-controlling interest	5,586	5,009
Total equity	632,387	626,595
Borrowings	259,218	262,190
Lease liabilities	115,510	118,674
Deferred tax liabilities	30,051	29,027
Provisions	5,901	8,788
Deferred income	6,048	6,250
Other financial liabilities	8,660	8,935
Non-current liabilities	425,388	433,864
Borrowings	56,529	46,043
Lease liabilities	21,542	21,244
Accounts payable	28,327	26,720
Income tax payable	7,967	7,350
Provisions	12,624	10,674
Accrued salaries and related expenses	39,573	42,341
Other liabilities	27,902	32,084
Current liabilities	194,464	186,456
Total equity and liabilities	1,252,239	1,246,915

Consolidated Statement of Cash Flow

All amounts in USD '000	Notes	Q1 2022	Q1 2021
Earnings before interests and tax (EBIT)		14,077	16,719
Depreciation and amortization	5, 6, 8	12,656	11,930
Change in inventories		(6,050)	(8,120)
Change in receivables		930	1,177
Change in payables		(5,178)	(1,376)
Other operating activities		(2,315)	(430)
Cash generated by operations		14,120	19,900
Interest received		182	178
Interest paid		(2,693)	(2,835)
Income tax paid		(1,924)	(3,298)
Net cash provided by operating activities		9,685	13,945
Purchase of fixed and intangible assets	5, 8	(5,183)	(4,593)
Acquisition of subsidiaries, net of cash in acquired entities		(9,439)	(16,468)
Other investing activities		112	(353)
Cash flows to investing activities		(14,510)	(21,414)
Proceeds from long-term borrowings		0	459
Repayments of long-term borrowings		(215)	(157)
Changes in revolving credit facility		10,901	0
Payments of lease liabilities		(5,368)	(4,644)
Change in treasury shares		(1,230)	0
Cash flows from / (to) financing activities		4,088	(4,342)
Net change in cash		(737)	(11,811)
Exchange rate effects on cash held in foreign currencies		(50)	(3,053)
Cash at beginning of period		85,197	102,363
Cash at end of period		84,410	87,499

Consolidated Statement of Changes in Equity

All amounts in USD '000	Share capital	Share premium	Statutory reserve	Share option reserve	Fair value reserve	Translation reserve	Accumulate profits	Attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2021	4,794	70,077	1,267	2,507	196	(35,484)	529,155	572,512	4,678	577,190
Net profit							11,128	11,128	263	11,391
Change in cash flow hedges					1,563			1,563		1,563
Transl. diff. of shares in subsidiaries						(6,828)		(6,828)		(6,828)
Total comprehensive income	0	0	0	0	1,563	(6,828)	11,128	5,863	263	6,126
Share option charge for the period				377				377		377
Balance at 31 March 2021	4,794	70,077	1,267	2,884	1,759	(42,312)	540,283	578,752	4,940	583,692
Balance at 1 January 2022	4,795	70,776	1,267	4,093	113	(51,390)	591,932	621,586	5,009	626,595
Net profit							8,760	8,760	577	9,337
Change in cash flow hedges					564			564		564
Transl. diff. of shares in subsidiaries						(2,795)		(2,795)		(2,795)
Total comprehensive income	0	0	0	0	564	(2,795)	8,760	6,529	577	7,106
Share option charge for the period				599				599		599
Share option vested during the period	1	506		(614)			(69)	(176)		(176)
Purchase of treasury shares	(3)	(1,734)						(1,736)		(1,736)
Balance at 31 March 2022	4,794	69,548	1,267	4,077	677	(54,185)	600,623	626,801	5,586	632,387

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Statement of compliance

The Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards for Interim Financial Reporting, IAS 34 as adopted by the EU. The Condensed Interim Consolidated Financial Statements are presented in accordance with the new and revised standards (IFRS / IAS) and new interpretations (IFRIC), applicable in the period. New and amended IFRS Standards that are effective for the current year did not have any impact on the Company's Financial Statements. The Company has not early applied new and revised IFRS standards that have been issued but are not yet effective. The Financial Statements are presented in USD, which is the Company's functional currency. They do not include all of the information required for full Annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements for the period ended 31 December 2021. The Company's Annual Consolidated Financial Statements can be found on the Company's website www.ossur.com.

Basis of preparation

The Condensed Interim Consolidated Financial Statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Condensed Interim Consolidated Financial Statements are presented in US dollars and all values are rounded to the nearest thousand ('000), except when otherwise indicated. The accounting policies adopted are consistent with those followed in the preparation of the Company's Annual Consolidated Financial Statements for the period ended 31 December 2021.

Notes to the Consolidated Financial Statements

2. Quarterly statements

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net sales	170,060	187,542	180,289	189,992	160,846
Cost of goods sold	(65,463)	(67,007)	(68,513)	(69,513)	(58,249)
Gross profit	104,597	120,535	111,776	120,479	102,597
Gross profit margin	62%	64%	62%	63%	64%
Other income	149	1,093	85	236	273
Sales and marketing expenses	(65,293)	(67,624)	(62,309)	(64,017)	(59,935)
Research and development expenses	(9,283)	(8,397)	(8,011)	(8,055)	(7,272)
General and administrative expenses	(16,093)	(19,664)	(16,845)	(18,690)	(18,944)
EBIT	14,077	25,943	24,696	29,953	16,719
Net financial expenses	(2,451)	(2,775)	(2,495)	(3,700)	(2,820)
Net exchange rate difference	684	334	764	(1,127)	1,148
EBT	12,310	23,502	22,965	25,126	15,047
Income tax	(2,973)	(5,947)	(5,535)	(5,846)	(3,656)
Net profit	9,337	17,555	17,430	19,280	11,391
EBITDA	26,732	40,613	37,310	42,382	28,649
EBITDA margin	16%	22%	21%	22%	18%
Organic sales growth	6%	5%	4%	32%	2%
LCY sales growth	10%	11%	4%	33%	0%

3. Net Sales

	Q1 2022	Q1 2021
Specified according to geographical segments:		
EMEA	78,312	73,273
Americas	77,870	72,148
APAC	13,878	15,425
Total	170,060	160,846
Specified according to product lines:		
Prosthetics	106,346	100,288
Bracing and Supports	63,714	60,558
Total	170,060	160,846

In the Q1 2021 reporting, sales amounting to USD 9.6 million were incorrectly included in the sales and growth figures for Americas instead of EMEA. Other figures, including total sales and total growth figures were correctly stated for Q1 2021.

Notes to the Consolidated Financial Statements

4. Sales and expenses split by main currencies

	LCY	Q1 2022	%
		USD	
Sales			
USD	70,726	70,726	42%
EUR	37,281	41,842	25%
ISK	70,533	551	0%
Nordic curr. (SEK, NOK, DKK)		23,468	14%
Other (GBP, AUD, CAD & Other)		33,473	20%
Total		170,060	100%
COGS and OPEX			
USD	66,773	66,773	43%
EUR	26,542	29,789	19%
ISK	2,301,417	17,965	12%
Nordic curr. (SEK, NOK, DKK)		22,403	14%
Other (GBP, MXN, CAD & Other)		19,053	12%
Total		155,983	100%

	LCY	Q1 2021	%
		USD	
Sales			
USD	65,427	65,427	41%
EUR	32,817	39,565	25%
ISK	68,364	534	0%
Nordic curr. (SEK, NOK, DKK)		23,511	14%
Other (GBP, AUD, CAD & Other)		31,809	20%
Total		160,846	100%
COGS and OPEX			
USD	73,583	73,583	51%
EUR	21,421	25,826	18%
ISK	1,469,146	11,473	8%
Nordic curr. (SEK, NOK, DKK)		21,041	15%
Other (GBP, MXN, CAD & Other)		12,205	8%
Total		144,127	100%

Currency split is derived by using best available information at each time.

Notes to the Consolidated Financial Statements

5. Property, plant and equipment

2022	Buildings & sites	Machinery & equipment	Fixtures & office equip.	Computer equipment	Total
Cost					
At 1 January	1,606	72,331	46,081	17,359	137,377
Reclassification	190	0	534	(724)	0
Additions	53	1,724	1,279	594	3,650
Business Combinations	771	350	162	4	1,287
Exchange rate differences	(28)	(129)	(120)	(75)	(352)
Eliminated on disposal	0	(100)	(287)	(26)	(413)
Fully depreciated assets	0	(111)	(35)	(45)	(191)
At 31 March 2022	2,592	74,065	47,614	17,087	141,358
Depreciation					
At 1 January	412	44,326	25,360	11,930	82,028
Charge for the period	65	2,311	1,324	752	4,452
Exchange rate differences	(1)	(77)	(74)	(46)	(198)
Eliminated on disposal	0	(56)	(52)	(26)	(134)
Fully depreciated assets	0	(111)	(35)	(45)	(191)
At 31 March 2022	476	46,393	26,523	12,565	85,957
At 31 March 2022	2,116	27,672	21,091	4,522	55,401
Depreciation classified by functional category:				Q1 2022	Q1 2021
Cost of goods sold				2,233	2,176
Sales and marketing expenses				1,174	1,102
Research and development expenses				234	239
General and administrative expenses				811	1,044
Total				4,452	4,561

Notes to the Consolidated Financial Statements

6. Leases

Right of use assets

2022	Buildings & sites	Machinery & equipment	Total
At 1 January	123,992	2,739	126,731
Additions and renewals	2,627	302	2,929
Depreciation charge for the period	(4,904)	(489)	(5,393)
Exchange rate differences	(651)	(48)	(699)
At 31 March 2022	121,064	2,504	123,568

Depreciation classified by functional category:	Q1 2022	Q1 2021
Cost of goods sold	2,157	2,004
Sales and marketing expenses	1,079	1,002
Research and development expenses	647	601
General and administrative expenses	1,510	1,407
Total	5,393	5,014

7. Goodwill

	31.3.2022	31.12.2021
At 1 January	644,153	612,191
Business combinations	9,235	48,456
Exchange rate differences	(3,510)	(16,379)
Impairment	0	(115)
At end of period	649,878	644,153

Notes to the Consolidated Financial Statements

8. Other intangible assets

2022	Cust./distrib. relationships	Patents	Trademarks	Software and other	Total
Cost					
At 1 January	38,278	19,460	1,863	48,839	108,440
Additions	57	361	16	407	841
Additions - internally generated	0	0	0	692	692
Business Combinations	275	0	0	0	275
Exchange rate differences	(335)	(253)	(61)	(14)	(663)
Fully amortized assets	(300)	0	0	0	(300)
At 31 March 2022	38,275	19,568	1,818	49,924	109,585
Amortization					
At 1 January	25,319	5,986	300	17,999	49,604
Charge for the period	1,165	265	21	1,360	2,811
Exchange rate differences	(137)	(28)	(55)	(4)	(224)
Fully amortized assets	(300)	0	0	0	(300)
At 31 March 2022	26,347	6,223	266	19,355	52,191
At 31 March 2022	11,928	13,345	1,552	30,569	57,394
Amortization classified by functional category:				Q1 2022	Q1 2021
Cost of goods sold				40	28
Sales and marketing expenses				1,652	1,424
Research and development expenses				307	366
General and administrative expenses				812	537
Total				2,811	2,355