

New Long-Term Incentive Program

Today, Össur hf. initiated a new long-term incentive program for the CEO and other members of the Executive Management, their direct reports (with exceptions) and key specialists in strategic positions. The purpose of the program is to attract and retain the management team and key leaders and reward for the delivery of long-term strategy. This aligns the interest of the shareholders and management by providing the Company with a competitive compensation tool to drive and motivate team performance culture. The key terms and conditions of the new long-term incentive program were approved by the Annual General Meeting on 8 March 2021 in accordance with the Company's Remuneration Policy.

Up to 2,800,000 share options, for one share each, may be granted and be in effect at each time under the program, corresponding to approximately 0.7% of the total share capital of the Company. If any share options lapse prior to their vesting date, new share options may be granted instead. Up to 420,000 share options may be granted to the CEO in total (15% of the program) and up to 150,000 shares may be granted to each member of the Executive Management (approx. 5% of the program each). The share options shall be granted periodically and no more than 1,400,000 share options shall be granted and be in effect under the program in 2021. The vesting time is three years from the grant date, the exercise period is one year immediately after the share options have vested, and the exercise price is the Company's average share price on Nasdaq Copenhagen the 20 trading days prior to the grant date.

Other key terms and conditions:

- Participants may not exercise their share options when they are in possession of inside information.
- The CEO and other members of the Executive Management are required to hold shares, corresponding to 5% of the profit gained of the share options after deduction of taxes, until their employment with the Company is terminated.
- The Company has the option to reclaim, in whole or in part, remuneration that has been based on false, misleading, insufficient or incorrect data, or if the recipient acted in bad faith in respect of other matters, which resulted in too high remuneration or remuneration which would otherwise not have been granted.
- The Company may not grant any loans or guarantees to participants in connection with the share options.

The Company's cost of the new long-term incentive program is estimated to be USD 4.5 million in total, based on the option pricing model of Black-Scholes. The formula is described in the Company's annual report. The cost of each granted option is expensed evenly over three years from the grant date.

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.