

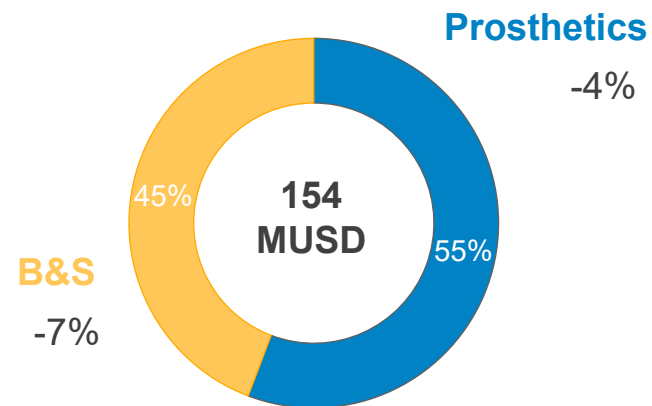
Q1 2020 Investor Presentation

Jon Sigurdsson, President & CEO
Sveinn Solvason, CFO

30 April 2020

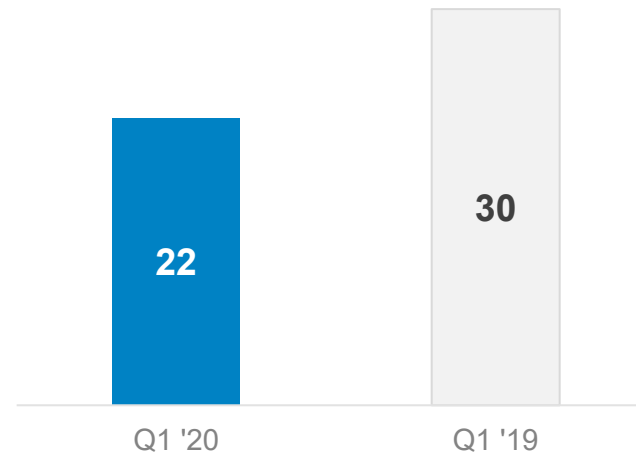
Highlights in Q1 2020

Sales split and organic growth



Sales growth	Q1 2020	Q1 2019
Reported	-4%	13%
Local currency	-2%	19%
Organic	-5%	8%

EBITDA in MUSD



EBITDA margin	Q1 2020	Q1 2019
Reported	14%	19%

Highlights

Sales

- January and February sales performance in line with expectations
- March sales impacted by COVID-19 pandemic in most markets
- Month to date sales in April down by ~45% and some markets are already showing signs of gradual recovery
- Impact of COVID-19 varies by geography

Profitability

- EBITDA mainly down due to sales decline, OPEX increasing by 3%
- Several cost and cash management initiatives in progress

Other matters

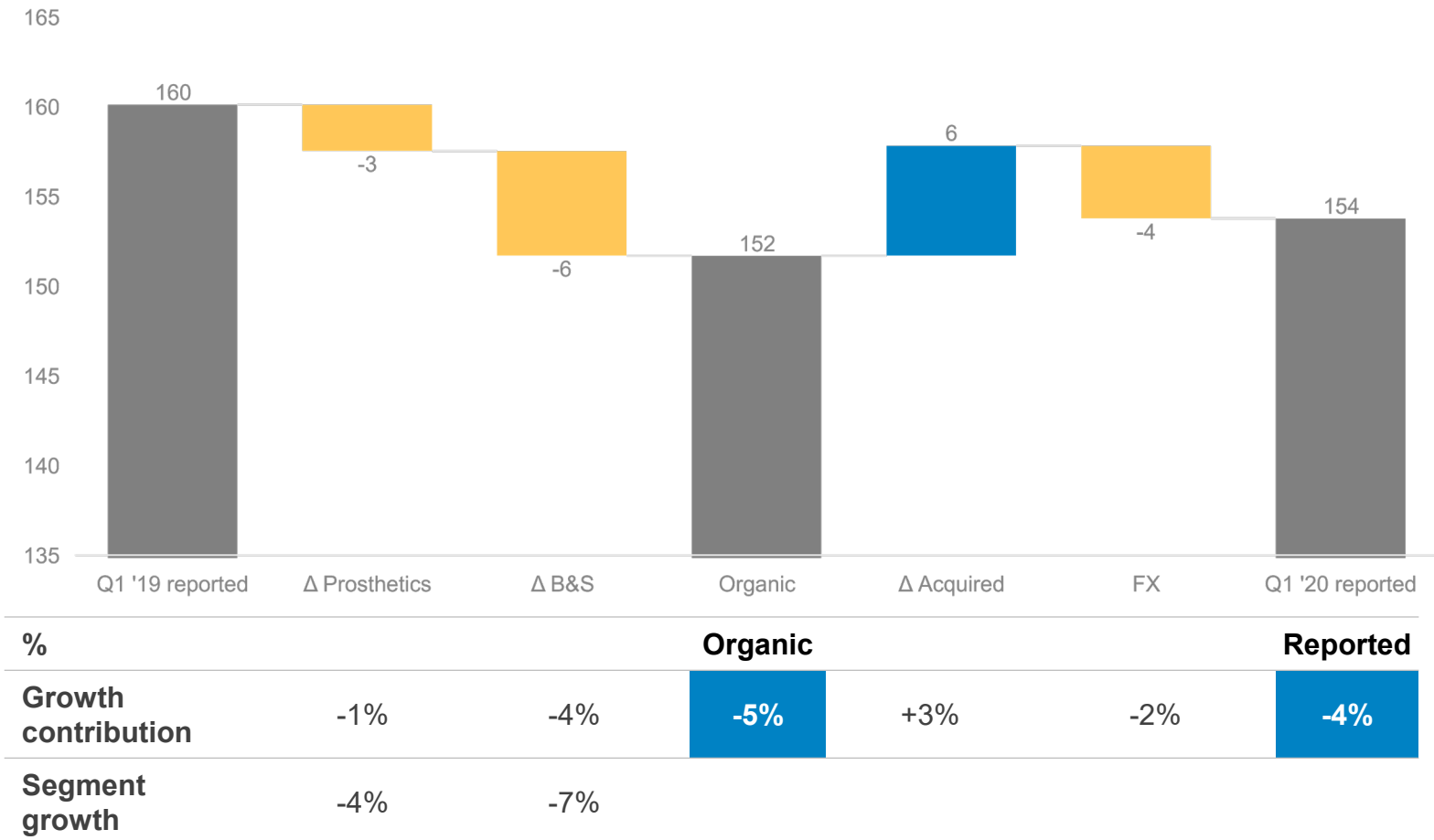
- Guidance and buybacks suspended
- College Park acquisition approved by FTC but not yet closed
- Additional financing of 225 MUSD secured, total cash and committed credit lines of 304 MUSD available end of Q1

Impact of COVID-19

Status on operations	<ul style="list-style-type: none">• Primary focus on business continuity and safety of employees and customers• Guidelines from local and global healthcare authorities are being followed• Business continuity plans have been implemented in all areas of the business• Manufacturing sites and warehouses across the world are largely operational• Majority of employees who can work from home are doing so, incl. office and sales staff• IT infrastructure continues to work well• Strategy and strategic initiatives remain unchanged and Össur will continue to invest as necessary to support future growth, e.g. R&D and emerging markets	▶	Össur is operational and current demand is being met
Impact on sales	<ul style="list-style-type: none">• Organic growth in the first two months was modest, expected due to a strong Q1 '19• Sales negatively impacted in March due to social distancing and other measures• Markets such as China trending positively and were in April comparable with 2019 levels• Short-term negative impact on demand but long-term prospects and underlying fundamental drivers of the prosthetics and B&S markets are not expected to change• The impact from COVID-19 is expected to lead to some pent-up demand• Uncertainty remains high and Össur is not able to provide an updated guidance• Month to date sales down by ~45% but with gradual recovery in some markets	▶	Sales impacted in March and April, but with gradual recovery in key markets
Impact on cost and cash	<ul style="list-style-type: none">• Actions taken to reduce costs in the short-term, incl. furloughing, government aid, temporary decrease in salaries for top management and strict control on variable cost• Cost reduction initiatives are not reflected in the Q1 financials, but the currently identified OPEX reductions amount to approx. USD 8-10 million in Q2• Cash flow will be impacted as a result of the COVID-19 pandemic, incl. an increase in net working capital and decrease in CAPEX• Additional financing of USD 225 million was secured in March• Available cash and committed credit lines at the end of Q1 2020 amounted to USD 304 million	▶	Cost reduction initiatives and strong financial position

Sales by business segments

Sales contribution in USD million

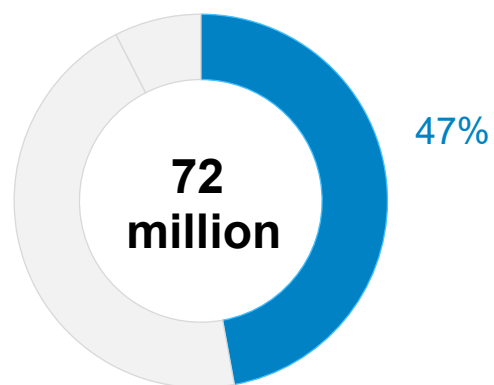


Note: Bridge is an approximation for growth contribution



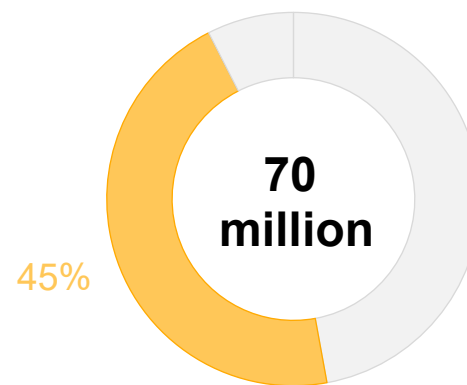
Sales by geography

Americas



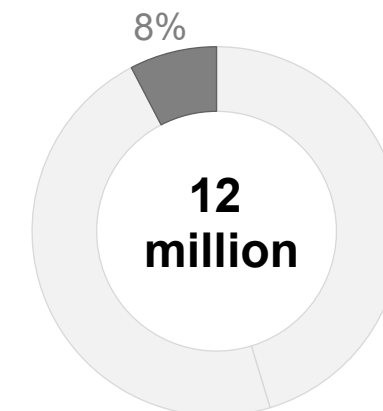
Sales growth	Q1 2020
Reported	0%
Local currency	0%
Organic	-7%

EMEA



Sales growth	Q1 2020
Reported	-7%
Local currency	-4%
Organic	-4%

APAC



Sales growth	Q1 2020
Reported	-6%
Local currency	1%
Organic	1%

Note: Percentages next to charts refer to % of total sales

Income statement

Financial results (USDM)	Q1'20	Q1'19
Net sales	154	160
<i>Reported growth</i>	-4%	13%
<i>Organic growth</i>	-5%	8%
Gross profit	96	103
<i>Gross profit margin</i>	62%	64%
EBITDA	22	30
<i>EBTDA margin</i>	14%	19%
EBIT	11	20
<i>EBIT margin</i>	7%	12%
Income tax	2	4
<i>Effective tax rate</i>	25%	24%
Net profit	7	14
<i>Net profit margin</i>	5%	9%

Sales

- January and February sales performance in line with expectations, strong comparable quarter
- March sales impacted by the pandemic in most markets
- Organic growth of -5%
- Local currency growth of -2%

Profitability

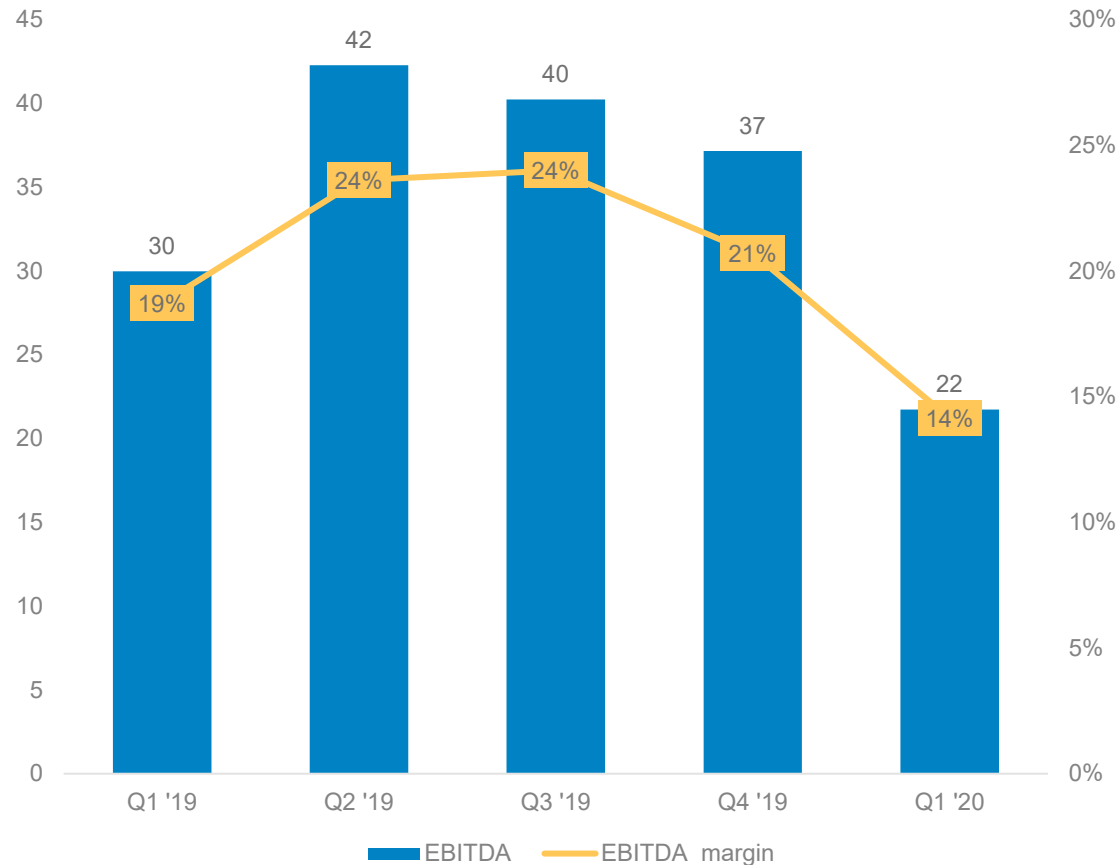
- Decline in profitability mainly due to a decline in sales
- Moderate total cost increase of 2%
- Several actions taken to reduce costs

Net profit

- Effective tax rate of 25%
- Net profit margin of 5%

EBITDA performance

EBITDA and EBITDA margin (MUSD)

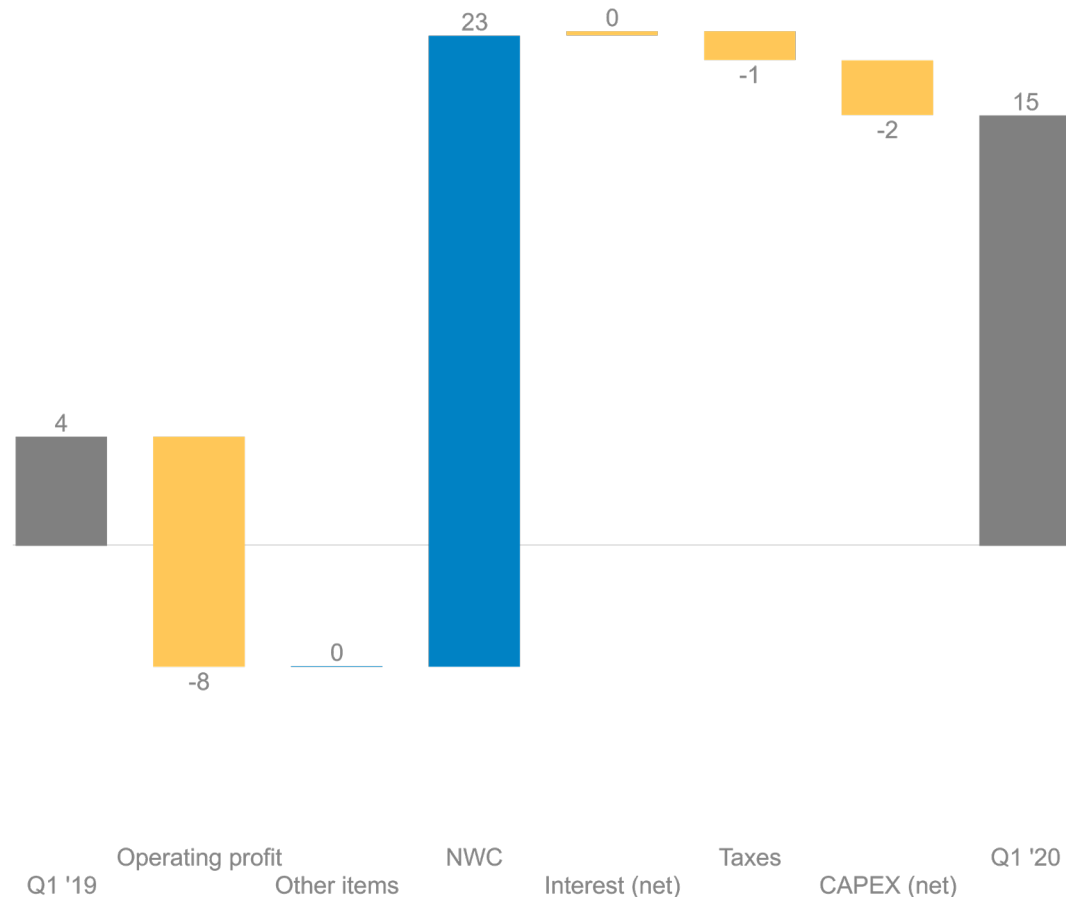


EBITDA in Q1 2020

- Sales declined by 5% organic
- Gross profit and gross profit margins impacted by lower sales and lower productivity in manufacturing in March due to COVID-19
- OPEX increased by 3% (cost reductions not reflected in Q1)
- Several actions taken to reduce costs
- Net FX impact positively impacting margin by 40 basis points, mainly due to a weaker ISK
- ISK has weakened further in April

Cash flow

Free Cash flow (MUSD)*



Cash flow

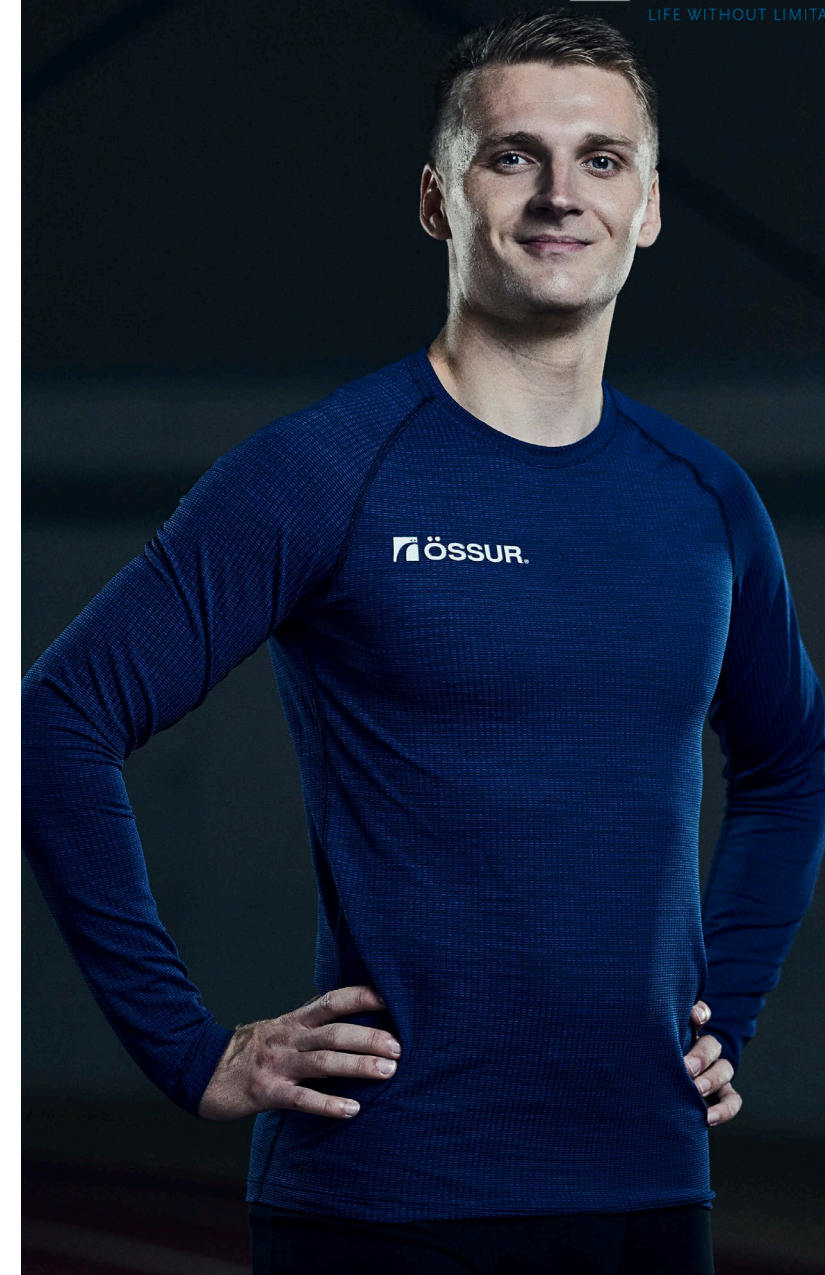
- Lower operating profit due to negative impact on sales in March in relation to COVID-19
- Reversal of net working capital items
 - Lower investment level in inventory than in the comparable quarter last year where inventory levels were temporarily high in relation to the efficiency initiatives
 - Reversal of accounts receivables from Q4'19 and low sales in March
 - Stable accounts payables
- In addition to maintenance CAPEX, CAPEX in Q1 2020 includes investments related to the ongoing efficiency initiatives and integration of CRM software

* Before special items, acquisitions, and changes in financial assets

Note: Changes in net working capital (NWC) include provisions, other receivables and payables

Guidance for 2020

	Guidance 2020 (current)	Guidance 2020 (February)
Sales growth Organic	Suspended	3-5%
EBITDA margin Before special items	Suspended	21-23%
CAPEX % of sales	Suspended	4-5%
Tax Effective tax rate	Suspended	23-24%



Q&A

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Financial calendar and upcoming investor conferences

Meet with us

Jefferies Virtual Healthcare Conference	2-4 June 2020
Goldman European Medtech conference (UK)	9-10 September 2020
ABG Small and Mid Cap Seminar (DK)	23 September 2020
Jefferies European Healthcare Conference (UK)	17-19 November 2020
Danske Bank Winter Seminar (DK)	1-2 December 2020

Financial calendar

Interim report Q2 2020	23 July 2020
Interim report Q3 2020	27 October 2020
Interim Report Q4 2020 and Annual Report for 2020	2 February 2021
Annual General Meeting	8 March 2021

Further information



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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 2020 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.