



Interim report for Q1 2020/21

Ambu delivered organic revenue growth of 39% in Q1. The demand for single-use endoscopes is positively influenced by COVID-19. Commercial launch of aScope™ Duodeno is on track, and clinical trial has commenced. Ambu intends to raise approx. DKK 1.3bn of capital to ensure strategic and operational flexibility. Full-year outlook is maintained.

“We reached revenue of one billion DKK this quarter for the first time in Ambu’s history. This milestone is the result of the dedication and focus of our organization in the midst of the COVID-19 pandemic. We’re leading the creation of the single-use endoscopy market to help hospitals take care of patients without risk of cross-contamination. Our modular R&D engine is helping us deliver technologically advanced products with an attractive economic offering across all endoscopy segments,” said CEO Juan Jose Gonzalez. *“We have a promising future and are now strengthening our balance sheet to maintain flexibility as we move forward.”*

Highlights for the quarter

Comparative figures for Q1 2019/20 are stated in brackets.

- **Revenue** for Q1 was DKK 1,013m (DKK 760m) based on **organic growth** of 39% (14%). Sales in North America grew organically by 13%, while we saw organic growth in Europe of 79% and Rest of World of 9%.
- **Visualization** achieved organic revenue growth of 101% (24%) with strong performance across all regions. North America grew organically by 35%, Europe by 194% and Rest of World by 35%.
- The Visualization growth in Europe benefited from special orders for single-use bronchoscopes to the National Health Service (NHS) in England as part of their COVID-19 strategy to treat patients and build safety stocks. These orders were expected and contributed approx. 40 percentage points of the 101% organic growth for Visualization in Q1.
- **Anaesthesia** grew 5% (8%), and **Patient Monitoring & Diagnostics (PMD)** declined by -3% (10%). The recovery that we have seen since second half of 2019/20 continued in Q1, but especially PMD was still negatively impacted by COVID-19.
- The special orders to the NHS had an impact equal to 16 percentage points to the Q1 organic growth of 39%. Excluding these orders, organic growth in Q1 would have been 23%.
- **Sales of single-use endoscopes** reached 370,000 units for the quarter. Sales volumes were thus up 106% relative to last year.

- We secured the clearance of our **aScope™ 4 Cysto** in Europe and Japan and started its commercialization in these markets. As regards the **aScope™ Duodeno**, the commercial launch in North America and the 550-patient clinical study have started.
- **Gross margin** for the quarter was 65.4% (60.1%).
- **Capacity costs** for the quarter totaled DKK 514m (DKK 364m), corresponding to an increase of 41%. The increase reflects the investment in commercial infrastructure and innovation activities.
- **EBIT** before special items for the quarter was DKK 148m (DKK 93m) with an **EBIT margin** before special items of 14.6% (12.2%).
- **Net working capital** to revenue ratio was 17% (20%) by the end of the quarter based on rolling 12-month revenue.
- **Free cash flow** before acquisitions totaled DKK 2m (DKK -190m) for the quarter.
- Total **net interest-bearing debt** (NIBD) was DKK 1,701m (DKK 1,358m), corresponding to a leverage of 2.5 (2.3).
- The EUR 40m milestone payment associated with **FDA clearance of the duodenoscope** was paid in Q1.
- To ensure strategic and operational flexibility, Ambu intends to **raise capital in an offering of new Class B shares and existing treasury shares** through an accelerated bookbuilding process. The offering is expected to generate proceeds of approx. DKK 1.3bn, which will be used for general corporate purposes, including repayment of debt in order to reduce the expected leverage by end of the financial year 2020/21 from 2.7 to 1.0. Please see company announcement no. 6 for reference.
- The **outlook for the 2020/21 financial year** as announced in the annual report on 11 November 2020 is unchanged and as follows:
 - Organic growth in the range of 17-20%.
 - EBIT margin before special items in the range of 11-12%
 - Sales of single-use endoscopes of 1.3-1.4 million units

A **conference call** is held today, Wednesday 27 January 2021, at 10.00 (CET). The conference is broadcast live via www.ambu.com/webcastQ12021. The presentation can be downloaded immediately before the conference call via the same link. To ask questions in the Q&A session, please call one of the following numbers five minutes before the start of the conference: +45 3544 5577 (DK), +44 333 300 0804 (UK), +1 631 913 1422 (USA), and enter the following access code: 99186212#.

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About Ambu

Ambu has been bringing the solutions of the future to life since 1937. Today, millions of patients and healthcare professionals worldwide depend on the efficiency, safety and performance of our single-use endoscopy, anaesthesia, and patient monitoring & diagnostics solutions. The manifestations of our efforts have ranged from early innovations like the Ambu® Bag™ resuscitator and the Ambu® BlueSensor™ electrodes to our newest landmark solutions like the Ambu® aScope™ – the world's first single-use flexible endoscope. Moreover, we continuously look to the future with a commitment to deliver innovative quality products that have a positive impact on the work of doctors, nurses and paramedics. Headquartered near Copenhagen in Denmark, Ambu employs approximately 4,000 people in Europe, North America and the Asia Pacific. For more information, please visit ambu.com.

Financial highlights

| DKKm | Q1 2020/21 | Q1 2019/20 | FY 2019/20 |
|---|---------------|---------------|---------------|
| Income statement | | | |
| Revenue | 1,013 | 760 | 3,567 |
| Gross margin, % | 65.4 | 60.1 | 62.0 |
| EBITDA | 198 | 126 | 609 |
| Depreciation, amortization and impairment | -50 | -33 | -181 |
| EBIT | 148 | 93 | 428 |
| Net financials | -30 | -37 | -106 |
| Profit before tax | 118 | 56 | 322 |
| Net profit for the period | 91 | 42 | 241 |
| Balance sheet | | | |
| Assets | 5,043 | 4,680 | 4,926 |
| Net working capital | 636 | 593 | 581 |
| Equity | 2,394 | 2,127 | 2,372 |
| Net interest-bearing debt | 1,701 | 1,358 | 1,346 |
| Invested capital | 4,095 | 3,485 | 3,718 |
| Cash flows | | | |
| Cash flows from operating activities | 106 | -110 | 295 |
| Cash flows from investing activities before acquisitions | -104 | -80 | -428 |
| Free cash flows before acquisitions of enterprises and technology | 2 | -190 | -133 |
| Acquisitions of enterprises and technology | -299 | 0 | -2 |
| Cash flows from operating activities, % of revenue | 10 | -14 | 8 |
| Investments, % of revenue | -10 | -11 | -12 |
| Free cash flows before acquisitions of enterprises, % of revenue | 0 | -25 | -4 |
| Key figures and ratios | | | |
| Organic growth, % | 39 | 14 | 26 |
| Rate of cost, % | 51 | 48 | 50 |
| EBITDA margin, % | 19.5 | 16.6 | 17.1 |
| EBIT margin, % | 14.6 | 12.2 | 12.0 |
| Tax rate, % | 23 | 25 | 25 |
| Return on equity, % | 13 | 15 | 11 |
| NIBD/EBITDA before special items | 2.5 | 2.3 | 2.2 |
| Equity ratio, % | 47 | 45 | 48 |
| Net working capital, % of revenue | 17 | 20 | 16 |
| Return on invested capital (ROIC), % | 10 | 11 | 9 |
| Average number of employees | 4,200 | 3,203 | 3,617 |
| Share-related ratios | | | |
| Market price per share (DKK) | 263 | 112 | 180 |
| Earnings per share (EPS) (DKK) | 0.37 | 0.17 | 0.98 |
| Diluted earnings per share (EPS-D) (DKK) | 0.36 | 0.17 | 0.97 |

Management's review

Q1 2020/21

Business activities during the first quarter of the financial year 2020/21 showed strong overall growth further boosted by COVID-19-driven demand, especially in Europe. Since the beginning of the pandemic in Q2 2019/20, we have seen strong demand for the single-use bronchoscope, aScope™ 4 Broncho, and the Ambu® SPUR® II resuscitator, while the demand for many of our other products has been impacted negatively by the cancellation of elective procedures and reprioritizations. In Q1 2020/21, however, this trend began to change, and while products in high demand have remained so, the effect from the cancellation of elective procedures in general has become less impactful.

The newly launched single-use endoscopes for procedures within ENT, aScope™ 4 RhinoLaryngo, and urology, aScope™ 4 Cysto, have continued their positive trend. As of January 2021, the commercial launch in North America, as well as the 550-patient clinical study of our single-use duodenoscope, aScope™ Duodeno, have commenced.

Growth of the single-use endoscopy market has accelerated on the back of an increased awareness of contamination levels and technological advances, and the COVID-19 pandemic has further increased the receptiveness to single-use endoscopy. Our strategy to become the most innovative single-use endoscopy player is well under way, reaching important milestones in 2019/20 by entering GI and urology. To ensure strategic and operational flexibility, Ambu now intends to raise capital in an offering of new Class B shares and existing treasury shares through an accelerated bookbuilding process.

The offering is expected to generate proceeds of approx. DKK 1.3bn, which will be used for general corporate purposes, including repayment of debt in order to reduce the expected leverage by end of the financial year 2020/21 from 2.7 to 1.0.

Sales performance – Regions

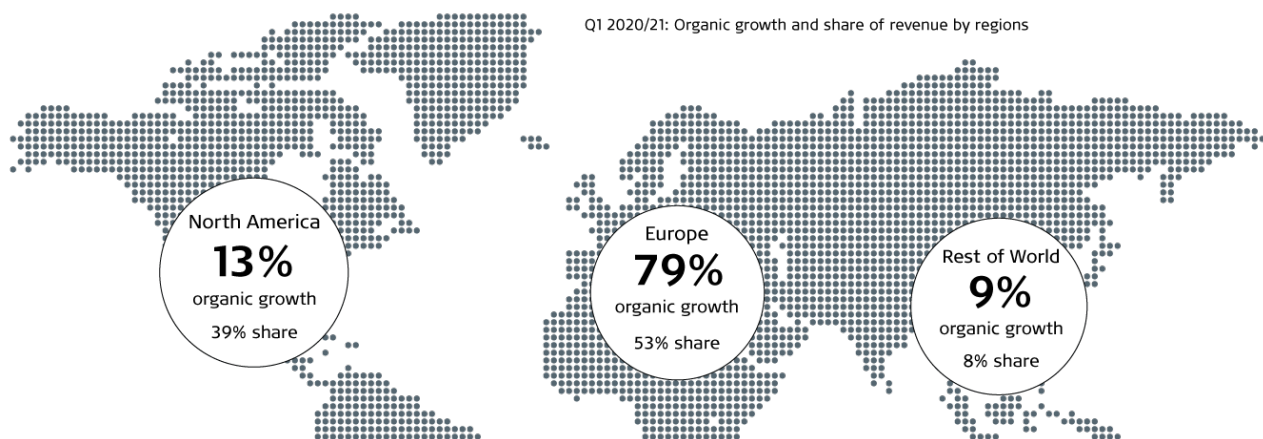
Last year's comparative figures are stated in brackets.

| DKKm | Q1 20/21 | Q1 19/20 | Organic growth | Fx | Reported growth |
|----------------|--------------|------------|----------------|------------|-----------------|
| North America | 391 | 376 | 13% | -9% | 4% |
| Europe | 537 | 303 | 79% | -2% | 77% |
| Rest of World | 85 | 81 | 9% | -4% | 5% |
| Revenue | 1,013 | 760 | 39% | -6% | 33% |

Revenue of DKK 1,013m (DKK 760m) was posted for Q1, corresponding to organic growth of 39% (14%) and reported growth of 33% (16%).

Growth in Europe benefited from special orders for aScope™ 4 Broncho from the NHS in England. The orders are part of NHS overall COVID-19 strategy, to treat patients and build safety stocks, and were as expected. The impact to Ambu's overall organic growth for Q1 is 16 percentage points, and excluding these, the organic growth in Q1 would have been 23%.

North America accounted for 39% of revenue in Q1 based on organic growth of 13% (16%). Reported growth was 4% (19%), driven by the depreciating USD/DKK over the same period last year.



In North America, Visualization sales grew organically by 35% in Q1, thus continuing the rapid growth seen since last quarter in spite of the continued COVID-19 pandemic. Anaesthesia posted organic growth of 2%, driven by a high demand for resuscitators offsetting the reduced demand for the rest of our Anaesthesia portfolio. As the COVID-19 pandemic continues to impact elective procedures, our PMD business declined by -13%.

Europe accounted for 53% of revenue in Q1, based on organic growth of 79% (11%) and reported growth of 77% (12%). The high demand for single-use Visualization devices from hospitals in Europe continued as single-use bronchoscopes are used in the treatment of COVID-19 patients at European hospitals. All major European markets posted double-digit growth rates.

European Visualization sales nearly tripled compared to last year and resulted in organic growth of 194% driven by aScope™ 4 Broncho including the special orders to the NHS which count for approx. 50% of the European growth in Visualization. We see a clear trend of increasing demand for our rhinolaryngoscopes (ENT) and cystoscopes (urology) which have both been positively received on key European markets.

Anaesthesia grew organically by 17%, and PMD by 2%. Growth in Anaesthesia continues to be driven by demand for resuscitators, and we see some improvements in PMD with increased activity in elective procedures.

Rest of World, which is comprised of our direct markets in Asia-Pacific and our indirect distribution network, accounted for 8% of revenue based on organic growth of 9% (12%) and reported growth of 4% (16%). The markets in Rest of World were affected to varying degrees by COVID-19. In some countries, like Australia and China, we saw lower sales quarter on quarter, while other markets, like Japan, contributed strong growth.

In Rest of World, Visualization achieved organic growth of 35%, while Anaesthesia declined by -2% and PMD by -7%.

Sales performance – Business areas

Visualization

| DKKm | Q1 20/21 | Q1 19/20 | Organic growth | Fx | Reported growth |
|----------------|------------|------------|----------------|------------|-----------------|
| North America | 183 | 146 | 35% | -10% | 25% |
| Europe | 340 | 117 | 194% | -3% | 191% |
| Rest of World | 35 | 27 | 35% | -5% | 30% |
| Revenue | 558 | 290 | 101% | -8% | 93% |

Visualization grew organically by 101% (24%) with reported growth of 93% (26%) and total revenue of DKK 558m. Visualization accounted for 55% (38%) of Ambu's revenue in Q1.

Q1 organic growth in Visualization was 35% (23%) in North America, 194% (22%) in Europe, while Rest of World posted organic growth of 35% (38%).

Most of the revenue in Visualization comes from sales of our single-use bronchoscopes. In Europe, single-use bronchoscopes are used extensively in the treatment of COVID-19 patients, while in North America and Australia, hospitals seek to avoid bronchoscopy for COVID-patients. This difference is important in understanding the geographical growth patterns.

Single-use endoscopes for ENT and urology are typically used for elective procedures, and the demand is thus dependent on the degree to which hospitals are forced to focus on COVID-19.

In addition to infection control, single-use endoscopy offers an opportunity to reduce the complexity of managing hospital workflows, and we see hospitals converting to single-use for this reason. Specifically, we have seen an increase in sales of our ENT and urology scopes out of a need to have a technologically advanced solution which at the same time can improve hospitals workflow and ramp up productivity.

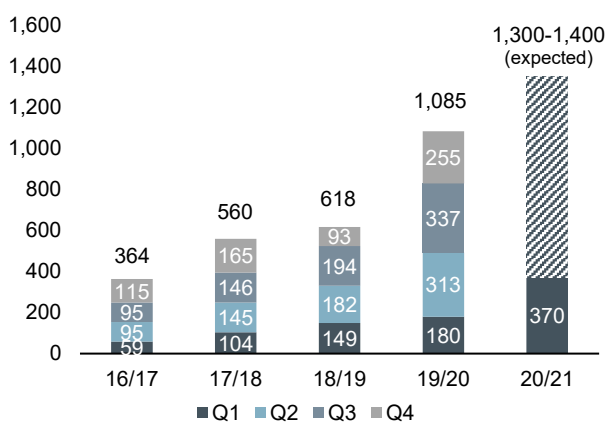
Our aScope™ 4 Cysto was cleared for sale in the USA back in April 2020 and in Japan and Europe during Q1 2020/21. The uptake in sales is promising.

Our latest generation of display technology, aView™ 2 Advance, which was launched in May 2020, is receiving very good feedback from customers, and the combination of aView™ 2 Advance and our range of new scopes provides a compelling offering, which contributed to the overall growth in Visualization in Q1 2020/21.

In Q1 2020/21, sales of endoscopes totaled 370,000 units compared to 180,000 units in Q1 2019/20. This represents 106% growth in volumes. Unit sales were thus higher in the first quarter of 2020/21 than in the full financial year 2016/17.

The controlled market release of our single-use duodenoscope, aScope™ Duodeno, has been concluded, and we have kicked off the commercial launch in North America as well as the 550-patient clinical study.

Number of endoscopes sold, '000 units



The development of our single-use colonoscope and gastroscope as well as our next-generation aScope Broncho is progressing according to plan with expected launch in the second half of the current financial year.

The creation of the commercial infrastructure for GI endoscopy, which was initiated in Q3 2019/20, was completed by the end of Q1 2020/21 for the part relating to the USA. The commercial infrastructure for GI outside the USA is expected to be completed in the second half of 2020/21.

Anaesthesia

| DKKm | Q1 20/21 | Q1 19/20 | Organic growth | Fx | Reported growth |
|----------------|------------|------------|----------------|------------|-----------------|
| North America | 158 | 168 | 2% | -8% | -6% |
| Europe | 64 | 55 | 17% | -1% | 16% |
| Rest of World | 31 | 33 | -2% | -4% | -6% |
| Revenue | 253 | 256 | 5% | -6% | -1% |

Anaesthesia posted organic growth of 5% (8%) and reported growth of -1% (11%) in Q1. Total revenue was

DKK 253m. Anaesthesia accounted for 25% (34%) of Ambu's revenue in Q1.

In Q1, we saw continued high demand for resuscitators due to the COVID-19 situation. As in previous quarters, most other products in Anaesthesia were negatively impacted by COVID-19, however to a much lesser degree this quarter than what we have seen since Q2 last year. Overall Anaesthesia performance has been relatively robust during COVID-19, and the main markets in Europe and North America have shown reasonable growth in all quarters.

In North America, Anaesthesia sales increased by 2% (8%), while organic growth in Europe was 17% (9%). Sales in Rest of World declined by -2% (3%).

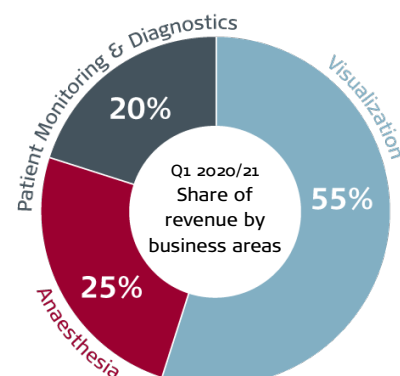
Patient Monitoring & Diagnostics (PMD)

| DKKm | Q1 20/21 | Q1 19/20 | Organic growth | Fx | Reported growth |
|----------------|------------|------------|----------------|------------|-----------------|
| North America | 50 | 62 | -13% | -6% | -19% |
| Europe | 132 | 131 | 2% | -1% | 1% |
| Rest of World | 20 | 21 | -7% | -2% | -9% |
| Revenue | 202 | 214 | -3% | -3% | -6% |

PMD accounted for 20% (28%) of Ambu's revenue in Q1, and organic growth declined by -3% (10%). Reported growth was -6% (10%).

PMD is the part of our business that has been hit the hardest by COVID-19, but with significant regional differences. In Q1, North America saw the third consecutive quarter of negative organic growth, while Europe recovered from previous quarters and posted organic growth of 2%. Like North America, Rest of World is currently a difficult market for PMD with negative organic growth this quarter of -7%.

The negative trends are mainly driven by the cancellation of elective procedures due to COVID-19. We expect growth to resume as soon as the situation is under control.



FINANCIAL RESULTS

INCOME STATEMENT

| DKKm | Q1 20/21 | Q1 19/20 | Change in value | Change % |
|--|-------------|-------------|-----------------|------------|
| Revenue | 1,013 | 760 | 253 | 33% |
| Production costs | -351 | -303 | -48 | 16% |
| Gross profit | 662 | 457 | 205 | 45% |
| <i>Gross margin, %</i> | <i>65.4</i> | <i>60.1</i> | - | - |
| Selling and distribution costs | -348 | -247 | -101 | 41% |
| Development costs | -47 | -30 | -17 | 57% |
| Management and administration | -119 | -87 | -32 | 37% |
| Total capacity costs | -514 | -364 | -150 | 41% |
| EBIT before special items | 148 | 93 | 55 | 59% |
| <i>EBIT margin before special items, %</i> | <i>14.6</i> | <i>12.2</i> | - | - |

Revenue for Q1 was DKK 1,013m, up DKK 253m from the prior-year period, corresponding to reported growth of 33% (16%). Adjusted for currency effects, the underlying organic growth was 39% (14%). The currency effect of -6% is driven by the depreciated USD/DKK and GBP/DKK compared to Q1 last year.

Gross profit was up 45% at DKK 662m (DKK 457m), and the gross margin increased by 5.3 percentage points to 65.4% (60.1%). The gross margin was positively impacted by the high ratio of revenue coming from Visualization. As in previous quarters, negative effects from reduced average selling prices are minimal.

Exposure to changes in foreign exchange rates

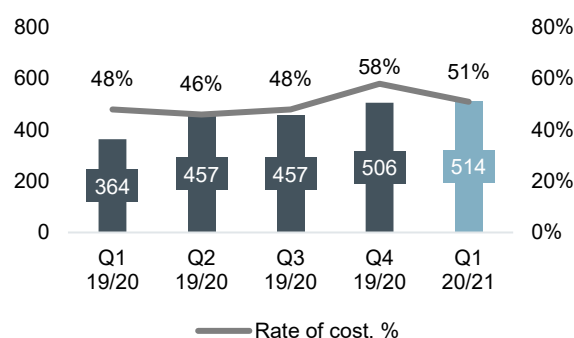
Approx. 55% of Ambu's total revenue is invoiced in USD. In addition, approx. 33% of revenue is invoiced in EUR or DKK, approx. 7% in GBP, and the remaining 5% is invoiced in other currencies. Production and capacity costs are predominantly settled in USD, DKK, EUR, MYR and CNY.

In Q1 2020/21, the average USD/DKK exchange rate was 624 (675), down 7%. The average exchange rates depreciated as follows: CNY/DKK by 2%, MYR/DKK by 6% and GBP/DKK by 5%. The combined exchange rate impact on this quarter's revenue is a negative 6%, or DKK 46m, while the net impact on earnings and EBIT margin is limited due to the USD cost base, including

factories in China and Malaysia, which settle approx. 50% of their direct manufacturing costs in USD.

Capacity costs totaled DKK 514m (DKK 364m), corresponding to a 41% or DKK 150m increase, and up DKK 8m compared to Q4 2019/20. The rate of cost was 51% (48%).

Total capacity costs and rate of cost, %



Selling and distribution costs were up DKK 101m or 41% at DKK 348m (DKK 247m) compared to Q1 last year, and up DKK 11m compared to Q4 2019/20. Selling and distribution costs corresponded to 34% (33%) of revenue in Q1.

Distribution costs in Q1 for air-freighting of aScope were DKK 8m (DKK 1m) as our inventory levels in Visualization have not yet normalized. To meet the high demand from hospitals, we will continue to air-freight all endoscopes out of Malaysia at least for the rest of H1 2020/21.

Development costs increased by DKK 17m or 57% to DKK 47m (DKK 30m), corresponding to 5% (4%) of revenue. The increase can be ascribed to more activities in our innovation organization as well as a DKK 10m increase in amortization.

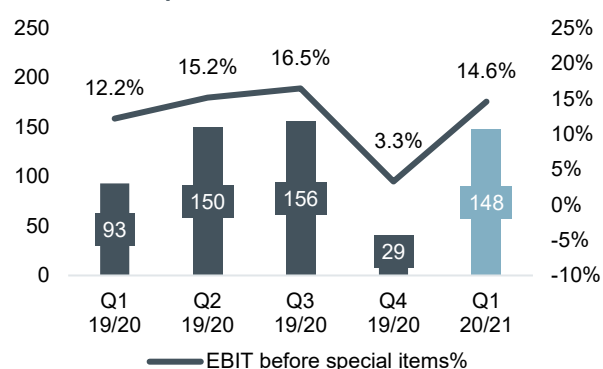
The cash flow relating to innovation activities, including the ramp-up of production of new products in Q1, is up DKK 32m or 42% at DKK 109m.

| DKKm | Q1 20/21 | Q1 19/20 | Change in value |
|--------------------------------------|------------|-----------|-----------------|
| Development costs | 47 | 30 | 17 |
| + Depreciation and amortization | -24 | -14 | -10 |
| + Impairment | 0 | 0 | 0 |
| = Development costs affecting EBITDA | 23 | 16 | 7 |
| + Investments | 86 | 61 | 25 |
| = Cash flow – Innovation | 109 | 77 | 32 |

Management and administrative costs for Q1 were DKK 119m (DKK 87m), corresponding to 12% (11%) of revenue. This reflects increased activity levels and an increase of our HQ headcount, including Regulatory, Quality, Finance and IT.

Operating profit (EBIT) before special items was DKK 148m (DKK 93m) in Q1, with an EBIT margin before special items of 14.6% (12.2%).

EBIT before special items – DKKm



Depreciation, amortization and impairment for Q1 represented an expense of DKK 50m (DKK 33m), corresponding to 5% (4%) of revenue. The change is ascribed to a general increase in activity levels as the increase is distributed across intangible assets with a definite lifetime and property, plant and equipment.

EBITDA before special items in Q1 was DKK 198m (DKK 126m) with an EBITDA margin before special items of 19.5% (16.6%).

Net financials amounted to an expense of DKK 30m (DKK 37m) for Q1.

Net financials are composed as follows:

- Foreign exchange constituted a net expense of DKK 15m (DKK 17m).
- Interest expenses on bank and lease debt totalled DKK 8m (DKK 7m).
- The interest expense element from liabilities stated at present amortized value was DKK 1m (DKK 1m).
- Fair value adjustments of contingent consideration relating to the acquisition of Invendo Medical GmbH represented an expense of DKK 6m (DKK 16m).

Tax on profit for Q1 was a net expense of DKK 27m (DKK 14m), corresponding to an average effective tax rate on profit of 23% (25%).

Net profit of DKK 91m (DKK 42m) was posted for Q1, equivalent to 9% (6%) of revenue.

Earnings per share (EPS) for Q1 were DKK 0.37 (DKK 0.17).

Balance sheet

Balance sheet condensed by main items

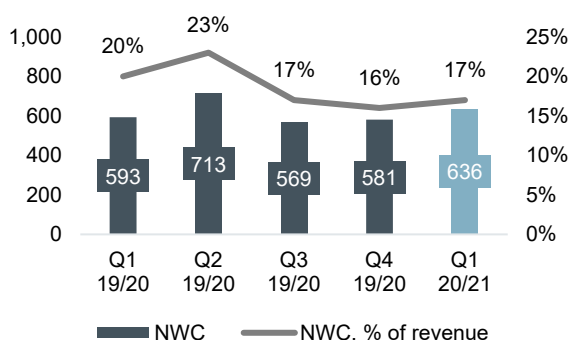
| DKKm | 31.12.20 | 31.12.19 | Change in value | Change % |
|-------------------------------------|--------------|--------------|-----------------|-----------|
| Non-current assets | 3,719 | 3,467 | 252 | 7% |
| Inventories | 551 | 514 | 37 | 7% |
| Trade receivables | 491 | 513 | -22 | -4% |
| Other current assets | 109 | 61 | 48 | 79% |
| Cash | 173 | 125 | 48 | 38% |
| Total assets | 5,043 | 4,680 | 363 | 8% |
| Equity | 2,394 | 2,127 | 267 | 13% |
| Contingent consideration | 134 | 395 | -261 | -66% |
| Interest bearing debt | 1,874 | 1,483 | 391 | 26% |
| Trade and other payables | 500 | 491 | 9 | 2% |
| Other liabilities | 141 | 184 | -43 | -23% |
| Total equity and liabilities | 5,043 | 4,680 | 363 | 8% |

By the end of Q1, **total assets** were DKK 5,043m (DKK 4,680m), and **invested capital** was DKK 4,095m (DKK 3,485m) with a 10% (11%) return on invested capital based on a rolling 12-month EBIT before special items less tax.

Non-current assets at the end of the quarter were DKK 3,719m, up DKK 252m from Q1 last year, driven by investments during the past 12 months including total investments of DKK 104m (DKK 80m) in Q1, which corresponds to 10% (11%) of revenue. Total investments are split between development projects, including the ramping-up of manufacturing for new products of DKK 86m (DKK 61m), and other tangible investments of DKK 18m (DKK 19m).

Net working capital at the end of the quarter was DKK 636m (DKK 593m), corresponding to 17% (20%) of 12 months of revenue.

Net working capital and net working capital relative to revenue, %



Inventories were DKK 551m (DKK 514m) at the end of Q1, corresponding to 14% (18%) of 12 months of revenue.

Trade receivables totalled DKK 491m at the end of Q1 against DKK 513m for the prior-year period. Calculated at fixed exchange rates on a 12-month basis, the average days sales outstanding was 48 (63).

Management continues to monitor the credit risk related to trade receivables following the COVID-19 pandemic. No additional credit losses were recorded during Q1.

Initiatives at government, federal, state or regional levels to save Ambu's customers from default will guard Ambu against credit losses on trade receivables. However, it is difficult to gauge whether such initiatives are adequate to prevent additional credit losses in case either of a resurgence of the coronavirus or of a slow economic recovery for hospitals following the reduction in elective procedures.

Trade payables and other payables totalled DKK 500m (DKK 491m), up DKK 9m or 2% from last year, corresponding to 13% (17%) of 12 months of revenue.

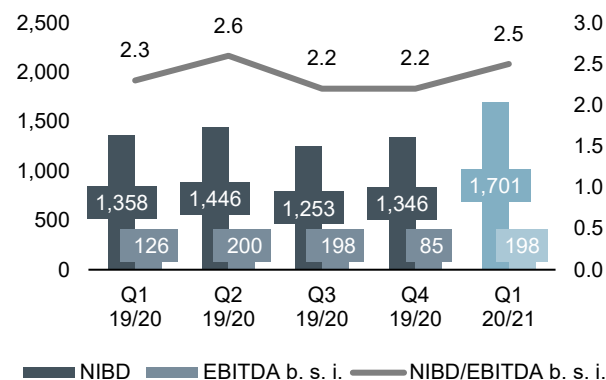
Contingent consideration was DKK 134m at the end of Q1 against DKK 395m last year. Contingent consideration was DKK 426m at the end of Q4 2019/20, and the decrease of DKK 292m since Q4 is due to a paid duodenoscopy milestone of DKK 298m, equivalent to EUR 40m.

Net interest-bearing debt (NIBD) and leverage

Cash and cash equivalents amounted to DKK 173m (DKK 125m), and total NIBD was DKK 1,701m (DKK 1,358m), corresponding to 2.5 (2.3) of EBITDA before special items.

At the end of Q1, Ambu had unutilized capital resources from cash, overdraft and credit facilities of approx. DKK 0.7bn (DKK 1.1bn).

NIBD, EBITDA (before special items) and NIBD/EBITDA (before special items)



Other liabilities were DKK 141m (DKK 184m), corresponding to a decrease over last year of DKK 43m primarily due to liable taxes by end of Q1 2019/20.

Cash flow statement

| DKKm | Q1 20/21 | Q1 19/20 | Change in value |
|--|----------|----------|-----------------|
| Cash flow from operating activities (CFFO) | 106 | -110 | 216 |
| Cash flow from investing activities before acquisitions (CFFI) | -104 | -80 | -24 |
| Free cash flow before acquisitions (FCF) | 2 | -190 | 192 |
| Acquisitions of enterprises and technology | -299 | 0 | -299 |
| Cash flow from financing activities (CFFF) | 372 | 195 | 177 |
| Changes in cash | 75 | 5 | 70 |
| Cash flows in % of revenue: | | | |
| Cash flow from operating activities | 10 | -14 | - |
| Investments | -10 | -11 | - |
| Free cash flow before acquisitions | 0 | -25 | - |

Cash flow from operating activities (CFFO) for Q1 was DKK 106m (DKK -110m), driven by EBITDA and a negative impact from net working capital of DKK -83m (DKK -223m). Last year's negative cash flow effect from working capital was impacted by the strategic decision to establish entirely direct sales of bronchoscopes in North

America. CFFO for Q1 corresponds to 10% (-14%) of revenue.

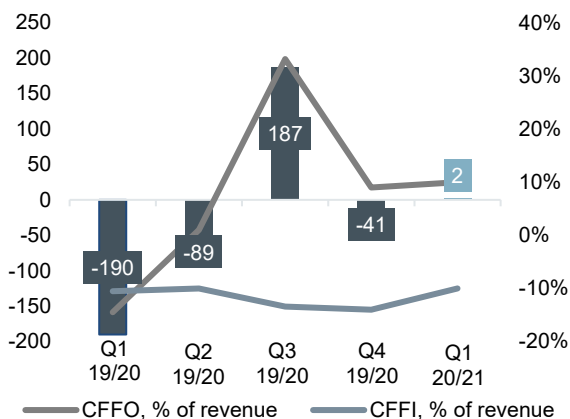
Cash flow from investing activities (CFFI) for Q1 was DKK -104m (DKK -80m) driven by ongoing development projects, corresponding to -10% (-11%) of revenue.

Free cash flow (FCF) before acquisitions of enterprises and technology for Q1 then totalled DKK 2m (DKK -190m), corresponding to 0% (-25%) of revenue.

The milestone payment of DKK 298m or EUR 40m relating to FDA clearance of the duodenoscope was paid in October 2020.

The remaining payment of DKK 149m or EUR 20m, which concludes the contingent consideration for the Invendo Medical GmbH acquisition, matures 60 banking days after having received FDA clearance of the gastroscope.

Free cash flow before acquisitions – DKKm



Cash flow from financing activities (CFFF) amounted to DKK 372m (DKK 195m) for the quarter. CFFF primarily relates to the raising of long-term debt of DKK 425m (DKK 275m). In addition, net taxed dividend of DKK 58m (DKK 77m) has been distributed to the shareholders.

Changes in cash and cash equivalents came to DKK 75m (DKK 5m) for the quarter.

Equity

At the end of December 2020, equity totalled DKK 2,394m (DKK 2,127m), corresponding to an equity ratio of 47% (45%) of total assets.

Other comprehensive income

Other comprehensive income includes a translation adjustment arising from the translation of foreign subsidiaries for the quarter of DKK -39m (DKK -21m) resulting from a 5% decrease in the USD/DKK exchange rate since 30 September 2020.

Other equity

At the annual general meeting held on 9 December 2020, it was decided to pay dividend of DKK 73m to Ambu's shareholders. Since the general meeting, dividend of DKK 73m has been distributed, including DKK 1m on Ambu's portfolio of treasury shares.

At the end of Q1, Ambu employees had exercised a total of 231,432 purchase options in Ambu A/S.

In accordance with Ambu's remuneration policy, a general employee share programme for 2020/21 will be established again in Q3 2020/21. The general employee share programme for 2018/19 vested in Q1, and Ambu's obligations in this respect have thus been fulfilled. Consequently, the holding of treasury shares was reduced by 45,874 Class B shares in Ambu A/S.

At the end of Q1, Ambu's holding of Class B treasury shares had been reduced by 277,306 to 4,626,332 (6,019,775), corresponding to 1.830% (2.390%) of the total share capital.

In addition, at the end of Q1, Ambu employees had exercised a total of 25,000 warrants to subscribe for shares in Ambu A/S.

In certain jurisdictions, Ambu obtains a deduction for employee gains from the exercise of options and warrants. During Q1, equity increased by DKK 21m (DKK -1m), corresponding to the value adjustment of any deductible value of employee gains.



Outlook 2020/21

The outlook for the financial year 2020/21 as announced in the annual report on 11 November 2020 is maintained:

Local currencies

| | 27 January 2021 | 11 November 2020 |
|----------------|-----------------|------------------|
| Organic growth | 17-20% | 17-20% |

Danish kroner

| | 27 January 2021 | 11 November 2020 |
|----------------------------------|-----------------|------------------|
| EBIT margin before special items | 11-12% | 11-12% |

Exchange rate assumptions for 2020/21

| | 27 January 2021 | 11 November 2020 |
|---------|-----------------|------------------|
| USD/DKK | 615 | 640 |
| CNY/DKK | 94 | 93 |
| MYR/DKK | 151 | 153 |
| GBP/DKK | 825 | 825 |

Forward-looking statements

Forward-looking statements, especially such as relate to future revenue and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this report. Factors that might affect such expectations include, among others, changes in health care, in the world economy, in interest rate levels and in exchange rates.

Financial diary 2020/21

2021

| | |
|--------------|-------------------------------|
| 14 April | Q2 quiet period starts |
| 12 May | Interim report for Q2 2020/21 |
| 20 July | Q3 quiet period starts |
| 17 August | Interim report for Q3 2020/21 |
| 30 September | End of financial year 2020/21 |

Financial diary 2021/22

2021

| | |
|-------------|------------------------|
| 12 October | Q4 quiet period starts |
| 9 November | Annual report 2020/21 |
| 14 December | Annual general meeting |

Quarterly results

| DKK m | Q1 2020/21 | Q4 2019/20 | Q3 2019/20 | Q2 2019/20 | Q1 2019/20 |
|--|---------------|---------------|---------------|---------------|---------------|
| Composition of revenue, products: | | | | | |
| Visualization | 558 | 396 | 539 | 486 | 290 |
| Anaesthesia | 253 | 273 | 258 | 273 | 256 |
| Patient Monitoring & Diagnostics | 202 | 202 | 150 | 230 | 214 |
| Revenue | 1,013 | 871 | 947 | 989 | 760 |
| Key figures, revenue: | | | | | |
| Endoscopes sold, '000 units | 370 | 255 | 337 | 313 | 180 |
| Growth in number of endoscopes sold, % | 106 | 174 | 74 | 72 | 21 |
| Organic growth, products: | | | | | |
| Visualization, % | 101 | 204 | 81 | 69 | 24 |
| Anaesthesia, % | 5 | 18 | -1 | 3 | 8 |
| Patient Monitoring & Diagnostics, % | -3 | -10 | -32 | -6 | 10 |
| Organic growth, % | 39 | 48 | 21 | 24 | 14 |
| Exchange rate effects, % | -6 | -4 | 2 | 2 | 2 |
| Reported revenue growth, % | 33 | 44 | 23 | 26 | 16 |
| Organic growth, markets: | | | | | |
| North America, % | 13 | 130 | -10 | 17 | 16 |
| Europe, % | 79 | 15 | 59 | 40 | 11 |
| Rest of World, % | 9 | -1 | 31 | 2 | 12 |
| Organic growth, % | 39 | 48 | 21 | 24 | 14 |
| Revenue | 1,013 | 871 | 947 | 989 | 760 |
| Production costs | -351 | -336 | -334 | -382 | -303 |
| Gross profit | 662 | 535 | 613 | 607 | 457 |
| <i>Gross margin, %</i> | <i>65.4</i> | <i>61.4</i> | <i>64.7</i> | <i>61.4</i> | <i>60.1</i> |
| Selling and distribution costs | -348 | -337 | -320 | -324 | -247 |
| Development costs | -47 | -50 | -41 | -36 | -30 |
| Management and administration | -119 | -119 | -96 | -97 | -87 |
| <i>Total capacity costs</i> | <i>-514</i> | <i>-506</i> | <i>-457</i> | <i>-457</i> | <i>-364</i> |
| Operating profit (EBIT) | 148 | 29 | 156 | 150 | 93 |
| <i>EBIT margin, %</i> | <i>14.6</i> | <i>3.3</i> | <i>16.5</i> | <i>15.2</i> | <i>12.2</i> |
| Financial income | 0 | 0 | -3 | 2 | 4 |
| Financial expenses | -30 | -24 | -30 | -14 | -41 |
| Profit before tax (PBT) | 118 | 5 | 123 | 138 | 56 |
| Tax on profit for the period | -27 | -2 | -31 | -34 | -14 |
| Net profit for the period | 91 | 3 | 92 | 104 | 42 |

Quarterly results (continued)

| DKKm | Q1 2020/21 | Q4 2019/20 | Q3 2019/20 | Q2 2019/20 | Q1 2019/20 |
|--|---------------|---------------|---------------|---------------|---------------|
| Balance sheet: | | | | | |
| Assets | 5,043 | 4,926 | 4,876 | 4,788 | 4,680 |
| Net working capital | 636 | 581 | 569 | 713 | 593 |
| Equity | 2,394 | 2,372 | 2,410 | 2,300 | 2,127 |
| Net interest-bearing debt | 1,701 | 1,346 | 1,253 | 1,446 | 1,358 |
| Invested capital | 4,095 | 3,718 | 3,663 | 3,746 | 3,485 |
| Cash flows, in DKKm: | | | | | |
| Cash flows from operating activities | 106 | 81 | 314 | 10 | -110 |
| Cash flows from investing activities before acquisitions of enterprises and technology | -104 | -122 | -127 | -99 | -80 |
| Free cash flows before acquisitions of enterprises and technology | 2 | -41 | 187 | -89 | -190 |
| Acquisitions of enterprises and technology | -299 | 0 | -2 | 0 | 0 |
| Cash flows, in % of revenue: | | | | | |
| Cash flows from operating activities | 10 | 9 | 33 | 1 | -14 |
| Cash flows from investing activities before acquisitions of enterprises and technology | -10 | -14 | -13 | -10 | -11 |
| Free cash flows before acquisitions of enterprises and technology | 0 | -5 | 20 | -9 | -25 |
| Key figures and ratios: | | | | | |
| Capacity costs | 514 | 506 | 457 | 457 | 364 |
| Rate of cost, % | 51 | 58 | 48 | 46 | 48 |
| EBITDA before special items | 198 | 85 | 198 | 200 | 126 |
| EBITDA margin before special items, % | 19.5 | 9.8 | 20.9 | 20.2 | 16.6 |
| Depreciation | -27 | -26 | -22 | -21 | -19 |
| Amortization | -22 | -31 | -20 | -18 | -14 |
| Impairment | -1 | 1 | 0 | -11 | 0 |
| EBIT before special items | 148 | 29 | 156 | 150 | 93 |
| EBIT margin before special items, % | 14.6 | 3.3 | 16.5 | 15.2 | 12.2 |
| NIBD/EBITDA before special items | 2.5 | 2.2 | 2.2 | 2.6 | 2.3 |
| Net working capital, % of revenue | 17 | 16 | 17 | 23 | 20 |
| Share-related ratios: | | | | | |
| Market price per share (DKK) | 263 | 180 | 208 | 165 | 112 |
| Earnings per share (EPS) (DKK) | 0.37 | 0.01 | 0.37 | 0.42 | 0.17 |
| Diluted earnings per share (EPS-D) (DKK) | 0.36 | 0.01 | 0.37 | 0.42 | 0.17 |

Management's statement

The Board of Directors and the Executive Board have considered and approved the interim report of Ambu A/S for the period 1 October 2020 to 31 December 2020. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

We consider the accounting policies applied to be expedient, the group's internal controls relevant to preparing and presenting the interim report to be adequate and the interim report to give a true and fair view of the group's assets, liabilities, results and financial position as at 31 December 2020 and of the results of the group's operations and cash flows for the period 1 October 2020 to 31 December 2020.

We further consider that the management's review gives a true and fair view of the development in the group's activities and financial affairs, the profit for the period and the group's financial position as a whole as well as a description of the most significant risks and uncertainties to which the group is subject.

Ballerup, 27 January 2021

Executive Board

Juan Jose Gonzalez
CEO

Michael Højgaard
CFO

Board of Directors

Jørgen Jensen
Chairman

Christian Sagild
Vice-Chairman

Britt Meelby Jensen

Mikael Worning

Henrik Ehlers Wulff

Thomas Lykke Henriksen
Elected by the employees

Jakob Koch
Elected by the employees

Jakob Bønnelykke Kristensen
Elected by the employees

Consolidated financial statements

Interim report Q1 2020/21

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| Page 20 | Statement of changes in equity – Group |
| Page 21 | Notes to the interim report |



Ambu's single-use cystoscope for urology procedures – Ambu® aScope™ 4 Cysto – received clearance from the FDA in Q3 2019/20 and was launched along with our latest monitor platform, Ambu® aView™ 2 Advance, a full-HD technology platform to be used across the range of Ambu's sterile, single-use endoscopes.

Income statement and statement of comprehensive income - Group

Interim report Q1 2020/21

DKKm

| | | Q1 2020/21 | Q1 2019/20 | FY 2019/20 |
|------------------------------------|---|---------------|---------------|---------------|
| Income statement | | | | |
| Revenue | 4 | 1,013 | 760 | 3,567 |
| Production costs | | -351 | -303 | -1,355 |
| Gross profit | | 662 | 457 | 2,212 |
| Selling and distribution costs | | -348 | -247 | -1,228 |
| Development costs | | -47 | -30 | -157 |
| Management and administration | | -119 | -87 | -399 |
| Operating profit (EBIT) | | 148 | 93 | 428 |
| Financial income | 9 | 0 | 4 | 3 |
| Financial expenses | 9 | -30 | -41 | -109 |
| Profit before tax | | 118 | 56 | 322 |
| Tax on profit for the period | | -27 | -14 | -81 |
| Net profit for the period | | 91 | 42 | 241 |
| Earnings per share in DKK | | | | |
| Earnings per share (EPS) | | 0.37 | 0.17 | 0.98 |
| Diluted earnings per share (EPS-D) | | 0.36 | 0.17 | 0.97 |

| | | Q1 2020/21 | Q1 2019/20 | FY 2019/20 |
|--|--|---------------|---------------|---------------|
| Statement of comprehensive income | | | | |
| Net profit for the period | | 91 | 42 | 241 |
| Other comprehensive income: | | | | |
| <i>Items which are moved to the income statement under certain conditions:</i> | | | | |
| Translation adjustment in foreign subsidiaries | | -39 | -21 | -81 |
| Other comprehensive income after tax | | -39 | -21 | -81 |
| Comprehensive income for the period | | 52 | 21 | 160 |

Balance sheet – Group

Interim report Q1 2020/21

DKKm

| Assets | Note | 31.12.20 | 31.12.19 | 30.09.20 |
|--|-------------|-----------------|-----------------|-----------------|
| Goodwill | | 1,467 | 1,529 | 1,497 |
| Acquired technologies, trademarks and customer relations | | 434 | 128 | 445 |
| Acquired technologies in progress | | 324 | 661 | 324 |
| Completed development projects | | 349 | 153 | 304 |
| Development projects in progress | | 341 | 286 | 319 |
| Rights | | 44 | 55 | 46 |
| Intangible assets | | 2,959 | 2,812 | 2,935 |
| Land and buildings | 1 | 338 | 324 | 342 |
| Plant and machinery | | 127 | 112 | 133 |
| Other fittings and equipment | 1 | 155 | 88 | 128 |
| Property, plant and equipment in progress | | 48 | 54 | 61 |
| Property, plant and equipment | | 668 | 578 | 664 |
| Deferred tax asset | | 92 | 77 | 90 |
| Other non-current assets | | 92 | 77 | 90 |
| Total non-current assets | | 3,719 | 3,467 | 3,689 |
| Inventories | | 551 | 514 | 515 |
| Trade receivables | | 491 | 513 | 521 |
| Other receivables | | 24 | 17 | 32 |
| Income tax receivable | | 15 | 4 | 11 |
| Prepayments | | 70 | 40 | 60 |
| Cash | | 173 | 125 | 98 |
| Total current assets | | 1,324 | 1,213 | 1,237 |
| Total assets | | 5,043 | 4,680 | 4,926 |

| Equity and liabilities | Note | 31.12.20 | 31.12.19 | 30.09.20 |
|-------------------------------------|-------------|-----------------|-----------------|-----------------|
| Share capital | | 126 | 126 | 126 |
| Other reserves | | 2,268 | 2,001 | 2,246 |
| Equity | | 2,394 | 2,127 | 2,372 |
| Deferred tax | | 79 | 65 | 81 |
| Provisions | | 30 | 30 | 32 |
| Contingent consideration | 12 | 0 | 119 | 0 |
| Interest-bearing debt | 1, 10 | 1,804 | 1,459 | 1,401 |
| Non-current liabilities | | 1,913 | 1,673 | 1,514 |
| Provisions | | 7 | 13 | 9 |
| Contingent consideration | 12 | 134 | 276 | 426 |
| Interest-bearing debt | 1, 10 | 70 | 24 | 43 |
| Trade payables | | 216 | 196 | 259 |
| Income tax | | 18 | 67 | 8 |
| Other payables | | 284 | 295 | 288 |
| Derivative financial instruments | | 7 | 9 | 7 |
| Current liabilities | | 736 | 880 | 1,040 |
| Total liabilities | | 2,649 | 2,553 | 2,554 |
| Total equity and liabilities | | 5,043 | 4,680 | 4,926 |

Cash flow statement – Group

Interim report Q1 2020/21

DKKm

| | Note | YTD 2020/21 | YTD 2019/20 | FY 2019/20 |
|--|------|----------------|----------------|---------------|
| Operating profit (EBIT) | | 148 | 93 | 428 |
| Adjustment of items with no cash flow effect | 6 | 52 | 37 | 200 |
| Changes in net working capital | 7 | -83 | -223 | -203 |
| Interest expenses and similar items | | -6 | -8 | -28 |
| Income tax paid | | -5 | -9 | -102 |
| Cash flows from operating activities | | 106 | -110 | 295 |
| Investments in intangible assets | | -78 | -57 | -284 |
| Investments in tangible assets | | -26 | -23 | -144 |
| Cash flows from investing activities before acquisitions of enterprises and technology | | -104 | -80 | -428 |
| Free cash flows before acquisitions of enterprises and technology | | 2 | -190 | -133 |
| Acquisition of technology | | -1 | 0 | -2 |
| Acquisitions of enterprises | | -298 | 0 | 0 |
| Cash flows from acquisitions of enterprises and technology | | -299 | 0 | -2 |
| Cash flows from investing activities | | -403 | -80 | -430 |
| Free cash flows after acquisitions of enterprises and technology | | -297 | -190 | -135 |
| Raising of long-term debt | | 425 | 275 | 325 |
| Repayment of debt to credit institutions | | 0 | 0 | -150 |
| Repayment in respect of leases | | -15 | -11 | -32 |
| Exercise of options | | 18 | 3 | 19 |
| Sale of treasury shares, employee share programme | | 0 | 0 | 9 |
| Dividend paid | | -58 | -77 | -96 |
| Dividend, treasury shares | | 1 | 2 | 2 |
| Capital increase, Class B share capital | | 1 | 3 | 37 |
| Cash flows from financing activities | | 372 | 195 | 114 |
| Changes in cash and cash equivalents | | 75 | 5 | -21 |
| Cash and cash equivalents, beginning of period | | 98 | 120 | 120 |
| Translation adjustment of cash and cash equivalents | | 0 | 0 | -1 |
| Cash and cash equivalents, end of period | | 173 | 125 | 98 |
| Cash and cash equivalents, end of period, are composed as follows: | | | | |
| Cash | | 173 | 125 | 98 |
| Cash and cash equivalents, end of year | | 173 | 125 | 98 |

Statement of changes in equity – Group

Interim report Q1 2020/21

DKKm

| | Share capital | Reserve for hedging transactions | Reserve for foreign currency translation adjustment | Retained earnings | Proposed dividend | Total |
|---|---------------|----------------------------------|---|-------------------|-------------------|--------------|
| Equity 1 October 2020 | 126 | 0 | 73 | 2,100 | 73 | 2,372 |
| Net profit for the period | | | | 91 | | 91 |
| Other comprehensive income for the period | | | -39 | | | -39 |
| Total comprehensive income | 0 | 0 | -39 | 91 | 0 | 52 |
| <i>Transactions with the owners:</i> | | | | | | |
| Share-based payment | | | | 2 | | 2 |
| Tax deduction relating to share options | | | | 21 | | 21 |
| Exercise of options | | | | 18 | | 18 |
| Distributed dividend | | | | | -72 | -72 |
| Dividend, treasury shares | | | | 1 | -1 | 0 |
| Share capital increase, warrants | | | | 1 | | 1 |
| Equity 31 December 2020 | 126 | 0 | 34 | 2,234 | 0 | 2,394 |
| | | | | | | |
| Equity 1 October 2019 | 126 | 0 | 154 | 1,806 | 96 | 2,182 |
| Net profit for the period | | | | 42 | | 42 |
| Other comprehensive income for the period | | | -21 | | | -21 |
| Total comprehensive income | 0 | 0 | -21 | 42 | 0 | 21 |
| <i>Transactions with the owners:</i> | | | | | | |
| Share-based payment | | | | 4 | | 4 |
| Tax deduction relating to share options | | | | -1 | | -1 |
| Exercise of options | | | | 3 | | 3 |
| Sale of treasury shares, employee share programme | | | | 9 | | 9 |
| Distributed dividend | | | | | -94 | -94 |
| Dividend, treasury shares | | | | 2 | -2 | 0 |
| Share capital increase, warrants | | | | 3 | | 3 |
| Equity 31 December 2019 | 126 | 0 | 133 | 1,868 | 0 | 2,127 |

Other reserves are made up of reserve for hedging transactions, reserve for foreign currency translation adjustment, retained earnings and proposed dividend and total DKK 2,268m (31.12.2019: DKK 2,001m).

Notes to the interim report

Interim report Q1 2020/21

Section 1: Basis of preparation of interim report

Page 22 Note 1 – Basis of preparation of interim report
Page 22 Note 2 – Changes in accounting estimates

Section 2: Operating activities and cash flows

Page 22 Note 3 – Segment information
Page 22 Note 4 – Revenue

Section 3: Invested capital and net working capital

Page 22 Note 5 – Development in balance sheet since 30 September 2020
Page 23 Note 6 – Adjustment of items with no cash flow effect
Page 23 Note 7 – Changes in net working capital

Section 4: Financial risk management, capital structure and net financials

Page 23 Note 8 – Risks
Page 23 Note 9 – Net financials
Page 24 Note 10 – Net interest-bearing debt
Page 24 Note 11 – Capital increases, treasury shares and dividend paid

Section 5: Provisions, other liabilities etc.

Page 25 Note 12 – Contingent consideration
Page 25 Note 13 – Contingent liabilities
Page 25 Note 14 – Subsequent events



Notes to the interim report

Interim report Q1 2020/21

DKKm

Note 1 – Basis of preparation of the interim report

The interim report for the period 1 October 2020 to 31 December 2020 is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies. The accounting principles applied are consistent with the principles applied in the annual report for 2019/20. For definitions of ratios, reference is made to note 5.10 in the annual report for 2019/20.

Note 2 – Changes in accounting estimates

In connection with the preparation of the interim report, the management makes accounting estimates, assessments and assumptions which form the basis of the presentation, recognition and measurement of the group's assets and liabilities for accounting purposes. There are no changes in the estimates or assessments reported in the annual report for 2019/20.

Note 3 – Segment information

Ambu is a supplier of medtech products for the global market. Except for the sales of the various products, no structural or organizational aspects allow for a division of earnings from individual products, as sales channels, customer types and sales organizations are identical for all important markets. Furthermore, production processes and internal controls and reporting are identical, which means that, with the exception of revenue, everything else is unsegmented. Ambu has thus identified one segment.

Note 4 – Revenue

| | Q1 2020/21 | Q1 2019/20 | FY 2019/20 |
|------------------------------------|---------------|---------------|---------------|
| Visualization | 558 | 290 | 1,711 |
| Anaesthesia | 253 | 256 | 1,060 |
| Patient Monitoring & Diagnostics | 202 | 214 | 796 |
| Total revenue by activities | 1,013 | 760 | 3,567 |
| North America | 391 | 376 | 1,594 |
| Europe | 537 | 303 | 1,551 |
| Rest of World | 85 | 81 | 422 |
| Total revenue by markets | 1,013 | 760 | 3,567 |

Note 5 – Development in balance sheet since 30 September 2020

Since the beginning of the financial year, intangible assets and property, plant and equipment have increased by a net amount of DKK 28m to DKK 3,627m. The net increase is driven by investments in ongoing development projects and tangible assets totalling DKK 104m while depreciation, amortization, and currency translation adjustments have reduced the total carrying amount since 30 September 2020.

Deferred taxes amounted to a net asset of DKK 9m at the beginning of the financial year. Since then, the net asset has increased to DKK

Inventories have increased by DKK 36m, corresponding to 7%. Inventories overall are below planning level and we expect to have normalized inventories in the second half of 2020/21. Trade receivables decreased by DKK 30m despite the reported growth of 33% in Q1.

Contingent consideration relating to the acquisition of Invendo Medical GmbH amounted to DKK 134m, a decrease of DKK 292m due to the payment of the duodenoscope milestone of DKK 298m. Interest-bearing debt is up DKK 430m as debt was raised to fund the distribution of dividend and the milestone payment.

Trade payables decreased by DKK 43m to DKK 216m due to timing in payments and activity levels. Other payables decreased by DKK 4m to DKK 284m.



Notes to the interim report

Interim report Q1 2020/21

DKKm

Note 6 – Adjustment of items with no cash flow effect

| | YTD 2020/21 | YTD 2019/20 | FY 2019/20 |
|--|----------------|----------------|---------------|
| Depreciation, amortization and impairment losses | 50 | 33 | 181 |
| Share-based payment | 2 | 4 | 19 |
| | 52 | 37 | 200 |

Note 7 – Changes in net working capital

| | YTD 2020/21 | YTD 2019/20 | FY 2019/20 |
|--------------------------------|----------------|----------------|---------------|
| Changes in inventories | -50 | -20 | -51 |
| Changes in receivables | 21 | -43 | -97 |
| Changes in trade payables etc. | -54 | -160 | -55 |
| | -83 | -223 | -203 |

Note 8 – Risks

For a description of Ambu's risks, see the 'Risk management' section in the annual report for 2019/20, pages 33-34.

Note 9 – Net financials

| | Q1 2020/21 | Q1 2019/20 | FY 2019/20 |
|--------------------------------|---------------|---------------|---------------|
| <i>Other financial income:</i> | | | |
| Fair value adjustment, swap | 0 | 4 | 3 |
| Financial income | 0 | 4 | 3 |

| | Q1 2020/21 | Q1 2019/20 | FY 2019/20 |
|--|---------------|---------------|---------------|
| <i>Interest expenses:</i> | | | |
| Interest expenses, banks | 6 | 6 | 22 |
| Interest expenses, leases | 2 | 1 | 6 |
| <i>Other financial expenses:</i> | | | |
| Foreign exchange loss, net | 15 | 17 | 30 |
| Fair value adjustment, contingent consideration | 6 | 16 | 48 |
| Effect of shorter discount period, acquisition of technology | 1 | 1 | 3 |
| Financial expenses | 30 | 41 | 109 |

Notes to the interim report

Interim report Q1 2020/21

Note 10 – Net interest-bearing debt

| | 31.12.20 | 31.12.19 | FY 2019/20 |
|---|--------------|--------------|---------------|
| Credit institutions | 1,650 | 1,325 | 1,225 |
| Leases | 130 | 134 | 152 |
| Other interest-bearing debt | 24 | 0 | 24 |
| Long-term interest-bearing debt | 1,804 | 1,459 | 1,401 |
| Leases | 70 | 24 | 43 |
| Short-term interest-bearing debt | 70 | 24 | 43 |

The table below shows the composition of the group's net interest-bearing debt.

| | 31.12.20 | 31.12.19 | FY 2019/20 |
|----------------------------------|--------------|--------------|---------------|
| Interest-bearing debt | 1,874 | 1,483 | 1,444 |
| Cash | -173 | -125 | -98 |
| Net interest-bearing debt | 1,701 | 1,358 | 1,346 |

Note 11 – Capital increases, treasury shares and dividend paid

Capital increases

A capital increase was completed in November 2020 in connection with the exercise by employees of warrants allocated in 2015 and 2016. In consequence hereof, Ambu's share capital was increased by 15,000 Class B shares with a nominal value of DKK 0.50 each at a price of 39.26 and 10,000 Class B shares with a nominal value of DKK 0.50 each at a price of 77.12.

Changes in number of shares and share capital for the period:

| | 30.09.20 | Change | 31.12.20 |
|-----------------------|--------------------|---------------|--------------------|
| No. of Class A shares | 34,320,000 | 0 | 34,320,000 |
| No. of Class B shares | 218,497,100 | 25,000 | 218,522,100 |
| | 252,817,100 | 25,000 | 252,842,100 |
| Share capital | 126,408,550 | 12,500 | 126,421,050 |

Treasury shares

As at 30 September 2020, Ambu's holding of treasury shares totalled 4,903,638 Class B shares with a nominal value of DKK 0.50 each. As at 31 December 2020, this had been reduced by 277,306 shares to 4,626,332 Class B shares. The reduction is attributable to disposals in connection with the conclusion of the employee share programme for 2018 (matching shares) and sale of treasury shares relating to exercise of share option programmes. There have been no transactions with Class A shares.

Dividend paid

The Board of Directors' proposal for the distribution of dividend of DKK 0.29 per share with a nominal value of DKK 0.50 was adopted at the company's annual general meeting on 9 December 2020. The dividend declared totals DKK 73m and has subsequently been paid out less withholding taxes payable to the Danish Tax Authorities in January 2021.



Notes to the interim report

Interim report Q3 2019/20

DKKm

Note 12 – Contingent consideration

| | 31.12.20 | 31.12.19 | FY 2019/20 |
|--|------------|------------|---------------|
| Contingent consideration at 1 October | 426 | 378 | 378 |
| Used during the year | -298 | 0 | 0 |
| <i>Adjustments made through the income statement under financial expenses:</i> | | | |
| Value adjustment | 6 | 16 | 48 |
| Foreign currency translation adjustment | 0 | 1 | 0 |
| Contingent consideration end of reporting period | 134 | 395 | 426 |
| Contingent consideration expected to fall due: | | | |
| Non-current contingent consideration | 0 | 119 | 0 |
| Current contingent consideration | 134 | 276 | 426 |
| Contingent consideration end of reporting period | 134 | 395 | 426 |

Contingent consideration concerns outstanding liabilities relating to the acquisition of Invendo Medical GmbH. The contingent consideration is valued on the basis of unobservable inputs, corresponding to level 3 in the fair value hierarchy.

DKK 298m was paid during Q1 as the milestone payment for the duodenoscope matured. The net value adjustment of DKK 6m posted to financials can be attributed to the effect of the shorter discounting period.

Note 13 – Contingent liabilities

Ambu's ongoing operations and the use of Ambu's products in hospitals and clinics etc. involve the general risk of claims for damages and sanctions against Ambu. The risk is deemed to be customary.

Ambu is involved from time to time in disputes with customers and patients about Ambu's products. Appropriate provisions are made on an ongoing basis, and product liability insurance has been taken out. The management believes that the likely outcomes of these disputes can be covered by the provisions made and recognised in the balance sheet as at 31 December 2020. For a more detailed description of the group's risks, see the 'Risk management' section on pages 33-34 in the annual report 2019/20.

Note 14 – Subsequent events

In addition to the matters described in this interim report, the management is not aware of any events subsequent to 31 December 2020 which could be expected to have a significant impact on the group's financial position.

