



Welcome to

Annual General Meeting 2018/19

17 December 2019

Tivoli Hotel & Congress Center

To save lives and improve patient care



Agenda

1. Preparation etc. of annual report etc. in English
2. The management's report
3. Annual report and financial statements
4. Remuneration report
5. Appropriation of profits
6. Remuneration of the Board of Directors for FY 2019/20
7. Election of Chairman of the Board
8. Election of Vice-chairman of the Board
9. Election of other members of the Board
10. Election of auditor
11. Proposals from the Board of Directors – Update of the remuneration policy
12. Authorisation to the chairman of the meeting

Financial reporting in English

- Ambu's internal working language is English
- Financial reporting is therefore translated from English into Danish which then constitutes the legally binding version
- The proposal is to report in English as most C25 companies do already
- The annual results will continue to be presented in Danish in an investor folder
- The annual general meeting will continue to be held in Danish



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The management's report
by Chairman of the Board Jens Bager



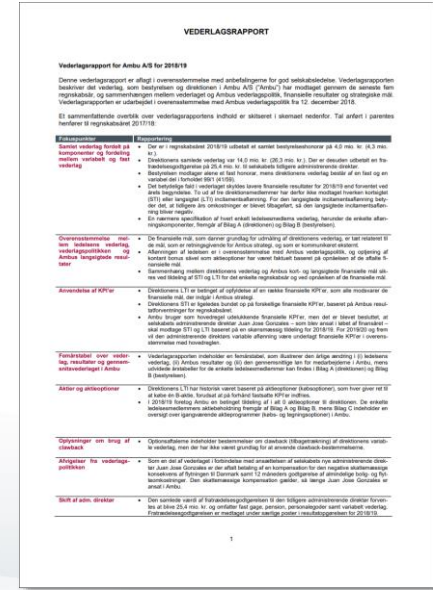
Main events of the year

- Hiring of new CEO
- Launch of endoscopes for ENT
- Investing in innovation and launch of 15 new products towards 2022
- Strengthening of sales and marketing organisation



Remuneration report

- The variable remuneration of the executive board for 2018/19 is significantly impacted by the fact that the financial results are lower than originally expected
- Therefore, neither the former CEO nor the CFO will receive bonus and all share options for 2018/19 are lost
- The present CEO has received bonus and share income for the results achieved since his appointment in May 2019



Evaluation of remuneration

- The board has discussed the future framework for management remuneration
- We have listened to the criticism, including that which was put forward on the AGM last year
- The work on the new remuneration policy has been extensive and involved external counsel
- The proposal for new remuneration policy will be recapitulated as agenda item 11 will change the composition of management's remuneration significantly



Work of the Board of Directors

- On top of eight board meetings, meetings were held in the audit committee, the remuneration committee and the nomination committee
- As in prior years, an external consultant has headed the annual evaluation of the work of the board of directors



Recommendations on Corporate Governance

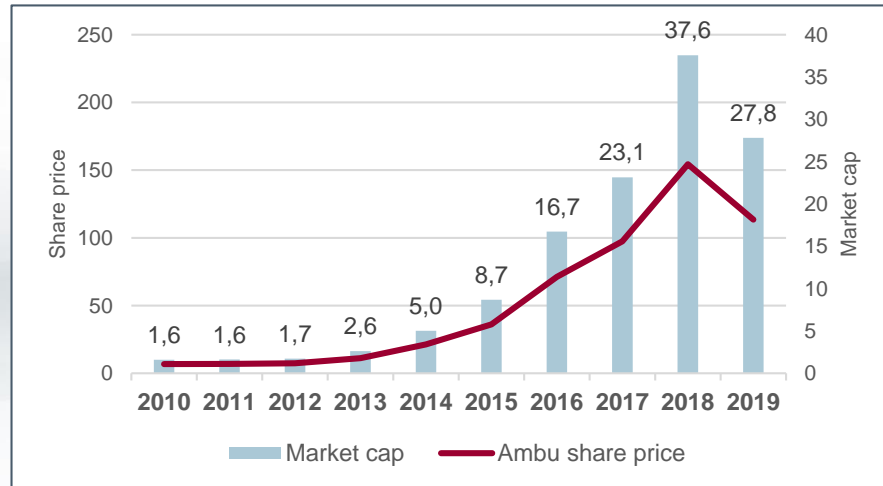
- Ambu considers the recommendations on corporate governance on a continuous basis
- Ambu follows all recommendations



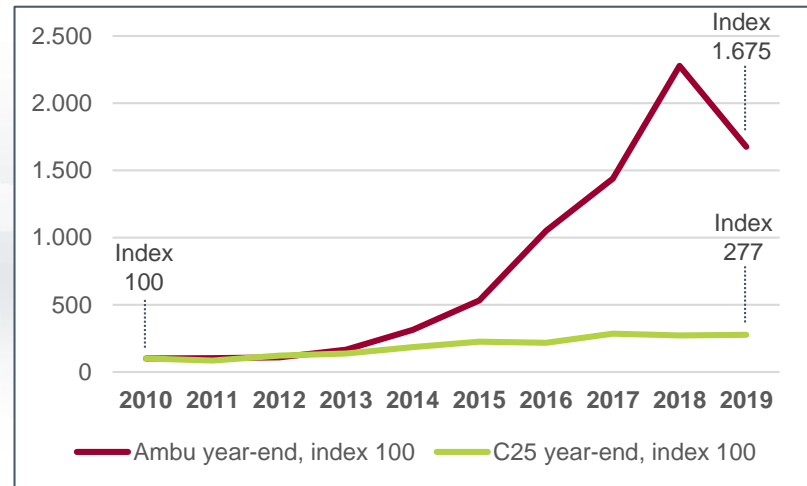
Development of the Ambu share price

- During 2018/19, the share price has declined 26% – from 154 to 114
- **10-year perspective:**
Since September 2010, the share price has increase from 7 to 114
I.e. an average annual increase of 32%

Ambu shareprice (DKK) and market cap (DKKb) at 30 Sep. 2010-2019



Share price of Ambu and C25 from 2010 to 2019 (index 100)



CEO

Juan Jose Gonzalez



- Born 1972. Peruvian and American citizen
- Appointed CEO and member of the executive management in May 2019
- 12 years of international experience from senior positions in the American and European health care industry
- Former positions:
 - Johnson & Johnson, Pfizer, McKinsey
- Education:
 - M.Tech. from Columbia University, New York, USA
 - MBA from University of Notre Dame, USA

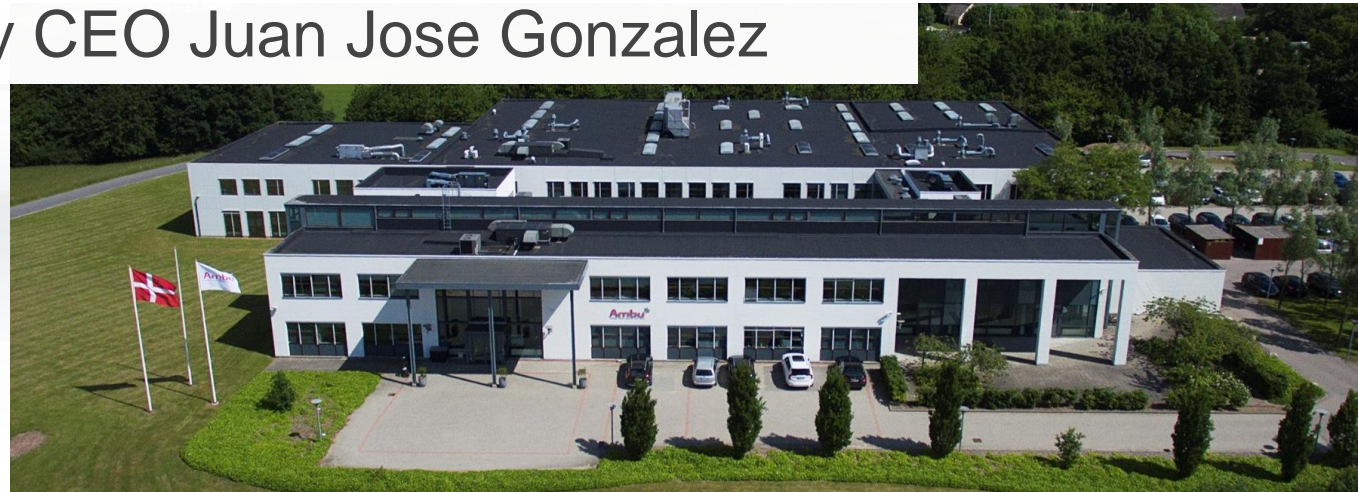
Video: Exciting journey



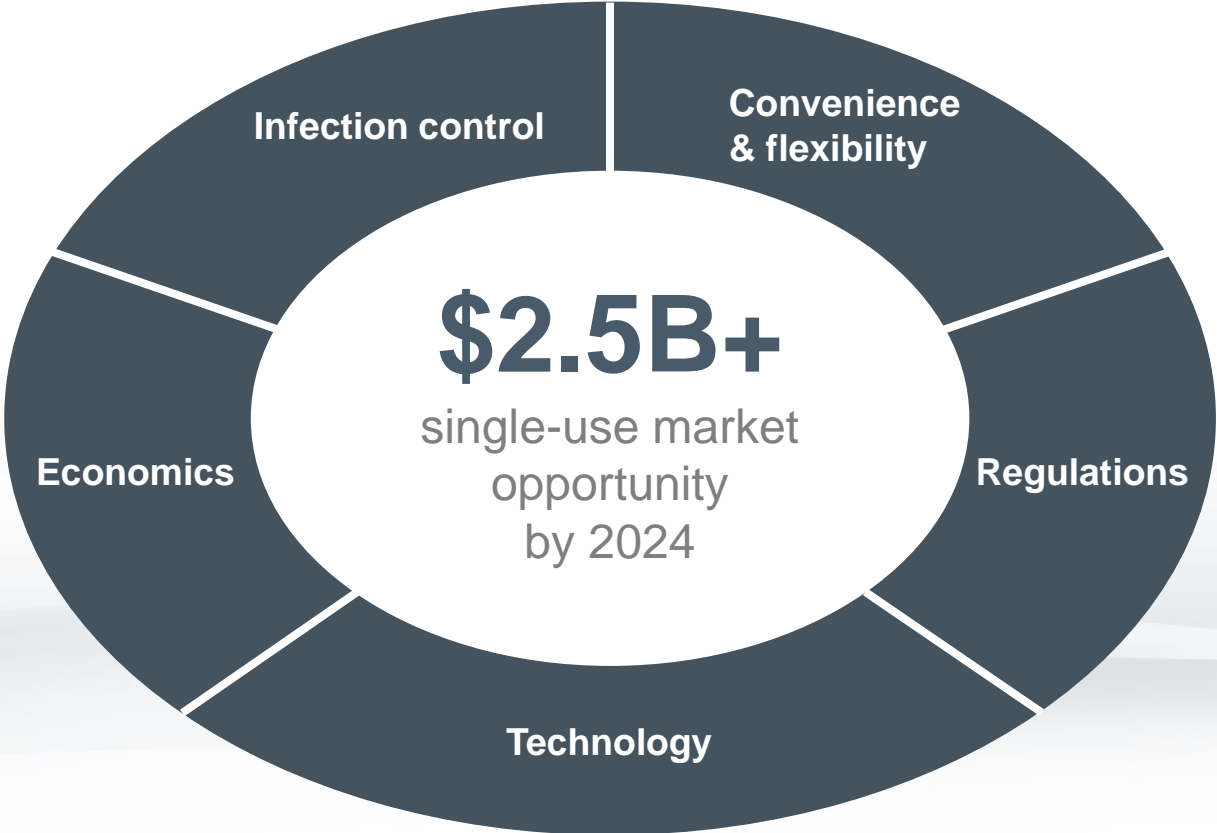
Vi er entreprenører i Ambu. Vi agerer som en lille virksomhed, hvilket gør os meget mere agile.



Management's report by CEO Juan Jose Gonzalez



Rapid emergence of single-use endoscopy market



Major competitors are entering the market



Ambu's key advantages in single-use endoscopy



Strong R&D and manufacturing capabilities

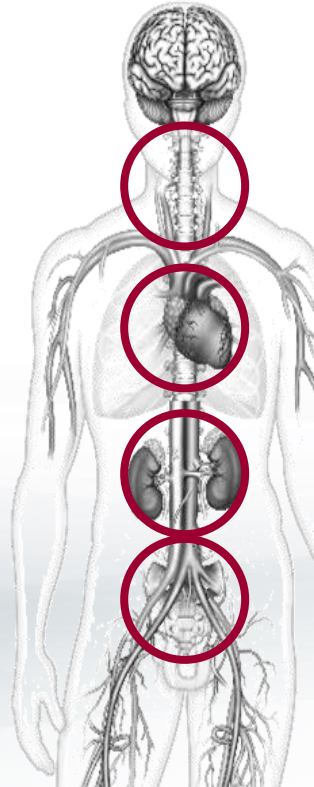
Largest single-use R&D organization

- ✓ **200+** internal and **100+** external FTEs
- ✓ **5** R&D centers and **5** exclusive tech partners
- ✓ **Modular engineering** - faster and more efficient development

High scale, low-cost production

- ✓ **10+** years of experience producing single-use endoscopes
- ✓ Target to produce **~900,000** scopes this year
- ✓ **Modular manufacturing** with top tier yield and performance

Expanding our pipeline to capture full market opportunity




	Product	Launch
aView 2 Advance (Q3 2019/20)	Pulmonology	
	aScope™ 4 Broncho	✓
	VivaSight-DL/-SL	✓
	aScope BronchoSampler™	✓
	aScope™ 5 Broncho HD	Q4 2020/21
	aScope™ 5 Broncho for smaller patients	2021/22
	aScope™ 5 Broncho for selected procedures	2021/22
Video laryngoscope 2.0	2021/22	
ENT	aScope™ 4 RhinoLaryngo Intervention	✓
	aScope™ 4 RhinoLaryngo Slim	✓
	ENT High-Resolution	2021/22
Urology	Isiris™	✓
	Cystoscope	Q2, 2019/20
	Ureteroscope	2021/22
	Cystoscope HD	2021/22
aBox Console (Q2 2020/21)	Duodenoscopy (GI)	
	aScope™ Duodeno	Q4, 2019/20
	aScope™ Duodeno 2	2021/22
	Cholangioscope	2021/22
Colonoscopy (GI)	aScope™ Colon	Q2, 2020/21
Gastroscopy (GI)	aScope™ Gastro	Q2, 2020/21

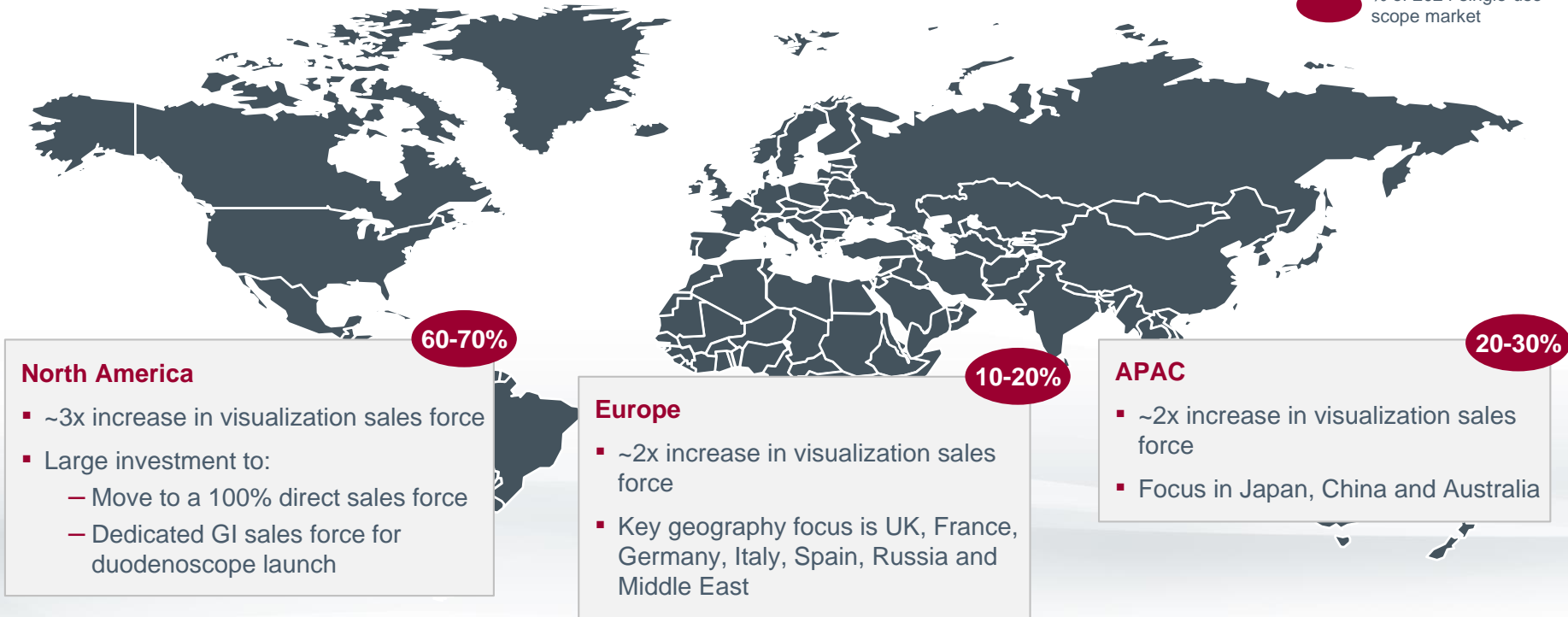
✓ Commercially available

New products

15 new products to be launched by 2021/22

Accelerating commercial execution, investing in key markets

 % of 2024 single-use scope market



North America

- ~3x increase in visualization sales force
- Large investment to:
 - Move to a 100% direct sales force
 - Dedicated GI sales force for duodenoscope launch

Europe

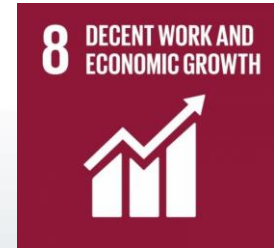
- ~2x increase in visualization sales force
- Key geography focus is UK, France, Germany, Italy, Spain, Russia and Middle East

APAC

- ~2x increase in visualization sales force
- Focus in Japan, China and Australia

ESG targets

- 100% phthalate-free products by 2020
- Reduce carbon-emissions by 50% by 2025
- 95% of new products after 2025 PVC-free
- Phase-in new sustainable plastic technologies
- Packaging 100% recyclable, reusable or compostable by 2025
- Equal gender representation in managerial positions (from 37% to 40%) by 2023



SUSTAINABLE DEVELOPMENT GOALS

Key financial results in 2018/19

A year in Ambu with significant investments

	Results 2018/19	Guidance 2018/19
Organic revenue growth	4%	4-5%
EBIT margin <i>Before special items</i>	17%	~17%
Free cash flow	DKK 274m	~DKK 200m
Endoscopes sold (units)	618,000	~600,000

Financial highlights 2018/19

Growth and profits

DKKm	Result 2018/19	Change vs last year
Revenue	2,820	+ 8%
Gross margin	58.0%	- 1.4%-pts.
OPEX	-1,157	+ 18%
Cost percentage	41%	+ 3%-pt.
EBIT <i>before special items</i>	480	- 15%
EBIT margin <i>before special items</i>	17.0%	- 4.6%-pts.
Net financials	107	+ 205
Net profit for the year	317	- 6%

Financial highlights 2018/19

Debt and working capital

DKKm	Result 2018/19	Change vs last year
FCF before acquisitions	274	- 47
Acquisition activities	-2	n/a
Balance sheet		
Total assets	4,558	+ 8%
NIBD	1,035	- 17%
Key figures		
Net working capital	387	- 148
ROIC	15%	- 2%-pts.
Equity ratio	48%	+ 4%-pts.
NIBD/EBITDA (gearing)	1.8	+ 0.0

2019/20 Guidance

16-22%

Organic
growth

12-14%

EBIT
margin

~ 900,000

Endoscope
units sold

Appropriation of profits

- The group is posting consolidated profits of DKK 317m (DKK 337m)
- Proposed distribution of dividend:
 - DKK 0.38 per share (DKK 0.40) or DKK 96m (DKK 101m) in total corresponding to 30% of the net profit for the year
- It is proposed that the remainder be transferred to the reserves
- The dividend will be paid out to shareholders within the next two to three business days



Ambu's aspiration

*Largest and most innovative
player in single-use endoscopy*



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Remuneration of the Board of Directors in 2019/20

- It is proposed that the total remuneration for the Board be maintained relative to 2018/19 at DKK 4,300,000 in total
-
- Basic remuneration: DKK 300,000
 - The Chairman receives triple basic remuneration amount
 - The Vice-chairman receives double basic remuneration amount
 - Supplementary remuneration committee chairmen: DKK 150,000
 - Supplementary remuneration committee members: DKK 100,000
 - Nomination Committee is not paid separately



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Jens Bager does not seek re-election

- After nine years on the board – and seven as chairman – Jens Bager has chosen to step down from Ambu's board of directors



Election of new chairman of the Board

- The Board of Directors proposes election of Lars Rasmussen

Lars Rasmussen is former CEO of Coloplast A/S and present chairman of the board at Coloplast A/S and H. Lundbeck A/S. Board member at Demant A/S.

Additional information about Lars Rasmussen and his executive positions can be found in the company announcement from 13 November 2019: "*Changes within the board of directors of Ambu A/S.*"



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Election of Vice-chairman of the Board

- The Board of Directors proposes the re-election of the present Vice-chairman of the Board, Mikael Worning

Information about Mikael Worning and his executive positions can be found on page 36 of the annual report



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Election of other members of the Board

- The Board of Directors proposes the re-election of
 - Oliver Johansen
 - Christian Sagild
 - Henrik Ehlers Wulff



Information about candidates who are up for re-election and their executive positions can be found on page 36 of the annual report

Election of new member of the Board

- The Board of Directors proposes election of Britt Meelby Jensen

Britt Meelby Jensen is CEO of Atos Medical AB and member of the board of Hempel Fonden.

Additional information about Britt Meelby Jensen and her executive positions can be found in the company announcement of 13 November 2019: "*Changes within the board of directors of Ambu A/S.*"



The Board of Directors



Lars Rasmussen



Mikael Worning



Britt Meelby Jensen



Christian Sagild



Henrik Ehlers
Wulff



Oliver Johansen



Thomas Lykke
Henriksen



Jakob Bønnelykke
Kristensen



Jakob Koch

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Election of auditor

- The Board of Directors propose re-election of EY (Ernst & Young Godkendt Revisionspartnerselskab) as the company auditors based on the recommendation of the Audit Committee

EY core team



Søren Skov Larsen
Partner



Henrik Pedersen
Engagement Partner



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Remuneration policy

Significant changes to Ambu's future use of share-based remuneration



1. The long-term incentive plan (LTI) uses conditional shares rather than share options
2. Parallel LTI programs are abolished
3. The annual allocation of conditional shares will be based on a maximum of two KPIs and over a three-year period to avoid suboptimization
4. In case of significant increases in the share price the value of conditional shares is capped at four times the annual remuneration

REMERINGSPOLITIK	REMUNERATION POLICY
<p>1. Indledning</p> <p>Denne vederlagspolitik beskriver principper og rammer for den enkelte afdeling af ledelsen og direktøren i Ambu A/S ("Ambu"). Direktøren skal forholde sig til de regler, der har tilhørende eller er reguleret som direktør i Ambu.</p> <p>Politikens overordnede principper for tilbeding af kortfristet vederlagsbetaling ("ST") og langfristet vederlagsbetaling ("LTI") baseret på aktier er gældende for alle Ambu-ansatte, medmindre andet fremgår af vederlagspolitikken.</p> <p>Denne vederlagspolitik er udarbejdet i samarbejde med direktionen i Fælles Ledelsesudvalg og Rådet, dateret den 20. december 2019 ("Fælles Ledelsesudvalg") som implementeret i Direktivets paragraf 13 og 13b.</p> <p>1.1. Afvikling af vederlagspolitikken</p> <p>Vederlagspolitikken er en opdatering af Ambus vederlagspolitik, som blev udarbejdet på Ambus ordinære generalforsamling den 12. december 2018. Den er gældende fra den 1. januar 2020 og vil blive automatisk fornyet, medmindre andet fremgår af vederlagspolitikken. Den er udarbejdet i samarbejde med direktionen og er udarbejdet i samarbejde med direktionen og er udarbejdet i samarbejde med direktionen og er udarbejdet i samarbejde med direktionen.</p> <p>Denne vederlagspolitik er blevet opdateret som følge af implementeringen af afviklingsreglerne i 1.1.1. Den er gældende fra den 1. januar 2020 og vil blive automatisk fornyet, medmindre andet fremgår af vederlagspolitikken.</p> <p>1.2. Formål</p> <p>De overordnede formål med vederlagspolitikken er:</p> <ul style="list-style-type: none">- At tiltrække, motivere og fastholde kvalificerede medlemmer af ledelsen og direktionen.- At sikre sammenhæng mellem direktørens interesse og Ambus og aktionærernes interesse.- At motivere til at fremme værdistabelen i Ambu og dermed tiltrække Ambus fremtidsinvesteringer. <p>1.3. Generelle principper</p> <p>Direktionens vederlagspolitik er baseret på følgende principper:</p> <ul style="list-style-type: none">- Vederlagspolitikken er baseret på langsigtede resultater.- Vederlagspolitikken er baseret på langsigtede resultater.- Vederlagspolitikken er baseret på langsigtede resultater. <p>Direktionens vederlagspolitik er baseret på følgende principper:</p> <ol style="list-style-type: none">1. Vederlagspolitikken er baseret på langsigtede resultater.2. Vederlagspolitikken er baseret på langsigtede resultater.3. Vederlagspolitikken er baseret på langsigtede resultater. <p>De samlede afviklingskomponenter er præsenteret i tabel 1 og 2. De samlede afviklingskomponenter er præsenteret i tabel 1 og 2. De samlede afviklingskomponenter er præsenteret i tabel 1 og 2.</p> <p>De samlede afviklingskomponenter er præsenteret i tabel 1 og 2. De samlede afviklingskomponenter er præsenteret i tabel 1 og 2.</p>	<p>1. Introduction</p> <p>This remuneration policy describes the principles of, and framework for, the total remuneration paid to members of the Board of Directors (the "Board of Directors") and the Executive Board of Ambu A/S ("Ambu"). The Executive Board means the executive officers registered with the Danish Securities Authority as executive officers of Ambu.</p> <p>However, the stated principles of the remuneration policy regarding the allocation of the short-term incentive ("ST") and the long-term incentive ("LTI") are applicable in general in Ambu, unless otherwise stated in the remuneration policy.</p> <p>This remuneration policy has been prepared in accordance with the principles set forth in the Danish Securities Act of December 19, 2018 and implemented into the Danish Company Act Sections 130 and 13b.</p> <p>1.1. Amendments to the remuneration policy</p> <p>The remuneration policy is an update of Ambus remuneration policy adopted at Ambu's annual general meeting on 12 December 2018. It is applicable from January 1, 2020 and will be automatically renewed, unless otherwise stated in the remuneration policy. It is prepared in cooperation with the Board of Directors and is prepared in cooperation with the Board of Directors and is prepared in cooperation with the Board of Directors.</p> <p>This remuneration policy has been updated as a result of the implementation of the rules in 1.1.1. It is applicable from January 1, 2020 and will be automatically renewed, unless otherwise stated in the remuneration policy.</p> <p>1.2. Objectives</p> <p>The overall objectives of the remuneration policy are to:</p> <ul style="list-style-type: none">- Attract, motivate and retain qualified members of the Board of Directors.- Align the interests of the Executive Board members with the interests of Ambu and of its shareholders.- Contribute to ensure the long-term growth in Ambu and thus supporting Ambu's business strategy. <p>1.3. General principles</p> <p>The remuneration for the Board of Directors is composed of a fixed base remuneration component, as further described in section 4.</p> <p>The remuneration for the Executive Board is composed of the following components:</p> <ol style="list-style-type: none">1. Fixed base salary.2. ST.3. LTI.4. Other remuneration components and executive assistant benefits, subject to individual circumstances, relocation, travel benefits may also be included (e.g. housing allowance, tax return filing assistance, school fee allowance and similar). <p>The fixed remuneration components are based primarily on the intent to ensure Ambu's ability to attract and retain qualified members of the Board of Directors and Executive Board on competitive terms.</p> <p>The variable remuneration components (ST) and (LTI) are to ensure that the interests of the Executive Board are based on the</p>

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Authorisation to the chairman of the meeting

The Board of Directors proposes that the chairman of the meeting, with full right of substitution, be authorised to apply for registration of the resolutions passed and to make any such amendments thereto as the Danish Business Authority or other authorities may require or request as a condition for registration or approval, as well as to continuously make and apply for registration of linguistic and other non-substantive adjustments to the company's Articles of Association

Any other business





Ambu
Ideas that work for life

Annual General Meeting 2018/19