

Q2 AND HALF-YEAR

Interim report for Q2 2020/21 and the half-year (1 October 2020 to 31 March 2021)

Ambu's revenue increased organically by 6% in Q2 and by 20% in the half-year driven by the rapid growth of our Visualization business. The revenue from our portfolio of single-use endoscopes (Visualization) grew 17% on top of 69% growth last year. Full-year outlook maintained.

"Halfway into the financial year, we're in a strong position to reach our full-year expectations. As focus on infection control continues to increase, we're building our superior ecosystem consisting of the most advanced and comprehensive single-use endoscopy portfolio. We're excited with the progress of our recent launches and we have achieved important milestones to strengthen our infrastructure, including the groundbreaking for our new single-use endoscopy plant in Mexico," says Juan Jose Gonzalez, CEO of Ambu.

Highlights for the quarter

Comparative figures for Q2 2019/20 are stated in brackets.

- **Revenue** for Q2 was DKK 1,001m (DKK 989m) based on **organic growth** of 6% (24%). Reported growth for the quarter was 1% (26%). Organic growth for the half-year was 20% (19%) with reported growth of 15% (21%).
- Sales in **North America** grew organically by 6%, while we saw organic growth in **Europe** of 2% and in **Rest of World** of 18%. Organic growth rates for the half-year were: North America 9%, Europe 34% and Rest of World 14%. Growth rates are significantly influenced by the high comparables for Q2 2019/20, which was the beginning of the first wave of the COVID-19 pandemic.
- **Visualization** achieved double-digit organic growth of 17% on top of 69% last year. For the half-year, Visualization achieved organic growth of 48% (49%).
- **Sales of single-use endoscopes** reached 379,000 units for the quarter and 749,000 units for the half-year. Sales volumes were thus up 21% and 52%, respectively, relative to last year.
- Anaesthesia and PMD continued to be negatively impacted by COVID-19. **Anaesthesia** declined by -4% (3%), and **Patient Monitoring & Diagnostics** (PMD) declined by -7% (-6%). For the half-year, Anaesthesia was flat at 0% (5%) and PMD declined by -5% (1%).
- For the **aScope™ Duodeno**, we have continued our commercial launch and engaged with targeted hospitals including the largest ERCP centers in the USA. The upcoming US reimbursement for inpatient single-use duodenoscopy procedures is expected to accelerate the transition to single-use products. Therefore, we have decided to strengthen our product performance by making rapid upgrades to the aScope™ Duodeno ahead of the expected inpatient

reimbursement approval in October 2021. Half of the upgrades are available in the market now, and we expect the remaining upgrades to be implemented in Q4 2020/21, effectively upgrading the aScope™ Duodeno to a version 1.5.

- **Gross margin** for the quarter was 62.2% (61.4%). The gross margin for the half-year was 63.8% (60.8%) and is positively impacted by high growth in Visualization, which contributes a margin well above the average for Ambu's portfolio.
- **Capacity costs** for the quarter totaled DKK 523m (DKK 457m), corresponding to an increase of 14%. The increase reflects our investment in commercial infrastructure and innovation activities. Capacity costs for the half-year were up 26%.
- **EBIT** for the quarter was DKK 100m (DKK 150m) with an **EBIT margin** of 10.0% (15.2%), while for the half-year EBIT ended at DKK 248m (DKK 243m) with a margin of 12.3% (13.9%).
- **Net working capital**-to-revenue ratio was 19% (23%) by the end of the quarter based on rolling 12-month revenue.
- **Free cash flow** before acquisitions totaled DKK -27m (DKK -89m) for the quarter and for the half-year DKK -25m (DKK -279m).
- Total **net interest-bearing debt** (NIBD) was DKK 466m (DKK 1,446m), corresponding to a leverage of 0.7 (2.6). The lowering of debt is the result of the 1.86% capital raise and the sale of treasury shares carried out in January.
- 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 12 May 2021, at 10.00 (CEST). The conference is broadcast live via ambu.com/webcastQ22021. 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 (US), and enter the following access code: 66323014#

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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 4,500 people in Europe, North America and the Asia Pacific. For more information, please visit ambu.com.

FINANCIAL HIGHLIGHTS

DKKm	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20	FY 2019/20
Income statement					
Revenue	1,001	989	2,014	1,749	3,567
Gross margin, %	62.2	61.4	63.8	60.8	62.0
EBITDA	150	200	348	326	609
Depreciation, amortization and impairment	-50	-50	-100	-83	-181
EBIT	100	150	248	243	428
Net financials	15	-12	-15	-49	-106
Profit before tax	115	138	233	194	322
Net profit for the period	95	104	186	146	241
Balance sheet					
Assets	5,318	4,788	5,318	4,788	4,926
Net working capital	728	713	728	713	581
Equity	3,861	2,300	3,861	2,300	2,372
Net interest-bearing debt	466	1,446	466	1,446	1,346
Invested capital	4,327	3,746	4,327	3,746	3,718
Cash flows					
Cash flows from operating activities	92	10	198	-100	295
Cash flows from investing activities before acquisitions	-119	-99	-223	-179	-428
Free cash flows before acquisitions of enterprises and technology	-27	-89	-25	-279	-133
Acquisitions of enterprises and technology	-1	0	-300	0	-2
Cash flows from operating activities, % of revenue	9	1	10	-6	8
Investments, % of revenue	-12	-10	-11	-10	-12
Free cash flows before acquisitions of enterprises, % of revenue	-3	-9	-1	-16	-4
Key figures and ratios					
Organic growth, %	6	24	20	19	26
Rate of cost, %	52	46	51	47	50
EBITDA margin, %	15.0	20.2	17.3	18.6	17.1
EBIT margin, %	10.0	15.2	12.3	13.9	12.0
Tax rate, %	17	25	20	25	25
Return on equity, %	9	12	9	12	11
NIBD/EBITDA before special items	0.7	2.6	0.7	2.6	2.2
Equity ratio, %	73	48	73	48	48
Net working capital, % of revenue	19	23	19	23	16
Return on invested capital (ROIC), %	8	9	8	9	9
Average number of employees	4,380	3,353	4,290	3,278	3,617
Share-related ratios					
Market price per share (DKK)	298	165	298	165	180
Earnings per share (EPS) (DKK)	0.38	0.42	0.75	0.59	0.98
Diluted earnings per share (EPS-D) (DKK)	0.38	0.42	0.74	0.59	0.97

MANAGEMENT'S REVIEW

Q2 2020/21

By the end of Q2, we can look back at a full 12-month period influenced by waves of COVID-19: Q2 last year was significantly influenced by the first wave, and the subsequent quarters up until Q1 2020/21 saw double-digit growth rates and high demand for Visualization products, while Anaesthesia and PMD were negatively impacted by the cancellation of procedures. Against this background, our Q2 2020/21 performance was strong with 6% growth driven by our Visualization business, which grew 17% on top of 69% last year.

Over the past quarters, increased awareness of the contamination risk associated with reusable endoscopes, a stronger focus on infection control and the need for hospitals to be able to handle rapid changes in demand, have driven demand for single-use endoscopes and made the overall value proposition of single-use endoscopy more appealing. For example, on 1 April 2021, the US Food and Drug Administration (FDA) issued a letter to US healthcare providers informing them that the FDA is currently investigating the potential causes and contributing factors associated with reported infections and contamination issues caused by endoscopic urology procedures. This development will help to accelerate the penetration of single-use endoscopy in urology.

We have recently launched aScope™ 4 RhinoLaryngo (ENT) and aScope™ 4 Cysto (urology), and the products are performing well and meet the need for better workflow management as patients start returning to hospitals. Both products offer strong clinical performance and enable physicians to rapidly scale up capacity at an affordable cost.

In Q2, we continued our commercial launch of the aScope™ Duodeno and engaged with targeted hospitals, resulting in invoicing of meaningful revenue in Q2 and for the half-year.

The proposal from CMS (The Centers for Medicare & Medicaid Services) on reimbursement for inpatient single-use duodenoscopy procedures will accelerate the transition to single-use products. Therefore, we have decided to strengthen our product performance by making rapid upgrades to the aScope™ Duodeno ahead of the inpatient reimbursement approval in October 2021. Half of the upgrades are available in the market now, and we expect the remaining upgrades to be implemented in Q4 2020/21, effectively upgrading the aScope™ Duodeno to a version 1.5. Our ability to rapidly upgrade our single-use products by bringing forward technology designed for future product developments is an example of our modular technology engine and is a cornerstone in our strategy.

We expect the revenue contribution from our aScope™ Duodeno to be gradual this year and accelerate in 2021/22 on the back of the expanded CMS reimbursement and aScope™ Duodeno version 1.5.

Sales performance – Regions

Last year's comparative figures are stated in brackets.

For Q2, revenue ended at DKK 1,001m (DKK 989m) corresponding to organic growth of 6% (24%) and reported growth of 1% (26%).

For the half-year ending on 31 March 2021, revenue came to DKK 2,014m (DKK 1,749m), corresponding to organic growth of 20% (19%).

North America accounted for 44% of revenue in Q2 based on organic growth of 6% (17%). Reported growth was -3% (20%), due to the depreciating USD/DKK exchange rate over the same period last year.

In North America, Visualization sales grew organically by 9% (43%) in Q2, thereby maintaining the high sales trend of previous quarters. Revenue growth from Q1 to Q2 in

DKKm	Q2 20/21	Q2 19/20	Organic growth	Fx	Reported growth	YTD 20/21	YTD 19/20	Organic growth	Fx	Reported growth
North America	437	449	6%	-9%	-3%	828	825	9%	-9%	0%
Europe	447	437	2%	0%	2%	984	740	34%	-1%	33%
Rest of World	117	103	18%	-4%	14%	202	184	14%	-4%	10%
Revenue	1,001	989	6%	-5%	1%	2,014	1,749	20%	-5%	15%

2020/21 was 19%. Anaesthesia and PMD both posted organic growth of 4% over last year, reflecting improvements in elective procedures, but still not back at pre-COVID activity levels.

For the half-year, North America accounted for 41% of revenue based on organic growth of 9% (16%) and 0% (20%) reported growth.

Europe accounted for 44% of revenue in Q2, based on organic as well as reported growth of 2% (40%).

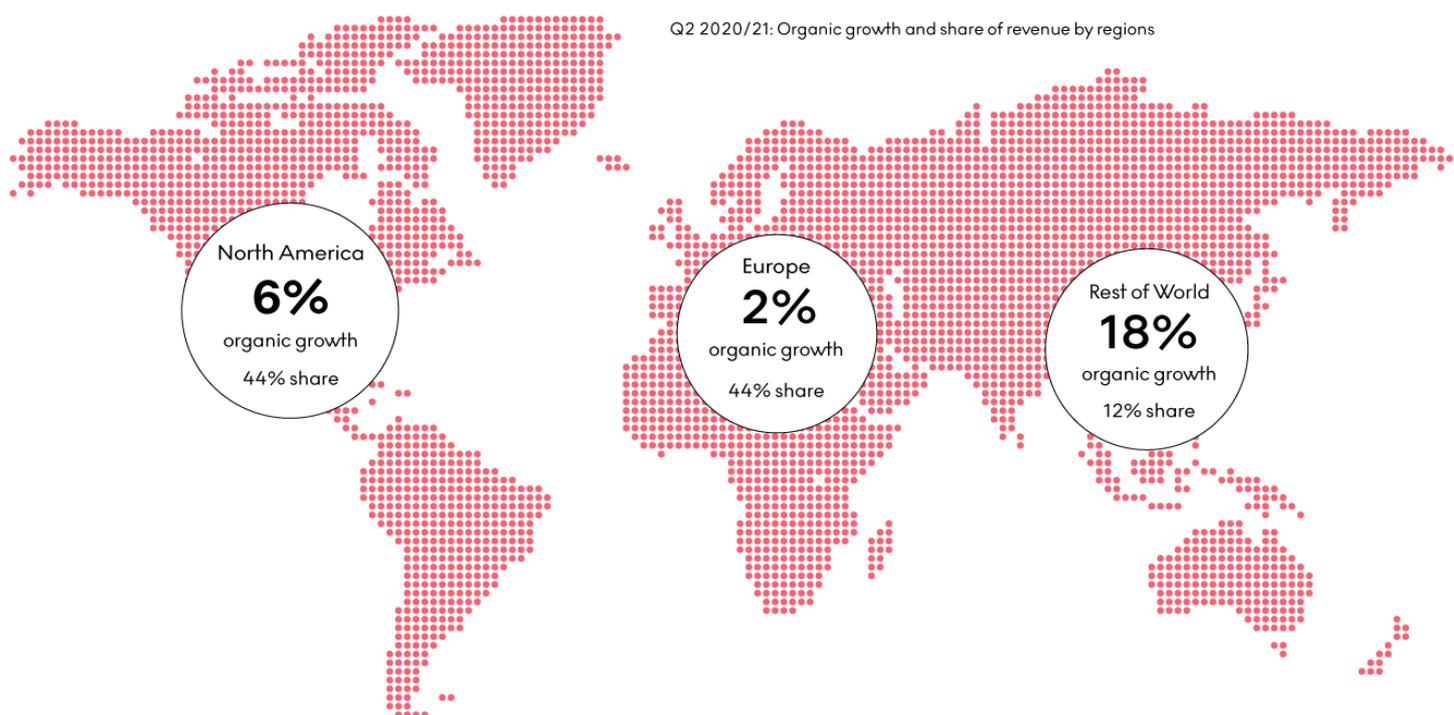
In Visualization the high sales volumes trend continued, and Visualization achieved organic growth of 25% (103%). However, Anaesthesia sales were significantly impacted by lockdowns and the cancelation of elective procedures across Europe resulting in negative organic growth of -33% (16%). PMD sales declined as well with negative organic growth of -15% (1%).

For the half-year, Europe accounted for 49% of revenue based on organic growth of 34% (27%) and reported growth of 33% (27%).

Rest of World, which is comprised of our direct markets in Asia-Pacific and our indirect distribution network in Latin America, the Middle-East and Africa, accounted for 12% of the quarter's revenue and posted organic growth of 18% (2%) with reported growth of 14% (6%). Overall, the markets in Rest of World developed very positively in Q2 despite the COVID-19 situation.

In Rest of World, Visualization achieved organic growth of 16% (79%), while Anaesthesia grew by 27% (-28%) and PMD by 9% (-15%).

For the half-year, Rest of World accounted for 10% of revenue based on organic growth of 14% (6%) and reported growth of 10% (10%).



Sales performance – Business areas

Visualization

DKKm	Q2 20/21	Q2 19/20	Organic growth	Fx	Reported growth	YTD 20/21	YTD 19/20	Organic growth	Fx	Reported growth
North America	218	219	9%	-9%	0%	401	365	20%	-10%	10%
Europe	281	225	25%	0%	25%	621	342	83%	-1%	82%
Rest of World	48	42	16%	-2%	14%	83	69	23%	-3%	20%
Revenue	547	486	17%	-4%	13%	1,105	776	48%	-6%	42%

Visualization grew organically in the quarter by 17% (69%), while reported growth was 13% (72%) and total revenue DKK 547m. Visualization accounted for 55% (49%) of Ambu's revenue in Q2. In the half-year, Visualization saw organic growth of 48% (49%) with reported growth of 42% (51%).

Q2 organic Visualization growth in North America was 9% (43%), in Europe 25% (103%) and in Rest of World 16% (79%).

All through the COVID-19 pandemic, our Visualization revenue has increased quarter over quarter as the value proposition of single-use endoscopy becomes even more appealing in a pandemic.

The revenue in Visualization continues to be dominated by sales of our single-use bronchoscopes (pulmonology), but we see sizeable and growing contributions to revenue from sales of our single-use rhinolaryngoscopes (ENT) and single-use cystoscope (urology).

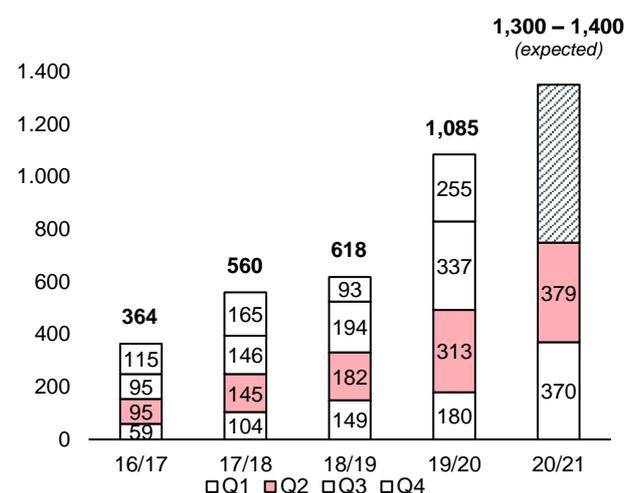
Q2 was the first full quarter for aScope™ 4 Cysto on the European market and sales are developing very satisfactorily.

A key part of our strategy is to create an ecosystem that links single-use endoscopes across clinical specialties with advanced display technology that enables HD imaging and AI features. The aView™ 2 Advance, which was launched in 2020, is our current state-of-the-art reusable monitor for use with most of our single-use endoscopes.

In Q2 2020/21, sales of endoscopes totaled 379,000 units compared to 313,000 units in Q2 2019/20. This represents 21% volume growth. For the half-year, the number of endoscopes sold was 749,000 units, equal to volume growth of 52%.

Visualization revenue in Q3 2020/21 is expected to be relatively flat compared to Q2 2020/21.

Number of endoscopes sold, '000 units



In March 2021, the groundbreaking ceremony was held at the construction site of our new manufacturing plant in Mexico. As an addition to our existing facilities in Malaysia, the Mexican site will expand our capacity for single-use endoscopes and enhance the flexibility of our output planning and risk management. We expect the plant to be fully operational in 2022/23.

Anaesthesia

DKKm	Q2 20/21	Q2 19/20	Organic growth	Fx	Reported growth	YTD 20/21	YTD 19/20	Organic growth	Fx	Reported growth
North America	161	169	4%	-9%	-5%	319	337	3%	-8%	-5%
Europe	48	72	-33%	0%	-33%	112	127	-11%	-1%	-12%
Rest of World	39	32	27%	-5%	22%	70	65	12%	-4%	8%
Revenue	248	273	-4%	-5%	-9%	501	529	0%	-5%	-5%

Anaesthesia revenue declined organically by -4% (3%) in Q2 with reported growth of -9% (5%). Total revenue was DKK 248m, or 25% (28%) of Ambu's revenue in the quarter.

In North America, Anaesthesia sales increased by 4% (7%), while sales in Europe declined by -33% (16%). Sales in Rest of World grew by 27% (-28%).

The decline in Anaesthesia sales is mainly attributable to slow business in Europe as elective procedures in Q2

continued to be below normal levels while the third wave of COVID-19 impacted several of the largest European markets.

Sales in Rest of World picked up in Q2 and showed signs of post-COVID recovery.

For the half-year, organic growth was flat at 0% (5%) and reported growth stood at -5% (8%).

Patient Monitoring & Diagnostics (PMD)

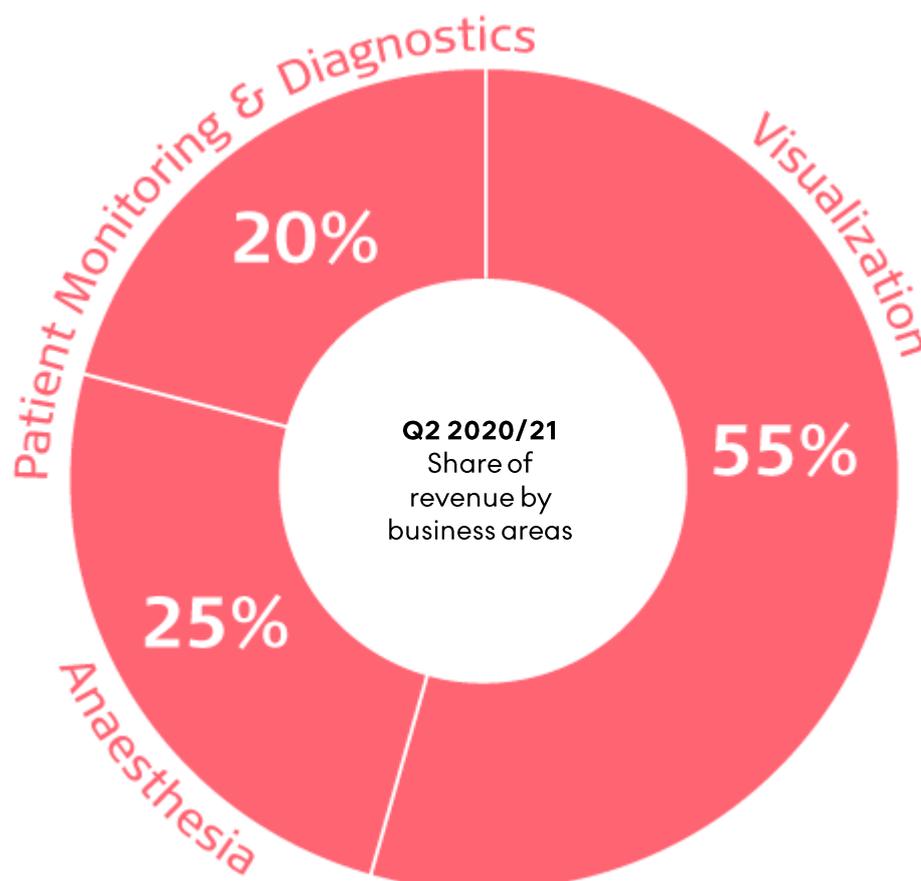
DKKm	Q2 20/21	Q2 19/20	Organic growth	Fx	Reported growth	YTD 20/21	YTD 19/20	Organic growth	Fx	Reported growth
North America	58	61	4%	-9%	-5%	108	123	-4%	-8%	-12%
Europe	118	140	-15%	-1%	-16%	251	271	-7%	0%	-7%
Rest of World	30	29	9%	-6%	3%	49	50	2%	-4%	-2%
Revenue	206	230	-7%	-3%	-10%	408	444	-5%	-3%	-8%

PMD accounted for 20% (23%) of Ambu's revenue in Q2. Organic growth declined by -7% (-6%), while reported growth was -10% (-5%).

COVID-19 continued to negatively affect the PMD business in the quarter, especially in Europe, where sales declined by -15% (1%). The slow-down in elective hospital activity across Europe correlated with the rise in COVID-19 cases and the resulting lockdowns and national restrictions.

In North America and Rest of World, on the other hand, Q2 saw a positive trend of recovering sales. PMD revenue in both regions increased for the first time since the outbreak of the pandemic with North America posting organic growth of 4% (-17%), and Rest of World increasing revenue by 9% (-15%).

For the half-year, organic PMD growth declined by -5% (1%) and reported growth by -8% (2%).



FINANCIAL RESULTS

INCOME STATEMENT

DKKm	Q2 20/21	Q2 19/20	Change in value	Change %	YTD 20/21	YTD 19/20	Change in value	Change %
Revenue	1,001	989	12	1%	2,014	1,749	265	15%
Production costs	-378	-382	4	-1%	-729	-685	-44	6%
Gross profit	623	607	16	3%	1,285	1,064	221	21%
<i>Gross margin, %</i>	<i>62.2</i>	<i>61.4</i>	-	-	<i>63.8</i>	<i>60.8</i>	-	-
Selling and distribution costs	-346	-324	-22	7%	-694	-571	-123	22%
Development costs	-52	-36	-16	44%	-99	-66	-33	50%
Management and administration	-125	-97	-28	29%	-244	-184	-60	33%
Total capacity costs	-523	-457	-66	14%	-1,037	-821	-216	26%
EBIT	100	150	-50	-33%	248	243	5	2%
<i>EBIT margin, %</i>	<i>10.0</i>	<i>15.2</i>	-	-	<i>12.3</i>	<i>13.9</i>	-	-

Revenue for Q2 was DKK 1,001m, up DKK 12m from the prior-year period, corresponding to reported growth of 1% (26%). Adjusted for currency effects, the underlying organic growth was 6% (24%).

Revenue for the first six months was DKK 2,014m (DKK 1,749m), corresponding to reported growth of 15% (21%) and organic growth of 20% (19%).

The currency effects for Q2 and YTD are driven by the depreciated USD/DKK and GBP/DKK exchange rates compared to same period last year.

Gross profit in Q2 was DKK 623m (DKK 607m), and the gross margin increased by 0.8 percentage points to 62.2% (61.4%). 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% in minor currencies. Production and capacity costs are predominantly settled in USD, DKK, EUR, MYR and CNY.

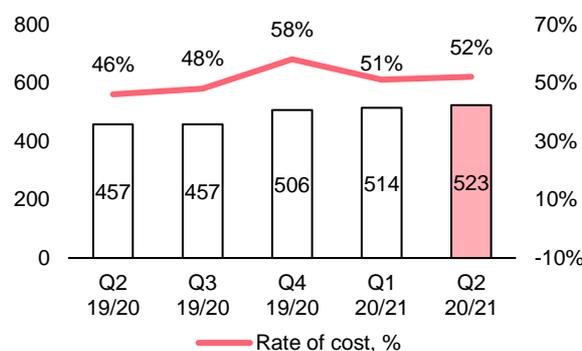
In Q2 2020/21, the average USD/DKK exchange rate was 617 (678), down 9%. The average exchange rates depreciated as follows: CNY/DKK by 2%, MYR/DKK by

6% and GBP/DKK by 2%. The combined exchange rate impact on this quarter's revenue is a negative 5%, 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 523m (DKK 457m) in Q2, corresponding to a 14% or DKK 66m increase. The rate of cost was 52% (46%).

Year to date, capacity costs were DKK 1,037m (DKK 821m), corresponding to an increase of DKK 216m over H1 2019/20.

Total capacity costs (DKKm) and rate of cost (%)



Selling and distribution costs were up DKK 22m or 7% at DKK 346m (DKK 324m) compared to Q2 last year, and on a par with the previous quarter. Selling and distribution costs corresponded to 35% (33%) of revenue in Q2.

The increase in selling and distribution costs includes a reversal of accrual for bad debt of DKK 15m out of the DKK 38m accrual that was posted in Q2 last year. The underlying increase in selling and distribution costs equals DKK 75m, corresponding to an adjusted increase of 26%.

Year to date, costs are up DKK 123m or 22% at DKK 694m (DKK 571m), corresponding to 34% (33%) of revenue.

Distribution costs in Q2 for air-freighting of aScope were DKK 10m (DKK 0m) as our inventory levels in Visualization have not fully normalized. To meet the high demand from hospitals, we have almost completed a rebuild of our supply chain by sea and therefore only expect to air-freight small shipments of endoscopes out of Malaysia in H2.

Development costs in Q2 increased by DKK 16m or 44% to DKK 52m (DKK 36m), corresponding to 5% (4%) of revenue. The increase can be ascribed to more activities in our innovation organization as well as a DKK 4m increase in depreciation and amortization.

The cash flow relating to innovation activities, including the ramp-up of production of new products in the half-year, is up DKK 82m or 51% at DKK 243m.

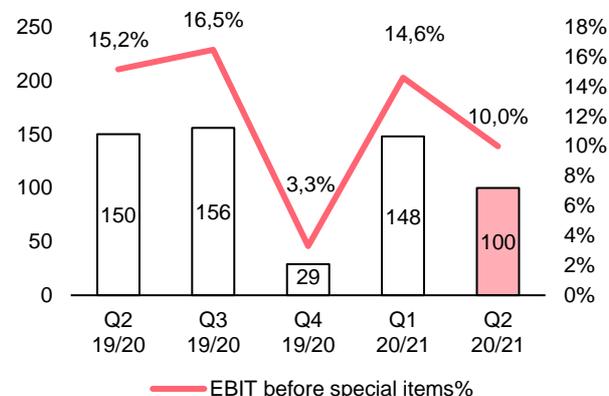
DKKm	YTD 20/21	YTD 19/20	Change in value
Development costs	99	66	33
÷ Depreciation and amortization	-49	-35	-14
÷ Impairment	0	-8	8
= Development costs affecting EBITDA	50	23	27
+ Investments	193	138	55
= Cash flow – Innovation	243	161	82

Management and administration costs for Q2 were DKK 125m (DKK 97m), corresponding to 12% (10%) of revenue. This reflects increased activity levels and an increase of our HQ headcount, including Regulatory, Quality, Finance and IT.

Operating profit (EBIT) was DKK 100m (DKK 150m) in Q2, with an EBIT margin of 10.0% (15.2%).

For the half-year, EBIT was DKK 248m (DKK 243m) and the EBIT margin was 12.3% (13.9%).

EBIT (DKKm)



Depreciation, amortization and impairment for Q2 represented an expense of DKK 50m (DKK 50m), corresponding to 5% (5%) of revenue.

Depreciation, amortization and impairment for the half-year was DKK 100m (DKK 83m), corresponding to 5% (5%) of revenue. The change in value is ascribed to a general increase in activity levels.

EBITDA in Q2 was DKK 150m (DKK 200m) with an EBITDA margin of 15.0% (20.2%).

EBITDA for the half-year was DKK 348m (326m) with a margin of 17.3% (18.6%).

Net financials amounted to expenses of DKK 15m (DKK 49m) for the year to date.

Net financials are composed as follows:

- Foreign exchange constituted a net income of DKK 4m (net expense of DKK 7m).
- Interest expenses on bank and lease debt totalled DKK 14m (DKK 14m).
- Fair value adjustments of derivative instruments constituted an income of DKK 0m (DKK 6m).
- Fair value adjustments of contingent consideration relating to the acquisition of Invendo Medical GmbH represented an expense of DKK 4m (DKK 33m).
- The interest expense element from liabilities stated at present amortized value was DKK 1m (DKK 1m).

Tax on profit for Q2 was a net expense of DKK 20m (DKK 34m), corresponding to an average effective tax rate on profit of 17% (25%).

Tax on profit for the half-year was a net expense of DKK 47m (DKK 48m), corresponding to 20% (25%) of profit before tax.

For the full year we expect an average effective tax rate on profit of 20%. The lowering of the effective tax rate is a consequence of the Danish Government's temporary increase in tax deductions for R&D costs, which is partly applicable to Ambu's development costs and investment in development projects. This substantial increase in tax deduction will sunset by the end of FY 2021/22.

From FY 2022/23 Ambu's effective tax rate is currently expected to return to approx. 23%.

Net profit of DKK 95m (DKK 104m) was posted for Q2, equivalent to 9% (11%) of revenue.

For the half-year net profit was DKK 186m (146m), corresponding to 9% (8%) of revenue.

Earnings per share (EPS) for Q2 were DKK 0.38 (DKK 0.42) and for the half-year DKK 0.75 (DKK 0.59).

Balance sheet

Balance sheet condensed by main items

DKKm	31.03.21	31.03.20	Change in value	Change %
Non-current assets	3,846	3,579	267	7%
Inventories	632	441	191	43%
Trade receivables	608	657	-49	-7%
Other current assets	87	73	14	19%
Cash	145	38	107	282%
Total assets	5,318	4,788	530	11%
Equity	3,861	2,300	1,561	68%
Contingent consideration	132	411	-279	-68%
Interest bearing debt	611	1,484	-873	-59%
Trade and other payables	594	449	145	32%
Other liabilities	120	144	-24	-17%
Total equity and liabilities	5,318	4,788	530	11%

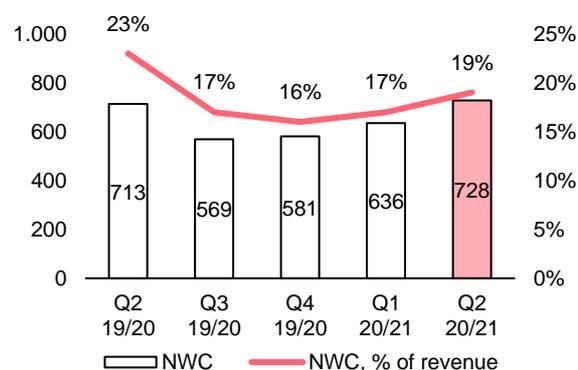
By the end of Q2, **total assets** were DKK 5,318m (DKK 4,788m), and **invested capital** was DKK 4,327m (DKK 3,746m) with an 8% (9%) return on invested capital.

Non-current assets at the end of the quarter were DKK 3,846m, up DKK 267m from Q2 last year, driven by investments during the past 12 months including total investments of DKK 223m (DKK 179m) in the first half-

year, which corresponds to 11% (10%) of revenue. Total investments are split between development projects, including the ramping-up of manufacturing capacity for new products of DKK 18m (DKK 7m), and other tangible investments of DKK 34m (DKK 41m).

Net working capital at the end of the quarter was DKK 728m (DKK 713m), corresponding to 19% (23%) of 12 months of revenue.

Net working capital (DKKm) and net working capital relative to revenue (%)



Inventories were DKK 632m (DKK 441m) at the end of Q2, corresponding to 16% (14%) of 12 months of revenue.

Trade receivables totalled DKK 608m at the end of Q2 against DKK 657m for the prior-year period. Calculated at fixed exchange rates on a 12-month basis, the average days sales outstanding was 56 (76). Last year's comparable is affected by high sales towards the end of Q2 following the surge in the pandemic.

Management continues to monitor the credit risk related to trade receivables following the COVID-19 pandemic. We are seeing how vaccine programmes are progressing, and elective procedures are resuming, including in the USA. By end of Q2, the credit risk of our US customers is adjusted to reflect this lower risk seen in our models.

As described above, the credit loss allowance was reduced by DKK 15m.

Trade payables and other payables totalled DKK 594m (DKK 449m), up DKK 145m or 32% from last year, corresponding to 16% (14%) of 12 months of revenue. The increase is driven by a doubling in trade payables from DKK 154m to DKK 299m, which reflects the underlying increase in inventories, capital expenditures and capacity costs.

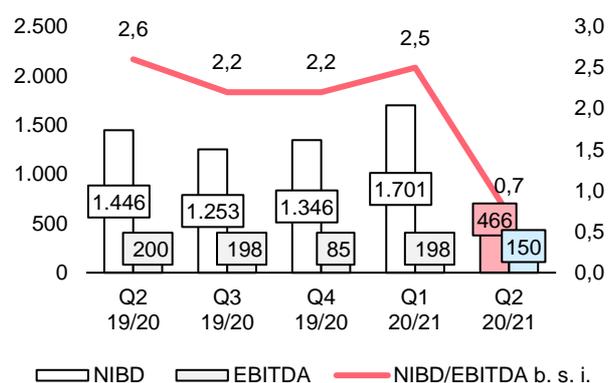
Contingent consideration was DKK 132m at the end of Q2 against DKK 411m last year. Contingent consideration was DKK 426m at the end of Q4 2019/20, and the decrease of DKK 294m since Q4 is due to a paid duodenoscopy milestone of DKK 298m, equivalent to EUR 40m.

Net interest-bearing debt (NIBD) and leverage

Cash and cash equivalents amounted to DKK 145m (DKK 38m). NIBD was DKK 466m, representing a decrease of DKK 980m from last year's DKK 1,446m, corresponding to 0.7 (2.6) of EBITDA before special items. The decrease in NIBD is ascribed to the 1.86% capital contribution and sale of treasury shares effected on 27 January 2021, which generated total proceeds of DKK 1,281m.

At the end of Q2, Ambu had unutilized capital resources from cash, overdraft and credit facilities of approx. DKK 2.1bn (DKK 1.0bn).

NIBD (DKKm), EBITDA (DKKm) and NIBD/EBITDA on 12 months' basis before special items



Other liabilities were DKK 120m (DKK 144m), corresponding to a DKK 24m decrease over last year.

Cash flow statement

DKKm	Q2 20/21	Q2 19/20	Change in value	YTD 20/21	YTD 19/20	Change in value
Cash flow from operating activities (CFFO)	92	10	82	198	-100	298
Cash flow from investing activities before acquisitions (CFFI)	-119	-99	-20	-223	-179	-44
Free cash flow before acquisitions (FCF)	-27	-89	62	-25	-279	254
Acquisitions of enterprises and technology	-1	0	-1	-300	0	-300
Cash flow from financing activities (CFFF)	0	2	-2	372	197	175
Changes in cash	-28	-87	59	47	-82	129
Cash flows in % of revenue:						
Cash flow from operating activities	9	1	-	10	-6	-
Investments	-12	-10	-	-11	-10	-
Free cash flow before acquisitions	-3	-9	-	-1	-16	-

Cash flow from operating activities (CFFO) for Q2 was DKK 92m (DKK 10m), driven by EBITDA and working capital investments. CFFO for Q2 corresponds to 9% (1%) of revenue.

CFFO year to date totaled DKK 198m (DKK -100m), representing an increase of DKK 298m compared to the same period last year, and corresponding to 10% (-6%) of revenue.

Last year's negative CFFO was impacted by the strategic decision to establish entirely direct sales of bronchoscopes in North America.

Cash flow from investing activities (CFFI) for Q2 was DKK -119m (DKK -99m), driven by innovation activities and corresponding to 12% (10%) of revenue.

In Q2, intellectual property rights for a non-strategic product range were sold for DKK 6m, corresponding to carrying amount.

CFFI year to date totaled DKK -223m (DKK -179m) based on an increase in investments of DKK 44m, mainly relating to innovation activities as described above.

CFFI equated to -11% (-10%) of revenue year to date.

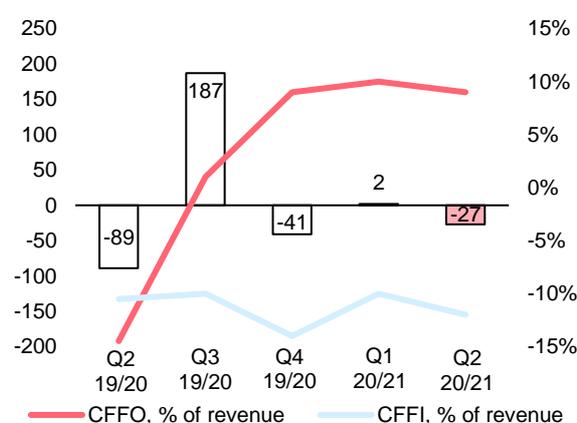
Free cash flow (FCF) before acquisitions of enterprises and technology for Q2 then totaled DKK -27m (DKK -89m), corresponding to -3% (-9%) of revenue.

FCF for the half-year was up DKK 254m at DKK -25m (DKK -279m), corresponding to -1% (-16%) of revenue.

The milestone payment of DKK 298m or EUR 40m relating to FDA clearance of the duodenoscope was paid in Q1 2020/21.

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 FDA clearance of the gastroscop.

Free cash flow before acquisitions (DKKm)



Cash flow from financing activities (CFFF) amounted to DKK 0m (DKK 2m) for the quarter and DKK 372m (DKK 197m) for the half-year. In Q1, Ambu raised debt of DKK 425m (DKK 275m). In Q2, Ambu raised capital

through an issue of new shares and the sale of treasury shares, generating proceeds of DKK 1,216m and DKK 65m, respectively. Subsequently, debt to credit institutions of DKK 1,250m was repaid.

In addition, dividend of DKK 73m (DKK 96m) has been distributed to the shareholders.

Changes in cash and cash equivalents came to DKK -28m (DKK -87m) for the quarter. For the half-year, changes in cash and cash equivalents was DKK 47m (DKK -82m).

Equity

At the end of March 2021, equity totalled DKK 3,861m (DKK 2,300m), corresponding to an equity ratio of 73% (48%) of total assets.

Other comprehensive income

Other comprehensive income includes a translation adjustment arising from the translation of foreign subsidiaries for the half-year of DKK 8m (DKK -18m). This results from a -0.3% 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.

On 27 January 2021 Ambu announced it was seeking to strengthen its capital base by issuing new shares and through the sale of treasury shares. An accelerated book-building process was concluded in the following

days, and in total 4,711,832 new Class B shares and 250,000 treasury shares were sold at a price of DKK 262 per share.

Total capital of DKK 1,300m was raised. Less transaction costs of DKK 19m, this equates to net proceeds of DKK 1,281m in the form of a capital contribution of 1,216m and DKK 65m from the sale of treasury shares.

At the end of Q2 2020/21, Ambu employees had exercised a total of 556,941 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 2020/21, 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 Q2 2020/21, Ambu's holding of Class B treasury shares had been reduced by 852,815 to 4,050,823 (5,343,787), corresponding to 1.572% (2.121%) of the total share capital.

In addition, at the end of Q2 2020/21, Ambu employees had exercised a total of 112,500 warrants to subscribe for shares in Ambu A/S for net proceeds of DKK 6m.

In certain jurisdictions, Ambu obtains a deduction for employee gains from the exercise of options and warrants. During the half-year, equity increased by DKK 40m (DKK 41m), 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

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

Danish kroner

	12 May 2021	27 January 2021	11 November 2020
EBIT margin	11-12%	11-12%	11-12%

Exchange rate assumptions for 2020/21

	12 May 2021	27 January 2021	11 November 2020
USD/DKK	620	615	640
CNY/DKK	95	94	93
MYR/DKK	151	151	153
GBP/DKK	850	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

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

DKKm	Q2 2020/21	Q1 2020/21	Q4 2019/20	Q3 2019/20	Q2 2019/20	Q1 2019/20
Composition of revenue, products:						
Visualization	547	558	396	539	486	290
Anaesthesia	248	253	273	258	273	256
Patient Monitoring & Diagnostics	206	202	202	150	230	214
Revenue	1,001	1,013	871	947	989	760
Key figures, revenue:						
Endoscopes sold, '000 units	379	370	255	337	313	180
Growth in number of endoscopes sold, %	21	106	174	74	72	21
Organic growth, products:						
Visualization, %	17	101	204	81	69	24
Anaesthesia, %	-4	5	18	-1	3	8
Patient Monitoring & Diagnostics, %	-7	-3	-10	-32	-6	10
Organic growth, %	6	39	48	21	24	14
Exchange rate effects, %	-5	-6	-4	2	2	2
Reported revenue growth, %	1	33	44	23	26	16
Organic growth, markets:						
North America, %	6	13	130	-10	17	16
Europe, %	2	79	15	59	40	11
Rest of World, %	18	9	-1	31	2	12
Organic growth, %	6	39	48	21	24	14
Revenue	1,001	1,013	871	947	989	760
Production costs	-378	-351	-336	-334	-382	-303
Gross profit	623	662	535	613	607	457
<i>Gross margin, %</i>	62.2	65.4	61.4	64.7	61.4	60.1
Selling and distribution costs	-346	-348	-337	-320	-324	-247
Development costs	-52	-47	-50	-41	-36	-30
Management and administration	-125	-119	-119	-96	-97	-87
<i>Total capacity costs</i>	-523	-514	-506	-457	-457	-364
Operating profit (EBIT)	100	148	29	156	150	93
<i>EBIT margin, %</i>	10.0	14.6	3.3	16.5	15.2	12.2
Financial income	4	0	0	-3	2	4
Financial expenses	11	-30	-24	-30	-14	-41
Profit before tax (PBT)	115	118	5	123	138	56
Tax on profit for the period	-20	-27	-2	-31	-34	-14
Net profit for the period	95	91	3	92	104	42

QUARTERLY RESULTS (CONTINUED)

DKKm	Q2 2020/21	Q1 2020/21	Q4 2019/20	Q3 2019/20	Q2 2019/20	Q1 2019/20
Balance sheet:						
Assets	5,318	5,043	4,926	4,876	4,788	4,680
Net working capital	728	636	581	569	713	593
Equity	3,861	2,394	2,372	2,410	2,300	2,127
Net interest-bearing debt	466	1,701	1,346	1,253	1,446	1,358
Invested capital	4,327	4,095	3,718	3,663	3,746	3,485
Cash flows, in DKKm:						
Cash flows from operating activities	92	106	81	314	10	-110
Cash flows from investing activities before acquisitions of enterprises and technology	-119	-104	-122	-127	-99	-80
Free cash flows before acquisitions of enterprises and technology	-27	2	-41	187	-89	-190
Acquisitions of enterprises and technology	-1	-299	0	-2	0	0
Cash flows, in % of revenue:						
Cash flows from operating activities	9	10	9	33	1	-14
Cash flows from investing activities before acquisitions of enterprises and technology	-12	-10	-14	-13	-10	-11
Free cash flows before acquisitions of enterprises and technology	-3	0	-5	20	-9	-25
Key figures and ratios:						
Capacity costs	523	514	506	457	457	364
Rate of cost, %	52	51	58	48	46	48
EBITDA	150	198	85	198	200	126
EBITDA margin, %	15.0	19.5	9.8	20.9	20.2	16.6
Depreciation	-29	-27	-26	-22	-21	-19
Amortization	-22	-22	-31	-20	-18	-14
Impairment	1	-1	1	0	-11	0
EBIT	100	148	29	156	150	93
EBIT margin, %	10.0	14.6	3.3	16.5	15.2	12.2
NIBD/EBITDA before special items	0.7	2.5	2.2	2.2	2.6	2.3
Net working capital, % of revenue	19	17	16	17	23	20
Share-related ratios:						
Market price per share (DKK)	298	263	180	208	165	112
Earnings per share (EPS) (DKK)	0.38	0.37	0.01	0.37	0.42	0.17
Diluted earnings per share (EPS-D) (DKK)	0.38	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 March 2021. 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 March 2021 and of the results of the group's operations and cash flows for the period 1 October 2020 to 31 March 2021.

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, 12 May 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

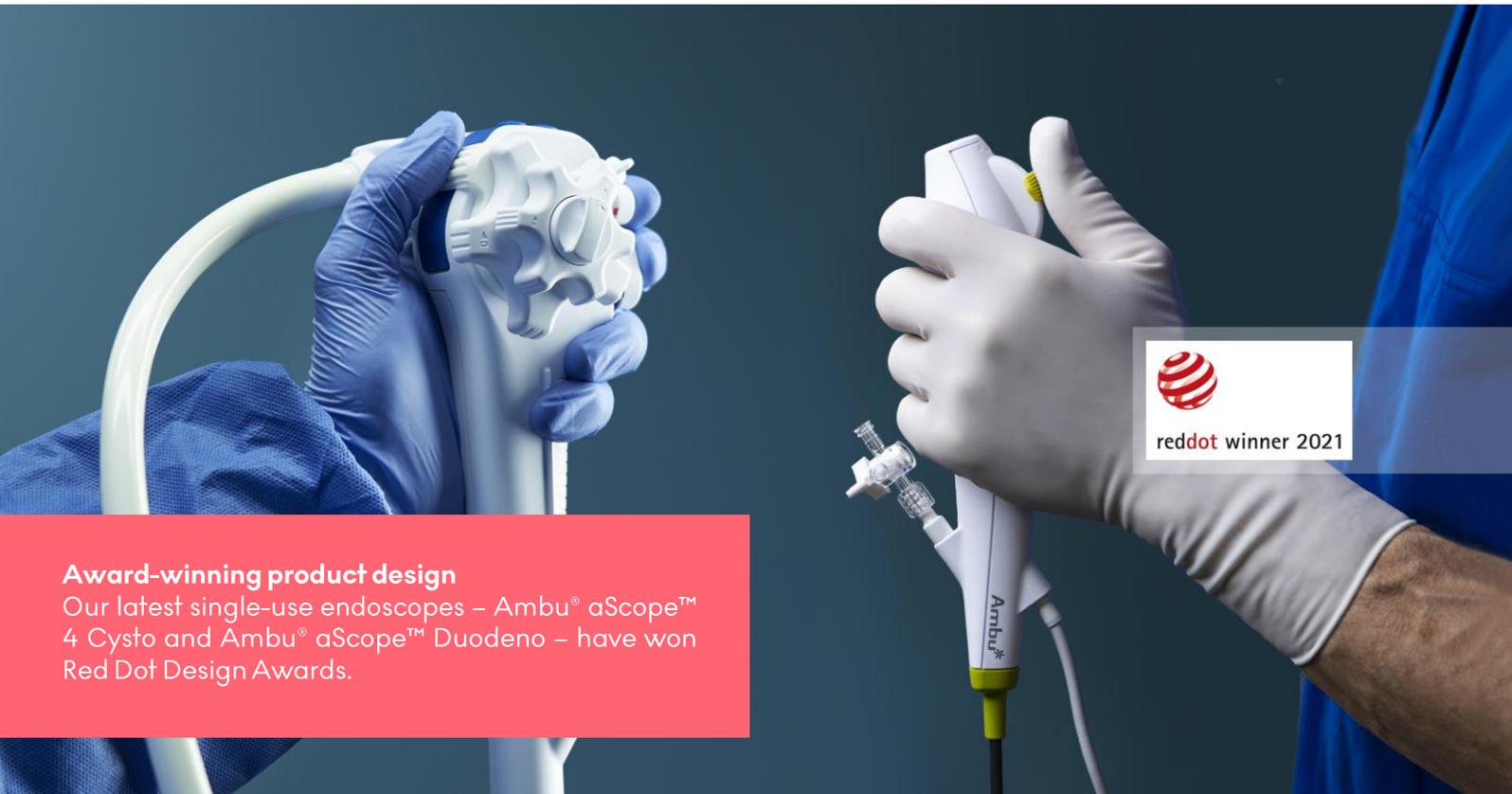
Jakob Bønnelykke Kristensen
Elected by the employees

Consolidated financial statements

Interim report Q2 2020/21

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Award-winning product design

Our latest single-use endoscopes – Ambu® aScope™ 4 Cysto and Ambu® aScope™ Duodeno – have won Red Dot Design Awards.



reddot winner 2021

Income statement and statement of comprehensive income – Group

Interim report Q2 2020/21

DKKm

		Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20	FY 2019/20
Income statement						
Revenue	4	1,001	989	2,014	1,749	3,567
Production costs		-378	-382	-729	-685	-1,355
Gross profit		623	607	1,285	1,064	2,212
Selling and distribution costs		-346	-324	-694	-571	-1,228
Development costs		-52	-36	-99	-66	-157
Management and administration		-125	-97	-244	-184	-399
Operating profit (EBIT)		100	150	248	243	428
Financial income	9	4	2	4	6	3
Financial expenses	9	11	-14	-19	-55	-109
Profit before tax		115	138	233	194	322
Tax on profit for the period		-20	-34	-47	-48	-81
Net profit for the period		95	104	186	146	241
Earnings per share in DKK						
Earnings per share (EPS)		0.38	0.42	0.75	0.59	0.98
Diluted earnings per share (EPS-D)		0.38	0.42	0.74	0.59	0.97

		Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20	FY 2019/20
Statement of comprehensive income						
Net profit for the period		95	104	186	146	241
Other comprehensive income:						
<i>Items which are moved to the income statement under certain conditions:</i>						
Translation adjustment in foreign subsidiaries		35	3	8	-18	-81
Other comprehensive income after tax		35	3	8	-18	-81
Comprehensive income for the period		130	107	194	128	160

Balance sheet – Group

Interim report Q2 2020/21

DKKm

Assets	Note	31.03.21	31.03.20	30.09.20
Goodwill		1,496	1,543	1,497
Acquired technologies, trademarks and customer relations		426	124	445
Acquired technologies in progress		324	661	324
Completed development projects		347	137	304
Development projects in progress		429	356	319
Rights		36	53	46
Intangible assets		3,058	2,874	2,935
Land and buildings	1	345	321	342
Plant and machinery		153	110	133
Other fittings and equipment	1	147	88	128
Property, plant and equipment in progress		57	62	61
Property, plant and equipment		702	581	664
Deferred tax asset		86	124	90
Other non-current assets		86	124	90
Total non-current assets		3,846	3,579	3,689
Inventories		632	441	515
Trade receivables		608	657	521
Other receivables		22	22	32
Income tax receivable		5	9	11
Prepayments		60	42	60
Cash		145	38	98
Total current assets		1,472	1,209	1,237
Total assets		5,318	4,788	4,926

Equity and liabilities	Note	31.03.21	31.03.20	30.09.20
Share capital		129	126	126
Other reserves		3,732	2,174	2,246
Equity		3,861	2,300	2,372
Deferred tax		46	82	81
Provisions		33	30	32
Contingent consideration	12	0	123	0
Interest-bearing debt	1, 10	557	1,452	1,401
Non-current liabilities		636	1,687	1,514
Provisions		9	13	9
Contingent consideration	12	132	288	426
Interest-bearing debt	1, 10	54	32	43
Trade payables		299	154	259
Income tax		26	12	8
Other payables		295	295	288
Derivative financial instruments		6	7	7
Current liabilities		821	801	1,040
Total liabilities		1,457	2,488	2,554
Total equity and liabilities		5,318	4,788	4,926

Cash flow statement – Group

Interim report Q2 2020/21

DKKm

	Note	YTD 2020/21	YTD 2019/20	FY 2019/20
Operating profit (EBIT)		248	243	428
Adjustment of items with no cash flow effect	6	107	95	200
Changes in net working capital	7	-133	-332	-203
Interest expenses and similar items		-10	-14	-28
Income tax paid		-14	-92	-102
Cash flows from operating activities		198	-100	295
Investments in intangible assets		-175	-131	-284
Investments in tangible assets		-54	-48	-144
Sale of non-current assets		6	0	0
Cash flows from investing activities before acquisitions of enterprises and technology		-223	-179	-428
Free cash flows before acquisitions of enterprises and technology		-25	-279	-133
Acquisition of technology		-2	0	-2
Acquisitions of enterprises		-298	0	0
Cash flows from acquisitions of enterprises and technology		-300	0	-2
Cash flows from investing activities		-523	-179	-430
Free cash flows after acquisitions of enterprises and technology		-325	-279	-135
Raising of long-term debt		425	275	325
Repayment of debt to credit institutions		-1,250	0	-150
Repayment of debt to other creditors		-24	0	0
Repayment in respect of leases		-27	-15	-32
Exercise of options		33	10	19
Sale of treasury shares		65	9	9
Dividend paid		-73	-96	-96
Dividend, treasury shares		1	2	2
Capital increase, Class B share capital		1,222	12	37
Cash flows from financing activities		372	197	114
Changes in cash and cash equivalents		47	-82	-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		145	38	98
Cash and cash equivalents, end of period, are composed as follows:				
Cash		145	38	98
Cash and cash equivalents, end of year		145	38	98

Statement of changes in equity – Group

Interim report Q2 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				186		186
Other comprehensive income for the period			8			8
Total comprehensive income	0	0	8	186	0	194
<i>Transactions with the owners:</i>						
Share-based payment				7		7
Tax deduction relating to share options				40		40
Exercise of options				33		33
Sale of treasury shares				65		65
Distributed dividend					-72	-72
Dividend, treasury shares				1	-1	0
Share capital increase	3			1,219		1,222
Equity 31 March 2021	129	0	81	3,651	0	3,861
<hr/>						
Equity 1 October 2019	126	0	154	1,806	96	2,182
Net profit for the period				146		146
Other comprehensive income for the period			-18			-18
Total comprehensive income	0	0	-18	146	0	128
<i>Transactions with the owners:</i>						
Share-based payment				12		12
Tax deduction relating to share options				41		41
Exercise of options				10		10
Sale of treasury shares, employee share programme				9		9
Distributed dividend					-94	-94
Dividend, treasury shares				2	-2	0
Share capital increase, warrants				12		12
Equity 31 March 2020	126	0	136	2,038	0	2,300

Other reserves are made up of reserve for hedging transactions, reserve for foreign currency translation adjustment, retained earnings and proposed dividend and total DKK 3,732m (31.03.2020: DKK 2,174m).

Notes to the interim report

Interim report Q2 2020/21

Section 1: Basis of preparation of interim report

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Notes to the interim report

Interim report Q2 2020/21

DKK m

Note 1 – Basis of preparation of the interim report

The interim report for the period 1 October 2020 to 31 March 2021 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 except for the change in the estimate of the expected credit losses on trade receivables described below.

By the end of Q4 2019/20 a valuation allowance of DKK 31m had been provided for to counter the credit risk of private customers' default as hospitals have taken a significant loss of revenue cutting back lucrative elective procedures to free up resources to treat COVID-19 patients. Since Q4, we have not seen material changes in payment patterns from customers, and no significant bad debts have been realized to date. The management's accounting estimate of the credit risk related to trade receivables was therefore favourably changed by the end of Q2 and the valuation allowance is reduced by DKK 15m.

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

	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20	FY 2019/20
Visualization	547	486	1,105	776	1,711
Anaesthesia	248	273	501	529	1,060
Patient Monitoring & Diagnostics	206	230	408	444	796
Total revenue by activities	1,001	989	2,014	1,749	3,567
North America	437	449	828	825	1,594
Europe	447	437	984	740	1,551
Rest of World	117	103	202	184	422
Total revenue by markets	1,001	989	2,014	1,749	3,567

Notes to the interim report

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DKKm

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 161m to DKK 3,760m. The net increase is driven by investments in ongoing development projects and tangible assets totalling DKK 229m while depreciation, amortization and impairment of DKK 100m have reduced the total carrying amount since 30 September 2020.

Deferred taxes was a net asset of DKK 9m at the beginning of the financial year. Since then, the net asset has increased to DKK 40m.

Inventories have increased by DKK 117m, corresponding to 23%. Trade receivables increased by DKK 87m to DKK 608m.

Contingent consideration relating to the acquisition of Invendo Medical GmbH amounted to DKK 132m, a decrease of DKK 294m due to the payment of the duodenoscopy milestone of DKK 298m. Interest-bearing debt has been reduced by DKK 880m to DKK 466m. The debt reduction is driven by the capital contribution, the sale of treasury shares net of dividend distribution and the payment of the duodenoscopy milestone.

Trade payables increased by DKK 40m to DKK 299m due to timing in payments and activity levels. Other payables increased by DKK 7m to DKK 295m.

Note 6 – Adjustment of items with no cash flow effect

	YTD 2020/21	YTD 2019/20	FY 2019/20
Depreciation, amortization and impairment losses	100	83	181
Share-based payment	7	12	19
	107	95	200

Note 7 – Changes in net working capital

	YTD 2020/21	YTD 2019/20	FY 2019/20
Changes in inventories	-110	57	-51
Changes in receivables	-72	-194	-97
Changes in trade payables etc.	49	-195	-55
	-133	-332	-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.

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DKK m

Note 9 – Net financials

	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20	FY 2019/20
<i>Other financial income:</i>					
Foreign exchange gains, net	4	0	4	0	0
Fair value adjustment, swap	0	2	0	6	3
Financial income	4	2	4	6	3

	Q2 2020/21	Q2 2019/20	YTD 2020/21	YTD 2019/20	FY 2019/20
<i>Interest expenses:</i>					
Interest expenses, banks	4	5	10	11	22
Interest expenses, leases	2	2	4	3	6
<i>Other financial expenses:</i>					
Foreign exchange loss, net	-15	-10	0	7	30
Fair value adjustment, contingent consideration	-2	17	4	33	48
Effect of shorter discount period, acquisition of technology	0	0	1	1	3
Financial expenses	-11	14	19	55	109

Note 10 – Net interest-bearing debt

	31.03.21	31.03.20	FY 2019/20
Credit institutions	400	1,325	1,225
Leases	157	127	152
Other interest-bearing debt	0	0	24
Long-term interest-bearing debt	557	1,452	1,401
Leases	54	32	43
Short-term interest-bearing debt	54	32	43

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

	31.03.21	31.03.20	FY 2019/20
Interest-bearing debt	611	1,484	1,444
Cash	-145	-38	-98
Net interest-bearing debt	466	1,446	1,346

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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 DKK 39.26 and 10,000 Class B shares with a nominal value of DKK 0.50 each at a price of DKK 77.12.

In January 2021 a capital contribution was made in connection with an accelerated bookbuilding offering of 4,711,832 Class B shares with a nominal value of DKK 0.50 each sold at a price of DKK 262. Less transaction costs of DKK 19m, the net proceeds were DKK 1,216m.

In February 2020 a capital contribution was made in connection with the exercise by employees of warrants. These warrants were allocated in 2015 and 2016. In consequence hereof, Ambu's share capital was increased by 55,000 Class B shares with a nominal value of DKK 0.50 each at a price of DKK 39.26 and 32,500 Class B shares with a nominal value of DKK 0.50 each at a price of DKK 77.12.

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

	30.09.20	Change	31.03.21
No. of Class A shares	34,320,000	0	34,320,000
No. of Class B shares	218,497,100	4,824,332	223,321,432
	252,817,100	4,824,332	257,641,432
Share capital	126,408,550	2,412,166	128,820,716

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 March 2021, this had been reduced by 852,815 shares to 4,050,823 Class B shares. The reduction is attributable to disposals in connection with the conclusion of the employee share programme for 2018 (matching shares) by 45,874 shares and the sale of 556,941 treasury shares relating to the exercise of share option programmes. Further, 250,000 treasury shares were sold at a price per share of DKK 262. 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.

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Note 12 – Contingent consideration

	31.03.21	31.03.20	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	4	16	48
Foreign currency translation adjustment	0	1	0
Contingent consideration end of reporting period	132	395	426
Contingent consideration expected to fall due:			
Non-current contingent consideration	0	119	0
Current contingent consideration	132	276	426
Contingent consideration end of reporting period	132	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 4m posted to financials can be attributed to the effect of the shorter discounting period.

Note 13 – Contingent liabilities

Ambu has assumed contractual obligations in connection to the planned erection new manufacturing facilities in Mexico. A long-term agreement to lease the facilities has been entered into at a lease value of approx. DKK 200m. Ambu will at the expected commencement date in Q1 2021/22 recognize this contract as a right-of-use asset and a lease liability.

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 March 2021. 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 March 2021 which could be expected to have a significant impact on the group's financial position.