ANNUAL REPORT 2022/23

Ambu A/S, Baltorpbakken 13, DK-2750 Ballerup
Registration no. 63644919

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IN BRIEF

LETTER FROM OUR CHAIR & CEO

2022/23 was a year of strong progress for Ambu. With our transformative ZOOM IN strategy, we have embarked on a multi-year journey, centred on focused execution and customer-centricity. We are off to a strong start, with a year marked by significant achievements. As we look ahead, we remain committed to paving the way for strong, profitable growth in pursuit of our purpose to rethink solutions that save lives and improve patient care.

Our ambition towards becoming the most customer-centric company in our field began with the launch of our ZOOM IN strategy in November 2022. The strategy enjoys strong support across our business and has brought great momentum and progress. On the back of a challenging period, it has provided clarity of focus, founded in our aim to strengthen Ambu for strong, profitable growth.

This past year has been a testament to Ambu's resilience and commitment to building a stronger and more customer-centric organisation. We firmly believe that our success depends on our ability to place our customers' needs at the core of everything we do. Their intrinsic needs function as a catalyst for our innovation and dedication, and we are committed to deepening our understanding to deliver increasingly innovative medical solutions that help healthcare professionals better the lives of patients.

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Strengthened financial platform

For the year, we achieved organic revenue growth of 7.6%, reflecting tangible improvements compared to last year. Our Endoscopy Solutions business reflected strong organic growth in the second half of the financial year, as we fully normalised after Covid-19. Although pulmonology was negatively impacted by high comparables stemming from Covid-19 in the first half of the year, the segment returned to positive organic growth in the second half, fuelled by new launches in our biggest markets. In urology and ENT, our double-digit organic growth trajectory continued, Subsequently, we reached 15% organic growth in Endoscopy Solutions for the full year, solidifying our market leader position. Our Anaesthesia and Patient Monitoring businesses posted organic growth of -2% and 1%, respectively, driven by high comparables and stockpiling last year.

As a result of our focused execution, we delivered an EBIT margin of 6.3%, versus 2.7% in 2021/22. The increase was mainly driven by revenue growth and reduced operational costs in distribution and staff. Also, following the leadership change in the summer of 2022, Ambu finished 2021/22 with a negative free cash flow of DKK 458m and a debt of 3.9x EBITDA before special items. Going into 2022/23, action was thus taken towards applying disciplined capital allocation and strengthening our cash flow. It paid off. 2022/23 closed with a positive free cash flow of DKK 192m. Also, with the improvement of our net working capital and a capital raise of 5% of the total share capital, performed in March 2023, Ambu's debt is currently at a minimum of 0.7x EBITDA before special items, well below the threshold of 2.5x. This marks an important milestone for Ambu, as it provides us with greater operational flexibility to deliver long-term sustainable, profitable growth.

Commercial successes

This year, our solutions helped millions of patients worldwide. In pulmonology, we grew our offering, with the global launch of our complete fifth-generation bronchoscope portfolio, the most advanced single-use endoscopy range designed for high-complexity procedures in the bronchoscopy suite. Combined with our fourth-generation bronchoscopes, our VivaSight™ 2 portfolio and our development projects, we are well-positioned to expand our single-use leadership position in pulmonology.

In urology and ENT, we continued to expand and deepen our customer base. Customers are continuously benefitting from the high performance and efficiency of our solutions. Ambu entered these segments no more than three and five years ago, respectively, and with new products in the pipeline, the acceleration of our portfolios is promising.

Moreover, in 2022/23, we launched the next generation of our endoscopy system, the aView™ 2 Advance. The upgrade included advanced software and new camera chips, as well as added compatibility with our single-use endoscopes. In combination, aView™ 2 Advance and aBox™ 2 support all of Ambu's current and future endoscopes across pulmonology, urology, ear-nose-throat (ENT) and gastroenterology (GI).

Lastly, in GI we continued to deliver on our new strategy of applying a more targeted market approach. As such, we achieved a solid growth with our gastroscope, and we received regulatory approval of two new solutions, aScope™ Gastro Large and aScope™ Colon. We remain excited about the potential of the large GI endoscopy market; however, we are taking aim to expand stepwise, targeting procedural niches, from where we can gain a foothold and then gradually expand. Our GI journey is one of learning, focus and patience, and we remain determined to bring the power of single-use efficiency to a steadily growing number of GI professionals and patients in the future.

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Strategic progress

In 2022/23, we initiated a dedicated transformation program, to enhance our profitability through efficiency and scalability initiatives across our value chain. We have made good progress, e.g., by introducing price increases within legacy product groups and by simplifying operational complexity, with the exit of unprofitable businesses. The program remains a top priority, ensuring a scalable and efficient business model for the future.

Another crucial zoom area is our sustainability agenda. In our efforts to take leaps towards a sustainable future, we are committed to supporting our customers in becoming increasingly sustainable. For circular products and packaging, we launched the world's first endoscope made with bioplastics, with our aScope™ Gastro Large. Moreover, we are ramping up our effort with bioplastics, as the first endoscope company in the world. From early in the 2024/25 financial year, all single-use endoscopes shipped to customers will be made with bioplastics. By introducing bioplastics in the endoscope handles, we can reduce the carbon footprint of the ABS plastics we use in the handles by 70%. In addition, through pilot projects and partnerships for take-back and recycling programs, we commit to continuing to lead by example by applying impactful sustainable practices..

Finally, the Ambu culture is of paramount importance. The engagement of our people is directly linked to having a clear direction, an impactful leadership, a strong set of values and an inspiring purpose. As such, we strengthened our Executive Leadership Team, bringing in new and diverse competences across People & Culture, Operations and R&D. Furthermore, we announced the appointment of Henrik Skak Bender as upcoming CFO, taking over from Thomas Frederik Schmidt by January 2024, as we embark on the next phase of our growth journey, centred on accelerating growth and profitability.

Setting our people up for success is a key priority, and with a set of newly implemented purpose and values, we have set a clear direction for why and how we work at Ambu, enhancing our foundation for success. Our leaders and employees alike play a pivotal role in delivering high-quality solutions to our customers, and we will keep advancing our culture to drive engagement, diversity and inclusiveness at a global scale going forward.

Focus on profitable growth

As we stand on the brink of a new financial year, we continue to see a wealth of untapped potential across our business. In all four zoom areas, we are poised to leverage this year's progress.

JØRGEN JENSEN
Chair of the Board

BRITT MEELBY JENSEN
Chief Executive Officer

As Ambu moves ahead, we remain persistent in our commitment to growth, more specifically, organic growth at higher margins. This will come from a strong customer focus and investments in people. We will continue to be first-movers in opening up new market opportunities, and we will chase these growth opportunities, while ensuring high levels of flexibility and adaptability. Our confidence in the ability of the Ambu workforce to strike this important balance is unwavering, confirmed by the uncompromised focus and nimbleness portrayed by our global teams this year.

We want to take the opportunity to acknowledge and thank our shareholders, colleagues and customers for their continued support.

Looking ahead, we are confident that we now enter another year of determination, transformation and progress. Ambu is well-positioned for a bright future, and we look forward to the journey ahead – towards stronger and increasingly profitable growth.

Jørgen Jensen
Chair
of the Board

Britt Meelby Jensen
Chief Executive
Officer

As a signatory of the UN Global Compact, we confirm our commitment to the 10 principles of the UN Global Compact and our support to the UN Sustainable Development Goals.

AMBU AT A GLANCE

Ambu is a global medical technology company with the purpose of rethinking solutions to save lives and improve patient care. We partner with healthcare professionals to provide safe, efficient and high-performing solutions that better the lives of millions of patients.

We are the **market leader in single-use endoscopy**, a market we created in 2009

We are **recognised as a leader within ESG** in the healthcare equipment and supplies industry[1]

We are **4,400 employees** across the world, and we sell our products in **more than 60 countries**

We have **three dedicated R&D centres and four manufacturing facilities** across the world

We are an innovation-driven company, with **7% of our revenue spent on R&D in 2022/23**

We **serve more than 100 million patients every year** with our innovative medical technology solutions

[1] As a leader among 83 companies, Ambu achieved an AA MSCI ESG Rating in 2023.

PERFORMANCE HIGHLIGHTS

One year into our ZOOM IN strategy, Ambu delivered great progress for the financial year 2022/23, reflected by financial improvements, as well as strong advancements within our sustainability agenda, our portfolio and our organisation as a whole.

Organic revenue growth, %

7.6%

2021/22: 4%

EBIT margin before special items, %

6.3%

2021/22: 2.7%

Free cash flow, DKKm

192

2021/22: DKK -458 m

Revenue, DKKm

4,775

2021/22: DKK 4,444 m

EBIT before special items, DKKm

302

2021/22: DKK 122 m

Gross margin, %

56.8%

2021/22: 57.5%

BUSINESS HIGHLIGHTS

Portfolio advancements

- Compliance with the EU Medical Device Regulation (MDR) of Ambu's full product portfolio
- Endoscopy Systems: Global launch of the next-generation Ambu® aView™ 2 Advance
- Pulmonology: Global launch of the complete Ambu® aScope™ 5 Broncho portfolio, re-launch of Ambu® Viva-Sight™ 2 DLT and launch of Ambu® VivaSight™ 2 SLT in Europe
- Gastroenterology: Regulatory clearances of Ambu® aScope™ Gastro Large in Europe and Ambu® aScope™ Colon in North America
- Urology: Regulatory clearance of Ambu® aScope™ 5 Cysto HD

Organisational advancements

- Launch of Ambu's transformation program, focused on driving efficiencies, scalability and profitability
- Executive Leadership Team strengthened with our new Chief People Officer, Chief Operations Officer and Chief Technology Officer – and announcement of our new Chief Financial Officer, Henrik Skak Bender, as of 1 January 2024.
- Global roll-out of Ambu's new ZOOM IN strategy, purpose and values

Sustainability advancements

- Launch of the world's first endoscope made with bioplastics - our Ambu® aScope™ Gastro Large
- 2030 target set for emission reductions and submitted to the Science-Based Targets initiative (SBTi)

REVENUE BY BUSINESS AREA

Endoscopy Solutions

56%

- Endoscopy systems
- Single-use endoscopes
- Video laryngoscopes
- Airway tubes with integrated camera

Anaesthesia & Patient Monitoring

44%

- Resuscitators
- Laryngeal masks
- Anaesthesia masks
- Breathing circuits

- Cardiology electrodes
- Neurology electrodes
- Training manikins
- Neck collars

● Endoscopy Solutions
● Anaesthesia & Patient Monitoring

REVENUE SHARE BY GEOGRAPHY

North America
51%

Europe
39%

Rest of world
10%

FIVE-YEAR FINANCIAL SUMMARY

(DKKm)	2022/23	2021/22	2020/21	2019/20	2018/19
Income statement					
Revenue	4,775	4,444	4,013	3,567	2,820
Gross profit	2,713	2,554	2,503	2,212	1,637
EBITDA before special items	632	423	556	609	589
Depreciation, amortisation and impairment	-330	-301	-216	-181	-109
EBIT before special items	302	122	340	428	480
Special items	-8	-148	-	-	-174
EBIT	294	-26	340	428	306
EBITDA	642	325	556	609	415
Net financials	-84	135	-32	-106	107
Profit before tax	210	109	308	322	413
Net profit for the year	168	93	247	241	317
Cash flow					
Cash flow from operating activities (CFFO)	518	95	328	295	533
Cash flow from investing activities before acquisitions (CFFI)	-326	-553	-573	-428	-259
Free cash flow before acquisitions (FCF)	192	-458	-245	-133	274
Acquisitions of enterprises and technology	-	-5	-301	-2	-2
CFFO, % of revenue	11	2	8	8	19
CFFI, % of revenue	-7	-12	-14	-12	-9
FCF, % of revenue	4	-10	-6	-4	10
Balance sheet					
Assets	6,859	7,215	5,740	4,926	4,558
Net working capital	939	1,022	789	581	387
Equity	5,393	4,261	3,952	2,372	2,182
Net interest-bearing debt	427	1,658	759	1,346	1,035
Invested capital	5,820	5,919	4,711	3,718	3,217

(DKKm)	2022/23	2021/22	2020/21	2019/20	2018/19
Key figures and ratios					
Organic growth, %	8	4	16	26	4
Gross margin, %	56.8	57.5	62.4	62.0	58.0
OPEX ratio, %	50	55	54	50	41
EBITDA margin before special items, %	13.2	9.5	13.9	17.1	20.9
EBIT margin before special items, %	6.3	2.7	8.5	12.0	17.0
EBIT margin, %	6.2	-0.6	8.5	12.0	10.9
EBITDA margin, %	13.4	7.3	13.9	17.1	14.7
Tax rate, %	20	15	20	25	23
Return on equity, %	3	2	8	11	16
NIBD/EBITDA before special items	0.7	3.9	1.4	2.2	1.8
Equity ratio, %	79	59	69	48	48
Net working capital, % of revenue	20	23	20	16	14
Return on invested capital (ROIC), %	4	2	6	9	15
Average number of employees	4,385	4,849	4,437	3,617	2,957
Share-related ratios					
Market price per share, DKK	74	66	190	180	114
Earnings per share (EPS) (DKK)	0.64	0.37	0.98	0.98	1.30
Diluted earnings per share (EPS-D) (DKK)	0.64	0.37	0.98	0.97	1.28
Cash flow per share	1.92	0.37	1.27	1.17	2.12
Equity value per share	20	17	15	9	9
Price/equity value	3.7	4.0	12.4	19.2	13.1
Dividend per share	-	-	0.29	0.29	0.38
Pay-out ratio, %	-	-	30	30	30
P/E ratio	116	178	194	184	88

FIVE-YEAR ESG & SUSTAINABILITY PERFORMANCE

	2022/23	2021/22	2020/21	2019/20	2018/19
Greenhouse Gas Emissions (Metric tonnes CO_2e)					
Scope 1	3,687	4,832*	4,329	957	944
Emissions from natural gas and LPG	1,693	3,067	2,812	861	-
Emissions from petrol and diesel	1,689	1,309	1,298	96	-
Emissions from refrigerants	304	456[1]	219	-	-
Location based emissions[2]					
Scope 2	20,316	19,206	18,027	18,249	17,141
Scope 1 + 2	24,003	24,039*	22,356	19,206	18,085
Scope 1 + 2 per tonne of manufactured products	2.32	2.23*	2.14	1.90	1.96
Scope 1 + 2 per DKKm revenue	5.03	5.41*	5.57	5.38	6.41
Market-based emissions[2]					
Scope 2	16,083	14,797	18,505	-	-
Scope 1 + 2	19,771	19,630*	22,834	-	-
Scope 1 + 2 per tonne of manufactured products	1.91	1.82*	2.18	-	-
Scope 1 + 2 per DKKm revenue	4.14	4.42*	5.69	-	-
Energy consumption (GJ)					
Total energy consumption	211,398	224,343	199,927	138,411	130,849
Energy from natural gas and LPG	33,468	52,704	47,634	16,947	-
Energy from petrol and diesel	24,949	19,863	18,865	1,324	-
Energy from electricity from grid	144,771	142,976	124,371	116,978	-
Energy from electricity from solar panels	5,319	5,262	5,501	179	-
Energy from district heating	2,890	3,538	3,556	2,982	-
Renewable energy share (%)	18.5	17.2	2.8	0.1	0.1
Renewable electricity share (%)	26.0	26.1	4.2	0.2	-
Water consumption (m^3)					
Total water consumption	115,850	125,549	137,115	123,115	129,958

[1] Scope 1 emissions from refrigerants for 2021/22 have been restated as we discovered errors in the data reported. The change has resulted in a decrease in emissions from refrigerants from 988 metric tonnes CO_2e to 456 metric tonnes CO_2e. This has resulted in a decrease of our scope 1 emissions and impacts all KPIs which include scope 1 emissions. Affected KPIs are marked with *.

[2] Scope 2 emissions cannot be compared directly with previous years, due to change in methodology related to sources for emission factors. See more on p. 75→

	2022/23	2021/22	2020/21	2019/20	2018/19
Waste (metric tonnes)					
Total waste	2,789	3,011	2,429	2,276	1,661
Waste sent to incineration	296	346	146	55	-
Waste sent to recycling	1,283	1,246	968	937	868
Waste sent to landfill	1,209	1,419	1,315	1,284	-
Waste recycled (%)	46	41	40	41	57
Hazardous waste (%)	1.1	0.5	0.6	-	-
Gender diversity (%)					
Women in workforce	59	57	57	60	58
Women in management, all employees	42	42	37	41	43
Women in management, white-collar employees	39	39	37	36	37
Women on Executive Leadership Team	29	42	33	25	-
Women on Board of Directors[3]	29	20	20	17	0
Employee turnover rate (%)					
All employees	30	34	20	15	13
Voluntary turnover	25	30	17	-	-
White-collar employees	25	27	17	9	13
Voluntary turnover	18	21	-	-	-
Indirect blue-collar employees	14	18	-	-	-
Voluntary turnover	11	17	-	-	-
Blue-collar employees	38	45	-	-	-
Voluntary turnover	33	42	-	-	-
Employee health & safety					
Fatalities (number)	0	0	0	0	0
Lost-time Injury frequency (per million hours worked)	0.93	0.92	1.07	1.44	1.32
Sickness absence rate (%)	1.79	2.29[4]	1.76	1.76	1.51
E-learning completion rate (%)					
GDPR training	97	93	-	-	-
Code of Conduct training	99	99	100	-	-
Cybersecurity training	96	99	-	-	-

[3] The term "Women on Board of Directors" refers to members elected at the Annual General Meeting (AGM).
[4] Number has been restated as an error was discovered in the data collected from our sites in Malaysia.
Years with no data ("-") reflect that data collection for that specific KPI did not taken place at that point in time.

OUR BUSINESS

OUR PURPOSE

Together, we rethink solutions to save lives and improve patient care

OUR VALUES

TAKE CHARGE

We aim high and adapt fast

TEAM UP

We collaborate with customers and colleagues

BE TRUE

We act with integrity in all we do

HOW WE LIVE OUR PURPOSE

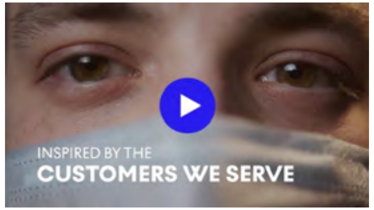
Ambu is a purpose-driven and people-focused company. Our purpose is deeply rooted within our organisation and reflects the belief that truly breakthrough medtech solutions are born in close and continuous collaboration with doctors and nurses.

Since Ambu was founded in 1937, we have been passionate about developing smarter and simpler ways of working for hospitals, clinics and emergency services to better the lives of patients. Across nationalities and specialities, we bring people together to address some of the biggest challenges in healthcare systems worldwide.

Underpinning our purpose are our Ambu values. In combination, they shape our culture of innovation by emphasising the strong sense of ownership that exists across our global teams for driving ambitious results, collaborating with colleagues and customers and holding integrity high in all we do, for Ambu, our customers and the world.

In our shared efforts to support healthcare professionals and patients, our values constitute an inspiring and actionable platform for driving our strategy forward, delivering on our purpose and bringing our people together in one shared culture.

Watch our videos



Watch our Ambu purpose video on our website →

Watch our Ambu values video on our website →

85+ YEARS OF INNOVATION

Ambu has a long and proud history within healthcare, from our founding presence in Anaesthesia and emergency care, to our expansion into Patient Monitoring, and finally, to our pioneering venture within single-use Endoscopy Solutions.

1937
Ambu was founded with the purpose of saving lives and improving patient care

1950-70s
We build on a strong heritage within Anaesthesia and emergency services, exemplified by the breakthrough solution, the Ambu® Bag

1980-2000s
Our Patient Monitoring business was added, trailblazed by our BlueSensor™ electrodes and kickstarting our focus on single-use

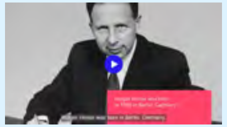
2009
We pioneered single-use endoscopy with the launch of the aScope™, the world's first single-use flexible endoscope, in pulmonology

2018-19
Our single-use endoscopy presence was increased with our entry into the ear-nose-throat (ENT) endoscopy segment

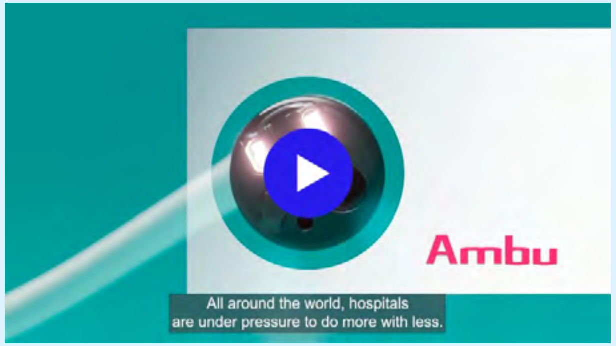
2019-20
We ventured into the urology segment, further increasing our market leadership in single-use endoscopy

2020-21
With our entry into the gastroenterology (GI) segment, we became present in the four largest endoscopy segments

2022 - -
Launch of our customer-focused ZOOM IN strategy, setting Ambu on a path for sustainable, profitable growth



Watch Ambu's founder's story on our website ⟶



Learn more about Ambu's endoscopy venture on our website ⟶

MEETING NEEDS OF THE HEALTHCARE SECTOR

The global healthcare sector is facing multiple challenges, such as capacity overload at hospitals, staff shortages, efficiency needs, growing sustainability demands and rising costs. Our portfolio of innovative solutions paves the way for smarter and simpler ways of working in healthcare, ultimately supporting healthcare professionals in providing high levels of patient care in a challenging environment.

OUR SINGLE-USE ENDOSCOPES BRING TANGIBLE BENEFITS TO HEALTH SYSTEMS

WORKFLOW
Single-use endoscopes reduce workload and increase patient throughput, as staff is not needed to perform complex reprocessing.

ECONOMICS
Single-use endoscopes do not require repairs, servicing fees or reprocessing equipment, making them less capital-intensive.

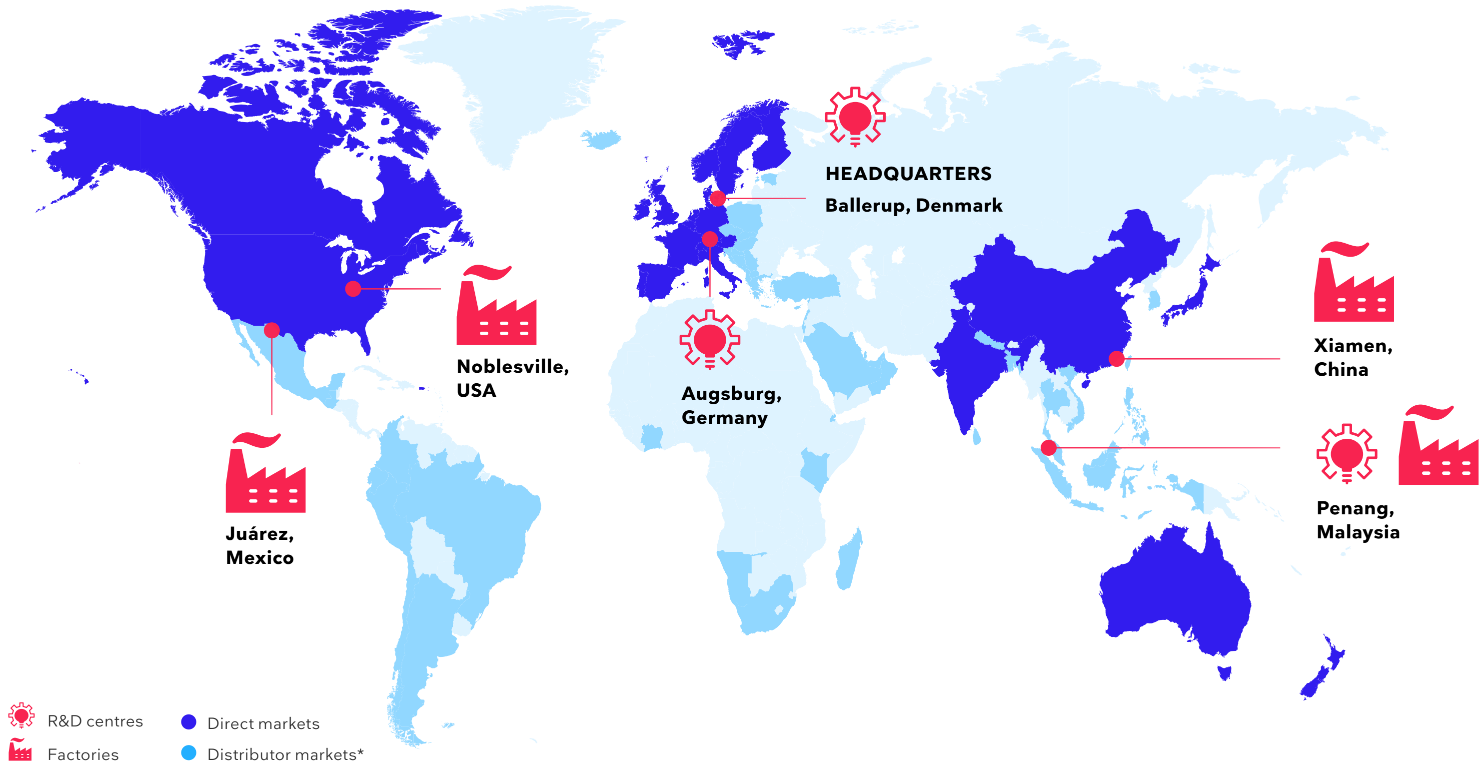
PATIENT SAFETY
Single-use endoscopes are 100% sterile and thus eliminate the risk of infectious diseases being transmitted between patients.

SUSTAINABILITY
Single-use endoscopes do not require reprocessing, thereby reducing energy and water consumption, as well as use of chemicals.

Sources: Deloitte (2023): 2023 Global Health Care Outlook; PwC (2023): Next in health services 2023; World Economic Forum (2023): Global Health and Healthcare Strategic Outlook: Shaping the Future of Health and healthcare

OUR GLOBAL PRESENCE

Delivering high-quality, innovative solutions that meet customer needs is our number one priority. Our commercial, manufacturing and R&D presence extends across a strong global network, centred on high levels of collaboration and customer-centricity.



* The distributor markets highlighted do not include the 40 markets that Ambu is currently exiting.

Meeting customer needs

with a direct commercial presence in all major markets.

We have sales offices covering more than 20 markets across four continents.

Strong global R&D presence

with ~300 employees globally, across three dedicated R&D centres, located in Denmark, Germany and Malaysia.

Manufacturing footprint

with more than 3,000 employees working across four manufacturing facilities to produce high-quality solutions for customers.

TOWARDS A CIRCULAR BUSINESS MODEL

As the market leader in single-use endoscopy, we are focused on combining deep customer insights with sustainable practices that improve our own carbon footprint, as well as that of our customers, throughout the lifecycle of our endoscopes.

We welcome all our stakeholders to come JOIN THE CIRCLE.

DEVELOPMENT & DESIGN

Integration of sustainability in R&D processes, as well as design and materials choices.

In-house- and customer testing are important steps for developing new solutions.

RAW MATERIALS

Sourcing of raw materials with a low carbon footprint, such as plastics derived from a combination of fossil-based and bio-based plastics.

SUPPLIER ENGAGEMENT

Collaboration with our suppliers on carbon emission reductions and responsible business practices.

PRODUCTION & ASSEMBLY

Continuous reduction of carbon emissions through energy savings (e.g., solar panels), as well as waste reduction.

DISTRIBUTION & PACKAGING

Rethinking packaging and the way our products are distributed to customers, to reduce our environmental footprint.

NO REPROCESSING

No reprocessing or repairs are required for single-use endoscopes, reducing energy and water consumption, as well as use of chemicals.

TOWARDS CIRCULARITY

Pilot projects and partnerships for take-back and recycling provide opportunities for value creation of single-use endoscopes further down the value chain, in the form of generating energy or new materials.

The circular model depicted to the right is a simplified illustration of the endoscope journey.

OUR EQUITY STORY

Attractive single-use endoscopy market

Fast-growing market
~100 million endoscopy procedures are performed every year, with only ~2-3% having transitioned to single-use endoscopy, indicating a great market potential.

Unmet customer needs
Health systems are in need of new solutions that meet their challenges, such as capacity overload at hospitals, staff shortages, efficiency needs, growing sustainability demands and rising costs.

Focus on patient safety
The U.S. Food and Drug Administration (FDA) has increased awareness of the risk of cross-contamination and has advocated for the use of single-use endoscopy, where there is an increased risk of spreading infection or no immediate reprocessing support.

Leading product portfolio

Impactful single-use benefits
Ambu's single-use endoscopy portfolio offers strong customer benefits, such as higher workflow efficiency, increased patient safety, as well as improved financial costs and sustainability benefits.

Well-positioned to win
Ambu is a first-mover in single-use endoscopy. We are the world-leading player with the broadest portfolio, powered by an innovative system approach and leveraging the latest rechnology advancements.

Sustainability dedication
We are paving the way towards sustainable endoscopy by applying the principles of the circular economy in how we design, manufacture and dispose of our solutions.

Scalable business model

High innovation knowhow
With dedicated R&D centres in Denmark, Germany and Malaysia, we focus our innovation efforts on new product development and product lifecycle management, in close collaboration with our customers.

Scalable production facilities
Ambu has four manufacturing facilities in Malaysia, China, the USA and Mexico, where we produce high-quality devices at a low cost, leveraging decades of expertise within optimisation processes and activities.

Global commercial infrastructure
By keeping the needs of our customers front and centre, our dedicated sales and marketing organisation operates with a goal to expand hospitals' access to our single-use endoscopy portfolio.

Transforming for growth

Long-term profitable growth
Our strategy aims to deliver strong shareholder value with the following long-term targets:

- Organic revenue growth: >10% average annual organic revenue growth over the next five years (2022/23-2027/28), with 15-20% organic grow in Endoscopy Solutions and 2-4% organic growth in Anaesthesia and Patient Monitoring, combined.
- EBIT margin: ~20% in 2027/28, potential trade-offs with growth investments.

STRATEGY

ZOOM IN

Becoming the most customer-centric in our field

In November 2022, we launched our ZOOM IN strategy with the aspiration to become the most customer-centric in our field. In the 2022/23 financial year, we progressed significantly within each of our four zoom areas, ultimately focused on delivering strong, profitable growth.

Across our global teams, we have continuously strived to drive focused innovation by bringing new customer-centric solutions to market, unlocking efficiencies across our value chain, paving the way for sustainable endoscopy and advancing the foundation for our unique Ambu culture.

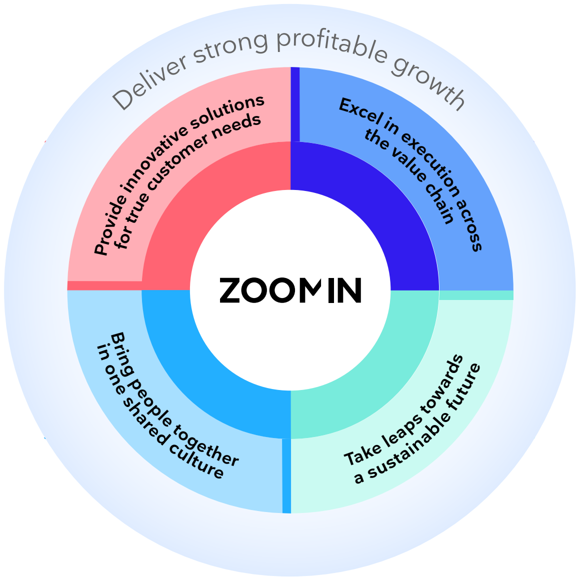
Why did we launch ZOOM IN?

Our previous strategy entailed increased investments and overly optimistic growth expectations during post-pandemic and macroeconomic uncertainty. As a consequence, we launched our ZOOM IN strategy to recalibrate our focus, build trust and strengthen our financial foundation for future growth.

Our ZOOM IN strategy aims to deliver strong profitable growth through the lens of our four zoom areas:

Provide innovative solutions for true customer needs
Focused on launching market-leading solutions in pulmonology, ear-nose-throat (ENT), urology and gastroenterology (GI), driving customer-centric and fast-paced innovation

Bring people together in one shared culture
Focused on building an engaged, diverse and inclusive culture, strengthening our setup for collaboration and innovation, as well as attracting and developing people who want to make a difference



Excel in execution across the value chain
Focused on driving efficiencies by zooming in on our highest-value segments and geographies and improving profitability in Anaesthesia and Patient Monitoring, securing commercial excellence, improving gross margin and strengthening our operating model

Take leaps towards a sustainable future
Focused on paving the way for sustainable endoscopy through circular products and packaging, as well as operating responsibly in our approach to achieve net-zero emissions

Zoom in on customers

Provide innovative solutions for true customer needs

Innovating for true customer needs is in our DNA. Within this dedicated zoom area, we are on a continuous path towards deepening our customer insights and translating this into unique innovations. This year, our efforts primarily centred on bringing new endoscopy solutions to market to strengthen our offering to customers around the world. Through a more efficient innovation setup and by applying a targeted approach to product development, we continue to drive the shift towards single-use endoscopy.

Key portfolio milestones include:

Full bronchoscopy suite portfolio
Global launch of the complete aScope™ 5 Broncho portfolio, designed for complex procedures in the bronchoscopy suite, hereby strengthening Ambu's pulmonology offering.

Next-generation endoscopy system
We launched the next-generation aView™ 2 Advance globally, bringing new high-resolution camera chips and software upgrades to customers across pulmonology, ENT and urology.

Expanded urology offering
The aScope™ 5 Cysto HD solution was launched in Europe, bringing improved image quality to urologists, and expanding Ambu's cystoscopy offering.

New solutions within gastroenterology
aScope™ Gastro Large and aScope™ Colon obtained European and North American regulatory clearances, respectively, driving our niched-based entry into GI.

Areas for continued focus

Delivering on our pipeline is essential, and as we move forward, we are dedicated to further unlocking the potential of our endoscopy systems, improving the performance of our single-use endoscopy solutions.

Above all, we will keep advancing our innovation setup to further increase customer-centricity. This includes leveraging new technologies, such as AI, to advance the performance of our endoscopy solutions and bring new functionalities to customers. As we look ahead, we will continue to uncover true customer needs, enabling us to deliver innovative solutions and fuel our long-term growth.

Zoom in on execution

Excel in execution across the value chain

Over the past years, Ambu's ambition to advance our position as the market leader in single-use endoscopy came at growing costs. Our zoom area of excelling in execution relates to focusing our business and driving efficiencies throughout our value chain. In January 2023, we launched a multi-year transformation program, designed to implement efficiency and scalability measures across our business, thereby paving the way for a return to strong, profitable growth.

Within our transformation program, our sights are set on driving efficiencies:

Wide range of efficiency initiatives

To drive cost efficiencies across our value chain, we focus on a range of important areas, such as optimised pricing, COGS reduction, portfolio streamlining, sales force effectiveness, strengthened operating model and improved ways of working. Below are two examples from our range of efficiency initiatives.

Focused geographical presence

To optimise our geographical footprint and reduce operational complexity, Ambu initiated an exit from 40 small markets globally. This initiative allows us to double down on our more attractive and profitable markets, in which we can focus on offering our strong portfolio of solutions to drive sustainable growth.

Profitability measures in Anaesthesia & Patient Monitoring

To improve profitability in our Anaesthesia and Patient Monitoring businesses, we initiated plans to implement specific price increases in selected low-margin product areas. This will enable us to allocate resources and focus our attention on higher-growth areas, ultimately improving profitability in both businesses.

Areas for continued focus

In our ambition to excel in execution across the value chain, we will continue to focus on growing our profitability through efficiencies and scalability, while balancing these efforts with selected growth investments.

Ensuring a highly effective and adaptable business is key, and it requires an optimal manufacturing setup, continuous improvement of cost of goods sold (COGS) and strengthened commercial excellence capabilities. On a global scale, we will seek to strengthen our go-to-market approach to drive the conversion towards single-use and expand Ambu's leadership position in key endoscopy segments.

Zoom in on sustainability

Take leaps towards a sustainable future

Our zoom area of sustainability is both an opportunity and a responsibility for Ambu to ensure a sustainable future by reducing our environmental impact and striving to help our customers reduce theirs. Within our dedicated focus area of circular products and packaging, we have set ambitious 2025 targets this year, centred on continuing our recycling offerings in all major markets and advancing the use of renewable materials – the latter marked by Ambu introducing bioplastics in our newly-launched aScope™ Gastro Large, as the first endoscopy company in the world to do so. Moreover, advancing our energy efficiency measures at our production sites and headquarters has been a key priority. We have submitted our 2030 science-based targets for emission reductions. To advance further in this area, we have developed a long-term roadmap, including concrete targets, to reach net-zero emissions, enabling us to take leaps towards a sustainable future.

Our sustainability progress this year includes:

First endoscope with bioplastics
With the launch of aScope™ Gastro Large, we kickstarted our bioplastics journey – paving the way for implementing bioplastics in all of our single-use endoscopes by 2024/25.

2025 targets for circularity
2025 targets set, focused on implementing bio-plastics in our endoscopes and primary packaging, as well as the advancement of our recycling offerings in major markets.

2030 science-based target submitted
2030 target for emission reductions submitted to the Science-Based Targets initiative – and expected to be validated in the first half of the 2023/24 financial year.

Areas for continued focus

In the coming financial year, Ambu is dedicated to advancing our strong progress within sustainability. For circular products and packaging, we will continue the implementation of renewable materials and also focus on scaling-up our recycling programs in key markets. On our net-zero journey, we will focus on executing on our roadmap for emissions reductions.

Overall, we are committed to making our sustainability efforts a strong differentiator in our engagement with customers, ensuring that we become their preferred partner for sustainable endoscopy.

Zoom in on people & culture

Bring people together in one shared culture

Our Ambu people are the cornerstone of our transformation journey. Their dedication to customer centricity and execution excellence is imperative for our success. 2022/23 was dedicated to laying a strong foundation for our shared culture, paving the way for more streamlined ways of working and high levels of collaborations. Following the implementation of our ZOOM IN strategy, we rolled out a refreshed purpose and set of company values, while strengthening our Executive Leadership Team with new strong leaders and capabilities.

In a deep dive into our people agenda, our achievements include:

Improved organisational setup

We have streamlined our business by strengthening our processes and structures, thereby minimising complexity and improving collaboration across functions.

New purpose and values

Across our business, Ambu's new purpose and values have been rolled out, ensuring an inspirational and actionable cultural framework for why and how we work at Ambu.

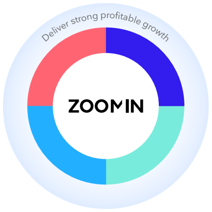
Executive Leadership Team strengthened

With our new Chief Operations Officer, Chief People & Culture Officer and Chief Technology Officer in place, Ambu's Executive Leadership Team strengthened its range of competences. Moreover, Henrik Skak Bender was announced as new Chief Financial Officer, as of 1 January 2024, which will further enhance the diverse capabilities and leadership qualities of our Executive Leadership Team.

Areas for continued focus

Looking into next year, our people agenda will continue to zoom in on building one shared Ambu culture. In these efforts, we are focused on advancing engagement, inclusion and diversity, with our newly distilled Ambu values as a tangible lever. Across our business, we are dedicated to setting our people up for success, meaning that we will continue to strengthen our processes and collaboration structures by means of clear leadership and direction-setting.

Ambu is a unique place to work, and we are committed to attracting and developing new talent, while simultaneously building competences, thereby advancing our passionate global workforce.



Deliver strong profitable growth

At heart, Ambu is a growth company. The goal of our ZOOM IN strategy is to deliver strong, profitable growth, corresponding to long-term financial targets of >10% average annual organic revenue growth over the next five years (2022/23 - 2027/28) and an EBIT margin of ~20% in five years (2027/28).

This year, we focused on re-building our financial foundation. For one, we returned to organic growth in pulmonology, an important milestone, as this area represents Ambu's biggest endoscopy segment. Also, we continued our double-digit organic growth across urology and ENT, and we succeeded in becoming a positive cash flow-generating company, while also bringing our financial leverage down to a minimum.

These milestones not only provide Ambu with financial stability during macroeconomic uncertainty; they also accelerate our operational flexibility to execute on our strategy and deliver strong, profitable growth in the future.

Long-term financial targets

Organic revenue growth
based on a CAGR from 2022/23 to 2027/28

>10%

EBIT margin
based on a five-year target (2027/28)

~20%

Potential trade-offs with growth investments

Endoscopy Solutions organic revenue growth
based on a CAGR from 2022/23 to 2027/28

15-20%

Anaesthesia and Patient Monitoring organic revenue growth
based on a CAGR from 2022/23 to 2027/28

2-4%

OUTLOOK 2023/24

Building momentum in the 2022/23 transitory year

In 2022/23, we took significant steps in executing on the transformation program to deliver profitable growth – the key objective of Ambu's ZOOM IN strategy. We focused on stabilising Ambu's financial situation, thus ending the 2022/23 financial year with delivering financial targets slightly above expectations. Similarly, our free cash flow was significantly improved, ending the year with a positive cash flow.

Market conditions

During 2022/23, we witnessed increased geopolitical uncertainty and a volatile macroenvironment, affecting the global economy and resulting in inflationary effects on raw materials, energy prices and logistics costs. This is a tendency that we expect to continue throughout 2023/24. Despite this, we expect the single-use endoscopy market to continue to grow in 2023/24, driven by hospital systems' and clinics' growing needs for workflow efficiencies and improved economics, as well as the increased awareness of infection control and the strong clinical performance that single-use solutions bring to healthcare professionals and patients.

Organic revenue

Our Endoscopy Solutions business remains the key growth engine for Ambu. In 2023/24, this business area is expected to grow 15% organically, driven by new product launches, a strengthened endoscopy offering and new technology advancements to our endoscopy systems. The ENT segment (driven by Ambu® aScope™ 4 Rhinolaryngo) and the urology segment (driven by Ambu® aScope™ 4 Cysto) are expected to continue their strong growth momentum and deliver double-digit organic growth. Similarly, due to our strengthened pulmonology portfolio, with the re-launch of Ambu® VivaSight™ 2, the global launch of the full Ambu® aScope™ 5 Broncho portfolio and our successful Ambu® aScope™ 4 Broncho portfolio, the pulmonology business is expected to contribute positively, driving solid organic growth in 2023/24. The GI portfolio, which is made up of Ambu® aScope™ Gastro, Ambu® aScope™ Gastro Large, Ambu® aScope™ Duodeno 1.5 and Ambu® aScope™ Colon, is also expected to contribute to the organic growth in 2023/24.

To deliver sustainable, profitable growth, in line with our long-term targets, we announced strategic initiatives in 2022/23, with the objective of increasing long-term profitability in the Anaesthesia & Patient Monitoring business areas. Specifically, we will address selected low-margin areas with sizable price increases and exit 40 countries to reduce geographical complexity. This will enable us to allocate resources and focus our attention to higher-growth areas within Endoscopy Solutions, to deliver profitable growth.

Overall, Ambu's total organic growth is expected to be 7-10% for the 2023/24 financial year, compared to 7.6% in 2022/23.

EBIT margin before special items

EBIT margin before special items is expected to be 8-10% for 2023/24, compared to 6.3% in 2022/23. This will be driven by an improved gross margin from a strengthened product mix, as well as from a continued overarching cost focus.

Other assumptions

Ambu's free cash flow before acquisitions is expected to be around DKK +270m, compared to DKK 192m in 2022/23. The continued increased cash flow will be driven by a higher EBIT margin before special items and continued annual savings from the cost reduction program, reflecting a disciplined capital allocation.

Financial guidance 2023/24

Organic revenue growth

7-10%

EBIT margin before special items

8-10%

Exchange rate assumptions as the basis for the financial outlook for 2023/24

Currency	Average in 2021/22	Average in 2022/23	Expected for 2023/24
USD/DKK	6.88	6.98	6.95
MYR/DKK	1.60	1.54	1.47
CNY/DKK	1.05	0.99	0.98
GBP/DKK	8.78	8.55	8.61

Estimate of the effect of a strengthening of 10% relative to the Danish krone

	USD	MYR	CNY	GBP
Revenue	270	-	7	37
EBIT	67	-40	-21	28
EBIT margin	0.8 ppts	-0.8 ppts	-0.4 ppts	0.5 ppts

Forward-looking statements
Forward-looking statements, in particular relating to future sales, operating income and other key financials, are subject to risks and uncertainties. Various factors, many of which lie outside of Ambu's control, may cause the realised results to differ materially from the expectations presented in this report. Such factors include, but are not confined to, changes in market conditions and the competitive situation, changes in demand and purchasing patterns, fluctuations in foreign exchange and interest rates, as well as general economic, political and commercial conditions. See also the section concerning risks on p. 97→

Currency expectations

The financial outlook is based on the exchange rate assumptions, as they are stated in the top table to the left. Approximately 50% of Ambu's total revenue is invoiced in USD. Furthermore, approximately 31% of revenue is invoiced in EUR or DKK, and approximately 8% in GBP, while the remaining 11% is invoiced in other currencies. Production and capacity costs are predominantly settled in USD, DKK, EUR, MYR and CNY. The effect of a strengthening of 10% relative to the Danish krone is estimated to be as depicted in the bottom table to the left.

PRODUCT PORTFOLIO

GROWTH DRIVERS FOR SINGLE-USE ENDOSCOPY

Four overall trends support the future expansion of the single-use endoscopy market, supported by increasing evidence that continues to drive the transition from reusable to single-use.

WORKFLOW AND EFFICIENCY BENEFITS

Single-use endoscope systems are always available and do not require a complex reprocessing infrastructure, which significantly reduces labour requirements and operational complexity. In contrast, reusable systems are labour-intensive, as they require increasingly complex reprocessing, including drying and storage equipment, as well as trained staff. Furthermore, delays in reprocessing, equipment down-time, breaking of endoscopes and staff shortages can all result in procedure delays and other inefficiencies and impacts on patient care.

GROWING ECONOMIC COSTS

Hospitals are under constant economic pressure, with the high costs of maintaining and reprocessing endoscopy equipment being a significant concern. In this context, single-use endoscopy solutions can be an economic lifeline, as they eliminate the need for costly reprocessing, repairs and maintenance, offering a more cost-effective solution for healthcare facilities. This can translate to more efficient resource allocation, allowing hospitals to address some of the financial challenges they face and focus on patient care rather than equipment upkeep.

INCREASED FOCUS ON PATIENT SAFETY

Single-use endoscopes are 100% sterile and thus eliminate the risk of cross-contamination. Conversely, reusable endoscopes can be difficult to clean thoroughly, which has led the U.S. Food and Drug Administration (FDA) to issue safety communications and highlight risks across pulmonology, urology, ENT and GI. Also, industry bodies, including the Association for the Advancement of Medical Instrumentation (AAMI), have classified pulmonology, urology and GI endoscopes as "high-risk", making single-use endoscopy increasingly attractive for healthcare systems.

SUSTAINABLE HEALTHCARE SOLUTIONS

Hospitals face rising sustainability challenges, related to high energy consumption, waste generation and resource utilisation. Single-use endoscopy can play an important part in reducing the environmental burden associated with reprocessing by decreasing water, energy snd chemical usage, as well as minimising use of brushes, sponges, personal protective equipment, etc. While more research is needed on the complete lifecycle of single-use endoscopes versus reusables, some studies suggest that the carbon footprint of reusable endoscopes is equal to, or greater than, that of some single-use endoscopes.

CUSTOMER BENEFITS OF SINGLE-USE ENDOSCOPY

The transition towards single-use endoscopy is dependent on proven benefits for health systems. Our single-use endoscopy solutions feature five main value categories that are supported by several health economic studies.

WORKFLOW
Reduce workload and increase patient throughput

69%

reduction in post-cystoscopy encounters when using single-use versus reusables[1]

80%

reduction in staff time by using a single-use cystoscope[2]

ECONOMICS
Avoid costly repairs and servicing fees

$441

average repair cost per procedure for reusable ureteroscopes, versus no repairs needed for single-use[3]

$126.23

saved per procedure by using a single-use gastroscope[4]

PATIENT SAFETY
Prevent cross-contamination

8.69%

cross-contamination rate associated to patient-ready reusable bronchoscopes, versus 0% in single-use[5]

60%

decrease in infection risk for ERCP with single-use[6]

SUSTAINABILITY
Improve environmental footprint

33%

CO_2e reduction from one single-use cystoscope, compared to reprocessing one reusable cystoscope[7]

60 litres

of water used for reprocessing of one single reusable cystoscope[7]

Sources: [1] Geldmaker et al. (2023); [2] Data on file, pending publication; [3] Rindorf et al. (2022); [4] Hoffman et al. (2023); [5] Travis et al. (2023); [6] Hutfless et al. (2022); [7] Baboudjian et al. (2022)

ENDOSCOPY ECOSYSTEM

Our endoscopy ecosystem comprises our two endoscopy systems, the Ambu® aView™ 2 Advance and the Ambu® aBox™ 2, as well as our fleet of single-use endoscopes – all of which compete within the four major endoscopy segments.

Ambu continuously upgrades the software of our two endoscopy systems, which, in turn, directly advances the technology capabilities of our endoscopes. As such, endoscopists can benefit from the latest endoscope performance abilities, regardless of which endoscopy segment they operate in.

Our two endoscopy systems are designed to be the ideal choice for endoscopists in their respective settings. The Ambu® aView™ 2 Advance is easy to transport, set up and use, making it an ideal solution for the intentive care unit (ICU), emergency room (ER) and operating room (OR), across pulmonology, urology and ENT. The Ambu® aBox™ 2 flaunts advanced image processing for pulmonology and GI endoscopy, in a compact and flexible design, making it ideal for the GI endoscopy suite and the bronchoscopy suite at hospitals.

Ambu® aBox™ 2 & Ambu® aView™ 2 Advance
Our two endoscopy systems are the backbone of Ambu's endoscopy ecosystem, as they enable the high performance of our range of single-use endoscopes

Ear, nose and throat (ENT)
Ambu® aScope™ 4 RhinoLaryngo

Pulmonology
Ambu® VivaSight™ 2 DLT
Ambu® VivaSight™ 2 SLT
Ambu® aScope™ 4 Broncho
Ambu® aScope™ 5 Broncho HD
Ambu® aScope™ 5 Broncho (smaller sizes)

Gastroenterology (GI)
Ambu® aScope™ Gastro
Ambu® aScope™ Gastro Large
Ambu® aScope™ Duodeno 1.5
Ambu® aScope™ Colon

Urology
Ambu® aScope™ 4 Cysto
Ambu® aScope™ 5 Cysto HD

ENDOSCOPY SOLUTIONS PIPELINE

In the ever-evolving technology landscape, the balance between software and hardware is becoming increasingly important.

First and foremost, software has become the driving force behind innovation and functionality in virtually every digital device and system, including our endoscopy systems.

The emphasis is shifting towards software-driven solutions that can adapt and evolve rapidly, allowing customer needs to be addressed with unprecedented speed and efficiency, by developing intelligent, context-aware technology, such as AI.

Moreover, software improvements reduce the need for constant mechanical upgrades. This means that software updates can provide performance enhancements and new features to our range of single-use endoscopes, long after their initial release.

As such, while hardware remains the foundation of technology within Ambu's endoscopy ecosystem, we are looking into a future where software advancements will increasingly drive the performance of our endoscopes, providing the adaptability and intelligence required for the digital age.

Near-term endoscopy solutions pipeline

Endoscopy Systems

Hardware & software upgrades to:

- Support current and future endoscopes
- Strengthen integration with hospital systems
- Add new performance- and value-adding features

Ear, nose & throat (ENT)

Growing our single-use potential with:

- Development of high-resolution ENT endoscope

Pulmonology

Strengthening our market-leading position with:

- Upcoming video laryngoscope 2.0

Gastroenterology (GI)

High single-use potential to be captured with:

- Further development of Ambu® aScope™ Duodeno 2.0
- Expansion into cholangioscopy

Urology

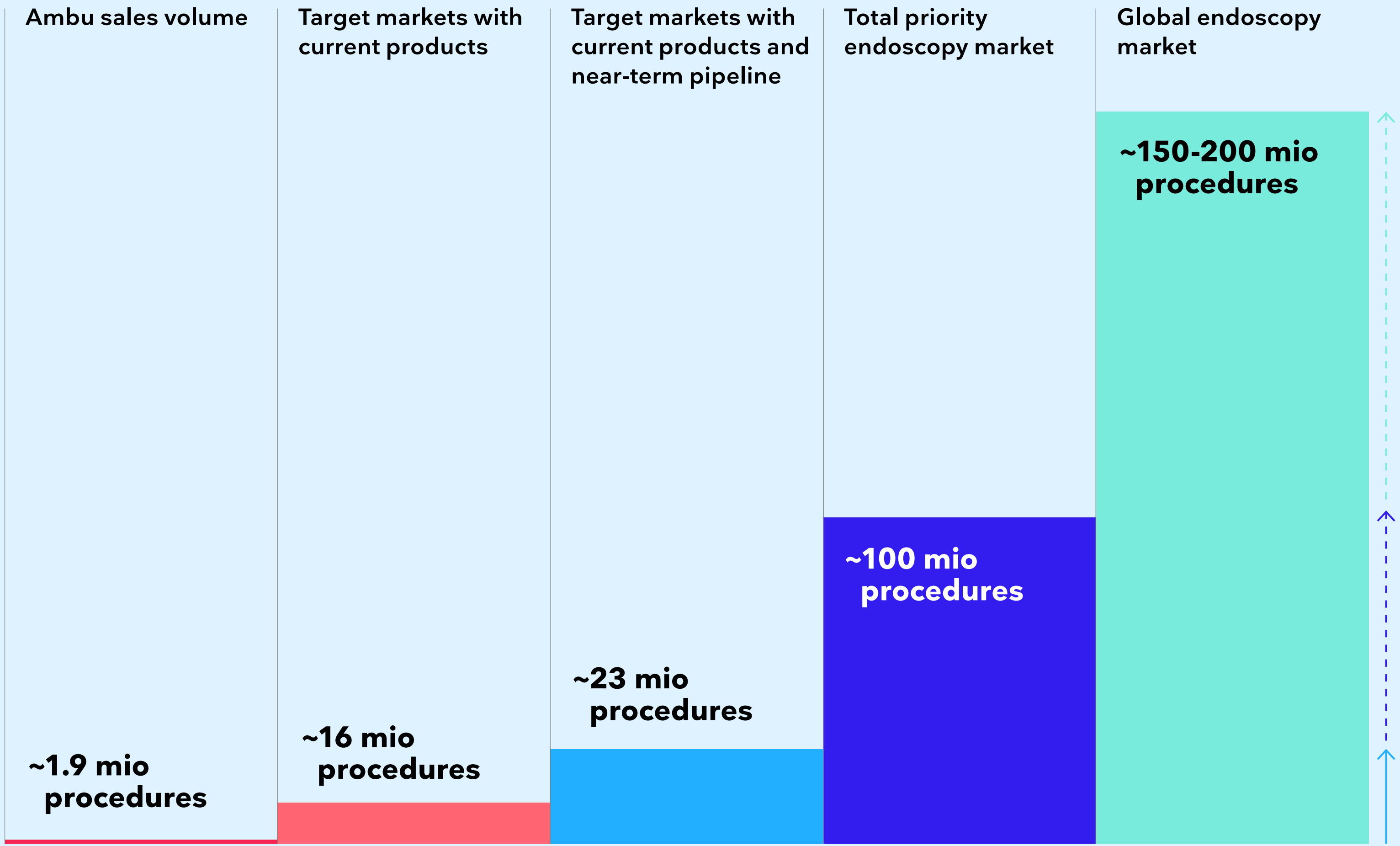
Further expanding our urology footprint with:

- Expansion into ureteroscopy with Ambu® aScope™ Uretero

POTENTIAL IN THE ENDOSCOPY MARKET

Across the four major endoscopy segments in which we are present – pulmonology, ear-nose-throat (ENT), urology and gastroenterology (GI) – ~100 million procedures are performed annually. We see significant potential in this 100-million-procedure market gradually opening up for single-use endoscopy solutions in the future, as continuous improvements of new single-use endoscopy solutions will expand Ambu's addressable market through enhanced features, quality and performance.

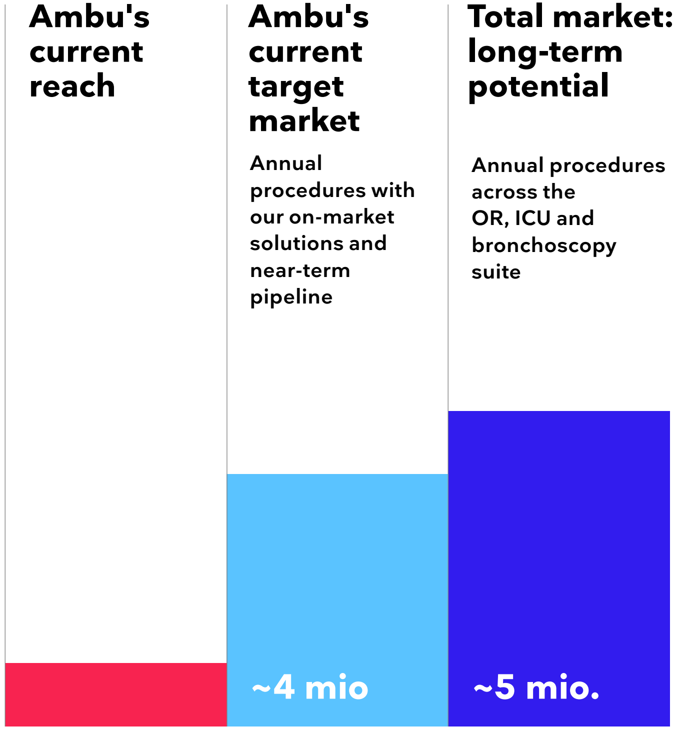
Today, Ambu is strongly positioned within the single-use endoscopy market as the market leader, supporting ~1.9 million procedures annually. We are excited about our potential to further advance our impact in the years to come, ultimately making a bigger difference for healthcare professionals and patients around the world.



*Source: DRG, Definitive Healthcare, iData & internal market research.

PULMONOLOGY

In 2009, Ambu launched the world's first single-use bronchoscope. Our fourth-generation bronchoscope treats more patients than any other single-use endoscope in the world.



~2.9 million bronchoscopy procedures are performed every year in operating rooms (OR) and intensive care units (ICU). Here, doctors use bronchoscopes to perform basic procedures, such as intubating patients with difficult airways or removing secretions from the lungs. In these sites of care, endoscopes are not routinely used, and, when needed, reusable endoscope systems may need to be transported from other departments. Single-use endoscope solutions thus have the advantage of immediate endoscope availability, convenience and sterility. These advantages have driven rapid adoption in the operating room and intensive care unit.

An additional ~2 million procedures take place in the bronchoscopy suite, where doctors perform more advanced procedures, including lung cancer diagnosis and treatment, primarily using reusable endoscope systems. With the global launch of our complete fifth-generation single-use bronchoscopy solution, we have introduced a single-use solution for customers in the bronchoscopy suite that is on par with reusable.

Challenging the gold standard

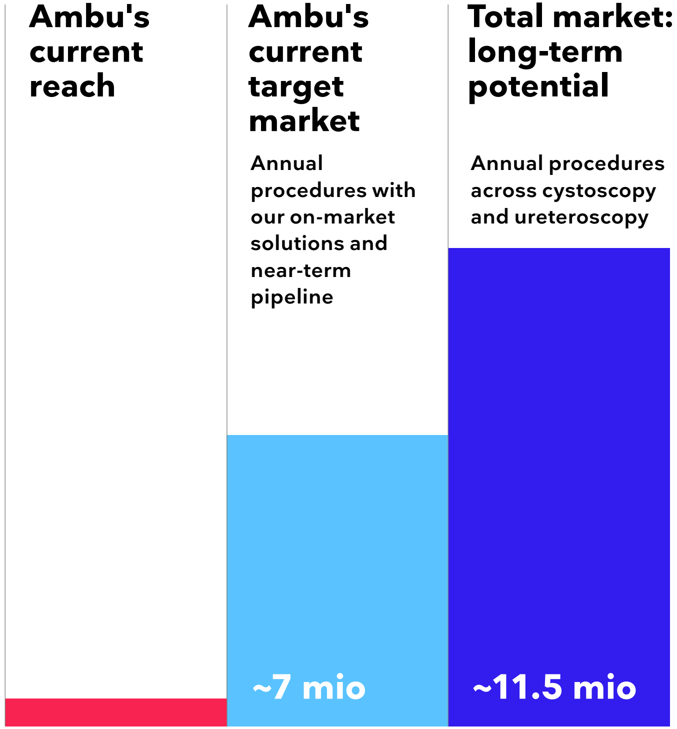
Do reusable bronchoscopes perform better than their single-use counterparts? In the clinical evaluation study, "A comparison of single-use bronchoscopes and reusable bronchoscopes for interventional pulmonology applications", by interventional pulmonologist Dr. Jonathan Kurman, et al., Ambu's aScope™ 5 Broncho performs at an equivalent, or even superior, level to the gold-standard reusable flexible bronchoscope on the market. Dr. Kurman emphasises:

"I've had the opportunity to use the aScope 5 Broncho for a variety of different interventional pulmonology cases. I was able to access all of the airways that I wanted to, which is not always the case when you're using a reusable flexible bronchoscope. The aScope 5 Broncho has really become my default when I'm doing endobronchial valve cases. It just makes my life as an interventional pulmonologist easier."

Watch the video with Dr. Jonathan Kurman ⟶

UROLOGY

Within urology, ~11.5 million procedures are performed on an annual basis. The urology market includes lower urology – cystoscopies or examinations of the bladder – as well as upper urology – ureteroscopies or examinations of the kidneys.



Back in 2019/20, Ambu created the single-use cystoscope market with the launch of the Ambu® aScope™ 4 Cysto. The cystoscopy market accounts for ~10 million procedures annually, and they are typically performed in a hospital outpatient setting, where workflow and convenience are important. The Ambu® aScope™ 4 Cysto quickly became a success and has proved to be a strong growth driver. Also, with the European launch of our Ambu® aScope™ 5 Cysto HD in October 2023, we are set to expand the single-use cystoscopy market.

Ureteroscopy represents ~1.5 million annual procedures, and they typically take place in an operating room, primarily to manage or remove kidney stones. Ureteroscopes are among the longest and thinnest, and therefore also most fragile, of endoscopes, and stone removal procedures typically result in degradation of reusable ureteroscopes. As a result, repair costs and cost-per-use of reusable ureteroscopes are high, compared to other endoscope areas. This has driven the transition to single-use ureteroscopes, which today is a well-established and rapidly growing market. Ambu will enter this market with the upcoming launch of our single-use ureteroscope.

Time for patient care

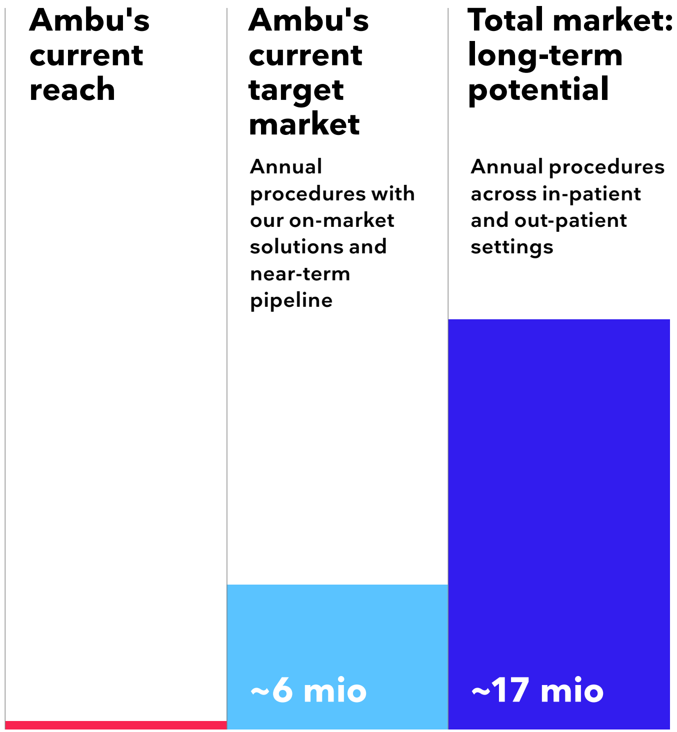
Medical clinics and healthcare facilities often grapple with challenges related to efficiency, especially for procedures such as cystoscopy. Traditionally, the need for meticulous sterilisation processes has been a time-consuming task that could otherwise be dedicated to patient care. The aScope™ 4 Cysto effectively eliminates the cumbersome reprocessing process, allowing healthcare professionals to focus their time and energy on delivering the best care possible to their patients. This simple and efficient approach to cystoscopy has had a profound impact on workflow and productivity for Dr. Michael J. Kennelly, MD, FACS, professor of urology at Carolinas Medical Center, North Carolina, USA:

"It has improved our workflow tremendously, and we have been able to increase our number of surgical cystoscopy cases in the office by double."

Watch the video with Dr. Michael J. Kennelly ⟶

EAR-NOSE-THROAT (ENT)

Within the ENT segment, ~17 million procedures take place every year. Here, doctors perform ENT endoscopies (rhinolaryngoscopies), such as examining a patient’s nose or throat to assess breathing problems or swallowing difficulties.



The majority of these procedures take place in hospital in-patient and outpatient settings, where workflow and convenience are important.

In 2018/19, Ambu launched our first single-use rhinolaryngoscope, targeting the in-patient market and quickly becoming the largest player within the ENT segment.

Furthermore, last year, we expanded our addressable market by supporting FEES procedures (fibreoptic endoscopic evaluation of swallowing), and we plan to expand our near-term offering with a high-resolution ENT solution in the future, thereby qualifying for outpatient settings.

More patients in a day

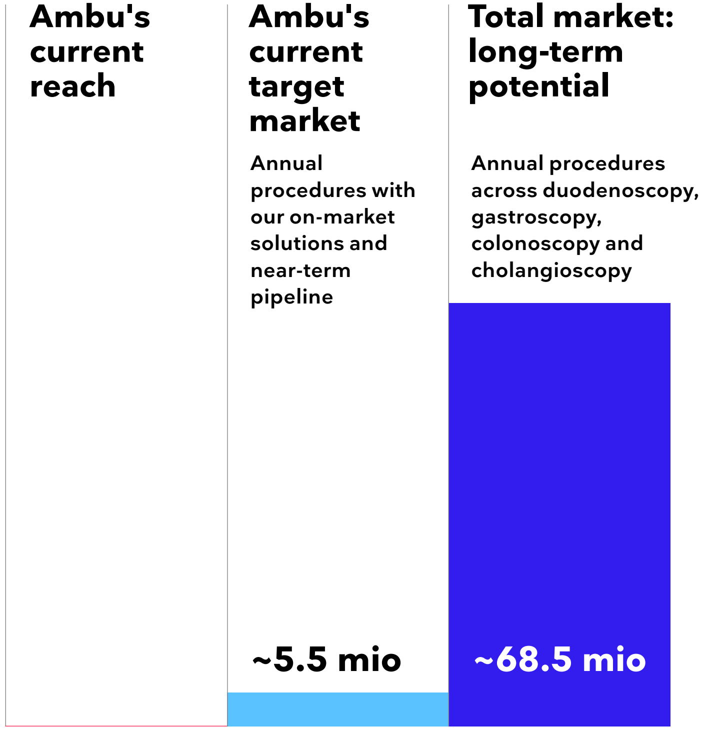
Jacqueline Mojica is a speech pathologist at a New York City clinic, treating head and neck cancer patients. Ambu’s aScope™ 4 RhinoLaryngo Slim has added great value to her practice, on account of the single-use endoscope not requiring reprocessing, which, in turn, has allowed her to see more patients in a day.

“I work in New York City, so we see a ton of patients in our practice. Single-use technology has improved our operational efficiency. We can see patients more quickly, because we don’t spend time with the logistics of reprocessing a scope. We open a package, we perform our examination, and then we discard or recycle the scope.”

Watch the video with Jacqueline Mojica →

GASTROENTEROLOGY (GI)

The gastrointestinal segment is, by far, the largest endoscopy market, extending across biliary (duodenoscopy and cholangioscopy), upper GI (gastroscopy) and lower GI (colonoscopy), all with different dynamics and needs.



The majority of gastroscopy procedures are performed in the GI endoscopy suite to diagnose and treat conditions of the oesophagus, stomach and duodenum, while a small fraction of procedures are also performed in other care sites, including the operating room, intensive care unit and emergency room. For these other sites, reusable endoscope systems may not be readily available, making workflow and convenience important factors, thus positioning single-use endoscopes well in terms of immediate availability and convenience.

Ambu ventured into GI in 2020, meeting a clinically challenging and complex environment. Although the total GI market represents ~68.5 million annual procedures, it is also a segment with highly advanced procedural needs. On our GI journey, starting in duodenoscopy, moving into gastroscopy and, most recently, including colonoscopy, we have made instrumental changes to our market approach. Today, we are dedicated to applying a focused approach across all GI areas, based on identifying attractive niches and, from there, expanding our presence stepwise over time. With this approach, backed by our growing GI offering, we are well-positioned to drive the transition to single-use and maximise value over time.

Advanced efficiency

Dr. Aram Jawed, a bariatric surgeon based in New Jersey, USA, has improved his clinic's workflow efficiency with the aScope Gastro™ when conducting endoscopic screenings for patients before, during and after bariatric surgery.

"Advanced flexible endoscopy is a significant part of my practice, pre-operative, intraoperative and post-operative, in order to evaluate anatomy for screening and to determine pathology. The Ambu scope has allowed my practice to become much more efficient and productive. I'd really love to see what Ambu has in store for the future."

Watch the video with Dr. Aram Jawed →

ANAESTHESIA & PATIENT MONITORING

Anaesthesia and Patient Monitoring represent important business areas for Ambu. Together, they constitute valued products, with strong market positions and brand reputation among customers. Going forward, for both businesses combined, we are committed to a stable, profitable organic growth, reflected by a 5-year CAGR of 2-4%.

Anaesthesia

Our Anaesthesia product portfolio consists of a wide range of high-quality products, primarily intended to facilitate the ventilation of patients, including laryngeal masks, resuscitators, face masks and breathing circuits.

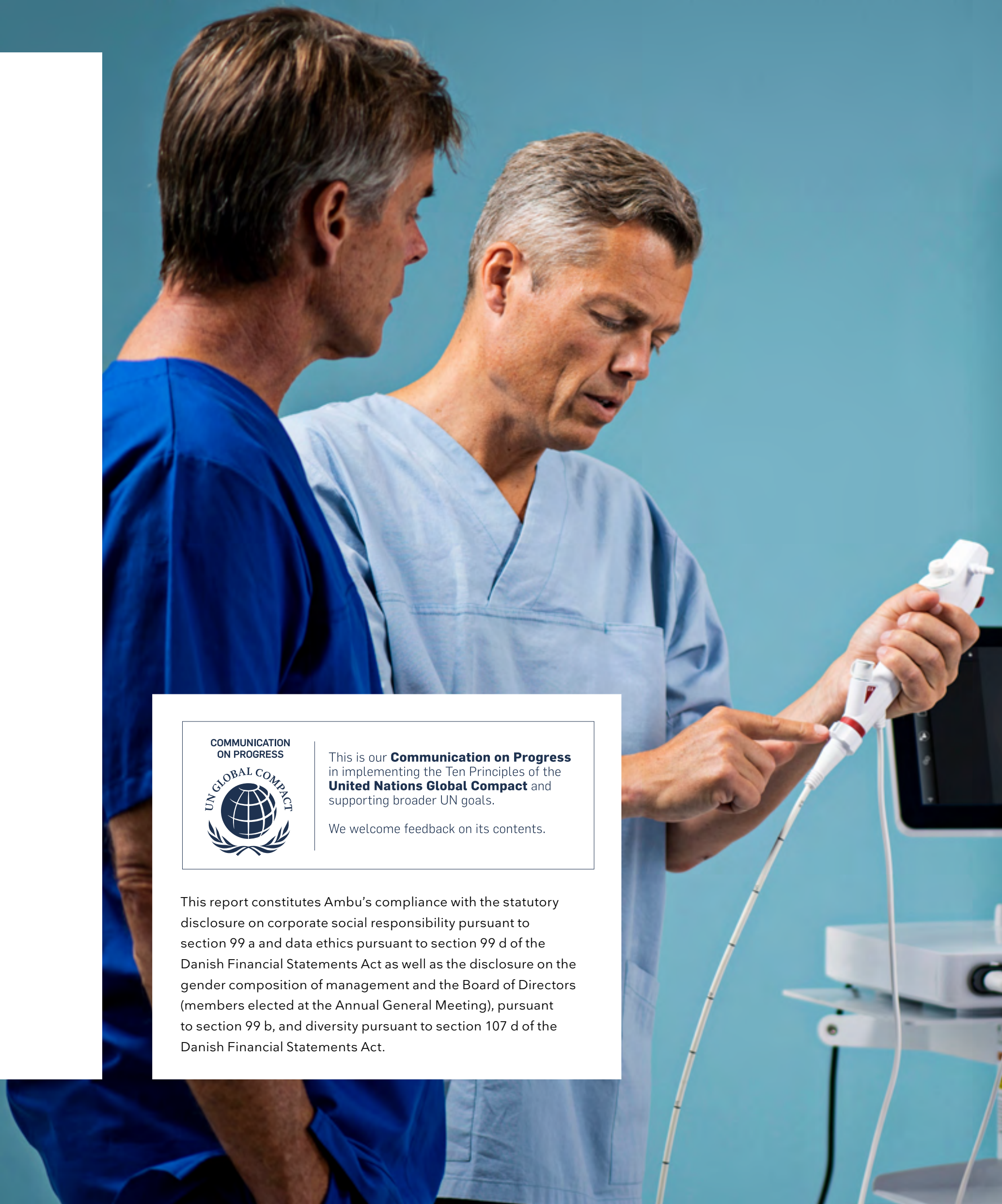
The anaesthesia market overall is a DKK ~3bn market, in which Ambu has a strong and established position. The main growth drivers for the future include demographics, in terms of the world's ageing population, as well as an increase in surgical procedures.

Patient Monitoring

Our Patient Monitoring range mainly covers cardiology and neurology electrodes, used for measuring electrical signals to monitor and diagnose patients. In cardiology, we offer electrodes that are used to monitor and diagnose patients' hearts, while our neurology electrodes are used to measure electrical signals in the brain (EEG) and from the muscles and nerves (EMG).

The overall patient monitoring market accounts for DKK ~4bn, and Ambu is a high-quality premium player. The growth potential pertains to the world's ageing population, as well as increases in neurological disorders.

SUSTAINABILITY



COMMUNICATION ON PROGRESS
UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

This report constitutes Ambu's compliance with the statutory disclosure on corporate social responsibility pursuant to section 99 a and data ethics pursuant to section 99 d of the Danish Financial Statements Act as well as the disclosure on the gender composition of management and the Board of Directors (members elected at the Annual General Meeting), pursuant to section 99 b, and diversity pursuant to section 107 d of the Danish Financial Statements Act.

OUR SUSTAINABILITY FOCUS

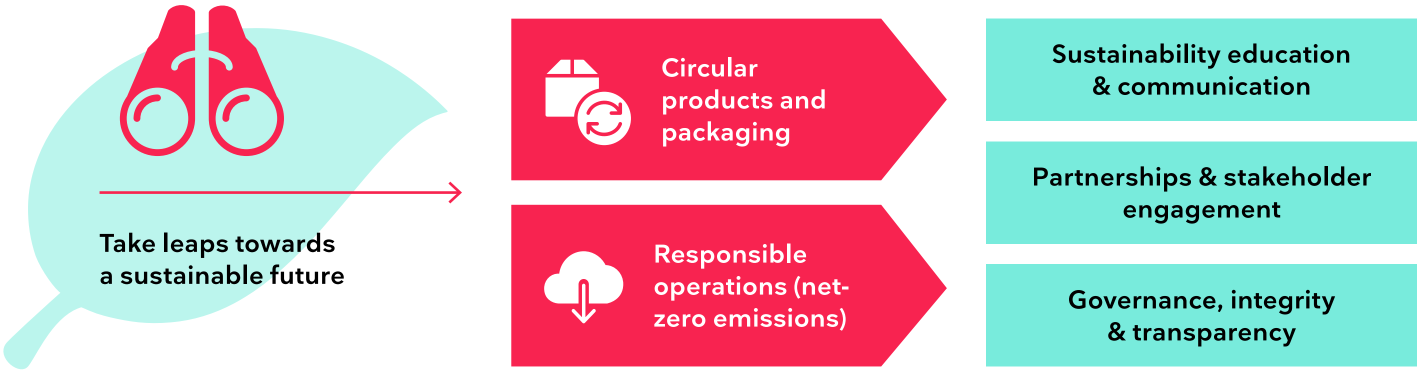
In a world where sustainability is high on the agenda, we recognise our role and need to take action to ensure a sustainable future. Economic growth must go hand-in-hand with reduced pressure on the environment and climate, as well as a focus on social and governance aspects. These elements are all integrated in our strategy, business processes and value chain to ensure sustainable growth.

Recognising our opportunity and responsibility to ensure a sustainable future by reducing our environmental impact, and striving to help our customers reduce their impact, our focus on sustainability centres on two key areas, "Circular products & packaging" and "Responsible operations".

Our focus areas were developed and approved by our Executive Leadership Team during the first quarter of the 2022/23 financial year. The process included identification of our key stakeholders, as well as an analysis of their sustainability priorities. Inputs to the process included stakeholder engagement, as well as an assessment of key priorities identified in our materiality analysis.

Our focus on sustainability is build on three enablers, which form the foundation for our activities. We have an obligation to contribute to education and awareness of sustainability within the healthcare sector and, particularly, within the areas where we have special insights. Together with other stakeholders, we will help ensure that communication is as simple and easy to understand as possible. Furthermore, as we focus on our main competences, we engage, where needed, with partners with the right skillset, network, capabilities, etc., who can challenge us and contribute to the success of our initiatives. Finally, to strengthen our foundation, we lean on governance, integrity and transparency. We continuously improve our ESG & sustainability data collection and reporting processes, in order to support our business and stakeholders with relevant and transparent data, and to ensure that we remain compliant with current and future requirements.

While our sustainability focus mainly covers environmental activities and initiatives, our social ambitions within Ambu are covered by our People & Culture focus, aiming to "Bring people together in one shared culture". Read more about our culture focus on p. 24→. Ambu's business model, which forms the basis of this section and our work with sustainability, is presented on p. 17→



SUSTAINABILITY GOVERNANCE

Our governance structure

To ensure top-level commitment as well as representation across lines of business, ESG & Sustainability is anchored in the Executive Leadership Team, headed by the CEO. The Sustainability Department is headed by the Senior Director, Sustainability, Risk & Compliance, who reports directly to the CFO.

Sustainability-related issues that require the attention of the Board are presented, reviewed and approved as part of Board meetings. Our internal quarterly reporting on ESG, which is shared across the organisation, ensures that our performance on sustainability-related indicators is reviewed and assessed regularly by the Executive Management and the Board of Directors.

As a further testament to our commitment to sustainability, Ambu currently has sustainability-linked loans, which incentivise delivery on specific ESG KPIs, as Ambu's interest rate will be adjusted, depending on how successful we are in terms of delivering on the agreed targets.

You can read more about our corporate governance structures on p. 102→

Sustainability is anchored across our corporate governance structures

Board of Directors
Overall governing body of Ambu, overseeing that the purpose, strategy, values and culture of Ambu remain sound and in line with the principles on which our company was founded

Executive Leadership Team
Defines ESG & sustainability strategy and oversees related processes and progress as part of the agenda at each meeting

Global Sustainability
Anchored in Finance, with strong ties to the commercial department. It is the responsibility of the Sustainability department to be the driving force in relation to the strategy and embedding it across the organisation

Audit Committee
Oversees the governance aspect of ESG, including Ambu's ESG reporting processes and performance, as well as the limited assurance process of the sustainability disclosures

Nomination Committee
Oversees the social aspect of ESG, including an annual review of the Diversity Policy and targets, as well as the compositions, qualifications and diversity of the Board

Remuneration Committee
Oversees the social aspect of ESG, including the preparation of proposals for incentive programs which include short-term incentive programs that include KPIs related to the ESG & sustainability performance of Ambu

Innovation Committee
Oversees the environmental aspect of ESG, including ensuring that the innovation at Ambu is consistent with our purpose and strategic aspirations, including our sustainability focus

OUR ESG & SUSTAINABILITY-RELATED POLICIES AND SYSTEMS

Policy	Area(s) of application	Description	Systems, procedures and guidelines
Code of Conduct (The Code)	Overarching	The Code is an extension of our values and guides all of us in making ethical decisions and understanding expectations for employees to follow.	• Local employee handbooks • Compliance Management System (CMS) • Enterprise Risk Management (ERM) framework
Sustainability Engagement Policy	Overarching	The policy describes our commitments and continuous improvement focus within climate & environment, human & labour rights and anti-corruption.	• United Nations Guiding Principles
Code of Conduct for Business Partners	Overarching	The Ambu Code of Conduct for Business Partners defines the basic requirements set for any person or entity doing business with or on behalf of the Ambu Group, with respect to its responsibilities towards our stakeholders, employees, business partners, to conduct business in an ethical, legal and socially responsible manner.	• Code of Conduct Declaration Form • Responsible Supplier Program • Business Partners Integrity Due Diligence processes
Global Inclusion and Diversity Policy	Social	The policy describes our commitment to diversity and inclusion, which rests on our company values, our commitment to the United Nations Global Compact and our Code of Conduct.	• Local employee handbooks
Labour & Human Rights Policy	Social	The policy defines the labour and human rights standards to which all Ambu employees are entitled, irrespective of the country in which they work, and represents our expectations towards our Business Partners.	• Human & Labour Rights Guidelines • UK Modern Slavery Act Statement
Tax Policy	Governance	The policy presents Ambu's most relevant tax policies and standards of operation within the field of corporate income tax.	• OECD Transfer Pricing Guidelines
Quality Policy	Governance	The policy sets the framework for our commitment to maintaining the high quality in Ambu products and processes and to comply with all applicable regulatory requirements across all Ambu sites.	• Global Quality Management System (QMS)
Policy on non-clinical testing and clinical investigations	Governance	The policy provides guidance on the ethical aspects of non-clinical testing and clinical investigations.	• Triple R's Principle
Information Security Policy	Governance	The policy describes information security objectives and Ambu's risk-based approach to information security. It defines the responsibility for implementation and compliance with legal, regulatory and contractual requirements to which our organisation is subject.	• Information Security Risk Management System
Data Ethics Policy	Governance	The policy describes how information about individual persons may be collected, used, disclosed, transferred and stored by Ambu.	• Privacy statement
Global Procurement Policy	Governance	The policy sets the direction for Ambu's global procurement activities, with the purpose of ensuring compliance with principles and applicable rules and regulations, while allowing Ambu to meet its business objectives.	• Responsible Supplier Program

Compliance with regulations

Ambu is committed to complying with all applicable rules and regulations. To prepare for the upcoming requirements of the Corporate Sustainability Reporting Directive (CSRD), Ambu performed a gap analysis to assess our current level of compliance and help us develop action plans to ensure compliance by the 2024/25 financial year. Throughout the report, we have already implemented some of the elements required by the Directive. An updated materiality assessment will help us define the scope of our ESG & sustainability focus areas and reporting going forward.

Similarly, we have assessed our eligibility for the EU Taxonomy Regulation. As a listed company with more than 500 employees, we are within the scope of the EU Taxonomy Regulation. During this financial year, Ambu conducted a screening of the Technical Annex I and II of the Climate Delegated Act.

The screening included an assessment of our activities within electricity, gas, steam and air conditioning supply, water, sewerage, waste and remediation, transportation and storage, information and communications and construction and real estate activities.

According to our assessment, we have no eligible activities to report on within revenue, OPEX and CAPEX. However, we do have activities that contribute to climate change adaptation and/or mitigation. More details about these can be found under our disclosure of environmental information. We continue to follow the evolvement of the EU Taxonomy Regulation and our future reporting obligations as the Regulation, as well as our business activities, evolve in the future.

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Materiality

Our double materiality assessment from 2021, on which this disclosure is based, has been an integral part of our strategy process, as well as our sustainability reporting development, as it defines the most important and impactful areas for Ambu and our stakeholders identified in 2021.

We are in the process of updating our materiality assessment, based on the principle of double materiality, to ensure that we comply with the CSRD by the 2024/25 financial year. This means that we will be incorporating the European Sustainability Reporting Standards (ESRS), as well as other regulatory and reporting frameworks, along with inputs from stakeholder engagement, to assess the issues where Ambu has the biggest impact on society and environment, including which sustainability-related issues affect our activities financially by posing a risk or opportunity for Ambu. The process will help us validate the most important and impactful areas on which to focus our efforts in the coming years, and ensure we deliver on our strategy to take leaps towards a sustainable future.

Stakeholder engagement

Since 1937, Ambu has been rethinking solutions, together with healthcare professionals, to save lives and improve patient care. We have a long-standing tradition of supporting the communities in which we operate.

During 2022/23 Ambu donated over 110,000 emergency care products as aid in the aftermath of the devastating earthquakes that hit regions across Turkey and Syria in February 2023. The products were donated to the Ministry of Health in Turkey to help establish new field hospitals, particularly in areas of devastation, and to support local societies as they rebuild hospitals and medical care facilities.

At Ambu, we are proud of our legacy and the fact that our products continue to play an important part in saving lives across the globe, and we are proud of having employees who care deeply for the communities in which we operate. This year, local initiatives, supported by our dedicated employees, included partnerships with ‘One Simple Wish’ in the USA and 'Sepsis UK' in the UK, as well as the participation of our Australian employees in ‘Australia’s Biggest Morning Tea’, a country-wide community event that focuses on raising vital funds to support the lives of those impacted by cancer.

At Ambu, we interact with many different stakeholder groups in our efforts to deliver world-class medical solutions and deliver strong, profitable growth. Although they represent different demands and agendas, we are committed to understanding their wants and needs to engage in meaningful collaborations and strong value creations.

Stakeholder group	Why we engage	Engagement	Value created
Customers	Through ongoing customer engagement and feedback, we identify and adopt customer needs in the development process, contributing to Ambu delivering world-class solutions that make a difference in healthcare, while contributing to reducing the environmental footprint of the healthcare sector.	• Innovation days • Development activities and feedback • Performance trials and data assessment • Hospital visits • Conferences • Management interactions	Ambu provides benefits for healthcare professionals and patients through our single-use endoscopy solutions, which provide workflow efficiency, availability, patient safety and economics, as well as an improved environmental impact.
Employees	We are focused on building a purposeful and diverse, engaged and inclusive culture where our employees can harness their competences and ideas, thrive in close collaborations with colleagues and customers, apply high levels of trust and take ownership of driving shared success.	• Global Engagement Surveys • Global Town Halls • Ambu Purpose and Values team sessions • CEO letters and strategy newsletters • Intranet communication • Performance and development dialogues • Workers' Councils	Ambu creates value for employees by continuously advancing our shared culture, driven by our strong purpose, actionable values and strategic direction.
Suppliers	Ambu is reliant on our many suppliers in order to reach our emission reduction goals and approach net-zero emissions. Therefore, we aim to work with and support suppliers that share our commitment to sustainability and responsible business practices.	• Responsible supplier program	Ambu focuses on supporting and collaborating with our supply chain to ensure that our suppliers live up to the increasing standards within sustainability.
Investors	To ensure efficient financial allocation, Ambu regularly engages with analysts and institutional investors to support a fair company valuation and ensure liquidity in the Ambu share.	• Investor roadshows and conferences • Investor calls • Briefings with equity research analysts • Capital Markets Days • Annual General Meeting	Ambu provides long-term shareholder return by investing capital in projects and utilising our strong commercial and innovation infrastructure to achieve high growth, as well as a return on invested capital (ROIC) that exceeds the cost of capital (WACC).
Regulators & authorities	Compliance with existing regulation on responsible business practices is a requirement for Ambu to retain our licence to operate.	• Industry associations • Roundtables with key stakeholders	Ambu supports and complies with legislations developed to maintain stable and efficient institutions, as well as resilient societies in which people and businesses can thrive.
Society	Community engagement is pivotal to building trust between Ambu and the communities in which we operate to reduce the risk of conflicts, which may affect the success of Ambu.	• Engagement with NGOs • Collective action alliances and partnerships	Ambu engages with and supports the communities in which we operate to ensure that Ambu understands and responds to the impact we have on people and the planet.

ENVIRONMENTAL INFORMATION

We are committed to sustainable endoscopy through **circular products and packaging**

Developing sustainable products

Ambu's single-use endoscopes have an environmental impact throughout their life-cycle – from raw material extraction until they are disposed of after use. At Ambu, we use high-quality plastic in our products to ensure that our solutions are safe for patients and users and to ensure flexible products that adapt to the human anatomy in a way that is gentle on the patient. As most conventional plastic is made from a fossil-based and non-renewable resource, a lot of attention is paid to single-use plastics.

The choices we make when designing new products not only affect our own operations, but also impact our suppliers and customers. That is why sustainability is an integral aspect of our R&D processes and governance.

We work on reducing the impact from our products by researching and investing in the use of renewable materials, such as bio-based feedstock for plastic, and developing solutions for take-back and recycling, as well as processes that keep our products from ending up in landfills and instead turn our products from waste into energy and thereby reduce the impact of our products on the global climate and the environment.

Ambition

Develop more sustainable products to minimise our environmental impact and, if possible, contribute to the circular economy

Governance

Governed through our Sustainability Engagement Policy and overseen as a strategic priority by the Executive Leadership Team

Circular design guide

Healthy substances
Refuse harmful substances when choosing materials, to avoid exposure of people and the environment to substances of concern and to enable safe recycling.

Circular products design
Redefine the product structure to enable recycling by design and strive to keep materials at the highest possible value.

Manufacturing cascades
Reduce and recirculate materials, energy and water from side streams of our processes to make more from less through cascaded use.

Materials innovation
Rethink the way we enable circulation of low-carbon-footprint materials (bioplastics and chemically recycled content) in our products.

Circular packaging & logistics
Rethink packaging and the way we ship our products by designing recyclable packaging and using renewable or recycled packaging materials.

System innovation
Reconfigure the health and waste system through pilots and partnerships to achieve actual take-back and recycling in key regional markets.

When we start a new innovation project, ambitions for the circular design focus areas are set using our circular design guide, which sets out six principles and KPIs to support the innovation projects towards integrating our strategic ambitions in the actual design. These design principles help us assess where the greatest opportunities for reducing our environmental footprint lie, so that we can focus on the most effective initiatives.

In view of the development of new types of plastic with a lower carbon footprint, opportunities arise for how we can rethink the circulation of materials in our products and packaging to meet the demands of the market, where environmental sustainability is an increasingly important business factor.

However, being a first mover in this area also presents some challenges, as the access to materials and technologies for recycling is limited. Through partnerships with our suppliers, we are helping to drive the agenda and the change that is needed to reduce the impact of the healthcare sector.

Bioplastics

The bioplastics we use are called bio-attributed plastics, which are a type of plastics of which the sourcing is controlled under a mass-balance approach. Here, the material is made from a combination of bio-based- and fossil-based feedstock.

Second-generation feedstock comes from, e.g., recycled food waste.

PFAS

Ambu recognises and takes active part in the global initiatives to eliminate PFAS from medical devices, due to a concern for their impact on human health and the environment.

We recently started mapping and risk assessing the presence of regulated PFAS in our products. During the ongoing investigation, no regulated PFAS was identified in our products.

As an official partner of Operation Clean Sweep, Ambu is committed to ensuring a proper and careful handling of the plastic pellets used in production.

As part of our new strategy, we have increased our commitments to the agenda by defining three new targets for circular products and packaging to lead us on our journey towards a more sustainable future.

Targets and progress

During 2022/23, we took leaps towards our commitment to sustainable endoscopy through circular products and packaging, and we reached an incredible milestone, as we began to incorporate bioplastics in the handles of our endoscopes.

The use of bioplastic material in our endoscope handles reduces the carbon footprint of our single-use endoscopes. The introduction of this material reduces GHG emissions at a raw material level (cradle to gate) by more than 70%, compared to fossil-based plastics.

This is a big achievement and the result of great collaboration with suppliers who are able to combine materials made from bio-based second-generation feedstock with fossil-based materials, as well as the work of our dedicated colleagues who have worked hard on the design, testing and continued implementation of this new solution.

Overview of our 2025 targets and progress within sustainable product development

Target	Progress 2022/23	Details and next steps
Bioplastics in all endoscopes by 2025	In September 2023, Ambu announced the release of the Ambu® aScope™ Gastro Large – the world's first endoscope manufactured with bioplastic materials.	We are planning to use bioplastics in all of our future endoscope handles, and the introduction in all endoscope products will take place continuously during the next financial year. On 12 October 2023, Ambu announced that from early in our fiscal year 2024/25, all of our single-use endoscopes shipped to customers will include bioplastic material.
Primary packaging for high-volume products made from bioplastics	We have initiated activities to start implementing bioplastics in protective parts.	This year, focus has been on establishing the target and start activities to achieve this. Next year, our customers will see the results of our R&D efforts.
Recycling offering in all major markets	A recycling program, as well as take-back and energy recovery offerings are present in Germany and the USA through our partnerships with Resourcify and Sharps Compliance, respectively.	During 2022/23, we continued our pilot for a take-back recycling solution for aScope™ 4 Broncho in Germany. We are collecting great learnings from the project, which will help us develop a viable solution. Next year, we will start preparing to scale up the project by initiating a pilot in the United Kingdom. In 2022/23, we collected 4.3% of the endoscopes we sold in the USA through our partnership with Sharps Compliance. The endoscopes collected by Sharps Compliance generated 15 MWh of electricity.

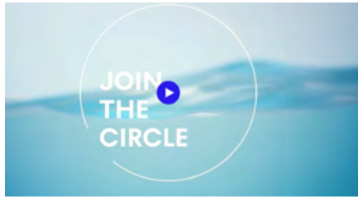
We continue to work on our objective to phase out PVC from our new products. During 2022/23, we launched five new[1] products, of which three were PVC-free. Moreover, we are working on replacing and reducing the amounts of packaging material to ensure recyclability and reduce our plastic usage. This year, we have found a solution to replace a material in a protective part for our Ambu® aScope™ Gastro Large with a material that can be recycled. Our main challenge lies within primary packaging, where sterility and high performance barriers are essential and require intensive innovation in new solutions. To solve this, we have initiated a project to look into the different options.

[1] We define a new product launch as when a product has obtained its first market clearance. We exclude products line extension products, software updates, sustaining activities or minor change projects.

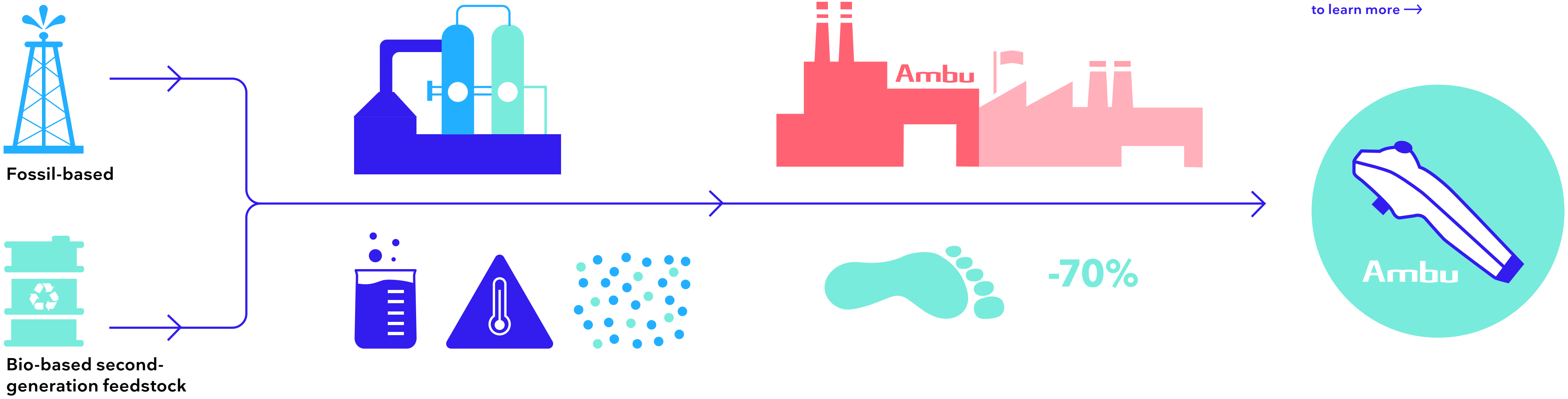
"The use of this bioplastic material in our endoscope handles sends a message aimed at driving positive change in the industry in the area of global sustainability – a small but crucial step towards preserving our planet for future generations.

Bioplastics reduce our carbon footprint

The use of bioplastic material in our endoscope handles will reduce the carbon footprint of the ABS plastics we use by 70%. In the future, we will build on this initiative by expanding the use of bioplastics in other parts of our endoscopes.



Watch our bioplastics video to learn more →



1 Fossil-based and bio-based second-generation feed-stock (such as food waste) is sourced by the supplier.

2 The fossil-based and bio-based second-generation feedstock are mixed during production of bioplastics.

3 The use of bioplastics reduces the carbon footprint of the ABS plastics used for the production of our endo-scope handles by 70%.

4 The bioplastic material is tracked throughout the process, making it possible to verify that the mate-rial is used in Ambu endoscope handles.

Carbon emissions & climate change

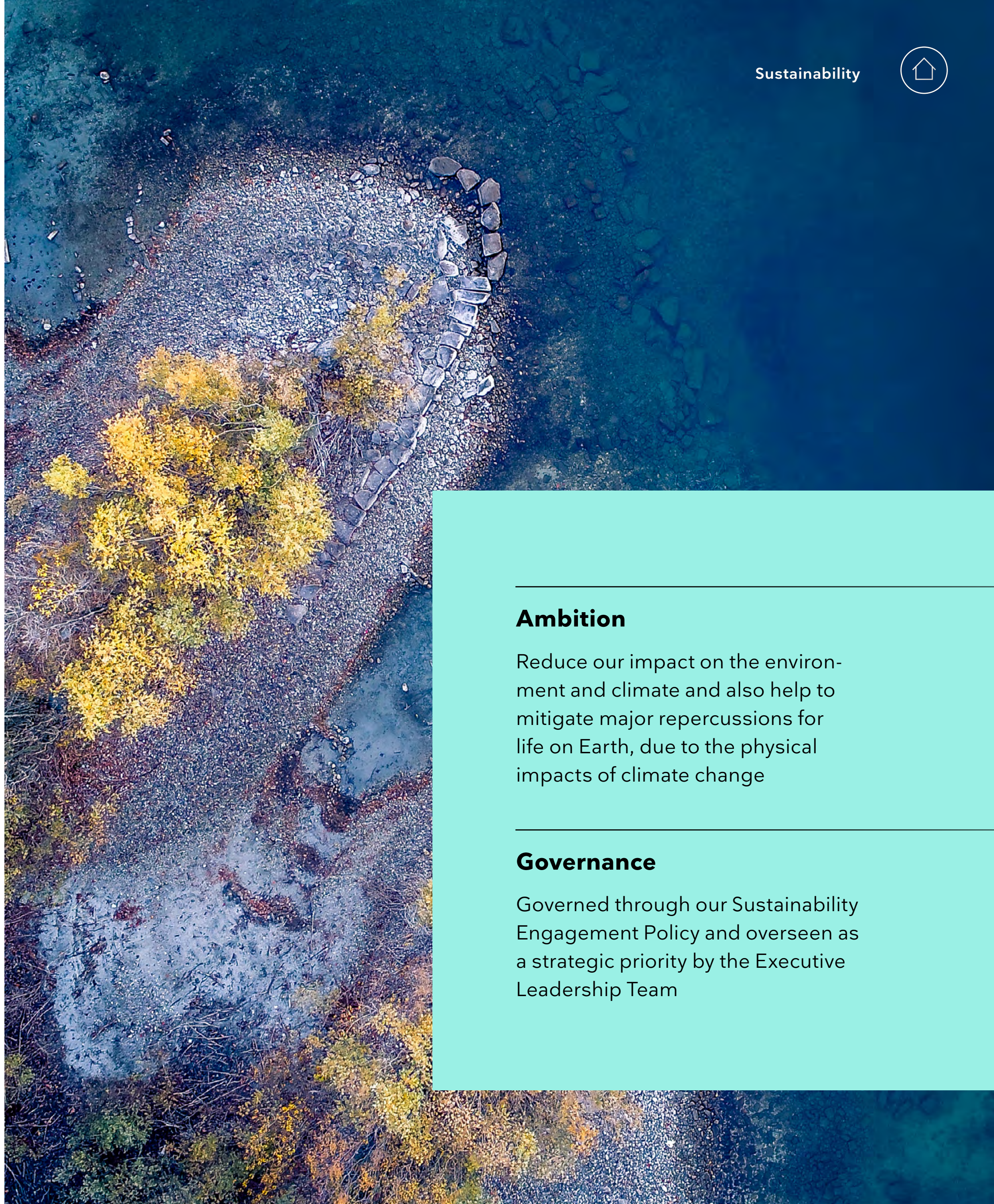
We are committed to operating responsibly and **approaching net-zero emissions**

As we have seen multiple global temperature records broken during the past year, the urgency of immediate action to tackle climate change is becoming more evident to avoid serious negative repercussions for life on Earth. Reducing our emissions is the right thing to do for our climate, but it also makes good business sense, as it supports future proof of our business through reduced costs, increased investor confidence and resilience against regulation, as well as provides us with the opportunity to gain a competitive advantage in a market where innovative and sustainable products are becoming a key factor for our customers.

We have a LEED Silver certification for our production site in Mexico

During the past years, we have established the foundation for reducing our greenhouse gas (GHG) emissions by mapping our Scope 1, 2 and 3 emissions. The latter comprised a Scope 3 inventory analysis for the 2020/21 financial year. The analysis showed that emissions from Scope 3 cover 95% of our total GHG emissions. The large share of emissions coming from Scope 3 was expected. Similar to many other companies, the majority of our emissions lie outside our own operations, as Scope 3 emissions reflect emissions occurring throughout the entire value chain. This makes Ambu reliant on our many suppliers, in order to reach our emission reduction goals and approach net-zero emissions.

The term net-zero describes a commitment to decarbonisation. The reduction can occur, among other things, by increasing the use of renewable energy, reducing consumption of fossil-based energy sources, developing



Ambition

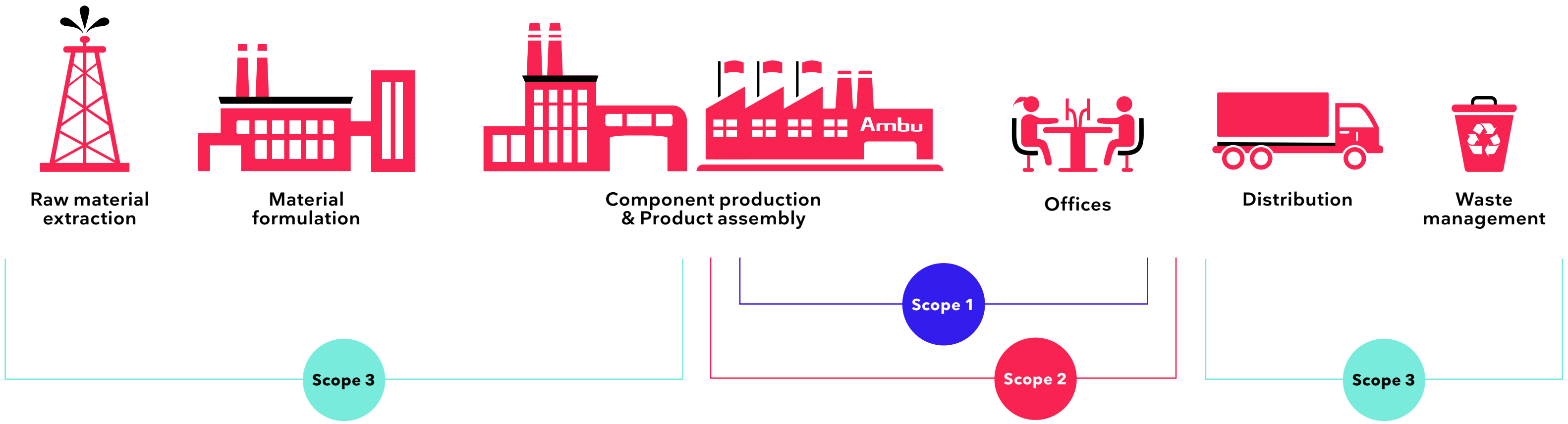
Reduce our impact on the environment and climate and also help to mitigate major repercussions for life on Earth, due to the physical impacts of climate change

Governance

Governed through our Sustainability Engagement Policy and overseen as a strategic priority by the Executive Leadership Team more sustainable products and packaging, and cooperating with suppliers who, by reducing their emissions, will contribute to a decrease in Ambu's Scope 3 emissions.

As a result, we will be working on establishing even closer trustful collaborations with our key suppliers, specifically within purchased goods and services, so that we can drive our emissions down and meet our goals. We will do this as part of our commitment to the SBTi. While we have not made a Scope 3 calculation this year, we are committed to disclosing our annual Scope 3 emissions, including for the past years, as well as next financial year, as part of our submission of a near-term science-based target. We are currently working on updating the calculations and improving our data.

Where do our emissions come from?

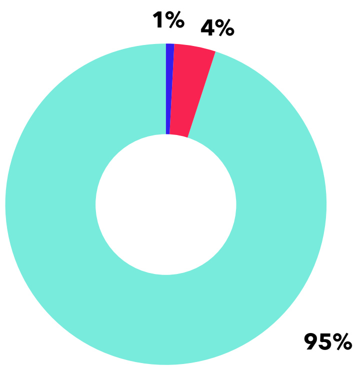


Scope 1 are direct GHG emissions occurring from activities under our direct control in sources that are owned or controlled by Ambu. They include emissions from Ambu's company cars, emissions from fuel used at our production sites and fugitive emissions, which occur from refilling of cooling agents in air-conditioning units.

Scope 2 are indirect GHG emissions caused by the energy we purchase, such as electricity and district heating.

Scope 3 are indirect GHG emissions – not included in Scope 2 – that occur in our value chain, including both upstream and downstream emissions.

Distribution of Scope 1, 2 and 3 emissions in 2020/21



- Scope 1
- Scope 2
- Scope 3

We also have a three-step strategy to reduce our CO_2 emissions:

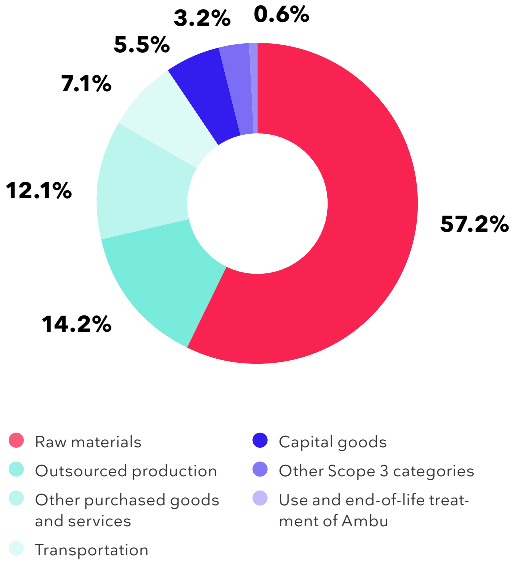
- Minimise carbon emissions from production sites through energy efficiency measures.
- Purchase Renewable Energy Certificates (RECs) with focus on new installations and suppliers who offer a degree of additionality. Additionality, ensure expansion of renewable energy production sites.
- Establish Power Purchase Agreements (PPAs) in order to ensure additionality and the expansion of renewable energy production.

As part of our strategy to approach net-zero emissions, our production sites and headquarters work rigorously to identify and act on opportunities to reduce emissions through energy efficiency measures. Through energy monitoring and audits, our sites are gaining a better understanding of where the biggest energy consumption is taking place, and we are increasingly sharing learnings across our sites to help each other bring down local energy consumption and emissions.

Targets and progress

Ambu submitted its near-term science-based target for emission reductions, in line with the Paris Agreement, in June 2023. The SBTi will begin reviewing our submission in November 2023. In the meantime, we have developed a long-term roadmap to achieve net-zero emissions.

Distribution of Ambu's Scope 3 emissions in 2020/21



While we wait for the approval of our science-based target, we continue our efforts to reach our current goal of a “50% reduction of carbon emissions in 2025, compared to 2018/19 baseline”.

This year, our total GHG emissions (scope 1+2) have increased 1%, compared to 2021/22. This is despite a 6% decrease in total energy consumption, compared to 2021/22. The reason for this is that we have ramped up our production in Juárez, and that we have improved our methodology for GHG emissions calculations. Specifically, we have standardised the emission factors for scope 2, using higher values derived from IEA. This means that our GHG emissions cannot be directly compared to previous years, as the data is a result of different methodologies.

We continue our focus on reducing our GHG emissions through the increase of renewable energy consumption. This year, our share of renewable energy increased to 18.5%, compared to 17.2% in 2021/22. This is a result of the purchase of RECs covering 100% of our electricity consumption at our site in Xiamen and a signed purchase agreement, effective from January 2024, corresponding to 1,174 MWh in Penang in 2022/23 (12.5% of our total purchase of RECs).

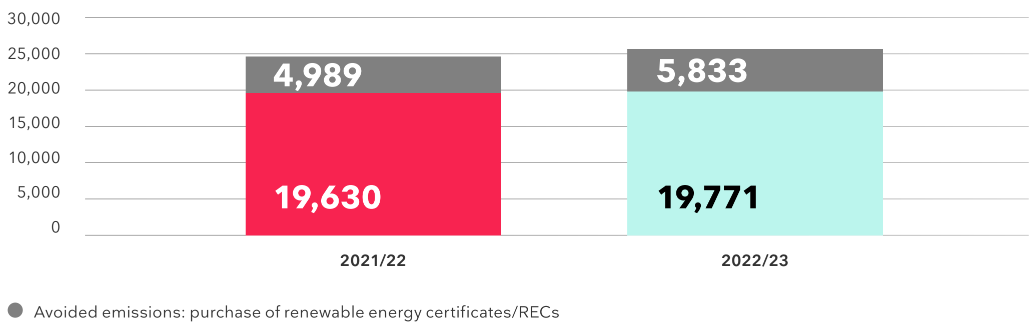
Additionally, our solar panels in Penang and Ballerup have produced 1,460 MWh and 17 MWh, respectively – corresponding to a total saving of 962 metric tonnes CO_2e.

The reductions achieved this year can also be attributed to the work at our sites, where our colleagues have implemented various initiatives to bring down energy consumption. This includes the replacement of two injection moulding machines in Xiamen, resulting in estimated savings of 26 MWh/year. At our site in Penang, the replacement of three inverted type air compressor systems is estimated to reduce annual electricity consumption by 10-16%, compared to the old systems. In Noblesville, initiatives to reduce energy consumption include the replacement and/or elimination of various cooling and heating systems, air compressor dryers and air conditioning systems. At our headquarters, energy efficiency measures, such as replacing lightning and ventilation components, among other things, have an expected total reduction of 268 MWh/year .

We continue to improve the processes for capturing our emissions, as well as our data quality, including the estimates and emission factors used. This prepares us for the requirements set by the CSRD, effective from January 2024 and applying to Ambu from the financial year starting on 1 October 2024.

Total Scope 1 and 2 emissions - detailed distribution (market-based)

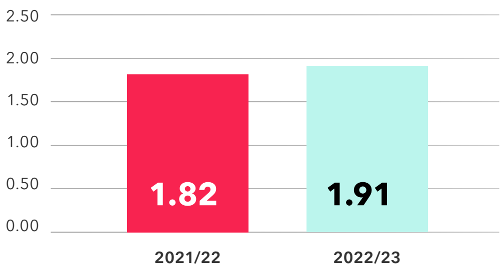
Metric tonnes of CO_2e



To gain a more nuanced perspective of our emissions, we use two metrics for carbon intensity: CO_2e per manufactured product and CO_2e per unit of revenue

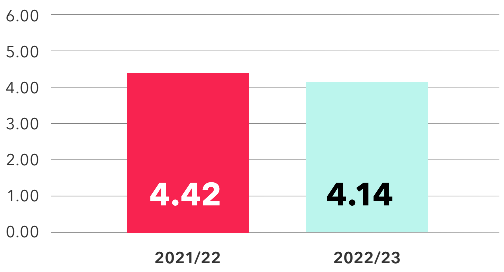
Scope 1 and 2 emissions by manufactured product

Metric tonnes of CO_2e per tonnes manufactured products



Scope 1 and 2 emissions per unit by revenue

Metric tonnes CO_2e per DKKm



Water management

Water is a critical resource for life on Earth, and as water scarcity becomes more widespread, it is important to reduce water consumption where possible. As production of Ambu products is not categorised as water intensive, water is mainly used for hygiene reasons, and consumption is therefore related to the number of employees. We ensure sustainable water management at our sites through monitoring and continuous upgrades to our water consumption systems.

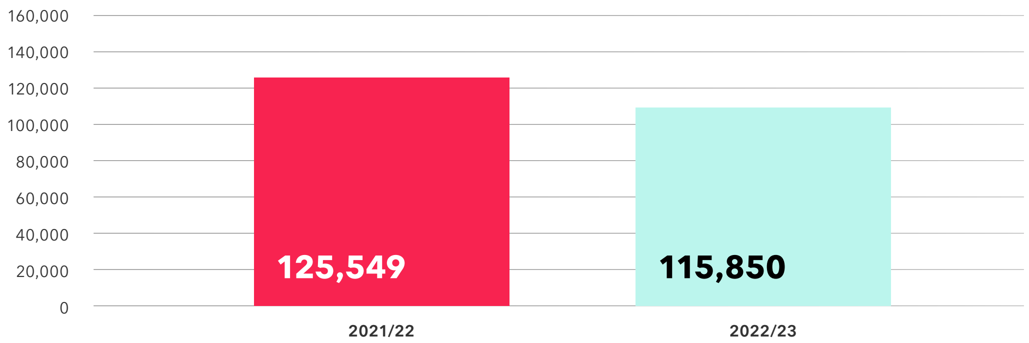
Targets and progress

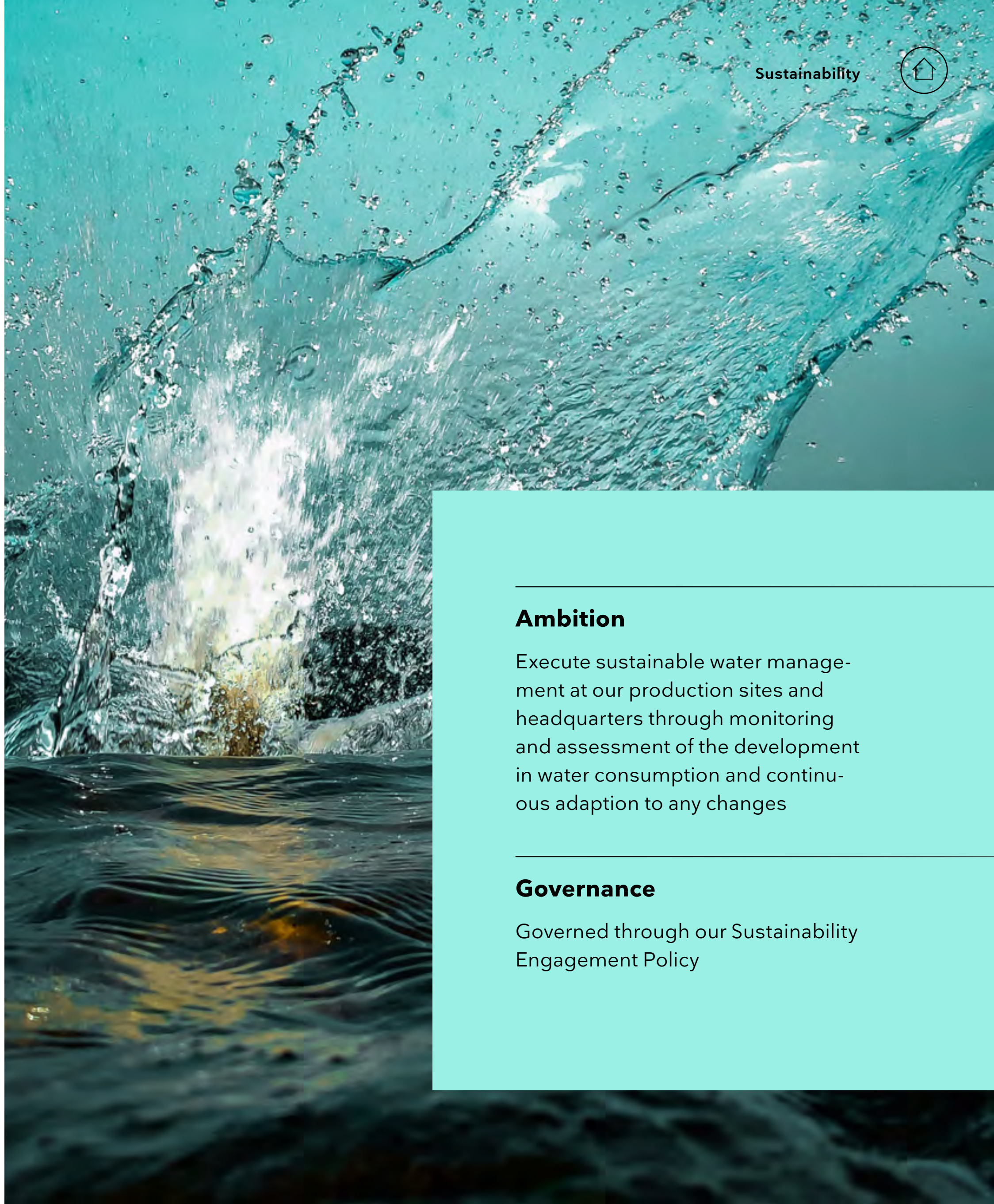
In 2022/23, we experienced an 8% decrease in total water consumption.

The decrease in water consumption is a result of continuous efforts to reduce water consumption and improve the water infrastructure at our headquarters, as well as our productions sites, and may be further influenced by workforce fluctuations.

Water consumption

m^3 water





Ambition

Execute sustainable water management at our production sites and headquarters through monitoring and assessment of the development in water consumption and continuous adaption to any changes

Governance

Governed through our Sustainability Engagement Policy

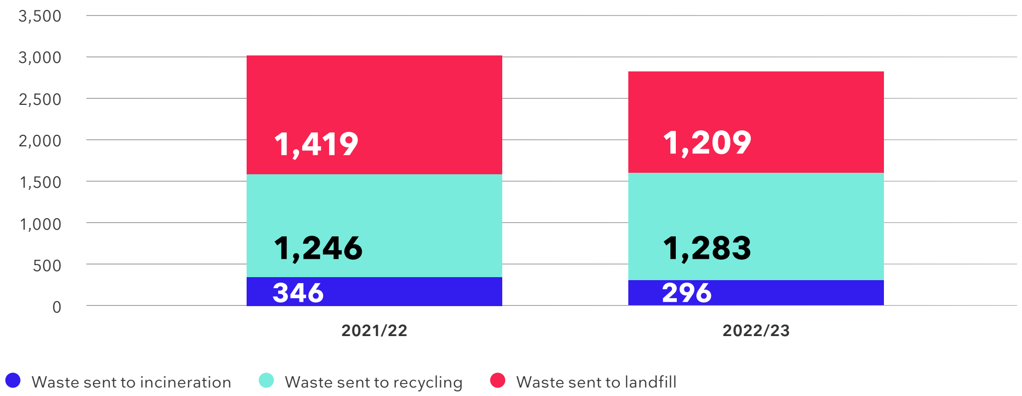
Waste management

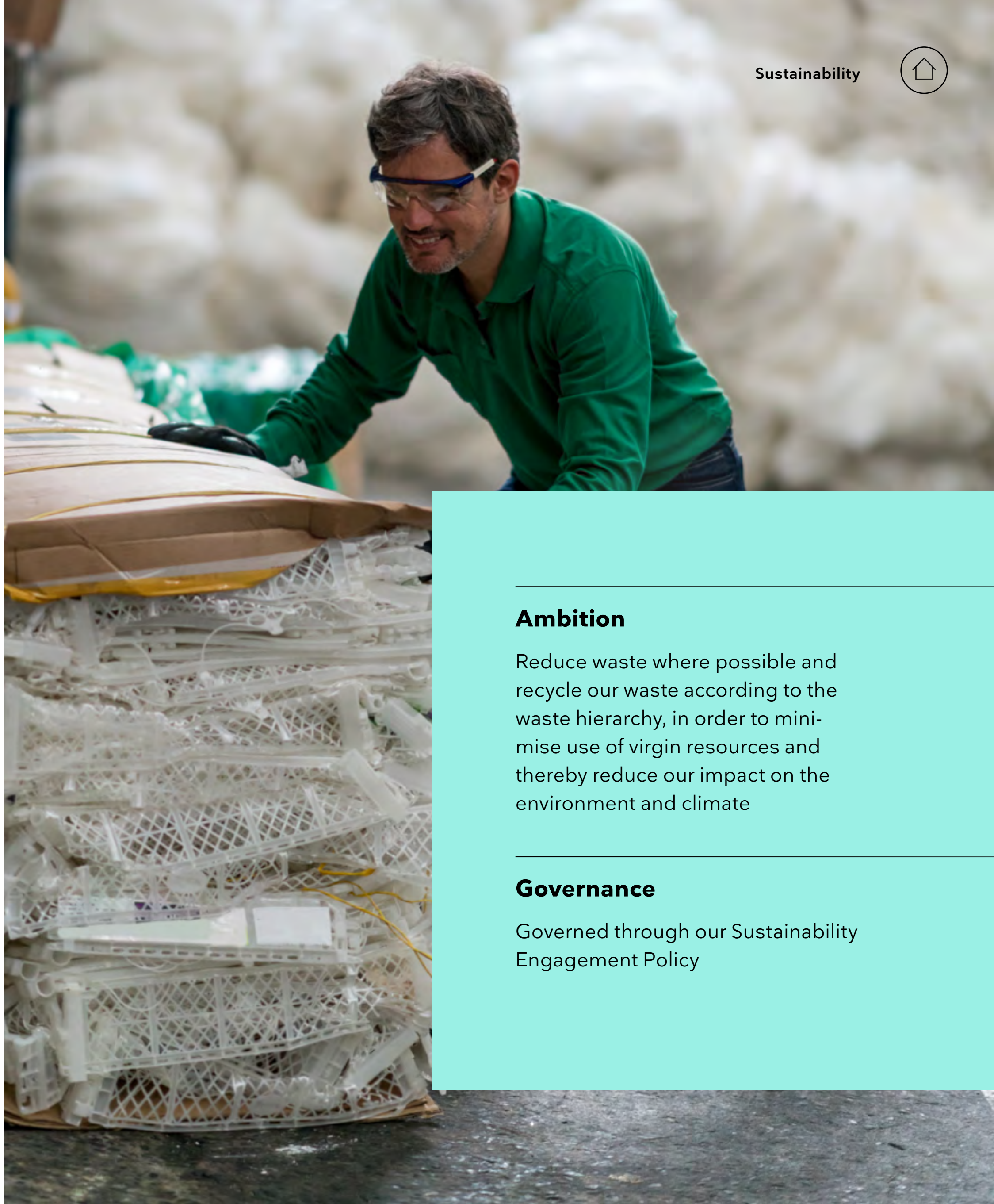
At Ambu, we believe that waste is a resource for which the appropriate application has not yet been found. Similar to water consumption, we monitor the amount of waste at our production sites and at our headquarters. By measuring waste amounts, each production site gains a better understanding of the waste streams and upcycling opportunities.

While we cannot totally avoid creating waste at our sites, we are working hard to ensure that as much waste as possible is creating value further down the value chain. Our sites are increasingly sorting waste into different fractions, to increase the amount that is recycled. Through partnerships and local initiatives, we work on how to increase the amounts of waste that can be reused or are converted into either energy, fertilisers or components of new materials.

Waste

Metric tonnes





Ambition

Reduce waste where possible and recycle our waste according to the waste hierarchy, in order to minimise use of virgin resources and thereby reduce our impact on the environment and climate

Governance

Governed through our Sustainability Engagement Policy

“Our waste reductions are a testament to the vigorous efforts of our colleagues at our sites, who each day work to reduce the amounts of waste we generate, while also ensuring that as much waste as possible can serve a new purpose.

Targets and progress

We continue our focus on reducing the amounts of waste generated at our sites and the diversion of waste to energy or recycling instead of landfill. One way to further reduce waste from production is through the use of hot runners, where applicable, which does not create any waste during production.

In 2022/23, total waste decreased by 7%, compared to 2021/22. Overall, we also see an increase in the share of recycled waste, which has increased to 46% this year, compared to 41% in the 2021/22 financial year.

Decrease in waste

Total decrease in waste

7%

compared to 2021/22

Total share of recycled waste

46%

compared to 41% in 2021/22

Examples of initiatives within waste management

Initiatives	Activities	Details and next steps
Recycling of IT equipment	In March 2022, Ambu entered into a global partnership with Tier1Asset, which specialises in the refurbishment and recycling of worn-out IT equipment. The equipment undergoes a stringent process, which includes certified data erasure and a meticulous sorting process, whereby the equipment is either sent for refurbishment and resale, or recycled with an external partner specialised in recycling the different components into raw materials for a new lifecycle.	In 2022/23, we sent 753 kg of IT equipment for recycling from our headquarters. The equipment was refurbished and has been given a new lifespan. Our offices in Germany and France have also sent a total of 490 kg IT equipment for recycling by Tier1Asset. Only the equipment collected from our headquarters is accounted for in our waste data. We expect to further expand the scope of the partnership next year.
From food to fertilizer	In August 2022, our production site in Penang entered into a partnership with VKK Enterprise, which converts food waste from our site into fertiliser that is donated to local farmers. With the initiative, Ambu supports local food production and gives back to the community. At our headquarters, we continue our partnership with Daka ReFood.	In 2022/23, our headquarters converted 9,085 kg of food waste and frying oil, combined, into biogas, fertiliser and second-generation biodiesel, through our partnership with Daka Refood.
Internal recycling of runners from injection moulding processes	At our Xiamen and Noblesville production sites, we can recycle runners arising from the injection moulding process by regrinding the runners and feeding them back into the production machines in an internal setup.	In 2022/23, we have recycled a total of 386 tonnes of plastics internally from our injection moulding processes in Xiamen and Noblesville. We continue to focus on optimising and reusing the plastic in our production processes.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

At Ambu, we acknowledge our impact on the environment and climate, as well as our role in helping to mitigate major repercussions for life on Earth, due to the physical impacts of climate change.

Leaning on the recommendations from TCFD (Task Force on Climate-related Financial Disclosures), we are advancing our understanding of how climate change impacts Ambu's business, strategy and financial planning, as well as how we strategically manage climate-related risks and opportunities.

We are assessing the requirements concerning risk assessment and materiality under the EU Directive on Corporate Social Responsibility (CRSD) to ensure we are compliant by 2024/25 and that our materiality assessment gives a true and fair view of Ambu's impact, as well as the financial risks and opportunities of ESG and sustainability-related issues.

Governance

Disclose the organisation's governance around climate-related risks and opportunities.

The Executive Management holds the overall responsibility for climate-related issues, and the Board of Directors oversees that all relevant procedures and commitments are in place, including target setting and related activities. Climate-related issues that require the attention of the Board are presented, reviewed and approved as part of Board meetings.

To further ensure top-level commitment and representation across lines of business, ESG & Sustainability is anchored in the Executive Leadership Team, headed by the CEO. The Sustainability department is headed by the Senior Director, Sustainability, Risk & Compliance, who reports directly to the CFO.

Read more about our sustainability governance on p. 41→

Read more about the integration of ESG in the Management compensation on p. 41→

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning, where such information is material.

Sustainability is anchored as one of four pillars of our ZOOM IN strategy. With our sustainability focus, we aspire to take leaps towards a sustainable future, as we focus on two key areas "Responsible operations" and "Circular products & packaging".

While our Annual Report is the main source of disclosure of our climate performance, strategy and risk management, as well as our metrics and targets, we also disclose more granular data into the climate change module of CDP (Carbon Disclosure Project).

Read more about our strategy on p. 20→

Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks

Climate-related risks are identified as part of our risk management process and are assessed and responded to according to a standardised process for estimating the impact and likelihood of risks in view of their impact on revenue, cost and reputation, as well as the related compliance requirements.

Read more about our risk management process on p. 97→

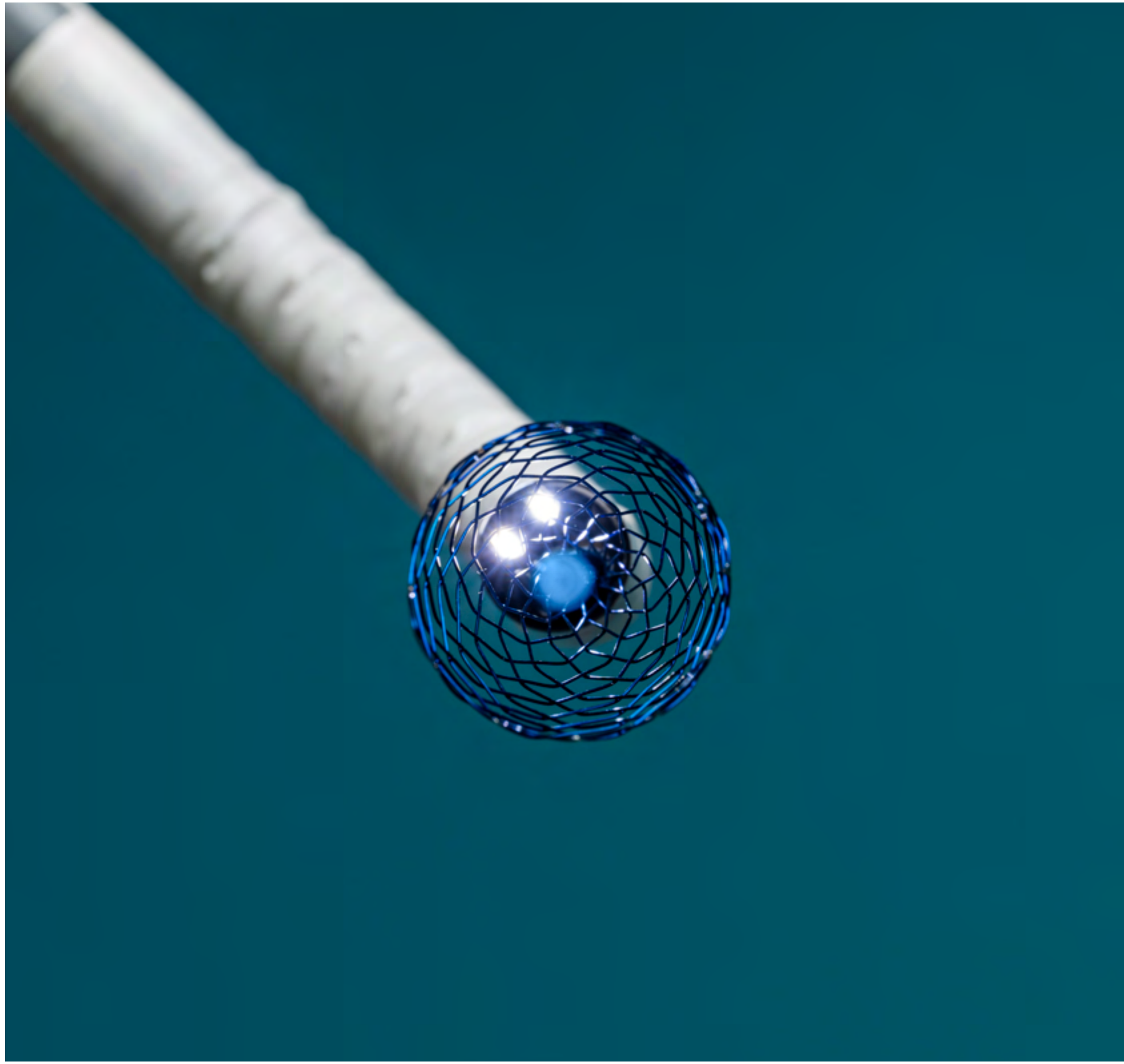
Metrics & targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

In 2020/21, Ambu signed a letter of commitment to the SBTi, committing ourselves to setting carbon emission targets to meet the goals of the Paris Agreement. We submitted our targets in June 2023 and expect to have them validated and approved in November 2023.

Our current target is to achieve a 50% reduction of carbon emissions in 2025, compared to the 2018/19 baseline.

Read more about our ambitions and targets for carbon emissions and climate change on p. 50→



SOCIAL INFORMATION

Underpinning our purpose are our Ambu values, **TAKE CHARGE**, **TEAM UP** and **BE TRUE**

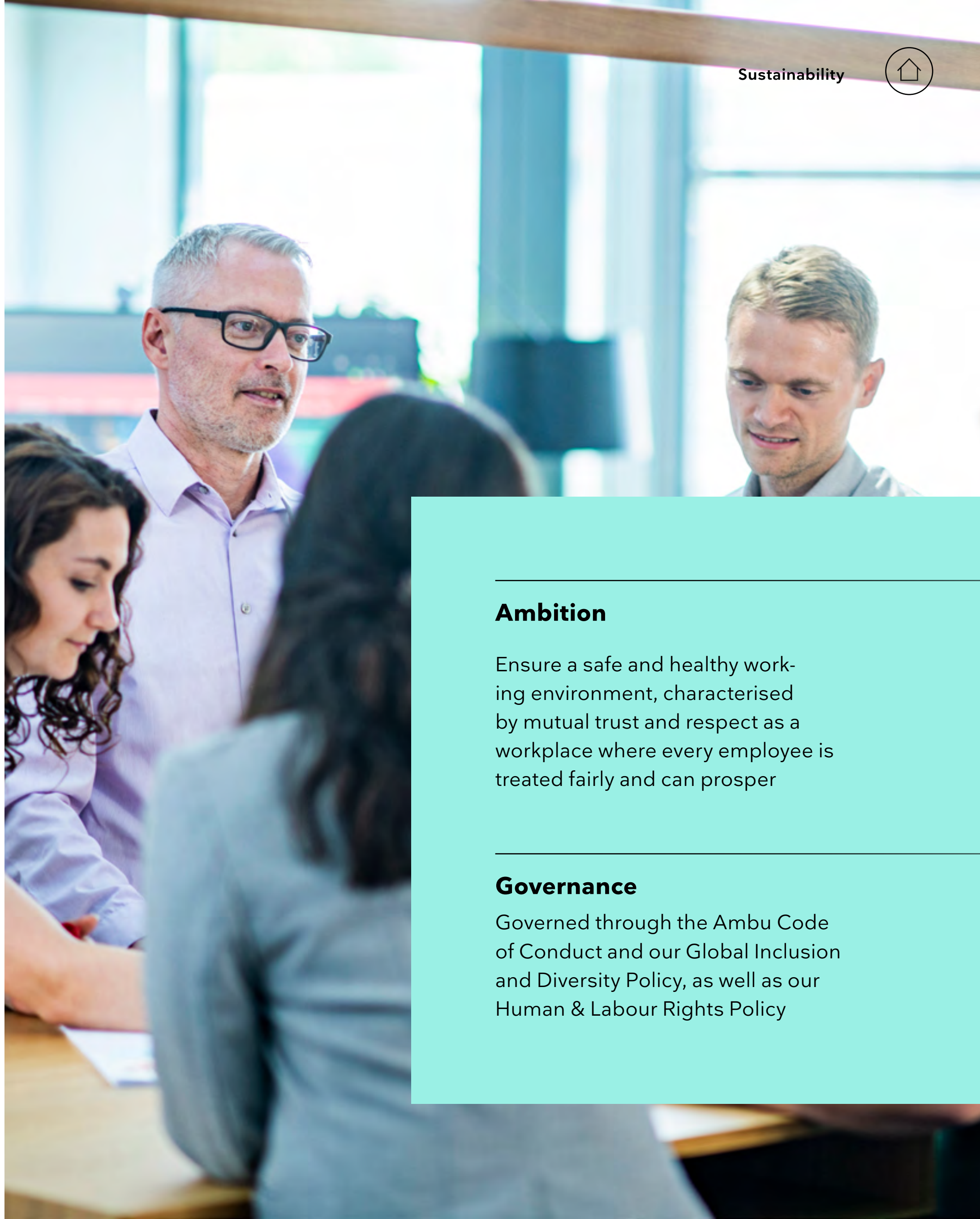
Social capital management

Ambu is a purpose- and values-driven company which aspires to foster a highly engaged, diverse and inclusive culture in which individuals and teams can grow together as Ambu grows.

We are made up of people who want to be challenged, drive results and make a difference for our customers, and we are committed to continuing to unlock the full power of our people and culture.

At the core of our business lies our purpose, **Together, we rethink solutions to save lives and improve patient care**. It encapsulates our 'why' as a company and constitutes the guiding star for our one shared Ambu culture. In November 2022, our purpose was launched alongside our ZOOM IN strategy, thereby fostering a strong interconnection between our reason for being and our concrete plan of action for winning in the market.

In combination with our purpose, our values reflect Ambu at its best and shape our daily culture of innovation by guiding our decisions and behaviours across our organisation. Our values were launched in September



Ambition

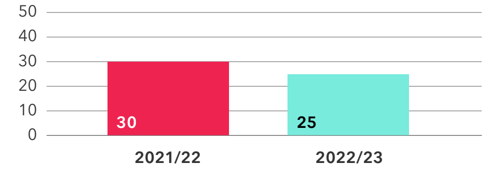
Ensure a safe and healthy working environment, characterised by mutual trust and respect as a workplace where every employee is treated fairly and can prosper

Governance

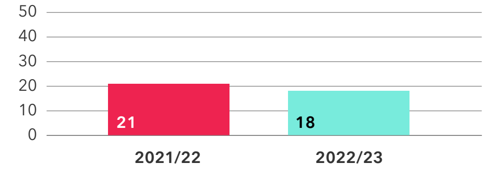
Governed through the Ambu Code of Conduct and our Global Inclusion and Diversity Policy, as well as our Human & Labour Rights Policy

Voluntary employee turnover

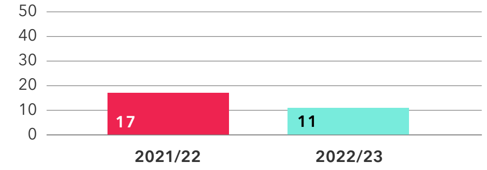
All employees
Rate (%)



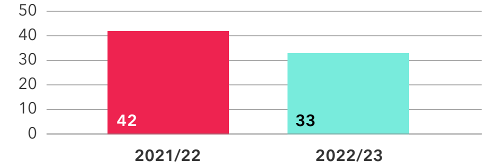
White-collar employees
Rate (%)



Indirect blue-collar employees
Rate (%)



Blue-collar employees
Rate (%)



2023 and comprise the essence of extensive feedback from the organisation on Ambu's core behavioural strengths.

With our purpose and values, Ambu has an inspiring and actionable platform for driving our business forward and bringing our people together in one shared culture.

As Ambu grows, we believe that a continuous focus on people development is of high priority. This is why we have a global framework set in place, the AmbuDialogue, ensuring regular touchpoints between employees and leaders on motivation, responsibilities and development. At all levels, leaders and employees engage in attentive conversations within this structured approach, ensuring a company-wide focus on performance, growth and development.

Given the ever-increasing challenges of attracting and retaining talent, we have significantly increased our focus on Ambu's Talent Attraction efforts. We have restructured the set up to be better aligned with business needs, as well as upskilled our employees in identifying, attracting and recruiting the most suitable talent for Ambu's current and future staffing needs. Additionally, Ambu is reviewing and adapting our employer brand to attract the best possible future employees on a global and local scale. To ensure continuous improvement, we track on tangible metrics, such as quality of applicants and time to recruit. We furthermore require all external recruitment partners to live up to specific diversity commitments, ensuring that we always consider the most qualified candidates, regardless of background.

Targets and progress

This year, our voluntary turnover, across all our employee groups, decreased to 25%, compared to 30% in 2021/22.

Although we see an overall decrease in our voluntary turnover, compared to 2021/22, our turnover rate remains high. This is partly explained by the fact that we are currently on a transformation journey, where a higher turnover is expected.

Moving forward, we will continue to closely monitor our global employee turnover, while continuing to embark on our transformation journey.

Follow-up on the 2022 employee engagement survey

In our continuous efforts to foster an engaged culture at Ambu, it is important to keep track of the engagement of our people. A key indicator of the health of our workforce is our employee engagement survey, in which our global workforce members make their individual and anonymised voices heard.

Our next employee engagement survey will run during Q1 in the 2023/24 financial year, enabling Ambu to keep close track of the healthy progress of our workforce and identify focus areas for continued development.

Working towards inclusion, diversity & equality

Ambu wants to be the employer of choice for the talent in our industry. Alongside other initiatives, this means developing an inclusive and equitable work environment for a highly diverse workforce.

We hold integrity high in all we do, and this is part of our company values and a cornerstone in the way we operate, both in the market, but also towards our people, who, we believe, should be empowered and valued as equals in a safe space.

As we operate in a global environment, we recognise that a diverse and inclusive working environment will mean different things for different sets of employees. We therefore approach this through a mixture of global and localised initiatives, including, but not limited to, being a signatory to the United Nations' Women's Empowerment Principles (UN WEP) and ensuring an accessible working environment across all our sites.

We live up to our Global Diversity & Inclusion Policy through employee-driven local initiatives, Employee Resource Groups and global strategic approaches. We inherently believe that a truly inclusive environment is best achieved by encouraging our

Ambition

Promote equality and inclusion for all, and continue our work to ensure that Ambu remains an inclusive, equal and diverse place to work

Governance

Governed through the Ambu Code of Conduct and our Global Inclusion & Diversity Policy, as well as our Labour & Human Rights Policy employees to speak up and take ownership of creating a working environment they feel they belong to, combined with Executive Sponsorship, enabling them to feel safe and comfortable in doing so.

Targets and progress

Ambu recognises that diversity in management goes beyond gender. However, having tangible KPIs helps us measure our progress. This is why we have a target of 40% representation of women in management at all levels in 2022/23.

As of 2022/23, 42% of all managers are women. For white-collar managers alone, the representation is 39%, just below our target. During this year, the decision to strengthen the agility and performance of our Executive Leadership Team, by reducing its size, resulted in 29% representation of women.

We continue our work to increase diversity across all parameters and ensure a truly global workforce.

Ambu is committed to equal pay for equal work and ensuring that no structural inequalities exist in the remuneration of our employees. In 2023, we conducted an internal review and analysis of the difference in pay between men and women within our global organisation.

We found no major pay difference between genders. Where we have identified a few minor pay differences between men and women, we will take corrective action and will continue to focus our efforts on ensuring equal pay for equal work throughout our global organisation.

During 2022/23, we continued our work on identifying gaps and workstreams, where diversity and inclusion can be strengthened at Ambu, and have already started key initiatives. This includes amending our recruitment marketing to have more inclusive language, encouraging a more diverse candidate pool to apply and improving our recruitment process to minimise bias and ensure a holistic, objective evaluation of candidates' skillset.

Over the next financial year, we will build on this, with further diversity and inclusion training for our global leadership team, as well as other inclusive retention initiatives.

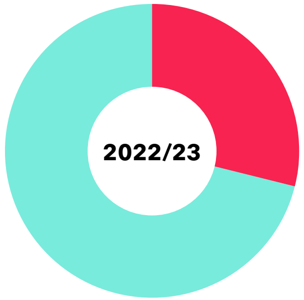
In support of

WOMEN'S EMPOWERMENT PRINCIPLES

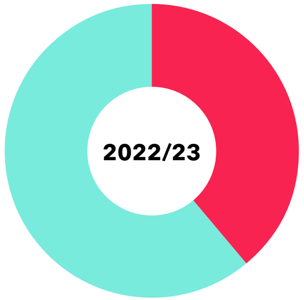
Established by UN Women and the UN Global Compact Office

Gender diversity at Ambu

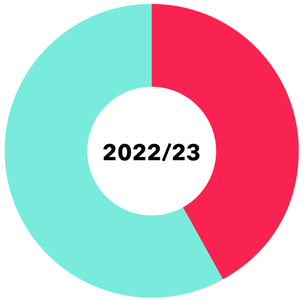
Executive Leadership Team



White-collar managers



All managers



Ensuring a safe and healthy workplace for our employees

At Ambu, we are committed to ensuring safe working conditions for all, and we maintain that health and safety include both the physical and mental well-being of our employees.

We believe that our purpose of saving lives and improving patient care through innovation, combined with our values and focus on mental well-being, leads to high job satisfaction and a healthy working environment. The health and safety officers appointed at our locations are responsible for systematic training, registration and reporting – and for checking that safety procedures adequately match the risk level. We do this to ensure that safety training is tailored to local needs and allows for flexibility that takes local laws and traditions into account.

Targets and progress

At Ambu, we monitor the health and safety of our employees through data points for accidents and fatalities, as well as sickness absence. Safety is a top priority in Ambu, and we continuously work to avoid and mitigate the occurrence of accidents. We have a target to stay below 2.0 for Lost-Time Injury frequency (LTIf), which covers Ambu globally. In 2022/23, Ambu had nine lost-time accidents, which brings us to an LTIf of 0.93, a small increase from a LTIf of 0.92 in 2021/22.

At Ambu, we take all accidents seriously, and we continuously work to prevent the occurrence of accidents, as well as their severity. Some of the prevention actions put in place this year were followed up with briefings on correct procedures and the importance of using the correct personal protective equipment (PPE) when handling production machines, as the correct safety measures could have mitigated some of the accidents and their severity in the first place. General safety awareness training performed at sites remind people of the correct procedures. Further protective gear, as well as controls, have been implemented for certain procedures and machines, to eliminate hazards identified from accidents.

While we have no official target for our global sickness absence rate, we monitor our performance closely to ensure that we maintain a healthy working environment that does not contribute to ill health of our employees. During 2022/23, our sickness absence rate across Ambu remained at a stable level, with a few temporary increases at local level, due to Covid-19, among others things.

Location	Number of lost-time injuries	Number of working days lost	Description
Production site	2	5	Two individual accidents related to employees suffering injuries from production machines.
Production site	2	18	Two individual accidents related to cuts while performing standard tasks at work.
Production site, headquarters	3	45	Three individual fall accidents: one while performing a task at work, two with no obvious reason.
Production site	1	1	An employee got foreign debris in the eye while cleaning the circuit lines.
Production site	1	3	An employee suffered a back strain injury while working.

Ambition
Ensure safe working conditions for all

Governance
Governed through the Ambu Code of Conduct and our Global Inclusion & Diversity Policy, as well as our Labour & Human Rights Policy

Lost-time accidents

In 2022/23, Ambu had 9 lost-time accidents, which brings us to an LTIf of 0.93

9 LTIs

GOVERNANCE INFORMATION

Providing high-quality healthcare products

As a producer of medical solutions used by hospitals, clinics and rescue services all over the world, Ambu has a great impact on people's health and safety.

Upholding quality standards in our solutions and processes is our licence to operate and imperative for bringing high-quality products to the market. Ambu must therefore demonstrate excellence within product governance and ensure that our products and processes live up to all applicable external regulatory requirements and are safe and effective.

The Ambu Quality Management System (QMS) covers all aspects of our operations, including management responsibilities, design control, risk management, process- and production controls, as well as product surveillance, and ensures that Ambu complies with all applicable regulatory requirements. Ambu's QMS is certified according to:

- ISO 13485
- Medical Device Single Audit Program (MDSAP)
- EU Medical Device Regulation (EU MDR)
- UKCA (UK Conformity Assessment).

MDSAP certification covers the requirements of the U.S. FDA, the Japanese Ministry of Health, Australia TGA, Health Canada and Brazil ANVISA. For training devices, Ambu, adheres to ISO 9001 requirements, and our manufacturing site in Xiamen (China) holds an ISO 9001 certification. Our Global Quality Management Review Committee ensures that quality management is anchored and in compliance across Ambu's functions and operations. The quality management review process ensures top-level management commitment, as well as decision-making and actions related to quality.

Targets and progress

In 2022/23, we reached the unique milestone of fully transitioning all of our products to the EU MDR certification, as one of the first European medtech companies. Also, Ambu's newest manufacturing facility in Juárez, Mexico, achieved ISO13485 certification.

In June 2023, we initiated a voluntary recall, in the form of a notice to customers, of our Ambu® aView 2 Advance, due to the small risk of the device short-circuiting when being dropped on the floor. Although this is exceptionally rare, it is a possible risk for devices powered by lithium-ion batteries.

In August 2023, the FDA issued a warning letter to Ambu's subsidiary, King Systems, in relation to a chosen registration path of Ambu® King Pediatric LTS-D™, which led Ambu to implement a supply stop of the disposable laryngeal tubes. King Systems is making the needed corrections, in close dialogue with the FDA, to finalise the registration pathway. The product represents an insignificant part of Ambu's total revenue.

Ambition
Demonstrate excellence within product governance, and ensure that our products and processes live up to all applicable external regulatory requirements and are safe and effective

Governance

Governed through Ambu's Quality Policy and the Global Quality Management Review Committee

	Target	2022/23	2021/22
FDA warning letters	0	1	0
Product recalls	2021/22-23: 0-5 recalls annually is deemed an acceptable level	1	2

Ethical pre-clinical and clinical investigations

Pre-clinical testing and clinical investigations are a important elements in bringing solutions to market and are, in some situations, and in certain countries, required during research and development to demonstrate the safety and effectiveness of the solution, as part of the regulatory authorisation process, or to further substantiate the performance of the product in a real-world setting.

The type of testing, the need for testing and the potential outcome of the testing, or investigation, are all factors which need to be carefully considered to ensure the right testing at the right time during the lifetime of a product.

Prior to initiation of pre-clinical testing on animals and all clinical investigations, the rationale for the need to test must be reviewed and approved by Ambu's internal Ethics Committee. The Committee governs and ensures that all non-clinical testing for design validation (and similar) and clinical investigations are assessed before initiation and comply with our policy on non-clinical testing and clinical investigations. Clinical investigations are also subject to approval by the local health authorities and/or local Ethics Committee/Internal Review Boards (IRBs).

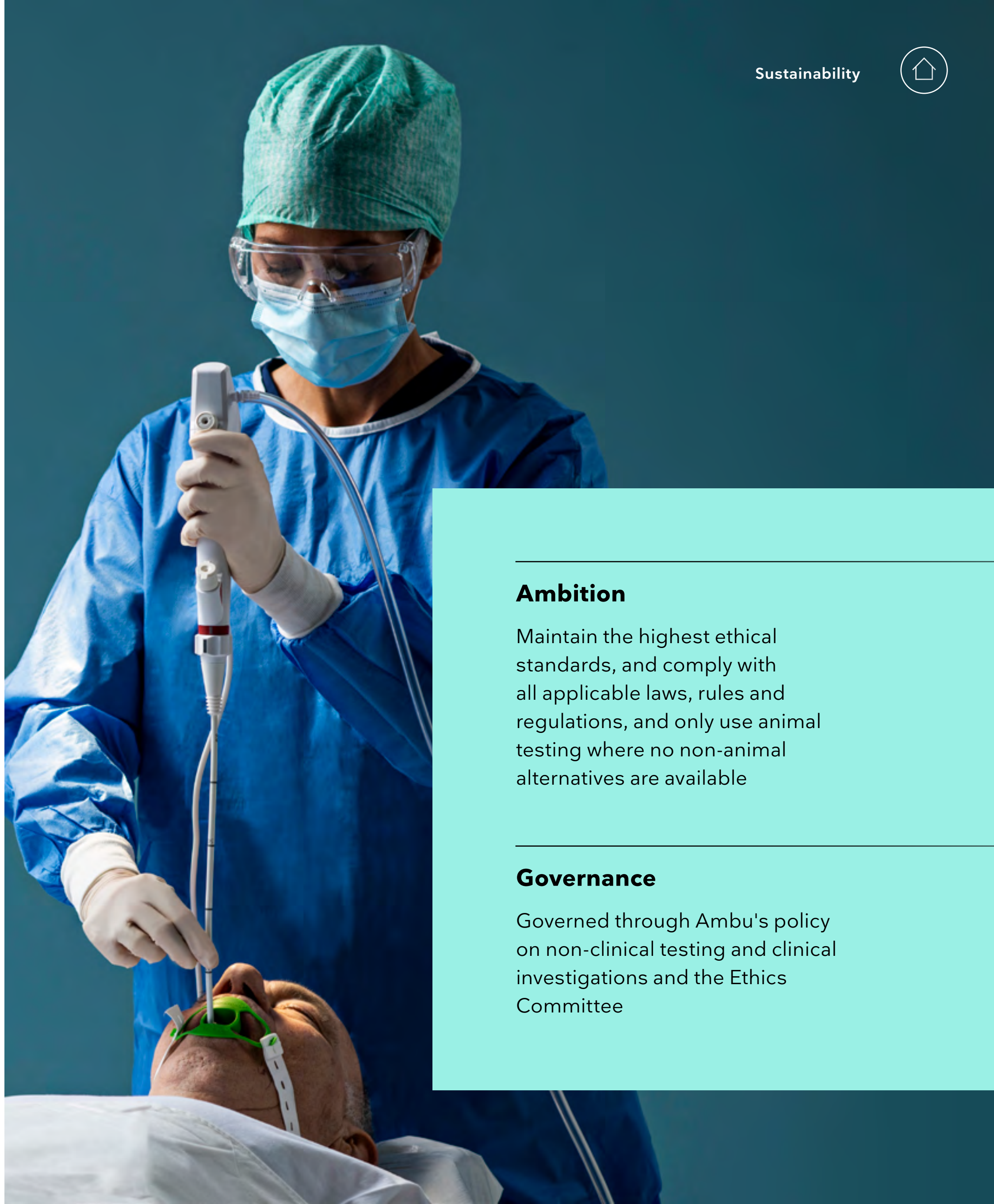
The need for pre-clinical testing to fulfil biosafety purposes is described stringently in the legislation, and these studies are not subject to approval by the Ethics Committee, but must be assessed before initiation.

Our approach to animal testing

Replace
Use an alternative to animal testing whenever possible

Reduce
Minimise the number of tested animals, while still obtaining scientifically valid results

Refine
Evolve experimental procedures to minimise the stress, suffering or discomfort of animals



Ambition

Maintain the highest ethical standards, and comply with all applicable laws, rules and regulations, and only use animal testing where no non-animal alternatives are available

Governance

Governed through Ambu's policy on non-clinical testing and clinical investigations and the Ethics Committee

Pre-clinical testing

Pre-clinical testing is a standard method of providing initial evidence of the safety of medical devices, their potential performance when used in a living system and the biological response that a living system may have towards the medical device. Pre-clinical testing, such as animal testing, in-vitro studies, chemical characterisation studies and other chemical tests, are performed to support biocompatibility, pre-clinical safety and regulatory submissions.

When animal testing is required, we follow all applicable laws and regulations, as well as the Triple R's Principle. This means that we will Replace, Reduce and Refine animal studies used for biocompatibility testing, without compromising patient safety and regulatory requirements, whenever possible.

Targets and progress

Ambu is committed to only using animal testing where no non-animal alternatives are available, or when regulatory bodies, such as the FDA, do not accept the non-animal alternatives.

Ambu aims to replace animal trials with in-vitro studies or chemical characterisation tests. In 2023/23, we succeeded in reducing the ratio of animal trials, as we have seen a decrease in the number of animal trials from 20 in the 2021/22 financial year to five in the 2022/23 financial year. This is partly due to a reduction in development projects, in line with our ZOOM IN strategy. At the same time, the achievement of MDR certification reduces the necessity of animal trials. Nevertheless, certain markets and authorities continue to request animal trials for design changes and development of new products.

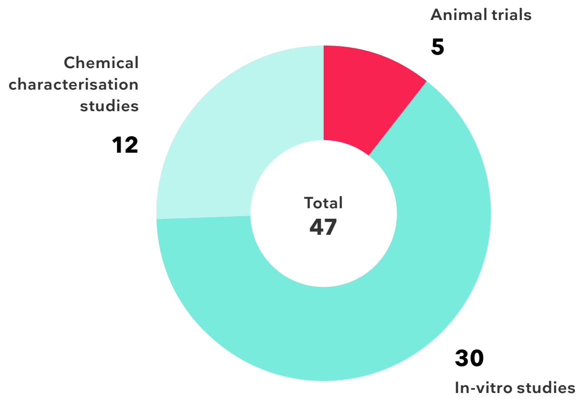
Clinical investigations

The purpose of clinical investigations is to specify and justify the clinical evidence necessary to demonstrate conformity with relevant general safety and performance requirements for the intended purpose of the medical device. Depending on the required outcome, clinical investigations can involve manikins, cadavers, animals or humans. All of Ambu's clinical investigations are conducted in accordance with our ethical principles, as well as international standards and local regulatory requirements.

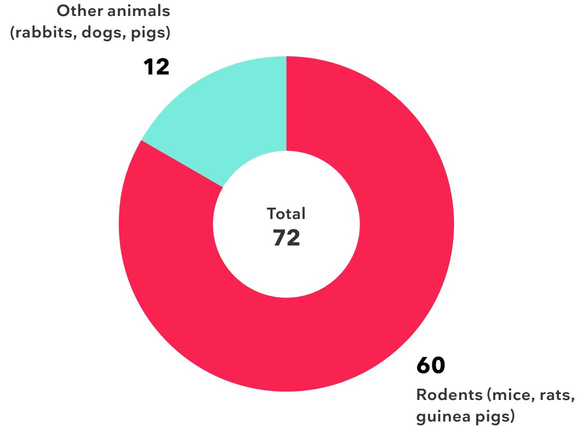
Targets and progress

We did not perform any clinical investigations in 2022/23. All clinical investigations, both completed and terminated, are registered at Clinicaltrials.gov and published within 12 months from the last patient primary endpoint, according to Clinicaltrials.gov's publication principles.

Biosafety and pre-clinical testing



Animals used for biosafety and pre-clinical testing



Ethical marketing promotion

While we rely on advice from, and consultation with, healthcare professionals when developing a solution, Ambu has an ethical responsibility to ensure that this is not perceived as an improper inducement for positive evaluation and promotion of our products.

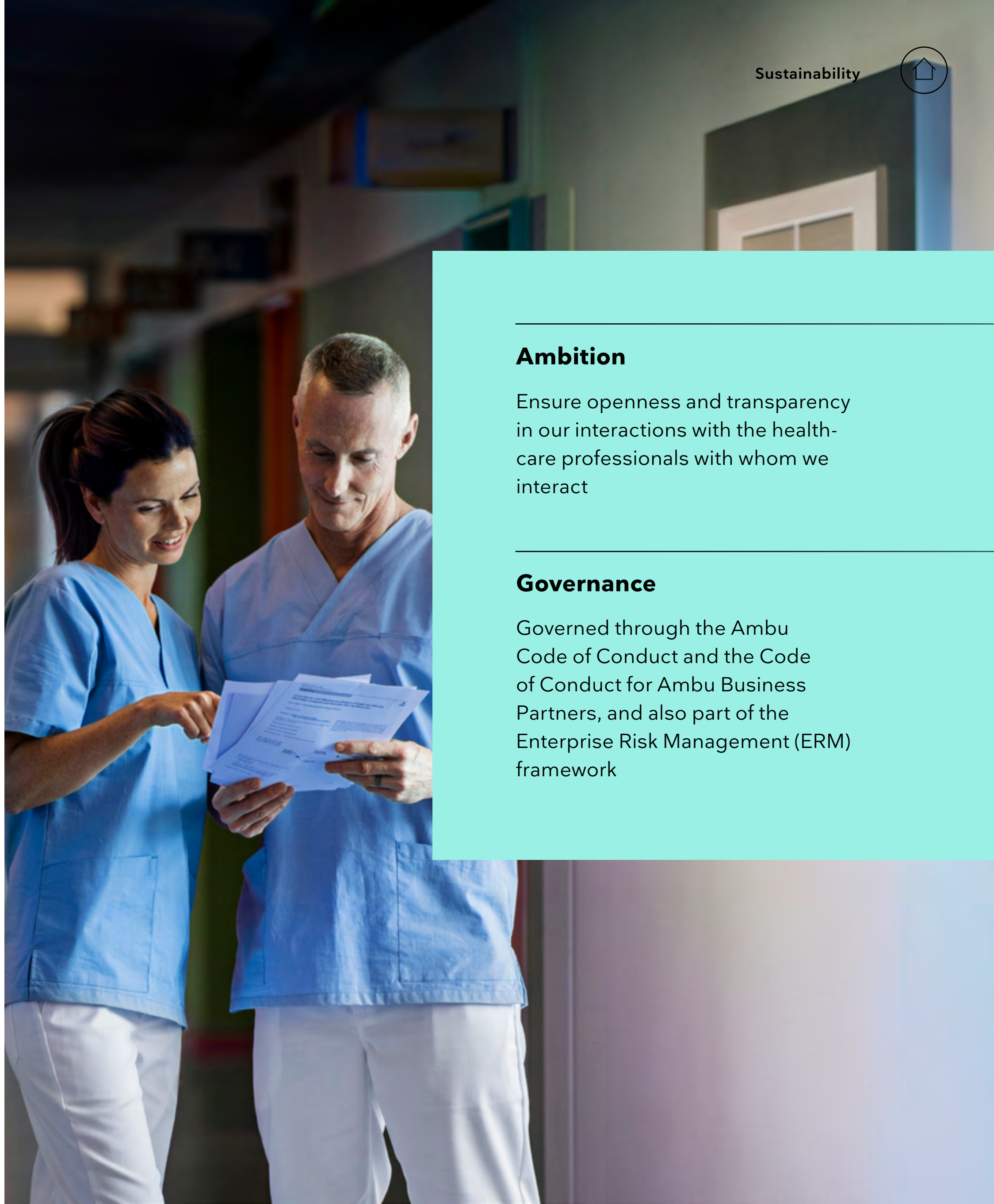
To mitigate the risk of improper inducement and conflicts of interest, we do our utmost to ensure openness and transparency, also to protect the healthcare professionals (HCPs) with whom we interact. These include our customers and key opinion leaders in the industry.

Ethical marketing promotion risks are identified as part of our Enterprise Risk Management (ERM) framework. The risks are managed as part of our healthcare compliance procedures, as the production of medical devices requires interaction and collaboration with HCPs to ensure safe and efficient devices that meet the requirements and needs of the market. Approval of marketing material is integrated in our internal quality management system to ensure compliance with relevant regulations. Our internal training and guidelines for interactions with HCPs help our sales and marketing employees in their daily work and strengthen our global and local marketing policies and procedures. Internal monitoring, as well as our Whistleblower Hotline, help us detect and investigate non-compliance incidents.

Targets and progress

During this financial year, we worked on the further implementation of processes to ensure ethical and compliant interaction with HCPs. Also, our Code of Conduct campaign in 2022/23 included elements of ethical marketing promotion to ensure that this remains top of mind for our colleagues who interact with HCPs on a daily basis.

> **“We do our utmost to ensure openness and transparency, and to protect the healthcare professionals with whom we interact.**



Ambition

Ensure openness and transparency in our interactions with the healthcare professionals with whom we interact

Governance

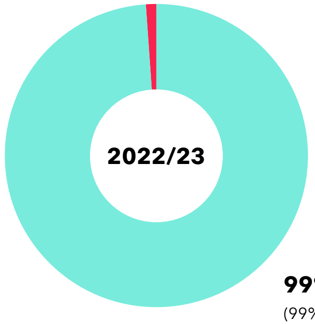
Governed through the Ambu Code of Conduct and the Code of Conduct for Ambu Business Partners, and also part of the Enterprise Risk Management (ERM) framework

Business ethics & compliance

As a global company with a long history in the medical device industry, we promote business ethics and compliance and act with integrity. This is what our stakeholders expect of us, and what is needed for us to retain our licence to operate and safeguard our business.

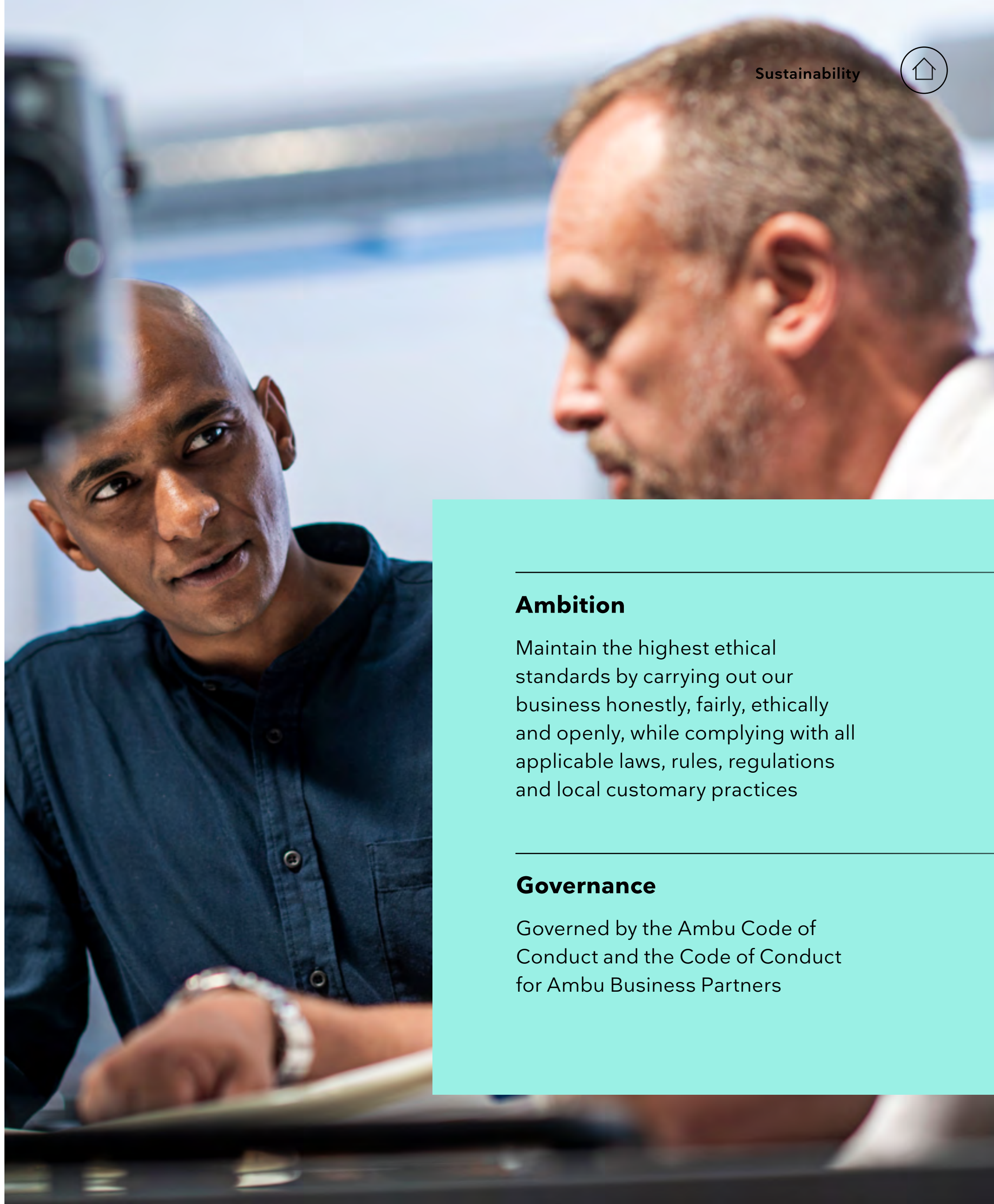
Ambu has zero tolerance towards any form of bribery and/or corruption, and it is our policy to comply with all applicable anti-bribery and anti-corruption laws. Furthermore, we strive to only work with third parties who maintain the same policy.

Code of Conduct training completion



Our business activities are subject to numerous national legal systems, as well as various political, social and cultural frameworks that are constantly changing. Navigating the complex landscape of local laws, rules, legislation and customs requires a high level of due diligence and processes to ensure compliance and ethical business conduct in our engagement and interactions with stakeholders. We continuously work to ensure that we are not complicit in any forms of corruption, as we enter new contexts where we cannot automatically expect the same standards.

Our compliance management system is designed to ensure that our worldwide business practices comply with internal and external rules, and it provides a framework for compliant behaviour. The system allows us to continuously monitor and evaluate our compliance efforts and ensure that we adhere to all the standards set for us within healthcare systems globally, and that there is consistency and authenticity in the way we work. To anchor compliance and integrity in the organisation, all employees are trained in our Code of Conduct, which contains the basic principles and rules for ethical business conduct within Ambu, and in relation to our employees, external partners and the general public.



Ambition

Maintain the highest ethical standards by carrying out our business honestly, fairly, ethically and openly, while complying with all applicable laws, rules, regulations and local customary practices

Governance

Governed by the Ambu Code of Conduct and the Code of Conduct for Ambu Business Partners

Targets and progress

In 2022/2023, we launched the Ambu Code of Conduct Campaign. During the campaign, our employees participated in local sessions, facilitated by their managers, and learned about Ambu's commitment to ethical business conduct. This activity was dedicated to four focus areas: reporting concerns and the Whistleblower Hotline, harassment and discrimination, ethical interactions with HCPs and responsible use of social media.

Once a year, all white-collar and indirect blue-collar employees at Ambu must complete an online training course in our Code of Conduct to increase general awareness of our rules and guidelines for ethical business conduct. Our target is a 100% completion rate.

In 2022/23, 99% of our employees completed the online training course in our Code of Conduct, which covers various topics including business ethics and compliance,-diversity and inclusion, health and safety, as well as human rights and labour standards. Furthermore, we continued the implementation of our local training sessions for our blue-collar employees.

Whistleblower Hotline

All employees and business partners are strongly encouraged to act promptly when faced with suspicions or concerns about criminal offences, violations of Ambu's Code of Conduct or policies, or other serious violations of law or regulations that govern Ambu's operations.

Via the Ambu Whistleblower Hotline reporting system, Ambu provides protected reporting channels for all customers, business partners and our own employees to raise serious concerns about misconduct and improper management, including fraud, bribery, serious breaches of occupational health and safety standards, and serious issues directed towards an employee, such as discrimination, violence or sexual assault, or serious violations of local policies. In addition, possible misconduct can also be reported directly to the Global Business Ethics & Compliance officers, human resources personnel or managers.

Our Whistleblower Hotline reporting system is hosted externally by an independent third party, guaranteeing the system's security and the anonymity of the reporter. The system allows for an appropriate and confidential reporting of serious wrongdoing or suspicions thereof.

Ambu's Whistleblower Hotline received 11 reports in 2022/23. All reports fell within the scope and were investigated.

One report regarded allegations of theft, embezzlement, fraud and falsification of various kinds. Three reports concerned discrimination and harassment, and two reports concerned data privacy and IT security. One report was about health, safety and environmental issues and one about non-compliance with quality standards and procedures. Finally, two reports concerned violations of laws and regulations, including Ambu policies and procedures, and one concerned insider trading. They were all investigated and dealt with according to our whistleblower procedure. One case regarding violation of laws and regulations, and one case regarding data privacy and IT security, were substantiated and led to termination of employment.

The number of reports to the hotline is slightly below the industry benchmark. Employees are generally comfortable about speaking up, but to ensure that the issues that should be reported to the Hotline are in fact reported, we will strengthen our efforts to increase awareness of the Hotline and inform about whistleblower protection.

Governance of the Whistleblower Hotline

The governance of Ambu's Whistleblower Hotline is two-fold. Our Hotline Committee serves as a decision-making secretariat for handling whistleblower reports. All reports generated in the system are forwarded to the Global Risk & Compliance team and then reported to the C-suites, CFO and Audit Committee. This ensures that all whistleblower reports are handled properly and brought to the attention of the appropriate management level.

Protection of human rights and labour rights

Ambu respects the internationally recognised human rights of all people, and we are committed to identifying and addressing any adverse impacts which may result from our own operations or business relationships.

Ambition

Ensure that Ambu is not causing or contributing to any human rights or labour rights violations

Governance

Governed through the Ambu Code of Conduct, the Code of Conduct for Ambu Business Partners and the Labour & Human Rights Policy. Our local employee handbooks translate key messages to our employees, to ensure awareness of - and compliance with - the policies

Our commitment to respecting human rights is anchored in our Ambu Code of Conduct, which, together with our Human & Labour Rights Policy, supports the principles contained within the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights.

In addition to promoting ethical and environmentally sound actions, we recognise the importance of assessing, monitoring and taking action to protect human rights in our own operations, as well as our value chain. Due to the nature of Ambu production and the skills needed to operate, the risk of forced labour and child labour are not considered material within Ambu's direct operations. Ambu is aware that this may be different when it comes to suppliers.

Ambu is committed to the responsible sourcing of conflict minerals in our supply chain, and to complying with applicable requirements

To ensure this, Ambu carries out due diligence processes that include the reviewing of raw materials for potential content of conflict minerals used in our products. Where relevant, CMRT (Conflict Minerals Reporting Template) documentation is provided, and we issue product statements that our raw materials in specific products are not known to be sourced from conflict areas.

Through our Responsible Supplier Program, we track our suppliers' commitment within the scope of our Code of Conduct for Business Partners by monitoring the rate of signage, as the document covers human rights and labour standards, such as prohibition of forced labour and child labour, employee health and safety, etc.

Any individual, either inside or outside of Ambu, can report suspected human rights violations anywhere in the world using the Ambu Whistleblower Hotline.

Targets and progress

This year, we undertook an internal self-assessment of our internal processes, policies and systems to ensure that we live up to all external and internal expectations and regulations concerning human rights and labour standards.

Responsible supplier management

As a multinational company, we believe that we can make a difference in our global supply chain. As part of achieving our sustainability goals, close collaboration with our suppliers is essential to foster the sustainability of our end-to-end supply chain. As Scope 3 emissions cover 95% of our total emissions, Ambu is reliant on our many suppliers in order to achieve our emission reduction goals and approach net-zero emissions.

Therefore, we aim to work with and support suppliers that share our commitment to sustainability and responsible business practices. In addition to signing the Ambu Code of Conduct for Business Partners, our suppliers are subject to risk assessment, as we audit selected suppliers and describe and implement mitigation measures, if applicable and necessary, which are validated together with the supplier. This means that if a potential issue is identified during the due diligence process, Ambu and the supplier will agree and collaborate on the required improvements, rather than simply terminating the collaboration.

Our Responsible Supplier Program, coupled with our Code of Conduct for Business Partners, is developed to ensure that our suppliers not only address quality and cost requirements, but also a wide range of sustainability and integrity considerations, such as business ethics, human rights and labour standards, as well as environmental impact and awareness. Supplier due diligence is conducted on an ongoing basis, with revision and repetition of the exercise every 2-3 years, based on the current risk profile. New suppliers enter the program through the supplier onboarding processes.

Code of Conduct signed by suppliers in scope*	Target	2022/23	2021/22
Rate of signage (%)	98%	93.4	92.3

* Suppliers in scope are all A, B or C suppliers, regardless of spend volume, and D suppliers with a yearly spend above DKK 250,000.

Targets and progress

In 2022/2023, we further strengthened our framework by expanding its scope. This included expansion of self-assessments questionnaires to include a wider range of questions on human rights and labour standards, as well as the environment, energy and climate and anti-corruption.

In 2022/2023, two supplier audits took place, addressing the five key areas of responsible business practices throughout the supply chain. One of the audits had one minor finding regarding health & safety policies and procedures, which has been addressed.

Furthermore, actions to ensure compliance with new and upcoming regulations were implemented, and we are monitoring the pending EU Corporate Sustainability Due Diligence Directive (CSDDD), as well as U.S. measures addressing supply chain compliance, together with other multilateral efforts in relation to economic sanctions in response to concerns about human rights and forced labour. The goal of all these activities is to reduce or eliminate human rights-related risk and ensure supply chain stability, while providing our customers with high-quality products.

The rate of Code of Conduct signage for business partners increased to 93.4% this year. However, as this is below our target of 98%, we continue our efforts to increase the rate of signage.

93%

of suppliers in scope* have signed our Code of Conduct

Ambition

Work with and support suppliers that share our commitment to sustainability and responsible business practices

Governance

Governed through the Ambu Code of Conduct and the Code of Conduct for Ambu Business Partners, as well as the Ambu Global Procurement policy and our Sustainability Engagement Policy

Cybersecurity

Cybersecurity is critical for any company to stay in operation and protect its intellectual property. However, it is also the backbone of safeguarding assets and data related to our daily operations, our business value and the customers we serve.

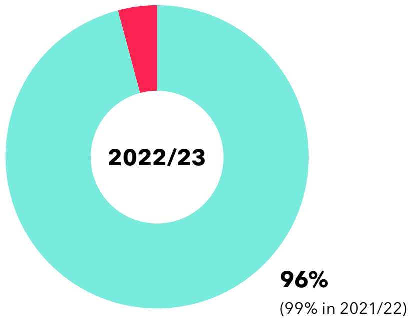
Given the rise in cyber threats, targeting all areas of the healthcare industry, Ambu takes mitigating these threats very seriously and has processes, such as incident response, crisis management, risk and threat assessments and vulnerability scanning in place. These measures are implemented to both ensure we avoid business disruption and to protect our information in the best possible way from being lost, stolen or compromised. This is achieved through established governance, processes and a robust cybersecurity framework embedded throughout the organisation.

Additionally, Ambu continuously improves its measures to monitor and respond to potential data breaches and cyberattacks. Our cybersecurity efforts are aligned with the NIST CSF and ISO 27001/27002 – and build on both technical and organisational measures, including conducting both internal and external security assessments, vulnerability assessments and penetration testing, for our internal IT and for our products serving our customers. We recently launched a new Information Security Policy that sets a clear direction for Ambu and is now subject to implementation, which will further strengthen the security safeguards and controls.

Cybersecurity is a fluid, evolving field – as our digital needs evolve, so do the risks. Therefore, at Ambu, safeguarding critical assets and sensitive data is ensured through our risk-based mitigation of overall cyber-related business risks and vulnerabilities.

All Ambu employees are trained annually in cybersecurity and are regularly provided with alerts and periodic information on important and pertinent topics related to security. This creates a cadence of responsibility throughout the organisation concerning the importance of this topic. We recently conducted several phishing simulations and information campaigns to increase the awareness of cyber threats and the need to be careful and vigilant when interacting and communicating in the digital space.

Cyber security training completion



Targets and progress

All white-collar and indirect blue-collar employees at Ambu must, once a year, complete an online training course in cybersecurity and, in addition, take part in specific campaigns and phishing simulations.

In 2022/23, 96% of our employees completed the online training course in cybersecurity. As this is below our target of 100% completion rate, we are increasing our efforts with regular follow ups and reminder e-mails to ensure all employees complete the training.

Data Ethics

It is Ambu's policy to maintain the highest ethical standards and comply with all applicable data and privacy laws and regulations.

Our work with data ethics is governed by the data ethics policy, as well as internal policies and standard operating procedures.

Please go to Ambu.com/dataethics for more information on our Data Ethics Policy prepared in accordance with the Danish Financial statements Act, section 99d.

Ambition

Maintain a robust cybersecurity framework embedded throughout the organisation

Governance

Governed through Ambu's Information Security Policy, which is the overarching policy for information security and cybersecurity. Our privacy statement further describes how information about individual persons may be collected, used, disclosed, transferred and stored by Ambu

Transparent tax management

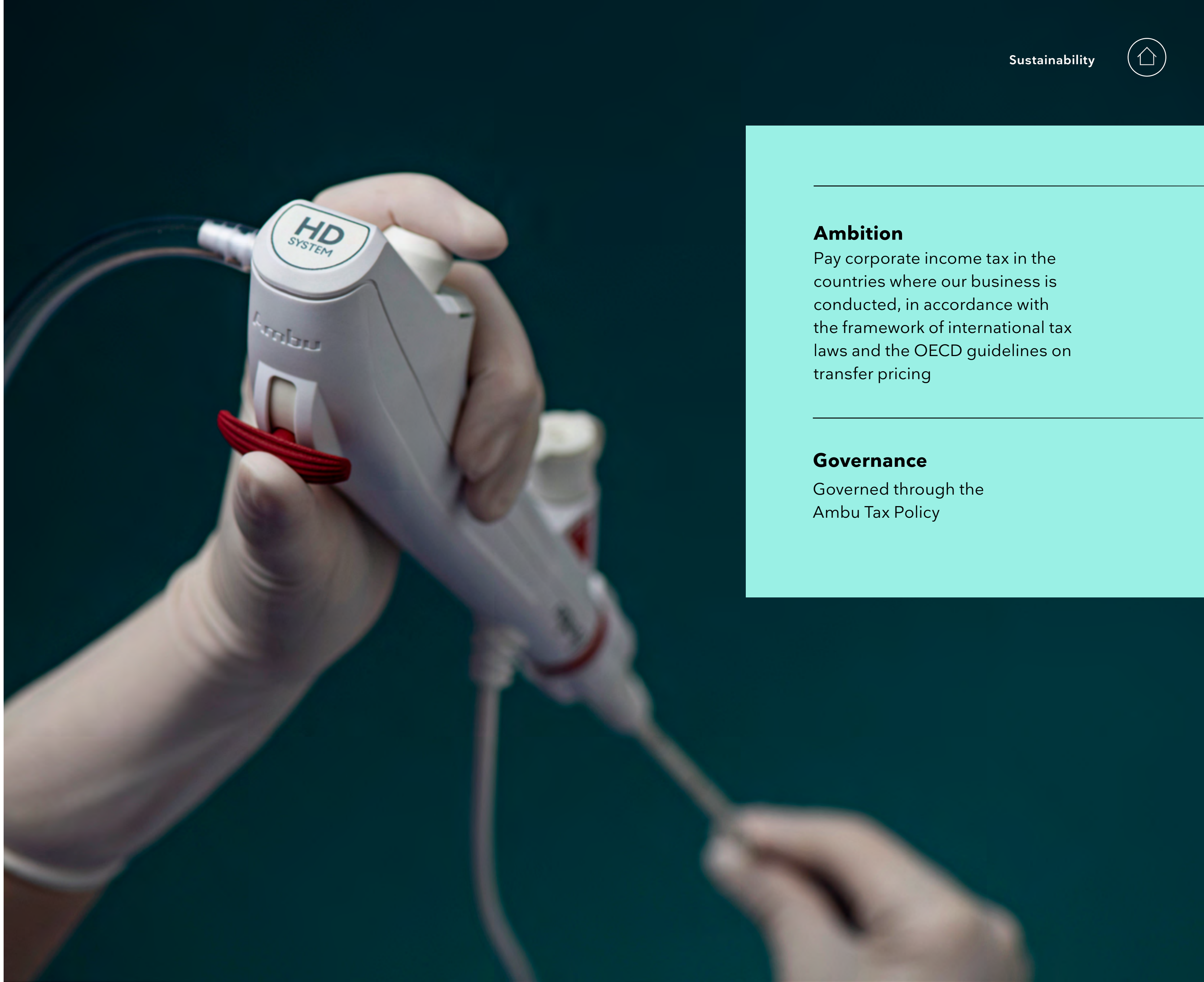
Ambu strives to meet the standard of being a good corporate citizen in all countries in which we operate. Ambu's policy is to have a low tax risk appetite and to refrain from having business in tax havens or low-tax jurisdictions for the purpose of conducting tax optimisation.

Ambu utilises a straightforward transfer pricing system that adheres to the principal structure. In this arrangement, the Parent company earns residual profits, due to its ownership of intangible assets and pays corporate income tax in the countries where it conducts business, adhering to international tax laws and the transfer pricing guidelines outlined by the OECD.

Targets and progress

In 2022/23, Ambu's income tax payment was net DKK 57m, of which DKK 0 was in Denmark. Ambu does not pay income tax in Denmark, due to years of historical net operating losses from high levels of investment, etc.

Please see more about income taxes and deferred taxes in note 2.7 and note 2.8 on p. 130→



Ambition

Pay corporate income tax in the countries where our business is conducted, in accordance with the framework of international tax laws and the OECD guidelines on transfer pricing

Governance

Governed through the Ambu Tax Policy

ESG & SUSTAINABILITY DATA COLLECTION

We continuously strive to develop our ESG & sustainability data collection and reporting, in order to support our business and provide our stakeholders with relevant and transparent ESG & sustainability data.

Business changes impacting ESG & sustainability data

No mergers or acquisitions impacted ESG & sustainability data for the 2022/23 financial year.

Detailing of ESG & sustainability indicators

In order to increase data transparency, we have decided to detail some of our ESG & sustainability indicators.

In 2020/21, we started disclosing our Scope 2 emissions, using both the location-based and market-based approach, according to the dual-reporting requirement for companies operating in markets providing product or supplier-specific data in the form of contractual instruments*. In 2021/22, we started disclosing our market-based emissions when comparing and discussing GHG emission developments within the narrative in the report. We continue to report our location-based emissions in the ESG & sustainability performance tables, to be able to compare actual GHG emission developments with previous years.

New ESG & sustainability indicators

- Employee turnover KPIs have been divided into a more detailed overview, showing total turnover and voluntary turnover at employee type level.

Revised ESG & sustainability indicators

Some numbers from previous financial years have been restated to correct errors and strenghten data quality in previously reported data. If the update has resulted in material changes to the data collection or the numbers, a note to the change and effect is provided.

- Scope 1 emissions for 2021/22 have been restated, as we discovered errors in the data reported for refrigerants. The change has resulted in a decrease in emissions from refrigerants from 988 metric tonnes CO_2e to 456 metric tonnes CO_2e. This has resulted in a decrease in our Scope 1 emissions and impacts all KPIs which include Scope 1 emissions. Affected KPIs are marked with *.

- As from the 2022/23 financial year, waste amounts from headquarters will include electronic waste sent for recycling as part of our partnership with Tier1Asset.

- The sickness absence rate for 2021/22 has been restated, as an error was discovered in the data collected from our sites in Malaysia. The change has resulted in an increase in sickness absence from 2.14 to 2.29 globally.

Discontinued ESG & sustainability indicators

- We are not reporting on Scope 3 emissions for the 2021/22 and 2022/23 financial years. Our Scope 3 emissions will be calculated in the 2023/24 financial year, as part of our commitment to the SBTi.

- We do not include product governance KPIs, as well as a number of whistleblower reports, in the ESG & sustainability performance data table this year. Instead, these data points can be found as part of our communication about the topics on p. 64-69→. The specific indicators are:

- FDA warning letters
- Recalls
- Total number of biosafety and design validation studies
- Total number of animals used in trials with a biosafety purpose initiated
- Completed clinical trials
- Number of reports through our Whistleblower Hotline
  - ... the number of whistleblower reports within scope

* GHG Protocol Scope 2 Guidance, p. 8.

ACCOUNTING PRACTICES

Reporting standards

This report complies with Sections 99a, 99b and 99d of the Danish Financial Statements Act. Key ESG data follows the recommendations in “ESG key figures in annual reporting”, prepared by the Danish Finance Society/CFA Society Denmark, FSR – Danish Auditors and Nasdaq Copenhagen, with assistance from the Centre for ESG Research. Deviations of the standard will be described.

Our materiality assessment, developed on the basis of guidance in the Global Reporting Initiative’s (GRI) Reporting Principles, is used to determine the report's content.

Reporting period

Our reporting period covers our financial year running from 1 October 2022 to 30 September 2023.

Controls

Our Sustainability Reporting Manual is a core element of our annual reporting cycle. It defines the reporting rules, processes and responsibilities for ESG & sustainability reporting at Ambu, including a two-tier control mechanism. Specifically, data owners are requested to ensure the four-eye principle and to include another colleague for control/quality assurance of data. Data owners are also required to provide an explanation for significant developments +/-5% in the data reported.

Reporting scope

Unless otherwise stated, the data and reporting included in the ESG & sustainability performance tables cover the entire Ambu organisation. Specifically, the scope of ESG data covers our four production sites, headquarters, offices and warehouses owned or controlled by Ambu. It also covers all company cars owned or leased by Ambu. On 19 September 2023, Ambu opened a new R&D office in Penang. Consumption of electricity, water and waste will not be accounted for in the 2022/23 financial year.

Recalculation

In connection with our submission to SBTi, we have formulated a policy for recalculating the base year in alignment with criteria 26 and criteria 27 of the SBTi-criteria v.5.1.

Recalculation of the base year is thus triggered, if significant changes in company structure occur, such as acquisition, divestments, etc. Recalculation is also triggered if data sources or calculation methodologies are updated, resulting in significant changes. This might be improving data quality by using physical units instead of monetary units, as a basis for calculating emissions, or the discovery of significant errors.

This year, we have improved our methodology for GHG emissions calculations, as we have standardised emission factors for Scope 2, using higher values derived from IEA, where available. This means that our GHG emissions cannot be directly compared to previous years, as the data are a result of different methodologies. We have decided not to recalculate our Scope 2 emissions from previous years during this financial year, as the overall impact to the sustainability section and the annual report as a whole is immaterial. We expect to change our baseline year and perform restatements as part of our commitment to the SBTi once our science-based target is approved.

Environmental indicators

Greenhouse gas emissions (CO_2e)

Besides accounting for CO_2 emissions, we also include other greenhouse gas emissions. GHG emissions are disclosed in line with the guidelines of the Greenhouse Gas Protocol.

Consumption of fuel and electricity by our four production sites and headquarters are based on actual consumption or purchase. Consumption of fuel and electricity by warehouses, sales offices and related company cars are based on estimated data, due to non-accessible data.

Scope 1 covers direct GHG emissions from sources that are controlled by the company. Ambu has the following sources of Scope 1 emissions:

- Consumption of natural gas and LPG.
- Consumption of fuels, both at production sites and in company cars. As it is not possible to collect complete fuel or driving data for our company cars used by our sales force, emissions are calculated using a standardised yearly driving distance and emissions from an average car.
- Refilling of refrigerants from air conditioning and ventilation units.

Scope 2 covers indirect GHG emissions from the generation of electricity and heat, including reneable energy. The GHG emissions physically occur at the facility where the electricity or heat is generated. As from 2020/21, Ambu discloses Scope 2 emissions according to both the market- and location-based method.

Consumption of electricity used at our sales offices and warehouses is based on standardised number of kWh per m^2.

Carbon intensity metrics (CO_2e per manufactured product and CO_2e per unit of revenue) are calculated using total emissions (Scope 1 + 2) divided by the total metric tonnes of manufactured products or DKKm revenue, respectively. Tonnes of manufactured products include packaging and are based on the number and weight of products produced at our factories. Intercompany parts and products are excluded to avoid double-counting manufactured products. Data is extracted from local ERP systems. Revenue is defined as per Note 2.2 on p. 127→.

Conversion factors are reviewed annually prior to our Sustainability disclosure, to ensure that below mentioned factors we use are up to date. Energy and refrigerant consumption are converted to CO_2e emissions using conversion factors, where applicable. For Scope 1 emissions, emission factors from acknowledged sources are used, such as US EPA and DEFRA. All location-based Scope 2 emissions sources are converted with IEA emission factors, except in DK, as we have activity sources. For market-based Scope 2, emission factors from acknowledged sources are used, such as AIB and local sources. If data for residual mix is not available, IEA location-based emission factors are applied.

As we further improve and standardise our methodology for capturing our GHG emissions, we have adopted the conversion factors from IEA to calculate our Scope 2 emissions from 2022/23 and onwards. Previous years apply a mix of different emission factors. Ambu is dedicated to reporting emissions from all greenhouse gases present in our operations, including carbon dioxide, methane and nitrous oxide. Due to the presence of multiple gases, we seek to use conversion factors displayed in CO_2e. To convert from CO_2 to CO_2e, IPCC Sixth Assessment Report's global warming potentials are used.

Total energy consumption is summarised in GJ. Conversion of units to GJ is based on factors presented by the GHG protocol cross sector tool, DEFRA conversion factors and other recognised sources.

Renewable energy is generated by solar panels installed at our headquarters and at our Penang production site. The renewable energy volume from our headquarters is based on a performance calculation, while it is based on invoices in Penang. We purchase Renewable Energy Certificates. Renewable energy share is the share of renewable energy from solar panels and RECs of all energy used. Renewable electricity share is the share of renewable electricity from solar panels and RECs of all electricity used.

In 2022/23, we purchased RECs, covering 100% of our electricity consumption at our site in Xiamen, for which we have obtained invoices and certificates for our RECs, as well as cancellation proof. For our RECs, corresponding to 1,174 MWh in Penang in 2022/23, we have obtained a signed purchase agreement (12.5% of our total purchase of RECs), but have not yet received neither invoice, certificates for our RECs, nor cancellation proof. We expect to have obtained certificates and cancellation proof for our RECs in Penang by January 2024.

Water consumption is the sum of all water consumed. The sum of all water drawn into the boundaries of the company from all sources, including surface water, groundwater, rainwater and any municipal water supply. Water consumption is based on meter readings and invoices from our four production sites and headquarters. Water consumption from Ambu's sales offices is estimated on the basis of employee headcount, using a standard derived from water consumption per employee at our headquarters.

Waste is defined as what is left when production or consumption ends. It is material that must be disposed of, so that it does not accumulate to become a nuisance. Waste data are based on invoices from waste collectors and divided into total volumes of waste and the various waste treatment methods. Hazardous waste, as defined in the European Waste Directive, is disclosed as a percentage of the total waste amount. Waste generation from Ambu's sales offices is estimated based on employee headcount, using a standard derived from waste generated per employee at our headquarters.

Waste recycled (%) is calculated by dividing the recycled waste amount by the total waste amount.

Hazardous waste (%) is calculated by dividing the hazardous waste amount by the total waste amount.

Social indicators

Gender diversity (%) includes temporary and permanent employees (based on full-time equivalents – FTE) with an Ambu contract. People without an Ambu contract, e.g., interns, consultants and externally-hired temps, are excluded. Gender diversity is calculated by comparing the number of women at year-end and at different management levels (among white-collar employees, all managers in Ambu, within the Executive Leadership Team and on the Board of Directors). Women in management includes leaders at a managerial job level, with direct reports. The gender diversity of members of the Board, elected by the Annual General Meeting (AGM), does not include employee-elected members. Gender denotations, currently available from the system provider in the global employee system, are Female, Male, Unknown, Undeclared and Others. Genders are self-declared.

Employee turnover rate (%) includes temporary and permanent employees (based on full-time equivalents – FTE) with an Ambu contract. People without an Ambu contract, e.g., interns, consultants and externally-hired temps, are excluded. The turnover rate only includes employees with an Ambu contract, who have been employed for seven days or more. It is calculated by comparing the total number of voluntary and non-voluntary leavers (retirees and terminations due to abscondment are considered voluntary leavers) with the number of Ambu employees at year-end. Blue-collar employees are reported as headcount, white-collar and indirect blue-collar as FTEs. Indirect blue collars are employees with positions that support the production.

Sickness absence rate (%) includes all employees with an Ambu contract, except in Noblesville, where data does not include 63 white-collar employees. It compares the total number of sickness days reported with the total number of working days in the year (excluding planned leave). Working days for our white-collar and indirect blue-collar employees are based on national averages or derived from contractual agreements on the working hours/week. For our blue-collar employees, we use actual working days registered on-site. In 2019/20 and 2020/21, sickness absence data for our production site in Malaysia included externally-hired workers. In 2022/23, hospitalisation is included in sickness absence for Malaysia, resulting in a restatement of our 2021/22 data. Sickness absence for our 12 employees in Sweden, Norway and Finland is not captured.

Lost-Time Injury Frequency (LTIF) includes all employees at our production sites, including employees with an Ambu contract and externally-hired employees without an Ambu contract. The data from our office locations solely include employees with an Ambu contract. It is calculated as the reported number of accidents with lost time per million hours worked. A lost time injury is an accident resulting in more than eight hours of absence from work, in connection with the accident. Our production sites in China, Malaysia, the USA and Mexico report actual working hours. Our headquarters in Ballerup, as well as our warehouse and office locations, use an estimate based on national averages or contractual agreements (e.g., 37 hours/week). In 2019/20 and 2020/21, data from our production site in China only included employees with an Ambu contract. Safety data for our 12 employees in Sweden, Norway and Finland is not captured.

Fatalities is the sum of fatalities reported at our four production sites in China, Malaysia, the USA and Mexico and our headquarters, as well as our warehouse and office locations.

Governance indicators

GDPR training (%) is calculated by comparing the number of employees who have completed training in GDPR, with the number of employees in scope. Employees in scope are all white-collar employees in Europe.

Code of Conduct training (%) is calculated by comparing the number of employees who have completed training in our Code of Conduct, with the number of employees in scope. Employees in scope are white-collar and indirect blue-collar employees.

Cybersecurity training (%) is calculated by comparing the number of employees who have completed training in cybersecurity, with the number of employees in scope. Employees in scope are white-collar and indirect blue-collar employees.

FINANCIAL PERFORMANCE

BUSINESS PERFORMANCE

For the 2022/23 financial year, Ambu reported 7.6% organic revenue growth. This was driven by Endoscope Solutions posting 15% organic growth, the main drivers being urology and ENT posting high double-digit organic growth. Also, the pulmonology segment contributed positively, due to a strengthened offering. In gastroenterology (GI), our commercial focus revolved around on our gastroscope solution. Gastroscopy represents a new therapy area for Ambu, and so, the revenue impact in GI remained limited for the year, as we are building new relationships and focus on niche procedures.

The organic growth in Endoscopy Solutions was offset by our Anaesthesia and Patient Monitoring businesses, which, combined, declined by 1% organically, affected by high comparables in the 2021/22 financial year.

Business areas

	Revenue			Composition of growth		
	2022/23	Split	2021/22	Organic	Currency	Reported
Endoscopy Solutions	2,687	56%	2,324	15%	1%	16%
Anaesthesia	1,093	23%	1,126	-2%	-1%	-3%
Patient Monitoring	995	21%	994	1%	-1%	0%
Total	**4,775**	**100%**	**4,444**	**8%**	**-1%**	**7%**

Markets

	Revenue			Composition of growth		
	2022/23	Split	2021/22	Organic	Currency	Reported
North America	2,424	51%	2,140	12%	1%	13%
Europe	1,863	39%	1,825	3%	-1%	2%
Rest of World	488	10%	479	5%	-3%	2%
Total	**4,775**	**100%**	**4,444**	**8%**	**-1%**	**7%**

PERFORMANCE OF ENDOSCOPY SOLUTIONS

In 2022/23, Endoscopy Solutions continued to be Ambu's biggest revenue contributor, accounting for 56% (52%) of the total revenue. Revenue grew organically by 15% (1%), while reported revenue growth ended at 16% (7%). Organic revenue growth was 23% (17%) in North America, 5% (-7%) in Europe and 18% (-24%) in Rest of World.

Drivers of the year

Endoscopy Solutions excluding pulmonology posted 38% organic revenue growth, accounting for 45% of the total endoscopy revenue. The biggest revenue growth contributors were ENT and urology, featuring high double-digit revenue growth throughout the year, with an increased pace in uptake of orders and new customers in all regions.

Ear-nose-throat (ENT) was driven by FEES procedures, especially in North America. Our rhinolaryngoscope was approved for FEES procedures last year, and combined with the workflow efficiencies that our single-use rhinolaryngoscope brings, FEES are typically associated with much higher reimbursement from health systems, making these key drivers for the segment's adoption of single-use.

Urology continued its double-digit organic growth trajectory, with an increased penetration of existing and new customers, especially in North America. Urologists value the workflow efficiencies brought forth by our cystoscopy solution, supporting the continued conversion towards single-use.

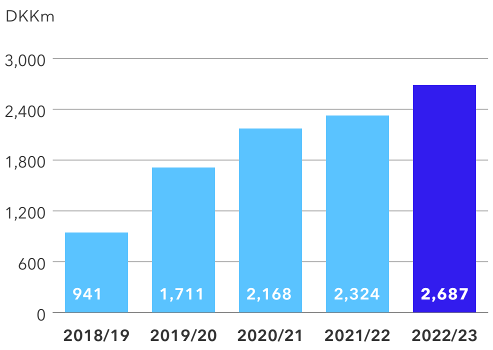
Gastroenterology (GI) sales remained modest and were mainly driven by our Ambu® aScope™ Gastro solution. In Q3 2021/22, we launched our gastroscope solution, and looking ahead, we expect this solution to have a gradual uptake, as this therapy area represents a new high-complexity area for Ambu. In 2022/23, the solution was complemented by the new larger-version gastroscope, Ambu® aScope™ Gastro Large, and we continue to apply a step-wise approach in gastroscopy overall, to meet distinct customer needs.

For the Ambu® aScope™ Duodeno 1.5 and Ambu® aScope™ Colon solutions - of which the latter obtained FDA regulatory clearance in 2022/23 - we will apply a limited commercial focus, and, as such, we expect a very limited revenue contribution. For our colonoscopy solution, we have begun an initial market test approach in a few dedicated U.S. centres, to evaluate clinical performance, and for our second-generation duodenoscopy solution, we focus our efforts on developing a solution that meets the high-performance demands within the ERCP area.

As a whole, the GI segment represents a great potential for Ambu, and while we are highly committed to this segment, we are similarly dedicated to applying a focused and niche-based approach - one that is based on targeting high customer needs and specific procedures, enabling us to gradually expand our footprint over time.

Pulmonology posted 2% organic revenue growth, accounting for 55% of our total endoscopy revenue. The pulmonology business was mainly impacted by high comparables in the first half of the financial year, due to Covid-19, the recall of VivaSight™ 2 DLT and increased competition in the U.S. However, with significant upgrades to our pulmonology portfolio this year, and a strong pipeline, we remain confident about our ability to defend our position as the market leader, supporting future growth.

Reported Endoscopy Solutions revenue, (DKKm)



Endoscopy Solutions organic revenue growth

15%

Within our pulmonology offering, three strong factors came into play this year in our focus to strengthen our position. Firstly, we re-launched Ambu® VivaSight™ 2 DLT in March, after a voluntarily recall in Q3 2021/22. The solution has now re-entered the market, with the issue fully resolved and at Ambu's signature high quality.

Secondly, we launched our next-generation Ambu ® aView™ 2 Advance endoscopy system globally, following the CE mark in November 2022 and FDA regulatory clearance in June 2023. As such, the commercial launch is now in effect in all major markets, allowing customers across the world to apply a lightweight and portable endoscopy system that is compatible with Ambu's current and future endoscopes within pulmonology, urology and ENT.

Thirdly, we launched our two smaller-sized fifth-generation bronchoscopes globally, following the CE mark in March 2023 and the FDA clearance in August 2023. With that, our fifth-generation bronchoscope portfolio is now complete, and our global commercial launch across North America, Europe, Australia and Japan is thus ongoing.

Our Ambu® aScope™ 5 Broncho solution continues to demonstrate excellent performance compared to reusable bronchoscopes, with an increasing number of new and re-buying customers. The uptake continues to progress gradually, as the bronchoscopy suite represents a new customer group for Ambu, in line with previous new-segment launches. Revenue from our new launches is expected to grow over time, as we are taking the time needed to build strong relationships within customer groups not previously addressed - committed to driving an impactful transition towards single-use.

				Composition of growth		
(DKKm)	2022/23	Split	2021/22	Organic	Currency	Reported
North America	1,416	53%	1,124	23%	3%	26%
Europe	1,051	39%	1,005	5%	0%	5%
Rest of World	220	8%	195	18%	-5%	13%
Total	**2,687**	**100%**	**2,324**	**15%**	**1%**	**16%**

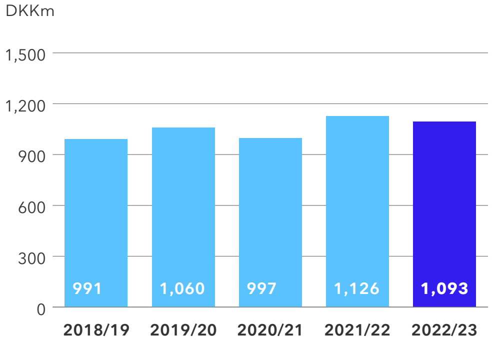
				Composition of growth		
(DKKm)	2022/23	Split	2021/22	Organic	Currency	Reported
Pulmonology	1,487	55%	1,447	2%	1%	3%
Endoscopy Solutions ex. pulmonology	1,200	45%	877	38%	-1%	37%
Total	**2,687**	**100%**	**2,324**	**15%**	**1%**	**16%**

PERFORMANCE IN ANAESTHESIA

The Anaesthesia business accounted for 23% (25%) of our total revenue in 2022/23. Revenue in Anaesthesia grew organically by -2% (5%), while reported revenue growth ended at -3% (13%). Organic revenue growth was -1% (1%) in North America, 2% (13%) in Europe and -13% (11%) in Rest of World.

The Anaesthesia business is starting to benefit from a general recovery in the hospital market in both North America and Europe, however, offset by high comparables, due to backlog reduction, combined with stockpiling last year. Generally, tenders are being issued at a bigger scale post-Covid-19, due to improved access to hospitals and limited waiting lists. For the Rest of World region, Ambu was impacted by phasing-in of the company's distributor markets.

Reported Anaesthesia revenue, (DKKm)



(DKKm)	2022/23	Split	2021/22	Composition of growth Organic	Currency	Reported
North America	701	64%	710	-1%	0%	-1%
Europe	246	23%	242	2%	-1%	1%
Rest of World	146	13%	174	-13%	-3%	-16%
Total	**1,093**	**100%**	**1,126**	**-2%**	**-1%**	**-3%**

Anaesthesia organic revenue growth

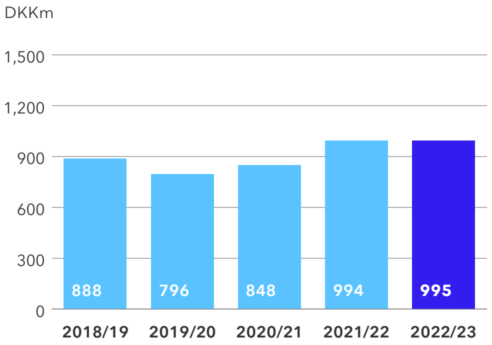
-2%

PERFORMANCE IN PATIENT MONITORING

Patient Monitoring accounted for 21% (23%) of the total revenue in 2022/23. Revenue in Patient Monitoring grew organically by 1% (13%), while reported revenue growth ended at 0% (17%). Organic revenue growth was 1% (17%) in North America, -1% (13%) in Europe and 10% (2%) in Rest of World.

As in the case of Anaesthesia, our Patient Monitoring business was driven by a general recovery of the hospital market in both North America and Europe, offset by a reduction of backlog, due to stockpiling last year.

Reported Patient Monitoring revenue, (DKKm)



(DKKm)	2022/23	Split	2021/22	Composition of growth: Organic	Currency	Reported
North America	307	31%	304	1%	0%	1%
Europe	566	57%	578	-1%	-1%	-2%
Rest of World	122	12%	112	10%	-1%	9%
Total	**995**	**100%**	**994**	**1%**	**-1%**	**0%**

Primary statements:

INCOME, CASH FLOW, BALANCE SHEET AND EQUITY

INCOME STATEMENT

(DKKm)	2022/23	2021/22	Change in value	Change %
Revenue	4,775	4,444	331	7%
Production costs	-2,062	-1,890	-172	9%
Gross profit	**2,713**	**2,554**	**159**	**6%**
Gross margin, %	*56.8*	*57.5*		
Selling and distribution	-1,522	-1,634	112	-7%
Development	-295	-281	-14	5%
Management and administrative	-594	-517	-77	15%
Total OPEX	*-2,411*	*-2,432*	*21*	*-1%*
EBIT before special items	**302**	**122**	**180**	**148%**
EBIT margin before special items, %	*6.3*	*2.7*		
Special items	-8	-148	140	
EBIT	**294**	**-26**	**320**	
Net financials	-84	135		
Profit before tax for the year	**210**	**109**		
Tax on profit for the year	-42	-16		
Net profit for the year	**168**	**93**		

Revenue for the year was DKK 4,775m, up DKK 331m from last year, representing a 7% (11%) reported growth.

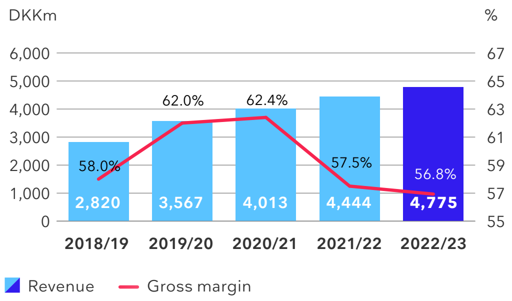
Organic growth was 8% (4%). The organic revenue growth was driven by positive volume and mix effects, while net price increases contributed to two percentage points of the growth.

Gross profit was DKK 2,713m (DKK 2,554m), up DKK 159m, compared to last year.

The gross margin declined by 0.7 percentage points to 56.8% (57.5%). The positive sales mix effect, driven by higher-margin products in Endoscopy Solutions, was significantly offset by inflationary effects on Ambu's input prices and overheads from scaling up the factory in Mexico.

Production costs increased by DKK 172m, compared to last year, including currency effects, as production costs are predominantly settled in USD, MYR and CNY. The USD appreciated 2%, while MYR and CNY depreciated -3% and -6%, respectively, versus DKK, compared to last year.

Revenue (DKKm) and Gross margin (%)



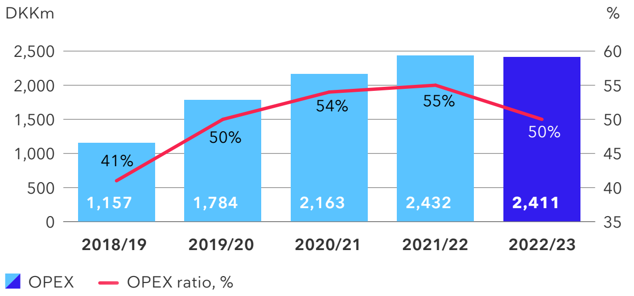
Primary statements:

INCOME, CASH FLOW, BALANCE SHEET AND EQUITY

OPEX totalled DKK 2,411m (DKK 2,432m), down DKK -21m, or -1% since last year. The reported cost decline was mainly due to lower staff costs of DKK -74m and warehouse-to-warehouse freight expenses of DKK -43m, partially offset by a decrease in absorbed staff costs for internal investment projects of DKK 46m and higher depreciation, amortisation and impairment losses (DA) of DKK 30m. Currency effects had a negligible impact.

The OPEX ratio was 50% (55%).

Total OPEX (DKKm) and OPEX ratio to revenue (%)



Selling and distribution costs were DKK 1,522m (DKK 1,634m), down by DKK 112m, or -7%, from last year. Selling costs, including marketing activities, decreased by DKK 68m, primarily due to lower staff costs from the full-year effect of the restructuring announced in August 2022.

Distribution costs decreased by DKK 44m, mainly due to significantly lower air freight expenses, compared to last year, with modest savings from reduced freight rates.

Global container freight rates significantly decreased during the year, compared to previous years. However, these lower freight rates did not have an effect until the second half of the financial year, as a result of high regional inventories at the beginning of the year.

Development costs totalled DKK 295m (DKK 281m), corresponding to a 5% increase, or DKK 14m, of which DA accounted for DKK 38m.

Since 2020/21, cash flow allocated to R&D activities has been reduced by 39%, from DKK 562m to DKK 343m. The reduction aligns with our ZOOM IN strategy of driving a disciplined capital allocation.

Cash flow impact of development costs, 3 years

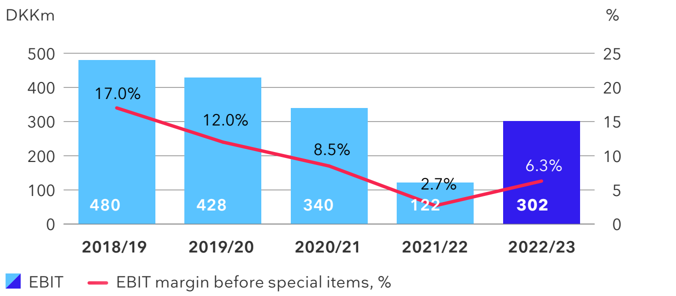
DKKm	22/23	21/22	20/21
Development costs	295	281	225
- Depreciation, amortisation and impairment losses	-188	-150	-109
+ Investments	236	414	446
= Cash flow, R&D	**343**	**545**	**562**

Management and administrative costs were DKK 594m (DKK 517m), corresponding to an increase of DKK 77m. Approximately half of the increase was driven by additional staff costs, including higher incentives achieved this year, compared to a challenging 2021/22, as well as increasing IT expenses.

Operating profit (EBIT) before special items was DKK 302m (DKK 122m), with an EBIT margin before special items of 6.3% (2.7%).

The improved EBIT margin before special items, which saw a 3.6 percentage point increase, compared to last year, can be attributed to the value expansion resulting from a 7% growth in reported revenue. Additionally, the scale effect, coupled with largely unchanged OPEX costs from last year, contributed to a 5 percentage point reduction in the OPEX ratio.

EBIT before special items (DKKm) and EBIT margin before special items (%)



Primary statements:

INCOME, CASH FLOW, BALANCE SHEET AND EQUITY

Special items amounted to a net expense of DKK -8m (DKK -148m), related to different items and events that are non-routine in nature:

- Impairment of DKK -16m pertained to an intangible asset associated with a manufacturing right, and a separate impairment of DKK -2m (DKK -50m) was related to in-progress development projects.
- Severance costs of DKK -9m (DKK -50m) was associated with a refocusing of R&D, initiated in August 2022 and concluded in 2022/23. The reorganisation announced in 2021/22 involved the global Ambu workforce.
- Income of DKK 19m (DKK 15m) pertained to remeasuring the deferred purchase price of a historical technology acquisition in Anaesthesia.

Operating profit (EBIT) was DKK 294m (DKK -26m), with an EBIT margin of 6.2% (-0.6%).

Depreciation, amortisation and impairment losses (DA) were DKK 348m (DKK 351m), of which DKK 18m (DKK 50m) stems from allocation to special items. DA corresponded to 7% (8%) of revenue. The increase over last year, before special items of DKK 29m, was driven by development projects.

EBITDA before special items was DKK 632m (DKK 423m), with an EBITDA margin before special items of 13.2% (9.5%).

EBITDA was DKK 642m (DKK 325m), DKK 10m higher than EBITDA before special items due to net income in special items.

Net financials amounted to an expense of DKK -84m (income of DKK 135m). Adjusted for last year's fair value adjustment of contingent consideration, totalling DKK 137m, net financials were increased by DKK -86m over last year.

The increase was driven by a DKK 44m increase in foreign exchange losses, realised primarily in the first half of the year from USD-denominated intercompany receivables in the Parent company, which funded high inventories in the USA at that time. Additionally, interest expenses from banks amounted to DKK 42m (DKK 16m). This increase was due to a general increase in market rates, compared to last year.

Tax on the profit for the year totalled an expense of DKK 42m (DKK 16m), corresponding to an average effective tax rate on the profit of 20% (15%).

Net profit was DKK 168m (DKK 93m).

Diluted earnings per share (EPS-D) were DKK 0.64 (DKK 0.37) for the year.

Primary statements:

INCOME, CASH FLOW, BALANCE SHEET AND EQUITY

CASH FLOW STATEMENT

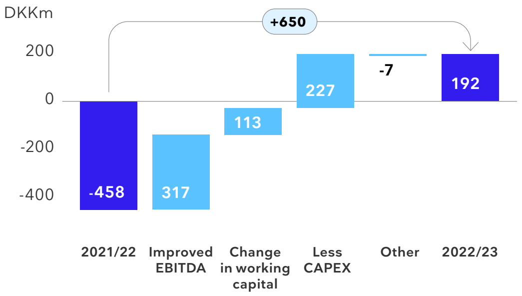
(DKKm)	2022/23	2021/22	Change in value
Cash flow from operating activities (CFFO)	518	95	423
Cash flow from investing activities before acquisitions (CFFI)	-326	-553	227
Free cash flow before acquisitions (FCF)	**192**	**-458**	**650**
Acquisitions of enterprises and technology	-	-5	5
Cash flow from financing activities (CFFF)	-222	586	-808
Changes in cash and cash equivalents	**-30**	**123**	**-153**
Cash flow in % of revenue:			
Cash flow from operating activities (CFFO)	11	2	-
Investments (CFFI)	-7	-12	-
Free cash flow before acquisitions (FCF)	4	-10	-

Cash flow from operating activities (CFFO) amounted to DKK 518m (DKK 95m), up DKK 423m, compared to the previous year. The increase was mainly driven by the improved EBITDA of DKK 317m over last year, and less investments into working capital. CFFO corresponded to 11% (2%) of revenue.

Cash flow from investing activities before acquisitions totalled DKK 326m (DKK 553m), corresponding to -7% (-12%) of revenue. The decrease was attributable to a lower level of investments in development projects and production capacities, in line with the ZOOM IN strategy.

Free cash flow before acquisition of enterprises and technology totalled DKK 192m (DKK -458m), up DKK 650m from last year, corresponding to 4% of revenue (-10%).

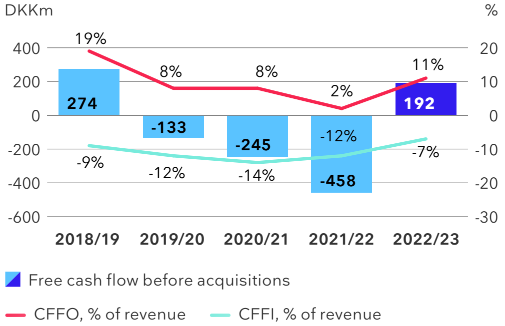
Main components driving the improved free cash flow before acquisitions



Cash flow from acquisitions of enterprises and technology totalled DKK 0m (DKK -5m).

Cash flow from financing activities amounted to DKK -222m (DKK 586m), primarily due to repayment of borrowings of DKK 1,250m, stemming from March 2023 in connection with the capital increase of net DKK 1,077m. Changes in cash and cash equivalents subsequently came to DKK -30m (DKK 123m).

Free cash flow before acquisitions



Primary statements:

INCOME, CASH FLOW, BALANCE SHEET AND EQUITY

BALANCE SHEET

Balance sheet condensed by main items

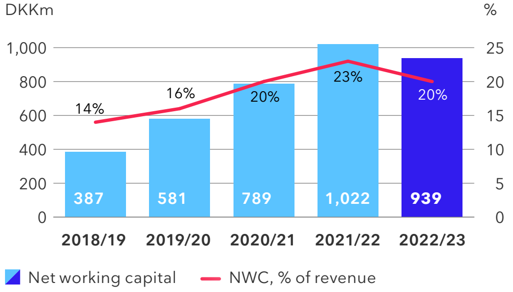
(DKKm)	2022/23	2021/22	Change
Non-current assets	4,851	4,911	-60
Inventories	907	1,222	-315
Trade receivables	766	747	19
Other current assets	178	148	30
Cash and cash equivalents	157	187	-30
Total assets	**6,859**	**7,215**	**-356**
Equity	5,393	4,261	1,132
Interest-bearing debt	584	1,845	-1,261
Trade and other payables	851	1,061	-210
Other liabilities	31	48	-17
Total equity and liabilities	**6,859**	**7,215**	**-356**

Total assets were DKK 6,859m (DKK 7,215m), and **invested capital** was DKK 5,820m (DKK 5,919), resulting in a ROIC of 4% (2%).

Non-current assets were DKK 4,851m (DKK 4,911m), down DKK -60m since last year, the decrease is driven by depreciation, amortisation and impairment losses of DKK 348m (DKK 351m) and currency effects of DKK 93m (increase of DKK 240m), offset by investments of DKK 326m (DKK 553m) and commenced leases of DKK 48m (DKK.332m)

Net working capital (NWC) was DKK 939m (DKK 1,022m), corresponding to a decrease of DKK 83m. NWC relative to revenue was 20% (23%), driven by the net effect of reduced inventories and trade payables.

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



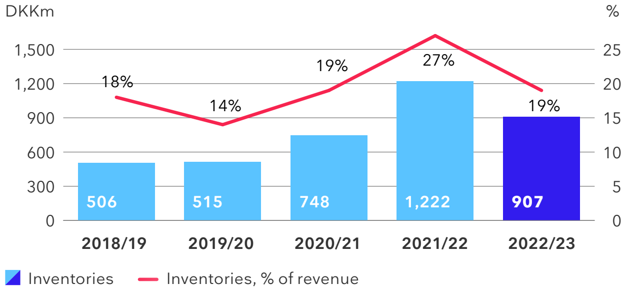
Primary statements:

INCOME, CASH FLOW, BALANCE SHEET AND EQUITY

Inventories were DKK 907m (DKK 1,222m) at year-end, equivalent to 19% (27%) of revenue.

Inventories were down DKK 315m since last year. During 2022/23, we have worked together with our strategic sourcing partners to reduce excess inventories. This included scaling down production output, primarily at the beginning of the year.

Inventories (DKKm) and relative to revenue, %



Trade receivables totalled DKK 766m (DKK 747m), corresponding to 16% (17%) of revenue.

Losses on bad debtors, including in OPEX, were equivalent to 0.1% of revenue. The financial risk on trade receivables remain low, unchanged from last year.

Trade and other payables totalled DKK 851m (DKK 1,061m), corresponding to 20% (24%) of revenue. The decrease of DKK 210m over last year stems mainly from lower trade payables from raw materials and components.

Other liabilities were DKK 31m (DKK 48m) and included deferred taxes and provisions.

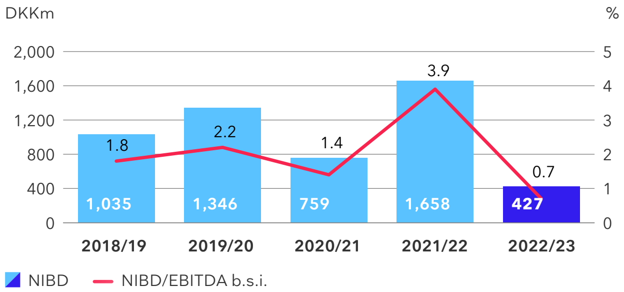
Net interest-bearing debt and gearing
Cash and cash equivalents amounted to DKK 157m (DKK 187m). Interest-bearing debt comprised credit institutions at DKK 0m (DKK 1,250m) and leases at DKK 584m (DKK 516m).

Net interest-bearing debt (NIBD) totalled DKK 427m, representing a reduction of DKK 1,231m from last year's DKK 1,658m, corresponding to 0.7 (3.9) of EBITDA before special items. The reduction in NIBD since last year is due to the capital raise of DKK 1,077m and positive free cash flow of DKK 192m.

Capital resources in place
At the end of September 2023, Ambu maintained total committed credit lines, with a duration of almost three years at DKK 1,800m (DKK 1,800m), of which DKK 0m (DKK 1,250m) has been utilised.

On this basis, at the end of 2022/23, Ambu had unutilised capital resources from overdraft facilities, credit lines, and cash and cash equivalents of DKK ~2.1bn (DKK 0.8bn).

Net interest-bearing debt (NIBD) and gearing (NIBD/EBITDA b.s.i.)



Primary statements:

INCOME, CASH FLOW, BALANCE SHEET AND EQUITY

EQUITY STATEMENT

At the end of September 2023, equity totalled DKK 5,393m (DKK 4,261m), corresponding to an equity ratio of 79% (59%) of total assets. The share capital was DKK 135m (DKK 129m), distributed on 269.3m (257.7m) shares.

Other comprehensive income

Other comprehensive income included a translation adjustment arising from the translation of subsidiaries in foreign currency of DKK -168m (DKK 273m).

The reduction was mainly driven by the depreciating USD/DKK since FY 2021/22.

Other equity

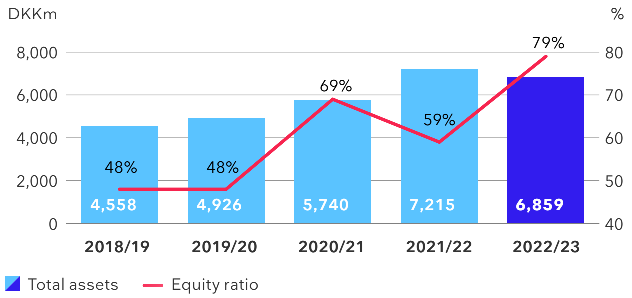
In March 2023, to strengthen Ambu's capital structure against uncertain market and macro risks, Ambu raised net DKK 1,077m, through a directed issue of new B shares and by selling existing treasury shares.

During 2022/23, Ambu employees had exercised a total of 315,000 stock options in Ambu A/S, at a total of DKK 14m.

Ambu's holding of Class B treasury shares has, since the 2021/22 financial year, been reduced by 650,000 shares to 2,993,000 by September 2023, corresponding to 1.1% (1.4%) of the total share capital.

At the Annual General Meeting, held on 14 December 2022, a proposal to not distribute dividend was adopted, and ordinary dividend to the shareholders was consequently DKK 0m (DKK 75m).

Total assets (DKKm) and equity ratio (%)



FOLLOW-UP ON ANNOUNCED OUTLOOK

Relative to the realised results in 2021/22

During the financial year 2022/23, Ambu adjusted the outlook for organic revenue growth and EBIT margin before special items on two occasions in total.

Firstly, in July 2023, we raised our guidance for the EBIT margin before special items to 5-6% from 3-5%, due to a better-than-expected gross margin, based on product mix and lower distribution costs.

Secondly, in August 2023, we slightly narrowed our organic revenue growth guidance to 6-8% from 5-8%, based on our performance in Q3 and the first two months of Q4.

In October 2023, Ambu released preliminary financial results for the full 2022/23 financial year. Organic revenue growth ended at 7.6%, driven by our Endoscopy Solutions business. EBIT margin before special items ended at 6.3%, above guidance, as a result of the scale in OPEX and product mix.

OUTLOOK EXPECTATIONS 2022/23

Local currencies

(DKKm)	Realised	9 Oct 2023	31 Aug 2023	10 July 2023	15 Nov 2022
Organic growth	7.6%	7.6%	6-8%	5-8%	5-8%

Danish kroner

(DKKm)	Realised	9 Oct 2023	31 Aug 2023	10 July 2023	15 Nov 2022
EBIT margin before special items	6.3%	6.3%	5-6%	5-6%	3-5%

Q4 QUARTERLY RESULTS

In Q4 2022/23, Ambu posted organic revenue growth of 14% (4%), driven by our Endoscopy Solutions business. Reported revenue came in at DKK 1,259m for the quarter.

Endoscopy Solutions increased by 25% organically, the main growth drivers being urology and ENT (ear-nose-throat). These two segments posted organic double-digit growth, reflecting a strong resonance of single-use benefits, such as availability and workflow efficiency.

Endoscopy Solutions accounted for 57% (52%) of Ambu's total revenue. Regionally, Q4 organic Endoscopy Solutions growth was 32% (8%) in North America, 16% (18%) in Europe and 25% (-45%) in Rest of World.

Anaesthesia and Patient Monitoring posted an organic growth of 7% (0%) and -3% (10%), respectively. These business areas were positively affected by a general recovery of the hospital market, though influenced by high comparables in the fourth quarter of the previous financial year. Total revenue in Anaesthesia was DKK 285m and accounted for 23% (25%) of Ambu's total revenue in the quarter. Similarly, total revenue in Patient Monitoring was DKK 251m and accounted for 20% (23%) of the total revenue across all businesses in Q4.

Revenue totalled DKK 1,259m (DKK 1,163m), corresponding to a reported growth of 8% (13%). Adjusted for currency effects, the underlying organic growth was 14% (4%).

Gross profit was DKK 715m (DKK 644m), corresponding to a margin of 56.8% (55.4%).

Total OPEX was DKK 618m (DKK 651m), with an OPEX to revenue ratio of 49.1% (56.0%).

EBIT before special items was DKK 97m (DKK -7m), representing an EBIT margin before special items of 7.7% (-0.6%).

Business areas

(DKKm)	Q4 2022/23	Q4 Split	Q4 2021/22	Composition of growth Organic	Composition of growth Currency	Composition of growth Reported
Endoscopy Solutions	723	57%	609	25%	-6%	19%
Anaesthesia	285	23%	285	7%	-7%	0%
Patient Monitoring	251	20%	269	-3%	-4%	-7%
Total	**1,259**	**100%**	**1,163**	**14%**	**-6%**	**8%**

Markets

(DKKm)	Q4 2022/23	Q4 Split	Q4 2021/22	Composition of growth Organic	Composition of growth Currency	Composition of growth Reported
North America	666	53%	586	23%	-9%	14%
Europe	464	37%	435	7%	0%	7%
Rest of world	129	10%	142	3%	-12%	-9%
Total	**1,259**	**100%**	**1,163**	**14%**	**-6%**	**8%**

Endoscopy Solutions split

(DKKm)	Q4 2022/23	Q4 Split	Q4 2021/22	Composition of growth Organic	Composition of growth Currency	Composition of growth Reported
Pulmonology	390	54%	351	16%	-5%	11%
Endoscopy Solutions excl. pulmonology	333	46%	258	37%	-8%	29%
Total	**723**	**100%**	**609**	**25%**	**-6%**	**19%**

Business areas split by market

Endoscopy Solutions (DKKm)	Q4 2022/23	Q4 2021/22	Composition of growth Organic	Composition of growth Currency	Composition of growth Reported
North America	393	317	32%	-8%	24%
Europe	271	234	16%	0%	16%
Rest of World	59	58	25%	-23%	2%
Revenue	**723**	**609**	**25%**	**-6%**	**19%**

Anaesthesia (DKKm)	Q4 2022/23	Q4 2021/22	Composition of growth Organic	Composition of growth Currency	Composition of growth Reported
North America	188	175	18%	-11%	7%
Europe	60	61	-1%	-1%	-2%
Rest of World	37	50	-17%	-9%	-26%
Revenue	**285**	**285**	**7%**	**-7%**	**0%**

Patient Monitoring (DKKm)	Q4 2022/23	Q4 2021/22	Composition of growth Organic	Composition of growth Currency	Composition of growth Reported
North America	85	93	0%	-9%	-9%
Europe	133	140	-5%	-1%	-6%
Rest of World	33	36	-2%	-6%	-8%
Revenue	**251**	**269**	**-3%**	**-4%**	**-7%**

QUARTERLY RESULTS

DKKm	Q4 2022/23	Q3 2022/23	Q2 2022/23	Q1 2022/23	Q4 2021/22	Q3 2021/22	Q2 2021/22	Q1 2021/22
Revenue by products:								
Pulmonology	390	373	378	346	351	323	380	393
Endoscopy Solutions excl. pulmonology	333	311	285	271	258	239	208	172
Endoscopy Solutions	723	684	663	617	609	562	588	565
Anaesthesia	285	271	264	273	285	302	294	245
Patient Monitoring	251	240	262	242	269	264	240	221
Revenue	**1,259**	**1,195**	**1,189**	**1,132**	**1,163**	**1,128**	**1,122**	**1,031**
Production costs	-544	-523	-525	-470	-519	-499	-475	-397
Gross profit	**715**	**672**	**664**	**662**	**644**	**629**	**647**	**634**
Selling and distribution costs	-383	-359	-394	-386	-432	-389	-407	-406
Development costs	-82	-75	-69	-69	-80	-72	-65	-64
Management and administrative costs	-153	-147	-155	-139	-139	-126	-128	-124
Operating profit (EBIT) before special items	**97**	**91**	**46**	**68**	**-7**	**42**	**47**	**40**
Special items	-6	-2	-	-	-135	-13	-	-
Operating profit (EBIT)	**91**	**89**	**46**	**68**	**-142**	**29**	**47**	**40**
Financial income	2	-	-1	1	20	12	137	-
Financial expenses	7	-26	-26	-41	-10	-7	-2	-15
Profit before tax (PBT)	**100**	**63**	**19**	**28**	**-132**	**34**	**182**	**25**
Tax on profit for the period	-20	-12	-4	-6	2	-6	-7	-5
Net profit for the period	**80**	**51**	**15**	**22**	**-130**	**28**	**175**	**20**
Key figures and ratios:								
Gross margin, %	56.8	56.2	55.8	58.5	55.4	55.8	57.7	61.5
Operating Expenditures (OPEX)	618	581	618	594	651	587	600	594
OPEX ratio, %	49	49	52	52	56	52	53	58
EBITDA before special items	189	173	125	145	77	119	125	102
EBITDA margin before special items, %	15.0	14.5	10.5	12.8	6.6	10.5	11.1	9.9
EBIT margin before special items, %	7.7	7.6	3.9	6.0	-0.6	3.7	4.2	3.9
NIBD/EBITDA before special items	0.7	1.2	1.6	3.9	3.9	3.5	3.3	2.7
Net working capital, % of revenue	20	21	24	25	23	23	25	23

QUARTERLY RESULTS CONTINUED

DKKm	Q4 2022/23	Q3 2022/23	Q2 2022/23	Q1 2022/23	Q4 2021/22	Q3 2021/22	Q2 2021/22	Q1 2021/22
Organic growth, products, %:								
Pulmonology	16	16	-3	-17	-15	-25	-17	-23
Endoscopy Solutions excl. pulmonology	37	33	36	47	44	83	89	143
Endoscopy Solutions	25	23	11	3	3	0	3	-2
Anaesthesia	7	-7	-11	4	0	14	12	-6
Patient Monitoring	-3	-7	8	6	10	20	14	7
Organic growth	**14**	**8**	**4**	**4**	**4**	**8**	**8**	**-1**
Exchange rate effects	-6	-2	2	6	9	8	4	3
Reported revenue growth	**8**	**6**	**6**	**10**	**13**	**16**	**12**	**2**
Organic growth, markets, %:								
North America	23	9	8	9	2	16	11	18
Europe	7	10	-1	-4	16	4	7	-16
Rest of World	3	-2	7	14	-20	-4	-1	0
Organic growth	**14**	**8**	**4**	**4**	**4**	**8**	**8**	**-1**
Cash flows, in DKKm:								
Cash flow from operating activities	273	244	99	-98	-28	146	5	-28
Cash flow from investing activities	-85	-87	-78	-76	-139	-139	-141	-134
Free cash flow before acquisitions	188	157	21	-174	-167	7	-136	-162
Cash flow, % of revenue:								
Cash flow from operating activities	22	20	8	-9	-2	13	0	-3
Cash flow from investing activities	-7	-7	-6	-6	-12	-12	-12	-13
Free cash flow before acquisitions	15	13	2	-15	-14	1	-12	-16
Balance sheet:								
Assets	6,859	6,824	6,937	7,006	7,215	6,921	6,557	6,327
Net working capital	939	987	1,108	1,144	1,022	996	1,038	911
Equity	5,393	5,240	5,212	4,122	4,261	4,282	4,162	3,946
Net interest-bearing debt	427	600	733	1,817	1,658	1,423	1,417	1,259
Invested capital	5,820	5,840	5,945	5,939	5,919	5,705	5,579	5,205
Share-related ratios in DKK:								
Market price per share	74	112	103	89	66	69	100	173
Earnings per share (EPS)	0.30	0.19	0.06	0.09	-0.51	0.11	0.69	0.08
Diluted earnings per share (EPS-D)	0.30	0.19	0.06	0.09	-0.51	0.11	0.69	0.08

GOVERNANCE

RISK MANAGEMENT

Ambu's business activities involve a number of inherent risks, and the company is exposed to emerging risks on an ongoing basis, which may negatively impact daily operations, financial standing, results and future growth.

Ambu's risk management is focused on early identification and rigorous assessment of risks, as well as continuous mitigation, management and monitoring of risks, thereby aiming to reduce the risks to an acceptable level and ensuring that only calculated risks are taken.

Risk reporting process and governance

Ambu has established an Enterprise Risk Management system that ensures that the most significant risks to Ambu, in the short to medium term, are identified and assessed. Potential new risks, as well as updates to the mitigation plans, are reported to Global Risk & Compliance on a quarterly basis. The long-term risks are integrated in the overall development of Ambu's strategy and business plans. This year, further focus has been placed on strengthening the monitoring and implementation of the mitigation plans.

Based on the reported risks and updated mitigation plans, Global Risk & Compliance conducts a series of in-depth interviews with risk officers in the organisation, after which the most significant risks are accessed by risk boards before being reported to the Executive Management and the Board of Directors on a quarterly basis.

The management of each function is responsible for identifying, assessing and managing the risks associated with their part of the organisation. The Executive Management is responsible for determining Ambu's overall risk profile, in alignment with the company's strategy and values. They are also responsible for delegating responsibility for the shared risks across the organisation, as well as for approving the mitigating activities that address the most significant risks.

The Board of Directors monitors and reviews the reported risks and the planned mitigation, as well as any recommendations from the Executive Management, every quarter.

INNOVATION & DEVELOPMENT RISKS

Ambu's achievement of its strategic targets depends on our ability to develop relevant and unique products of high quality. A good clinical and commercial understanding of the sector's long-term needs, as well as user insights regarding targeted procedures in new segments and their integration into product development, are essential for keeping our market leader position.

Risk examples

- Insufficient capturing of user insights.
- Dependency on external partners' know-how.
- Infringement of intellectual property rights that may reduce Ambu's competitive advantages and negatively impact sales.

Primary risk mitigation activities

- Products are launched in multiple segments.
- The screening process for capturing user insights is very detailed and integrated into product development, allowing for rounds of modifications before the design is locked.
- IP clearance processes and IP awareness training.

PRODUCT SUPPLY, QUALITY AND SAFETY RISKS

As a manufacturer and distributor of medical devices, Ambu adheres to the legislation of the territories in which we operate. Failure to comply may negatively impact our ability to sell our solutions. There is an inherent risk of supply chain disruptions, due to infrastructure breakdowns or congestion, and delays can lead to higher freight rates. Furthermore, increased demand and/or supply shortages may lead to increased raw material and energy costs and a potential delay of orders.

Risk examples

- Major disruption at a manufacturing facility, due to a natural disaster or other emergency, such as a fire or a pandemic, may disrupt Ambu's ability to manufacture and distribute products.
- Lockdowns, breakdowns, political unrest, fires, natural disasters, etc., at key suppliers' sites may result in disruption of Ambu's supply chain.
- Loss of licences to sell or manufacture, due to non-compliance with legislation.

Primary risk mitigation activities

- Global production with multiple facilities and maintaining adequate safety stock.
- Dual sourcing, identification of high-risk suppliers and continuous development of contingency plans.
- Continuous development and improvement of control processes and quality procedures and ongoing monitoring of legislation and market standards.

COMMERCIAL RISKS

There is a constant and ongoing focus on reducing healthcare costs and ensuring better patient care in Ambu's most important markets. This leads to a general demand for hospitals to become more efficient. Ambu’s Anaesthesia and Patient Monitoring business areas have historically experienced modest price pressures, while prices within the Endoscopy Solutions business area have been more stable.

Risk examples

- Delays in product launches and penetration into a market.
- Pace of market creation and product acceptance in single-use endoscopy.
- Economic and political development leading to budgetary constraints and healthcare reforms.

Primary risk mitigation activities

- Validation of value proposition in single-use, for instance workflow efficiency and sterility.
- Continuous improvement of product launch capabilities.
- Ensuring a low-cost production with manufacturing in low-cost jurisdictions to enable competitive pricing.

CLIMATE-RELATED RISKS

Climate change in general, including increased frequency of extreme weather conditions, is assessed to pose a limited risk to Ambu. Climate-related risks are identified as part of our risk management process and are assessed and responded to according to a standardised process for estimating the impact and likelihood of risks in view of their impact on revenue, cost and reputation, as well as the related compliance requirements.

Risk examples

- High temperatures affecting our operations as well as our employees.
- Extreme weather conditions, such as heavy rains, floods and other natural disasters, leading to supply chain disruption.
- Increased compliance requirements and demand for more sustainable products and packaging.

Primary risk mitigation activities

- Risk scenario analyses conducted at regular intervals in accordance with the Task Force on Climate-related Financial Disclosure framework (TCFD), in order to assess the potential future risks and to ensure business continuity.
- Develop forecasts and projections on climate changes to ensure timely preparedness.
- Sustainability is a key focus area in business strategy, including circularity as a core concept in how we develop, manufacture and dispose of products and packaging material

CYBERSECURITY RISKS

Globally, and across most industries, cybercriminal activity continues to take place. Cyber threats, such as cybercrime and cyberattacks, could have a major business impact by affecting Ambu's operations, delivery performance and competitive advantage.

Risk examples

- Cybersecurity breaches and/or a major IT breakdown can have a severe impact on Ambu's ability to maintain daily operations, resulting in disruption of sales and shipments to customers.
- The disclosure of confidential information could compromise data privacy, and business critical information could be lost, stolen or otherwise released into the hands of people for whom it was never intended.
- Theft of intellectual property could result in a severe impact on competitive advantage.

Primary risk mitigation activities

- Continuously evolving Ambu's cybersecurity measures to monitor and mitigate potential data breaches and cyberattacks, securing that incident response and crisis management processes and capabilities for timely remediation of security issues are in place and continuously improved.
- A solid, risk-based cybersecurity framework, built on NIST CSF and the ISO 27001 standard, which enables Ambu to protect its assets and continue producing secure products to serve our customers in a digitally evolving space.
- Internal and external security assessments, conducted on a regular basis, including for example: vulnerability assessments, penetration testing and threat hunting.

FINANCIAL RISKS

The development of Ambu's results and equity is subject to several financial risks, including foreign exchange risks, interest rate risks, liquidity risks and credit risks, as well as the risk of changing international trading conditions.

Risk examples

- Changes to tax legislation and inherent tax risk associated with being a multinational company.
- Implementation of customs barriers and limitations to free trade.
- Fluctuations in interest rates and inflation.

Primary risk mitigation activities

- Centralisation of financial risks in the Group's finance function, which also serves as a service centre for all subsidiaries.
- As a general rule, Ambu relies on the neutral hedging of currency risks that are embedded in the ordinary cash flows.
- The management of financial risks is described in further detail in note 4.1 in the consolidated financial statement.

LEGAL & COMPLIANCE RISKS

Ambu operates in a highly regulated industry that is subject to great variation in laws and regulations across geographies and business areas, leading to a complex and often unpredictable legal environment. Enforcement of various anti-corruption, data-privacy and healthcare-related laws and regulations, as well as increased public awareness of business ethics and protection of personal data, contribute to an increased risk to Ambu.

Risk examples

- Lawsuits
- Violations of healthcare-related laws and non-compliance with Ambu's Code of Conduct.
- Investigations by authorities and/or criminal and civil sanctions and other penalties.

Primary risk mitigation activities

- Ongoing implementation and monitoring of Ambu's compliance programs, including training and auditing activities.
- Legal reviews of key activities.
- Independent and confidential ethics hotline for reporting of unethical situations, violations and misconduct.

CORPORATE GOVERNANCE

Corporate Governance concerns the way Ambu is managed and controlled. Ambu is continuously developing its Corporate Governance in response to the strategic development, goals and activities. Ambu seeks to establish close and trusted relations with relevant stakeholders, including shareholders, employees, customers, suppliers and society as a whole. We also seek to ensure transparency, and we want to openly share relevant information with our stakeholders.

Corporate governance reporting
Ambu's Board of Directors complies with all of Nasdaq Copenhagen's recommendations regarding Corporate Governance and reports. More information on the mandatory annual Corporate Governance Report is disclosed at www.Ambu.com in accordance with section 107(b) of the Danish Financial Statements Act.

Governance structure
The shareholders of Ambu A/S exercise their rights at the Annual General Meeting, which is the supreme governing body of the company. At the Annual General Meeting, the shareholders approve the Annual Report, dividends, elect the Board members and the auditors of the company, adopt the company's Articles of Association and proposals submitted by shareholders and the Board. Any shareholder has the right to raise questions and suggestions for consideration at the general meetings.

Any shareholder is entitled to attend and vote at the general meetings. Resolutions can generally be passed by a simple majority. However, resolutions to amend the Articles of Association require two-thirds of the votes cast and capital represented, unless other adoption requirements are imposed by the Danish Companies Act.

Ambu's Articles of Association do not impose any restrictions on ownership or voting rights, but the company has two share classes. Class A shares carry ten votes per share, while Class B shares carry one vote per share. Class A and Class B shares carry equal economic rights. The Class B shares are traded publicly at NASDAQ Copenhagen.

The Board of Directors regularly discusses the existing ownership structure with the holders of Class A shares. The Board of Directors and the holders of Class A shares agree that the ownership structure has been and remains expedient for all of the company's stakeholders, as it lays a sound framework for the implementation of Ambu's strategy and plans, thereby safeguarding the interests of all shareholders.

Board of Directors

Ambu has a two-tier management structure, consisting of the Board of Directors and the Executive Management. The two bodies are independent of each other, and no person serves as a member of both. The Board of Directors is responsible for, but not limited to, the overall management of Ambu, defining strategies and setting objectives, as well as approving the overall budgets and plans. The Board of Directors also undertakes overall supervision of the company's activities and ensures that Ambu is managed in a responsible manner and in compliance with legislation and the Articles of Association.

The Board of Directors has established an annual process, whereby self-evaluation of the Board of Directors' work and performance is assessed. At least every three years, the evaluation must be conducted by an experienced external facilitator. In line with the recommendations on good corporate governance, Ambu had an external party assist with the Board of Directors' self-assessment this year. Conclusions and focus areas have been presented to the Board and will be included in the work of the Board in 2023/24.

Qualifications and composition of the Board of Directors

The Board of Directors currently has seven members, who are elected by the shareholders at the Annual General Meeting, and three members elected by the employees, pursuant to the Danish rules concerning employee representation. The shareholder-elected members are elected for one year at a time, while the employee-elected members are elected for a four-year period.

The Chair and the Vice Chair of the Board of Directors are elected directly by the shareholders at the general meeting. For the Board of Directors to undertake its responsibilities and act as a good sounding board for the Executive Management, the following competences are particularly relevant:

- Insights into the management of a global growth company
- Insights into the medico and medtech industries with both public and private-sector customers
- Insights into risk management and financial affairs

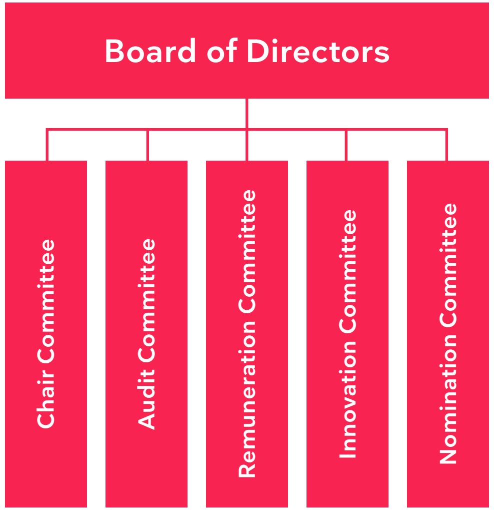
The members of Ambu's Board of Directors are deemed to possess these competences.

All members elected by the shareholders at the Annual General Meeting are considered to be independent members, as defined by the Committee on Corporate Governance.

Overview of attendance rate for 2022/23

The Board of Directors held nine meetings during the 2022/23 financial year. At the Annual General Meeting in December 2022, Shacey Petrovic and Simon Hesse Hoffmann joined the Board of Directors.

To ensure a dedicated and in-depth work in specific areas, the Board of Directors has established several committees that report to the Board of Directors: **Chair Committee, Audit Committee, Remuneration Committee, Innovation Committee and Nomination Committee**



The **Chair Committee** consists of the Chair and the Vice Chair of the Board of Directors. The Chair Committee performs certain preparation and planning in relation to Board meetings and is a forum for the Chair Committee's and Executive Management's reflections. The Chair Committee held eight meetings during the 2022/23 financial year.

The **Audit Committee** consists of three members of the Board of Directors, with the Chair participating as an observer. In addition, the CEO, the CFO, the VP of Finance & Accounting and the auditor appointed at the Annual General Meeting attend the Audit Committee meetings. The Audit Committee held seven meetings during the 2022/23 financial year. The purpose of the Audit Committee is to assist the Board of Directors in ensuring the quality and integrity of the presentation of the company's financial statements, reporting and auditing.

The charter of the Audit Committee and the review of the control and risk management systems in connection with the financial reporting can be found at Ambu.com/auditcom.

The **Remuneration Committee** consists of three members of the Board of Directors. In addition, the CEO and the SVP, People & Culture attend the meetings. The Remuneration Committee held three meetings during the 2022/23 financial year.

The duties of the Remuneration Committee are set in place to ensure that the remuneration offered by Ambu is competitive and sufficient to attract and retain the best qualified directors and executives.

The charter of the Remuneration Committee can be found at Ambu.com/remcom.

The **Innovation Committee** consists of three members of the Board of Directors. In addition, the CEO, the Chief Marketing Officer & President of EMEA & APAC Sales and the Chief Technology Officer attend the Innovation Committee meetings. The Innovation Committee held two meetings during the 2022/23 financial year. The purpose of the Innovation Committee is to oversee and make recommendations for the innovation strategy and execution of strategy and consider external innovation opportunities.

The charter of the Innovation Committee can be found at Ambu.com/innovationcom.

The **Nomination Committee** consists of three members of the Board of Directors. The Nomination Committee held two meetings during the 2022/23 financial year. Ambu's CEO participates in the meetings of the Nomination Committee. The Nomination Committee is charged with evaluating the composition of the Executive Management and with evaluating, and possibly renewing, the Board of Directors, to ensure that the members of the Board meet the requirements and possess the skills required.

The charter of the Nomination Committee can be found at Ambu.com/nomcom.

Overview of committee members and attendance rate for 2022/23

	Board of Directors	Chair Committee	Audit Committee	Remuneration Committee	Innovation Committee	Nomination Committee
Jørgen Jensen (Chair)	9/9	8/8	-	3/3	2/2	2/2
Christian Sagild (Vice Chair)	9/9	8/8	7/7	-	-	2/2
Henrik Ehlers Wulff	9/9	-	-	1/3	-	-
Susanne Larsson	9/9	-	7/7	3/3	-	-
Michael Del Prado	9/9	-	-	-	1/2	2/2
Shacey Petrovic	6/6	-	-	-	2/2	-
Simon Hesse Hoffmann	6/6	-	6/6	-	-	-
Charlotte Elkjær Bjørnhof	9/9	-	-	-	-	-
Thomas Bachgaard Jensen	9/9	-	-	-	-	-
Jesper Mads Bartroff Frederiksen	9/9	-	-	-	-	-

Shacey Petrovic and Simon Hesse Hoffmann entered the Board and their respective committees in December 2022

EXECUTIVE MANAGEMENT

The Board of Directors appoints the Executive Management and lays down its terms of employment. The Executive Management is responsible for Ambu's day-to-day management, including, but not limited to, the development of Ambu's activities and operations and its risk management, financial reporting and internal affairs.

The Executive Management also prepares and presents the company's strategy, long-term financial planning and budgets to the Board of Directors. The delegation of powers and responsibilities by the Board of Directors to the Executive Management is defined in the Rules of Procedure for Ambu's Board of Directors (Bestyrelsens Forretningsorden) and the provisions of the Danish Companies Act (Selskabsloven).

The Executive Management consists of CEO Britt Meelby Jensen and CFO Thomas Frederik Schmidt. As of 1 January 2024, Henrik Skak Bender will take on the role of Chief Financial Officer.

Recommendations for corporate governance

As a Danish listed company, Ambu A/S must comply with, or explain deviations from, the "Recommendations for Corporate Governance", implemented by Nasdaq Copenhagen, in the Rules for issuers of shares and Section 107b of the Danish Financial Statement Act.

The Board of Directors has considered the Recommendations from the Committee on Corporate Governance and has reported thereon in a Corporate Governance document.

Ambu complies with all of the recommendations of the Committee on Corporate Governance, and the report on compliance with the Corporate Governance recommendations can be found at Ambu.com/corpgov.

Download our Corporate Governance Report ↓

DIVERSITY IN MANAGEMENT POSITIONS

Report on the gender composition of the Board of Directors (members elected at the Annual General Meeting), pursuant to Section 99 b, and on diversity, pursuant to Section 107d, of the Danish Financial Statements Act.

Ambu aims for the Board of Directors and top-level management to be representative across genders, nationalities, ages, education, qualifications, competences and, thereby, perspectives. The members should, as a group, have sufficient knowledge, insight and professional experience to understand Ambu's activities and the risks related thereto. It is the Management's view that the policies are met, as the criteria on diversity and inclusion has been considered for selection of the Board members in 2022.

Since the Annual General Meeting in December 2022, the Board of Directors has had two women on the Board. In this context, Board diversity refers to members of the Board elected at the Annual General Meeting. Our ambition is to have at least 28,6% of the underrepresented gender on our Board. With two women on a Board of Directors of seven members, Ambu has achieved this target.

To further secure that the policies have been met in 2022/23, recruitment practices have been updated to attract a more diverse pool of candidates. Among other criteria, increasing cognitive diversity in management has been considered when selecting candidates for management positions.

Ambu has a target that in 2022/23, there will be 40% representation of women in management at all levels. As of 2022/23, 42% of all managers are women. For white-collar managers alone, the representation is 39%, just below our target. This year, the decision to strengthen the agility and performance of our Executive Leadership Team, by reducing its size, resulted in a 29% representation of women.

We continue our focus on driving diversity in the Board, and on all managerial levels, to reach our targets. Further information on diversity can be found on p. 61-62→

Diversity within the Board of Directors and Executive Management

	Target 2022/23	2022/23	2021/22	2020/21
Number of genders	2	2	2	2
Number of nationalities	2	3	3	2
Number of age intervals (40-49, 50-59, 60-69)	2	3	3	3

Board governance

	Target 2022/23	2022/23	2021/22	2020/21	2019/20	2018/19
Women on Board of Directors (%)*	28.6-71.4	29	20	20	17	0
CEO pay ratio (times)	-	20	11	12	34	24
Board meeting attendance rate (%)	-	100	94	100	95	100

Gender diversity

	Target 2022/23	2022/23	2021/22	2020/21	2019/20	2018/19
Women in management - all employees (%)	40	42	42	37	41	43
Women in management - white-collar employees (%)	40	39	39	37	36	37
Women on Executive Leadership Team (%)	40	29	42	33	25	-

* The term "Women on Board of Directors" refers to members elected at the Annual General Meeting (AGM)

Gender diversity (%) is calculated among white-collar managers, all managers in Ambu, amd within the Executive Leadership Team (ELT) and the Board of Directors (BoD). Gender diversity within management includes leaders at a managerial job level and with direct reports. BoD attendance rate and gender diversity of BoD only include members of the BoD elected by the Annual General Meeting (AGM) and does not include employee-elected members. Gender denotation currently available from system provider in global employee system is Female, Male, Unknown, Undeclared, Others. Genders are self-declared.

BOARD OF DIRECTORS

JØRGEN JENSEN
Chair of the Board
(he/him/his)

Joined Board in 2020
Term 2023
Independent
Born 1968
Danish
16,236 B shares

Chair of the Remuneration Committee and the Nomination Committee

Position and honorary offices:
Position: Professional board member
Honorary offices: 3Shape (C), Velux (C), Micro Matic (C), Weibel (C), VKR Holding (VC), Healthcare Denmark (C), Armacell International S.A. (MB)

Special competences:
International leadership experience from global companies, as well as medtech-specific experience covering sales, R&D, production, supply chain and M&A

CHRISTIAN SAGILD
Vice Chair of the Board
(he/him/his)

Joined Board in 2012
Term 2023
Independent
Born 1959
Danish
255,000 B shares

Member of the Audit Committee and the Nomination Committee

Position and honorary offices:
Position: Professional board member
Honorary offices: Royal Unibrew (MB), Nordic Solar (C), Penneo (C)

Special competences:
Leadership experience and general management of a listed company including special insights into financial matters and risk management

SUSANNE LARSSON
Board member
(she/her/hers)

Joined Board in 2021
Term 2023
Independent
Born 1968
Swedish
1,000 B shares

Chair of the Audit Committee and Member of the Remuneration Committee

Position and honorary offices:
Position: Group CFO, EVP IT, Digital Enablement, GBS and Indirect Procurement of Mölnlycke
Honorary offices: Dovista A/S Group (MB and C of Audit Committee)

Special competences:
General management and financial leadership experience in public listed companies covering strategy, M&A, transformation and change management, finance and IT

HENRIK EHLERS WULFF
Board member
(he/him/his)

Joined Board in 2015
Term 2023
Independent
Born 1970
Danish
10,645 B shares

Member of the Remuneration Committee

Position and honorary offices:
Position: Executive Vice President, Product Supply, Quality & IT of Novo Nordisk A/S
Honorary offices: Grundfos Holding (MB)

Special competences:
General management with experience in the field of global manufacturing, supply chain management, IT and quality management, particularly in the area of GMP

MICHAEL DEL PRADO
Board member
(he/him/his)

Joined Board in 2021
Term 2023
Independent
Born 1963
American
1,000 B shares

Chair of the Innovation Committee and member of the Nomination Committee

Position and honorary offices:
Position: Former Company Group Chair of Johnson & Johnson Medical Devices, USA
Honorary offices: Cochlear Limited ASX (MB)

Special competences:
International leadership experience from major, global healthcare companies, including in-depth insights into transformative innovation, partnerships and health policy

BOARD OF DIRECTORS

SIMON HESSE HOFFMANN
Board member
(he/him/his)

Joined Board in 2022
Term 2023
Independent
Born 1978
Danish
5,717,500 A shares
1,985,000 B shares

Member of the Audit Committee

Position and honorary offices:
Position: Professional investor, financial advisor and board member
Honorary offices: SMILfonden (VC), HC Andersen Capital (C), Magenta (C), WireOnAir (MB), WiiLDER (MB), Testa Invest (MB)

Special competences:
Financial management, governance, reporting, budgeting and funding. Additionally, third generation of the founding family of Ambu

SHACEY PETROVIC
Board member
(she/her/hers)

Joined Board in 2022
Term 2023
Independent
Born 1973
American
5,535 B shares

Member of the Innovation Committee

Position and honorary offices:
Position: Professional board member and former CEO & President of Insulet Corporation
Honorary offices: Insulet Corporation (MB), Exact Sciences (MB), Corporate Governance and Nominating Committee at Exact Sciences (C), Strategy & Business Development Committee at Imperative Care (C)

Special competences:
International executive experience from global medtech companies, including expertise within commercial and operational leadership positions

JESPER MADS BARTOFF FREDERIKSEN
Employee elected member
(he/him/his)

Joined Board in 2021
Term 2025
Born 1975
Danish
1,714 B shares

Elected by the employees

Position: Senior Project Manager, Pulmonology & ENT Solutions, R&D

Joined Ambu in 2016

CHARLOTTE ELGAARD BJØRNHOF
Employee elected member
(she/her/hers)

Joined Board in 2021
Term 2025
Born 1983
Danish
907 B shares

Elected by the employees

Position: Senior Director, Global Product Management, Anesthesia and Patient Monitoring, Marketing

Joined Ambu in 2018

THOMAS BACHGAARD JENSEN
Employee elected member
(he/him/his)

Joined Board in 2021
Term 2025
Born 1983
Danish
1,519 B shares

Elected by the employees

Position: Mechanical Module Architect, Mechanical Engineering Team, R&D

Joined Ambu in 2011

EXECUTIVE MANAGEMENT AND EXECUTIVE LEADERSHIP TEAM

Executive Management

BRITT MEELBY JENSEN
Chief Executive Officer
(she/her/hers)

Joined Ambu in 2022
Born 1973
Danish
45,333 shares

Honorary offices:
Hempel Foundation & Hempel Invest A/S (MB), Novo Holdings (Member of Novo Advisory Group)

Special competences:
Business and leadership experience from both listed and private companies in the global healthcare industry. This is combined with in-depth knowledge of the commercial area and strategic development

THOMAS FREDERIK SCHMIDT
Chief Financial Officer
(he/him/his)

Joined Ambu in 2022
Born 1971
Danish
10,246 shares

Honorary offices:
No honorary offices

Special competences:
Business and financial leadership experience from the global healthcare industry, covering leadership roles in end-market functions as well as HQ functions

Executive Leadership Team

STEVEN BLOCK
President of Ambu USA
(he/him/his)

Joined Ambu in 2013
Born 1963
American

BASSEL RIFAI
President of EMEA & APAC Sales & Chief Marketing Officer
(he/him/his)

Joined Ambu in 2021
Born 1982
American

HENRIK BIRK
Chief Operations Officer
(he/him/his)

Joined Ambu in 2023
Born 1974
Danish

FINN MÖHRING
Chief Technology Officer, R&D
(he/him/his)

Joined Ambu in 2023
Born 1965
Danish

SANNE KJÆRSGAARD HJORDRUP
Senior Vice President, People & Culture
(she/her/hers)

Joined Ambu in 2022
Born 1977
Danish

REMUNERATION

The overall objective of the remuneration is to create value for the shareholders by enabling Ambu to attract and retain the best qualified directors and executives. The Remuneration Policy and Remuneration Report for the Board of Directors and Executive Management are available at Ambu.com/reports→.

The remuneration of the Board of Directors and Executive Management is in accordance with the remuneration policy and the incentive guidelines, and the latest revision was adopted at the Annual General Meeting in 2021.

Total remuneration earned by the Executive Management

DKK
26.7 m

(versus DKK 17.6m in 2021/22)

Executive Management

The total remuneration earned by the Executive Management was DKK 26.7m (DKK 17.6m).

Short-term incentives earned were DKK 7.3m (DKK 0.5m), equivalent to 69% of the full bonus potential, based on the financial and ESG performance for the year for the pre-defined KPIs of organic revenue growth, EBIT margin, free cash flow and ESG.

Long-term incentives earned were DKK 7.0m (DKK 0.0m) or 68% (0%) of the full potential, based on the financial performance for the year for the pre-defined KPIs of organic revenue growth and EBIT margin.

Board of Directors

Members of the Board of Directors do not receive variable remuneration and are not part of share-based incentive schemes, but receive a fixed annual base fee of DKK 350,000, which is approved by the shareholders at the Annual General Meeting.

The Chair receives three times the base fee, while the Vice Chair receives two times the base fee. The Chairs of the committees receive a fee of DKK 175,000, while committee members receive a fee of DKK 117,000.

The total remuneration paid to the Board of Directors, including the Board committees, constituted DKK 6.6m (DKK 5.7m).

(DKKm)	2022/23	2021/22
Fixed compensation	12.4	13.1
Tax compensation	0.0	0.8
Sign-on bonuses	0.0	3.2
Short-term incentive scheme	7.3	0.5
Long-term incentive scheme	7.0	0.0
Total remuneration earned	**26.7**	**17.6**
Remuneration in connection with redundancy and resignation pay	0.0	22.4
Adjustment to redundancy and resignation pay, previous years	1.0	0.0
Remuneration of Executive Management	**27.7**	**40.0**
Remuneration of Board of Directors	6.6	5.5
Remuneration of Board of Directors and Executive Management	**34.3**	**45.5**
Adjustment of earned incentive schemes*	-5.2	-8.8
Total expense in the Income statement	29.1	36.7

* The adjustment bridges the accounting expense in the Income statement to various earned incentive schemes, including long-term incentive schemes that are earned in one year but vest over three years.

SHAREHOLDER INFORMATION

Share capital

Ambu's share capital is divided into two classes of shares, each with a nominal share value of DKK 0.50. Class A shares carry 10 votes per share, while Class B shares carry one vote per share. There is no difference between the financial rights pertaining to the individual share classes. All shares are paid-up in full. Ambu's Class B shares are listed on Nasdaq Copenhagen under ISIN code DK0060946788 and the short name of AMBU-B, while the Class A shares are unlisted.

The Class A shares are negotiable instruments, and according to Ambu's Articles of Association, the transfer of more than 5% of the total number of Class A shares, at a price higher than the price quoted for the company's Class B shares, may take place only if the buyer offers all holders of Class A and Class B shares to buy their shares at the same price. All Class A shares are owned by the three lines of descendants of Ambu's founder, Dr Holger Hesse.

Ambu initiated a capital raise on 23 March 2023. Ambu completed an accelerated book-build offering of 11,577,957 new B shares and 250,000 existing treasury B shares (in aggregate corresponding to ~5.3% of Ambu's issued B shares), at a sales price of DKK 93 per share, raising gross proceeds to the Company of DKK 1.1 billion. Ambu's share capital now consists of 234,974,389 B shares of DKK 0.50 each, together with 34,320,000 A shares of DKK 0.50 each, equivalent to a registered share capital of DKK 134,647,194.50.

Shareholders

On 30 September 2023, the total number of shareholders in Ambu, whose holdings are registered by name, was 68,944 (70,744). They hold a combined 99% (96%) of the total share capital.

At the end of the fiscal year, the portfolio of treasury shares comprised 2,992,769 (3,642,313), corresponding to 1.1% (1.4%) of the share capital.

On 30 September 2023, the share of total voting rights controlled by the founding family was

61.6%

2022: 62.9%

At the end of the fiscal year, the portfolio of treasury shares comprised

2,992,769*

2022: 3,642,313*

* B shares

As of 30 September 2023, the shareholders featured in the table below had filed ownership of more than 5% of the share capital and/or votes. Back in 1987, a shareholders' agreement was established by the holders of the Class A shares, as described in the prospectus in connection with the listing of Ambu A/S in 1992.

In November 2015, a new shareholders' agreement was established between the holders of the Class A shares, in which the agreed terms and conditions were updated. The updated shareholders' agreement governs the relationship between the three lines of the family and the family's views on decisions concerning the possible conversion of Class A shares into Class B shares and the process of transferring or selling Class A shares.

The shareholders' agreement solely governs the family's holdings of Class A shares, while the family's holdings of listed Class B shares are not governed by the shareholders' agreement. Moreover, Ambu's Articles of Association contain provisions on the trading of Class A shares.

In addition to the Class A shares, the family holds ~13.1 million Class B shares, corresponding to 5.6% (5.9%) of the Class B share capital. The family thus controls a total of 17.6% (18.4%) of the combined Class A and Class B share capital and 61.6% (62.9%) of the votes. As per 30 September 2023, international owners hold 43% (38%) of the share capital.

Share price development

Ambu's Class B share price on September 30 2023, was DKK 73.86 per share, equal to a market capitalisation of the Ambu's Class B shares of DKK 17.4bn (EUR 2.3bn). The share price increased by 11% in the 2022/23 financial year. By comparison, Nasdaq Copenhagen's C25 index increased by 16% in the same period. The average daily turnover of Ambu shares on Nasdaq Copenhagen declined by 48% to DKK 76.9m (DKK 146.5m), while the average number of trades per day declined by 48% to 2,504 (4,846).

Capital allocation

Ambu's ambition is to create a strong balance sheet, and the company is committed to its long-term target NIBD/EBITDA ratio of less than 2.5x. With disciplined capital allocation, Ambu is now a positive cash flow-generating company (FCF), which provides operational flexibility to deliver on our long-term sustainable profitable growth targets. The Board of Directors has considered Ambu's cash position and liquidity forecast, and on the basis thereof, the Board of Directors intends to recommend to the shareholders at the Annual General Meeting that no dividends will be distributed in the 2023/24 financial year.

Overview of A and B shares

	2022/23	2021/22
Total number of shares ('000)	**269,294**	**257,716**
Total number of A shares	34,320	34,320
Total number of B shares	234,974	223,396
Change in number of shares	11,578	13
Nominal value per share, DKK	0.50	0.50
Share capital (DKK '000)	**134,647**	**128,858**
Number of treasury shares ('000)	2,993	3,642

Shareholders with voting rights of more than 5%

	Share of capital, %	Share of votes, %
Inga Kovstrup, Fredericia	5.2	17.5
Dorrit Ragle*, Virum	0.1	17.4
Hannah Hesse Hoffmann, Frederiksberg	2.9	10.2
Simon Hesse Hoffmann, Copenhagen	2.9	10.2
N. P. Louis Hansen ApS, Nivå	14.0	6.5

Dorrit Ragle has transferred a number of Class A shares to family members, but has retained the voting rights associated with the transferred shares.

Investor relations

Ambu pursues an open dialogue with investors and analysts about the company's business and financial performance. In order to ensure that all Ambu's stakeholders have equal access to corporate information, news is released to Nasdaq Copenhagen, the media and on Ambu's website, where users can also subscribe to Ambu's news service. Ambu's Investor Relations team handles all contact with investors and the press on issues relating to the company's shares.

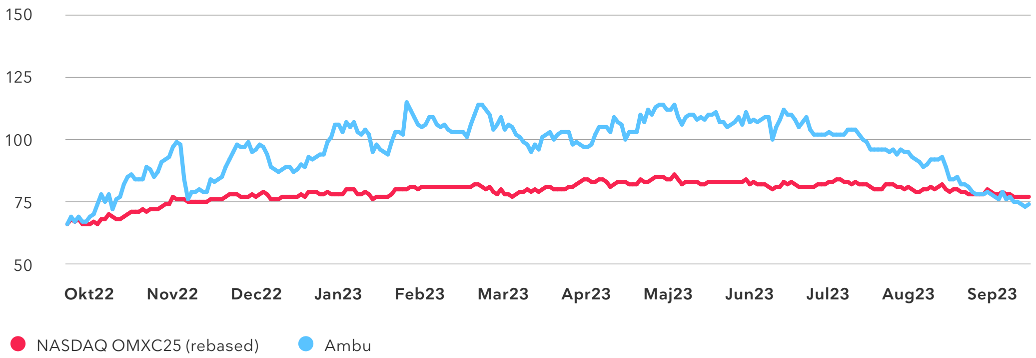
Please contact:
Anders Hjort, Head of Investor Relations,
Phone: +45 7225 2910, anhj@ambu.com

Annual General Meeting 2023

The Annual General Meeting 2023 will be held on Wednesday 13 December 2023 at 13.00 CET at the Ambu A/S headquarters, Baltorpbakken 13, DK-2750 Ballerup.

Shareholders can sign up to attend the Annual General Meeting and download all relevant material in relation to the meeting at Ambu.com/AGM

Development in share price 2022/23



COMPANY ANNOUNCEMENTS 2022/23 AND FINANCIAL CALENDAR

No. 1 Annual Report 2021/22 (earnings release)
No. 2 Notice of Annual General Meeting 2022
No. 3 Decisions of Annual General Meeting 2022
No. 4 Interim Report for Q1 2022/23
No. 5 Ambu presents updated market potential assumptions at its Capital Markets Day 2023 and specifies long-term financial targets
No. 6 Ambu A/S seeks to strengthen its capital base
No. 7 Completion of directed issue of 11,577,957 new B shares and 250,000 existing treasury B shares
No. 8 Registration of share capital increase of 11,577,957 new B shares completed
No. 9 Interim Report for Q2 2022/23 and the half-year
No. 10 Ambu upgrades full-year 2022/23 earnings expectations on the back of preliminary Q3 2022/23 results
No. 16 Grant of performance share units
No. 12 Interim Report for Q3 2022/23
No. 13 Financial calendar for 2023/24

FINANCIAL YEAR 2023/24

No. 1 Ambu announces preliminary financial results for the fiscal year 2022/23
No. 2 Ambu appoints new Chief Financial Officer

Financial calendar 2022/23

2022	
15 November	Annual Report 2021/22
14 December	Annual General Meeting
2023	
7 February	Earnings Release Q1 2022/23
3 May	Earnings Release Q2 2022/23
31 August	Earnings Release Q3 2022/23
30 September	End of 2022/23 financial year

Financial calendar 2023/24

2023	
8 November	Annual Report 2022/23
13 December	Annual General Meeting
2024	
30 January	Earnings release Q1 2023/24
14 May	Earnings release Q2 2023/24
30 August	Earnings release Q3 2023/24
30 September	End of 2023/24 financial year
5 November	Annual Report 2023/24
4 December	Annual General Meeting

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

1 October – 30 September

(DKKm)	Note	2022/23	2021/22
INCOME STATEMENT			
Revenue	2.2	4,775	4,444
Production costs	2.3, 2.4	-2,062	-1,890
Gross profit		**2,713**	**2,554**
Selling and distribution costs	2.3, 2.4	-1,522	-1,634
Development costs	2.3, 2.4	-295	-281
Management and administrative costs	2.3, 2.4	-594	-517
Operating profit (EBIT) before special items		**302**	**122**
Special items	2.3, 2.4, 2.6	-8	-148
Operating profit (EBIT)		**294**	**-26**
Financial income	4.3	2	169
Financial expenses	4.3	-86	-34
Profit before tax		**210**	**109**
Tax on profit for the year	2.7	-42	-16
Net profit for the year		**168**	**93**
Earnings per share in DKK			
Earnings per share (EPS)	2.9	0.64	0.37
Diluted earnings per share (EPS-D)	2.9	0.64	0.37

(DKKm)	2022/23	2021/22
STATEMENT OF COMPREHENSIVE INCOME		
Net profit for the year	168	93
Other comprehensive income:		
Items which are moved to the income statement under certain conditions:		
Translation adjustment in subsidiaries	-168	273
Other comprehensive income after tax	**-168**	**273**
Comprehensive income for the year	**-**	**366**

CASH FLOW STATEMENT

1 October – 30 September

(DKKm)	Note	2022/23	2021/22
Net profit		168	93
Adjustment for non-cash items:			
Income taxes in the Income statement		42	16
Financial items in the income statement		84	-135
Depreciation, amortisation and impairment losses		348	351
Share-based payment		17	12
Change in working capital	3.7	-21	-134
Interest paid		-63	-29
Income tax paid		-57	-79
Cash flow from operating activities		**518**	**95**
Investments in intangible assets		-255	-415
Investments in tangible assets		-71	-138
Cash flow from investing activities before acquisitions of enterprises and technology		-326	-553
Free cash flow before acquisitions of enterprises and technology		**192**	**-458**
Acquisition of technology	5.1	-	-5
Cash flow from acquisitions of enterprises and technology		-	-5
Cash flow from investing activities		**-326**	**-558**
Free cash flow after acquisitions of enterprises and technology		**192**	**-463**

(DKKm)	Note	2022/23	2021/22
Proceeds from borrowings	4.6	325	825
Repayment of borrowings	4.6	-1,575	-125
Repayment in respect of lease liability	4.6	-63	-52
Exercise of options		14	11
Sale of treasury shares		23	-
Dividend paid		-	-75
Dividend, treasury shares		-	1
Capital increase		1,054	1
Cash flow from financing activities		**-222**	**586**
Changes in cash and cash equivalents		**-30**	**123**
Cash and cash equivalents, beginning of year		187	64
Cash and cash equivalents, end of year		**157**	**187**
Cash and cash equivalents, end of year, are composed as follows:			
Cash and cash equivalents		157	187
Cash and cash equivalents, end of year		**157**	**187**

BALANCE SHEET

30 September

(DKKm)	Note	30.09.23	30.09.22
ASSETS			
Goodwill	3.1	1,565	1,623
Acquired technologies, trademarks and customer relations	3.2	643	481
Acquired technologies in progress	3.2	-	212
Completed development projects	3.2	888	764
Other incl. IT software	3.2	71	56
Development projects and other assets in progress	3.2	444	483
Intangible assets		**3,611**	**3,619**
Property, plant and equipment	3.3	584	632
Right-of-use assets	3.4	571	590
Deferred tax asset	2.8	85	70
Total non-current assets		**4,851**	**4,911**
Inventories	3.5	907	1,222
Trade receivables	3.6, 4.2	766	747
Other receivables	4.2	44	36
Income tax receivable		50	23
Prepayments		73	78
Derivative financial instruments	4.2	11	11
Cash and cash equivalents	4.2, 4.4	157	187
Total current assets		**2,008**	**2,304**
Total assets		**6,859**	**7,215**

(DKKm)	Note	30.09.23	30.09.22
EQUITY AND LIABILITIES			
Share capital	4.5	135	129
Other reserves		5,258	4,132
Equity		**5,393**	**4,261**
Deferred tax	2.8	3	8
Provisions	4.2, 5.1	9	19
Lease liabilities	3.4, 4.4	512	516
Borrowings	4.2, 4.4	-	1,250
Non-current liabilities		**524**	**1,793**
Provisions	4.2, 5.1	9	4
Lease liabilities	3.4, 4.4	72	79
Trade payables	4.2	359	600
Income tax		10	17
Other payables	4.2	492	461
Current liabilities		**942**	**1,161**
Total liabilities		**1,466**	**2,954**
Total equity and liabilities		**6,859**	**7,215**

EQUITY STATEMENT

1 October – 30 September

(DKKm)	Share capital	Reserve for foreign currency translation adjustments	Retained earnings	Proposed dividend	Total
Equity 1 October 2022	**129**	**379**	**3,753**	**-**	**4,261**
Net profit for the year	-	-	168	-	168
Other comprehensive income for the year	-	-168	-	-	-168
Total comprehensive income	**-**	**-168**	**168**	**-**	**-**
Transactions with the owners:					
Share-based payment	-	-	15	-	15
Tax deduction relating to share options	-	-	26	-	26
Exercise of options	-	-	14	-	14
Sale of treasury shares	-	-	23	-	23
Distributed dividend	-	-	-	-	-
Dividend, treasury shares	-	-	-	-	-
Share capital increase	6	-	1,048	-	1,054
Equity 30 September 2023	**135**	**211**	**5,047**	**-**	**5,393**

Other reserves are made up of share premium, reserve for hedging transactions, reserve for foreign currency translation adjustment, retained earnings and proposed dividend and total DKK 5,258m (DKK 4,132m).

§ Accounting policies
Reserve for foreign currency translation adjustments in the consolidated financial statements comprises exchange rate differences arising from the translation of the financial statements of foreign subsidiaries to DKK, as well as foreign currency translation adjustments of intercompany balances regarded as a supplement to the net investment in foreign subsidiaries.

(DKKm)	Share capital	Reserve for foreign currency translation adjustments	Retained earnings	Proposed dividend	Total
Equity 1 October 2021	**129**	**106**	**3,642**	**75**	**3,952**
Net profit for the year	-	-	93	-	93
Other comprehensive income for the year	-	273	-	-	273
Total comprehensive income	**-**	**273**	**93**	**-**	**366**
Transactions with the owners:					
Share-based payment	-	-	12	-	12
Tax deduction relating to share options	-	-	-7	-	-7
Exercise of options	-	-	11	-	11
Sale of treasury shares	-	-	-	-	-
Distributed dividend	-	-	-	-74	-74
Dividend, treasury shares	-	-	1	-1	-
Share capital increase	-	-	1	-	1
Equity 30 September 2022	**129**	**379**	**3,753**	**-**	**4,261**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

SECTION 1

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

This section provides an overview of the accounting policies applied, as well as material estimates and assessments by the Management.

All the companies in the Ambu Group follow the same accounting policies, and the basic practice is described in this section. The specific accounting policies are included under the respective notes in Sections 2-5.

SECTION 1: BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1.1 Basis of preparation

The Group's general accounting policies are described below. In connection with this, specific accounting policies have been incorporated into each of the individual notes of the consolidated financial statements.

The consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU and additional requirements in the Danish Financial Statements Act. The Group's ultimate Parent company, Ambu A/S, is a public limited company, domiciled in Denmark.

The financial statements of the Parent company, Ambu A/S, are presented separately from the consolidated financial statements and can be found on the last pages of this report. The Parent company's separate accounting policies are shown in conjunction with the financial statements of the Parent company.

The accounting policies described below have been applied consistently in the preparation of the consolidated financial statements in the years presented. The accounting policies have been applied consistently with prior year.

Basis of measurement
The consolidated financial statements are presented in Danish kroner (DKK), which is also Ambu A/S' functional currency. All amounts are rounded to the nearest million, unless otherwise stated. The Annual Report has been prepared in accordance with the historical cost principle, except for derivative financial instruments and contingent consideration for business combinations, which are measured at fair value.

Applying materiality
The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. The transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

There are substantial disclosure requirements throughout IFRS. Management provides specific disclosure required by IFRS, unless the information is not applicable or considered immaterial to the economic decision-making of the users of these consolidated financial statements.

Significant accounting estimates and judgments
The preparation of the consolidated financial statements, in conformity with IFRS, requires the Management to make estimates and assumptions that can have a significant effect on the application of policies and reported amounts of assets, liabilities, income, expenses and related disclosures.

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgements about the reported carrying amounts of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates may be necessary if there are changes in the circumstances on which the estimate was based, or more detailed information becomes available. Such changes are recognised in the period in which the estimate is revised.

The application of the Company's accounting policies may require Management to make judgements that can have a significant effect on the amounts recognised in the financial statement. Management's judgement is required, in particular, when assessing the substance of transactions that have a complicated structure or legal form. The significant accounting estimates and judgements can potentially significantly impact the consolidated financial statement.

The Group has assessed the impact of climate risk on its financial reporting. The impact assessment was primarily focused on the valuation and useful lives of intangible assets, tangible assets and the identification and valuation of provisions and contingent liabilities, as these are judged to be the key areas that could be impacted by climate risks. No material accounting impacts or changes to judgements or other required disclosures were noted.

Management regards '2.2 Revenue' and '3.2 Other intangible assets' as the key accounting estimates and judgements used in preparation of the consolidated financial statements. Please refer to these specific notes for further information on the key accounting estimates and judgements and the assumptions applied.

Adoption of new or amended IFRSs
Management has assessed the impact of new or amended and revised accounting standards and interpretations issued by IASB and IFRSs, endorsed by the European Union, effective on or after 1 October 2022.

The following amendments have been adopted, as of 1 October 2022:

- Amendments to IFRS 3 "Business Combinations"
- Amendments to IAS 16 "Property, Plant and Equipment"
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"
- Annual Improvements to IFRS Standards 2018-2020 (IFRS 1, IFRS 9, IFRS 16 and IAS 41)

The amendments listed above did not have any impact on the amounts recognised in prior period and current period, and are not expected to significantly affect future periods.

Standards not yet adopted
IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the consolidated financial statements for 2022/23. Management expects to adopt the accounting standards and interpretations as they become mandatory. None of the new or amended standards or interpretations are expected to have a significant impact on the consolidated financial statements.

SECTION 1: BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1.1 Basis of preparation (continued)

Reporting under the ESEF regulation
With securities listed on a regulated market within the EU, Ambu is required to prepare the Annual Report using a combination of the HTML format and tagging the primary consolidated financial statements using iXBRL (Inline eXtensible Business Reporting Language).

The Group's iXBRL tags have been prepared in accordance with the ESEF taxonomy, which is included in the ESEF regulation and developed based on the IFRS taxonomy, published by the IFRS Foundation.

The line items in the consolidated financial statements are tagged to elements in the ESEF taxonomy. For financial line items that are not directly defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions that are subtotals.

The Annual Report submitted to the Danish Financial Supervisory Authority (the Officially Appointed Mechanism) is included in the zip file AMBU-2023-09-30-en.zip.

Principles of consolidation
The consolidated financial statements comprise Ambu A/S and companies in which Ambu A/S has a controlling interest. Control is deemed to be obtained if Ambu A/S owns more than 50% of the voting rights, or if Ambu A/S in any other way has a controlling interest in the company.

The subsidiaries' financial statements are adjusted if necessary to ensure that their accounting policies are consistent with those of the rest of the Group. All intercompany transactions, balances, income and expenses are fully eliminated on consolidation.

Foreign currency translation
A functional currency is determined for each company in the Ambu group. The functional currency is the currency used in the primary economic environment in which the individual subsidiary operates.

Transactions in foreign currencies are translated to the functional currency using the exchange rate applicable at the transaction date. Foreign exchange gains and losses in connection with the settlement of these transactions and the translation of monetary assets and liabilities in foreign currencies at the exchange rates applicable at the balance sheet date are recognised in the income statement under net financials.

Receivables, payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rate applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and the exchange rate applicable at the date on which the receivable or payable occurred or the exchange rate stated in the most recent annual report, is recognised in the income statement under net financials.

The financial statements of subsidiaries with a functional currency other than DKK are translated to Danish kroner at the exchange rates for balance sheet items, applicable at the balance sheet date, and at average exchange rates, as far as income statement items are concerned. Exchange rate differences arising from the translation of the net assets of such subsidiaries at the beginning of the year, using the exchange rates applicable at the balance sheet date and the translation of income statement items from the exchange rates applicable at the transaction date to the exchange rates applicable at the balance sheet date, are recognised in other comprehensive income and presented as a separate reserve for foreign currency translation adjustments under equity.

Income statement
Income and expenses are recognised according to the accruals concept. The income statement is presented by functions where the respective cost impacts the function to which the cost is deemed related to. The Group's functions are divided into production, sales and distribution, development, as well as management and administrative costs.

Production costs
Production costs comprise costs incurred in generating the revenue for the year. Production costs include direct and indirect costs for raw materials and consumables, freight costs incurred in connection with the purchase of commodities, etc., production wages and salaries for support functions and factory management, as well as depreciation and impairment of plant and depreciation of leases.

Selling and distribution costs
Selling and distribution costs comprise costs for sales staff, advertising and exhibitions, depreciation, impairment and operation of central warehouses, as well as all costs relating to the transport of goods from the Group's factories to customers.

Development costs
Development costs comprise salaries and costs, which, directly or indirectly, can be attributed to product improvements and the development of new products which do not meet the criteria for capitalisation of an internally-,generated development project. In addition, the amortisation and impairment of capitalised development costs as well as amortisation of rights and acquired technologies, are recognised.

Management and administrative costs
Administrative costs comprise expenses incurred for management and administration, including expenses for the administrative staff, office premises and office expenses, as well as amortisation and impairment and depreciation of leases.

Cash flow statement
The cash flow statement has been prepared on the basis of the indirect method and shows the Group's cash flows from operating, investing and financing activities for the year.

Leases are considered to be non-cash transactions. Cash flows relating to assets held under leases are recognised as payment of interest and repayment of debt. Cash flow from financing activities comprises changes to the size or composition of share capital and costs incidental thereto, as well as the arrangement of loans, the repayment of interest-bearing debt, the purchase and sale of treasury shares and the payment of dividend to the Group's shareholders.

Cash flow denominated in currencies other than Danish kroner (DKK) is translated using average exchange rates, unless such rates deviate materially from the exchange rates applicable on the transaction date.

SECTION 1: BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1.2 Changes in balance sheet classification

Management has decided to make two changes to the non-current assets classification. Firstly, 'Right-of-use assets' has been separated from 'Property, plant and equipment'. Secondly, IT software, formerly categorised under 'Property, plant and equipment', has been reclassified to the category 'Other incl. IT software' (a category which was previously named 'Rights'). This effect of change in presentation does not affect any key ratios.

	30.09.22			30.09.22
	Reported			Restated
Goodwill	1,623	-	-	1,623
Acquired technologies, trademarks and customer relations	481	-	-	481
Acquired technologies in progress	212	-	-	212
Completed development projects	764	-	-	764
Other incl. IT software	27	-	29	56
Development projects and other assets in progress	458	-	25	483
Intangible assets	**3,565**	**-**	**54**	**3,619**
Land and buildings	732	-539	-	193
Plant and machinery	178	-	-	178
Other fittings and equipment	185	-51	-29	105
Property, plant and equipment in progress	181	-	-25	156
Property, plant and equipment	**1,276**	**-590**	**-54**	**632**
Right-of-use assets		**590**		**590**
Amortisation of intangibles assets identified in connection with business combinations	44	-	-	44
Amortisation of intangible development projects and other intangible assets	91	-	9	100
Depreciation of property, plant and equipment	156	-70	-9	77
Depreciation of right-of-use assets	-	70	-	70
Impairment losses on non-current assets	60	-	-	60
Total depreciation, amortisation and impairment losses	**351**			**351**

SECTION 2
OPERATING PROFIT AND TAX

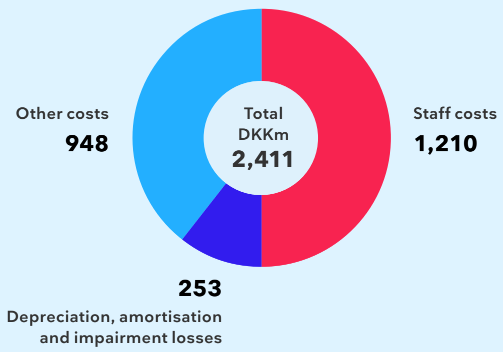
In 2022/23, revenue was DKK 4,775m, of which DKK 2,687m stems from Endoscopy Solutions (ESL). Ambu's largest business area, ESL, reported 15% organic growth in 2022/23.

OPEX as a % of revenue was down 5 percentage points to 50%, as a consequence of the ZOOM IN strategy's aim to drive profitable growth by balancing profit and opportunities.

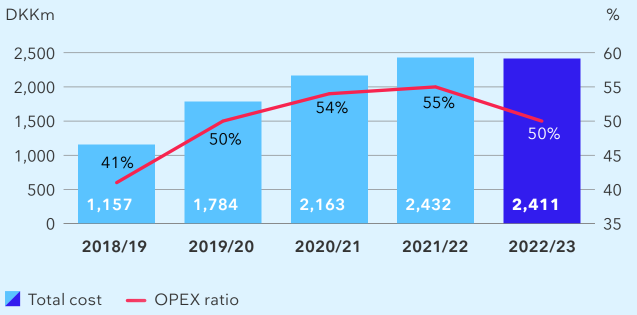
EBIT margin before special items was 6.3%, up 3.6 percentage points over last year.

In this section:

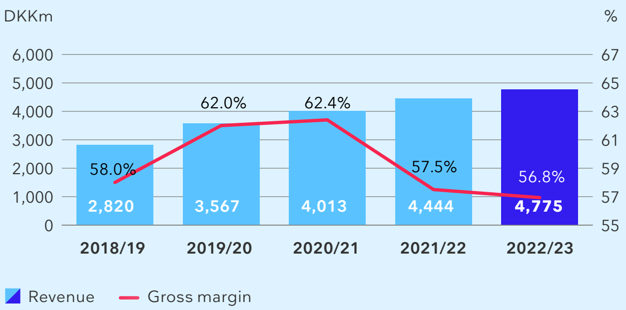
Total OPEX in 2022/23 by nature of expense



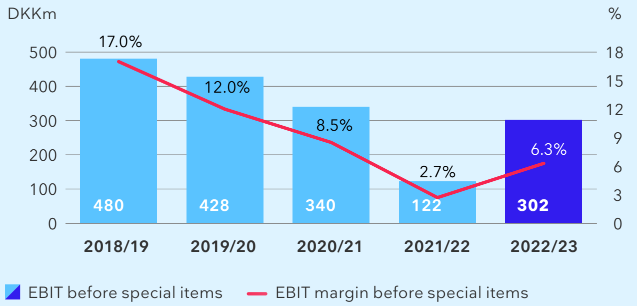
Total cost and OPEX ratio



Revenue and gross margin



EBIT before special items and EBIT margin before special items



SECTION 2: OPERATING PROFIT AND TAX

2.1 Segment information

Segment reporting
Ambu is a supplier of medical technology solutions for the global market. Except for the sales of the various solutions, no structural or organisational aspects allow for a division of earnings from individual products, as sales channels, customer types and sales organisations 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.

The Group operates in three geographical regions: North America, Europe and Rest of World. The geographical distribution of revenue is based on the country in which the goods are delivered. See note 2.2 for a breakdown of revenue on geography and countries that individually represent more than 10% of the Group's revenue.

The majority of the Group’s intangible and tangible assets are located in Denmark, as the Parent company owns the Group's intellectual property rights. Denmark accounts for DKK 2,163m (DKK 2,116m) of the figures in Europe, presented below. Employed assets in North America and Rest of World primarily relates to the Group's production facilities. The Management monitors goodwill as a whole, and goodwill is thus not allocated to geographical areas.

(DKKm)	2022/23	2021/22
Intangible and tangible assets less goodwill by geographical region:		
North America	168	208
Europe	2,315	2,284
Rest of World	717	726
Total	**3,200**	**3,218**

2.2 Revenue

(DKKm)	2022/23	2021/22
Endoscopy Solutions	2,687	2,324
Anaesthesia	1,093	1,126
Patient Monitoring	995	994
Total revenue by activities	**4,775**	**4,444**
North America[1]	2,424	2,140
Europe[2]	1,863	1,825
Rest of World	488	479
Total revenue by markets	**4,775**	**4,444**

[1] North America includes revenue in the USA of DKK 2,364m (DKK 2,090m).
[2] The Group's domicile country, Denmark, is included in Europe at DKK 57m (DKK 52m).

Delivery and payment terms
The Group's primary performance obligation is the sale and delivery of medical technology solutions to customers. The performance obligation is fulfilled when the risk of the goods is passed to the buyer, which most often occurs on delivery at the customer's address. Due to the Group's focus on disposable devices, the Group is not subject to any material guarantee obligations, and customers are not entitled to return unused goods.

The Group's customers have payment terms that reflect the market in which the sale takes place, which varies from 15 to 360 days. For the majority of sales, payment terms are 15-60 days. Historically, the Group has not experienced any major losses on trade receivables. See note 3.6 on trade receivables.

SECTION 2: OPERATING PROFIT AND TAX

2.2 Revenue (continued)

§ Accounting policies
Revenue from the sale of goods is recognised in the income statement when all performance obligations have been fulfilled. Revenue is measured at the fair value of the agreed consideration, exclusive of VAT and taxes collected on behalf of a third party. At the time of recognition of income, a number of price adjustments are also estimated. These are recognised as a reduction to revenue.

! Material accounting estimates
Price adjustments
Price adjustments are offset against trade receivables and primarily concern sales in the USA. Price adjustments in the US market are subject to estimation uncertainty, as the actual price adjustment is not determined until the dealer's sale to the end-customer (hospitals, clinics, etc.). Price adjustments are the difference between the price agreed upon with the end-customer and the dealer's list price. Price adjustments in the amount of DKK 54m (DKK 56m) were recognised.

2.3 Staff costs

The staff costs of the Group are distributed onto the respective functions as follows:

(DKKm)	2022/23	2021/22
Production costs	409	416
Selling and distribution costs	833	883
Development costs	75	79
Management and administrative costs	302	276
Special items	9	59
Total staff expenses	**1,628**	**1,713**
Staff costs included in intangible assets	168	217
Staff costs included in property, plant and equipment	6	3
Total staff costs	**1,802**	**1,933**

Staff costs are distributed between the Executive Management, the Board of Directors and other employees as follows:

(DKKm)	2022/23	2021/22
Remuneration, Executive Management	20	15
Share-based payment	2	-6
Resignation payment	-1	8
Severance payment	-1	13
Severance pay, share-based payment	3	1
Staff costs, Executive Management	**23**	**31**
Wages and salaries	1,562	1,679
Pension contributions	67	68
Social security costs	129	138
Share-based payment	15	11
Remuneration, Board of Directors	6	6
Total staff costs	**1,802**	**1,933**
Average number of employees during the year	4,385	4,849
Number of full-time employees at the end of the year	4,616	4,409

Remuneration to the Executive Management and the Board of Directors totalled DKK 29m (DKK 37m).

§ Accounting policies
Staff costs comprise remuneration, wages and salaries, pension contributions, etc., and share-based payment to the company's employees, including termination benefits. The Group has no defined benefit plans.

SECTION 2: OPERATING PROFIT AND TAX

2.4 Depreciation, amortisation and impairment losses on non-current assets

(DKKm)	2022/23	2021/22
Amortisation of intangible assets identified in connection with business combinations	47	44
Amortisation of intangible development projects and other incl. IT software	137	100
Depreciation of property, plant and equipment	77	77
Depreciation of right-of-use assets	65	70
Impairment losses on non-current assets	22	60
Total depreciation, amortisation and impairment losses	**348**	**351**

In 2021/22, DKK 50m of the total impairment losses on non-current assets of DKK 60m for the year relates to the cost reduction program announced on 3 August 2022 and recognised as 'special items'. Please refer to note 2.6 for more information.

Depreciation, amortisation and impairment losses have been allocated to the following functions:

(DKKm)	2022/23	2021/22
Production costs	77	78
Selling and distribution costs	25	38
Development costs	188	150
Management and administrative costs	40	35
Special items	18	50
Total depreciation, amortisation and impairment losses	**348**	**351**

§ Accounting policies
For a description of accounting policies, reference is made to notes 3.1, 3.2 and 3.3.

2.5 Financial risks from operating activities

Foreign currency risks
The majority of Ambu's sales are invoiced in USD, EUR and GBP. The majority of Ambu's production costs and OPEX are in USD, DKK, EUR, MYR and CNY. All assets and liabililties in the subsidiaries' balance sheets are denominated in foreign currency. As a consequence, fluctuations in these exchange rates against DKK might impact Ambu's financial position and results. The most important exchange rates in relation to risk exposure are USD, MYR, CNY and GBP (collectively referred to as 'main currencies'). Furthermore, EUR is a currency with large exposure, but the risk is deemed limited, due to DKK being pegged to EUR.

Sensitivity analysis
The following table shows the impact on the Group's net profit in the event of a 10% fluctuation in the main currencies, relative to the recognised financial instruments. The fluctuation of 10% constitutes the Management's assessment of a realistic exchange rate development within the main currencies. The financial instruments comprised by the sensitivity analysis include trade receivables, cash, payables, trade payables and intercompany balances. The sensitivity analysis does not take into consideration any translation effect from functional currency to presentation currency.

(DKKm)	Decrease of 10% in main currencies		Increase of 10% in main currencies	
	2022/23	2021/22	2022/23	2021/22
Income statement	-34	-93	34	93
Other comprehensive income	-	-	-	-
	-34	**-93**	**34**	**93**

SECTION 2: OPERATING PROFIT AND TAX

2.5 Financial risks from operating activities (continued)

Hedging of expected future transactions
Interest rate swaps have been entered into to hedge the Group's partial debt to credit institutions, converting floating-rate debt into fixed-rate debt. Management has decided to not apply the rules of 'hedge accounting' to the DKK 250m interest rate swap, and consequently, fair value adjustments are recognised in the income statement. Please refer to note 4.1 and note 4.2.

(DKKm)	Contract value		Fair value	
	30.09.23	**30.09.22**	**30.09.23**	**30.09.22**
Interest rate swaps:				
Interest rate swap, DKK 250m, floating to fixed rate, maturity May 2025	250	250	11	11
Total financial assets	**250**	**250**	**11**	**11**

2.6 Special items

(DKKm)	2022/23	2021/22
Impairment of intangible rights related to production	16	-
Impairment of in-progress development projects	2	50
Remeasurement of technology-debt	-19	-15
Severance costs	9	45
Legal and outplacement costs in relation to severance	-	5
Write-down of Ambu® aScope™ Duodeno 1.5 inventories	-	49
Termination costs CEO, remuneration	-	13
Termination costs CEO, share-based payment	-	1
Total special items	**8**	**148**

Remeasurement of the historical technology acquisition amounted to an income of DKK 19m (DKK 15m) in 2022/23.

In 2021/22, special items was a net expense of DKK 148m, mainly driven by costs associated with the former CEO being replaced in May 2022, the cost reduction program announced on 3 August 2022 and remeasurement of a historical technology acquisition within Anaesthesia and Patient Monitoring.

The cost reduction program targets three categories. Workforce reductions, scaling down in selected in-progress development projects in future technologies and new product developments within Anaesthesia and Patient Monitoring and a decision not to launch Ambu® aScope™ Duodeno 1.5 in additional markets for now, triggered write-down of excess inventories.

If special items had been recognised in Operating profit (EBIT) before special items, the impact would have been allocated to the following functions:

(DKKm)	2022/23	2021/22
Production costs	-	49
Selling and distribution costs	-2	32
Development costs	10	50
Management and administration	-	17
Total special items	**8**	**148**

§ Accounting policies
Special items comprise costs or income that cannot be attributed directly to the Group's ordinary activities and are non-recuring in nature. Such costs include the cost related to significant restructuring of the cost base and processes, as well as restructuring costs related to resignation of employees. Further special items include redundancy costs related to the Group's Management and impairment of assets.

SECTION 2: OPERATING PROFIT AND TAX

2.7 Income taxes

Ambu develops, manufactures and sells solutions to hospitals and rescue services all over the world through its own companies or in collaboration with third parties. This naturally leads to cross-border transactions. In order to counter the inherent tax risk associated with being a multinational company, Ambu follows the OECD's transfer pricing principles and general guidelines. Even though Ambu operates in OECD member countries, a tax risk still exists, given the fact that applicable principles and guidelines are, to some extent, subject to interpretation by the member countries, and that applicable case law is not always clear and changes over time.

Tax governance
Our work with income taxes is governed by the Tax Policy, approved by the Board of Directors. Ambu's policy is to have a low tax risk appetite and to refrain from having business in tax havens or low tax jurisdictions for the purpose of conducting tax optimisation.

In some jurisdictions where we operate, tax incentives are offered to all market participants. Our tax approach does not prevent us from making use of such incentives, in so far as our activities are business-driven and not motivated by tax considerations. Tax incentives utilised by Ambu mainly relates to R&D activities. The majority of the current tax incentives are applied in Denmark, where Ambu A/S utilises the possibility of R&D credit relief.

Tax risks
To counter any future tax disputes and disagreements with the authorities, the Management makes estimates and assessments of the Group's tax exposure and, on the basis thereof, makes a provision for uncertain tax positions. Even though the Management considers this provision to be sufficient, future liabilities may deviate from this.

(DKKm)	2022/23	2021/22
Tax for the year comprises:		
Current tax on profit for the year	41	61
Deferred tax on profit for the year	13	-57
Adjustment in respect of previous years	-12	12
Tax on profit for the year	**42**	**16**
Current tax on other comprehensive income and entries on equity for the year	-	-
Deferred tax on other comprehensive income and entries on equity for the year	-26	9
Tax on other comprehensive income and entries on equity for the year	**-26**	**9**
Total income taxes for the year	**16**	**25**

Income tax paid
Paid income tax for the year was DKK 57m (DKK 79m), corresponding to 27% (72%) of realised profit before tax. The reason for the high effective tax payment in 2021/22, compared to the realised average effective tax rate, was due to timing differences from deferred tax on profits in previous years.

(%)	2022/23	2021/22
Tax on profit for the year comprises (%):		
Applicable tax rate on profit for the year in Parent company	22.0	22.0
Effect of tax rate in foreign subsidiaries	3.1	15.1
Income not subject to tax	-1.9	-0.8
Non-deductible costs	3.8	10.8
Adjustment, change in tax rates	-	0.3
Value adjustment of contingent consideration	-	-24.6
Tax adjustment in respect of previous years	-5.1	11.2
Additional tax deduction on R&D costs	-1.9	-17.8
Utilisation of tax assets not previously recognised	-	-1.5
Average effective tax rate (tax expense divided by profit before tax)	**20.0**	**14.7**

§ Accounting policies
The tax for the year, which consists of current tax and changes in deferred tax, is recognised in the income statement, with the portion attributable to the profit for the year, and in other comprehensive income, with the portion attributable to amounts recognised directly in other comprehensive income and in equity with the portion attributable to amounts recognised directly in equity. The tax effect of share-based payment is included in tax on profit for the year with the portion attributable to the Group's deductible share of the cost from the Black-Scholes or other applied valuation model, and the remaining tax effect is included in equity. Tax is provided on the basis of the tax rules and tax rates applicable in the individual countries.

SECTION 2: OPERATING PROFIT AND TAX

2.8 Deferred tax

(DKKm)	30.09.23	30.09.22
Deferred tax at 1 October	-62	-24
Currency translation adjustment	-1	-1
Deferred tax on share-based payment recognised in equity	-26	9
Deferred tax for the year recognised in the income statement	13	-57
Adjustment in respect of previous years	-6	11
Deferred tax at 30 September	**-82**	**-62**
Deferred tax relates to:		
Intangible assets	383	438
Property, plant and equipment	23	24
Current assets	-54	-57
Deferred tax on share-based payment recognised in equity	3	25
Provisions	30	2
Payables	-19	-21
Tax loss carry-forwards	-447	-473
	-82	**-62**
Classified in the balance sheet as follows:		
Deferred tax asset	-85	-70
Deferred tax	3	8
	-82	**-62**

Tax losses in the group
In recognising tax loss carry-forwards in Denmark, the Management has assessed whether convincing evidence was present, as the Group has a history of recent losses in Denmark, which is due to high investment levels, low residual profit earned in the Parent company, as a consequence of the arm's length mechanism in the OECD Principal-model and tax deductibility of employees' share-based payments.

Tax loss carry-forwards in Denmark, totalling DKK 440m (DKK 473m), were recognised at year-end. The tax loss carry-forwards are recognised on the basis of budgets and strategy plans for the individual activities approved by the Management, incuding tax planning opportunities that will advance the taxable profit. Estimates and assessments of future taxable income are thus consistent with the basis for the impairment tests carried out.

§ Accounting policies
Deferred tax is measured under the balance sheet liability method, on the basis of all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax is not recognised on temporary differences resulting from the initial recognition of goodwill. Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the expected usable value, either as a set-off against tax on future income, or as a set-off against deferred tax liabilities in the same legal tax entity.

Adjustment is made of deferred tax in relation to eliminations made regarding unrealised intercompany profits and losses.

The value of deductible temporary differences is recognised to the extent that the Management, on the basis of budgets, business plans, etc., is able to render it probable that the value can be offset against temporary deferred tax liabilities or against future taxable income. Tax losses are recognised to the extent that the Management can render it probable that these can be offset against future taxable income.

Deferred tax is calculated on share-based payments to the extent that the individual scheme is deductible for the Group. Deferred tax is calculated as the difference between the value of the share-based payment at the time of allocation and the fair value, whichever is higher. Deferred tax assets from share-based payment schemes are recognised proportionately over the vesting period. The tax asset is recognised in the income statement at a value corresponding to the tax deduction for the scheme-related costs recognised in the income statement. Any additional values are recognised directly in equity.

Deferred tax is measured on the basis of the taxation rules and tax rates, which, pursuant to the legislation in force at the balance sheet date, will apply in the individual countries at the time when the deferred tax is expected to become payable as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

SECTION 2: OPERATING PROFIT AND TAX

2.9 Earnings per share

(DKKm)	2022/23	2021/22
Net profit for the year	168	93
Average number of Class A and Class B shares in circulation ('000)	260,480	253,985
Dilutive effect of outstanding share options, warrants and employee share programmes ('000)	176	441
Average number of outstanding Class A and Class B shares including the dilutive effect of share-based payment settled in shares ('000)	**260,656**	**254,426**
Earnings per DKK 0.50 share (EPS) in DKK	0.64	0.37
Diluted earnings per DKK 0.50 share (EPS-D) in DKK	0.64	0.37

§ Accounting policies
Earnings per share are presented as both earnings per share and diluted earnings per share. Earnings per share are calculated as the net profit for the year, divided by the average number of outstanding shares. Diluted earnings per share are calculated as the net profit for the year, divided by the sum of the average number of outstanding shares, including the dilutive effect of outstanding share-based payment settled in shares that are 'in the money'. The dilutive effect of share-based payment that are 'in the money' is calculated as the difference between the number of shares that could be acquired at fair value for the proceeds from the exercise of the share-based payment offset, against the share of the granted fair value of the share-based payment not yet recognised.

SECTION 3

INVESTED CAPITAL AND WORKING CAPITAL

At the beginning of 2022/23, we targeted improving free cash flow by DKK 350-450m over last year.

In 2022/23, free cash flow was DKK 192m, an improvement of DKK 650m from last year's DKK -458m.

The improvement was driven by higher earnings, lower investments and a strict working capital management during times of low predictability, due to changing market conditions.

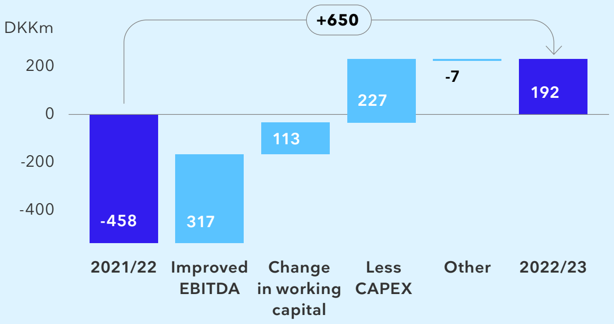
Investments (CAPEX) as a % of revenue was expected to be 9% in 2022/23, but was achieved at 7%. The reduction was a direct consequence of a more diligently capital allocation to drive profitable growth, while at the same time ensuring production capacity.

Net working capital was 20% of revenue, down from 23% last year.

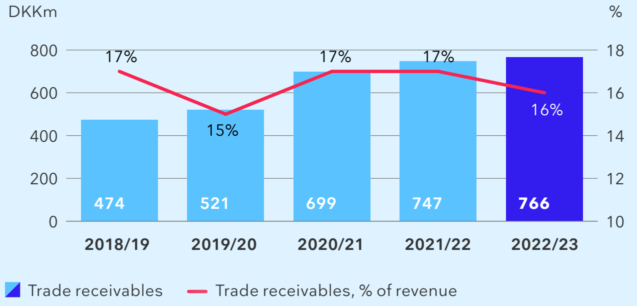
Reduction of working capital was mainly driven by the net effect of reduced inventories and trade payables.

In this section:

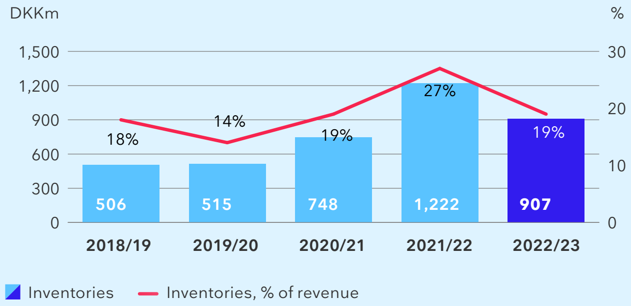
Main components driving the improved free cash flow before acquisitions



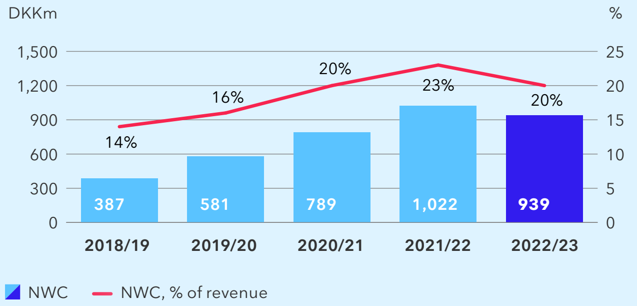
Trade receivables in DKKm and relative to revenue



Inventories in DKKm and relative to revenue



Net working capital in DKKm and relative to revenue



SECTION 3: INVESTED CAPITAL AND NET WORKING CAPITAL

3.1 Goodwill

(DKKm)	30.09.23	30.09.22
Cost at 1 October	1,623	1,504
Currency translation adjustment	-58	119
Cost at 30 September	**1,565**	**1,623**

The carrying amount of goodwill at DKK 1,565m (DKK 1,623m) stems primarily from the business combinations of Invendo Medical GmbH in 2017 and King Systems Corp. in 2013.

Impairment testing
The Ambu Group is managed as one single unit, for which reason the Management monitors goodwill, as a whole, at Group level. Consequently, the impairment test is based on the Group's total cash flows. The market value of Ambu A/S's shares, based on the quoted price of DKK 73.86 per share on Nasdaq Copenhagen at 30 September 2023 (DKK 66.42 per share at 30 September 2022), is far higher than the carrying amount of equity. Based on this market value approximation, Ambu's equity value is DKK 19.9bn (DKK 17bn), which leaves DKK 14.5bn (DKK 13bn) in headroom to the carrying amount of equity. Therefore, the Management has concluded that the net selling price, calculated on the basis of a level 1 fair value measurement, proves that there is no indication of impairment of goodwill.

§ Accounting policies
On recognition, goodwill represents the excess cost of an acquisition over the fair value of the identifiable net assets of the acquired company. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

At the time of acquisition, goodwill is attributed to the cash-generating units, which are expected to benefit from the business combination; however, not to a level lower than the segment level and the level at which goodwill is monitored as part of the internal financial management. The Management has identified one operating segment being the whole Group, to which goodwill is allocated.

The carrying amount of goodwill is tested for impairment, together with the other non-current assets of the cash-generating unit, to which goodwill has been allocated (being the whole Group) and is impaired to the recoverable amount in the income statement, if the carrying amount is higher. Impairment of goodwill is recognised as a separate item in the income statement. Goodwill is tested annually for impairment, the first time being by the end of the year of recognition, in connection with a business combination.

Impairment of goodwill is not reversed. Impairment of other assets is reversed, in so far as the assumptions and estimates, on the basis of which the impairment is made, have been changed. Impairments are only reversed, in so far as the new carrying amount of the asset does not exceed the carrying amount of the asset after amortisation, had the asset not been impaired.

SECTION 3: INVESTED CAPITAL AND NET WORKING CAPITAL

3.2 Other intangible assets

(DKKm)	Acquired technologies, trademarks and cust. relations	Acquired technologies in progress	Completed development projects	Other incl. IT software	Development projects and other assets in progress	Total
2022/23						
Cost at 1 October	732	212	1,260	198	483	2,885
Currency translation adjustment	-15	-	-	-	-	-15
Additions during the year	-	-	-	13	242	255
Disposals during the year	-	-	-1	-2	-	-3
Transferred during the year	212	-212	233	48	-281	-
Cost at 30 September	**929**	**-**	**1,492**	**257**	**444**	**3,122**
Amortisation and impairment losses at 1 October	-251	-	-496	-142	-	-889
Currency translation adjustment	12	-	-	-	-	12
Disposals during the year	-	-	1	2	-	3
Impairment losses for the year	-	-	-2	-16	-	-18
Amortisation for the year	-47	-	-107	-30	-	-184
Amortisation and impairment losses at 30 September	**-286**	**-**	**-604**	**-186**	**-**	**-1,076**
Carrying amount at 30 September	**643**	**-**	**888**	**71**	**444**	**2,046**

(DKKm)	Acquired technologies, trademarks and cust. relations	Acquired technologies in progress	Completed development projects	Other incl. IT software	Development projects and other assets in progress	Total
2021/22						
Cost at 1 October	592	324	762	186	581	2,445
Currency translation adjustment	28	-	-	-	1	29
Additions during the year	-	-	-	8	407	415
Disposals during the year	-	-	-4	-	-	-4
Transferred during the year	112	-112	502	4	-506	-
Cost at 30 September	**732**	**212**	**1,260**	**198**	**483**	**2,885**
Amortisation and impairment losses at 1 October	-185	-	-367	-110	-	-662
Currency translation adjustment	-22	-	-	-1	-	-23
Disposals during the year	-	-	4	-	-	4
Remeasured provisions against asset	-	-	-	-11	-	-11
Impairment losses for the year	-	-	-53	-	-	-53
Amortisation for the year	-44	-	-80	-20	-	-144
Amortisation and impairment losses at 30 September	**-251**	**-**	**-496**	**-142**	**-**	**-889**
Carrying amount at 30 September	**481**	**212**	**764**	**56**	**483**	**1,996**

SECTION 3: INVESTED CAPITAL AND NET WORKING CAPITAL

3.2 Other intangible assets (continued)

! Material accounting estimates

Impairment testing of acquired technologies recognised in connection with business combinations
The Management performs an annual assessment of whether internal or external indications of impairment of the identified intangible assets exist. If there is any indication of impairment, an impairment test is carried out.

In an impairment test, significant estimates and assessments are made of future events, which may have a significant impact on the Group's operating profit (EBIT) and financial position if the planned events deviate from the Management's best estimate.

The combined recoverable amount of each tested technology classified as acquired technology, or a development project, is determined on the basis of its value-in-use, calculated using certain key assumptions per technology, i.e., revenue growth, royalty rate and discount rate. The value-in-use cash flow projections for the individual endoscope technologies pertaining to 'colonoscopy', 'gastroscopy' and 'duodenoscopy' are based on the Company's five-year business plan and a growth rate to extrapolate the revenue in the remaining useful lifetime of the technology. The valuation model applied for determining the recoverable amounts is the relief-from-royalty model, assuming a pre-tax discount rate of 12.8% p.a. (10.0% p.a. net of tax), except for 'colonoscopy', which is based on a pre-tax discount rate of 15.4% p.a. (12.0% p.a. net of tax).

The impairment test made on 'colonoscopy', 'gastroscopy' and 'duodenoscopy' did not result in indication of impairment.

As of 30 September 2023, the recoverable amount for 'duodenoscopy' of DKK 540m (DKK 435m) exceeds the carrying amount by DKK 116m (DKK 19m), which has reduced the sensitivity, compared to the analyses carried out last year.

If a discount rate of 12.0% p.a. net of tax had been applied, instead of 10.0%, the carrying amount would no longer exceed the recoverable amount, whereas last year, the carrying amount exceeded the recoverable amount by DKK 36m. Furthermore, if a 20% royalty rate had been applied throughout the period, instead of 25%, the carrying amount would level with the recoverable amount, whereas, last year, the carrying amount exceeded the recoverable amount by DKK 82m.

The development is mainly impacted by an increased penetration of the addressable market, as well as Management's new strategy of applying a focussed approach to lead and drive the market creation.

§ Accounting policies

Acquired technologies, trademarks and customer relationships
Technologies, trademarks and customer relationships, as well as technologies in progress acquired in connection with business combinations, are recognised at fair value at the time of acquisition in connection with a business combination. Subsequently, the assets are measured, deducted by accumulated amorisation and impairment losses.

Acquired technologies, trademarks and customer relations primarily comprise identified technologies. The individual assets are systematically amortised according to the straight-line method over the expected useful lifetime of the assets, from the time the Management finds that the technology is fit for use. The expected useful lifetime is 5-15 years.

Development projects, rights and Other incl. IT software
Development projects that are clearly defined and identifiable, and where the technical utilisation degree, sufficient resources and a potential future market or scope for use in the Group can be proven, and where the Group intends to produce, market or use the project, are recognised as intangible assets where the cost of the project can be calculated reliably, and there is sufficient certainty that the future earnings or the net selling price can cover the production costs, selling and distribution costs, as well as management and administrative expenses. Other development costs are recognised in the income statement as incurred. Recognised development costs are measured at cost, deducted by accumulated amortisation and impairment losses. Cost comprises salaries and other external expenses, e.g., consultancy fees and travel expenses, which are directly attributable to the Group's development activities.

Upon completion of the development activity, development projects are amortised according to the straight-line method, encompassing the estimated useful life, starting from the time when the asset is ready for use. The basis of amortisation is reduced by impairment losses, if any. The useful life of the asset may subsequently be changed if Management believes that the original assumptions, on which the useful life and any residual value are based have changed significantly. Rights in the form of distribution rights and licences, etc., are measured at cost, deducted by accumulated amortisation and impairment losses. Rights are amortised according to the straight-line method over the shorter of the remaining term of the agreement and the useful lives of the assets. Development projects and rights are amortised according to the straight-line method over the expected useful lives of the assets. The expected useful lifetime of completed development projects is 5-10 years, 5-20 years for rights and 3-5 years for IT software/-projects.

Impairment testing
Development projects in progress, either acquired or internally generated, are tested for impairment on an annual basis. For completed development projects, it is continuously assessed whether there is any indication of impairment. If Management finds that there is an indication of impairment, an impairment test is carried out, comparing the estimated future net cash flows with the carrying amount of the asset.

SECTION 3: INVESTED CAPITAL AND NET WORKING CAPITAL

3.3 Property, plant and equipment

(DKKm)	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
2022/23					
Cost at 1 October	301	538	222	156	1,217
Currency translation adjustment	-23	-46	-11	-3	-83
Additions during the year	-	4	7	60	71
Disposals during the year	-	-8	-9	-	-17
Transferred during the year	9	49	76	-134	-
Cost at 30 September	**287**	**537**	**285**	**79**	**1,188**
Depreciation and impairment losses at 1 October	-108	-360	-117	-	-585
Currency translation adjustment	7	30	6	-	43
Disposals during the year	-	7	8	-	15
Impairment losses for the year	-	-	-	-	-
Depreciation for the year	-11	-37	-29	-	-77
Depreciation and impairment losses at 30 September	**-112**	**-360**	**-132**	**-**	**-604**
Carrying amount at 30 September	**175**	**177**	**153**	**79**	**584**

(DKKm)	Land and buildings	Plant and machinery	Other fixtures and equipment	Property, plant and equipment in progress	Total
2021/22					
Cost at 1 October	266	474	168	100	1,008
Currency translation adjustment	29	46	17	21	113
Additions during the year	2	5	31	100	138
Disposals during the year	-3	-29	-10	-	-42
Transferred during the year	7	42	16	-65	-
Cost at 30 September	**301**	**538**	**222**	**156**	**1,217**
Depreciation and impairment losses at 1 October	-85	-310	-92	-	-487
Currency translation adjustment	-11	-29	-12	-	-52
Disposals during the year	1	28	9	-	38
Impairment losses for the year	-	-7	-	-	-7
Depreciation for the year	-13	-42	-22	-	-77
Depreciation and impairment losses at 30 September	**-108**	**-360**	**-117**	**-**	**-585**
Carrying amount at 30 September	**193**	**178**	**105**	**156**	**632**

SECTION 3: INVESTED CAPITAL AND NET WORKING CAPITAL

3.3 Property, plant and equipment (continued)

§ Accounting policies
Land and buildings, plant and machinery and other plant, fixtures and fittings, tools and equipment are measured at cost, deducted by accumulated depreciation and impairment losses. Cost comprises the acquisition price and any costs directly attributable to the acquisition until the date when the asset is ready for use. The cost of a total asset is divided into separate elements, which are depreciated individually when the useful lives of the individual elements differ.

The basis of depreciation is calculated in consideration of the residual value of the asset and is reduced by impairment losses, if any. The residual value is fixed at the date of acquisition and is subject to annual review. When the residual value exceeds the carrying amount of the asset, depreciation will no longer take place. In connection with changes in the depreciation period or the residual value, the effect of depreciation is recognised in future as a change in the accounting estimate.

The carrying amount of property, plant and equipment is assessed on an annual basis to establish whether there is any indication of impairment. When such indication exists, an impairment test is performed. An impairment loss is recognised when the carrying amount of an asset exceeds the recoverable amount of the asset.

Property, plant and equipment are depreciated according to the straight-line method over the expected useful lives of the assets/components as follows:

Buildings	10-40 years
Building installations	10 years
Plant and machinery	2-10 years
Other fixtures and equipment	3-5 years

Land is not depreciated.

Depreciation is recognised in the income statement under production costs, selling and distribution costs, development costs or management and administrative expenses, as appropriate. See note 2.4.

3.4 Leases

(DKKm)	30.09.23	30.09.22
Land and buildings	538	539
Other plant, fixtures and fittings, tools and equipment	33	51
Carrying amount of lease assets	**571**	**590**
Additions on lease assets during the year	48	332

(DKKm)	30.09.23	30.09.22
Lease liabilities		
Less than 1 year	79	85
Between 1 and 5 years	227	229
More than 5 years	419	475
Undiscounted lease liabilities	**725**	**789**

(DKKm)	2022/23	2021/22
Amounts recognised in the income statement		
Expenses related to low value and short-term leases	2	2
Interest on lease liabilities	17	16
Depreciation of lease assets per asset class		
Land and buildings	46	40
Other plant, fixtures and fittings, tools and equipment	19	30
Depreciation of lease assets	**65**	**70**
Amounts recognised in the cash flow statement		
Total cash outflow for leases	82	70

SECTION 3: INVESTED CAPITAL AND NET WORKING CAPITAL

3.4 Leases (continued)

§ Accounting policies
Lease assets are 'right-of-use assets', which is a contract or part of a contract that conveys the leasee's right to use an asset for a period of time. At the commencement date, the Group recognises a lease liability and a corresponding right-of-use asset at the same amount. A right-of-use asset is initially measured at cost, which equals the initial lease liability and initial direct costs, deducted by any lease incentives received. The Group has applied the practical expedient option allowed under IFRS, by using a portfolio approach for the recognition of lease contracts related to assets of the same nature and with similar lease terms.

The right-of-use asset is depreciated over the earlier of the lease term or the useful life of the asset. The impairment testing of right-of-use assets follows the same principles as those applied for property, plant and equipment, cf. note 3.3. The cost price is adjusted for remeasurement of the lease liability. The Group has chosen to not recognise right-of-use assets and liabilities for leases with a term of 12 months or less and leases of low-value assets. Lease payments related to such leases are recognised in the income statement as an expense on a straight-line basis over the lease term.

3.5 Inventories

(DKKm)	**30.09.23**	**30.09.22**
Raw materials and consumables	430	449
Finished goods	477	773
	907	**1,222**
The above includes write-downs amounting to	-54	-24

(DKKm)	**2022/23**	**2021/22**
Direct production costs	1,541	1,467
Unallocated indirect production costs incl. inbound freight	489	379
Freight costs on transportation between Ambu's warehouses	134	177
Cost of sales for the year	**2,164**	**2,023**
Cost of sales for the year is incurred under the following functions:		
Production costs	2,030	1,846
Selling and distribution costs	134	177
Cost of sales for the year	**2,164**	**2,023**

§ Accounting policies
Inventories are measured at the lower of cost calculated according to the FIFO principle and net realisable value. The net realisable value is calculated as the selling price, deducted by costs of completion and costs necessary to make the sale. The cost of goods for resale, as well as raw materials and consumables, comprises the acquisition price plus delivery costs.

The cost of manufactured goods comprises the cost of raw materials, consumables, direct labour costs and production overheads, in the form of logistics and planning costs, production management, as well as expenses for production facilities and equipment, etc.

SECTION 3: INVESTED CAPITAL AND NET WORKING CAPITAL

3.6 Trade receivables

(DKKm)	Not due	Due 1-90 days	Due 91-180 days	Due > 180 days	Total
2022/23					
Trade receivables, amortised cost	580	163	23	27	793
Write-down for expected credit loss	-	-4	-10	-13	-27
Trade receivables	**580**	**159**	**13**	**14**	**766**
Provision for bad debt at 1 October					-25
Bad debt realised during the year					1
Bad debt provision for the year					-3
Currency translation adjustment					-
Provision for bad debt at 30 September					-27
2021/22					
Trade receivables, amortised cost	607	130	13	22	772
Write-down for expected credit loss	-3	-4	-6	-12	-25
Trade receivables	**604**	**126**	**7**	**10**	**747**
Provision for bad debt at 1 October					-21
Bad debt realised during the year					1
Bad debt provision for the year					-5
Currency translation adjustment					-
Provision for bad debt at 30 September					-25

3.6 Trade receivables (continued)

Credit risks
Ambu monitors trade receivables on a daily basis by means of due date reports, changes in payment pattern trends and ordinary follow-up routines to identify any indications that the initial expectations for credit losses on the individual receivables should be adjusted. This risk assessment is targeted at private-sector customers.

Public-sector customers are an important part of the Company's receivables, and it is believed that no debtor risks are associated with public-sector customers. In addition to a specific assessment for expected credit losses on private-sector customers, the Management estimates general macro risks on the portfolio of trade receivables. The Group does not use factoring in connection with the collection of debts.

§ Accounting policies
Trade receivables are measured at amortised cost, deducted by write-down for lifetime expected credit losses. To measure the expected credit losses, trade receivables are grouped according to shared credit risk characteristics and days overdue. Furthermore, an allowance for lifetime credit losses for trade receivables is recognised on initial recognition.

3.7 Change in working capital

(DKKm)	2022/23	2021/22
Change in inventories	237	-402
Change in receivables	-47	-19
Change in trade payables etc.	-211	287
	-21	**-134**

SECTION 4

FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

Coming into 2022/23, management had plans in place to reduce the gearing at 2021/22-of 3.9x EBITDA before special items.

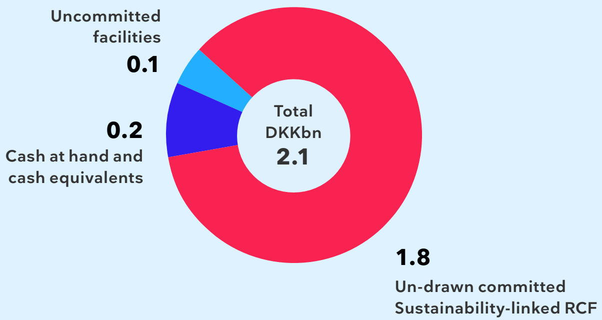
During the first six months of 2022/23 it became apparent to management, that volatile market conditions and unforeseen events could lead to an adverse effect on the gearing.

Following the Capital Market Day in March 2023, Management announced its intention to undertake a capital increase with the aim of strengthening the capital structure.

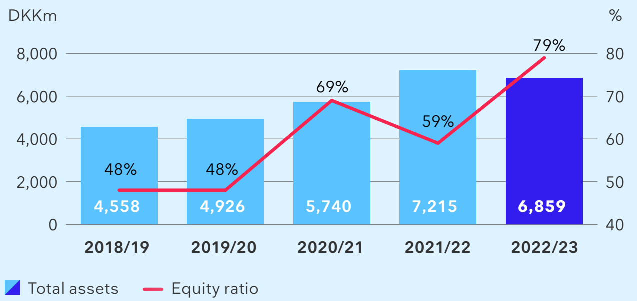
An issuance of new share capital and sale of treasury shares was concluded by the end of March 2023 for a total capital increase of net DKK 1,077m at a share price of DKK 94.

Gearing by 2022/23 was 0.7.

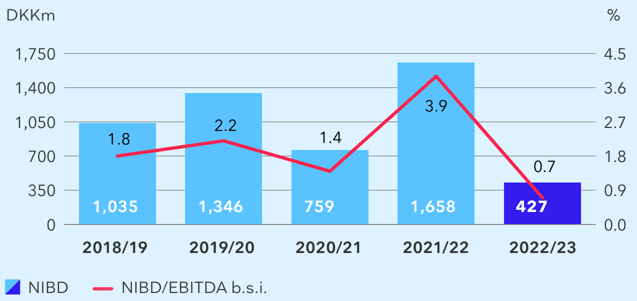
Unutilised capital resources



Total assets and Equity ratio



Net interest-bearing debt (NIBD) and gearing



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SECTION 4: FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

4.1 Financial risk management

Ambu is exposed to fluctuations in foreign exchange and interest rates. Furthermore, Ambu is exposed to liquidity and financing risks. These risks are managed and monitored centrally in the Parent company, in accordance with the Finance Policy, approved by the Board of Directors. Ambu does not undertake any active speculation in financial risks.

Market risk
As described above, the Group is exposed to changes in foreign exchange and interest rate risks. Additionally, the Group is exposed to changing in raw materials prices and freight rates. Ambu's Global Procurement and Global Supply Chain functions, respectively, monitor these risks and work to mitigate them to an acceptable level. The Management assesses these risks to be manageable, as they represent a small value of the total cost, despite substantial volatility in recent years.

Currency risk
The effect of fluctuations in foreign exchange rates on the Group's financial targets and financial position is monitored on an on-going basis. Prior year's analyses and ongoing quantification of short-term exposure using reckon statistical models, has indicated an acceptable level of currency risk to Ambu's cash flow and financial targets. On this background, the Group continues to rely on natural hedging, given the current mix of transactions at different foreign exchange rates. Please see note 2.5 for further information about foreign currency exposure and the 'Outlook for 2023/24' section in the Management's commentary section.

Interest rate risk
Ambu's policy is to hedge interest rate risk to mitigate fluctuating interest payments. Hedging takes place through interest rate derivatives swapping floating-rate loans into fixed-rate loans. The Group's credit facilities carry floating interest rates. The development in interest rates is linked to IBOR/SOFR reference rate.

In May 2022, the Company entered into a DKK 250m interest rate swap involving receipt of CIBOR 3 months and payment of a fixed interest rate of 1.24%. The derivative is not considered an accounting hedge in accordance with IFRS 9.

Liquidity and financing risk
Financing and sufficient liquidity are fundamental to Ambu's continued operation and growth. Liquidity is managed centrally from the Parent company. The objective of the cash management is to ensure that adequate and flexible cash resources are being maintained, thus enabling Ambu to honour its current obligations, such as repaying loans and settling other liabilities.

Supply chain financing (SCF)
To improve the relationship with our suppliers and minimise the financing cost in the value chain, Ambu has introduced a SCF program. When participating in this program, the supplier has the option to receive early payment from the bank, based on the invoices approved by Ambu through a factoring arrangement between the supplier and the bank, where the outstanding invoices are transferred to the bank without recourse.

Ambu's liability in relation to the SCF programme is the outstanding invoices, which are recognised and presented as a trade payable until paid upon maturity. The trade payables covered by the SCF program arise in the ordinary course of business from supply of goods and services, and the payment terms of the suppliers that participate in the SCF program are not significantly extended compared to trade payables not part of the SCF program. At the end of 2022/23, trade payables covered by the program amounted to DKK 44m (DKK 51m).

Credit facility
To cover the Group's liquidity needs, Ambu has committed credit facilities for a total of DKK 1,800m. The facilities carry floating interest rates in the range of 0.58-2.98%, depending on the Group's gearing and ESG performance. To mitigate the interest rate risk, DKK 250m was hedged in May 2022 through an interest rate swap until 2 May 2025 at a fixed interest rate of 1.24%. The credit facilities expires on 28 June 2026 and are subject to standard financial covenants.

The cash resources, which consist of cash at bank, and committed and uncommitted unutilised credit facilities in banks amount to DKK 2.1bn (DKK 0.8bn). Considering committed facilities and cash at bank only, the cash resource was DKK 2bn (DKK 0.7bn).

Cash-pool solutions are applied to a small extent, and intercompany loans have been granted by Ambu A/S to a few subsidiaries. The liquidity risk is countered by a consistent focus on budgeted and realised cash flow.

SECTION 4: FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

4.1 Financial risk management (continued)

Credit risk
Ambu is mainly exposed to credit risks in respect of trade receivables. The maximum credit risk corresponds to the carrying amount. For many years, Ambu has not realised any significant losses on receivables. Reference is made to note 3.6.

Counterparty risk
Counterparty risk for cash and financial instruments is mitigated as the Company's primary banks are SIFI banks.

Capital management
The primary objective of the Group's capital management is to ensure the funding of growth of the Group, while maximising the return to the shareholders through the optimisation of the debt and equity balance.

For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to the equity holders of the parent.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

4.2 Financial instruments

	Contractual cash flows				
(DKKm)	0-1 year	1-5 years	> 5 years	Total	Carrying amount
2022/23					
Trade receivables	766	-	-	766	766
Other receivables	25	18	1	44	44
Cash and cash equivalents	157	-	-	157	157
Financial assets measured at amortised cost	**948**	**18**	**1**	**967**	**967**
Derivative financial instruments (level 2) [1]	7	4	-	11	11
Financial assets stated at fair value in the income statement	**7**	**4**	**-**	**11**	**11**
Trade payables	357	2	-	359	359
Other payables	485	3	4	492	492
Financial liabilities measured at amortised cost	**842**	**5**	**4**	**851**	**851**

[1] Level 1: The fair value of financial instruments traded on active markets is based on the listed market prices at the balance sheet date. The listed price is used for the Group's financial assets as the current purchase price.
Level 2: The fair value of financial instruments, which are not traded in an active market (e.g. over-the-counter derivatives), is determined using ordinary valuation methods.
Level 3: If no observable market data are available, the instrument is included in the last category.

SECTION 4: FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

4.2 Financial instruments (continued)

	Contractual cash flows				
(DKKm)	0-1 year	1-5 years	> 5 years	Total	Carrying amount
2021/22					
Trade receivables	747	-	-	747	747
Other receivables	36	-	-	36	36
Cash and cash equivalents	187	-	-	187	187
Financial assets measured at amortised cost	**970**	**-**	**-**	**970**	**970**
Derivative financial instruments (level 2) [1]	3	8	-	11	11
Financial assets stated at fair value in the income statement	**3**	**8**	**-**	**11**	**11**
Credit institutions	51	1,282	-	1,333	1,250
Trade payables	600	-	-	600	600
Other payables	451	8	2	461	461
Financial liabilities measured at amortised cost	**1,102**	**1,290**	**2**	**2,392**	**2,311**

[1] Level 1: The fair value of financial instruments traded on active markets is based on the listed market prices at the balance sheet date. The listed price is used for the Group's financial assets as the current purchase price.
Level 2: The fair value of financial instruments, which are not traded in an active market (e.g. over-the-counter derivatives), is determined using ordinary valuation methods.
Level 3: If no observable market data are available, the instrument is included in the last category.

Financial instruments measured at fair value
At the end of the financial year, it is assessed whether an instrument has moved between the levels of the fair value hierarchy. There have been no movements between the various levels this year or the year before.

Methods and assumptions for the determination of fair value
Derivative financial instruments
Derivative financial instruments are recognised at fair value, based on a valuation report, prepared by an external party who valuates the instruments based on discounted cash flows, and other inputs based on observable market data.

Contingent consideration
Contingent consideration is recognised at fair value by discounting expected cash flows, based on contractual conditions and unobservable inputs, such as the expected performance of the acquired assets.

§ Accounting policies
Debt to credit institutions, etc., is recognised at the date of borrowing at fair value, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the 'effective rate of interest method', so that the difference between the proceeds and the nominal value is recognised under financial expenses in the income statement for the duration of the loan term.

Derivative financial instruments are recognised as from the transaction date and are measured at fair value in the balance sheet. The fair value of derivative financial instruments is calculated on the basis of current market data, as well as accepted valuation methods.

Changes in the fair value of derivative financial instruments are recognised on an ongoing basis in the income statement.

Contingent consideration arising as a result of business combinations, is recognised at fair value at the time of acquisition. The liability is subsequently adjusted to fair value on an ongoing basis.

Other liabilities are measured at amortised cost.

SECTION 4: FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

4.3 Net financials

(DKKm)	2022/23	2021/22
Interest income, banks	1	-
Interest income, others	-	1
Foreign exchange gains, net	-	21
Fair value adjustment, contingent consideration	-	137
Fair value adjustment, interest rate swap	1	10
Financial income	**2**	**169**

In 2021/22, Management remeasured the fair value of the milestone conditionally upon FDA clearance of the gastroscope by 31 December 2021. Since the FDA clearance was not obtained at this date, Management remeasured the contingent consideration, leading to a financial income of DKK 137m. The deferred contingent consideration related to the Invendo Medical GmbH acquisition was at 30 September 2022 fully paid or lapsed.

(DKKm)	2022/23	2021/22
Interest expenses, banks	42	16
Interest expenses, leases	17	16
Interest expenses, others	2	-
Foreign exchange loss, net	23	-
Effect of shorter discount period, acquisition of technology	2	2
Financial expenses	**86**	**34**

§ Accounting policies
Financial income and expenses comprise interest, exchange gains and losses, transactions in foreign currencies and amortisation of financial assets and liabilities, including leases. The timing effect and fair value adjustment of contingent consideration and the purchase price payable are classified under net financials.

4.4 Interest-bearing debt

(DKKm)	30.09.23	30.09.22
Borrowings	-	1,250
Leases	512	516
Long-term interest-bearing debt	**512**	**1,766**
Leases	72	79
Short-term interest-bearing debt	**72**	**79**
Interest-bearing debt	**584**	**1,845**

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

(DKKm)	30.09.23	30.09.22
Interest-bearing debt	584	1,845
Cash and cash equivalents	-157	-187
Net interest-bearing debt	**427**	**1,658**

SECTION 4: FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

4.5 Share capital and treasury shares

Share capital
Ambu's share capital is DKK 135m (DKK 129m), divided into two classes of shares with a nominal share value of DKK 0.50. A Class A share carries 10 votes per share, while a Class B share carries one vote per share. There is no difference between the economic rights pertaining to the individual share classes. All shares are paid-up in full.

Capital raise
On 24 March 2023, Ambu concluded its accelerated bookbuild offering to incease the share capital by a nominal amount of DKK 5,788,979 through direct issue of 11,577,957 Class B shares and sale of 250,000 treasury Class B shares, by a nominal amount of DKK 125,000. The sale price was DKK 93 per share and DKK 91.10 per share net of total transaction costs of DKK 23m. Total net proceeds raised was DKK 1,054m from increase of share capital and net proceeds raised from sale of treasury shares was DKK 23m.

Development in number of shares:

	Class A shares		Class B shares		Number of shares	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Number of shares in thousands						
Number of shares issued, beginning of year	34,320	34,320	223,396	223,384	257,716	257,704
Capital increase, private placement	-	-	11,578	-	11,578	-
Capital increase, warrants	-	-	-	12	-	12
Number of shares issued at end of year	**34,320**	**34,320**	**234,974**	**223,396**	**269,294**	**257,716**

Development in treasury shares:

	No. ('000)		Nominal value (DKKm)		In % of share capital	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Number of treasury shares in thousands						
Treasury shares, beginning of year	3,642	3,977	2.0	2.0	1.4%	1.5%
Disposals, private placement	-250	-	-0.1	-	-0.1%	-
Disposals, long-term incentive schemes	-47	-	-0.1	-	-0.1%	-
Disposals, employee shares (matching shares)	-37	-66	-	-	-	-
Disposals, share options	-315	-269	-0.2	-	-0.1%	-0.1%
Treasury shares, end of year	**2,993**	**3,642**	**1.6**	**2.0**	**1.1%**	**1.4%**

§ Accounting policies
Acquisition costs and consideration, as well as the dividend on treasury shares, are recognised directly in retained earnings under equity. Proceeds from the sale of treasury shares and the issue of shares in Ambu A/S, in connection with the exercise of share options, and from the sale of employee shares or warrants, are taken directly to equity.

SECTION 4: FINANCIAL RISK MANAGEMENT AND CAPITAL STRUCTURE

4.6 Cash flows from financial liabilities classified as financing activities

(DKKm)	30.09.22	Cash flow	Adjustments[1]	Raising of leases[1]	30.09.23
Borrowings	1,250	-1,250	-	-	-
Lease liabilities	595	-63	4	48	584
	1,845	**-1,313**	**4**	**48**	**584**

(DKKm)	30.09.21	Cash flow	Adjustments[1]	Raising of leases[1]	30.09.22
Borrowings	550	700	-	-	1,250
Lease liabilities	273	-52	42	332	595
	823	**648**	**42**	**332**	**1,845**

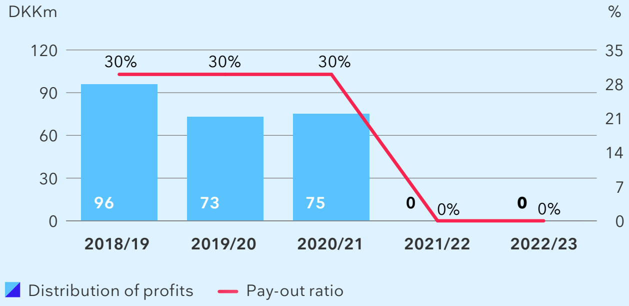
[1] Non-cash transactions.

SECTION 5

PROVISIONS, OTHER LIABILITIES, ETC.

Section 5 includes statutory notes and notes of secondary importance to understanding Ambu's financial results and financial position.

Distribution of profit (DKKm) and relative to net profit (pay-out ratio)



In this section:

SECTION 5: PROVISIONS, OTHER LIABILITIES, ETC.

5.1 Provisions

(DKKm)	2022/23	2021/22
Provisions at 1 October	23	43
Additions during the year	15	-
Used during the year	-	-5
Value adjustment	-17	-24
Currency translation adjustment	-3	9
Provisions at 30 September	**18**	**23**
Provisions expected to fall due:		
Non-current liabilities	9	19
Current liabilities	9	4
Provisions at 30 September	**18**	**23**

As of 30 September 2023, value adjustment net amounts to DKK 17m (DKK 24m), hereof the value of remeasured technology debt is DKK 19m (DKK 26m), whereas DKK 0 (DKK 11m) has been offset in the net book value of the associated intangible asset, and DKK 19m (DKK 15m) has been reported as an income in special items.

Provisions at the balance sheet date concern onerous contracts, deferred purchase price relating to acquired technology in previous years and other items.

§ Accounting policies
Provisions are recognised when the Group, as a result of an event having occurred before or on the balance sheet date, has incurred a legal or actual liability, and it is probable that economic benefits will flow from the Group in order to settle the liability. If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate. When applying a discount rate, the change in provisions, due to the timing, is recognised as a financial cost.

5.2 Share-based payment

The Group's incentive-based remuneration to the Executive Management is described in the 'Remuneration Report 2022/23. Share-based payment is governed by the Remuneration Policy approved by the Board of Directors.The Board of Directors does not receive share-based payment.

Total share-based payment costs in the income statement

(DKKm)	2022/23	2021/22
Performance Share Units, amortised cost during the period based on value at grant date	2	4
Fair value adjustment of settled-in-cash Performance Share Units	-	-9
Fair value adjustment of settled-in-cash Performance Share Units, previous management	3	-
Executive Management	**5**	**-5**
Performance Share Units, amortised cost during vesting-period based on value at grant date	7	4
Share options, amortised cost during vesting-period based on value at grant date	-	1
Employee shares, amortised cost during vesting-period based on value at grant date	8	6
Total costs for share-based payment in the income statement	**20**	**6**

Performance Share Units (PSU)
In 2022/23 Ambu established a share-based, long-term incentive plan for the Executive Management and key employees selected on the basis of job level by way of granting PSUs. The financial target weighted into the performance was organic revenue growth (50%) and EBIT (50%). The fair value per PSU at grant date was DKK 91.22. The program vests three years after grant on January 2026.

In 2021/22, a PSU program was granted under the same conditions as 2022/23. The fair value per PSU at grant date was DKK 167.87. The financial target was organic revenue (100%), but was not achieved and thus all PSUs were subsequently cancelled. However, the CEO was granted a sign-on bonus, in respect of a PSU program, at a grant value of DKK 1m earned over the course of three years.

SECTION 5: PROVISIONS, OTHER LIABILITIES, ETC.

5.2 Share-based payment (continued)

(DKKm)	Executive Management 2022/23	Executive Management 2021/22	Other and former employees 2022/23	Other and former employees 2021/22	Total 2022/23	Total 2021/22
Outstanding PSUs beginning of the year	8,548	127,928	189,884	80,900	198,432	208,828
Allocated during the year	76,100	105,190	238,917	188,396	315,017	293,586
Transferred during the year	-	-212,180	-	212,180	-	-
Exercised during the year	-	-	-168,070	-28,612	-168,070	-28,612
Cancelled during the year	-	-12,390	-5,846	-262,980	-5,846	-275,370
Outstanding PSUs end of the year	**86,648**	**8,548**	**254,885**	**189,884**	**339,533**	**198,432**
Of which will be settled in cash	-	-	-	99,316	-	99,316

Outstanding PSUs have on average 2.2 years and 2.2 years until contract expiry for the Executive Management and 'Other and former employees', respectively. The average market price on the date of exercise was DKK 92.

Employee shares

Ambu is offering all its employees the opportunity to acquire a number of shares based on a fixed percentage of their annual base salary. The number of shares with which an employee participates are matched free of charge after two years. The Executive Management participates with 646 shares in the current employee share programmes currently under vesting. The total market value at the time of allocation in 2023 was DKK 7m (DKK 11m) at a fair value per share of DKK 108.69 (DKK 95.56) at grant date.

(DKKm)	2022/23	2021/22
Outstanding beginning of the year	162,053	128,361
Allocated during the year	67,364	111,795
Released during the year	-37,488	-64,993
Cancelled during the year	-12,770	-13,110
Outstanding end of the year	**179,159**	**162,053**

Legacy incentive equity-based remuneration to current and prior employees, including prior Executive Management, include stock options and warrants. According to the current remuneration policy, Ambu only grants PSUs.

(DKKm)	Share options 2022/23	Share options 2021/22	Warrants 2022/23	Warrants 2021/22	Total 2022/23	Total 2021/22
Outstanding beginning of the year	1,774,247	2,058,214	169,500	182,000	1,943,747	2,240,214
Exercised during the year	-314,760	-269,165	-	-12,500	-314,760	-281,665
Cancelled during the year	-21,330	-14,802	-169,500	-	-190,830	-14,802
Outstanding end of the year	**1,438,157**	**1,774,247**	**-**	**169,500**	**1,438,157**	**1,943,747**
Of which are vested	1,438,157	1,138,654	-	169,500	1,438,157	1,308,154

The average market price on the date of exercise of share options was DKK 106.32 in 2022/23 (2021/22: DKK 167.65). Outstanding share options have on average 1.1 years until contract expiry, at an average exercise price of DKK 128.60 per option.

§ Accounting policy

The fair value of Ambu's share-based payment is expensed on an accrual basis. Fair value of equity-based schemes at the time of allocation is calculated according to recognised valuation models or methods. This value is expensed over the service period for each of the respective schemes and is taken to equity. On recognition of the fair value during the service period, account is taken of the number of employees who are expected to obtain a final right to the scheme, including the conditions to which the allocation is subject. This estimate is reassessed at the end of each reporting period, so that only the number of rights expected to be vested are recognised. Adjustments relating to previous periods are recognised in the period in which the adjustment is made. The fair value per unit does not change.

PSUs that are settled in cash are taken to liabilities, instead of equity, and the fair value adjustment of the respective scheme at end of the period is expensed to the income statement. This includes any changes in the quoted price of the Ambu B-share on Nasdaq Copenhagen.

SECTION 5: PROVISIONS, OTHER LIABILITIES, ETC.

5.3 Fee to auditors appointed by the Annual General Meeting

(DKKm)	2022/23	2021/22
Audit fee	6	5
Other assurance engagements	1	-
Tax consultancy services	-	-
Other services	-	1
Total fees	**7**	**6**

Fee for non-audit services provided to the Group by EY Statsautoriseret Revisionspartnerselskab, Denmark, amounted to DKK 1m (DKK 1m), relating mainly to tax compliance and other assurance assessments and reports.

5.4 Group companies

This note shows the legal entities which are consolidated in the consolidated financial statements. All entities have a 100% ownership interest.

			Activity			
Company	**Reg. office**	**Currency**	Sales[1]	Production[2]	R&D	Other
Parent company:						
Ambu A/S	Denmark	DKK	x	x	x	x
Subsidiaries:						
Ambu Australia Pty. Ltd.	Australia	AUD	x			
Ambu Healthcare Solutions Canada Inc.	Canada	CAD	x			
Ambu Ltd.	China	CNY		x	x	
Ambu (Xiamen) Trading Co., Ltd.	China	CNY	x			
Ambu Nordic A/S	Denmark	DKK				x
Ambu Operations A/S	Denmark	USD		x		
Ambu Rusland Holding ApS	Denmark	DKK				x

5.4 Group companies (continued)

			Activity			
Company	**Reg. office**	**Currency**	Sales[1]	Production[2]	R&D	Other
Ambu Sarl	France	EUR	x			
Ambu GmbH	Germany	EUR	x			
Ambu Innovation GmbH	Germany	EUR			x	
Ambu India Private Limited	India	INR	x			
Ambu s.r.l.	Italy	EUR	x			
Ambu KK	Japan	JPY	x			
Ambu Sdn. Bhd.	Malaysia	MYR		x		
Ambu Innovation (Malaysia) Sdn. Bhd.	Malaysia	MYR			x	
Ambu Sales & Services Sdn. Bhd.	Malaysia	MYR	x			
Ambu Mexico Operations S. A. DE C. V.	Mexico	MXN		x		
Ambu B.V.	Netherlands	EUR	x			
Ambu New Zealand Pty. Ltd.	New Zealand	NZD	x			
Ambu LLC	Russia	RUB				x
Firma Ambu, S.L.	Spain	EUR	x			
Ambu AG	Switzerland	CHF	x			
Ambu Ltd.	UK	GBP	x			
Ambu Inc.	USA	USD	x			
King Systems Holding Inc.	USA	USD				x
King Systems Corp.	USA	USD		x	x	

[1] Sales include promotional activities.
[2] Production includes the purchase of goods for resale and the coordination thereof.

SECTION 5: PROVISIONS, OTHER LIABILITIES, ETC.

5.5 Contingent liabilities and other contractual liabilities

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

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 at 30 September 2023. For a more detailed description of the Group's risks, see the 'Risk management' section on p. 97-101→

Other contractual liabilities
A change-of-control clause exists in respect of committed borrowing facilities, which constitute the main part of Ambu's loan financing. Change-of-control remuneration to members of the Executive Management is subject to a maximum value corresponding to two years' remuneration.

5.6 Related parties

The Group's related parties include the company's Board of Directors and Executive Management and members of their families. Related parties, furthermore, include enterprises in which the aforementioned persons have a significant interest.

During the year, no transactions, except for payment of the Management's remuneration (notes 2.3 and 5.2) and ordinary dividend payments, took place with the Board of Directors, Executive Management, major shareholders or other related parties.

5.7 Subsequent events

No material events have occurred in the period between the end of the financial year and the Board of Directors' approval of the Annual Report.

5.8 Adoption of the annual report and distribution of profit

At the board meeting on 8 November 2023, the Board of Directors approved the Annual Report presented. Subsequently, the Annual Report will be presented to the shareholders of Ambu A/S for adoption at the Annual General Meeting on 13 December 2023, including the proposed distribution of the profit for the year.

(DKKm)	**2022/23**	**2021/22**
Proposed dividend for the year	-	-
Transferred to distributable reserves	168	93
	168	**93**
Dividend per share in DKK	0.00	0.00
Pay-out ratio, in % of net profit	0%	0%

§ Accounting policies
Proposed dividend is recognised as a liability at the time of adoption by the general meeting. Expected dividend payable for the year is shown as a separate reserve under equity.

SECTION 5: PROVISIONS, OTHER LIABILITIES, ETC.

5.9 Non-IFRS financial measures

The Group uses several financial metrics, which are not defined in the International Financial Reporting Standards (IFRS). These Alternative Performance Measures (APMs) are used in the daily management of the Company and in the communication with external stakeholders. The non-IFRS financial measures are defined by Management and therefore may not be comparable with other companies' measures.

The most relevant APMs are: 'Organic growth', 'Special items', 'EBITDA before special items', 'Net working capital', 'Net-interest bearing debt' and 'Free cash flow before acquisitions of enterprises and technology'.

Below is a reconciliation of the different APMs used in the Annual Report. Key figure and ratio definitions are found in note 5.10.

Income statement APMs

(DKKm)	2022/23	2021/22
Operating profit (EBIT)	294	-26
Depreciation, amortisation and impairment losses on non-current assets cf. note 2.4	348	351
EBITDA	**642**	**325**
Special items cf. note 2.6	8	148
of which depreciation, amortisation and impairment cf. note 2.4	-18	-50
EBITDA before special items	**632**	**423**
Depreciation, amortisation and impairment losses, not classified as special items cf. note 2.4	-330	-301
EBIT before special items	**302**	**122**

Balance sheet and cash flow APMs

(DKKm)	2022/23	2021/22
Total current assets (IFRS)	2,008	2,304
Income tax receivable	-50	-23
Derivative financial instruments	-11	-11
Cash and cash equivalents	-157	-187
Total current assets adjusted	**1,790**	**2,083**
Total current liabilities (IFRS)	-942	-1,161
Provisions	9	4
Lease liabilities	72	79
Income tax	10	17
Net working capital	**939**	**1,022**

(DKKm)	2022/23	2021/22
Cash and cash equivalents	-157	-187
Lease liabilities	584	595
Borrowings	-	1,250
Net interest-bearing debt	**427**	**1,658**

(DKKm)	2022/23	2021/22
Cash flow from operating activities (IFRS)	518	95
Cash flow from investing activities (IFRS)	-326	-558
of which are acquisitions of technology	-	5
Free cash flow before acquisitions of enterprises and technology	**192**	**-458**

SECTION 5: PROVISIONS, OTHER LIABILITIES, ETC.

5.10 Key figure and ratio definitions

The key figures and ratios used in the Annual Report is defined as shown below. 'APM' (Alternative Performance Measure) / 'IFRS' indicates whether the metric is defined by IFRS or not. Reference is made to note 5.9 for a reconciliation of APMs to IFRS.

		APM	IFRS
Income statement			
Gross margin, %	Gross profit in % of revenue.		X
EBITDA before special items	Operating profit before special items, depreciation, amortisation and impairment losses.	X	
Operating profit (EBIT) before special items	Profit for the year before special items, net financials and tax	X	
Operating profit (EBIT)	Profit for the year before net financials and tax	X	
Operating Expenditures (OPEX)	Selling and distribution costs, development costs, management and administrative expenses as well as other operating income and expenses.	X	
Special items (s.i.)	Special items comprise costs that cannot be attributed directly to the Group's ordinary activities and are non-recurring in nature.	X	
Balance sheet			
Net working capital	Inventories, trade receivables, other receivables and prepayments less trade payables and other payables.	X	
Interest-bearing debt	Debt on which interest is paid, including bank debt, debt to credit institutions, lease debt and corporate bonds, but not trade payables.	X	
Net interest-bearing debt (NIBD)	Interest-bearing debt less cash and cash equivalents.	X	
Cash flows			
Cash flow from operating activities	Cash flow from operating activities as defined in IAS 7.		X
Cash flow from investing activities before acquisitions of enterprises and technology	Cash flow from investing activities as defined in IAS 7 excluding cash flow for the acquisition of technology and enterprises.	X	
Free cash flow before acquisitions of enterprises and technology	The sum of cash flow from operating activities and cash flow from investing activities before acquisitions of enterprises and technology.	X	
Acquisitions of enterprises and technology	Cash flow from the acquisition of enterprises and technology, including payment to the seller and payment of earn-outs less cash in acquired enterprises.	X	
Key figures and ratios			
Organic growth	Development in revenue, adjusted for fluctuations in foreign exchange rates and the effect of acquisitions, in the past 12 months in % of revenue in the period of comparison.	X	
Endoscopes	Single-use endoscopes. Currently, endoscopes comprise the following product groups: Ambu® aScope™, VivaSight™ and other endoscopes in the portfolio.	X	
Growth in endoscopes sold	The development in the number of endoscopes sold in % of the number of endoscopes sold in the period of comparison.	X	
Rate of cost	Capacity costs in % of revenue.	X	
Tax rate	Tax for the year relative to the profit before tax.		X
EBITDA margin before special items	EBITDA before special items in % of revenue.	X	
EBIT margin	EBIT in % of revenue.	X	

SECTION 5: PROVISIONS, OTHER LIABILITIES, ETC.

5.10 Key figure and ratio definitions (continued)

		APM	IFRS
EBIT margin before special items	EBIT before special items in % of revenue.	X	
Return on equity	Net profit/loss for the year for a rolling 12-month period in relation to average equity.		X
NIBD/EBITDA before special items	Net interest-bearing debt/EBITDA before special items.	X	
Equity ratio	Equity's share of total assets at end of year.		X
Investments, % of revenue	Cash flow from investing activities, including assets disposed of, in % of revenue.	X	
Net working capital, % of revenue	Inventories, trade receivables, other receivables and prepayments less trade payables and other payables in % of revenue.	X	
Return on invested capital (ROIC)	EBIT for a rolling 12-month period less the Group's expected long-term tax rate relative to the average equity plus the average net interest-bearing debt.	X	
Share-related ratios			
Earnings per share (EPS)	Earnings per share for the year, calculated in accordance with IAS 33.		X
Diluted earnings per share (EPS-D)	Diluted earnings per share, calculated in accordance with IAS 33.		X
Cash flow per share	Cash flow from operating activities relative to number of shares at end of year	X	
Equity value per share	Total equity relative to number of shares at end of year.	X	
Dividend per share	Dividend relative to number of shares at end of year.		X
Pay-out ratio	Dividend as a percentage of net profit/loss for the year.		X
P/E ratio	Market price relative to earnings per share (EPS).	X	

Statements

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have today considered and approved the Annual Report of Ambu A/S for the financial year from 1 October 2022 to 30 September 2023.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act. In our opinion, the consolidated financial statements and the financial statements give a true and fair view of the Group's and the company's assets, equity and liabilities and financial position at 30 September 2023, and of the results of the Group's and the company's operations and cash flows for the financial year from 1 October 2022 to 30 September 2023.

In our opinion, the management's review gives a fair account of the development and performance of the Group and the company, the results for the year and the Group's and the company's financial position, together with a description of the principal risks and uncertainties faced by the Group and the company. In our opinion, the Annual Report of Ambu A/S for the financial year 1 October 2022 to 30 September 2023 identified as AMBU-2023-09-30-en.zip has been prepared, in all material respects, in compliance with the ESEF Regulation.

The Annual Report is submitted for adoption by the Annual General Meeting.

Copenhagen, 8 November 2023

Executive management

Britt Meelby Jensen
Chief Executive Officer

Thomas Frederik Schmidt
Chief Financial Officer

Board of Directors

Jørgen Jensen
Chair

Christian Sagild
Vice Chair

Henrik Ehlers Wulff

Susanne Larsson

Michael Del Prado

Shacey Petrovic

Simon Hesse Hoffmann

Charlotte Elgaard Bjørnhof
Employee-elected

Thomas Bachgaard Jensen
Employee-elected

Jesper Mads Bartroff Frederiksen
Employee-elected

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Ambu A/S

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion
We have audited the consolidated financial statements and the parent company financial statements of Ambu A/S for the financial year 1 October 2022 – 30 September 2023, p. 116-179→ which comprise income statement, statement of comprehensive income, balance sheet, equity statement, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 October 2022 – 30 September 2023 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor
We were initially appointed as auditor of Ambu A/S on 13 December 2017 for the financial year 2017/18. We have been reappointed annually by resolution of the general meeting for a total consecutive period of six years up until the financial year 2022/23.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2022/23. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Recognition of revenue in the USA due to price adjustment structure
In the US market, a significant portion of Ambu's sales flow through dealers (third-party warehouses) who sell the products to public and private hospitals and clinics (the end-customers). Ambu's sales price to the dealer depends on the pricing arrangement Ambu has agreed with the end-customer.

As Ambu's sales to end-customers deviate in amounts and timing from the amounts invoiced to the dealer, Ambu subsequently adjusts the price stated in the preliminary invoice. Price adjustments are recognised on an ongoing basis, and price adjustments which have not been settled at the balance sheet date are recognised as a reduction in trade receivables in the balance sheet.

We focus on this area, as the assessment of non-settled price adjustments to dealers is complex and includes management estimates and judgements.

Reference is made to note 2.2 in the consolidated financial statements.

How our audit addressed the key audit matter
We have identified, tested and assessed key internal controls and related systems which are used to process and calculate price adjustments for dealers.

We assessed and reviewed management's calculation of price adjustments by comparing the assumptions applied with the group's trading policies, the terms of existing contracts, third-party reported data and historical price adjustment levels.

We further made an assessment of the most significant parameters included in the calculation of the non-settled price adjustments as per 30 September 2023 based on historical data, accounting records and the terms of existing contracts.

Valuation of acquired technologies, etc.
Following prior years' acquisitions including the acquisition of Invendo Medical GmbH in October 2017, the group has recognised acquired technologies, trademarks and customer relations and acquired technologies in progress totalling DKK 931 million as per 30 September 2023.

The value of acquired intangible assets was initially determined in connection with the purchase price allocation. Subsequent, additional internally generated development costs associated to the acquired technologies have been capitalised. In case of indications of impairment, an impairment test is prepared, based on management's estimates of the future value based on an assessment of future cash flows on the basis of strategic plans, long-term growth and discount rate.

Due to the inherent uncertainty involved in determining the net present value of future cash flows, we considered these impairment tests to be a key audit matter.

Reference is made to note 3.2 in the consolidated financial statements.

How our audit addressed the key audit matter
Our audit procedures included testing the mathematical accuracy of the discounted cash flow model and comparing forecasted profitability to internally approved budgets.

We evaluated the assumptions and methodologies used in the discounted cash flow model, in particular those relating to the forecast revenue growth and EBIT margin, including comparing with historical growth rates.

Further, we evaluated the sensitivity analysis on the assumptions applied in the valuations prepared by management.

Statement on the Management's review
Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF regulation

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Ambu A/S, we performed procedures to express an opinion on whether the annual report of Ambu A/S for the financial year 1 October 2022 – 30 September 2023 with the file name AMBU-2023-09-30-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error.

The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;

- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Ambu A/S for the financial year 1 October 2022 – 30 September 2023 with the file name AMBU-2023-09-30-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 8 November 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen
State Authorised
Public Accountant
mne26797

Henrik Pedersen
State Authorised
Public Accountant
mne35456

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE SELECTED SUSTAINABILITY DATA

To the shareholders of Ambu A/S

As agreed, we have performed an examination with a limited assurance, as defined by the International Standards on Assurance Engagements, on Ambu A/S Group's ('Ambu') ESG & Sustainability Performance data (the 'selected sustainability data') contained in Ambu A/S' Annual Report 2022/23 on p. 11→ for the period 1 October 2022 to 30 September 2023.

In preparing the selected sustainability data, Ambu applied the accounting practice described on p. 74-77→. The selected sustainability data needs to be read and understood together with the accounting practice, which Management is solely responsible for selecting and applying. The absence of an established practice on which to derive, evaluate and measure the selected sustainability data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability section in the Annual Report 2022/23, and accordingly, we do not express an opinion on this information.

Management's responsibilities
Ambu's Management is responsible for selecting the accounting practices and for presenting the selected sustainability data in accordance with the accounting practice, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the selected sustainability data, such that it is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities
Our responsibility is to express a conclusion based on our examinations on the presentation of the selected sustainability data in accordance with the scope defined above.

We conducted our examinations in accordance with *ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and additional requirements under Danish audit regulation to obtain limited assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control (ISQC) 1 and thus uses a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable requirements in Danish law and other regulations.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, as well as ethical requirements applicable in Denmark.

Description of procedures performed
In obtaining limited assurance over the selected sustainability data in the table on p. 11→, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance.

The procedures performed in connection with our examination are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.

As part of our examinations, we performed the below procedures:

- Interviewed those in charge of the selected sustainability data to develop an understanding of the process for the preparation of the selected sustainability data in the Sustainability section in the Annual Report 2022/23 and for carrying out internal control procedures.

- Performed analytical review of the data and trends to identify areas of the selected sustainability data with a higher risk of misleading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.

- Based on inquiries, we evaluated the appropriateness of accounting practices used, their consistent application and related disclosures in the Sustainability section in the Annual Report 2022/2023. This includes the reasonableness of estimates made by Management.

- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.

- In connection with our procedures, we read the other sustainability information in the Annual Report 2022/23 of Ambu and, in doing so, considered whether the other sustainability information is materially inconsistent with the selected sustainability data or our knowledge obtained in the review or otherwise appear to be materially mis-stated.

In our opinion, the examinations performed provide a sufficient basis for our conclusion.

Conclusion
Based on our examinations and the evidence obtained, nothing has come to our attention that causes us to believe that Ambu's ESG & Sustainability Performance data (the 'selected sustainability data') contained in Ambu A/S' Annual Report 2022/23, on p. 11→, for the period from 1 October 2022 to 30 September 2023, have not been prepared, in all material respects, in accordance with the accounting practices described on p. 74-77→.

Frederiksberg, 8 November 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen
State Authorised Public Accountant
mne26797

Lars Fermann
State Authorised Public Accountant
mne45879

FINANCIAL STATEMENTS
Parent company

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Ambu A/S Financial statements for the period 1 October – 30 September

(DKKm)	Note	2022/23	2021/22
INCOME STATEMENT			
Revenue		3,317	3,387
Production costs	2.1, 2.2	-2,319	-2,363
Gross profit		**998**	**1,024**
Selling and distribution costs	2.1, 2.2	-296	-375
Development costs	2.1, 2.2	-270	-273
Management and administrative costs	2.1, 2.2	-374	-314
Operating profit (EBIT) before special items		**58**	**62**
Special items	2.3	-8	-148
Operating profit (EBIT)		**50**	**-86**
Financial income	4.2	43	148
Financial expenses	4.2	-93	-29
Profit before tax		**-**	**33**
Tax on profit for the year	2.4	18	26
Net profit for the year		**18**	**59**

(DKKm)	2022/23	2021/22
STATEMENT OF COMPREHENSIVE INCOME		
Net profit for the year	18	59
Other comprehensive income	-	-
Comprehensive income for the year	**18**	**59**

CASH FLOW STATEMENT

Ambu A/S Financial statements for the period 1 October – 30 September

(DKKm)	Note	2022/23	2021/22
Net profit		18	59
Adjustment for non-cash items:			
Income taxes in the income statement		-18	-26
Financial items in the income statement		50	-119
Depreciation, amortisation and impairment losses		208	200
Share-based payment		13	8
Change in working capital	3.7	129	-209
Interest received		2	-
Interest paid		-45	-20
Income tax received		-	5
Cash flow from operating activities		**357**	**-102**
Investments in non-current assets		-259	-421
Investments in subsidiaries		-10	-1
Dividend from subsidiaries		40	7
Cash flow from investing activities before acquisitions of enterprises and technology		-229	-415
Free cash flow before acquisitions of enterprises and technology		**128**	**-517**
Acquisition of technology	5.1	-	-5
Cash flow from acquisitions of enterprises and technology		-	-5
Cash flow from investing activities		**-229**	**-420**
Free cash flow after acquisitions of enterprises and technology		**128**	**-522**

(DKKm)	Note	2022/23	2021/22
Proceeds from borrowings		325	825
Repayment of borrowings		-1,575	-125
Repayment in respect of lease liability		-11	-7
Exercise of options		14	11
Sale of treasury shares		23	-
Dividend paid		-	-75
Dividend, treasury shares		-	1
Capital increase		1,054	1
Cash flow from financing activities		**-170**	**631**
Changes in cash and cash equivalents		**-42**	**109**
Cash and cash equivalents, beginning of year		127	18
Cash and cash equivalents, end of year		**85**	**127**
Cash and cash equivalents, end of year, are composed as follows:			
Cash and cash equivalents		85	127
Cash and cash equivalents, end of year		**85**	**127**

BALANCE SHEET

Ambu A/S Financial statements at 30 September

(DKKm)	Note	30.09.23	30.09.22
ASSETS			
Goodwill	3.1	147	147
Completed development projects	3.1	888	766
Other incl. IT software	3.1	702	726
Development projects and other assets	3.1	442	481
Intangible assets		**2,179**	**2,120**
Property, plant and equipment	3.2	17	24
Right-of-use assets	3.4	114	119
Investments in subsidiaries	3.3	2,094	2,094
Deferred tax asset	2.5	48	4
Total non-current assets		**4,452**	**4,361**
Inventories	3.5	239	282
Trade receivables	3.6, 4.1	122	137
Receivables from subsidiaries	4.1	302	529
Income tax receivable		12	11
Other receivables	4.1	4	6
Prepayments		33	39
Derivative financial instruments	4,1	11	11
Cash and cash equivalents	4.1	85	127
Total current assets		**808**	**1,142**
Total assets		**5,260**	**5,503**

(DKKm)	Note	30.09.23	30.09.22
EQUITY AND LIABILITIES			
Share capital		135	129
Other reserves		4,426	3,284
Equity		**4,561**	**3,413**
Provisions	4.1, 5.1	4	19
Lease liabilities	3.4	87	95
Borrowings	4.1	-	1,250
Payables to subsidiaries	4.1	11	23
Non-current liabilities		**102**	**1,387**
Provisions	4.1, 5.1	3	4
Lease liabilities	3.4	12	12
Trade payables	4.1	95	230
Payables to subsidiaries	4.1	368	330
Income tax		-	-
Other payables	4.1	119	127
Current liabilities		**597**	**703**
Total liabilities		**699**	**2,090**
Total equity and liabilities		**5,260**	**5,503**

EQUITY STATEMENT

Ambu A/S Financial statements for the period 1 October – 30 September

(DKKm)	Share capital	Reserve for hedging transactions	Reserve for developent costs	Retained earnings	Proposed dividend	Total
Equity 1 October 2022	**129**	**-**	**936**	**2,348**	**-**	**3,413**
Net profit for the year	-	-	79	-61	-	18
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**79**	**-61**	**-**	**18**
Transactions with the owners:						
Share-based payment	-	-	-	13	-	13
Tax deduction relating to share options	-	-	-	26	-	26
Exercise of options	-	-	-	14	-	14
Sale of treasury shares	-	-	-	23	-	23
Distributed dividend	-	-	-	-	-	-
Dividend, treasury shares	-	-	-	-	-	-
Share capital increase	6	-	-	1,048	-	1,054
Equity 30 September 2023	**135**	**-**	**1,015**	**3,411**	**-**	**4,561**

Other reserves are made up of reserve for hedging transactions, reserve for foreign currency translation adjustment, reserve for development costs, retained earnings and proposed dividend and total DKK 4,426m (DKK 3,284m). Other reserves are free for distribution, with the exception of the reserve for development costs.

§ Accounting policies
Reserve for development costs
Contrary to the accounting policies applied in the consolidated financial statements, in accordance with the Danish Financial Statements Act Ambu A/S must tie up a reserve in equity, corresponding to the capitalised value of development costs (see note 3.1). The amortisation of the capitalised development costs, as well as deferred tax, is set off against this reserve.

(DKKm)	Share capital	Reserve for hedging transactions	Reserve for developent costs	Retained earnings	Proposed dividend	Total
Equity 1 October 2021	**129**	**-**	**726**	**2,483**	**75**	**3,413**
Net profit for the year	-	-	210	-151	-	59
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**210**	**-151**	**-**	**59**
Transactions with the owners:						
Share-based payment	-	-	-	8	-	8
Tax deduction relating to share options	-	-	-	-5	-	-5
Exercise of options	-	-	-	11	-	11
Sale of treasury shares	-	-	-	-	-	-
Distributed dividend	-	-	-	-	-74	-74
Dividend, treasury shares	-	-	-	1	-1	-
Share capital increase	-	-	-	1	-	1
Equity 30 September 2022	**129**	**-**	**936**	**2,348**	**-**	**3,413**

NOTES ON THE FINANCIAL STATEMENTS – PARENT COMPANY

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

1.1 Basis of preparation

Ambu A/S is a public limited company domiciled in Denmark. Ambu A/S is the Parent company of the Ambu Group.

The financial statements of the Parent company are included in the consolidated financial statements, in accordance with the provisions of the Danish Financial Statements Act.

General
The financial statements of the Parent company are presented in accordance with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), IFRS as adopted by the EU, as well as additional requirements in the Danish Financial Statements Act.

Accounting policies – Parent company
For information on accounting policies, reference is made to note 1.1 to the consolidated financial statements. In addition, the accounting policies of the Parent company are supplemented for the following items: Equity statement, 2.3 Special items, 3.3 Investments in subsidiaries and 4.2 Net financials.

For information relating to the Parent company, reference is made to the following notes in the consolidated financial statements:

2.8 Deferred tax
3.1 Goodwill
3.2 Other intangible assets
4.1 Financial risk management
4.5 Share capital and treasury shares
5.2 Share-based payment
5.5 Contingent liabilities
5.7 Subsequent events
5.8 Adoption of the annual report etc.

The accounting policies have been applied consistently in the preparation of the financial statements of the Parent company for the years presented, as well as being consistent with previous years.

1.2 Changes in balance sheet classification

Management has decided to make two changes to the non-current assets classification. Firstly, 'Right-of-use assets' has been separated from 'Property, plant and equipment'. Secondly, IT software formerly categorised as 'Property, plant and equipment' has been reclassified to the category 'Other incl. IT software' (category previously named 'Rights'). This effect of change in presentation does not affect any key ratios.

	30.09.22			30.09.22
	Reported			Restated
Goodwill	147	-	-	147
Completed development projects	766	-	-	766
Other incl. IT software	697	-	29	726
Development projects and other assets in progress	456	-	25	481
Intangible assets	**2,066**	**-**	**54**	**2,120**
Land and buildings	117	-111	-	6
Plant and machinery	1	-	-	1
Other fittings and equipment	47	-8	-29	10
Property, plant and equipment in progress	32	-	-25	7
Property, plant and equipment	**197**	**-119**	**-54**	**24**
Right-of-use assets		**119**		**119**
Amortisation of intangible development projects and other intangible assets	125	-	9	134
Depreciation of property, plant and equipment	25	-8	-9	8
Depreciation of right-of-use assets	-	8	-	8
Impairment losses on non-current assets	50	-	-	50
Total depreciation, amortisation and impairment losses	**200**			**200**

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

2.1 Staff costs

The staff costs of the parent company are distributed onto the respective functions as follows:

(DKKm)	2022/23	2021/22
Production costs	9	8
Selling and distribution costs	102	108
Development costs	145	176
Management and administrative costs	212	196
Special items	7	32
Total staff costs	**475**	**520**

Staff costs are distributed between the Executive Management, the Board of Directors and other employees as follows:

(DKKm)	2022/23	2021/22
Remuneration, Executive Management	20	15
Share-based payment	2	-6
Resignation payment	-1	8
Severance payment	-1	13
Severance, share-based payment	3	1
Staff costs, Executive Management	**23**	**31**
Wages and salaries	391	427
Pension contributions	34	40
Social security costs	10	9
Share-based payment	11	7
Remuneration, Board of Directors	6	6
Total staff costs	**475**	**520**
Average number of employees during the year	475	569
Number of full-time employees at the end of the year	443	517

2.2 Depreciation, amortisation and impairment losses on non-current assets

(DKKm)	2022/23	2021/22
Amortisation of intangible development projects and other incl. IT software	176	134
Depreciation of property, plant and equipment	5	8
Depreciation of right-of-use assets	7	8
Impairment losses on non-current assets	20	50
Total depreciation, amortisation and impairment losses	**208**	**200**

Depreciation, amortisation and impairment losses have been allocated to the following functions:

(DKKm)	2022/23	2021/22
Production costs	1	-
Selling and distribution costs	2	2
Development costs	168	129
Management and administrative costs	19	19
Special items	18	50
Total depreciation, amortisation and impairment losses	**208**	**200**

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

2.3 Special items

(DKKm)	2022/23	2021/22
Impairment of intangible rights related to production	16	-
Impairment of in-progress development projects	2	50
Remeasurement of technology-debt	-19	-15
Severance costs in the Group	9	45
Legal and outplacement costs in relation to severance	-	5
Effect from the decision not to expand Ambu® aScope™ Duodeno 1.5 into new markets	-	49
Termination costs CEO, remuneration	-	13
Termination costs CEO, share-based payments	-	1
Total special items	**8**	**148**

If special items had been recognised in Operating profit (EBIT) before special items, the impact would have been allocated to the following functions:

(DKKm)	2022/23	2021/22
Production costs	-	49
Selling and distribution costs	-2	32
Development costs	10	50
Management and administration	-	17
Total special items	**8**	**148**

§ Accounting policies
Special items comprise costs or income that cannot be attributed directly to the Parent ordinary activities and are non-recuring of nature. Such costs include the cost related to significant restructuring of the cost base and processes, as well as restructuring costs related to resignation of employees in the Parent company and cost charged by subsidiaries related to such. Further, special items include redundancy costs related to Group Management and impairment of assets.

2.4 Tax on profit for the year

(DKKm)	2022/23	2021/22
Current tax on profit for the year	-	-5
Deferred tax on profit for the year	-6	-31
Adjustment in respect of previous years	-12	10
Total tax on profit for the year	**-18**	**-26**
Tax on profit for the year comprises (in DKKm):		
Applicable tax rate on profit for the year in Parent company	-	7
Income not subject to tax	-9	-1
Non-deductible costs	5	5
Value adjustment of contingent consideration	-	-28
Additional tax deduction on R&D costs	-2	-20
Tax adjustment in respect of previous years	-12	11
Total tax on profit for the year	**-18**	**-26**

The Group's transfer pricing setup is based on the widely used principal model. In this model, Ambu A/S distributes an arm's length profit to its subsidiaries, and any residual profit is repatriated back to Ambu A/S for taxation. The taxable profit is then reduced by deductions from investments made. Furthermore, income tax payable is reduced by Ambu A/S's tax deduction, resulting from the employees' gains from exercised warrants and share options. Such gains are subject to personal tax.

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

2.5 Deferred tax

(DKKm)	2022/23	2021/22
Deferred tax at 1 October	-4	11
Deferred tax on share-based payment recognised in equity	-26	6
Deferred tax for the year recognised in the income statement	-6	-31
Adjustment in respect of previous years	-12	10
Deferred tax at 30 September	**-48**	**-4**
Deferred tax relates to:		
Intangible assets	388	444
Property, plant and equipment	-2	-4
Current assets	-	6
Deferred tax on share-based payment recognised in equity	3	25
Provisions	3	-3
Payables	-	1
Tax loss carry-forwards	-440	-473
	-48	**-4**

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

3.1 Intangible assets

(DKKm)	Goodwill	Completed development projects	Other incl. IT software	Development projects and other assets in progress	Total
2022/23					
Cost at 1 October	147	1,204	990	481	2,822
Additions during the year	-	-	13	242	255
Disposals during the year	-	-2	-2	-	-4
Transferred during the year	-	233	48	-281	-
Cost at 30 September	**147**	**1,435**	**1,049**	**442**	**3,073**
Amortisation and impairment losses at 1 October	-	-438	-264	-	-702
Currency translation adjustment	-	-	-	-	-
Disposals during the year	-	2	2	-	4
Remeasured provisions against asset	-	-	-	-	-
Impairment losses for the year	-	-4	-16	-	-20
Amortisation for the year	-	-107	-69	-	-176
Amortisation and impairment losses at 30 September	**-**	**-547**	**-347**	**-**	**-894**
Carrying amount at 30 September	**147**	**888**	**702**	**442**	**2,179**

Carrying amount at 30 September of Other incl. IT software includes intangible rights of DKK 636m.

(DKKm)	Goodwill	Completed development projects	Other incl. IT software	Development projects and other assets in progress	Total
2021/22					
Cost at 1 October	147	706	978	576	2,407
Additions during the year	-	-	8	411	419
Disposals during the year	-	-4	-	-	-4
Transferred during the year	-	502	4	-506	-
Cost at 30 September	**147**	**1,204**	**990**	**481**	**2,822**
Amortisation and impairment losses at 1 October	-	-312	-198	-	-510
Currency translation adjustment	-	-	-1	-	-1
Disposals during the year	-	4	-	-	4
Remeasured provisions against asset	-	-	-11	-	-11
Impairment losses for the year	-	-50	-	-	-50
Amortisation for the year	-	-80	-54	-	-134
Amortisation and impairment losses at 30 September	**-**	**-438**	**-264**	**-**	**-702**
Carrying amount at 30 September	**147**	**766**	**726**	**481**	**2,120**

Carrying amount at 30 September of Other incl. IT software includes intangible rights of DKK 697m.

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

3.2 Property, plant and equipment

(DKKm)	Land and buildings	Plant and machinery	Other plant, fixtures and equipment	Property, plant and equipment in progress	Total
2022/23					
Cost at 1 October	15	1	35	7	58
Additions during the year	-	-	-	4	4
Disposals during the year	-	-	-10	-1	-11
Transferred during the year	1	-	6	-7	-
Cost at 30 September	**16**	**1**	**31**	**3**	**51**
Depreciation and impairment losses at 1 October	-9	-	-25	-	-34
Disposals during the year	-	-	5	-	5
Impairment losses for the year	-	-	-	-	-
Depreciation for the year	-1	-	-4	-	-5
Depreciation and impairment losses at 30 September	**-10**	**-**	**-24**	**-**	**-34**
Carrying amount at 30 September	**6**	**1**	**7**	**3**	**17**

(DKKm)	Land and buildings	Plant and machinery	Other plant, fixtures and equipment	Property, plant and equipment in progress	Total
2021/22					
Cost at 1 October	14	1	33	8	56
Additions during the year	-	-	-	3	3
Disposals during the year	-	-	-1	-	-1
Transferred during the year	1	-	3	-4	-
Cost at 30 September	**15**	**1**	**35**	**7**	**58**
Depreciation and impairment losses at 1 October	-7	-	-19	-	-26
Disposals during the year	-	-	-	-	-
Impairment losses for the year	-	-	-	-	-
Depreciation for the year	-2	-	-6	-	-8
Depreciation and impairment losses at 30 September	**-9**	**-**	**-25**	**-**	**-34**
Carrying amount at 30 September	**6**	**1**	**10**	**7**	**24**

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

3.3 Investments in subsidiaries

(DKKm)	2022/23	2021/22
Cost at 1 October	2,579	2,578
Additions	10	1
Cost at 30 September	**2,589**	**2,579**
Impairment losses at 1 October	-485	-476
Impairment losses for the year	-10	-9
Impairment losses at 30 September	**-495**	**-485**
Carrying amount at 30 September	**2,094**	**2,094**

In the 2022/23 financial year, subsidiaries distributed DKK 40m (DKK 7m) in dividends to the Parent company, which reduced the value of the net assets in the investments. Impairment losses for the year was DKK 10m, of which DKK 10m (DKK 6m) were taken to financial expenses to reflect the lower carrying amount. The remainder in 2021/22 was offset against payables to subsidiaries. Reference is made to note 5.4 to the consolidated financial statements for an overview of the Company's subsidiaries.

§ Accounting policies
Investments in subsidiaries are measured at cost, including goodwill. If there is any indication of impairment, an impairment test is carried out. Where the cost exceeds the recoverable amount, write-down for impairment is made to the lower value.

3.4 Leases

(DKKm)	30.09.23	30.09.22
Land and buildings	107	111
Other plant, fixtures and fittings, tools and equipment	7	8
Carrying amount of lease assets	114	119
Additions on lease assets during the year	3	5

(DKKm)	30.09.23	30.09.22
Lease liabilities		
Less than 1 year	12	12
Between 1 and 5 years	35	37
More than 5 years	67	75
Undiscounted lease liabilities	**114**	**124**

(DKKm)	2022/23	2021/22
Amounts recognised in the income statement		
Expenses related to low value and short-term leases	-	-
Interest on lease liabilities	3	4
Depreciation of lease assets per asset class		
Land and buildings	4	4
Other plant, fixtures and fittings, tools and equipment	3	4
Depreciation of lease assets	**7**	**8**
Amounts recognised in the cash flow statement		
Total cash outflow for leases	15	11

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Ambu A/S Financial statements

3.5 Inventories

(DKKm)	30.09.23	30.09.22
Raw materials and consumables	12	16
Finished goods	227	266
	239	**282**
The above includes write-downs amounting to	-27	-18

(DKKm)	2022/23	2021/22
Cost of sales for the year	2,310	2,275

3.6 Trade receivables

(DKKm)	Not due	Due 1-90 days	Due 91-180 days	Due > 180 days	Total
2022/23					
Trade receivables, amortised cost	85	24	6	10	125
Write-down for expected credit loss	-	-	-	-3	-3
Trade receivables	**85**	**24**	**6**	**7**	**122**
Provision for bad debt at 1 October					-3
Bad debt realised during the year					-
Bad debt provision for the year					-
Provision for bad debt at 30 September					-3
2021/22					
Trade receivables, amortised cost	119	13	2	6	140
Write-down for expected credit loss	-	-	-	-3	-3
Trade receivables	**119**	**13**	**2**	**3**	**137**
Provision for bad debt at 1 October					-3
Bad debt realised during the year					-
Bad debt provision for the year					-
Provision for bad debt at 30 September					-3

3.7 Change in working capital

(DKKm)	2022/23	2021/22
Change in inventories	43	-106
Change in receivables	23	10
Change in balances with Group companies	207	-245
Change in trade payables etc.	-144	132
	129	**-209**

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

4.1 Categories of financial instruments

The parent company has recognised the following financial instruments:

(DKKm)	30.09.23	30.09.22
Trade receivables	122	137
Receivables from subsidiaries	302	529
Other receivables	4	6
Cash and cash equivalents	85	127
Receivables and cash and cash equivalents	**513**	**799**
Derivative financial instruments (level 2)	11	11
Financial assets stated at fair value in the income statement	**11**	**11**
Borrowings	-	1,250
Trade payables	95	230
Payables to subsidiaries	379	353
Other payables	119	127
Financial liabilities recognised at amortised cost	**593**	**1,960**

The parent company's payables fall due as follows:

(DKKm)	0-1 year	1-5 years	> 5 years	Total
2022/23				
Other financial liabilities	582	11	-	593
	582	**11**	**-**	**593**

(DKKm)	0-1 year	1-5 years	> 5 years	Total
2021/22				
Borrowings	-	1,250	-	1,250
Other financial liabilities	687	23	-	710
	687	**1,273**	**-**	**1,960**

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

4.2 Net financials

(DKKm)	2022/23	2021/22
Interest income, subsidiaries	2	-
Interest income, others	-	1
Dividend from subsidiaries	40	7
Fair value adjustment, contingent consideration	-	130
Fair value adjustment, interest rate swap	1	10
Financial income	**43**	**148**

(DKKm)	2022/23	2021/22
Interest expenses, banks	42	16
Interest expenses, leases	3	4
Foreign exchange loss, net	36	1
Effect of shorter discount period, acquisition of technology	2	2
Impairment, investments in subsidiaries	10	6
Financial expenses	**93**	**29**

§ Accounting policies
Dividend from subsidiaries is recognised under financial income at the time when the dividend is declared.

5.1 Provisions

(DKKm)	2022/23	2021/22
Provisions at 1 October	23	43
Additions during the year	4	-
Used during the year	-	-5
Value adjustment	-17	-24
Currency translation adjustment	-3	9
Provisions at 30 September	**7**	**23**
Provisions expected to fall due:		
Non-current liabilities	4	19
Current liabilities	3	4
Provisions at 30 September	**7**	**23**

5.2 Fee to auditors appointed by the Annual General Meeting

(DKKm)	2022/23	2021/22
Audit fee	2	1
Other assurance engagements	1	-
Tax consultancy services	-	-
Other services	-	1
Total fees	**3**	**2**

Fee for non-audit services provided to the Parent by EY Statsautoriseret Revisionspartnerselskab, Denmark, amounted to DKK 1m (DKK 1m), relating mainly to tax compliance and other assurance assessments and reports.

NOTES ON THE FINANCIAL STATEMENTS

Ambu A/S Financial statements

5.3 Related parties

The Parent company's related parties include subsidiaries, the company's Board of Directors and Executive Management and members of their families. Related parties, furthermore, include enterprises in which the aforementioned persons have a significant interest.

Ambu A/S has engaged in the following important transactions with related parties:

(DKKm)	**2022/23**	**2021/22**
Sale of goods and services to subsidiaries	2,789	2,871
Purchase of goods and services from subsidiaries	2,459	2,245
Purchase of development services from subsidiaries capitalised as development projects	18	45

During the year, no transactions, except for payment of the Management's remuneration and intercompany transactions eliminated in the consolidated financial statements, have been carried out with the Board of Directors, Executive Management, senior employees, major shareholders or other related parties.

Outstanding balances and receivables in respect of related parties, essentially arising from ordinary business relations, i.e., the purchase and sale of goods and services, are included in the balance sheet of the Parent company. Such transactions are carried out on the same terms as apply to the Group's other customers and suppliers. For information on the year's interest on intercompany loans, please see note 4.2.

The Parent company has provided loans to a number of subsidiaries. The loans carry interest on market terms.

Guarantees have been provided to banks in respect of the subsidiaries. The subsidiaries have not furnished security for their debt to the Parent company.

(DKKm)	**2022/23**	**2021/22**
Guarantees and security provided on behalf of subsidiaries	418	455

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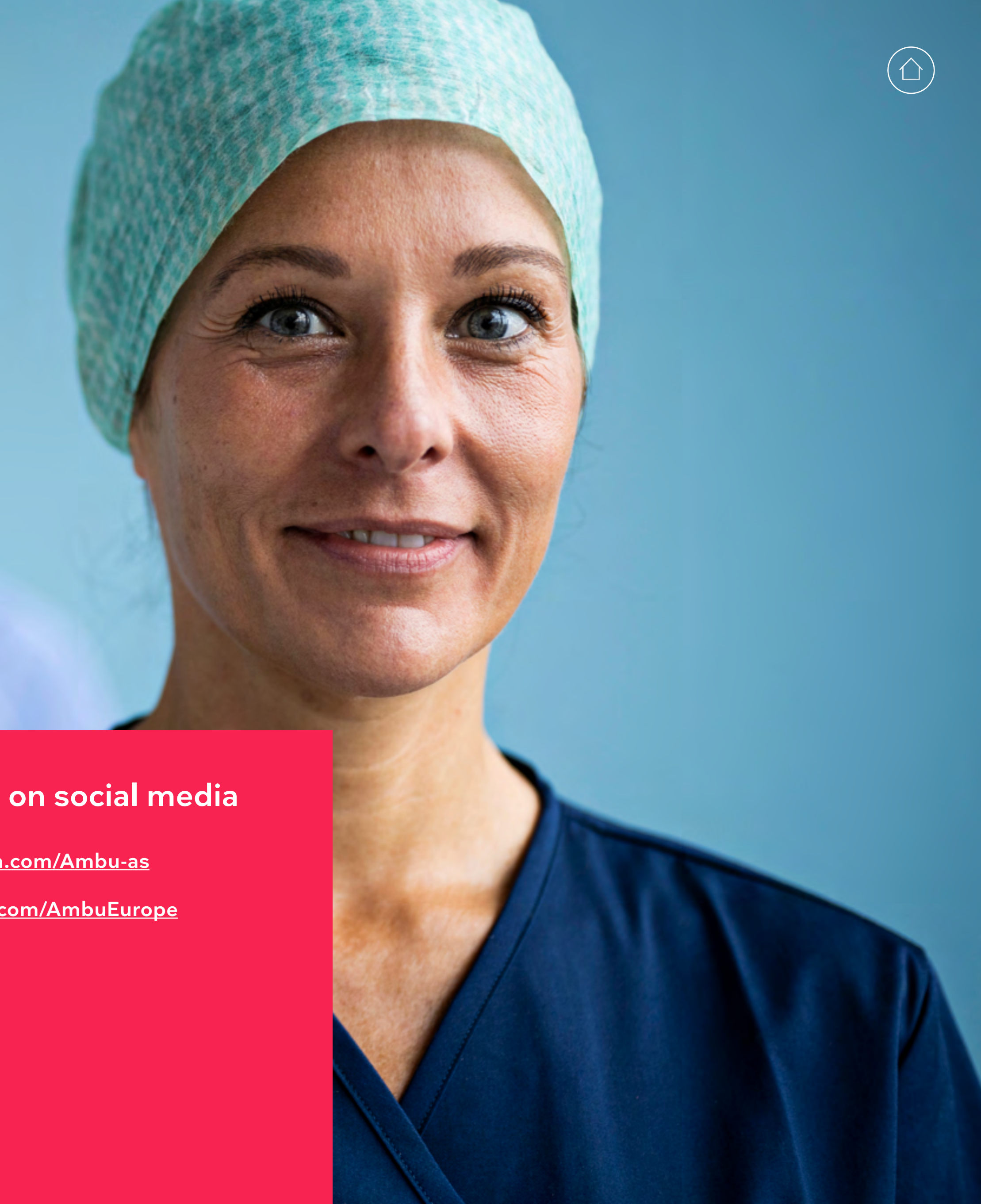

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