

We create  
sustainable solutions  
for healthcare

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ARJO 2024 ANNUAL AND SUSTAINABILITY REPORT

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### Directors' Report

Arjo's Annual Report is published in Swedish and English. The Swedish version is the original. The Annual Report and consolidated financial statements for the 2024 fiscal year, as reviewed and audited by the auditors, can be found on pages 4–9, 13–17, 34–106, 110–146 and 160–161. The Directors' Report is presented on pages 4–9, 13–17, 34–106, 110–113 and 160–161.

### Other external audit

The auditor has submitted an opinion regarding the statutory sustainability report in accordance with RevR 12. The sustainability report is presented on pages 34–87. The auditor examined the corporate governance statement, pages 92–106 and 110–112 in accordance with FAR's auditing standard RevR 16. The auditor's examination of the corporate governance statement.



**"A solid foundation for the future"**

→ **Read the CEO's comments on page 10**



**Expertise combined with innovation**

→ **Read more about Arjo's driving forces on page 12**

A photograph of two healthcare professionals, a Black woman with curly hair and a white man, both in blue scrubs, sitting outdoors in a park-like setting with green trees. The woman is smiling and holding hands with the man. 

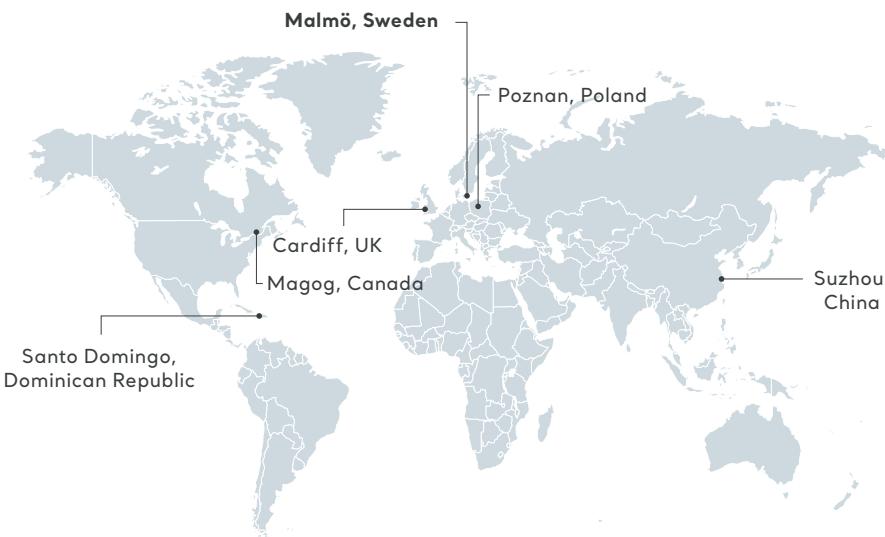
# Our contribution to better and more sustainable healthcare

We have seen how increased patient mobility can quickly improve both clinical and financial outcomes. As leading specialists in the field, our role is to make more high-quality care available to more people. **Together with our customers and partners, we are contributing to better and more sustainable healthcare.**

# About Arjo

- Operates in a growing market driven by favorable global megatrends
- A strategy for sustainable profitable growth
- In-depth clinical expertise and market-leading positions in many areas
- Solid balance sheet with scope for investments and acquisitions
- Contributing to better and more sustainable healthcare

Arjo's head office, including a central R&D function, is located in Malmö, Sweden. The company also has five product development and production units around the world. The Group's largest markets are the US, UK, France, Canada and Germany.



VISION  
**To be the most trusted partner in driving healthier outcomes for people facing mobility challenges**

**1957**

Arjo was founded in Eslöv by Arne Johansson

**>100**

countries in which Arjo's products are sold

**~7,000**  
employees globally

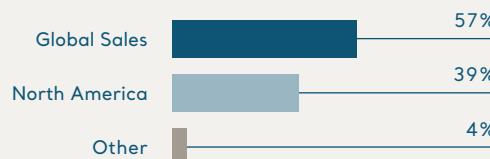
## KEY PERFORMANCE MEASURES

	2024	2023
Net sales, SEK M	11,292	10,980
Organic growth in sales, %	3.1	4.7
EBITDA, SEK M	1,977	1,946
EBITDA growth, %	1.6	15.9
Adjusted EBITDA, SEK M <sup>1)</sup>	2,086	2,017
Adjusted EBITDA margin, % <sup>1)</sup>	18.5	18.4
Operating profit (EBIT), SEK M	893	884
Cash conversion, %	76.7	105.9
Net debt/adjusted EBITDA <sup>1) 2)</sup>	2.0x	2.3x
Equity/assets ratio, %	51.2	49.1
Net profit for the period, SEK M	498	480
Earnings per share, SEK	1.83	1.76
Number of shares, thousands	272,370	272,370
Dividend per share, SEK <sup>3)</sup>	0.95	0.90

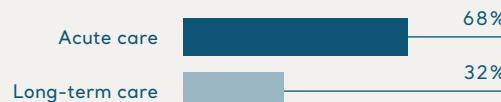
1. Before exceptional items. 2. Rolling 12 months. 3. Dividend proposed by the Board of Directors.

## SALES 2024

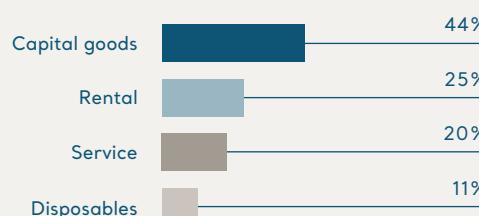
## BY SEGMENT



## BY CUSTOMER CATEGORY



## BY TYPE OF SERVICE



**>11 billion**

net sales in SEK in 2024

## Better and more sustainable healthcare

A growing and aging population, more lifestyle-related complications and a higher number of people with multiple health conditions are leading to rapidly increasing care needs on a global scale. At the same time, staff shortages, economic uncertainty and a greater focus on the climate and environmental impact of healthcare are putting health and medical care under increasing pressure.

Every day, Arjo's products and solutions help increase safety and quality of life for patients,

improve the work environment for healthcare professionals, add more resource-efficient work processes and reduce healthcare-related costs. In addition, Arjo works to reduce its climate and environmental impact and offer circular solutions that help customers achieve their sustainability targets. Arjo thereby contributes to better and more sustainable healthcare by creating value for patients, healthcare professionals, healthcare providers, shareholders and society as a whole.



### Social values

- Increase safety and quality of life for patients
- Improve the work environment for healthcare professionals
- Ensure responsible and ethical business
- Be an attractive and responsible employer

### Financial values

- Enhance the efficiency of work processes and use of resources in healthcare
- Reduce costs in healthcare and thus for society as a whole
- Ensure profitable growth for Arjo
- Create long-term value for Arjo's shareholders

### Environment and climate

- Reduce the climate and environmental impact of the company's own operations and value chain
- Offer circular solutions and products that reduce healthcare's climate and environmental impact

# Experts in improving mobility

As leading specialists in mobility solutions, Arjo helps healthcare providers to create the conditions to retain and improve patient mobility throughout the care process.



## ARJO'S OFFERING

Empowering movement among patients is the key to many positive effects, such as quicker recovery, preventing complications and enabling greater independence and quality of life. The right equipment for improving patient mobility also reduces the risk of work-related injuries among caregivers and increases resource efficiency for healthcare.

Arjo's philosophy and approach is based on the positive effects provided by the interaction between the right care setting, equipment and work methods. Every patient is different and thus needs varied solutions to provide the right support in all care situations throughout the day. By dividing patient archetypes into five groups based on level of physical mobility and independence, Arjo's Mobility Gallery® helps healthcare providers to assess the needs of their facility and provide the right care to the right patient. Variations of the Mobility Gallery have been developed for several different care settings, such as long-term care, acute care, bariatric care and care for people with special needs.

Arjo also offers training courses for healthcare professionals to help provide safe, dignified and resource-efficient care and a safe working environment.

## Arjo's Mobility Gallery®



Albert

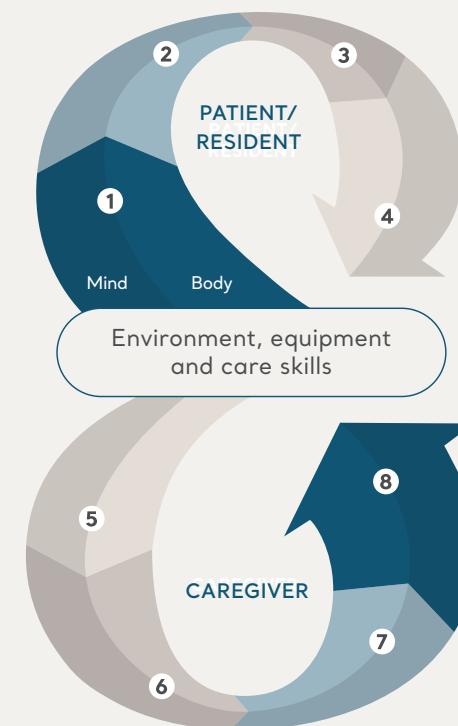
Barbara

Carl

Doris

Emma

## Arjo Positive Eight® – Arjo's philosophy in practice



1. Improved mobility
2. Improved vital functions
3. Reduced consequences of immobility
4. Improved quality of life
5. Reduced need for support
6. Reduced injuries and improved efficiency
7. Reduced sick leave and staff turnover
8. Improved care and financial outcomes

## A broad portfolio

Safe, high-quality products are Arjo's hallmark. The company offers a broad range of products designed to raise the quality of care, increase patient safety, improve the work environment for healthcare professionals and promote mobility, safety and dignity in all care situations.

An in-depth understanding of healthcare's challenges and needs serves as the foundation of Arjo's product development. With the help of customer-oriented research and development processes, Arjo develops products and solutions that contribute to safe and efficient healthcare.

To ensure a high level of safety and user-friendliness, customers are involved throughout the development process. In addition, customers participate in the direct work during, for example, the validation process. By doing so, details that truly make a difference are identified.

In 2024, Arjo's research and development costs amounted to SEK 319 M (297), corresponding to 2.8 percent (2.7) of net sales.



**Patient handling** – A broad range of patient handling solutions, such as ceiling lifts, standing and raising aids and slings, for safe, comfortable and dignified repositioning.



**Pressure injury prevention** – Solutions for preventing and treating pressure injuries, such as therapeutic surfaces.



**Leg ulcer treatment and prevention** – A system of pump and thigh garments for effective treatment of venous and arterio-venous leg ulcers.



**Medical beds** – A wide range of medical beds that offer enhanced ergonomics, comfort and safety.



**VTE prevention** – Compression therapy pumps and garments for efficient prevention of blood clots/deep vein thrombosis (VTE/DVT) and treating edema.



**Hygiene** – Bathing and showering systems for safe and efficient hygiene routines as well as a calming experience for patients.



**Diagnostics** – Patient and fetus monitors, as well as ultrasound equipment and doppler equipment for obstetric and cardiac diagnostics.



**Disinfection** – Flusher- and washer disinfectors and related consumables for cleaning and disinfection.



**Service** – Service for capital goods as well as services and solutions including consultation during purchase and education.



**Rental** – Arjo's rental solutions ensure that customers have access to the right equipment at the right time and offer a flexible solution to meet changing care needs.



## Customized solutions and guaranteed results

### Arjo Insight

Arjo Insight is an evidence-based analysis tool that helps healthcare providers to promote patient mobility, create a safe work environment for healthcare professionals and increase the efficiency of workflows. The tool is used, following the mapping of a care facility and identifying risks, to provide a recommendation on which equipment is needed to live up to applicable standards and reduce the risk of, for example, work-related injuries or a reduction in the quality of healthcare. Arjo also offers annual follow-ups, providing customers with up-to-date documentation to ensure that the equipment continues to meet the needs of the care unit in the best way possible.



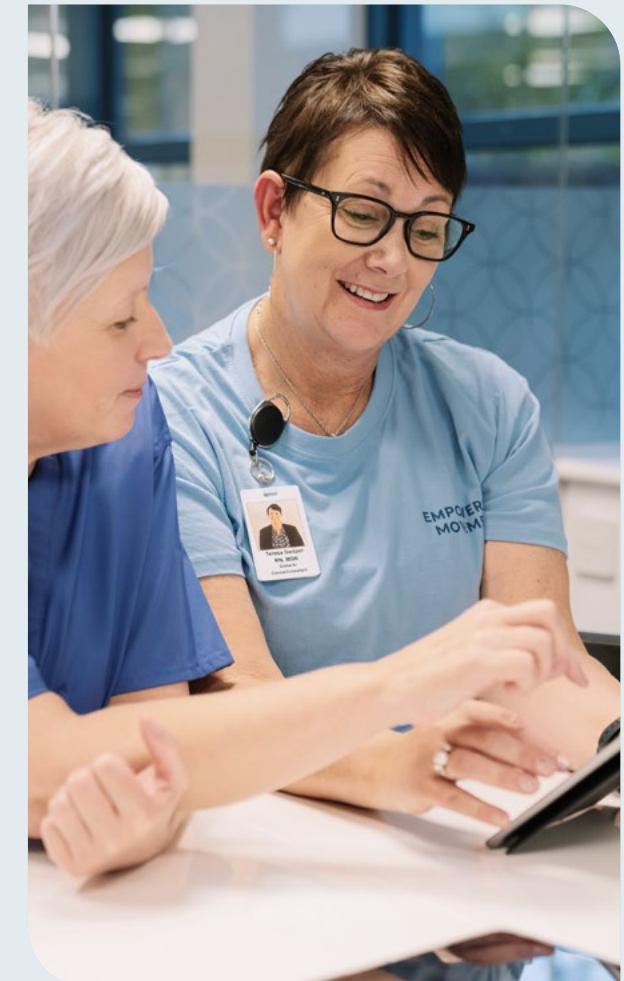
### Arjo MOVE®

Arjo MOVE® is the generic name for the company's outcome-based programs and is based on Arjo's Mobility Gallery® and international guidelines. The programs begin with a detailed assessment of the care facility's equipment needs, followed by process analysis and design. Arjo conducts training for care facility staff and implements new work processes to drive a culture of change, and to measure and evaluate results against agreed and guaranteed targets.

#### This is Arjo MOVE®

- 1 Together with the customer, every care unit's unique requirements are mapped.
- 2 Arjo develops customized solutions that, besides the equipment itself, also safeguard the care skills and work processes.
- 3 Working together with the customer, Arjo changes care practices and measures and monitors key performance indicators.
- 4 The program guarantees improved clinical and financial outcomes leading to increased resource efficiency for healthcare.

See Source 1, 2, 3 and 4 on page 159.





**"Arjo has a solid foundation and our efforts to ensure profitable growth, in both the long and the short term, continue with an unwavering focus"**

# A solid foundation for the future

Healthcare has faced a number of challenges in recent years. By focusing on helping healthcare providers improve clinical and financial outcomes, Arjo plays an important role in the transition towards better and more sustainable healthcare.

Our journey for growth and improved profitability continues despite an uncertain global environment, especially in Europe. While implementing important action programs to become more cost-efficient during the year, we also continued our initiatives to strengthen Arjo's long-term positions. One example is the launch of our new Symbliß bathing system, which sets a new standard in the premium segment and strengthens our position in long-term care. Our efforts to increase productivity in product development are generating results and we now enter an intense period with several innovations in our most important product areas.

## Positive performance trend in key markets

Demand in 2024 was generally good, despite some fluctuations in the market. The year ended with positive momentum and a favorable order situation for 2025.

In the US, where our customer base is dominated by private healthcare providers, both the financial situation of the healthcare sector and the availability of personnel continued to stabilize. Our solutions are well-positioned here to support continued improvements and efficiencies in key areas such as workflows, care procedures and resource utilization.

In Europe, most of our customers rely on government healthcare budgets. In 2024, political turmoil and uncertainty regarding healthcare funding had a direct impact on our sales in several major markets. Clarity is important for the stability of healthcare investments, and we have also seen how quickly the situation can change when healthcare providers receive clear information about their budgets. An example is the UK – when the new government was formed after the election last summer, there were immediate signs of an increased willingness to invest among our customers.

Our rental and service operation remained a key growth driver in 2024, with regular and recurring rental and service revenue accounting for 45 percent of our total business during the year. For healthcare providers, particularly those under financial pressure, the option of renting equipment provides flexibility in terms of both costs and access to the right equipment. While providing greater stability for our business, equipment rental also supports the ambition of establishing close and long-term customer relationships. This is made possible by our ability to offer both high quality products and in-depth clinical know-how.

## Our role as a mobility outcome partner

Our strategy to increasingly offer outcome-based solutions, which entails that our pricing is more closely aligned with our customers' clinical and financial outcomes, remains unchanged.

We are well aware that it takes time to change customers' mindsets in the desired direction, which is why we strive for

customer dialogues that shift the focus from mere product benefits to the actual value that healthcare providers can achieve with our solutions.

There are many examples of positive customer experiences from our outcome-based programs. One example is Kern Medical in California where the number of work-related injuries among staff when repositioning patients has declined by 75 percent since our program was launched.

## Sustainability increasingly important

Sustainability is a core aspect of Arjo's culture and operations, and the importance of progressive efforts in this area became increasingly clear in 2024. A survey we conducted during the year showed clearly that more customers in more markets are requesting sustainable solutions and sustainability data in their purchasing processes. We are also seeing growing demand for circular solutions such as Arjo ReNu, which enables the reuse of medical consumables, and during the year we opened a new and larger facility in the US to meet this need.

In early 2024, the Science Based Targets initiative (SBTi) verified that our climate targets are in line with the latest climate science. During the year, we also established a program for sustainability audits of the Group's suppliers, which is a step toward ensuring compliance with the Corporate Sustainability Due Diligence Directive (CSDDD), which requires large EU companies to collect and analyze data on their environmental impact and human rights throughout the value chain.

## Continuing on the chosen path

As interim CEO, I would like to emphasize that we are continuing on our chosen path. Arjo has a solid foundation and our efforts to secure profitable growth, in both the long and the short term, will continue with an unwavering focus.

We are mindful of the fact that the current global situation, marked by uncertainty and rapid changes, could affect our business. At the same time, we feel confident that we have the flexi-

bility required if we need to quickly adapt to events in the world around us.

We are continuously working to gain a better understanding of our customers' needs and challenges. This strengthens our ability to develop solutions that create more opportunities for our customers to work faster, more efficiently, safer and more sustainably, with greater care for their patients.

We are entering 2025 with positive momentum in key markets such as the US, Canada and the UK, and with several important product launches. At the same time, we are implementing a range of activities to continue our journey to improved profitability – which we will pursue with full focus during the year.

### Niclas Sjöwärd

Interim President & CEO

## Growth and profitability drivers in the years ahead:

- Launch of new products
- Increased sales of service and rental
- Continued cost optimizations
- Focus on acquisitions

FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

## Expertise and innovation – important drivers since 1957

Arjo's founder Arne Johansson quickly realized the need for innovative hygiene solutions for people with reduced mobility.

The first bathing system, the B2, was launched back in 1968 and consisted of a stainless steel bathtub and a table on wheels to move the patient between the bed and the bath. 1972 saw the launch of Arjo's first height-adjustable tub, the B7, which allowed healthcare professionals to adjust the tub to the correct height for working.

With its innovative height-adjustable bathing solutions, Arjo paved the way for a new market segment. The unique keyhole-shaped Rhapsody tub, the Alenti bath chair and the Miranti bath trolley followed in the 1990s, taking hygiene and patient handling solutions to a whole new level.

Today, there is also a higher expectation of offering comfort and well-being, in addition to safety for both patients and caregivers. With the new Symbliss bathing system, designed according to dementia-friendly principles, Arjo presents a unique and innovative assisted bathing system for the future that also pays tribute to the origins of the company.



Symbliss, Arjo's new integrated bathing system consisting of a bathtub and a bath chair

# Group performance 2024

Arjo's targets serve as a tool for governing the long-term development of the company and generating value for all stakeholders.

In 2024, net sales increased organically by 3.1 percent to SEK 11,292 M. Adjusted EBITDA increased to SEK 2,086 M and the adjusted EBITDA margin was 18.5 percent. Cash flow from operations amounted to SEK 1,516 M and cash conversion was 76.7 percent, which is in line with the Group's target. At year-end, net debt/adjusted EBITDA had declined to 2.0, an improvement of 0.3 from 2023.

## Financial targets and results

	TARGET	OUTCOME 2024
Sales growth	<b>3–5%</b>	Average annual organic sales growth of 3–5 percent.
Adjusted EBITDA margin	<b>~23%</b>	Adjusted EBITDA margin of approximately 23 percent from full-year 2025.
Cash conversion	<b>&gt;80%</b>	Annual cash conversion of more than 80 percent.
Dividend	<b>30–60%</b>	The Group's dividend is to correspond to 30–60 percent of net profit after tax.

## Selected sustainability targets and outcomes

	TARGET	OUTCOME 2024
Gender equality	<b>40–60%</b>	The underrepresented gender is not to fall below 40 percent of leading positions.
Code of Conduct	<b>97%</b>	97 percent of the Group's purchases of direct materials are to be made from suppliers who have signed Arjo's Code of Conduct for suppliers and other business partners.
Greenhouse gas emissions	<b>-50%</b>	Halve greenhouse gas emissions in own operations (Scope 1 & 2) by 2030, with 2021 as the base year.
Circularity	<b>80%</b>	The percentage of waste that can be recycled is to be 80 percent by 2030, with 2021 as the base year.

# Arjo's segments

The company's performance is measured and monitored using the three segments of Global Sales, North America and Other, of which Global Sales and North America jointly account for 96 percent of the Group's sales. Only a small share of the cost of Arjo's central Group functions is allocated to the segments. The remaining costs are attributable to Group costs.

## Global Sales

Arjo's Global Sales segment comprises all markets outside North America and includes Europe, Asia, Latin America, Africa and Pacific.

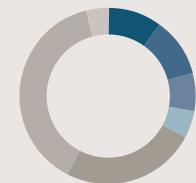
### Market development in 2024

Global Sales posted stable growth during the year with healthy demand in service and rental globally. Demand for capital goods in Europe was lower in the second half of the year due to political instability and uncertainty related to healthcare funding in countries such as the UK and France. In other markets, the trend was generally favorable during the year. Implementation of the strategy continued in 2024 to continue enabling a gradual increase in outcome-based sales.

### Focus and priorities for 2025

In 2025, the focus on driving profitable growth will continue by, for example, investing in emerging markets and driving more outcome-based business in mature markets.

2024



● Capital goods 52%<sup>2)</sup>

● Rental 26%

● Service 22%

● United Kingdom 10%

● France 11%

● Germany 7%

● Australia 5%

● Remaining Global Sales 24%

● North America 39%

● Other 4%

1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

2. Also including disposables.

## ARJO'S SEGMENTS

## North America

Arjo's North America segment comprises the US and Canada.

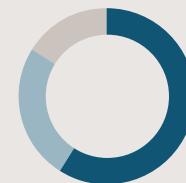
### Market development in 2024

Growth continued in North America in 2024. Canada performed well and remains one of Arjo's most profitable markets, with a favorable split between acute and long-term care sales. The US also grew during the year, and the recovery following a couple of years of more challenging market conditions continued. For example, the Group's sales of patient handling equipment increased, which had seen a slightly weaker performance in the US since the pandemic. Service and rental also remained important drivers of growth during the year.

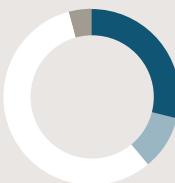
### Focus and priorities for 2025

Focus for 2025 will be on increasing the share of outcome-based sales in the US, while the Group continues to further enhance the profitable operations in Canada.

2024



- Capital goods 59%<sup>2)</sup>
- Rental 25%
- Service 16%



1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.  
 2. Also including disposables.

## Other

Arjo's Other segment comprises the Group's diagnostics business.

### Market development in 2024

Arjo's diagnostics business continued to experience some challenges during the year and the business declined compared with 2023. The main challenges were limitations in the availability of materials and components. However, profitability improved in 2024. During the year, French company Tech Med, one of the Group's existing distributors in diagnostics, was acquired.

### Focus and priorities for 2025

The main focus in 2025 will be to increase sales and re-generate growth in the diagnostics business, while also continuing to improve profitability.

# The year in brief

## Arjo's climate targets approved by SBTi



In early 2024, Arjo's climate targets were verified by the Science Based Targets initiative (SBTi) – an important milestone in the Group's sustainability efforts that means that the company's climate targets are considered to be in line with the latest climate science and the Paris Agreement. Arjo's target is to reduce greenhouse gas emissions from its own operations (Scope 1 and 2) by 50 percent by 2030, with 2021 as the base year. For the value chain (Scope 3), the target is to reduce emissions by 25 percent by 2030.

The SBTi is a partnership between the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature. The SBTi drives ambitious climate action by enabling organizations to set science-based emissions reduction targets in line with the Paris Agreement.



## Initiatives to raise knowledge about pressure injury prevention

Arjo has a strong position among leading experts in the prevention and treatment of pressure injuries and takes an active role in this field. During the year, Arjo participated in both the National Pressure Injury Advisory Panels (NPIAP) in San Antonio, Texas, US, and in the European Pressure Ulcer Advisory Panel (EPUAP) in Lausanne, Switzerland.

With partnership programs and outcome-based efforts for early prevention, detection and management of pressure injuries, Arjo is well-positioned to help customers meet the demands and needs of both today and tomorrow.

## Further improvement of Arjo's ESG risk rating

Arjo's environmental, social and governance (ESG) risk rating was updated in the autumn by analyst firm Sustainalytics. The result was a further improvement to Arjo's ESG risk rating. The company's rating has improved from 31.4 to 9.6 in the past two years. Arjo is now in the top five out of almost 600 companies in ESG risk ranking in terms of listed, ranked healthcare companies.

Arjo works continuously to integrate sustainability into its day-to-day operations and increase the transparency of its sustainability data.

Arjo also received a rating of AA from analyst firm and rating agency Morgan Stanley Capital International (MSCI).

**9.6** Sustainalytics  
ESG risk rating

## Strengthened positions through two European acquisitions

In the autumn, Arjo signed agreements to acquire French company Tech Med, one of the Group's existing distributors within diagnostics, and German company GerroMed, a provider of rental solutions focused on pressure injury prevention.

Tech Med generated sales of approximately SEK 25 M in 2023, and sales for GerroMed in the same period were approximately SEK 30 M. The acquisitions are expected to make a positive contribution to earnings from 2025 onwards and strengthen the Group's positions in their respective areas.

## THE YEAR IN BRIEF



## Arjo holds leading position in dementia-certified products

During the year, two more of Arjo's products, the Carino shower chair and the Carevo shower trolley, received dementia accreditation from the DSDC (Dementia Services Development Centre) at the University of Stirling in Scotland. DSDC reviews and assesses product suitability for use in a dementia-friendly environment and Arjo currently holds a leading position in terms of the number of dementia-certified products.

It is estimated that 60–80 percent of residents in long-term care facilities suffer from dementia or other cognitive impairment. This places high demands on both care and care environment, and better meeting the care needs of dementia patients is high on the agenda for Arjo's development of long-term care products.

## Terminated distribution agreement for SEM scanner

During the year, Arjo terminated the distribution agreement with Bruin Biometrics for the SEM scanner, which enables early identification of patients at increased risk of developing pressure injuries.

Pressure injury prevention continues to be an important area for Arjo where the Group has extensive experience and a strong offering for both prevention and treatment.

For more detailed information, see Note 15 *Participations in associated companies*.

## Restoration of medical infrastructure in Ukraine

Arjo participated in the Rebuild Ukraine: Health & Rehabilitation conference in Warsaw, Poland, during the year. This event focused on restoring human capital and medical infrastructure in Ukraine, which has faced significant challenges since the invasion. Arjo's products and solutions were presented in the Swedish pavilion and following the initiation of a partnership with a local distributor in Ukraine are now registered and thus available in the country.

## Launch of new bathing system

The first phase of the launch of SymbliSS – Arjo's new integrated bathing system consisting of a bathtub and a bath chair – was initiated at the end of 2024. SymbliSS represents the next generation of one of the company's flagship products in a field where Arjo has been a leader since the late 1960s. The innovative and unique design of SymbliSS allows a single caregiver to efficiently and safely provide a comfortable and dignified bathing experience for all users, regardless of mobility challenges. The system is designed according to dementia-friendly principles and has received the highest rating from the Dementia Services Development Centre (DSDC) at the University of Stirling in Scotland. SymbliSS also helps to strengthen Arjo's offering and position in long-term care.



# Strategy for increased value creation

Over the years, Arjo has built up extensive expertise and developed market-leading products and solutions that enhance safety and quality of life for patients, improve the work environment for caregivers and increase resource efficiency for care providers. With a healthcare system under pressure, Arjo is well-positioned to contribute to better and more sustainable healthcare.

Arjo's strategy is designed to ensure long-term profitable growth by developing products and solutions that help solve healthcare challenges both today and in the future. In parallel with continuing to develop the core business, with products and solutions for better and more efficient care, Arjo is working to offer more complete outcome-based solutions for customers' specific challenges and needs. These solutions could be, for example, programs where the outcome can be measured in shortened length of stay and reduced complications for the patient, lower sick leave among care staff and increased resource efficiency for the care provider.

## Needs

Global care needs are rising with an aging population and more people living with lifestyle-related complications.

## Insight

Hospital-acquired conditions are often caused by insufficient patient mobility, and thus can be prevented.

## Solution

Arjo's strategy aims to increase value creation in healthcare by offering a combination of knowledge and market-leading solutions.



## Growing people and business together

Arjo's Guiding Principles are five different principles that serve as the company's core values and apply to the entire company. Among other things, the principles encourage a customer-focused work process, and with a decentralized business model, where decisions are largely made close to the customer, employees are empowered to assume a high level of responsibility for their own business. This creates many opportunities for each individual employee to grow in their role.

## For better and more sustainable healthcare

To strengthen Arjo's position as a mobility outcome partner to healthcare, it is crucial to contribute to both customers' and the Group's own sustainability agenda. Arjo is working to further strengthen the Group's competitiveness by offering more circular solutions and business models. Every day, Arjo's products and solutions also contribute to higher patient safety, a better working environment for caregivers and more efficient work processes in healthcare.

## Strategic priorities

Growing people and business together

### Strengthen the core business

- Ensure continued growth
- Strengthen the product portfolio and offering
- Increase the Group's profitability
- Optimize the Group's use of resources in terms of efficiency and sustainability

Driving healthier outcomes

### Differentiation through strong value-creating partnerships

- Build strong partnerships with customers
- Offer new business models
- Build on leading positions in the market

For better and more sustainable healthcare

**"We strive for customer dialogues that shift the focus from just product benefits to the clinical and financial value that healthcare providers can achieve with our solutions"**

**Niclas Sjöwärd, Interim President & CEO**

## —● Needs

# Rapidly increasing care needs

Several global megatrends are causing a sharp increase in care needs. Demographic changes such as a growing and aging population, more lifestyle-related complications and a higher share of people living with dementia are putting the healthcare industry under significant pressure.

**"Digital tools and platforms, and for some areas, artificial intelligence, play an important role in healthcare. We continuously evaluate how these can be used to increase our productivity and contribute to increased value for the customers."**

**Andrea Berg**, Chief Information Officer at Arjo



## Global trends impacting Arjo

### A growing and aging population

According to the World Health Organization (WHO), one in six people in the world will be 60 years old or older by 2030, and the number of people over the age of 80 is expected to triple between 2020 and 2050. The world is facing major challenges in ensuring that the health and medical care services can handle this demographic shift.

### Shortage of healthcare professionals

Healthcare systems are experiencing rising shortages of qualified staff, mainly due to an aging workforce and the profession's decreasing attractiveness.

### Increasing transition from hospital care to long-term care

Hospital care costs more than long-term care, and with greater pressure on healthcare and limited resources, higher demands are being made for hospital care to be more efficient. Consequently, it is becoming more common

for patients who require care over a longer period to be moved to long-term care facilities or home care.

### Multimorbidity and lifestyle-related health problems

More people are living longer, often with complex medical conditions. Moreover, more and more people are affected by lifestyle-related complications and, despite medical advances, obesity is a growing problem that is placing greater demands on healthcare.

### More digital solutions

Healthcare is making greater use of digital tools and platforms, leading to changing prerequisites and behaviors.

### Higher sustainability requirements

Higher expectations are also being placed on healthcare, suppliers and partners to actively contribute to sustainable development so that countries around the world can meet established sustainability targets.

## Investments in healthcare in Europe

In the future, the demographic trend is expected to drive increased investments in healthcare. At the same time, several countries in Europe have recently been affected by political instability and uncertainty regarding healthcare funding, and there is a shortage of trained healthcare professionals in many European countries.

**Global initiatives for better care**  
A range of initiatives are being implemented to address these challenges. WHO, for example, is calling on European countries to take immediate action to train, recruit and retain the next generation of healthcare professionals. The OECD has also put forward strategies to address health workforce shortages, and an example of an important focus area for this is promoting innovation in health service delivery.



### Stronger healthcare in the UK

During 2024, the National Health Service (NHS) in the UK worked to accelerate its recovery after the COVID-19 pandemic and to boost productivity in its operations. Focus areas included investing in staff and systems and expanding capacity to increase access to care in the community. These efforts have resulted in improving conditions for healthcare professionals and shorter waiting times for patients, thus giving more people access to both primary and specialty care. Decisions to raise budgets – about a four percent increase for both 2024–2025 and 2025–2026 – and a continued strong focus on improving healthcare lay the foundation for brighter prospects ahead.

value  
investments  
sustainability

### Shorter hospital stays with Arjo's solutions

"After a period of caution and lengthy decision-making processes, we are now seeing an NHS that is building for the future. The focus on increased productivity and the desire to reduce the time patients spend in hospital go hand in hand with Arjo's ambitions and solutions.

In tenders, we are now seeing higher demands for proven sustainability parameters and a shift toward processes that are increasingly outcome-based, focusing on clinical and financial value throughout the care process, rather than the cost of individual products. In both of these cases, Arjo is well positioned, which is very positive."



**Kevin Dare,**  
Managing Director of  
Arjo UK and Ireland.

## —● Insight

# Mobility in healthcare – a benefit to society

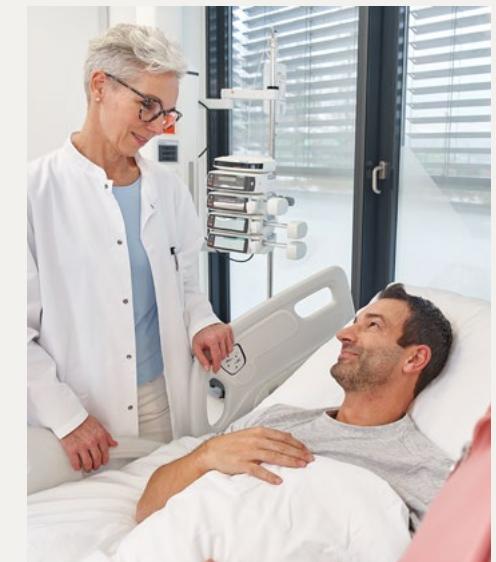
Arjo's solutions create opportunities for improved patient mobility throughout the care process, which offers many benefits.

Patients with reduced mobility are at risk for a range of complications leading to a greater and longer need for care. With the right knowledge and equipment, a patient can better retain or improve their mobility, which can help prevent complications, shorten length of stay and minimize the number of work-related injuries among caregivers. This benefits patients, increases the attractiveness of care professions, and contributes to improved resource efficiency in the healthcare sector.

## Effects of enhanced patient mobility

- Stimulates blood circulation, the function of heart and lungs, and bone and muscle structures
- Minimizes the risk of hospital-acquired conditions
- Helps to improve self-confidence and independence
- Shortens illness and injury recovery times
- Improves quality of life and well-being

See Source 1 and 2 on page 159.



## "Early mobilization of patients receiving hospital care shortens length of stay by an average of three days"

See Source 3 on page 159.



## Avoid loss of muscle strength

Reduced mobility in conjunction with critical care accelerates muscular dystrophy, which can make recovery strenuous and prolonged. Arjo's products and solutions are designed to help promote safe and early mobility of patients.

## 20% of muscle mass can be lost during the first week of critical care

See Source 4 on page 159.

## Prevent venous blood clots

Every year, more than 10 million patients suffer from venous blood clots. This makes it one of the most common preventable causes of health-care-related deaths. Venous blood clots often occur as a complication of hospitalization and can cause great suffering and, in the worst case, death. By taking preventive action, these are often entirely avoidable.

See Source 5 on page 159.



## Improved quality of care and life

A growing elderly population with complex medical conditions is putting pressure on the healthcare sector. For elderly care, the high proportion of patients with dementia requires safety and recognition. Arjo's solutions provide caregivers with the possibility of giving customized care, which reduces the risk of complications. The right equipment also empowers staff to work independently, supporting the opportunity for a more personal encounter with the patient.

## Almost 10 million people are affected by dementia every year

See Source 6 on page 159.



FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

## Increasing expertise among caregivers through education

Arjo offers an extensive range of online learning opportunities for caregivers to share knowledge about the safe and effective care for people with reduced mobility. The aim is to support both existing and new customers, and they are led by Arjo employees with clinical know-how together with renowned external experts. Some clinical education webinars and courses also allow for participants to earn credit points and receive a certificate for continuing education. Continuing professional development is mandatory for caregivers in several countries, helping nurses to maintain their skills while gaining new knowledge that can help bring new and more effective ways of working.



"In 2024, more than 10,000 people took part in our online clinical education webinars and courses and we can see that interest is continuing to grow".

**Gracie Xu**, Global Customer Education Director at Arjo.

## —● Solution

# Solutions for increased value creation in healthcare

Arjo's role as a mobility outcome partner to healthcare providers is built on the long-term improvement of customer results.

With an understanding and knowledge of the daily challenges in healthcare, combined with vast clinical expertise and the evidence-based tool Arjo Insight, Arjo can provide customers with insights into the equipment they need to follow guidelines and minimize risks – all based on the unique situation of each healthcare unit.

## **The right equipment in the right place at the right time**

With many healthcare providers under pressure, Arjo's rental solutions provide caregivers with increased flexibility in terms of both finances and access to the right equipment. This can include, for example, equipment to provide dignified and effective care for bariatric patients or patient groups whose needs extend beyond what the care facility offers with its regular equipment.

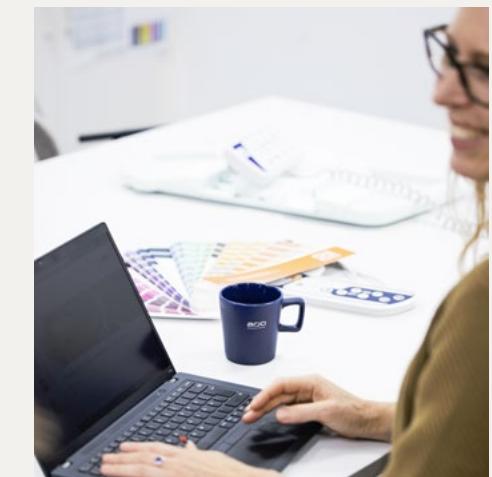
For Arjo, the rental operation is an important driver for increased growth and profitability for the years ahead. The operation has growing demand in several markets and the company sees good opportunities to further develop it – which, at high occupancy rates, will provide good profitability.

## **Complete solutions with guaranteed results**

Arjo offers outcome-based programs and solutions where clinical expertise and equipment work together optimally – with focus on promoting mobility. In a MOVE program, Arjo collaborates with the customer to evaluate how the right equipment and changes in work processes can optimize clinical and financial performance of the unique care facility.

A partnership with Arjo on outcome-based solutions therefore involves sharing risk, whereby Arjo guarantees an agreed result in an outcome-based business model. By estimating a healthcare unit's total cost associated with a specific problem, Arjo can show how an outcome-based solution improves clinical and financial results. The return on investment comes in the form of reduced costs, increased resource efficiency, improved quality of care, increased staff satisfaction and reduced patient suffering – values that far exceed the cost of the investment. Customers can thus feel confident that the investment will generate the desired value.

Arjo currently offers two programs, one to prevent work-related injuries among healthcare professionals and one to prevent and treat pressure injuries. Going forward, Arjo sees opportunities to develop new programs in areas such as treatment of venous leg ulcers, incontinence and patient falls.



## **Valuable support for architects**

Arjo's portal for architects and planners streamlines every phase of the construction process, from early stage advice on room layouts and space requirements to design support and information about installing different types of equipment.

**"Arjo's design guide is a great tool for making clients and other stakeholders aware of the requirements that various types of equipment pose on the premises. We can talk confidently about mobility challenges and space requirements when we sit down with customers, and it's even better when Arjo is actually involved in the discussions."**

**Chris Shearman**, Managing Director of TDC Architects, which specializes in care homes in the UK and China.



FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

## Focus on optimized workflows in hospital redevelopment

Arjo has extensive experience in working closely with architects and designers in the planning and construction of hospitals and long-term care facilities. One such example is The Queen Elizabeth Hospital in Australia, which has undergone major redevelopment in recent years. Early on in the process, Arjo contributed to planning and design, and to the layout of rooms, space requirements and equipment installation.

The hospital has, for example, installed Arjo's ceiling lifts for safe patient transfers, including lifts with a capacity of up to 450 kg that can safely and comfortably transfer bariatric patients with limited mobility.

Involving Arjo early on as experts in mobility solutions meant that spaces could be adapted to optimize workflows and contribute to safe care and environment for both patients and caregivers.



# 23%

increase in the number of users of digital design objects via Arjo's Architect Portal in 2024

Photo: Australian National Construction Review (Photographer: Cameron Longshaw)

## —● Solution

### Pressure injury prevention

Pressure injuries are a devastating and common complication that often comes from reduced mobility. The painful wounds often lead to longer hospitalization and greater care needs, requiring increased resources for treatment and patient care.

Prevention is less costly than treatment. With Arjo's solutions, pressure injuries can be prevented effectively, reducing patient suffering and lowering healthcare costs. Arjo offers therapeutic mattresses and equipment for transferring, repositioning and early mobilization of bedridden patients.

Outcome-based programs from Arjo enable care facilities to ensure that procedures, work processes and equipment are in line with clinical expertise and current standards. This enables significant improvements in clinical and financial results to be achieved.

### Reduction in work-related injuries

50-60 percent of healthcare professionals worldwide have suffered from work-related injuries. This makes it a widespread problem that can lead to sick leave, ultimately resulting in staff shortages and elevated healthcare costs.

The primary moments of risk are patient transfers and repositioning. Arjo's customizable beds and equipment for patient handling and hygiene are developed with the safety and work environment of healthcare professionals in mind.

See Source 7 on page 159.

When the right equipment is combined with training and efficient work methods in Arjo's MOVE programs, work-related injuries can be drastically reduced, in some cases by as much as 90 percent.





## FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

## A secure environment to focus on delivering quality care

Kern Medical in California is an acute care teaching center offering advanced trauma care. Kern Medical implemented a MOVE program in partnership with Arjo to make patient transfers safer. The hospital used to average 11 safe patient handling injuries per year, with an average annual worker's compensation cost of about SEK 6 M, and resulting in an average of 152 lost days per year.

Kern Medical's focus on reducing caregiver injury resulted in the *Up Sooner Safe* program, which included the use of AirPal – Arjo's air-assisted lateral transfer mattress. The mattress allows the caregiver to reposition and laterally transfer a patient with significantly reduced friction, which ensures both the patient and caregivers are safe during patient transfer.

Since the program was launched, the number of safe patient handling injuries has decreased by 75 percent per year, and the average annual reduction of reportable hospital acquired pressure injuries is 81 percent.



*"Up Sooner Safe has been a tremendous success. It has contributed directly to a reduction in workplace injuries. By prioritizing patient care and ensuring employee safety, we create a secure environment where staff can focus on delivering quality care," says Mauricio Cardona, Kern Medical Risk Manager.*

# Sustainability strengthens competitiveness

Sustainability is key to Arjo's success and the company sees opportunities to further enhance its competitiveness by providing more circular solutions and business models. As a global medtech company, Arjo plays an important role in society.

Every day, the company's products and solutions contribute to increased patient safety, improved working environment for caregivers and improved resource efficiency in healthcare.

With a clear link to strategy, targets and activities, Arjo pursues the Group's Sustainability Framework to reduce the climate and environmental impact throughout the value chain, to ensure responsible and ethical business operations and to be an attractive and responsible employer.



**"Our sustainability agenda is a key part of our strategy and integrated into how we conduct our operations. With clear targets and activities, we ensure continuous improvements in both our own operations and in the value chain."**

**Niclas Sjöswärd**  
Interim President & CEO

# Arjo Sustainability Framework

Contributing to better and more sustainable healthcare is the core of Arjo's operations. To achieve this, a framework has been developed with three focus areas – A sustainable offering, A responsible company and An attractive employer. These focus areas are based on the results of regular materiality assessments and analyses of the company's positive and negative impacts throughout the value chain. The framework forms the foundation of Arjo's sustainability efforts and is based on the three pillars of environment, social responsibility and governance (ESG). The work is driven and developed by the company's own ambitions as well as increased demands from customers and other stakeholders.



**A sustainable offering**



**A responsible company**



**An attractive employer**

## Clear governance ensures results

Arjo's sustainability efforts are based on policies, directives and clear governance involving all levels of the company in a systematic work process to enable the implementation of approved activities.

**Read more about the governance of Arjo's sustainability efforts on page 37**





## A sustainable offering

To reduce the company's climate impact, Arjo strives for sustainable use of energy and resources and to increase the Group's contribution to a circular economy – thereby contributing to long-term sustainable development.

Arjo wants to contribute to the transition to more sustainable healthcare. The Group's target is to reduce greenhouse gas emissions from the company's own operations (Scope 1 and 2) by 50 percent by 2030, and for emissions in the value chain (Scope 3) by 25 percent by 2030, both with 2021 as the base year. During the first quarter of 2024, Arjo's climate targets were approved by Science Based Targets initiative – an important milestone in the Group's sustainability work. This means that the climate targets are considered to be in line with the latest climate science and the Paris Agreement.

Arjo works actively to reduce the climate impact of the company's products, and

product development follows the principles of EcoDesign as well as the highest focus on safety and quality. This method is used to ensure long life cycles and limited environmental impact during the product's entire life cycle.

Two of Arjo's operations have inherent circular qualities that help reduce the climate and environmental impact of healthcare. The rental business enhances resource efficiency, reduces the total number of manufactured products, thereby decreasing the use of raw materials, and minimizing waste. Arjo's ReNu circular business model enables the reuse of single-use medical consumables.

FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

## Expanded capacity for a circular business model

Medical consumables comprise a large proportion of the total climate impact of healthcare. As such, solutions for re-processing offer major opportunities to reduce emissions and waste. To meet a growing demand for sustainable solutions and also achieve higher production efficiency, Arjo ReNu opened a new and larger facility in Everett, WA in the US in September 2024.

Arjo ReNu enables the reprocessing of noncritical, noninvasive medical devices based on an environmentally friendly water-based, high-temperature decontamination process that does not use any chemicals. Arjo ReNu is currently available in the US and Australia.



"With Arjo ReNu, we are contributing to more sustainable healthcare while helping our customers achieve their sustainability targets. The circular business model reduces the need for raw materials, requires less transportation and reduces waste – factors that our customers increasingly value."

**Chris Dorsey,**  
President, Arjo US



## A responsible company

As a global medical technology company, Arjo's products and solutions contribute to helping people in an often vulnerable situation in healthcare. This, together with a significant proportion of customers financed by public funds, means that the Group has an important role in conducting responsible business.

Arjo's growth and success are dependent on a high level of trust. Long-term relationships with both customers and suppliers are therefore based on sound business ethics and clear principles for regulatory compliance.

Arjo has a broad network of suppliers and other business partners, and places the same high demands on them as on its own operations, with zero tolerance for all forms of corruption, fraud and bribery. The company's ambition is to impact this network in contributing to the development of a fair global market. Arjo has signed the UN Global Compact and supports the ten principles that apply to human rights, labor, the environment and anti-corruption.

Arjo promotes an inclusive and safe culture where employees, suppliers and other partners are willing and able to speak up when they experience questionable behavior. The Code of Conduct is the foundation of Arjo's culture, and it is based on international principles and covers issues such as anti-corruption, fair competition, human rights and work environment responsibility.

Safe, high-quality products are Arjo's hallmark, which the company is always working to guarantee. Medical devices are strongly regulated and Arjo ensures that the Group's products adhere to laws and regulation in all markets in which the company operates.

### FOR BETTER AND MORE SUSTAINABLE HEALTHCARE

## Fair terms at all stages

A prerequisite for being a responsible company is to ensure that the company's ambitions and targets reach the supply chain, and are followed. For example, a training course under the framework of Arjo's program for supplier assurance was held for purchasing staff at the plant in Suzhou, China in 2024.

The program is also part of compliance with the Corporate Sustainability Due Diligence Directive (CSDDD). This Directive requires large EU companies to collect and analyze data on their environmental impact and human rights throughout the value chain.

"Assuring that our suppliers act in accordance with Arjo's sustainability targets and social principles is part of our efforts to make our products even more sustainable. We also want to guarantee fair labor conditions for everyone involved in the production of the company's products."

**Lotta Carlsson**, Vice President Procurement at Arjo





## An attractive employer

To attract and retain employees, it is essential for Arjo to offer healthy and equal working conditions. Diversity, equity and inclusion are top priorities and the company values high levels of health and safety for employees and business partners.

Arjo's Guiding Principles form the basis for creating an engaging culture and workplaces that offer all employees opportunities for growth and development, with diversity, equity and inclusion helping to build a strong company and achieve success.

Attracting and retaining employees with the right competencies is a key strategic priority for Arjo. Arjo works together with local universities and colleges to attract new talent. To retain the right skills, the company focuses on continuous dialogue about employee skills, personal targets and development linked to the company's strategic business objectives.

The health and safety of Arjo's employees and partners in the workplace is of great importance. The company makes continuous improvements based on Arjo's Directive to achieve a consistently high safety standard and ensure a healthy work environment.

Arjo complies with internationally recognized principles, frameworks and guidelines on human rights, which also form the base of Arjo's Code of Conduct for suppliers and other business partners.





learn  
develop  
inspire



## Learning and development initiatives

The "In your shoes" initiative being carried out at Arjo Germany offers all employees the opportunity of a two-day work experience placement at a different department to their own. The initiative is open to all levels of the organization.

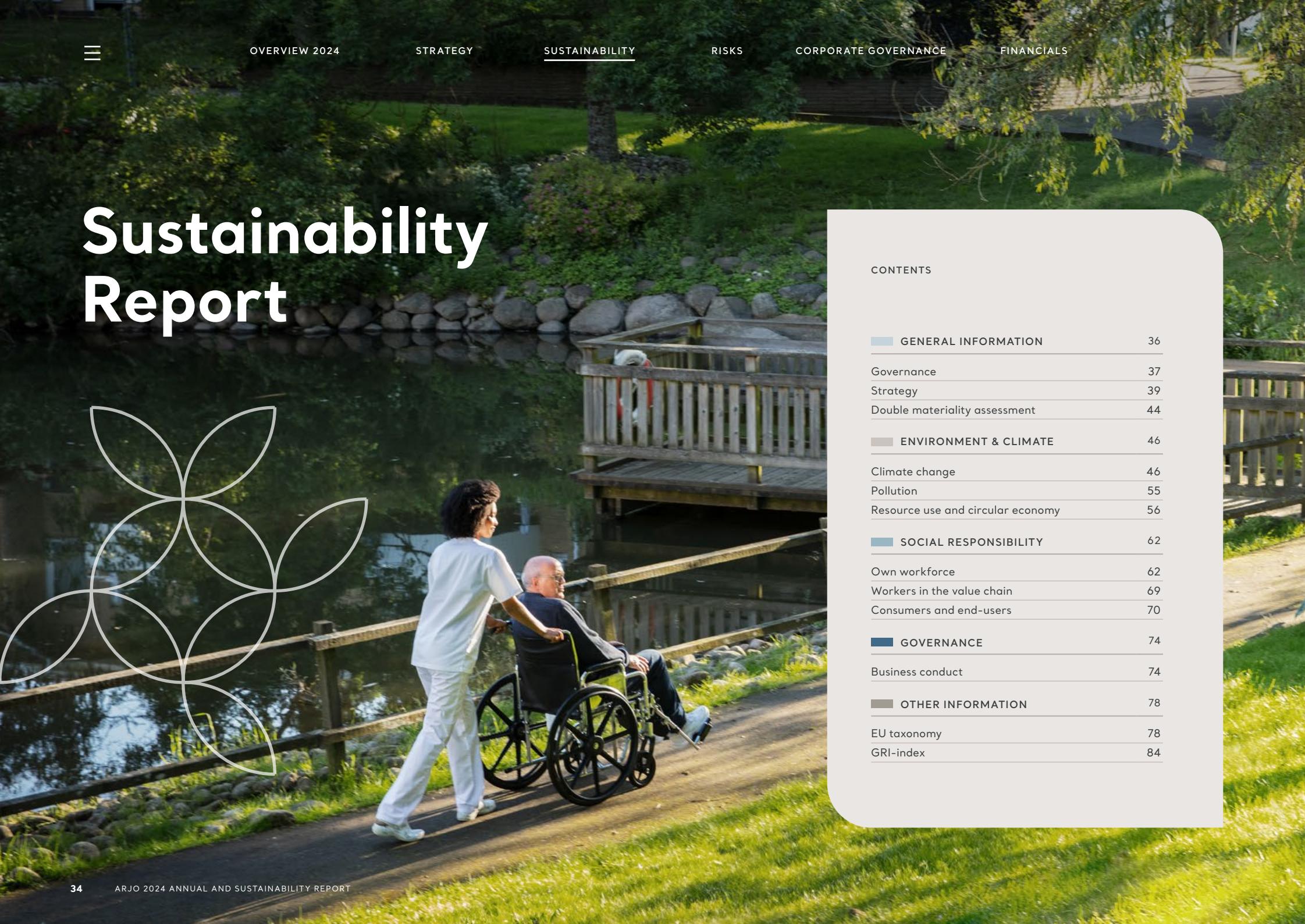
In 2024, Marco Gerner, Service Installation Manager in Germany, had the chance to step into the shoes of Andreas Aerni, Managing Director of Arjo's operations in Germany, Austria and Switzerland, for a two-day internship.



"This is an opportunity for our employees to grow personally and professionally, and maybe even discover interests and skills that can be further developed. We want to create a more knowledgeable, close-knit and confident team."

**Aylin Güler**, HR Director of Arjo in Germany, Austria and Switzerland.

# Sustainability Report



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Arjo's Sustainability Report 2024 is presented in a format based on the EU Corporate Sustainability Reporting Directive (CSRD) and associated reporting standard, the European Sustainability Reporting Standards (ESRS).

The legislation applies to Arjo as of the fiscal year 2025, i.e. for the Sustainability Report to be published in 2026. Arjo has chosen to use the overall structure of the ESRS standards in this year's Sustainability Report as a first step in the transition to the new legislation.

The presentation of general information as well as policies, processes and actions per significant area is inspired by ESRS. Key figures and targets follow the Global Reporting Initiative (GRI) reporting standard.

The Sustainability Report for 2024 has been prepared in accordance with the Swedish Annual Accounts Act. The auditor's statement regarding the statutory Sustainability Report can be found on page 147. A limited assurance review of the Sustainability Report has not been conducted.

Arjo has a revolving credit facility totaling EUR 600 million that is linked to three of Arjo's long-term sustainability targets. A limited assurance review of the targets has been carried out in 2024. The credit facility expires in 2028.



# General information

In 2024, Arjo continued preparations for the introduction of the CSRD and the ESRS. This year's Sustainability Report, which includes the double materiality assessment, should be seen as part of these preparations.

## About the Sustainability Report

### General basis for preparation of the Sustainability Report

Arjo's Sustainability Report has been prepared on a consolidated basis, covering the reporting period January 1 to December 31, 2024. The reporting structure and scope aligns with the financial reporting, ensuring that all subsidiaries included in the financial reporting are also accounted for in the Sustainability Report. For more information see Note 12 in the financial statement. Arjo's upstream and downstream value chain has been analyzed from a high-level perspective, with data from the value chain (Scope 3) emissions collected. Read more in the Climate change mitigation section. No omissions have been made regarding intellectual property or sensitive information.

### Disclosures in relation to specific circumstances

Arjo is committed to maintaining accurate and comparable data, continuously enhancing data accuracy. When reporting metrics concerning direct and indirect emissions, Arjo has used assumptions and estimations to be able to compile as accurate and fair data as possible. The accounting policies for metrics are disclosed within each material topic's section.

To facilitate comparability, Arjo has established a recalculation policy. This policy states that for significant changes in data quality resulting in an outcome variation of more than 5 percent, historical figures should be recalculated if feasible. This ensures reliable analysis and comparison of year-to-year improvements. If recalculation is not possible due to a lack of historical data, the analysis will clearly describe the change, and a footnote will be added to

the presented data. For 2024, historical data recalculations have been performed for the Scope 3 categories of Upstream transportation and distribution (spend-based emissions) and Use of sold products.

### Incorporation by reference

More information on the Board of Directors and the Arjo Management Team can be found in the Corporate Governance report and more details on Arjo's incentive program can be found in the Remuneration report.

- **Strategy** – Breakdown of significant groups/services offered – see pages 14-15
- **Strategy** – Head count – see the Group note 3
- **Strategy** – Breakdown of revenue – see the Group note 2
- **Incentive schemes** – see Remuneration report pages 107-108
- **Risk management** – see Risk management and risk analysis pages 88-91

## Governance

### The role of the administrative, management and supervisory bodies

A presentation of Arjo's Board and Management Team can be found in the Corporate Governance Report on pages 92-106.

### Responsibility, expertise and skills

#### Policies, framework and guidelines

Arjo's governance model is based on relevant policies and directives and ensures systematic implementation and follow-up of approved activities.

#### Board of Directors

Arjo's Board of Directors is responsible for the Sustainability Report and for governing and reviewing sustainability efforts. In addition, the Board shall ensure that Arjo's external information is characterized by openness and is correct, relevant and clear.

The Chairman of the Board organizes and leads the Board's work and is responsible for ensuring that the other Board members receive satisfactory information and documentation for decision-making. The Chairman is also responsible for ensuring that new Board members continuously update and deepen their knowledge of Arjo and receive the continuous training required to enable the Board's work to be conducted efficiently.

The Board is responsible for oversight of impacts, risks and opportunities and decides on guidelines and policies. On an annual basis the Board of Directors review and decide on stakeholder engagement, sustainability materiality plans, impacts, risks and opportunities and yearly progress towards set targets.

#### Audit Committee

The Audit Committee oversees business ethics, compliance and sustainability, and reports to the Board. The Committee works with a particular focus on monitoring sustainability activities and strengthening the internal control program for sustainability

reporting. If necessary, the Committee is in regular contact with Arjo's organization. The Committee holds four meetings every year where sustainability is addressed.

#### CEO

The CEO is responsible for ensuring that the Board of Directors receive objective and relevant information required to be able to make well-founded decisions. The CEO and Management Team has the strategic responsibility for setting sustainability targets, follow up on activities, and actively participate in deciding on priorities, evaluating results and identifying areas for improvement.

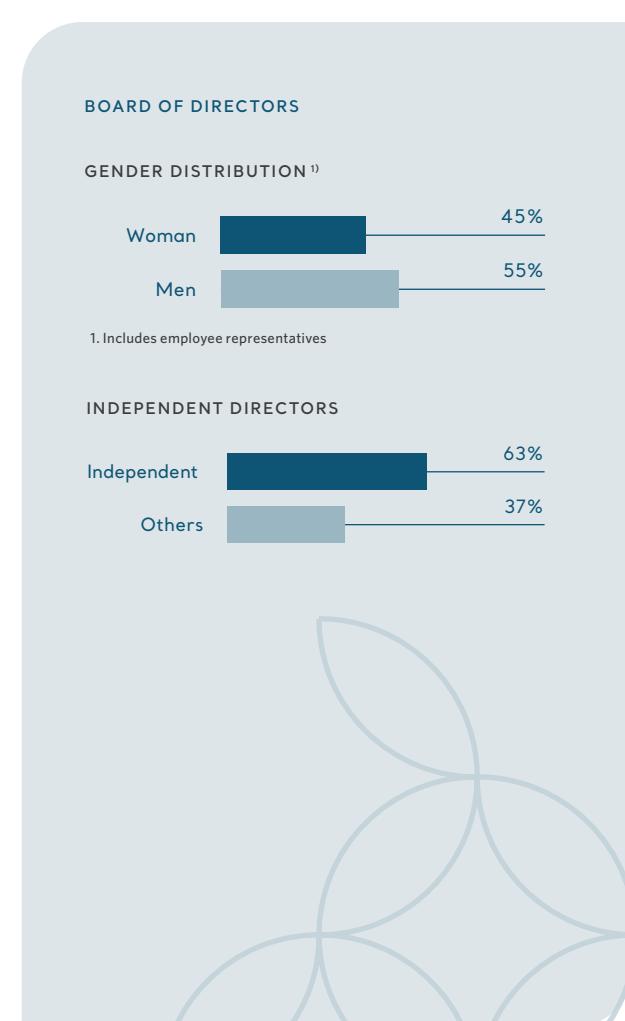
#### Sustainability Team

The Group Sustainability function advises and assists the Management Team in setting the strategic long-term sustainability direction, leading cross-functional projects and assists business functions and external stakeholders in sustainability matters. The Head of Sustainability leads the sustainability agenda and follows up on progress towards the Group sustainability targets and the management of material impacts, risks and opportunities. The Head of Sustainability has a monthly alignment with the CEO and reports on a regular basis to the Management Team and Audit Committee.

A quarterly sustainability status report is shared with the Management Team and the Board of Directors, covering progress of the material topics, legislative updates and sustainability metrics. Local units report on sustainability data, which are then compiled and analyzed by the Group Sustainability Controller.

#### Line organization

The day-to-day operational responsibility for sustainability activities rests with the Group's line organization, often through cross-functional teams responsible for carrying out projects and activities.



## Governance, cont.

### Information provided to the Board and Management Team

The Chairman of the Board monitors Arjo's operations through ongoing communication with the CEO. The Board receives monthly updates from the Management Team on significant events, with additional updates provided between meetings as needed.

The Board's work and management of financial and sustainability issues are evaluated in cooperation with an external partner. The results are presented to the Board and the Nomination Committee.

During the year, the Board monitored the development of the EU legislation on sustainability reporting, CSRD. The Board and the Management Team received external CSRD training. The Board of Directors, the Audit Committee and the Management Team have access to expertise within sustainability. They receive regular reports from the Head of Sustainability and Subject Matter Experts of material areas, for example regarding Scope 3 category Purchased goods and services, which relates to the material topic

Workers in the value chain. This information is incorporated in the evaluation of the identified impacts, risks and opportunities, to analyze their effects on the company's strategy and business model. It also helps to determine if relevant governance instruments and policies are in place or need to be developed.

### Information and sustainability matters addressed during the reporting period

- The Board of Directors and Group Management received training on the CSRD legislation, responsibilities and implementation updates.
- Material sustainability topics and outcome of the double materiality assessment were approved and monthly status reports were shared to enable full transparency with the Management Team and the Board of Directors.
- Due diligence deployment plans were discussed and monitored.
- Circularity development project initiation was endorsed.

### Integration of sustainability-related targets in incentive schemes

Arjo's short-term incentive program includes a sustainability-related target applicable for executive level employees, such as the Management Team as well as country managers and factory managers, and a number of other employees in leading positions or specialist roles. The Board of Directors decides on the metrics to be included in the incentive program and is responsible for approval on a yearly basis. Currently, ten percent of the potential variable remuneration is tied to the sustainability target for reducing greenhouse gas emissions from Arjo's own operations (Scope 1 and 2), which has been validated by the Science Based Targets initiative (SBTi). This target is further detailed in the Climate change mitigation section.

### Risk management and internal control in sustainability reporting

Arjo has analyzed potential risks related to the sustainability reporting. The risks mainly concern incorrect data input from local units, incorrect estimations or assumptions or not reporting complete information. They also include potential lack of data from the upstream and downstream value chain. The risks are mitigated by the Group Sustainability Controller reviewing the data before compiling it into the Sustainability Report. To further enhance risk management, Arjo will implement an internal control framework in 2025, with delegation of responsibility within the organization.

The risks in each of the processes mentioned above are documented and maintained through individual risk and control matrices. Key controls in each process are identified and periodically reviewed, with results presented to the Audit Committee. Any exceptions found are included in remediation activities, and their status is periodically reported back to the Audit Committee.

### Statement on due diligence

Core element of due diligence	Paragraphs in the Sustainability Report	Page
a) Embedding due diligence in governance, strategy and business model	Governance, strategy and business model	37-43
b) Engaging with affected stakeholders in all key steps of the due diligence	Governance, strategy, stakeholder dialogue, workers in the value chain	37-43, 69
c) Identify and assess adverse impacts	Process to access material topics, strategy and business model, workers in the value chain	39-43, 44-45, 69
d) Taking actions to address adverse impacts	Respective material topic and action section	49-50, 55, 56-58, 62-65, 69, 70-72, 74-75
e) Monitor goals and efforts	Respective material topic, goals and metrics	51-54, 59-61, 66-68, 73, 76

## Strategy

### Strategy, business model and value chain

Arjo is a global supplier of medical devices and solutions that improve clinical and financial outcomes for healthcare and thus contribute to a sustainable healthcare system. Arjo creates value by preventing complications related to reduced mobility and by improving the quality of care for patients as well as enabling a safer and more effective work environment for healthcare professionals. This in turn leads to reduced costs and a more efficient use of resources in healthcare and in society.

Business performance is measured and followed up on the three segments Global Sales, North America and Other. Arjo's main sales streams are capital goods and consumables, rental of products and service. For more detailed information on turnover per segment and sales stream, see the segment report on pages 14 and 15.

Arjo's main customers are public and private institutions within acute care and long-term care. This involves managing both individual agreements and public tenders with different demands on suppliers of medical devices. For customers, it is crucial that products maintain high quality and adhere to industry regulatory compliance requirements. Consequently, product and patient safety are of highest importance. Arjo works closely with customers to be able to offer the best solutions for current and future needs.

Arjo's rental business is linked to the sustainability aspect of circularity which is further described in the section Resource use and circular economy. In addition, Arjo's ReNu operations are also strongly linked to the sustainability aspects of resource use and circularity. Arjo ReNu is a service that enables the reuse of medical consumables, which were previously considered disposable after single use. By using a completely water-based process, ReNu extends the life of specific medical consumables.

### Challenges related to environmental, social and governance topics (ESG)

Arjo's challenges related to ESG topics include ensuring sustainable sourcing models and that suppliers meet the company's requirements as well as future requirements set by the EU Corporate Sustainability Due Diligence Directive (CSDDD).

For many years, Arjo has consistently been performing supplier assessments and are now extending the scope. In 2024, progress was achieved in enhancing processes for collaborations within the value chain and its workers. By collaborating with business partners and suppliers, Arjo can seize opportunities related to the use of more sustainable materials in its products. This is crucial for achieving the company's goals in climate change mitigation.

Arjo has identified challenges in the transport sector and is actively working to find safe, efficient, and sustainable transport routes and solutions. With manufacturing facilities in five locations globally and customers in over 100 countries, it is crucial for the organization to engage in continuous monitoring, scenario planning, and transportation follow-up. This ensures production continuity and timely deliveries to customers.

Arjo has extensive experience and significant knowledge in the field of MedTech and works closely with customers, business partners, healthcare professionals and other stakeholders to share the company's knowledge about patient safety and to ensure safe work environment for healthcare professionals and thus contribute to better healthcare. This is done through various forms of educational initiatives.

Arjo has a well-established research and development function where products are constantly refined to meet current and future needs, through the development of new products and improvements to existing products. By using a customer-oriented research and development process, Arjo strives to develop products and solutions that make healthcare more efficient and help customers solve their challenges – with a constant focus on user-friendliness and safety.

One of the most significant challenges for healthcare systems globally is the aging population. In addition, providers of healthcare and elderly care struggle with staff shortages and the lack of healthcare professionals with the right competencies. Arjo works strategically to create increased value in healthcare through outcome-based solutions that improve both clinical and financial outcomes and thus contribute to a better use of resources within healthcare. For more information see the Strategy section on page 18.

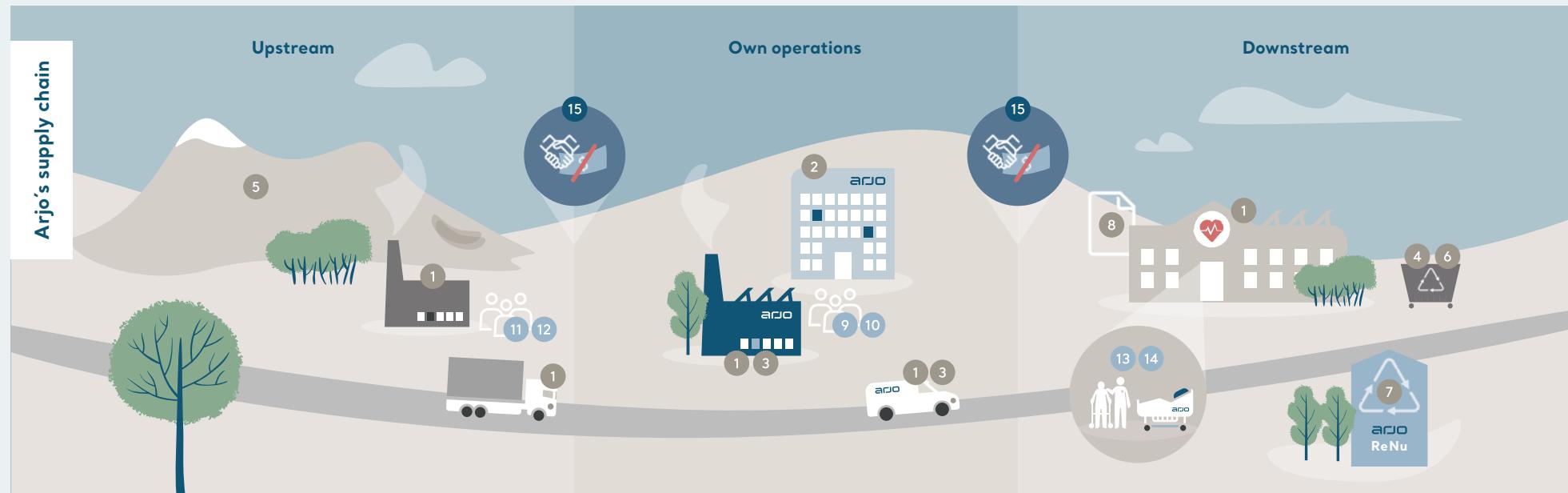
### Stakeholder dialogue

The stakeholder dialogue is fundamental for understanding Arjo's impacts, risks and opportunities and for making the correct sustainability priorities, reducing negative impacts and risks and making necessary adjustments to the business strategy.

The company uses several methods and channels for interacting with stakeholders to get a broader understanding of the stakeholder's views on Arjo's business activities and the impact these activities have on them.

Arjo's Management Team is informed about the outcome of the stakeholder dialogue through different channels such as the annual employee survey, customer satisfaction survey and ESG analysts' reports.

The stakeholder dialogue outcome is used by group functions as input and verification when assessing topics through the process of the double materiality assessment. In addition, the information is used to further improve business processes, develop the company and increase stakeholder collaboration.



Material topic	Sub topic	Impacts, risks and opportunities	Impact	Upstream	Own operations	Downstream
E1 - Climate change	Climate change mitigation	<p>① Greenhouse gas emissions</p> <p>② Potential risk of lost business opportunities</p> <p>③ Energy and fuel consumption</p>	▼	X	X	X
E2 - Pollution	Substance of Very High Concern (SVHC)	④ SVHC	▼			X
E5 - Resource use and circular economy	Resource inflow	⑤ Extraction of virgin raw materials	▼		X	
	Resource outflow	<p>⑥ End-of-life treatment of products</p> <p>⑦ Product rental and reprocessing of medical consumables (Arjo ReNu)</p> <p>⑧ Customers' demands regarding sustainability</p>	<p>▼</p> <p>▲</p> <p>▲</p>		X	X
S1 - Own workforce	Working conditions in own operations	⑨ Working conditions	▼			X
	Equal treatment and opportunities for all	⑩ Equal treatment and opportunities for all	▼			X
S2 - Workers in the value chain	Working conditions in the value chain	⑪ Working conditions	▼		X	
	Other work-related rights	⑫ Human rights	▼		X	
S4 - Consumers and end-users	Product safety	<p>⑬ Increased safety and quality of life for patients</p> <p>⑭ Improved working environment for caregivers</p>	<p>▲</p> <p>▲</p>			X
G1 - Business conduct	Bribery and corruption	⑮ Bribery and corruption	▼	X		X

▲ Positive impact   ▼ Negative impact   ▲ Risk

The illustration and accompanying table provide an overview of Arjo's impact, risks, and opportunities. For more detailed descriptions, see pages 42 and 43.

## Strategy, cont.

### Overview stakeholder dialogue

During 2024, Arjo has conducted an in-depth analysis to clearly identify how the company's sustainability work connects to the overall business strategy.

As a first step, a mapping of the company's stakeholder dialogue has been carried out. The results are presented in the table below.

Key stakeholder	Channel for dialogue	Organized	Purpose	Outcome
Customers	<ul style="list-style-type: none"> <li>Sales dialogues</li> <li>Clinical evaluations</li> <li>Customer satisfaction surveys</li> <li>Queries in tender processes</li> <li>External forums, such as conferences and seminars</li> </ul>	<ul style="list-style-type: none"> <li>Sales function</li> <li>Customer service function</li> <li>Research and Development function</li> <li>Marketing function</li> </ul>	<ul style="list-style-type: none"> <li>To understand current and future needs</li> <li>To understand the sustainability impacts and risks, and how to mitigate them</li> </ul>	<ul style="list-style-type: none"> <li>Adapt to future demands</li> <li>Actively work for sustainability impact reduction</li> <li>Verification of change in demands and impacts</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Procurement dialogues</li> <li>Supplier visits</li> <li>Fairs and exhibitions</li> <li>Sustainability audits</li> <li>Benchmarking industry impacts</li> <li>Supplier pre-evaluation tool</li> </ul>	<ul style="list-style-type: none"> <li>Buyers</li> <li>Procurement sustainability managers</li> <li>Participation in conferences and forums</li> </ul>	<ul style="list-style-type: none"> <li>Align sustainability ambitions</li> <li>Prioritize impact mitigation activities</li> <li>Ensure compliance</li> <li>Understand sustainability impacts and risks</li> <li>Understand supplier awareness of sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Drive cooperation to reduce risks and impacts</li> <li>Improve supplier understanding in applicable areas</li> <li>Verification of changed impacts and risks</li> <li>Actions to resolve compliance gaps</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Daily work dialogues</li> <li>Employee survey</li> <li>Performance &amp; development dialogues</li> <li>Work environment committees</li> <li>Diversity, equity and inclusion (DEI) committee</li> <li>Union dialogues</li> <li>Metrics and targets</li> </ul>	<ul style="list-style-type: none"> <li>Employee survey handled by the HR function</li> <li>Occupational Health and Safety committee and DEI committee</li> <li>Unions</li> <li>Sustainability accounting system managed by finance function</li> </ul>	<ul style="list-style-type: none"> <li>Understand employee's needs, opinions, engagement and motivation</li> <li>Understand company impacts and risks</li> <li>Attract and retain employees to secure competencies and long-term business</li> </ul>	<ul style="list-style-type: none"> <li>Close gaps to reduce negative impacts and risks</li> <li>Take actions and actively drive improvements based on the outcome of the stakeholder dialogues</li> </ul>
Investors/banks	<ul style="list-style-type: none"> <li>Sustainability dialogues</li> <li>Sustainability inquiries</li> <li>Analyst reports</li> </ul>	<ul style="list-style-type: none"> <li>Capital markets days</li> <li>Bank meetings and other financiers meetings</li> <li>Investor meetings</li> <li>Surveys</li> <li>ESG ratings from different institutes</li> </ul>	<ul style="list-style-type: none"> <li>To understand the stakeholder's needs of information and data</li> <li>To understand where to prioritize improvement activities for reducing risks and impacts</li> </ul>	<ul style="list-style-type: none"> <li>Adapt to future demands</li> <li>Actively work for sustainability impact and risk reduction</li> </ul>
Governments and regulators	<ul style="list-style-type: none"> <li>Monitoring of emerging legislations</li> </ul>	<ul style="list-style-type: none"> <li>Seminars</li> <li>Newsletters</li> <li>Trade associations</li> </ul>	<ul style="list-style-type: none"> <li>Detect, assess and develop the organization to ensure regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Implementation or adjustment of policies, governance, processes, targets and metrics to meet regulatory compliance</li> <li>Adjusted communication and reporting needs</li> </ul>

## Strategy, cont.

### Material impacts, risks and opportunities

The table describes Arjo's material topics and an assessment of the time horizon for each impact, risk or opportunity.

Material topic	Sub topic	Impact materiality or financial materiality	Impacts, risks and opportunities	Description of impacts, risks and opportunities	Time horizon:	Read more
E1 – Climate change	Climate change mitigation	Actual negative impact	Greenhouse gas emissions	Negative impact from greenhouse gas emissions from Arjo's own operations (Scope 1 and 2) and from the company's value chain upstream and downstream (Scope 3).	<span>M</span> <span>L</span>	page 46–50
	Climate change mitigation	Potential long-term financial risk	Potential risk of lost business opportunities	Potential risk of lost business opportunities if the company's climate targets are not met or data cannot be reported.	<span>L</span>	page 46–50
	Climate change mitigation	Actual negative impact	Energy and fuel consumption	Negative impact from greenhouse gas emissions from energy and fuel consumption in own operations in production facilities, warehouses, sales and service units, as well as vehicles for transportation and service to customers.	<span>M</span> <span>L</span>	page 46–50
E2 – Pollution	Substance of Very High Concern (SVHC)	Potential negative impact	SVHC	Potential negative impact in end-of-life treatment of products	<span>S</span> <span>M</span> <span>L</span>	page 55
E5 – Resource use and circular economy	Resource inflow	Actual negative impact	Extraction of virgin raw materials	Negative impact from extraction of virgin raw materials used in Arjo's products. The extraction of these materials, particularly metals, plastics, and electronic components, has negative social and environmental impacts.	<span>M</span> <span>L</span>	page 56–57
	Resource outflow	Actual positive impact	Product rental and reprocessing of medical consumables (Arjo ReNu)	Positive impact from the company's rental operations contributing to optimized resource use and Arjo ReNu enabling the reuse of medical consumables.	<span>M</span> <span>L</span>	page 57–58
	Resource outflow	Actual negative impact	End-of-life treatment of products	Negative impact from end-of-life treatment of products and waste.	<span>M</span> <span>L</span>	page 57–58
	Resource outflow	Potential long-term financial risk	Customers' demands regarding sustainability	Potential financial risk from lost business opportunities if the company does not meet customers' demands for repair or service of products.	<span>L</span>	page 57–58
S1 – Own workforce	Working conditions in own operations	Potential negative impact	Working conditions	Potential negative impact regarding working conditions (occupational health and safety) in the company's own operations.	<span>S</span>	page 62–65

Time horizon:

S Short term (<1 year)

M Medium term (1–5 years)

L Long term (>5 years)

## Strategy, cont.

Material topic	Sub topic	Impact materiality or financial materiality	Impacts, risks and opportunities	Description of impacts, risks and opportunities	Time horizon:	Read more
	Equal treatment and opportunities for all	Potential negative impact	Equal treatment and opportunities	Potential negative impact regarding equal treatment and opportunities for all employees.	<span>M</span> <span>L</span>	page 63-64
<b>S2 – Workers in the value chain</b>	Working conditions in the value chain	Potential negative impact	Working conditions in the value chain	Potential negative impact in areas such as working conditions, terms of employment, and occupational health and safety at suppliers in the value chain in countries with weak enforcement of legislation.	<span>M</span>	page 69
	Other work-related rights	Potential negative impact	Other work-related rights connected to human rights	Potential negative impact on human rights (such as child labor, forced labor, housing for employees, and employee privacy) for workers in the value chain due to weak local legislation in certain countries.	<span>M</span>	page 69
<b>S4 – Consumers and end-users</b>	Product safety	Potential positive impact	Increased safety and quality of life for patients	Potential positive impact from Arjo's products increasing safety and quality of life for patients.	<span>S</span> <span>M</span> <span>L</span>	page 70-72
	Product safety	Potential positive impact	Improved working environment for caregivers	Potential positive impact through Arjo's products improving the working environment for healthcare staff.	<span>S</span> <span>M</span> <span>L</span>	page 70-72
<b>G1 – Business conduct</b>	Bribery and corruption	Potential negative impact	Bribery and corruption	Potential negative impact related to lack of business ethics, such as bribery and corruption.	<span>S</span>	page 74-75

Time horizon:

S Short term (<1 year)
M Medium term (1-5 years)
L Long term (>5 years)

## Process to assess material topics

### Double materiality assessment – methodology and assumptions

In 2024, Arjo performed its first double materiality assessment (DMA) in preparation for its 2025 Sustainability Report. The assessment was carried out in accordance with the European Sustainability Reporting Standards (ESRS) with guidance from European Financial Reporting Advisory Group (EFRAG). The process included three steps:

- 1) Compilation of a list of sustainability matters
- 2) Impact assessment
- 3) Assessment of financial risks and opportunities

To identify the material topics, Arjo began with an industry benchmark analysis and a stakeholder analysis, involving internal stakeholders from key functions. The results from these two assessments were then used to conduct the double materiality assessment. An initial assessment was performed in collaboration with external experts and subject matter specialists within the organization. The scoring methodology and criteria for the materiality assessment were developed in accordance with the requirements of ESRS 1.

### Stakeholder assessment

Arjo's 2024 stakeholder assessment was conducted through a workshop organized and attended by internal representatives from relevant functions. Participants identified key stakeholders that impact Arjo's business, stakeholders that Arjo has an impact on, and users of the Sustainability Report. They gained an understanding of current stakeholder dialogue formats, required stakeholder input and the consideration given to stakeholder views in the double materiality assessment. The workshop also identified areas of improvement in the current stakeholder dialogue within the process for stakeholder engagement, such as routines for documentation of the dialogues and a procedure for gathering information for the 2025 double materiality assessment.



## Process to assess material topics, cont.

### Impact materiality

To assess Arjo's potential and actual impacts on sustainability matters, a five-step process was applied based on the list found in ESRS1 AR16. Sector and entity-specific sustainability matters were added to determine impacts, risks and opportunities. The company's impact on people and planet was analyzed and finally, a valuation of impact and thresholds for materiality was performed.

An initial assessment was conducted by external experts, and the final update of the descriptions and assessments was completed by Arjo's internal functions. The sustainability-related impacts on people and the environment were described qualitatively and quantitatively. In many cases, especially for the value chain assessment, qualitative descriptions were used as no quantitative data was available. Based on these descriptions, the impacts were scored and assessed in accordance with ESRS requirements using scale, scope, irremediability, and likelihood based on whether an impact was considered positive or negative and potential or actual. For positive impacts, only aspects that improve the life of people or improve the state of the environment were included. Positive impacts were scored in the same way as negative impacts except that the irremediable aspect was not regarded.

The impact assessment was performed with a medium-term time horizon. In the short term, the impact is likely to be lower than in the medium-term perspective. For the long term, the impact is also expected to be lower for Arjo, based on actions taken during the medium-term period.

The assessment of Arjo's impacts on different sustainability matters was presented using the ESRS 1 AR16 list as framework. For positive impact, aspects that improve conditions for both people and the environment were identified. Activities to mitigate negative impacts were not considered positive impacts.

### Financial materiality

The financial thresholds were set to align with Arjo's general risk framework. Parameters used for scoring materiality were the magnitude of the risk or opportunity, likelihood, and the nature of the financial effect. Magnitude was scored according to five levels.

A first set of risks and opportunities were identified collectively by Arjo's Sustainability function, Risk function and external experts. The list was presented to key functions in Arjo and each function identified its risks and opportunities, then evaluated them using the above-mentioned scoring parameters. In alignment with Arjo's risk assessment process, it was decided that a risk or opportunity score above ten was required to qualify the risk or opportunity as material. Risks scoring eight or higher were transferred to the risk assessment process.

The scoring resulted in two potential risks in the long-term perspective. No opportunities were deemed material. Arjo has integrated sustainability-related risks and opportunities in the company's risk assessment process. The risk register is reviewed annually and sustainability-related risks will be monitored in the same way as other risks in the company.

### Decision-making process and internal control

In the annual review and update of the double materiality assessment, Arjo will consider the input from the stakeholder engagement process as well as review the material topics and the identified impacts, risk and opportunities. The internal control function will also review the sustainability reporting data and processes.

### Future steps - monitoring and review

Currently, there is an ongoing process to integrate the results from the double materiality assessment into Arjo's strategy and business model, and the implementation will continue during 2025. Arjo commits to continue reviewing the double materiality assessment annually, considering healthcare industry trends, underlying assumptions, contextual and regulatory changes.

### Results of Arjo's double materiality assessment for 2024

#### Material topics

<span style="background-color: #005a7b; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Climate change mitigation
<span style="background-color: #005a7b; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Resource outflow
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Energy and fuel consumption
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Substance of Very High Concern
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Resource inflow
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Working conditions in own operations
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Equal treatment and opportunities for all
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Working conditions in the value chain
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Other work-related rights
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Product safety
	<span style="background-color: #666; border-radius: 50%; width: 15px; height: 15px; display: inline-block; vertical-align: middle;"></span>	Bribery and corruption

Financial materiality

Impact materiality

# Environment and climate

Arjo is committed to reducing its environmental and climate impact in its own operations and in the value chain. The Group's climate transition plan contains clear targets and action plans for the various operations.

## ■ Climate change

### Strategy

#### Transition plan for climate change mitigation

Arjo wants to contribute to the transition to a more sustainable healthcare sector. To reduce the company's carbon footprint, Arjo strives for a sustainable use of energy and resources and to increase its circular contribution. Arjo's climate transition plan is a fundamental part of the company's business strategy and is integrated with governance and financial planning. The plan is approved and followed up by the Management Team and Board of Directors. Climate impact and greenhouse gas emission reduction is integrated as a management incentive (see General information, section Incentive programs).

The climate transition plan clarifies Arjo's ambition and action plan to reduce climate impact from its own operations (Scope 1) and value chain (Scope 3) as well as to reduce the life cycle emissions of products and services offered to customers. Arjo's rental and reprocessing operations (Arjo ReNu) are examples of how the company's business model contributes to more sustainable healthcare.

Metal is an important material in several of Arjo's products. At the same time, metal makes up a significant part of the company's climate impact. Arjo does not regard these emissions as locked-in as innovation, resource efficiency and design will reduce the climate impact from the company's products over time.

Arjo's Scope 1 emissions are mainly derived from service transport vehicles. These emissions are not viewed as locked-in, since the automotive industry is transitioning to electrification, although there are still challenges regarding vehicle capability, range and charging infrastructure.

### Science based targets

Arjo is actively working to reduce carbon emissions and has set targets to reduce greenhouse gas emissions in its own operations (Scope 1 and 2) by 50 percent by 2030 and to reduce greenhouse gas emissions in the value chain (Scope 3) by 25 percent by 2030. Both targets have 2021 as the base year. The company's climate

targets are in line with the latest climate science and the Paris Agreement. This was confirmed by the Science Based Targets initiative (SBTi), which validated the company's climate targets in February 2024.

### Greenhouse gas emissions in Scope 1, 2 and 3

Emissions from the Group's own operations (Scope 1 and 2) mainly derive from energy consumption at facilities and from vehicles and represent a minor share of Arjo's total greenhouse gas emissions.

Arjo has previously made an inventory of all fifteen categories in Scope 3 and identified three categories as material. These are Purchased goods and services, Upstream transportation and distribution, and Use of sold products. The three material categories in Scope 3 account for 92 percent of the total emissions from the value chain, with the base year 2021 as reference. Other non-material categories account for the remaining part.

The majority of Arjo's emissions in the value chain (Scope 3) derive from the category Purchased goods and services. These are mainly raw materials for components for the company's products. Metal and plastic are the most used materials and account for the majority of emissions in this category.

Arjo's calculations of energy consumption and emissions follow the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Group reports greenhouse gases as carbon dioxide equivalents (CO<sub>2</sub>e). Arjo does not use carbon offsets to reduce emissions.

### Activities in the climate transition plan

Arjo has been working with climate impact reduction activities for many years, both through local and global initiatives. The activities have been overseen by the Management Team through written reports quarterly and regularly at meetings of the Management Team and the Board of Directors. Examples of activities include rationalizing heated and cooled areas in buildings, installation of solar panels, reduction of air transport, and innovations in product design. Through these activities, Arjo has reduced the

## Climate change, cont.

greenhouse gas emissions in both its own operations (Scope 1 and 2) and in the value chain (Scope 3).

No significant cost impact has been identified for the planned climate impact reduction activities. Arjo's focus is on innovative improvements driving both climate impact mitigation and cost reduction synergies. To encourage local investments in energy efficiency and energy reduction infrastructure in the long term, Arjo has implemented a "green" capex opportunity in the budget for 2025. Arjo does not use carbon offsetting as a way of reducing the company's emissions.

**Activities to reach the reduction target for own operations (Scope 1 and 2)**

### Greenhouse gas emissions from Arjo's facilities

Arjo is actively working to reduce greenhouse gas emissions from its facilities by enhancing energy efficiency and transitioning to renewable energy. Key initiatives include installing more efficient equipment and continuously introducing solar energy in company facilities. These efforts are crucial to achieving climate targets for Arjo's own operations (Scope 1 and 2).

### Greenhouse gas emissions from vehicles

To achieve the climate target for own operations (Scope 1 and 2), Arjo is working on route optimization to enhance mileage efficiency and reduce fuel consumption. The company is also gradually transitioning to hybrid and electric vehicles in its sales and service fleet, and implementing EcoDriving initiatives to further reduce fuel consumption.

**Activities to reach the climate target for the value chain (Scope 3)**

### Purchased goods and services

Engaging with suppliers and collaborating with partners is crucial for achieving the climate targets for value chain emissions (Scope 3). Additionally, it is important to explore the possibility of increasing the use of low-emission raw materials, such as recycled or remanufactured content, in the company's products.

Arjo will continue to investigate and analyze the impact of climate requirements in purchasing agreements, such as switching to renewable electricity, and will implement these measures where feasible and cost-effective in collaboration with suppliers.

### Upstream transportation and distribution

Arjo works continuously to improve transport efficiency by increasing fill rates and maximizing the utilization of transport units, to ensure no space is left unused.

The company aims to develop a system to measure actual fill rates and to conduct analyses of co-loading to optimize and verify packaging. If necessary, packaging will be upgraded to improve stacking possibilities, with the goal of increasing shipment consolidation. In parallel, Arjo will adopt a Transport Management System (TMS) software to conduct in-depth analyses of shipping data and identify improvement opportunities. The TMS will provide visibility of all transport flows, enabling analysis, planning, and optimization of all shipping activities.

Additionally, Arjo will map potential carriers to increase the utilization of biofuels. Success in this area will depend on local cooperation and the establishment of new partnerships with maritime and road transport providers.

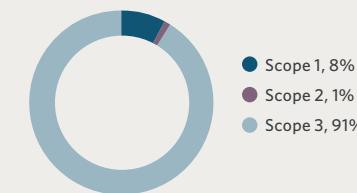
### Strategic Green Corridors

Arjo is committed to developing green corridors, which are trade routes designed to minimize environmental impact by utilizing low or zero-emission transportation methods. The company's transformation plan focuses on identifying suitable corridors, with most opportunities found in maritime transportation. The next step is to assess the potential and prioritize implementation.

### Use of sold products

As part of Arjo's EcoDesign framework, the aim is to improve energy efficiency in new development projects using new technology in electronic components and more optimized software applications.

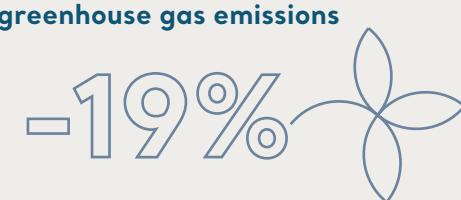
DISTRIBUTION BETWEEN SCOPE 1, 2 AND 3



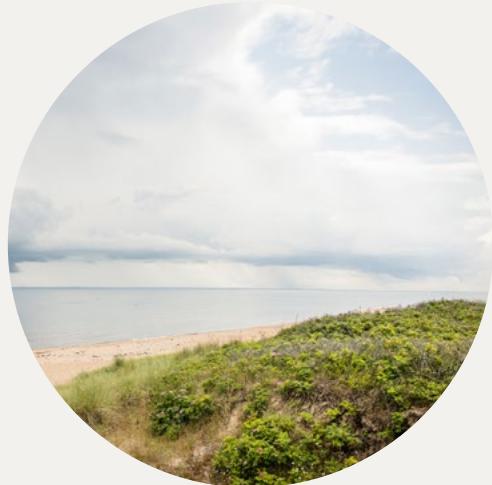
DISTRIBUTION OF SCOPE 3-CATEGORIES



## Reduction in Scope 1 & 2 greenhouse gas emissions



Arjo has reduced the greenhouse gas emissions from its own operations (Scope 1 and 2) by 19 percent since the base year 2021.



### To integrate climate risks in Arjo's risk assessment process, the following steps were taken:

1. Identification of climate risks in line with the latest science and best practice.
2. Assessment of financial, people and planet impacts and prioritization of risks.
3. Development of plans and follow-ups to mitigate risks where applicable.

## ■ Climate change, cont.

### Climate-related risks

Arjo has previously conducted interviews with several internal stakeholders to better understand their views on climate-related risks and opportunities, and to promote greater transparency within the organization. These interviews were performed in addition to the annual risk assessment and were inspired by the Taskforce on Climate-related Financial Disclosures (TCFD) framework. Discussions were based on two clearly defined scenarios, focusing mainly on identifying and understanding the risks. No further investigation was made regarding metrics and targets connected to the identified risks.

### Climate scenario

Due to the uncertainty regarding how climate change will impact Arjo's business, the company has, in line with the TCFD framework, used scenario analysis for assessing climate risks and opportunities. Arjo's scenario analysis is based on the Representative Concentration Pathways (RCP). These climate change scenarios project future greenhouse gas concentrations and describe different outcomes depending on the amount of gases emitted in the coming years.

There are four RCPs defined, where higher values indicate higher greenhouse gas emissions and consequently higher global surface temperatures and more distinct effects from climate change. To achieve lower RCP values, more stringent climate change mitigation efforts would be required. To cover both the physical risks associated with higher emissions and the transitional risks linked to stricter legislation, Arjo has chosen to work with two scenarios: one reflecting a stringent approach with immediate limited global warming and another reflecting a continued increase in greenhouse gas emissions, with an expected peak around 2080.

The results from the TCFD assessment were incorporated and reviewed with Arjo's Management Team as part of the annual risk assessment process and were also integrated in the double materiality assessment. The highest rated risks are presented in the risk assessment chapter in the annual report, see page 91. The process of monitoring and assessing climate risks will be further developed going forward. These risks are integrated into Arjo's risk register and development is followed up regularly. Integrating these risks in the overall risk assessment process also enhances resilience and awareness of mitigating actions and enables the adaption of work methods to address any further developments.

### Management of impacts, risks and opportunities

Arjo is a manufacturing company with impacts in its own operations as well as upstream and downstream in the value chain. Like all manufacturing companies, Arjo has an impact on climate change and faces potential risks related to it. In the upstream value chain, the impact is primarily connected to suppliers, especially for carbon-intense materials such as plastic, metal and electronics. The downstream impact is mainly associated with the use of sold products with so-called built-in carbon emissions from energy consumption. The risks related to Arjo's climate impact in the value chain are presented on page 40.

Transport is integral to both Arjo's own operations and in the value chain, as the company works with suppliers and customers globally.

Arjo's own energy and fuel consumption in regards to climate change mitigation is deemed as material based on the scope and scale of the organization and its energy usage.

## Climate change, cont.

### Policies related to climate change mitigation

#### Environmental Policy

The Arjo Environmental and Climate Policy, covering both the company's own operations and value chain, defines the common principles for managing and developing operations, products and services to minimize the environmental and climate impact. Arjo's overall environmental and climate objective is to contribute to a sustainable society, with commitments to protecting the environment, reducing carbon emissions, preventing pollution, optimizing the use of natural resources, and contributing to a circular economy.

Arjo's employees have a responsibility to follow this policy and to integrate the following environmental and climate actions into their work:

- Reduce climate impact in line with the Paris Agreement.
- Consider environmental risks and opportunities related to climate change and adaptation in own operations and throughout the value chain.
- Ensure sustainable use of resources while simultaneously improving performance and customer value.
- Strengthen environmental awareness and empower employees to contribute to sustainability goals.
- Continuously improve the company's environmental management system to enhance environmental performance.
- Comply with applicable environmental requirements and regulations.
- Consult key stakeholders about their interests and concerns in relation to environmental issues.
- Regularly monitor and report environmental performance to relevant stakeholders.

#### Arjo's Business Partner Code of Conduct

Arjo's Business Partner Code of Conduct for suppliers and other business partners, set expectations on business partners to manage their operations responsibly in relation to environmental risks and impacts to ensure that suppliers are aligned with Arjo's transition plan.

Arjo expects suppliers and business partners to do their utmost to reduce negative environmental impact from their operations, including but not limited to reducing emissions and waste. The company expects suppliers to have a structured and systematic approach to minimizing and mitigating any negative effects that they may have on the environment, either directly or indirectly. Arjo's supplier audits contain specific sustainability criteria with climate-related questions that are thoroughly reviewed before establishing new business relationships.

#### Transport Environmental Policy

Arjo's Transport Environmental Policy outlines how the company collaborates with carriers to ensure the achievement of the Group's sustainability goals. The policy is binding for Arjo as well as for its partners.

Arjo's global transport function, overseeing the company's purchased transport services, has introduced sustainability requirements into the transport tender process. Fulfillment of these requirements is mandatory and provides Arjo with a clear overview of a carrier's sustainability ambitions. The result is one of the parameters used for approval of new carriers. The Transport Environmental Policy also states that Arjo will only work with new carriers if their targets meet the company's expectations.

The policy specifies the detailed freight data that is required from existing and new partners. Accurate CO<sub>2</sub>e calculation is essential for tracking progress toward Arjo's targets. Therefore,

the company collaborates only with carriers that have committed to providing detailed information that can be used to calculate CO<sub>2</sub>e on ton-kilometres.

Arjo's Director of Global Transport is responsible for the transport environmental policy while a transportation sustainability specialist is responsible for its implementation among Arjo's logistics partners. The policy is reviewed annually by the Global Transportation leadership team.

#### Actions

#### Greenhouse gas emissions in own operations (Scope 1 and 2)

The emissions generated from Arjo's own operations represent less than 10 percent of the total emissions. To reach the 2024 Scope 1 and 2 reduction target of 23,700 ton CO<sub>2</sub>, based on the transition plan, Arjo has executed a number of activities.

The company has implemented a "green" capex in the budget for 2025, encouraging local investments in energy efficiency and energy reduction infrastructure for the long-term perspective. No resources are allocated for overall corporate implementation activities.

In 2024, Arjo continued its transformation to renewable energy sources, now reaching 45 percent of total energy consumption. All Arjo production facilities and distribution centers, as well as all facilities in the United States, purchased renewable electricity during the year.

At Arjo's Suzhou factory in China, a solar power installation started operating, reducing greenhouse gas emissions by approximately 370 tons of CO<sub>2</sub>e annually. This accounts for about 40 percent of the factory's total CO<sub>2</sub> emissions. By adopting a business model that offers discounted electricity in exchange for allowing a business partner to install solar panels on the rooftop, Arjo enhances both its sustainability performance and business efficiency.

## Climate change, cont.

During the year, part of Arjo's UK operations has moved to a new service center in Luton, significantly reducing the operational energy needs due to a more modern facility and more energy-efficient equipment.

The number of electrical vehicles in Arjo's vehicle fleet has increased to 166, compared to 123 last year. However, there are currently challenges in replacing certain service vehicles due to limitations in range, charging infrastructure and loading capabilities. The company's local market organizations are closely monitoring these developments.

### Greenhouse gas emissions in the value chain (Scope 3)

#### Purchased goods and services

Emissions from the value chain represent more than 90 percent of Arjo's total emissions. These emissions stem from the Scope 3 category Purchased goods and services, Upstream transportation and distribution and Use of sold products. In 2024, Arjo collaborated with external experts to further identify emission reduction activities, including reduction potential, implementation lead times and resource needs. The result will be integrated into the climate transition plan.

Developing activity-based data for emission calculations for procurement of materials and components will enhance transparency and credibility. It will enable Arjo to set measurable milestones and monitor progress over time. To achieve this, a team has been assigned to start implementing activity-based emission data calculations in 2025.

#### Upstream transportation and distribution

In 2024, transportation data accuracy and emission calculation were in focus. For the Supply Chain function, mainly emissions from global transportation were captured. Starting in 2025, Arjo's transport function will focus on establishing the same accuracy for sales and service transport emissions. To ensure

consistent reporting of transportation emissions, reporting will be centrally managed and controlled.

Several initiatives have been identified to reduce the impact of transportation in the coming years, such as expanding resources to develop packaging and logistics that generate lower emissions through improving the fill rate in packaging and transportation.

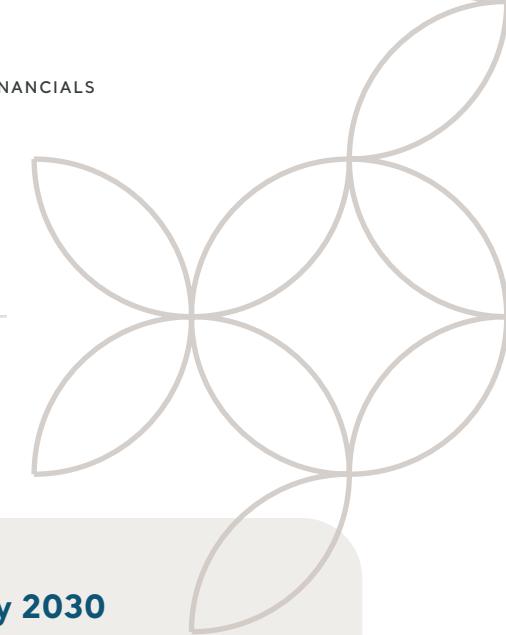
In addition, intercontinental and continental transportation flows has been optimized and consolidated, which in 2024 increased efficiency as well as reduced replenishment flows by establishing line hauls between Arjo's operations in Europe. Further reduction of airfreight in favor of lower-emission land and sea transport has been achieved by shifting modes of transport and changing logistics set-up.

Arjo has conducted training sessions with transport providers on the Business Partner Code of Conduct for suppliers and other business partners and distributed a tender questionnaire related to sustainability. This mapping enables Arjo to make well-informed decisions about carrier selection, which is expected to further reduce emissions. Arjo continuously works to enhance cooperation with carriers to jointly develop new solutions to reduce emissions.

#### Use of sold products

During the year Arjo has established tools and methods of how to accurately measure the energy consumption of the company's products when used by customers. The result will contribute to understanding and identifying improvement areas during product development.





## Climate change, cont.

### Metrics and targets

#### Targets for climate change mitigation

Arjo's targets have been established and validated in accordance with the Science Based Targets initiative (SBTi). The climate target were approved by SBTi in February 2024. The company doesn't count any offsets as progress towards the emission targets. Calculation and reporting of greenhouse gas emissions are conducted according to the Greenhouse Gas Protocol Accounting and Reporting Standard. The base year of 2021 was chosen as it represents a normal year after the effect of the COVID-19 pandemic. The emission data availability was also a key factor in the decision. The baseline emissions, performance tracking of Scope 2 emissions and targets are calculated using the market-based method.

#### Climate targets

Arjo's target is to reduce the absolute GHG emissions (Scope 1 and 2) by 50 percent by 2030, in accordance with the 1.5°C trajectory. The Scope 1 and 2 trajectory curve toward the 2030 climate target sets a yearly target for the organization to adhere to.

For the value chain (Scope 3) Arjo's target is to reduce absolute GHG emissions from Purchased goods and services, Upstream transportation and distribution and Use of sold products by 25 percent by 2030, in accordance with the well below 2°C trajectory. Both targets have 2021 as the base year.

#### Target coverage

The climate target for Arjo's own operations (Scope 1 and 2) includes emissions from all subsidiaries with operational control, covering more than 95 percent of all baseline absolute emissions. The Scope 3 target covers more than 90 percent of all baseline absolute emissions.

### Energy consumption

#### Total energy consumption at Arjo's facilities

Energy (MWh)	2024	2023	2022	2021
Natural gas	10,904	11,524	13,816	11,835
Oil	356	217	371	126
Diesel for generators	185	212	224	24
District heating/ cooling	633	602	574	161
Electricity	17,715	17,854	18,689	17,775
Solar power electricity	552	157	236	0
<b>Total energy (MWh)</b>	<b>30,345</b>	<b>30,566</b>	<b>33,910</b>	<b>29,921</b>

In 2024, Arjo invested in solar panels for the production facility in Suzhou, China, which has increased solar power production and reduced purchased electricity for the unit by nearly 50 percent.

#### Accounting policy

Natural gas, oil and diesel from generators are calculated based on quantity in cubic meters or liters. If actual quantity is not measurable, an estimation based on the latest information on usage is used. District heating and district cooling is reported in kWh, provided by a third party or estimated by square meters and average usage in the local countries, and are converted to emissions by using a location-based emission factor. Electricity is primarily collected as amount of kWh from third party. If that is not possible, an estimation based on square meters and average usage is used. Solar power electricity production is not owned by Arjo and the company does not sell solar power electricity. Arjo does not use carbon offsets to reduce emissions. No bioenergy is used by the company. Solar power is calculated as the amount produced by the facilities' solar panels and used by Arjo.

## Target by 2030

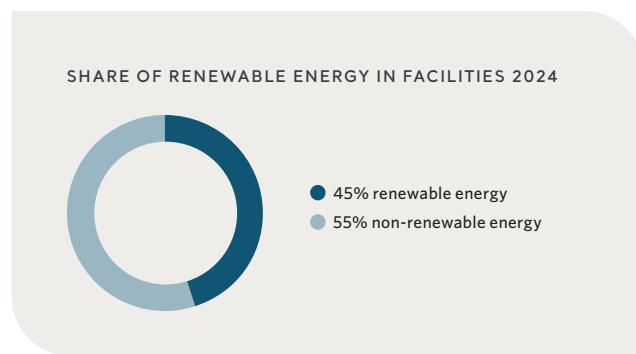
# 50%

Reduction of greenhouse gas emissions from the company's own operations (Scope 1 and 2) by 50 percent by 2030, with 2021 as the base year.

# 25%

Reduction of greenhouse gas emissions in the value chain (Scope 3) by 25 percent by 2030, with 2021 as the base year. The material Scope 3 categories are Purchased goods and services, Upstream transportation and distribution and Use of sold products.

## Climate change, cont.



### Renewable energy sources

	2024	2023	2022	2021
% of renewable energy	45	33	28	5

Arjo has increased its share of renewable energy through the acquisition of Energy Attribute Certificate (EAC) for a significant part of the business with focus on manufacturing units.

### Accounting policy

The percentage of renewable energy is equivalent to the total amount of EAC purchased certificates as well as self-produced renewable electricity. The percentage is the sum of renewable energy divided by total energy consumption.

### Total Scope 1, 2 and 3 emissions

#### Greenhouse gas emissions throughout the value chain

##### Scope 1 (ton CO<sub>2</sub>e) – direct emissions

	2024	2023	2022	2021
Natural gas	2,033	2,118	2,546	2,181
Oil/diesel	161	124	175	46
Vehicle fuel	18,191	19,146	21,100	19,170
<b>Total Scope 1 – direct emissions</b>	<b>20,385</b>	<b>21,388</b>	<b>23,821</b>	<b>21,397</b>

##### Scope 2 (ton CO<sub>2</sub>e) – indirect emissions

	2024	2023	2022	2021
Electricity	1,576	2,639	3,705	5,841
Solar power electricity	0	0	0	0
District heating	76	64	63	24
<b>Total Scope 2 – indirect emissions</b>	<b>72</b>	<b>47</b>	<b>23</b>	<b>2</b>
<b>Total Scope 2 – indirect emissions</b>	<b>1,724</b>	<b>2,750</b>	<b>3,791</b>	<b>5,867</b>

##### Scope 3 (ton CO<sub>2</sub>e) – indirect emissions

	2024	2023	2022	2021
Upstream transportation and distribution <sup>1)</sup>	31,489	26,336	38,221	42,527
Use of sold products <sup>1)</sup>	37,946	41,888	42,341	46,552
Purchased goods and services	169,123	143,504	171,415	180,599
<b>Total Scope 3 – indirect emissions</b>	<b>238,558</b>	<b>211,728</b>	<b>251,977</b>	<b>269,678</b>
<b>Total Scope 1, 2 and 3 emissions</b>	<b>260,667</b>	<b>235,866</b>	<b>279,589</b>	<b>296,942</b>

1. Conversion policy: For the Scope 3 category Upstream transport and distribution and Use of sold products, historical data has been recalculated as new measurement methods and updated emission factors are used, which affects comparability. For further information and analysis, see the respective category tables.

### Scope 1 (ton CO<sub>2</sub>e) – direct emissions

	2024	2023	2022	2021
Natural gas	2,033	2,118	2,546	2,181
Oil	114	69	118	40
Diesel	47	55	57	6
<b>Total Scope 1<sup>1)</sup> – direct emissions</b>	<b>2,194</b>	<b>2,242</b>	<b>2,721</b>	<b>2,227</b>

1. Emission factor: DEFRA (2024)

The increase in oil consumption is attributed to the company's German units. Efforts are currently underway to ensure more reliable data from suppliers and thus move from assumptions and estimates to primary data sources.

### Accounting policy

Natural gas, oil and diesel are calculated based on quantity in cubic meters or liters, converted into emissions using an emission factor. If actual quantity is not measurable, an estimation based on the latest information on usage is used.

## Climate change, cont.

### Scope 2 (ton CO<sub>2</sub>e) – indirect emissions

	Market based/location based			
	2024	2023	2022	2021
Electricity	1,576/ 6 430	2,638/ 6,808	3,705/ 7,155	5,841/ 6,657
Solar power electricity	0	0	0	0
District heating	76	64	63	24
<b>Total Scope 2<sup>1)</sup> – indirect emissions</b>	<b>1,652/ 6,430</b>	<b>2,703/ 6,808</b>	<b>3,768/ 7,155</b>	<b>5,865/ 6,657</b>

1. Emission factor:  
Electricity: IEA (2023), AIB (2023)

District heating: DEFRA (2024), Energiföretagen 2023, Norsk Fjernvarme 2020

Market-based emissions have decreased due to the purchase of renewable energy through Energy Attribute Certificates. The climate impact of certified renewable electricity is calculated to be 0 g/kWh for market-based electricity.

#### Accounting policy

Purchased electricity is primarily collected as amount of kWh from third party. If that is not possible, an estimation based on square meters and average usage is used. kWh is converted into emissions based on region or country specific emission factors. Solar power electricity production is not owned by Arjo and the company does not sell solar power electricity. Arjo does not use carbon offsets to reduce emissions. No bioenergy is used. Solar power is calculated as the amount produced by the facilities' solar panel and used by Arjo. District heating and district cooling is reported in kWh, provided by a third party or estimated by square meters and average usage in the local countries, and are converted to emissions by using a location-based emission factor. Clean EAC certificates and energy bundled with EAC certificates are included in the accounting.

### Scope 1 & 2 (ton CO<sub>2</sub>e) – direct and indirect emissions from vehicles

	2024	2023	2022	2021
Vehicles fuel <sup>1)</sup> Scope 1	18,191	19,146	21,100	19,170
Electricity vehicles Scope 2	72	47	23	2
<b>Total Vehicles</b>	<b>18,263</b>	<b>19,193</b>	<b>21,123</b>	<b>19,172</b>

1. Emission factors  
Drivkraft Sverige Beräkningsfaktorer (2024) & Energimyndigheten Drivmedel (2024)

The company's emissions from vehicles have decreased, which is largely due to updated emission factors, resulting in approximately 300–600 tons CO<sub>2</sub>e lower outcomes for 2024.

#### Accounting policy

Greenhouse gas emissions from vehicles are calculated based on the type of vehicle, type of fuel and consumption of fuel primarily and actual distance secondarily.

### Greenhouse gas emission intensity

Intensity figures for Scope 1 and 2 in relation to net sales and number of employees

	2024	2023	2022	2021
Intensity in relation to net sales (ton CO <sub>2</sub> e/SEK M)	2	2	2.8	3
Intensity in relation to number of employees (CO <sub>2</sub> e/number of employees)	3.2	3.6	4	4.2

#### Accounting policy

Intensity CO<sub>2</sub>e/SEK M is calculated as total CO<sub>2</sub>e for Scope 1 and 2 divided by net sales in million SEK. Intensity CO<sub>2</sub>e/employee is calculated as total CO<sub>2</sub>e for Scope 1 and 2 divided by the total number of employees.

### Reduction of greenhouse gases in relation to base year

	2024	2023	2022	2021
Scope 1 & 2 emissions (%)	-19	-11	1	—

Emissions from Arjo's own operations (Scope 1 and 2) have decreased by 19 percent compared to the base year 2021. This year's decrease is mainly due to the company's increased share of renewable electricity, which reduces emissions. The climate impact of certified renewable electricity is estimated at 0g/kWh for market-based electricity.

#### Accounting policy

Reduction of CO<sub>2</sub>e emission since base year is calculated on Scope 1 and 2, as the change in emissions compared to the base year divided by the base year total emissions in the base year.

### Greenhouse gas emissions from Purchased goods and services

#### Scope 3 (ton CO<sub>2</sub>e) – indirect emissions

	2024	2023	2022	2021
Purchased goods and services <sup>1)</sup>	169,123	143,504	171,415	180,599

1. Emission factors. Swedish National Agency for Public Procurement (2023), Environmental spend analysis (process-LCA) version 4, IVL Swedish Environmental Research Institute, Gothenburg, 2024.

Emissions in the Purchased goods and services category amount to 169 123 tons of CO<sub>2</sub>e for 2024. The majority of emissions come from direct purchases of metal. Indirect emissions from services account for the remaining share, about 20 percent. Compared to 2023, emissions have increased by about 17 percent or 25,000 tons of CO<sub>2</sub>e in 2024. In 2023, a significant part of the inventory volume was used, which affected purchase volumes for 2024. Currently, the emissions data are based on spend-based calculations. Arjo is actively working to improve the

## Climate change, cont.

accuracy of the data through more detailed product and supplier data and through the transition to volume-based calculations.

### Accounting policy

Calculation of emissions from Purchased goods and services is based on spend per material category multiplied with a material specific emission factor for conversion. Services are also calculated based on spend divided by the different types of services multiplied with specific emissions factors for conversion

### Greenhouse gas emissions from Upstream transportation and distribution

Scope 3 (ton CO<sub>2</sub>e) – indirect emissions

	2024	2023	2022	2021
Upstream transportation and distribution (calculation based on ton-km)	25,277	19,970	32,229	35,242
Upstream transportation and distribution (calculation based on spend)	6,212	6,366	5,992	7,285
<b>Total<sup>1)</sup></b>	<b>31,489</b>	<b>26,336</b>	<b>38,221</b>	<b>42,527</b>

1. Emission factors:

Upstream transportation and distribution calculated based on ton-kilometres: NTM (2021)  
Spend-based Exiobase 3.9 (2019)

In 2024, Arjo was impacted by global transport disruptions. This meant that the company had to redirect deliveries and use different methods to ensure deliveries on time. In parallel, Arjo started examining the emissions more closely. In 2024, the company's internal functions developed a strategy for reducing Scope 3 emissions, and in 2025 a development plan for the company's transports will be developed.

In 2024, the global transport function continued to implement improvements to ensure accurate emissions calculations for the Upstream transportation and distribution category. To maintain consistent reporting, a project was initiated to include Arjo's

service and sales units in the calculations based on ton/km. Significant improvements were achieved and 2025 will be the first year in which all transports within the company's own operations are reported using the same methodology. Simultaneously, the company's transport function was working on a plan to improve data maturity to improve existing calculations. For transport from SSU to customers, spend-based data is used to calculate emissions.

In 2024, outdated emission factors for all modes of transport were replaced with new ones. This resulted in more accurate and reliable calculated emissions. The change was so significant that recalculations of historical data was required. Thus, all years from 2021 onwards have been recalculated with new emission factors.

### Accounting policy

**Ton-kilometre calculation:** Transportation to and from warehouses and factories within the supply chain areas of responsibility are calculated using a distance-based method in accordance with the GHG Protocol. The calculations are based on distance, weight and mode of transport with specific emission factors for the mode of transport. Arjo works with an external party that uses freight orders, distances, modality per shipment, weight and geographical area to calculate the amount of CO<sub>2</sub>e for the specific transport. There is a match between the freight order and the invoice to ensure the completeness of shipments. Arjo estimates that this method captures 95 percent of freight emissions.

**Spend-based calculation:** Transportation from Arjo's sales and service companies to customers is calculated according to a spend-based method according to the GHG Protocol. In 2024, a project was initiated to change the methodology and implement a distance-based method for the sales and service companies as well. As of the third quarter, the majority of transports from Arjo's European sales and service companies have been integrated into the calculation, and other regions will gradually be included. The same logic as for transport in the supply chain is applied, using distance, weight and emission factors in line with the modality per shipment. In 2024, the CO<sub>2</sub> emissions of transports from Arjo's sales and service companies will continue to be reported using the spend-based method, with the goal of applying the new calculation method by 2025, after ensuring that all data is collected.

### Greenhouse gas emissions from Use of sold products

Scope 3 (tons CO<sub>2</sub>e) – indirect emissions

	2024	2023	2022	2021
Use of sold products <sup>1)</sup>	37,946	41,888	42,341	46,552

1. Emission factors:  
Electricity IEA (2023), AIB (2023)

In 2024, the Research and Development function developed a more product-specific and refined definition of daily use of products. The function also further developed measurement methods and ensured the use of the same high-quality and calibrated power meters in all tests. This resulted in changes to some of the product groups. Consequently, the product categories Disinfection and Pressure injury prevention has been recalculated for all years, dating back to the base year 2021, as it is assessed that the new measurement methods are also applicable to historical data.

### Accounting policy

Emissions from Use of sold products is calculated based on sales volume for electric products that render energy (kWh) through their lifetime. Arjo uses country-specific emission factors for electricity multiplied by product lifetime consumption and number of sold products in each country. To provide accurate data for each product type, R&D support with structured power consumption measurements according to common use workflows. The calculation method is based on GHG protocol for use of products, which states that the whole lifetime consumption of the products is accounted for in the year of sales. This means that depending on Arjo's product mix sold the total energy consumption will vary from year to year.

## Pollution – substances of very high concern

### Management of impacts, risks and opportunities

Arjo is a global MedTech company manufacturing products used in care environments. Substances of Very High Concern (SVHC), such as specific chemicals in specific type of plastics, can be used in Arjo's products in very small amounts. These substances help the products last longer and withstand the cleaning procedures required to meet quality regulations within the MedTech industry.

Substances of Very High Concern (SVHC) are receiving increasing attention from stakeholders, with a growing demand to reduce their presence in medical device products. This trend is reflected in various regulations and reporting requirements, such as RoHS, REACH, and SCIP databases.

The SVHC substances used in Arjo's products do not have an actual impact on people using the products, but there can be a potential impact on the environment in the end-of-life treatment. Since Arjo is a global company with sales world-wide, this topic is considered material to improve. By controlling and reducing the amount of substances of very high concern in the company's products, the risk of negative impact on people and environment during the use-phase and especially in the end-of-life treatment, is reduced.

### Policies

Arjo has a Standard Operating Procedure which is part of the Supplier General Quality Agreement, defining the terms by which activities related to the manufacturing and distribution of products delivered to or from Arjo will be established, maintained and controlled.

The procedure applies exclusively to suppliers of materials, components, subassemblies, and products manufactured for or on behalf of Arjo or any subsidiaries and are delivered based on received orders by one of the Group's companies. The procedure is signed by Arjo's Procurement function and the main contacts responsible for general inquiries related to product or process

quality from the supplier. Arjo's Supplier Quality Manager and VP Procurement are responsible for the review and approval of the procedure.

In one of the clauses, Arjo requires that the supplier ensures compliance with environmental requirements such as the EU directives: Restriction of certain Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) as well as (EU) 2019/1021 Persistent Organic Pollutants (POPs). The supplier also commits to being able to verify compliance through declaration of conformity.

### Product Regulated Substance Management procedure

Arjo has a dedicated procedure for regulated substance management that defines the process to determine if regulated substances are present above specified thresholds in the company's products.

This procedure applies to regulated substances present in finished goods. It does not apply to regulated substances used in the manufacturing process or servicing activities. All products for which Arjo is the legal manufacturer are included in the scope of this procedure.

Arjo's VP QA Supply Chain & Operations and EVP Supply Chain & Product Development & Operations are accountable for this procedure.

Arjo's Procurement Sustainability Specialists have a yearly process for requesting suppliers to determine if supplied articles contain declarable substances at levels beyond the thresholds defined by applicable regulations. Procurement Sustainability Specialists collect supplier declarations and summarize the information in a Product Regulated Substance Matrix. If a supplier does not have the capability of determining whether regulated substances are present within purchased articles, Arjo's VP Procurement determines the need for alternative approaches, such as third party analytical services.

When the missing information is received, Procurement Sustainability Specialists update the Product Regulated Substance Matrix and follow-up forms.

Arjo's Regulatory Standards Specialist monitor the Product Regulated Substance Matrix to determine which purchased articles contain declarable or restricted substances above the threshold(s).

If the supplier declarations summarized in the Product Regulated Substance Matrix indicate that there is no new regulated substance present above the thresholds, no further action is required.

### Part qualification process

Arjo has an established mechanism of verification implemented during the part qualification process. The process is activated when it is required to approve a new part in production or a change to an existing part. Change to existing parts includes changes such as process change, tooling change, location or material change. If a part contains restricted substances above specified thresholds, the part qualification shall be rejected. If a part contains declarable substances above specified thresholds, Supplier Quality Engineers consult the Sustainability function to establish further steps. Part qualification can be approved only after receipt of acceptance from Arjo's sustainability function.

### Actions

During 2024, Arjo initiated a program managed by the Procurement function to monitor SVHC. Based on input from the organization, a time plan and a priority list of Arjo's product groups has been established, and in 2024 over 200 suppliers have been contacted and requested to provide declarations of compliance. Going forward this will extend to all products and suppliers. Metrics and goals will be established in 2026.

## Resource use and circular economy

### Management of impacts, risks and opportunities

Arjo identifies and measures resource use by calculating and managing inflows and outflows from all operations, including energy use and key materials needed for the business operations. The company also measures and reports waste generated from its operations divided into different waste fractions such as cardboard, textiles, plastic, metal and hazardous waste. The waste is also reported based on its treatment method, including reuse, recycling, incineration or landfill.

Material impacts related to resource use and the transition to a circular economy have been identified upstream in Arjo's value chain, primarily linked to extraction and manufacturing of raw materials, as well as downstream in the value chain, related to recycling and end-of-life treatment. Many of Arjo's products are made from components based on finite natural resources, such as steel, aluminum and polymers. The majority of materials used in the supply chain and in Arjo's production sites for assembly are virgin materials. The extraction of these materials can have adverse social and environmental impacts. Downstream in the value chain, recovery and recycling rates vary across regions and countries. Arjo sells products globally, and recycling materials can be challenging in certain countries due to inadequate technical solutions and waste management infrastructure. Some

products must be disposed of via landfill or incineration due to contamination risk or complex material compositions that make separation challenging.

There is a strong trend among customers towards increased focus on both sustainability and circularity. Consequently, a potential financial risk identified is the possibility of lost sales if Arjo fails to meet the customer demands. Currently, the company has two circular business models: its rental operations and the reprocessing of single-use medical devices (Arjo ReNu). These operations have a positive impact on resource use and minimizing waste. Due to increased demands for more sustainable products and solutions, the rental and ReNu operations are also considered significant opportunities for Arjo.

### Policies related to resource use and circular economy

Arjo's Environmental and Climate Policy applies for all impacts, risks and opportunities summarized in the table below. It states that resources should be sustainably used and that environmental considerations should be included in processes and activities. The policy also states that Arjo is committed to contributing to a circular economy.

Arjo's Business Partner Code of Conduct requires all suppliers and business partners to manage their operations responsibly in relation to environmental risks and impacts, and to have a life cycle perspective of their operations. Business partners and suppliers shall do their utmost to reduce negative environmental impact from their operations, including but not limited to reducing emissions and waste. The Business Partner Code of Conduct is relevant for the subtopic E5-1a in the table.

Arjo's Responsible Sourcing Directive describes initiatives to embed environmental considerations in daily purchasing operations. The directive applies for E5-1a for suppliers upstream in the value chain as well as in Arjo's own procurement operations.

Arjo's Standard Operation Procedure for EcoDesign describes how projects shall establish and develop sustainable solutions for a product's entire life cycle, throughout the development process. Through an EcoDesign optimization checklist, different aspects such as material optimization, energy reduction during use and design for recyclability are taken into consideration. This procedure should be applied to all Arjo's New Product Development projects. Active products are also to be included when undergoing major updates through the design control procedure. Arjo's purchasing function takes an active role in establishing efficient communication and understanding of the EcoDesign requirements. The procedure is crucial and relevant for the E5-2a in the table since the recyclability of the products depends significantly on how they are initially designed.

All Arjo's manufacturing sites are certified according to ISO 14001. There are Waste Management Procedures managed locally on all sites, describing procedures for prevention, reuse, recycling, disposal, storage, and handling of waste as well as roles and responsibilities.

### Summary of impacts, risks and opportunities – Resource use and circular economy

ESRS standard	Sub topic	Impact/risk/ opportunity	Description of impact, risk and opportunity	Value chain
E5-1a	Resource inflow	Negative Impact	Extraction of virgin raw materials for products and packaging	Upstream
E5-2a	Resource outflow	Negative Impact	Landfill and incineration of used products	Downstream
E5-2b	Resource outflow	Positive Impact	Reprocessing (ReNu) and rental of products	Own operations
E5-3a	Resource outflow	Potential Financial Risk	Failure to meet customer requirements, leading to lower sales	Own operations

## Resource use and circular economy, cont.

### Actions

#### Resource inflows

##### Products and materials

To reduce resource consumption and prevent waste generation, Arjo has undertaken several projects and initiatives aimed at optimizing materials and increasing the proportion of renewable and/or recycled raw materials. These efforts span central functions such as Research and Development and Procurement, as well as the manufacturing sites.

Arjo's factory in the Dominican Republic has reduced the material in non-woven products by 2-10 percent and has also reduced the need for PVC by 10 percent and foam by 13 percent. In the Suzhou factory, the Auralis pump package has been redesigned, transitioning the packaging material from fossil-based to renewable raw material. Arjo's factory in Magog, Canada, has focused on replacing packaging materials with more sustainable alternatives, for instance increasing the proportion of recycled content. In the company's factory in Poznan, Poland, the use of polyester lining has been reduced by 11 percent.

#### Resource outflows

##### Waste from own operations

At Arjo's production facilities, continuous improvements are being made to reduce the proportion of waste in total and to reduce the proportion of waste that goes to landfill and incineration. At Arjo's factory in Suzhou, a collaboration with an external waste contractor has been initiated to reuse textile waste. This has resulted in an 80 percent reduction in textile waste that would otherwise be incinerated.

#### End-of-life product management

Arjo strives to design products where the materials and design makes them easy to dismantle and recycle after final use. Minimized resource use and improved recyclability are included in the checklist for EcoDesign that is used for all New Product Development (NPD) projects and is part of common practice.

During 2024 a dismantling instruction was developed for the product Airpal Variable Speed Air Supply. Arjo plans to develop additional dismantling instructions and to investigate possible partnerships for separability and recycling of the company's products.

Internal awareness has been raised through active internal communication, resulting in a greater focus in the latest development projects on how to make the products more separable, repairable etc.

#### Circular solutions

Activities and measures related to the circular economy are currently dispersed throughout the company, highlighting the need for consolidation and the establishment of a common framework. During 2024 a pre-study project plan was developed for execution during the first half of 2025. The main purpose of this pre-study is to develop a recommended framework for circularity, including a clear strategic direction, recommended focus areas, clear ownership, KPIs, targets and activities.

The pre-study will include assessments of current activities, products, business models and ways of working related to circular economy. To select recommended focus areas going forward, potential new solutions will also be evaluated, as well as obstacles, challenges and opportunities linked to these.

The scope of the pre-study encompasses the entire value chain, as managing circular economy aspects requires collaboration both upstream and downstream. The circular framework is expected to be ready for implementation during the second half of 2025 and beyond.

#### Arjo ReNu

One of Arjo's current circular business models is Arjo ReNu, which employs a reprocessing method that allows for the reuse of medical devices such as garments for treatment of deep vein thrombosis.

Arjo ReNu uses a completely water-based, chemical free, process. The process enables multiple reprocessing cycles for the devices, as the material does not deteriorate. Increased reprocessing cycles result in lower resource use and further reduction in climate impact.

Arjo acquired the US-based company ReNu in 2018 and during 2023 a new ReNu facility was opened in Australia. The reprocessing facilities contribute to all subtopics defined in the table due to the prolonged life of the single-used products leading to less resource use upstream, less waste generated downstream as well as business opportunities and reduced financial risk of not meeting customer requirements.

In 2024, Arjo opened a new state-of-the-art reprocessing facility in the US to increase production capacity and to improve turnaround times, as well as customer service. Arjo also initiated improvements for shipments between customer sites and ReNu, and developed more optimized packaging solutions. This work will continue during 2025, with the ambition to further reduce climate emissions from packaging and transportation.

The ReNu business has a very close collaboration with customers to inform and educate users on what items can be reprocessed and how the processes work, but also to capture customer goals, to better understand how Arjo can support them.

In 2024, Arjo ReNu increased its market penetration in Australia, with a growing number of healthcare facilities adopting its reprocessing service. During the third quarter, the ReNu sales nearly doubled month-over-month. The ReNu business in Australia has also worked with improvements for shipments and more sustainable packaging solutions increasing recycled content and using packaging from renewable sources.

## Resource use and circular economy, cont.

In 2024, approximately 4.2 million medical consumables were reprocessed by ReNu, of which about 1.5 million were garments. Apart from the positive impacts and opportunities of reducing resource use and reducing waste, reprocessing also has a significant impact on the carbon footprint. A life cycle assessment completed in 2023 demonstrated that the ReNu reprocessing of garments reduces climate impact by 54–64 percent compared to single use.

### Rental operations

Through Arjo's rental operations, customers can rent the products they require for the period of time they need them. This means that the use of resources is optimized as the same products can be used by several different care units over time. This in turn leads to fewer products being produced in total, reducing the extraction of raw materials and reducing waste, in line with the transition to a more circular economy. Arjo's rental operations include products that are specifically developed to be able to be transported between different care providers while retaining their quality, function and safety. After each rental, Arjo checks, cleans, and, if necessary, conducts maintenance on the products. Arjo's rental operations accounts for approximately 25 percent of the company's total revenue, with an increasing customer interest across many markets.

Arjo has significant rental operations in France and the UK. The driving force behind increased customer demand in these markets is both reduced costs and increased flexibility. Sustainability issues are increasingly being raised and customers expect sustainability to permeate the entire offering, including packaging, washing and repair processes and transportation.

In 2024, extensive work was carried out in France to enhance test methods for product quality in the rental business. These improvements led to a reduction of about 5,000 fault reports compared to previous years. Consequently, this resulted in fewer transports, washing and repairs, and thus reduced emissions. In addition, route optimization for transports was performed using newly developed AI software. This initiative will continue in 2025, alongside a gradual transformation to an electrical fleet.

In the UK, a new hygiene center was opened in Luton in April 2024. The facility is a high-tech unit with fast barrier washes, efficient testing methods and solar panels - all aimed at enabling a more efficient and sustainable rental business for customers in the London area. Another initiative in the rental business is that the plastic bags used now contain 30 percent recycled material, which adds to the overall circular mission for the business.

### Customer requirements

To address customer requirements for sustainability data and circular solutions, a mapping of twelve Arjo markets was carried out in 2024. This mapping was conducted to better understand the magnitudes and trends regarding customer requests, especially for data on product level such as life cycle assessment data. Different key roles such as Product Managers, Tender Managers, Quality Managers and Sustainability Managers were interviewed. The results showed a wide variation across the different markets, but regardless of market maturity the trend showed a clear increase in sustainability interest from customers in all markets, with increasingly detailed questions and demands. The access of sustainability data on product level will be developed further within Arjo and work is ongoing to be able to combine internal value and customer value.



## Resource use and circular economy, cont.

### Metrics and targets

Arjo's goals for resource use and circular economy are focused on packaging materials and waste within its own operations. The targets for packaging materials are directional rather than quantified or time bound. During the first half of 2025, a framework for circularity will be developed. This includes reviewing metrics and targets to identify which areas are most important to measure and drive improvements. For example, outflows of resources need to be measured and targeted more clearly to show what happens to end-of-life products after use and thus promote circular solutions. Waste within Arjo's own operations is not defined as an impact, risk or opportunity, but has been measured and reported for several years with a defined target.

### Targets – resource use and circular economy

Sub topic	Impact/risk/opportunity	Target	Waste hierarchy
Resource inflow	Extraction of virgin raw materials	Reduce total amount of packaging materials	a) Prevention
Resource inflow	Extraction of virgin raw materials	Increase the share of reused/recycled content in packaging materials	c) Recycling
Resource outflow	Not material for Arjo	The percentage of waste that can be recycled is to be 80 percent by 2030, with 2021 as the base year.	b) Re-use c) Recycling

### Resource inflows

Arjo uses different resources, including raw materials, water and energy for product manufacturing, packaging and business operations. The major material flows for Arjo's products consist of metal and plastic, which are predominantly derived from virgin raw materials. In 2025, targets and key metrics for resource flows will be reviewed and projects are underway to gather all data in volume, similar to the approach used for packaging.

### Material consumption

Resource inflow (spend-based %)	2024	2023
Plastic	14	14
Metal	23	22
Textile	16	12
Hardware and hydraulic	8	8
Electronics	26	29
Packaging	4	4
Other	9	11

### Accounting policy

Material flow is all calculated as direct material purchased by Arjo. The inflow of materials is reported as a share per product category based on spend.

### Packaging material

Packaging (%)	2024	2023 (base year)	2021
Share of renewable packaging material	98	95	98
Share of recycled material	15	15	—

Packaging material (ton)	2024	2023 (base year)	2021
Cardboard	927	849	813
Plastic	53	115	34
Wood	1551	1,435	1,227
<b>Total weight packaging material</b>	<b>2,531</b>	<b>2,398</b>	<b>2,074</b>

Purchased packaging materials consist mainly of renewable materials such as corrugated cardboard and wood. The total amount of packaging material is at the same level as in 2023. The share of renewable materials has increased slightly as the share of plastic packaging has decreased. The projects ongoing have also yielded results quantitatively on the total. Read more in the section Measures and resources related to resource use and circular economy. This can also be explained by the

## Resource use and circular economy, cont.

different packaging requirements of the product mix, which have been more favorable in 2024 compared to 2023.

The proportion of packaging material from recycled sources is a new metric. It remains at the same level as in 2023 and is considered to have good potential to increase, given that both wood and corrugated cardboard are available with a high content of recycled material. Arjo is working to improve the basis for this reporting, as the proportion of recycled material is not always clear in the current specifications.

### Accounting policy

The amount of packaging material is a compilation of reported data from all production units that are reported quarterly. Packaging materials include primary packaging, secondary packaging and tertiary packaging and cover the packaging materials purchased at Arjo's production facilities.



### Resource outflows

#### Circular solutions

Arjo's rental and ReNu operations are circular business models that reduce resource outflows. Metrics and targets for circular solutions will be further developed in the pre-study planned for 2025. Read more on page 57. Currently, the following metrics are monitored:

Indicators	Unit	2024	2023
Medical single use consumables reused through Arjo ReNu	Million units	4.2	3.4
Share of rental turnover	%	25	24

Arjo ReNu has a strong upward trend. In 2024, the handling of medical consumables increased by 24 percent compared to 2023. Arjo's rental operations are also showing a positive trend with the major markets being the US, France and the UK.



## Resource use and circular economy, cont.

### Total amount of waste from production per category

Type of waste (tons)	2024			2023			2021 (base year)		
	Total amount of waste	Waste to reuse and recycling	Waste to landfills and incineration	Total amount of waste	Waste to reuse and recycling	Waste to landfills and incineration	Total amount of waste	Waste to reuse and recycling	Waste to landfills and incineration
Cardboard	446	445	1	427	427	0	443	443	0
Textiles	94	25	69	88	13	74	252	9	243
Plastic	273	126	147	237	101	135	229	101	128
Metal	47	47	0	56	56	0	94	94	0
Wood	179	179	0	234	195	39	38	38	0
Other non-hazardous waste	427	21	406	250	19	231	123	31	92
Hazardous waste	15	6	9	18	6	11	39	8	31
<b>Total amount of waste (tons)</b>	<b>1,481</b>	<b>850</b>	<b>631</b>	<b>1,309</b>	<b>817</b>	<b>491</b>	<b>1,218</b>	<b>723</b>	<b>495</b>

The primary waste fractions from Arjo's production facilities include corrugated cardboard, plastic, wood and other non-hazardous waste. Among these fractions, it is mainly other non-hazardous waste that goes to landfill and incineration and therefore needs to be reduced. A significant proportion of plastic and textiles goes to incineration or landfill. Textiles are a relatively new area where recycling technologies are not yet established in Arjo's largest markets. However, there is significant research and technological development underway in the industry to establish circular flows for textiles and other polymer types.

The proportion of hazardous waste is only 1 percent and consists mainly of chemical packaging, lighting and oils. Work to reduce hazardous waste and find alternatives to the chemicals that are considered SVHC is ongoing.

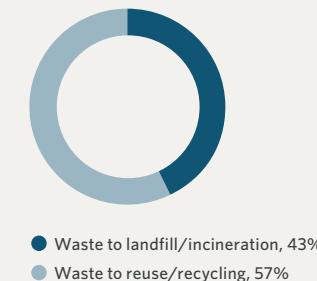
#### Accounting policy

The data presented in the table is based on reported data from production and is compiled centrally on a quarterly basis. The data is mainly based on information from the waste management contractor at each production site.

Efficiency figures for amount of waste in relation to net sales	2024	2023	2021
Tons waste/SEK M	0.13	0.12	0.13

The amount of waste sent to reuse or recycling has decreased in 2024 and now accounts for 57 percent. This is partly explained by the increase in production at units where a larger proportion of waste goes to landfill, due to the lack of recycling infrastructure. Arjo's aims to increase the share of waste that can be reused or recycled to reach 80 percent by 2030, with 2021 as the base year.

#### WASTE PER METHOD OF HANDLING



- Waste to landfill/incineration, 43%
- Waste to reuse/recycling, 57%

# Social responsibility

Social responsibility is an important part of the Arjo culture and the company works actively to ensure good working conditions, both within its own organization and together with suppliers.

## Own Workforce

### Policy and management of impacts, risks and opportunities

#### Impact and organization

In 2024, Arjo performed a double materiality assessment to identify topics that may have an impact or pose a risk to Arjo's various stakeholders, including its own workforce. The material topics identified related to Arjo's own workforce are working conditions (occupational health and safety) and equal treatment and opportunities for all (gender equality and equal pay for work of equal value and diversity).

Arjo has approximately 7,000 employees across more than 30 countries, including permanent and fixed-term contracts. In addition, Arjo has around 650 non-employee workers on temporary contracts. These figures do not include upstream or downstream value chain workers.

#### Framework for policies and directives

Arjo's policies and directives apply to the entire Group and establish rules and boundaries for how employees and legal entities shall act in various areas and functions. All policies and directives mandate appropriate working methods and ethical guidelines relating to business activities.

Arjo's Board of Directors is responsible for approving all policies, while the Management Team is responsible for approving the directives. Each policy and directive has an owner in the Management Team, who is responsible for implementation and maintenance.

### Human rights and fair labor conditions

#### Approach and policies

The Arjo Human and Labor Rights Policy outlines the company's position and commitments to ensure that the company lives up to international principles for human rights and fair working conditions.

Sound business ethics, transparency, honesty and well-defined principles for compliance are at the core of Arjo's long-term business relations. These guidelines are set by the Board of Directors and is solidified in the organization through the company's Code of Conduct for employees, which covers matters such as anti-corruption, fair competition, human rights and work environment responsibility.

Arjo respects internationally recognized human rights as stated in the UN Guiding Principles on Business and Human Rights (UNGPR) and the UN Global Compact.

Arjo is committed to respecting and ensuring labor rights in line with the International Labour Organization (ILO) core conventions and recognizes the freedom of association and the right to collective bargaining. Arjo does not accept disciplinary or discriminatory actions against employees who choose lawfully to organize or join a trade union or a workers' association.

Arjo has zero tolerance for forced labor, child labor or other forms of involuntary labor, including modern slavery. The company complies with applicable laws and international standards on forced labor.

#### Actions

To enforce compliance with the Code of Conduct, all new employees receive training. Arjo's goal is for all new employees to have completed the training within three months from the date of employment. This applies to all employees, regardless of position in the organization.

In 2024, the Human and Labor Rights Policy was incorporated into a mandatory training module for leaders. The purpose is to raise awareness and compliance from executive and senior leadership on all areas of the Arjo business.

To gain insights from the organization and encourage continuous dialogue between managers and team members, Arjo includes questions related to the field of human rights and fair labor conditions in the annual employee survey.

## Own Workforce, cont.

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### Engaging with own workforce

#### Approach and policies

Arjo's annual employee survey gives every employee the opportunity to provide feedback about their everyday experience of working at Arjo as well as the company at large. Core engagement is measured and scored based on loyalty, trust and satisfaction. Drivers of engagement include, but are not limited to wellbeing, strategy communication, management support, peer relationships, reward and recognition, diversity, equity and inclusion, and growth. The survey tool provides an external industry benchmark score, which helps Arjo to ensure that the company remains competitive against its peers. An analysis of the survey serves as the foundation for ongoing development of action plans aimed at fostering both individual and team engagement. It also helps retain talent and skills within the company and provides an opportunity to continuously monitor overall engagement levels. The survey tool offers confidential dialogue within the platform and all teams are encouraged to discuss and work with the results.

Since 2018, Arjo has increased the global participation rate year on year, from 84 percent in 2018 to 90 percent in 2024. The global engagement score has increased over time, from 7.3 out of 10 in 2018 to 8.1 out of 10 in 2024. Arjo has continued the efforts to improve those areas highlighted by the workforce. According to the survey tool's industry benchmark, Arjo's overall engagement score is above average for the Healthcare Equipment and Services sector.

The Arjo Performance and Development approach focuses on continuous development conversations and real time two-way feedback in a structured setting.

Arjo's global intranet is an important channel to regularly provide updates on important topics. The company also has a number of leadership forums to share information and engage in a dialogue with its leaders. All employees have access to an HR Business Partner, who can support in topics of concern.

Arjo's Flexible Workplace guideline supports leaders and teams on how to apply the hybrid working model in practice.

Arjo engages with unions and works councils (workers' representatives). When the employees are represented by a legally recognized trade union or similar, Arjo ensures constructive communication and involvement. The company strives to work with openness to encourage dialogue, and engaging in negotiations and consultations with the representatives.

Arjo does not accept disciplinary or discriminatory actions against employees who choose lawfully to unionize or join an association. At Group level, Arjo has union representation in the Board of Directors and also participate in European Works Council (EWC).

#### Remediation and channels to raise concerns

Arjo encourages employees and other stakeholders to communicate any observed or suspected misconduct in terms of compliance, either directly to their manager, local HR or to the company's compliance function. Arjo has a global whistleblowing system where employees can report any improprieties or deviations. This process and actions related to non-compliance are further described in the Responsible Business Conduct section.

Arjo recognizes the challenges employees may face when deciding to report a suspicion. Therefore, the company is committed to protecting those who file reports in good faith. No employee is to be subject to harassment, retaliations or negative consequences in their employment due to filing such a report.

### Diversity, equity and inclusion

#### Approach and policies

Diversity, equity and inclusion (DEI) is considered a material area for Arjo and given the potential negative impact to any individual, it is of high priority to the company. Arjo has policies, processes and initiatives to support the direction of equal treatment and opportunities. Arjo's ambition is to not only foster an awareness of the need for diversity, equity and inclusion within the organi-

zation but also establish metrics. Arjo is committed to increasing diversity in gender, race, ethnicity, language, nationality, age, physical ability, sexual orientation and background.

Arjo continuously works to ensure that the company's directive is embedded across the global organization through the establishment of a global DEI steering committee, a global DEI council, and a DEI leaders' framework. The global DEI steering committee consists of employees representing senior management on functional and geographical level and who reports to members of the Management Team.

The company's eleven commitments stated in the DEI directive have been established to support the implementation of fair, equitable and non-discriminatory employment practices and a diverse and inclusive workplace through the provision of equal opportunity for all. The commitments are actioned and followed up via different initiatives to make sure that they are integrated and considered throughout all HR-related processes.

#### Actions

Through the annual people survey, the company collects feedback on DEI related topics from across the organization in a confidential manner. Survey questions address topics such as Arjo's overall efforts to ensure diversity as a clear priority in recruitment processes and in the company as a whole, as well as the company's responsiveness to any discrimination. The annual people survey shows an increase in overall global scores on the DEI topics, from 8 out of 10 in 2018 to 8.5 out of 10 in 2024.

Arjo has a Total Rewards directive that explicitly prohibits pay discrimination on any grounds. The company has initiated an annual equal pay analysis in each country of operations as of 2024, to assess pay gaps and enable actions for mitigation. The company's DEI strategy was developed with clearly defined goals, KPIs and focus areas aligned with Arjo's eleven DEI commitments. Arjo's DEI council holds monthly meetings, and, in addition, nine global work streams are working on identified areas and proposed actions to the DEI steering committee.

## Own Workforce, cont.

### Attracting and developing employees

#### Approach and policies

Attracting and retaining employees with the right competencies is a key strategic priority for Arjo. Based on the organization's needs, the right skills are identified in a well-defined process using various assessment tools during the recruitment and selection phase. Arjo works together with local universities and colleges to attract new talent. The company provides internships and graduate projects for students and in many markets has trainee programs that gives students the opportunity to participate in interdisciplinary projects while receiving internal training. There are a number of directives supporting the attraction and development of talent, such as the Performance and Development Directive, the Succession Planning Directive, the Recruitment, On-boarding and Leaving directive and the Mentorship framework.

Arjo works with talent development continuously throughout the year. In addition, to provide a company-wide global insight on the current and potential capabilities required to meet the strategy, an annual global people review is conducted in alignment with the annual financial plan. During the people review, leaders across Arjo evaluate their teams against their strategic workforce plans, assessing strengths and areas for development based on performance and potential. The result is calibrated in several steps and is consolidated at Management Team level to ensure quality and inclusivity to the process. This provides the company with a broad insight of talent data to support employee growth and development. Arjo continuously strives for individual developmental growth plans that encompass stretched goals and objectives. This enables the employee to meet identified competency gaps and demonstrate behaviors aligned with the Arjo Guiding Principles and Leadership Behaviors.

Arjo uses assessment tools in relevant processes, which can support high-performing teams and provide better insights into

the drivers of employee motivation. Over time, this can help both individual employees and groups reach their full potential.

#### Actions

Arjo's Talent and Mentorship Programs provide employees with exposure to the wider business, networking outside of their field, knowledge-sharing and applying diversity in decision-making. The individual development offerings provide strategic projects under the guidance of the Management Team. The global Academy function provides specialized product, clinical, sales, and customer-related training to continually keep employees up to date with Arjo's offering. The success of these employee development initiatives is measured using the annual employee survey feedback with questions covering career path, mentorship and learning.

Arjo continuously works to foster a learning culture across the organization based on the 70/20/10 concept and aided by an e-learning library. Leaders are encouraged to provide diverse learning opportunities to their teams connected to business objectives and skill gaps.

Leaders take part in both global and local on-boarding and introduction programs including foundational leadership in Arjo training modules delivered by HR Business Partners. The modules cover principles and culture, compliance, sustainability and Arjo's people processes and employee lifecycle from employment to termination.

Arjo continuously tracks KPIs related to the employee value proposition to secure the attractiveness of Arjo as an employer and thus enable the competency agenda. The annual employee survey feedback insights are the basis for local and global actions.

The annual employee survey shows an increase of score from the workforce on the topic of growth, from 6.8 out of 10 in 2018 to 7.5 out of 10 in 2024.

### Diversity, equity and inclusion

#### ARJO'S 11 COMMITMENTS

1. Leadership and Accountability
2. Recruitment, Selection and Promotion
3. Gender Pay equity
4. Diverse representation of workforce and teams
5. Support for caregiver responsibilities
6. Mainstreaming flexible working
7. Preventing harassment and discrimination, sexual harassment and bullying
8. Support for employees experiencing domestic and family violence
9. Learning, Development, Mentoring and Training
10. Talent management and succession planning
11. Driving change beyond the workplace

## Own Workforce, cont.

### Occupational Health and Safety

#### Approach and policies

Occupational health and safety is at the core of Arjo and central to all operations, products and services. Arjo has a clearly defined framework for managing physical and psychological health and safety in the work environment, with a zero-accident vision.

Arjo makes continuous improvements based on the company's Occupational Health and Safety directive and Occupational Health and Safety manual. As part of these efforts, Arjo has implemented a management system and a framework for achieving a consistently high safety standard and ensuring a healthy physical and psychosocial work environment at its various work places. Arjo's work environment is regularly evaluated by work environment representatives and committees comprising employees from different functions and levels. This structure fosters a mutual understanding and enables need-based decisions at every facility. Audits are conducted annually to verify that the company's facilities meet established targets and applicable regulations and requirements.

#### Actions

Arjo's senior leaders must complete the company's annual mandatory compliance program to acknowledge and sign off their understanding and responsibility. Arjo's Code of Conduct, DEI Directive, Occupational Health & Safety Directive and Human and Labor Rights Policy contribute to ensuring a good working environment.

Arjo has established processes to remedy potential negative impacts on health and safety including a corporate internal audit program to review and audit selected sites to validate that occupational health and safety plans are in place and identify gaps and potential improvements.

Arjo has also established a global framework with local occupational health and safety committees to lead and direct occupational health and safety across the workplace through consultation processes. Twice a year, training is provided on the mandatory global reporting system to measure targets and objectives. Through this process of identifying and controlling risks and hazards, Arjo is reducing and eliminating risks with preventive measures.

Arjo provides all employees with injury management and rehabilitation. Incidents and accidents are investigated and lessons are learnt within the organization. Arjo has resources and support to implement and ensure compliance with the Occupational Health and Safety Directive, procedures and programs. Arjo continuously revises this directive as well as the Occupational Health and Safety Manual.

The annual employee survey includes questions about the work environment and health and safety. Arjo has established an escalation and reporting process for high-risk occupational health and safety issues. As part of the process, the global process owner for occupational health and safety and the Management Team are involved.

The company's employee survey shows an increase in the score from the workforce - from 8.3 in 2023 to 8.4 in 2024 on the topics of occupational health and safety. The Arjo manual for Occupational Health and Safety is based on the ISO 45001 standard. The manual was updated and revised in 2024 to include the definitions and calculations set out in ESRS S1 Own Workforce, in order to prepare the organization for reporting in 2025. Arjo's internal audit program identifies two to three entities per year to be audited, either internally or through a third-party audit. The facilities in the UK and Australia are externally certified according to ISO 45001. All Arjo employees are covered by the Occupational Health and Safety management system.



## Own Workforce, cont.

### Metrics and Targets

#### Number of employees per region, gender and age group

Region/ age group	2024			2023		
	Women	Men	Total	Women	Men	Total
<b>Europe</b>						
15-29	232	258	490	178	203	381
30-49	784	1,210	1,994	734	1,154	1,888
≥50	436	899	1,335	450	926	1,376
<b>North America</b>						
15-29	53	103	156	40	93	133
30-49	208	401	609	199	395	594
≥50	179	373	552	183	407	590
<b>Other</b>						
15-29	427	254	681	306	199	505
30-49	604	466	1,070	555	483	1,038
≥50	138	148	286	139	154	293
<b>Total</b>	<b>3,061</b>	<b>4,112</b>	<b>7,173</b>	<b>2,784</b>	<b>4,014</b>	<b>6,798</b>

In 2024, the number of internal employees increased by over 300, with the majority of the growth coming from production personnel in the Dominican Republic.

#### Accounting policy

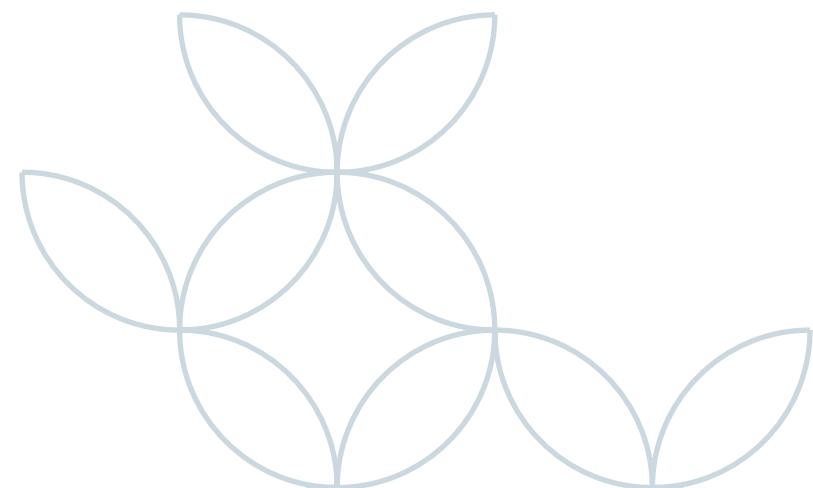
The number of employees by region, gender and age group is based on data from the global HR system SuccessFactors as of December 31, 2024. This means that the number of employees and related breakdown are based on headcount per this date. The categories of permanent employment and fixed-term employment include all internal employees.

#### Full time/part time employees per region and gender

Region	2024			2023		
	Women	Men	Total	Women	Men	Total
<b>Europe</b>						
Full time	1,299	2,270	3,569	1,215	2,215	3,430
Part time	153	97	250	147	68	215
<b>North America</b>						
Full time	436	869	1,305	417	885	1,302
Part time	4	8	12	5	10	15
<b>Other</b>						
Full time	1,151	851	2,002	982	821	1,803
Part time	18	17	35	18	15	33
<b>Total full time</b>	<b>2,886</b>	<b>3,990</b>	<b>6,876</b>	<b>2,614</b>	<b>3,921</b>	<b>6,535</b>
<b>Total part time</b>	<b>175</b>	<b>122</b>	<b>297</b>	<b>170</b>	<b>93</b>	<b>263</b>
<b>Total</b>	<b>3,061</b>	<b>4,112</b>	<b>7,173</b>	<b>2,784</b>	<b>4,014</b>	<b>6,798</b>

#### Employees by type of employment, region and gender

Type of employment	2024			2023		
	Women	Men	Total	Women	Men	Total
<b>Permanent employment</b>						
Europe	2,904	3,925	6,829	2,631	3,851	6,482
North America	1,319	2,225	3,544	1,228	2,154	3,382
Other	1,148	829	1,977	982	810	1,792
<b>Fixed-term employment</b>						
Europe	157	187	344	153	163	316
North America	3	6	9	1	8	9
Other	21	39	60	18	26	44
<b>Total</b>	<b>3,061</b>	<b>4,112</b>	<b>7,173</b>	<b>2,784</b>	<b>4,014</b>	<b>6,798</b>



## Own Workforce, cont.

### Staff turnover (voluntary)

Region/age group	Women		Men		Total	
	Number	Turnover	Number	Turnover	Number	Turnover
Europe						
15-29	25	16.2%	25	14.6%	50	15.3%
30-49	51	7.5%	86	7.7%	137	7.6%
50+	31	7.6%	50	5.8%	81	6.3%
North America						
15-29	11	22.4%	21	20.5%	32	21.1%
30-49	23	11.4%	66	16.7%	89	14.9%
50+	13	7.3%	38	9.9%	51	9.1%
Other						
15-29	69	17.9%	47	21.4%	116	19.2%
30-49	38	6.5%	47	10.4%	85	8.2%
50+	8	6.2%	9	6.3%	17	6.2%
<b>Total</b>	<b>269</b>	<b>9.7%</b>	<b>389</b>	<b>10.1%</b>	<b>658</b>	<b>9.9%</b>

### Workers who are not employees

Total FTE per region	2024	2023
Europe	261	270
North America	140	171
Other	267	230
<b>Total</b>	<b>668</b>	<b>672</b>

Personnel who are not employed and whose work is controlled by the organization consists of consultants in areas such as IT, rental or production operations, research and development and finance.

#### Accounting policy

Percentage of employee turnover is calculated based on number of permanent full-time equivalents leaving voluntarily during the year. The number of employees by region, gender and age group is based on data from the global HR system SuccessFactors as of December 31, 2024.

#### Diversity

##### Share of women per category (%)

	2024	2023	2022
Percentage of women, total	43	41	42
Percentage of female managers in leading positions	40	37	34
Percentage of women in the Management Team	44	50	50
Percentage of women on the Board of Directors	37	29	29

The proportion of women in the company increased by 2 percent and the proportion of female managers in leading positions increased by 3 percent to 40 percent. The number of women on the Board also increased.

#### Accounting policy

Leading positions refer to managerial roles at levels 1-3 below the CEO and President, with Arjo's Management Team representing level 1. Data is retracted from the global HR system SuccessFactors as of December 31, 2024.

#### Health and safety

##### Workplace inspections and corrective actions (%)

Goal	2030	2024	2023	2022
Percentage of planned inspections completed	100	86	92	89
Percentage of corrective measures completed	100	86	87	80

## Own Workforce, cont.

### Total number of incidents and accidents

	Goal	2024	2023	2022	2021
Percentage of people in its own workforce who are covered by health and safety management system		100%	100%	100%	100%
Number of fatalities	0	0	0	0	0
Number of recordable work-related accidents for own workforce (major consequence)	0	1	3	3	12
Number of recordable work-related accidents for own workforce (minor consequence)	0	220	107	108	140
Rate of recordable work-related accidents for own workforce <sup>1)</sup>		14.8	7.7	7.6	11.1
Number of incidents	n/a	164	221	286	117

1. Rate of recordable work-related accidents is computed by dividing the respective number of cases by the number of total hours worked by people in the workforce and multiplied by 1,000,000. Hours worked is actual or planned hours minus number of hours due to absence (publ. holiday, sick leave or vacation).

In 2024, Arjo's Occupational Health and Safety Network held a workshop where the definitions of accidents and incidents were clarified. The outcome for 2024 shows a change from a historically higher number of incidents to a higher number of accidents

with low consequences, indicating that Arjo now has more accurate data through the clarified definition. Reported incidents and accidents with low consequences mainly refer to physical or safety-related events.

### Accounting policy

Arjo reports twice a year in its global sustainability system, Position Green, according to the metrics defined in the Arjo Occupational Health and Safety manual. Recordable work-related accidents require medical treatment beyond first aid. They meet the definition of serious injury/illness/dangerous incident/high consequence accident/injury/ill health/loss of consciousness/diagnosed by a physician or other licensed medical practitioner as defined in Arjo Occupational Health and Safety manual.

### Percentage of participants in the annual People Survey (%)

	2024	2023	2022
Percentage of participants in the annual People Survey	90	89	88

In 2024, 90 percent of Arjo's employees participated in the company's annual employee survey.

### Code of Conduct for employees (%)

Goal	2024	2023	2022	2021
Share of new employees who have completed training in Arjo's Code of Conduct	100	87	80	85

87 percent of all new employees completed the Code of Conduct training in 2024.

### Accounting policy

The number of employees who have completed a course in business conduct is calculated as the proportion of employees who, as of December 31, 2024, have completed an e-learning course in business conduct relative to the total number of employees invited to take the course. This training is automatically assigned to all new employees in Arjo through the global learning management system, and completion rate is tracked in the system.

## Workers in the value chain

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### Strategy

Workers in the value chain is an important stakeholder group for Arjo since the company works closely with suppliers and strive to have long-term business relations. Ensuring good working conditions for workers in the value chain is also part of Arjo's fundamental values. Arjo's Supply Chain function works actively with continuous improvements through supplier evaluations, supplier audits and continuous dialogue.

### Management of impacts, risks and opportunities

#### Policies related to value chain workers

Through Arjo's Business Partner Code of Conduct for suppliers and other business partners, the company expects each business partner to respect and support international human rights and labor conditions, and avoid causing, contributing or being linked to negative human rights or labor conditions impacts. Arjo continuously develops its human rights initiatives and is determined to perform human and labor rights due diligence for the supplier base.

#### Processes for interacting with value chain workers

In 2024, Arjo initiated sustainability audit training for the global procurement function, starting with the Asian region. The aim of the training was to prepare supplier quality engineers to conduct sustainability audits autonomously, and to build competence, experience and prepare for the requirements of the EU Corporate Sustainability Due Diligence Directive (CSDDD).

Arjo has started the implementation of a sustainability audit program aimed at evaluating direct suppliers based on environmental, social and governance (ESG) criteria. The program includes Tier 1 suppliers, defined as those with whom Arjo has a direct contractual relationship. The audits will prioritize worker-related aspects such as fair wages, safe working conditions, diversity and inclusion, and human rights compliance. Through the program, Arjo wants to ensure that the supply chain lives up to the company's requirements in terms of working conditions and business ethics.

In 2025, the sustainability audit deployment will continue within the European and American regions. As maturity and experience grow, improvements to processes, governance and competence will develop. Once the program is fully implemented, annual audit execution will start, based on the audit frequency defined in Arjo's Standard Operating Procedure SOP-009 (Selection and Monitoring of Suppliers).

A pre-screening tool for supplier sustainability capabilities is implemented to aid purchasers and supplier sustainability auditors in assessing risks and preparing for audits.

Arjo's sustainability audit program focuses on identifying the most vulnerable groups of workers in the company's value chain. The program will assess working conditions at suppliers and evaluate the extent to which specific groups of employees are exposed to increased risks linked to working conditions, wage setting, etc.

A corporate-led CSDDD integration program will start in the second half of 2025, covering the whole value chain, including Arjo's own operations, with the goal to establish due diligence procedures, targets and metrics. The supplier sustainability audit program will be integrated to ensure full alignment to the CSDDD.

### Actions

Arjo has a whistleblowing service, with a designated link on the website. The whistleblowing function can be used both by internal and external stakeholders, such as value chain workers, and the reporting is anonymous.

Using the Supplier Sustainability Criteria Checklist, auditors verify whether potential suppliers have updated and relevant occupational health and safety training. The checklist includes working hours, child labor, and sourcing minerals considered to be high-risk.

Starting from the fourth quarter 2025, supplier quality engineers will continuously conduct supplier sustainability audits according to the new audit framework.

## Consumers and end-users

### Strategy

#### Approach and policies

Arjo's vision is to drive healthier outcomes for people facing mobility challenges. The company helps healthcare providers to create the conditions to retain and improve patient mobility aided by the right care setting, equipment and work methods throughout the care process. Improved mobility contributes to positive effects such as quicker recovery, preventing complications and enabling greater independence and quality of life. The right solutions for improving patient mobility also reduce the risk of work-related injuries among caregivers and increase resource efficiency for healthcare.

Different solutions are needed to provide the right support for patients with varying physical mobility and dependence. Arjo's product portfolio helps solve individual problems related to patient mobility in different care settings such as elderly care, acute care, bariatric care and care for people with other special needs.

Arjo promotes an outcome-based business model with programs that aim to prevent the occurrence of patient injuries and enable healthcare professionals to safely provide high-quality care, thereby reducing the risk of work-related injuries.

Safe, high-quality products are Arjo's hallmark, which the company is constantly working to ensure. Medical devices are surrounded by extensive regulations, especially in the EU and the US. Arjo ensures that the Group's products comply with laws and regulations in all markets in which the company operates.

The majority of Arjo's medical devices have a low-risk profile, corresponding to risk classification 1 in the EU. To ensure compliance with laws and regulations, Arjo has a certified quality management system with defined quality assurance procedures for processes such as design and development, risk assessments, testing, documentation, customer and end-user feedback and management of improvements.

### Management of impacts, risks and opportunities

#### Policies related to consumer and end-users

The Arjo Quality Policy and Quality Management System procedures cover all consumers and end-users of the company's products. They are mandatory and are made available for all affected employees in the company via communication channels such as the global intranet and the global training platform.

The Arjo Quality Policy is reviewed annually by the Arjo Management Team and any changes are to be approved by the company CEO and the Board of Directors. Objectives and targets are also reviewed annually by the Arjo Management Team to ensure consistency between the Quality Policy and objectives as basis for KPI monitoring.

#### Established process for ethical marketing

Arjo markets the company's products and solutions in accordance with high ethical and regulatory standards as well as applicable legal requirements. The activities are governed by Arjo's Code of Conduct, the Quality Policy and the Directive for design and development of customer solutions, which describes the procedure for the development of sales and marketing material as well as the approval process for all external material containing statements regarding products or performance. All relevant staff receive training on Arjo's ethical guidelines for interaction with business partners and healthcare professionals.

#### Compliance standards and controls

Arjo devotes significant efforts and resources to implementing and applying processes to ensure regulatory compliance. To meet the growing demands and expectations within the medical device industry, the company focuses on continuously evaluating and improving products and processes.

The Executive Vice President Quality & Regulatory Compliance, who is part of the Arjo Management Team, heads the global Quality & Regulatory Compliance function, which has representatives in all parts of Arjo. This role is also appointed the Person Responsible for Regulatory Compliance (PRRC) as defined by the European medical device regulation and is accountable for the implementation of the Quality Policy.

Arjo's Quality & Regulatory Compliance organization maintains the global Quality Management System, which is established with five multi-site certificates issued by the certification body BSI:

- ISO 9001 Quality management systems - Requirements
- ISO 13485 Medical devices - Quality management systems - Requirements for regulatory purposes
- EU Medical Device Regulations (MDR)
- Medical Device Single Audit Program (MDSAP) covering medical devices in the US, Canada, Australia, Japan and Brazil
- UK Conformity Assessed (UKCA) covering medical device regulations in the UK

The certificates show that the policies, directives and processes in Arjo's global Quality Management System meet the supervisory requirements in regulatory standards and laws. ISO 9001 is a voluntary certification, whereas the other global certifications are required for regulatory purposes.

In 2024, Arjo continued its efforts to comply with the EU MDR. In 2023, Arjo's MDR certificate was updated to cover all product groups Arjo planned to certify to MDR, and during 2024 availability of technical product documentation was ensured, to enable review by BSI for continued maintenance of the MDR and UKCA certificates.

## Consumers and end-users, cont.

### Quality and environmental certifications 2024

Certificate	Global certifications		Certification of production units			
	ArjoHuntleigh AB	Suzhou, China	Poznan, Poland	Magog, Canada	San Cristóbal, Dominican Republic	Cardiff, UK
ISO 9001	X	X	X	X	X	X
ISO 13485	X	X	X	X	X	X
MDSAP	X	X	X			X
CE (EU:s MDR)	X	X	X	X	X	X
UKCA (UK MDR)	X	X	X	X	X	X
ISO 14001		X	X	X	X	X

### Usability assessments

Arjo's Vice President Research & Development heads the global design and development organization and is responsible to ensure that user needs serve as input to the product design in the early concept and planning phases of design and development projects.

Usability testing involving patient and user groups is performed to obtain user input to prototype designs, risk analysis, user interfaces and user interactions with the product according to the labelling and instruction for use. The aim is to ensure adequate instructions for use and that products are proven safe and effective for their intended users and in their intended use environments.

### Post market surveillance

As part of Arjo's global Quality Management System, processes for monitoring and managing customer complaints are established to ensure that investigations and cause analyses are carried out with the aim to continuously improve product quality processes, remedy potential negative side effects of products criticized by the market and serve as input to new product development.

### Complaint handling

Customer complaints received from the market are registered in a global database. The central Complaint and Vigilance function ensures that complaints and adverse events are investigated in collaboration with the manufacturing units. Trend analyses are performed for all product groups at periodic intervals as input to assessments of health and safety impacts and maintenance of product risk management files. The investigations, health hazard evaluations and trend analyses determine if remediation activities should be done in the form of product quality improvements. If there is a need for field actions or recalls, this function ensures that communication to and follow-up with customers take place in cooperation with the local sales and service units. This function also ensures that post market surveillance and medical device reporting obligations to authorities are fulfilled.



## The Arjo Quality Policy

### The company is committed to:

- Retaining excellence in solutions (products, systems and services)
- Delivering well-designed and safe products, with a high degree of clinical and ergonomic efficiency
- Being professional and presenting the company's solutions in an honest and ethical manner
- Providing competent, responsive, and efficient services, and reliable delivery performance
- Complying with regional, national, and international regulatory requirements for product and management systems
- Fostering a company-wide culture of quality where all contribute to achieving excellence
- Continuously improving the solutions by utilizing customer feedback
- Maintaining an effective quality management system.

## Consumers and end-users, cont.

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### Actions

#### Design and development

As part of Arjo's global Quality Management System, processes for design and development describe how to carry out design control activities in order to meet customer needs, as well as applicable regulations and standards. The product development model is phased, with clearly described actions and deliverables for each phase. In each product development project, inputs to the design are defined based on market requirements and user needs with the purpose of achieving positive impacts for users and patients. Product risk assessments and clinical evaluations using feedback from similar products in the market, form part of the design input with the aim to minimize or mitigate any potential negative impacts on users and patients.

#### Corrective and preventive actions

Internal audits as well as audits by external regulatory bodies and auditing organizations as BSI are conducted annually on both local and corporate level to ensure compliance with policies and standards and for continued Quality System Management certification, and UKCA and CE marking. Specific areas to focus on in the internal audit program are identified each year based on risks and changes to processes and regulations. Part of the 2024 internal audit focus was employee training and product changes.

Each non-conformity raised during internal and external audits in 2024 was assessed through a root cause analysis, and relevant corrective and preventive actions were initiated to improve and prevent recurrence. In 2024, this led to improvements of areas such as the implementation of changes to standards and regulations in technical product documentation and how the company document action plans to proactively prevent nonconformities when opportunities for improvements are identified.

No major deviations were noted during external audits or inspection of the Quality Management System in 2024.

#### Product quality improvements

Arjo has committed to work to remedy potential negative side effects that have been identified as caused by or contributed to through the use of the company's products.

Health and safety effects are assessed continuously for improvement in all significant product and service categories as part of the clinical evaluations and the risk management activities performed during the processes for design and development and post market surveillance. Such assessments are required by market regulations, including the EU Medical Device Regulations affecting products with CE marking. 90 percent of the products that Arjo manufacture are CE marked.

Upon receipt of customer complaints and other feedback from the market, trend analyses are performed, leading to product quality improvement projects.

A global Quality Board evaluates any potential need for remediation such as corrections in the field based on health hazard evaluations and complementary analyses, reviews, and verifications. If initiated, field actions are coordinated by a global field action manager in cooperation with the manufacturing units that deliver the technical solutions and the sales and service organization that executes such actions in the field. There was no safety related field action initiated in 2024.

#### Incidents of regulatory non-compliance

All incidents of regulatory non-compliance are registered, investigated and analyzed with the purpose to initiate corrections and actions to prevent recurrence.



## Consumers and end-users, cont.

### Metrics and targets

Arjo's targets are in line with the core intentions of the regulations and standards for medical devices under which Arjo is certified, which is to ensure that the devices are safe, effective and protect patients and users from harm.

### Incidents of regulatory non-compliance

Goal	2024	2023	2022	2021	2020
Incidents resulting in fines, sanctions or warnings	0	0	1	0	0
Major deviations during external quality management system inspections or audits	0	0	0	0	0
Number of safety-related field actions initiated	0	0	3	1	4
					3

### Accounting Policy

Incidents resulting in fines, sanctions, or warnings related to customer health and safety, or non-compliance with quality management system requirements, are reported globally and reviewed quarterly by the Quality Board. Major deviations during external quality management system inspections or audits are reported monthly by each audited site in a global BI Dashboard and reviewed by a global Quality Board each quarter. The number of initiated safety related field actions are reported monthly by centralized unit coordinating Field Actions in a global BI Dashboard reviewed by a global Quality Board each quarter.



# Governance

Arjo works systematically to ensure the highest standards of regulatory compliance and business ethics. The company's success should be based on the value the products and solutions create for customers, not questionable business practices.

## ■ Business conduct

### Governance

#### Business ethics

Arjo has implemented several measures to maintain expertise in matters of business ethics. VP Business Compliance is invited to the Board's meetings in the Audit Committee and business ethics is on the Board's agenda once a year.

Arjo's Business Compliance Committee leads and coordinates business ethics and compliance and makes decisions on the company's business ethics strategy. The committee comprises the President & CEO (Chairman), EVP Legal & Business Compliance (Vice Chairman), CFO, EVP Communication & PR, EVP HR & Sustainability, Director Internal Control and additional members appointed as needed. VP Business Compliance is responsible for the day-to-day administration of compliance and serves as secretary to the Committee. Documented meetings are to be held regularly, and in 2024 four meetings were held. Two support committees have been established in North America to meet local regulatory requirements. In 2024, the Canadian Support Committee held four documented meetings and the US Support Committee held four documented meetings.

### Management of impacts, risks and opportunities

Arjo works actively with risk assessments to identify and manage corruption risks within the entire organization. Consequently, the company has decided to continuously review and monitor its distributors in selected countries and regions. In addition to the global process, regular risk assessments are carried out in North America, for example by analyzing potential conflicts of interest. Suitable follow-up measures are taken based on the outcome of each risk assessment process.

### Business conduct policies and corporate culture

Arjo's success must always be the result of the value the company creates for customers through its products and solutions and its own work, and never by offering dubious benefits circumvent-

ing rules or engaging in other unethical behavior. Arjo is to only engage in business activities where competition is honest and fair, based on the company's offering.

Sound business ethics, transparency, honesty and well-defined principles for compliance are at the core of Arjo's long-term business relations. This commitment starts with the Board of Directors and is solidified in the organization through the company's Code of Conduct for employees.

The Code of Conduct is based on international principles and covers issues such as anti-corruption, fair competition, human rights and work environment responsibility. The Code applies to all employees and the company holds regular training to ensure compliance with the Code.

Business conduct forms an integral part of the Code of Conduct and Arjo's Guiding Principles, alongside specific directives addressing anti-corruption and anti-bribery, and whistleblowing. Arjo's policy on business ethics describes the composition, scope, roles, and responsibilities within Arjo's organization. The policy is approved by the Board of Directors and was updated in 2024.

The process for evaluating and screening business partners was reviewed in 2023, leading to an update of the overall procedure in 2024. This is an important process for minimizing risks of contact with inappropriate business partners, and it has been established to support the functions and business units within Arjo that are most at risk with respect to corruption and bribery. These functions and entities are found in the company's sales and purchasing organizations, and the process is linked to examples and scenarios in the Anti-Corruption Directive and the company's ethical guidelines, all of which are driving a culture of business ethics. In response to compliance with local regulatory requirements, Arjo also has local business ethics policies in North America.

Further to this, Arjo's Business Partner Code of Conduct for suppliers and other business partners covers multiple areas including business ethics and corruption. The code of conduct is a part of standard contracts for distributors and suppliers alike.

## ■ Business conduct, cont.

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### Whistleblowing

Arjo encourages employees and other stakeholders to communicate any observed or suspected misconduct in terms of compliance, either directly to their manager, to local HR or to the company's compliance function. Misconduct can also be reported anonymously via a whistleblowing service in the form of a secure external website that is also available to external parties. During 2024, the service was updated to include the possibility of reporting orally through voice clips. To further facilitate the procedure of processing compliance-related questions in North America, there is a telephone hotline alongside the online whistleblowing channel.

Arjo acknowledges that it can be difficult to decide to report a suspicion and therefore the company is committed to protect employees who file a report in good faith. No employee is to be subject to harassment, retaliation or negative consequences in their employment due to filing such report.

Misconduct in compliance may include corruption, violation of competition laws, serious risks to the environment, impacts on health and safety, violation of laws, treaties or other forms of agreements and all other observed or suspected violations of laws or Arjo's Code of Conduct.

### Management of relationships with suppliers

Arjo's Business Partner Code of Conduct is fundamental in the interaction with suppliers. It serves as a platform to communicate clear expectations and standards for ethical, responsible and sustainable business practices, and promotes transparency and consistency in supplier relationships. The Code enables both parties to collaborate effectively, creating stronger and more resilient partnerships.

If the business partner or any of its employees believes that Arjo is not acting in line with its own requirements, Arjo encourages such concerns to be reported. In cases of serious violations, where such reporting is not conceivable, an anonymous report can be made to Arjo's whistleblowing service.

Another important factor that is considered in supplier relationships is setting clear payment terms. In the General Supplier Agreement, Arjo outlines in a clear manner the paying amount, due dates and any penalties for late payment. Defining these terms reduces ambiguity and provides a reference point for both parties.

Another important aspect of supplier relationships is the phase out, when terminating a cooperation. The phase out process shall be done in a professional and careful way, where the best interest of both parties is taken into account, including the understanding of the impacts on both Arjo and the supplier.

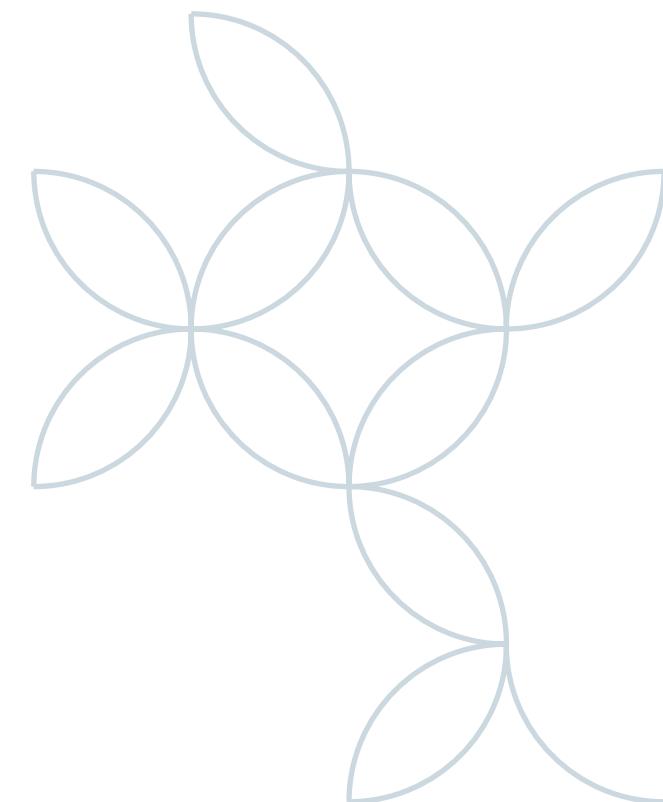
### Prevention and detection of corruption and bribery

All reported incidents are reviewed by an independent investigation team, which is separate from those involved in the matter. The investigation is summarized in a report with recommended actions, and the Business Compliance Committee is informed of incidents that have occurred.

To provide a common basic understanding of Arjo's anti-corruption rules, all employees in managerial positions, and employees who have regular contact with business partners must complete at least one anti-corruption training session every year. The employees in Arjo's risk-functions are part of this target group.

This year's mandatory anti-corruption training was launched in the fourth quarter of 2024. It requires a digital signature and is available in twelve different languages to include all target groups. A total of 2,825 employees completed the training, which represents 96 percent of the target group.

All nine members of Arjo's Management Team completed the training. In addition to this training, other ethics training is also available for different markets. In 2024, Arjo focused on the Central Eastern Europe organization with e-learning and dilemma-based training to ensure a thorough understanding of anti-corruption rules. Furthermore, the company conducted e-learning and training sessions with relevant employees in China and Southeast Asia.





## ■ Business conduct, cont.

### Metrics and targets

#### Whistleblower cases

	Goal	2024	2023	2022	2021
Incidents of whistleblowing	N/A	29	30	14	-

A total of 29 incidents were reported in 2024. All incidents were addressed and handled in accordance with established investigative procedures. No incidents were found to be bribery or corruption, and no employments have been terminated due to these incidents. Arjo has not been forced to terminate any agreements with business partners due to corrupt actions by the partner.

#### Accounting policy

Whistleblower cases are received and handled by an independent investigation team. All whistleblowing reports are managed in accordance with the guidelines approved by the Business Compliance Committee, which is ultimately responsible for the whistleblowing scheme. Only cases which are closed during the financial year, and which have been reported to the committee as fully or partially substantiated, are reported.

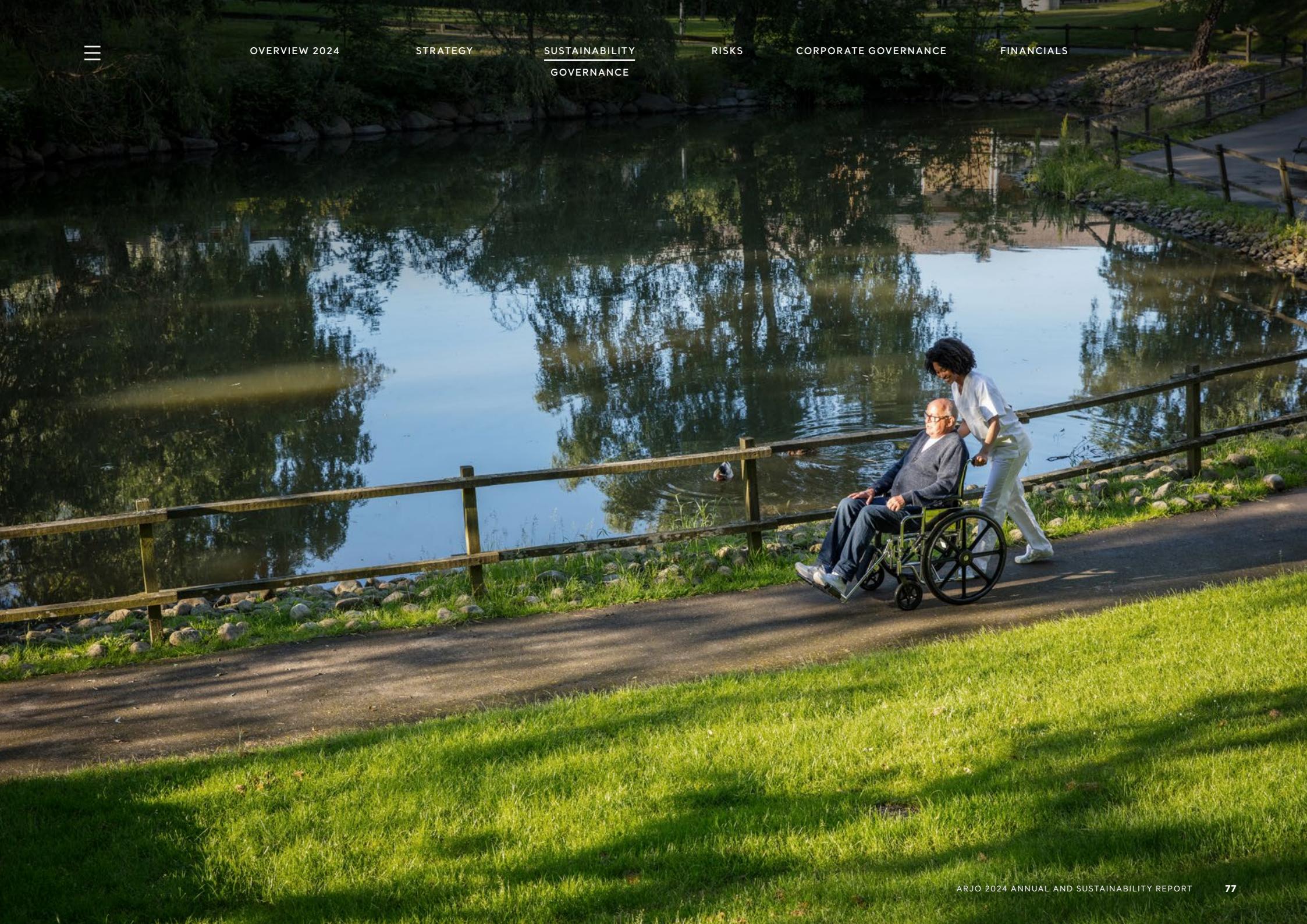
#### Business Partner Code of Conduct (%)

	Goal	2024	2023	2022	2021
Share of purchased direct material from suppliers that have signed Arjo's Business Partner Code of Conduct for suppliers and business partners	97	92	91	91	95

Arjo is actively working to increase compliance with the company's Business Partner Code of Conduct for suppliers and other business partners. The company plans to expand the training programs to increase knowledge of Arjo's principles of business ethics and to increase the proportion of suppliers who sign the Business Partner Code of Conduct.

#### Accounting policy

The target is for 97 percent of Arjo's total purchases of direct materials to be made from suppliers who have signed the company's Business Partner Code of Conduct for suppliers and other business partners. The metric is based on purchased volumes.



# Other information

## EU Taxonomy

The taxonomy is an EU regulation that defines environmentally sustainable economic activities in line with the EU's sustainability target for 2030. The purpose is to help investors and other stakeholders to compare investments based on a classification system. It is based on a selection of economic activities listed in the taxonomy.

### An economic activity qualifies as sustainable if it:

1. Substantially contributes to one or more of the following six environmental objectives:
  - a) Climate change mitigation
  - b) Climate change adaptation
  - c) The sustainable use and protection of water and marine resources
  - d) The transition to a circular economy
  - e) Pollution prevention and control
  - f) The protection and restoration of biodiversity and ecosystems
2. Does no significant harm to any of the other environmental objectives
3. Is carried out in compliance with the minimum safeguards as stipulated in Article 18 of the Taxonomy Regulation

### Approach

To identify activities covered by the taxonomy, Arjo has continued the work in the team that was appointed in 2022 with an additional member, a Group Sustainability Controller. With the support of external expertise, the team has analyzed the company's economic activities and investments and mapped these against the Taxonomy Regulation and its delegated acts. Data was collected from all Group units via a digital platform. The collected data has then been analyzed in detail to examine if the activities are Taxonomy-eligible and, if so, whether they are Taxonomy-aligned.

## Results

### Turnover

The Group's main business, manufacturing of medical devices, has been evaluated. The analysis shows that the Group's turnover of Arjo ReNu, which is based on a business model for the reuse of consumables, is covered by activity 5.1 "Repair, renovation and remanufacturing" and is considered to contribute significantly to the environmental objective of "Transition to a circular economy". For more information about Arjo ReNu, see page 57 in the Annual Report. Within Arjo ReNu there are two types of reuse of consumables. Both remanufacturing and refurbishment are considered to be covered by the EU taxonomy activity 5.1 while only refurbishment are considered to be taxonomy-aligned. This is because the remanufacturing operations currently do not meet the criteria for Substantial Contribution as there is no waste management plan at the disposal for the public.

Furthermore, this year's analysis also revealed that a large proportion of Arjo's entire rental operations are covered by activity 5.5 "Products as a service and other circular use and result-oriented service models" and is considered to contribute substantially to the same environmental objectives. Arjo's assessment is that the entire operation meets the criterion to be included in the taxonomy. Arjo makes the assessment that part of the leasing activity, "Sale and lease back", does not meet criteria under 1c for Substantial contribution. Sale and lease back means that ownership is not retained, which is one of the criteria for inclusion in the taxonomy, thus this part of the turnover is excluded for the activity 5.5 Products as a service and other circular use and result-oriented service models in the EU Taxonomy. For total sales, see Note 2 in the Segment reporting.

Furthermore, we make the assessment that the remaining part of the rental business does not meet the requirements of DNSH 1

## EU Taxonomy, cont.

Climate Change Mitigation at present. However, the assessment is made that Arjo meets the requirements for DNSH for environmental objectives 2-6

A correction has been made regarding 2023 share in terms of applicability in activities 5.1 and 5.5. In 2023, the proportion covered by taxonomy requirements A.2 for turnover was 1 percent for activity 5.1 and 24 percent for activity 5.5.

Activity according to the taxonomy's definition	Environmental objective	Example of turnover:
5.1 Repair, refurbishment and remanufacturing	CE	Arjos ReNu operation including both remanufacturing and refurbishment
5.5 Product-as-a-service and other circular use- and result-oriented service models	CE	Arjos Rental operations

### Minimum safeguards

In order for turnover to be classified as aligned, they must not only contribute substantially to one or more of the environmental objectives, but must also not cause significant harm to any of the other objectives and comply with minimum safeguards requirements. As of the end of 2024, Arjo's position is that the Group substantially meets these requirements. In 2024, work was carried out on the company's impact on human rights throughout the value chain.

Arjo has established a human rights due diligence process for suppliers, with appropriate policies, risk assessment, due diligence processes and tools, and has launched sustainability audit training for the global procurement team in 2024. The aim of the training was to improve the skills of supplier quality engineers so that they can conduct sustainability audits independently, build knowledge and experience, and prepare for the upcoming EU CSDD legislation. A global CSDD integration program will be launched in the second half of 2025 and cover

the entire value chain with the aim of setting practices, targets and metrics. During the year, a sustainability risk monitoring tool has been implemented to help buyers and supplier auditors in their work with evaluation and risk reduction in the value chain. Arjo has a whistleblower service with a link on the website. The whistleblower function can be used by both internal and external stakeholders, such as workers in the value chain. The reporting is anonymous.

### Capital expenditures

According to the review that has been carried out, the following capital expenditures, included in the taxonomy, have been identified:

Activity according to the taxonomy's definition	Environmental objective	Example of CapEx:
5.5 Collection and transport of non-hazardous waste in source segregated fractions	CCS, CCM <sup>1)</sup>	Source segregated fractions
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCA, CCM <sup>1)</sup>	Right-of-use related to cars
7.2 Renovation of existing buildings	CCA, CCM <sup>1)</sup>	Investments in facilities
7.3 Installation, maintenance and repair of energy efficiency equipment	CCA, CCM <sup>1)</sup>	Installation of LED lights and air conditioning
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCA, CCM <sup>1)</sup>	Investments in charging stations
7.7 Acquisition and ownership of buildings	CCA, CCM <sup>1)</sup>	Right-of-use assets related to offices and plants

1. Indicates which environmental objective the activity is allocated to.

The capital expenditures covered by the taxonomy have been allocated to the environmental objective to which the activity has primarily contributed, since the taxonomy does not allow double counting.

With regard to the activities reported under capital expenditure in the table below, Arjo has been able to conclude that these activities are either not Taxonomy-aligned or that the company has not had the opportunity to investigate alignment with the investments, due to the difficulty of ensuring supplier alignment. For activity 5.2 Renewal of water collection, treatment and supply systems there are no outcome for 2024, however, the proportion of reported capital expenditure regarding 2023 is reported in the table for capital expenditure.

A correction has been made to the 2023 share in terms of applicability in activity 6.5 and 7.7. In 2023, the proportion covered by taxonomy requirements A.2 for operating expenses was 26 percent for activity 6.5 and 3 percent for activity 7.7.

### Operating expenses

The Group's operating expenses, defined in the EU Taxonomy have been reviewed. It shows that the business has operating expenses linked to activity 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces adjacent to buildings). Arjo makes the assessment that alignment does not exist as the company currently has difficulties in ensuring alignment with suppliers.

Activity according to the taxonomy's definition	Environmental objective	Example of OpEx:
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCA, CCM <sup>1)</sup>	OpEx for maintenance of charging stations.

## EU Taxonomy, cont.

### Nuclear and fossil gas related activities

Nuclear energy related activities	Yes/No
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	Yes/No
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

### Proportion of turnover contributing substantially to one of more objectives

	Proportion of Turnover /Total Turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM		
CCA		
WTR		
CE	2%	25%
PPC		
BIO		

### Proportion of CapEx contributing substantially to one of more objectives

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	43%
CCA	0%	0%
WTR		
CE		
PPC		
BIO		

### Proportion of OpEx contributing substantially to one of more objectives

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR		
CE		
PPC		
BIO		



## TAXONOMY

## Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

## Fiscal year 2024

Economic activities	MSEK	%	Substantial contribution criteria												Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of turnover in 2023	Category (enabling activity)	Category (transitional activity)	
			Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL				
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																		
Turnover of eligible taxonomy-aligned activities (A.1)		—	—													—		
Repair, refurbishment and remanufacturing	CE 5.1	222	2%	N/EL	N/EL	N/EL	Y	N/EL	N/EL	Y	Y	Y	—	Y	Y	Y	—	E
Of which Enabling		222	2%														—	
Of which Transitional		—	—														—	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
Repair, refurbishment and remanufacturing	CE 5.1	81	1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							1%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	2,763	24%	N/EL	N/EL	N/EL	EL	N/EL	N/EL							24%		
<b>Total (A.1 + A.2)</b>		3,066	27%													25%		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																		
Turnover of non-eligible activities (B)			8,226	73%														
<b>Total (A+B)</b>			11,292	100%														

## Definition of turnover

The key performance indicator for total revenue have been defined as revenue from the normal business operations recognized in accordance with IFRS 15.



## TAXONOMY

## Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

## Fiscal year 2024

Economic activities	Code(s)	Absolute CapEx	MSEK	%	Substantial contribution criteria										DNSH criteria (‘Does Not Significantly Harm’)				Minimum safeguards	Biodiversity and ecosystems	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of CapEx in 2023	Category (enabling activity)	Category (transitional activity)			
					Climate change mitigation	Climate change adaptation	Climate resources	Water and marine resources	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Pollution										
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																										
A.1 Environmentally sustainable activities (Taxonomy-aligned)																										
CapEx of eligible taxonomy-aligned activities (A.1)					—	—																			—	
Of which Enabling					—	—																			—	
Of which Transitional					—	—																			—	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																										
Renewal of water collection, treatment and supply systems	CCM & CCA 5.2	—	—																						0.01%	
Collection and transport of non-hazardous waste in source segregated fractions	CCM & CCA 5.5	0.5	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL															—	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM & CCA 6.5	199	21%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL															26%	
Renovation of existing buildings	CCM & CCA 7.2	17	2%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL															—	
Installation, maintenance and repair of energy efficiency equipment	CCM & CCA 7.3	2	0.2%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL															0.02%	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM & CCA 7.4	1	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL															0.06%	
Acquisition and ownership of buildings	CCM & CCA 7.7	195.4	20%	EL	EL	N/EL	N/EL	N/EL	N/EL	N/EL															3%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		415	43%																						29%	
<b>Total (A.1 + A.2)</b>		415	43%																						29%	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																										
CapEx of Taxonomy-non-eligible activities (B)			549	57%																						
<b>Total (A+B)</b>			964	100%																						

## Definition of CapEx

The key performance indicator for CapEx comprises the total of all investments for the year in tangible assets, intangible assets and right-of-use assets according to IFRS 16 (see notes 12-14).



## TAXONOMY

## Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

## Fiscal year 2024

	Code(s)	Absolute OpEx	Proportion of OpEx 2024	Substantial contribution criteria												DNSH criteria ('Does Not Significantly Harm')				Minimum safeguards	Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) proportion of OpEx in 2023	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation	Climate change adaptation	Climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Water and marine resources	Circular economy	Pollution		
Economic activities		MSEK	%	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	Y:N; N/EL	E	T		

## A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities (Taxonomy-aligned)																							
OpEx of eligible taxonomy-aligned activities (A.1)																							
Of which Enabling																							
Of which Transitional																							
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																							
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM & CCA 7.4	0.1	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL											—			
Total (A.1 + A.2)			0.1	0.1%																			

## B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities (B)		224.9	99.9%
Total (A+B)		225	100%

## Definition of OpEx

Total OpEx comprises direct non-capitalized costs for research and development (R&D), building renovation, short-term leases, maintenance and repairs, and other direct costs required for the efficient day-to-day operation of tangible assets.



## GRI-index

Statement of use	Arjo has reported in accordance with the GRI Standards for the period January 1, 2024 – December 31, 2024
GRI 1 used	GRI 1 Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standards were available for reporting 2024 data

GRI Standard	Disclosure	Location	Deviation		
			Requirement(s) omitted	Reason	Explanation
<strong>General disclosures</strong>					
GRI 2: General disclosures 2021	<b>2-1</b> Organizational details	2-3, 36, 156			
	<b>2-2</b> Entities included in the organization's sustainability reporting	36, 156-157			
	<b>2-3</b> Reporting period, frequency and contact point	36			
	<b>2-4</b> Restatements of information	36, 52			
	<b>2-5</b> External assurance	35			
	<b>2-6</b> Activities, value chain and other business relationships	39-43			
	<b>2-7</b> Employees	66-67	2-7, b iii	Not applicable	Arjo does not report non-guaranteed hourly employees since no such employee relationships exist.
	<b>2-8</b> Workers who are not employees	67			
	<b>2-9</b> Governance structure and composition	37, 93-106	2-9 vi	Legal prohibitions	Arjo does not report facts about underrepresented social groups. The collection of such information is not permitted under Swedish law.
	<b>2-10</b> Nomination and selection of the highest governance body	94-95			
	<b>2-11</b> Chair of the highest governance body	37, 96-97			
	<b>2-12</b> Role of the highest governance body in overseeing the management of impacts	37, 97-99	2-12 b	The information is unavailable or incomplete	Arjo has opted for a strict interpretation of the requirement for due diligence of human rights throughout the value chain. Arjo has a Code of Conduct that is structured in accordance with the four focus areas of human rights, labor, the environment and anti-corruption. Arjo has several programs within the framework of the UN Global Compact, and works continuously on development, training and follow up of business ethics, health and safety and the environment in the value chain.



## GRI-INDEX

GRI Standard	Disclosure	Location	Deviation		
			Requirement(s) omitted	Reason	Explanation
<b>2-13</b>	Delegation of responsibility for managing impacts	37			
<b>2-14</b>	Role of the highest governance body in sustainability reporting	37			
<b>2-15</b>	Conflicts of interest	96			
<b>2-16</b>	Communication of critical concerns	96-98	2-16 b	Confidentiality restrictions	The total number and nature of critical concerns communicated to the Board of Directors during the year are not communicated externally.
<b>2-17</b>	Collective knowledge of the highest governance body	102-104			
<b>2-18</b>	Evaluation of the performance of the highest governance body	96-98	2-18 a, c	Confidentiality restrictions	Arjo does not report any action taken on the evaluation of the Board's work other than recommendations from the Nomination Committee regarding proposals for the composition of the Board.
<b>2-19</b>	Remuneration policies	107-112			
<b>2-20</b>	Process to determine remuneration	94, 99			
<b>2-21</b>	Annual total compensation ratio	108-109	2-21	The information is unavailable or incomplete	Arjo follows Swedish practice for remuneration reports, which contain similar information as prescribed by GRI. The presentation of key performance indicator is not exactly as prescribed by GRI.
<b>2-22</b>	Statement on sustainable development strategy	39-43			
<b>2-23</b>	Policy commitments	46, 49, 56, 62-65, 70, 74 Arjo ESG-index på <a href="http://www.arjo.com">www.arjo.com</a>	2-23 a	The information is unavailable or incomplete	Arjo has opted for a strict interpretation of the requirement for due diligence of human rights throughout the value chain. Arjo has a Code of Conduct that is structured in accordance with the four focus areas identified in the UN Global Compact (human rights, labor, the environment and anti-corruption) that all employees are trained in, and sign upon completion. Arjo has several programs within the framework of the UN Global Compact, and works continuously on development, training and follow up of business ethics, health and safety, and the environment in the value chain.
<b>2-24</b>	Embedding policy commitments	46, 49, 56, 62-65, 70, 74			
<b>2-25</b>	Processes to remediate negative impacts	46-75			
<b>2-26</b>	Mechanisms for seeking advice and raising concerns	74-75			
<b>2-27</b>	Compliance with laws and regulations	74-75	2-27 b, d	The information is unavailable or incomplete	Arjo discloses significant cases of non-compliance with laws and regulations on the indicated pages but does not disclose the monetary value of fines or provide a breakdown of instances to cover all standard requirements.



## GRI-INDEX

GRI Standard	Disclosure	Location	Deviation		
			Requirement(s) omitted	Reason	Explanation
	<b>2-28</b> Membership associations	16			Member of Swecare and Swedish Medtech.
	<b>2-29</b> Approach to stakeholder engagement	41			
	<b>2-30</b> Collective bargaining agreements	62	2-30	The information is unavailable or incomplete	Arjo acknowledges the right to collective bargaining negotiations and agreements, and follows local regulations in all countries of operation but does not collect country-specific information about collective agreements at global level.
<b>Material topics:</b>					
GRI 3: Material topics 2021	<b>3-1</b> Process to determine material topics	44-45			
	<b>3-2</b> List of material topics	45			
<b>Anti-corruption</b>					
GRI 3: Material topics 2021	<b>3-3</b> Management of material topics	74-76			
GRI 205: Anti-corruption 2016	<b>205-1</b> Operations assessed for risks related to corruption	74-76	205-1 a, b	The information is unavailable or incomplete	Corruption risks are assessed but not at a detailed level stipulated under 205-1 a and the share of the operations assessed for risks related to corruption was not available for 2024.
	<b>205-2</b> Communication and training about anti-corruption policies and procedures	74-76	205-2	The information is unavailable or incomplete	Arjo has not collected sufficiently detailed data for 2024 and does not report the number, share or region of senior employees trained in anti-corruption.
	<b>205-3</b> Confirmed incidents of corruption and actions taken	76			
<b>Emissions</b>					
GRI 3: Material topics 2021	<b>3-3</b> Management of material topics	46-54			
	<b>305-1</b> Direct (scope 1) greenhouse gas emissions	52			
	<b>305-2</b> Energy indirect (scope 2) greenhouse gas emissions	53			
	<b>305-3</b> Other indirect (scope 3) greenhouse gas emissions	53-54			
	<b>305-4</b> Greenhouse gas emissions intensity	53			
	<b>305-5</b> Reduction of greenhouse gas emissions	53			
<b>Employment</b>					
GRI 3: Material topics 2021	<b>3-3</b> Management of material topics	62-68			
GRI 401: Employment 2016	<b>401-1</b> New employee hires and employee turnover	67			
<b>Occupational health and safety</b>					
GRI 3: Material topics 2021	<b>3-3</b> Management of material topics	65			



## GRI-INDEX

GRI Standard	Disclosure	Location	Deviation		
			Requirement(s) omitted	Reason	Explanation
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	65			
	403-2 Hazard identification, risk assessment, and incident investigation	68			
	403-3 Occupational health services	—	403-3	The information is unavailable or incomplete	Workers' access to occupational health services varies between countries and is governed locally. Aggregated data is not available.
	403-4 Worker participation, consultation, and communication on occupational health and safety	65	403-4 b	The information is unavailable or incomplete	Occupational health and safety committee meetings are planned and held locally and aggregated data on the number of meetings is not available.
	403-5 Worker training on occupational health and safety	65			
	403-6 Promotion of worker health	—	403-6	The information is unavailable or incomplete	Workers' access to non-occupational health services and health and medical care services varies between countries and is governed locally. Aggregated data is not available.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	65, 69	403-7	The information is unavailable or incomplete	Arjo does not collect any information on occupational health and safety in the value chain. For information on Arjo's work on screening suppliers based on environment and occupational health and safety, see the section Workers in the value chain, page 69.
	403-8 Workers covered by an occupational health and safety management system	68			
	403-9 Work-related injuries	68	403-9	The information is unavailable or incomplete	Arjo reports incidents and accidents for employees and non-employees jointly.
<b>Diversity and Equal Opportunity</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	63-64, 67			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	67			
<b>Customer health and safety</b>					
GRI 3: Material topics 2021	3-3 Management of material topics	70			
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	70-71			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	73			

# Risk management and risk analysis

Arjo sells products and services through its own companies and distributors to customers in more than 100 countries. The Group also has suppliers of direct materials in more than 50 countries and production in five countries. The company is thus exposed to a number of strategic, operational, financial and compliance-related risks, and risk management is a natural element of day-to-day operations.

Assessing, managing and preventing risks are important aspects of Arjo's strategic planning process and internal control process. The major focal point of Arjo's risk activities is the prevention of risk. This work is led by the Internal Control function and is governed through Arjo's policy for risk management and internal control.

This policy states that the Board has the ultimate responsibility for the Group's risk management and approves the company's risk management policy. The Management Team is responsible for identifying, evaluating and managing risks within their respective areas of responsibility.

## Risk assessment process

The Management Team conducts a yearly risk assessment that is led by the company's Chief Financial Officer (CFO) and the Internal Control function, in accordance with the company's directive on risk management and internal control. The purpose of the assessment is to identify and analyze the company's most

material risks and any events that could impact Arjo's ability to carry out the company's strategy and achieve its objectives and visions. The Management Team also conducts an annual risk assessment from a sustainability perspective. The most material sustainability risks that are deemed to affect the company's strategy are added to the evaluation from a Group perspective and are thus incorporated into the company's risk management process. The risk assessment results in a risk register containing descriptions of the company's most critical risks, their impact on the company, how they are managed by the responsible function and an assessment of the likelihood that listed risks may occur in a specific time period. The main risks are then illustrated in a risk map presented to the Audit Committee by the CFO and Internal Control, and to the Board by the company's CFO. Identifying risks from a Group perspective enables management and the Board to examine and adapt key risks and assess how the company is to respond to and monitor them. Arjo's risk assessment process is outlined in the illustration on the next page.

## Arjo's risk assessment process



## Risk assessment 2024



### First quarter

An assessment of the company's risks and opportunities in sustainability was carried out (double materiality assessment) in the first quarter.



### Second quarter

As part of preparations for the Management Team's risk assessment, the most material sustainability risks from the double materiality assessment were incorporated and in April, the annual risk assessment plan was presented and relevant materials were distributed to all members of the Management Team. In May, the risk assessment was carried out with the Management Team, and risk managers were tasked with the following:

- Identifying material risks in their risk area.
- Defining how risks are managed and monitored in the organization.
- Assessing risks based on probability and impact after mitigating actions.



### Third quarter

In August, a consolidated risk map was presented to, and examined by, the Management Team.



### Fourth quarter

In October, the highest ranked risks on Arjo's risk map were presented to the Audit Committee by the CFO and Internal Control. In December, the highest ranked risks on Arjo's risk map were presented to the Board by the company's CFO.

## Arjo's primary risks and risk management

Risk	Description of risk	Management of risk
Customers and healthcare reimbursement systems	Political decisions in countries where Arjo conducts business could, as a result, limit or discontinue funding of public and private healthcare. This could affect the establishment of new hospitals and other healthcare facilities and their purchase of healthcare products. Sales of the Group's products are, in some markets, dependent on the healthcare reimbursement system where it is often the patient's insurance company that – within the framework of the existing political reimbursement system – funds or subsidizes products for the patient. Sales of Arjo's products in these markets are dependent on Arjo's products having been approved for reimbursement under the above mentioned reimbursement systems.	Since Arjo conducts business in many different countries and markets, this risk is limited for the Group as a whole. As part of Arjo's strategy, the Group is increasingly investing in demonstrating the clinical and financial benefits of the Group's products and solutions, something that further limits these risks.
Research and development	Arjo's growth is dependent on the continued expansion of new product segments and new product types in existing product segments, which is in turn dependent on the Group's ability to influence, predict, identify and respond to changing customer preferences and needs. Arjo invests in research and development in order to produce and launch new products, but there is no guarantee that any new products will achieve the same degree of success as previous generations of products. Nor is there any certainty that Arjo will succeed in predicting or identifying trends in customer preferences and needs. There is also the risk that Arjo is not as quick in identifying trends as its competitors.	To maximize the return on R&D initiatives and to ensure the correct priorities are made when making decisions about potential projects, the Group follows a structured selection and planning process. This process includes careful market analysis, technological progress, circularity, the product's life cycle, choice of production method and choice of subsuppliers. Arjo focuses on outcome-based products and solutions that result in more patients receiving high-quality care while simultaneously improving resource efficiency. This is expected to drive demand from end customers and thus contribute to increased growth.
Protecting and managing the infringement of intellectual property rights	Arjo invests significant financial amounts in research and development, and is continuously developing new products. To secure revenue from these investments, new products and technologies must be protected from unlawful use by competitors.	Arjo protects its intellectual property rights by registering patents, design and trademarks if possible and appropriate. The Group is also dependent upon know-how and trade secrets that cannot be protected under intellectual property law. Clear instructions are in place within the Group for how to prevent, investigate and manage potential infringements. In addition, procedures are in place to ensure efficient maintenance of existing intellectual property.
Changes related to general economic and political conditions	Arjo operates in many parts of the world and is, like other companies, affected by general global economic, financial and political conditions. Demand for Arjo's medical devices and solutions is influenced by various factors, including macroeconomic trends. Uncertainty about future economic prospects, including political concerns, could adversely affect customers' decisions to buy Arjo's products and solutions, which in turn would adversely affect Arjo's operations, financial position and results. Furthermore, changes in the political situation in a region or country, or political decisions affecting an industry or country, could also have a material adverse impact on sales of Arjo's products.	Since Arjo operates in a large number of geographical markets, this risk is limited for the Group as a whole. Since March 2, 2022, Arjo has stopped all deliveries and production of equipment to Russia until further notice due to Russia's invasion of Ukraine. This is in line with global sanctions against the country. Given the geopolitical, and in some respects economic, instability that has arisen since the war of aggression began, Arjo is closely monitoring developments. Given the size of the US market, political decisions such as trade barriers in the form of raising tariffs and related counter-measures, may have an impact on Arjo's operations, and therefore the company is closely monitoring developments in the country, as well as developments in the Middle East region.
Product liability and damage claims	As a medical device supplier, Arjo, like other companies in the medical device industry, may sometimes be subject to claims related to product liability and other damage claims. Such claims could involve large financial amounts, result in significant legal expenses and negatively affect the company's reputation and customer relationships.	Arjo limits the risk of product liability and other damage claims related to its products and their use through the company's extensive quality and safety activities. A comprehensive insurance program is also in place to cover any liability risks (including product liability) to which the Group is exposed.

## Arjo's primary risks and risk management

Risk	Description of risk	Management of risk
Risks in the value chain	Unpredictable and sudden events could lead to disruptions in production or supply chain, which could lead to both increased costs and delayed or non-deliveries to Arjo's customers. In turn, this could negatively impact the Group's financial results.	Arjo works continuously to identify and as far as possible prevent risks in the value chain, both in terms of ensuring the availability of materials in the production stage and in terms of delivery reliability to our customers. Due to the escalated conflict in the Middle East, with the Strait of Hormuz having become another area of conflict, Arjo is closely monitoring developments to avoid any negative impact in its value chain to the greatest degree possible.
Authorities and supervisory bodies	The healthcare market is highly regulated in all of the countries where Arjo operates. Arjo's product range is subject to legislation, including EU Directives and implementing acts regarding medical devices, and the US Food and Drug Administration's (FDA) regulations and related quality systems requirements, which also encompass comprehensive evaluation, quality assurance and product documentation.	Arjo devotes significant efforts and resources to implementing and applying guidelines to ensure regulatory compliance. Annual audits are performed by designated accreditation bodies to ensure compliance for continued CE marking of Arjo's products and international legal requirements, including the FDA, MDSAP, EU MDR and UK MDR. All of the Group's production facilities are also certified according to ISO 13485 (Medical devices – quality management systems) and ISO 9001 (Quality management systems) from BSI.
Financial risk management	Through its operations, Arjo is exposed to a number of financial risks. These risks mainly comprise currency risk, interest-rate risk, credit and counterparty risk and tax risk. Of these, currency risk is the most material. For more information, see Note 27 Financial risk management on pages 134–136.	Arjo's risk management is regulated by a risk management and internal control policy adopted by the Board. Ultimate responsibility for managing the Group's financial risks and developing methods and policies for mitigating these risks lies with the Management Team and Group Finance.
Risk of cyber attacks	Arjo is dependent on IT and its surrounding infrastructure and thus is exposed to the risk of cyber attacks and other forms of intrusion and data security.	To combat potential risks in this area, a defined governing process is in place. The Group actively conducts risk assessments of the IT infrastructure and sensitive data that include testing within both areas. This also includes defined mitigating processes and controls, known as IT General Control (ITGC), to protect the company. The internal control environment is evaluated annually by the company's CISO and by external auditors in accordance with ISAE 3402. Sensitivity analyses and penetration and restoration tests are performed regularly during the year to ensure sufficient security levels for systems, processes and data. All employees receive IT security training. This training course is also mandatory for all new employees.
Sustainability risks	Sustainability has become increasingly prioritized within the company and from Arjo's stakeholders. Investors, customers and other stakeholder have a higher degree of awareness of sustainability-related risks in the supply chain, in own operations, and in the distribution and user stages, which is essential in order to manage and apply controls to address these risks.	Arjo works to systematically identify, analyze and manage sustainability-related risks and their impact on the Group's operations and the environment. These efforts includes the annual double materiality assessment to identify and map sustainability risks. Targets and commitments are also continually monitored by evaluating different units in the company and suppliers. Activities, processes and measures are regularly implemented to manage identified sustainability risks. The Group has an established governance structure that involves both the Management Team and the Board, and efforts to improve the company's sustainability work and minimize related risks take place continuously.

# Corporate governance

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# Corporate governance at Arjo

Arjo AB (publ) is a Swedish public limited liability company listed on Nasdaq Stockholm, Mid Cap segment. Arjo's corporate governance is based on Swedish legislation, Arjo's Articles of Association, the Swedish Corporate Governance Code, Nasdaq Stockholm's Rule Book for Issuers, and other applicable rules and recommendations. The 2024 Corporate Governance Report is presented here.

## Introduction

Arjo is a global supplier of medical devices and solutions that improve clinical and financial outcomes for healthcare by enabling improved mobility in care settings, and thus contribute to a sustainable healthcare system. Arjo creates value by preventing complications and improving the quality of care for patients, and enabling a safer and more effective work environment for healthcare professionals. Arjo's main customers are public and private institutions providing acute and long-term care. Confidence in Arjo and its products is entirely decisive for continued sales successes. Corporate governance is aimed at ensuring the continued strong perfor-

mance of the Group by ensuring that Arjo fulfills its obligations to shareholders, customers, employees, suppliers, creditors and society. The Group's corporate governance and internal regulations are consistently geared toward business objectives and strategies. The Group's risks are well-analyzed and risk management is integrated in the work of the Board and in operational activities. Arjo's organization and governance are designed to be able to react quickly to changes in the market. Operational decision-making is decentralized and close to the customer, while overall decisions on strategy and approach are made by Arjo's Board of Directors and Management Team.

## External and internal regulations

Arjo's corporate governance is based on Swedish legislation such as the Companies Act and the Annual Accounts Act, and external governing instruments, including Nasdaq Stockholm's Rule Book for Issuers, and the Swedish Corporate Governance Code (the "Code"). The Code is based on the "comply or explain" principle, which means that a company that applies the Code does not always have to comply with every rule in the Code and instead can choose alternative solutions that are deemed to be more suitable to the company's specific circumstances. This requires that each deviation is reported, the chosen solution is described and that an explanation

## 2025 Annual General Meeting

Arjo's Annual General Meeting will be held on April 29, 2025 in Malmö, Sweden, with the option of postal voting. For further information, visit Arjo's website, [www.arjo.com](http://www.arjo.com)

## Main decisions at 2024 Annual General Meeting

- Adoption of the income statement and the balance sheet for the Parent Company and the consolidated income statement and the consolidated balance sheet for the 2023 fiscal year
- Dividend of SEK 0.90 per share
- Discharge from liability for the Board members and CEO for their administration of the company for the 2023 fiscal year
- Re-election of all Board members: Johan Malmquist (Chairman), Carl Bennet, Eva Elmstedt, Dan Frahm, Ulf Grunander, Carola Lemne and Joacim Lindoff, and election of new Board member Ulrika Dellby
- Approval of the Board's proposed guidelines for remuneration of senior executives
- Remuneration of Board and auditors
- Re-election of Öhrlings Pricewaterhouse Coopers AB as auditor with Vicky Johansson as auditor in charge
- Approval of the Board's remuneration report in accordance with Chapter 8, Section 53 a of the Swedish Companies Act
- More information about the Annual General Meeting and the complete minutes are available on Arjo's website

## ARJO'S CORPORATE GOVERNANCE

for the deviation is presented. Arjo's only deviation from the Code's rules in 2024 was from item 2.4, that the Chairman of the Board or another Board member may not be the Chairman of the Nomination Committee. The Nomination Committee appointed Carl Bennet, Board member and owner of the company's largest shareholder Carl Bennet AB, as Chairman of the Nomination Committee since the Nomination Committee believes it to be important to have a representative of the largest shareholder as the Chairman of the Nomination Committee. The company complies with the Swedish Securities Council's statement on good practice in the Swedish stock market. The internal governing documents relating to Arjo's corporate governance include Arjo AB's Articles of Association, instructions and formal work plan for the Board of Directors, Board committees and CEO, various policies and guidelines as well as Arjo's Code of Conduct and Guiding Principles. The Articles of Association are available on Arjo's website [www.arjo.com](http://www.arjo.com) under corporate governance.

## General Meetings

Shareholders exercise their rights to make decisions concerning Arjo's affairs at the General Meeting (Annual General Meeting and Extraordinary General Meetings), which is Arjo's highest decision-making body. The Annual General Meeting will be held

each year before the end of June in Malmö, Sweden. Extraordinary General Meetings can be convened when required. The General Meeting resolves on a number of issues, including the adoption of the income statement and balance sheet, appropriation of Arjo's profit or loss, discharge of Board members and the CEO in relation to the company, the structure of the Nomination Committee, the election of Board members (including the Chairman) and auditors. The General Meeting also resolves on remuneration of Board members and auditors, guidelines for the remuneration of the CEO and other senior executives, and any amendments to the Articles of Association. At the Annual General Meeting, shareholders are entitled to address questions about the company and its results for the year in question. Notices of Annual General Meetings and Extraordinary General Meetings at which amendments to the Articles of Association are to be addressed shall be served not earlier than six weeks and not later than three weeks prior to the meeting. Notices of other Extraordinary General Meetings shall be served not earlier than six weeks and not later than two weeks prior to the Meeting. Notification of the convening of General Meetings is issued through an advertisement being placed in Post- och Inrikes Tidningar and on [www.arjo.com](http://www.arjo.com). At the time of notice, an announcement that the notice has been issued is to be pub-

lished in Svenska Dagbladet. Shareholders who wish to participate in a general meeting shall be recorded in a print-out or other representation of the entire share register as per the record date of the general meeting, as determined in accordance with the Swedish Companies Act and notify the company of their intention to participate by the date specified in the notice convening the Meeting. The last mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the Meeting.

## Shareholders

For more information about the shareholders and the share, see pages 160-161 and [www.arjo.com](http://www.arjo.com).

## 2024 Annual General Meeting

The AGM was held on April 18, 2024. The AGM resolved to adopt the income statement and balance sheet presented and to approve the Board's proposed appropriation of profits.

## 2025 Annual General Meeting

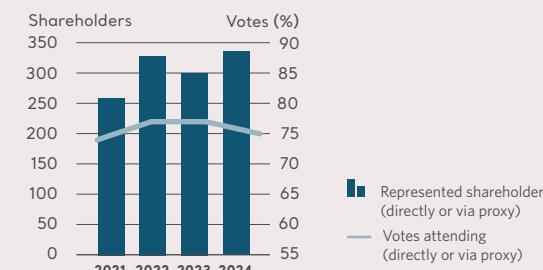
Arjo's Annual General Meeting will be held on April 29, 2025 in Malmö, Sweden, with the option of postal voting. For further information, visit Arjo's website, [www.arjo.com](http://www.arjo.com).

## Nomination Committee

In accordance with the resolution of Arjo's 2020 Annual General Meeting, the Nomination Committee in respect of the Annual General Meeting shall be composed of members appointed by the three largest shareholders in terms of voting rights, based on a list of owner-registered shareholders from Euroclear Sweden AB or other reliable ownership information, as of August 31 of each year, and the Chairman of the Board of Directors.

In addition, if the Chairman of the Board, in consultation with the member appointed by the largest shareholder in terms of voting rights, deems it appropriate, it shall include an, in relation to the company and its major shareholders, independent representative of the minor shareholders as a member of the Nomination

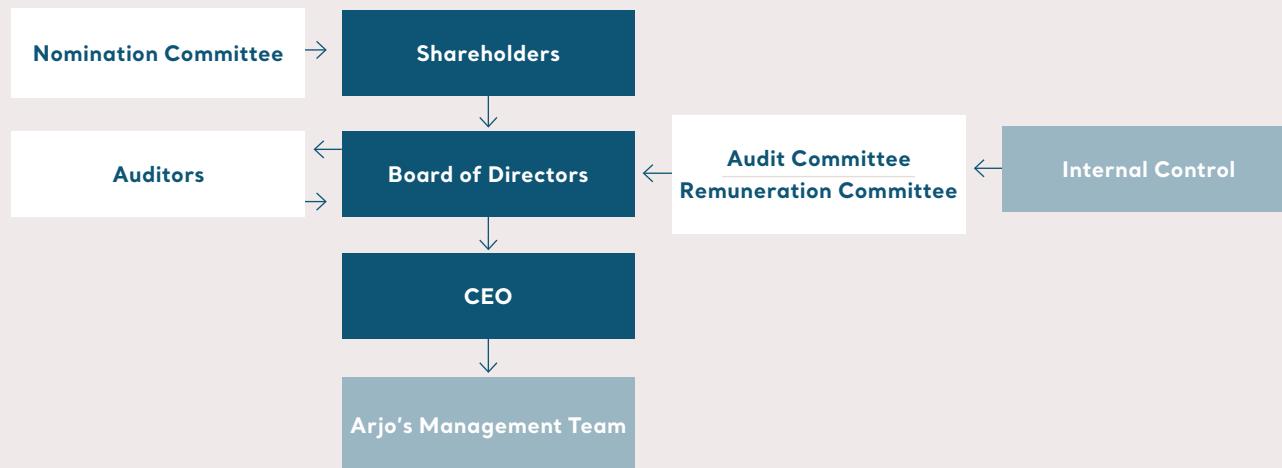
### Attendance at the AGM



### Nomination Committee ahead of 2025 Annual General Meeting

**Carl Bennet**, Chairman of Nomination Committee and Vice Chairman of the Board, Carl Bennet AB  
**Jannis Kitsakis**, Fourth Swedish National Pension Fund  
**Tomas Risbecker**, Svolder AB  
**Johan Malmquist**, Chairman of the Board

## ARJO'S CORPORATE GOVERNANCE

**External governing instruments (selection)**

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm Rulebook for Issuers
- Swedish Corporate Governance Code ("the Code")

**Internal governing instruments (selection)**

- Articles of Association
- Instructions and formal work plan for the Board of Directors, Board committees and CEO
- Policies and guidelines (e.g. in finance, HR, communication, internal control and compliance)
- Code of Conduct
- Guiding Principles

Committee. The Committee member representing the largest shareholder in terms of the number of votes is to be appointed Chairman of the Nomination Committee. The Nomination Committee is to present proposals on the Chairman of General Meetings, the Board of Directors, the Chairman of the Board, auditors, Board fees as specified between the Chairman and other Board members, remuneration for Committee work and fees to the company's auditors.

**Nomination Committee ahead of 2025 Annual General Meeting**

Ahead of the 2025 Annual General Meeting, Arjo's Nomination Committee comprised Chairman Carl Bennet (Carl Bennet AB), Jannis Kitsakis (Fourth Swedish National Pension Fund), Tomas Risbecker (Svolder), and Board Chairman Johan Malmquist. From its statutory meeting until the submission of the Annual Report, the Nomination Committee held two meetings. As a basis for its proposal to the 2025 AGM, the Nomination Committee made an assessment as to whether the current Board of Directors is suitably composed and meets the demands that are placed

on the Board in view of the company's operations, position and other conditions including relevant sustainability aspects. The Nomination Committee interviewed two of the company's Board members and discussed the principal demands that should be made of Board members, including the requirement for independent members, and considered the number of Board assignments each member has for other companies, as well as highlighting the issue of a more even gender distribution. The Nomination Committee has announced that it applied rule 4.1 of the Code as diversity policy in preparing proposals of Board members ahead of the 2025 AGM. The aim of the policy is that the Board is to

## ARJO'S CORPORATE GOVERNANCE

have a composition appropriate to the company's operations, phase of development and other relevant circumstances and to exhibit diversity and breadth of qualifications, experience and background, and strive for an equal gender distribution. The Nomination Committee also examined any nomination proposals. The Chairman of the Board presented the Board evaluation, which was carried out via a questionnaire and interviews with individual Board members.

**Board of Directors****Composition and Board members' independence**

According to the Articles of Association, Arjo's Board of Directors is to comprise not fewer than three (3) and not more than ten (10) members elected by the Annual General Meeting for the period up until the end of the next Annual General Meeting.

The Board members are elected annually at the AGM to serve for the period up to and including the next AGM. Employees have the right to appoint two representatives and two deputy members to the Board. At the AGM held on April 18, 2024, Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne, Joacim Lindoff and Johan Malmquist were elected

**Board of Directors and Committees in 2024**

	Year elected	Independent	Committees		Board meetings, total of 8	Attendance at meetings		Audit Committee, total of 5	Remuneration Committee, total of 3
			Audit Committee	Remuneration Committee		Audit Committee, total of 5	Remuneration Committee, total of 3		
Johan Malmquist, Chairman of the Board	2017	Yes		Chairman	● ● ● ● ● ● ● ●				● ● ●
Carl Bennet	2017	No <sup>1)</sup>		Member	● ● ● ● ● ● ● ●				● ● ●
Carola Lemne <sup>3)</sup>	2017	Yes	Member	Member	● ● ● ● ● ● ● ●		● ●		● ●
Ulf Grunander	2017	Yes	Chairman		● ● ● ● ● ● ● ●			● ● ● ● ●	
Eva Elmstedt	2017	Yes	Member		● ● ● ● ● ● ● ●			● ● ● ● ●	
Joacim Lindoff <sup>4)</sup>	2017	No <sup>2)</sup>			● ● ● ● ● ● ● ●				
Dan Frohm	2019	No <sup>1)</sup>	Member	Member	● ● ● ● ● ● ● ●			● ● ● ● ●	● ● ●
Ulrika Dellby <sup>5)</sup>	2024	Yes	Member		● ● ● ● ● ● ● ●			● ● ●	
<b>Board members appointed by employees</b>									
Sten Börjesson <sup>6)</sup>	2021				● ● ● ● ● ● ● ●				
Kajsa Haraldsson	2020				● ● ● ● ● ● ● ●				
Madeléne Carlsson <sup>7)</sup> (deputy)	2024				● ● ● ● ● ● ● ●				
Jimmy Linde (deputy)	2020				● ● ● ● ● ● ● ●				

1. Not independent in relation to the company's major shareholders

2. Not independent in relation to the company and executive management

3. At the statutory Board meeting on April 18, 2024, it was decided that Carola Lemne would leave her role as a member of the Audit Committee and it was also decided that Carola Lemne would become a member of the Remuneration Committee.

4. Joacim Lindoff stepped down from the Board when he left his position as President & CEO of Arjo in January 2025.

5. At the Annual General Meeting on April 18, 2024, Ulrika Dellby was elected a member of the Board of Arjo AB, and at the statutory Board meeting on April 18, 2024 it was decided that Ulrika Dellby would become a member of the Audit Committee.

6. At the Union's Board meeting on December 21, 2023, it was decided that Sten Börjesson would take over the role of Board member when Eva Sandling Gralén left on March 31, 2024.

7. At the Union's Annual General Meeting on March 14, 2024, Madeleine Carlsson was elected as a deputy Board member (employee representative).

## ARJO'S CORPORATE GOVERNANCE

Board members and Ulrika Dellby was elected as a new Board member. Joacim Lindoff stepped down from the Board when he left his position as President & CEO of Arjo in January 2025. Arjo's Legal Counsel serves as secretary to the Board and other executives of Arjo participate in Board meetings as rapporteurs for special issues. According to the Code, a majority of the Board members elected by the Meeting are to be independent in relation to Arjo and the Management Team. In addition, in accordance with the Code, at least two of the Board members who are independent in relation to Arjo and the Management Team, must also be independent in relation to the company's major shareholders. The composition of Arjo's Board meets the requirements of independence stipulated in the Code. The Board members' individual shareholdings, their independence in relation to the company, executive management and major shareholders as well as their other assignments in other companies are found in the presentation of Board members on pages 102-104. It is the responsibility of each Board member to continuously assess whether assignments outside the company may entail a conflict of interest, such as participating on other Boards or shareholdings with suppliers, etc. The Board members must, when necessary, inform and consult the Chairman of the Board.

### Board Chairman's responsibility

The Chairman of the Board follows Arjo's operations through continuous contact with the CEO. The Chairman organizes and heads the Board's work, and is responsible for ensuring that the other Board members receive satisfactory information and documentation for decision-making. The Chairman is also responsible for ensuring that new Board members continuously update and deepen their knowledge of Arjo and otherwise receive the continuous training required to enable Board work to be conducted efficiently. It is also the Chairman who is responsible for contacts with shareholders regarding ownership issues and for ensuring that the Board evaluates its work annually. The Board's work and management of financial and sustainability issues are evaluated

in cooperation with an external partner. The entire results are presented to the Board and the Nomination Committee.

### Board of Directors' responsibility and work

The work of the Board of Directors is governed mainly by the Swedish Companies Act, the Code and the Board's formal work plan. The Board's formal work plan also states that the Board's overall assignment is to assume responsibility for the Group's organization and management of its business, adoption of the Group's overall goals, development and follow-up of the overall strategies, decisions about major acquisitions, divestments and investments, decisions regarding potential placements and loans in accordance with the finance policy, continuous follow-up of the operations, adoption of the quarterly reports and year-end reports, and the continuous evaluation of the CEO. The Board is also responsible for ensuring the quality of the financial reporting and sustainability reporting, including systems for monitoring the internal control of Arjo's financial reporting and position as well as sustainability reporting (see "Internal control"). The Board receives monthly updates from management about critical events and regular updates take place between meetings as necessary. In addition, the Board shall ensure that Arjo's external information disclosure is characterized by openness and is correct, relevant and clear. The Board is also responsible for adopting the required guidelines and other policy documents, such as the communications policy and the insider policy. Recurring items on the agenda of the Board's meetings include the following: business situation, project status, market issues, succession and leadership questions, risk management, quality monitoring, adoption of the interim report, strategic review, future outlook, and economic, financial and sustainability reporting that includes collecting important information from internal and external stakeholder groups. The Board held its statutory meeting on April 18, 2024 and convened eight times in 2024, with an average attendance rate of 97 percent of the elected members. At its scheduled meetings, the Board addressed fixed agenda items in

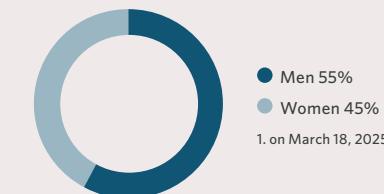
accordance with the Board's formal work plan and other ongoing accounting and legal business matters.

During the year, the Board monitored the development of the EU legislation on sustainability reporting CSRD and underwent an external CSRD training course in January 2024.

### Board committees

From among its own numbers, the Board established two committees, the Audit Committee and the Remuneration Committee, both of which work within the instructions established by the Board.

### Gender distribution of Board, including employee representatives (regular and deputies)<sup>1)</sup>



### New Board member 2024

Ulrika Dellby was elected a new Board member at the 2024 Annual General Meeting.

## Work of the Board of Directors in 2024

### January

- Year-End Report
- Auditor's report
- Review of the company's work on quality and regulatory compliance
- Review of the company's risk map (for 2023)
- Board evaluation
- Evaluation of the CEO
- Report from Audit Committee
- Report from Remuneration Committee

### April

- Interim Report Q1
- Review of the company's purchasing and supply chain strategy
- Review of the company's IT strategy
- Report from Audit Committee
- Statutory Board meeting

### July

- Interim Report Q2
- Report from Audit Committee

### October

- Interim Report Q3
- Review of the company's sustainability efforts
- Report from Audit Committee
- Report from Remuneration Committee

### March

- Adoption of Annual Report incl. corporate governance report, sustainability report and remuneration report

### September

- Visit to Arjo's unit in Poznan, Poland
- Review of the overall strategy process
- Review of product portfolios
- Review of the company's work within quality and regulatory compliance

### December

- Establishment of annual plan for 2025
- Adoption of long range plan for 2027
- Review of the company's work on ethics and compliance
- Review of the company's risk map (for 2024)
- Succession planning and Talent Management
- Report from Remuneration Committee

## ARJO'S CORPORATE GOVERNANCE

**Audit Committee**

The Audit Committee is to monitor the processes in Arjo's financial reporting and ensure and monitor the efficiency of the company's internal control by reporting from the Internal Control Group function. Part of the work is to remain informed about the external audit of the annual report and consolidated financial statements, review and monitor the impartiality and independence of the auditors and, in particular, whether the auditors have provided the company with services other than auditing services. In regards to sustainability and as instructed by the Board, the Audit Committee has worked with Arjo's sustainability efforts with a particular focus on monitoring sustainability activities and strengthening the internal control program for sustainability reporting.

The Audit Committee meets regularly with the auditor to discuss the coordination of internal control and external auditing. Additionally, the Audit Committee is to assist the Nomination Committee in proposals for the AGM resolution on the election of auditors by, for example, ensuring that the auditor's mandate period does not exceed the time permitted by applicable laws, managing the procurement of auditing services (if appropriate) and submitting a recommendation of a proposal to the Nomination Committee. The Committee shall also inform the Board of the result of the audit, including how the audit has verified the company's financial statements, and otherwise conduct the work required to meet all of the requirements contained in the EU Audit Regulation. In addition, the Audit Committee will resolve on guidelines for the procurement of services other than audit services from the company's auditor and, if appropriate, approval of such services. Finally, the Audit Committee will evaluate the work of the auditor and inform the Nomination Committee of the result of this evaluation.

In 2024, Arjo's Audit Committee comprised Board members Ulf Grunander (Chairman), Eva Elmstedt, Dan Frohm, Carola

Lemne (until the AGM on April 18) and Ulrika Dellby (new member from the AGM on April 18). The Committee meets the requirements of the Swedish Companies Act regarding auditing and audit competence.

In 2024, the Committee held five minuted meetings, including informal contact when necessary. The attendance of members at the Committee meetings is presented in the table above. The company's auditors participated in all meetings convened by the Audit Committee. Jointly with the auditors, the Committee discussed and established the scope of the audit. Other executives of Arjo participate in Audit Committee meetings as rapporteurs for special issues.

**Audit Committee**

Member	Attendance at meetings
Ulf Grunander (Chairman)	5/5
Eva Elmstedt	5/5
Dan Frohm	5/5
Carola Lemne <sup>1)</sup>	2/5
Ulrika Dellby <sup>2)</sup>	3/5

**Remuneration Committee**

The Remuneration Committee's main tasks of the Committee are to prepare the Board's decisions in matters involving remuneration principles, remuneration and other employment terms and conditions for the CEO and other senior executives, and to monitor and evaluate programs involving variable remuneration of the Management Team that are ongoing and were concluded during the year. The Committee will also monitor and evaluate the application of remuneration guidelines for senior executives that the Annual General Meeting resolved upon, as well as the applicable remuneration structures and remuneration levels within the com-

pany. If necessary, the work of the Remuneration Committee can be carried out with the support of external expertise on issues related to remuneration levels and structures.

The Remuneration Committee in 2024 comprised Johan Malmquist (Chairman), Carl Bennet, Dan Frohm and Carola Lemne (new member from the AGM on April 18). In 2024, the Committee held three minuted meetings, including informal contact when necessary. The attendance of members at the Committee meetings is presented in the table above.

During the year, the Remuneration Committee gave the Board its recommendations concerning policies for the remuneration of senior executives. The recommendations included the proportion between fixed and variable remuneration, the size of possible pay increases and proposed criteria for assessment of bonus outcomes. The Board discussed the Remuneration Committee's proposals and decided in line with the Remuneration Committee's recommendations. Remuneration of the CEO for the 2024 fiscal year was decided by the Board taking into account the Remuneration Committee's recommendations. Remuneration of other senior executives was decided by the CEO in consultation with the Chairman of the Board. The Remuneration Committee also carried out an evaluation of compliance with the guidelines for senior executives.

**Remuneration Committee**

Member	Attendance at meetings
Johan Malmquist (Chairman)	3/3
Carl Bennet	3/3
Dan Frohm	3/3
Carola Lemne <sup>1)</sup>	2/3

1. At the statutory Board meeting on April 18, 2024, it was decided that Carola Lemne would leave her role as a member of the Audit Committee. It was also decided that Carola Lemne would become a member of the Remuneration Committee.

2. At the Annual General Meeting on April 18, 2024, Ulrika Dellby was elected a member of the Board of Arjo AB, and at the statutory Board meeting on April 18, 2024 it was decided that Ulrika Dellby would become a member of the Audit Committee.

## Remuneration of Board of Directors

It was resolved that fees, excluding Committee fees, would be paid to the Board in the total amount of SEK 5,867,400, of which SEK 1,649,400 to the Chairman and SEK 703,000 to each of the other Board members who are elected by the AGM and are not employed by the Group. Furthermore, the AGM decided that remuneration for the work of the Audit Committee was to be paid in the amount of SEK 292,000 to the Chairman and SEK 146,000 to each of the other members, and that remuneration for the work of the Remuneration Committee was to be paid in the amount of SEK 156,800 to the Chairman and SEK 111,400 to each of the other members. For complete information regarding remuneration of senior executives, see Note 3.

## CEO and Management Team

The CEO is responsible for the ongoing management and development of Arjo in accordance with applicable legislation and regulations, including Nasdaq Stockholm's Rule Book for Issuers, the Code and the guidelines, instructions and strategies established by the Board of Directors. The CEO is to ensure that the Board of Directors receives objective and relevant information as required for the Board to make well-founded decisions. If critical events occur, the CEO is responsible for informing the Board as soon as possible. Critical events that must be addressed by the Board could be, but are not limited to, cases of fraud, major audit

deviations, organizational changes, regulatory non-compliance and hacking. In addition, the CEO oversees that Arjo's goals, policies and strategic plans as established by the Board are followed and is responsible for informing the Board of Arjo's performance between Board meetings. The CEO heads the work of the Management Team, which is responsible for overall business development. In addition to the CEO, the Management Team at year-end 2024 comprised the CFO, EVP Legal & Business Compliance, EVP Human Resources & Sustainability, EVP Quality & Regulatory Compliance, EVP Supply Chain and Product Development & Operations, EVP Communication & Public Relations, EVP Global Marketing and President Global Sales & Service. The Management Team is presented on pages 105-106. For information regarding remuneration, any share-related incentive programs and terms of employment for the CEO and other senior executives, see Note 3.

## External auditing

Arjo's Annual General Meeting elects external auditors for one year at a time. The auditors review the Annual Report and accounts, as well as the administration by the Board of Directors and the CEO, according to an audit plan adopted in consultation with the Board's Audit Committee. In conjunction with the audit, the auditors report their observations to the Management Team for consideration and then to the Board of Directors through the Audit Committee. The Board meets the auditors at least once a year, when they report their observations directly to the Board without the presence of Arjo's CEO or CFO. The auditors also take part in the Annual General Meeting, where they summarize their audit work and provide their recommendation for the Auditor's Report. Öhrlings PricewaterhouseCoopers AB has been Arjo's firm of auditors since the company was formed, with Authorized Public Accountant Vicky Johansson as Auditor in Charge since April 18, 2024. Vicky Johansson has been the signing auditor for Arjo since 2021 and is also a member of FAR, the institute for the accountancy profession in Sweden.

## Internal control

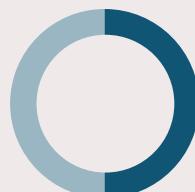
### Introduction

The Board's responsibility for internal control is defined in the Swedish Companies Act, the Annual Accounts Act, which contains information regarding the most important aspects of Arjo's system for internal control and risk management in connection with financial reporting that must be included in the company's Corporate Governance Report each year, and the Code. For example, the Board of Directors is to ensure that Arjo has effective internal control and formalized procedures to ensure compliance with established principles for financial reporting and internal control. Arjo's Audit Committee has declared that the current Internal Control function is sufficient from a corporate governance perspective, and that the Group does not require a separate function for internal audit. Arjo's internal control procedures are based on a framework for internal control published by COSO (Committee of Sponsoring Organizations of the Treadway Commission) and on a control environment that creates discipline and structure for the other components: risk assessment, control activities, information and communication, and follow-up, evaluation and reporting. The procedures have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements, which are to be applied by companies listed on Nasdaq Stockholm. This work involves the Board of Directors, the Arjo Management Team and other personnel.

### Control environment

The Board has adopted instructions and governing documents aimed at regulating the roles and allocation of responsibility between the CEO and the Board. The way in which the Board monitors and ensures the quality of the internal control is documented in the Board's formal work plan and the corporate governance policy, in which the Board has established a number of basic principles that are important for internal control work.

## Gender distribution of Management Team<sup>1)</sup>



- Men 50%
- Women 50%

1. on March 18, 2025

## ARJO'S CORPORATE GOVERNANCE

The internal control work is also presented in other governing documents, such as Arjo's Code of Conduct, directive for risk management and internal control, and other policies established by the Board and directives established by the Management Team. These include checks and follow-ups of outcome compared with expectations and previous years, and supervision of accounting policies, for example, as applied by Arjo. The responsibility for maintaining an effective control environment and the continuous work on risk assessment and internal control regarding the financial reporting is delegated to the CEO. However, the Board of Directors has ultimate responsibility. Managers at various levels within Arjo have, in turn, the corresponding responsibility in their respective areas of responsibility. The Management Team regularly reports to the Board and the Audit Committee following established procedures. Responsibilities, authorities, instructions, guidelines, manuals and policy documents and directives, alongside laws and regulations, comprise the control environment for financial reporting.

### Risk assessment

Arjo conducts continuous risk assessment to identify risks relating to financial reporting. These risks include errors in the financial statements (for example, regarding accounting and valuation of assets, liabilities, revenue and costs, and other deviations), as well as irregularities and fraud. Risk management is built into every process and various methods are used to assess, uncover and prevent risks and to ensure that the risks to which Arjo is exposed are managed in accordance with established policies, directives and instructions.

### Control procedures

The structure of control activities is of particular importance in Arjo's work to prevent and uncover risks and weaknesses in the financial reporting. The control structure comprises clear roles in the organization that enable effective distribution of responsibility for specific control activities, including authorization

controls in the IT system and attestation controls. The continuous analysis made of the financial reporting is very important for ensuring that the financial statements do not contain any material errors.

### Information and communication

Arjo has information and communication procedures to promote completeness and accuracy in the financial reporting. Policies, guidelines and internal instructions regarding financial reporting are available in electronic and printed form. Regular updates regarding amendments to accounting policies, reporting requirements or other disclosures are made available to and known by the relevant employees. Guidelines are in place with respect to external disclosure of information and these were drafted with the aim of ensuring that Arjo complies with the requirements for disseminating correct information to the market.

### Follow-up activities, evaluation and reporting

The Board of Directors assesses the information provided by the Management Team on a continuous basis. Between Board meetings, the Board regularly receives updated financial information regarding Arjo's performance. The Group's financial position, strategies and investments are discussed at every Board meeting. In addition, the Board monitors quality and sustainability related matters. The Board is also responsible for monitoring the internal control. This work includes ensuring that measures are taken to address any weaknesses, as well as following up proposals to address issues highlighted in connection with the external audit. Each year, the company carries out a self-assessment of risk management and internal control activities. The external auditors also report regularly to the Board of Directors.

### Outcome 2024

Every year, the Internal Control Group function performs a self-assessment of the internal control environment of every company. The self-assessment encompasses the control environment

related to the financial reporting, for example, controls in the sales, purchasing, inventory management, salary and accounting processes, and "soft controls" regarding compliance with internal policies and directives. The self-assessments are supplemented with auditing and monitoring of the Internal Control function for selected units and processes if necessary. Both self-assessments and supplementary audits are performed with the GRC tool (governance, risk management and compliance) implemented in 2020, which guarantees a uniform and formalized process and governance model. Since 2021, the audit and follow-up have been carried out in collaboration between Ernst & Young, that performs the ongoing work for the units, and the Internal Control Group function, that has the ultimate responsibility for the process as well as for managing deviations and reporting outcomes and measures. Selected parts of the operations were also monitored during the year together with the Legal & Business Compliance department. This year's self-assessments and monitoring concluded that the Group has a well-functioning control environment for covering material risks related to the financial reporting.

### Continuing work

Arjo's continuing work within Internal Control will remain concentrated on risk assessment, control activities and follow-up/monitoring. Outcomes and any deviations in the control environment are followed up and reported to the process manager and subsequently to the CFO and Audit Committee. Regarding parts of the control environment that are not related to the financial reporting, the Internal Control function works together with the company's compliance functions such as Quality and Regulatory Compliance and Legal and Business Compliance as well as Sustainability.

## BOARD OF DIRECTORS



	<b>Johan Malmquist</b>	<b>Carl Bennet</b>	<b>Ulrika Dellby</b>	<b>Eva Elmstedt</b>
<b>Position and year of birth</b>	Chairman of the Board and Chairman of the Remuneration Committee. Born 1961.	Vice Chairman of the Board and member of the Remuneration Committee. Born 1951.	Board member and member of the Audit Committee. Born 1966.	Board member and member of the Audit Committee. Born 1960.
<b>Training</b>	B.Sc. in Economics, Stockholm School of Economics.	B.Sc. in Economics, University of Gothenburg, econ. Dr.h.c., med. Dr.h.c. and tech. Dr.h.c.	Master of Business Administration, Stockholm School of Economics.	Bachelor degree in Economics and Computer Science, Indiana University of Pennsylvania, USA.
<b>Year elected</b>	2017	2017 (Vice Chairman of the Board since 2018)	2024	2017
<b>Board assignments</b>	Chairman of Getinge AB (publ) and Trelleborg AB (publ) and Board member of Mölnlycke Health Care AB, Stena Adactum AB and Chalmers University of Technology Foundation.	CEO and Chairman of Carl Bennet AB, Chairman of Lifco AB (publ), Vice Chairman of Getinge AB (publ) and Elanders AB (publ) and Board member of L E Lundbergföretagen AB (publ).	Chairman of Fasadgruppen Group AB (publ) and Vice Chairman of BICO AB (publ), Board member of Elanders AB (publ), Lifco AB (publ), Royal Dramatic Theatre, Linc AB (publ) and Werksta Nordic AB.	Chairman of Omegapoint, Nordlo and Seriline, and Board member of AddLife AB (publ), Elanders AB (publ), Fagerhult AB (publ) and Smart Eye AB (publ).
<b>Professional experience and previous assignments/positions</b>	President & CEO of Getinge Group 1997–2015, Business Area Director within Getinge Group, President of Getinge Group's French subsidiary and President of subsidiaries within the Electrolux Group. Former Board member of Essity AB (publ), Elekta AB (publ) and Dunkerintressena.	Previous experience as President & CEO of Getinge 1989–1997 and Board Chairman of Getinge 1997–2019. Former Board member of Holmen AB (publ).	Previous experience as Partner of The Boston Consulting Group and of Fagerberg & Dellby Fond I AB and has been CEO of Brindfors Enterprise IG (now Brand Union), Vice Chairman of Norrporten and Board member of Cybercom Group AB, Kavli Holding AS, SJ AB and the Business Executives Council of the Royal Swedish Academy of Engineering.	Previous experience as EVP Global Services and member of the management team of Nokia Networks and Nokia Siemens Networks, as well as senior positions at Ericsson, telecom operator 3, and Semcon.
<b>Attendance at Board meetings</b>	8/8	7/8	5/8 <sup>2)</sup>	8/8
<b>Attendance at Remuneration Committee meetings</b>	3/3	3/3	—	—
<b>Attendance at Audit Committee meetings</b>	—	—	3/5 <sup>2)</sup>	5/5
<b>Independent in relation to Arjo and its management</b>	Yes	Yes	Yes	Yes
<b>Independent in relation to major shareholders</b>	Yes	No	Yes	Yes
<b>Total remuneration 2024, SEK</b>	1,806,200, of which 156,800 refers to fee for Remuneration Committee.	814,400, of which 111,400 refers to fee for Remuneration Committee.	849,000, of which 146,000 refers to fee for Audit Committee.	849,000, of which 146,000 refers to fee for Audit Committee.
<b>Shareholding in Arjo AB (own and related parties)<sup>1)</sup></b>	500,000 series B shares	18,217,200 series A shares and 49,902,430 series B shares via Carl Bennet AB	15,000 series B shares	100,000 series B shares

1. Shareholdings as per March 18, 2025.

2. At the Annual General Meeting on April 18, 2024, Ulrika Dellby was elected a member of the Board of Arjo AB, and at the statutory Board meeting on April 18, 2024 it was decided that Ulrika Dellby would become a member of the Audit Committee.

## BOARD OF DIRECTORS



	<b>Dan Frohm</b>	<b>Ulf Grunander</b>	<b>Carola Lemne</b>
<b>Position and year of birth</b>	Board member and member of the Audit Committee and Remuneration Committee. Born 1981.	Board member and Chairman of the Audit Committee. Born 1954.	Board member and member of the Audit Committee. Born 1958.
<b>Training</b>	M.Sc. in Industrial Engineering and Management, Linköping University.	B.Sc. in Economics, Stockholm University.	Licensed physician, M.D. and associate professor, Karolinska Institute.
<b>Year elected</b>	2019	2017	2017
<b>Board assignments</b>	Chairman of Elanders AB (publ) and Vice Chairman of Lifco AB (publ). Board member of Getinge AB (publ), Carl Bennet AB and the Swedish-American Chamber of Commerce, Inc.	Chairman of Episurf Medical AB (publ) and Board member of Lifco AB (publ) and Djurgården Hockey AB.	Chairman of Ung Företagsamhet and IRLAB AB (publ), Board member of Hjärt-Lungfonden, Tervestaylo OY and Sophiahemmet. CEO of Calgo Enterprise AB.
<b>Professional experience and previous assignments/positions</b>	CEO of DF Advisory LLC. Former management consultant at Applied Value LLC in New York.	Previous experience as an authorized public accountant, Board assignments in a number of companies in Getinge Group, as well as CFO of Getinge Group 1993–2016, Chairman of Djurgården Hockey AB and Board member of AMF Pensionsförsäkring AB and AMF Fonder.	Previous experience as Medical Director of Pharmacia Sweden, Clinical Research Manager of Pharmacia Corp., CEO of Danderyd Hospital, Secretary General of Confederation of Swedish Enterprise and President of Praktikertjänst AB. Former Chairman of ArtClinic AB and Internationella Engelska Skolan AB, vice chairman of Alecta AB, Board member of Confederation of Swedish Enterprise and Board member of AFA Försäkringar, Research Institute of Industrial Economics, ICC, Getinge AB (publ), Investor AB (publ).
<b>Attendance at Board meetings</b>	7/8	8/8	8/8
<b>Attendance at Remuneration Committee meetings</b>	3/3	—	2/3 <sup>2)</sup>
<b>Attendance at Audit Committee meetings</b>	5/5	5/5	2/5 <sup>2)</sup>
<b>Independent in relation to Arjo and its management</b>	Yes	Yes	Yes
<b>Independent in relation to major shareholders</b>	No	Yes	Yes
<b>Total remuneration 2024, SEK</b>	960,400, of which 146,000 refers to fee for Audit Committee and 111,400 for Remuneration Committee.	995,000, of which 292,000 refers to fee for Audit Committee.	814,400, of which 111,400 refers to fee for Remuneration Committee.
<b>Shareholding in Arjo AB (own and related parties)<sup>1)</sup></b>	230,789 series B shares	107,087 series B shares	13,000 series B shares

1. Shareholdings as per March 18, 2025.

2. At the statutory Board meeting on April 18, 2024, it was decided that Carola Lemne would leave her role as a member of the Audit Committee. It was also decided that Carola Lemne would become a member of the Remuneration Committee.

## BOARD OF DIRECTORS



	<b>Sten Börjesson</b>	<b>Kajsa Haraldsson</b>	<b>Jimmy Linde</b>	<b>Madeléne Carlsson</b>
<b>Position and year of birth</b>	Employee representative, member since 2024 and deputy 2021–2023 <sup>2)</sup> . Born 1967.	Employee representative, member since 2020. Born 1982.	Employee representative, deputy since 2020. Born 1971.	Employee representative, deputy since 2024. Born 1972.
<b>Training</b>	Upper-secondary education in economics and technology.	M.Sc. in Industrial Design Engineering, Chalmers University of Technology.	M.Sc. in Engineering, Chemical Engineering, Faculty of Engineering, Lund University.	Bachelor's degree in Business Finance, Marketing and Leadership/Organization from the School of Business, Economics and Law at the University of Gothenburg, Griffith University, Australia and Halmstad University.
<b>Board assignments</b>	Owner of Hörs Antenn & Elektronikservice.	—	—	—
<b>Professional experience and previous assignments/positions</b>	Employee representative, Board member of Arjo AB 2017–2020 and deputy 2021–2023. Board member (employee representative) of Getinge AB 2007–2015. Employed in Arjo's subsidiary, ArjoHuntleigh AB.	Employee representative, deputy Board member Arjo AB 2017–2019. Employed in Arjo's subsidiary, ArjoHuntleigh AB.	Previous experience at AstraZeneca 1996–2017. Employed in Arjo's subsidiary, ArjoHuntleigh AB.	Previous experience as Product manager at Olympus and Product specialist at Nordic Drugs and AstraZeneca. Employed in Arjo's subsidiary, ArjoHuntleigh AB.
<b>Attendance at Board meetings</b>	8/8	8/8	8/8	5/8 <sup>3)</sup>
<b>Attendance at Remuneration Committee meetings</b>	—	—	—	—
<b>Attendance at Audit Committee meetings</b>	—	—	—	—
<b>Independent in relation to Arjo and its management</b>	—	—	—	—
<b>Independent in relation to major shareholders</b>	—	—	—	—
<b>Total remuneration 2024, SEK 000s</b>	—	—	—	—
<b>Shareholding in Arjo AB (own and related parties)<sup>1)</sup></b>	—	224 series B shares	1,500 series B shares	—

1. Shareholdings as per March 18, 2025.

2. At the Union's Board meeting on December 21, 2023, it was decided that Sten Börjesson would take over the role of Board member when Eva Sandling Gralén leaves on March 31, 2024.

3. At the Union's Annual General Meeting on March 14, 2024, Madeleine Carlsson was elected as a deputy Board member (employee representative) of Arjo AB.

## ARJO MANAGEMENT TEAM



<b>Niclas Sjövärd</b>		<b>Christofer Carlsson</b>	<b>Ingrid Carlsson</b>	<b>Jonas Cederhage</b>
<b>Position and year of birth</b>	Interim President & CEO. Born 1974.	Interim CFO. Born 1973.	Executive Vice President Legal & Business Compliance and Board secretary. Born 1976.	Executive Vice President, Supply Chain and Product Development & Operations. Born 1971.
<b>Education and professional experience</b>	B.Sc. in Economics, Gothenburg School of Business. Previous experience as Vice President Corporate Control and a number of executive positions in finance at Getinge. Additional experience from companies such as Volvo Group and Accenture.	Economics Program, Lund University. Employed at Arjo since 2017 with previous experience from finance positions at companies such as Gambo and BE Group.	Candidate of Law, Lund University, further studies in Intellectual Property Law at Malmö University. Previous experience of various positions in Alfa Laval including Legal Counsel, Head of Legal Business Division Food & Water, Senior Associate at Mannheimer Swartling law firm, and member of the Swedish Bar Association 2009–2014.	B.Sc in Industrial Mgmt. & Supply Chain, University of Gövle, Naveen Jindal School of Management, UT Dallas. Previous experience from various positions at Ericsson, including Vice President Supply Chain, Region Middle East & Northern Africa, from Nilfisk as Senior Vice President, Global Supply Chain, and from various positions at Permobil, including Executive Vice President Supply Chain & Head of Sustainability.
<b>Shareholding in Arjo AB (own and related parties)<sup>1)</sup></b>	30,000 series B shares	8,000 series B shares	2,000 series B shares	3,000 series B shares

1. Shareholdings as per March 18, 2025.

## ARJO MANAGEMENT TEAM



<b>Maria Fagerberg</b>		<b>Marion Gullstrand</b>	<b>Tobias Kramer</b>	<b>Maria Nilsson</b>
<b>Position and year of birth</b>	Executive Vice President Quality & Regulatory Compliance. Born 1977.	Executive Vice President, Human Resources & Sustainability. Born 1957.	Executive Vice President Global Marketing. Born 1984.	Executive Vice President, Communication & Public Relations. Born 1982.
<b>Education and professional experience</b>	Master of Science in Chemical Engineering with special courses in Pharmaceutical Technology, Faculty of Engineering at Lund University, and studies at HBX CORe certificate program, Harvard Business School. Most recently served as Senior Director Regulatory Affairs and Quality Assurance at HemoCue AB. Previous experience from various positions within HemoCue AB and Radiometer Medical Aps (Danaher Corporation).	Bachelor's degree in social science, four-year education in Gestalt Therapy – Organization and group level and degree in economy, Lund University. Previous experience as HR Director of Wasa Group, VP HR of Trelleborg AB (publ), HR Director of IKEA Supply Chain Greater China Supply and other HR positions in IKEA Group, as well as various HR positions in Getinge Group, including Acting EVP HR & Sustainability.	M.Sc. in Finance and Accounting, Copenhagen Business School. Previously VP Portfolio and VP Business Development at Arjo. Prior experience from Boston Consulting Group focused on strategic engagements across healthcare including corporate and growth strategy, digital strategy, innovation and R&D optimization as well as commercial excellence and pricing.	B.Sc. in Economics, Lund University. Most recently served as Vice President Investor Relations & Corporate Communications at Arjo. Previous experience from various positions in Corporate Communications at Getinge Group.
<b>Shareholding in Arjo AB (own and related parties)<sup>1)</sup></b>	29,900 series B shares	15,000 series B shares	3,500 series B shares	

1. Shareholdings as per March 18, 2025.

## Changes to Management Team

- In January 2025, Joacim Lindoff, President & CEO, left Arjo and Niclas Sjövärd, CFO, was appointed interim President & CEO.
- As a result of this, Christofer Carlsson, Vice President Corporate Control, was appointed interim CFO.
- In February 2025, Christian Stentoft, President Global Sales & Service, left Arjo. Global Sales & Service will report to Niclas Sjövärd until further notice.

# Annual remuneration report 2024

## Introduction

This report describes how the principles of remuneration for senior executives at Arjo, adopted by the Annual General Meeting 2024, were implemented in 2024. The report also provides information on remuneration to the CEO and a summary of the company's application of the performance criteria for awarding variable cash remuneration.

Further information on executive remuneration is available in note 3 (Personnel) on pages 122-123.

Information on the work of the Remuneration Committee in 2024 is set out in the Corporate Governance Report available on pages 93-106.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 3 on pages 122-123.

## Key developments 2024

The CEO summarizes the company's overall performance in his statement on pages 10-11.

## Guidelines for remuneration

The company's remunerations principles are to be designed to ensure for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainable business methods. Remuneration and other employment terms and conditions for senior executives is to be market-based and competitive in every market where the company is active so as to attract, develop and retain skilled and competent employees.

Individual levels of remuneration shall be based on experience, competence, responsibility and performance and market factors in the country in which the senior executive is employed.

The remuneration guidelines, adopted at the 2024 Annual General Meeting, and the auditor's report on whether the company followed these guidelines in 2024 are available on the company's website [www.arjo.com](http://www.arjo.com). Remuneration guidelines are presented in their entirety on pages 110-112.

## Total remuneration of CEO

In 2024, the CEO of Arjo received the following remuneration components; basic pay, variable cash remuneration, pension contributions and other benefits.

Basic pay includes vacation pay. Other remuneration, when paid, includes severance pay. Annual variable remuneration refers to remuneration earned and paid for the 2024 fiscal year. Long-term variable remuneration refers to remuneration earned and paid for the 2022-2024 fiscal years.

## Share-based remuneration

The company does not have any share-based incentive plans.

## Table 1 – Total remuneration of the CEO

The table below sets out the total remuneration (SEK) expensed for Arjo's CEO in 2024, 2023, 2022, 2021 and 2020.

Name of Director, position	Fiscal year	Fixed remuneration		Variable remuneration				Total remuneration	Proportion of fixed/variable remuneration
		Basic pay	Other benefits	One-year variable	Multi-year variable	Extraordinary items	Pension expenses		
CEO	2024	9,870,499	155,054	4,195,461	0	0	3,362,405	17,583,419	76/24
	2023	9,539,498	124,776	4,618,688	0	0	2,771,212	17,054,174	73/27
	2022	9,103,500	151,954	446,250	0 <sup>2)</sup>	0	2,677,500	12,379,204	96/4
	2021	8,618,999	1,171,304 <sup>1)</sup>	6,800,000	2,925,795	0	2,550,000	22,066,098	56/44
	2020	8,130,000	1,082,492 <sup>1)</sup>	6,426,000	2,258,678	0	2,409,750	20,306,920	57/43

1. Including variable vacation pay, but excluded from 2022.

2. Vested amount for 2022 from Arjo LTI programs 3-5, of which SEK 0 to be paid during 2023.

## Description of significant changes to the guidelines and consideration of the opinions of the shareholders

In accordance with the principles of remuneration, the Board may temporarily derogate from the guidelines, in whole or in part, if in specific cases there is special cause and a derogation is necessary to serve the company's long-term interests. In 2024, the company essentially complied with the applicable remuneration guidelines adopted by the Annual General Meeting. One senior executive received a pension agreement with a 35 percent provision, and one senior executive received severance pay exceeding the guidelines but in line with local legislation. No derogation from the guidelines were made. No other derogations from the procedure for implementation of the guidelines were made. No opinions on the remuneration guidelines were presented.

## Drafting and decision-making process

During the year, the Remuneration Committee gave the Board its recommendations concerning policies for the remuneration of senior executives. The recommendations included the proportion between fixed and variable remuneration, the size of possible pay increases and proposals on criteria for assessment of bonus outcomes. The Board discussed the Remuneration Committee's proposals and decided in line with the Remuneration Committee's recommendations. Remuneration of the CEO for the 2024 fiscal year was decided by the Board taking into account the Remuneration Committee's recommendations. Remuneration of other senior executives was decided by the CEO in consultation with the Remuneration Committee. During 2024, the Remuneration Committee was convened on three occasions.

## Table 2a - Performance of the CEO in the reported fiscal year

Set out in the table below is a description of how the criteria for payment of variable short-term compensation have been applied during the fiscal year.

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
Joacim Lindoff CEO	Adjusted earnings before interest, tax depreciation and amortization (EBITA) <sup>1)</sup>	65%	a) SEK 1,276 M b) SEK 1,762,041
	Working Capital (R12)	25%	a) 115 days b) SEK 1,921,374
	Sustainability CO <sub>2</sub> reduction	10%	a) 1,654 tons CO <sub>2</sub> b) SEK 512,046

1. Adjusted for exceptional items and translated at last year's exchange rates.

## Table 2b - Performance of the CEO in the reported fiscal year

Set out in the table below is a description of how the criteria for payment of variable long-term compensation have been applied during the fiscal year.

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
Joacim Lindoff CEO	Earnings per share (adjusted EPS) 2024 <sup>2)</sup> : Target 3.1 (average) (Program 2021–2025)	33.3%	a) SEK 1.78 b) SEK 0 (earned)
	Earnings per share (adjusted EPS) 2024 <sup>2)</sup> : Target: 3.1 (average) (Program 5 2022–2024)	33.3%	a) SEK 1.98 b) SEK 0 (estimated)
	Earnings per share (adjusted EPS) 2024 <sup>2)</sup> : Target 3.1 (average) (Program 6 2023–2025)	33.3%	a) SEK 2.26 b) SEK 0 (estimated)

2. Adjusted for exceptional items and translated at last year's exchange rates.

## ANNUAL REMUNERATION REPORT

**Comparative information on the change of remuneration and Arjo's performance****Table 3 – Change of remuneration and Arjo's performance over the last five reported fiscal years (RFY)**

Annual change	2021 vs 2020	2022 vs 2021	2023 vs 2022	2024 vs 2023	2024
Joacim Lindoff, CEO	SEK +1,759,178	SEK -9,686,894	SEK +4,674,970	SEK +529,245	17,583,419
<b>Arjo's performance</b>					
Group operating profit	SEK +211 M	SEK -386 M	SEK +191 M	SEK +9 M	893
Group net sales	SEK -8 M	SEK +909 M	SEK +1,001 M	SEK +312 M	11,292
Average remuneration on a full-time equivalent basis of employees					
Arjo employees <sup>3)</sup>	SEK +112,311	SEK -62,205	SEK -21,906	SEK -56,712	Average total remuneration is SEK 845,776
Arjo employees <sup>4)</sup> Actual number	192 vs 179	206 vs 192	188 vs 206	196 vs 188	196 employees

3. The average remuneration of a full-time equivalent includes all employees in Sweden (excluding the Management Team), annual basic pay during the year, pension contributions for the year and the outcome of variable pay paid in 2024.

4. Refers to all employees in Sweden (excluding Management Team).

# Principles for remuneration of senior executives

**The 2024 AGM resolved on guidelines for the remuneration of senior executives as stated here:**

## 1. Scope of the guidelines, etc.

These guidelines refer to remuneration and other employment conditions for the individuals who are members of the Arjo Management Team during the validity of the guidelines, in the following referred to as "senior executives." The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2024 AGM. These guidelines do not apply to any remuneration resolved or approved by the Annual General Meeting.

## 2. Promotion of Arjo's business strategy, long-term interests and sustainability, etc.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The basic principle is that remuneration and other terms and conditions of employment for senior executives shall be based on market conditions and be competitive in all markets where Arjo operates, to ensure that competent and skillful employees can be attracted, motivated and retained. Individual levels of remuneration shall be based on experience, competence, responsibility and performance and be market-conforming in the country in which the senior executive is employed.

## 3. Principles for various types of remuneration

The total remuneration to senior executives shall be on market terms and comprise basic pay (fixed cash remuneration), variable remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

### Fixed remuneration

The fixed remuneration for each position is determined based on a global position evaluation system and external market payroll data. The fixed remuneration, meaning the basic pay, shall be based on the individual executive's area of responsibility, authority, competence and performance.

### Variable remuneration

The allocation of basic pay and variable remuneration shall be proportional to the responsibility and authority of the executive. The variable remuneration shall always be limited in advance to a maximum amount and be connected to predetermined and measurable criteria, designed with the purpose of promoting the company's business strategy and long-term value creation. The company's sustainability work is incorporated in the ongoing operations of the company. If the company's key guidelines

for sustainability work or ethical guidelines are not followed, the company may refrain from paying variable remuneration or reclaim the paid remuneration. The annual variable remuneration is constructed in such a way that it supports Arjo's strategy to develop products and solutions on a long-term basis which contribute to improve care outcomes, create a more efficient care process, enable a better work environment for healthcare professionals and increase the quality of life for patients. If the above activities are conducted in an efficient and sustainable way, it will result in improved financial results and increased capital efficiency, which form the basis for the variable remuneration.

### Annual variable remuneration

For senior executives, the annual variable remuneration shall be capped at 50 percent of the fixed annual basic salary, except in cases where the nature and competition situation of the position, as well as the country of employment, so require. In such cases the annual variable remuneration shall be capped at 80 percent of the fixed annual basic pay. The variable remuneration shall be based on the objectives set by the Board of Directors. The objectives are related to earnings, volume growth, working capital, cash flow and sustainability. All members of the Arjo Management Team have the same goals for annual variable remuneration with the purpose of promoting the shareholders' interests, the

## PRINCIPLES FOR REMUNERATION OF SENIOR EXECUTIVES

company's core values, and jointly strive to achieve the company's business strategy, long-term interests and a sustainable development of the company.

#### *Long-term variable cash remuneration*

In addition to basic pay and the annual variable remuneration above, senior executives may receive long-term variable remuneration, awarding clear target based and measurable achievements, and which is conditional upon continued employment at the end of the performance period (with certain customary exceptions). The criteria for payment are to be designed so that they promote Arjo's business strategy and long-term interests, including its sustainability, by having a clear link to the business strategy. The criteria for the long-term variable remuneration are related to earnings per share, adjusted for potential acquisitions, divestments, restructuring costs and/or other material non-recurring costs. By connecting the targets to shareholder interests, common interests are created which further aim at promoting Arjo's business strategy and long-term interests. The performance period for the long-term variable remuneration shall be at least three fiscal years and shall be capped at 100 percent of one year's basic pay for each three-year period, i.e. one third of the annual basic salary per year. Senior executives in the Management Team are to reinvest at least 50 percent of the payment (net after tax) of long-term variable remuneration in Arjo shares, until an amount corresponding to one annual salary (gross) has been reinvested in shares in the company. The senior executives shall keep these shares for at least three years from the time of investment.

#### *Determination of the outcome for variable remuneration, etc.*

When the measurement period of the criteria for awarding variable cash remuneration has been finalized, the Board of Directors shall, based on a proposal from the Remuneration Committee,

determine whether the criteria have been satisfied. When determining the satisfaction of the criteria, the Board of Directors, may based on a proposal from the Remuneration Committee, grant exceptions from the set criteria on the basis of what is mentioned in item 5 below. For the satisfaction of financial targets, the evaluation shall be based on the latest financial information made public by the company, taking into account any adjustments that the Board of Directors has determined in advance when implementing the program. Variable cash remuneration can be paid after the completion of a measurement period. Arjo actively works with ensuring that the company is managed in the most sustainable, responsible and efficient way possible and that applicable legislation and other regulations are complied with. Arjo also applies internal rules which include a Code of Conduct and different governing documents on group level (policies, instructions and guidelines) in several areas. Variable remuneration shall not be awarded, or variable remuneration may be reclaimed, if the senior executive has acted contrary to these rules, principles or the company's Code of Conduct. In case profit before tax is negative, variable remuneration shall not be awarded. The Board of Directors shall have the possibility, pursuant to applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds (clawback).

#### *Other variable remuneration*

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to 50 percent of the basic pay and may not be paid more than once each year and per each individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

#### **Pensions**

For the CEO, pension benefits shall be premium defined. The pension premiums for premium defined pension shall amount to not more than 35 percent of the fixed basic pay. Variable cash remuneration shall not qualify for pension benefits. Pension benefits for other senior executives shall be premium defined and the pension premiums shall amount to not more than 30 percent of the fixed basic pay. Senior executives employed in Sweden shall be covered by ITP 1 or ITP 2 whereas with a cost that is within the 30% of fixed base salary. Variable cash remuneration shall only qualify for pension benefits to the extent required by mandatory collective agreement provisions as applicable to the executive. For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### **Other benefits**

Other benefits such as company car, extra health insurance or occupational health service may be provided to the extent this is considered customary for senior executives holding equivalent positions on the labor market on which the employee operates. The total value of these benefits shall amount to not more than 10 percent of the fixed basic pay.

#### **Terms of notice**

Senior executives shall be employed until further notice. Upon termination of the CEO's employment, if such termination is determined by the company, the notice period shall be twelve (12) months. The notice period may not exceed twelve (12) months if notice of termination of other senior executives' employment is made by the company. The notice period may not exceed six (6) months, without any right to severance pay, when

## PRINCIPLES FOR REMUNERATION OF SENIOR EXECUTIVES

termination is made by the executive. Senior executives may be compensated for a non-compete undertaking after the termination of the employment, however, only to the extent severance pay is not paid during the same period of time. The purpose of such remuneration shall be to compensate the senior executive for the difference between the monthly basic pay at the time of termination of the employment, and the (lower) monthly income which is obtained, or could be obtained, by a new employment agreement, assignment or own business. The remuneration may be paid during the period the non-compete undertaking is applicable, and no longer than a period of twelve (12) months after the termination of the employment. Compensation for non-compete undertaking may not exceed 60 percent of the employee's fixed base compensation, deducted with other income the employee may receive.

**Salary and employment conditions for employees**

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board's basis for decision. These inputs have been used when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees is disclosed in the remuneration report.

**4. The decision-making process to determine, review and implement the guidelines**

The Board of Directors has previously established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. These guidelines are subject to review on annual basis by the Board of Directors and submitted for resolution by the Annual General Meeting when changes are proposed, or at least every four years. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

**5. Derogation from the guidelines**

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board's resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

# Proposed appropriation of profit

ARJO AB (PUBL), CORP. REG. NO. 559092-8064

The following profit in the Parent Company is at the disposal of the Annual General Meeting:

Retained earnings	3,637,417,636
Net profit for the year	829,664,223
<b>Total</b>	<b>4,467,081,859</b>

**Johan Malmquist**  
Chairman of the Board

**Carl Bennet**  
Vice Chairman of the Board

**Ulrika Dellby**  
Board member

Malmö, April 2, 2025

The Board and Chief Executive Officer propose that a dividend shall be distributed to shareholders in the following amount:
SEK 0.95 per share
258,751,094
To be carried forward
4,208,330,765
<b>Total</b>
<b>4,467,081,859</b>

**Eva Elmstedt**  
Board member

**Dan Frohm**  
Board member

The Board of Directors deems the proposed dividend to be justified in relation to requirements that the Group's nature of business, scope and risks impose on consolidated shareholders' equity and the Group's consolidation requirements, liquidity and financial position.

**Ulf Grunander**  
Board member

**Carola Lemne**  
Board member

**Niclas Sjövärd**  
Interim President and CEO

The Board of Directors and CEO affirm that the consolidated financial statements have been prepared in accordance with international financial reporting standards IFRS, which have been adopted by the EU, and provide a fair and accurate account of the Group's financial position and profit. This Annual Report was prepared in accordance with generally accepted accounting policies and provides a fair and accurate account of the Parent Company's financial position and profit.

**Kajsa Haraldsson**  
Board member  
Employee representative

**Sten Börjesson**  
Board member  
Employee representative

The Directors' Report for the Group and Parent Company provides a fair review of the performance of the Parent Company and the Group's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and companies belonging to the Group.

Our auditor's report was submitted on April 2, 2025  
Öhrlings PricewaterhouseCoopers AB

**Vicky Johansson**  
Authorized Public Accountant  
Auditor in charge

**Alexander Ståhl**  
Authorized Public Accountant

# Financial information

The following pages present the consolidated and Parent Company financial statements, notes and the auditor's report.

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# Consolidated financial statements

## Consolidated income statement

SEK M	Note	2024	2023
Net sales	2	11,292	10,980
Cost of goods sold	4	-6,386	-6,244
<b>Gross profit</b>		<b>4,907</b>	<b>4,735</b>
 Selling expenses	4	-2,236	-2,163
Administrative expenses	4	-1,511	-1,462
Research and development costs	4, 6	-150	-149
Exceptional items	4, 5	-126	-73
Other operating income	8	28	29
Other operating expenses	8	-10	-23
Income from participations in associated companies	15	-9	-11
<b>Operating profit (EBIT)</b>	2, 3, 4, 5, 6, 7, 14	<b>893</b>	<b>884</b>
 Financial income	9	47	28
Financial expenses	9	-256	-271
<b>Profit after financial items</b>	8	<b>684</b>	<b>640</b>
 Taxes	10	-187	-160
<b>Net profit for the year</b>		<b>498</b>	<b>480</b>
 Attributable to:			
Parent Company shareholders		498	480
Earnings per share, SEK <sup>1)</sup>	11	1.83	1.76
- weighted average number of shares for calculation of earnings per share (thousand)	11	272,370	272,370

1. Before and after dilution.

## Consolidated statement of comprehensive income

SEK M	Note	2024	2023
<b>Net profit for the year</b>		<b>498</b>	<b>480</b>
 <b>Other comprehensive income</b>			
<b>Items that cannot be restated in profit</b>			
Actuarial gains/losses pertaining to defined-benefit pension plans		20	-32
Tax attributable to items that cannot be restated in profit	10	-8	-10
 <b>Items that can later be restated in profit</b>			
Translation differences	19	585	-63
Hedges of net investments	19	-62	4
Cash-flow hedges	19, 27	-2	-
Tax attributable to items that can be restated in profit	10, 19	-28	2
 <b>Other comprehensive income for the period, net after tax</b>		<b>504</b>	<b>-99</b>
 <b>Total comprehensive income for the year</b>		<b>1,002</b>	<b>382</b>
 Comprehensive income attributable to:			
Parent Company shareholders		1,002	382



## Consolidated balance sheet

SEK M	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	2, 4, 12	7,651	7,343
Tangible assets	2, 4, 13	1,695	1,669
Right-of-use assets	2, 4, 14	1,215	1,111
Non-current financial receivables, interest-bearing	20	39	30
Non-current lease receivables	14, 20	73	46
Non-current receivables for pensions, interest-bearing	20, 22	229	183
Other financial assets	28	135	129
Participations in associated companies	15	—	139
Deferred tax assets	10	387	375
<b>Total non-current assets</b>		<b>11,422</b>	<b>11,025</b>
<b>Current assets</b>			
Inventories	16	1,388	1,301
Accounts receivable	17, 28	1,798	1,632
Current tax assets		44	34
Current financial receivables, interest-bearing	20	4	—
Current lease receivables	14, 20	25	14
Derivatives, current	27, 28	17	6
Other current receivables		199	224
Prepaid expenses and accrued income	18	343	284
Cash and cash equivalents	20, 28	892	923
<b>Total current assets</b>		<b>4,711</b>	<b>4,419</b>
Assets held for sale	15	143	—
<b>TOTAL ASSETS</b>		<b>16,276</b>	<b>15,444</b>

SEK M	Note	2024	2023
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	19	91	91
Reserves	19	1,807	1,315
Retained earnings		6,440	6,176
<b>Equity attributable to the Parent Company shareholders</b>		<b>8,338</b>	<b>7,582</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	20, 27, 28	2,163	2,391
Non-current lease liabilities	14, 20, 27	851	796
Derivatives, non-current	27, 28	2	—
Provisions for pensions, interest-bearing	20, 22	36	31
Deferred tax liabilities	10	212	179
Other provisions, non-current	21	76	67
<b>Total non-current liabilities</b>		<b>3,339</b>	<b>3,466</b>
<b>Current liabilities</b>			
Other provisions, current	21	61	59
Current financial liabilities	20, 27, 28	1,976	1,934
Current lease liabilities	14, 20, 27	428	365
Accounts payable	27, 28	607	612
Current tax liabilities		110	89
Derivatives, current	27, 28	11	39
Other liabilities		254	228
Accrued expenses and deferred income	23	1,152	1,071
<b>Total current liabilities</b>		<b>4,599</b>	<b>4,396</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>16,276</b>	<b>15,444</b>

For information about pledged assets and contingent liabilities, see Note 24.

## Changes in shareholders' equity for the Group

SEK M	Share capital	Reserves <sup>1)</sup>	Retained earnings	Total
<b>Opening balance at January 1, 2023 (restated)<sup>2)</sup></b>	<b>91</b>	<b>1,372</b>	<b>5,969</b>	<b>7,432</b>
Net profit for the year	—	—	480	480
Other comprehensive income for the year	—	-57	-42	-99
Dividend	—	—	-232	-232
<b>Closing balance at December 31, 2023</b>	<b>91</b>	<b>1,315</b>	<b>6,176</b>	<b>7,582</b>
 <b>Opening balance at January 1, 2024</b>	 <b>91</b>	 <b>1,315</b>	 <b>6,176</b>	 <b>7,582</b>
Net profit for the year	—	—	498	498
Other comprehensive income for the year	—	492	12	504
Dividend	—	—	-245	-245
<b>Closing balance at December 31, 2024</b>	<b>91</b>	<b>1,807</b>	<b>6,440</b>	<b>8,338</b>

1. For reserves, see also Note 19.

2. Opening balance for 2023 has been restated, see 2023 Annual Report.



## Consolidated cash-flow statement

SEK M	Note	2024	2023
<b>Operating activities</b>			
Operating profit (EBIT)		893	884
Add-back of amortization, depreciation and write-down		1,084	1,062
Other non-cash items	29	-41	-22
Expensed exceptional items <sup>1)</sup>		105	70
Paid exceptional items		-43	-60
Interest paid		-260	-250
Interest received		30	28
Other financial items		13	-8
Taxes paid		-192	-166
<b>Cash flow before changes to working capital</b>		<b>1,589</b>	<b>1,536</b>
<b>Changes in working capital</b>			
Inventories	0	192	
Current receivables	-98	130	
Current liabilities	25	203	
<b>Cash flow from operations</b>		<b>1,516</b>	<b>2,061</b>
<b>Investing activities</b>			
Acquired operations	25	-55	-
Capital contributions to associated companies	15	-	-24
Acquired financial assets		-	-10
Investments in intangible assets		-285	-276
Investments in tangible assets		-393	-403
Divestment of intangible/tangible assets and right-of-use assets		97	75
<b>Cash flow from investing activities</b>		<b>-635</b>	<b>-637</b>

SEK M	Note	2024	2023
<b>Financing activities</b>			
Raising of loans	20	26,835	23,730
Repayment of financial liabilities	20	-27,170	-24,618
Repayment of lease liabilities		-431	-412
Change in pension assets/liabilities		-6	-3
Change in interest-bearing receivables		13	22
Dividend		-245	-232
Realized derivatives attributable to financing activities		97	86
<b>Cash flow from financing activities</b>		<b>-907</b>	<b>-1,427</b>
<b>Cash flow for the year</b>	20	<b>-26</b>	<b>-4</b>
Cash and cash equivalents at the beginning of the period		923	949
Cash flow for the year		-26	-4
Translation differences		-5	-22
<b>Cash and cash equivalents at year-end</b>	29	<b>892</b>	<b>923</b>

1. Excluding write-downs on non-current assets.

# Notes for the Group

## 1 Accounting policies

### GENERAL INFORMATION

Arjo AB (publ) (559092-8064), which is the Parent Company of the Arjo Group, is a limited liability company registered in Sweden with its registered offices in Malmö. Arjo AB's address is Hans Michelsensgatan 10, SE-211 20 Malmö, Sweden. Arjo is a global supplier of medical devices and solutions that improve clinical and financial outcomes for healthcare by enabling improved mobility, and thus contribute to a sustainable healthcare system. Most operations are located outside Sweden, and Arjo's largest markets are the US, the UK, France, Canada and Germany. A description of the company's operations is included in the Directors' Report on page 4-9. The consolidated financial statements for the fiscal year ending December 31, 2024 were approved by the Board on April 2, 2025 and will be presented to the Annual General Meeting (AGM) for adoption on April 29, 2025.

### BASIS OF PREPARATION

Arjo's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), as approved by the EU, and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups.

Arjo applies the cost method to value its assets and liabilities, except as regards financial assets and liabilities, including derivative instruments, at fair value through profit or loss, which are measured at fair value either through profit or loss or other comprehensive income if they are hedging instruments attributable to cash-flow hedges. Additional information about the preparation of the consolidated financial statements is presented below.

### Elimination of transactions in Arjo

Receivables, liabilities, revenue, expenses, and unrealized gains and losses arising between entities in Arjo are eliminated in their entirety. Unrealized losses are eliminated in the same manner as unrealized gains, but only insofar as no impairment is required.

### ACCOUNTING AND MEASUREMENT POLICIES

The basis for preparation of Arjo's financial statements is presented above.

The financial statements are presented in Swedish kronor (SEK). Unless otherwise stated, all amounts are given in millions of Swedish kronor (SEK M). Figures in parentheses pertain to operations in 2023, unless otherwise specified.

The totals in the tables and calculations do not always add up due to rounding differences. Each subtotal corresponds with its original source, which can lead to rounding differences in the totals.

### Significant estimates and assessments

To prepare the financial statements in accordance with IFRS, the company management is required to make assessments and assumptions that affect

the recognized amounts of assets and liabilities and other information in the financial statements as well as the revenues and expenses recognized during the period. Estimates, assessments and assumptions are reviewed on a regular basis. The actual outcome may diverge from these assessments, estimates and assumptions. The areas that the Board and Arjo Management Team believe to particularly significant to an assessment of Arjo's earnings and financial position are stated in each Note, where applicable.

Arjo has assessed that it has a significant influence through a shareholder agreement in a company recognized as an associated company despite the holdings amounting to only 10 percent, see also Note 15.

### Subsidiaries

Subsidiaries are all companies over which Arjo exercises a controlling influence. Arjo controls a company when it is exposed to or has the right to variability of returns from its holding in the company and can affect these returns through its influence over the company.

### Foreign currencies

**Functional currency:** Transactions in foreign currencies are translated to the functional currency of the financial statements according to the exchange rate on the date of the transaction. Receivables and liabilities in foreign currencies are measured at the closing day rate, and unrealized currency gains and losses are included in profit or loss. Exchange-rate differences attributable to operating receivables and liabilities are recognized in operating profit. Exchange-rate differences regarding financial assets and liabilities are recognized under other financial items.

**Translation of foreign operations:** Arjo applies the current method for translation of foreign subsidiaries' balance sheets and income statements. For long-term intra-Group loans of subsidiaries, Arjo applies the rules on expanded net investments, which means that translation differences on these intra-Group loans are recognized in the same way as the translation effects on the subsidiaries' net assets.

### Government grants

Government grants relating to costs are recognized in profit or loss. The income is recognized in the same period as the cost that the grants are intended to compensate.

### Dividend

Dividends proposed by the Board of Directors are not deducted from distributable earnings until the dividend has been approved by the Annual General Meeting (AGM).

### Alternative performance measures

Alternative performance measures are presented in this report to monitor Arjo's operations, the primary measures being adjusted EBITDA, cash conversion and net debt/equity ratio. Definitions and reconciliations of the alternative performance measures are presented on pages 153-155.

### New accounting policies applied by Arjo in 2024

No standards, amendments or interpretations effective from the fiscal year beginning on January 1, 2024 had a material impact on Arjo's financial statements.

### New and revised standards and interpretations that have not yet come into effect

Arjo has decided not to apply in advance new standards, amendments or interpretations that have been published but will not come into effect until the fiscal year beginning on or after January 1, 2025. The standard that is expected to impact Arjo is IFRS 18 Presentation and Disclosure in Financial Statements, which applies for fiscal years beginning on or after January 1, 2027. IFRS 18 will not affect the recognition or measurement of items in Arjo's financial statements, but is expected to have an effect on presentation and disclosures, in particular those related to the income statement and to earnings measures defined by Arjo. Arjo is currently evaluating the consequences of applying the new standard to the consolidated financial statements.

## 2 Segment reporting

### Accounting policies

The reporting of operating segments corresponds to the internal reporting submitted to the chief operating decision maker. This function in Arjo was identified as the CEO. Arjo's operations comprise the following operating segments:

**Global Sales** – comprises the sales operations in all countries apart from the US and Canada.

**North America** – comprises the sales operations in the US and Canada.

**Other** – comprises the diagnostics business.

The Group has three streams of revenue: product sales, services including spare parts and rental. Income is measured at fair value excluding indirect sales tax. Income from the sale of products is recognized when control of the goods is passed to the customer, which can either be when the produce leaves Arjo's warehouse or when it arrives at the customer. The products are often sold at volume discounts based on the volume of the specific order. Only a small number of contracts are based on accumulated sales over a 12-month period. Income from the sale of products is recognized based on the price in the contract, less estimated volume discounts. Historical data is used to estimate the expected value of the discount and income is recognized only to the extent that it is highly probable that a material reversal will not occur. A liability (included in the item accrued expenses and deferred income) is recognized for expected volume discounts in relation to sales up to and including the closing date.

## 2 SEGMENT REPORTING, CONT.

If delivery of finished products is postponed at the buyer's request, but the buyer assumes the proprietary rights and accepts the invoice (a "bill and hold" sale), income is recognized when control is passed to the customer, which takes place when the products are placed in several locations in the warehouse. The Group's obligation to repair or replace defective products under normal guarantee rules is recognized as a provision, see Note 21 Other provisions.

The Group has both fixed-price service contracts and contracts on current account. Income from fixed price contracts are recognized over time in line with control of the services being passed to the customer. Income from contracts on current account is based on time spent and is recognized to the extent that Arjo has the right to invoice the customer (monthly). Advance payments from customers mainly refer to payments

for service contracts. These contract liabilities are presented in Note 23 Accrued expenses and deferred income.

No financing component is deemed to exist on the date of sale since the credit period is normally 30–90 days, which is consistent with market practice.

Arjo applied the exemption not to provide disclosures on future contract-ed revenue since these have terms of less than one year.

For income recognition for rental, see Note 14 Leases.

Arjo has significant central Group functions in the areas of Supply Chain (product supply, inventories and distribution), IT, Finance, Quality, and Research and Development. Supply Chain's gross profit is allocated to each segment, while Supply Chain's operating expenses are recognized together with the costs for the Group functions. The Group has no single customer that accounts for 10 percent or more of the Group's sales.

The assets specified by segment in the table below comprise the items intangible assets, tangible assets and right-of-use assets. Reporting of assets is based on the domicile of the Arjo companies. Assets and liabilities are not divided by segment since no such amounts are regularly reported to the chief operating decision maker.

## Assets

SEK M	2024	2023
USA	2,021	1,925
UK	1,479	1,369
Sweden	4,108	4,031
Other	2,952	2,797
<b>Total</b>	<b>10,560</b>	<b>10,122</b>

The table below presents the 20 largest markets based on where customers are situated.

#	Country	2024		2023	
		SEK M	%	SEK M	%
1	USA	3,390	30	3,251	30
2	UK <sup>1)</sup>	1,418	13	1,395	13
3	France	1,222	11	1,220	11
4	Canada	1,134	10	1,076	10
5	Germany	828	7	792	7
6	Australia	625	6	612	6
7	Netherlands	375	3	380	3
8	Austria	265	2	258	2
9	Italy	252	2	242	2
10	Belgium	210	2	192	2
11	Switzerland	189	2	179	2
12	India	170	2	151	1
13	South Africa	138	1	136	1
14	Singapore	119	1	116	1
15	Ireland	111	1	99	1
16	New Zealand	88	1	87	1
17	Hong Kong	87	1	92	1
18	Spain	69	1	85	1
19	Japan	58	1	56	1
20	Sweden	58	1	67	1
	Other	486	4	494	4
	<b>Total net sales</b>	<b>11,292</b>	<b>100</b>	<b>10,980</b>	<b>100</b>

1. Includes Northern Ireland.

SEK M	2024				
	Global Sales	North America	Other	Group functions	Eliminations
Product sales	3,269	2,621	385	—	-10
Service including spare parts	1,478	711	23	—	0
Rental	1,733	1,082	—	—	-1
<b>Total net sales, external</b>	<b>6,481</b>	<b>4,415</b>	<b>408</b>	<b>—</b>	<b>-12</b>
<b>Operating profit/loss</b>	<b>1,062</b>	<b>1,011</b>	<b>55</b>	<b>-1,235</b>	<b>—</b>
Financial income					30
Financial expenses					-239
<b>Profit after financial items</b>					<b>684</b>
Taxes					-187
<b>Net profit for the year</b>					<b>498</b>
SEK M	2023				
	Global Sales	North America	Other	Group functions	Eliminations
Product sales	3,325	2,555	399	—	-15
Service including spare parts	1,361	663	25	—	0
Rental	1,667	1,001	—	—	—
<b>Total net sales, external</b>	<b>6,352</b>	<b>4,219</b>	<b>424</b>	<b>—</b>	<b>-15</b>
<b>Operating profit/loss</b>	<b>1,143</b>	<b>896</b>	<b>50</b>	<b>-1,206</b>	<b>—</b>
Financial income					28
Financial expenses					-271
<b>Profit after financial items</b>					<b>640</b>
Taxes					-160
<b>Net profit for the year</b>					<b>480</b>

### 3 Personnel

Group, SEK M	2024			2023		
	Board and CEO <sup>1)</sup>	Other	Total	Board and CEO <sup>1)</sup>	Other	Total
Salaries and remuneration	138	3,672	3,810	131	3,477	3,608
Social security expenses	27	661	688	27	634	661
Pension expenses	10	173	183	10	171	181
<b>Total</b>	<b>175</b>	<b>4,506</b>	<b>4,681</b>	<b>168</b>	<b>4,281</b>	<b>4,449</b>

1. Pertains to remuneration of the Board and CEO in all companies in the Group.

#### Average number of employees

Number	2024			2023		
	Men	Women	Total	Men	Women	Total
Australia	156	85	241	151	80	231
Belgium	52	23	75	52	20	72
Brazil	9	14	23	11	11	22
Denmark	8	5	13	10	5	15
Dominican Republic	279	765	1,044	249	632	881
France	401	151	552	394	140	534
United Arab Emirates	9	1	10	10	1	11
Hong Kong	14	11	25	14	11	25
India	145	40	185	142	36	178
Ireland	34	5	39	29	4	33
Italy	81	40	121	78	38	116
Japan	11	7	18	15	7	22
Canada	267	157	424	262	160	422
China	70	115	185	73	115	188
Mexico	6	6	12	4	6	10
Netherlands	113	61	174	111	60	171
Norway	6	10	16	5	9	14
New Zealand	26	10	36	25	10	35
Poland	287	507	794	301	531	832
Switzerland	44	13	57	46	12	58
Singapore	40	11	51	10	37	47
Spain	26	16	42	25	17	42
UK	695	297	992	682	283	965
Sweden	104	110	214	105	105	210
South Africa	74	53	127	72	50	122
South Korea	2	1	3	3	1	4
Czech Republic	15	9	24	12	9	21
Germany	320	105	425	317	99	416
USA	617	280	897	615	254	869
Austria	96	17	113	96	17	113
<b>Total</b>	<b>4,007</b>	<b>2,925</b>	<b>6,932</b>	<b>3,919</b>	<b>2,760</b>	<b>6,679</b>

#### Accounting policies

**Incentive programs:** Arjo has a long-term and a short-term incentive program that are recognized in accordance with IAS 19 Employee Benefits. During the vesting period, the incentive program is recognized as an expense and a current liability.

#### Gender distribution in all companies in the Group

	2024	2023
<b>Women:</b>		
Board members of the Parent Company	37%	29%
Board members in all Group companies	6%	9%
Other members of the company's management, incl. CEO	30%	27%
<b>Men:</b>		
Board members of the Parent Company	63%	71%
Board members in all Group companies	94%	91%
Other members of the company's management, incl. CEO	70%	73%

#### Remuneration and other benefits for senior executives in 2024, SEK 000s

	Board fee <sup>1)</sup>	Basic pay	Variable remuneration, short term	Variable remuneration, long term	Other benefits	Pension expenses	Total
Johan Malmquist, Chairman of the Board	1,806						1,806
Carl Bennet, Board member	814						814
Eva Elmstedt, Board member	849						849
Ulf Grunander, Board member	995						995
Carola Lemne, Board member	814						814
Dan Frohm, Board member	960						960
Ulrika Dellby, Board member	849						849
CEO	9,870	4,195	—	155	3,362	17,583	
Other senior executives, employed in Arjo AB	17,043	4,524	—	1,026	3,274	25,867	
Other senior executives, employed in other Group companies	10,218 <sup>2)</sup>	257	—	57	271	10,803	
<b>Total</b>	<b>7,087</b>	<b>37,131</b>	<b>8,976</b>	<b>—</b>	<b>1,238</b>	<b>6,907</b>	<b>61,339</b>

1. Also includes fees for work on Board Committees and corresponds to what was resolved at the 2024 AGM.

2. Includes severance pay and final settlement for one employee.

#### Comments on the table

- Short-term variable remuneration refers to the 2024 fiscal year's expensed bonus, which was paid in 2025.
- Other benefits refer to company car and healthcare insurance as well as compensation for dual residence.
- Other senior executives pertains to remuneration of members of the Arjo Management Team, other than the CEO (10 individuals, of whom 2 left the company, and 1 is interim).

## 3 PERSONNEL, CONT.

## Remuneration and other benefits for senior executives in 2023, SEK 000s

	Board fee <sup>1)</sup>	Basic pay	Variable remuneration, short term	Variable remuneration, long term	Other benefits	Pension expenses	Total
Johan Malmquist, Chairman of the Board	1,728						1,728
Carl Bennet, Board member	779						779
Eva Elmstedt, Board member	812						812
Ulf Grunander, Board member	952						952
Carola Lemne, Board member	812						812
Dan Frohm, Board member	919						919
CEO	9,539	4,619	—	125	2,771	17,054	
Other senior executives, employed in Arjo AB	15,777	5,535	—	752	2,914	24,978	
Other senior executives, employed in other Group companies	7,840	1,811	—	112	282	10,045	
<b>Total</b>	<b>6,002</b>	<b>33,156</b>	<b>11,965</b>	<b>—</b>	<b>989</b>	<b>5,967</b>	<b>58,079</b>

1. Also includes fees for work on Board Committees and corresponds to what was resolved at the 2023 AGM.

## Comments on the table

- Short-term variable remuneration refers to the 2023 fiscal year's expensed bonus, which was paid in 2024.
- Other benefits refer to company car and healthcare insurance.
- Other senior executives pertains to remuneration of members of the Arjo Management Team, other than the CEO (11 individuals, of whom 2 left the company and 2 are new).

## Remuneration of senior executives

The Annual General Meeting decides on remuneration of the Chairman of the Board and Board members. Employee representatives do not receive Board remuneration. Remuneration of the CEO and other senior executives comprises basic pay, variable remuneration, other benefits as well as pensions. Other senior executives comprise the individuals, who together with the CEO, comprise the Arjo Management Team. Remuneration of the CEO and senior executives is in line with the company's remuneration guidelines.

Costs for Board fees in 2024 amounted to SEK 7.1 M (6.0). Remuneration of the CEO for the year amounted to SEK 17.6 M (17.1). Remuneration of other senior executives amounted to SEK 36.7 M (35.0).

**Variable annual cash-based remuneration:** The CEO's bonus for 2024 was based on financial targets and sustainability targets set by the Board. The performance-based annual bonus for the CEO is maximized at 80 percent of fixed annual salary. For other senior executives, bonuses for 2024 were based on financial targets and sustainability targets. The variable annual remuneration for other senior executives is maximized at 50–60 percent of fixed annual salary (depending on function and geographic placement).

**Variable long-term cash-based remuneration:** The long-term variable remuneration program is aimed at a limited number of key employees at the company and is based on profitability targets set by the Board. The CEO may receive a maximum of 33 percent of fixed annual salary under the variable long-term remuneration program. Other senior executives are also covered by the same program with the same potential outcome. The targets were not achieved in the 2022–2024 program and no payment was generated.

**Pensions:** The CEO is entitled to a pension from the age of 65. The pension is defined-contribution based and amounts to 35 percent of basic pay. The age of retirement for other senior executives is 65–68. These pension agreements are also defined-contribution based and may amount to a maximum of 30 percent of basic pay. Pension agreements have been signed in accordance with local market practice in the country where the executive is employed.

**Terms of notice:** The period of notice for the CEO is a minimum of six months. If termination of employment is initiated by the company then severance pay of 12 months' pay will be awarded. Upon termination of employment of any other senior executives, they have the right to severance pay of a minimum of six months and a maximum of 12 months. The company may apply a non-competition clause for up to 12 months after the termination of employment and pay compensation of a maximum of 60 percent of fixed salary to the executive for this, deducting any income in the form of severance pay.

## 4 Costs by cost category

SEK M	2024	2023
<b>Costs by cost category</b>		
Salaries and remuneration	-3,816	-3,608
Social security expenses	-653	-661
Pension expenses	-170	-181
Amortization and impairment of intangible assets	-244	-287
Depreciation and impairment of tangible assets and right-of-use assets	-840	-775
Goods and services	-4,686	-4,579
<b>Total</b>	<b>-10,409</b>	<b>-10,091</b>

SEK M	2024	2023
<b>Amortization, depreciation and write-downs</b>		
Cost of goods sold	-699	-652
Selling expenses	-166	-168
Administrative expenses	-192	-229
Research and development costs	-9	-9
Other operating expenses	0	-1
Exceptional items	-17	-2
<b>Total</b>	<b>-1,084</b>	<b>-1,062</b>

## 5 Exceptional items

### Accounting policies

Expenses that are not regularly occurring linked to the remediation program, aimed at improving the efficiency and structure of the Group, are recognized as "exceptional items." In addition to the remediation program, exceptional expenses and revenue may also, by way of exception, be classified as exceptional items. Exceptional items refers to material revenue and expense items that are recognized separately due to the significance of their nature or amount.

For the accounting policy on recognizing provisions, see Note 21.

SEK M	2024	2023
Acquisition expenses	-4	-2
Capital loss on divestment of BBI assets	-54	-
Restructuring costs	-68	-72
<b>Total</b>	<b>-126</b>	<b>-73</b>

Restructuring costs are related to a few small-scale efficiency programs in both Europe and the US.

SEK M	2024	2023
<b>Exceptional items by function</b>		
Cost of goods sold	-21	-18
Selling expenses	-17	-44
Administrative expenses	-34	-11
Other operating expenses	-54	-
<b>Total</b>	<b>-126</b>	<b>-73</b>

The table above presents the functions that the items would have been recognized under had they not been classified as exceptional items.

## 6 Research and development costs

### Accounting policies

For the accounting policies for intangible assets, see Note 12 Intangible assets.

SEK M	2024	2023
Research and development costs, gross	-319	-297
Capitalized development costs	169	148
<b>Research and development costs, net</b>	<b>-150</b>	<b>-149</b>

## 7 Fees to auditors

SEK M	2024	2023
<b>Fee to PwC</b>		
Fee and expense reimbursement:		
Auditing assignments <sup>1)</sup>	-12	-12
Tax consultancy services	0	0
Other services <sup>2)</sup>	-3	-1
<b>Total</b>	<b>-15</b>	<b>-13</b>

1. Of which SEK 5 M (5) pertains to remuneration of Öhrlings PricewaterhouseCoopers AB.

2. Of which SEK 3 M (1) pertains to remuneration of Öhrlings PricewaterhouseCoopers AB.

Öhrlings PricewaterhouseCoopers AB (PwC) has the auditing assignment for the entire Group. Auditing assignments refer to statutory auditing, meaning assignments required to issue the auditor's report. This also includes the review of the interim report. No services for auditing activities other than auditing assignments have been performed. Tax consultancy services primarily pertain to general tax matters concerning corporate tax. Other services pertain to consultancy related to matters regarding CSRD and IT.

SEK M	2024	2023
<b>Fees to other auditors</b>		
Fee and expense reimbursement:		
Auditing assignments	-2	-2
Tax consultancy services	-	-
Other services	-	-
<b>Total</b>	<b>-2</b>	<b>-2</b>

## 8 Exchange-rate gains and losses, net

Exchange-rate differences were recognized in profit or loss according to the following:

SEK M	2024	2023
Other operating income and expenses	8	-16
Financial items	17	-4
<b>Total</b>	<b>25</b>	<b>-20</b>

## 9 Financial income and expenses

### Accounting policies

Financial income and expenses include interest income on bank deposits and receivables, interest expenses on loans and lease liabilities, income from dividends, unrealized and realized profits and losses on financial investments, exchange-rate differences, and the change in value of derivative instruments used in financial activities. Borrowing costs in conjunction with the raising of loans are recognized as part of the loan to which they pertain and are charged to profit during the term of the loan. Interest income on the receivables and interest expenses on liabilities are calculated by applying the effective interest method. The effective rate is the rate that makes the present value of all estimated inward and outward payments during the expected fixed-interest term equal to the carrying amount of the receivable or liability.

### Financial income

SEK M	2024	2023
Interest income	30	28
Currency gains	17	-
<b>Total</b>	<b>47</b>	<b>28</b>

### Financial expenses

SEK M	2024	2023
Interest expenses, financial liabilities	-207	-227
Interest expenses, leases	-44	-36
Currency losses	-	-4
Other	-4	-4
<b>Total</b>	<b>-256</b>	<b>-271</b>

## 10 Taxes

### Accounting policies

Arjo's income tax include taxes on Group companies' profits recognized during the accounting period and tax adjustments attributable to earlier periods and changes in deferred taxes.

Temporary differences primarily arise from the depreciation of properties, machinery and equipment, the market valuations of identifiable assets, liabilities and contingent liabilities in acquired companies, financial derivatives, gains from intra-Group inventory transactions, untaxed reserves and tax loss carryforwards, of which the latter is recognized as an asset only to the extent that it is probable that these loss carryforwards will be matched by future taxable profits.

### Significant estimates and assessments

**Deferred tax:** The measurement of loss carryforwards and the company's ability to utilize unutilized loss carryforwards is based on the company's assessments of future taxable income in various tax jurisdictions and includes assumptions regarding whether expenses that have not yet been subject to taxation are tax deductible.

**Uncertain tax positions:** As an international Group, Arjo could have tax deductions rejected in one country, while the same deduction is granted in another. The tax exposure in these cases comprises the difference between the various countries' tax rates and any penalty interest and fines.

SEK M	2024	2023
Current tax expense	-198	-175
Deferred tax	11	15
<b>Total</b>	<b>-187</b>	<b>-160</b>
<b>Relationship between tax expenses for the year and recognized profit after financial items, SEK M</b>		
Recognized profit after financial items	684	640
Tax according to current tax rate in Sweden 20.6 percent (20.6)	-141	-132
Adjustment for tax rates in foreign subsidiaries	-22	-21
Adjustment of tax expenses from earlier years	9	13
Tax effect of non-deductible costs	-21	-20
Tax effect of non-taxable income	15	8
Adjustment for changed tax rates	0	-2
Changed value of temporary differences	-5	-7
Other	-22	1
<b>Recognized tax expense</b>	<b>-187</b>	<b>-160</b>

### Amount recognized in other comprehensive income

The total amount of current and deferred tax for the period, attributable to items that are not recognized in profit or loss but instead in other comprehensive income:

SEK M	2024	2023
Deferred tax: actuarial gains/losses pertaining to defined-benefit pension plans	-8	-10
Deferred tax: hedges of net investments and expanded net investments	-28	2

### SEK M

SEK M	2024	2023
<b>Deferred tax assets relate to the following temporary differences and loss carryforwards</b>		
Non-current assets	208	213
Financial receivables and derivatives	1	1
Current assets	101	94
Lease liabilities	306	275
Provisions	35	28
Loss carryforwards	196	207
Other	134	116
Offset	-593	-559
<b>Deferred tax assets</b>	<b>387</b>	<b>375</b>

SEK M	2024	2023
<b>Deferred tax liabilities relate to the following temporary differences</b>		
Non-current assets	-423	-403
Right-of-use assets	-292	-263
Current assets	0	0
Provisions	-80	-65
Other	-10	-7
Offset	593	559
<b>Deferred tax liabilities</b>	<b>-212</b>	<b>-179</b>

SEK M	2024	2023
<b>Maturity structure for loss carryforwards</b>		
Due within 5 years	37	46
Due in more than 5 years	5	5
No due date	671	717
<b>Total</b>	<b>713</b>	<b>768</b>

There are no material loss carryforwards for which deferred tax has not been recognized.

### OECD model rules on global minimum tax

The Group is subject to the rules on global minimum tax. Global minimum tax legislation has been adopted in Sweden, where Arjo AB (publ) has its registered offices, and entered into force on January 1, 2024.

The Group applies the exemption in IAS 12 that an entity is not required to recognize and disclose deferred tax assets and liabilities related to income taxes on global minimum tax. On the closing date, the Group did not have any material tax exposure related to global minimum tax.

## 11 Earnings per share

Earnings per share before and after dilution amounted to SEK 1.83 (1.76). The calculation of earnings per share relating to Parent Company shareholders is based on the following information:

SEK M	2024	2023
<b>Earnings (numerator)</b>		
Earnings relating to the Parent Company shareholders, which form the basis for calculation of earnings per share	498	480
<b>Number of shares (denominator)</b>		
Weighted average number of ordinary shares for calculation of earnings per share	272,369,573	272,369,573

## 12 Intangible assets

### Accounting policies

**Goodwill:** Goodwill comprises the portion of a purchase price for an acquisition that exceeds the market value of the identifiable assets, with deductions for liabilities and contingent liabilities, calculated on the acquisition date, on the share of the acquired company's assets acquired by Arjo. Goodwill arising in conjunction with the acquisition of a foreign entity is treated as an asset in the foreign entity and translated at the exchange rate on the closing date.

**Other intangible assets:** Other intangible assets comprise capitalized development costs, customer relationships, technical know-how, trademarks, agreements and other assets. Intangible assets are recognized at cost with deductions for accumulated amortization and any impairment (for impairment, see the policy under tangible assets below). Amortization is applied proportionally over the asset's anticipated useful life, which usually varies between three and fifteen years. Intangible assets that are recognized separately from goodwill in acquisitions of operations include customer relationships, technical know-how, trademarks, agreements, etc. Costs for development, whereby research results or other knowledge is applied to produce new products, are recognized as an asset in the balance sheet to the extent that these products are expected to generate future financial benefits. These costs are capitalized when management deems that the product is technically and financially viable, which is usually when a product development project has reached a defined milestone in accordance with an established project model. The capitalized value includes expenses for material, direct expenses for salaries and indirect expenses that can be assigned to the asset in a reasonable and consistent manner. In other cases, development costs are expensed as they arise. Research costs are charged to earnings as they arise. Capitalized expenses are amortized on a straight-line basis from the point in time at which the asset is put into commercial operation and during the asset's estimated useful life.

### Significant estimates and assessments

**Goodwill and intangible assets with an indefinite useful life:** Arjo tests goodwill and other intangible assets with an indefinite useful life for impairment annually.

The recoverable amount for cash generating units has been established through the measurement of value in use. For these calculations, certain estimates must be made (see under Impairment testing below).

SEK M	Goodwill	Brands	Capitalized development costs	Customer relationships	Intangible assets, other	Total
<b>INTANGIBLE ASSETS</b>						
<b>Cost, Jan 1, 2024</b>	<b>5,849</b>	<b>740</b>	<b>1,360</b>	<b>973</b>	<b>2,515</b>	<b>11,436</b>
Investments	—	—	169	—	116	285
Acquisitions	48	—	—	8	1	57
Sales/disposals	—	—	—	—	-86	-86
Translation differences	265	3	18	71	43	398
<b>Accumulated cost, Dec 31, 2024</b>	<b>6,162</b>	<b>742</b>	<b>1,547</b>	<b>1,051</b>	<b>2,589</b>	<b>12,091</b>
<b>Amortization and impairment, Jan 1, 2024</b>						
Amortization for the year	-211	-593	-694	-803	-1,792	-4,093
Sales/disposals	—	-31	-38	-39	-135	-244
Translation differences	-56	-2	-13	-59	-31	-161
<b>Accumulated amortization and impairment, Dec 31, 2024</b>	<b>-267</b>	<b>-626</b>	<b>-746</b>	<b>-901</b>	<b>-1,901</b>	<b>-4,441</b>
<b>Closing carrying amount, Dec 31, 2024</b>	<b>5,895</b>	<b>116</b>	<b>802</b>	<b>151</b>	<b>687</b>	<b>7,651</b>
 <b>INTANGIBLE ASSETS</b>						
<b>Cost, Jan 1, 2023</b>	<b>5,877</b>	<b>740</b>	<b>1,210</b>	<b>978</b>	<b>2,389</b>	<b>11,195</b>
Investments	—	—	148	—	128	276
Reclassifications	—	—	—	—	2	2
Translation differences	-28	0	2	-6	-4	-36
<b>Accumulated cost, Dec 31, 2023</b>	<b>5,849</b>	<b>740</b>	<b>1,360</b>	<b>973</b>	<b>2,515</b>	<b>11,436</b>
<b>Amortization and impairment, Jan 1, 2023</b>						
Amortization for the year	-204	-561	-662	-766	-1,611	-3,804
Impairment	—	-31	-32	-39	-183	-285
Translation differences	-7	0	-1	3	3	-2
<b>Accumulated amortization and impairment, Dec 31, 2023</b>	<b>-211</b>	<b>-593</b>	<b>-694</b>	<b>-803</b>	<b>-1,792</b>	<b>-4,093</b>
<b>Closing carrying amount, Dec 31, 2023</b>	<b>5,638</b>	<b>147</b>	<b>666</b>	<b>170</b>	<b>723</b>	<b>7,343</b>

## 12 INTANGIBLE ASSETS, CONT.

## Impairment testing

SEK M	2024	2023
<b>Goodwill and intangible assets with an indefinite useful life</b>		
Global Sales	2,308	2,208
North America	3,027	2,896
Other	611	584
<b>Group, total</b>	<b>5,946</b>	<b>5,688</b>

Arjo tests goodwill and intangible assets with an indefinite useful life for impairment for each segment, Global Sales, North America and other segments, which comprise the Group's cash generating units.

Goodwill and other net assets are tested for impairment annually and whenever conditions indicate that impairment may be necessary. The recoverable amount for cash generating units is based on the calculated value in use.

## Assumptions

The value in use of goodwill and other net assets attributable to the segments was calculated based on discounted cash flows. The same return requirements were used for Global Sales and North America since both segments have a similar risk profile, while the other segments have a higher return requirement due to their smaller size. The reasonableness of the cost of capital used was verified by comparing with external assessments. A discount rate of 10.5 percent (10.3) before tax was applied to Global Sales and North America when calculating the value in use. The rate of 11.4 percent (11.1) was used for other segments. Arjo bases the calculation on attained earnings, forecasts, business plans, financial forecasts and market data. Cash flow for the first three years is based on a strategic plan established by the Arjo Management Team that contains both business opportunities and risks. The rate of growth for the first three years varies between segments. Future cash flow has then been assumed to have a growth rate corresponding to 2 percent (2) for all segments. This growth rate is based on the going concern assumption and does not exceed long-term growth for the industry as a whole. Based on the assumptions given above, the value in use exceeds the carrying amount of all cash generating units.

## Sensitivity analysis

Sensitivity analyses of changes in growth rates and the discount rate, which have a significant impact on the calculation of the discounted cash flows, were performed in connection with impairment testing. The sensitivity analyses revealed that the negative changes below would not individually lead to an impairment requirement.

- The rate of growth for all years was reduced by 1 percent (1).
- The discount rate before tax increases by 1 percent (1) to 11.5 percent (11.3) for Global Sales and North America, and by 12.4 percent (12.1) for other segments.

## Intangible assets

There are a limited number of intangible assets, in the form of trademarks with a carrying amount of SEK 51 M (50), for which the useful life has been assessed as indefinite. For these trademarks, there is no foreseeable limit for the time period during which the trademarks are expected to generate net revenue for Arjo. The useful life for other intangible assets is three to fifteen years.

## 13 Tangible assets

## Accounting policies

Properties, machinery, equipment and other tangible assets are recognized at cost, with deductions for accumulated depreciation and any impairment. The cost includes the purchase price and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use. Examples of directly attributable expenses included in the cost are delivery and handling costs, installation, legal services and consultancy services. Assets provided to the company in conjunction with the acquisition of new subsidiaries are recognized at market value on the acquisition date. Depreciation is conducted straight line. The value in the balance sheet represents the acquisition cost with deduction for accumulated depreciation and any impairment. Land is not depreciated since it is deemed to have an infinite economic life. However, the depreciation of other assets is based on the following anticipated useful lives:

Class of assets	Depreciation, number of years
Land	40-50
Buildings	10-50
Machinery	5-25
Equipment	10
Production tools	5
Rental equipment	5-10
Cars	5
Computer equipment	3

Tangible assets comprising parts with different useful lives are treated as separate components of tangible assets. Standard maintenance and repair costs are expensed during the periods in which they arise. More extensive repair and upgrading costs are capitalized and depreciated over the item's remaining anticipated useful life. Capital gains/losses are recognized under "Other operating income/expenses."

**Impairment:** At the end of each accounting period, the carrying amount of the assets is assessed to determine whether there is any indication of impairment. If there is such an indication, the asset's recoverable amount is established. The recoverable amount is deemed to be the higher of the asset's net realizable value and its value in use, for which the impairment loss is recognized as soon as the carrying amount exceeds the recoverable amount. Previously recognized impairment is reversed if the recoverable amount is deemed to have increased, although the impairment is not reversed to an amount greater than what the carrying amount would have been if no impairment had been recognized in earlier years.

SEK M	Buildings and land <sup>1)</sup>	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment <sup>2)</sup>	Construction in progress	Total
<b>TANGIBLE ASSETS</b>						
<b>Cost, Jan 1, 2024</b>	<b>459</b>	<b>330</b>	<b>1,146</b>	<b>3,968</b>	<b>68</b>	<b>5,971</b>
Investments	7	6	65	136	63	278
Acquisitions	—	—	4	2	—	6
Sales/disposals	-6	-6	-81	-369	0	-461
Reclassifications	2	12	34	0	-48	—
Translation differences	31	19	63	271	3	387
<b>Accumulated cost, Dec 31, 2024</b>	<b>492</b>	<b>361</b>	<b>1,232</b>	<b>4,008</b>	<b>88</b>	<b>6,181</b>
<b>Depreciation and impairment, Jan 1, 2024</b>						
Depreciation for the year	-20	-18	-71	-286	—	-395
Impairment	-6	—	0	—	—	-6
Acquisitions	—	—	-3	0	—	-3
Sales/disposals	5	4	80	410	—	499
Translation differences	-17	-14	-51	-196	—	-279
<b>Accumulated depreciation and impairment, Dec 31, 2024</b>	<b>-282</b>	<b>-275</b>	<b>-980</b>	<b>-2,950</b>	<b>—</b>	<b>-4,486</b>
<b>Closing carrying amount, Dec 31, 2024</b>	<b>210</b>	<b>86</b>	<b>252</b>	<b>1,058</b>	<b>88</b>	<b>1,695</b>

1. Of which, land amounted to SEK 12 M in 2024.

2. These assets primarily comprise beds and mattresses.

## 13 TANGIBLE ASSETS, CONT.

SEK M	Buildings and land <sup>1)</sup>	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment <sup>2)</sup>	Construction in progress	Total
<b>TANGIBLE ASSETS</b>						
<b>Cost, Jan 1, 2023</b>	<b>455</b>	<b>294</b>	<b>1,111</b>	<b>4,050</b>	<b>104</b>	<b>6,015</b>
Investments	3	4	52	278	54	391
Sales/disposals	-16	-6	-16	-330	0	-368
Reclassifications	30	33	-1	27	-91	-2
Translation differences	-14	4	-1	-57	1	-65
<b>Accumulated cost, Dec 31, 2023</b>	<b>459</b>	<b>330</b>	<b>1,146</b>	<b>3,968</b>	<b>68</b>	<b>5,971</b>
<b>Depreciation and impairment, Jan 1, 2023</b>	<b>-238</b>	<b>-231</b>	<b>-884</b>	<b>-2,951</b>	<b>—</b>	<b>-4,304</b>
Depreciation for the year	-19	-20	-68	-267	—	-374
Impairment	0	0	0	-2	—	-2
Sales/disposals	7	6	15	306	—	334
Reclassifications	1	—	2	-2	—	0
Translation differences	6	-2	2	39	—	44
<b>Accumulated depreciation and impairment, Dec 31, 2023</b>	<b>-243</b>	<b>-247</b>	<b>-934</b>	<b>-2,878</b>	<b>—</b>	<b>-4,302</b>
<b>Closing carrying amount, Dec 31, 2023</b>	<b>215</b>	<b>83</b>	<b>212</b>	<b>1,090</b>	<b>68</b>	<b>1,669</b>

1. Of which, land amounted to SEK 12 M in 2023.

2. These assets primarily comprise beds and mattresses.

## 14 Leases

### ARJO AS A LESSEE

#### Accounting policies

Leases in which Arjo is the lessee primarily comprise buildings and cars. Leases are normally depreciated at fixed periods of about five to ten years for buildings and about three to five years for cars.

Leases are recognized as right-of-use assets and current and non-current lease liabilities in the balance sheet on the day that the leased asset is available for use. Exemptions are made for payments for short-term leases (leases of a maximum of 12 months) and leases of a low value, and these are expensed straight-line in profit or loss. Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the term of the lease.

Lease payments are discounted at the incremental borrowing rate, which is determined based on the current market rate for the lease term, country, currency and the Group's borrowing rate.

Options to extend or terminate a lease are included in a number of the Group's leases for buildings. These options can only be utilized by the lessee or by both the lessee and the lessor. The assessment of the use of options to extend or terminate a lease is reviewed if a significant event

or change in circumstances arises that impacts this assessment and the change is within the lessee's control.

#### Significant estimates and assessments

**Right-of-use assets and lease liabilities:** When determining the lease term, management considers all available information that creates an economic incentive to exercise the extension option, or not to exercise the option in order to terminate a lease. The option of extending a lease is included in the term of a lease if it is reasonably certain that the extension will be used (or not terminated). Arjo deemed it reasonably certain that it will exercise the option of extending certain leases, primarily for production and warehouse buildings and for individual office buildings. The policy is not to extend leases by more than ten years except for certain strategic buildings. The various factors that Arjo mainly considers in its assessment of the exercise of various extension and termination options are the costs associated with terminating the lease and the significance of the asset for the operations.

#### Amounts recognized in the balance sheet

SEK M	2024	2023
<b>Right-of-use assets</b>		
Buildings and land	767	694
Cars and other vehicles	428	394
Other	19	23
<b>Total</b>	<b>1,215</b>	<b>1,111</b>
<b>Lease liabilities</b>		
Current	428	365
Non-current	851	796
<b>Total</b>	<b>1,279</b>	<b>1,161</b>

Additional right-of-use assets in 2024 amounted to SEK 401 M (290). The cash outflow amounted to SEK 431 M (401). For a maturity analysis of the lease liabilities with undiscounted payments, see Note 27 Financial risk management.

## 14 LEASES, CONT.

## Amounts recognized in profit or loss

SEK M	2024	2023
Depreciation and write-downs of right-of-use assets		
Buildings and land	-229	-201
Cars and other vehicles	-202	-191
Other	-8	-7
<b>Total</b>	<b>-439</b>	<b>-399</b>
Interest expenses attributable to leases	-44	-36
Expenses attributable to short-term leases (included in cost of goods sold, selling expenses, administrative expenses, research and development costs)	-12	-12
Expenses attributable to low-value leases that are not short-term leases (included in cost of goods sold, selling expenses and administrative expenses)	-6	-8

## ARJO AS A LESSOR

Some of Arjo's customers do not purchase Arjo's products, but lease them instead. Leases are defined in two categories, operational and financial, depending on the financial significance of the agreement. Other than the subleases described below, Arjo has only operating leases.

## Arjo as a lessor, operating leases

## Accounting policies

Revenue from operating leases is recognized evenly over the lease term (see Note 2 Segment reporting, Rental). Most of the revenue is variable and related to the point in time that the asset was utilized. Operating leases are recognized as non-current assets (see Note 13 Tangible assets, Rental equipment). Straight-line depreciation is applied to these assets based on the expected useful life. The estimated impairment requirement is immediately charged to profit or loss.

## Maturity analysis for lease payments with undiscounted lease payments that are to be received annually from customers

SEK M	2024	2023
Due within 1 year	495	469
Due within 1 to 2 years	323	300
Due within 2 to 3 years	316	264
Due within 3 to 4 years	245	225
Due within 4 to 5 years	239	213
Due in more than 5 years	245	55
<b>Total</b>	<b>1,862</b>	<b>1,525</b>

## SALE AND LEASEBACK AND SUBLEASES

## Accounting policies

Arjo signed sale and leaseback agreements with financiers whereby the asset is later sold onward to customers under a sublease agreement. The contractual terms of these two parts reflect each other. The contracts are evaluated to assess whether they meet the requirements for a sale under IFRS 15 regarding when a performance obligation is satisfied. The contracts that meet the requirements of a sale are recognized in the balance sheet as non-current and current lease receivables from customers and as non-current and current financial liabilities to financiers. Payments are divided between interest income and repayment of receivables, and interest expenses and repayment of liabilities, respectively. Sales income is recognized in profit or loss when the requirements of IFRS 15 are met.

For contracts that do not meet the requirements of a sale, the underlying asset is recognized as a non-current asset in the rental operations and income is recognized continuously over the lease term.

## Lease receivables in the balance sheet

SEK M	2024	2023
Current	25	14
Non-current	73	46
<b>Total</b>	<b>98</b>	<b>60</b>

New contracts were signed in 2024 with a gain of SEK 25 M (11).

## Maturity analysis for lease payments with lease payments that are to be received annually from customers

2024, SEK M	Undiscounted payments	Interest effect	Discounted payments
Due within 1 year	27	-2	25
Due within 1 to 2 years	27	-2	24
Due within 2 to 3 years	22	-2	19
Due within 3 to 4 years	21	-2	19
Due within 4 to 5 years	10	-1	9
Due in more than 5 years	0	0	0
<b>Total</b>	<b>108</b>	<b>-9</b>	<b>98</b>

2023, SEK M	Undiscounted payments	Interest effect	Discounted payments
Due within 1 year	16	-2	14
Due within 1 to 2 years	15	-2	13
Due within 2 to 3 years	15	-2	13
Due within 3 to 4 years	10	-1	8
Due within 4 to 5 years	9	-1	8
Due in more than 5 years	7	-3	4
<b>Total</b>	<b>72</b>	<b>-12</b>	<b>60</b>

Interest income amounted to SEK 2 M (3).

## Financial liabilities in the balance sheet from sale and leaseback recognized in accordance with IFRS 9

SEK M	2024	2023
Current	25	14
Non-current	69	45
<b>Total</b>	<b>95</b>	<b>59</b>

## 15 Participations in associated companies

## Accounting policies

## Associated companies

Associated companies are those companies in which the Group has a significant but not a controlling influence, which usually applies to shareholdings of between 20-50 percent of the votes, but could also apply to cases in which consideration is given to operational and legal agreements under which Arjo believes that it has a significant influence despite holding less than 20 percent of the number of votes. Holdings in associated companies are recognized according to the equity method. Unrealized gains on transactions between the Group and its associated companies are eliminated to the same extent as the Group's holding in the associated company. Unrealized losses are also eliminated unless the transaction comprises an indication of impairment of the asset transferred. The accounting policies for associated companies have been adjusted if necessary to ensure that they correspond to the Group's accounting policies.

## Assets held for sale

Assets are classified as held for sale if it is highly probable that the sale will take place and the asset is available for immediate sale. The assets are valued at the lower of carrying amount and fair value less selling expenses.

## Significant estimates and assessments

Under the shareholder agreement with Bruin Biometrics LLC (BBI), Arjo has a permanent BBI Board seat and veto rights for a number of important operational and legal business matters. Accordingly, Arjo has made the assessment that it has a significant influence over BBI despite holding only 10 percent of the number of votes, and the holding was previously recognized as participations in associated companies in accordance with the equity method.

From the fourth quarter of 2024, the holdings were reclassified to assets held for sale, which means that the equity method is no longer applied.

## 15 PARTICIPATIONS IN ASSOCIATED COMPANIES, CONT.

**Participations in Bruin Biometrics (BBI)**

Arjo owns a 10 percent equity stake in Bruin Biometrics (BBI), a US-based company developing solutions for diagnosing patients with an elevated risk of developing pressure injuries.

Arjo has had a distribution agreement with BBI that was terminated in the fourth quarter of 2024 and accordingly divested related assets in the form of inventory, rental assets and distribution rights. The compensation amounted to SEK 15 M and resulted in a capital loss of SEK -54 M.

Arjo's aim is to divest the shares in BBI in 2025 and has therefore reclassified the asset and from the fourth quarter of 2024 the assets are recognized as assets held for sale.

The participation agreement between Arjo and BBI includes a surrender clause that gives BBI the right to buy back the participations at the higher of the market value and the original purchase price.

The market value is estimated to correspond to at least the carrying amount.

## Change in carrying amounts:

SEK M	2024	2023
Opening cost, associated companies	139	132
Capital contribution	—	24
Share of associated companies' profit for the year	-9	-11
Other comprehensive income	14	-6
<b>Carrying amount at year-end</b>	<b>143</b>	<b>139</b>

There were no receivables or liabilities to BBI at the end of the year. Accumulated translation differences in other comprehensive income amounted to SEK 24 M at December 31, 2024.

Condensed financial information for BBI is presented below: The condensed income statement refers to full-year 2024, however, Arjo has only included earnings from the January-September period since the holding in the fourth quarter was reclassified to assets held for sale.

SEK M	2024	2023
<b>Condensed income statement</b>		
Net sales	24	21
Operating loss	-122	-110
Net loss for the period	-122	-112
Other comprehensive income	0	0
<b>Comprehensive income for the period</b>	<b>-122</b>	<b>-112</b>
<b>Condensed balance sheet</b>		
Non-current assets	22	11
Current assets	88	78
<b>Total assets</b>	<b>111</b>	<b>89</b>
Shareholders' equity	-87	47
Current liabilities	198	42
<b>Total shareholders' equity and liabilities</b>	<b>111</b>	<b>89</b>

**16 Inventories****Accounting policies**

Inventories include a share of indirect costs related to this. The value of finished products includes raw materials, direct work, other direct costs and production-related expenses including depreciation. The net realizable value is calculated as the estimated sales price less estimated completion and selling expenses.

**Significant estimates and assessments**

**Obsolescence reserve:** An assessment of obsolescence in inventories is conducted on an ongoing basis during the year. The value of inventories is adjusted for the estimated decrease in value attributable to products no longer sold, surplus inventories, physical damage, lead times for inventories, and handling and sales overheads. If the net realizable value is lower than the cost, a valuation reserve is established for inventory obsolescence.

SEK M	2024	2023
Raw materials	646	667
Work in progress	64	51
Finished products	679	583
<b>Total</b>	<b>1,388</b>	<b>1,301</b>

Of the Group's inventories, SEK 1,388 M (1,301) is measured at cost and SEK 0 M (0) at net realizable value. At December 31, 2024, the Group's provisions for obsolescence totaled SEK 127 M (122).

**17 Accounts receivable****Accounting policies**

For accounting policies, see Note 28 Financial instruments.

SEK M	2024	2023
Accounts receivable before provisions	1,869	1,696
Provisions for doubtful receivables	-71	-64
<b>Total</b>	<b>1,798</b>	<b>1,632</b>

Accounts receivable net, after provisions for doubtful receivables, theoretically constitutes the maximum exposure for the calculated risk of losses. It is the Group's opinion that there is no significant concentration of accounts receivable to any single client.

A maturity analysis of accounts receivable is presented below:

SEK M	2024	2023
Not fallen due	1,273	1,148
Fallen due 1-5 days	116	117
Fallen due 6-30 days	165	130
Fallen due 31-60 days	146	97
Fallen due 61-90 days	49	48
Fallen due, more than 90 days	120	157
<b>Total</b>	<b>1,869</b>	<b>1,696</b>

At December 31, 2024, the Group's provisions for doubtful receivables totaled SEK -71 M (-64). A maturity analysis of these accounts receivable is presented below:

SEK M	2024	2023
Not fallen due	-7	-6
Fallen due 1-5 days	0	-1
Fallen due 6-30 days	-3	-2
Fallen due 31-60 days	-1	-2
Fallen due 61-90 days	-5	-1
Fallen due, more than 90 days	-56	-53
<b>Total</b>	<b>-71</b>	<b>-64</b>

Recognized amounts, by currency, for the Group's accounts receivable are as follows:

SEK M	2024	2023
EUR	522	562
USD	572	439
GBP	242	254
CAD	249	195
SEK	8	5
Other currencies	277	242
<b>Total</b>	<b>1,869</b>	<b>1,696</b>

Changes in provisions for doubtful receivables are as follows:

SEK M	2024	2023
<b>At beginning of the year</b>	<b>-64</b>	<b>-81</b>
Provision for expected losses	-13	-20
Confirmed losses	-1	8
Payment made for reserved receivable	10	29
Translation differences	-3	0
<b>Amount at year-end</b>	<b>-71</b>	<b>-64</b>

## 18 Prepaid expenses and accrued income

SEK M	2024	2023
Accrued income	125	95
IT expenses	67	59
Insurance expenses	34	27
Bank charges	17	23
Leasing expenses	15	11
Other	83	68
<b>Total</b>	<b>343</b>	<b>284</b>

## 19 Shareholders' equity

SEK M	Specification of other reserves		Hedge reserve		Translation reserve		Hedges of net investments		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Opening balance</b>	—	—	1,450	1,510	-135	-138	1,315	1,372		
Change for the year	-2	—	—	—	-62	4	-64	4		
Tax attributable to items that can be restated in profit	1	—	-42	2	13	-1	-28	2		
Translation difference for the year	—	—	585	-63	—	—	585	-63		
<b>Closing balance</b>	<b>-2</b>	<b>—</b>	<b>1,993</b>	<b>1,450</b>	<b>-184</b>	<b>-135</b>	<b>1,807</b>	<b>1,315</b>		

Class of shares	A	B	Total
Quotient value per share	0.33	0.33	
December 31, 2023	18,217,200	254,152,373	272,369,573
<b>December 31, 2024</b>	<b>18,217,200</b>	<b>254,152,373</b>	<b>272,369,573</b>
Shares' voting rights in %	41.8	58.2	100

In accordance with the Articles of Association, the company's share capital amounts to not less than SEK 75 M and not more than SEK 300 M. Within

these limits, the share capital can be raised or lowered without requiring an amendment to the Articles of Association. The maximum number of shares is 600 million. One series A share carries ten votes and one series B share carries one vote.

The registered share capital in Arjo AB (publ) amounted to SEK 90,789,858 on December 31, 2024, distributed over 272,369,573 shares with a quotient value of SEK 0.33 per share for both classes of shares.

A dividend of SEK 245,132,616 (SEK 0.90 per share) was paid in 2024. The proposed dividend for 2025 amounts to SEK 258,751,094 (SEK 0.95 per share).

## 20 Consolidated interest-bearing net debt

The Group's interest-bearing net debt is presented in the table.

Contracted, unutilized overdraft facilities totaled SEK 4,827 M (4,328) on December 31, 2024 (of which, SEK 1,944 M (1,915) comprised back-up for the commercial paper program). There are also granted, unutilized overdraft facilities of SEK 204 M (215).

SEK M	Jan 1, 2024	Non-cash items			
		Cash flows	Other non-cash items	Exchange-rate differences	Dec 31, 2024
Non-current and current financial liabilities	4,325	-336	69	80	4,139
Non-current and current lease liabilities	1,161	-431	486	63	1,279
Provisions for pensions, interest-bearing	31	2	2	1	36
<b>Total interest-bearing liabilities</b>	<b>5,517</b>	<b>-765</b>	<b>557</b>	<b>144</b>	<b>5,453</b>
Non-current and current financial assets	-91	17	-63	-5	-141
Pension assets	-183	-7	-21	-17	-229
Cash and cash equivalents	-923	26	—	5	-892
<b>Total interest-bearing assets</b>	<b>-1,197</b>	<b>36</b>	<b>-84</b>	<b>-17</b>	<b>-1,262</b>
<b>Net interest-bearing liabilities</b>	<b>4,320</b>	<b>-729</b>	<b>473</b>	<b>128</b>	<b>4,191</b>

SEK M	Jan 1, 2023	Non-cash items			
		Cash flows	Other non-cash items	Exchange-rate differences	Dec 31, 2023
Non-current and current financial liabilities	5,145	-888	30	39	4,325
Less non-interest-bearing financial liabilities	-57	58	—	-1	—
Non-current and current lease liabilities	1,168	-412	418	-13	1,161
Provisions for pensions, interest-bearing	29	4	0	-2	31
<b>Total interest-bearing liabilities</b>	<b>6,285</b>	<b>-1,238</b>	<b>448</b>	<b>22</b>	<b>5,517</b>
Non-current and current financial assets	-87	22	-26	-1	-91
Pension assets	-205	-7	33	-4	-183
Cash and cash equivalents	-949	4	—	22	-923
<b>Total interest-bearing assets</b>	<b>-1,241</b>	<b>19</b>	<b>7</b>	<b>17</b>	<b>-1,197</b>
<b>Net interest-bearing liabilities</b>	<b>5,044</b>	<b>-1,219</b>	<b>455</b>	<b>39</b>	<b>4,320</b>

## 21 Other provisions

### Accounting policies

Provisions are recognized when Arjo has a legal or informal obligation as a result of past events and it is probable that payment will be required to fulfill the commitment and if a reliable estimation can be made of the amount to be paid. Restructuring measures, guarantee commitments and similar items are recognized in the balance sheet. Provisions are reviewed at the end of each accounting period. For information about restructuring costs, refer to Note 5 Exceptional items.

SEK M	Restructuring	Guarantees	Personnel	Other	Total
<b>Value according to opening balance 2024</b>					
Provisions	17	30	16	63	126
Used amount	14	19	2	29	64
Unutilized funds restored	-15	-21	-3	-18	-57
Translation differences	0	-1	0	-1	-2
Value according to closing balance 2024	16	28	16	76	136
Of which, current provisions					61
Of which, non-current provisions					76
<b>Value according to opening balance 2023</b>					
Provisions	10	25	13	88	136
Used amount	14	32	6	25	77
Unutilized funds restored	-5	-26	-3	-45	-79
Translation differences	—	0	0	-6	-7
Value according to closing balance 2023	17	30	16	63	126
Of which, current provisions					59
Of which, non-current provisions					67
<b>Expected timing of outflow:</b>					
SEK M	2024	2023			
Within 1 year	61	59			
Within 3 years	12	15			
Within 5 years	29	18			
> 5 years	34	34			
<b>Total</b>	<b>136</b>	<b>126</b>			

## 22 Provisions for pensions and similar obligations

### Accounting policies

**Pension commitments:** Arjo has both defined-contribution and defined-benefit pension plans, of which some have assets in special funds or similar securities. The plans are usually financed by payments from the respective Group companies and the employees. Arjo's Swedish companies are generally covered by the ITP plan, which does not require any payments from employees.

**Defined-benefit plans:** Pension expenses for defined-benefit plans are calculated using the Projected Unit Credit Method in a manner that distributes expenses over the employee's working life. The calculation is performed annually by independent actuaries. These commitments are measured at the present value of expected future payments, with consideration for calculated future salary increases, utilizing a discount rate corresponding to the interest rate of first-class company or government bonds with a remaining term that is almost equivalent to the actual commitments. Arjo's net liabilities for each defined-benefit plan (which is also recognized in the balance sheet), comprises the present value of the obligation less the fair value of the plan assets. If the value of the plan assets exceeds the value of the obligation, a surplus arises, which is recognized as an asset. The actuarial assumptions constitute the company's best assessment of the different variables that determine the costs of providing the benefits.

Arjo has defined-benefit pension plans in Sweden, Germany, the UK and Italy. The pension plans primarily comprise retirement pensions. Each employer normally has an obligation to pay a lifelong pension. Vesting is based on the number of years of service. The employee must be affiliated with the plan for a certain number of years to achieve full retirement pension entitlement.

**Defined-contribution plans:** Defined-contribution plans are plans in which the Group pays fixed fees to a separate legal entity, for example, an insurance company, and does not have any legal or informal obligation to pay additional fees. In many countries, Arjo's employees are covered by defined-contribution pension plans. The pension plans primarily include retirement pensions. Payments for defined-contribution plans are normally based on a certain portion of the employee's salary and are recognized as expenses during the period in which the employees perform the services that the fee covers.

The part of the Swedish ITP plan concerning family pension, disability pension, and employment group life insurance financed by insurance with Alecta is a defined-benefit pension multi-employer plan. For this pension scheme, according to IAS 19, a company is primarily to recognize its proportionate share of the defined-benefit pension commitment and the plan assets and expenses associated with the pension plan. The financial statements are also to include disclosures required for defined-benefit pension plans. Alecta is currently unable to provide the necessary information and therefore the above pension plans are recognized as defined-contribution plans in accordance with item 30 of IAS 19. This means that premiums paid to Alecta will also be recognized on an ongoing basis as expenses in the period to which they pertain.

### Significant estimates and assessments

**Pension commitments:** Recognition of the expenses for defined-benefit pensions and other applicable retirement benefits is based on actuarial valuations, relying on assumptions for discount rates, future salary increases and expected inflation. In turn, the discount rate assumptions are based on rates for high-quality fixed-interest investments with durations similar to the pension plans.



## 22 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS, CONT.

## Specification of net value of defined-benefit commitments

	2024, SEK M			2023, SEK M		
	Funded pension plans	Unfunded pension plans	Total	Funded pension plans	Unfunded pension plans	Total
Present value of commitments	-1,587	-36	-1,623	-1,627	-31	-1,658
Fair value of plan assets	1,816	—	1,816	1,810	—	1,810
<b>Net asset/liability in the balance sheet</b>	<b>229</b>	<b>-36</b>	<b>193</b>	<b>183</b>	<b>-31</b>	<b>152</b>

SEK M	2024	2023
<b>Pension commitments</b>		
<b>Opening balance</b>	<b>-1,658</b>	<b>-1,649</b>
Costs for service in the current year	-3	-2
Interest expenses	-75	-78
Paid benefits	79	73
Exchange-rate differences	-132	-29
Gain/(loss) attributable to changed demographic assumptions	1	52
Gain/(loss) attributable to changed financial assumptions	170	-43
Experience-based gains/(losses)	-5	18
<b>Closing balance</b>	<b>-1,623</b>	<b>-1,658</b>

SEK M	2024	2023
<b>Plan assets</b>		
<b>Opening balance</b>	<b>1,810</b>	<b>1,825</b>
Interest income	79	81
Administrative costs pertaining to plan assets	0	0
Fees paid by employer	1	4
Paid benefits	-77	-71
Exchange-rate differences	147	31
Return on plan assets	-150	-60
Restriction in plan surpluses with regard to asset ceilings	5	0
<b>Closing balance</b>	<b>1,816</b>	<b>1,810</b>

## The defined-benefit pension commitment and composition of plan assets

2024, SEK M	Present value of commitments	Fair value of plan assets	Net provision / net receivable pensions
Sweden	-46	46 <sup>1)</sup>	0
Germany	-8	—	-8
UK	-1,540	1,769	229
Italy	-28	—	-28
<b>Total</b>	<b>-1,623</b>	<b>1,816</b>	<b>193</b>

1. Of which restriction of surplus in the plan due to an asset ceiling of SEK -22 M.

2023, SEK M	Present value of commitments	Fair value of plan assets	Net provision / net receivable pensions
Sweden	-39	39 <sup>1)</sup>	0
Germany	-7	—	-7
UK	-1,587	1,770	183
Italy	-24	—	-24
<b>Total</b>	<b>-1,658</b>	<b>1,810</b>	<b>152</b>

1. Of which restriction of surplus in the plan due to an asset ceiling of SEK -27 M.

UK	2024	2023
<b>Significant actuarial assumptions, %</b>		
Discount rate	5.4	4.4
Expected salary increase rate <sup>1)</sup>	—	—
Expected inflation	2.7	2.5

1. The pension plan is closed which is why no expected salary increase rate is stated.

## Sensitivity of defined-benefit commitments to changes in the significant assumptions, UK

2024, SEK M	Expected value of pension commitments compared with used calculation assumptions	Change calculation assumptions
Pension commitments according to original valuation	-1,540	
Discount rate +1 percentage point	-1,350	190
Inflation +1 percentage point	-1,665	-125

The sensitivity analyses above are based on a change in one assumption, while all other assumptions remain constant. It is unlikely that this will happen in practice, and changes in some of the assumptions may correlate. The calculation of sensitivity in the defined-benefit commitments for material actuarial assumptions uses the same method (the present value of defined-benefit commitments by applying the projected unit credit method at the end of the reporting period) as that used in the calculation of pension liabilities.

## Composition of plan assets

SEK M	2024	2023
Securities	1,789	1,783
Properties	6	6
Cash and cash equivalents and similar assets	12	12
Other	8	8
<b>Total</b>	<b>1,816</b>	<b>1,810</b>

The weighted average term of the pension commitments is 12 years (14).

## Information regarding recognition of multi-employer defined-benefit pension plans, Alecta

The commitment for retirement pensions and family pensions for salaried employees in Sweden is safeguarded through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a multi-employer defined-benefit plan. For the 2024 fiscal year, the company did not have access to such information that makes it possible to recognize this plan as a defined-benefit plan. The pension plan in accordance with ITP, which is safeguarded through insurance with Alecta, is thus recognized as a defined-contribution plan. Fees for the year for pension insurance covered by Alecta amounted to SEK 4 M (4). Alecta's surplus can be distributed to the insurers and/or the insured. At year-end 2024, Alecta's surplus in the form of the collective consolidation level was 162 percent (158). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitment calculated in accordance with Alecta's actuarial calculation assumption, which does not correspond with IAS 19.

## 23 Accrued expenses and deferred income

SEK M	2024	2023
Salaries	438	417
Social security expenses	145	112
Commission and bonuses to customers	87	68
Consultancy fees	33	28
Freight costs	30	20
IT expenses	12	14
Deferred income	124	120
Other	281	291
<b>Total</b>	<b>1,152</b>	<b>1,071</b>

### Deferred income, specification of changes for the year

SEK M	2024	2023
<b>Opening balance</b>	<b>120</b>	<b>118</b>
Provision for the year	270	201
Utilized amount for the year	-274	-197
Translation differences	8	-2
<b>Closing balance</b>	<b>124</b>	<b>120</b>

## 24 Pledged assets and contingent liabilities

### Accounting policies

Contingent liabilities are commitments not recognized as liabilities/provisions either because it is not certain that an outflow of resources will be required to regulate the commitment or because it is not possible to make a reliable estimate of the amount.

### Contingent liabilities

SEK M	2024	2023
Guarantees/bank guarantees	23	23
<b>Total</b>	<b>23</b>	<b>23</b>

### Pledged assets

The Group has no pledged assets.

## 25 Acquired operations

### Significant estimates and assessments

Measurement of identifiable assets and liabilities in connection with acquisitions. In conjunction with acquisitions, all identifiable assets and liabilities in the acquired company are identified and measured at fair value (see also Note 12 Intangible assets, accounting policies).

### Acquired operations in 2024

In September, Arjo acquired all shares in the German company GerroMed Pflege- und Medizintechnik GmbH, which operates a rental business focused on pressure injury prevention. Annual sales amount to approximately SEK 30 M, of which SEK 9 M was included in the Group's sales.

In December, all shares in the French company Tech Med SAS, one of Arjo's distributors of diagnostic solutions, were acquired. Annual sales amount to approximately SEK 25 M, of which SEK 0 M was included in the Group's sales. The acquisitions are recognized collectively below since they are not deemed to be material to be recognized separately.

Net assets acquired, SEK M	Carrying amount	Valuation adjustment	Fair value
<b>Net assets</b>			
Intangible assets	1	9	9
Tangible assets	5	-3	3
Inventories, accounts receivables and other receivables	24	—	24
Accounts payable and other liabilities	-12	—	-12
Deferred tax liabilities	—	-2	-2
Cash and bank balances	10	—	10
<b>Total net assets</b>	<b>27</b>	<b>4</b>	<b>32</b>
Goodwill	—	48	48
<b>Total net assets</b>	<b>27</b>	<b>52</b>	<b>80</b>
<b>Cash-flow effect</b>			
Acquisition price			80
Unpaid purchase considerations			-15
Cash and cash equivalents in the acquired company			-10
<b>Total cash-flow effect</b>			<b>55</b>

## 26 Transactions with related parties

Companies in the Carl Bennet sphere are considered to be related parties to Arjo. In addition to normal dividends to Carl Bennet AB, Arjo had transactions only with companies in Getinge Group, which are presented in the table below. Business terms and conditions as well as market-regulated pricing apply for delivery of products and services between the companies.

For remuneration and benefits to senior executives and on the Board of Directors, see Note 3.

SEK M	2024	2023
Sales	22	32
Purchases of goods	-9	-14
Accounts receivable	3	2
Accounts payable	1	1

## 27 Financial risk management

Most of Arjo's operations are located outside Sweden. This situation entails that the Group is exposed to a risk of fluctuations occurring in net profit for the year, cash flow and shareholders' equity due to changes in exchange rates. In addition, the Group is exposed to interest-rate, refinancing and counterparty risks.

The primary role of Arjo Group Finance is to support business activities and to identify and in the best way manage the Group's financial risks in line with the Board's established finance policy. Arjo's financial activities are centralized to benefit from economies of scale, to ensure good internal control and to facilitate monitoring of risk.

### CURRENCY RISKS

Currency risks comprise exchange-rate fluctuations, which have an impact on the Group's earnings and shareholders' equity. Currency exposure occurs in connection with payments in foreign currency (transaction exposure) and when translating foreign subsidiaries' balance sheets and income statements into SEK (translation exposure).

### Translation exposure – income statement

When translating the results of foreign Group companies into SEK, currency exposure occurs, which affects the Group's earnings when exchange rates fluctuate.

### Translation exposure – balance sheet

Currency exposure occurs when translating net assets of foreign Group companies into SEK, which can affect the Group's other comprehensive income. Exposure is reduced by Arjo applying hedge accounting to loans in foreign currency (EUR).



## 27 FINANCIAL RISK MANAGEMENT, CONT.

The table provides information on the loans that are used for hedge accounting of net investments in foreign operations. The Group did not recognize any ineffectiveness in profit or loss for the year.

Net investments in foreign operations	2024	2023
Amount recognized, loans	1,656	1,658
Amounts recognized in MEUR	144	149
Hedge ratio	1:1	1:1
Change in the carrying amount of the loan due to changes in exchange rates since January 1	62	-4
Change in value of the hedged item to determine effectiveness	62	-4

## Transaction exposure

Payment flows as a result of sales income and cost of goods sold in foreign currencies cause currency exposure that affects Group earnings in the event of exchange-rate fluctuations. The Group's payment flows in foreign currencies mainly arise through intra-Group product flows. The most important currencies against the SEK are presented in the table below. Individual large internal currency transactions are hedged. Intra-Group cash pool balances are also hedged. The Group has loans in EUR that are not used in hedge accounting. The currency risk in these loans is reduced through currency derivatives.

The table below outlines the effect on net profit for the year and equity, translated to SEK, of currency fluctuations of  $\pm 10$  percent in the most important transaction currencies. The change in net profit for the year and equity is proportional to assumptions for percentages other than  $\pm 10$  percent. The column entitled "Balance" is the exposure at the end of the year and is almost exclusively comprised of intra-Group accounts receivable and accounts payable, intra-Group balances in the cash pool and short-term intra-Group loans. These items are eliminated in the consolidated balance sheet. There are also external items in the exposure balance in the form of loans in EUR and accounts receivable and accounts payable, although these items comprise only a very small portion. Since the "Balance" column is the net of assets and liabilities and not all items are hedged, the forward contracts sometimes therefore exceed the nominal value of the amount of the exposure balance on the closing date.

## Sensitivity analysis, transaction exposure – 2024

Currency	Fair value	Nominal amount	Balance	Effect on net profit for the year and shareholders' equity, $\pm 10\%$ (SEK M)
				$\pm 10\%$ (SEK M)
AUD	0	-8	52	3
CAD	0	-1	-266	-21
CNY	0	5	-29	-2
EUR	3	1,165	-1,206	-3
GBP	4	661	-489	14
PLN	2	387	-395	-1
USD	0	116	-47	5
Other	-2	28	-2	2
<b>Total, SEK M</b>	<b>6</b>	<b>2,353</b>	<b>-2,383</b>	<b>-2</b>
Of which, current assets	17			
Of which, current liabilities	-11			

## Sensitivity analysis, transaction exposure – 2023

Currency	Fair value	Nominal amount	Balance	Effect on net profit for the year and shareholders' equity, $\pm 10\%$ (SEK M)
				$\pm 10\%$ (SEK M)
AUD	0	-7	33	2
CAD	-5	624	-119	40
CNY	—	—	-19	-2
EUR	-12	978	-1,086	-9
GBP	-12	521	-590	-5
PLN	-3	327	-330	0
USD	-2	176	-10	13
Other	2	-13	-126	-11
<b>Total, SEK M</b>	<b>-32</b>	<b>2,606</b>	<b>-2,247</b>	<b>28</b>
Of which, current assets	6			
Of which, current liabilities	-39			

## FINANCING RISK

## Credit facilities and loans

At the end of the period, Arjo had two revolving credit facilities denominated in EUR. One of the facilities is an agreement with a bank syndicate comprised of six Nordic and international banks. The second facility is an agreement for a non-binding credit facility with the Swedish Export Credit Corporation. Based on these agreements, Arjo believes that it has a highly diversified loan portfolio with a well-composed group of both Nordic and international lenders. Arjo's policy is that refinancing risks are managed by signing long-term committed credit agreements with a range of tenures. The weighted average remaining maturity of the Group's contracted credit facilities may not be shorter than 24 months and not more than 30 percent of Arjo's outstanding financing may fall due within the next 12 months. All loan facilities include the usual guarantees and commitments, and do not contain any restrictions on dividends. The credit facilities may mature for earlier payment in full or in part if certain events occur, including, but not limited to, non-payment of past due

amounts, non-compliance with financial covenants, rounds of terminations of the Group's other financing agreements (cross default) and the insolvency of Arjo or some of Arjo's subsidiaries. The financial covenants comprise Debt Repayment Capacity (the Group's net debt as a percentage of the Group's EBITDA). Arjo met these covenants during the fiscal year.

Arjo has a commercial paper program with a framework amount of SEK 5,000 M. At year-end 2024, SEK 1,944 M (1,915) had been issued. The carrying amount was SEK 1,936 M (1,902). Based on the two revolving credit facilities and the commercial paper program, Arjo can finance its operations in SEK and EUR for 1 to 12 months. The option of financing based on the commercial paper program was used to repay interest-bearing bank loans. Arjo's unutilized revolving credit facilities serve in the first instance as a back-up to the commercial paper program.

The table below presents Arjo's credit facilities and loans as per December 31, 2024 and 2023.

## Credit facilities 2024

Type	Currency	Amount, MLC	Utilized	Due
Revolving credit facility, 5+1+1 years	EUR	300	91	2028
Revolving credit facility, 3+1+1 years	EUR	300	91	2026
Commercial paper	EUR	182	48	2025
Commercial paper	SEK	2,900	1,395	2025

## Credit facilities 2023

Type	Currency	Amount, MLC	Utilized	Due
Revolving credit facility, 5+1+1 years	EUR	300	105	2028
Revolving credit facility, 3+1+1 years	EUR	300	105	2026
Commercial paper	EUR	189	49	2024
Commercial paper	SEK	2,900	1,370	2024

The table below shows the Group's contractual and undiscounted cash flows from the external financial liabilities on the closing date until the contractual date of maturity.

At December 31, 2024, SEK M	Less than 6 months	7-12 months	1-2 years	2-5 years	> 5 years	Total
	—	—	-1,047	-1,047	—	-2,093
Bank loans	—	—	-1,047	-1,047	—	-2,093
Commercial paper	-1,944	—	—	—	—	-1,944
Leases	-218	-218	-330	-449	-125	-1,340
Other financial liabilities	-29	-14	-27	-57	-2	-128
Derivative instruments, outflows	-616	-51	—	—	—	-667
Derivative instruments, inflows	3,018	7	—	—	—	3,025
Interest-rate derivatives	—	—	—	1,223	—	1,223
Accounts payable	-607	—	—	—	—	-607
<b>Total</b>	<b>-396</b>	<b>-276</b>	<b>-1,404</b>	<b>-330</b>	<b>-127</b>	<b>-2,531</b>

## 27 FINANCIAL RISK MANAGEMENT, CONT.

At December 31, 2023, SEK M	Less than 6 months	7-12 months	1-2 years	2-5 years	> 5 years	Total
Bank loans	—	—	—	-2,346	—	-2,346
Commercial paper	-1,882	-33	—	—	—	-1,915
Leases	-188	-187	-286	-444	-158	-1,263
Other financial liabilities	-8	-8	-15	-31	-6	-68
Derivative instruments, outflows	-644	-37	-19	—	—	-700
Derivative instruments, inflows	3,177	8	—	—	—	3,185
Accounts payable	-612	—	—	—	—	-612
<b>Total</b>	<b>-157</b>	<b>-257</b>	<b>-320</b>	<b>-2,821</b>	<b>-164</b>	<b>-3,719</b>

## INTEREST-RATE RISK

Arjo is exposed to interest-rate risk, defined as the risk of changed market interest rates impacting the Group's net interest. The aim of Arjo's interest policy is to reduce the short and long-term effect of changed market interest rates on the income statement and to minimize interest expenses. If necessary, this is achieved using interest-rate swaps. Interest-rate risk is assessed and monitored continuously by the Board during the year.

Loans under the commercial paper program and under the two revolving credit facilities have a fixed interest rate for each maturity, between 1-12 months, based on the market rate (STIBOR or EURIBOR) on the issue date. Interest-rate risk arises in connection with each maturity when the loans are to be renewed. On each issue date, Arjo can chose between using the commercial paper program or making use of the Group's financial agreements, depending on which alternative is the most advantageous.

In 2024, Arjo signed interest-rate swaps corresponding to 58 percent of the credit facilities outstanding as per December 31, 2024 and the fair value amounted to SEK 1,223 M (-). Interest-rate swaps have the same critical terms as the hedged item. The hedge ratio is 1:1. Critical terms can include the reference rate, interest turnover days, currency, payment days, maturity date and nominal amount. Outstanding swaps cover 30 percent of the total loans outstanding. Since the critical terms were matched for the entire year, the economic relationship was 100 percent effective.

Based on Arjo's interest-bearing liabilities at December 31, 2024, a momentary change in average interest rates of ±1 percentage point for the currencies represented in the Group's interest-bearing liabilities would entail changed interest expenses of SEK ±28 M (43) on an annual basis, which would impact net profit and equity in the amount of SEK ±20 M (32).

A ±1 percentage point change in interest rates would mean a change in the recognized market value of interest-rate derivatives of SEK ±34 M (-) on the closing date. The change in market value affects equity given that hedge accounting can still be applied.

The change is proportional to assumptions for percentages other than ±1 percentage points.

## CREDIT AND COUNTERPARTY RISKS

Arjo's financial transactions cause credit risks with regard to financial counterparties. Credit risks or counterparty risks constitute the risk of losses if the counterparties do not fully meet their commitments. The finance policy states that the credit risk must be limited through accepting only creditworthy counterparties and fixed limits. At December 31, 2024, the total counterparty exposure in derivative instruments was SEK 4 M (32). Credit risks in outstanding derivatives are limited by the offset rules agreed with the respective counterparty. The Group has ISDA agreements for all of its significant counterparties for raising funds and trading in financial instruments. For the financial assets and liabilities that are subject to legally binding offset agreements or similar, each agreement between the Company and its counterparties permits the relevant financial assets and liabilities to be offset. The derivatives were recognized at gross amount in the balance sheet. The Group's liquidity is placed in bank accounts with low credit risks by distributing between several banks with high credit ratings. Arjo has a bank consortium comprising six different banks, whose credit ratings are between A1 and Aa3.

## Reserve for expected credit losses

Arjo's accounts receivable are current in nature and thus the risk-assessment horizon is short. Credit risk is limited by a diverse customer base with a high credit rating since a high percentage are public customers. Many private customers also receive remuneration from publicly financed insurance reimbursement systems, which reduces the risk. A collective assessment is performed of the impairment requirement for accounts receivable with low credit risk. An individual assessment is carried out for customers with impaired credit risk, for amounts see Note 17 Accounts receivable.

## 28 Financial instruments

## Accounting policies

A financial asset or financial liability is recognized in the balance sheet when the company is party to the contractual conditions of the instrument. A financial asset is derecognized from the balance sheet when the contractual rights to the asset are realized, extinguished or the company loses control over them. A financial liability is derecognized from the balance sheet when the contractual obligation has been fulfilled or in some other manner extinguished. Acquisitions and sales of financial assets are recognized on the transaction date, which is the date on which the company commits to acquire or sell the assets, apart from cases in which the company acquires or sells listed securities, when liquidity-date reporting is applied.

Financial instruments are initially measured at cost corresponding to the fair value of the instrument, plus transaction costs for all financial instruments except for those that belong to the category of fair value through profit or loss, which are measured at fair value excluding transaction costs. The classification determines how the financial instruments are measured after initial recognition, as described below. The classification of financial assets that are debt instruments is determined by the business model for the portfolio in which the financial asset is included and the characteristics of the contractual cash flows. Arjo's business model for all financial assets that are debt instruments is to collect the principal and any interest on the principal. The contractual cash flows for these assets comprise solely principal and interest on the principal, which is why they are classified as financial assets measured at amortized cost. All financial liabilities are classified as amortized cost except for derivative instruments and additional purchase consideration classified as fair value through profit or loss. Financial assets are included in current assets if they are expected to be settled within 12 months of the end of the reporting period. Otherwise, they are classified as non-current assets. Further information about financial instruments can be found in Note 17 Accounts receivable and Note 27 Financial risk management.

## Financial assets measured at fair value through profit or loss:

Financial assets in this category comprise derivatives and participations in unlisted companies. Participations in unlisted companies are recognized as financial assets, except for assets held for sale. Changes in fair value are recognized in profit or loss. For derivatives for which hedge accounting is not applied, changes in fair value are recognized in profit or loss.

**Financial assets measured at amortized cost:** This category is used when the asset is included in a business model the aim of which is to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Assets in this category comprise non-current and current financial receivables, accounts receivable and other current receivables. Assets in this category are initially measured at fair value including transaction costs. After the acquisition date, they are recognized at amortized cost using the effective interest method. Accounts receivable are recognized in the

## 28 FINANCIAL INSTRUMENTS, CONT.

amounts that are expected to be received after deductions for expected credit losses, which are assessed on a case-by-case basis. The expected term of accounts receivable is short, which is why amounts are recognized at nominal values without discounting.

**Impairment of financial assets:** On the closing date, the Group assesses the impairment requirement of a financial asset or a group of financial assets. These assessments are individual. All financial assets, except for those that belong to the category of financial assets measured at fair value through profit or loss, are tested for impairment. The majority of these financial assets that are subject to impairment rules (accounts receivable) are current, which is why the Group has chosen to apply the simplified approach whereby expected credit losses are recognized for the full lifetime from the date of initial recognition. Impairment requirements for accounts receivable are determined based on past experience of customer losses on similar receivables and an assessment of forward-looking information. The assessment comprises expected credit losses over the full lifetime of the asset based on various probability-weighted scenarios.

The impairment requirement of expected credit losses for receivables for which no individual impairment requirement has been identified is assessed collectively. Impairment of accounts receivable is recognized in operating expenses. Accounts receivable are recognized at a nominal amount less any impairment. Receivables with short terms are not discounted since the effect is not material.

**Financial liabilities measured at fair value through profit or loss:** Financial liabilities in this category comprise derivatives and additional purchase consideration. Changes in fair value are recognized in profit or loss. For derivatives for which hedge accounting is not applied, changes in fair value are recognized in profit or loss.

**Financial liabilities measured at amortized cost:** This category includes non-recurring financial liabilities, accounts payable and other current liabilities. Non-current liabilities have an expected term longer than one year while current liabilities have a term of less than one year. Items in this category are initially measured at fair value and in the subsequent periods at amortized cost using the effective interest method. The terms of accounts payable are short, which is why amounts are recognized at nominal values without discounting.

**Net recognition of financial instruments:** Financial assets and liabilities are offset and recognized at a net amount in the balance sheet only when the company has a legally enforceable right of offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The Group has netting agreements for derivatives (ISDA) but does not meet the requirements for net recognition of these.

**Hedge accounting:** The requirements for hedge accounting include that there must be an economic relationship between the hedging instrument and the hedged item and that the economic relationship does not have a material impact on credit risk. The hedge ratio is to follow the quantity of the hedging instrument and the hedged item. Hedging documentation is also required that details the company's target and risk management strategy, the identified hedging instrument, the identified hedged item, the risk that is to be hedged and a strategy for monitoring effectiveness. Financial instruments that meet hedge-accounting requirements under the method for hedging of net investment in a foreign operation method and cash-flow hedging of interest-rate risk are recognized as follows.

**Hedging of currency risk in foreign net investments:** Investments in foreign subsidiaries (net assets including goodwill) have been hedged to a certain extent by using currency loans as hedging instruments. Exchange-rate differences on currency loans for the period less deductions for tax effects are recognized in the statement of income. Accumulated value changes from the hedging of net investments in foreign operations are reversed from shareholders' equity to profit or loss when the foreign operation is divested in full or in part. The effect of the hedge is recognized on the same line as the hedged item.

**Cash-flow hedging of interest-rate risk:** Interest-rate swaps are used to hedge forecast interest-rate flows attributable to borrowing at variable rates, whereby the company receives variable rates and pays fixed rates. The interest-rate swaps are measured at fair value in the balance sheet. The interest-rate component is recognized in net profit for the year on an ongoing basis as part of interest expenses, whereby the cash flows from the hedging instrument match the cash flows from the hedged item. The unrealized changes in the fair value of the interest-rate swaps, to the extent they comprise an effective hedge, are recognized in other comprehensive income until the hedged items impacts net profit for the year and as long as the criteria for hedge accounting are met. Any ineffectiveness is continuously recognized in net financial items.

**Valuation techniques for determining fair value:** The fair value of derivative instruments was calculated using the most reliable market prices available. This requires all instruments that are traded in an effective market, such as currency forward contracts, to be measured at market-to-market prices. The fair value of interest-rate swaps is calculated as the present value of expected future cash-flows based on observable yield curves. The fair value of the additional purchase consideration was determined based on inputs that are not based on observable market information. Accordingly, they are classified at level 3 of the fair value hierarchy.

## FAIR VALUE DISCLOSURES PERTAINING TO INTEREST-BEARING LOANS AND OTHER FINANCIAL INSTRUMENTS

Over time, Arjo has loans with both floating and fixed interest rates. Arjo's long-term loans have floating interest rates and current loans, which comprise the commercial paper program, have fixed interest. The fair value is deemed to correspond to the carrying amount since the long-term loans have floating interest and due to the short term for loans with fixed interest. Arjo's credit risk has not changed significantly since the agreement was signed. For other financial assets and liabilities, fair value is assessed as corresponding to the carrying amount due to the short expected term.

The fair value of currency forward contracts is established using prices of currency forwards on the closing date, with the resulting value discounted to the present value. The fair value of interest-rate swaps is calculated as the present value of expected future cash flows based on observable yield curves.

All derivatives are classified in Level 2 of the fair value hierarchy.

The Group carried out two acquisitions with additional purchase considerations during the year. The change in liability is presented in the table below.

The Group has holdings in unlisted companies in Level 3 of the fair value hierarchy. The carrying amount amounted to SEK 98 M (98). No investments or changes in value were made during the year. Valuations are made by discounting estimated future cash flows from the asset. These are based on such factors as forecasts/budgets from each company. A discount rate of 10 percent before tax was used and the growth rate was assumed to be 6 percent in 2-5 years and 2 percent thereafter. The table below presents the Group's financial instruments by category.

## 28 FINANCIAL INSTRUMENTS, CONT.

## Financial instruments by category

	2024				2023			
	Assets measured at amortized cost	Assets at fair value through profit or loss	Derivatives used for hedging purposes	Total	Assets measured at amortized cost	Assets at fair value through profit or loss	Derivatives used for hedging purposes	Total
<b>Financial assets, SEK M</b>								
Currency derivatives	—	17	—	17	—	6	—	6
Other financial assets	115	132	—	247	77	128	—	205
Accounts receivables and other financial receivables	1,846	—	—	1,846	1,668	—	—	1,668
Cash and cash equivalents	892	—	—	892	923	—	—	923
<b>Total</b>	<b>2,853</b>	<b>149</b>	<b>—</b>	<b>3,002</b>	<b>2,668</b>	<b>135</b>	<b>—</b>	<b>2,803</b>

## Financial instruments by category

	2024				2023			
	Liabilities measured at amortized cost	Liabilities at fair value through profit or loss	Derivatives used for hedging purposes	Total	Liabilities measured at amortized cost	Liabilities at fair value through profit or loss	Derivatives used for hedging purposes	Total
<b>Financial liabilities, SEK M</b>								
Borrowing	4,124	—	—	4,124	4,325	—	—	4,325
Currency derivatives	—	11	—	11	—	39	—	39
Interest-rate derivatives	—	—	2	2	—	—	—	—
Accounts payable and other financial liabilities	607	—	—	607	612	—	—	612
Additional purchase consideration	—	15	—	15	—	—	—	—
<b>Total</b>	<b>4,731</b>	<b>26</b>	<b>2</b>	<b>4,759</b>	<b>4,937</b>	<b>39</b>	<b>—</b>	<b>4,976</b>

## Liability for additional purchase consideration

SEK M	2024	2023
Opening balance	—	57
Additional	15	—
Paid	—	-58
Translation effects	0	1
<b>Closing balance</b>	<b>15</b>	<b>—</b>

## 29 Supplementary disclosures to the cash-flow statement

## Accounting policies

Cash-flow statements are prepared in accordance with IAS 7 Statement of Cash Flows, indirect method. The cash flows of foreign Group companies are translated at average exchange rates. Changes in the Group structure, acquisitions and divestments are recognized net, excluding cash and cash equivalents, under "Acquired operations" and "Divested operations" and are included in cash flow from investing activities.

**Cash and cash equivalents** The major portion of cash and cash equivalents comprises cash funds held at financial institutions, and only a minor portion comprises current liquid investments with a term from the acquisition date of less than three months, which are exposed to only an insignificant risk of value fluctuations.

## Cash and cash equivalents

SEK M	2024	2023
Cash and bank balances	892	923
<b>Total</b>	<b>892</b>	<b>923</b>

## Adjustments for items not included in cash flow

SEK M	2024	2023
Change in reserves <sup>1)</sup>	2	-24
Income from participations in associated companies	9	11
Exchange-rate differences	-20	18
Gain from divestment/disposal of non-current assets	-32	-28
<b>Total</b>	<b>-41</b>	<b>-22</b>

1. Primarily refers to provisions, inventories and customer reserves.

## 30 Events after the end of the fiscal year

CFO Niclas Sjövärd was appointed interim President & CEO after Joacim Lindoff left his position. Christofer Carlsson was appointed interim CFO.

# Parent Company financial statements

## Parent Company income statement

SEK M	Note	2024	2023
Net sales <sup>2)</sup>		329	345
Administrative expenses <sup>2)</sup>	2, 3, 4	-431	-427
Exceptional items <sup>1)</sup>		-3	-5
Other operating income and expenses <sup>2)</sup>	5	1	-3
<b>Operating loss</b>		<b>-104</b>	<b>-91</b>
Income from participations in Group companies	6	1,029	449
Financial income	7	109	87
Financial expenses	8	-198	-175
<b>Profit after financial items</b>		<b>835</b>	<b>271</b>
Taxes	9	-6	6
<b>Net profit for the year<sup>3)</sup></b>		<b>830</b>	<b>277</b>

1. Exceptional items refer to acquisition expenses of SEK -3 M (-1) and restructuring costs of SEK - M (-4).

2. Reclassification took place for 2023 between Other operating income and expenses (net SEK 123 M) to Net sales (SEK 345 M) and Administrative costs (SEK -222 M) related to intra-Group invoiced services.

3. Also comprehensive income for the year.

## Parent Company balance sheet

SEK M	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	339	335
Tangible assets	11	—	1
Participations in Group companies	12	5,932	5,807
Non-current financial receivables		33	30
Other financial assets		59	59
Deferred tax assets	9	17	15
<b>Total non-current assets</b>		<b>6,380</b>	<b>6,247</b>
<b>Current assets</b>			
Other receivables from Group companies		284	170
Other receivables		7	5
Prepaid expenses and accrued income		29	24
Cash and cash equivalents		0	—
<b>Total current assets</b>		<b>320</b>	<b>199</b>
<b>TOTAL ASSETS</b>		<b>6,700</b>	<b>6,446</b>

SEK M	Note	2024	2023
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Restricted shareholders' equity			
Share capital		91	91
Non-restricted shareholders' equity			
Retained earnings		3,637	3,605
Net profit for the year		830	277
<b>Total shareholders' equity</b>		<b>4,558</b>	<b>3,973</b>
<b>Provisions</b>			
Other provisions, non-current		2	2
<b>Total provisions</b>		<b>2</b>	<b>2</b>
<b>Current liabilities</b>			
Other provisions, current		—	3
Interest-bearing financial loans	13	1,936	1,902
Financial liabilities, Group companies		161	484
Accounts payable		10	4
Other liabilities to Group companies		3	47
Other liabilities		2	3
Accrued expenses and deferred income	14	29	27
<b>Total current liabilities</b>		<b>2,141</b>	<b>2,470</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>6,700</b>	<b>6,446</b>

## Changes in shareholders' equity, Parent Company

SEK M	Share capital	Retained earnings and net profit for the year	Total shareholders' equity
<b>Opening balance at January 1, 2023</b>	<b>91</b>	<b>3,837</b>	<b>3,928</b>
Net profit for the year	—	277	277
Dividend to shareholders	—	-232	-232
<b>Closing balance at December 31, 2023</b>	<b>91</b>	<b>3,883</b>	<b>3,973</b>
<b>Opening balance at January 1, 2024</b>	<b>91</b>	<b>3,883</b>	<b>3,973</b>
Net profit for the year	—	830	830
Dividend to shareholders	—	-245	-245
<b>Closing balance at December 31, 2024</b>	<b>91</b>	<b>4,467</b>	<b>4,558</b>

## Parent Company cash-flow statement

SEK M	Note	2024	2023
<b>Operating activities</b>			
Operating loss		-104	-91
Add-back of amortization, depreciation and write-down		51	93
Other non-cash items		-2	3
Dividend received		943	365
Interest received and similar items		109	87
Interest paid and similar items		-198	-175
Taxes paid		-10	-6
<b>Cash flow before changes to working capital</b>		<b>789</b>	<b>278</b>
<b>Cash flow from changes in working capital</b>			
Current receivables		-25	-2
Current liabilities		-38	49
<b>Cash flow from operations</b>		<b>726</b>	<b>325</b>
<b>Investing activities</b>			
Acquisition of intangible and tangible assets	10, 11	-54	-91
Liquidation of subsidiaries		—	1
<b>Cash flow from investing activities</b>		<b>-54</b>	<b>-90</b>
<b>Financing activities</b>			
Change in interest-bearing loans		-423	0
Change in interest-bearing receivables		-3	-3
Dividend		-245	-232
<b>Cash flow from financing activities</b>		<b>-671</b>	<b>-235</b>
<b>Cash flow for the year</b>			
Cash and cash equivalents at the beginning of the year		—	—
<b>Cash and cash equivalents at year-end</b>		<b>0</b>	<b>—</b>

# Parent Company notes

## 1 Accounting policies

The financial statements of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting of Legal Entities. In accordance with the regulations stipulated in RFR 2, in the annual financial statements for a legal entity, the Parent Company is to apply all of the IFRS/IAS regulations and statements that have been endorsed by the EU where possible within the framework of the Swedish Annual Accounts Act and with consideration of the link between accounting and taxation. The recommendation specifies which exceptions and additions are to be made from IFRS/IAS. Provisions conforming to IFRS/IAS are stated in Note 1 Accounting policies, for the consolidated financial statements. The Parent Company applies the accounting policies detailed for the Group with the exception of the following:

### Revenue recognition

The Parent Company's recognized net sales refer to sales and services to Group companies. Revenue is recognized when control has been passed to the Group company, which is when the Parent Company has performed the service and the cost of performance has been incurred so that the recipient can benefit from the service provided.

### Shares and participations

Subsidiaries are recognized in accordance with the acquisition method, implying that holdings are recognized at cost in the balance sheet less any impairment. Dividends from subsidiaries are recognized as dividend income.

### Financial instruments

The Parent Company applies the exemption in RFR 2 not to apply IFRS 9, meaning that financial instruments are measured based on cost in accordance with the Swedish Annual Accounts Act.

### Group contributions

Group contributions are recognized in profit or loss under income from participations in Group companies.

### Operating leases

All leases are recognized in the Parent Company as operating leases.

## 2 Amortization, depreciation and write-downs

SEK M	2024	2023
Intangible assets	-50	-92
Tangible assets	-1	-1
<b>Total</b>	<b>-51</b>	<b>-93</b>
<b>Amortization, depreciation and write-downs by cost category</b>		
Administrative expenses	-51	-93
<b>Total</b>	<b>-51</b>	<b>-93</b>

## 3 Fees to auditors

SEK M	2024	2023
<b>Fee and expense reimbursement</b>		
Auditing assignment	-3	-3
Auditing activities other than auditing assignments	-	-
Tax consultancy services	0	0
Other services	-3	-1
<b>Total</b>	<b>-6</b>	<b>-4</b>

Pertains to remuneration of Öhrlings PricewaterhouseCoopers AB.

## 4 Personnel

### Average number of employees

Sweden	2024	2023
Men	5	5
Women	4	3
<b>Total</b>	<b>9</b>	<b>8</b>

### Gender distribution

%	2024	2023
<b>Women:</b>		
Board members	37	29
Other members of senior management	43	43
<b>Men:</b>		
Board members	63	71
Other members of senior management	57	57

### Salaries, other remuneration and social security expenses

2024, SEK 000s	Board and CEO	Other senior executives	Total
Salaries and remuneration	21,307	22,593	43,900
Social security expenses	7,127	7,893	15,020
Pension expenses	3,362	3,274	6,636

2023, SEK 000s	Board and CEO	Other senior executives	Total
Salaries and remuneration	20,285	22,064	42,349
Social security expenses	6,679	7,639	14,318
Pension expenses	2,771	2,914	5,685

## 5 Other operating income and expenses

SEK M	2024	2023
Other income	0	2
Currency gains/currency losses	1	-5
<b>Total</b>	<b>1</b>	<b>-3</b>

## 6 Income from participations in Group companies

SEK M	2024	2023
Dividend	943	365
Impairment	-8	—
Group contributions	93	83
Liquidation gains	—	1
<b>Total</b>	<b>1,029</b>	<b>449</b>

## 7 Financial income

SEK M	2024	2023
Currency gains	3	—
Interest income	3	2
Interest income from Group companies	103	85
<b>Total</b>	<b>109</b>	<b>87</b>

## 8 Financial expenses

SEK M	2024	2023
Interest expenses	-93	-81
Interest expenses Group companies	-105	-93
Currency losses	—	-2
<b>Total</b>	<b>-198</b>	<b>-175</b>

## 9 Taxes

SEK M	2024	2023
Current tax expense	-7	-7
Deferred tax	2	12
<b>Total</b>	<b>-6</b>	<b>6</b>

**Relationship between tax expenses for the year and recognized profit after financial items:**

Recognized profit after financial items	835	271
Tax according to current tax rate 20.6% (20.6%)	-172	-56
Tax effect of non-deductible costs	-22	-7
Tax effect of non-taxable income	195	75
Other	-7	-7
<b>Recognized tax expense</b>	<b>-6</b>	<b>6</b>

Deferred tax assets in the balance sheet amounted to SEK 17 M (15) and were attributable to temporary differences.

## 10 Intangible assets

SEK M	2024	2023
<b>Software</b>		
Opening cost	828	737
Investments	54	91
<b>Closing accumulated cost</b>	<b>882</b>	<b>828</b>
Opening amortization	-492	-400
Amortization for the year	-51	-92
<b>Closing accumulated amortization and impairment</b>	<b>-543</b>	<b>-492</b>
<b>Closing planned residual value</b>	<b>339</b>	<b>335</b>

## 11 Tangible assets

SEK M	2024	2023
<b>Equipment</b>		
Opening cost	2	2
Investments	—	—
<b>Closing accumulated cost</b>	<b>2</b>	<b>2</b>
Opening depreciation	-1	-1
Depreciation for the year	-1	-1
<b>Closing accumulated depreciation and impairment</b>	<b>-2</b>	<b>-1</b>
<b>Closing planned residual value</b>	<b>—</b>	<b>1</b>

## 12 Participations in Group companies

Parent Company's holdings	Reg. office/ Country	Corporate Registration Number	No. of participa- tions 2024	No. of participa- tions 2023	Percentage holding	Carrying amount, SEK M 2024
Arjo Belgium N.V.	Belgium	418,919,541	39,120	39,120	62	8
Arjo Danmark A/S	Denmark	26 67 05 78	2,500	2,500	100	3
Arjo Dominican Republic	Dominican Republic	131398278	3,591,999	3,591,999	100	65
Arjo Sverige AB	Eslöv, Sweden	556528-4600	1,000	1,000	100	54
Arjo France S.A.S.	France	305,219,677	578,460	578,460	100	360
Arjo Middle East FZ-LLC	United Arab Emirates	94298	1	1	100	41
Arjo Hong Kong Limited	Hong Kong	18078186-000-02-20-3	25,000	25,000	100	47
ArjoHuntleigh Healthcare India Private Limited	India	U85199MH2002PTC135700	1,905,709	1,905,709	100	—
Arjo (Ireland) Limited	Ireland	238034	33,336	33,336	100	37
Arjo Italia Spa	Italy	5503160011	1,000,000	1,000,000	100	94
Arjo Japan K.K.	Japan	2010401135243	500	500	100	0
ArjoHuntleigh Magog Inc	Canada	626505	24,126,001	24,126,001	100	575
Arjo (Suzhou) Co., Ltd	China	913205947573292624	1	1	100	241
Arjo (Suzhou) medical equipment trading Co., Ltd.	China	91320594MA1UQ6DX7G	1	1	100	2
Arjo Treasury AB	Malmö, Sweden	556475-7242	2,225	2,225	100	9
Arjo IP Holding AB	Malmö, Sweden	556247-0145	3,000	3,000	100	40
Arjo México Equipos Médicos S.A. de C.V	Mexico	AME190724UM7	99	99	99	2
Arjo Nederland BV	Netherlands	69089396	18	18	100	808
Arjo Norge AS	Norway	994290177	100,000	100,000	100	1
ArjoHuntleigh Polska Sp.z.o.o.	Poland	253572	100	100	100	0
Arjo Switzerland AG	Switzerland	CHE-107.306.624	100	100	100	42
Arjo Iberia S.L.U.	Spain	B67064618	3,000	3,000	100	0
Huntleigh Technology Limited	UK	1891943	85,390,762	85,390,762	100	2,356
Arjo Korea Co., Ltd.	South Korea	110111-5012995	1,000	1,000	100	20
Arjo Taiwan Limited	Taiwan	83536401	0	0	100	0
Arjo Czech Republic s.r.o.	Czech Republic	46962549	1	1	100	2
Arjo Deutschland GmbH	Germany	HRB 12913	1	1	100	334
Huntleigh Healthcare GmbH	Germany	HRB 23795	2	2	100	4
Arjo Holding USA, Inc.	USA	—	10,000	10,000	100	779
Arjo Austria GmbH	Austria	FN42604d	1	1	39	8
<b>Total carrying amount</b>					<b>5,932</b>	

The table above includes all directly owned subsidiaries.

SEK M	2024	2023
<b>Cost</b>		
Opening cost	5,807	5,807
Shareholders' contributions	133	—
Impairment	-8	—
<b>Closing accumulated cost</b>	<b>5,932</b>	<b>5,807</b>

## 12 PARTICIPATIONS IN GROUP COMPANIES, CONT.

## THE GROUP COMPANIES DIRECTLY OR INDIRECTLY OWNED BY ARJO AB (PUBL) ARE SPECIFIED BELOW

**Sweden**

Arjo Sverige AB, 556528-4600, Eslöv  
 ArjoHuntleigh AB, 556304-2026, Malmö  
 Arjo Treasury AB, 556475-7242, Malmö  
 Arjo IP Holding AB, 556247-0145, Malmö  
 ArjoHuntleigh International AB, 556528-1440, Malmö

**Australia**

Arjo Australia Pty Ltd<sup>1)</sup>  
 Arjo Hospital Equipment Pty Ltd  
 Joyce Healthcare Group Pty Ltd

**Austria**

Arjo Austria GmbH

**Belgium**

Arjo Belgium N.V.

**Brazil**

Arjo Brasil Equipamentos Médicos Ltda.

**Canada**

ArjoHuntleigh Magog Inc  
 Arjo Canada Inc

**China**

Arjo (Suzhou) medical equipment trading Co., Ltd.  
 Arjo (Suzhou) Co., Ltd

**Czech Republic**

Arjo Czech Republic s.r.o.

**Denmark**

Arjo Danmark A/S

**Dominican Republic**

Arjo Dominican Republic

**France**

Arjo France S.A.S.  
 Tech Med SAS

**Germany**

Arjo Deutschland GmbH<sup>2)</sup>  
 Huntleigh Healthcare GmbH<sup>2)</sup>  
 GerroMed Plege-und Medicintechnik GmbH

**Hong Kong**

Arjo Hong Kong Limited

**India**

ArjoHuntleigh Healthcare India  
 Private Limited

**Ireland**

Arjo (Ireland) Limited

**Italy**

Arjo Italia SpA<sup>1)</sup>

**Japan**

Arjo Japan K.K.

**Mexico**

Arjo México Equipos  
 Médicos S.A. de C.V

**Netherlands**

Arjo Nederland BV  
 Huntleigh Holdings BV

**New Zealand**

Arjo New Zealand Limited

**Norway**

Arjo Norge AS

**Poland**

ArjoHuntleigh Polska Sp. zo.o.

**Singapore**

Arjo South East Asia Pte. Ltd.

**South Africa**

Arjo Africa Exports (Pty) Ltd<sup>1)</sup>  
 ArjoHuntleigh South Africa Pty Ltd<sup>1)</sup>  
 Huntleigh Africa Provincial Sales Pty Ltd  
 Huntleigh Africa Pty Ltd

**South Korea**

Arjo Korea Co., Ltd.

**Spain**

Arjo Iberia S.L.U.

**Switzerland**

Arjo Switzerland AG

**Taiwan**

Arjo Taiwan Limited

**UK**

Huntleigh Technology Limited<sup>1)</sup>  
 1st Call Mobility Limited<sup>1)</sup>  
 ArjoHuntleigh International Limited  
 Arjo UK Limited<sup>1)</sup>  
 Huntleigh Diagnostics Limited  
 Huntleigh Healthcare Limited<sup>1)</sup>  
 Huntleigh International Holdings Limited  
 Huntleigh Luton Limited  
 Huntleigh Properties Limited  
 Huntleigh (SST) Limited  
 Pegasus Limited

**United Arab Emirates**

Arjo Middle East FZ-LLC

**USA**

Arjo Holding USA, Inc.  
 Arjo, Inc.  
 Renu Medical, Inc.

1. The Parent Company guarantee was issued for subsidiaries registered in Australia, Italy, the UK and South Africa and applies to all outstanding liabilities for the subsidiaries on the closing date until the commitments have been met.
2. In accordance with German regulations, it is possible to avoid publishing annual reports of individual subsidiaries in Germany, provided that they are consolidated at a higher level in another EU country. To meet the requirements of these regulations, Arjo AB (publ) has decided to absorb any losses for the German subsidiaries pertaining to the 2024 fiscal year in accordance with the Section 32 of the German Stock Corporation Act. This resolution will be published in the German Federal Gazette according to Section 325 of the Commercial Code. It was also decided that the exemption rules in Section 264, paragraph 3 of the Commercial Code apply as regards the Directors' Report and the publication of the financial statements in the German Federal Gazette for the subsidiaries.

## 13 Interest-bearing financial loans

SEK M	2024	2023
Commercial paper program	1,936	1,902
<b>Total</b>	<b>1,936</b>	<b>1,902</b>

The Parent Company established a commercial paper program with a framework amount of SEK 5,000 M (5,000). Issues totaling SEK 1,944 M (1,915) were implemented.

## 14 Accrued expenses and deferred income

SEK M	2024	2023
Salaries	16	12
Social security expenses	8	6
Consultancy fees	3	3
Accrued IT expenses	2	6
<b>Total</b>	<b>29</b>	<b>27</b>

## 15 Pledged assets and contingent liabilities

Contingent liabilities		
SEK M	2024	2023
<b>Guarantees</b>		
Guarantees for subsidiaries	3,202	3,208
Pension commitments for subsidiaries	1,540	1,587
Other	11	39
<b>Total contingent liabilities</b>	<b>4,754</b>	<b>4,834</b>

### Pledged assets

The Parent Company had no pledged assets in 2024 or 2023.

## 16 Proposed appropriation of profit

The following profits in the Parent Company are at the disposal of the Annual General Meeting:

SEK	
Retained earnings	3,637,417,636
Net profit for the year	829,664,223
<b>Total</b>	<b>4,467,081,859</b>
The Board and Chief Executive Officer propose that a dividend of SEK 0.95 per share shall be distributed to shareholders	
To be carried forward	258,751,094
<b>Total</b>	<b>4,208,330,765</b>
<b>Total</b>	
	<b>4,467,081,859</b>

# Auditor's report

UNOFFICIAL TRANSLATION

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF ARJO AB (PUBL), CORPORATE IDENTITY NUMBER 559092-8064

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Arjo AB (publ) for the year 2024 except for the corporate governance statement on pages 92-106 and 110-112, and the sustainability report on pages 34-87. The annual accounts and consolidated accounts of the company are included on pages 4-9, 13-17, 34-106, 110-146 and 160-161 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 92-106 and 110-112, or the sustainability report on pages 34-87.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial state-

ments are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-3, 10-12, 18-33, 107-109, 150-159, 162-164 and the sustainability report on pages 34-87. The Board of Directors and the Managing Director are responsible for this other information.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Key audit matters

*Valuation of intangible assets with an indefinite useful life*  
Goodwill and other intangible assets with indefinite useful life represent a significant part of the balance sheet of Arjo and amount to MSEK 5,946 (MSEK 5,688) as of 31 December 2024. The Company annually performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units, in which goodwill and other intangible assets with indefinite useful life are reported, which consists mainly of the segments Global Sales, North America and other.

This impairment test is based on a high level of judgments and assumptions regarding future cash flows. Information is provided in Note 12 as to how the Company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate and discount factor (cost of capital). It is also presented that no impairment requirement has been identified based on the assumptions undertaken.

### How our audit addressed the Key audit matter

In our audit, we have evaluated the calculation model applied by management. We have reconciled and critically tested essential variables against budget and long-term plan for the Company.

We have performed a retrospective review of the prior period estimate by comparing it to actual current period results.

We have tested the sensitivity analysis for key variables in order to assess the risk of need for impairment.

We have also assessed the correctness of the disclosures included in the financial statements.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Director's and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

##### **The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss**

###### **Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Arjo AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

###### **Basis for Opinions**

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

#### **Responsibilities of the Board of Director's and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation

and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

###### **Auditor's responsibility**

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

#### **THE AUDITOR'S EXAMINATION OF THE ESEF REPORT**

###### **Opinion**

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Arjo AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

## Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Arjo AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls.

The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHMTL format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

## The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 92-106 and 110-112 and has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16. The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

## Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report on pages 34-87 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12. The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Arjo AB (publ) by the general meeting of the shareholders on the 18 April 2024 and has been the company's auditor since the 21 December 2016.

Malmö

Öhrlings PricewaterhouseCoopers AB

Vicky Johansson  
Authorized Public Accountant  
Auditor in charge

Alexander Ståhl  
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

# Multi-year overview: Group

## CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	2024	2023	2022 <sup>1)</sup>	2021	2020
Net sales	11,292	10,980	9,979	9,070	9,078
Cost of goods sold	-6,386	-6,244	-5,797	-4,861	-4,952
<b>Gross profit</b>	<b>4,907</b>	<b>4,735</b>	<b>4,183</b>	<b>4,209</b>	<b>4,126</b>
 Selling expenses	-2,236	-2,163	-1,969	-1,753	-1,796
Administrative expenses	-1,511	-1,462	-1,329	-1,222	-1,258
Research and development costs	-150	-149	-115	-100	-114
Exceptional items	-126	-73	-74	-39	-78
Other operating income	28	29	31	17	7
Other operating expenses	-10	-23	-24	-27	-22
Income from participations in associated companies	-9	-11	-10	-9	-
<b>Operating profit (EBIT)</b>	<b>893</b>	<b>884</b>	<b>693</b>	<b>1,077</b>	<b>866</b>
 Interest income and other similar items	47	28	42	11	5
Interest expenses and other similar expenses	-256	-271	-135	-98	-169
<b>Profit after financial items</b>	<b>684</b>	<b>640</b>	<b>599</b>	<b>989</b>	<b>702</b>
 Taxes	-187	-160	-151	-247	-175
<b>Net profit for the year</b>	<b>498</b>	<b>480</b>	<b>449</b>	<b>742</b>	<b>526</b>
 Attributable to:					
<b>Parent Company shareholders</b>	<b>498</b>	<b>480</b>	<b>449</b>	<b>742</b>	<b>526</b>

1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	2024	2023	2022 <sup>1)</sup>	2021	2020
Intangible assets	7,651	7,343	7,391	7,099	6,834
Tangible assets	1,695	1,669	1,710	1,454	1,282
Right-of-use assets	1,215	1,111	1,107	1,101	1,044
Participations in associated companies	—	139	132	123	120
Non-current financial receivables, interest-bearing	335	259	271	288	55
Financial assets	527	504	494	372	393
<b>Total non-current assets</b>	<b>11,422</b>	<b>11,025</b>	<b>11,105</b>	<b>10,437</b>	<b>9,728</b>
 Inventories	1,388	1,301	1,504	1,369	1,039
Accounts receivable	1,798	1,632	1,708	1,542	1,500
Current financial receivables	29	14	21	25	27
Other current receivables	603	548	678	481	592
Cash and cash equivalents	892	923	949	757	972
<b>Total current assets</b>	<b>4,711</b>	<b>4,419</b>	<b>4,861</b>	<b>4,175</b>	<b>4,130</b>
Assets held for sale	143	—	—	—	—
 <b>TOTAL ASSETS</b>	<b>16,276</b>	<b>15,444</b>	<b>15,966</b>	<b>14,612</b>	<b>13,858</b>
 Shareholders' equity	8,338	7,582	7,432	6,885	5,630
<b>Total shareholders' equity</b>	<b>8,338</b>	<b>7,582</b>	<b>7,432</b>	<b>6,885</b>	<b>5,630</b>
 Provisions for pensions, interest-bearing	36	31	29	32	37
Non-current financial liabilities	2,165	2,391	2,823	118	2,018
Non-current lease liabilities	851	796	809	830	802
Other provisions	287	247	252	258	158
<b>Total non-current liabilities</b>	<b>3,339</b>	<b>3,466</b>	<b>3,913</b>	<b>1,238</b>	<b>3,014</b>
 Accounts payable	607	612	587	614	504
Current financial liabilities	1,976	1,934	2,322	4,177	3,051
Current lease liabilities	428	365	359	328	296
Other non-interest-bearing liabilities	1,588	1,486	1,353	1,371	1,363
<b>Total current liabilities</b>	<b>4,599</b>	<b>4,396</b>	<b>4,621</b>	<b>6,490</b>	<b>5,214</b>
 <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>16,276</b>	<b>15,444</b>	<b>15,966</b>	<b>14,612</b>	<b>13,858</b>

1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK M	2024	2023	2022 <sup>2)</sup>	2021	2020
<b>Operating activities</b>					
Operating profit (EBIT)	893	884	693	1,077	866
Add-back of amortization, depreciation and write-down	1,084	1,062	985	956	973
Other non-cash items	-41	-22	-9	-2	56
Expensed exceptional items <sup>1)</sup>	105	70	72	38	71
Paid exceptional items	-43	-60	-78	-38	-64
Financial items	-217	-230	-94	-89	-124
Taxes paid	-192	-166	-233	-132	-132
<b>Cash flow before changes to working capital</b>	<b>1,589</b>	<b>1,536</b>	<b>1,336</b>	<b>1,810</b>	<b>1,646</b>
<b>Changes in working capital</b>					
Inventories	0	192	-164	-232	-30
Current receivables	-98	130	-76	135	214
Current liabilities	25	203	-270	21	438
<b>Cash flow from operations</b>	<b>1,516</b>	<b>2,061</b>	<b>827</b>	<b>1,734</b>	<b>2,267</b>
<b>Investing activities</b>					
Acquired operations	-55	—	—	-19	-49
Acquisitions of participations in subsidiaries	—	-24	—	—	-135
Acquired financial assets	—	-10	-21	—	-4
Net investments	-581	-604	-791	-675	-784
<b>Cash flow from investing activities</b>	<b>-635</b>	<b>-637</b>	<b>-813</b>	<b>-695</b>	<b>-972</b>
<b>Financing activities</b>					
Change in financial liabilities	-767	-1,300	204	-1,196	-544
Change in non-current receivables	5	18	5	30	8
Dividend	-245	-232	-313	-232	-177
Realized derivatives attributable to financing activities	97	86	241	121	-250
<b>Cash flow from financing activities</b>	<b>-907</b>	<b>-1,427</b>	<b>136</b>	<b>-1,277</b>	<b>-963</b>
<b>Cash flow for the year</b>	<b>-26</b>	<b>-4</b>	<b>150</b>	<b>-237</b>	<b>332</b>
Cash and cash equivalents at the beginning of the period	923	949	757	972	662
Cash flow for the year	-26	-4	150	-237	332
Translation differences	-5	-22	42	22	-22
<b>Cash and cash equivalents at year-end</b>	<b>892</b>	<b>923</b>	<b>949</b>	<b>757</b>	<b>972</b>

## NET SALES PER SEGMENT

SEK M	2024	2023	2022
Global Sales	6,481	6,352	5,753
North America	4,415	4,219	3,864
Other	396	409	362
<b>Group</b>	<b>11,292</b>	<b>10,980</b>	<b>9,979</b>

1. Excluding write-downs on non-current assets.

2. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.



## KEY PERFORMANCE INDICATORS FOR THE GROUP

SEK M	2024	2023	2022 <sup>1)</sup>	2021	2020
<b>Sales measures</b>					
Net sales	11,292	10,980	9,979	9,070	9,078
Net sales growth, %	2.8	10.0	10.0	-0.1	1.1
Organic growth in sales, %	3.1	4.7	-0.2	3.5	3.9
<b>Expense measures</b>					
Selling expenses as a % of net sales	19.8	19.7	19.7	19.3	19.8
Administrative expenses as a % of net sales	13.4	13.3	13.3	13.5	13.9
Research and development costs gross as a % of net sales	2.8	2.7	2.4	2.4	2.2
<b>Earnings measures</b>					
Operating profit (EBIT)	893	884	693	1,077	866
Adjusted operating profit (EBIT)	1,019	957	768	1,116	943
EBITA	1,137	1,170	973	1,351	1,150
Adjusted EBITA	1,263	1,244	1,047	1,390	1,224
EBITDA	1,977	1,946	1,679	2,033	1,838
EBITDA growth, %	1.6	15.9	-14.0	10.6	9.8
Adjusted EBITDA	2,086	2,017	1,752	2,072	1,913
Earnings per share, SEK	1.83	1.76	1.65	2.72	1.93
<b>Margin measures</b>					
Gross margin, %	43.5	43.1	41.9	46.4	45.5
Operating margin, %	7.9	8.0	6.9	11.9	9.5
Adjusted operating margin, %	9.0	8.7	7.7	12.3	10.4
EBITA margin, %	10.1	10.7	9.8	14.9	12.7
Adjusted EBITA margin, %	11.2	11.3	10.5	15.3	13.5
EBITDA margin, %	17.5	17.7	16.8	22.4	20.3
Adjusted EBITDA margin, %	18.5	18.4	17.6	22.8	21.1

SEK M	2024	2023	2022 <sup>1)</sup>	2021	2020
<b>Cash flow and return measures</b>					
Return on shareholders' equity, %	6.3	6.4	6.3	11.9	9.1
Cash conversion, %	76.7	105.9	49.2	85.3	123.3
Operating capital	12,539	12,500	12,133	11,236	11,408
Return on operating capital, %	8.1	7.7	6.3	9.9	8.3
<b>Capital structure</b>					
Interest-bearing (+) net debt/(-) net receivables	4,191	4,320	5,044	4,341	5,067
Interest-coverage ratio, multiple	4.2	3.7	6.8	12.8	6.5
Net debt/equity ratio, multiple	0.5	0.6	0.7	0.6	0.9
Net debt / adjusted EBITDA, multiple	2.0	2.3	2.7	2.3	2.9
Equity/assets ratio, %	51.2	49.1	46.5	47.1	40.6
Equity per share, SEK	30.6	27.8	27.3	25.3	20.7
<b>Other</b>					
No. of shares	272,369,573	272,369,573	272,369,573	272,369,573	272,369,573
Number of employees, average	6,932	6,679	6,751	6,350	6,211

1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

# Origin of key performance measures

Alternative performance measures refer to financial measures used by the company's management and investors to evaluate the Group's earnings and financial position, and that cannot be directly read or derived from the financial statements.

These financial measures are intended to facilitate analysis of the Group's performance. The alternative performance measures should not be considered substitutes, but rather a supplement to, the financial statements prepared in accordance with IFRS. The financial measures recognized in this report may differ from similar measures used by other companies.

The alternative performance measures recognized below have not been calculated in accordance with IFRS but have been presented since Arjo believes that they are important in connection with investors' assessments of the Company and the Company's share. The alternative performance measures are also presented in the company's other financial statements.

## SALES MEASURES

SEK M	2024	2023	2022	2021	2020
(A) Net sales preceding year	10,980	9,979	9,070	9,078	8,976
Acquired/divested net sales for the period	-4	—	—	—	—
(B) Organic net sales for the period	341	469	-14	315	348
Effect of changes in exchange rates	-24	531	924	-323	-246
Net sales	11,292	10,980	9,979	9,070	9,078
(B/A) Organic growth in sales, %	3.1	4.7	-0.2	3.5	3.9

## EXPENSE MEASURES

SEK M	2024	2023	2022	2021	2020
(A) Selling expenses	2,236	2,163	1,969	1,753	1,796
(B) Administrative expenses	1,511	1,462	1,329	1,222	1,258
(C) Research and development costs, gross	319	297	244	220	202
(D) Net sales	11,292	10,980	9,979	9,070	9,078
(A/D) Selling expenses as a % of net sales	19.8	19.7	19.7	19.3	19.8
(B/D) Administrative expenses as a % of net sales	13.4	13.3	13.3	13.5	13.9
(C/D) Research and development costs gross as a % of net sales	2.8	2.7	2.4	2.4	2.2

## EARNINGS AND MARGIN MEASURES

SEK M	2024	2023	2022 <sup>1)</sup>	2021	2020
(A) Operating profit (EBIT)	893	884	693	1,077	866
Add-back of amortization and write-down of intangible assets	244	287	280	274	284
(B) EBITA	1,137	1,170	973	1,351	1,150
Add-back of depreciation and impairment of tangible assets	840	775	705	682	688
(C) EBITDA	1,977	1,946	1,679	2,033	1,838
Exceptional items	126	73	74	39	78
Add-back of write-down of restructuring and integration costs	-17	-2	-1	—	-3
(D) Adjusted operating profit (EBIT)	1,019	957	768	1,116	943
(E) Adjusted EBITA	1,263	1,244	1,047	1,390	1,224
(F) Adjusted EBITDA	2,086	2,017	1,752	2,072	1,913
(G) Net sales	11,292	10,980	9,979	9,070	9,078
(A/G) Operating margin, %	7.9	8.0	6.9	11.9	9.5
(B/G) EBITA margin, %	10.1	10.7	9.8	14.9	12.7
(C/G) EBITDA margin, %	17.5	17.7	16.8	22.4	20.3
(D/G) Adjusted operating margin, %	9.0	8.7	7.7	12.3	10.4
(E/G) Adjusted EBITA margin, %	11.2	11.3	10.5	15.3	13.5
(F/G) Adjusted EBITDA margin, %	18.5	18.4	17.6	22.8	21.1

1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

## CAPITAL STRUCTURE

SEK M	2024	2023	2022 <sup>1)</sup>	2021	2020
<b>Calculation of interest-bearing net debt, net debt/equity ratio and interest-bearing net debt / Adjusted EBITDA</b>					
Financial liabilities	4,139	4,325	5,144	4,222	4,987
Lease liabilities	1,279	1,161	1,168	1,158	1,098
Provisions for pensions, interest-bearing	36	31	29	32	37
Less financial receivables	-370	-274	-292	-314	-83
Less cash and cash equivalents	-892	-923	-949	-757	-972
(A) Interest-bearing (+) net debt/(-) net receivables	4,191	4,320	5,044	4,341	5,067
(B) Shareholders' equity	8,338	7,582	7,432	6,885	5,630
(C) Adjusted EBITDA	2,086	2,017	1,752	2,072	1,913
(A/B) Net debt/equity ratio, multiple	0.5	0.6	0.7	0.6	0.9
(A/C) Interest-bearing net debt/Adjusted EBITDA, multiple	2.0	2.3	2.7	2.3	2.9
<b>Calculation of interest-coverage ratio</b>					
Profit after financial items	684	640	599	989	702
(A) Addition of interest expenses	252	263	115	87	143
Add-back of exceptional items	126	73	74	39	78
(B) Profit after financial items plus interest expenses and add-back of exceptional items	1,062	977	789	1,115	922
(B/A) Interest-coverage ratio, multiple	4.2	3.7	6.8	12.8	6.5

1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

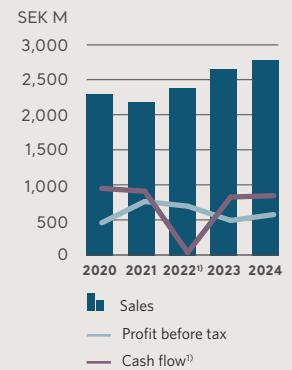
## CASH FLOW AND RETURN MEASURES

SEK M	2024	2023	2022 <sup>1)</sup>	2021	2020
<b>Calculation of cash conversion</b>					
(A) Cash flow from operations	1,516	2,061	827	1,734	2,267
(B) EBITDA	1,977	1,946	1,679	2,033	1,838
(A/B) Cash conversion, %	76.7	105.9	49.2	85.3	123.3
<b>Calculation of return on shareholders' equity</b>					
(A) Net profit for the year	498	480	449	742	526
Shareholders' equity at beginning of the period	7,582	7,432	6,714	5,630	5,914
Shareholders' equity at the end of the period	8,338	7,582	7,432	6,885	5,630
(B) Average total shareholders' equity	7,960	7,507	7,073	6,257	5,772
(A/B) Return on total shareholders' equity, %	6.3	6.4	6.3	11.9	9.1
<b>Calculation of return on operating capital</b>					
Total assets opening balance	15,444	15,966	14,440	13,858	14,422
Total assets closing balance	16,276	15,444	15,966	14,612	13,858
Average total assets	15,860	15,705	15,203	14,235	14,140
Excluding average cash and cash equivalents	-908	-936	-853	-865	-817
Excluding average other provisions	-327	-312	-316	-274	-223
Excluding average other non-interest-bearing liabilities	-2,088	-1,956	-1,901	-1,860	-1,692
(A) Operating capital	12,539	12,500	12,133	11,236	11,408
Operating profit (EBIT)	893	884	693	1,077	866
Add-back of exceptional items	126	73	74	39	78
(B) EBIT after add-back of exceptional items	1,019	957	768	1,116	943
(B/A) Return on operating capital, %	8.1	7.7	6.3	9.9	8.3

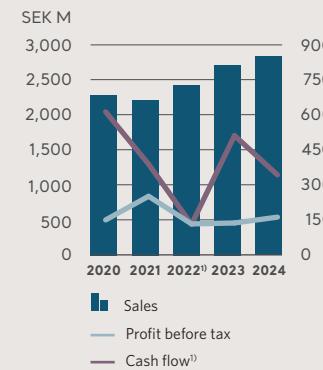
1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

## QUARTERLY PERFORMANCE

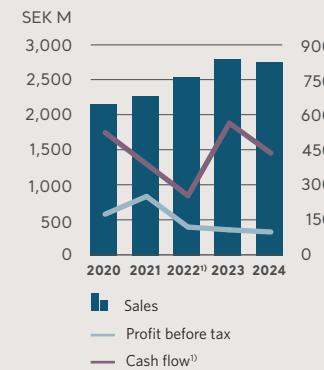
## Quarter 1



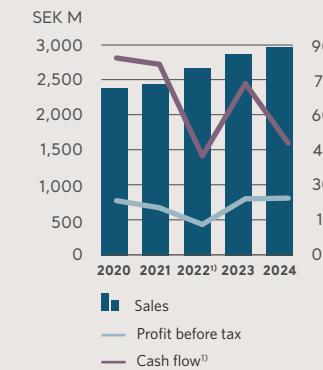
## Quarter 2



## Quarter 3



## Quarter 4



1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

2. From operating activities.

## THE GROUP'S 20 LARGEST MARKETS

Country	2024			2023			2022			2021			2020		
	SEK M	%	#												
USA	3,390	30.0	1	3,251	29.6	1	2,996	30.0	1	2,830	31.2	1	2,931	32.3	1
UK <sup>1)</sup>	1,418	12.6	2	1,395	12.7	2	1,228	12.3	2	1,130	12.5	2	1,100	12.1	2
France	1,222	10.8	3	1,220	11.1	3	1,050	10.5	3	947	10.4	3	842	9.3	3
Canada	1,134	10.0	4	1,076	9.8	4	949	9.5	4	759	8.4	4	688	7.6	4
Germany	828	7.3	5	792	7.2	5	725	7.3	5	665	7.3	5	655	7.2	5
Australia	625	5.5	6	612	5.6	6	544	5.4	6	451	5.0	6	417	4.6	6
Netherlands	375	3.3	7	380	3.5	7	359	3.6	7	334	3.7	7	329	3.6	7
Austria	265	2.3	8	258	2.4	8	234	2.3	8	215	2.4	9	200	2.2	9
Italy	252	2.2	9	242	2.2	9	220	2.2	9	237	2.6	8	250	2.7	8
Belgium	210	1.9	10	192	1.7	10	172	1.7	11	158	1.7	11	158	1.7	10
Switzerland	189	1.7	11	179	1.6	11	147	1.5	12	124	1.4	12	150	1.6	12
India	170	1.5	12	151	1.4	12	134	1.3	13	112	1.2	13	92	1.0	15
South Africa	138	1.2	13	136	1.2	13	129	1.3	14	107	1.2	14	125	1.4	14
Singapore	119	1.1	14	116	1.1	14	72	0.7	17	65	0.7	18	54	0.6	20
Ireland	111	1.0	15	99	0.9	15	177	1.8	10	160	1.8	10	153	1.7	11
New Zealand	88	0.8	16	87	0.8	17	68	0.7	19	62	0.7	19	57	0.6	19
Hong Kong	87	0.8	17	92	0.8	16	94	0.9	15	86	0.9	15	91	1.0	16
Spain	69	0.6	18	85	0.8	18	65	0.6	20	72	0.8	16	128	1.4	13
Japan	58	0.5	19	56	0.5	20	69	0.7	18	49	0.5	20	62	0.7	18
Sweden	58	0.5	20	67	0.6	19	73	0.7	16	71	0.8	17	79	0.9	17

1. Includes Northern Ireland.

# Group companies

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<b>ArjoHuntleigh AB Sp. z o.o.</b> ul. Ks. Piotra Wawrzyniaka 2, 62-052 Komorniki Tel: +461033548888 CEO: Johan Johannesson	<b>SOUTH KOREA</b> <b>Arjo Korea Co., Ltd.</b> #402, 4F KD Tower, 125 Wangsimni-ro Seongdong-gu, Seoul, 04766 Tel: +8225676501 CEO: Michael Luxton	<b>ArjoHuntleigh International AB</b> Hans Michelsengatan 10 SE-211 20 Malmö Tel: +46 10 335 48 98 Interim CEO: Niclas Sjövärd	<b>Huntleigh Luton Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +441582413104 CEO: Kevin Dare	<b>Arjo UK Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +441582413104 CEO: Kevin Dare	<b>Arjo, Inc.</b> 2349 W. Lake St. Addison, IL 60101 Tel: +18003231245 CEO: Chris Dorsey
<b>SINGAPORE</b> <b>Arjo South East Asia Pte. Ltd.</b> 31 Kaki Bukit Road 3, #05-06/07 Techlink, Lobby B Singapore 417818 Tel: +6562027366 CEO: Michael Luxton	<b>SPAIN</b> <b>Arjo Iberia S.L.U.</b> 1-7, Carrer Cabanyes. Poligono Industrial Can Salvatella 08210 Barbera del valles (Barcelona) Tel: +34931315999 CEO: Fernando Hernandez	<b>SWITZERLAND</b> <b>Arjo Switzerland AG</b> Fabrikstrasse 8 4614 Haegendorf Tel: +41613379777 CEO: Andreas Aerni	<b>Huntleigh Properties Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +441582745577 CEO: Khizer Ibrahim	<b>Huntleigh Healthcare Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +44 (0)29 20 485885 CEO: Gang Zhang	<b>Renu Medical, Inc.</b> 830 80th St SW Suite 100 Everett, WA, 98203 Tel: +18003231245 CEO: Julien Bouchard
<b>SOUTH AFRICA</b> <b>ArjoHuntleigh South Africa Pty Ltd</b> PO Box 16216 Pretoria North 0116 Tel: +27125272000 CEO: Abdullah Ebrahim	<b>SWEDEN</b> <b>Arjo IP Holding AB</b> Hans Michelsengatan 10 SE-211 20 Malmö Tel: +46 10 335 45 00 CEO: Ingrid Carlsson	<b>TAIWAN</b> <b>Arjo Taiwan Limited</b> 24F, No.333, Sec 1, Keelung Rd, Xinyi Dist, Taipei City 11012, Taiwan (R.O.C.) 11012 Taipei City Tel: +227210031 CEO: Michael Luxton	<b>Huntleigh Technology Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +4415827455767 CEO: Khizer Ibrahim	<b>Pegasus Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +4415827455767 CEO: Khizer Ibrahim	<b>United Arab Emirates</b> <b>Arjo Middle East FZ-LLC</b> Office 908, 9th floor, north tower, HQ Building Dubai Science Park, Al Barsha South. P.O. Box. 11488, Dubai Tel: +971 4 874 8053 CEO: Chander Tahiliani
<b>Huntleigh Africa Pty Ltd</b> PO Box 16216 Pretoria North 0116 Tel: +27125272000 CEO: Abdullah Ebrahim	<b>Arjo Treasury AB</b> Hans Michelsengatan 10 SE-211 20 Malmö Tel: +46 10 335 48 98 Interim CEO: Niclas Sjövärd	<b>UK</b> <b>Huntleigh (SST) Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +4415827455767 CEO: Khizer Ibrahim	<b>1st Call Mobility Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +4415827455768 CEO: Kevin Dare		
<b>Huntleigh Africa Provincial Sales Pty Ltd</b> PO Box 16216 Pretoria North 0116 Tel: +27125272000 CEO: Abdullah Ebrahim	<b>Arjo Sverige AB</b> Hans Michelsengatan 10 SE-211 20 Malmö Tel: +46 10 335 45 00 CEO: Anker Nystadt Wittendorff	<b>Huntleigh Diagnostics Limited</b> Arjo Huntleigh House, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire LU5 5XF Tel: +4415827455767 CEO: Khizer Ibrahim			

# Definitions

## Financial terms

### Adjusted EBITA

EBITA with add-back of exceptional items.

### Adjusted EBITA margin

Adjusted EBITA in relation to net sales.

### Adjusted EBITDA

EBITDA with add-back of exceptional items.

### Adjusted EBITDA margin

Adjusted EBITDA in relation to net sales.

### Cash conversion

Cash flow from operations in relation to EBITDA.

### Earnings per share

Profit for the period attributable to Parent Company shareholders in relation to average number of shares.

### EBIT

Operating profit.

### EBITA

Operating profit before amortization and write-down of intangible assets.

### EBITA margin

EBITA in relation to net sales.

### EBITDA

Operating profit before amortization, depreciation and write-down.

### EBITDA margin

EBITDA in relation to net sales.

### Equity/assets ratio

Shareholders' equity in relation to total assets.

### Exceptional items

Total of acquisition, restructuring and integration costs as well as major items.

## Interest-coverage ratio

Profit after financial items plus interest expenses and add-back of exceptional items in relation to interest expenses. Calculated based on rolling twelve-month data.

## Net debt/adjusted EBITDA, multiple

Average net debt in relation to rolling 12 months' adjusted EBITDA.

## Net debt/equity ratio

Interest-bearing net debt in relation to shareholders' equity.

## Operating capital

Average total assets less cash and cash equivalents, other provisions, accounts payable and other non-interest-bearing liabilities.

## Operating expenses

Selling expenses, administrative expenses and research and development costs.

## Operating margin

Operating profit in relation to net sales.

## Organic change

A financial change adjusted for currency fluctuations, acquisitions and divestments.

## Return on operating capital

Rolling 12 months' operating profit with add-back of exceptional items in relation to operating capital.

## Return on shareholders' equity

Rolling 12 months' profit after tax in relation to average shareholders' equity.

## Medical terms

### Blood clot

Blood clots are formed when the blood coagulates, forming a clot that can block blood vessels and make it difficult for the blood to flow.

## Deep vein thrombosis (DVT)

Deep vein thrombosis is the most common form of vein thrombosis and refers to the formation of a blood clot in a deep leg vein.

### Edema

Swelling due to accumulation of fluid in tissues.

### Ergonomics

A science concerned with designing the job to fit the worker to prevent illness and accidents.

### IPC (intermittent pneumatic compression)

Treatment technique which means that one uses outer pressure with a certain frequency and for a certain period of time to treat and prevent venous leg ulcers.

### Mobility

The body's ability to move or actively perform a movement.

### Pressure injuries

Sores that occur when blood circulation in an area is reduced due to continuous pressure against the skin, which is often the result of reduced mobility.

### Prevention

Preventive activity/treatment.

### Rehabilitation

Exercises that are designed with the aim of regaining maximum function following an injury or illness.

### US Food and Drug Administration (FDA)

US authority responsible for protecting the public health.

### Venous and arteriovenous leg ulcers

Ulcers on the feet and lower leg that do not heal within six weeks caused by a lack of blood flow in the veins or in both the veins and arteries.

### Venous thromboembolism (VTE)

A venous thrombosis means a blood clot in the vein system. Often occurs in deep leg veins (deep vein thrombosis).

## DEFINITIONS

**Sustainability terms****Corporate Sustainability Due Diligence Directive (CSDDD)**

EU directive that regulate companies' responsibility for human rights and the environment throughout the entire value chain.

**Science Based Targets**

Science based targets to reduce the GHG emissions of a company in line with the Paris Climate Agreement.

**Scope 1, 2, 3**

According to the international framework to measure greenhouse gas emissions, the GHG Protocol, greenhouse gas emissions are divided into three scopes:

- Scope 1: Direct emissions (such as from company-owned vehicles and oil furnaces)
- Scope 2: Indirect emissions from grid-connected energy consumption (from purchased electricity, district heating, cooling and steam)
- Scope 3: Other indirect emissions (such as from purchased transport, goods, material and services)

**Other terms****Arjo MOVE (Mobility Outcome Value Engagement)**

Arjo's program of evaluation and consultation services to help healthcare facilities improve their clinical outcomes.

**Arjo Insight**

Arjo's evidence-based assessment tool for identifying risks at healthcare facilities and providing a recommendation on which equipment is needed to reduce the risk of, for example, work-related injuries or a reduction in the healthcare quality.

**PVC - Polyvinyl chloride**

Polyvinyl chloride is a type of plastic that when incinerated or leaked has a negative impact on living organisms and the environment.

# Sources

**Page 22**

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**2.** Low LF, Fletcher J, Goodenough B et al. A systematic review of interventions to change staff care practices in order to improve resident outcomes in nursing homes. *PLoS One* 2015;10(11).

**3.** Schaller et al., 2016.

**4.** Puthacheary Z, Rawal J, Mcphail M, et al. Acute skeletal muscle wasting in critical illness. *J Am Med Assoc.* 2013;310:1591-600.

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**5.** Jha AK, Larizgoitia I, Audera-Lopez C et al. The global burden of unsafe medical care: analytic modelling of observational studies. *BMJ Qual Saf.* 2013; 22:809-15. Heit JA, O'Fallon WM, Pettersson TM et al. Relative impact of risk factors for deep vein thrombosis and pulmonary embolism: a population based study. *Arch Intern Med.* 2002 Jun 10; 162(11):1245-8.

**6.** WHO, Global action plan on the public health response to dementia 2017 - 2025, <https://iris.who.int/bitstream/handle/10665/259615/9789241513487-eng.pdf>.

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**7.** American Nurses Association, Health and Safety Survey, 2011.

# The Arjo share this year

The Arjo series B share was listed on Nasdaq Stockholm on December 12, 2017 and is included in the Nasdaq Nordic Mid Cap segment. The number of shareholders at the end of 2024 was 38,984.

## Share trend

At year-end, the Arjo share was listed at SEK 36.26. The highest price paid for the Arjo share in 2024 was SEK 53.75 on April 15, 2024 and the lowest was SEK 32.76 on November 21, 2024. At year-end, market capitalization amounted to SEK 9.9 billion, compared with SEK 10.7 billion at the end of 2023. The turnover of shares on Nasdaq for the year totaled 153.24 million. In recent years, a growing share of trading in the Arjo share has taken place on trading venues other than the primary market. Including such trading, total turnover in the 2024 was 454.56 million shares.

## Share capital and ownership structure

At year-end 2024, share capital in Arjo totaled SEK 90,789,858 distributed among 272,369,573 shares. All shares carry the same dividend entitlement. One series A share carries ten votes and one series B share carries one vote. The principal owner is Carl Bennet AB, with a holding 25.0 percent of the capital and 53.2 percent of the votes at year-end 2024.

## Dividend policy

The Arjo Board and interim CEO has adopted a dividend policy entailing that future dividends will be adjusted in line with Arjo's profit level, financial position and future development potential. The aim is for the dividend to correspond to 30–60 percent of net profit after tax. For 2024, Arjo's Board of Directors and interim CEO propose a dividend of SEK 0.95

per share. The total dividend thus amounts to SEK 259 M (245), corresponding to 52 percent of net profit after tax.

## Shareholder information

Financial information about Arjo is available on the Group's website, [www.arjo.com](http://www.arjo.com). Questions can also be put directly to Arjo's Investor Relations department. Annual reports, interim reports and other information can be requested from the Group's head office by telephone, from the website or by e-mail.

## Brokerage firms that monitor Arjo

ABG Sundal Collier, Carnegie, DNB, Danske Bank, Handelsbanken, Nordea, Pareto Securities and SEB Enskilda.

## Arjo's Investor Relations department

Arjo's IR department is responsible for regularly providing updates about the company's performance to investors, shareholders, financial analysts and the media. Information about Arjo's earnings and financial position is primarily disclosed during the publication of interim reports and associated conference calls, in which analysts, investors and the media are given the opportunity to ask questions about the company. In conjunction with the publication of these reports, or on other occasions, investor seminars and roadshows are also organized, offering additional analysts and potential investors the opportunity to gain a deeper insight into, and understanding of, the company.



- Share listing: Nasdaq Stockholm, Mid Cap
- Total number of shares: 272,369,573
- Market capitalization on December 31, 2024: SEK 9.9 billion
- Price paid on December 31, 2024: SEK 36.26
- Tickers: Reuters: ARJOB.ST; Bloomberg: ARJOB SS

## Sustainability index



ISS ESG

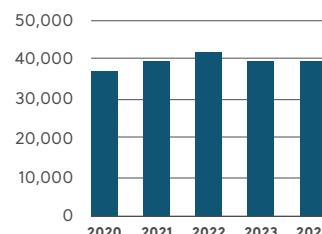


MSCI  
ESG RATINGS

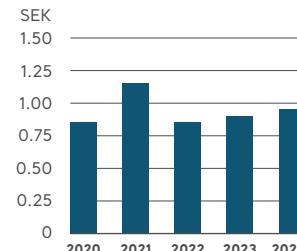


Share capital distribution			
	Arjo A	Arjo B	Total
No. of shares	18,217,200	254,152,373	272,369,673
No. of votes	182,172,000	254,152,373	436,324,373
% of capital	6.7	93.3	100.0
% of votes	41.8	58.2	100.0

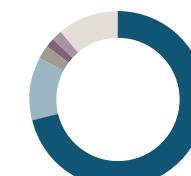
### Number of shareholders, 2020–2024



### Dividend history 2020–2024



### Ownership distribution per country, December 31, 2024



- Sweden 71.2%
- USA 11.8%
- Germany 2.3%
- Norway 1.7%
- Luxemburg 1.9%
- Other 11.1%

Ownership by category		Capital, %
<b>Swedish owners</b>		<b>71.23</b>
Private individuals		17.43
Institutions		17.89
Mutual funds		6.61
Other		29.30
<b>Foreign owners</b>		<b>20.68</b>
Institutions		0.80
Mutual funds		19.31
Other		0.57
<b>Unknown ownership type</b>		<b>8.09</b>

### Arjo's largest owners at December 31, 2024

	Arjo A	Arjo B	Capital, %	Votes
Carl Bennet AB	18,217,200	49,902,430	25.01	53.19
Fourth Swedish National Pension Fund		27,071,229	9.94	6.20
Svolder		8,657,545	3.18	1.98
Vanguard		8,119,427	2.98	1.86
Dimensional Fund Advisors		7,641,141	2.81	1.75
Lannebo Kapitalförvaltning		4,923,208	1.81	1.13
Handelsbanken Fonder		3,834,519	1.41	0.88
BlackRock		3,821,222	1.40	0.88
Holberg Fonder		3,500,000	1.29	0.80
DWS Investments		3,454,622	1.27	0.79

Share data		2024	2023
Earnings per share after tax		1.83	1.76
Market price, December 31		36.26	39.40
Cash flow from operations/share		5.57	7.57
Dividend <sup>1)</sup>		0.95	0.90
Dividend yield, %		2.6	2.3
Price/earnings ratio		19.81	22.4
Equity per share		30.6	27.8
Average number of shares (million)		272.4	272.4
Number of shares, December 31 (million)		272.4	272.4

1. Dividend proposed by the Board of Directors

Shares	Capital	Votes, %	Number of known shareholders	Ownership, %
1-1000	7,712,342	2.8	31,516	80.8
1,001-5,000	12,542,494	4.6	5755	14.8
5,001-20,000	12,515,286	4.6	1280	3.3
20,001-100,000	13,417,154	4.9	314	0.8
100,001-500,000	15,905,885	5.8	68	0.2
500,001-5,000,000	68,633,329	25.2	46	0.1
5,000,001-20,000,000	24,418,113	9.0	3	0.0
20,000,001-	95,190,859	34.9	2	0.0
Anonymous ownership	22,034,111	8.1	N/A	N/A
<b>Total</b>	<b>272,369,573</b>	<b>100.0</b>	<b>38,984</b>	<b>100.0</b>

Source: Modular Finance AB

# Other information

## Distribution policy

The printed version of Arjo AB's Annual and Sustainability Report is distributed only to shareholders who expressly request a copy. The Annual and Sustainability Report is also available in its entirety on the Group's website: [www.arjo.com](http://www.arjo.com)

## Reading guide

- The Arjo Group is referred to as Arjo in the Annual and Sustainability Report.
- Figures in parentheses pertain to operations in 2023, unless otherwise specified.
- Swedish kronor (SEK) is used throughout.
- Millions of kronor are abbreviated SEK M.
- All figures pertain to SEK M, unless otherwise specified.
- Information provided in the Annual and Sustainability Report concerning markets, competition and future growth constitutes Arjo's assessment and is based mainly on a combination of material compiled externally and internally.
- The totals in the tables and calculations do not always add up due to rounding differences. Each subtotal corresponds with its original source, which can lead to rounding differences in the totals.

## Annual General Meeting

The Annual General Meeting will be held on April 29, 2025 with the option of postal voting. For further information about the AGM and registration, see Arjo's website, [www.arjo.com](http://www.arjo.com).

## Nomination Committee

Arjo's interim report for the third quarter of 2024 contained instructions for shareholders on how to proceed to submit proposals to Arjo's Nomination Committee and how to propose motions to be addressed at the Annual General Meeting.

## Dividend

Arjo's Board of Directors and CEO propose a dividend for 2024 of SEK 0.95 per share (0.90). The total dividend thus amounts to SEK 259 M (245). The proposed record date is May 2, 2025. Euroclear expects to distribute the dividend to shareholders from May 7, 2025.

## Financial information

Updated information on, for example, the Arjo share and corporate governance is available on Arjo's website: [www.arjo.com](http://www.arjo.com). The Annual and Sustainability Report, year-end report and interim reports are published in Swedish and English and are available for download at [www.arjo.com](http://www.arjo.com). A printed version of the Annual and Sustainability Report can also be ordered from: Arjo AB, Att: Informationsavdelningen, Hans Michelsensgatan 10, SE-211 20 Malmö, Sweden, or via telephone +46 10 335 4500.

### The following information will be published for the 2025 fiscal year:

April 29, 2025	Interim report, January–March
April 29, 2025	Annual General Meeting
July 11, 2025	Interim report, January–June
October 22, 2025	Interim report, January–September
January 30, 2026	Year-End Report 2025
March–April, 2026	2025 Annual and Sustainability Report

## Forward-looking information

This report contains forward-looking information based on the current expectations of Arjo's management. Although management deems that the expectations presented by such forward-looking information are reasonable, no guarantee can be given that these expectations will prove correct. Accordingly, the actual future outcome could vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding business cycles, market and competition, changes in legal requirements and other political measures, and fluctuations in exchange rates.

## Contact information

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Corporate registration number 559092-8064

insight  
mobility  
well-being

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ARJO IS EMPOWERING MOVEMENT in healthcare to drive healthier outcomes for people facing mobility challenges.





**Arjo's journey began with entrepreneur and founder Arne Johansson in 1957.** When he came to understand the burden his wife experienced in her work as a nurse, he had found his mission in life - to develop equipment that makes it safer to handle patients. The first Arjo products then saw the light of day, followed by many, many more. Today, our solutions help improve mobility in care settings around the world, and drive healthier outcomes for everyone involved.

For more than 65 years, we have had a close cooperation with healthcare providers, giving us an in-depth understanding of their daily challenges. Together, we strive to minimize patient challenges such as loss of muscle strength, blood clots, pressure injuries, falls, anxiety and depression as well as work-related injuries among staff. Our products and solutions for patient handling, hygiene, disinfection, diagnostics, treating leg ulcers, prevention of pressure injuries and blood clots, and our medical beds, are all designed to promote mobility, safety and dignity in all care situations.

Arjo AB · Corp. Reg. No. 559092-8064 · Hans Michelsensgatan 10 · SE-211 20 Malmö · Sweden

[www.arjo.com](http://www.arjo.com)



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