



For better and more
sustainable healthcare

ARJO 2025 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 2025 fiscal year, as reviewed and audited by the auditors, can be found on pages 1-3, 6-13, 20-38, 42-122 and 138-139. The Directors' Report is presented on pages 1-3, 6-13, 20-38, 42-89 and 138-139.

Other external audit

The auditor has reviewed the Group's statutory sustainability report, which has been prepared in accordance with the requirements of the Swedish Annual Accounts Act (ÅRL) and the European Sustainability Reporting Standards (ESRS). Refer to page 126 for the auditor's review report. The sustainability report is presented on pages 46-89. The auditor examined the corporate governance statement, pages 24-38 and 42-44 in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement.



Shaping the future of Arjo

→ Read the CEO's comments on page 4



Leading mobility specialists

→ Read more about Arjo's offering on page 6

Experts in improving mobility in care settings

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.**

65%

Limited mobility during a hospital stay can cause up to 65% of older adults to lose their ability to walk independently.

See Source 1 on page 137.



ABOUT ARJO

Arjo – an overview

Global megatrends drive increased care needs

A growing and aging population, more lifestyle-related complications and a rising number of people with multiple health conditions are leading to rapidly increasing care needs on a global scale.

OUR VISION

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

Solutions that make a difference every day

With in-depth clinical expertise, Arjo is developing solutions that enhance patient safety, improve the work environment for caregivers and increase resource efficiency for care providers.



45%
of Arjo's business has circular qualities

→ Read more on page 18



1957

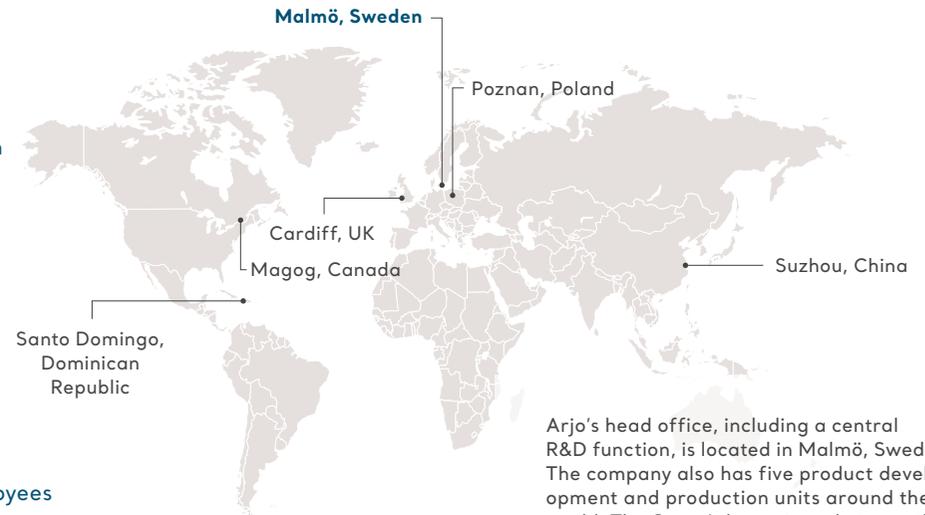
Arjo was founded in Eslöv, Sweden by Arne Johansson

>100

Sales in more than 100 countries

~7,000

Approximately 7,000 employees worldwide



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.

ABOUT ARJO

KEY PERFORMANCE MEASURES

	2025	2024
Net sales, SEK M	11,000	11,292
Organic growth in sales, %	3.4	3.1
EBITDA, SEK M	1,811	1,977
EBITDA growth, %	-8.4	1.6
Adjusted EBITDA, SEK M ¹⁾	1,922	2,086
Adjusted EBITDA margin, % ¹⁾	17.5	18.5
Operating profit (EBIT), SEK M	675	893
Cash conversion, %	79.3	76.7
Net debt/adjusted EBITDA, multiple ^{1,2)}	2.2	2.0
Equity/assets ratio, %	49.8	51.2
Net profit for the period, SEK M	334	498
Earnings per share, SEK ³⁾	1.23	1.83
Number of shares, thousands	272,370	272,370
Dividend per share, SEK ⁴⁾	0.95	0.95

1. Before exceptional items.
2. Rolling 12 months.

3. Before and after dilution.
4. Dividend proposed by the Board of Directors.

SEK 0.95

unchanged dividend proposed for 2025

2025 HIGHLIGHTS

New patient lift reduces workload for caregivers

In 2025, Arjo launched Maxi Move® 5, the latest generation of one of the company's best-selling products. This patient lift makes intuitive and ergonomic patient transfers possible with minimal physical effort for caregivers.

→ [Read more about Arjo's products and offering on page 6](#)



MSCI
ESG RATINGS



CCC B BB BBB A AA **AAA**

Highest possible ESG rating

Arjo was awarded the highest ESG rating, AAA by Morgan Stanley Capital International (MSCI) during the year – an upgrade from Arjo's previous rating of AA. Among the strengths highlighted by MSCI were Arjo's continued actions to enhance transparency, effective management of carbon emissions, strong talent and retention efforts and robust business ethics practice.

→ [Read more about Arjo's sustainability work on page 18](#)

Andréas Elgaard
new President & CEO

In 2025, Arjo's Board of Directors appointed Andréas Elgaard as the new President & CEO. Andréas took office at the start of 2026.

→ [Read the CEO's comments on page 4](#)



eNPS
55

With an Employee Net Promoter Score (eNPS) of 55, Arjo ranks among the top companies in the medtech industry.

→ [Read more on page 17](#)



Shaping the future of Arjo

As I share my first reflections as President & CEO of Arjo, I do so with strong confidence in the future. During my first months, I have had the privilege of meeting many of our employees, customers and partners. These conversations have reinforced my view of Arjo as a company with a clear purpose, deep expertise and close customer relationships – and with the opportunity to truly make a difference.



CEO'S COMMENTS

Arjo plays an important role in healthcare and is guided by a clear purpose that I am deeply committed to: empowering movement and improving the quality of life of people receiving care. This purpose runs through the entire organization and is reflected in every interaction with patients and healthcare professionals around the world.

Every day, our products and solutions are used by healthcare providers in more than 100 countries, supporting safe and dignified care for patients, a better work environment for caregivers, and greater resource efficiency in healthcare and in society as a whole.

Favorable conditions for growth

A number of macro trends are working in Arjo's favor. The global population is aging, with more people living longer with chronic diseases and an increasing need for support and care. At the same time, healthcare systems face significant challenges, not least the need to deliver more care with limited resources. In parallel, there is a clear shift from acute care toward long-term care settings and care provided in the home.

This is where Arjo plays an important role. Our products and services help create value across the entire care pathway, from reducing work-related injuries among healthcare professionals to freeing up capacity to support others in need of care.

A solid foundation for the future

2025 was defined by good demand for Arjo's products and solutions and we continued to grow in line with our communicated targets. Profitability, however, was weaker than expected,

reflecting both internal performance shortfalls and additional negative impact from external factors such as currency effects and costs related to U.S. tariffs.

In recent years, Arjo has strengthened its offering through both outcome-based programs and an evidence-based analysis tool. At the same time, an uncertain and rapidly changing world has required healthcare providers to prioritize short-term needs over long-term solutions, which has slowed the pace of implementation of these programs.

New strategy for 2026

Arjo needs a new strategic direction. To build on our strengths and successfully navigate a changing external environment, we have begun defining the next phase of the company's journey. A new strategy is taking shape, and I see significant potential to further strengthen Arjo's market position, offering and efficiency going forward.

I would like to extend my sincere thanks to all employees for their dedication throughout the year and for the warm welcome I have received. Arjo has many of the right conditions for long-term success: a solid foundation, trusting customer relationships – and above all, a committed team that makes a difference every day, together.

Andréas Elgaard
President & CEO

"We are setting a new direction to strengthen our market position, our offering and our efficiency going forward."



Solutions that make a difference every day

As leading specialists in mobility solutions, Arjo helps healthcare providers create the conditions to improve and retain patient mobility and well-being.

Arjo's offering includes:

- Products
- Service and rental
- Customized solutions

Many of Arjo's products and solutions are specifically developed for patients with dementia or obesity, and to enable early mobilization when receiving critical care.



Symbliiss
– a dementia certified bathing system that was launched during 2025 to promote safety and wellness.

"Arjo's new bathing system Symbliiss has exceeded our expectations. It gives our patients a moment away from the weight of gravity and their illness."

– KATHLEEN DEN HONDT, DEPARTMENT MANAGER,
TEN OEVER PALLIATIVE CARE UNIT IN BELGIUM

ARJO'S OFFERING

Innovation driven by real needs

Empowering movement is essential to enabling patients to recover faster, reduce the risk of complications and strengthen their independence. At the same time, having the right mobility equipment helps reduce work-related injuries among caregivers and improves the efficiency of healthcare resources.

With the help of customer-centric research and development processes, Arjo develops products and solutions that enable safe and efficient healthcare. Customers are actively involved throughout the development process, including the validation phase, ensuring a high level of user-friendliness and helping identify the details that truly make a difference.

In 2025, Arjo's research and development costs amounted to SEK 303 M (319), corresponding to 2.8 percent (2.8) of net sales.

68%

reduced workload for caregivers

An independent clinical study shows that Maxi Move® 5 reduces the physical forces required for a patient transfer by up to 68 percent, compared to competitor devices in the study.

See Source 2 on page 137.



In 2025, the patient lift Maxi Move® 5 was launched, enabling caregivers to meet patients' mobility needs in various care situations.

ARJO'S OFFERING



Product offering

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.

Share of Arjo's sales 2025: 27%

Main competitors: Guldmann, Hovortech, Baxter (Hill-Rom) and Joerns



Medical beds

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

Share of Arjo's sales 2025: 17%

Main competitors: Baxter (Hill-Rom), Linet, Paramount Beds and Stryker

Pressure injury prevention

Solutions for preventing and treating pressure injuries, such as therapeutic surfaces.

Share of Arjo's sales 2025: 16%

Main competitors: DHG, Baxter (Hill-Rom), Linet and Stryker

Hygiene

Bathing and showering systems for safe and efficient hygiene routines as well as a calming experience.

Share of Arjo's sales 2025: 7%

Main competitors: Beka, Lopital, Penner and Reval

VTE prevention

Compression system consisting of pumps and garments designed to reduce the risk of deep vein thrombosis (DVT) for at-risk patients.

Share of Arjo's sales 2025: 7%

Main competitors: Cardinal Health and Medline

Diagnostics

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

Share of Arjo's sales 2025: 3%

Main competitors: Edan, General Electric and Philips

Disinfection

Flusher- and washer disinfectors and related consumables for cleaning and disinfection.

Share of Arjo's sales 2025: 3%

Main competitors: AT-OS, Arcania, Meiko and Steelco

ARJO'S OFFERING

Service and rental

Service for enhanced performance and sustainability

Arjo's service offering is designed to ensure optimal performance and equipment life cycles. The category also includes parts of Arjo's ReNu offering.

Share of Arjo's sales 2025: 20%



Flexible rental solutions for dynamic care needs

Arjo's rental operations offer high-quality medical devices to meet changing care needs without significant capital investment.

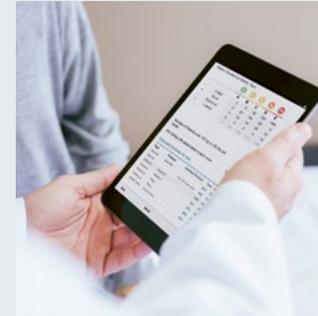
Share of Arjo's sales 2025: 25%
(included in each product category)



Customized solutions

Arjo Insight

Arjo's evidence-based analysis tool that helps healthcare providers to promote patient mobility, create a safe work environment and increase the efficiency of workflows. Following a mapping of the care facility and an assessment of risks and needs, the tool provides recommendations on the equipment required to comply with applicable standards.



Arjo MOVE

Arjo's outcome-based programs that combine clinical expertise with the right equipment to promote mobility and improve care outcomes. The programs begin with a detailed needs analysis to identify equipment and processes. Arjo conducts training for care facility staff and supports the implementation of new workflows to drive cultural change, and to measure and evaluate results against agreed and guaranteed targets.




Circular solution to reduce waste

Arjo ReNu uses unique, completely water-based disinfection methods for the reprocessing of single-use medical consumables.

~5 million

In 2025, Arjo ReNu reprocessed almost five million products.



Performance, targets and results

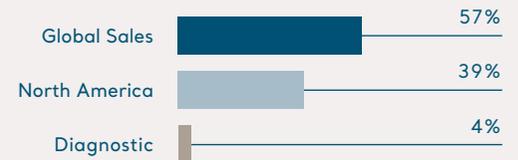
Arjo's targets serve as a tool for governing the long-term development of the company and generating value for all stakeholders. The company's performance is measured and monitored using the three segments of Global Sales, North America and Diagnostics, of which Global Sales and North America jointly account for 96 percent of the Group's sales¹⁾.



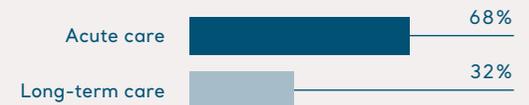
1. Only a small share of the cost of Arjo's central Group functions is allocated to the segments and the remainder is attributable to Group costs.

SALES 2025

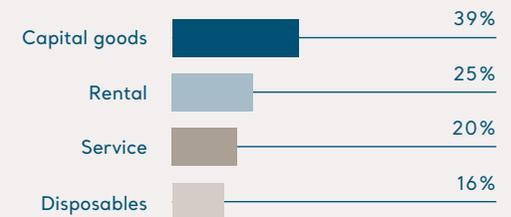
BY SEGMENT



BY CUSTOMER CATEGORY



BY TYPE OF SERVICE



SEK 11 billion

net sales for 2025



Financial targets and results

The financial targets below applied to 2023-2025. Updated financial targets will be defined in conjunction with the development of a new strategy in 2026.

	TARGET		OUTCOME 2025	
Sales growth	3-5%	Average annual organic sales growth of 3-5 percent.	3.4%	Organic net sales increased following continued healthy demand for capital goods and service, as well as a positive performance in North America.
Adjusted EBITDA margin, %	~23%	Adjusted EBITDA margin of approximately 23 percent from full-year 2025.	17.5%	The adjusted EBITDA margin declined as a result of a weaker gross margin, mainly due to negative currency effects and US tariffs.
Cash conversion	>80%	Annual cash conversion of more than 80 percent.	79.3%	Cash conversion fell just short of target, mainly due to a slightly weaker performance at the start of the year.
Dividend	30-60%	The Group's dividend is to correspond to 30-60 percent of net profit after tax.	~77%	Given the company's strong balance sheet and solid financial position, Arjo's Board of Directors and CEO propose an unchanged dividend of SEK 0.95 per share for 2025.

Selected sustainability targets and outcomes

	TARGET		OUTCOME 2025	
Environment and climate	-50%	Halve greenhouse gas emissions in own operations (Scope 1 & 2) by 2030, with 2021 as the base year.	-20%	Total emissions reduction of 20 percent in own operations (Scope 1 & 2) since the base year 2021. The transition to renewable energy in the company's facilities and the transition of the vehicle fleet continued to result in lower emissions in 2025.
Social responsibility	>40%	The underrepresented gender is to be above 40 percent of leading positions.	40%	The implementation of the company's diversity, equity and inclusion framework continued, alongside continuous follow-ups in the organization.
Governance	100%	All relevant employees are to complete annual online training on business ethics.	99%	The percentage of relevant employees who completed the training was 99 percent, which is the highest result to date.

PERFORMANCE, TARGETS AND RESULTS

Arjo's segments

Global Sales

Arjo's Global Sales segment includes Europe, Asia, Latin America, Africa and Pacific.

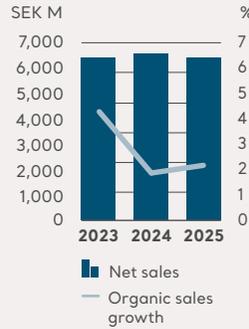
Market development in 2025

Global Sales grew organically by 2.2 percent during the year. Demand was generally good in many markets, particularly in emerging countries where demand for medical beds was high. One market that stood out was India, where organic sales grew by more than 20 percent during the year. The trend in Europe was positive, with a favorable performance in countries such as France, Germany and the Netherlands. However, in the UK, one of Arjo's largest markets, the year was characterized by challenging market conditions with a high level of uncertainty related to healthcare funding. The downturn in the UK meant that Global Sales did not achieve the Group's growth target of 3-5 percent.

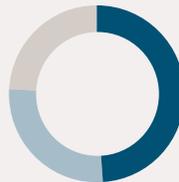
Focus and priorities for 2026

- Promote growth in high-potential markets, such as India and Japan.
- Continue to drive more outcome-based business in mature markets.

GLOBAL SALES 2025

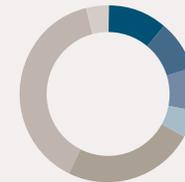


NET SALES PER TYPE OF REVENUE



- Capital goods 49%¹⁾
- Rental 27%
- Service 24%

NET SALES PER SEGMENT



- France 11%
- United Kingdom 9%
- Germany 8%
- Australia 5%
- Remaining Global Sales 24%
- North America 39%
- Diagnostics 4%

1. Also including disposables.
 2. France, UK (excluding Northern Ireland), Germany, Australia and the remainder of Global Sales jointly make up the Global Sales segment.



Leading position in a rapidly growing market

India is one of Arjo's most dynamic and interesting markets for the long term, with annual growth of about 8-11 percent. The market is dominated by critical care, where Arjo has carved out a strong position for over 25 years. Arjo has exceeded market growth since the pandemic, growing at a rate of about 20 percent per year.

"One of our factors for success is that we have been pioneers in every part of our business, which has established us as leaders," says Chander Tahiliani. "We were the first to launch the rental model, which is very important to us, and our clinical expertise - with one of the largest teams of nurses in India's medical device industry - also represents a distinct competitive advantage."



Chander Tahiliani,
 President,
 South Asia and
 Middle East at Arjo

PERFORMANCE, TARGETS AND RESULTS

North America

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

Market development in 2025

Growth in North America continued in 2025, with a positive trend in both the US and Canada, with both regions reporting organic growth of five percent. Demand was particularly high for patient handling equipment in the US market, which accounts for 30 percent of Arjo's sales, while the service operations performed well during the year. Canada also performed positively during the year and remains one of Arjo's most profitable markets, with strong market positions and a favorable split between acute and long-term care sales. Profitability was impacted by both negative currency effects related to the weaker US dollar and the cost of US tariffs.

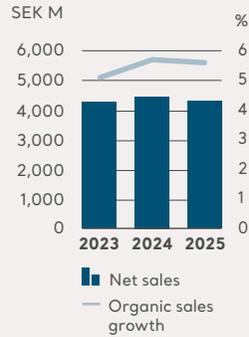
Focus and priorities for 2026

- Continue to strengthen Arjo's position in long-term care.
- Develop high-potential areas, such as patient handling, rental and the US ReNu business.

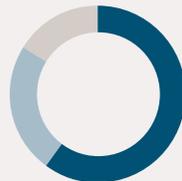
"The past year has once again shown how strong the collaboration is between our teams and customers in Canada. We are growing and strengthening our position, while continuing to deliver our innovative solutions that truly make a difference in healthcare."

- CHRIS GOODERHAM, PRESIDENT, ARJO CANADA

NORTH AMERICA 2025

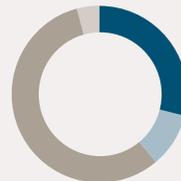


NET SALES PER TYPE OF REVENUE



- Capital goods 60%¹
- Rental 24%
- Service 16%

NET SALES PER SEGMENT



- USA 29%
- Canada 10%
- Global sales 57%
- Diagnostics 4%

1. Also including disposables.
2. The US and Canada together form the North America segment.

Diagnostics

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

Market development in 2025

Arjo's diagnostics business returned to growth in 2025 after a number of challenging years. Previous difficulties related to the availability of materials and components turned in a positive direction and profitability improved significantly in 2025.

Focus and priorities for 2026

- Continuously improve operational efficiency and cost base.
- Drive profitable growth in key markets and focus on core portfolio.

During the year, Arjo's diagnostics business received 510(k) clearance from the US Food and Drug Administration (FDA) for Sonicaid® Team3 and OBIX BeCA® triplet fetal monitors, as well as for Dawes-Redman™ CTG Analysis.



TRENDS AND NEEDS

Global megatrends drive increased care needs

A growing and aging population, more lifestyle-related complications and a rising number of people living with dementia are increasing the need for effective care. Meanwhile, the healthcare sector is experiencing a shortage of resources, rapid digitalization and rising demands for sustainability.

A growing and aging population

According to the WHO, the number of people over the age of 80 is expected to triple between 2020 and 2050. This demographic shift presents major challenges for the healthcare sector, which will need to manage the growing demand for care.

Increasing transition from hospital care to long-term care

Hospital care costs more than long-term care, meaning that patients who require care over a longer period are more often moved to long-term care facilities or home care.

Shortage of healthcare professionals

An aging workforce and the declining attractiveness of care professions are contributing to a growing shortage of staff. The WHO predicts that there will be a shortage of 11 million employees in care professions by 2030, mainly nurses and care services personnel.

Multimorbidity and lifestyle-related health problems

More people are living longer and are often suffering from multiple illnesses. In parallel, the prevalence of lifestyle-related complications is increasing, the key causes of which are obesity, physical inactivity and unhealthy diets.

In the US, hospitals experience almost twice the number of work-related injuries compared with other private sector industries. One of the main reasons is musculoskeletal injuries that occur when repositioning and moving patients.

See Sources 3-7 on page 137.



TRENDS AND NEEDS

Increased mobility creates value for healthcare and society

By increasing patient mobility throughout the care process, the risk of complications decreases, lengths of stay are shortened, and the working environment for caregivers improves. This generates positive effects for both individuals and society.

Avoid loss of muscle strength

Reduced mobility in conjunction with critical care accelerates muscular dystrophy. Up to 20 percent of muscle mass can be lost even during the first week, making recovery longer and more demanding. Arjo's solutions are designed to aid early and safe mobility of patients.

Prevent venous blood clots

Every year, more people die from VTE-related complications than from breast cancer, prostate cancer, road accidents and aids combined. These blood clots often occur as a complication of hospitalization and can cause great suffering and, in the worst case, be fatal. In many cases, they can be completely avoided by taking the right preventive action.

Safe and dignified dementia care

Dementia illnesses are one of the greatest health challenges of our time and the need for advanced dementia care is increasing as the population ages. 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 safely and independently, and frees up time for personal interaction with the patient.

Patients with reduced mobility are at risk of a range of complications leading to a greater and longer need for care.

Positive effects of improved 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 Sources 8-12 on page 137.

The number of people living with dementia is expected to double between 2020 and 2040

See Source 10 on page 137.





A solid foundation with potential to realize more value

Arjo’s current strategy was designed with the aim of offering more complete outcome-based solutions for customers’ specific challenges and needs. Many important steps have been taken since then. Building on this foundation, work is now beginning on a new strategic direction aimed at realizing more value in the company’s business – and for customers, employees and shareholders.

Over the years, Arjo has built up extensive expertise and developed 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.

Since the launch of the current strategy in 2020, Arjo has embarked on an important change from being a product supplier to becoming a healthcare partner. Part of this change has involved offering more complete outcome-based solutions for customers’ varying 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. Arjo also launched Arjo Insight, which is an evidence-based analysis tool that helps healthcare providers to promote patient mobility, create a safe work environment for healthcare professionals and increase workflow efficiency.

A stronger foundation

In parallel, Arjo has worked to strengthen its core business, including efforts to increase the share of sales within service

and rental. This has, in turn, provided stable income flows as well as close and long-term customer relationships. In 2025, efforts have also been made to strengthen the Group’s product portfolio, resulting in, for example, the launches of the new Symliss bathing system and the Maxi Move® 5 patient floor lift. Work on circular business models has also been central to this, and now a full 45 percent of Arjo’s business has circular qualities. Demand has increased in particular for Arjo’s solution that enables the reprocessing of noninvasive medical devices using a water-based, environmentally friendly disinfection process.

~2,000

Over the past few years, Arjo has completed nearly 2,000 evidence-based assessments of care unit needs using Arjo Insight, helping create the conditions for concrete improvements in healthcare.

STRATEGY

Advancing safer care

Lake Charles Memorial Hospital in California, US, launched the *Mission Move Well* initiative during the year. The aim is to use the Arjo MOVE program to advance patient safety and work environment through evidence-based strategies for safer patient mobility practices. The program included staff training, implementing standardized mobility practices and effective use of equipment, with the aim of fewer staff injuries and safer care environments.

"Lake Charles Memorial is committed to maintaining an environment where safety is embedded in every action we take," says Gerald Bryant, Chief Nursing Officer of Lake Charles Memorial Health System.

"Mission Move Well reflects our dedication to making every patient's aided movement safe and dignified. Arjo MOVE provides the framework we need to protect both our patients and our incredible team."

- GERALD BRYANT, CHIEF NURSING OFFICER AT LAKE CHARLES MEMORIAL HEALTH SYSTEM



Better and more sustainable healthcare

Strengthening Arjo's position as a mobility outcome partner to healthcare involves contributing to customers' sustainability targets. Based on the company's sustainability agenda, Arjo works actively to reduce its climate and environmental impact, promote healthy, inclusive and safe workplaces, and ensure responsible and ethical business operations.



Growing people and business together

Motivated and committed employees are essential to Arjo's success. A customer-focused way of working, where many decisions are made close to the customer, brings a high level of responsibility, but also greater opportunities for individual employees to grow in their roles. In Arjo's 2025 annual People Survey, 89 percent of all employees responded, and the Employee Net Promoter Score was 55.

Arjo's sustainability agenda



Environment and climate

Arjo works actively to reduce the climate and environmental impact from its own operations and from the value chain. Product development at the company is based on the principles of EcoDesign and Arjo strives to reduce resource consumption and offer more sustainable products and solutions to its customers.

Social responsibility

Arjo promotes a culture that promotes inclusive workplaces and continuous employee development. Occupational health and safety is of great importance to Arjo and the company complies with international frameworks and guidelines on human rights and fair labor conditions.

Governance

Arjo's relationships with various stakeholders are based on a high level of business ethics and regulatory compliance. The company places the same high demands on its own operations as it does for its business partners, with zero tolerance for corruption, fraud and bribery.

→ Read more in the sustainability report on page 46.



Circular solutions that reduce healthcare's climate and environmental impact

Rental solutions, which account for about 25 percent of Arjo's sales, provide caregivers with increased flexibility in terms of both finances and access to the right equipment. This can include, for example, temporary access to equipment to provide dignified and effective care for patient groups whose needs extend beyond what the care facility offers with its regular equipment. This also means that each product can be used more efficiently over its service life, which in turn results in fewer units needing to be manufactured.

Arjo has a comprehensive service offering designed to ensure optimal performance and equipment life cycles. The company also has a unique, completely water-based process for the reprocessing of single-use medical consumables. Rental, service and the solution for reusing disposables jointly represent 45 percent of Arjo's total sales.

Setting a new strategic direction

The external environment has changed significantly since the current strategy was first set out. A global pandemic, high inflation and geopolitical turmoil have impacted both healthcare customers and supply chains.

Under the framework of the current strategy, Arjo has taken important steps to offer customers solutions for increased value creation in terms of both clinical and financial benefits.

At the same time, the turbulence around the world in recent years has meant that healthcare providers have had to solve problems immediately rather than prioritizing longer-term solutions. In turn, this has made it more difficult to implement Arjo's outcome-based programs and solutions.

Arjo needs a new strategic direction. To address a changing world and create long-term value, for customers, employees and shareholders, a process began in spring 2026 to define a clear direction and identify concrete initiatives to support profitable growth in the years ahead.

"I see great potential to create increased value for customers, employees, and shareholders with a new, clear direction."

- ANDRÉAS ELGAARD, PRESIDENT & CEO



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 an annual risk assessment that is led by the company's Chief Financial Officer (CFO) and Head of Risk Management, 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 and a cybersecurity perspective. The most material 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 generates 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 and the Board by the CFO and Head of Risk Management. 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 2025



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

IT carried out a NIS2 Directive risk analysis (Network and Information Security Directive 2). The results were incorporated into the evaluation from the Group perspective.



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 Head of Risk Management. In December, the risks were also presented to the Board.

RISK MANAGEMENT

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. In some markets, sales of the Group's products depend on the healthcare reimbursement system, where the patient's insurance company - within the framework of the political reimbursement model - funds or subsidizes the products. 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 sub suppliers. 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. Arjo is closely monitoring developments related to the geopolitical and, in some respects, economic instability that has arisen since the war of aggression began. Given the size of the US market, political decisions such as trade barriers in the form of raising tariffs and related countermeasures, may have an impact on Arjo's operations, and therefore the company is closely monitoring developments. Arjo is also monitoring developments in the Middle East.
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.



RISK MANAGEMENT

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 maintaining delivery reliability to our customers. Arjo is closely monitoring numerous global conflicts 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 110-112.	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 Chief Information Officer (CIO) and by external auditors in accordance with ISAE 3402. A risk assessment under the EU Network and Information Security 2 (NIS2) Directive has been introduced and is regularly carried out as part of the Group's overall enterprise risk management (ERM). 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 is highly prioritized within the company and by Arjo's stakeholders. Investors, customers and other stakeholders 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 include 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. 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 2025 Corporate Governance Report is presented here.

Introduction

Arjo is a global supplier of medical devices and solutions. By enabling increased mobility in healthcare environments, the company helps improve clinical and financial outcomes in healthcare, which in turn contributes to a more 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 performance 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

2026 Annual General Meeting

Arjo's Annual General Meeting will be held on April 22, 2026 in Malmö, Sweden, with the option of postal voting. For further information, visit Arjo's website, www.arjo.com

Main decisions at 2025 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 2024 fiscal year
- Dividend of SEK 0.95 per share
- Discharge from liability for the Board members and CEO for their administration of the company for the 2024 fiscal year
- Re-election of all Board members: Johan Malmquist (Chairman), Carl Bennet, Ulrika Dellby, Eva Elmstedt, Dan Frohm, Ulf Grunander and Carola Lemne
- Remuneration of Board and auditors
- Election of Ernst & Young AB as new auditor with Karoline Tedevall as auditor in charge
- Authorization to the Board of Directors to resolve, on one or more occasions during the period until the 2026 Annual General Meeting, to acquire the company's own B shares
- 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

described and that an explanation for the deviation is presented. Arjo's only deviation from the Code's rules in 2025 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, 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. At the time of notice, an announcement that the notice has been issued is to be published in Svenska Dagbladet. Shareholders who wish to partici-

pate 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 138-139 and www.arjo.com.

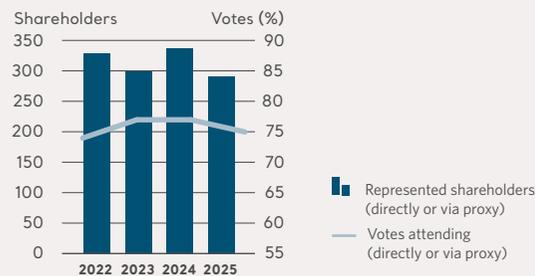
2025 Annual General Meeting

The AGM was held on April 29, 2025. The AGM resolved to adopt the income statement and balance sheet presented and to approve the Board's proposed appropriation of profits.

2026 Annual General Meeting

Arjo's Annual General Meeting will be held on April 22, 2026 in Malmö, Sweden, with the option of postal voting. For further information, visit Arjo's website, www.arjo.com.

Attendance at the AGM



Nomination Committee ahead of the 2026 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

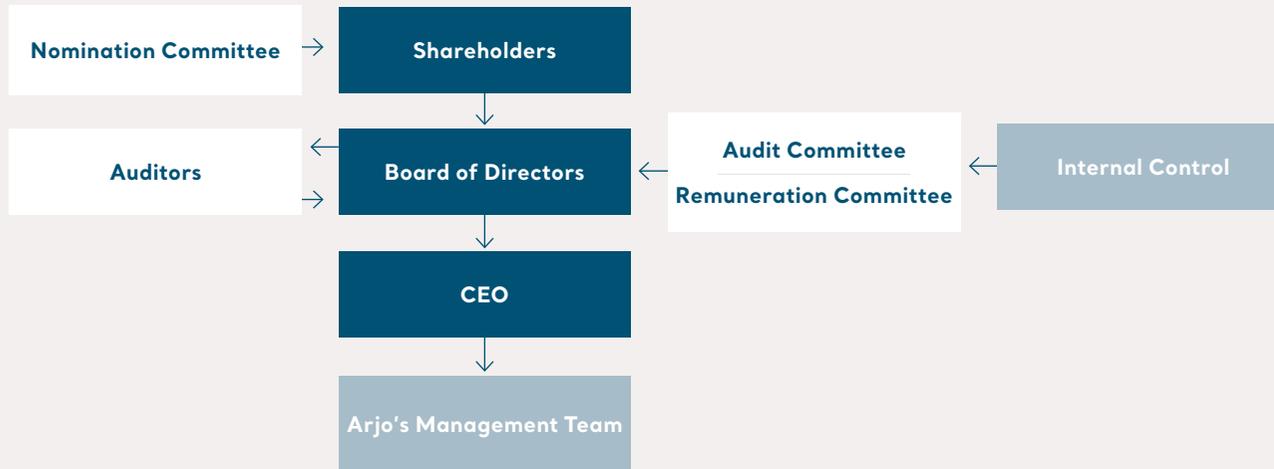
Anders Oscarsson, Svolder AB

Johan Malmquist, Chairman of the Board

Tenure, Board members



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

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 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 2026 Annual General Meeting

Ahead of the 2026 Annual General Meeting, Arjo's Nomination Committee comprised Chairman Carl Bennet (Carl Bennet AB), Jannis Kitsakis (Fourth Swedish National Pension Fund), Anders Oscarsson (Svolder), as well as 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 2026 AGM, the Nomination Committee made an assessment as to whether the current Board

ARJO'S CORPORATE GOVERNANCE

Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne, Ulrika Dellby and Johan Malmquist were elected Board members. Joacim Lindoff stepped down from the Board when he left his position as President & CEO of Arjo in January 2025. Arjo's Executive Vice President of Legal & Business Compliance 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 34-36. 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

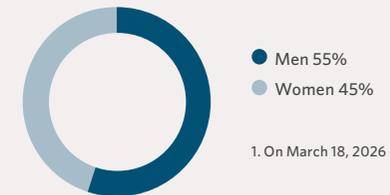
ensuring that the Board evaluates its work annually. The Board's work and management of financial and sustainability issues are evaluated in cooperation with an external partner. The entire results are presented to the Board and the Nomination Committee.

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, monitoring the company's work on quality, regulatory compliance, business ethics and sustainability, 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 29, 2025 and convened 13 times in 2025, with an average attendance rate of 95 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.

Gender distribution of the Board, including employee representatives (regular and deputies)¹⁾



2025 Annual General Meeting

Arjo AB's Annual General Meeting was held on April 29 in Malmö.

Work of the Board of Directors in 2025

The Board met on 13 occasions in 2025. The key matters addressed during the year are summarized below.

January

- Year-End Report
- Review of the company's purchasing and supply chain strategy
- Auditor's Report
- Board evaluation
- Report from Audit Committee
- Report from Remuneration Committee

April

- Interim Report Q1
- Review of the company's IT strategy
- Review of the company's work on quality and regulatory compliance
- Report from Audit Committee
- Statutory Board meeting

September

- Visit to Arjo's US division in Chicago
- Review of the overall strategy process
- Review of product portfolios
- Review of the company's purchasing and supply chain strategy
- Review of the company's IT strategy

December

- Establishment of annual plan for 2026
- Adoption of long-range plan for 2028
- Review of the company's risk map
- Succession planning and Talent Management
- Report from Remuneration Committee

March

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

July

- Interim Report Q2
- Report from Audit Committee
- Appointment of new President & CEO

October

- Interim Report Q3
- Review of the company's sustainability efforts
- Review of the company's work on ethics and compliance
- Review of the company's work on quality and regulatory compliance
- Report from Audit Committee
- Report from Remuneration Committee

ARJO'S CORPORATE GOVERNANCE

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.

Audit Committee

The Audit Committee is to monitor the processes in Arjo's financial reporting and sustainability 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, including the sustainability reporting, 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 results 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 2025, Arjo's Audit Committee comprised Board members Ulf Grunander (Chairman), Eva Elmstedt, Dan Frohm and Ulrika Dellby. The Committee meets the requirements of the Swedish Companies Act regarding auditing and audit competence.

In 2025, the Committee held six 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)	6/6
	Ulrika Dellby	6/6
	Eva Elmstedt	6/6
	Dan Frohm	5/6

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 company. 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 2025 comprised Johan Malmquist (Chairman), Carl Bennet, Dan Frohm and Carola

Lemne. In 2025, the Committee held four 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 2025 fiscal year and remuneration of the incoming CEO was decided by the Board based on the Remuneration Committee's recommendations. Remuneration of other senior executives was decided by the Remuneration Committee after consultation with the CEO. 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)	4/4
	Carl Bennet	4/4
	Dan Frohm	4/4
	Carola Lemne	4/4

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 6,102,000, of which SEK 1,715,400 to the Chairman and SEK 731,100 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 303,800 to the Chairman and SEK 151,900 to each of the other members, and that remuneration for the work of the Remuneration Committee was to be paid in

ARJO'S CORPORATE GOVERNANCE

the amount of SEK 163,100 to the Chairman and SEK 116,000 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 2025 comprised the CFO, EVP Legal & Business Compliance, EVP Human Resources & Sustainability, EVP Quality & Regulatory Compliance, EVP Supply Chain and Product Development & Engineering, EVP Communication & Public

Relations and EVP Global Marketing. The Management Team is presented on pages 37-38. For information regarding remuneration, any share-related incentive programs and terms of employment for the CEO and other senior executives, see Note 3.

Synthetic call options

On August 25, 2025, Arjo was informed by the company's principal owner, Carl Bennet AB, that the incoming CEO of Arjo had acquired synthetic call options on shares in Arjo issued by Carl Bennet AB.

Carl Bennet AB made the offer to the incoming CEO of Arjo, Andréas Elgaard, to acquire synthetic call options on shares in Arjo. A total of 1,184,834 options were acquired by Andréas Elgaard at a price corresponding to the market value of the options, according to a valuation performed by an independent valuation institute. The total market value of the options at the time of the transaction was estimated to amount to SEK 5 million.

The synthetic call options are issued on Arjo series B shares and have a term of five years. The options may be exercised during the period from 15 May 2030 to 15 August 2030. The exercise price is SEK 43.42 per option, which corresponds to 128 percent of the average volume-weighted price paid for Arjo's B shares on Nasdaq Stockholm on each trading day during the period 18-22 August 2025. Upon exercise of the options, the holder will receive a cash settlement from the option issuer corresponding to the market price of the share at the time of exercise, less the exercise price.

The option terms include a cap, which means that each option entitles the holder to a maximum payment of SEK 58.34.

Arjo has not participated in the offer made by Carl Bennet AB on its own initiative. The offer does not entail any costs for Arjo.

External auditing

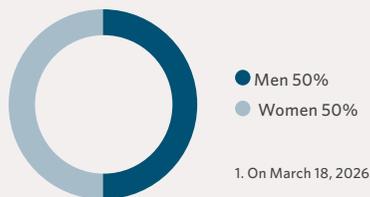
Arjo's Annual General Meeting elects external auditors for one year at a time. The auditors review the Annual Report and accounts, as well as the administration by the Board of Directors and the CEO, according to an audit plan adopted in consultation with the Board's Audit Committee. In conjunction with 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. The 2025 Annual General Meeting elected Ernst & Young AB as Arjo's auditor with Authorized Public Accountant Karoline Tedevall as auditor in charge.

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, sustainability 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) 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.

Gender distribution of Management Team¹⁾



ARJO'S CORPORATE GOVERNANCE

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. 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 and sustainability 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 and sustainability reporting. Policies, guidelines and internal instructions regarding financial reporting and sustainability 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 2025

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 and sustainability reporting, for example, controls in the sales, purchasing, inventory management, salary and accounting processes, and "soft controls" regarding compliance with internal policies and directives. If necessary, the self-assessments are supplemented with auditing and monitoring by Internal Control for selected units and processes. 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. The audit and follow-up have been carried out in collaboration between KPMG, 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, Internal Control works together with the company's compliance functions Quality & Regulatory Compliance and Legal & Business Compliance as well as the Risk Management and Sustainability functions.



BOARD OF DIRECTORS



Johan Malmquist

Carl Bennet

Ulrika Dellby

Eva Elmstedt

Position and year of birth	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.
Education	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.
Year elected	2017	2017 (Vice Chairman of the Board since 2018)	2024	2017
Board assignments	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).	Board member of Getinge AB (publ), Elanders AB (publ), Lifco AB (publ), Linc AB (publ), Royal Dramatic Theatre and Werksta Holdco AB.	Chairman of Nordlo AB, Omegapoint AB and Seriline AB and Board member of AddLife AB (publ) and Elanders AB (publ).
Professional experience and previous assignments/positions	Previous experience as 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), Chairman of Fasadgruppen Group AB (publ), Vice Chairman of Norrporten and BICO AB (publ), 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. Former Chairman of Proact (publ) and Semcon AB, and Board member of Addtech (publ), Thule (publ), Fagerhult AB (publ) and Smart Eye AB (publ).
Attendance at Board meetings	13/13	12/13	12/13	12/13
Attendance at Remuneration Committee meetings	4/4	4/4	—	—
Attendance at Audit Committee meetings	—	—	6/6	6/6
Independent in relation to Arjo and its management	Yes	Yes	Yes	Yes
Independent in relation to major shareholders	Yes	No	Yes	Yes
Total remuneration 2025, SEK 000s	1,878,500, of which 163,100 refers to fee for Remuneration Committee.	847,400, of which 116,000 refers to fee for Remuneration Committee.	883,000, of which 151,900 refers to fee for Audit Committee.	883,000, of which 151,900 refers to fee for Audit Committee.
Shareholding in Arjo AB (own and related parties)¹⁾	800,000 series B shares	18,217,200 series A shares and 63,494,858 series B shares via Carl Bennet AB	15,000 series B shares	120,000 series B shares

1. Shareholdings as per March 18, 2026.

BOARD OF DIRECTORS



Dan Frohm

Ulf Grunander

Carola Lemne

Position and year of birth	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.
Education	M.Sc. in Industrial Engineering and Management, Linköping University.	B.Sc. in Economics, Stockholm University.	Licensed physician, M.D. and associate professor, Karolinska Institutet.
Year elected	2019	2017	2017
Board assignments	Chairman of Elanders AB (publ) and Vice Chairman of Lifco AB (publ) and Carl Bennet AB. Board member of Getinge AB (publ) 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 IRLAB AB (publ), Samhall AB and Ung Företagsamhet, and Board member of Hjärt-Lungfonden, Tervestaylo OY and Sophiahemmet. CEO of Calgo Enterprise AB.
Professional experience and previous assignments/positions	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 and Uppsala University, 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).
Attendance at Board meetings	12/13	13/13	13/13
Attendance at Remuneration Committee meetings	4/4	—	4/4
Attendance at Audit Committee meetings	5/6	6/6	—
Independent in relation to Arjo and its management	Yes	Yes	Yes
Independent in relation to major shareholders	No	Yes	Yes
Total remuneration 2025, SEK 000s	999,000, of which 151,900 refers to fee for Audit Committee and 116,000 for Remuneration Committee.	1,034,900, of which 303,800 refers to fee for Audit Committee.	847,100, of which 116,000 refers to fee for Remuneration Committee.
Shareholding in Arjo AB (own and related parties)¹⁾	230,789 series B shares	107,087 series B shares	13,000 series B shares

1. Shareholdings as per March 18, 2026.

BOARD OF DIRECTORS



Sten Börjesson

Madelène Carlsson

Kajsa Haraldsson

Jimmy Linde

Position and year of birth	Employee representative, deputy since 2025. Born 1967.	Employee representative, member since 2025 and deputy in 2024. Born 1972.	Employee representative, member since 2020. Born 1982.	Employee representative, deputy since 2020. Born 1971.
Education	Upper-secondary education in economics and technology.	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.	M.Sc. in Industrial Design Engineering, Chalmers University of Technology.	M.Sc. in Engineering, Chemical Engineering, Faculty of Engineering, Lund University.
Board assignments	Owner of Höörs Antenn & Elektronikservice.	—	—	—
Professional experience and previous assignments/positions	Employee representative, Board member of Arjo AB 2017–2020 and 2024, and deputy 2021–2023. Board member (employee representative) of Getinge AB 2007–2015. 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.	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.
Attendance at Board meetings	11/13	12/13	12/13	13/13
Attendance at Remuneration Committee meetings	—	—	—	—
Attendance at Audit Committee meetings	—	—	—	—
Independent in relation to Arjo and its management	—	—	—	—
Independent in relation to major shareholders	—	—	—	—
Total remuneration 2025, SEK 000s	—	—	—	—
Shareholding in Arjo AB (own and related parties)¹⁾	—	—	224 series B shares	1,500 series B shares

1. Shareholdings as per March 18, 2026.



ARJO MANAGEMENT TEAM

**Andrés Elgaard****Eva Brike****Christofer Carlsson****Ingrid Carlsson****Position and year of birth**

President & CEO. Born 1972.

Executive Vice President, Human Resources & Sustainability. Born 1968.

CFO. Born 1973.

Executive Vice President Legal & Business Compliance and Board secretary. Born 1976.

Education, current assignments and professional experience.

M.Sc. from Faculty of Engineering, Lund University. Board member of Byggmax AB (publ) and Nobia AB (publ). Previous experience as President and CEO of ITAB Shop Concept AB and senior positions within IKEA, Ballingslöv, Sperian, Icopal and Saint-Gobain Isover.

B.Sc. in Human Resource Management, Lund University. Most recently served as Vice President People & Culture at Atos Medical. Previous experience from various positions within TFS HealthScience, Resurs Holding and Rosti Group.

Economics Program, Lund University. Employed at Arjo since 2017 with previous experience from finance positions at companies such as Gambro 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.

Shareholding in Arjo AB (own and related parties)¹⁾

125,000 series B shares and 1,184,834 synthetic share options

—

20,000 series B shares

2,000 series B shares

1. Shareholdings as per March 18, 2026.

ARJO MANAGEMENT TEAM



Jonas Cederhage

Maria Fagerberg

Tobias Kramer

Maria Nilsson

Position and year of birth

Executive Vice President, Supply Chain and Product Development & Engineering. Born 1971.

Executive Vice President Quality & Regulatory Compliance. Born 1977.

Executive Vice President Global Marketing. Born 1984.

Executive Vice President, Communication & Public Relations. Born 1982.

Education and professional experience

B.Sc. in Industrial Mgmt. & Supply Chain, University of Gävle, 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.

M.Sc. 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).

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.

Shareholding in Arjo AB (own and related parties)¹⁾

3,000 series B shares

—

15,000 series B shares

5,000 series B shares

1. Shareholdings as per March 18, 2026.

Changes to Management Team in 2025/2026

- In January 2025, Joacim Lindoff, President & CEO, left Arjo and Niclas Sjöswärd, CFO, was appointed interim President & CEO. As a result of this, Christofer Carlsson, Vice President Corporate Control, was appointed interim CFO.
- In August, Christofer Carlsson was appointed permanent CFO of the company.
- In January 2026, Niclas Sjöswärd left the Group for another assignment. Andrés Elgaard took office as the Group's new President & CEO on January 7, 2026.

Annual Remuneration Report 2025

Introduction

This report describes how the principles of remuneration for senior executives at Arjo, adopted by the Annual General Meeting 2024, were implemented in 2025. 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 98-99 of the 2025 Annual Report. Information on the work of the Remuneration Committee in 2025 is set out in the Corporate Governance Report available on page 31 of the 2025 Annual Report.

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 98-99 of the 2025 Annual Report.

Key developments 2025

The CEO summarizes the company's overall performance in the CEO's comments on pages 8-9 of the 2025 Annual Report.

Guidelines for remuneration

The company's remunerations principles are to be designed to ensure the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainable operations. 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 be market-conforming 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 2025 are available on the company's website www.arjo.com

Total remuneration of CEO

The company changed CEO in January 2025. Former CEO Joacim Lindoff ended his employment on January 13, 2025. The Board subsequently appointed Niclas Sjöswärd as interim CEO from the same date and he served in the role for the remainder of the year. Remuneration for both individuals is presented separately in the remuneration tables of this report. The former CEO received a contractual salary and pension during his notice period in 2025. This remuneration is reported as fixed remuneration in accordance with the remuneration policy.

The CEO and the interim CEO of Arjo received the following remuneration components in 2025: basic pay, variable annual,

Table 1 – Total remuneration of the CEO

The table below sets out the total remuneration (SEK) expensed for Arjo's CEO in 2025¹⁾, 2024, 2023, 2022 and 2021.

Name of Director, position	Fiscal year	Fixed remuneration		Variable remuneration			Pension expenses	Total remuneration	Proportion of fixed/variable remuneration
		Basic pay	Other benefits	One-year variable	Multi-year variable	Extraordinary items			
Joacim Lindoff, CEO	2025	10,180,900	119,648	—	—	—	3,633,405	13,933,953	100/0
	2024	9,870,499	155,054	4,195,461	—	—	3,362,405	17,583,419	76/24
	2023	9,539,498	124,776	4,618,688	—	—	2,771,212	17,054,174	73/27
	2022	9,103,500	151,954	446,250	—	—	2,677,500	12,379,204	96/4
	2021	8,618,999	1,171,304	6,800,000	2,925,795	—	2,550,000	22,066,098	56/44
Niclas Sjöswärd, interim CEO	2025	5,253,102	148,332	270,000	—	—	641,774	6,313,208	96/4

1. Arjo changed CEO in 2025. The former CEO ended his employment on January 13, 2025 and was replaced on the same day by an interim CEO. Remuneration of the interim CEO is reported separately as part of annual remuneration for 2025.

ANNUAL REMUNERATION REPORT

pension contributions and other benefits. Basic pay includes vacation pay. Annual variable remuneration refers to remuneration earned and paid for the 2025 fiscal year.

Incentive programs:

For the CEO and other senior executives, an annual cash-based remuneration program is linked to financial targets and sustainability objectives. In addition, the Company has a long-term cash-based incentive program that runs over a three-year period and is directed at managers, key employees, and other strategically important personnel who are nominated by their manager and approved by the CEO. The program is based on a three-year target relating to the cumulative earnings per share (EPS) for the period, which constitutes 100 percent of the performance assessment. Any payout is made after the end of the three-year period, provided that the participant remains employed and that the established targets have been achieved.

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

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

During 2025, the Company has in all material respects complied with the remuneration guidelines adopted by the general meeting. One senior executive has a pre-existing pension agreement with a contribution level of 35 percent, which deviates from the guidelines but continues to apply in accordance with previously agreed terms. No other deviations from the guidelines have occurred, and no comments on the remuneration guidelines have been received.

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.¹⁾

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
			b) Actual award/remuneration outcome
Niclas Sjöswärd, interim CEO	Adjusted earnings before interest, tax depreciation and amortization (EBITA)	75%	a) SEK 1,158 M b) SEK 0
	Working Capital (R12)	15%	a) 117 days b) SEK 0
	Sustainability CO ₂ reduction	10%	a) 21,830 tons CO ₂ b) SEK 270,000
Joacim Lindoff, CEO	Not applicable		

1. The company's CEO left his position on January 13, 2025 and therefore did not participate in the 2025 short-term variable remuneration program. Accordingly, the table presented the outcome for the interim CEO, who served in the role of CEO for most of the fiscal year.

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.²⁾

Name of Director, position	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance
			b) Actual award/remuneration outcome
Niclas Sjöswärd, interim CEO	Not applicable		
Joacim Lindoff, CEO	Not applicable		

2. The company's CEO left his position on January 13, 2025 and therefore did not participate in the 2025 variable remuneration program. The interim CEO did not participate in any long-term variable remuneration program in his capacity as CEO during the fiscal year. Any outcome from LTIPs that ended during the year refers to participation in his previous position and thus is not presented as performance of the CEO in table 2b.

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)¹⁾

Annual change	2022 vs 2021	2023 vs 2022	2024 vs 2023	2025 vs 2024	2025
Joacim Lindoff, CEO	SEK -9,686,894	SEK +4,674,970	SEK +529,245	SEK -3,649,466	SEK 13,933,953
Niclas Sjöswärd, interim CEO ²⁾					SEK 6,313,208
Arjo's performance					
Group operating profit	SEK -386 M	SEK +191 M	SEK +9 M	SEK -218 M	SEK 675 M
Group net sales	SEK +909 M	SEK +1,001 M	SEK +312 M	SEK -293 M	SEK 11,000 M
Average remuneration on a full-time equivalent basis of employees ³⁾					
	SEK -62,205	SEK -21,906	SEK -56,712	SEK -12,288	SEK 833,488
Arjo employees ³⁾ Actual number	206 vs 192	188 vs 206	196 vs 188	214 vs 196	214

1. The role of CEO was held by two persons in 2025. Joacim Lindoff stepped down as CEO on January 13, 2025. Total remuneration for 2025 includes basic pay, benefits, pension premiums and severance pay in accordance with contract. Severance pay is non-recurring, which is why the change in remuneration between 2024 and 2025 is not comparable.

2. Niclas Sjöswärd took office as interim CEO on January 13, 2025. Niclas Sjöswärd did not receive any remuneration from the company in his role as CEO in the preceding fiscal year, which is why no comparative figures are available.

3. Average remuneration of the company's employees and the total number of employees in Sweden (excluding the Management Team) refers to cash salaries and does not include pension premiums or other non-cash benefits.

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 AB 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), vari-

able 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 improving care outcomes, creating a more efficient care process, enabling a better work environment for healthcare

professionals and increasing 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 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

PRINCIPLES FOR REMUNERATION OF SENIOR EXECUTIVES

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 to ensure 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 pensions 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 percent 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.

PRINCIPLES FOR REMUNERATION OF SENIOR EXECUTIVES

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 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 basic monthly 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 an 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	4,208,330,765
Net profit for the year	284,100,997
Total	4,492,431,762

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	4,233,680,668
Total	4,492,431,762

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.

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.

The Directors' Report for the Group and Parent Company provide 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.

The Board of Directors and CEO also affirm that the Annual Report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted under the EU Taxonomy Regulation.

The content of this Annual Report was determined on March 18, 2026.

Malmö, March 30, 2026

Johan Malmquist
Chairman of the Board

Carl Bennet
Vice Chairman of the Board

Ulrika Dellby
Board member

Eva Elmstedt
Board member

Dan Frohm
Board member

Ulf Grunander
Board member

Carola Lemne
Board member

Andréas Elgaard
President & CEO

Madeléne Carlsson
Board member
Employee representative

Kajsa Haraldsson
Board member
Employee representative

Our auditor's report on the Annual Report and the consolidated financial statements was submitted on March 30, 2026 and our review report on the statutory sustainability report was submitted on March 30, 2026

Ernst & Young AB

Karoline Tedevall
Authorized Public Accountant
Auditor in charge



Sustainability Report



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General disclosures

In 2025, Arjo has prepared its first sustainability statement in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) and its underlying European Sustainability Reporting Standards (ESRS). This sustainability statement constitutes Arjo's statutory sustainability report in accordance with the Swedish Annual Accounts Act.

Basis for preparation

BP-1 – GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

Arjo's Sustainability Report has been prepared on a consolidated basis, covering the reporting period January 1 to December 31, 2025. The reporting structure and scope align with the financial reporting, ensuring that all subsidiaries included in the financial reporting are also accounted for in the Sustainability Statements. For more information, see Note 13 in the parent company 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.

During 2025, Arjo has not allocated financial resources in terms of Capex or Opex to actions connected to the material topics in the sustainability statement. No metrics presented in the Metrics section for the material topics has been validated by an external body other than the external auditors.

BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

Arjo strives to maintain accurate and comparable data, and continuous improvements are being made to data accuracy as the company works consistently with training, clarifying manuals, and follow-up of reported data. When reporting metrics concerning direct and indirect emissions, Arjo has used assumptions and estimations 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 anal-

ysis and comparison of year-to-year improvements. If recalculation is not possible due to lack of historical data, the analysis will clearly describe the change, and a footnote will be added to the presented data. For 2025, Arjo will apply Quick Fix regarding the disclosures on anticipated financial effects.

BP-2 LIST OF DISCLOSURE REQUIREMENTS INCORPORATED BY REFERENCE:

Disclosure incorporated by reference	Page	Comment
Strategy	8-9,18	Arjo's offering divided by type
Governance	12-13	Segment information
Incentive schemes	39-44	Annual remuneration report
Business model	8-9	Arjo's product portfolio and offering
Risk management and internal control	20-23	Risk management and risk assessment process

Governance

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Number of executive/non-executive members of administrative management and supervisory bodies	Percentage of women in the Board of Directors	
	Number	Board of Directors
Board executive members	0	0%
Board non-executive members	9	56%
Total	9	

71 percent of the Board of Directors are independent board members

A presentation of Arjo's Board and Management Team can be found in the Corporate Governance Report on pages 25-38. Arjo's governance model is based on relevant policies and directives and ensures systematic implementation and follow-up of approved activities. Within each body, there is access to expertise and skills regarding Arjo's sustainability matters, both internally through the Head of sustainability and sustainability subject matter experts, as well as externally through auditors and consultants.

Board of Directors

Arjo's Board of Directors is responsible for the Sustainability Statement and for governing and reviewing sustainability efforts. 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 has extensive expertise from various business areas, which is valuable from a sustainability perspective. This breadth of knowledge supports effective oversight of Arjo's transition plan, including the setting of appropriate actions and targets. In response to new regulations and reporting directives, the Board may, when necessary, consult external advisors in addition to internal subject matter experts and appointed auditors, using them as a sounding board for emerging questions.

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 reviews and decides on stakeholder engagement, sustainability materiality assessment, impacts, risks and opportunities and yearly progress towards set targets.

The Board of Directors includes two employee representatives with two deputies.

Audit Committee

The Audit Committee oversees business ethics, compliance and sustainability, and reports to the Board. The Committee has 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 yearly, with sustainability addressed both as a standalone topic and in conjunction with internal control and financial representatives to integrate the areas and streamline processes and procedures.

CEO

The CEO is responsible for ensuring that the Board of Directors receives objective and relevant information required to be able to make well-founded decisions. The CEO and Management Team have 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.

GOV-2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

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 Corporate Sustainability Reporting Directive (CSRD) and recent updates regarding Quick fix and Omnibus. The Board of Directors, the Audit Committee and the Management Team have access to expertise within sustainability regulations through external auditors and internal subject matter experts to discuss changes in regulations and the impact on Arjo.

Material topics and related activities and actions are regularly reported to the Board of Directors, the Audit Committee, and the Management Team by the Head of Sustainability and relevant subject matter experts. The Board of Directors and the Management Team were informed and consulted about the following sustainability matters during 2025:

- Revised material topics in the DMA
- Omnibus and other changes to the CSRD
- Organizational changes to the sustainability team
- Development progress of Arjo's Circular Transition Plan. Training for the Management Team was conducted and direction for the circularity project was decided
- Transition plan for the Scope 3 categories Purchased goods and services, Upstream transportation and distribution and Use of sold products
- Pilot project to improve calculation methodology for Scope 3 categories, to be implemented during 2026
- Green capex opportunities in the 2025 budget, to support energy efficiency initiatives within Scope 1 and 2
- The Board was introduced to an annual business-related ethical dilemma, serving as both an informative and training-oriented activity

GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Arjo's short-term incentive program includes a sustainability-related target applicable to 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. The sustainability-related targets are included in the remuneration policy. Arjo does not have any other sustainability-related performance metrics as a performance benchmark other than the SBTi targets.

GOV-4 – 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	47-53
b) Engaging with affected stakeholders in all key steps of the due diligence	Governance, strategy, stakeholder dialogue, workers in the value chain	47-53, 79
c) Identify and assess adverse impacts	Process to access material topics, strategy and business model, workers in the value chain	49-53, 54, 79
d) Taking actions to address adverse impacts	Respective material topic and action section	58-59, 63-64, 65-66, 75, 79-80, 82, 84
e) Monitor goals and efforts	Respective material topic, goals and metrics	59-62, 64, 66-68, 76-78, 80, 82, 84

GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER 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 implemented 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.

Arjo's double materiality assessment (DMA) is integrated into the risk management process. Each risk owner (member of the Arjo Management Team) evaluates any new risks and potential changes in existing risks compared to the previous year. By evaluating inherent risks and accounting for existing preventive measures, Arjo determine the residual risk – representing Arjo's actual risk exposure. Risks with the highest residual scores, as well as those where mitigation efforts can have the greatest impact, are prioritized. The outcomes of the assessment are shared with Internal Control to inform future testing activities, and with the Sustainability Controller and other relevant internal stakeholders to ensure alignment across functions.

Strategy

SBM-1 – 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 can contribute to reduced costs and a more efficient use of resources in healthcare and in society. For Arjo's total revenue, see Note 2.

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, products must maintain high quality and adhere to industry regulatory compliance requirements. Arjo works closely with customers to provide the best solutions for current and future needs. Arjo's portfolio includes the following products and services:

- Patient handling
- Pressure injury prevention
- Medical beds
- VTE prevention
- Hygiene
- Diagnostics
- Disinfection
- Service
- Rental
- Reprocessing
- Comprehensive solutions, such as result-based outcome programs

For more information on Arjo's portfolio, see page 8-9. For more information about the materials in Arjo's products, see section E1.

Arjo has not set any sustainability-related goals for its products but is reviewing the possibility of doing so. No assessment has been carried out of products, markets or customer groups in relation to the sustainability goals.

Business performance is measured and followed up on the three segments Global Sales, North America and Diagnostics. 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 12-13. For information about Arjo's employees, see section S1-6; the number of employees is broken down by geographic region.

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

Arjo's challenges related to ESG topics include ensuring sustainable sourcing strategies and that suppliers meet the company's requirements, as well as future legislative requirements.

Arjo has consistently performed supplier assessments and is now extending the scope. In 2025, progress continued 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.

SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

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 stakeholders' views on Arjo's business activities and the impact these activities have on them.

The Arjo Management Team is informed about the interests and views of stakeholders 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.

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Arjo has identified several material impacts, risks and opportunities through its double materiality assessment, which are integrated into the company's strategy and business model. These include:

- Climate Change Mitigation (ESRS E1): Arjo's operations and value chain generate greenhouse gas emissions. The company has set

science-based targets to reduce Scope 1 and 2 emissions by 50 percent and Scope 3 emissions by 25 percent by 2030. These targets are embedded in the business strategy and monitored through quarterly reports to the Management Team and Board of Directors.

- Substances of very high concern (SVHC) (ESRS E2): Following and complying with regulations regarding SVHC is crucial for Arjo's business to be able to provide products based on customer demands.
- Resource Use and Circular Economy (ESRS E5): Arjo's rental, service and ReNu operations are circular business models that reduce resource outflows and waste. These models are considered strategic opportunities and further expansion is continuously assessed to meet growing customer demand for sustainable solutions.
- Own workforce (ESRS S1): Arjo's own workforce is an integral part of the company's overall strategy for sustainable growth. Attracting, retaining, and developing the right competencies is emphasized as strategically important for achieving business objectives and strengthening competitiveness.
- Workers in the Value Chain (ESRS S2): Arjo relies on suppliers and business partners to uphold human rights and labor standards. A supplier audit program has been initiated to assess working conditions and ensure compliance with the EU Corporate Sustainability Due Diligence Directive (CSDDD).
- Consumer and end-user (ESRS S4): Arjo's products are designed to improve patient mobility, reduce complications, and enhance caregiver safety. These impacts are central to Arjo's value proposition and are supported by the outcome-based program MOVE. Read more on page 9.
- Business Conduct (ESRS G1): Arjo maintains a strong ethical framework, including anti-corruption training and a whistleblower system. These governance measures support long-term resilience and stakeholder trust.

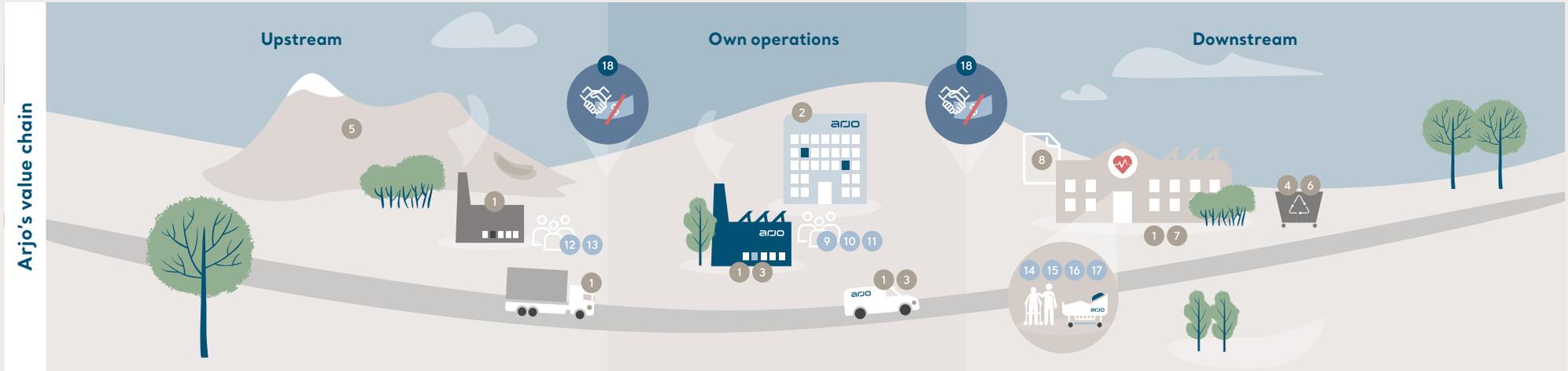
While qualitative assessments are in place, Arjo has not yet performed a financial quantification of the current or anticipated effects of these risks and opportunities. This applies to the company's financial position, performance, and cash flows, particularly where there is a material risk of adjustments in the next annual reporting period, as well as in the short, medium, and long-term perspectives. Similarly, no resilience analysis of the strategy and business model to address material impacts and risks and to take advantage of material opportunities has been conducted. These areas are planned for future development.

**OVERVIEW STAKEHOLDER DIALOGUE**

During 2024, Arjo 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"> Sales dialogues Clinical evaluations Customer satisfaction surveys Queries in tender processes External forums, such as conferences and seminars 	<ul style="list-style-type: none"> Sales function Customer service function Research and Development function Marketing function 	<ul style="list-style-type: none"> To understand current and future needs To understand the sustainability impacts and risks, and how to mitigate them 	<ul style="list-style-type: none"> Adapt to future demands Actively work for sustainability impact reduction Verification of change in demands and impacts
Suppliers	<ul style="list-style-type: none"> Procurement dialogues Supplier visits Fairs and exhibitions Sustainability audits Benchmarking industry impacts Supplier pre-evaluation tool 	<ul style="list-style-type: none"> Buyers Procurement sustainability managers Participation in conferences and forums 	<ul style="list-style-type: none"> Align sustainability ambitions Prioritize impact mitigation activities Ensure compliance Understand sustainability impacts and risks Understand supplier awareness of sustainability 	<ul style="list-style-type: none"> Drive cooperation to reduce risks and impacts Improve supplier understanding in applicable areas Verification of changed impacts and risks Actions to resolve compliance gaps
Employees	<ul style="list-style-type: none"> Daily work dialogues Employee survey Performance & development dialogues Work environment committees Diversity, equity and inclusion (DEI) committee Union dialogues Metrics and targets 	<ul style="list-style-type: none"> Employee survey handled by the HR function Occupational Health and Safety committee and DEI committee Unions Sustainability accounting system managed by finance function 	<ul style="list-style-type: none"> Understand employee's needs, opinions, engagement and motivation Understand company impacts and risks Attract and retain employees to secure competencies and long-term business 	<ul style="list-style-type: none"> Close gaps to reduce negative impacts and risks Take actions and actively drive improvements based on the outcome of the stakeholder dialogues
Investors/banks	<ul style="list-style-type: none"> Sustainability dialogues Sustainability inquiries Analyst reports 	<ul style="list-style-type: none"> Capital markets days Bank meetings and other financiers meetings Investor meetings Surveys ESG ratings from different institutes 	<ul style="list-style-type: none"> To understand the stakeholder's needs of information and data To understand where to prioritize improvement activities for reducing risks and impacts 	<ul style="list-style-type: none"> Adapt to future demands Actively work for sustainability impact and risk reduction
Governments and regulators	<ul style="list-style-type: none"> Monitoring of emerging legislations 	<ul style="list-style-type: none"> Seminars Newsletters Trade associations 	<ul style="list-style-type: none"> Detect, assess and develop the organization to ensure regulatory compliance 	<ul style="list-style-type: none"> Implementation or adjustment of policies, governance, processes, targets and metrics to meet regulatory compliance Adjusted communication and reporting needs



Material topic	Sub-topic	Impacts, risks and opportunities	Impact in the value chain			
			Impact	Upstream	Own operations	Downstream
E1 - Climate change	Climate change mitigation	1 Greenhouse gas emissions	▼	X	X	X
		2 Potential risk of lost business opportunities	▲▲		X	
		3 Energy and fuel consumption	▼		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	6 End-of-life treatment of products	▼			X
		7 Rental, service and reprocessing operations (Arjo ReNu)	▲	X	X	X
		8 Customers' demands regarding sustainability	▲▲			X
S1 - Own workforce	Working conditions in own operations	9 Occupational health and safety	▼		X	
	Equal treatment and opportunities for all	10 Gender diversity	▼		X	
	Equal treatment and opportunities for all	11 Equal pay	▼		X	
S2 - Workers in the value chain	Working conditions in the value chain	12 Working conditions	▼	X		
	Other work-related rights	13 Human rights	▼	X		
S4 - Consumers and end-users	Product safety	14 Increased safety and quality of life for patients	▲			X
		15 Improved working environment for caregivers	▲			X
		16 Safety of customers and end-users	▼			X
		17 Protection of product users	▼			X
G1 - Business conduct	Bribery and corruption	18 Bribery and corruption	▼	X	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 52 and 53.



MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The table describes Arjo's material topics and an assessment of the time horizon for each impact, risk and 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). Purchased goods and services represent a significant share of Arjo's emissions. Carbon-intensive materials such as plastics, metals and electronics account for the largest impact in Arjo's emission inventory. Arjo is directly responsible for Scope 1 and 2 emissions, which account for approximately 8% of total emissions. Arjo has full control to drive change in these areas. Emissions from service vehicles are the main source within Scope 1.	M L	55-59
	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 if data cannot be reported.	L	55-59
	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. Upstream energy usage and energy mix are unknown. Specific materials purchased include energy-intensive materials, such as metals, electronics and plastics.	M L	55-59
E2 – Pollution	Substance of Very High Concern (SVHC)	Potential negative impact	SVHC	Potential negative impact from substances of very high concern in end-of-life treatment of products in downstream value chain. Identified as low impact in own operations, since Arjo mainly assembles products with no processing-related use of regulated substances.	S M L	63
E5 – Resource use and circular economy	Resource inflow	Actual negative impact	Extraction of virgin and fossil raw materials for products and packaging	Negative impact from extraction of virgin and fossil raw materials used in Arjo's products. The extraction of these materials, particularly metals, plastics, and electronic components, can have adverse social and environmental impacts.	M L	65-66
	Resource outflow	Actual negative impact	Landfill and incineration of used products	Negative impact from landfill and incineration of used products leads to environmental degradation, including pollution and resource loss. There are significant differences between regions and countries when it comes to recycling. These differences are due not only to the characteristics of the products – for example, what materials they are made of and how easy they are to disassemble – but also to the availability of recycling solutions and the local 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.	M L	65-66
	Resource outflow	Actual positive impact	Rental, service and reprocessing operations (Arjo ReNu)	Positive impact from Arjo's rental, service and reprocessing operations (Arjo ReNu). The three circular business models extend product lifespan and consequently have positive impact on resource use and product waste generation. With an increased demand for more sustainable products and solutions, the rental, service and reprocessing operations can provide opportunities for the company.	M L	65-66
	Resource outflow	Potential long-term financial risk	Failure to meet customer requirements, leading to lower sales	Potential financial risk from lost business opportunities if the company does not meet customers' demands for repair, recyclability, or circular solutions. There is a strong global trend among Arjo's customers towards increased focus on both sustainability and circularity.	M L	65-66
S1 – Own workforce	Working conditions in own operations	Actual negative impact	Occupational accidents and injuries	Negative impact from potential occupational accidents and injuries in product manufacturing, related to workplace environment and equipment. The consequences of accidents or injuries for affected employees can be significant.	S M	73-75
	Equal treatment and opportunities for all	Actual negative impact	Equal pay for work of equal value	Negative impact from risk of insufficient level of equality in the workplace, which can limit perspectives, reduce collaboration and create barriers to equal opportunities, potentially affecting overall team performance and employee wellbeing. May lead to adverse results in attracting and retaining the right talent.	M L	73-75
	Equal treatment and opportunities for all	Actual negative impact	Equal treatment and equal opportunities for all employees	Negative impact from risk of insufficient level of diversity in the workplace, which can limit perspectives, reduce collaboration and create barriers to equal opportunities, potentially affecting overall team performance and employee well-being. May lead to adverse results in attracting and retaining the right talent.	S	73-75

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

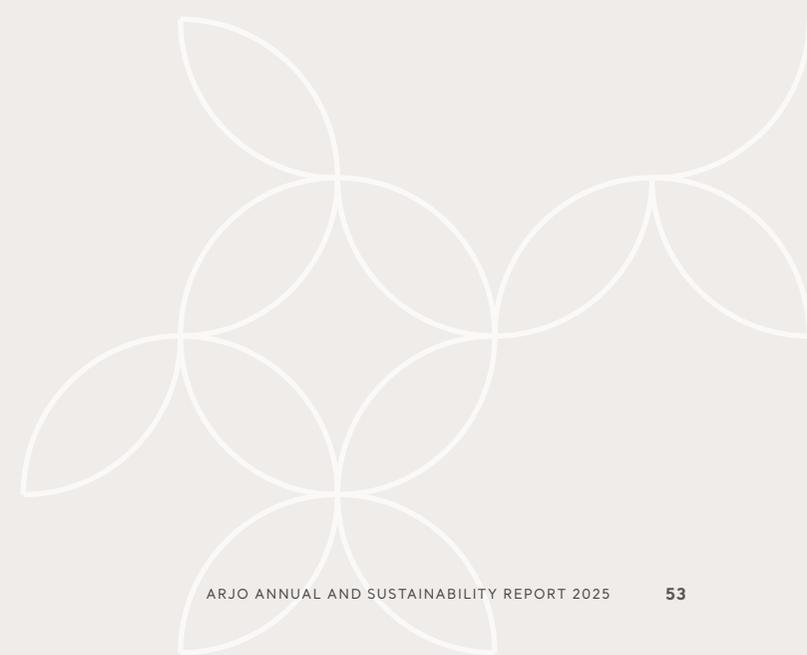


MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

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

Material topic	Sub-topic	Impact materiality or financial materiality	Impacts, risks and opportunities	Description of impacts, risks and opportunities	Time horizon	Read more
S2 – Workers in the value chain	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 at suppliers in the value chain, in countries with weaker enforcement of legislation. Arjo's main suppliers are located in Asia.	M	79
	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. Risk of human rights breaches is not neglected, although high standards in MedTech industry, which require skilled and qualified staff, may help mitigate risk. Arjo integrates the Business Partner Code of Conduct into supplier contracts, and if needed, supplier quality audits and on-site visits occur ahead of supplier approval.	M	79
S4 – Consumers and end-users	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.	S M L	80-81
	Product safety	Potential positive impact	Improved working environment for caregivers	Potential positive impact through Arjo's products, improving the working environment for caregivers.	S M L	80-81
	Product safety	Potential negative impact	Safety of customers and end-users	Potential negative impact from risk of injuries to patients, residents, and caregivers if products are used incorrectly, even if not directly caused by the product itself.	L	80-81
	Product safety	Potential negative impact	Protection of product users	Potential negative impact if product information does not clearly indicate intended purpose, user and patient population and include relevant safety information.	L	80-81
G1 – Business conduct	Bribery and corruption	Potential negative impact	Bribery and corruption	Potential negative impacts from bribery and corruption can affect a range of stakeholders both within and outside the company. Bribery and corruption may involve the provision or acceptance of undue advantages, which can result in decisions being made based on incomplete, inaccurate, or misleading information. This can impact customers, public authorities, business partners, and investors, potentially leading to a loss of trust, strained relationships, or regulatory consequences.	L	83-84

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



Management of impacts, risks and opportunities

IRO-1 - DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In 2024, Arjo performed its first double materiality assessment (DMA) in preparation for its 2025 Sustainability Statements. The assessment was conducted in accordance with the European Sustainability Reporting Standards (ESRS) with guidance from the European Financial Reporting Advisory Group (EFRAG).

The process included three steps:

- 1) Compilation of a list of sustainability topics
- 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 experts within the organization. The scoring methodology and criteria for the materiality assessment were developed in accordance with the requirements of ESRS 1.

In 2025, Arjo consulted external sustainability experts to validate the methodology and scoring criteria used in the DMA. The input helped refine the impact categories and ensure alignment with ESRS expectations.

In the 2025 DMA process, Arjo used internal ESG data, stakeholder feedback, regulatory benchmarks, and industry reports to revise the assessment. No connections to dependencies on the environment and people were identified. Assumptions included medium-term time horizons and mitigation effectiveness for long-term impacts.

After the validation was completed, the conclusions and recommendations were compiled into a report that was presented to the Arjo Management Team for approval, and subsequently to the Board of Directors for final decision. For each material topic, action plans have been developed based on a current state analysis and prioritization, with clear targets, initiatives, and measurable indicators. The management of sustainability-related impacts, risks, and opportunities was integrated into the overall risk management process, where identified opportunities were also incorporated into strategic planning.

Stakeholder assessment

In 2025, Arjo reviewed the stakeholder assessment conducted in the previous year, with no changes identified. The 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 future DMAs.

High-risk areas

The DMA identified high-risk areas, including suppliers in regions with elevated human rights risks, operations with a high risk of environmental impact due to weather changes and product categories with significant environmental impact. These areas were assessed within relevant impacts, risks and opportunities (IROs) and prioritized for enhanced due diligence and mitigation planning.

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 ESRS 1 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.

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 were 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 and prioritized based on the scoring using criteria. 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. For negative impacts, Arjo also included and prioritized negative impacts with high severity. For impact materiality, the threshold was set at 60 on the scoring mechanism, and areas assessed as having a high level of severity were also included as material topics.

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 a framework. For positive impacts, aspects that improve conditions for both people and the environment were identified. Activities to mitigate negative impacts were not considered positive impacts. As in 2024, no opportunities met the materiality threshold in 2025. However, Arjo continues to monitor potential sustainability opportunities through its innovation and product development teams. These are reviewed annually within the DMA process.

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 was 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. Material sustainability risks are incorporated into Arjo's enterprise risk management framework. They are reviewed alongside financial and operational risks and reported to the Audit Committee quarterly.

Changes from prior periods

During 2025, Arjo updated the DMA and refined sections within the topics. No new material topics were added to the existing material topics. In 2025, Arjo advanced the integration of results from the double materiality assessment into its strategy, business model and financial planning. Arjo commits to revising the DMA annually, with the next update scheduled for Q1 2026. This will incorporate new stakeholder input, regulatory developments, trend analysis and performance data. The internal control function will also review the sustainability reporting data and processes.

Environmental disclosures

Arjo is committed to reducing its climate and environmental impact from own operations and throughout the value chain. This includes transitioning to renewable energy, designing products with lower climate impact and innovating circular solutions. The Group's climate transition plan outlines clear targets and action plans for all operations.

E1 Climate change Impacts, risks and opportunities

Impacts, risks and opportunities	Type	Description of impacts, risks and opportunities	Time horizon	Impact in the value chain
Greenhouse gas emissions	Actual negative impact	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). Purchased goods and services represent a significant share of Arjo's emissions. Carbon-intensive materials such as plastics, metals and electronics account for the largest impact in Arjo's emission inventory. Arjo is directly responsible for Scope 1 and 2 emissions, which account for approximately 8% of total emissions. Arjo has full control to drive change in these areas. Emissions from service vehicles are the main source within Scope 1.	M L	All
Potential risk of lost business opportunities	Potential long-term financial risk	Potential risk of lost business opportunities if the company's climate targets are not met or if data cannot be reported.	L	Own operations
Energy and fuel consumption	Actual negative impact	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. Upstream energy usage and energy mix are unknown. Specific materials purchased include energy-intensive materials, such as metals, electronics and plastics.	M L	Own operations

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

E1- IRO-1 PROCESS TO IDENTIFY AND ASSESS CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Arjo is a manufacturing company with impacts from its own operations as well as upstream and downstream in the value chain. Like all manufacturing companies, Arjo has impact on climate change and faces potential risks related to it. Arjo's own energy and fuel consumption regarding climate change mitigation is deemed as material based on the scope and scale of the organization and its energy usage.

Climate risk identification process

In 2022, Arjo conducted an assessment of physical and transitional climate risks. The process began by identifying two climate scenarios (RCP2.6 and RCP6.0) considered relevant to both the healthcare sector and Arjo's geographical footprint. In applying these two scenarios, Arjo has taken into account policy instruments, macroeconomic restructuring, the transformation of the energy system, technological development, and changing market behaviors, as these drivers are critical factors for the scenarios' climate-related impacts, risks, and opportunities. A representative subset of areas was then selected for

further analysis, encompassing key geographical regions, relevant business segments, and central group functions.

The scope of the study included managing directors and factory managers from Australia, Canada, the DACH region (Germany, Austria and Switzerland), India, the Middle East, the UK, and the USA, as well as group function managers from Research and Development and Procurement. The assessment was carried out through workshops with each managing director or factory manager, together with local specialists. Pre-reading materials, scenario descriptions, instructions, and agendas were distributed ahead of each workshop.

Key events in 2025 include:

- 20% reduction of greenhouse gas emissions in own operations (Scope 1 and 2), with 2021 as the base year
- 30% increase in electrical service vehicles in major European markets compared to 2024
- Continued efforts to improve packaging, transportation and logistics solutions to reduce emissions

The results were consolidated and categorized into physical and transition risks. High-impact risks were escalated to the double materiality assessment and the overall risk management process. Alignment with the Arjo Management Team and the Board of Directors is part of the overall risk process.

In the upstream value chain, Arjo’s impact is primarily linked to its suppliers, particularly those providing carbon-intensive materials such as plastics, metals, and electronics. These materials are included in large parts of Arjo’s product portfolio. Transportation is also a significant factor, both within Arjo’s own operations and across the value chain, as the company collaborates with suppliers and customers globally.

Downstream, the main impact is associated with the use of sold products, which generate so-called built-in carbon emissions through energy consumption.

No obvious assets or business activities have been identified that are incompatible with, or would require significant efforts to align with, a transition to a climate-neutral economy. However, a comprehensive analysis would be necessary to confirm this, and no such analysis is currently planned.

E1- SBM-3 – CLIMATE-RELATED RISKS AND BUSINESS MODEL RESILIENCE

Due to the uncertainty regarding how climate change will impact Arjo’s business, the company has, in line with the Taskforce on Climate-related Financial Disclosures (TCFD), used scenario analysis for assessing climate risks and opportunities within the company’s operational borders.

In 2022, Arjo 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 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. The analysis considered three timeframes: short-term (1-5 years), mid-term (5-10 years), and long-term (over 10 years).

Arjo has integrated climate-related risks into its risk management process and double materiality assessments. Physical risks include acute risks such as extreme weather events and their secondary effects (e.g. flooding, power outages), which could disrupt operations and supply chains. Chronic risks involve long-term climate changes that may affect where Arjo can operate due to rising adaptation costs.

Transition risks stem from evolving regulations, market expectations, and technology demands. These include increased stakeholder pressure, stricter ESG requirements in tenders, and the need to adapt products and processes to meet sustainability standards. Reputational risks arise from failing to meet expectations, potentially affecting tenders, recruitment, and financial performance. Resource risks relate to scarcity driven by climate or policy factors, while internal strategic risks reflect the cost and complexity of adapting to environmental challenges. These risks are integrated into Arjo’s risk management process and aligned with the Management Team.

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 transition risks linked to stricter legislation, Arjo has chosen to work with two scenarios: one reflecting a stringent approach with immediate limited global warming (RCP2.6) and another reflecting a continued increase in greenhouse gas emissions, with an expected peak around 2080 (RCP6.0).

Climate scenarios

RCP 2.6	RCP 6.0
Emissions are expected to start declining immediately and reach zero by 2100. RCP 2.6 is likely to keep global temperature rise below 2°C by 2100. The main challenges will be the transition risks.	Emissions are expected to peak around 2080, then decline, causing the global temperature to rise by about 3-4°C by 2100. The main challenge will be the physical risks.

To integrate climate risks in Arjo’s risk management 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 effects and prioritization of risks.
3. Development and follow-up on plans to mitigate risks where applicable.

Conclusion

Arjo’s limited TCFD-inspired risk assessment identified both acute and chronic physical risks, primarily associated with the RCP 6.0 scenario. In contrast, the RCP 2.6 scenario is expected to result in more transition risks. The company concludes that transition risks are likely to have the greatest impact in the short term (1–5 years), while physical risks are expected to be more relevant in the longer term (beyond 5 years).

The assessment results were incorporated and reviewed with the Arjo Management Team as part of the annual risk assessment process and were also integrated into the double materiality assessment. The highest-rated risks are presented in the risk assessment chapter in the annual report, see page 22-23. 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 into the overall risk assessment process also enhances resilience and awareness of mitigating actions and enables the adaptation of work methods to address any further developments.

Policy and process – impact, risk and opportunity management

E1-1 – 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 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 transition plan is approved and followed up by the Management Team and Board of Directors. Climate impact and greenhouse gas emission reduction are 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 2) and value chain (Scope 3) as well as to reduce the life cycle emissions of products and services offered to customers. Arjo’s rental, service and reprocessing operations (Arjo ReNu) are examples of how the company’s business model contributes to more sustainable healthcare.

The transition plan has been developed with input from the Arjo Management Team, Board of Directors and a cross-functional team of representatives from Finance, Research and Development, Procurement and Arjo’s markets. The plan is designed to evolve in line with the company’s business strategy and is continuously adapted

to reflect changes such as mergers and acquisitions, new product introductions, and expansion into new markets.

The financial planning is closely linked to the Climate Transition Plan. This includes capital expenditures (CapEx) investments for long-term reduction of costs and emissions, such as renewable energy, product design, and transition to low-emission vehicles. A climate risk scenario assessment has been performed to identify risks and opportunities for business and financial impact.

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 its greenhouse gas emissions and has set targets to reduce emissions from its own operations (Scope 1 and 2) by 50 percent by 2030 and to reduce emissions from 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 2024.

Decarbonization levers to reach Arjo's targets for 2030

Arjo has identified a number of decarbonization levers within each scope. Together with topic owners in the organization, reduction targets have been set for each scope and lever based on the planned actions and ambitions within each area. The decarbonization levers are demonstrated in the chart to the right, which provides a quantitative overview of the levers described below.

Decarbonization levers for Scope 1 and 2

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 the climate targets for Arjo's own operations (Scope 1 and 2). Arjo has implemented a "green" capex opportunity in the budget for 2025 to drive long-term emission and cost reductions across the Group's facilities.

Arjo has been working with climate impact reduction activities for many years, both through local and global initiatives. The company is working on route optimization to enhance mileage efficiency and reduce fuel consumption. Arjo is also gradually transitioning to hybrid and electric vehicles in its sales and service fleet and implementing EcoDriving initiatives to further reduce fuel consumption.

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.

Decarbonization levers for 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, increasing fill rates and maximizing the utilization of transport units.

Arjo will continue to investigate and analyze the impact of climate requirements in purchasing agreements, such as transforming to renewable electricity, and will implement these measures where they deliver the desired effect.

Upstream transportation and distribution

Fill-rate

Arjo 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 and to increase shipment consolidation.

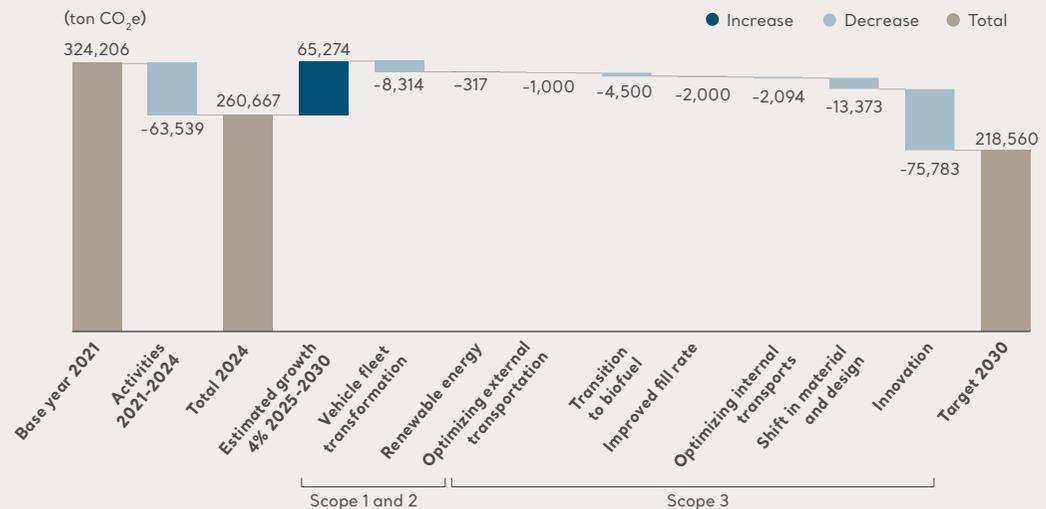
Fuel changes

Arjo has identified potential carriers to enhance the utilization of biofuels, which are now available through most of its logistics partners. The success of this initiative will rely heavily on strong local collaboration and ongoing discussions within the Arjo management regarding the strategic need and commitment to biofuel integration.

Strategic Green Corridors

Arjo is considering the development of green corridors, trade routes designed to reduce environmental impact through low or zero-emission transport methods. The initiative is being evaluated, with maritime transport presenting the most promising opportunities. Further assessment is required to determine if this approach suits Arjo's needs. If Arjo decides to move forward, implementation would be planned for the coming years.

Decarbonization levers



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.

Arjo is responding to increasing regulatory and customer demands by advancing its ability to quantify and reduce product-level carbon footprints. This effort supports the company's Scope 3 emissions reduction plan and enhances transparency and stakeholder trust.

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 (CO₂e).

At this stage, Arjo has not conducted a detailed analysis of capital or operational expenditure (CapEx, CapEx plans or OpEx) in relation to the implementation of its climate action plan. Similarly, an assessment of the company's ability to adapt its strategy and business model to climate-related risks and opportunities over the short, medium, and long-term has not yet been performed. No reporting errors were identified in the previous period. Arjo does not currently use carbon offsetting as part of its emissions reduction strategy.

E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

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 actions into their daily work. This includes reducing the Group's climate impact in line with the Paris Agreement and consulting key stakeholders to understand and address their concerns related to environmental issues. Arjo's Board of Directors regularly reviews and monitors environmental performance to ensure continued progress and accountability. The policy is available both internally and externally.

Arjo's Business Partner Code of Conduct

Arjo's Business Partner Code of Conduct for suppliers and other business partners sets 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.

The Group's supplier audits contain specific sustainability criteria with climate-related questions that are thoroughly reviewed before establishing new business relationships. Arjo's EVP Supply Chain & Operations is responsible for the execution, ensuring compliance among direct material suppliers.

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 CO₂e 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 CO₂e on ton-kilometers.

Arjo's Director of Global Transport is responsible for the transport environmental policy and the implementation among Arjo's logistics partners. The policy is reviewed annually by the Global Transportation leadership team.

E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

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 2025 Scope 1 and 2 reduction targets of 570 tons CO₂e, based on the transition plan, Arjo has executed a number of activities.

Arjo 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, mostly linked to solar power installations on facilities. No resources are allocated for overall corporate implementation activities.

In 2025, Arjo continued its transformation to renewable energy sources, reaching 50 percent of total energy consumption. All production facilities and distribution centers, as well as all facilities in the United States, purchased renewable electricity during the year.

A solar energy installation was also completed at the Sydney facility, which now houses Arjo Australia's new premises north of Sydney, including offices, a warehouse, laundry services, and Arjo ReNu reprocessing operations.

To accelerate progress toward Arjo's 2030 climate targets, an investigation was launched to explore climate and cost synergies within the company's service fleet. As part of this effort, the electrification of service vehicles increased by 30 percent in major European markets compared to 2024. 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.

In the UK, Arjo has installed a new fleet management solution in 280 transport vans, which has enabled reduced fuel consumption from the fleet by 15 percent. This translates into a CO₂ emission reduction of 173 metric tons since the technology was implemented in March 2024.

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 2025, Arjo piloted a methodology that aims to collect and map the fundamental data and shift from spend-based emission calcu-

lations to material, weight-based emission calculations. The project scope has focused on three of the most important procurement categories: electronics, metal and plastics. Examples of information collected from suppliers are material type, product weight, recycled content and country of origin.

Results from the activity-based mapping indicate a 42 percent reduction in emission exposure compared to the spend-based calculation method used previously. In 2026, the procurement function will continue to map the scope for the remaining categories: textiles and foam, packaging, hardware, and hydraulics.

Upstream transportation and distribution

In 2025, Arjo's transportation function focused on enhancing data accuracy in emission calculations for sales and service units. To ensure consistent and reliable reporting of transportation-related emissions, the process is now centrally managed and monitored.

Additionally, Arjo's transport function has initiated a collaboration with an external agency to expand capabilities in developing packaging and logistics solutions that reduce emissions by improving packaging and transport fill rates. The first improvements are already underway at Arjo's largest production facility in Poland, with other sites to follow.

The implementation of a Transport Management System (TMS) software has been successfully rolled out at the Poznan production facility, with the Central Warehouse in the Netherlands scheduled for implementation at the beginning of 2026. In the coming years, additional production facilities and distribution centers will be included. With the TMS, Arjo will gain better transparency into order patterns, enhance shipment tracking, and identify more sustainable transport routes.

Arjo's transport function continues to conduct in-depth analysis of supply chain carriers, closely monitoring their progress, improvement initiatives, and alignment with the Group's sustainability goals. In 2026, a major initiative is planned to extend this focus to carriers supporting sales and service units, to achieve a consistent understanding and commitment to sustainable development across all transport partners. These carriers will be systematically reviewed and assessed by the Arjo Carrier Manager in collaboration with the Global Transport Sustainability Specialist, ensuring alignment with Arjo's environmental objectives and performance standards.

Use of sold products

The company's effort to accurately measure the energy consumption of its products has continued throughout the year. During 2025, Arjo established the energy profile for 91 percent of the total applicable

Arjo product range, representing 92 products. The new measuring procedure and tools will be integrated into new product development, as well as engineering change activities and Original Equipment Manufacturer (OEM) products.

Key initiatives in 2025:

1. Global LCA process implementation

A standardized global process for Life Cycle Assessment (LCA) requests and execution has been initiated to ensure consistent and scalable carbon footprint analysis across products.

2. LCA software valuation and piloting

Arjo has conducted a comprehensive screening of LCA software tools, assessing usability, data transparency, flexibility, and integration capabilities. A pilot is underway using the highest-rated tool in a development project for mattresses to embed sustainability early in the design phase.

3. Third-party reviewed LCA study on circular products

A cradle-to-grave LCA study was initiated to quantify climate emission reductions from reprocessed medical devices versus single-use (IPC sleeve and AirPal mattress). The study covers operations in the US, Australia, and a potential European scenario, supporting the positioning of Arjo's circular business model (Arjo ReNu).

Metrics and targets

E1-4 - TARGETS RELATED TO CLIMATE CHANGE MITIGATION

Arjo's targets have been established and validated in accordance with the Science Based Targets initiative (SBTi). The climate target was approved by SBTi in 2024. The company does not 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, together with consideration of stakeholders' interests and expectations. 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 absolute GHG emissions (Scope 1 and 2) by 50 percent by 2030, with 2021 as the base year, in accordance with the 1.5°C trajectory. The Scope 1 and 2 trajectory curve for the climate targets sets a yearly target for the organization to adhere to.

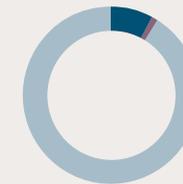
For the value chain (Scope 3), Arjo's target is to reduce absolute GHG emissions from Purchased goods and services, Upstream trans-

portation and distribution and Use of sold products by 25 percent by 2030, with 2021 as the base year, in accordance with the well below 2°C trajectory.

Target coverage

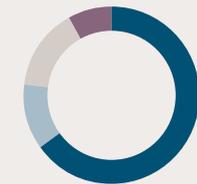
The climate target for Arjo's own operations (Scope 1 and 2) includes emissions from all subsidiaries with operational control, covering more than 95 percent of all baseline absolute emissions. The Scope 3 target covers more than 90 percent of all baseline absolute emissions.

Base year distribution of Scope 1, 2 and 3



- Scope 1, 8%
- Scope 2, 1%
- Scope 3, 91%

Base year distribution of Scope 3 categories



- Purchased goods and services 65%
- Upstream transportation and distribution 12%
- Use of sold products 15%
- Other non-material categories 8%

Targets 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.

Reduction of greenhouse gas emissions in relation to the base year

	2025	2024	2023	2022
Scope 1 and 2 emissions (%)	-20	-19	-11	1

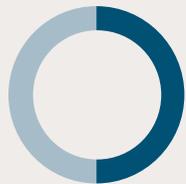
Arjo continued during the year to reduce emissions within Scope 1 and 2. This year's reduction is primarily due to lower emissions from the company's own vehicle fleet.

Accounting policy

Reduction of CO₂e emissions in Scope 1 and 2

Reduction of CO₂e emissions compared to the base year is calculated as the deviation in emissions compared to the base year divided by the base year total emissions.

Renewable energy



- Renewable energy, 50%
- Non renewable energy, 50%

E1-5 ENERGY CONSUMPTION AND ENERGY MIX

	2025
Coal (MWh)	0
Oil (MWh)	205
Natural gas (MWh)	12,009
Other fossil sources (MWh)	229
Consumption from purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	2,095
Total fossil energy consumption (MWh)	14,538
Share of energy use from fossil sources (%)	45%
Consumption from nuclear sources (MWh)	1,495
Share of energy use from nuclear energy sources (%)	5%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	15,343
Consumption of self-generated non-fuel renewable energy (MWh)	873
Total renewable energy consumption (MWh)	16,216
Share of energy use from renewable sources (%)	50%
Total energy consumption (MWh)	32,249

Accounting policy – energy consumption and mix

Purchased electricity

Purchased electricity is primarily collected as amount of kWh from a 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 panels and used by Arjo. Clean EAC certificates and energy bundled with EAC certificates are included in the accounting. The energy mix of purchased electricity is primarily obtained from the electricity provider, using data from invoices or contractual agreements. Where such information is unavailable, regional or national averages are used as a secondary source.

Renewable energy

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

Energy, fuel and gas

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.

Energy consumption increased in 2025, both in terms of energy (gas, oil, diesel) and electricity. The year 2025 is the first year in which data is collected and reported by energy source. Arjo continues to expand solar panel installations across the company's operations, and consumption of solar-generated electricity increased by 58 percent compared with the previous year, primarily driven by the facilities in Suzhou and Australia.

During 2025, Arjo purchased EACs for the company's production facilities and certain larger markets. In those cases, the purchased EACs have been deducted from the energy mix for fossil sources.

For district heating, the energy mix has been based on available information from suppliers and general information on national averages. Arjo has applied the precautionary principle when estimating the energy mix for district heating.

For electricity for the vehicle fleet, the entire amount has been assessed as originating from fossil sources for 2025.

E1-6 – GROSS TOTAL SCOPE 1, 2 AND 3 EMISSIONS

(ton CO ₂ e)	2025	2024	Year-on-year change (%)	Annual target/base year (%)	Base year 2021	Target 2025	Target 2030
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions	20,172	20,385	-1%	—	21,397	—	—
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	—	—	—	—	—	—
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions	6,006	6,430	-7%	—	6,657	—	—
Gross market-based Scope 2 GHG emissions	1,659	1,724	-4%	—	5,867	—	—
Total GHG emissions Scope 1 and 2, market-based	21,831	22,109	-1%	-7%	27,264	25,466	13,632
Significant Scope 3 GHG emissions							
Total Gross indirect GHG emissions	241,521	238,558	1%	-14%	269,678	232,440	202,258
1 Purchased goods and services	174,904	169,123	3%	-9%	180,599	163,511	135,449
4 Upstream transportation and distribution	32,822	31,489	4%	-26%	42,527	31,489	31,895
11 Use of sold products	33,795	37,946	-11%	-20%	46,552	37,441	34,914
Total GHG emissions							
Total GHG emissions location-based	267,699	265,373	1%	—	297,732	—	—
Total GHG emissions marked-based	263,352	260,667	1%	-13%	296,942	257,906	215,810

Scope 1: Own vehicles: Drivkraft Sverige Emission Factors (2024) & Swedish Energy Agency - Fuels (2024) Energy: DEFRA (2024) Scope 2: Electricity: MB and LB emissions: IEA (2025), AIB (2025) District heating/cooling: Energiföretagen (2023), DEFRA (2024), Norsk Fjernvarme (2020) Scope 3: Purchased goods and services: Upstream transportation and distribution: NTM (2024), NTM (2025) Use of sold products: IEA (2025), AIB (2025) Scope 3: Other emissions in scope 3 that are not seen as significant for Arjo amount to around 8 percent.

Emissions within Scope 1 and 2 are following the reduction pathway toward the 2030 target, which entails a 50 percent reduction compared with the 2021 base year. Emissions from Purchased Goods and Services increased by 3 percent compared with the previous year, mainly due to higher costs for metals - a material category associated with high emissions. In 2025, Arjo used a cost based method to calculate these emissions.

Accounting policies – Scope 1 and 2

Scope 1 – energy

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.

Scope 1 – own vehicles

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

Scope 2 – electricity

Purchased electricity is primarily collected as the amount of kWh from a third party. If this is not possible, an estimate based on square meters and average use is applied. The kWh is converted into emissions using region or country specific emission factors.



Accounting policies – Scope 3

Purchased goods and services

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

Upstream transportation and distribution

Ton-kilometer 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 CO₂e 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 with a spend-based method according to the GHG Protocol.

Use of sold products

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, the Research and Development function supports with structured power consumption measurements according to common use workflows. The calculation method follows the GHG Protocol for product use, which stipulates that the entire lifetime energy consumption of a product is accounted for in the year it is sold. As a result, Arjo’s total reported energy consumption will fluctuate annually, depending on the mix of products sold.

SCOPE 1 AND 2 EMISSIONS

(ton CO ₂ e)	2025	2024	2023	2022	2021 (base year)
Scope 1					
Natural gas	2,239	2,033	2,118	2,546	2,181
Oil	65	114	69	118	40
Diesel	59	47	55	57	6
Vehicle fuel	17,809	18,191	19,146	21,100	19,170
Total Scope 1	20,172	20,385	21,388	23,821	21,397
Scope 2					
Electricity	1,497	1,576	2,639	3,705	5,841
Solar power electricity	0	0	0	0	0
District heating/cooling	92	76	64	63	24
Electricity vehicles	70	72	47	23	2
Total Scope 2	1,659	1,724	2,750	3,791	5,867
Total Scope 1 and 2	21,831	22,109	24,138	27,612	27,264

Scope 1: Own vehicles; Drivkraft Sverige Emission Factors (2024) & Swedish Energy Agency – Fuels (2024) Energy: DEFRA (2024) Scope 2: Electricity: MB and LB emissions: IEA (2025), AIB (2025) District heating/cooling: Energiföretagen (2023), DEFRA (2024), Norsk Fjernvarme (2020)

Emissions from electricity are reported after deductions for purchased Energy Attribute Certificates (EAC) have been made.

GREENHOUSE GAS EMISSION INTENSITY

GHG intensity per net revenue	2025	2024	Year-on-year change (%)
Total GHG emissions (location-based) per net revenue (tCO ₂ e/SEK M)	2.4	2.4	0
Total GHG emissions (market-based) per net revenue (tCO ₂ e/SEK M)	2	2	0

Accounting policy

CO₂e/SEK M is calculated as total CO₂e for Scope 1 and 2 divided by net revenue in million SEK. Net revenue can be found in Note 2 in the financial report.

E2 Environmental pollution – Substances of very high concern

Impacts, risks and opportunities

Impacts, risks and opportunities	Type	Description of impacts, risks and opportunities (IROs)	Time horizon	Impact in the value chain
Substances of very high concern	Potential negative impact	Potential negative impact from substances of very high concern in end-of-life treatment of products in downstream value chain. Identified as low impact in own operations, since Arjo mainly assembles products with no processing-related use of regulated substances.	K M L	Downstream

K Short term (<1 years) **M** Medium term (1-5 years) **L** Long term (>5 years)

E2- IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Arjo is a global MedTech company that designs and manufactures products used in care environments. As part of its commitment to sustainability and regulatory compliance, Arjo has established processes to identify and assess pollution-related impacts, risks, and opportunities across its operations and value chain.

Arjo uses a business process outlined in the standard operating procedure SOP-113 to assess business risk and opportunities in different areas, including sustainability management. The company also uses the Product Regulated Substance Management and Part Qualification processes (SOP-084 and SOP-017) to conduct screenings of the product portfolio to identify the presence and use of Substances of Very High Concern (SVHC). These screenings are informed by regulatory frameworks such as REACH1, RoHS1, POPs¹, etc, and are supported by supplier disclosure agreements.

Arjo applies a double materiality approach to assess both environmental impact and potential financial implications of SVHC use. This includes:

- Evaluating the functional necessity of SVHC in product durability and meeting state-of-the-art standards.
- Monitoring stakeholder expectations, including customers and regulators, regarding the reduction or elimination of SVHC.

Given the high safety standards to which Arjo’s products adhere and the disclosure processes already in place, the company has not deemed it necessary to conduct direct consultations with

communities where its products are sold. This position is periodically reviewed considering post-market surveillance data.

The last two years, Arjo has used the consulting services of Sphera, a leading provider of Enterprise Sustainability Management (ESM) consulting services focused on Sustainability and Supply Chain Transparency, to ensure the list of regulated substances remains current amidst the changing regulatory landscape.

Pollution has not been identified as a material issue within Arjo’s own manufacturing operations. However, based on the product reviews conducted, SVHC is considered material in the upstream supply chain.

Arjo considers battery manufacturing, garment production, and ferrite processing to be the most significant sources of pollution-related risks and impacts in its upstream value chain. While other suppliers play a role, their relative contribution is considered less material.

Policy and process – impact, risk and opportunity management

E2-1 – POLICIES RELATED TO POLLUTION (SVHC)

Arjo has adopted a policy that describes the company’s position, principles and commitment to reduce, minimize and substitute the use of SVHC in Arjo’s products based on the following principles:

- **Compliance:** Arjo shall adhere to applicable regional and national regulations concerning substances and pollution control. This includes, but is not limited to, REACH1, RoHS1, and other relevant environmental legislation.
- **Continuous Improvement:** Arjo is committed to the ongoing improvement of the company’s regulated substance management practices through regular reviews of processes and products.

- **Life cycle Approach:** It is Arjo’s ambition to consider the environmental impact of its products throughout their entire life cycle, from design and manufacturing to end-of-life treatment.

This policy applies to all products manufactured by Arjo and is reviewed annually and posted on the company’s external website. The Executive Vice President Supply Chain and Product Development and Engineering (PD&E) is accountable for compliance with the policy.

Arjo maintains environmental incident prevention and response protocols for its own manufacturing operations, which are ISO 14001 certified. These protocols are designed to identify potential emergency situations, prevent pollution-related incidents, and minimize harm to people and the environment if incidents occur. Emergency preparedness plans are regularly reviewed and updated based on input received, including its audit program. In the event of an incident, Arjo applies rapid containment actions, root cause analysis, and corrective actions to prevent recurrence. Similarly, sustainability audits of Arjo suppliers ensure that similar programs are in place to address such risks in the upstream supply chain.

E2-2 – ACTIONS AND RESOURCES RELATED TO POLLUTION (SVHC)

Arjo is actively working to address the environmental challenges these substances may pose, particularly during end-of-life treatment and recycling of products. The company recognizes opportunities to innovate by:

- Substituting SVHC with alternatives where feasible.
- Enhancing the EcoDesign process to promote the use of materials free from substances of concern when designing new products.
- Enhancing supplier collaboration by involving them in the early stages of product development.
- Ensuring that sales and service affiliates in the EU have established compliant battery take-back processes in place.

By taking these actions, Arjo aims to reduce its environmental footprint, comply with evolving regulations, and meet stakeholder expectations for more sustainable medical devices.

Arjo’s ambition is to establish a dedicated cross-functional team from the Sustainability function, Product Compliance function, and Quality Assurance function to conduct reviews of products containing regulated substances, including SVHC. The objective is to identify opportunities to reduce or eliminate these substances by exploring potential component substitutions.

In 2024, Arjo mapped a subset of its product portfolio to assess the presence of SVHC. This initial mapping focused on high-volume products representing approximately 20 percent of global procurement spend.

1. Restriction of certain Hazardous Substances (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), and (EU) 2019/1021 Persistent Organic Pollutants (POPs).

To date, no reduction actions have been initiated, as Arjo is currently focused on mapping its product portfolio to identify the presence of regulated substances. This foundational work is essential to building a comprehensive understanding of material composition across products. As the knowledge base expands, it is anticipated that opportunities for substitution or elimination of components containing SVHC will emerge, leading to reduction actions that will enable measurable improvements in levels of SVHC distributed in Arjo products.

E2-3 – TARGETS RELATED TO POLLUTION (SVHC)

At this stage, Arjo has not set measurable outcome-oriented targets related to pollution prevention and control, specifically regarding the reduction of SVHC. This decision is based on the current strategic focus on building a comprehensive understanding of SVHC presence across the product portfolio. As this foundational work progresses, Arjo will evaluate the feasibility of setting specific reduction targets. It is anticipated that such targets may be defined within the next 24 to 36 months, once sufficient data and baseline metrics are established.

Arjo actively tracks the effectiveness of its policies and actions through the following processes:

- Annual product reviews conducted by a cross-functional team to identify components containing SVHC and assess substitution opportunities.
- Supplier responses in relation to the part qualification and the regulated substance compliance program described in SOP-084.
- Internal audit process used to verify the level of compliance related to its regulated substance management processes.

This approach ensures that Arjo maintains accountability while laying the groundwork for future target-setting.

E2-5 – SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

In 2025, Arjo focused primarily on the disclosure of SVHC, as defined under the REACH regulation. SVHC represents the largest and most well-defined group of regulated substances currently relevant to Arjo’s product portfolio.

No substances regulated under the Persistent Organic Pollutants (POP) Regulation have been identified in Arjo’s products that have been screened to date. Additionally, components that do not contain SVHC have not yet been systematically evaluated for other hazardous properties under the EU classification, labelling and packaging of substances and mixtures regulation (CLP), nor for their potential to impair reuse or recycling.

As a result, this year’s report is focused on SVHC, reflecting both the maturity of Arjo’s screening processes and the materiality of these substances in relation to pollution-related risks and opportunities. Arjo will continue to expand its substance evaluation scope in future reporting cycles as data availability and internal capabilities evolve.

In 2024, Arjo mapped a subset of its product portfolio to assess the presence of SVHC. This initial mapping focused on high-volume products representing approximately 20 percent of global procurement spend and included the products: Enterprise, Sara Stedy, Sara Flex, DVT garments, Velaris, Maxi Slides, Pentaflex, Simulflex, Concerto, Carevo, and Auralis.

Based on the analysis, an estimated 69 metric tons of SVHCs, primarily Diisononyl phthalate (DINP) and lead-containing substances, were identified as leaving Arjo facilities embedded in finished products.

This figure reflects only the products mapped in 2024. As mapping expands to additional product lines in future reporting cycles, the total SVHC volume disclosed is expected to evolve accordingly.

The table below shows the distribution of SVHCs by main hazard classes as per the EU CLP Regulation. Human health hazards and Environmental hazards are the primary categories identified, largely due to the presence of lead and nickel monoxide in certain product segments. In comparison, Physical hazard quantities are minimal.

CLASSIFICATION OF SVHCS

Hazard classification	Quantity (metric tons)
Physical hazards	0.0021
Human health hazards	42.3
Environmental hazards	12.8

Arjo reports with a one-year lag to ensure complete data collection and enable accurate, high-quality reporting. For 2024 the report includes 11 products, as described in section E2-5.

Accounting Principle

Arjo’s sustainability function initiates requests to suppliers to confirm whether delivered items contain regulated substances at levels exceeding the thresholds defined by applicable regulations (including REACH, RoHS, POPs and California Proposition 65). The sustainability function collects supplier declarations and consolidates the information into a product matrix for regulated substances for purchased items identified as containing regulated substances above the threshold. When the proportion of regulated substances in an item is not provided by the supplier, estimates are made based on comparable components from the same supplier (where data is available) or from publicly available sources.

E5 – Resource use and circular economy

Impact, risk and opportunity management

Impacts, risks and opportunities	Type	Description of impacts, risks and opportunities (IROs)	Time horizon	Impact in the value chain
Extraction of virgin and fossil raw materials for products and packaging	Actual negative impact	Negative impact from extraction of virgin and fossil raw materials used in Arjo’s products. The extraction of these materials, particularly metals, plastics, and electronic components, can have adverse social and environmental impacts.	M L	Upstream
Landfill and incineration of used products	Actual negative impact	Negative impact from landfill and incineration of used products leads to environmental degradation, including pollution and resource loss. There are significant differences between regions and countries when it comes to recycling. These differences are due not only to the characteristics of the products – for example, what materials they are made of and how easy they are to disassemble – but also to the availability of recycling solutions and the local 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.	M L	Downstream
Rental, service and reprocessing operations (Arjo ReNu)	Actual positive impact	Positive impact from Arjo’s rental, service and reprocessing operations (Arjo ReNu). The three circular business models extend product lifespan and consequently have positive impact on resource use and product waste generation. With increased expectations for more sustainable products and solutions, the rental, service and reprocessing operations can provide opportunities for the company.	M L	All
Failure to meet customer requirements, leading to lower sales	Potential long-term financial risk	Potential financial risk from lost business opportunities if the company does not meet customers’ demands for repair, recyclability, or circular solutions. There is a strong global trend among Arjo’s customers towards increased focus on both sustainability and circularity.	M L	Downstream

K Short term(<1 years) **M** Medium term (1–5 years) **L** Long term (>5 years)

Although not identified as material impacts, risk or opportunity, waste from own operations is also included in the reporting scope, since information is requested from various stakeholders. Arjo has not carried out consultations with affected communities to identify material impacts, risks, or opportunities related to resource use and the circular economy.

E5-1 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Environmental policy

Arjo’s Environmental and Climate Policy applies to all impacts, risks and opportunities identified for resource use and circular economy. It covers both the company’s own operations and the value chain and 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 cir-

cular economy. Arjo’s Board of Directors regularly reviews and monitors environmental performance to ensure continued progress and accountability. The policy is available both internally and externally.

Business Partner Code of Conduct

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 addressing the negative impact from raw material extraction upstream. Arjo’s EVP Supply Chain and Product Development & Operations is responsible for the execution, ensuring compliance among direct material suppliers.

Standard operating procedure for EcoDesign

Arjo’s standard operating procedure (SOP) 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 new product development projects. Active products are also to be included when undergoing major updates through the design control procedure. The procedure is crucial and relevant for reducing the need for virgin raw material extraction as well as improving durability, reparability and recyclability, and therefore reducing product waste to landfill and/or incineration.

Waste management procedures

Waste management is a key component of ISO 14001, the globally recognized standard for environmental management systems. All (100%) of Arjo’s production facilities are certified according to ISO 14001. To address the negative impact of waste from the production facilities, Arjo has implemented waste management procedures managed locally at all sites, describing procedures for prevention, reuse, recycling, disposal, storage, and handling of waste as well as roles and responsibilities.

E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Circular Transition Plan

Adopting circular practices is a key enabler to optimize resource use, reduce dependency on virgin and finite raw materials, reduce waste and encourage innovation and new business models. Circularity is closely related to Arjo’s Climate Transition Plan and decarbonization efforts, as outlined in section E1 Climate Change, given that the manufacturing of materials constitutes a key source of GHG emissions.

In 2025, Arjo conducted a pre-study to develop a clearer strategic direction for circularity. This resulted in a draft Circular Transition Plan with three defined focus areas and proposed key activities. The study began with an assessment of external requirements and expectations related to customers, investors, and legislation. Competitors’ work with circularity was also evaluated, as well as innovative concepts from leading companies within the circular economy. Finally, Arjo’s various circular solutions and current ways of working were reviewed, and based on this, a gap analysis was developed in which improvement areas and business opportunities were identified and prioritized. Arjo will strengthen its work within circularity across three focus areas: Circular Design, Process Circularity, and by further enhancing its already existing circular business models.

The Circular Transition Plan will be launched in phases. The next phase will further explore the proposed activities on a limited scale to gain insights and improve data. Based on the findings, activities may then be expanded to additional markets and feasible areas. With sufficient data and improved knowledge, Arjo will establish KPIs and set targets for circular economy.

The proposed activities cover both resource inflows and resource outflows and will be crucial for Arjo's circular transition. The progress of the Circular Transition Plan will be reported monthly to the Arjo management team and quarterly to the Board of directors. The scope of the plan will be continuously evaluated to ensure it remains aligned with the needs of customers and other stakeholders.

Key actions related to resource inflows

Products and materials

Associated with the negative impact Extraction of virgin raw materials, 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 Product Development and Procurement, as well as production facilities.

To effectively drive and measure progress related to resource inflows, purchased raw material volumes need to be tracked not only in spend but by weight. In 2025, Arjo piloted a methodology to transition to weight-based reporting by rolling out a project focusing on three of the most important procurement categories: electronics, metals and plastics. The mapping will be continued in 2026 to cover the remaining categories. Read more on page 58-59.

Key actions related to resource outflows

Waste from own operations

At Arjo's production facilities, continuous improvements are 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 to reuse textile waste resulted in an 80 percent reduction in textile waste that would otherwise be incinerated.

End-of-life product management

In Arjo's repair and service center in Texas, a recycling program was initiated, which has so far diverted approximately 87 tons of waste from landfills. This is mainly achieved through increased efforts to dismantle products in a more structured way after reaching their end of life.

Circular business models

Arjo's circular business models in rental, service and reprocessing (Arjo ReNu) account for nearly half (45%) of the Group's revenue. Rental is the largest area, followed by service operations and reprocessing.

Rental operations

Through Arjo's rental operations, customers can rent the products they require for the period they need them. This optimizes resource use, as the same products can serve multiple care units over time. After each rental, the products are inspected, cleaned, and serviced as needed.

The driving force behind increased customer interest 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 France, the rollout of new quality testing equipment was continued in 2025. This has so far halved the fault reports, resulting in less transportation, washing and repairs, consequently reducing emissions and costs. In addition, the new equipment has improved working conditions and productivity in the hygiene centers. A new, improved AI software was launched in October 2025 for route optimization, supporting reduced climate emissions alongside with gradual electrification of the fleet. Furthermore, packaging is an area where the rental business in different markets is evaluating more sustainable solutions.

In the UK, plastic packaging with 30 percent recycled content is used, and other markets are evaluating similar options.

Service operations

Arjo's products are designed for durability and repairability, ensuring a long lifespan. Through its service operations, the company ensures reliable performance throughout the product life cycle. Whenever possible, and always following strict quality checks, components from retired equipment are reused or sent to recycling. This approach helps prevent waste and reduces the need for new raw materials.

Reprocessing operations (Arjo ReNu)

Arjo's reprocessing operations, Arjo ReNu, use a fully water-based and chemical-free process that enables safe reuse of medical consumables, such as garments for the treatment of deep vein thrombosis. 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.

The reprocessing facilities contribute to all impacts, risks and opportunities identified for resource use and circular economy, due to the prolonged life of the single-use 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 2025, approximately 4,9 million medical consumables were reprocessed by ReNu. Apart from the positive impacts and opportunities of reducing resource use and reducing waste, reprocessing also has a significant impact on the carbon footprint. In 2025, a Life Cycle Assessment (LCA) was initiated to compare the climate impact of two different types of products that can be reprocessed compared to single use. The LCA will cover both the US market, Australia and a potential European scenario, supporting the positioning of ReNu. Results are expected to be ready in mid-2026.

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 extended and updated during 2025 to better understand the magnitudes and trends in customer requests. Different key roles, such as Product Managers, Tender Managers, Sales and Marketing Managers, and Quality Managers, were interviewed. The 2025 mapping demonstrates a growing consensus around shifting customer expectations regarding sustainability. Across all markets, respondents anticipate this trend will intensify over the next three years, driven by increased customer focus, stricter regulations, and evolving national strategies and targets. As a result, it will become increasingly important for Arjo to provide product-specific sustainability data and offer circular business models.

Metrics and targets

E5-3 METRICS AND TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Arjo's targets for resource use and circular economy are focused on packaging materials and waste within own operations, although this reflects a minor part of the resource inflows and outflows from the company. The targets are not linked to legal requirements but have been set voluntarily by Arjo. The targets for packaging material are directional rather than quantified or time-bound. 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, and the information is frequently requested by customers and investors.

In the Circular Transition Plan pre-study, new metrics were identified to capture more significant parameters linked to Arjo's

resource use and the transition to more circular practices. Some of these metrics, such as recycled and renewable content in products, product durability, reparability and recyclability (for products and packaging) are not yet possible to calculate due to lack of data, system support and reporting procedures. The work of refining circularity metrics and targets will continue in 2026, as well as improving system support.

Targets – resource use and circular economy

Although Arjo does not yet report any formal, time-bound, targets related to the impacts, risks and opportunities, the company is committed to ensuring mitigation of the negative impacts as well as the risk related to resource use and circular economy through both policies and actions. Progress and actions are reviewed on a quarterly basis by the Board of Directors.

E5-4 RESOURCE INFLOWS

Arjo uses different resources, including raw materials, water and energy for product manufacturing, packaging and other operations. The major material streams for Arjo’s products consist of electronics, metals, textiles and plastics, which are predominantly derived from virgin raw materials. In 2025, metrics for resource inflows were reviewed and projects are underway to gather all data in weight, not only spend-based (see page 58-59).

Material consumption

Resource inflow (spend-based) %	2025	2024	2023
Plastic	14	14	14
Metal	24	23	22
Textile	16	16	12
Hardware and hydraulic	9	8	8
Electronics	28	26	29
Packaging	4	4	4
Other	5	9	11

Accounting policy

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

Packaging material

Type of material	Unit	2025	2024	2023
Share of packaging material from renewable sources	%	98	97	95
Share of recycled packaging material	%	25	30	15
Cardboard	Tons	1,015	934	849
Plastic	Tons	58	54	115
Wood	Tons	1,361	1,127	1,435
Total weight of packaging materials	Tons	2,433	2,116	2,398

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.

Purchased packaging materials consist mainly of renewable materials, such as cardboard and wood, resulting in a total renewable content share of 98 percent. Annual volumes of packaging materials are closely linked to Arjo’s product portfolio and sales mix, as different products require different packaging solutions. In 2025, the total amount of packaging material increased by 15 percent. The increase was driven by higher sales volumes and a product mix that required more packaging material compared to 2024.

Wood-based packaging accounted for the largest increase in 2025. Since it is uncommon for these types of packaging solutions to be made from recycled raw materials, this led to a lower overall share of recycled content compared with the previous year. Arjo continuously works to improve the efficiency and sustainability of its packaging solutions. For example, at the Mago facility, expanded polystyrene has been replaced with low-density polyethylene (LDPE), which is partially produced from recycled material.

The accuracy of packaging data reporting was further improved in 2025. As part of this effort, certain data from 2024 was recalculated to enable more reliable comparisons and conclusions. Arjo will continue strengthening the company’s reporting processes and the quality of packaging-related data going forward.

E5-5 – RESOURCE OUTFLOWS

Production of medical devices is Arjo’s core business. The company provides a wide range of products and services, including patient handling (ceiling lifts, floor lifters, etc.), pressure injury prevention, medical beds, hygiene and disinfection, etc. Read more about the product portfolio on page 8-9. Arjo’s products are sold in over 100 countries globally. Products represent the primary resource outflow, making it essential to minimize their end-of-life impact. This can be achieved through the adoption of more circular business models and by designing products with enhanced durability, reparability, and recyclability, ensuring that materials are recoverable and remain in circulation for as long as possible.

Circular business models

Arjo’s rental, service and reprocessing (Arjo ReNu) operations are circular business models that reduce resource outflows. Currently, the following metrics are monitored:

Indicators	Unit	2025	2024	2023
Medical consumables reprocessed through Arjo ReNu	Million units	4.9	4.2	3.4
Landfill diversion from ReNu vs Single-Use	Tons	762	—	—
Share of turnover from circular business models (Rental, Service and Reprocessing)	%	45	45	43
Share of turnover from rental business	%	25	25	24
Share of turnover from service business	%	17	17	16
Share of turnover from reprocessing (Arjo ReNu) business	%	3	2	2

Accounting policy

Data regarding circular business models is collected from local management for ReNu operations and from Group accounting for Service and Rental operations. Arjo also follows the criteria of the EU Taxonomy when reporting turnover from circular business models.

Total amount of waste from production per category

Type of waste (tons)	2025			2024			2023		
	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	Total amount of waste
Cardboard	520	0	520	445	1	446	427	0	427
Textiles	15	72	87	25	69	94	13	74	88
Plastic	110	131	242	126	147	273	101	135	237
Metal	57	0	57	47	0	47	56	0	56
Wood	181	0	181	179	0	179	195	39	235
Other non-hazardous waste	24	371	395	21	406	427	19	231	250
Hazardous waste	7	9	15	6	9	15	6	11	18
Total amount of waste (tons)	913	583	1,496	850	631	1,481	817	491	1,309

Accounting policy

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

Waste intensity

	2025	2024	2023	2021
Tons waste/SEK M	0.14	0.13	0.12	0.13

Waste by treatment method



The largest share of waste from Arjo's production facilities consists of corrugated cardboard, plastic, and other non-hazardous waste. In 2025, the proportion of waste sent for reuse and recycling increased from 57 percent to 61 percent. Arjo's goal is for 80 percent of all waste to be reused or materially recycled by 2030. Achieving this goal will require continued efforts, particularly to increase the recycling of soft plastics and to improve the sorting of non-hazardous waste at selected facilities.

EU Taxonomy

The taxonomy is an EU regulation aimed at defining environmentally sustainable economic activities that align with the EU's sustainability objectives for 2030. The purpose is to help investors and other stakeholders compare investments using a unified classification system. It is based on a selection of economic activities listed in the taxonomy.

AN ECONOMIC ACTIVITY QUALIFIES AS SUSTAINABLE IF IT:

1. Contributes substantially to one or more of the following six environmental objectives:
 - a. Climate change mitigation
 - b. Climate change adaptation
 - c. Sustainable use and protection of water and marine resources
 - d. Transition to a circular economy
 - e. Pollution prevention and control
 - f. Protection and restoration of biodiversity and ecosystems
2. Does not cause significant harm to any of the environmental objectives
3. Is carried out in compliance with the minimum safeguards specified in Article 18 of the Taxonomy Regulation

APPROACH

To identify activities covered by the taxonomy, Arjo follows the process established by the taxonomy reporting working group, which includes representatives from the accounting department and the Sustainability Controller. Data has been collected from all Group entities using a digital platform. The collected data has been analyzed to determine whether the activities are taxonomy-eligible and, if eligible, whether they are aligned with the regulation. In 2025, Arjo applied the changes to the taxonomy regulation introduced after the approval of the Omnibus proposal. This includes certain simplifications, such as the use of threshold values in activity reporting.

RESULTS

Turnover

The Group's main business, the manufacturing of medical devices, has been evaluated. For total revenue, see Note 2 Segment Reporting. The analysis shows that turnover from Arjo ReNu, which is based on a business model for the reuse of consumables, is covered by activity 5.1 "Repair, refurbishment and remanufacturing" and is considered to contribute substantially to the environmental objective

"Transition to a circular economy." For more information on ReNu, see page 7 in the annual report. Within Arjo ReNu, two types of reuse are enabled: remanufacturing and refurbishment. Both are considered taxonomy-eligible under activity 5.1, but only refurbishment is considered taxonomy-aligned because the remanufacturing operations currently do not meet the criterion for Substantial Contribution, as no waste management plan is publicly available.

Arjo's service business is also covered by activity 5.1 based on the definition of repair: "Repair" means restoring a faulty product to a condition where it can fulfill its intended function, either as a service or for future resale. The service business is considered to contribute substantially to the environmental objective "Transition to a circular economy." For the 2025 reporting, Arjo assesses that the service business is not taxonomy-aligned. Further assessment will be carried out to deepen understanding of potential taxonomy alignment.

Furthermore, large parts of Arjo's rental operations are covered by activity 5.5 "Products as a service and other circular use and result-oriented service models" and are considered to contribute substantially to the same environmental objective. Arjo assesses that the entire operation meets the criteria to be included in the taxonomy. However, a portion of the rental activity—"Sale and lease back"—does not meet criterion 1c for Substantial Contribution because ownership is not retained. This portion of turnover is therefore excluded from activity 5.5 reporting. Additionally, Arjo assesses that the remaining portion of the rental operations does not currently meet DNSH 1 Climate Change Mitigation requirements. The company does, however, meet DNSH requirements for environmental objectives 2–6.

Minimum safeguards

For turnover to be classified as aligned, it must contribute substantially to one or more environmental objectives, must not cause significant harm to any of the remaining objectives, and must comply with minimum safeguards. Arjo's position at the end of 2025 is that the Group, in all material respects, meets these requirements. In 2024, work was carried out regarding the company's impact on human rights across the entire value chain.

Arjo has established a human rights due diligence process for suppliers, including relevant policies, risk assessments, due diligence procedures, and tools. In 2024, the company launched sustainability audit training for the global procurement team. In 2025, training

efforts continued and updates to tools and processes were initiated. In 2026, further development and efficiency improvements will be implemented along with additional training.

During the year, additional suppliers were added to the risk monitoring tool, which supports buyers and supplier auditors in evaluation and risk reduction efforts throughout the value chain. Arjo also maintains a whistleblowing service accessible via a link on the company website. The whistleblowing channel is available to both internal and external stakeholders, including workers in the value chain, and reporting is anonymous.

Capital expenditures

According to the review conducted, the following capital expenditures included in the taxonomy have been identified: transport and ownership of buildings, both linked to leasing. These capital expenditures have been allocated to the environmental objective most relevant to the activity, as double counting is not permitted under the taxonomy. Arjo has determined that these activities are either not taxonomy-aligned or that alignment could not be assessed due to difficulties ensuring compliance among suppliers.

Operating expenditures

The Group's operating expenditures, as defined in the EU Taxonomy, have been reviewed. The review found that Arjo has operating expenditures relating to the activity "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and associated parking areas)." However, these expenditures fall below the 10% threshold in Article 1 (EU) 2021/2178 and may therefore be omitted from reporting.



Financial year (2025)
MSEK

Breakdown by environmental objectives of Taxonomy aligned activities

KPI	Total	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
		MSEK	%	MSEK	%	%	%	%	%	%	%	%	%	MSEK	%
Turnover	11,000	45%	251	2%	0%	0%	0%	2%	0%	0%	2%	—	—	222	2%
CapEx	1,196	37%	0	0%	—	—	—	—	—	—	—	—	—	—	—
OpEx	168	0%	0	0%	—	—	—	—	—	—	—	—	0.11%	—	—

Reported KPI (Turnover)
Financial year (N)

Environmental objective of Taxonomy aligned activities

Economic Activities	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover / CapEx / OpEx) (3)	Taxonomy aligned KPI (monetary value of Turnover / CapEx / OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover, CapEx, OpEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	SEK	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	25%	0	0%	—	—	—	—	—	—	—	—	—
Repair, refurbishment and remanufacturing	CE 5.1	3%	251	2%	0%	0%	0%	2%	0%	0%	E	—	76%
Repair, refurbishment and remanufacturing	CE 5.1	17%	0	0%	—	—	—	—	—	—	—	—	—
Sum of alignment per objective					0%	0%	0%	2%	0%	0%			
Total KPI (Turnover/ CapEx / OpEx)		45%	251	2%	0%	0%	0%	2%	0%	0%	—	—	—



**Reported KPI (CAPEX)
Financial year 2025**

Environmental objective of Taxonomy aligned activities

Economic Activities	Code (2)	Taxonomy eligible KPI (Proportion of Taxonomy eligible Turnover / CapEx / OpEx) (3)	Taxonomy aligned KPI (monetary value of Turnover / CapEx / OpEx) (4)	Taxonomy aligned KPI (Proportion of Taxonomy aligned Turnover, CapEx, OpEx) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	SEK	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	22%	0	0%	—	—	—	—	—	—	—	—	—
Acquisition and ownership of buildings	CCM 7.7	15%	0	0%	—	—	—	—	—	—	—	—	—
Sum of alignment per objective					—	—	—	—	—	—			
Total KPI (Turnover/ CapEx / OpEx)		37%	0	0%	—	—	—	—	—	—	—	—	—



Social disclosures

Arjo's culture and the way we operate is centered on safeguarding healthy, fair and safe working conditions, both within our own organization and in partnership with suppliers around the world.

S1 – Own workforce Impacts, risks and opportunities

Impacts, risks and opportunities	Type	Description of impacts, risks and opportunities (IROs)	Time horizon	Impact in the value chain
Occupational accidents and injuries	Actual negative impact	Negative impact from potential occupational accidents and injuries in product manufacturing, related to workplace environment and equipment. The consequences of accidents or injuries for affected employees can be significant. Negative impact from risk of occupational health and safety incidents related to physical injuries or fatalities and psychological issues such as stress. This concerns all employees and may have a detrimental impact on both employee health and wellbeing, as well as loss of productivity for the company.	S M	Own operations
Equal pay for work of equal value	Actual negative impact	Negative impact from risk of insufficient level of equality in the workplace, which can limit perspectives, reduce collaboration and create barriers to equal opportunities, potentially affecting overall team performance and employee wellbeing. May lead to adverse results in attracting and retaining the right talent.	M L	Own operations
Equal treatment and equal opportunities for all employees	Actual negative impact	Negative impact from risk of insufficient level of diversity in the workplace, which can limit perspectives, reduce collaboration and create barriers to equal opportunities, potentially affecting overall team performance and employee wellbeing. May also lead to adverse results in attracting and retaining the right talent. Negative impact from risk of unfair treatment towards employees may have significant impact on employee trust, creativity and productivity of employees, as well as creating an unhealthy culture, which leads to demotivated employees and lower production.	S	Own operations

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

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Impact and organization

Arjo has approximately 7.000 employees across 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. Arjo operates with a decentralized approach to more effectively address operational matters and local implementation

of global policies and directives. The strategy and business model are closely linked to the company's offering and rest on the principle that a safe, fair, and inclusive working environment forms the foundation for value creation. Accordingly, actual and potential impacts on Arjo's own workforce arise directly from how the company organizes, manages, and delivers its operations, and are addressed in line with the commitment to uphold each employee's equal value and rights.

Key events in 2025 include:

- Continued internal occupational health and safety inspections to ensure continuous improvements at Arjo's workplaces
- Continued focus on equal pay practices by conducting annual pay gap analysis and procedures to eliminate any potential pay discrimination and to ensure compliance with the EU Pay Transparency requirements
- Due Diligence Program launched to establish procedures, targets, and metrics for human rights and environmental topics in the value chain, in accordance with the EU Corporate Sustainability Due Diligence Directive (CSDDD)

Policy and process – impact, risk and opportunity management

S1-1 – POLICIES RELATED TO OWN WORKFORCE

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. The company allows the interests, views, and

human rights of its employees to guide the development of its sustainability strategy and business model. This ensures that respect for human rights is integrated into the governing and development of operations.

Arjo's Board of Directors is responsible for approving all policies, while the Arjo 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. The Managing Director of each legal entity, together with their management team, is operationally responsible for the implementation and effectiveness of these policies on a local level. All policies are available on the Arjo intranet and revised regularly.

Arjo's policies are supported by procedures designed to prevent, detect and mitigate discrimination through multiple channels, such as the Whistleblowing process and local mechanisms, the latter of which include mandatory reporting in the areas outlined below.

Arjo is firmly committed to operating in full compliance with all applicable local laws, regulations, and international treaties. Arjo continuously monitors regulatory developments to ensure that the practices align with the highest legal and ethical standards across each jurisdiction in which the company operates. The company's own workforce is taken into account when developing policies, however, employees are not directly consulted nor involved in the formal policy setting process.

Human and Labor Rights

Arjo's Human and Labor Rights Policy outlines the company's position and commitments to ensure adherence 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 are 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, recognizing the freedom of association and the right to collective bargaining. Arjo does not accept disciplinary or discriminatory actions towards employees who choose lawfully to organize or join a trade union or a workers' association.

Arjo monitors compliance with the international instruments ILO, UNGPR, and UN Global Compact through several audit mechanisms, primarily annual local reporting. The results are aggregated and available to the Group Human Resource (HR).

Arjo does not accept any form of discrimination related to gender, race, religion, age, disability, sexual orientation, nationality, political opinions or social or ethnic origin. Furthermore, Arjo has zero tolerance for forced labor, child labor or other forms of involuntary labor, including modern slavery, as stated in the Human Rights Policy and the Code of Conduct.

Respectful and inclusive workplace

Arjo believes that respectful and inclusive workplaces foster a strong, healthy and creative culture which drives higher engagement, proactivity, retention and productivity. Arjo has policies, processes and actions to support the company's position on equal treatment and opportunities for all. Arjo's ambition is to foster awareness for diversity, equity and inclusion within the organization, and to establish metrics. Arjo is committed to promote diversity in gender, race, ethnicity, language, nationality, age, physical ability, sexual orientation and background.

Arjo continuously works to ensure that the company's Diversity, Equity and Inclusion (DEI) Directive is embedded across the global organization through the establishment of a global steering committee and local ownership and activity plans. The global steering committee consists of employees representing senior management at functional and geographical level.

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 workplaces through the provision of equal opportunity for all.

Occupational health and safety

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 consistently high safety standards and ensuring a healthy physical and psychosocial work environment across its workplaces, beyond local legislation and requirements. 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.

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.

Arjo Occupational Health and Safety Manual is based on the ISO 45001 standard. The company has established a self-audit process to remedy potential negative impacts on health and safety to validate that occupational health and safety plans are in place and identify gaps and potential improvements, in line with the Occupational Health and Safety Manual. All Arjo employees and non-employee workers are covered by the Occupational Health and Safety management system.

S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

The primary point of engagement between own workers and the company is the interaction between employee and leader, where topics are discussed and professional problems are resolved.

Arjo's performance and development approach focuses on continuous development conversations and real-time two-way feedback in a structured format between employee and leader. It is an important tool to identify development opportunities among employees, review goals and engage with individuals and teams.

Arjo's Human Resource (HR) functions provide a platform to engage directly with employees on a wide variety of topics. All employees have access to an HR Business Partner for support and guidance. HR is usually the main function to address topics that impact employees, taking remedial and preventative action where required. The local HR functions are responsible for supporting leaders in assessing and taking actions if risks to vulnerable groups occur.

Arjo's annual people survey allows employees to provide feedback about their everyday experience of working at Arjo, the company at large and the topics deemed as material for Arjo. Drivers of engagement include, but are not limited to wellbeing, work environment, strategy communication, management support, peer relationships, reward and recognition, diversity, equity and inclusion, and growth. The survey tool provides an industry benchmark score, which helps Arjo to ensure that the company remains competitive against its peers. An analysis of the survey results serves as the foundation for ongoing development of action plans aimed at fostering both individual and team engagement. The action plans are continuously followed up and finalized in teams. Arjo primarily measures employee satisfaction and engagement through the annual people survey. This is an effective method for workforce interaction and engagement on material topics and their impact. The survey is voluntary, confidential and provided to all internal employees. In 2025, 89 percent of the employees participated in the people survey and the overall engagement score increased from 8.1 in 2024 to 8.3 in 2025. This places Arjo in the top 25 percent of the Health Care Equipment

& Services Sector. The survey results show continued high scores for the material topics, from 8.4 in 2024 to 8.6 in 2025, for the topic of occupational health and safety, and for the diversity topics from 8.3 in 2024 to 8.5 in 2025.

Other ways of engaging with the workforce and workforce representatives include Arjo’s global intranet, which is an important channel to regularly provide updates on important topics. There are also meetings and forums on all levels of the company to share information and discuss relevant and current topics.

Arjo engages with unions and works councils (workers’ representatives). Where employees are represented by a legally recognized trade union or similar, Arjo ensures constructive communication and involvement. The company strives for openness to encourage dialogue and engages in negotiations and consultations with representatives. Arjo also interacts with various committees with employee representatives, such as Health and Safety Committees. At Group level, Arjo has union representation from the workforce, who are also part of the Board of Directors and European Works Council (EWC).

S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

Arjo encourages employees and other stakeholders to raise their concerns should they perceive any negative impact on themselves or others, together with any other concerns of misconduct. The primary channel to raise concerns is the employee’s direct manager. The employee can also address the concern with the HR function, the compliance function, or through the annual people survey, by scoring low on a question to indicate concern or leave a confidential comment on the question. Employees also have the option to raise concerns anonymously through the whistleblowing service. All concerns raised are managed seriously and professionally, in accordance with global or local policies, practices and regulations. For more information about the whistleblowing service, see section G1.

Arjo recognizes that access to effective remedies is essential to ensuring fairness, justice, and protection for employees and the communities in which the company operates. The company also acknowledges the challenges employees may face when deciding to report a concern. Therefore, the company is committed to protecting those who file reports in good faith. No employee shall be subject to harassment, retaliation or negative consequences in their employment as a result of filing such a report.

Arjo has taken steps to ensure that employees are informed about the processes for raising concerns and remediation. Information is cascaded to employees, for example, in the mandatory Code of Conduct training and a process description on the intranet.

Through the Occupational Health and Safety self-assessment process, applicable to each country and factory, Arjo validates whether employees are consulted during workplace inspections. In 2025, all countries complied with this practice.

Arjo provides all employees with injury management and rehabilitation. Incidents and accidents are investigated, and lessons are learnt within the organization

The effectiveness of the various channels is monitored annually through Arjo’s people survey, where employees are asked if they have trust and confidence that appropriate processes and actions will be taken in cases of serious misconduct at work. In 2025, the score was 8.3 out of 10. Arjo assesses that its own workforce is aware of and trusts existing structures and processes to raise concerns.

S1-4 – TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

To enforce compliance with the Code of Conduct, all new employees receive mandatory training. Arjo’s goal is for all new employees to complete the training within three months from the date of employment. 90 percent of all new employees completed the Code of Conduct training in 2025. A task force has been established to achieve a 100 percent completion rate. A review of the current code was initiated in Q4 2025 to improve accessibility. This review will continue in 2026 and will also involve the improvement of the current training material. The revised Code of Conduct, together with the Human and Labor Rights Policy, is expected to increase general awareness and serve as the basis for setting expectations on our workforce related to our material topics and will thus impact all our employees.

To mitigate potential risks related to the material topics, Arjo takes continuous proactive actions. In addition to the Code of Conduct, the Human and Labor Rights Policy, and the Occupational Health and Safety Directive, the DEI Directive was in 2025 also incorporated into the annual mandatory training module for all leaders at levels 1-3 (all leaders working two levels below the Arjo Management team in the organizational structure). In 2025, 100 percent of the leaders completed the training, confirming that they had read and understood

Arjo’s standards, expectations, and framework for preventing negative impact on own workforce. This action creates awareness from top-level management and throughout the organization, to secure compliance from executive and senior leadership in all areas of the Arjo business. In 2025, Arjo began discussions on mandating this training for leaders at all levels. An action was agreed to investigate and plan the implementation in 2026.

To gain further insights from the organization and to identify local, functional, and global actions on the material topics, Arjo includes questions related to human rights and fair labor conditions, Occupational Health and Safety, and Inclusion and Diversity in the annual people survey. The survey is voluntary, confidential, and provided to all internal employees. The survey results help global and local teams and functions to better understand the need for actions and hence support the planning of mitigating actions. The majority of actions are directly mitigating survey findings and are planned at different organizational levels.

During the year, the Arjo Management Team decided on global targets for DEI KPIs for 2027 and 2030. These were communicated to all local and functional management teams for local ownership and activities. New targets for Occupational Health and Safety were identified and approved by the Management Team. The KPIs and targets will support Arjo to continuously improve, focusing on clear targets and thus enabling the global, local, and functional teams to set action plans where necessary.

Arjo has a Total Rewards Directive that explicitly prohibits pay discrimination. An annual equal pay analysis in each country of operations was initiated in 2024 to assess pay gaps and enable actions for mitigation where required. All local organizations have actively worked during 2025 to address and plan for mitigating potential gaps.

During 2025, every country performed a self-audit by answering questions related to 35 areas from the Occupational Health and Safety Manual. The outcome shows whether the Manual is adhered to and guides the local management team to set up a local action plan with mitigating activities. The result of the audit is also consolidated on a global level to understand and inform decisions on a group basis. In 2025, Arjo could see many gaps from previous self-audit closed, and no global actions were identified as urgent.

Metrics and Targets

S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Arjo does not have a standardized global process for engaging with workforce representatives in general target setting, tracking target performance, or identifying lessons learned for the material topics, but collaborates with various committees in setting local and global targets, where some are approved by local management team, some by the Arjo management team.

Arjo has set new targets in 2025 to mitigate negative impact and support the actions described in section S1-4.

Arjo has set a target to maintain a score of 8.5 for the Diversity topics and be above industry benchmark by 2027 (industry benchmark is 8.1 in 2025). This requires both local and global teams to identify relevant actions required to improve. The details of the actions are ongoing work, as the survey result was made available in the last quarter of the year. The progress of this target is to be followed up in the 2026 survey, but local and functional teams are regularly monitoring the action plans agreed locally and functionally. Arjo has set a target for all L1-L3 leaders (all leaders two levels below the Management Team) to complete DEI compliance training, which is available and tracked through the global learning platform. This target and process will be expanded to all leaders (all levels and geographies) during 2026 and will be followed up by the end of the year.

The company has a zero-tolerance target, which is followed up locally.

Arjo's targets are closely linked to the overarching policies and translate these commitments into measurable requirements and structured follow-up. In this way, the targets serve as concrete tools to ensure that the policies are effectively implemented in how negative impacts are addressed, positive impacts strengthened, and risks and opportunities integrated into governance. The targets support the policies by turning its commitments into concrete actions that can be followed up and measured.

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

Number of employees by gender

Gender	Number of employees (headcount)
Male	4,075
Female	2,925
Total employees	7,000

Number of employees by country

Country	Number of male employees (headcount)	Number of female employees (headcount)
Australia	162	85
Austria	100	17
Belgium	52	25
Brazil	8	15
Canada	275	155
China	61	112
Czech Republic	18	10
Denmark	8	4
Dominican Republic	267	678
France	429	153
Germany	350	115
Hong Kong	21	15
India	156	47
Ireland	30	5
Italy	88	42
Japan	10	8
Mexico	5	4
Netherlands	110	67
New Zealand	30	10
Norway	8	8
Poland	303	529
Singapore	41	13
South Africa	97	62
South Korea	2	2
Spain	24	16
Sweden	107	117
Switzerland	42	16
United Arab Emirates	9	1
United Kingdom	665	289
USA	597	305

See financial note 3 for average FTE by gender and legal entity.

Number of employees by contract type and gender (headcount)

	Female	Male	Total
Number of employees	2,925	4,075	7,000
Number of permanent employees	2,766	3,875	6,641
Number of temporary employees	159	200	359
Number of full-time employees	2,747	3,938	6,685
Number of part-time employees	178	137	315

In 2025, the number of internal employees decreased by approximately 170, with the majority attributable to full time hired permanent production personnel in the Dominican Republic.

Accounting policy

The number of employees by country, gender and contract type is based on data from the global HR system SuccessFactors as of December 31, 2025. This means that the number of employees and related breakdowns are based on headcount as of this date. The categories of permanent employment and temporary employment include all internal employees.

Employee turnover

	Number	Rate
Employee turnover	734	11.1%

Accounting policy

The percentage of employee turnover is calculated based on the number of permanent full-time equivalents leaving voluntarily during the year. The number is based on data from the global HR system SuccessFactors as of December 31, 2025.

The slightly higher employee turnover in 2025 (9.9% in 2024) can largely be explained by changes and developments within the operations in the Dominican Republic.

S1-7 – CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE UNDERTAKING'S OWN WORKFORCE

Personnel who are not employed and whose work is controlled by the organization consist of consultants in areas such as IT, rental or production operations, research and development and finance. Arjo utilizes a range of non-employee workers whose work is directed or controlled by Arjo but who are not paid via Arjo Payroll. These include:

- **Independent contractors:** Individuals engaged under contract for specific tasks or expertise.
- **Consultants:** Specialists in areas such as IT, finance, R&D, and operations, providing strategic or technical input.
- **Temporary agency workers:** Supplied by third-party agencies, performing roles under the organization's supervision.
- **Out-sourced service providers:** External firms contracted to deliver services, such as production, IT support, etc., with deliverables managed by the organization.

These external resources are integrated into operational workflows and may be subject to internal controls, policies, and compliance requirements similar to those applied to employees.

Number of non-employee workers

	2025	2024	2023
Number of non-employee workers (FTE)	673	668	672

Accounting policy

Workers who are not employees and related breakdown is based on full-time equivalents from the global HR system SuccessFactors as of December 31, 2025. For 2025, Arjo can only provide data for non-employees as a total, not the number of self-employed or the number of people provided by undertakings primarily engaged in temporary staffing services.

S1-9 – DIVERSITY METRICS

Arjo's target is that the underrepresented gender should represent more than 40 percent in leading positions.

Number/share of women by category

	2025 (headcount)	2025 (%)	2024 (%)	2023 (%)
Women, total	2,925	42	43	41
Female managers in leading positions	112	40	40	37
Women in the Management Team	4	50	44	50
Women on the Board of Directors	3	37	37	29

Accounting policy

Leading positions refer to managerial roles at levels 1-3 below the CEO and President, with the Arjo Management Team representing level 1. Data is retracted from the global HR system SuccessFactors as of December 31, 2025.

Employees by age group

Age	<30	30-50	>50
Share of employees	18%	51%	31%

The overall age and gender distribution in the company remained largely unchanged since 2024, with the management team reaching an equal 50/50 gender balance.

S1-14 – HEALTH AND SAFETY METRICS

Arjo has a clearly defined framework for managing physical and psychological health and safety in the work environment, with a zero-accident vision.

Occupational health and safety

	2025	2024	2023
Percentage of employees covered by the health and safety management system	100%	100%	100%
Number of fatalities	0	0	0
Number of recordable work-related accidents	242	221	110
Number of cases of recordable work-related ill health	111	70 ¹	N/A
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health, and fatalities from ill health	4,635	4,094	N/A
Rate of recordable work-related accidents for own workforce	19.3	14.8	7.7

1. An error in the 2024 reporting of number of recordable work-related ill health was found and is now corrected.

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 are defined as accidents that 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's Occupational Health and Safety Manual. Number of recordable accidents is calculated as the number of accidents multiplied by 1,000,000 divided by total hours worked.

Arjo continues to improve reporting accuracy concerning accidents since the updated definitions and training sessions were released in 2024. The number of lost days has increased compared to 2024 due to cases where longer periods of inactivity occurred. These cases are followed up on local level.

S1-16 – COMPENSATION METRICS

Pay gap and total remuneration	2025
Annual total remuneration ratio	17.45:1
Gender pay gap	30%

Accounting policy

The annual total remuneration ratio is calculated as the highest paid individual compared to the median annual total remuneration for all employees (excluding the highest paid individual), shown as a percentage difference.

The gender pay gap is calculated as follows: (Average gross hourly pay level for male employees minus average gross hourly pay level for female employees) divided by average gross hourly pay level for male employees multiplied by 100.

While awaiting legislation and reporting requirements linked to the EU Pay Transparency Directive, Arjo is currently not calculating the gender pay gap for reporting purposes but will do so in accordance with the directive once it is implemented.

Arjo’s reported pay gap of 30 percent is strongly influenced by the company’s global operational structure, where many of its female employees work in countries with lower wage levels, such as the Dominican Republic and China. These geographical differences in wage structures have a significant impact on the Group’s overall consolidated results.

S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

	2025
Confirmed severe human rights incidents connected to own workforce	0
Violations of UNGPs and OECD Guidelines for Multinational Enterprises reported through the company’s Whistleblowing channels or OECD:s national contact points	0
Fines, penalties and compensation for damages related to confirmed severe human rights incidents (EUR)	0

Accounting policy

Severe human rights impacts include all occurrences documented through the Whistleblower Reporting channels, as well as cases submitted to the National Contact Points for OECD Multinational Enterprises. All reported human rights incidents are assessed based on their scale, scope, and severity, and the potential for remediation is evaluated on a case-by-case basis. Confirmed severe human rights incidents are classified as violations of recognized human rights frameworks.

During 2025, no severe human rights incidents were reported. No incidents of discrimination, including harassment, were reported through the Whistleblower reporting channel or the National Contact Points for OECD Multinational Enterprises.

Arjo is developing a global reporting capability and methodology to validate and consolidate substantiated cases of discrimination. This includes cases involving harassment, sexual harassment, and retaliation affecting employees across the Group.

Code of Conduct training for new employees (%)

	Target	2025	2024	2023	2022
Share of new employees who have completed training in Arjo’s Code of Conduct	100	90	87	80	85

Accounting policy

The percentage of employees who have completed the Code of Conduct training is calculated as the proportion of employees who, as of December 31, 2025, have completed the e-learning training covering the Code of Conduct relative to the total number of employees invited to take the training. This training is automatically assigned to all new employees at Arjo through the global learning management system, and completion rate is tracked in the system.



S2 – Workers in the value chain Impacts, risks and opportunities

Impacts, risks and opportunities	Type	Description of impacts, risks and opportunities (IROs)	Time horizon	Impact in the value chain
Working conditions in the value chain	Potential negative impact	Potential negative impact in areas such as working conditions, terms of employment, and occupational health at suppliers in the value chain, in countries with weak enforcement of legislation. Arjo's main suppliers are located in Asia, in countries with weaker enforcement of social accountability.	M	Upstream
Other work-related rights connected to human rights	Potential negative impact	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. Risk of human rights breaches is not neglected, although high standards in MedTech industry, which require skilled and qualified staff, may help mitigate risk. Arjo integrates the Business Partner Code of Conduct into supplier contracts, and if needed, supplier quality audits and on-site visits occur ahead of supplier approval.	M	Upstream

S Short term (<1 years) **M** Medium term (1–5 years) **L** Long term (>5 years)

S2 – SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

Arjo relies on suppliers and business partners to uphold human rights and labor standards. A supplier audit program has been initiated to assess working conditions and ensure compliance with the EU Corporate Sustainability Due Diligence Directive (CSDDD).

S2 – SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Workers working for direct material suppliers of Arjo are subject to material impacts through Arjo's value chain. Those workers work in the production of metals, plastics, electric and electronics, textiles and foam, miscellaneous, hardware and hydraulic and packaging. Arjo has created a supplier risk assessment tool to map supplier ESG risks against their geographical locations and their manufactured goods. Material negative impacts are deemed to be continuous.

Policy and process – impact, risk and opportunity management

S2-1 – POLICIES RELATED TO VALUE CHAIN WORKERS

Arjo's Human and Labor Rights Policy describes the company's position, principles and commitment to ensure respect for human and labor rights for own workforce and value chain workers (read more in the S1-1 section).

In addition, Arjo has a separate Business Partner Code of Conduct where demands and expectations for business partners are specified. The Business Partner Code of Conduct refers to agents, business representatives, consultants, contractors, distributors, intermediaries, service partners and suppliers who represent the goods or services of Arjo. EVP Supply Chain & Development and Operations is the most senior level accountable for the Business Partner Code of Conduct. The Code is based on the principles in UN Global Compact, OECD Directive for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights as well as other international standards and guidelines. Arjo expects all business partners to respect and support international human rights and labor rights and avoid causing, contributing or being linked to negative human rights impacts. The Code states that business partners shall not participate in human trafficking, forced labor, compulsory labor or child labor. Stakeholder views, legislation and global frameworks have been considered when setting the policy.

S2-2 – PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

Arjo does not have a process in place for the 2025 reporting period. However, the company is currently establishing a supplier sustainability audit procedure that will include engagement with value chain workers to address negative impacts. Arjo assesses that a stakeholder engagement process with workers in the value chain will be in place between 2028 and 2030.

S2-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Arjo has a well-established Whistleblowing System. The service is provided by an external supplier and enables both employees and external parties to report misconduct securely and anonymously. In Arjo's Business Partner Code of Conduct, business partners are encouraged to raise noncompliance concerns with the designated Arjo point of contact. In cases of serious violations where such reporting is not feasible, concerns can be submitted anonymously through Arjo's whistleblowing service. Arjo does not currently have an effective procedure to track the effectiveness of the system for workers in the value chain.

S2-4 – TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTIONS

Arjo is establishing a supplier sustainability audit procedure, which is planned for implementation by the end of 2026. Once the procedure is established, Arjo will conduct regular audits of direct material suppliers to assess whether value chain workers' human rights are being upheld. The audits will aim to identify and address cases of non-alignment with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. This procedure will involve value chain workers, engage with value chain workers, and provide and/or enable remedies for human rights impacts. Arjo does not have a developed process yet for remedy of workers in the value chain impacted negatively related to Arjo's business relationship. There have not been any cases of discrimination or harassment reported to the whistleblowing system.

Arjo is forming a global team of auditors that will conduct supplier sustainability audits. The company is developing an auditing procedure to guide and standardize the assessments. Once the audit team is established and the procedure is finalized, assessments will begin to evaluate material impacts on value chain workers and mitigate material risks through cooperation with suppliers. Arjo will verify and monitor the effectiveness of these improvement actions.

FORTS.

The company ensures that its own ways of working do not cause or contribute to negative impacts on workers in the value chain by providing all new employees with training on the company’s Code of Conduct, followed by monitoring through goals, KPIs and external reviews. Arjo integrates the Business Partner Code of Conduct into supplier contracts, with measurement and supplier audits covering policies, processes, working conditions, interviews and observations. The company also provides a whistleblowing channel open to employees of suppliers, enabling direct feedback on risks and deviations as well as continuous improvements of policies and processes. No cases or incidents related to human rights concerning workers in the value chain were reported to Arjo during 2025.

Metrics and targets

S2-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Arjo does not currently have any targets for managing material impacts on workers in the value chain. This is due to the lack of baseline data and the fact that the level of ambition for the area has not yet been defined. Setting targets and metrics for the auditing program is part of establishing the supplier sustainability auditing procedure. Arjo will engage with workers in the value chain, or their legitimate representatives or credible proxies, in setting the targets.

S4 – Consumer and end-users Impacts, risks and opportunities

Impacts, risks and opportunities	Type	Description of impacts, risks and opportunities	Time horizon	Impact in the value chain
Increased safety and quality of life for patients	Potential positive impact	Potential positive impact from Arjo’s products increasing safety and quality of life for patients.	S M L	Downstream
Improved working environment for caregivers	Potential positive impact	Potential positive impact through Arjo’s products improving the working environment for healthcare staff.	S M L	Downstream
Safety of customers and end-users	Potential negative impact	Potential negative impact from risk of injuries to patients, residents, and caregivers if products are used incorrectly, even if not directly caused by the product itself.	L	Downstream
Protection of product users	Potential negative impact	Potential negative impact if product information does not clearly indicate intended purpose, user and patient population and include relevant safety information.	L	Downstream

S Short term(<1 years) **M** Medium term (1–5 years) **L** Long term (>5 years)

SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

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 faster 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 in 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, both private and public, such as elderly care, acute care, bariatric care and care for people with other special needs. Read more in section SBM 3 in the chapter ESRS2 General Disclosures. 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.

Policy and process – impact, risk and opportunity management

S4-1 – POLICIES RELATED TO CONSUMER AND END-USERS

Delivering safe, high-quality products and ensuring compliance with regulatory requirements are foundational pillars of Arjo’s Quality Policy. Arjo’s Code of Conduct is structured in accordance with the focus areas identified in the UN Global Compact. Arjo considers product and patient safety a human right. Continuously improving products and solutions by utilizing customer feedback is a central and explicit part of Arjo’s Quality Policy.

Medical devices are surrounded by extensive regulations, especially in the EU and the US, established to ensure that medical devices are safe, effective and protect patients and users from harm. Arjo ensures that the Group’s products comply with laws and regulations in all markets in which the company operates.

Arjo ensures that all customer and end-user facing sales and promotion material and communications are strictly aligned with the approved intended purpose, user group and patient population defined in the product’s regulatory documentation and Instructions for Use. Furthermore, feedback from complaints and post-market surveillance (see Sections S4-2 and S4-4) is monitored to identify and correct any communication that could contribute to product misuse or safety risks.

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.

Arjo's 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 relevant employees in the company via 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 CEO and the Board of Directors. Objectives and targets are also reviewed annually by the Management Team to ensure consistency between the Quality Policy and objectives as a basis for KPI monitoring.

S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

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, a member 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

These certificates show that the policies, directives and processes in Arjo's global Quality Management System meet the supervisory requirements in the regulatory standards and laws. ISO 9001 is a

Quality and environmental certifications 2025

Intyg	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

voluntary certification, whereas the other global certifications are required for regulatory purposes.

In 2025, Arjo continued its efforts to comply with the EU and UK Medical Device Regulations by establishing and providing technical product documentation enabling continued MDR and UKCA certification by BSI.

Usability assessments and access to product information

Arjo's Vice Product Development and Engineering heads the global design and development organization and is responsible for ensuring that user needs serve as input to the product design in the early concept and planning phases of design and development projects.

It can potentially have a negative impact if products are used incorrectly, for example, if the access to product information is inadequate or if the information does not clearly indicate the intended purpose, user and patient population and include relevant safety information.

Arjo performs usability evaluations involving the different user groups, as caregivers and patients, to obtain user input to prototype designs, risk analysis, user interfaces and user interactions with the products. The evaluations are conducted to gain insight into the perspectives of the end-users and their interaction with the product. The effectiveness of the evaluations is assessed according to predefined acceptance criteria. The aim is to ensure adequate Instructions for Use (IFUs) and that products are proven safe and effective for their intended users and in their intended use environments.

Product labelling, including IFUs, is established for all products according to the medical device regulations, which require descrip-

tion of Intended Use, how to operate the medical device and indication of warnings, precautions, limitations and contraindications.

S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS.

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 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

Consumers and end-users can raise their concerns or needs via various channels. Arjo's company phone number and website are stated on the product labelling. A contact form is available on the Arjo website and customer service in the local Arjo offices can be reached directly via email or telephone. Any written, electronic or oral communication that alleges deficiencies related to products distributed to the market, service or business performance is handled as a complaint. Complaints received from the market are registered and progress on complaint handling is tracked in the global database and process management system, TrackWise.

The central Complaint and Vigilance function ensures that complaints and adverse events are investigated in collaboration with Arjo's production sites. Trend analyses are conducted periodically for all product groups 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 whether remediation activities are necessary, in the form of product quality improvements or recalls. If there is a need for field actions or recalls, this function ensures that communication and follow-up with customers is carried out 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.

S4-4 – TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE 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 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. Clinical evaluations, customer feedback from similar products in the market, and risk assessments related to product design, manufacturing processes and changes are part of the design process.

Performing product usability assessments and the development of product labeling and adequate Instruction for Use (IFUs) is an integrated part of the design and development process (see section S4-1). The aim is to minimize or mitigate any potential material negative impacts on consumers and end-users, such as patients and caregivers.

Corrective and preventive actions

Internal audits as well as audits by external regulatory bodies and auditing organizations such 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 2025 internal audit focus was on purchasing controls, engineering changes and design transfers.

Each non-conformity raised during internal and external audits in 2025 was assessed through a root cause analysis, and relevant corrective and preventive actions were initiated to improve and prevent recurrence. In 2025, this led to improvements in the complaint handling process in certain markets where the process and related data analysis had not yet been fully automated. The review

of technical documentation by BSI led to actions to improve the post-market clinical follow-up process, especially how the company will follow up on clinical benefits of products after launch by use of end-user surveys and case studies. No major deviations were noted during external audits or inspection of the Quality Management System in 2025.

Product quality improvements and Field Actions

Arjo has committed to working 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 manufactures are CE marked.

Upon receipt of customer complaints and other feedback from the market, trend analyses are performed, leading to product quality improvement projects. When changes to products and processes are made, a mandatory step in the change control process is to do a risk assessment and plan for relevant mitigation activities.

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 Field Action Coordinator in cooperation with the production sites that deliver the technical solutions and the sales and service organization that executes such actions in the field. Progress on each field action is tracked by the Field Action Coordinator until the effectiveness criteria for closure has been met. There were no severe human rights issues or incidents connected to use of Arjo products by consumers and/or end-users identified during the year.

Metrics and targets

S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Arjo’s targets have been set to manage material impacts, risks and opportunities related to consumers and end-users. Consumers and end-users have not directly been engaged in setting targets, in tracking performance against these or identifying improvements. This is because the targets are set in line with the core intentions of the international regulations and standards for medical devices under which Arjo is certified, ensuring that devices are safe, effective

and protect patients and users from harm. Continued compliance and maintained certification are key to Arjo. Therefore, the goal is to have zero incidents of regulatory non-compliance across the three reported metrics. Data from the years 2020-2022, before the publication of Arjo’s first external sustainability report, were used as the baseline for setting targets.

Incidents of regulatory non-compliance

	Target	2025	2024	2023
Incidents resulting in fines, sanctions or warnings	0	0	0	1
Major deviations during external quality management system inspections or audits	0	0	0	0
Number of safety-related field actions initiated	0	2	0	3

All incidents of regulatory non-compliance are registered, investigated and analyzed to initiate corrections and actions to prevent recurrence. There were no incidents of non-compliance resulting in fines, sanctions or warnings during the year. No major deviations were noted during external inspections or audits of the quality management system during the year. Two field actions initiated in 2025 were assessed as being related to end-user safety issues.

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 through a global BI Dashboard and reviewed by the global Quality Board each quarter. The number of initiated safety-related field actions is reported monthly by the centralized unit coordinating Field Actions in a global BI Dashboard reviewed by a global Quality Board each quarter.

Governance disclosures

Sound business ethics and well-defined principles for compliance are the core of Arjo's long-term business relations, placing the same high standards on ourselves as our partners.

G1 Business Conduct Impacts, risks and opportunities

Impacts, risks and opportunities	Type	Description of impacts, risks and opportunities	Time horizon	Impact in the value chain
Bribery and corruption	Potential negative impact	Potential negative impact from bribery and corruption can affect a range of stakeholders both within and outside the company. Bribery and corruption may involve the provision or acceptance of undue advantages, which can result in decisions being made based on incomplete, inaccurate, or misleading information. This can impact customers, public authorities, business partners, and investors, potentially leading to a loss of trust, strained relationships, or regulatory consequences. Internally, individuals involved may face disciplinary measures. When such incidents occur within the company's own operations, the potential for reputational and operational consequences increases. Preventive measures are in place to reduce the likelihood of such impacts.	L	All

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

Arjo works actively with risk assessments to identify and manage corruption risks across the organization. As part of this effort, the company continuously reviews and monitors third parties, such as distributors and suppliers, in selected countries and regions through due diligence processes. Alongside the global process, regular risk assessments are carried out in various regions, for example in North America, where potential conflicts of interest are analyzed. Suitable follow-up measures are taken based on the outcome of each risk assessment process.

GOV-1 – THE ROLE OF THE ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

Arjo integrates business ethics into its governance framework through oversight and leadership. The Board of Directors and the Management team comprise broad experience across relevant disciplines. Ethical business conduct is an integral part of discussions in the Board, Audit Committee, and Management team meetings, ensuring that governance bodies remain informed and actively involved in compliance matters.

The VP Business Compliance participates in Audit Committee meetings, where major incidents are presented, and business conduct is formally included as a recurring item on the Board meeting agenda once a year, contributing to Board-level discussions on ethics. Starting in 2025, this annual agenda also includes a business-related ethical dilemma, through which the Board is both informed and engaged in training relevant to the company's operations.

Operational governance is reinforced through documented quarterly meetings of the Business Compliance Committee, chaired by the CEO and comprising senior executives across Legal, Finance, HR, Communications, and Risk Management. Additional members may be appointed as needed. In addition to its operational oversight role, the Committee contributes to the strategic direction of the company's ethics and compliance efforts.

The VP Business Compliance is responsible for the day-to-day administration of the compliance program and serves as secretary to the Business Compliance Committee. Meetings are documented and held regularly. In 2025, four Committee meetings were conducted.

To address local regulatory requirements, two support committees have been established in North America. In 2025, the Canadian Support Committee held four documented meetings, and the US Support Committee held four documented meetings.

Policy and process – impacts, risks and opportunity management

G1-1- BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE Policies and corporate culture

Arjo's success must always be the result of the value the company creates for customers through its products, solutions and operations, and never through offering improper benefits, circumventing rules, or engaging in other unethical behavior. Arjo only engages 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

Key events in 2025 include:

- Targeted business ethics training for internal group functions and markets
- Yearly mandatory business ethics training for in-scope employees in managerial roles and roles who have regular interaction with business partners

relations. This commitment starts with the Board of Directors and is embedded throughout the organization via two key policies: the Code of Conduct and the Business Compliance Policy, both approved by the Board.

The Code of Conduct applies to all employees, and it promotes a culture of openness, integrity, and accountability. It is supported by a set of directives that provide detailed guidance on specific areas of business conduct, forming a comprehensive compliance framework. In addition, Arjo has a separate Business Partner Code of Conduct that outlines the requirements and expectations placed on suppliers, distributors, and other third parties. All policies and directives are regularly reviewed, communicated and made accessible to all employees, both through training and various communication channels.

The process for evaluating and screening third parties is detailed in Arjo’s due diligence and screening procedure. This process is designed to minimize the risk of engaging with inappropriate business partners and supports the functions and business units most exposed to corruption and bribery risks, primarily within Arjo’s sales, purchasing organizations and the supplier base. All distributors and suppliers (100%) in such risk regions are covered by this due diligence process. In parallel, examples and scenarios in the Anti-Corruption Directive, along with the company’s ethical guidelines, help foster a strong culture of business ethics. In response to local regulatory requirements, Arjo also maintains local business ethics policies in North America.

Whistleblowing

Arjo encourages employees and other stakeholders to report observed or suspected misconduct related to compliance. Reports can be made directly to a manager, local HR, or the company’s compliance function. Misconduct may also be reported anonymously via a secure external whistleblowing service, which is accessible to both internal and external parties, both live and via voice clips. To further facilitate the handling of compliance-related matters in North America, a dedicated telephone hotline is available alongside the online channel.

Arjo recognizes that reporting suspected misconduct can be difficult. The company is therefore committed to protecting individuals who report in good faith. No employee shall be subject to harassment, retaliation, or any adverse consequences in their employment as a result of filing such a report.

Misconduct in compliance may include corruption, violations of competition law, serious environmental risks, health and safety impacts, breaches of laws, treaties, or other agreements, and any other observed or suspected violations of applicable legislation or Arjo’s Code of Conduct.

G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Prevention and detection of corruption and bribery

All reported incidents are reviewed by an independent investigation team that operates separately from individuals involved in the matter. Each investigation is summarized in a report with recommended actions, and the Business Compliance Committee is informed of incidents that have occurred. Material incidents are also reported to the audit committee.

To ensure a shared understanding of Arjo’s anti-corruption principles, the company has identified specific functions that are more exposed to bribery and corruption risks. As a result, a defined target group has been established, including all employees in managerial positions, those with regular contact with business partners, and individuals in other risk-exposed roles. Employees in this group are required to complete at least one anti-corruption training session annually.

Given the nature of Arjo’s operations, third parties, particularly distributors and suppliers, represent the company’s highest exposure to corruption risk. This is reflected in the training content and in the company’s broader compliance efforts, including due diligence and monitoring procedures.

The mandatory anti-corruption training for 2025 was launched in the third quarter. It requires a digital signature and is available in twelve languages to ensure accessibility across all target groups. A total of 2,998 employees completed the training, representing 99 percent of the target group. All eight members of Arjo’s Management Team and all seven members of the Board have completed the training.

In addition to this training, other ethics-related courses are available, tailored to different markets and focus areas. In 2025, the global finance team was selected for a targeted fraud e-learning module accompanied by a questionnaire. A total of 314 employees completed the training, representing 91 percent of the target group.

Metrics and targets

G1-4 – INCIDENTS OF CORRUPTION OR BRIBERY

No measurable, outcome oriented or time-bound targets have been established for incidents of corruption or bribery, as these disclosures are inherently reactive – being triggered only by unforeseeable confirmed cases, rather than reflecting predictable performance outcomes. That said, appropriate actions are always taken in response to any reported incidents to ensure compliance and mitigate risks.

	2025	2024	2023	2022
The number of convictions and the number of fines for violations of anti-corruption and anti-bribery laws	0	–	–	–
Actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery	–	–	–	–
Incidents of whistleblowing	28	29	30	14

In 2025, 28 incidents were reported and investigated in accordance with established procedures. None of the investigations showed any occurrence of bribes or corruption.

Accounting policy

All whistleblower cases worldwide are handled by an independent investigation team in accordance with guidelines approved by the Business Compliance Committee, which also receives the investigation outcomes and holds overall responsibility for the whistleblowing scheme. Material incidents are additionally reported to the Audit Committee. No estimations are made regarding the data collected. All reporting is based solely on verified and factual information.

Other information

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List of data points derived from other legislations

Disclosure requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate law (26) reference	Page/ reference	Comments
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	●		●		47	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			●		47	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	●				48	
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	●	●	●			N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	●		●			N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	●		●			N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			●			N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				●	56-58	Currently Arjo only have a transition plan that extends to 2030.
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		●	●			N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	●	●	●		59	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	●				60	
ESRS E1-5 Energy consumption and mix paragraph 37	●				60	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	●				—	N/A
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	●	●	●		61	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	●	●	●		62	
ESRS E1-7 GHG removals and carbon credits paragraph 56				●		N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			●			N/A
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		●				N/A
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)						N/A
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		●				N/A
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			●			N/A
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	●					N/A
ESRS E3-1 Water and marine resources paragraph 9	●					N/A
ESRS E3-1 Dedicated policy paragraph 13	●					N/A
ESRS E3-1 Sustainable oceans and seas paragraph 14	●					N/A
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	●					N/A
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	●					N/A
ESRS 2 – IRO 1 – E4 paragraph 16 (a) i	●					N/A
ESRS 2 – IRO 1 – E4 paragraph 16 (b)	●					N/A
ESRS 2 – IRO 1 – E4 paragraph 16 (c)	●					N/A
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	●					N/A
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	●					N/A
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	●					N/A
ESRS E5-5 Non-recycled waste paragraph 37 (d)	●				68	



Disclosure requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate law (26) reference	Page/ reference	Comments
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	●					N/A
ESRS 2 – SBM3 – S1 Risk of incidents of forced labor paragraph 14 (f)	●				73	
ESRS 2 – SBM3 – S1 Risk of incidents of child labor paragraph 14 (g)	●				73	
ESRS S1-1 Human rights policy commitments paragraph 20	●				73-74	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21			●		74	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	●				74	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	●				74	
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	●				75	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	●		●		76	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	●				76	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	●		●		78	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	●				78	In 2025, the CEO was not the highest-paid employee.
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	●				78	
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	●		●		78	
ESRS 2 – SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	●				79	
ESRS S2-1 Human rights policy commitments paragraph 17	●				79	
ESRS S2-1 Policies related to value chain workers paragraph 18	●				79	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	●		●		79	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19			●		79	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	●				79	
ESRS S3-1 Human rights policy commitments paragraph 16	●					N/A
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	●		●			N/A
ESRS S3-4 Human rights issues and incidents paragraph 36	●					N/A
ESRS S4-1 Policies related to consumers and end-users paragraph 16	●				80	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	●		●		80	
ESRS S4-4 Human rights issues and incidents paragraph 35	●				82	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	●					Arjo comply with the UN Convention against Corruption.
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	●				84	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	●		●		84	
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	●				84	



Other sustainability-related information

Management of relationships with suppliers

Arjo's Business Partner Code of Conduct is a key element in the company's engagement with suppliers and other third parties. It serves as a platform for communicating clear expectations and standards for ethical, responsible, and sustainable business practices, and promotes transparency and consistency in supplier relationships. The Code supports effective collaboration and helps build stronger, more resilient partnerships.

If a business partner or any of its employees believes that Arjo is not acting in accordance with its own standards, the company encourages such concerns to be reported. In cases of serious violations where direct reporting is not feasible, anonymous reports can be submitted through Arjo's external whistleblowing service.

Another important aspect of supplier relationships is the establishment of clear payment terms. The General Supplier Agreement outlines payment amounts, due dates, and any applicable penalties for late payment. Defining these terms reduces ambiguity and provides a clear reference point for both parties.

Termination of supplier relationships is also handled with care. The phase-out process is conducted in a professional and considerate manner, taking into account the interests and potential impacts on both Arjo and the supplier.

BUSINESS PARTNER CODE OF CONDUCT (%)

	Goal	2025	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	93	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 for the Business Partner Code of Conduct 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.



Financial information

The following pages present the consolidated and Parent Company financial statements, notes and the auditor's report.



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PARENT COMPANY

PARENT COMPANY FINANCIAL STATEMENTS

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Consolidated financial statements

Consolidated income statement

SEK M	Note	2025	2024
Net sales	2	11,000	11,292
Cost of goods sold	4	-6,315	-6,386
Gross profit		4,684	4,907
Selling expenses	4	-2,211	-2,236
Administrative expenses	4	-1,463	-1,511
Research and development costs	4, 6	-140	-150
Exceptional items	4, 5	-155	-126
Other operating income	8	12	28
Other operating expenses	8	-52	-10
Income from participation in associated companies	15	—	-9
Operating profit (EBIT)	2, 3, 4, 5, 6, 7, 14	675	893
Financial income	9	40	47
Financial expenses	9	-249	-256
Profit after financial items	8	467	684
Taxes	10	-132	-187
Net profit for the year		334	498
Attributable to:			
Parent Company shareholders		334	498
Earnings per share, SEK ¹⁾	11	1.23	1.83
– 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	2025	2024
Net profit for the year		334	498
Other comprehensive income			
Items that cannot be restated in profit			
Actuarial gains/losses pertaining to defined-benefit pension plans		-2	20
Tax attributable to items that cannot be restated in profit	10	20	-8
Items that can later be restated in profit			
Translation differences	19	-1,131	585
Hedges of net investments	19	101	-62
Cash-flow hedges	19, 27	8	-2
Tax attributable to items that can be restated in profit	10, 19	48	-28
Other comprehensive income for the period, net after tax		-957	504
Total comprehensive income for the year		-622	1,002
Comprehensive income attributable to:			
Parent Company shareholders		-622	1,002

Consolidated balance sheet

SEK M	Note	2025	2024
ASSETS			
Non-current assets			
Intangible assets	2, 4, 12	7,215	7,651
Tangible assets	2, 4, 13	1,486	1,695
Right-of-use assets	2, 4, 14	1,214	1,215
Non-current financial receivables, interest-bearing	20, 28	2	39
Non-current lease receivables	14, 20, 28	54	73
Non-current pension receivable, interest-bearing	20, 22	214	229
Other financial assets	28	107	135
Derivatives, non-current	27, 28	6	—
Deferred tax assets	10	357	387
Total non-current assets		10,654	11,422
Current assets			
Inventories	16	1,177	1,388
Accounts receivable	17, 28	1,617	1,798
Current tax assets		89	44
Other current financial receivables, interest-bearing	20, 28	4	4
Current lease receivables	14, 20, 28	23	25
Derivatives, current	27, 28	4	17
Other current receivables	28	182	199
Prepaid expenses and accrued income	18	272	343
Cash and cash equivalents	20, 28	836	892
Total current assets		4,204	4,711
Assets held for sale	15	119	143
TOTAL ASSETS		14,977	16,276

SEK M	Note	2025	2024
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	19	91	91
Reserves	19	832	1,807
Retained earnings		6,534	6,440
Equity attributable to the Parent Company shareholders		7,457	8,338
Non-current liabilities			
Non-current financial liabilities	20, 27, 28	2,637	2,163
Non-current lease liabilities	14, 20, 27	858	851
Derivatives, non-current	27, 28	—	2
Provisions for pensions, interest-bearing	20, 22	34	36
Deferred tax liabilities	10	144	212
Other provisions, non-current	21	85	76
Total non-current liabilities		3,757	3,339
Current liabilities			
Other provisions, current	21	56	61
Current financial liabilities	20, 27, 28	1,450	1,976
Current lease liabilities	14, 20, 27	408	428
Accounts payable	27, 28	508	607
Current tax liabilities		66	110
Derivatives, current	27, 28	3	11
Other liabilities		228	254
Accrued expenses and deferred income	23	1,041	1,152
Total current liabilities		3,762	4,599
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		14,977	16,276



Changes in shareholders' equity for the Group

SEK M	Share capital	Reserves ¹⁾	Retained earnings	Total shareholders' equity
Opening balance at January 1, 2024	91	1,315	6,176	7,582
Net profit for the year	—	—	498	498
Other comprehensive income for the year	—	492	12	504
Dividend	—	—	-245	-245
Closing balance at December 31, 2024	91	1,807	6,440	8,338
Opening balance at January 1, 2025	91	1,807	6,440	8,338
Net profit for the year	—	—	334	334
Other comprehensive income for the year	—	-975	18	-957
Dividend	—	—	-259	-259
Closing balance at December 31, 2025	91	832	6,534	7,457

1. For reserves, see also Note 19.



Consolidated cash-flow statement

SEK M	Note	2025	2024
Operating activities			
Operating profit (EBIT)		675	893
Add-back of amortization, depreciation and write-down		1,136	1,084
Other non-cash items	29	-15	-41
Expensed exceptional items ¹⁾		109	105
Paid exceptional items		-105	-43
Interest paid		-205	-260
Interest received		30	30
Other financial items		-1	13
Taxes paid		-208	-192
Cash flow before changes to working capital		1,415	1,589
Changes in working capital			
Inventories		77	0
Current receivables		13	-98
Current liabilities		-70	25
Cash flow from operations		1,435	1,516
Investing activities			
Acquired operations	25	-27	-55
Investments in intangible assets		-289	-285
Investments in tangible assets		-419	-393
Divestment of intangible/tangible assets and right-of-use assets		30	97
Cash flow from investing activities		-705	-635

SEK M	Note	2025	2024
Financing activities			
Raising of loans	20	19,736	26,835
Repayment of financial liabilities	20	-19,687	-27,170
Repayment of lease liabilities		-449	-431
Change in pension assets/liabilities		-8	-6
Change in interest-bearing receivables		49	13
Dividend		-259	-245
Realized derivatives attributable to financing activities		-113	97
Cash flow from financing activities		-730	-907
Cash flow for the year	20	0	-26
Cash and cash equivalents at the beginning of the period		892	923
Cash flow for the year		0	-26
Translation differences		-56	-5
Cash and cash equivalents at year-end	29	836	892

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. Carl Bennet AB (556379-0715), with its registered office in Gothenburg, Sweden, prepares consolidated financial statements for the largest group to which the company belongs. 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 pages 1-3 and 6-9. The consolidated financial statements for the fiscal year ending December 31, 2025 were approved by the Board on March 30, 2026 and will be presented to the Annual General Meeting (AGM) for adoption on April 22, 2026.

BASIS OF PREPARATION

Arjo's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Sustainability and 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.

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 2024, 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.

Assessments when applying accounting policies

When preparing the consolidated financial statements, company management has made certain assessments that have a material impact on the application of the accounting policies. The most significant assessments are:

- **Lease terms**
Assessments about the terms of leases, see Note 14.
- **Classification of assets held for sale**
Assessment of the classification of assets held for sale, see Note 15.

- **Measurement of identifiable assets and liabilities in connection with acquisitions**
Identification and assessment of acquired assets and liabilities, see Note 25.

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires company management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities. The most significant areas of uncertainty are:

- **Measurement of loss carryforwards**
Assessment of the ability to utilize tax loss carryforwards, see Note 10.
- **Impairment testing of goodwill**
The calculation is based on assumptions about future growth, margins and discount rates, see Note 12.
- **Valuation of obsolescence reserve**
Assessment of obsolescence and future sales prices in the calculation of net realizable value, see Note 16.
- **Pension commitments**
Valuation of defined-benefit pension plans is based on actuarial assumptions about discount rates and inflation, see Note 22.

Subsidiaries

Subsidiaries are all companies over which Arjo exercises a controlling influence. Arjo controls a company when the Group 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.

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).

New accounting policies applied by Arjo in 2025

No standards, amendments or interpretations effective from the fiscal year beginning on January 1, 2025 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, 2026. 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 and revenue recognition

Accounting policies

Accounting policies for segment reporting: 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.
Diagnostics (previously named Other) – comprises the diagnostics business.

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.

Accounting policies for revenue recognition: 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 contract liability (included in Note 23 Accrued expenses and deferred income) is recognized for expected volume discounts in relation to sales up to and including the closing date. Changes in volume discounts and bonuses to

2 SEGMENT REPORTING AND REVENUE RECOGNITION, CONT.

customers follow the general sales trend and are paid every quarter, six months or year.

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. Contract assets include accrued income that comprises goods and services delivered but not yet invoiced, usually in connection with the sale of service and rental. Accrued income is reclassified as accounts receivable when invoicing takes place on a monthly basis. Changes in accrued income are generally due to the volume of active rental contracts, see Note 18 Prepaid expenses and accrued income.

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. Changes in deferred income are generally due to the number of active service contracts. Contract assets and liabilities are presented in the table below.

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 contracted revenue since these have terms of less than one year.

For revenue recognition for rental, see Note 14 Leases and for accounts receivable, see the tables in Note 17.

The Group has no single customer that accounts for 10 percent or more of the Group's sales.

Contract assets and liabilities

SEK M	2025	2024
Contract assets		
Accrued income	63	125
Total	63	125
Contract liabilities		
Commission and bonuses to customers	61	87
Deferred income	135	124
Total	197	212

2025

SEK M	Global Sales	North America	Diagnostic	Group functions	Eliminations	Arjo Group
Product sales	3,120	2,554	379	—	-20	6,033
Service including spare parts	1,512	689	31	—	-2	2,229
Revenue from contracts with customers	4,632	3,243	409	—	-22	8,262
Rental	1,711	1,026	—	—	—	2,737
Total net sales, external	6,344	4,269	409	—	-22	11,000
Expenses	-5,429	-3,316	-347	-1,255	22	-10,324
Operating profit/loss	914	953	63	-1,255	—	675
Financial income						40
Financial expenses						-249
Profit after financial items						467
Taxes						-132
Net profit for the year						334
Other segment information						
Exceptional items	-87	-3	-3	-62	—	-155
Cost of goods sold	-3,822	-2,297	-220	—	22	-6,315
Operating expenses	-1,514	-1,016	-124	-1,160	—	-3,814
Of which amortization, depreciation and write-downs	-487	-284	-22	-343	—	-1,136

2024

SEK M	Global Sales	North America	Diagnostic	Group functions	Eliminations	Arjo Group
Product sales	3,269	2,621	385	—	-10	6,266
Service including spare parts	1,478	711	23	—	0	2,212
Revenue from contracts with customers	4,748	3,332	408	—	-10	8,478
Rental	1,733	1,082	—	—	-1	2,814
Total net sales, external	6,481	4,415	408	—	-12	11,292
Expenses	-5,420	-3,404	-352	-1,235	12	-10,399
Operating profit/loss	1,062	1,011	55	-1,235	—	893
Financial income						30
Financial expenses						-239
Profit after financial items						684
Taxes						-187
Net profit for the year						498
Other segment information						
Exceptional items	-22	-55	-3	-46	—	-126
Cost of goods sold	-3,841	-2,318	-238	—	12	-6,386
Operating expenses	-1,558	-1,038	-119	-1,181	—	-3,896
Of which amortization, depreciation and write-downs	-470	-307	-22	-285	—	-1,084

2 SEGMENT REPORTING AND REVENUE RECOGNITION, CONT.

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	2025	2024
SEK M		
USA	1,722	2,021
UK	1,324	1,479
Sweden	4,190	4,108
Other	2,678	2,952
Total	9,915	10,560

The table below presents the net sales for the 20 largest markets based on where customers are situated.

Country	2025			2024		
	SEK M	%	#	SEK M	%	#
USA	3,278	30	1	3,390	30	1
UK ¹⁾	1,280	12	2	1,418	13	2
France	1,237	11	3	1,222	11	3
Canada	1,100	10	4	1,134	10	4
Germany	861	8	5	828	7	5
Australia	586	5	6	625	6	6
Netherlands	388	4	7	375	3	7
Italy	259	2	8	252	2	9
Austria	254	2	9	265	2	8
Belgium	193	2	10	210	2	10
India	190	2	11	170	2	12
Switzerland	188	2	12	189	2	11
South Africa	153	1	13	138	1	13
Singapore	108	1	14	119	1	14
Ireland	103	1	15	111	1	15
Hong Kong	85	1	16	87	1	17
New Zealand	80	1	17	88	1	16
Sweden	71	1	18	58	1	20
Spain	69	1	19	69	1	18
Japan	56	1	20	58	1	19
Other	461	4		486	4	
Total net sales	11,000	100		11,292	100	

1. Includes Northern Ireland.

3 Personnel

Salaries, other remuneration and social security contributions

Group, SEK M	2025			2024		
	Board and CEO ¹⁾	Other	Total	Board and CEO ¹⁾	Other	Total
Salaries and remuneration	138	3,647	3,785	138	3,672	3,810
Social security expenses	28	702	730	27	661	688
Pension expenses	11	179	190	10	173	183
Total	177	4,530	4,705	175	4,506	4,681

1. Pertains to remuneration of the Board and CEO in all companies in the Group.

Average number of employees

Number	2025			2024		
	Men	Women	Total	Men	Women	Total
Australia	157	81	238	156	85	241
Belgium	51	25	76	52	23	75
Brazil	8	15	23	9	14	23
Denmark	7	4	11	8	5	13
Dominican Republic	271	710	981	279	765	1,044
France	417	157	574	401	151	552
United Arab Emirates	9	1	10	9	1	10
Hong Kong	18	12	30	14	11	25
India	151	46	197	145	40	185
Ireland	31	4	35	34	5	39
Italy	87	40	127	81	40	121
Japan	9	7	16	11	7	18
Canada	273	155	428	267	157	424
China	62	115	177	70	115	185
Mexico	6	5	11	6	6	12
Netherlands	112	60	172	113	61	174
Norway	6	9	15	6	10	16
New Zealand	29	9	38	26	10	36
Poland	304	536	840	287	507	794
Switzerland	42	15	57	44	13	57
Singapore	41	11	52	40	11	51
Spain	26	16	42	26	16	42
UK	680	293	973	695	297	992
Sweden	107	114	221	104	110	214
South Africa	75	52	127	74	53	127
South Korea	2	1	3	2	1	3
Czech Republic	16	10	26	15	9	24
Germany	335	108	443	320	105	425
USA	592	295	887	617	280	897
Austria	95	17	112	96	17	113
Total	4,019	2,923	6,942	4,007	2,925	6,932

3 PERSONNEL, CONT.

Remuneration and other benefits for senior executives in 2025, SEK 000s

	Board fee ¹⁾	Basic pay	Variable remuneration, short term	Variable remuneration, long term	Other benefits	Severance pay	Pension expenses	Total
Johan Malmquist, Chairman of the Board	1,879							1,879
Carl Bennet, Board member	847							847
Eva Elmstedt, Board member	883							883
Ulf Grunander, Board member	1,035							1,035
Carola Lemne, Board member	847							847
Dan Frohm, Board member	999							999
Ulrika Dellby, Board member	883							883
CEO (until Jan 13, 2025)		10,181	—	—	120	—	3,633	13,934
CEO (interim, from Jan 13, 2025 until Dec 31, 2025)		5,253	270	—	148	—	642	6,313
Other senior executives		18,427	1,414	—	1,100	2,061	4,408	27,410
Total	7,373	33,861	1,684	—	1,368	2,061	8,683	55,030

1. Also includes fees for work on Board Committees and corresponds to what was resolved at the 2025 AGM.

Comments on the table

- The company's CEO, Joacim Lindoff, left his position on January 13, 2025. The remuneration above includes remuneration during his period of service and the remuneration paid after he left the company.
- Niclas Sjöswärd served as interim CEO from January 13, 2025. Remuneration in the table above refers to his period of service in this position.
- Short-term variable remuneration refers to the 2025 fiscal year's expensed bonus, which is paid in the following year. For the 2025 short-term incentive program, the Remuneration Committee decided on an adjustment of the pay-

out level for senior executives (excluding the interim CEO). This resulted in the reported STIP remuneration exceeding the outcome of target achievement.

- Other benefits refer to company car and healthcare insurance.
- Other senior executives pertain to remuneration of members of the Arjo Management Team, other than the CEO (7 individuals, of whom 2 left the company and 2 are new). It also includes the remuneration of the CFO for the whole year, including the period of January-August when he served as acting CFO and employed in a subsidiary.

Remuneration and other benefits for senior executives in 2024, SEK 000s

	Board fee ¹⁾	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 ²⁾	257	—	57	271	10,803
Total	7,087	37,131	8,976	—	1,238	6,907	61,339

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 pertain 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).

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 2025 amounted to SEK 7.4 M (7.1). Remuneration of outgoing CEO amounted to SEK 13.9 M (17.6). Remuneration of the interim CEO amounted to SEK 6.3 M (n/a). Remuneration of other senior executives amounted to SEK 27.4 M (36.7).

Variable annual cash-based remuneration: The CEO's bonus for 2025 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 2025 were based on financial targets and sustainability targets. The variable annual remuneration for other senior executives is maximized at 40-60 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 2023-2025 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 35 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.

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

	2025	2024
Women:		
Board members of the Parent Company	37%	37%
Board members in all Group companies	6%	6%
Other members of the company's management, incl. CEO	30%	30%
Men:		
Board members of the Parent Company	63%	63%
Board members in all Group companies	94%	94%
Other members of the company's management, incl. CEO	70%	70%

4 Costs by cost category

SEK M	2025	2024
Costs by cost category		
Salaries and remuneration	-3,785	-3,810 ¹⁾
Social security expenses	-730	-688 ¹⁾
Pension expenses	-190	-183 ¹⁾
Amortization and impairment of intangible assets	-296	-244
Depreciation and impairment of tangible assets and right-of-use assets	-840	-840
Goods and services	-4,444	-4,644 ¹⁾
Total	-10,284	-10,409

1. Due to a miscalculation, the comparative figure was corrected compared with the 2024 Annual Report.

SEK M	2025	2024
Amortization, depreciation and write-downs		
Cost of goods sold	-722	-699
Selling expenses	-170	-166
Administrative expenses	-192	-192
Research and development costs	-7	-9
Other operating expenses	—	0
Exceptional items	-44	-17
Total	-1,136	-1,084

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.

5 EXCEPTIONAL ITEMS, CONT.

SEK M	2025	2024
Acquisition expenses	-2	-4
Capital loss on divestment of BBI assets	—	-54
Impairment of ERP system	-35	—
Restructuring and integration costs ¹⁾	-118	-68
Total	-155	-126

1. Of which impairment of SEK 9 M (17).

Restructuring costs mainly refer to changes in the sales organizations in Europe and China and changes to the Management Team.

SEK M	2025	2024
Exceptional items by function		
Cost of goods sold	-46	-21
Selling expenses	-20	-17
Administrative expenses	-86	-34
Research and development costs	-1	—
Other operating expenses	-2	-54
Total	-155	-126

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	2025	2024
Research and development costs, gross	-303	-319
Capitalized development costs	163	169
Research and development costs, net	-140	-150

7 Fees to auditors

SEK M	2025	2024
Fee to EY/PwC¹⁾		
Fee and expense reimbursement:		
Auditing assignments	-11	-12
Auditing activities other than auditing assignment	-1	—
Tax consultancy services	—	0
Other services ²⁾	-1	-3
Total	-13	-15

1. Ernst & Young AB (EY) was elected the Group's auditor at the 2025 AGM. The fee for 2025 refers to EY and the fee for 2024 to PricewaterhouseCoopers AB (PwC) as the Group's elected auditor.
2. Of which SEK 1 M refers to remuneration of EY in 2025 and (3) refers to remuneration of PwC in 2024.

Ernst & Young AB (EY) 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. Auditing activities other than auditing assignments refer to the review of the sustainability report. Tax consultancy services primarily pertain to general tax matters concerning corporate tax. Other services pertain to consultancy related to matters regarding CSR and IT.

SEK M	2025	2024
Fees to other auditors		
Fee and expense reimbursement:		
Auditing assignments	-2	-2
Tax consultancy services	—	—
Other services	—	—
Total	-2	-2

8 Exchange-rate gains and losses, net

Exchange-rate differences were recognized in profit or loss according to the following:

SEK M	2025	2024
Other operating income and expenses	-44	8
Financial items	10	17
Total	-34	25

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 related to financial assets and liabilities 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	2025	2024
Interest income	30	30
Currency gains	10	17
Total	40	47

Financial expenses

SEK M	2025	2024
Interest expenses, financial liabilities	-164	-207
Interest expenses, leases	-46	-44
Revaluation of financial assets	-35	—
Other	-4	-4
Total	-249	-256

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.

10 TAXES, CONT.

Significant estimates and assumptions

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	2025	2024
Current tax expense	-123	-198
Deferred tax	-9	11
Total	-132	-187

Relationship between tax expenses for the year and recognized profit after financial items, SEK M

Recognized profit after financial items	467	684
Tax according to current tax rate in Sweden 20.6% (20.6)	-96	-141
Adjustment for tax rates in foreign subsidiaries	-16	-22
Adjustment of tax expenses from earlier years	22	9
Tax effect of non-deductible costs	-16	-21
Tax effect of non-taxable income	2	15
Changed value of temporary differences	-11	-5
Other	-17	-22
Recognized tax expense	-132	-187

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	2025	2024
Deferred tax: actuarial gains/losses pertaining to defined-benefit pension plans	20	-8
Deferred tax: hedges of net investments and expanded net investments	48	-28

SEK M	2025	2024
Deferred tax assets relate to the following temporary differences and loss carryforwards		
Non-current assets	168	208
Financial receivables and derivatives	—	1
Current assets	79	101
Lease liabilities	307	306
Provisions	33	35
Loss carryforwards	263	196
Other	85	134
Offset	-579	-593
Deferred tax assets	357	387

Deferred tax liabilities relate to the following temporary differences		
Non-current assets	-369	-423
Right-of-use assets	-295	-292
Financial receivables and derivatives	-1	—
Current assets	0	0
Provisions	-54	-80
Other	-3	-10
Offset	579	593
Deferred tax liabilities	-144	-212

Maturity structure for loss carryforwards

Due within 5 years	7	37
Due in more than 5 years	4	5
No due date	1,041	671
Total	1,052	713

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 1.23 (1.83). The calculation of earnings per share relating to Parent Company shareholders is based on the following information:

SEK M	2025	2024
Earnings (numerator)		
Earnings relating to the Parent Company shareholders, which form the basis for calculation of earnings per share	334	498
Number of shares (denominator)		
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.

Intangible assets other than goodwill: Intangible assets are recognized at cost with deductions for accumulated amortization and any impairment (for impairment, see the policy under tangible assets). Amortization is applied proportionally over the asset's anticipated useful life, which usually varies between three and fifteen years. The category of Other intangible assets consists of patents, technical know-how, contracts, software and licenses, work in progress and other items. The separate items in the category are not material individually. 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.

12 INTANGIBLE ASSETS, CONT.

Significant estimates and assumptions

Goodwill, intangible assets with an indefinite useful life and development projects in progress: Arjo tests goodwill, other intangible assets with an indefinite useful life and development projects in progress 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).

SEK M	Goodwill	Brands	Capitalized development costs	Customer relationships	Other intangible assets	Total
INTANGIBLE ASSETS						
Cost, Jan 1, 2025	6,162	742	1,547	1,051	2,589	12,091
Investments	—	—	163	—	126	289
Acquisitions	18	3	—	5	—	26
Sales/disposals	—	—	-13	—	-5	-18
Reclassifications	—	—	0	—	1	1
Translation differences	-485	-9	-34	-128	-85	-740
Accumulated cost, Dec 31, 2025	5,696	736	1,664	929	2,625	11,650
Amortization and impairment, Jan 1, 2025	-267	-626	-746	-901	-1,901	-4,441
Amortization for the year	—	-31	-55	-38	-137	-261
Impairment	—	—	—	—	-35	-35
Sales/disposals	—	—	13	—	5	18
Reclassifications	—	—	0	—	0	0
Translation differences	81	2	23	109	68	284
Accumulated amortization and impairment, Dec 31, 2025	-186	-655	-764	-829	-2,000	-4,434
Closing carrying amount, Dec 31, 2025	5,509	81	900	100	625	7,215

SEK M	Goodwill	Brands	Capitalized development costs	Customer relationships	Other intangible assets	Total
INTANGIBLE ASSETS						
Cost, Jan 1, 2024	5,849	740	1,360	973	2,515	11,436
Investments	—	—	169	—	116	285
Acquisitions	48	—	—	8	1	57
Sales/disposals	—	—	—	—	-86	-86
Translation differences	265	3	18	71	43	398
Accumulated cost, Dec 31, 2024	6,162	742	1,547	1,051	2,589	12,091
Amortization and impairment, Jan 1, 2024	-211	-593	-694	-803	-1,792	-4,093
Amortization for the year	—	-31	-38	-39	-135	-244
Sales/disposals	—	—	—	—	58	58
Translation differences	-56	-2	-13	-59	-31	-161
Accumulated amortization and impairment, Dec 31, 2024	-267	-626	-746	-901	-1,901	-4,441
Closing carrying amount, Dec 31, 2024	5,895	116	802	151	687	7,651

12 INTANGIBLE ASSETS, CONT.

Impairment testing

SEK M	2025	2024
Goodwill and intangible assets with an indefinite useful life		
Global Sales	2,520	2,308
North America	2,723	3,027
Diagnostics	311	611
Group, total	5,554	5,946

Arjo tests goodwill and intangible assets with an indefinite useful life for impairment for each segment, Global Sales, North America and Diagnostics (previously named Other), 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 Diagnostics segment has a higher return requirement due to its smaller size. The reasonableness of the cost of capital used was verified by comparing with external assessments. A discount rate of 10.5 percent (10.5) before tax was applied to Global Sales and North America when calculating the value in use. The rate of 11.4 percent (11.4) was used for Diagnostics. 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 cash flow for years four and five is based on sales growth at the average value of the financial targets. 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 percentage point.
- The discount rate before tax increases by 1 percentage point to 11.5 percent (11.5) for Global Sales and North America, and by 12.4 percent (12.4) for Diagnostics.

Intangible assets

There are a limited number of intangible assets, in the form of trademarks with a carrying amount of SEK 45 M (51), 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

Class of assets, cont.

Class of assets, cont.	Depreciation, number of years
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 that impairment is required. 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 ¹⁾	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment ²⁾	Construction in progress	Total
TANGIBLE ASSETS						
Cost, Jan 1, 2025	492	361	1,232	4,008	88	6,181
Investments	3	33	64	281	38	419
Acquisitions	—	—	0	—	—	0
Sales/disposals	-11	-13	-35	-303	—	-361
Reclassifications	12	19	37	—	-68	-1
Translation differences	-65	-39	-124	-485	-9	-722
Accumulated cost, Dec 31, 2025	431	362	1,174	3,502	48	5,517
Depreciation and impairment, Jan 1, 2025	-282	-275	-980	-2,950	—	-4,486
Depreciation for the year	-18	-23	-72	-277	—	-390
Impairment	-6	—	-2	—	—	-9
Acquisitions	—	—	0	—	—	0
Sales/disposals	11	12	31	283	—	338
Reclassifications	0	—	0	—	—	0
Translation differences	37	30	100	349	—	516
Accumulated depreciation and impairment, Dec 31, 2025	-258	-257	-922	-2,595	—	-4,031
Closing carrying amount, Dec 31, 2025	173	105	252	907	48	1,486

1. Of which, land amounted to SEK 10 M in 2025.

2. These assets primarily comprise beds and mattresses.

13 TANGIBLE ASSETS, CONT.

SEK M	Buildings and land ¹⁾	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment ²⁾	Construction in progress	Total
TANGIBLE ASSETS						
Cost, Jan 1, 2024	459	330	1,146	3,968	68	5,971
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
Accumulated cost, Dec 31, 2024	492	361	1,232	4,008	88	6,181
Depreciation and impairment, Jan 1, 2024						
Depreciation for the year	-20	-18	-71	-286	—	-395
Impairment	-6	—	0	—	—	-6
Acquisitions/Divestments	—	—	-3	0	—	-3
Sales/disposals	5	4	80	410	—	499
Translation differences	-17	-14	-51	-196	—	-279
Accumulated depreciation and impairment, Dec 31, 2024	-282	-275	-980	-2,950	—	-4,486
Closing carrying amount, Dec 31, 2024	210	86	252	1,058	88	1,695

1. Of which, land amounted to SEK 12 M in 2024.

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.

Assessments when applying accounting policies

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	2025	2024
Right-of-use assets		
Buildings and land	754	767
Cars and other vehicles	447	428
Other	14	19
Total	1,214	1,215
Lease liabilities		
Current	408	428
Non-current	858	851
Total	1,266	1,279

Additional right-of-use assets in 2025 amounted to SEK 445 M (401). The cash outflow amounted to SEK 449 M (431). 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	2025	2024
Depreciation and write-downs of right-of-use assets		
Buildings and land	-224	-229
Cars and other vehicles	-208	-202
Other	-8	-8
Total	-441	-439
Interest expenses attributable to leases	-46	-44
Expenses attributable to short-term leases (included in cost of goods sold, selling expenses, administrative expenses, research and development costs)	-13	-12
Expenses attributable to low-value leases that are not short-term leases (included in cost of goods sold, selling expenses and administrative expenses)	-2	-6

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 sub-leases described below, which are considered to be finance leases, 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. Assets attributable to 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 contracted lease payments that are to be received annually from customers

SEK M	2025	2024
Due within 1 year	474	495
Due within 1 to 2 years	288	323
Due within 2 to 3 years	261	316
Due within 3 to 4 years	218	245
Due within 4 to 5 years	197	239
Due in more than 5 years	209	245
Total	1,647	1,862

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 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	2025	2024
Current	23	25
Non-current	54	73
Total	76	98

New contracts were signed in 2025 with a gain of SEK 3 M (25).

Maturity analysis for lease payments with lease payments that are to be received annually from customers

2025, SEK M	Undiscounted payments	Interest effect	Discounted payments
Due within 1 year	24	-2	23
Due within 1 to 2 years	22	-1	20
Due within 2 to 3 years	20	-1	19
Due within 3 to 4 years	13	-1	12
Due within 4 to 5 years	2	0	2
Total	81	-5	76

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
Total	108	-9	98

Interest income amounted to SEK 2 M (2).

15 Assets held for sale

Accounting policies

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.

Assessments when applying accounting policies

The holdings in Bruin Biometrics LLC (BBI) have been classified as assets held for sale since the fourth quarter of 2024 because a sales process is under way. Due to circumstances not known last year, the sale process has taken longer, but since this is an active sale process, the classification remains as assets held for sale.

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. Under a shareholder agreement with BBI, Arjo has a permanent BBI Board seat and veto rights for a number of important operational and legal business matters. Arjo's distribution agreement with BBI was terminated in the fourth quarter of 2024 and accordingly related assets in the form of inventory, rental assets and distribution rights were divested. The compensation amounted to SEK 15 M and resulted in a capital loss of SEK -54 M.

Until the third quarter of 2024, the holding was classified as an associated company, recognized according to the equity method, as Arjo assessed that it holds a significant influence based on the shareholder agreement. In the fourth quarter of 2024, the holding was reclassified as assets held for sale since the aim is to divest the shares and a sales process is under way.

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	2025	2024
Opening cost	143	139
Share of profit for the year, recognized under equity method	-	-9
Other comprehensive income	-24	14
Carrying amount at year-end	119	143

There were no receivables or liabilities to BBI at the end of the year. Accumulated translation difference amounted to SEK 0 M.

16 Inventories

Accounting policies

Inventories are valued at the lower of cost on a first-in, first-out (FIFO) basis and the net realizable value. 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 assumptions

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	2025	2024
Raw materials	560	646
Work in progress	72	64
Finished products	545	679
Total	1,177	1,388

Of the Group's inventories, SEK 1,177 M (1,388) is measured at cost and SEK 0 M (0) at net realizable value. At December 31, 2025, the Group's provisions for obsolescence totaled SEK 111 M (127).

17 Accounts receivable

Accounting policies

For accounting policies, see Note 28 Financial instruments.

SEK M	2025	2024
Accounts receivable before provisions	1,679	1,869
Provisions for doubtful receivables	-62	-71
Total	1,617	1,798

Accounts receivable net, after provisions for expected credit losses, 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.

17 ACCOUNTS RECEIVABLE, CONT.

A maturity analysis of accounts receivable is presented below:

SEK M	2025	2024
Not fallen due	1,149	1,273
Fallen due 1-5 days	123	116
Fallen due 6-30 days	139	165
Fallen due 31-60 days	92	146
Fallen due 61-90 days	63	49
Fallen due, more than 90 days	113	120
Total	1,679	1,869

At December 31, 2025, the Group's provisions for expected credit losses totaled SEK -62 M (-71). A maturity analysis of these accounts receivable is presented below:

SEK M	2025	2024
Not fallen due	-6	-7
Fallen due 1-5 days	0	0
Fallen due 6-30 days	-3	-3
Fallen due 31-60 days	-1	-1
Fallen due 61-90 days	-1	-5
Fallen due, more than 90 days	-50	-56
Total	-62	-71

Recognized amounts, by currency, for the Group's accounts receivable are as follows:

SEK M	2025	2024
EUR	520	522
USD	503	572
GBP	196	242
CAD	189	249
SEK	8	8
Other currencies	261	277
Total	1,679	1,869

Changes in provisions for expected credit losses are as follows:

SEK M	2025	2024
At beginning of the year	-71	-64
Provision for expected losses	-18	-13
Confirmed losses	8	-1
Payment made for reserved receivable	12	10
Translation differences	8	-3
Amount at year-end	-62	-71

18 Prepaid expenses and accrued income

SEK M	2025	2024
Accrued income	63	125
IT expenses	73	67
Insurance expenses	25	34
Bank charges	15	17
Leasing expenses	14	15
Other	82	83
Total	272	343

19 Shareholders' equity

Specification of other reserves

SEK M	Hedge reserve		Translation reserve		Hedges of net investments		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Opening balance	-2	—	1,993	1,450	-184	-135	1,807	1,315
Change for the year	8	-2	—	—	101	-62	109	-64
Tax attributable to items that can be restated in profit	-2	1	70	-42	-21	13	48	-28
Translation difference for the year	—	—	-1,131	585	—	—	-1,131	585
Closing balance	5	-2	932	1,993	-104	-184	832	1,807

Class of shares	A	B	Total
Quotient value per share	0.33	0.33	
December 31, 2024	18,217,200	254,152,373	272,369,573
December 31, 2025	18,217,200	254,152,373	272,369,573
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, 2025, distributed over 272,369,573 shares with a quotient value of SEK 0.33 per share for both classes of shares. All shares are fully paid up.

A dividend of SEK 258,751,094 (SEK 0.95 per share) was paid in 2025. The proposed dividend for 2026 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 5,319 M (4,827) on December 31, 2025 of which, SEK 842 M (1,944) comprised back-up for the commercial paper program. There are also granted, unutilized overdraft facilities of SEK 197 M (204).

SEK M	Jan 1, 2025	Cash flows	Non-cash items		Dec 31, 2025
			Other non-cash items	Exchange rate differences	
Non-current and current financial liabilities	4,139	49	3	-104	4,087
Non-current and current lease liabilities	1,279	-449	574	-137	1,266
Provisions for pensions, interest-bearing	36	1	-1	-2	34
Total interest-bearing liabilities	5,453	-399	575	-242	5,387
Non-current and current financial assets	-141	60	-10	10	-82
Pension assets	-229	-9	-2	25	-214
Cash and cash equivalents	-892	0	—	56	-836
Total interest-bearing assets	-1,262	52	-12	91	-1,132
Net interest-bearing liabilities	4,191	-347	563	-152	4,255

SEK M	Jan 1, 2024	Cash flows	Non-cash items		Dec 31, 2024
			Other non-cash items	Exchange rate differences	
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
Total interest-bearing liabilities	5,517	-765	557	144	5,453
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
Total interest-bearing assets	-1,197	36	-84	-17	-1,262
Net interest-bearing liabilities	4,320	-729	473	128	4,191

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
Value according to opening balance 2025	16	28	16	76	136
Provisions	14	12	4	38	68
Used amount	-9	-13	-4	-19	-46
Unutilized funds restored	0	-1	0	-5	-6
Translation differences	-1	-3	-1	-6	-11
Value according to closing balance 2025	19	23	15	84	142
Of which, current provisions	19	21	8	9	56
Of which, non-current provisions	—	3	7	76	85
Value according to opening balance 2024	17	30	16	63	126
Provisions	14	19	2	29	64
Used amount	-15	-21	-3	-18	-57
Unutilized funds restored	0	-1	0	-1	-2
Translation differences	1	1	0	3	6
Value according to closing balance 2024	16	28	16	76	136
Of which, current provisions	16	23	9	13	61
Of which, non-current provisions	—	5	7	64	76

Expected timing of outflow:

SEK M	2025	2024
Within 1 year	56	61
Within 3 years	34	12
Within 5 years	10	29
> 5 years	40	34
Total	142	136

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 assumptions

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:

	2025, SEK M			2024, SEK M		
	Funded pension plans	Unfunded pension plans	Total	Funded pension plans	Unfunded pension plans	Total
Present value of commitments	-1,377	-34	-1,411	-1,587	-36	-1,623
Fair value of plan assets	1,592	—	1,592	1,816	—	1,816
Net asset/liability in the balance sheet	214	-34	181	229	-36	193

SEK M	2025	2024
Pension commitments		
Opening balance	-1,623	-1,658
Costs for service in the current year	-3	-3
Interest expenses	-78	-75
Paid benefits	84	79
Exchange-rate differences	165	-132
Gain/(loss) attributable to changed demographic assumptions	6	1
Gain/(loss) attributable to changed financial assumptions	48	170
Experience-based gains/(losses)	-11	-5
Closing balance	-1,411	-1,623

SEK M	2025	2024
Plan assets		
Opening balance	1,816	1,810
Interest income	87	79
Fees paid by employer	—	1
Paid benefits	-81	-77
Exchange-rate differences	-188	147
Return on plan assets	-41	-150
Change in restriction in plan surpluses with regard to asset ceilings	—	5
Closing balance	1,592	1,816

The defined-benefit pension commitment and composition of plan assets

2025, SEK M	Present value of commitments	Fair value of plan assets	Net provision/net receivable pensions
Sweden	-48	48 ¹⁾	0
Germany	-7	—	-7
UK	-1,330	1,544	214
Italy	-27	—	-27
Total	-1,411	1,592	181

1. Of which restriction of surplus in the plan due to an asset ceiling of SEK -23 M.

2024, SEK M	Present value of commitments	Fair value of plan assets	Net provision/net receivable pensions
Sweden	-46	46 ¹⁾	0
Germany	-8	—	-8
UK	-1,540	1,769	229
Italy	-28	—	-28
Total	-1,623	1,816	193

1. Of which restriction of surplus in the plan due to an asset ceiling of SEK -22 M.

UK	2025	2024
Significant actuarial assumptions, %		
Discount rate	5.5	5.4
Expected salary increase rate ¹⁾	—	—
Expected inflation	2.4	2.7

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

2025, SEK M	Expected value of pension commitments	Change compared with used calculation assumptions
Pension commitments according to original valuation	-1,330	
Discount rate +1 percentage point	-1,181	149
Inflation +1 percentage point	-1,429	-99

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	2025	2024
Securities	1,568	1,789
Properties	7	6
Cash and cash equivalents and similar assets	9	12
Other	8	8
Total	1,592	1,816

The weighted average term of the pension commitments is 11 years (12).

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 2025 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 6 M (4). Alecta's surplus can be distributed to the insurers and/or the insured. At year-end 2025, Alecta's surplus in the form of the collective consolidation level was approximately 167 percent (162). 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	2025	2024
Salaries	416	438
Social security expenses	117	145
Commission and bonuses to customers	61	87
Freight costs	39	30
Consultancy fees	33	33
IT expenses	23	12
Deferred income	135	124
Other	216	281
Total	1,041	1,152

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	2025	2024
Guarantees/bank guarantees	20	23
Total	20	23

Pledged assets

The Group has no pledged assets.

25 Acquired operations

Assessments when applying accounting policies
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).

Acquisitions for the period

During the third quarter of 2025, Arjo acquired parts of the business of the Australian company Arden Maintenance Services Pty Ltd, which provides service of medical devices. The purchase price amounted to approximately SEK 5 M. The acquisition was made as an asset deal and is integrated into Arjo's existing operations in Australia. The acquired business has annual sales of approximately SEK 3 M, of which SEK 1 M was included in the Group's sales.

During the fourth quarter of 2025, all shares were acquired in the three Dutch companies SlingCare B.V., SlingCare Products B.V., and Josh IP I B.V., which specialize in patient handling solutions. The purchase price amounts to approximately SEK 19 M. Annual sales amount to approximately SEK 6 M, of which SEK 1 M was included in the Group's sales.

The goodwill arising from the acquisitions primarily relates to synergies expected after the acquisitions are completed.

Acquisitions in 2024 included GerroMed Pflege- und Medizintechnik GmbH, which operates a rental business, and Tech Med SAS, a distributor of diagnostic solutions. For the acquisition of Tech Med SAS, the purchase price was adjusted and an additional SEK 2 M was paid. Furthermore, an adjustment of SEK 1 M was made to the acquisition analysis. These adjustments impacted goodwill for the year in the amount of SEK 3 M.

Since the acquisitions in 2025 and 2024 are not considered material in relation to Arjo, no additional disclosures are provided and they are presented jointly per year in the table below.

Net assets acquired, SEK M	2025	2024
Net assets		
Intangible assets	8	9
Tangible assets	0	3
Inventories	3	8
Accounts receivables and other receivables	2	16
Accounts payable and other liabilities	-3	-12
Deferred tax liabilities	-2	-2
Cash and cash equivalents	1	10
Total net assets	9	32
Goodwill	18	48
Total net assets	28	80
Cash-flow effect		
Acquisition price	28	80
Unpaid purchase considerations	-	-15
Cash and cash equivalents in the acquired company	-1	-10
Total cash-flow effect	27	55

26 Transactions with related parties

Controlling parties

Arjo AB (publ) is a subsidiary of Carl Bennet AB, which is the Parent Company and has a controlling influence over the Group. The ultimate controlling party is Carl Bennet.

Group composition

Information about the composition of the Group and shareholdings in subsidiaries is presented in the Parent Company's Note 13 Participations in Group companies.

Transactions with related parties

In addition to normal dividends to Carl Bennet AB, Arjo had transactions with companies in Getinge Group, in which Carl Bennet AB also has a controlling influence. Arjo uses Getinge as a distributor in certain markets. Business terms and conditions as well as market-regulated pricing apply for delivery of products and services between the Groups. Transactions with Getinge Group are specified in the table below. Apart from this, no other material related party transactions have taken place.

Senior executives and Board of Directors

For remuneration and benefits to senior executives and on the Board of Directors, see Note 3.

SEK M	2025	2024
Sales	23	22
Purchases of goods	-10	-9
Accounts receivable	2	3
Accounts payable	1	1

27 Financial risk management

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. The purpose of the finance policy is to enable growth, to protect shareholders' capital including share capital and equity reserves and retained earnings, and to maximize the Group's return within the applicable limits. The measure of net debt in relation to EBITDA excluding restructuring costs and acquisition-related costs is used as a measure of control for the capital structure. Arjo's financial activities are centralized to benefit from economies of scale, to ensure good internal control and to facilitate monitoring of risk.

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. Identified material risks are described below.

27 FINANCIAL RISK MANAGEMENT, CONT.

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).

Other currency risks – 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.

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).

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. The loans are included in non-current and current financial liabilities in the balance sheet.

Net investments in foreign operations	2025	2024
Amount recognized, loans	1,027	1,656
Amounts recognized in MEUR	95	144
Hedge ratio	1:1	1:1
Change in the carrying amount of the loan due to changes in exchange rates since January 1	-101	62
Change in value of the hedged item to determine effectiveness	-101	62

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 following table outlines the effect on net profit for the year and equity, translated to SEK, of currency fluctuations of ±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 ± 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 2025

Currency	Fair value	Nominal amount	Balance	Effect on net profit for the year & shareholders' equity, +/-10% (SEK M)
AUD	—	—	40	3
CAD	0	-46	9	-3
CNY	—	—	-42	-3
EUR	0	295	-640	-27
GBP	1	679	-617	5
PLN	-2	344	-401	-5
USD	2	-29	-155	-15
Other	0	-45	-12	-5
Total, SEK M	1	1,197	-1,817	-49
Of which, current assets	4			
Of which, current liabilities	-3			

Sensitivity analysis, transaction exposure 2024

Currency	Fair value	Nominal amount	Balance ¹⁾	Effect on net profit for the year & shareholders' equity, +/-10% (SEK M) ¹⁾
AUD	0	-8	52	3
CAD	0	-1	12	1
CNY	0	5	-28	-2
EUR	3	1,165	-1,148	1
GBP	4	661	-591	6
PLN	2	387	-463	-6
USD	0	116	22	11
Other	-2	28	-8	2
Total, SEK M	6	2,353	-2,153	16
Of which, current assets	17			
Of which, current liabilities	-11			

1. Due to a miscalculation, the comparative figures were corrected compared with the 2024 Annual Report, which impacted the total amounts by SEK +230 M and SEK +18 M. For more detailed information, refer to the 2024 Annual Report.

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 com-

mitted 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). The outcome is reported to lenders every quarter. 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 2025, SEK 842 M (1,944) had been issued. The carrying amount was SEK 838 M (1,936). 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.

Arjo has an MTN program with a framework amount of SEK 5,000 M, which enables borrowing on the capital markets with a range of tenures. Arjo issued three bonds under the program during the year:

- SEK 1,000 M with a maturity date of June 5, 2030
- SEK 750 M with a maturity date of November 12, 2029
- SEK 250 M with a maturity date of November 12, 2027

The MTN program complements the Group's financing structure, thus ensuring a well-diversified loan portfolio that reduces refinancing risk. The bonds are denominated in SEK and are subject to customary terms and commitments. The MTN program is part of Arjo's strategy to diversify sources of funding and to ensure a balanced maturity structure consistent with the Group's finance policy.

The table below presents Arjo's credit facilities and loans as per December 31, 2025 and 2024.

Credit facilities 2025

Type	Currency	Amount, MLC	Utilized	Due
Revolving credit facility, 5+1+1 years	EUR	300	54	2028
Revolving credit facility, 3+1+1 years	EUR	300	54	2026
Commercial paper	EUR	182	15	2026
Commercial paper	SEK	2,900	680	2026

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

27 FINANCIAL RISK MANAGEMENT, CONT.

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, 2025, SEK M	Less than 6 months	7-12 months	1-2 years	2-5 years	> 5 years	Total
Bank loans	—	-582	—	-582	—	-1,164
Commercial paper	-842	—	—	—	—	-842
MTN	-7	—	-250	-1,750	—	-2,007
Leases	-208	-208	-307	-450	-177	-1,350
Other financial liabilities	-13	-13	-22	-34	—	-82
Derivative instruments, outflows	-139	-45	-5	—	—	-189
Derivative instruments, inflows	1,380	6	—	—	—	1,387
Interest-rate derivatives	—	—	-2	-28	—	-30
Accounts payable	-508	—	—	—	—	-508
Total	-337	-842	-586	-2,844	-177	-4,786

At December 31, 2024, SEK M	Less than 6 months	7-12 months	1-2 years	2-5 years	> 5 years	Total
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	—	—	—	15 ¹⁾	—	15 ¹⁾
Accounts payable	-607	—	—	—	—	-607
Total	-396	-276	-1,404	-1,538¹⁾	-127	-3,739¹⁾

1. Due to a miscalculation, the comparative figure was corrected compared with the 2024 Annual Report.

INTEREST-RATE RISK

Arjo is exposed to interest-rate risk, defined as the risk of changing 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 choose between using the commercial paper program or making use of the Group's financial agreements, depending on which alternative is the most advantageous.

Bonds issued under the MTN program carry a floating interest rate (3M STIBOR) and are thus exposed to interest-rate risk.

In 2025, Arjo signed interest-rate swaps corresponding to 73 percent of the credit facilities outstanding as per December 31, 2025 and the fair value amounted to SEK 2,300 M (1,223). 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 57 percent (30) 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, 2025, 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 ±40 M (28) on an annual basis, which would impact net profit and equity in the amount of SEK ±29 M (20).

A ±1 percentage point change in interest rates would mean a change in the recognized market value of interest-rate derivatives of SEK ±77 M (34) 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, 2025, the total counterparty exposure in derivative instruments was SEK 7 M (4). 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

28 FINANCIAL INSTRUMENTS, CONT.

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. 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 where the aim 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 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 under level 2 of the fair value hierarchy.

Last year, the Group carried out acquisitions with additional purchase considerations, which were paid during the year. The change in liability is presented in the table at the bottom of the next page.

The Group has holdings in unlisted companies in Level 3 of the fair value hierarchy. The carrying amount amounted to SEK 63 M (98). No investments were made during the year. The holdings were revalued in the amount of SEK -35 M, which was charged to earnings as a financial expense. 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 9 percent before tax was used and the growth rate was assumed to be 2-9 percent in 2-5 years and 3 percent thereafter. The table below presents the Group's financial instruments by category.

28 FINANCIAL INSTRUMENTS, CONT.

Financial instruments by category

	2025				2024			
	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
Financial assets, SEK M								
Currency derivatives	—	4	—	4	—	17	—	17
Interest-rate derivatives	—	—	6	6	—	—	—	—
Non-current financial receivables and other financial assets	45	63	—	108	42	132	—	174
Lease receivables	76	—	—	76	98	—	—	98
Accounts receivable	1,617	—	—	1,617	1,798	—	—	1,798
Current financial receivables and other current receivables	17	—	—	17	22	—	—	22
Cash and cash equivalents	836	—	—	836	892	—	—	892
Total	2,591	67	6	2,665	2,853	149	—	3,002

Financial instruments by category

	2025				2024			
	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
Financial liabilities, SEK M								
Financial liabilities	4,087	—	—	4,087	4,124	—	—	4,124
Financial liabilities, additional purchase consideration	—	—	—	—	—	15	—	15
Lease liabilities	1,266	—	—	1,266	1,279	—	—	1,279
Currency derivatives	—	3	—	3	—	11	—	11
Interest-rate derivatives	—	—	—	—	—	—	2	2
Accounts payable	508	—	—	508	607	—	—	607
Total	5,862	3	—	5,864	6,010	26	2	6,038

Liability for additional purchase consideration

SEK M	2025	2024
Opening balance	15	—
Additional	—	15
Paid	-15	—
Translation effects	0	0
Closing balance	—	15

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	2025	2024
Cash and bank balances	836	892
Total	836	892

Adjustments for items not included in cash flow

SEK M	2025	2024
Change in reserves ¹⁾	-4	2
Income from participations in associated companies	—	9
Exchange-rate differences	-9	-20
Gain from divestment/disposal of non-current assets	-2	-32
Total	-15	-41

1. Primarily refers to provisions, inventories and customer reserves.

30 Events after the end of the fiscal year

There were no significant events after the end of the fiscal year.



Parent Company financial statements

Parent Company income statement

SEK M	Note	2025	2024
Net sales		320	329
Administrative expenses	2, 3, 4	-393	-431
Exceptional items	5	-33	-3
Other operating income and expenses	6	-1	1
Operating loss		-107	-104
Income from participations in Group companies	7	471	1,029
Interest income and other similar profit items	8	80	109
Interest expenses and other similar loss items	9	-156	-198
Profit after financial items		288	835
Tax on profit for the year	10	-4	-6
Net profit for the year¹⁾		284	830

1. Also comprehensive income for the year.

Parent Company balance sheet

SEK M	Note	2025	2024
ASSETS			
Non-current assets			
Intangible assets	11	384	339
Tangible assets	12	—	—
Financial assets			
Participations in Group companies	13	5,932	5,932
Non-current financial receivables		—	33
Non-current financial receivables, Group companies		2,000	—
Other financial assets		45	59
Deferred tax assets	10	17	17
Total non-current assets		8,377	6,380
Current assets			
Other receivables, Group companies		306	284
Other receivables		8	7
Prepaid expenses and accrued income	14	36	29
Cash and bank balances		0	0
Total current assets		350	320
TOTAL ASSETS		8,727	6,700

SEK M	Note	2025	2024
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital		91	91
Non-restricted shareholders' equity			
Retained earnings		4,208	3,637
Net profit for the year		284	830
Total shareholders' equity		4,583	4,558
Non-current liabilities			
Non-current financial liabilities	15	2,000	—
Other provisions		3	2
Total non-current liabilities		2,003	2
Current liabilities			
Other provisions			
Other provisions		4	—
Current financial liabilities	15	845	1,936
Current financial liabilities, Group companies			
Accounts payable		13	10
Other liabilities to Group companies		14	3
Other liabilities		2	2
Accrued expenses and deferred income	16	19	29
Total current liabilities		2,141	2,141
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		8,727	6,700



Changes in shareholders' equity, Parent Company

SEK M	Share capital	Retained earnings and net profit for the year	Total shareholders' equity
Opening balance at January 1, 2024	91	3,883	3,973
Net profit for the year	—	830	830
Dividend to shareholders	—	-245	-245
Closing balance at December 31, 2024	91	4,467	4,558
Opening balance at January 1, 2025	91	4,467	4,558
Net profit for the year	—	284	284
Dividend to shareholders	—	-259	-259
Closing balance at December 31, 2025	91	4,492	4,583

Parent Company cash-flow statement

SEK M	Note	2025	2024
Operating activities			
Operating loss		-107	-104
Add-back of amortization, depreciation and write-down		53	51
Other non-cash items		-18	23
Dividend received		367	943
Interest received and similar items		80	109
Interest paid and similar items		-149	-195
Taxes paid		-4	-10
Cash flow before changes to working capital		221	817
Cash flow from changes in working capital			
Current receivables		-10	-25
Current liabilities		3	-38
Cash flow from operations		213	754
Investing activities			
Acquisition of intangible and tangible assets	11, 12	-97	-54
Cash flow from investing activities		-97	-54
Financing activities			
Raising of loans		7,372	6,529
Repayment of loans		-6,432	-6,524
Change in financial liabilities, Group companies		-924	-457
Change in interest-bearing receivables		33	-3
Group contributions received		93	—
Dividend		-259	-245
Cash flow from financing activities		-116	-700
Cash flow for the year		0	0
Cash and cash equivalents at the beginning of the year		—	—
Cash and cash equivalents at year-end		0	0

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 Sustainability and 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	2025	2024
Intangible assets	-53	-50
Tangible assets	—	-1
Total	-53	-51
Amortization, depreciation and write-downs by cost category		
Administrative expenses	-53	-51
Total	-53	-51

3 Fees to auditors

SEK M	2025 ¹⁾	2024 ²⁾
Fee and expense reimbursement		
Auditing assignment	-3	-3
Auditing activities other than auditing assignment	-1	—
Tax consultancy services	—	0
Other services ³⁾	-1	-3
Total	-5	-6

1. Pertains to remuneration to Ernst & Young AB.

2. Pertains to remuneration to Öhrlings PricewaterhouseCoopers AB.

3. Other services pertain to consultancy related to matters regarding CSRD and IT.

4 Personnel

Average number of employees

Sweden	2025	2024
Men	5	5
Women	4	4
Total	9	9

Gender distribution

%	2025	2024
Women:		
Board members	37	37
Other members of senior management	50	43
Men:		
Board members	63	63
Other members of senior management	50	57

Salaries, other remuneration and social security expenses

2025, SEK 000s	Board and CEO	Other senior executives	Total
Salaries and remuneration	23,345	23,002	46,347
Social security expenses	7,793	8,297	16,090
Pension expenses	4,275	4,408	8,683

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

5 Exceptional items

SEK M	2025	2024
Acquisition expenses	0	-3
Restructuring costs	-33	—
Total	-33	-3

Restructuring costs mainly refer to changes in the Management Team.

6 Other operating income and expenses

SEK M	2025	2024
Other income	0	0
Currency gains/currency losses	-1	1
Total	-1	1

7 Income from participations in Group companies

SEK M	2025	2024
Dividend	367	943
Impairment	-8	-8
Group contributions	112	93
Total	471	1,029

8 Interest income and other similar profit items

SEK M	2025	2024
Currency gains	—	3
Interest income	1	3
Interest income from Group companies	79	103
Total	80	109

9 Interest expenses and other similar loss items

SEK M	2025	2024
Interest expenses	-69	-93
Interest expenses Group companies	-68	-105
Currency losses	-5	—
Revaluation of financial assets	-14	—
Total	-156	-198

10 Taxes

SEK M	2025	2024
Current tax expense	-4	-7
Deferred tax	0	2
Total	-4	-6

Relationship between tax expenses for the year and recognized profit after financial items:

Recognized profit after financial items	288	835
Tax according to current tax rate 20.6% (20.6)	-59	-172
Tax effect of non-deductible costs	-17	-22
Tax effect of non-taxable income	76	195
Other	-3	-7
Recognized tax expense	-4	-6

Deferred tax assets in the balance sheet amounted to SEK 17 M (17) and were attributable to temporary differences.

11 Intangible assets

SEK M	2025	2024
Software		
Opening cost	882	828
Investments	97	54
Closing accumulated cost	979	882
Opening amortization	-543	-492
Amortization for the year	-53	-51
Closing accumulated amortization and impairment	-596	-543
Closing planned residual value	384	339

12 Tangible assets

SEK M	2025	2024
Equipment		
Opening cost	2	2
Sales/disposals	0	—
Closing accumulated cost	2	2
Opening depreciation	-2	-1
Depreciation for the year	—	-1
Sales/disposals	0	—
Closing accumulated depreciation and impairment	-2	-2
Closing planned residual value	—	—

13 Participations in Group companies

Parent Company's holdings	Reg. office/ Country	Corporate Registration Number	No. of participations 2025	No. of participations 2024	Percentage holding	Carrying amount, SEK M 2025
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, S.A.	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 SAS	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 B.V.	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
Total carrying amount						5,932

The table above includes all directly owned subsidiaries.

SEK M	2025	2024
Cost		
Opening cost	5,932	5,807
Shareholders' contributions	8	133
Impairment	-8	-8
Closing accumulated cost	5,932	5,932

13 PARTICIPATIONS IN GROUP COMPANIES, CONT.

THE GROUP COMPANIES DIRECTLY OR INDIRECTLY OWNED BY ARJO AB (PUBL) ARE SPECIFIED BELOW. ALL COMPANIES ARE WHOLLY OWNED BY THE GROUP.

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 Ltd¹⁾
Arjo Hospital Equipment Pty Ltd
Joyce Healthcare Group Pty Ltd

Belgium

Arjo Belgium N.V.

Brazil

Arjo Brasil Equipamentos Médicos Ltda.

Denmark

Arjo Danmark A/S

Dominican Republic

Arjo Dominican Republic, S.A.

France

Arjo France SAS
Tech Med SAS

United Arab Emirates

Arjo Middle East FZ-LLC

Hong Kong

Arjo Hong Kong Limited

India

ArjoHuntleigh Healthcare India Private
Limited

Ireland

Arjo (Ireland) Limited

Italy

Arjo Italia Spa¹⁾

Japan

Arjo Japan K.K.

Canada

ArjoHuntleigh Magog Inc.
Arjo Canada Inc.

China

Arjo (Suzhou) Medical Equipment Trading
Co., Ltd.
Arjo (Suzhou) Co., Ltd.

Mexico

Arjo México Equipos Médicos S.A. de C.V

Netherlands

Arjo Nederland B.V.
Huntleigh Holdings B.V.
SlingCare B.V.
SlingCare Products B.V.
Josh IP I B.V.

Norway

Arjo Norge AS

New Zealand

Arjo New Zealand Limited

Poland

ArjoHuntleigh Polska Sp. z o.o.

Switzerland

Arjo Switzerland AG

Singapore

Arjo South East Asia Pte. Ltd.

Spain

Arjo Iberia S.L.U.

UK

Huntleigh Technology Limited¹⁾
1st Call Mobility Limited¹⁾
ArjoHuntleigh International Limited¹⁾
Arjo UK Limited¹⁾
Huntleigh Diagnostics Limited
Huntleigh Healthcare Limited¹⁾
Huntleigh International Holdings Limited¹⁾
Huntleigh Luton Limited¹⁾
Huntleigh Properties Limited¹⁾
Huntleigh (SST) Limited
Pegasus Limited

South Africa

Arjo Africa Exports (Pty) Ltd¹⁾
ArjoHuntleigh South Africa (Pty) Ltd¹⁾
Huntleigh Africa (Pty) Ltd

South Korea

Arjo Korea Co., Ltd.

Taiwan

Arjo Taiwan Limited

Czech Republic

Arjo Czech Republic s.r.o.

Germany

Arjo Deutschland GmbH²⁾
Huntleigh Healthcare GmbH²⁾

USA

Arjo Holding USA, Inc.
Arjo, Inc.
Renu Medical, Inc.

Austria

Arjo Austria GmbH

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 2025 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.

14 Prepaid expenses and accrued income

SEK M	2025	2024
IT expenses	32	25
Other	4	4
Total	36	29

15 Financial liabilities

SEK M	2025	2024
Non-current financial liabilities	2,000	—
Current financial liabilities	845	1,936
Total	2,845	1,936

The Parent Company's commercial paper program has a framework amount of SEK 5,000 M (5,000). Issues totaling SEK 842 M (1,944) were implemented.

The Parent Company's MTN program has a framework amount of SEK 5,000 M (-). Bonds were issued for SEK 2,000 M and have a maturity of two to five years.

16 Accrued expenses and deferred income

SEK M	2025	2024
Salaries	8	16
Social security expenses	4	8
Consultancy fees	4	3
IT expenses	3	2
Total	19	29

17 Pledged assets and contingent liabilities

Pledged assets

The Parent Company had no pledged assets in 2025 or 2024.

Contingent liabilities

SEK M	2025	2024
Guarantees		
Guarantees for subsidiaries	2,233	3,202
Pension commitments for subsidiaries	1,330	1,540
Other	3	11
Total contingent liabilities	3,566	4,754

18 Proposed appropriation of profit

The following profits in the Parent Company are at the disposal of the Annual General Meeting:

SEK	
Retained earnings	4,208,330,765
Net profit for the year	284,100,997
Total	4,492,431,762
The Board and Chief Executive Officer propose that a dividend shall be distributed to shareholders in the amount of SEK 0.95 per share	258,751,094
To be carried forward	4,233,680,668
Total	4,492,431,762

Auditor's report

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) except for the sustainability report on pages 46-89 and the corporate governance statement on pages 24-38 and 42-44 for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 1-3, 6-13, 20-38, 42-122 and 138-139 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 the parent company as of 31st of December 2025 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 31st of December 2025 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 sustainability report on pages 46-89 and the corporate governance statement on pages 24-38 and 42-44. 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.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Valuation of intangible assets with an indefinite useful life

Description	How our audit addressed this key audit matter
<p>As of 31 December 2025, goodwill and intangible assets with indefinite useful lives are recognized at SEK 5,554 million (SEK 5,946 million) in the Group's statement of financial position, corresponding to 37% (37%) of the Group's total assets.</p> <p>As disclosed in Note 12, the carrying amounts of goodwill and intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication of impairment, to ensure that the recognized amounts do not exceed the calculated recoverable amount.</p> <p>The recoverable amount is determined for each cash-generating unit based on calculations of value in use, i.e. the discounted present value of future cash flows. Future cash flows are based on the Group Management's business plans and forecasts for the coming years. As further described in Note 12, these forecasts include assumptions relating, among other things, to growth rates and discount rates. The impairment tests performed for 2025 did not result in any impairment losses.</p> <p>Due to the estimates and assumptions applied in the impairment testing process, as well as the magnitude of the carrying amounts recognized, we have identified the valuation of goodwill and intangible assets with indefinite useful lives in the Group as a key audit matter in the audit.</p>	<p>Our audit procedures have included, among other things, the following audit actions:</p> <ul style="list-style-type: none"> Evaluation of the Group's process for preparing and performing impairment tests Assessment of the reasonableness of judgments and assumptions underlying future cash flows by evaluating the reliability of the Group's cash flow forecasts based on our understanding of the business and the historical accuracy of forecasts and assumptions With the support of our valuation specialists, we evaluated the methodology applied for the impairment testing and evaluated the significant assumptions included in the impairment tests. These include the discount rate and the growth rate Reviewed the mathematical accuracy of the impairment tests and the relevant input data Assessment of the reasonableness of the Group's sensitivity analyses for significant assumptions Review of the related disclosures provided in the annual report

Other information

The audit of the annual financial statements for the year 2024 was performed by another auditor, who issued an auditor's report dated 2 April 2025 with unmodified opinions in the Report on the Annual Financial Statements.

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 4-5, 14-19, 39-41, 46-89,

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

128-137 and 140. The Board of Directors and the Managing Director are responsible for this other information.

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 Directors 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 intends 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration 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 Directors and the Managing Director of Arjo AB (publ) for the year 2025 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 Directors 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 Directors 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's 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

*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 2025.

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 Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with 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 audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional 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 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 XHTML 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 24-38 and 42-44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's 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.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Arjo AB (publ) by the general meeting of the shareholders on the 29th of April 2025 and has been the company's auditor since the 29th of April 2025.

Malmö, 30th of March 2026
Ernst & Young AB

Karoline Tedevall
Authorized Public Accountant

Auditor's Limited Assurance Report on Arjo AB (publ)'s sustainability statement

THIS IS THE TRANSLATION OF THE AUDITOR'S LIMITED ASSURANCE REPORT IN SWEDISH. TO THE GENERAL MEETING OF THE SHAREHOLDERS OF ARJO AB (PUBL), CORPORATE IDENTITY NUMBER 559092-8064

CONCLUSION

We have conducted a limited assurance engagement of the sustainability statement prepared by Arjo AB (publ) (the company) for the financial year 2025. The sustainability statement is included on pages 46-89 of this document.

Based on our limited assurance engagement as described in the section Auditor's Responsibility, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects, prepared in accordance with the Swedish Annual Accounts Act, which includes:

- Whether the sustainability statement meets the requirements of ESRS
- Whether the process carried out by the company to identify reported sustainability information has been conducted as described in the sustainability statement; and
- Compliance with the reporting requirements in Article 8 of the EU's Green Taxonomy Regulation.

BASIS FOR CONCLUSION

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 - Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility under this recommendation is described in more detail in the section Auditor's Responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OTHER INFORMATION THAN THE SUSTAINABILITY STATEMENT

This document also contains other information than the sustainability statement, found on pages 1-45 and 90-140. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any conclusion with assurance regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement 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.

OTHER MATTER

The sustainability statement for the previous financial year 2024 has not been subject to a limited assurance engagement according to RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Therefore, no limited assurance of comparative figures in the sustainability statement for 2025 has been performed.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12-12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion whether the sustainability statement is prepared in accordance with Chapter 6, Sections 12-12 f of the Swedish Annual Accounts Act based on our limited assurance engagement.

The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan

and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement, and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards of professional practice, and applicable laws and regulations.

We are independent of Arjo AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities according to these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

Our review procedures regarding the sustainability statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.



- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included.
- Evaluating whether the structure and presentation of the sustainability statements are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the sustainability statements;
- Performing substantive review procedures based on a sample of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Our review procedures regarding the process the company have undertaken to identify sustainability information to report included, but were not limited to the following:

- Obtaining an understanding of the process by:
- Conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the company aligns with the description of the process in page 56 in the sustainability statement.

Our review procedures regarding the taxonomy disclosures included but was not limited to the following review procedures:

- Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability statement by:

- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation
- Performing substantive review procedures based on a sample of selected disclosures in the sustainability statement regarding the EU Green Taxonomy

INHERENT LIMITATIONS

In reporting forward-looking information in accordance with ESRS, the board and management of Arjo AB (publ) must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of Arjo AB (publ). Actual outcomes are likely to differ as expected often do not occur as anticipated.

Malmö den 30 mars 2026

Ernst & Young AB

Karoline Tedevall
Auktoriserad revisor

Multi-year overview: Group

CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	2025	2024	2023	2022 ¹⁾	2021
Net sales	11,000	11,292	10,980	9,979	9,070
Cost of goods sold	-6,315	-6,386	-6,244	-5,797	-4,861
Gross profit	4,684	4,907	4,735	4,183	4,209
Selling expenses	-2,211	-2,236	-2,163	-1,969	-1,753
Administrative expenses	-1,463	-1,511	-1,462	-1,329	-1,222
Research and development costs	-140	-150	-149	-115	-100
Exceptional items	-155	-126	-73	-74	-39
Other operating income	12	28	29	31	17
Other operating expenses	-52	-10	-23	-24	-27
Income from participations in associated companies	—	-9	-11	-10	-9
Operating profit (EBIT)	675	893	884	693	1,077
Interest income and other similar items	40	47	28	42	11
Interest expenses and other similar expenses	-249	-256	-271	-135	-98
Profit after financial items	467	684	640	599	989
Taxes	-132	-187	-160	-151	-247
Net profit for the year	334	498	480	449	742
Attributable to:					
Parent Company shareholders	334	498	480	449	742

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	2025	2024	2023	2022 ¹⁾	2021
Intangible assets	7,215	7,651	7,343	7,391	7,099
Tangible assets	1,486	1,695	1,669	1,710	1,454
Right-of-use assets	1,214	1,215	1,111	1,107	1,101
Participations in associated companies	—	—	139	132	123
Non-current financial receivables, interest-bearing	270	341 ²⁾	259	271	288
Financial assets	469	522 ²⁾	504	494	372
Total non-current assets	10,654	11,422	11,025	11,105	10,437
Inventories	1,177	1,388	1,301	1,504	1,369
Accounts receivable	1,617	1,798	1,632	1,708	1,542
Current financial receivables	27	29	14	21	25
Other current receivables	548	603	548	678	481
Cash and cash equivalents	836	892	923	949	757
Total current assets	4,204	4,711	4,419	4,861	4,175
Assets held for sale	119	143	—	—	—
TOTAL ASSETS	14,977	16,276	15,444	15,966	14,612
Shareholders' equity	7,457	8,338	7,582	7,432	6,885
Total shareholders' equity	7,457	8,338	7,582	7,432	6,885
Provisions for pensions, interest-bearing	34	36	31	29	32
Non-current financial liabilities	2,637	2,165	2,391	2,823	118
Non-current lease liabilities	858	851	796	809	830
Other provisions	229	287	247	252	258
Total non-current liabilities	3,757	3,339	3,466	3,913	1,238
Accounts payable	508	607	612	587	614
Current financial liabilities	1,450	1,976	1,934	2,322	4,177
Current lease liabilities	408	428	365	359	328
Other non-interest-bearing liabilities	1,395	1,588	1,486	1,353	1,371
Total current liabilities	3,762	4,599	4,396	4,621	6,490
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	14,977	16,276	15,444	15,966	14,612

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. Due to a miscalculation, the comparative figure was corrected compared with the 2024 Annual Report.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK M	2025	2024	2023	2022 ²⁾	2021
Operating activities					
Operating profit (EBIT)	675	893	884	693	1,077
Add-back of amortization, depreciation and write-down	1,136	1,084	1,062	985	956
Other non-cash items	-15	-41	-22	-9	-2
Expensed exceptional items ¹⁾	109	105	70	72	38
Paid exceptional items	-105	-43	-60	-78	-38
Financial items	-177	-217	-230	-94	-89
Taxes paid	-208	-192	-166	-233	-132
Cash flow before changes to working capital	1,415	1,589	1,536	1,336	1,810
Changes in working capital					
Inventories	77	0	192	-164	-232
Current receivables	13	-98	130	-76	135
Current liabilities	-70	25	203	-270	21
Cash flow from operations	1,435	1,516	2,061	827	1,734
Investing activities					
Divested/Acquired operations	-27	-55	—	—	-19
Acquisitions of participations in subsidiaries	—	—	-24	—	—
Acquired financial assets	—	—	-10	-21	—
Net investments	-678	-581	-604	-791	-675
Cash flow from investing activities	-705	-635	-637	-813	-695
Financing activities					
Change in financial liabilities	-400	-767	-1,300	204	-1,196
Change in non-current receivables	42	7	18	5	30
Dividend	-259	-245	-232	-313	-232
Realized derivatives attributable to financing activities	-113	97	86	241	121
Cash flow from financing activities	-730	-907	-1,427	136	-1,277
Cash flow for the year	0	-26	-4	150	-237
Cash and cash equivalents at the beginning of the period	892	923	949	757	972
Cash flow for the year	0	-26	-4	150	-237
Translation differences	-56	-5	-22	42	22
Cash and cash equivalents at year-end	836	892	923	949	757

NET SALES PER SEGMENT

SEK M	2025	2024	2023	2022
Global Sales	6,344	6,481	6,352	5,753
North America	4,269	4,415	4,219	3,864
Diagnostic	409	408	424	372
Eliminations	-22	-12	-15	-10
Group	11,000	11,292	10,980	9,979

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	2025	2024	2023	2022 ¹⁾	2021
Sales measures					
Net sales	11,000	11,292	10,980	9,979	9,070
Net sales growth, %	-2.6	2.8	10.0	10.0	-0.1
Organic growth in sales, %	3.4	3.1	4.7	-0.2	3.5
Expense measures					
Selling expenses as a % of net sales	20.1	19.8	19.7	19.7	19.3
Administrative expenses as a % of net sales	13.3	13.4	13.3	13.3	13.5
Research and development costs gross as a % of net sales	2.8	2.8	2.7	2.4	2.4
Earnings measures					
EBITDA	1,811	1,977	1,946	1,679	2,033
EBITDA growth, %	-8.4	1.6	15.9	-14.0	10.6
Adjusted EBITDA	1,922	2,086	2,017	1,752	2,072
EBITA	971	1,137	1,170	973	1,351
Adjusted EBITA	1,091	1,263	1,244	1,047	1,390
Operating profit (EBIT)	675	893	884	693	1,077
Adjusted operating profit (EBIT)	831	1,019	957	768	1,116
Earnings per share, SEK	1.23	1.83	1.76	1.65	2.72
Margin measures					
Gross margin, %	42.6	43.5	43.1	41.9	46.4
EBITDA margin, %	16.5	17.5	17.7	16.8	22.4
Adjusted EBITDA margin, %	17.5	18.5	18.4	17.6	22.8
EBITA margin, %	8.8	10.1	10.7	9.8	14.9
Adjusted EBITA margin, %	9.9	11.2	11.3	10.5	15.3
Operating margin, %	6.1	7.9	8.0	6.9	11.9
Adjusted operating margin, %	7.6	9.0	8.7	7.7	12.3

SEK M	2025	2024	2023	2022 ¹⁾	2021
Cash flow and return measures					
Return on shareholders' equity, %	4.2	6.3	6.4	6.3	11.9
Cash conversion, %	79.3	76.7	105.9	49.2	85.3
Operating capital	12,456	12,539	12,500	12,133	11,236
Return on operating capital, %	6.7	8.1	7.7	6.3	9.9
Capital structure					
Interest-bearing (+) net debt/(-) net receivables	4,255	4,191	4,320	5,044	4,341
Interest-coverage ratio, multiple	4.0	4.2	3.7	6.8	12.8
Net debt/equity ratio, multiple	0.6	0.5	0.6	0.7	0.6
Net debt/adjusted EBITDA, multiple	2.2	2.0	2.3	2.7	2.3
Equity/assets ratio, %	49.8	51.2	49.1	46.5	47.1
Equity per share, SEK	27.4	30.6	27.8	27.3	25.3
Other					
No. of shares	272,369,573	272,369,573	272,369,573	272,369,573	272,369,573
Number of employees, average	6,942	6,932	6,679	6,751	6,350

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. The primary alternative performance measures presented are: adjusted EBITDA, cash conversion and net debt/equity ratio.

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	2025	2024	2023	2022	2021
(A) Net sales preceding year	11,292	10,980	9,979	9,070	9,078
Acquired/divested net sales for the period	4	-4	—	—	—
(B) Organic net sales for the period	382	341	469	-14	315
Effect of changes in exchange rates	-678	-24	531	924	-323
Net sales	11,000	11,292	10,980	9,979	9,070
(B/A) Organic growth in sales, %	3.4	3.1	4.7	-0.2	3.5

EXPENSE MEASURES

SEK M	2025	2024	2023	2022	2021
(A) Selling expenses	2,211	2,236	2,163	1,969	1,753
(B) Administrative expenses	1,463	1,511	1,462	1,329	1,222
(C) Research and development costs, gross	303	319	297	244	220
(D) Net sales	11,000	11,292	10,980	9,979	9,070
(A/D) Selling expenses as a % of net sales	20.1	19.8	19.7	19.7	19.3
(B/D) Administrative expenses as a % of net sales	13.3	13.4	13.3	13.3	13.5
(C/D) Research and development costs gross as a % of net sales	2.8	2.8	2.7	2.4	2.4

EARNINGS AND MARGIN MEASURES

SEK M	2025	2024	2023	2022 ¹⁾	2021
(A) EBITDA	1,811	1,977	1,946	1,679	2,033
Depreciation and impairment of tangible assets	-840	-840	-775	-705	-682
(B) EBITA	971	1,137	1,170	973	1,351
Amortization and impairment of intangible assets	-296	-244	-287	-280	-274
(C) Operating profit (EBIT)	675	893	884	693	1,077
Exceptional items	155	126	73	74	39
Add-back of write-down of restructuring and integration costs	-44	-17	-2	-1	—
(D) Adjusted EBITDA	1,922	2,086	2,017	1,752	2,072
(E) Adjusted EBITA	1,091	1,263	1,244	1,047	1,390
(F) Adjusted operating profit (EBIT)	831	1,019	957	768	1,116
(G) Net sales	11,000	11,292	10,980	9,979	9,070
(A/G) EBITDA margin, %	16.5	17.5	17.7	16.8	22.4
(B/G) EBITA margin, %	8.8	10.1	10.7	9.8	14.9
(C/G) Operating margin, %	6.1	7.9	8.0	6.9	11.9
(D/G) Adjusted EBITDA margin, %	17.5	18.5	18.4	17.6	22.8
(E/G) Adjusted EBITA margin, %	9.9	11.2	11.3	10.5	15.3
(F/G) Adjusted operating margin, %	7.6	9.0	8.7	7.7	12.3

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



CAPITAL STRUCTURE

SEK M	2025	2024	2023	2022 ¹⁾	2021
Calculation of interest-bearing net debt, net debt/equity ratio and interest-bearing net debt/Adjusted EBITDA					
Financial liabilities	4,087	4,139	4,325	5,144	4,222
Lease liabilities	1,266	1,279	1,161	1,168	1,158
Provisions for pensions, interest-bearing	34	36	31	29	32
Less financial receivables	-296	-370	-274	-292	-314
Less cash and cash equivalents	-836	-892	-923	-949	-757
(A) Interest-bearing (+) net debt/(-) net receivables	4,255	4,191	4,320	5,044	4,341
(B) Shareholders' equity	7,457	8,338	7,582	7,432	6,885
(C) Adjusted EBITDA	1,922	2,086	2,017	1,752	2,072
(A/B) Net debt/equity ratio, multiple	0.6	0.5	0.6	0.7	0.6
(A/C) Interest-bearing net debt/Adjusted EBITDA, multiple	2.2	2.0	2.3	2.7	2.3
Calculation of interest-coverage ratio					
Profit after financial items	467	684	640	599	989
(A) Addition of interest expenses	209	252	263	115	87
Add-back of exceptional items	155	126	73	74	39
(B) Profit after financial items plus interest expenses and add-back of exceptional items	831	1,062	977	789	1,115
(B/A) Interest-coverage ratio, multiple	4.0	4.2	3.7	6.8	12.8

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

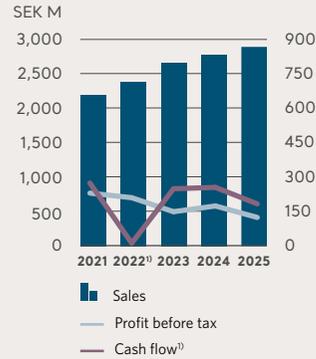
CASH FLOW AND RETURN MEASURES

SEK M	2025	2024	2023	2022 ¹⁾	2021
Calculation of cash conversion					
(A) Cash flow from operations	1,435	1,516	2,061	827	1,734
(B) EBITDA	1,811	1,977	1,946	1,679	2,033
(A/B) Cash conversion, %	79.3	76.7	105.9	49.2	85.3
Calculation of return on shareholders' equity					
(A) Net profit for the year	334	498	480	449	742
Shareholders' equity at beginning of the period	8,338	7,582	7,432	6,714	5,630
Shareholders' equity at the end of-the period	7,457	8,338	7,582	7,432	6,885
(B) Average total shareholders' equity	7,898	7,960	7,507	7,073	6,257
(A/B) Return on total shareholders' equity, %	4.2	6.3	6.4	6.3	11.9
Calculation of return on operating capital					
Total assets opening balance	16,276	15,444	15,966	14,440	13,858
Total assets closing balance	14,977	16,276	15,444	15,966	14,612
Average total assets	15,626	15,860	15,705	15,203	14,235
Excluding average cash and cash equivalents	-864	-908	-936	-853	-865
Excluding average other provisions	-317	-327	-312	-316	-274
Excluding average other non-interest-bearing liabilities	-1,990	-2,088	-1,956	-1,901	-1,860
(A) Operating capital	12,456	12,539	12,500	12,133	11,236
Operating profit (EBIT)	675	893	884	693	1,077
Add-back of exceptional items	155	126	73	74	39
(B) EBIT after add-back of exceptional items	831	1,019	957	768	1,116
(B/A) Return on operating capital, %	6.7	8.1	7.7	6.3	9.9

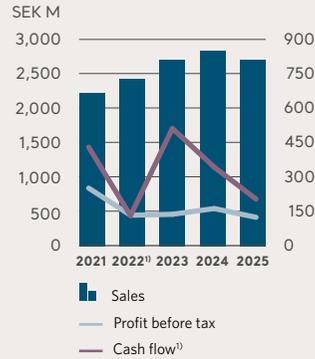
1. The comparative figures for 2022 have been restated, see Note 30 Restatement of calculations of intra-Group gains in the 2023 Annual Report.

QUARTERLY PERFORMANCE

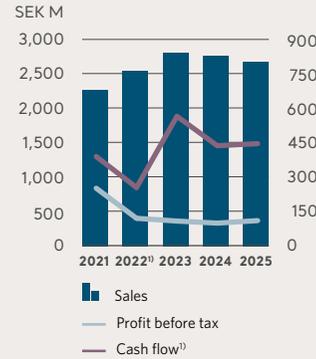
Quarter 1



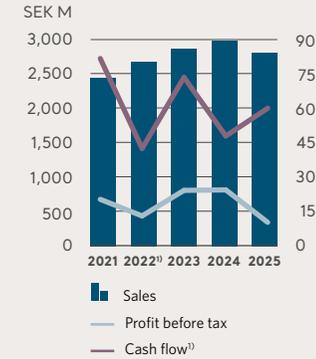
Quarter 2



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 IN TERMS OF NET SALES

Country	2025			2024			2023			2022			2021		
	SEK M	%	#												
USA	3,278	30	1	3,390	30	1	3,251	30	1	2,996	30	1	2,830	31	1
UK ¹⁾	1,280	12	2	1,418	13	2	1,395	13	2	1,228	12	2	1,130	13	2
France	1,237	11	3	1,222	11	3	1,220	11	3	1,050	11	3	947	10	3
Canada	1,100	10	4	1,134	10	4	1,076	10	4	949	10	4	759	8	4
Germany	861	8	5	828	7	5	792	7	5	725	7	5	665	7	5
Australia	586	5	6	625	6	6	612	6	6	544	5	6	451	5	6
Netherlands	388	4	7	375	3	7	380	4	7	359	4	7	334	4	7
Italy	259	2	8	252	2	9	242	2	9	220	2	9	237	3	8
Austria	254	2	9	265	2	8	258	2	8	234	2	8	215	2	9
Belgium	193	2	10	210	2	10	192	2	10	172	2	11	158	2	11
India	190	2	11	170	2	12	151	1	12	134	1	13	112	1	13
Switzerland	188	2	12	189	2	11	179	2	11	147	2	12	124	1	12
South Africa	153	1	13	138	1	13	136	1	13	129	1	14	107	1	14
Singapore	108	1	14	119	1	14	116	1	14	72	1	17	65	1	18
Ireland	103	1	15	111	1	15	99	1	15	177	2	10	160	2	10
Hong Kong	85	1	16	87	1	17	92	1	16	94	1	15	86	1	15
New Zealand	80	1	17	88	1	16	87	1	17	68	1	19	62	1	19
Sweden	71	1	18	58	1	20	67	1	19	73	1	16	71	1	17
Spain	69	1	19	69	1	18	85	1	18	65	1	20	72	1	16
Japan	56	1	20	58	1	19	56	1	20	69	1	18	49	1	20

1. Includes Northern Ireland.

Group companies

HEAD OFFICE

Arjo AB
Hans Michelsensgatan 10
SE-211 20 Malmö, Sweden
Tel: +46103354500
CEO: Andrés Elgaard

AUSTRALIA

Arjo Australia Pty Ltd
461B Nicholson Road
Canning Vale, 6155
Western Australia
Tel: +61893374111
CEO: Michael Luxton

Arjo Hospital Equipment Pty Ltd

461B Nicholson Road
Canning Vale, 6155
Western Australia
Tel: +61893374111
CEO: Michael Luxton

Joyce Healthcare Group Pty Ltd

461B Nicholson Road
Canning Vale, 6155
Western Australia
Tel: +61893374111
CEO: Michael Luxton

AUSTRIA

Arjo Austria GmbH
Lemboeckgasse
49A/ 4.OG
1230 Vienna
Tel: +43186656
CEO: Dieter Lang

BELGIUM

Arjo Belgium N.V.
Evenbroekveld 16
9420 Erpe-Mere
Tel: +3253607380
CEO: Marc Tielens

BRAZIL

Arjo Brasil Equipamentos Médicos Ltda.
Rua Samuel Morse, 74,
salas 102, 103 e 104 -
Edifício Igaratá - Cidade
Monções
04576-060, São Paulo
Tel: +551159903139
CEO: Sandra Gonçalves

CANADA

Arjo Canada Inc.
90-350 Matheson Blvd.
West
L5R 3R3 Mississauga,
Ontario
Tel: +9052387880
CEO: Chris Gooderham

ArjoHuntleigh Magog Inc.

2001 Tanguay
Magog, Quebec, J1X 5Y5
Tel: +8198680441
CEO: Jonas Cederhage

CHINA

Arjo (Suzhou) Medical Equipment Trading Co., Ltd.
No. 158 Fangzhou Road,
SIP, Suzhou, Jiangsu
215024 Suzhou, Jiangsu
Tel: +8651269560787
CEO: Kandy Loo

Arjo (Suzhou) Co., Ltd.

No. 158 Fangzhou Road,
SIP, Suzhou, Jiangsu
215024 Suzhou, Jiangsu
Tel: +8651262838966
CEO: Kevin Zhao

CZECH REPUBLIC

Arjo Czech Republic s.r.o.
Škrétova 490/1
120 00 Praha 2 -
Vinohrady
Tel: +420225092388
CEO: Konrad Pianko

DENMARK

Arjo Danmark A/S
Industriparken 21A
DK-2750 Ballerup
Tel: +4549138486
Interim CEO: Hans Wallin

DOMINICAN REPUBLIC

Arjo Dominican Republic, S.A.
PIISA Industrial Park, Haina
91000 San Cristobal
Tel: +8099080055
CEO: Jonas Cederhage

FRANCE

Arjo France SAS
10 rue Denis Papin
59650 Villeneuve d'Ascq
Tel: +33320281313
CEO: Khizer Ibrahim

Tech Med SAS

8 Rue de l'Hôpital
Saint-Louis
75010 Paris
Tel: +33148038888
CEO: Gang Zhang

GERMANY

Arjo Deutschland GmbH
Peter-Sander-Strase 10
55252 Mainz-Kastel
Tel: +4961341860
CEO: Andreas Aerni

Huntleigh Healthcare GmbH

Ringstrase 54
47533 Kleve
Tel: +49215255111
CEO: Rouven Deckers

HONG KONG

Arjo Hong Kong Limited
Unit 408 & 411-414
Manhattan Centre, 8
Kwai Cheong Road,
Kwai Chung,
New Territories,
Hong Kong
Tel: +85229607600
CEO: Michael Luxton

INDIA

ArjoHuntleigh Healthcare India Private Limited
1401, 1410 Remi
Commercio, Plot No. 14,
Shah Industrial Estate,
Off Veera Desai
Road, Andheri (W)
Mumbai - 400053
Tel: +912269288315
CEO: Chander Tahiliani

IRELAND

Arjo (Ireland) Limited
EA House Damastown
Industrial Park
Mulhuddart
Dublin 15
Tel: +35318098960
CEO: Kevin Dare

ITALY

Arjo Italia Spa
Via G.Peroni 400/402
00131 Rome
Tel: +390687426211
CEO: Marco Basile

JAPAN

Arjo Japan K.K.
9th Floor, Landic
Toranomom 2nd Building
3-7-8 Toranomom,
Minato-ku
105-0001 Tokyo
Tel: +81364356401
CEO: Hideaki Yamashita

MEXICO

Arjo México Equipos Médicos S.A. de C.V
Montecitos 38, Floor 10,
Offices 37 & 38 Benito
Juárez
03810 Ciudad de México,
Mexico
Tel: +52(55)79332365
CEO: Sandra Gonçalves

NETHERLANDS

Arjo Nederland B.V.
Biezenwei 21
4004 MB TIEL
Tel: +31344640800
CEO: Marc Tielens

SlingCare B.V.

Drentse Poort 25A
9521 JA Nieuw-Buinen
Tel: +31344640800
CEO: Marc Tielens

SlingCare Products B.V.

Drentse Poort 25A
9521 JA Nieuw-Buinen
Tel: +31344640800
CEO: Marc Tielens

Josh IP I B.V.

Drentse Poort 25A
9521 JA Nieuw-Buinen
Tel: +31344640800
CEO: Marc Tielens

Huntleigh Holdings B.V.

Biezenwei 21
4004 MB TIEL
Tel: +31344640800
CEO: Christian Merks

NEW ZEALAND

Arjo New Zealand Limited
34 Vestey Drive,
Mt Wellington,
Auckland 1060
PO Box 132262, Sylvia Park
Auckland 1644
Tel: +6495735344
CEO: Anthony Blyth

NORWAY

Arjo Norge AS
Nils Hansens vei 8
0667 Oslo
Tel: +4722080050
Interim CEO: Hans Wallin

POLAND

ArjoHuntleigh Polska Sp. z o.o.
ul. Ks. Piotra
Wawrzyniaka 2
62-052 Komorniki
Tel: +48616621550
CEO: Marie Sörensson

ArjoHuntleigh AB Sp. z o.o.

ul. Ks. Piotra
Wawrzyniaka 2
62-052 Komorniki
Tel: +461033548888
CEO: Johan Johannesson

GROUP COMPANIES

SINGAPORE

Arjo South East Asia Pte. Ltd.
31 Kaki Bukit Road 3,
#05-06/07 Techlink,
Lobby B
Singapore 417818
Tel: +6562027366
CEO: Michael Luxton

SOUTH AFRICA

ArjoHuntleigh South Africa (Pty) Ltd
PO Box 16216
Pretoria North 0116
Tel: +27125272000
CEO: Abdullah Ebrahim

Huntleigh Africa (Pty) Ltd

PO Box 16216
Pretoria North 0116
Tel: +27125272000
CEO: Abdullah Ebrahim

Arjo Africa Exports (Pty) Ltd

PO Box 16216
Pretoria North 0116
Tel: +27125272000
CEO: Abdullah Ebrahim

SOUTH KOREA

Arjo Korea Co., Ltd.
Room 305, 25 Hangang-
daero 23-gil
Yongsan-gu, Seoul 04378
Tel: +8225676501
CEO: Michael Luxton

SPAIN

Arjo Iberia S.L.U.
1-7, Carrer Cabanyes.
Poligono Industrial
Can Salvatella
08210 Barbera del Valles
(Barcelona)
Tel: +34931315999
CEO: Fernando
Hernandez

SWEDEN

Arjo IP Holding AB
Hans Michelsensgatan 10
SE-211 20 Malmö
Tel: +46103354500
CEO: Ingrid Carlsson

Arjo Treasury AB

Hans Michelsensgatan 10
SE-211 20 Malmö
Tel: +46103354500
CEO: Andréas Elgaard

Arjo Sverige AB

Hans Michelsensgatan 10
SE-211 20 Malmö
Tel: +46103354500
Interim CEO: Hans Wallin

ArjoHuntleigh AB

Hans Michelsensgatan 10
SE-211 20 Malmö
Tel: +46103354500
CEO: Jonas Cederhage

ArjoHuntleigh International AB

Hans Michelsensgatan 10
SE-211 20 Malmö
Tel: +46103354500
CEO: Andréas Elgaard

SWITZERLAND

Arjo Switzerland AG
Fabrikstrasse 8
4614 Haegendorf
Tel: +41613379777
CEO: Andreas Aerni

TAIWAN

Arjo Taiwan Limited
24F, No.333, Sec 1,
Keelung Rd, Xinyi Dist,
Taipei City 11012, Taiwan
(R.O.C.)
11012 Taipei City
Tel: +227210031
CEO: Michael Luxton

UK

Huntleigh (SST) Limited
Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745767
CEO: Khizer Ibrahim

Huntleigh Diagnostics Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745767
CEO: Khizer Ibrahim

Huntleigh International Holdings Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745767
CEO: Khizer Ibrahim

Huntleigh Luton Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745767
CEO: Khizer Ibrahim

Huntleigh Properties Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745767
CEO: Khizer Ibrahim

Pegasus Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745767
CEO: Khizer Ibrahim

1st Call Mobility Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441279425648
CEO: Kevin Dare

ArjoHuntleigh International Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745577
CEO: Khizer Ibrahim

Arjo UK Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582413104
CEO: Kevin Dare

Huntleigh Healthcare Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +442920485885
CEO: Gang Zhang

Huntleigh Technology Limited

Arjo Huntleigh House,
Houghton Hall
Business Park, Houghton
Regis, Dunstable,
Bedfordshire LU5 5XF
Tel: +441582745767
CEO: Khizer Ibrahim

UNITED ARAB EMIRATES Arjo Middle East FZ-LLC

Office 908, 9th floor, HQ
building, North Tower,
Dubai Science Park, Al
Barsha South
P.O. Box. 11488, Dubai
Tel: +97148748053
CEO: Chander Tahilian

USA

Arjo Holding USA, Inc.
2000 Center Drive
Hoffman Estates, IL
60192
Tel: +18003231245
CEO: Chris Dorsey

Arjo, Inc.

2000 Center Drive
Hoffman Estates, IL
60192
Tel: +18003231245
CEO: Chris Dorsey

Renu Medical, Inc.

5900 36th Ave West,
Bldg B, Suite 100
Everett, WA, 98203
Tel: +18003231245
CEO: Chris Dorsey

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.

Ergonomics

A science concerned with designing the job to fit the worker to prevent illness and accidents.

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.

Venous thromboembolism (VTE)

A venous thrombosis means a blood clot in the vein system. Often occurs in deep leg veins (deep vein thrombosis).

US Food and Drug Administration (FDA)

US authority responsible for protecting the public health.

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.

ESG

An abbreviation of Environmental, Social and Governance, which are areas for analyzing companies from a non-financial perspective.

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

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9. Macchiavelli AJ. Venous Thromboembolism – The Need for Transitions of Care. Medical Clinics of North America. 2023.
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11. Ali L, Brown CJ. Promoting Mobility in the Acute Care Setting. Springer; 2024.
12. Hartford Institute for Geriatric Nursing. Reducing Functional Decline in Older Adults During Hospitalization. 2025.

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 2025 was 37,308.

Share trend

At year-end, the Arjo share was listed at SEK 32.02. The highest price paid for the Arjo share in 2025 was SEK 41.02 on February 17, 2025 and the lowest was SEK 28.76 on May 23, 2025. At year-end, market capitalization amounted to SEK 8.7 billion, compared with SEK 9.9 billion at the end of 2024. The turnover of shares on Nasdaq for the year totaled 145.4 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 2025 was 399.4 million shares.

Share capital and ownership structure

At year-end 2025, 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 27.26 percent of the capital and 54.59 percent of the votes at year-end 2025.

Dividend policy

The Arjo Board and CEO have 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 2025, Arjo's Board of Directors and CEO propose

a dividend of SEK 0.95 per share (0.95). The total dividend thus amounts to SEK 259 M (259), corresponding to approximately 77 percent of net profit after tax.

Shareholder information

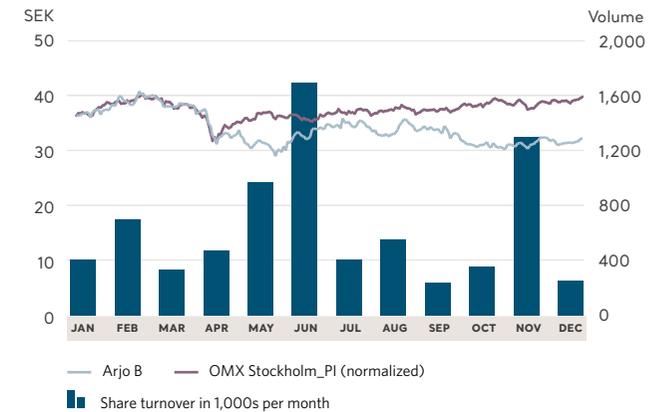
Financial information about Arjo is available on the Group's website, www.arjo.com. Questions can also be put directly to Arjo's Investor Relations department. Annual reports, interim reports and other information can be requested from the Group's head office by telephone, from the website or by e-mail.

Brokerage firms that monitor Arjo

ABG Sundal Collier, Danske Bank, DNB Carnegie, 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, 2025: SEK 8.7 billion
- Price paid on December 31, 2025: SEK 32.02
- Tickers: Reuters: ARJOb.ST; Bloomberg: ARJOB SS

Sustainability index



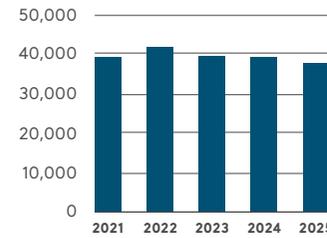
Share capital distribution			
	Arjo A	Arjo B	Total
No. of shares	18,217,200	254,152,373	272,369,573
No. of votes	182,172,000	254,152,373	436,324,373
% of capital	6.7	93.3	100.0
% of votes	41.8	58.2	100.0

Ownership by category	
	Capital, %
Swedish owners	74.74
Private individuals	19.58
Institutions	18.99
Mutual funds	4.23
Other	31.94
Foreign owners	19.62
Private individuals	0.55
Institutions	1.84
Mutual funds	16.85
Other	0.38
Unknown ownership type	5.64

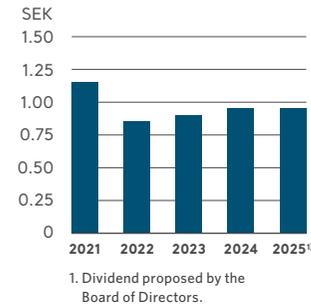
Share data		
	2025	2024
Earnings per share after tax	1.23	1.83
Market price, December 31	32.02	36.26
Cash flow from operations/share	5.27	5.57
Dividend	0.95 ¹⁾	0.95
Dividend yield, %	3.0	2.6
Price/earnings ratio	26.10	19.81
Equity per share	27.4	30.6
Average number of shares (million)	272.4	272.4
Number of shares, December 31 (million)	272.4	272.4

1. Dividend proposed by the Board of Directors.

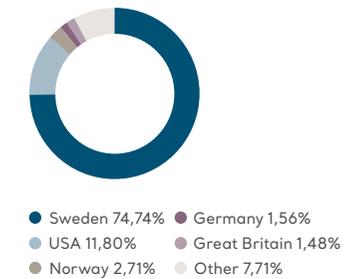
Number of shareholders, 2021–2025



Dividend history 2021–2025



Ownership distribution per country, December 31, 2025



Arjo's largest owners at December 31, 2025				
	Arjo A	Arjo B	Capital, %	Votes
Carl Bennet AB	18,217,200	56,032,884	27.26	54.59
Fourth Swedish National Pension Fund		25,742,921	9.45	5.90
Svolder		12,750,727	4.68	2.92
Vanguard		8,177,226	3.00	1.87
Dimensional Fund Advisors		7,467,819	2.74	1.71
Nordnet Pensionsförsäkring		5,906,754	2.17	1.35
Avanza Pension		4,615,860	1.69	1.06
BlackRock		4,168,212	1.53	0.96
Highclere International Investors LLP		3,712,879	1.36	0.85
Holberg Fonder		3,300,000	1.21	0.76

Ownership structure 2025					
Interval	Shares	Capital, %	Votes	Number of known shareholders	Ownership, %
1–1,000	7,525,557	2.76	1.72	29,999	80.41
1,001–5,000	12,398,488	4.55	2.84	5,634	15.10
5,001–20,000	12,338,893	4.53	2.83	1,262	3.38
20,001–100,000	12,517,946	4.60	2.87	288	0.77
100,001–500,000	17,874,387	6.56	4.10	83	0.22
500,001–5,000,000	60,051,398	22.05	13.76	37	0.10
5,000,001–20,000,000	34,302,526	12.59	7.86	4	0.01
20,000,001–	99,993,005	36.71	60.49	2	0.01
Anonymous ownership	15,367,373	5.64	3.52	0	0.00
Total	272,369,573	100.00	100.00	37,309	100.00

Source: Modular Finance AB.

Other information

Distribution policy

The printed version of Arjo AB's Annual and Sustainability Report is distributed 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.

Reading guide

- The Arjo Group is referred to as Arjo in the Annual and Sustainability Report.
- Figures in parentheses pertain to operations in 2024, 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.
- Note references refer to the Group's notes, 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 22, 2026 with the option of postal voting. For further information about the AGM and registration, see Arjo's website, www.arjo.com.

Nomination Committee

Arjo's interim report for the third quarter of 2025 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 2025 of SEK 0.95 per share (0.95). The total dividend thus amounts to SEK 259 M (259). The proposed record date is April 24, 2026. Euroclear expects to distribute the dividend to shareholders from April 29, 2026.

Financial information

Updated information on, for example, the Arjo share and corporate governance is available on Arjo's website: 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. A printed version of the Annual and Sustainability Report can also be ordered from: Arjo AB, Att: Informationsavdelningen, Hans Michelsengatan 10, SE-211 20 Malmö, Sweden, or via telephone +46 10 335 4500.

The following information will be published for the 2026 fiscal year:

April 22, 2026	Interim report, January–March
April 22, 2026	Annual General Meeting
July 14, 2026	Interim report, January–June
October 22, 2026	Interim report, January–September
January 30, 2027	Year-End Report 2026
March–April, 2027	2026 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

Maria Nilsson

Executive Vice President, Communication & Public Relations
E-mail: maria.nilsson@arjo.com

Head office of the Arjo Group
Box 48, Hans Michelsengatan 10
SE-201 20 Malmö, Sweden.

Tel: +46 10 335 4500
www.arjo.com
Corporate registration number 559092-8064

An elderly couple is shown in a close embrace on a rooftop garden. The woman is wearing a yellow sweater and blue jeans, while the man is wearing a tan trench coat over a blue shirt and dark pants. They are standing on a grassy area with a black metal railing. In the background, a city skyline is visible under a cloudy sky, featuring a prominent tall apartment building and a church with a dark steeple.

*insight
mobility
well-being*

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

arjo
EMPOWERING MOVEMENT



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