Interim report January – June 2022

April-June 2022 in brief

- Net sales increased to SEK 2,404 M (2,199). Net sales grew organically by 0.2%.
- Adjusted EBITDA amounted to SEK 430 M (513).
- Adjusted operating profit amounted to SEK 165 M (275).
- Profit after financial items amounted to SEK 139 M (253).
- Earnings per share amounted to SEK 0.38 (0.70).
- Cash flow from operations amounted to SEK 158 M (431).
- Cash conversion was 37.4% (84.8).
- Arjo awarded rental contract position with HealthTrust in the US.

January-June 2022 in brief

- Net sales increased to SEK 4,774 M (4,367). Net sales rose organically by 0.8%.
- Adjusted EBITDA amounted to SEK 920 M (1,008).
- Adjusted operating profit amounted to SEK 402 M (535).
- Profit after financial items amounted to SEK 357 M (483).
- Earnings per share amounted to SEK 0.98 (1.33).
- Cash flow from operations amounted to SEK 184 M (705).
- The cash conversion was 20.3% (70.9).

Financial summary

SEK M	Quarter 2 2022	Quarter 2 2021	Jan-Jun 2022	Jan-Jun 2021	Rolling 12 months	Full-year 2021
Net sales	2,404	2,199	4,774	4,367	9,477	9,070
Gross profit	1,032	1,033	2,088	2,047	4,250	4,209
Gross margin, %	42.9%	47.0%	43.7%	46.9%	44.8%	46.4%
Adjusted EBITA[1)]	235	344	539	673	1,255	1,390
Adjusted EBITA margin, %[1)]	9.8%	15.6%	11.3%	15.4%	13.2%	15.3%
Adjusted EBITDA[1)]	430	513	920	1,008	1,984	2,072
Adjusted EBITDA margin, %[1)]	17.9%	23.3%	19.3%	23.1%	20.9%	22.8%
Operating profit (EBIT)	158	270	389	522	945	1,077
Adjusted operating profit (EBIT)[1)]	165	275	402	535	983	1,116
Profit after financial items	139	253	357	483	863	989
Net profit for the period	104	189	268	362	647	742
Number of shares, thousands	272,370	272,370	272,370	272,370	272,370	272,370
Earnings per share, SEK	0.38	0.70	0.98	1.33	2.38	2.72
Cash flow from operations	158	431	184	705	1,213	1,734
Cash conversion, %	37.4%	84.8%	20.3%	70.9%	62.3%	85.3%

1) Before exceptional items. See Alternative performance measures on page 17 and definitions on page 20.

Short-term challenges – full-year outlook remains

The Group grew organically by 0.2% with a continued solid performance in the underlying business. Growth for the quarter was held back by postponed sales in patient handling, significantly lower critical care rental volumes in the US compared with last year, and continued challenges related to material supply and logistics.

We can conclude that market demand remains healthy and the order book for capital equipment is significantly higher than last year's levels. Together with a substantial share of recurring sales, we estimate that growth will gradually increase in the year's final two quarters. We have detailed plans in place to deliver according to plan and the outlook for organic growth of 3-5% for the full-year remains unchanged.

Continued positive momentum within the rental business

It is satisfying to see that the more long-term part of our rental business grew by double-digits in the US for the quarter. Arjo was also recently named one of four suppliers in a rental contract with HealthTrust, one of the leading group purchasing organizations in the US. The contract, which goes into effect on October 1, extends over three years and encompasses rental of medical beds, therapeutic surfaces and other equipment for a total value of approximately SEK 600 M per year. Combined with a strong pipeline for additional business in the area, this proves that our efforts in the rental operations are generating results.

Short-term challenges holding back profitability

The gross margin for the quarter amounted to 42.9% (44.5 in comparable currencies). An unfavorable product mix with a high share of low-spec medical beds, lower volumes in patient handling and significantly lower volumes than last year in critical care rental in the US continued to hold back the margin, as did higher material and logistics costs. We can also see a strong inflationary pressure on salaries, energy and fuel. The global challenges related to material supply and logistics, further intensified by the war in Ukraine, are expected to continue during the year, and remain a major focus area for the organization.

The combined effects of changes implemented in our rental operations, efficiency improvements in production and good cost control throughout the value chain contributed positively to the gross margin. Efforts to gradually carry out both price adjustments and implement long-term efficiency improvements continues and will generate continuing positive effects even after the situation has stabilized. In addition, a healthy order intake and order book in profitable product areas such as patient handling and DVT are expected to positively affect the product mix in the second half of the year.

The activity level is now in line with pre-pandemic levels, particularly in areas of sales, marketing and product development. New ways of working and improvements made to the Group's processes are continuing to generate positive effects, which means that operating expenses in comparable currencies only increased moderately compared with the very low levels in the second quarter of 2021.

To meet the solid demand and ensure the continuity of production and deliveries, an inventory in standard components and finished products continued to be built up during the quarter. Most of this additional inventory is expected to be consumed during the current year and our assessment remains that we will gradually see an improvement to cash conversion in the second half of the year. The Group's financial position remains solid.

Continued progress for the SEM scanner

We continue to see very high interest in the SEM scanner, and important progress was made during the quarter. In the US, we are now in a situation in which we have either started or are well positioned to start the implementation of commercial partnerships with major hospital chains – which is very satisfying going forward. In the UK, we signed another framework agreement with the NHS Drug Tariff, for which the SEM scanner single-use sensor is the first – and to date only – product in preventive diagnostics that is included. The agreement sets very high requirements for both clinical and financial evidence, and is expected to accelerate the implementation rate.

Positive steps were also taken in other markets. New national guidelines for pressure injury prevention were recently published in Poland, with SEM assessments now recommended for increasing the rates of pressure injury detection and prevention. This is a significant milestone that demonstrates the SEM scanner's potential to make a difference for both patients and the healthcare sector as a whole. The SEM scanner was also recently included in a consensus statement on pressure injury prevention in New Zealand.

Investments for the future and unchanged full-year outlook

Building a profitable and sustainable company is at the core of our strategy. We recently added a sustainability link to an existing credit facility and all of Arjo's production facilities are now run on 100% fossil-free electricity.

The organization is continuing to effectively navigate the market and manage the challenges around us, and in parallel implement our strategy to accelerate the Group's growth and profitability for the years ahead.

Finally, I look forward to a strong second half of the year in which we will deliver on our previously communicated outlook of 3-5% organic growth for the full-year.

Malmö, July 14

Joacim Lindoff
President & CEO

Group performance

Net sales and results

Second quarter of 2022

Net sales increased organically by 0.2% to SEK 2,404 M (2,199). Sales volumes remained high in the underlying rental operations and service, supported by a healthy order intake in capital equipment. Growth in the quarter was held back by postponed sales in patient handling, significantly lower critical care rental volumes in the US compared with last year, and continuing challenges related to material supply and logistics.

Sales fell organically by 0.9% in North America, mainly due to lower critical care rental in the US. Adjusted for this effect, North America grew 4.7%. The underlying business continued to perform well, with solid sales volumes in hygiene, service and the more long-term segment of rental operations. Sales of patient handling and DVT were held back by supply chain disruptions. Canada continued to perform well, reporting double-digit growth for the quarter.

Global Sales grew 1.2% organically, despite continuing challenges in the global supply chain. Demand was particularly high in medical beds, rental and service. Sales development was good in several of the Group's major markets, such as France, Germany, Australia and Belgium. The UK showed a slight decline versus a strong comparative quarter.

The gross margin was 42.9% (47.0) in the quarter. Gross margin in comparable currencies was 44.5%. The gross margin was held back by an unfavorable product mix with a higher share of low-spec medical beds, lower volumes in patient handling and lower volumes in critical care rental in the US, as well as higher material and logistics costs. In addition, rising inflation on salaries, energy and fuel had a negative impact. Efficiency improvements in both rental and production, good cost control throughout the value chain and initial effects of price adjustments continued to contribute positively to the gross margin during the quarter.

Operating expenses amounted to SEK 849 M (752) for the quarter. Operating expenses in comparable currencies were SEK 791 M. Cost control remained good throughout the value chain.

Adjusted EBITDA amounted to SEK 430 M (513). The adjusted EBITDA margin was 17.9% (23.3).

Net financial items for the quarter amounted to SEK -20 M (-17). Positive currency effects in net financial items amounted to SEK 6 M (3) for the quarter.

Translation effects on operating profit for the quarter amounted to SEK -7 M and transaction effects to SEK 23 M. In addition, the recognized revaluation effects of operating receivables and liabilities after hedging amounted to SEK -17 M net for the quarter.

January–June 2022

Net sales increased organically by 0.8% to SEK 4,774 M (4,367) for the period. Higher demand in the underlying rental operations and service had a positive effect. Lower volumes of critical care rental solutions, postponed sales in patient handling and continued challenges related to the supply chain held back growth in the period.

Global Sales grew 3.1% organically with a strong performance in several of the Group's markets.

Sales in North America fell 2.4% organically, mainly due to lower critical care rental in the US. Demand in the more long-term rental operations, and in capital equipment and service, remained good.

The gross margin amounted to 43.7% (46.9) for the period and was held back by lower rental of the Group's critical care solutions in the US and higher costs related to materials and transportation. Efficiency improvements made in both rental and production and initial effects of price adjustments contributed positively to the gross margin during the period.

Operating expenses for the period amounted to SEK 1,656 M (1,502). Cost control remained good throughout the value chain.

Adjusted EBITDA for the period amounted to SEK 920 M (1,008). The adjusted EBITDA margin was 19.3% (23.1).

Net financial items amounted to SEK -32 M (-39) for the period. Positive currency effects in net financial items amounted to SEK 18 M (8) for the period.

Net sales per segment, SEK M	Quarter 2 2022	Quarter 2 2021	Organic change	Jan–Jun 2022	Jan–Jun 2021	Organic change	Rolling 12 months	Full-year 2021
Global Sales	1,385	1,301	1.2%	2,737	2,520	3.1%	5,429	5,211
North America	942	820	-0.9%	1,855	1,675	-2.4%	3,693	3,510
Other	78	78	-6.0%	182	172	-1.7%	356	350
Total	**2,404**	**2,199**	**0.2%**	**4,774**	**4,367**	**0.8%**	**9,477**	**9,070**

Currency effect

SEK M	Quarter 2 2022	Jan–Jun 2022
Translation effect (vs 2021)		
Sales	202	373
Cost of goods sold	-150	-264
Gross profit	52	109
Operating expenses	-58	-104
Restructuring and other operating income/ expenses	-1	-1
Total translation effect, EBIT	**-7**	**4**
Transaction effect (vs 2021)		
Cost of goods sold	**23**	**41**
Recognized remeasurement effects		
Other operating income/expenses	-17	-29

Cash flow and financial position

Cash flow from operations amounted to SEK 158 M (431) for the quarter. The lower cash flow was due to lower earnings and weaker trend in working capital. The continuing build-up of inventory to ensure deliveries to customers in a challenging climate contributed to the weaker trend in working capital. The Group's cash conversion for the quarter was 37.4% (84.8). The Group believes that cash conversion will gradually improve over the next few quarters.

Net investments for the quarter amounted to SEK 233 M (205), divided between tangible assets of SEK 166 M (148) and intangible assets of SEK 67 M (57). The investments in tangible assets include investments in the rental fleet of SEK 134 M (114).

The Group's cash and cash equivalents amounted to SEK 1,475 M (634) and interest-bearing net debt was SEK 5,108 M (5,005). Arjo has contracted unutilized credit facilities of SEK 3,711 M (5,445) available for refinancing outstanding commercial paper. The equity/assets ratio amounted to 44.8% (44.1). Net debt/adjusted EBITDA was 2.5 (2.7).

Research and development

Arjo's gross research and development costs for the quarter amounted to SEK 64 M (55), of which SEK 33 M (25) was charged to operating profit. The gross costs correspond to 2.6% (2.5) of consolidated net sales.

Outlook 2022

Organic sales growth for 2022 is expected to be within the Group's target interval of 3-5%.

Other key events during the quarter

Arjo awarded rental contract position with HealthTrust in the US

As one of four suppliers, Arjo has been awarded a position on a rental contract with HealthTrust, one of the leading GPOs in the US. The contract goes into effect on October 1st and extends over three years. The contract covers Medical Beds, Surface, and Equipment Rental, with a total value of approx. 600 MSEK per year.

Progress for the SEM scanner

During the quarter, Arjo signed another framework agreement in the UK, the Drug Tariff, that falls under the framework of remuneration from the NHS. The contract sets high requirements for both clinical and financial evidence, and the SEM scanner single-use sensor is the first – and to date only – product in preventive diagnostics that is included. The contract makes the purchasing process easier for Arjo's customers in England and Wales, and goes into effect on August 1, 2022.

New national guidelines on pressure injury prevention were recently published in Poland, under which SEM (sub-epidermal moisture) assessments are now recommended. In addition, SEM scanning is, as of now, included in one of the most common academic text books on internal medicine in Poland.

The SEM scanner was also recently included in a consensus statement on pressure injury prevention in New Zealand.

Arjo adds sustainability link to existing EUR 600 M credit facility

During the quarter, Arjo entered into an agreement to add a sustainability link to an existing EUR 600 M credit facility first signed in December 2021.

The renewed facility has a strong connection to the Arjo Sustainability Framework 2030. The interest rate margins for the facility are linked to KPIs covering the Group's initiatives to decrease greenhouse gas (GHG) emissions within scope 1, 2 and 3, balanced gender representation in senior positions, and continue to raise the share of total purchases from suppliers having signed Arjo's customized Code of Conduct for suppliers and business partners.

The credit facility is intended for general corporate purposes and was made possible through the backing of a global and regional bank consortium.

Arjo's production facilities now use 100% fossil-free electricity

As an important part of Arjo's sustainability efforts, all five of the Group's production facilities now use only fossil-free electricity in their operations.

One of the three focus areas of the Arjo Sustainability Framework 2030 is to create a sustainable offering throughout the value chain, for which one of the targets is to reduce corporate CO_2 emissions by 50% by 2030 aligning with the Paris Agreement. Increasing use of fossil-free electricity is an important step on this path and also supports the UN Sustainable Development Goal 13 Climate Action.

Save the date for Arjo's strategy update 2022

Arjo invites analysts, investors and financial media to a strategy update in connection with the publication of the interim report for the third quarter on October 28, 2022. The event will be held in Stockholm for a limited number of physical attendees with the option of participating digitally.

During the day, Arjo President & CEO, Joacim Lindoff, together with members of the Arjo Management Team, will provide an update on the company's strategic priorities for becoming a Mobility Outcome Partner and for some of the Group's solutions such as the SEM scanner.

The presentations will be held in English and will include a question and answer session. A formal invitation, including an agenda and registration information, will be sent out in September.

2022 Annual General Meeting

Arjo's Annual General Meeting (AGM) was held on April 22 at Luftkastellet in Malmö, Sweden. Shareholders who did not wish to attend the AGM physically could exercise their right to vote by postal voting before the AGM in accordance with the regulations in Arjo's Articles of Association. The main resolutions of the Annual General Meeting were as follows:

- Johan Malmquist (Chairman), Carl Bennet, Eva Elmstedt, Dan Frohm, Ulf Grunander, Carola Lemne and Joacim Lindoff were re-elected as members of the Board.
- Fees to the Board of Directors and auditors were resolved on in accordance with the Nomination Committee's proposals.
- Dividends for 2022 were resolved on in accordance with the Board's and the CEO's proposal.
- The AGM resolved to approve the Guidelines for Remuneration to Senior Executives as proposed by the Board of Directors.
- The AGM resolved to approve the Board of Directors' report over remuneration in accordance with Chapter 8, Section 53 a of the Swedish Companies Act (remuneration report), regarding the 2021 fiscal year.

More information about the AGM and the resolutions are available on the Group's website: https://www.arjo.com/int/about-us/corporate-governance/general-meetings/annual-general-meeting-2022/

Key events after the end of the quarter

There are no key events to report after the end of the reporting period.

Other information

Risk management

Customers and healthcare reimbursement systems

A considerable share of Arjo's revenue is derived from sales of products to public sector entities. A political discussion taking place in certain countries concerns whether private healthcare providers should be able to offer publicly funded healthcare services. There is a risk that authorities in countries where Arjo operates will decide to limit or completely discontinue public funding of private healthcare, which could affect the establishment of new hospitals and other healthcare facilities and their purchasing of healthcare products, such as Arjo's acute and long-term care products. Sales of the Group's products are also dependent on various reimbursement systems in each of Arjo's markets. In many of Arjo's markets (such as the US), it is often the patient's insurance company that – within the framework of the existing political reimbursement system – funds or subsidizes products for the patient's acute or long-term care. Some of the success for sales of Arjo's products in these markets is dependent on whether Arjo's products have been approved for reimbursement under the various reimbursement systems. Since Arjo conducts operations in many different countries and markets, the above-named risks are limited for the Group as a whole. In addition, Arjo is increasingly focusing on highlighting the clinical value and benefits of the Group's products, something that further reduces the risks described above.

Research and development

Arjo's future growth is also dependent on the continued expansion of new product segments and new product types in existing product segments, which is 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 in the past. Nor is there any certainty that Arjo will succeed in predicting or identifying trends in customer preferences and needs, or that Arjo will identify them earlier than its competitors. To maximize the return on research and development efforts, the Group has a highly structured selection and planning process to ensure that the Group prioritizes correctly when making decisions about potential projects. This process includes careful analyses of the market, technological progress, choice of production method and selection of subsuppliers. Development activities are conducted in a structured manner and the deliveries of every project undergo a number of fixed control points. Arjo is focused on product launches that will lead to more efficient care, in which more diseases can be treated, which is expected to drive demand from end customers and therefore market growth. Product development that leads to a broader product range is a means for increasing organic growth in the market in which Arjo operates.

Product liability and damage claims

As a medical device supplier, Arjo, like other healthcare industry players, 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 in place to cover any liability risks (including product liability) to which the Group is exposed.

Protecting and managing the infringement of intellectual property rights
Arjo invests significant financial amounts in research and development, and is continuously developing new products and technological solutions. To secure revenue from these investments, new products and technologies must be protected from unlawful use by competitors. If possible and appropriate, Arjo protects its intellectual property rights by registering patents, design and trademarks. The Group is also dependent upon know-how and trade secrets that cannot be protected under intellectual property law.

The Group has clear instructions on how to prevent, investigate and manage potential cases of infringement. In addition, procedures are in place to ensure efficient maintenance of the existing portfolio of rights.

Changes related to general economic and political conditions
Arjo operates in several parts of the world and, like other companies, is affected by general global economic, financial and political conditions. Demand for Arjo's medical devices and solutions is influenced by various factors, including general macroeconomic trends. Uncertainty about future economic prospects, including political concerns, could adversely affect customers' decisions to buy Arjo's products, which 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 destined to Russia due to the ongoing Russian invasion of Ukraine until future notice. This is in line with the robust sanctions imposed on Russia by other countries. In 2021, Russia accounted for 0.2% of Arjo's total revenue. According to the company's forecast, equipment worth approx. SEK 50 M was planned to be delivered to Russia in 2022, mainly during the first half of the year.

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 and EU MDR.

The EU MDR came into force in May 2021. Arjo has had an organization-wide plan in place since 2017 to ensure MDR compliance and has achieved MDR certification following a successful QMS audit at the end of 2019 and audit of product documentation in 2020.

All of the Group's production facilities are also certified according to ISO 13485 (Medical devices – quality management systems) and/or ISO 9001 (Quality management systems) from BSI Netherlands.

Financial risk management
Through its operations, Arjo is exposed to a number of financial risks. Arjo's risk management is regulated by a finance policy established by the Board. Ultimate responsibility for managing the Group's financial risks and developing methods and policies for mitigating these risks lies with Group management and Group Finance. The Group's financial risks comprise currency risk, interest-rate risk, credit and counterparty risk, and tax risk, of which currency is the most important risk.

Coronavirus (Covid-19)
Even though the most critical Covid-19 situation has now passed in many parts of the world, the pandemic may still affect the Group's supply chain, which could lead to delivery delays, production disruptions and impact the company's production costs. The organization is managing the situation well and is maintaining a close dialog with subsuppliers to ensure access to key components. The Group is monitoring developments and is successively making the necessary business decisions to ensure production and deliveries to the healthcare sector. To date, Arjo has not experienced any major production disruptions due to the pandemic, but like many other companies, sees an impact in the form of higher prices throughout the value chain. Arjo is otherwise following the guidelines set by the authorities in the geographical areas in which the company operates to manage the risk of exposure and ensure a safe and secure work environment.

Risk of cyber attacks
Arjo is dependent on IT and the infrastructure surrounding this area and thus is exposed to the risk of cyber attacks and other forms of hacking and data security.

A defined, governing process is in place to counteract potential risks in this area, and the company works actively on risk assessments of its IT infrastructure and sensitive data as well as testing of these areas. This includes defined mitigating processes and controls, known as IT General Control (ITGC) to protect the company. The internal control environment is evaluated every year both by the company's CISO and by the external auditors. 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 undergo training in IT security and such training is part of the onboarding process for new employees.

Transactions with related parties
Transactions between Arjo and companies in Getinge Group are specified in Note 13.

Forward-looking information
This report contains forward-looking information based on the current expectations of Arjo's Management Team. Although management considers the expectations presented by such forward-looking information to be reasonable, there is no guarantee that these expectations will prove correct. Consequently, actual outcomes may vary considerably compared with what is stated in the forward-looking information, due to such factors as changed conditions regarding the economy, market and competition, changes in legal and regulatory requirements, as well as other policy measures and fluctuations in exchange rates.

This interim report is unaudited.

Assurance

The Board of Directors and CEO assure that the interim report provides a true and fair review of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainties faced by the Parent Company and the Group.

Malmö, July 14, 2022

Johan Malmquist
Chairman of the Board

Carl Bennet
Vice Chairman

Eva Elmstedt

Dan Frohm

Ulf Grunander

Kajsa Haraldsson

Carola Lemne

Eva Sandling Gralén

Joacim Lindoff
President & CEO

Consolidated financial statements

Consolidated income statement

SEK M	Note	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Net sales	2, 3	2,404	2,199	4,774	4,367	9,070
Cost of goods sold	7	-1,372	-1,166	-2,687	-2,319	-4,861
Gross profit		**1,032**	**1,033**	**2,088**	**2,047**	**4,209**
Selling expenses		-487	-430	-949	-854	-1,753
Administrative expenses		-328	-298	-647	-601	-1,222
Research and development costs	5	-33	-25	-61	-47	-100
Exceptional items	6	-7	-5	-13	-13	-39
Other operating income and expenses	9	-17	-4	-26	-5	-9
Income from participations in associated companies		-2	-2	-4	-5	-9
Operating profit (EBIT)	4, 7	**158**	**270**	**389**	**522**	**1,077**
Net financial items	7	-20	-17	-32	-39	-88
Profit after financial items		**139**	**253**	**357**	**483**	**989**
Taxes		-35	-63	-89	-121	-247
Net profit for the period		**104**	**189**	**268**	**362**	**742**
Attributable to:						
Parent Company shareholders		104	189	268	362	742
Number of shares, thousands		272,370	272,370	272,370	272,370	272,370
Earnings per share, SEK[1]		0.38	0.70	0.98	1.33	2.72

1) Before and after dilution. For definition, see page 20.

Consolidated statement of comprehensive income

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Net profit for the period	**104**	**189**	**268**	**362**	**742**
Other comprehensive income					
Items that cannot be restated in profit					
Actuarial gains/losses pertaining to defined-benefit pension plans	46	51	19	111	205
Tax attributable to items that cannot be restated in profit	-12	-10	-5	-21	-54
Items that can later be restated in profit					
Translation differences	466	-145	607	322	636
Hedges of net investments	-46	13	-59	-10	-22
Tax attributable to items that can be restated in profit	-13	5	-17	-10	-21
Other comprehensive income for the period, net after tax	**442**	**-86**	**545**	**393**	**745**
Total comprehensive income for the period	**546**	**103**	**813**	**755**	**1,486**
Comprehensive income attributable to:					
Parent Company shareholders	546	103	813	755	1,486

Consolidated balance sheet

SEK M	Note	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Assets				
Intangible assets		7,358	6,937	7,099
Tangible assets		1,661	1,392	1,454
Tangible lease assets	7	1,133	1,113	1,101
Financial assets	11	742	553	660
Participations in associated companies		135	120	123
Inventories		1,734	1,257	1,369
Accounts receivable		1,542	1,423	1,542
Current financial receivables	11	23	3	25
Other current receivables		687	528	481
Cash and cash equivalents	11	1,475	634	757
Total assets		**16,491**	**13,960**	**14,612**
Shareholders' equity and liabilities				
Shareholders' equity		7,384	6,153	6,885
Non-current financial liabilities	11	2,737	702	118
Non-current lease liabilities	11	845	844	830
Provisions for pensions, interest-bearing	11	33	38	32
Other provisions		324	209	316
Current financial liabilities	11	3,005	3,979	4,177
Current lease liabilities	11	346	324	328
Accounts payable		634	516	614
Other non-interest-bearing liabilities		1,182	1,194	1,314
Total shareholders' equity and liabilities		**16,491**	**13,960**	**14,612**

Changes in shareholders' equity for the Group

SEK M	Share capital	Reserves	Retained earnings	Total share-holders' equity[1)]
Opening balance at January 1, 2021	**91**	**172**	**5,367**	**5,630**
Total comprehensive income for the period	-	593	893	1,486
Dividend	-	-	-232	-232
Closing balance at December 31, 2021	**91**	**766**	**6,028**	**6,885**
Opening balance at January 1, 2022	**91**	**766**	**6,028**	**6,885**
Total comprehensive income for the period	-	531	282	813
Dividend	-	-	-313	-313
Closing balance at June 30, 2022	**91**	**1,297**	**5,997**	**7,384**

1) Fully attributable to Parent Company shareholders.

Consolidated cash-flow statement

SEK M	Note	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Operating activities						
Operating profit (EBIT)		158	270	389	522	1,077
Add-back of amortization, depreciation and write-down	4	265	238	518	473	956
Other non-cash items		-2	27	16	25	-2
Expensed exceptional items[1]		6	5	12	13	38
Paid exceptional items		-8	-7	-16	-20	-38
Financial items		-24	-24	-33	-45	-89
Taxes paid		-84	-46	-174	-78	-132
Cash flow before changes to working capital		**312**	**464**	**712**	**890**	**1,810**
Changes in working capital						
Inventories		-98	-66	-253	-178	-232
Current receivables		58	143	-36	169	135
Current liabilities		-113	-110	-239	-176	21
Cash flow from operations		**158**	**431**	**184**	**705**	**1,734**
Investing activities						
Acquired operations	9	–	-19	–	-19	-19
Acquired financial assets		–	–	-21	–	-
Net investments		-233	-205	-418	-327	-675
Cash flow from investing activities		**-233**	**-224**	**-439**	**-346**	**-695**
Financing activities						
Raising of loans		7,116	2,858	11,601	4,939	9,942
Repayment of interest-bearing liabilities		-6,192	-2,671	-10,287	-5,342	-10,808
Repayment of lease liabilities		-92	-81	-183	-158	-330
Change in pension assets/liabilities		0	0	0	1	3
Change in interest-bearing receivables		-10	15	2	23	27
Dividend		-313	-232	-313	-232	-232
Realized derivatives attributable to financing activities		18	0	105	75	121
Cash flow from financing activities		**526**	**-112**	**924**	**-695**	**-1,277**
Cash flow for the period		**452**	**95**	**669**	**-337**	**-237**
Cash and cash equivalents at the beginning of the period		985	550	757	972	972
Translation differences		38	-11	49	-1	22
Cash and cash equivalents at the end of the period		**1,475**	**634**	**1,475**	**634**	**757**

1) Excluding write-down of non-current assets.

Note 1 Accounting policies

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable rules of the Swedish Annual Accounts Act. The Parent Company has prepared the interim report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities.

The accounting policies applied in the preparation of this interim report apply to all periods and are consistent with the accounting policies presented in Note 1 Accounting policies in the 2021 Annual Report, published on www.arjo.com. 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.

New accounting standards

No new or changed accounting standards that came into effect on January 1, 2022 had a material impact on Arjo. None of the IFRS or IFRIC interpretations that have yet to come into legal effect are expected to have any significant impact on Arjo.

Note 2 Net sales by type of revenue

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Product sales	1,417	1,288	2,772	2,503	5,209
Service incl. spare parts	421	371	822	724	1,504
Rental	567	541	1,180	1,140	2,357
Total	**2,404**	**2,199**	**4,774**	**4,367**	**9,070**

Note 3 Segment reporting

	Quarter 2 2022				Quarter 2 2021			
SEK M	Global Sales	North America	Other [1]	Arjo Group	Global Sales	North America	Other [1]	Arjo Group
Net sales, external	1,385	942	78	2,404	1,301	820	78	2,199
Operating profit/loss	**210**	**206**	**-258**	**158**	**245**	**258**	**-233**	**270**
Net financial items				-20				-17
Profit after financial items				**139**				**253**
Taxes				-35				-63
Net profit for the period				**104**				**189**

1) Group functions and Other incl. eliminations.

	Jan–Jun 2022				Jan–Jun 2021				Full-year 2021			
SEK M	Global Sales	North America	Other [1]	Arjo Group	Global Sales	North America	Other [1]	Arjo Group	Global Sales	North America	Other [1]	Arjo Group
Net sales, external	2,737	1,855	182	4,774	2,520	1,675	172	4,367	5,211	3,510	350	9,070
Operating profit/loss	**426**	**474**	**-511**	**389**	**462**	**554**	**-495**	**522**	**941**	**1,149**	**-1,012**	**1,077**
Net financial items				-32				-39				-88
Profit after financial items				**357**				**483**				**989**
Taxes				-89				-121				-247
Net profit for the period				**268**				**362**				**742**

1) Group functions and Other incl. eliminations.

Arjo monitors the operations following the segments Global Sales and North America. Arjo has significant central Group functions in the areas of Supply Chain (product supply, inventories and distribution), IT, Quality, and Research and Development. Only a certain portion of Supply Chain's expenses are allocated to each segment. The remainder of the expenses for Group functions are recognized as Group expenses. Arjo's diagnostics operations are included in other items that are recognized together with Group expenses. The division of segments and the method of measuring the segments' results is conducted in a similar way in this interim report as the 2021 Annual Report. Assets and liabilities are not divided by segment since no such amounts are regularly reported to the chief operating decision maker.

Note 4 Depreciation/amortization and write-down

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Intangible assets	-70	-69	-137	-139	-274
Of which, attributable to acquisitions	*-21*	*-22*	*-42*	*-44*	*-87*
Tangible assets	-104	-88	-201	-174	-355
Tangible lease assets	-92	-81	-181	-160	-327
Total	**-265**	**-238**	**-518**	**-473**	**-956**
Of which, write-down	-	-	-	-	-

Note 5 Capitalized development costs

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Research and development costs, gross	-64	-55	-122	-106	-220
Capitalized development costs	30	31	61	59	120
Research and development costs, net	**-33**	**-25**	**-61**	**-47**	**-100**

Note 6 Exceptional items

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Acquisition expenses	-1	-	-1	0	-1
Damage claims and disputes	-6	-	-6	-	-
Restructuring costs	0	-5	-1	-13	-38
Other[1)]	-	-	-5	-	-
Total	**-7**	**-5**	**-13**	**-13**	**-39**

1) Pertains to support to Ukraine.

Note 7 Leases

A specification of the right-of-use assets and where the costs are found in the income statement is presented below.

Arjo as a lessee

Amounts recognized in the balance sheet

SEK M	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Right-of-use assets			
Buildings and land	793	738	750
Cars and other vehicles	325	354	334
Other	15	21	18
Total	**1,133**	**1,113**	**1,101**

Amounts recognized in profit or loss

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Depreciation of right-of-use assets					
Cost of goods sold	-64	-55	-126	-108	-224
Operating expenses	-28	-26	-55	-52	-104
Total	**-92**	**-81**	**-181**	**-160**	**-327**
Interest expenses	-7	-8	-15	-15	-30

Note 8 Financial assets and liabilities measured at fair value

Jun 30, 2022, SEK M	Assets/liabilities measured at fair value through profit or loss	Derivatives used for hedging purposes	Total
Other current receivables	56	-	56
Other financial assets	127	-	127
Total assets	**183**	**-**	**183**
Other non-interest-bearing liabilities	17	-	17
Additional purchase consideration	42	-	42
Total liabilities	**59**	**-**	**59**

Jun 30, 2021, SEK M	Assets/liabilities measured at fair value through profit or loss	Derivatives used for hedging purposes	Total
Other current receivables	5	-	5
Other financial assets	119	-	119
Total assets	**124**	**-**	**124**
Other non-interest-bearing liabilities	21	-	21
Additional purchase consideration	68	-	68
Total liabilities	**89**	**-**	**89**

The fair value of derivative instruments is established using valuation techniques. For this purpose, observable market information is used. All derivatives are classified under level 2 of the fair value hierarchy. The Group has holdings in unlisted companies in level 3 of the fair value hierarchy. The carrying amount of the holdings is the same as the fair value. The Group has a liability for additional purchase considerations related to acquisitions, which is at level 3 of the fair value hierarchy.

Note 9 Acquisitions and divestments

Acquisitions in 2021

Acquisition of PAC Rentals

In the second quarter of 2021, Arjo acquired the South African company PAC Rentals, which offers rentals of specialized and therapeutic mattresses. The purchase price amounted to SEK 19 M. The acquisition took place as a transfer of assets and liabilities and has been integrated into Arjo's existing operations in South Africa. The acquired operations generate sales of approximately SEK 10 M annually.

Note 10 Financial data per quarter

SEK M	Quarter 1 2021	Quarter 2 2021	Quarter 3 2021	Quarter 4 2021	Quarter 1 2022	Quarter 2 2022
Net sales	2,168	2,199	2,247	2,456	2,370	2,404
Cost of goods sold	-1,154	-1,166	-1,215	-1,327	-1,315	-1,372
Gross profit	**1,014**	**1,033**	**1,033**	**1,129**	**1,055**	**1,032**
Operating expenses	-750	-752	-749	-823	-807	-849
Exceptional items	-8	-5	-4	-21	-6	-7
Other operating income, operating expenses and income from participations in associated companies	-4	-6	-3	-5	-11	-19
Operating profit (EBIT)	**252**	**270**	**276**	**280**	**231**	**158**
Net financial items	-21	-17	-24	-26	-13	-20
Profit after financial items	**231**	**253**	**252**	**254**	**218**	**139**
Taxes	-58	-63	-63	-63	-55	-35
Net profit for the period	**173**	**189**	**189**	**190**	**164**	**104**
Adjusted EBITDA[1]	495	513	524	541	490	430
Adjusted EBITDA margin, %[1]	22.8%	23.3%	23.3%	22.0%	20.7%	17.9%

1) EBITDA before exceptional items. Refer to Note 6 Exceptional items on page 13, Alternative performance measures on page 17 and definitions on page 20.

Note 11 Consolidated interest-bearing net debt

SEK M	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Non-current financial liabilities	2,737	634	45
Non-current lease liabilities	845	844	830
Current financial liabilities	2,963	3,979	4,177
Current lease liabilities	346	324	328
Provisions for pensions, interest-bearing	33	38	32
Interest-bearing liabilities	**6,925**	**5,819**	**5,412**
Less financial receivables	-81	-32	-76
Less pension assets	-261	-147	-238
Less cash and cash equivalents	-1,475	-634	-757
Interest-bearing net debt	**5,108**	**5,005**	**4,341**

Note 12 Key performance measures for the Group

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Sales measures					
Net sales	2,404	2,199	4,774	4,367	9,070
Net sales growth, %	9.3%	-2.9%	9.3%	-3.7%	-0.1%
Organic growth in sales, %	0.2%	4.0%	0.8%	4.0%	3.5%
Expense measures					
Selling expenses as a % of net sales	20.3%	19.6%	19.9%	19.6%	19.3%
Administrative expenses as a % of net sales	13.7%	13.5%	13.5%	13.8%	13.5%
Research and development costs gross as a % of net sales	2.6%	2.5%	2.6%	2.4%	2.4%
Earnings measures					
Operating profit (EBIT)	158	270	389	522	1,077
Adjusted operating profit (EBIT)[2]	165	275	402	535	1,116
EBITA	228	339	526	660	1,351
Adjusted EBITA[2]	235	344	539	673	1,390
EBITDA	423	508	907	994	2,033
EBITDA growth, %	-16.6%	7.0%	-8.8%	12.6%	10.6%
Adjusted EBITDA[2]	430	513	920	1,008	2,072
Earnings per share, SEK	0.38	0.70	0.98	1.33	2.72
Margin measures					
Gross margin, %	42.9%	47.0%	43.7%	46.9%	46.4%
Operating margin, %	6.6%	12.3%	8.2%	11.9%	11.9%
Adjusted operating margin, %[2]	6.9%	12.5%	8.4%	12.2%	12.3%
EBITA margin, %	9.5%	15.4%	11.0%	15.1%	14.9%
Adjusted EBITA margin, %[2]	9.8%	15.6%	11.3%	15.4%	15.3%
EBITDA margin, %	17.6%	23.1%	19.0%	22.8%	22.4%
Adjusted EBITDA margin, %[2]	17.9%	23.3%	19.3%	23.1%	22.8%
Cash flow and return measures					
Return on shareholders' equity, %[1]			9.6%	11.3%	11.9%
Cash conversion, %	37.4%	84.8%	20.3%	70.9%	85.3%
Operating capital			12,141	11,402	11,236
Return on operating capital, %[1]			8.1%	9.0%	9.9%
Capital structure					
Interest-bearing net debt			5,108	5,005	4,341
Interest-coverage ratio, multiple[1]			11.9x	9.6x	12.8x
Net debt/equity ratio, multiple			0.7x	0.8x	0.6x
Net debt / adjusted EBITDA, multiple[1, 2]			2.5x	2.7x	2.3x
Equity/assets ratio, %			44.8%	44.1%	47.1%
Equity per share, SEK			27.1	22.6	25.3
Other					
No. of shares			272,369,573	272,369,573	272,369,573
Number of employees, average			6,586	6,234	6,350

1) Rolling 12 months.
2) Before exceptional items. See Alternative performance measures on page 17 and definitions on page 20.

Alternative performance measures

Alternative performance measures refer to financial measures used by the company's management and investors to evaluate the Group's earnings and financial position, and that cannot be directly read or derived from the financial statements. These financial measures are intended to facilitate analysis of the Group's performance. The alternative performance measures should not be considered substitutes, but rather a supplement to, the financial statements prepared in accordance with IFRS. The financial measures recognized in this report may differ from similar measures used by other companies. The alternative performance measures recognized below have not been calculated in accordance with IFRS but have been presented since Arjo believes that they are important in connection with investors' assessments of the Company and the Company's share.

Adjusted EBIT/EBITA/EBITDA SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Operating profit (EBIT)	158	270	389	522	1,077
Add-back of amortization and write-down of intangible assets	70	69	137	139	274
EBITA	**228**	**339**	**526**	**660**	**1,351**
Add-back of depreciation and impairment of tangible assets	195	169	381	334	682
EBITDA	**423**	**508**	**907**	**994**	**2,033**
Exceptional items[1)]	7	5	13	13	39
Adjusted operating profit (EBIT)	**165**	**275**	**402**	**535**	**1,116**
Adjusted EBITA	**235**	**344**	**539**	**673**	**1,390**
Adjusted EBITDA	**430**	**513**	**920**	**1,008**	**2,072**

1) Refer to Note 6 Exceptional items on page 13.

Cash conversion	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Cash flow from operations, SEK M	**158**	**431**	**184**	**705**	**1,734**
Operating profit (EBIT), SEK M	158	270	389	522	1,077
Add-back of amortization, depreciation and write-down of intangible and tangible assets, SEK M	265	238	518	473	956
EBITDA, SEK M	**423**	**508**	**907**	**994**	**2,033**
Cash conversion, %	**37.4%**	**84.8%**	**20.3%**	**70.9%**	**85.3%**

Net debt/equity ratio	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Interest-bearing net debt, SEK M	5,108	5,005	4,341
Shareholders' equity, SEK M	7,384	6,153	6,885
Net debt/equity ratio	**0.69**	**0.81**	**0.63**

Calculation of return on operating capital	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Total assets opening balance, SEK M	13,960	14,636	13,858
Total assets closing balance, SEK M	16,491	13,960	14,612
Average total assets, SEK M	**15,226**	**14,298**	**14,235**
Average total assets, SEK M	15,226	14,298	14,235
Excluding average cash and cash equivalents, SEK M	-1,055	-877	-865
Excluding average other provisions, SEK M	-267	-232	-274
Excluding average other non-interest-bearing liabilities, SEK M	-1,763	-1,786	-1,860
Average operating capital, SEK M	**12,141**	**11,402**	**11,236**
Operating profit (EBIT), SEK M[1)]	945	995	1,077
Add-back of exceptional items, SEK M[1)]	38	36	39
EBIT after add-back of exceptional items, SEK M	983	1,031	1,116
Return on operating capital, %	**8.1%**	**9.0%**	**9.9%**

1) Rolling 12 months.

Note 13 Transactions with related parties

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Sales	6	6	10	15	31
Purchases of goods	0	0	-2	-1	-4
Accounts receivable			2	4	4
Other current receivables			–	2	-
Accounts payable			1	0	0

Transactions between Arjo and companies in Getinge Group are specified in the table above. In addition to the above, there were no other material transactions with related parties. 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.

Parent Company financial statements

Parent Company income statement

SEK M	Quarter 2 2022	Quarter 2 2021	Jan–Jun 2022	Jan–Jun 2021	Full-year 2021
Administrative expenses	-48	-42	-99	-87	-175
Other operating income and expenses	0	0	-1	0	150
Operating loss (EBIT)	**-48**	**-42**	**-99**	**-87**	**-25**
Income from participations in Group companies	26	81	26	81	88
Net financial items[1]	-9	-27	-26	-39	-74
Profit/loss after financial items	**-30**	**12**	**-99**	**-45**	**-11**
Taxes	11	11	24	23	-1
Net profit/loss for the period	**-19**	**24**	**-75**	**-22**	**-13**

1) Net financial items contain interest income, interest expenses, other financial expenses and exchange-rate gains and losses attributable to the translation of financial receivables and liabilities in foreign currencies measured at the closing day rate.

Parent Company balance sheet

SEK M	Jun 30, 2022	Jun 30, 2021	Dec 31, 2021
Assets			
Intangible assets	359	348	355
Tangible assets	2	0	0
Financial assets	5,941	5,970	5,909
Current financial receivables, Group companies	483	1,886	2,128
Other current receivables, Group companies	24	5	27
Current receivables	15	19	17
Total assets	**6,824**	**8,229**	**8,436**
Shareholders' equity and liabilities			
Shareholders' equity	3,840	4,219	4,228
Provisions	2	1	1
Current financial liabilities	2,951	3,977	4,165
Other current liabilities, Group companies	7	4	11
Other non-interest-bearing liabilities	24	27	31
Total shareholders' equity and liabilities	**6,824**	**8,229**	**8,436**

At the end of the period, the carrying amount of shares and participations in subsidiaries amounted to SEK 5,832 M (5,862). No change occurred during the period. The Parent Company's commercial paper program has a framework amount of SEK 5,000 M (4,000). The total amount issued at the end of the period amounted to SEK 2,953 M (3,982).

Intangible assets comprise software.

Definitions

Financial terms

Operating capital
Average total assets less cash and cash equivalents, other provisions, accounts payable and other non-interest-bearing liabilities.

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.

Cash conversion
Cash flow from operations in relation to EBITDA.

EBIT
Operating profit.

Adjusted EBIT/Operating profit
Operating profit with add-back of exceptional items.

EBITA
Operating profit before amortization and write-down of intangible assets.

Adjusted EBITA
EBITA with add-back of exceptional items.

EBITA margin
EBITA in relation to net sales.

Adjusted EBITA margin
Adjusted EBITA in relation to net sales.

EBITDA
Operating profit before amortization, depreciation and write-down.

Adjusted EBITDA
EBITDA with add-back of exceptional items.

EBITDA margin
EBITDA in relation to net sales.

Adjusted EBITDA margin
Adjusted EBITDA in relation to net sales.

Exceptional items
Total of acquisition, restructuring and integration costs as well as major non-recurring items.

Net debt/equity ratio
Interest-bearing net debt in relation to shareholders' equity.

Net debt/adjusted EBITDA, multiple
Average net debt in relation to rolling 12 months' adjusted EBITDA.

Organic change
A financial change adjusted for currency fluctuations, acquisitions and divestments.

Earnings per share
Profit for the period attributable to Parent Company shareholders in relation to average number of shares. The following data was used to calculate earnings per share:

Profit for the period attributable to Parent Company shareholders	SEK 268 M
Number of shares, thousands	272,370
Earnings per share	SEK 0.98

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.

Operating expenses
Selling expenses, administrative expenses and research and development costs.

Operating margin
Operating profit in relation to net sales.

Equity/assets ratio
Shareholders' equity in relation to total assets.

Medical and other terms

Deep vein thrombosis (DVT)
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.

US Food and Drug Administration (FDA)
The US authority responsible for protecting the public health by carrying out regular inspections of, among other things, medical devices.

IPC (intermittent pneumatic compression)
An established method for treating venous leg ulcers, for example. Actively compressing the calf muscles, for example, imitates the pumping mechanism that normally occurs when moving, which increases blood flow to the leg.

Compression therapy
Treatment technique which means that one uses outer pressure with a certain frequency and for a certain period of time to treat and prevent venous leg ulcers.

EU Medical Device Regulation (MDR)
Regulations created by the EU to ensue better protection for the public health and patient safety by establishing modernized and more robust EU legislation. All medical device manufacturers and distributors must comply with these new regulations.

Prevention
Preventive activity/treatment.

Sequential VTE prevention
A treatment that aims to enhance the circulation of blood in the deep veins of the legs, which helps reduce deep vein thrombosis (blood clot in the deep veins of the legs).

SEM scanner (sub epidermal moisture)
A hand-held and wireless device that measures sub-epidermal moisture, which allows early detection of pressure injury risk.

Pressure injuries
Sores that occur when blood flow to the skin is reduced by external pressure. Most common in patients with reduced mobility.

VTE
The abbreviation VTE standards for venous thromboembolism – a blood clot in the veins, similar to DVT (above).

Edema
Swelling due to accumulation of fluid in tissues.

Teleconference

Fund managers, analysts and the media are invited to a teleconference on July 14 at 8:00 a.m. CEST.

Dial the number below to participate:
Sweden: +46 8 505 163 86
US: +1 412 317 6300
UK: +44 20 319 84884
PIN: 4127122# (used for all numbers)

A presentation will be held during the telephone conference. To access the presentation, please use this link:
https://tv.streamfabriken.com/arjo-q2-report-2022

Alternatively, use the following link to download the presentation:
https://www.arjo.com/int/about-us/investors/reports--presentations/2022/

A recording of the teleconference will be available for three years via the following link: https://tv.streamfabriken.com/arjo-q2-report-2022

Financial information

Updated information on, for example, the Arjo share and corporate governance is available on Arjo's website www.arjo.com. The Annual Report, year-end report and interim reports are published in Swedish and English and are available for download at www.arjo.com.

The following financial statements will be published in 2022/2023:

October 28, 2022	Interim report Jan-Sep 2022
October 28, 2022	Strategy update 2022
January 25, 2023	Year-End Report 2022
April 20, 2023	Interim report January-March 2023
April 20, 2023	2023 Annual General Meeting
March 2023	2022 Annual Report

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This information is information that Arjo AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above on July 14, 2022 at 7:00 a.m. CEST.

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