

Arjo AB (publ)

The Board of Directors' statement according to chapter 18, Section 4 and chapter 19, Section 22 of the Companies Act

Nature of the business, scope and risks

The nature of the business and scope are presented in the articles of association and the submitted Annual and Sustainability Report. The operations run in the Company and the Group do not entail any risks beyond those that occur or can be expected to occur in the industry or the risks generally associated with running a business. Significant events are presented in the Annual and Sustainability Report and no other additional events have occurred that affect the ability of the Company to distribute dividends or acquire its own shares.

The Company and Group financial position

The Company and Group financial position per 2024-12-31 is presented in the submitted Annual and Sustainability Report. The principles applied for the valuation of assets, provisions and liabilities are also presented in the Annual and Sustainability Report.

In the proposed appropriation of profit the Board proposes a dividend of SEK 0.95 per share, which equals a total amount of MSEK 259. The proposed dividend amounts to approximately 52 percent of the Company's result and 5.7 percent of the Company's equity. The Company's equity/assets ratio, after dividend, amounts to 66.7 percent (last year 60.1 percent) and the Group's equity/assets ratio amounts to 50.4 percent (last year 48.3 percent). The shareholders' equity in the group has increased with MSEK 3 because assets and liabilities have been valued at fair value pursuant to Chapter 4, section 14 a of the Swedish Annual Accounts Act.

The Board also proposes to the Annual General Meeting that the Board be authorized to make decisions on the re-purchase of the Company's share up to an amount so that, at the given time following the acquisition, the Company holds a maximum of 10 percent of all shares in the Company

The Board believes that the size of the equity as reported in the latest submitted Annual and Sustainability Report is in reasonable proportion to the scope of the business of the Company and Group as well as the risks associated with running the business, taking into consideration the proposed dividend and the acquisition of own shares according to the proposed authorization.

The proposal's soundness

In reference to the above and what has otherwise come to the attention of the Board, it is the Board's belief that an all-round assessment of the financial position of the Company and Group entails that the proposed dividend and the acquisition of own shares according to the proposed authorization are sound taking into consideration the demands that the nature, scope and risks of the business put on the size of Company and Group equity and the consolidation needs, liquidity and position in general of the business of the Company and Group.

Malmö, March 2025

Board of Directors for Arjo AB (publ)