



# Passion for life

2020 Annual Report



# Passion for life

Sometime in life, we all need to seek health care. At Getinge, we have a long tradition of creating innovations that improve people's quality of life – and save lives. We think it is the most important job in the world.



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**25,000**

No. of customers

**10,800**

No. of employees in the company

**90%**

of sales are made to hospitals and 10% to pharma companies and research institutes

**SEK 29.8 bn**

Net sales 2020

Getinge adds value to customers' operations in terms of



## THIS IS GETINGE

The world is facing major challenges, one of which is the ability to provide the increasing world population with safe and effective health care. We live longer and, according to WHO, lifestyle diseases such as cardiovascular diseases are one of the primary causes of death globally.

Getinge is committed to ensuring that all people and societies have access to the best possible health care. The company supports its customers in meeting their challenges in health care and life science institutions by providing knowledge, technology and resources to achieve optimal clinical outcomes and, ultimately, to save lives.

Every care has been taken in the translation of this Annual Report. In the event of discrepancies, the Swedish original will supersede the English translation.

Cover photo: Picture photographed by Dana Yamini, specialist nurse at a hospital in Stockholm, Sweden and photographer.



# Creating shared value

Getinge's role is to provide value to its various stakeholders. Customers' operations and business should result in better health care to more patients and thereby also create value for society.

## VISION

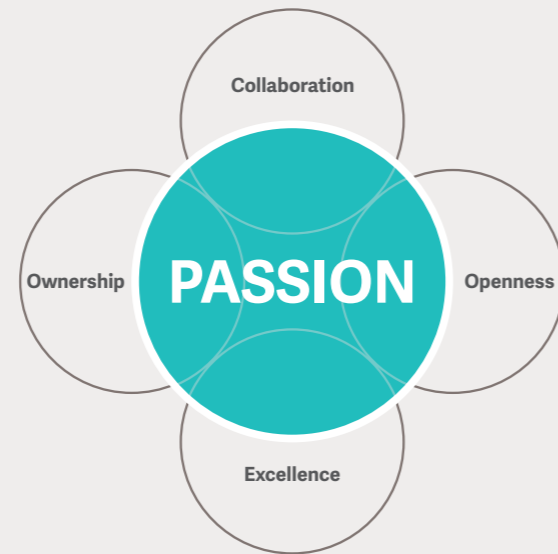
To become the world's most respected and trusted medical device company

## MISSION

Getinge provides innovative products and solutions that enable better patient outcomes while enhancing health economics

## VALUES

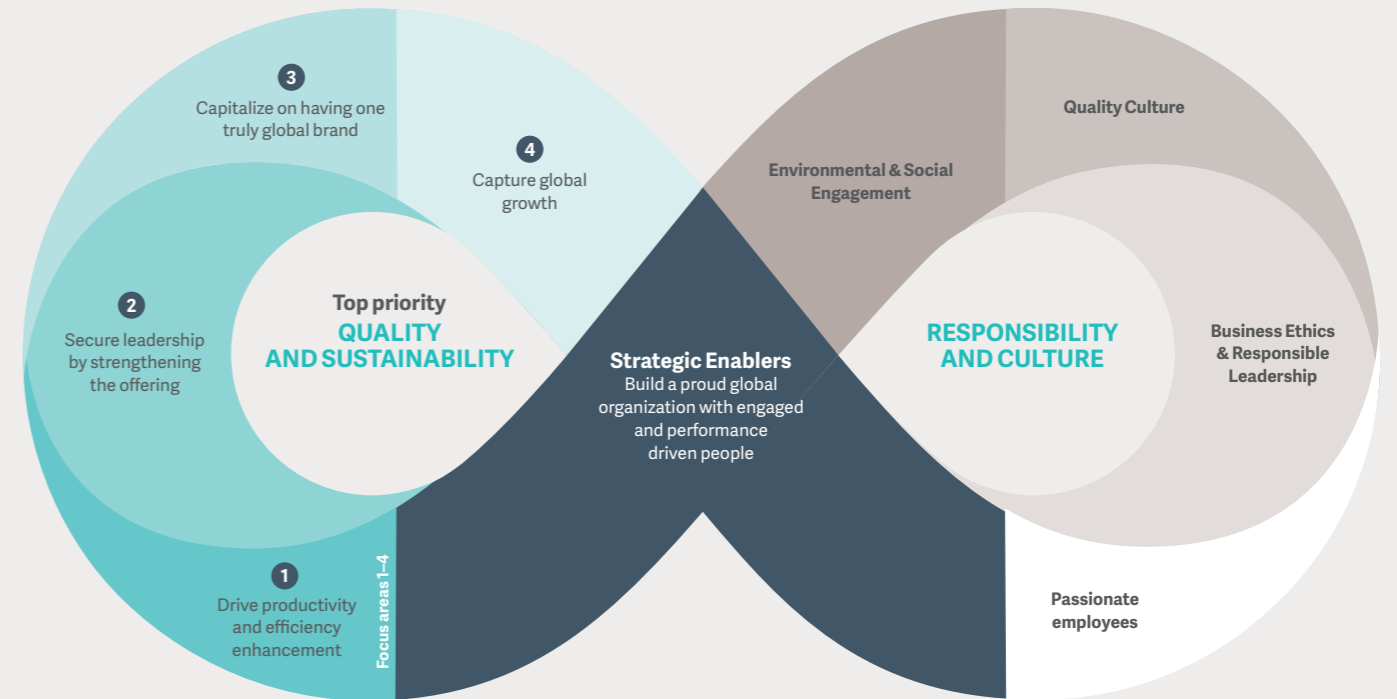
Passion is at the heart of our values



## BUSINESS AREAS



## HOW GETINGE CREATES VALUE FOR CUSTOMERS AND OTHER STAKEHOLDERS



## DELIVERING VALUE FOR OUR STAKEHOLDERS

Getinge enables better health care in hospitals and in pharmaceutical development and production. Getinge also contributes with value to society at large.

### Customers

Getinge's top priority is to have satisfied customers. Contributing positively to customers' operations will improve customer loyalty and lead to better business results for Getinge. The performance of Getinge's business recent years shows that the company is on the right path.

**9.9%**

Compounded annual sales growth 2018–2020

### Partners

Cooperation with other experts is needed to achieve success. For example, Getinge managed to increase ventilator production capacity by 160% in a short period of time in 2020, thanks to strong collaboration with partners.

**26,700**

Number of ICU ventilators produced in 2020

### Society

Getinge is proud to contribute to better health care in a productive way as this is key for society. Getinge is also contributing to society indirectly, through collaborations with organizations and universities.

**125**

Getinge's products were sold in 125 countries 2020

### Employees

Getinge's future and ability to create value for the other stakeholders, depends on the ambition and passion of its employees, and in how Getinge utilizes this.

**72%**

Employee commitment, PULSE surveys (target: >70%)

# 2020 in brief

## Acquisition of Applikon Biotechnology finalized

In January, Getinge completed the acquisition of Applikon Biotechnology, a leading company in the development and supply of advanced bioreactor systems for the research and production of vaccines and antibodies in the biopharmaceutical industry, as well as enzymes and bio-plastics for industrial biotechnology.

## Production ramp-up of advanced ICU-ventilators

To meet the rapidly increasing demand for advanced ICU-ventilators, Getinge announced a year-end target to produce 26,000 ventilators. The 160% production ramp up was met during Q4 2020, thanks to strong team work and partnerships with various companies such as Scania, Ericsson and Volvo.



## Q1

### Q1 Financial development:

Net sales increased organically by 3.8% and adjusted EBITA amounted to SEK 661 M (369). Adjusted earnings per share increased to SEK 1.41 (0.64). Cash flow after net investments increased to SEK 988 M (139). Net debt decreased to SEK 12.7 B (14.0). Adjusted for pension liabilities net debt amounted to SEK 9.1 B (10.7).

## Getinge Online was launched

Getinge introduced one of its latest connectivity solutions for acute care products. The digital platform Getinge Online enables hospitals to improve efficiency by using product data to gain insights and maximize uptime. Of the acute care products, the first ones to be connected to the new portal are the Getinge Flow Family anesthesia machines.

## Getinge issued COVID-19 commercial paper

In April, Getinge issued a SEK 1 billion COVID-19 commercial paper in line with the ICMA Social Bond Principles. The commercial paper was exclusively allocated to finance the production increase of ventilators and other capital needs to expand the production of life saving equipment to meet rising demand due to the COVID-19 pandemic. The commercial paper also supported Getinge's sustainability work to contribute to increased value for customers and society at large.

## Showcasing the Quiet ICU

Together with other leading industry partners, Getinge showcased innovative connectivity solutions for creating a more quiet and healing environment for the intensive care unit (ICU). By distributing audible alarms outside patient rooms, ICUs will become calmer for patients, family members and provide caregivers a more efficient way of addressing alarms.

## Q2

### Q2 Financial development:

Net sales increased organically by 9.1% and adjusted EBITA amounted to SEK 1,218 M (591). Adjusted earnings per share increased to SEK 3.07 (1.12). Cash flow after net investments increased to SEK 1,368 M (576). Net debt decreased to SEK 10.9 B (13.9). Adjusted for pension liabilities net debt amounted to SEK 7.4 B (10.5).

## Increasing ECLS production capacity

In June, Getinge decided to increase the production output of ECLS (Extra Corporeal Life Support) devices due to strong demand related to COVID-19.

## Getinge to become a CO<sub>2</sub> neutral company by 2025

In July, Getinge announced its intention to become a CO<sub>2</sub> neutral company by 2025. The target will be reached by a stepwise approach in several areas and supports the company's objective to contribute to a sustainable health care environmentally as well as socially.



## 510(k) clearance from US FDA for Servo-airR, Flow-e and Flow-c

Getinge received a 510(k) clearance from the US Food & Drug Administration (FDA) for both the company's Servo-airR mechanical ventilator, as well as the Flow-e and Flow-c Anesthesia Systems. The latter two, share the same Flow Family core technology and offers personalized anesthesia delivery for even the most challenging patients, from neonates and pediatric to the morbidly obese.

## Multi-center trial shows significant benefits with NAVA

The results of an independent multi-center trial showed that through the use of NAVA (Neurally Adjusted Ventilatory Assist), the days on mechanical ventilation could be reduced from 12 to 8 for adult ICU-patients. This equals close to a 35% reduction which is quite a remarkable improvement.



## Q3

### Q3 Financial development:

Net sales increased organically by 33.4% and adjusted EBITA amounted to SEK 2,028 M (677). Adjusted earnings per share increased to SEK 5.37 (1.42). Cash flow after net investments increased to SEK 1,567 M (587). Net debt decreased to SEK 9.9 B (14.1). Adjusted for pension liabilities net debt amounted to SEK 6.3 B (10.4).

## Anna Romberg new member of the Executive Team

In September, Anna Romberg was appointed Executive Vice President Legal, Compliance & Governance and member of the Getinge Executive Team.



## Ramping up production in DPTE® BetaBags

The need for DPTE® BetaBags has increased significantly due to COVID-19 and subsequent efforts to develop and manufacture vaccines. The increased demand is expected to persist for the foreseeable future and Getinge has gradually increased capacity in the existing production unit in France in 2020. In addition, a decision was made in the fourth quarter to establish production in the US, at Getinge's factory in Merrimack, New Hampshire, where production is expected to start at the end of 2021.

## Acquisition of Quadralene

In November, Getinge acquired Quadralene, a global expert and manufacturer of consumables like disinfectants for sterilization. The acquisition of Quadralene enables Getinge to more effectively add value to customers in their important efforts to reduce hospital-related infections.

## Launch of Solsus 66 steam sterilizer

Getinge's launched a new steam sterilizer, Solsus 66 in the fourth quarter. It is a sustainable and energy efficient steam sterilizer that meets the needs of hospitals seeking a balance between capacity and cost efficiency in the Central Sterile Supply Department (CSSD). The launch comes at a time when hospitals face both operational and financial challenges as a result of the COVID-19 pandemic.

## Q4

### Q4 Financial development:

Net sales increased organically by 11.1% and adjusted EBITA amounted to SEK 1,817 M (1,673). Adjusted earnings per share increased to SEK 4.58 (3.84). Cash flow after net investments increased to SEK 2,283 M (1,419). Net debt decreased to SEK 7.5 B (12.3). Adjusted for pension liabilities net debt amounted to SEK 4.2 B (8.8).



# Extraordinary efforts when they were needed the most

The COVID-19 pandemic had a high impact on Getinge in 2020, especially when it came to the steep rise in global demand for ventilators and extracorporeal life support (ECLS) equipment, a growing surgery backlog and the intense work to develop and manufacture COVID-19 vaccines. Getinge's focus throughout 2020 has been to support customers with products, solutions and knowledge that help save and improve more lives.

## How would you summarize Getinge's contributions in 2020?

"I don't think anyone could have foreseen the massive impact of the pandemic or how dramatically our lives would change. It has been a completely new reality for our customers and I am proud that we were able to quickly adapt our ways of supporting them accordingly. It quickly became obvious that the pandemic would create a bigger need for life-supporting products. We rapidly initiated various activities to provide support, such as ramping up the production of ventilators and extracorporeal life support (ECLS) equipment. Closed borders, cancelled transportation and a lack of coordination between various stakeholders created challenges, but we managed to deliver in the end. Our service technicians and clinical specialists have all played important roles in helping our customers. During the second half of the year, we also experienced an increased need for sterile transfer solutions, DPTE® BetaBags, driven by our customers' efforts to ramp up vaccine production.

It has been crucial to keep our co-workers safe and to follow recommen-

dations from international, national and local authorities, and this has enabled us to keep operations running without major disruptions. We have been very successful in transforming our daily work and much of our customer interaction to a digital environment, and we will continue to develop and fine tune this way of working in 2021."

## What are you most proud of in 2020?

"I feel very proud that we have managed to keep up the close collaboration with our customers despite all the restrictions the pandemic imposed on us, and also that we met our target to ramp up production and deliver more than 26,000 advanced ICU ventilators without any customer cancellations.

Never in the history of Getinge have we experienced anything similar and it was truly a team effort. In addition, we took a proactive approach to support customers, such as an initiative to track and manage the availability of ECLS equipment in Germany. We have also helped plan and optimize flows and coordination at hospitals to manage surgery backlogs

through Operating Room systems such as TorinOptimalQ. Our team has given me every reason to feel proud during the year".

## What is your opinion of interaction with customers during the year?

"Meeting face to face has of course been very limited in 2020 but we have still been in close contact with our customers. When congresses, events and training sessions were postponed or cancelled we instead developed new ways of meeting and conducting trainings digitally. Last year we conducted a large number of virtual trainings and seminars which were highly appreciated by our customers. We also invested in remote service solutions and joined forces with other ventilator manufacturers to form the Ventilator Training Alliance (VTA). The aim was to support frontline medical staff by providing access to a centralized repository of ventilator training via a mobile app."

## What was the progress of Getinge's strategy implementation?

"We have progressed well during the year and we enter 2021 with great momentum. We followed our plans for quality remediation and sustainability, including the announcement of our objective to become CO<sub>2</sub> neutral by 2025. We kept all of our productivity improvement initiatives going, even the factory footprint changes were possible to implement without travel. The pandemic has also not stopped us from launching new products, solutions or initiatives to build brand awareness, although we have had to do it differently. Internally we have conducted several digital employee and leadership programs and projects to ensure that we are continuing to develop a proud and learning organization with high engagement."

## What are the main challenges for 2021 and beyond?

"First and foremost we need to work our way through the COVID-19 pandemic and continue to support our customers in every way we can with products and solutions that help save and improve more lives. In parallel, it is becoming increasingly important to prepare for the coming rise of elective surgeries, which have been postponed all over the world. The backlog is huge and it is predicted that around 28 million elective surgeries\* around the globe have been cancelled or postponed as a result of the pandemic. This means that health care institutions and workers will continue to be under a great deal of pressure, and we will do our utmost to support our customers through these challenges. Based on our successful strategy and with all the learnings from 2020, I feel confident that Getinge will continue to play an important role in healthcare and society going forward."

Gothenburg, March 19, 2021

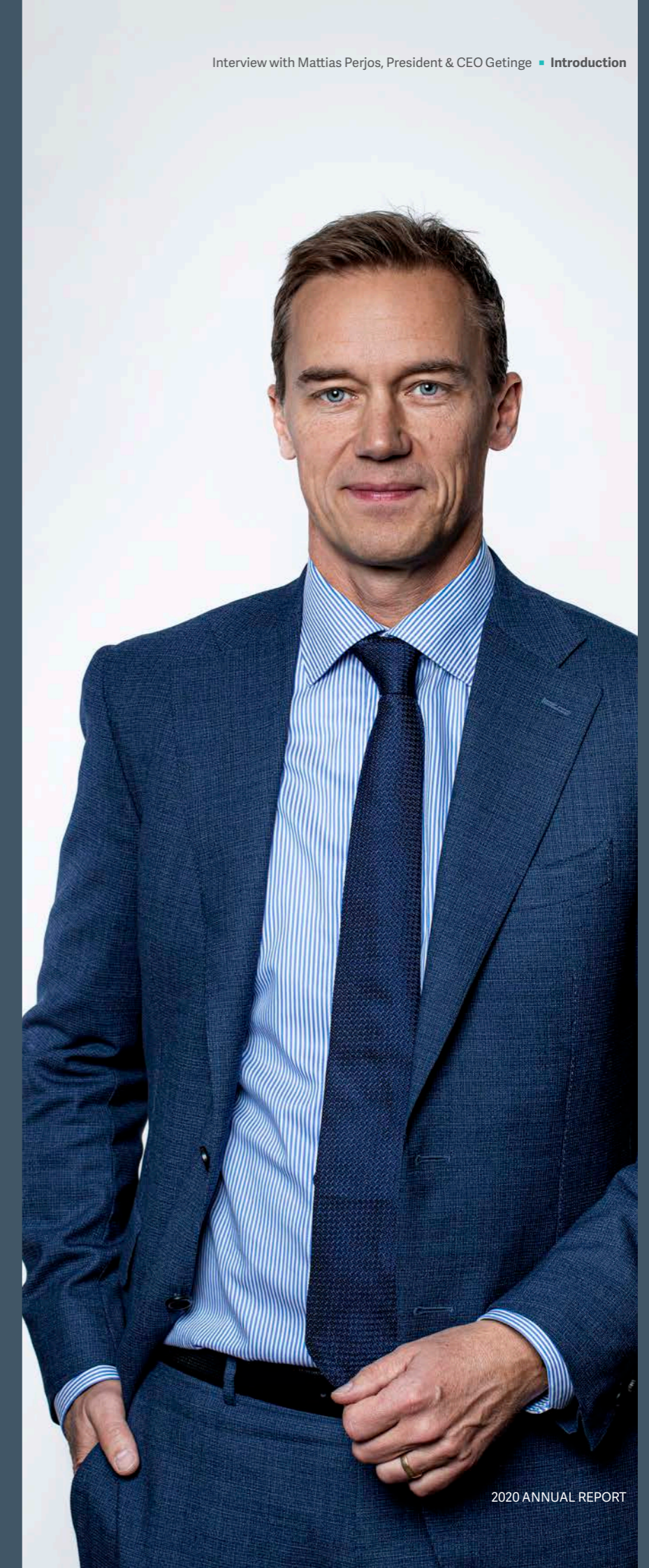


Never in the history of Getinge have we experienced anything similar and it was truly a team effort.

\*Source: The CovidSurg Collaborative Research Study (based on 12 weeks of peak disruption of hospital services due to COVID-19)

### Key figures

	2020	2019
Order intake, SEK M	30,568	26,832
Net sales, SEK M	29,819	26,559
Adjusted EBITA (SEK M)	5,724	3,310
Adjusted EBITA margin, %	19.2	12.5
Adjusted earnings per share, SEK	14.43	7.02
Net debt/equity ratio, multiple	0.35	0.59
Equity/assets ratio, %	47.7	46.9
Equity per share, SEK	78.88	77.00





# Key trends impacting Getinge's business

Getinge's products and services are used in hospitals worldwide and market growth amounts to 2–4% per year. But what is driving growth, and what does the future look like for the company's customers?



## CHANGING DEMOGRAPHICS – more people and higher life expectancy

The need for advanced health care is increasing as the world's population continues to grow and live longer. Therefore there is a need for more elderly people to seek health care. This is evident in all parts of the world, even in emerging markets. One example is the increasing global demand for effective cardiovascular products and therapies, such as those offered by Getinge.



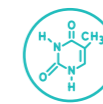
## MACROECONOMIC CONSTRAINTS – "more for less"

Demographic changes lead to major strains on national budgets throughout the world. The challenge is to deliver health care that is more effective than before and to do so in a more productive manner. Getinge offers a wide range of products, solutions and services that facilitate significant productivity enhancements.



## REGULATORY REQUIREMENT – becoming more stringent

Regulatory requirements are becoming more stringent around the world. For Getinge, compliance and applying a quality mindset is key. For example, Getinge has planned well ahead for the transition to the new EU MDR. In 2020 the first production site (the factory in Solna, Sweden, where the advanced ICU ventilators are being produced) passed the approval process.



## GROWTH IN CUSTOMIZED DRUGS – enabled by rapid development in biopharma

Biopharma has developed rapidly for the past two years, based on its ability to produce customized drugs that target very specific health conditions. This trend has been even more evident in 2020 in the collective hunt for a potent COVID-19 vaccine. Getinge is enabling growth among its biopharma customers by offering effective bioreactor systems for R&D that can be scaled up to production without risking integrity and filling line solutions that reduce risk for contamination in the final stages of production and packaging.



## ALIGNING HEALTH CARE SYSTEMS – to generate more value

As a consequence of demographic and macroeconomic challenges health care is becoming more attentive to identify the actual value each therapy contributes in order to allocate more resources to therapies and devices that are more effective and productive. Getinge's advanced Intensive Care Unit (ICU) ventilators and Extra Corporeal Life Support (ECLS) therapy products are two prime examples of this, which can enable improved clinical results and reduced length of stay, appreciated by both hospitals and patients during the COVID-19 pandemic in 2020.



## PROTECTIONISM – local manufacturing for local use

Increased protectionism became evident during the COVID-19 pandemic. This brought challenges for Getinge, which is dependent on advanced and specialized components from around the world. As a consequence, Getinge dedicated time for discussions with both local and national authorities and governments around the world in order to secure supply.



## INNOVATION AND COLLABORATION – for the future

Historically health care innovation has been synonymous with new therapies, drugs and devices. But in recent years the definition of value creating innovation in health care also incorporates digitalization and more productive ways of working and sharing opportunities and risks together, through performance-based compensation models. One example of this is Getinge's collaboration with Region Västerbotten in Sweden in a pilot project to reduce the average length of stay and increase hospital capacity with the help of Getinge's patient flow system INSIGHT. The project was successful and compensation is based on the results, not on the actual price of the system. One other great example of collaboration to create additional value is the partnerships, with, for example, Ericsson, Scania and Volvo, on sourcing and production to ramp up output capacity of advanced ICU ventilators in 2020.



# Strategy



In 2020 Getinge made progress on its strategic plan. The activities in the next few years involve improvements to the offering and productivity enhancements – with the overall aim of increasing value for customers.

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**94,589**

customers and clinicians took part of Getinge's webinars and e-learning sessions in 2020

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**40**

million surgical procedures are performed annually using Getinge's products

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**500**

sterile supply departments throughout the world are equipped with Getinge's products



# Financial targets

Getinge reached its financial targets in 2020, due to strong growth and continued productivity improvements.

Dividend for fiscal year 2019

SEK **1.50**/share

(33% of net profit)

Dividend policy

**30–50%**

of net profit

Proposed dividend for fiscal year 2020

SEK **3.00**/share

(25% of net profit)

## Financial Targets

Getinge's financial targets, implemented in 2018, apply to the key areas of sales, profitability and distribution of profit to shareholders.

### FINANCIAL TARGETS

Average organic growth in net sales

**2–4%**

The company's foremost priority is to grow sustainably in line with the addressable market. In 2020, Getinge's organic net sales growth amounted to 14.3%, primarily related to strong demand for mainly advanced ICU ventilators, products for ECMO therapies and Sterile Transfer. Getinge's new financial targets were decided in late 2017 and for the period 2018–2020, Getinge's compounded annual growth rate is 9.9%.

Average growth in earnings per share

**>10%**

Getinge is endeavoring to improve profitability and thereby increasing the value that accrues to the shareholders. In 2020, the growth of reported earnings per share amounted to 165.4%. This is mainly due to higher sales volumes in combination with continuous productivity improvements. The compounded annual growth in adjusted earnings per share 2018–2020 is 22.4%

The Board's dividend proposal for 2020 is based on the ambition to maintain solid financials with headroom for proactive actions in line with the business strategy and to provide financial stability given the current uncertainty related to COVID-19.

## Non-financial targets

Getinge's non-financial targets apply to the material topics defined in the company's Sustainability Program 2019–2025.

### PRODUCT SPECIFIC

Customer satisfaction

**>25%**

The goal is to achieve >25% Net Promoter Score higher than the competitor average.

The planned customer satisfaction survey for 2020 was postponed due to COVID-19. The most recent survey was performed in 2018 with a result of 27%.

### ENVIRONMENTAL IMPACT

Carbon neutral 2025

**0**

The goal is to become a CO<sub>2</sub> neutral company by 2025.

Getinge's sustainability program was expanded in 2020, and the company has announced its intention to become a CO<sub>2</sub> neutral company by 2025.

The target will be reached by a stepwise approach in several areas and supports the company's objective to contribute to a sustainable healthcare both environmentally and socially.

Various activities have been set up to reach the target, such as switching to renewable energy sources and investments in green certifications, updating the vehicle fleet, changing business travel routines and finding smart logistics alternatives.

### SOCIAL RESPONSIBILITY

Safe workplace

**0**

The goal is to have zero occupational accidents.

For 2020, the total number of accidents per 100 employees was 1.5 (1.96). No serious accidents were reported during the year.

Employee engagement

**>70%**

The goal is to achieve >70% as the index for employee commitment.

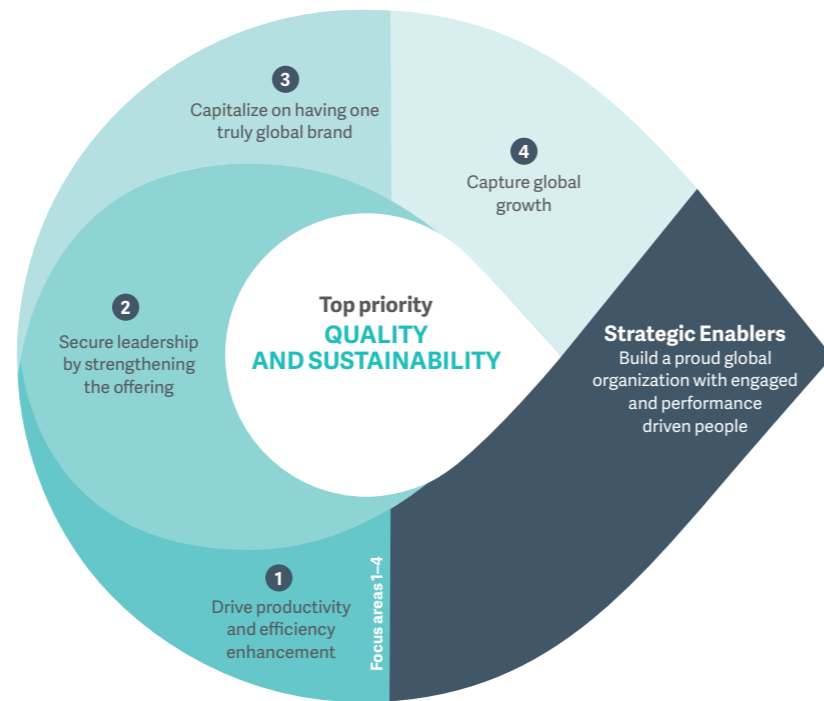
In 2020, Getinge performed local employee pulse surveys with an overall employee commitment result of 72% (64). Employee commitment developed positively in all functions and regions in 2020.





# Strategy for sustainable growth

Getinge's new strategy for sustainable growth was launched in late 2017 and since then the company has improved in all areas. But there are still many untapped opportunities.



Getinge's strategy consists of three parts: Top Priorities, Enablers and Focus Areas. The Top Priorities are prerequisites for running a sustainable business; Enablers make it possible to implement and amplify the effects of improvements in the business; Focus Areas guide the organization when it comes to what to prioritize in order to improve performance.

In addition Getinge has developed processes for monitoring, auditing and risk management. This is to ensure that the organization can identify potential areas of concern and so that employees, managers, the Executive Team and the Board of Directors can make relevant decisions in a timely manner.

## New sustainability framework

This year Getinge has developed a new framework for its sustainability efforts, which will be integrated in the business going forward and monitored on an ongoing basis. In conjunction, Getinge also launched a target to become CO<sub>2</sub> neutral by 2025 and decided to have Getinge's sustainability report reviewed by the company's auditor by 2021. A decision to comply with Science Based Targets initiative was also made. An additional governance structure, the Sustainability Board, was established during the year overseeing and guiding initiatives under the sustainability framework.

## TOP PRIORITY

### Quality and sustainability

Getinge believes that the world's best job is to save lives. The company's strategy conveys an expressed ambition to help customers to improve and save lives and to create sustainable development for all of the company's various stakeholders. In order to do this, Getinge needs to have quality and sustainability as top priorities.

#### Activities 2020

Getinge's production site in Solna, was certified according to the new EU MDR regulations in early 2020. Since then another four sites have been certified. Quality and compliance remediation efforts also made strong progress in 2020, despite record production output from affected factories.

Training is key to ensuring high standards when it comes to quality and safety. In 2020, 7,812 sales, service and application experts received trainings and were tested in order to be certified for the products and services (conducted every other year in order to remain certified). Throughout the year, 94,589 customers and clinicians took part in Getinge's webinars and e-learning sessions. Getinge also trained 2,494 distributor employees in 2020. In addition a large number of Getinge's employees were trained on quality management processes. In the service and sales units alone, 5,117 employees completed 38,803 training sessions related to quality and regulatory compliance in 2020. In the factories, hundreds of thousands of quality and regulatory compliance training sessions were completed throughout the year. For example, 70,203 training sessions were completed by 979 participants in the in the Cardio-pulmonary production units.



In 2020, the company initiated a new risk analysis, updated the materiality analysis and introduced a new framework for sustainability. The company also launched a new overarching environmental target, to be CO<sub>2</sub> neutral in its operations by 2025. In 2020 Getinge committed to the Science Based Target initiative, linking the sustainability targets to the Paris Agreement.

A company-wide online training course on business ethics was conducted for all employees (excluding manufacturing employees). 8,788 employees (85.3% of the total number of employees) had completed the course by the end of 2020.

#### Planned activities

In 2021 Getinge will start its verification process related to the Science Based Target initiative. In addition, the sustainability report, which is compliant with the GRI standards, is to be pre-assessed by an authorized public accountant.

Getinge's expects to be fully remediated from a quality and compliance perspective in 2021 at the sites under consent decree with the FDA and to be compliant with EU MDR in all production units concerned in May 2021. Products will be CE marked based on the EU MDR before May 2024 in accordance with the transition rules of the EU MDR.

## ENABLERS

### A proud global organization with engaged people

Getinge's aim is to create a dynamic organization that continues to advance the company.

#### Activities 2020

Activities to create new ways of working, collaborating and training online was implemented. For example, Getinge offers a wide range of online training programs in relevant areas for employees. 9,831 employees took part in one or more courses in 2020. Also, a company-wide leadership training program was conducted together with a world leading university and 1,126 managers in Getinge were enrolled in the program.

Pulse surveys were conducted among employees in order to monitor progress on employee satisfaction and to identify targeted activities for continuous improvement. Gender diversity is also improving and the number of women among employees and managers increase due to a systematic improvement approach.

#### Planned activities

Looking forward, Getinge will continue to develop its way of working, in line with local and global societal trends. This includes flexible working hours, remote working, transparent career paths and parental leave for both genders, which is becoming increasingly important in talent interviews. Among the activities to promote more sustainable talent management are local mentorship and training programs focusing on the value of diversity, how to manage a more diverse workforce and how to attract, retain and promote talents.



# Follow-up on our focus areas

## 1 DRIVE PRODUCTIVITY AND EFFICIENCY ENHANCEMENT

Getinge has additional possibilities to improve the efficiency and productivity of its operations, particularly by setting well-defined priorities in everything from product development, purchasing and production to marketing activities and service.

### Activities 2020

Productivity improvements, for example, through the Manufacturing Excellence and Way of Working programs, continue to support the business. Restructuring of production took place in all three business areas: Acute Care Therapies increased its output capacity in products for ECLS therapies; Life Science expanded its output capacity in Sterile Transfer; Surgical Workflows consolidated production through the relocation from Ankara in Turkey to Poznan in Poland and started the transfer of production of modular walls for operating rooms to Middle East and South Asia. Acute Care Therapies and Surgical Workflows reduced the number of Storage Keeping Units (SKU's) by almost 30%, which is expected to enhance productivity over time. In addition, Surgical Workflows has prepared for streamlining the portfolio from a production perspective, by implementing a platform strategy.

### Planned activities

Acute Care Therapies will finalize the consolidation of production sites in New Jersey, US. It will also continue to increase capacity in production of products for ECLS therapy. FDA remediation efforts in Hechingen and Rastatt, Germany, are expected to be finalized in 2021, which will support productivity gains thereafter. Life Science will continue to increase capacity in production of products for Sterile Transfer. Surgical Workflows will continue its streamlining efforts to enhance productivity.

## 2 SECURE LEADERSHIP BY STRENGTHENING THE OFFERING

Getinge has identified prioritized segments to cohesively strengthen the product and service offering in its three business areas. This prioritization helps facilitate more selective allocation of resources and focus investments on the product and service areas where customer demand is highest.

### Activities 2020

Alongside several launches and certifications, Getinge's ability to meet the increased demand for products, services and know-how linked to COVID-19 has strengthened the company's positions further in 2020. This is especially evident in advanced ICU ventilators, products for ECLS therapies and Sterile Transfer. During the year Getinge made two acquisitions; Applikon Biotechnology which is strengthening Getinge's position in the growing biopharma segment, and Quadralene, which enables Getinge to expand in chemical consumables for cleaning and disinfection in hospitals.

### Planned activities

Product launches in all business areas and continuous scouting for potential bolt-on acquisitions, similar to those made in 2020, in order to strengthen the offering further within prioritized areas.

In addition, Getinge is planning to increase the use of digitalization to add further value in the service offering.

## 2

Getinge made two acquisitions in 2020

## 3 CAPTURE GLOBAL GROWTH

Getinge's global sales and services organization has developed strongly in recent years, but is set to become even more agile and customer oriented, to capture more global growth opportunities.

### Activities 2020

Becoming more digital in the sales and service approach plays a key part in Getinge's strategy of adding value to customer operations and enhancing Getinge's productivity. In 2020 the organization took a giant leap in this direction holding online sales meetings, seminars and several training sessions with customers. This, together with a more comprehensive usage of joint processes and shared service center support, benefited productivity in 2020.

In addition, Getinge has strengthened its sales organization focusing on large purchasing organizations, to enhance service levels toward this important customer group.

### Planned activities

Depending on the development of the pandemic Getinge will balance meeting customers live and virtually. During the pandemic customers have found new attractive ways of working and as a consequence Getinge plans to further develop digital solutions that create added value for customers. Moreover, Getinge will prioritize growing its business in the US, China and Japan as the company still sees untapped potential in these markets.

## GLOBAL

Getinge has sales in 125 countries

## 4 CAPITALIZE ON HAVING ONE TRULY GLOBAL BRAND

Getinge operates in an industry where trust is crucial. This means that the Getinge brand needs to be associated with high credibility and reliability when it comes to creating relevant and consistent patient and customer benefits. But Getinge also needs to earn a high level of trust amongst other stakeholders, such as employees, suppliers, investors and the public. All efforts linked to this reinforces the brand, which Getinge intends to leverage on a global level.

### Activities 2020

In 2020, Getinge has received widespread attention due to its world leading products being offered for patients diagnosed with COVID-19. In addition, Getinge launched a global brand awareness campaign, Life Defining Moments, focusing on the company's life saving ventilators. It was positively received in key markets. The rebranding of the product portfolio continued in 2020, and by the end of the year 56% of the products were branded Getinge.

### Planned activities

Although Getinge is a global medtech company, there are still many opportunities to expand brand awareness. Getinge will continue to increase its digital presence and rebrand the product portfolio. Furthermore, Getinge will launch a virtual hospital experience center, where customers and clinicians can learn about Getinge's products in action.

## 56%

Of the products have been branded Getinge

## 3 TO 1

Consolidation from 3 to 1 sites in New Jersey (US) in 2021





# With higher ambitions for sustainable value creation

Getinge has long been dedicated to sustainability, and since 2017 sustainability, together with quality, is a top priority in the company's strategy. This means that ethics, quality and sustainability are integral parts of how the company acts as a business and how it treats its employees, customers and partners.



In 2020, Getinge raised its sustainability ambitions, which is described in the company's Sustainability Framework covering the focus areas of *Quality Culture*, *Passionate Employees*, *Environmental & Social Engagement* and *Business Ethics & Responsible Leadership*.

The Sustainability Framework provides the company with guidance on how to create long-term value, play a positive role in the society and continue to operate sustainably while delivering value to all of its stakeholders. Overall, Getinge's sustainability approach is focused on shaping the company's performance and positioning future matching requirements, including analyzing potential risks.

### Quality Culture

Securing a quality mindset throughout the organization and continuously improve the company's products, services and processes.

### Passionate Employees

Teamwork and collaboration define how Getinge works to help its customers to save and improve lives.

### Environmental & Social Engagement

Contribution to a sustainable health care market through environmental and social responsibility and making a positive impact in society.

### Business Ethics & Responsible Leadership

Ensuring business is conducted in an ethical and responsible manner, in all internal and external contexts.

### Auditing and risk management

Getinge's Sustainability Framework includes risk assessment and audits of the non-financial reporting. Initial steps were taken during the year, and will be continued in 2021. In regards to auditing, Getinge continued its preparations for an audit of the 2021 report.

The risk assessment, initiated in the last quarter of 2020, is focused on the areas of Environmental, Social and Governance (ESG) aiming to document Getinge's exposure to ESG-related risks in the four focus areas of *Quality Culture*, *Passionate Employees*, *Environmental & Social Engagement* and *Business Ethics & Responsible Leadership*. With this, Getinge integrates potential ESG risks into the organization's risk management (ERM) and reports on the results to senior management, the Board of Directors and shareholders.

## GETINGE TO BECOME CO<sub>2</sub> NEUTRAL BY 2025

Getinge is actively working to minimize its negative environmental footprint and is engaged in achieving the Paris Agreement goals of limiting global warming to 1.5 °C above pre-industrial levels.

During 2020, Getinge's sustainability program was re-defined and expanded, and the company has announced its intention to become a CO<sub>2</sub> neutral company by 2025. This target will be reached by a stepwise approach in several areas and supports the company's objective to contribute to a sustainable society environmentally and socially for health care and life sciences. Dedicated activities has been established to reach the target, such as switching to renew-

able energy sources and investments in green certifications, updating the vehicle fleet, changing business travel routines and finding new and smart logistics alternatives.

Following the climate strategy, Getinge committed to the Science Based Targets initiative (STBI) in Q4 2020.

Getinge's sustainability program measures the absolute CO<sub>2</sub> level, and also the intensity goals summarized in the non-financial company targets, presented on page 13. More information about Getinge's sustainability program is presented on page 138.



## UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Getinge supports all of the UN's 17 Sustainable Development Goals for environmental, social and economically sustainable development, but has identified a number of goals that best correspond to the company's impact on its business environment. These goals are:



Read more about Getinge's contribution to the SDG's in the sustainability notes on pages 136–149.



FOCUS AREA: Quality Culture

Read more in the sustainability notes on pages 136–149

## Quality always a top priority

Quality is one of Getinge's absolute top strategic priorities and it all boils down to making sure that everyone does the right thing, in the right way, every day, in every part of the company.

Securing a quality mindset throughout the organization has remained a top priority for Getinge in 2020. Ensuring good quality and regulatory and quality compliance, is a prerequisite to operate in the medtech industry and the responsibility sits with every employee. Getinge has a solid base for its operations but is now expanding its focus even more. It includes continuous improvements of products, services and processes based on customer insights. By continue to listen to wishes as well as claims, Getinge has a better opportunity to advance the offerings and continue to provide safe solutions that contribute to saving lives.

### Quality strategy

In December an updated Quality Strategy was presented – a 2-year roadmap to facilitate and set concrete actions that ensures customer value and productivity is part of everyone's work. The objective is to become even more customer centric. Processes will be further harmonized and aligned, training will be conducted for all employees, procedures will be optimized and smart IT tools will be provided. One of the end-goals is to build in the best possible quality in the products and solutions already in the design phase.

### Strengthening quality work

Since 2013, when the Federal Drug Administration (FDA) made observations regarding a number of processes and procedures at Getinge's production sites, the core of Getinge's quality work has been to correct these observations, reach a settlement with the FDA and strengthen its quality work with the aim of preventing a recurrence of similar problems. The work carried on in 2020 and is on track, still estimated to be finalized in 2021 according to plan. The remediation work and implemen-

tation of a global quality management system has brought other positives such as early alerts on where to improve, instead of finding these things out later when it's harder, and often more costly, to address. This way of working enables Getinge to ensure high quality and reduce customer complaints, but also to reduce waste in supply and production.

### Adjustments to the EU MDR

In 2019, Getinge began its transition to comply with the EU Medical Device

Regulation (EU MDR), effective of May 2021. The production site in Solna, Sweden, received the company's first EU MDR certification in February 2020 and since then four additional sites have passed their certification with successful results. All sites will comply with the new regulations in May 2021 and all affected products will be CE marked based on the EU MDR before May 2024 in accordance with the transition rules.



The objective of Getinge's updated Quality Strategy is to become even more customer centric.



Quality is making sure that everyone does the right thing, in the right way, every day, in every part of the company.

### Ramping up production without compromising quality

In addition to a huge demand for ventilators, the fight against COVID-19 also increased the need for Extracorporeal Life Support (ECLS), a therapy that provides the body with oxygen when the lungs fail to perform this task.

Getinge's ECLS devices, such as Cardiohelp, help keep critically ill patients alive while giving their damaged lungs time to recover. Given the increased demand in 2020, Getinge made investments in production to further support customers and patients worldwide, including various production tools, assembly machinery, coating equipment but also headcount increase of production employees. The Cardiohelp production line was already included in Getinge's Manufacturing Excellence Program, which enabled several improvements and trainings during 2020 and paved the way for keeping the same quality mindset although ramping up.



As the demand of ECLS devices increased in 2020 Getinge decided to invest in additional capacity.

Internal and global quality KPIs and trend analysis methods were used to measure quality performance, and non-conformity closure durations were strictly monitored. The biggest learning for the cross-functional Getinge team that ramped up the Cardiohelp production was that integration of a

quality organization into the operations is essential, especially in turbulent times, but also that training increases flexibility and close collaboration with suppliers and customers is fundamental for success.



FOCUS AREA: Passionate Employees

Read more in the sustainability notes on pages 136–149



The Employee Value Proposition states that Getinge’s brand promise “Passion For Life” also includes the lives of the employees, and the expectation is for everyone to have the same passion and respect for all colleagues and customers.

## Engagement deriving from Passion For Life

Although 2020 was a year of partly working remote and less face to face meetings, several initiatives kicked off to make Getinge an even better place to work. The company constantly aims to engage and empower its employees to create a successful future together. At the core of everything is the brand promise ‘Passion For Life’ – which is close to the heart of the people at Getinge.

To keep close track of how the employees feel about the company and their workplace and continue to boost engagement in the best possible way, Getinge moved away from biannual global employee surveys in 2020 and instead introduced local more frequent PULSE surveys at country or site level. This instantly provides quicker and more regular access to employee views of ongoing topics. While some company-wide perspectives were still included, the pulse surveys scope for questions about local topics, thus providing data that local management and teams could work with. Getinge will keep working in this direction going forward, systematically

following up on the data in line with a long-term plan that also enables employees to develop and grow in a learning organization.

### Digitalizing people processes

In 2020, Getinge stayed on the offensive when it comes to digitalizing HR processes. Most of the basic processes are now digital and available through Getinge’s HR platform Success Factors, such as performance development, talent management, succession planning, recruitment and salary review. Also, a new global onboarding program was successfully launched in 2020, giving newcomers the chance to get to know and interact with the company, their manager

and other colleagues online before, during and after their first day at work.

### Smart Workplaces

Many of Getinge’s employees have been able to work from home for years but the pandemic accelerated the aim to explore new working models. The majority of all office-based employees started working from home early in 2020 following authorities’ recommendations in order to stay safe and help stop the spread of the virus. Although working remotely can be challenging, there have been many positive experiences and signs of maintained or even improved efficiency. Based on

this, a Smart Workplaces concept was developed during the latter part of the year. The thought behind it is to become a more effective company, provide the best possible work settings for all employees and apply a modern way of working that can be beneficial for both the individual and the company, as well as attract new employees.

Getinge has analyzed positions with activities suitable for remote working, providing an opportunity for flexibility and possibility for employees to do the job wherever it is most efficient. With Smart Workplaces, Getinge wants to offer flexibility, which will ultimately have a positive impact on overall effectiveness and allow individuals to have a better work-life harmony. It also adds value to Getinge’s sustainability objective to become a CO<sub>2</sub> neutral company by 2025 (read more on page 19). The Smart Workplaces concept will be gradually rolled out during 2021.

### A new employer promise

In 2020, Getinge updated its Employee Value Proposition (EVP), which will serve as a common core to retain and attract the right talents. The new customer centric EVP is a relevant and compelling employer promise in which two of the main pillars are investments in personal development and enabling flexibility. The EVP includes both current strengths and behaviors among Getinge’s employees and describes additional desired attributes to achieve strategic goals.

The EVP states that Getinge’s brand promise “Passion For Life” also includes the lives of the employees, and the expectation is for everyone to have the same passion and respect for all colleagues and customers. A growing leadership and talent program portfolio, investments in learning opportunities and a new, modern way of working are a couple of proof points that support the essence of the employer promise. The EVP will be the foundation for all processes involving people such as talent attraction, interviews and performance development.



To get a quicker and more regular access to the employees’ view on ongoing topics, Getinge has introduced frequent PULSE surveys on country or site level.

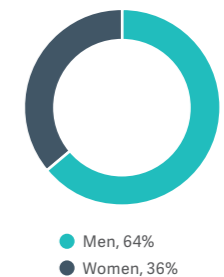
### Diversity & Equality

Diversity, equal opportunities, gender and inclusion are not only part of Getinge’s expanded Sustainability Framework but are also key components of the company strategy. Getinge is strongly committed to improving diversity, securing equal opportunities and closing gender gaps.

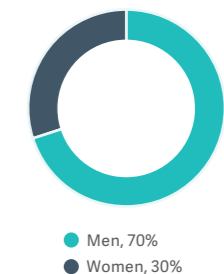
During 2020, the focus to increase the balance between female and male leaders as well as increasing the number of young and emerging talent has continued. For example, a diversity, inclusion and belonging initiative was launched in North Americas, consisting of different programs such as internships and women and leadership forums.

The division in gender balance for managers in 2020 was 30/70 (29/71).

### Gender distribution employees



### Gender distribution managers







CASE

## Providing service to hospitals in the midst of a pandemic

Many people are battling on the frontline against COVID-19, putting their own health at risk while simply just doing their job. Some of them are Getinge's service technicians.

Getinge's brand promise Passion For Life summarizes employees' passion to provide innovative solutions that improve people's lives. It is visual in innumerable ways and one of the most poignant examples in 2020 comes from service technicians going beyond the call of duty. Despite rocketing numbers of deaths, lockdowns and the uncertainty of leaving families quarantined at home, they have continued doing their job.

Intensive care units (ICUs) have had a sky-high need for new ventilators and Extra Corporeal Life Support (ECLS) equipment, while at the same time as older units and equipment in other departments also needed servicing.

Lei Ming was the only service technician left in the center of the outbreak in Wuhan, China when the city was sealed.

"My priority was to complete as many tasks as possible, so that the hospitals could fight the pandemic with all necessary medical devices at hand. There was not much time to think about lack of protective gear."

The traffic system nearly collapsed, but Lei Ming started cycling to the hospitals. He remembers the first time he came really close to the virus.

"I got a call from a hospital that needed ECLS equipment installed immediately. When I arrived, they were already intubating the patient and there was no other way except to work side-by-side. It was first when I left the hospital that I realized how easily I could have been infected."

Italy was also hard-hit by the pandemic early on. In March, Getinge set out to deliver 500 ventilators, and a few of them were quickly transported from one of Getinge's warehouses to a hospital in Modena.

"We needed to get the ventilators up and running as quickly as possible and our passion for life kicked in for real. We stayed long after midnight to get the job done," say Maurizio Strada and Gabriele Lombardi.

Just weeks after on a Friday, Getinge's warehouse in Madrid, Spain, ended the week with no more deliveries expected until Monday. The next day, a logistics company called and said a driver was waiting outside, ready to deliver 20 ventilators. The warehouse staff quickly teamed up and made Spanish authorities aware of the situation.

"We asked for information about where the ventilators

should go and in less than two hours, we prepared them and organized shipment to different hospitals. The first patients were connected shortly after," says Manuel Moreno, Managing Director Getinge Spain.

The pandemic has certainly forced new creative solutions. As most hotels closed, Getinge's service team in the German speaking part of Europe rented a camping van to be able to stay on the road close to customers. There were many lunch breaks in the trunk of cars or on empty sidewalks, if it was even possible to find places to buy lunch at all.

Despite disinfecting everything before returning home at night, the fear of bringing home contamination was constantly present. Nevertheless, these heroes have returned to work the next day, ready to do what they do best: support medical staff in their tremendous efforts to save more lives.



We needed to get the ventilators up and running as quickly as possible and our passion for life kicked in for real. We stayed long after midnight to get the job done."

Maurizio Strada and Gabriele Lombardi

Image previous page: Lei Ming was the only service technician left in the center of the outbreak in Wuhan, China when the city was sealed.

Image top: Maurizio Strada and Gabriele Lombardi installed ventilators in Italy, that was hard-hit by the pandemic.

Image bottom: Time for a quick lunch break on a parking lot outside the hospital, in-between important service tasks.



FOCUS AREA: Business Ethics & Responsible Leadership

Read more in the sustainability notes on pages 136–149

# Business Ethics and Responsible Leadership

At Getinge, responsible leadership means involving all employees to set the standard and acting as role models for ethical behavior and professional integrity.

Getinge’s Ethics & Compliance work is centered around Responsible Leadership. The main purpose is to enable and inspire all employees to demonstrate responsible leadership and to foster an open and transparent culture. Doing responsible business in all relations, in the company’s own organization and in external contexts, is a key part of Getinge’s strategy.

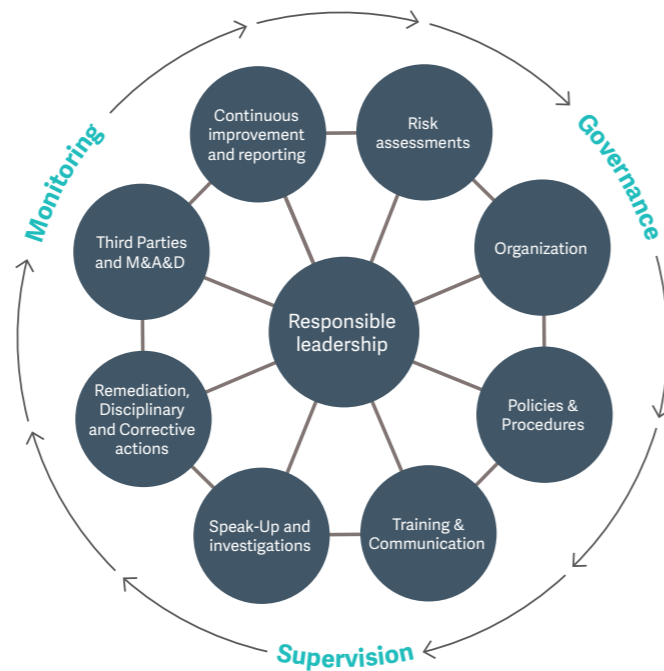
### Getinge’s Code of Conduct

At the beginning of the year, Getinge introduced a new web-based Code of Conduct based on fourteen global policies. The Code of Conduct stipulates Getinge’s guiding principles, and sets out the principles of professional conduct that Getinge applies to guide interactions, every day, internally and externally with customers and business partners.

It is based on six principles:

1. Always act with honesty, fairness and integrity
2. Stand up and speak up when something isn’t right
3. Act respectfully to protect confidentiality, privacy and information
4. Take care of each other
5. Take care of the world
6. Act together to protect all stakeholders.

Both the regulatory landscape and expectations from stakeholders are constantly evolving. Getinge’s goal with the new



Getinge’s Ethics & Compliance Framework

Code of Conduct is to provide a platform for change rather than remain a static document. By showing colleagues how the principles can apply to both their everyday work as well as to challenging situations helps everyone to learn where it is possible to go above and beyond in their work commitment.

### A Dilemma Game to raise awareness

Since it is crucial that all employees know and comply with all policies, there have

been several training courses and awareness activities were arranged throughout the year to make it easier to embrace the Code. One of the Code of Conduct awareness activities carried out in 2020 was the e-learning Getinge Dilemma Game, including a Code of Conduct certification. Consisting of real-life ethical dilemmas from the organization, it was a way for non-manufacturing workers to become more familiar with the company guidelines for conducting business with the highest



Several training courses and awareness activities were conducted throughout the year. For example, a real-life ethical dilemma game was carried out among all non-manufacturing employees. By the end of the year, 85.3% had completed the activity.

standards of ethical, moral and legal business conduct. By the end of the year, 85.3% of all non-production-related personnel had completed Getinge Dilemma Game. The Dilemma Game e-learning is also offered to newly hired employees as part of the onboarding programme. A similar training for manufacturing employees will be rolled out in the first quarter of 2021.

### Speaking Up

Getinge is committed to an environment where open and transparent communication is the expectation, not the exception, and encourages everybody to report any suspected or observed violations of law or the Code of Conduct. During 2020, the Speak Up Line was updated to add more languages and communication has been made conveying the message of a “speak up culture” was communicated. Read more on page 145.

### Protecting human rights

The company’s business operations are guided by the principles of diversity and inclusion, freedom of association and ensuring a safe and secure workplace. The dedication to human rights, regardless of where in the world Getinge operates, is rooted in the Code of Conduct and the Human Rights Policy. Risks have primarily been identified as those linked to child labor, forced labor or compulsory labor, but also the risk of discrimination, prevention of association and freedom of negotiation and work environment-related problems. These risks are however, not considered significant to Getinge’s direct operations. All forms of violations of human rights are taken very seriously and if any severe adverse Human Rights impacts are discovered, Getinge will act appropriately without delay. Read more on page 140 and 145.



Access Getinge’s Code of Conduct at [www.getinge.com/code-of-conduct/](http://www.getinge.com/code-of-conduct/)



FOCUS AREA: Environmental & Social Engagement

Read more in the sustainability notes on pages 136–149

## A positive impact on health care and society

Getinge takes an active role in the society by lowering its environmental footprint, engaging socially and contributing to a sustainable health care together with customers and partners.

Meeting the customer’s needs while minimizing its environmental footprint is crucial for Getinge. By engaging environmentally and socially in the society, the company wants to make a contribution as a positive force while protecting the environment. At the end of 2020, Getinge committed to the Science Based Targets initiative (SBTi).

### Tracking the CO<sub>2</sub> neutral target

In July, Getinge announced its intention to become a CO<sub>2</sub> neutral company by 2025. The absolute target will be reached by a stepwise approach in several areas, supporting sustainable health care environmentally as well as socially. To increase transparency and ease reporting and monitoring of sustainability data along this journey, Getinge implemented a new digital reporting database in 2020. It is an online platform hosting data from all production sites, which will simplify Getinge’s ongoing actions toward achieving the target. At year-end, the platform was up and running. The entire company will be connected to the new digital reporting tool from the start of 2021.

### Reducing transport and warehouse footprint

The work to consolidate warehouses and distribution centers into larger units that started in 2017 continued in 2020 despite challenges with the ongoing COVID-19 pandemic. To date, the reduced number of warehouses and distribution centers has resulted in cost savings, increased efficiency, improved service levels and operational efficiency. COVID-19 has changed the global freight market completely, but Getinge has maintained a high delivery performance by utilizing global freight agreements and collaborating closely with internal and external stakeholders.

Getinge is shifting into choosing sea or rail freight instead of airfreight: a key factor in becoming CO<sub>2</sub> neutral by 2025. Read more on pages 140–141.

### EcoDesign, waste and recycling

Designing products with special consideration for the environmental impact throughout the product’s entire lifecycle, so called EcoDesign, is a core ingredient in Getinge’s sustainability efforts. By using EcoDesign principles, Getinge can minimize the use of materials, make sure that products are recyclable and help customers reduce consumption of energy, water and other resources.

As part of the EcoDesign principles, Getinge works methodically to decrease the volumes of waste. Simultaneously efforts are made to increase to the percentage of waste from production that is sent to recycling.

One of the products launched in 2020 based on EcoDesign was the new sustainable and energy efficient steam sterilizer Solsus 66. Built on robust technology, it answers to the needs of hospitals looking for balance in capacity and cost-efficiency in the Central Sterile Supply Department (CSSD). Solsus 66 is an example of how smart technology solutions are used to keep energy consumption low. Solsus 66’s optional ECO system goes one step further by reducing water requirements to the vacuum pump and separating waste-water from recyclable cooling water.

### Health and safety

Getinge’s work on health and safety activities are based on national legislation, international regulations and internal requirements and policies. Getinge strives to provide a safe and non-discriminatory work environment for the company’s employees worldwide and conducts

continuous, long-term health and safety efforts at all facilities.

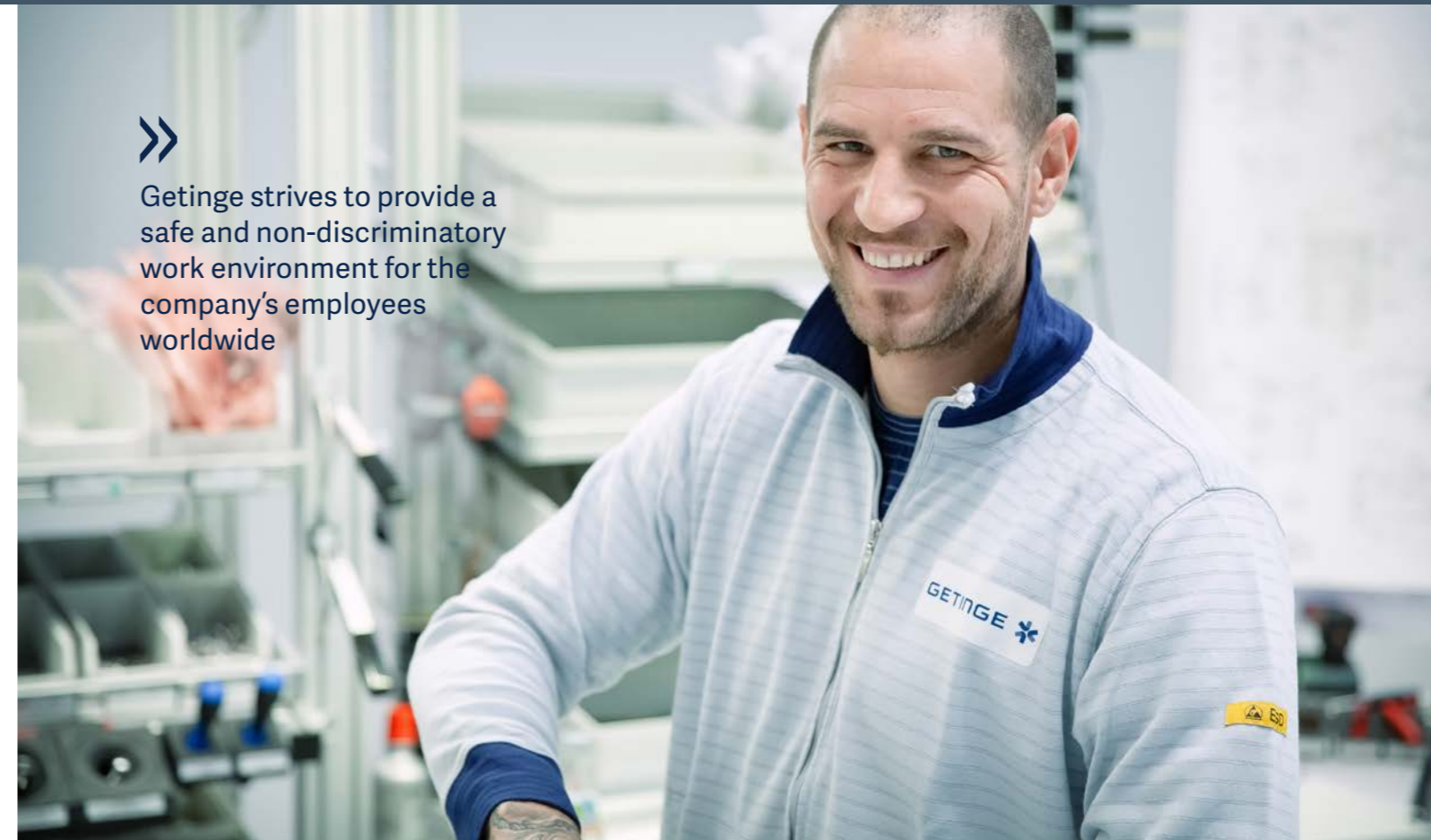
An Occupational Health & Safety Management System was established and anchored as new steering tool in Getinge’s central Policy Framework. The implementation of the management system started in 2020 at all legal entities and is continued by the Managing Directors and their supporting Health & Safety Team locally.

In 2020, as the pandemic started to spread, there was a new dimension to keeping employees healthy and safe (read more on pages 142–143). Already from the start, Getinge monitored the situation and took actions based on recommendations from local and national health authorities. Visits to the manufacturing sites were strictly regulated and employees were recommended to work from home wherever possible, with the effort to keep everyone safe and to help avoid further spread of the virus. A smart workplaces concept was developed throughout the year, responding to positive experiences of remote working (read more on page 22).

### Getinge and the society

As part of Getinge’s Sustainability Framework, social responsibility commitment is centered on meeting health care challenges such as an increasing population and longer life expectancies that increase the pressure on health care systems. Getinge also wants to make a positive impact in wider society by collaborating with non-profit organizations.

For years, Getinge has supported the educational program Pratham in India, as part of its strong belief that education is a sustainable way out of poverty. In 2020, Getinge also established three new partnerships and first out was with WaterAid in April. The collaboration aims at strengthening access to clean water, sanitation and



Getinge strives to provide a safe and non-discriminatory work environment for the company’s employees worldwide

To keep employees healthy and safe during the pandemic and to help avoid further spread of the virus, Getinge strictly regulated visits to its production sites.

hygiene at health care facilities around the world. Since July, Getinge is also a principal partner to the Foundation for Queen Silvia’s Children’s Hospital; a fundraising organization that makes a difference for children and young people treated at Sweden’s largest children’s hospital. In September, Getinge entered a partnership with the Swedish science center Universeum, with the aim of supporting its mission to strengthen skills supply and innovation, and contribute to sustainable societal development.



Getinge is a partner to the Foundation for Queen Silvia’s Children’s Hospital; a fundraising organization that makes a difference for children and young people treated at Sweden’s largest children’s hospital.



# Operations

GETINGE

Getinge serves customers in three business areas. They all face different customer needs, but have one thing in common: leading positions in almost all product categories.

**192,000**

Patients monitored by Getinge's advanced hemodynamic monitoring during the COVID-19 pandemic

**65,000**

Patients treated by Extracorporeal Life Support during the COVID-19 pandemic

**40,000**

Service hours spent on installing advanced ICU ventilators during the COVID-19 pandemic

## Stable and long-term growth in the market

Getinge operates on a non-cyclical market, offering long term growth in demand due to demographic factors. The entry barriers are high due to continuously stringent demands on clinical and technological expertise and on product quality and efficacy. This puts global product category leaders, like Getinge, in pole position for the future.

### Stable and growing market

Getinge's addressable market amounts to SEK 180 billion. The weighted organic growth rate for Getinge's total market is estimated at 2–4% per year, based on the growth rate in each business area's subsegment put in relation to the proportion of sales in the same subsegment.

Demand is non-cyclical compared to most other industries. This offers a stable increase of demand over time.

Long term market growth by business area	Growth
Acute Care Therapies	2–4%
Surgical Workflows	2–4%
Life Science	8–10%

### Position one or two

Getinge strives toward being number one or two in all product categories, which is the case for almost all categories in the three business areas. If a product category is not number one or two and there are few opportunities to achieve such a position, Getinge may decide to divest in order for the business to flourish under someone else's ownership. In categories with leading positions and attractive growth opportunities, Getinge may look for bolt-on acquisitions alongside organic growth, to further strengthen the position. The acquisition of Applikon Biotechnology B.V. in early 2020 is a good example of such an acquisition. The market is still quite fragmented in many of Getinge's segments, which is why opportunities to acquire complementary companies are expected to arise on a regular basis.

See each business area's description in this Annual Report for information on positions in each subsegment.



### Competitors

The industry is fragmented and specialized, meaning that Getinge has different competitors in each business area and product category (they are named in each business area section in this Annual Report). Most of the competitors have a long history in the industry, substantial size and market presence for its specific product categories, just like Getinge. Some of the competitors, for example Steris and Stryker, have their business quite concentrated to the US market, which is a relative strength given that the price levels and margins in general are higher there. This concentration is

largely due to historical reasons, since these companies originate from the US. Getinge originates from Europe, but has been growing faster in the US compared to Europe over a long period of time and the intent is to continue to do so.

### Favorable market forces

Getinge's addressable market is favorable in terms of competition perspective, compared to many other industries. The high barriers of entry is the main reason for this.

### Five forces that shape competition

FORCE	CHARACTERISTICS	POTENTIAL EFFECT ON GETINGE
<b>Threat of new entrants</b>	High barriers of entry due to increasing demands on technological expertise, certifications, patents, quality, compliance and regulations, capital, production and service capacity and most importantly: long standing and value creating customer relationships. The barrier are the highest in Acute Care Therapies and Life Science followed by Surgical Workflows.	Low to Medium
<b>Threat of substitutes</b>	Buyers and users of medical devices are quite loyal. This is due to the risk and cost associated with switching product and procedure. But longer term, innovative substitutes can be a clear threat within a specific product category. However Getinge is well diversified, with a strong R&D-pipeline, which reduces overall risk.	Low to Medium
<b>Bargaining power of customers</b>	Getinge has approximately 25,000 customers, so concentration is low. But there is a trend of customers going together into purchasing groups to create a higher level of concentration and bargaining power. However, this goes hand in hand with higher effectiveness and lower associated costs for Getinge.	Low to Medium
<b>Bargaining power of suppliers</b>	Getinge has more than thousands of suppliers, making concentration low. The ambition is to reduce the number of suppliers, to enable deeper collaboration and to increase control and effectiveness. In parallel, Getinge will increase the level of standardization, to reduce supplier switching cost. The risk of suppliers to advancing vertically is low, due to high barriers of entry.	Low
<b>Competitive rivalry</b>	There are quite a few competing offerings within each addressable segment, due to significant barriers of entry. This is for example evident in categories such as advanced ICU ventilators and ECLS devices, where differentiation through innovation supports a price premium. For lower value categories (such as walls and ceilings for operating rooms), a prominent part of the competitive strategy is related to adding value through service, utilizing scale and bringing down cost.	Medium



**3,100**

No. of persons currently working with sales and service at Getinge

**1,350**

Sales representatives in the field

**1,750**

Service technicians

### Americas is the largest sales region

Getinge's sales are reported based on three regions, Americas, EMEA (Europe, Middle East and Africa) and APAC (Asia and Pacific region). Of these, Americas is the largest, representing approximately 45% of the total addressable market, followed by EMEA with approximately 30% of the market and APAC with approximately 25%. Growth is highest in APAC followed by Americas and EMEA, and the average rate of growth is 2–4% per year globally.

### Present all over the world

Getinge has a sales and services organization of 3,100 people and a wide distribution network supporting 25,000 customers in 125 countries. The sales and services organization consists of approximately 60% service representatives and 40% sales representatives.

Getinge has a high-ambition sales culture focusing on differentiation by adding value from combining product, service, IT and advice in the offering. Continuous improvements are key and in-depth customer satisfaction surveys and analysis is an important tool for identifying and prioritizing activities.

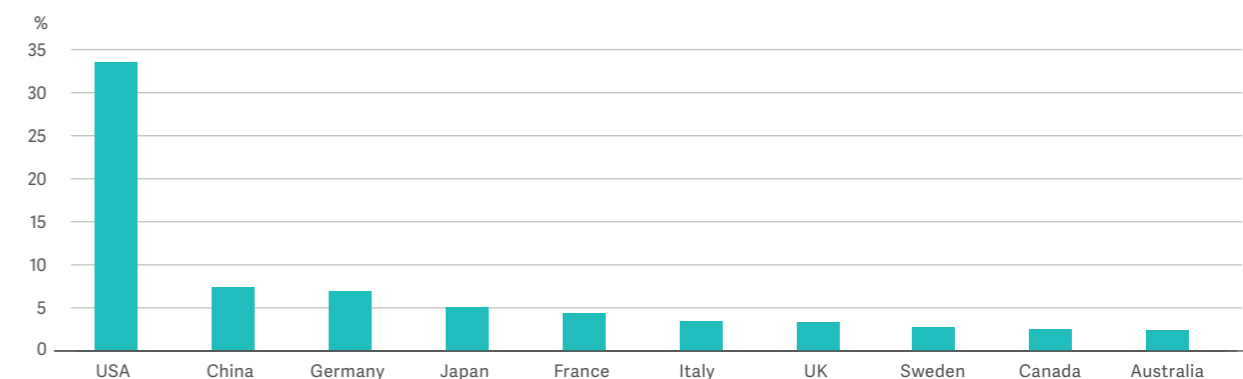
The organization has a systematic approach towards geographic optimization of the product service portfolio mix, aimed at capturing market share, and leveraging the full potential of high growth markets by identifying further growth opportunities per segment and market, and distributing resources accordingly.

One important strategic objective is to position service as an engine for growth, for example, by increasing the level of digital service in terms of remote connections and links between systems, at the same time as the overall service offering is enhanced.

Net Sales Growth 2017–2020



Getinge's top ten sales countries in 2020 – significant opportunities still untapped in the US







# Life Saving Products in high demand

**Acute Care Therapies** offers world-leading products for life support in acute health conditions. The offering includes solutions for cardiovascular procedures and a broad selection of products and therapies for intensive care. The demand for advanced ICU-ventilators in 2020 was extraordinarily high, due to COVID-19.

### Customers' needs

A health care team's access to the right care solution is key in acute care therapies, which was more evident than ever before in modern times during the COVID-19 pandemic. Getinge develops advanced clinical solutions that can contribute to improving therapy results, achieving more rapid recovery and enhancing quality of life for patients in intensive care and surgery.

### Getinge's offering

In Acute Care Therapies, Getinge offers advanced technologies and products for life support care and therapies for acute health conditions related to:

- Critical care
- Cardiac surgery
- Vascular interventions

The offering comprises products for the treatment of cardiac, pulmonary and vascular diseases, a broad selection of products and therapies for intensive care, such as advanced ventilators and hemodynamic monitoring, and equipment for extracorporeal oxygenation and circulation support.

### Research and development

Acute Care Therapies is the business area at Getinge that allocates the largest share of its sales to research and development. The ambition moving forward is to effectively allocate resources to R&D with a high innovation value within the product segments that have favorable future prospects and where Acute Care Therapies has a leading position. This includes, for example, ventilators and products for ECMO-therapies for which the development of products, consumables, services and software updates have high priority.

### New products and clinical support

Several new products and updates, with new functions supporting enhanced clinical quality and efficiency through existing machinery, were launched during the year. Such an example is the updated Getinge Online digital platform for monitoring performance of for example ventilators in an ICU or anesthesia devices in operating rooms. In addition, Getinge launched a new advanced monitoring device, NICCI, and showcased the concept of Quiet ICU with ground-breaking solutions creating a safer and more healing environment for patients.

In the vascular field, Getinge launched the Advanta V12, a 12 mm covered stent of larger diameter. US Food & Drug Administration (FDA) cleared Getinge's Flow-e and Flow-c Anesthesia Systems, which offers personalized anesthesia delivery for even the most challenging patients, from neonates and pediatric to the morbidly obese. FDA also gave clearance for the Servo-air® mid-range ventilator, suitable for intermediate care.

During the year studies reported in favor for several of Getinge's technologies, such as the covered stents, ECLS and Neurally Adjusted Ventilatory Assist (NAVA) which can shorten the time on ventilation for adult patients by almost 35%.

### Production sites

Acute Care Therapies has production at sites in the US, Germany, France, Sweden, Turkey and China. Getinge is continuously adjusting the manufacturing footprint in order to enhance productivity. One example is the ongoing consolidation of the production sites in New Jersey (US), where manufacturing lines are transferred from the facilities in Fairfield and Mahwah, to an



Acute Care Therapies organic net sales growth of 32.1% in 2020 is by large explained by the strong demand for its advanced ICU ventilators, due to COVID-19. Getinge increased its production of ventilators by more than 160% in 2020.



existing site close by, Wayne. The consolidation is expected to be completed in 2021.

In 2020 Getinge increased the production capacity at the production site in Solna, Sweden, where ventilators are produced, by more than 160%. This was managed successfully with support from multinational companies, such as Ericsson, Scania and AB Volvo, and despite significant constraints in the supply chain. By the end of the year capacity was reduced to normal in a cost effective manner.

In 2020 the company decided to scale up production capacity in Germany linked to products for ECLS-therapies. This applies for both hardware and consumables. This is to meet the structural underlying demand in this segment.

Moreover, Getinge invested in increased capacity in the production site in La Ciotat, where the vascular grafts are being produced. This is a product category where Getinge is one of the global leaders.

### Quality and Sustainability

The products in Acute Care Therapies maintain the highest levels of quality, as

seen in the tests that are conducted during manufacturing, but also in the surveillance of products that have been delivered to customers. When it comes to documentation and processes, many activities have been carried out in recent years in order to ensure high levels of quality and control, for example the implementation of a global quality management system. Remediation efforts related to the Consent Decree with FDA (US) continued according to plan in 2020 despite a significant increase in demand due to COVID-19. The plan is to be fully remediated by 2021, after remediation in the factory in Hechingen has been completed.

In early 2020, Getinge had its first factory, the ventilator production unit in Solna, Sweden, certified according to the new EU MDR regulations. Since then four additional sites have passed their certification with successful results.

### Sales and profitability

Net sales increased organically by 32.1% in 2020, due to strong demand related to advanced ICU ventilators and products

for ECLS therapy in all regions. In parallel, COVID-19 had a negative impact on sales related to cardiac surgery and vascular interventions, creating a significant backlog in health care all over the world.

The activity plan to improve profit and margins continued in 2020 and the adjusted gross margin improved to 61.6% (59.2) mainly as a result of higher volumes and continued productivity improvement. As a consequence the adjusted operating margin (EBITA) increased to 31.1% (21.2).

### Activities in plan

- Continue to strengthen the pipeline of products in attractive market segments
- Finalize remediation at the site in Hechingen, Germany
- Finalize consolidation of production sites in New Jersey, US
- Finalize certification process of factories according to EU MDR
- Continued productivity improvements according to plan
- Develop new offerings that minimize the environmental footprint





Jens Viebke, President Acute Care Therapies



In 2020 we showed what we are capable of, both from a product and an organizational perspective. We did this by supporting clinicians all over the world to save lives during the pandemic. In 2021 we will put just as much effort into helping hospitals to urgently deliver the health care needed to work down the elective surgery backlog."

Getinge's addressable market amounts to SEK

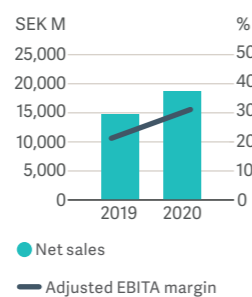
**85**

billion with expected organic growth of 2–4% per year.

## Offer from a customer perspective

	Intensive Care	Cardiovascular Surgery	Cardiovascular Interventions
<b>Products</b>	Life support therapies for intensive care, in the form of ventilators, hemodynamic monitoring and extracorporeal life support.	Products for advanced cardiac surgery, such as heart-lung machines, heater-cooler units, beating heart surgery, endoscopic vessel harvesting, left atrial appendage closure devices, anesthesia systems, aortic and peripheral vascular grafts and thoracic drainage systems.	Products to facilitate cardiovascular procedures, such as products for cardiac assist and peripheral vascular stents.
<b>Share of sales within Acute Care Therapies (average 3 years)</b>	<b>52%</b>	<b>29%</b>	<b>19%</b>
<b>Market growth per year</b>	<b>4–5%</b>	<b>1–2%</b>	<b>3–4%</b>
<b>Getinge's position</b>	<b>1</b>	<b>1</b>	<b>5</b>
<b>Getinge's market share</b>	<b>38%</b>	<b>18%</b>	<b>7%</b>
<b>Main competitors</b>	Dräger, Hamilton, Medtronic, Edwards Lifesciences	LivaNova, Terumo, GE Healthcare, Dräger, WL Gore, Medtronic	WL Gore, Medtronic, Boston Scientific, Abbott, Cook, BD

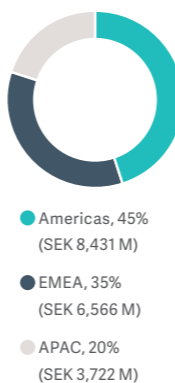
### Net sales and adjusted EBITA margin



### Share of Group sales



### Sales per region



## CASE

### Building ventilators for life

To meet the global demand of ventilators needed to treat COVID-19 patients, Getinge set out to ramp up the production capacity by 160% in 2020. An ambitious target, which would help care givers save more lives.



Elin Frostehav, Vice President Critical Care and Markus Stirner-Schilling, Senior Director Acute Care Therapies Global Commercial Operations

In the beginning of 2020 about 200 Servo ventilators left Getinge's factory in Solna, Sweden every week. The pandemic brought a soaring global need of ventilators to help treat critically ill patients.

"We decided early on to ramp up our production. In 2019, we produced 10,000 units, in 2020 we set out to make 26,000. Cross-functional teams have been working together, all the way from receiving the customer order until it is ready for shipment to save more lives," tells Elin Frostehav, Vice President Critical Care at Getinge.

Her team has defined clear responsibilities to allow everyone to keep calm and work methodically toward the same goal. It was not enough to run faster; there was a need to do things differently.

"We knew it would be challenging but decided to trust our people and their ability to find solutions, which they did and keep on doing! We also dared to ask for support, both internally and from other companies."

Hundreds of organizations have reached out to be part of the solution and newfound partnerships are established.

"It's very positive for us and at the same time it has created meaningful jobs for

people who have been laid off at their ordinary workplaces. Together, we have managed to deliver more life-saving products," says Elin.

With many borders closed, it has sometimes been hard to get the ventilators delivered, although road transportation in Europe has worked more or less as normal. There was also a burning question from an ethical point of view: Considering the urgent global need, where would the ventilators go first?

"We have been allocating all produced units by a severity score based on case dynamics and fatalities by country," says Markus Stirner-Schilling, Senior Director Acute Care Therapies at Getinge.

Some of the people behind the achievement of ramping up the production are of course the people who build the machines.

"The pressure was intense, but so was the dedication. Everybody have done their utmost to get those ventilators shipped to where they are so desperately needed. Throughout this journey we are all learning a great deal which will be beneficial in the future," concludes Elin.



In March 2020, Getinge together with partner Scania sent out a powerful message from the Nasdaq tower on Times Square.



# Strong performance in the biopharma segment

**Life Science** offers a comprehensive range of equipment, technical expertise and consultation to prevent contamination in pharmaceutical and medical device production, with the aim to strengthen integrity of results in biomedical research. The growth in demand for biopharma products in 2020 is expected to be here to stay.

### Customers' needs

Customers include world leading manufacturers of pharmaceuticals and medical devices. The customers need research and production processes free from contamination. In addition they demand easy to use products and processes that shortens lead times and reduces risk for unwanted delays or mistakes in both research and production.

### Getinge's offering

Within Life Science, Getinge offers advanced technologies, which can be divided into the following categories:

- Sterilizers for the sterilization of pharmaceuticals and medical devices
- Machinery for cleaning of technical production equipment
- Isolators for the protection of operators and quality assurance of aseptic processes
- Ports, containers and single use bags for sterile transfer of components, tools and fluids, in and out of aseptic filling lines
- Bioreactor systems for research and production of vaccines, antibodies, enzymes and bio-plastics for industrial biotechnology

### Research and development

Research and development in sterile transfer and bioreactors focuses on standardized products and consumables, to meet the increasing demand for products which are reducing risk for contamination and at the same time are easy to use and brings shortened lead times both in research and

production. For example, Getinge intends to further develop the range of single use bioreactors used for research and production of biopharmaceuticals. In addition Getinge intends to strengthen its leading position in Sterile Transfer further.

Life Science's sterilizing and disinfection offering is based on the same base technology that exist in the Surgical Workflows business area. However, the degree of customized solutions is considerably higher in Life Science, and therefore a large degree of product development is conducted together with the customers. This entails that the collaboration is generally comprehensive and extends over a long time, presenting favorable opportunities to create value for both parties.

### New products

In January 2020, Getinge acquired Applikon Biotechnology, a leading company in the development and supply of advanced bioreactor systems for the research and production of vaccines and antibodies in the biopharmaceutical industry, as well as enzymes and bio-plastics for industrial biotechnology. Thereby, Getinge widened its product offering towards the biopharma research and production industry significantly.

During the year, Getinge launched several new products in Life Science, predominantly within the space for biopharma research and production. One such example is AppliFlex ST – a customizable single-use bioreactor that optimizes bio-processes and reduces labor hours in the

In the image to the left: Demand for DPTE® BetaBags increased significantly in 2020, due to the COVID-19 pandemic and the rapidly growing need for safe and effective production of vaccines.



A large proportion of Getinge's customers in Life Science are world leading pharma companies, with a high need for processes free from contamination.

lab. The bioreactor can be used immediately on the laboratory bench, enabling a smooth and fast workflow.

Moreover, Getinge introduced a new range of racks to fit inside the stainless steel DPTE® Beta Containers, which are designed for efficient loading and unloading into a sterile zone. The racks stabilize items inside the containers while they are transferred and sterilized. Getinge also introduced the DPTE® Transfer Trolley – a smart, mobile transfer platform for use with all standard DPTE® Beta solutions for moving materials into and out of a confined zone without breaking containment or sterility. Its ergonomic, power-assisted design enables easy handling of heavy and fragile loads within confined spaces, while its smart functions help speed-up manual aseptic zone processes and increase production uptime.

### Production sites

Life Science conducts production in a total of five sites in Sweden, France, Netherlands and Poland. In 2020 Getinge increased capacity in production of Sterile Transfer

products in the factory in Vendôme, France, by adding additional shifts. Getinge also decided to expand production capacity further at its production site in Merrimack, US, to meet the growing global demand for Sterile Transfer products.

### Quality and Sustainability

The customers are subject to regulations containing high safety and quality requirements. They themselves are responsible for qualifying and quality assuring their processes and end products. Getinge's focus is to support our customers in this important work.

Getinge continues to drive the sustainability agenda, for example by offering products and solutions that reduces the environmental impact. One such offering is the system to reduce harmful emissions from large scale EtO-sterilization.

### Sales and profitability

Net sales increased organically by 3.0% in 2020, due to strong demand in Sterile Transfer products. This, together with continuous productivity improvements,

supported the adjusted gross margin which improved to 41.2% (38.7). As a consequence the adjusted operating margin (EBITA) increased to 13.8% (13.0).

### Activities in plan

- Continue to strengthen the offering in Sterile Transfer and Bioreactors
- Increase production capacity related to Sterile Transfer, by setting up production in another of our existing factories, close to our end customers in North America
- Develop new products and solutions that reduces the environmental impact
- Continue to increase sales reach for Applikon Biotechnology products, focusing on the growing demand for single use bioreactors
- Continuous productivity improvements





Harald Castler, President Life Science



In 2020 we grew quite significantly and had a structural uplift in margins. The growing demand for our products targeting the Biopharma industry is here to stay and we still have room for significant improvement in the capital goods business and in productivity in general. These are some of the reasons why I look forward to 2021 with confidence."

Getinge's addressable market amounts to SEK

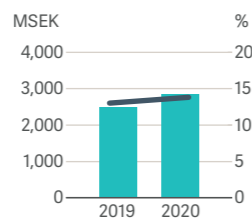
**33**

billion with expected organic growth of 8–10% per year.

## Offer from a customer perspective

	Pharma production	Medical research
<b>Products</b>	Sterile/Aseptic Transfer Solutions, GMP Sterilizers, GMP Washers, Bioreactors, logistic automation, Isolators.	Lab washers & Sterilizers, cage washers and sterilizers, bioreactors, logistic automation.
<b>Share of sales in Life Science</b>	<b>68%</b>	<b>32%</b>
<b>Market growth per year</b>	<b>9–11%</b>	<b>7–9%</b>
<b>Getinge's position</b>	<b>2</b>	<b>2</b>
<b>Getinge's market share</b>	<b>13%</b>	<b>11%</b>
<b>Main competitors</b>	Fedegari, Steris, Steelco, Sartorius, GE, Thermo Fisher	Steris, Steelco/Miele, IWT, Sartorius, Eppendorf

Net sales and adjusted EBITA margin



● Net sales  
— Adjusted EBITA margin

Share of Group sales



● Life Science, 9%

Sales per region



● Americas, 39% (SEK 1,103 M)  
● EMEA, 45% (SEK 1,278 M)  
● APAC, 16% (SEK 473 M)



### CASE

## Solutions that enable safe preparation and transfer of pharmaceuticals

COVID-19 placed huge pressure on research, development and manufacturing of pharmaceuticals. With its Life Science solutions, Getinge provided support in several ways to make the drugs efficient and safe.

"Life Science companies are at the forefront of the fight against COVID-19, scientists have been racing against the clock to develop vaccines while pharmaceutical manufacturers and medtech companies are mobilizing production facilities to ramp up capacity to produce billions of doses," says Harald Castler, President Life Science at Getinge.

Through its Life Science solutions, Getinge provides expertise and solutions that enable scientists and manufacturers to continue focusing on saving lives.

"With the acquisition of Applikon Biotechnology B.V., at the start of the year we added a leading solution provider in the fast growing area of advanced bioreactor systems for the research and production of vaccines and antibodies in the biopharmaceutical industry. This makes our Life Science solutions even more relevant and we are better positioned to make a difference," explains Harald.

With these solutions in the portfolio, Getinge can guide customers throughout the complete upstream bioprocess, from initial screening up to full-scale production.

"The advanced bioreactor systems are tailored and compliant to enable efficient, safe and contamination-free research and production processes," says Harald.

In 2020, there was also an increased demand of the single-use DPTE- BetaBag®, a critical component in the fill-and-finish of aseptic drugs such as vaccines. The system simplifies validation

of the manufacturing process and reduces the investment as well as time to market.

Thanks to Getinge's patented DPTE® aseptic transfer system, which consists of an Alpha port with secure interlock enabling safe connections and disconnections and a Beta container or DPTE-BetaBag®, customers can efficiently secure a safe transfer of sterile components in and out of a barrier system without breaking the containment.

"It is a complete solution and of greatest importance when manufacturing drugs that will go directly into patients," says Harald. "It is critical that injectable drugs are produced in this clean and safe environment and reach a level of quality which means an effective treatment without any contamination.

He continues:

"All our Life Science solutions are customized to serve the customers' needs and several of these products as well as sterilizers and washers have been used in the search for a COVID-19 vaccine. We want to help our customers in every way we can, so that they can focus on discovering and producing cures needed by so many people around the world."

In the images above: Getinge's patented DPTE® aseptic transfer system, ensuring a contamination free process.





## Preparing for a growth comeback

**Surgical Workflows** is a world leading supplier of products and solutions to serve as an end-to-end partner for optimizing the quality, safety and capacity usage of the sterile supply departments and operating rooms. The business was hit negatively by COVID-19 in 2020, but is expected to regain growth as hospitals are set to shift focus back to investing in effective infrastructure.

### Customers' needs

Health care's access to effective infrastructure is of major importance for surgical interventions to ensure a high level of clinical safety and quality. There is also a significant need to reduce the risk of hospital related infections since they entail additional suffering for patients, consume large amounts of resources for individual hospitals and have a negative impact on society in general. Health care also needs to increase productivity to enable higher treatment volumes with limited resources. All of these factors are expected to come into play when the hospitals are shifting back their focus toward investing in effective infrastructure.

### Getinge's offering

Getinge is a leader in several of its product segments for Surgical Workflows, which comprises:

- Products for sterile reprocessing
- Operating room equipment
- IT systems for efficient workflows
- Service

### Research and development

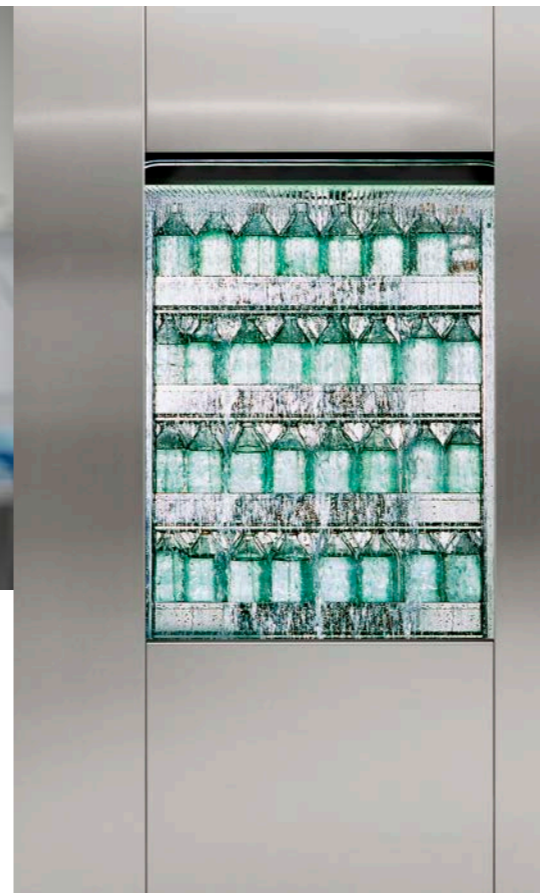
Getinge has a leading position in the development of prominent products relating to the operating room and infection control department in hospitals. In the future, the business will focus more on developing products for various customer segments, including the growing value segment. As a consequence, Getinge is preparing to streamline its product portfolio into platforms through Quality Value Engineering, enabling a higher level of cost effectiveness in sourcing and production whilst at the same time ensuring that the products add distinct and differentiated value for customers.

In addition to proprietary product development, Surgical Workflows is engaged in several strategic collaborations. An example of this is the collaboration with Philips and Siemens, who are leading manufacturers of medical imaging technologies.

### New products and expanded offering through acquisitions

During the year, several new products and updates were launched, including Getinge Solsus 66 which is a versatile, intuitive and easy to use steam sterilizer. Furthermore, Getinge launched several updates and new products within the Integrated Workflow Solutions business. One such example is Torin OptimalQ, an efficient planning tool for prioritizing the surgical wait list caused by COVID-19.

In November 2020 Getinge announced the acquisition of Quadralene, a global manufacturer of, and expert in, decontamination products such as detergents and disinfectants for the health care and dental sector. The acquisition is well aligned with the strategic ambition to widen the Infection Control portfolio towards consumables, developed and manufactured internally, in order to support financial performance in the long term. Getinge also introduced a new range of consumables for sterile reprocessing, Getinge Assured Superfast 20 Biological Indicator.



Getinge's offering is targeting the need for increased quality, safety and productivity in healthcare to enable higher treatment volumes with limited resources.



### Production sites

Surgical Workflows has production at sites in Sweden, Germany, France, UK, Poland, China and the US. During 2020 the setup of production of low temperature sterilizers was restructured, with a transfer from Ankara (Turkey) to an existing production site in Poznan. In addition, transfer of Endoscope Washer production in Toulouse (France) to an existing site in Växjö (Sweden) has been finalized, with the aim to build a Center of Excellence in Växjö. These transfers were successfully completed, despite the travel restrictions related to COVID-19, thanks to new and effective ways of working.

Due to the acquisition of Quadralene, Getinge's aim is to establish a Center of Excellence dedicated to chemistry and instrument disinfection at Quadralene's production unit in Derby, UK.

### Quality and Sustainability

Surgical Workflows products and services maintain a high level of quality, which is the reason for its positive reputation among customers. In 2020 the organization continued to refine the new quality management system, according to the global standards in Getinge. The organization has also been preparing for the new EU MDR legislation with the aim to have all relevant factories certified before May 2021.

The business area continues to work according to the sustainability plan from an environmental perspective. This takes the form of, for example, focusing on developing infection control devices that consume less water, chemicals and energy. The business area is also progressing well in logistic freight optimization and the shift toward a higher level of green energy at the production sites.

### Sales and profitability

Net sales decreased organically by 10.3% in 2020, as demand was negatively impacted by COVID-19. The gross margin was

reduced to 38.4% (40.1) and the adjusted operating margin (EBITA) decreased to -1.5% (2.4), although sales volumes declined significantly more. The main reason for the net sales reduction not being translated into an equal decline on margins, is to be found in continued improvements in productivity.

### Activities in plan

- Focus on digitalization of hospital workflows and equipment connectivity
- Continue to strengthen the offering within consumables
- Continue to develop products that reduce the environmental impact
- Activities to grow sales in the US and effectiveness in the service business
- Continuous productivity improvements in factory footprint and purchasing
- Implementation of product platforms to streamline production
- Finalize certification process of factories according to EU MDR





Stéphane Le Roy, President Surgical Workflows



In 2020 we worked tirelessly on productivity improvements, restructuring efforts and strengthening of the offering. I am proud of the team efforts in the organization when taking on these challenges – making us well prepared for the return in demand, helping hospitals to create an effective infrastructure for safe and productive surgery operations.”

Getinge’s addressable market amounts to SEK

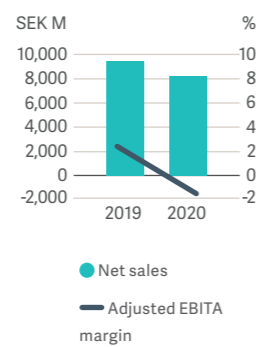
**62**

billion with expected organic growth of 2–4% per year.

## Offer from a customer perspective

	Sterile supply department	Operating room equipment	Integrated Workflow Solutions
<b>Products</b>	Complete systems and automation for the sterilization of instruments used in surgery, with sterilizers, low-temperature sterilizers and disinfectors, as well as consumables and service.	Complete operating room solutions including high-end hybrid operating rooms in combination with imaging partners, advanced operating tables, lights and ceiling supply units, modular room systems as well as consulting on lay-outs, workflows and technical service.	IT systems to enhance efficiency and safety in the flow of patients, employees and sterile equipment to and from the operating room.
<b>Share of sales in Surgical Workflows</b>	<b>46%</b>	<b>48%</b>	<b>6%</b>
<b>Market growth per year</b>	<b>2–4%</b>	<b>2–4%</b>	<b>8–10%</b>
<b>Getinge’s position</b>	<b>1–2</b>	<b>1</b>	<b>1–5*</b>
<b>Getinge’s market share</b>	<b>10–18%*</b>	<b>10–20%*</b>	<b>2–5%**</b>
<b>Main competitors</b>	Steris, Steelco/Miele, Shinva, Belimed, ASP * Share varies between geographical regions and offerings.	HillRom/Trumpf, Steris, Stryker, Mindray, Dräger * Share varies between geographical regions and offerings.	Censis, Teletracking and local IT companies * Position varies from 1 to 5 depending on the offering. ** Fragmented market.

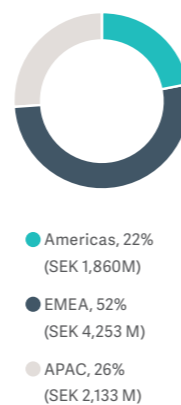
### Net sales and adjusted EBITA margin



### Share of Group sales



### Sales per region



## CASE

### New planning tool to bring down surgery backlogs

In 2020, millions of surgeries were cancelled or postponed and clearing the backlog quickly became a worldwide priority. In its efforts to provide support, Getinge looked into how to utilize miles of data and deep knowledge of surgery planning. As a result, the innovation Torin OptimalQ came to life in record time – an efficient planning tool for prioritizing surgical wait lists caused by COVID-19.



Matthias Rath, Director Product Management & Business Development OR Solutions

During the pandemic, many elective surgeries were cancelled or postponed and hospitals now need to catch up, which is not an easy task. People throughout the industry are talking about a care deficit or treatment deficit.

“We all feel the effects of COVID-19; our health care professionals most of all,” says Matthias Rath, Director Product Management & Business Development OR Solutions at Getinge. “In order to help restart their surgical activities, we went back to the drawing board to look at how we could utilize our existing tons of data and deep knowledge of surgery planning.”

The software development team managed to shorten development time significantly, within just a few weeks they came up with an innovative solution, something that would normally take at least a year to process.

“In July 2020 we were able to launch Torin OptimalQ – a planning tool for prioritizing surgical wait lists caused by COVID-19,” tells Matthias.

Torin OptimalQ is a software solution that merges customer waiting list data with Getinge knowledge base information on average procedure duration and best planning practices. Matched with patient scorings and hospital capacities, the tool calculates the preferred way to prioritize surgery schedule per OR, week or service.

“The solution is offered as stand-alone for existing Torin OR Management customers or in a Software as a Service (SaaS) environment with consulting expertise to support hospitals in fine-tuning their processes for the surgical pathway,” says Matthias.

Torin OptimalQ can be upgraded to the full Torin OR Management solution if needed, helping hospitals realize even more significant improvements with accurate surgery schedules, real-time progress updates, performance analytics, and complete surgery documentation.

“We were forced by the ongoing crisis to re-think the entire way we innovate, and it is amazing to see what people are able to pull off when the time available shrinks. Going from idea to implementation in just three weeks we could present a solution that is scalable, easy to deploy and that offers quick results for staff and patients,” explains Matthias.

He concludes:

“Clearing the surgery backlogs in the pandemic aftermath will not be solved overnight and at Getinge we see it as an honor to be part of finding a solution. Also when the pandemic has passed, TorinOptimalQ will continue to be used for optimization of surgery backlog.”

The image above: Getinge’s Integrated Workflow Solutions is supporting quality, safety and productivity improvements in hospitals.



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# Administration Report

## Operation and structure

Getinge is a global provider of products and solutions for operating rooms, intensive-care units and sterilization departments serving 39 countries and with proprietary production in nine countries. Operations are conducted in three business areas – Acute Care Therapies, Life Science and Surgical Workflows.

Sales take place through proprietary companies and distributors in 125 countries. Approximately 70% of sales are conducted through the Group's proprietary sales companies and the remaining 30% are sold by agents and distributors in markets for which Getinge often lacks proprietary representation. Production is conducted at a total of 21 facilities in France, China, the Netherlands, Poland, the UK, Sweden, Turkey, Germany and the US.

## Financial overview

During the year, net sales increased 12.3% to SEK 29,819 M (26,559). Net sales rose organically by 14.3%. In Acute Care Therapies, sales amounted to SEK 18,719 M (14,637), corresponding to an organic change of 32.1%. Life Science's net sales increased organically by 3.0% to SEK 2,854 M (2,487). Surgical Workflows' sales in 2020 amounted to SEK 8,246 M (9,435). Net sales declined organically by 10.3%.

EMEA represented the Group's largest market, accounting for 41% (38) of sales, followed by Americas at 38% (40). APAC accounted for 21% (22) of sales.

## Adjusted EBITA

Adjusted EBITA before restructuring and acquisition costs and other items affecting comparability amounted to SEK 5,724 M (3,310).

## Operating profit

The Group's operating profit amounted to SEK 4,784 M (2,372). Adjusted for restructuring and acquisition costs and other items affecting comparability, operating profit amounted to SEK 5,261 M (2,813), corresponding to 17.6% (10.6) of net sales.

## Net financial items

Net financial items amounted to SEK -299 M (-463), of which net interest items comprised SEK -246 M (-408).

## Profit before tax

The Group's profit before tax increased to SEK 4,485 M (1,909).

## Taxes

The Group's tax expense amounted to SEK -1,213 M (-653), entailing a tax rate of 27% (34). The tax rate was positively impacted by high earnings and a favorable country mix due to the outbreak of COVID-19. The high tax rate last year was mainly due to the US BEAT tax introduced in conjunction with the US Tax Reform.

## Tied-up capital

Inventories amounted to SEK 4,513 M (4,691) and accounts receivable to SEK 5,338 M (6,344). The return on equity was 15.1% (6.2). Goodwill totaled SEK 17,427 M (18,674) at the end of the fiscal year.

## Investments

Investments in intangible assets and tangible assets amounted to SEK 1,045 M (1,220). Investments primarily pertained to product development, production facilities, production tools and IT projects.

## Financial position and equity/assets ratio

Consolidated net interest-bearing debt fell to SEK 7,509 M (12,321). The equity/assets ratio amounted to 47.7% (46.9) and the net debt/equity ratio to 0.35 (0.59). Net interest-bearing debt in relation to adjusted EBITDA before restructuring and acquisition costs and other items affecting comparability amounted to 1.0 (2.5). Equity at year-end amounted to SEK 21,486 M (20,973).

## Cash flow

Cash flow from operating activities amounted to SEK 7,199 M (3,832).

## Class of shares and share data

For information regarding trading of shares in the company, the number of shares, shareholders, the classes of shares and the rights associated with the classes of shares in the company, refer to The Getinge Share section on pages 150–151.

## Events during the year

### Financial impact of COVID-19

The outbreak of COVID-19 was characterized by the WHO as a pandemic on March 11, 2020. In this situation, Getinge prioritized the health and safety of its employees and took measures to limit the spread of the virus by following the instructions issued by the relevant authorities. In addition, Getinge has made considerable efforts to enhance production capacity for ventilators and safeguard production of critical and life support products. Getinge has also worked intensively together with hospitals and pharmaceutical companies around the world to combat COVID-19 and assist in manufacturing a vaccine.

The Group's sales and earnings improved as a result of the outbreak of the virus and the increase in the order intake for ventilators and cardiopulmonary products resulted in an organic increase in net sales of 14.3%. It has been possible to continue work on the installation and servicing of products without any major disruptions, and this was not negatively affected by restrictions in key markets. Minor disruptions occurred in the production operations in the form of sick leave among employees and problems with deliveries of components, which were possible to resolve without any significantly negative consequences arising. The sharp increase in activity in the areas of Acute Care Therapies that are directly linked to treating patients with COVID-19 contributed to the improvement in sales and earnings for the business area despite a decline in other product segments. Sales and earnings in Surgical Workflows fell due to a lower level of activity in the areas of health care that are not related to the outbreak of the virus. Sales and earnings for Life Science were



not generally impacted by the outbreak of the virus to any significant extent.

Due to the widespread demand for ventilators at intensive care units around the world, Getinge announced in April 2020 that it would ramp up its production capacity by 160% to 26,000 ventilators for full-year 2020. This took place in close cooperation with subcontractors and both authorities and companies in several countries have assisted Getinge in this important task. The target of delivering 26,000 ICU ventilators was achieved in the fourth quarter at the same time as it was necessary to adjust production capacity in line with demand normalizing at the end of the quarter.

Demand for DPTE® BetaBags also increased sharply due to the extensive efforts made to develop and manufacture a vaccine for COVID-19. In 2020, Getinge successively ramped up its capacity at its existing production unit for DPTE® BetaBags in Vendome, France, and in the fourth quarter a decision was made to establish production of DPTE® BetaBags at the Group's unit in Merrimack, US, with production scheduled to start in the latter part of 2021.

To finance the ramp-up in the production of ventilators and other life support equipment arising due to COVID-19, Getinge issued a SEK 1 billion COVID-19 commercial paper in April 2020. The commercial paper was developed in line with the ICMA Social Bond Principles where the proceeds will be exclusively allocated to finance the increased production of ventilators and other life support equipment.

During the year, Getinge received government grants related to the outbreak of COVID-19 from authorities in several different countries. The total amount of such grants amounted to SEK 27 M and the grants mainly concerned allowance for short-term work and compensation for sick leave costs.

As time passes, the situation regarding the pandemic could result in negative financial effects due to lower demand and disruptions to production. It also cannot be ruled out that installation and service of products at hospitals and care facilities could be limited by restrictions to reduce

the spread of the virus. The Group's cash flow could decline as a result of investments in higher production capacity, high sales growth, inventory build-up and impaired payment discipline among the Group's customers. Getinge is closely following developments regarding the pandemic and is continuously evaluating the operational and financial effects. Some minor measures to adjust costs were carried out during the year and plans have been made to further adjust costs if necessary.

#### **Restructuring of Acute Care Therapies' production operations in the US**

The planned consolidation of the operations in Mahwah and Fairfield to the nearby plant in Wayne, US, was initiated in the second quarter of 2020 and is expected to be fully completed in 2021. In total, the relocation is expected to generate annual savings of SEK 40 M. In addition to these savings, the consolidation will increase the concentration of skills and result in a higher degree of control in quality management and production.

#### **Restructuring activities and productivity improvements in Surgical Workflows**

Several measures were undertaken during the year to improve productivity at the production facilities in Rastatt (Germany) and in Växjö (Sweden). Discussions were also initiated with employee representatives to close the German project management department for turnkey operating rooms to instead concentrate this operation to Southern Asia and the Middle East, with the intention of moving closer to the company's end customers and establishing a more competitive supplier platform.

#### **Decision to expand production capacity at facility in La Ciotat**

Getinge made a decision in the fourth quarter of 2020 to ramp up its production capacity at the factory in La Ciotat, France. The aim of the investment is to increase production of transplant and artificial polyester vascular implants for treating aneurysms and occlusion-related conditions (blood flow blockages).

#### **Adjustments to EU Medical Device Regulation (EU MDR)**

To meet the requirements of the new EU Medical Device Regulation (EU MDR), Getinge began making adjustments at selected manufacturing sites in 2019. In February 2020, the Solna factory and the Servo-u and Servo-n ventilators were the first of Getinge's manufacturing sites and products to be certified under the EU MDR. The remaining selected sites and products will be adjusted to comply with the new regulations in 2021.

#### **New products**

The updated and expanded digital platform Getinge Online was launched in the second quarter, enabling hospitals to improve efficiency by using product data to gain important insights, enable rapid remote error detection and maximize uptime. The Getinge Flow Family anesthesia machines and the Servo-u, Servo-n and Servo-air ventilators were the first to be connected to the new portal. The enhanced platform was designed in close collaboration with customers and the feedback has been very positive.

In the third quarter, the US Food & Drug Administration (FDA) gave 510(k) clearance for Getinge's Flow-e and Flow-c Anesthesia Systems which complete the portfolio of Flow anesthesia machines and offer innovative solutions with personalized anesthesia for high acuity patients in the US marketplace. In addition, the FDA gave 510(k) clearance for sales of the Servo-air® ventilator in the US.

In September 2020, a large, independent multi-center trial was published that showed that Getinge's patented Neurally Adjusted Ventilatory Assist (NAVA) ventilation mode, which uses the patient's own respiratory drive to control ventilator assistance, significantly increased the number of ventilator-free days and shortened the time of mechanical ventilation (MV) for adult patients with acute respiratory failure. According to the trial, NAVA shortens the number of days on mechanical ventilation from 12 to 8, which is quite a remarkable improvement with many posi-

tive consequences. Fewer days in the ICU also translates to a significantly improved health economy, enabling hospitals to free up precious ICU beds and resources.

#### **Anna Romberg appointed Executive Vice President Legal, Compliance & Governance**

In September 2020, Anna Romberg was appointed Executive Vice President Legal, Compliance & Governance and member of the Getinge Executive Team. She has a Ph.D in Corporate Governance & Compliance and is one of the founders of the Nordic Business Ethics Initiative. Anna most recently worked as a management consultant providing support to global companies on compliance matters. Before that, Anna was Vice President Ethics & Compliance at Cargotec Oyj between 2016 and 2019. Anna has also held several senior governance and compliance roles at Telia Company AB.

#### **Acquisition of Applikon**

On January 3, 2020, Getinge completed the acquisition of 100% of Applikon Biotechnology BV, a leading company in the development and supply of advanced bioreactor systems for the research and production of vaccines and antibodies in the biopharmaceutical industry, as well as enzymes and bio-plastics for industrial biotechnology. The company has annual sales of approximately SEK 350 M and will further strengthen Getinge's position in the fast-growing market for biopharmaceutical production and research. In the long term, Applikon is expected to make a material contribution to the Life Science business area in terms of net sales and earnings.

#### **Acquisition of Quadralene**

In November 2020, Getinge acquired 100% of Quadralene Holdings Ltd, a global manufacturer of decontamination products such as detergents and disinfectants for the health care and dental sector. Quadralene generates annual sales of about SEK 75 M and the acquisition will enable the Surgical Workflows business area to more effectively add customer value in its important efforts to reduce hospital-related infections.

#### **Lawsuit against Moderna Försäkringar**

In the fourth quarter of 2020, Getinge AB and its subsidiaries Atrium Medical Corporation and Maquet Cardiovascular US Sales, LLC filed a lawsuit against the insurer Moderna Försäkringar (the Swedish branch of Tryg Forsikring A/S Denmark). The dispute concerns the right to insurance compensation for expected costs associated with the ongoing product liability claims filed in Canada and the US regarding surgical mesh products. The lawsuit involves disputed insurance coverage of up to approximately SEK 500 M.

Getinge has previously informed that the group holds customary product liability insurance policies and that discussions are taking place with insurance companies about the scope of insurance coverage.

#### **Settlement agreements with authorities in Brazil**

As a consequence from ongoing government investigations regarding anti-competitive practices relating to the sale of medical devices, mainly to public hospitals, Getinge has previously entered into Settlement Agreements with the Brazilian Federal Prosecutor's Office (Ministério Público Federal) and the competition authority, the Administrative Council for Economic Defense (CADE). The negotiations with the federal agency for internal control, public transparency and counter-corruption, Comptroller General of the Union (CGU), are still pending.

#### **Update regarding Consent Decree with the FDA**

The original Consent Decree with the FDA was signed in 2015 and encompassed four production units in the US and Germany. Plans for remedying identified shortcomings have been completed except for the production unit in Hechingen where this work is expected to continue in 2021. In addition, Getinge's production units in Fairfield and Mahwah received warning letters from the FDA in autumn 2018 and the start of 2019. The reason for the warning letters was routine inspections performed by the

FDA at these production units in 2018. The FDA's observations and opinions pertain to procedures and processes linked to demands for supplier checks, processes for the approval of design changes and incident reporting. The same observations were identified by Getinge during internal inspections in the fourth quarter of 2017. The local organization has since worked to correct the shortcomings in the quality management system. Getinge has submitted an action plan, including activities and a related schedule, to the FDA and improvements are proceeding according to this plan.

#### **Innovation and product development**

Innovation and product development are a cornerstone of the Group's strategy to strengthen the customer offering and thereby ensure future organic growth. The Group uses innovation and product renewal to manufacture products, systems and solutions with a documented ability to deliver high-quality clinical results and economic benefits. The Group's research and development costs amounted to SEK 1,462 M (1,261) in 2020. Of this amount, SEK 429 M (499) was capitalized as intangible assets.

#### **Personnel**

At December 31, 2020, there were 10,818 (10,538) employees, of whom 1,219 (1,207) were employed in Sweden. In 2020, Getinge continued its extensive efforts to strengthen the Group's personnel and management development. The work is based on an analysis of the company's needs for specialist and management competence and the company's demographic structure. The Group also carried out activities intended to further strengthen the commitment of its employees and implemented digital tools for personnel development. In 2020, the Group also continued its long-term endeavors to increase diversity. Getinge has a previously implemented policy to ensure that all employees are given equal opportunity to develop and receive equal pay for equal work, regardless of such factors as gender, ethnicity or religion.



**Remuneration to senior executives**

The guidelines for remuneration to senior executives adopted at the 2020 AGM and the Board’s proposal for guidelines ahead of the 2021 AGM are presented on pages 74–78. In 2020, the company complied with the guidelines adopted at the 2020 AGM. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made.

Total remuneration to senior executives amounted to SEK 137 M (96) in 2020. (Refer to Note 29 for further information).

**Sustainability Report**

In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Getinge has chosen to prepare the sustainability report as a separate report from the annual report. The sustainability report can be found on pages 14–29 and 136–149. A description of diversity on the Board can be found on pages 59–60.

**Environmental accounting**

Getinge’s environmental activities are based on the Group’s sustainability policy, environmental policy and the international ISO 14001 environmental management standard. The 2019–2025 sustainability program has been based on a materiality analysis which anchors KPIs within the entire organization. All manufacturing units will implement and certify environmental-management systems that meet

the standard. For acquisitions, the management system is to be introduced and certified within 24 months. The management system ensures structured environmental work and provides a basis for the reporting of environmental performance that Getinge’s manufacturing units submit every quarter. Through the targeted activities related to environmentally compatible product development, EcoDesign, the aim is to reduce the environmental impact from manufacturing and product usage, and offer customers sustainable market offerings. Recycling of input substances and components is also facilitated.

One facility in Sweden conducts operations requiring permits or declaration under the Swedish Environmental Code. This facility holds the necessary permits. The operations were conducted in accordance with applicable permits and conditions during the year. Further information concerning Getinge’s environmental work is presented on pages 28, 138 and 140–141.

**Outlook**

Organic sales growth for 2021 is expected to gradually strengthen from the level in 2019 as health care returns to normal capacity, and will amount to a minimum of SEK 27 billion. Long-term sales growth is expected to be 2–4% per year.

**Events after the end of the reporting period**

No significant events have occurred after the end of the financial year.

# Getinge’s risk management

Getinge conducts operations in 39 countries and supplies products and services in approximately 85 countries through distributors. This means that the company is exposed to a number of risks and opportunities, which Getinge is actively addressing in a systematic manner.

Getinge has a risk management framework to mitigate risks that could affect the fulfillment of Getinge Group’s targets and strategies. This framework entails, for example, that the Getinge Executive Team conducts an annual evaluation of significant risks and their effect on Getinge’s operations, and decides on measures to reduce risks and their potential effects. This work is monitored on an ongoing basis by the Executive Team during the year.

The Getinge Executive Team’s risk evaluation is reported to the Board of Directors and comprises a key starting point in determining the areas to be subject to internal audit.

The three business areas are fully responsible for their results. In addition, the three business areas and the sales organization are owners of the risk in their respective areas. Accordingly, they have their own risk-management structures in their respective operations. Corporate functions assist the business areas and sales organization in managing risks in a number of areas by providing governance. The Corporate functions are responsible

for supporting and coordinating the development of the organization and driving synergies in their respective areas. Regular evaluation and monitoring is conducted to ensure correct coordination and management from a Group perspective.

**Risk assessment**

By conducting quantitative and qualitative risk analyses based on the offering and operations, Getinge can identify the key risks that could prevent the achievement of business and financial targets. In addition, several units in each business area and in the sales organization are analyzed to gain a more detailed understanding of the actual application of the existing rules and regulations.

The overall responsibility for identifying and addressing potential risk areas lies with the Getinge Executive Team and the business operations. The Compliance & Ethics and Internal Audit functions assist with support and ongoing monitoring as well as investigations and internal auditing.

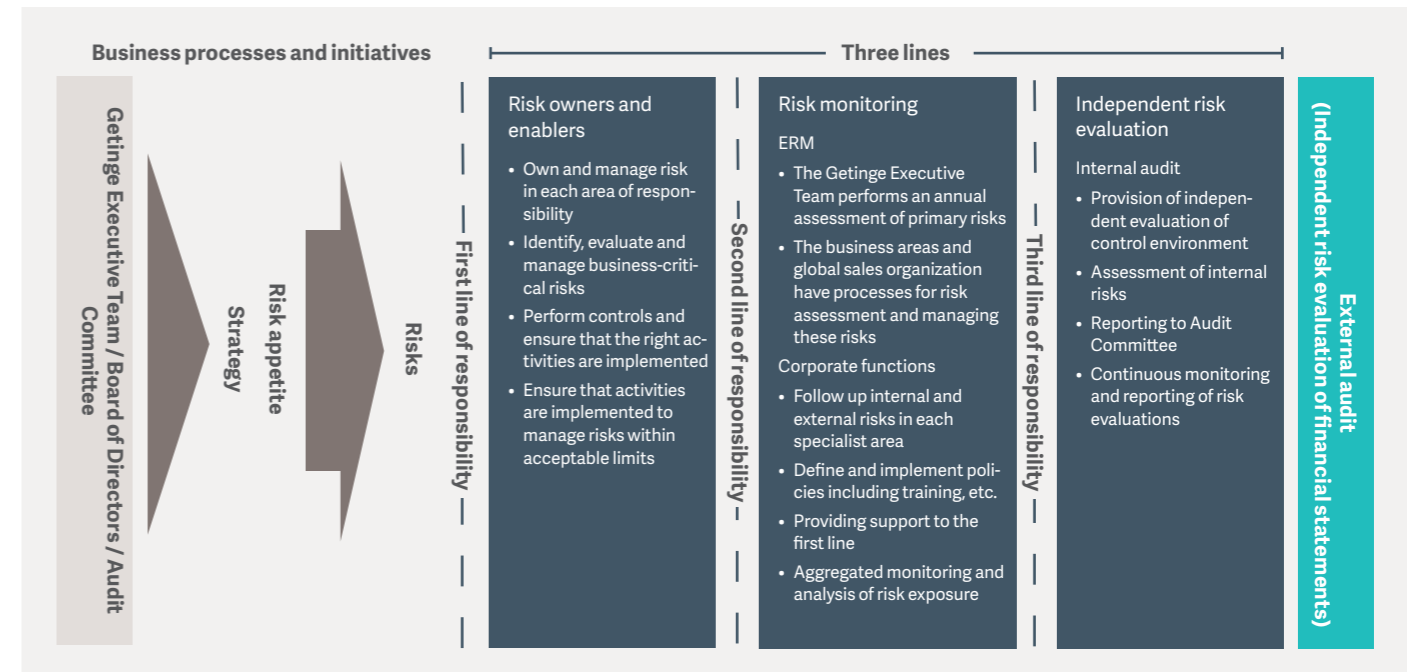
In 2020, Getinge continued its efforts to strengthen risk identification, preventive

measures and management through internal audit and by expanding the resources for coordinating risk management within the Group. It is important to note that the management of the Group’s risks is based on Getinge’s decentralized structure. The best knowledge about the risks sits with operations in the Group.

The Getinge Executive Team identified the following six priority risk areas resulting from the Group-wide analysis performed in 2020. In addition to these priority risks, regular measures are taken to manage other risks according to need and resource availability. Each of the primary risk areas is now owned by a specific member of the Getinge Executive Team and work is being conducted to identify specific risks in each area and develop plans to prevent risks, mitigate the potential effects and deliver on these plans.

It is important to note that the risks presented on the following pages are not a exhaustive description of the Group’s risk exposure. However, these are the risks that have been deemed to be most relevant for the Group to actively manage.

**GETINGE’S RISK MANAGEMENT – FOLLOWING A THREE-LINE MODEL**





### GETINGE'S PRIMARY RISKS, CONSEQUENCES AND MANAGEMENT

	Description	Potential consequences	Management
<b>New competitors and new technology</b>	Certain markets and product segments have niche players who offer solutions outside customary market behavior.	These competitors could capture market shares from more established companies such as Getinge, resulting in a negative effect on Getinge's sales and earnings.	Getinge's long-term strategy includes active business intelligence of the competitive landscape to react to this type of competitors. The industry is also considered to have high barriers to entry since medical devices are subject to extensive regulatory requirements.
<b>External shocks, such as geopolitical risks, natural disasters, terrorism, pandemics, etc.</b>	These are often quickly escalating situations that affect large parts of the world, a country, a region or a specific site.	The primary consequence of this type of risk is that employees could be injured. There is also the risk of business interruptions that could have a negative impact on sales and earnings.	Active business intelligence can detect some of these risks at an early stage and the Group will then have the chance to adapt to the new situation. A process to further enhance Getinge's work on continuity risks is planned for 2021. As part of this process, scenarios based on external shocks will also be included in the risks that the company proactively works on.
<b>Profitability dependency on certain products and markets</b>	In certain cases, a relatively large share of the total profitability of a product is linked to shares in a certain market.	The consequence of such a situation is that profitability can be adversely affected if sales volumes were to decline due to a changed competitive situation in the market.	Getinge works actively to monitor profitability per product and market in order to ensure profitability over time. To reduce the sensitivity of profitability, Getinge actively works on ensuring that the Group has the right cost level in relation to the current price levels in the market. In addition, Getinge also works actively to establish itself in new markets.
<b>Product quality from a customer perspective</b>	In certain cases our products do not meet customer expectations.	Customers experiencing shortcomings in Getinge's product quality presents a higher risk of customers choosing other suppliers. This could entail a risk of lower sales and lower profitability over time.	Getinge applies a far-reaching quality process that aims to ensure a high and even level of quality to meet customers' legitimately high requirements. This is an ongoing process that results in continuous improvements. When quality fails, it is important to rapidly bring the right equipment on site to rectify the fault during the first service visit. Getinge closely monitors the "first time fix" factor of its services operations and works extensively to improve this area.
<b>Laws and regulations mainly on business ethics</b>	Contraventions of competition law, anti-corruption, data privacy (GDPR) or trade restrictions.	Could lead to fines or penalties in one or more markets and have a negative impact on the Getinge brand.	Getinge has a zero tolerance policy when it comes to contraventions of these regulations. The Group's Code of Conduct is very clear in this respect. The Ethics & Compliance function was expanded during the year and the head of the department has been a member of the Getinge Executive Team since 2020 to further demonstrate how highly the organization prioritizes these issues.  A comprehensive training program in the Code of Conduct is provided on an ongoing basis and the aim is for all employees to undergo training in the field every year. Getinge's business ethics regulations also apply to external distributors who sell Getinge's products in a large number of countries in which the company does not have its own presence.
<b>Digitization and innovation</b>	Getinge's future growth depends on the company's ability to develop new and successful products, particularly in the area of digitization. Getinge's ability to innovate is a very important factor in retaining and establishing leading positions for the Group's product segments.	Innovation efforts are costly and it is not possible to guarantee that developed products will be commercially successful, which could result in impairment. In the long term, the Group's position in the market could be negatively affected if the company is unsuccessful in this area.	As a means of maximizing the return on investments in research and development, the Group applies a structured selection and planning process that includes careful analyses of the market, technological progress, choice of production method and selection of subcontractors. The actual development work is also conducted in a structured manner and each project undergoes a number of fixed control points. The Group is particularly concerned with ensuring access to the right skills: retaining key individuals, being an attractive employer to recruit talent externally and identifying and developing talent within the organization.

### OTHER RISK AREAS OF MAJOR IMPORTANCE TO GETINGE

	Description	Potential consequences	Management
<b>Risks related to health care reimbursement systems</b>	Political decisions can change the conditions for health care through changed reimbursement models for health care providers.	Changes to the health care reimbursement system can have a major impact on individual markets by reducing or deferring grants.	This is difficult to influence since these decisions are outside Getinge's control but the risk is limited by Getinge being active in a large number of geographical markets.
<b>Quality risks from a regulatory perspective</b>	Significant parts of Getinge's product range are covered by legislation stipulating rigorous assessments, quality control and documentation.	It cannot be ruled out that Getinge's operations, financial position and earnings may be negatively impacted in the future by difficulties in complying with current regulations and requirements of authorities and control bodies or changes to such regulations and requirements.	To limit these risks to the greatest possible extent, Getinge conducts extensive work focused on quality and regulatory issues. The Group-wide quality and regulatory compliance function has a representative in the Getinge Executive Team and also a representative on the management teams of each business area, and the function is represented in all R&D and production units. In addition, Getinge's sales force and service technicians receive relevant quality and regulatory training every other year to renew their certification. This is a requirement for representing Getinge.  The majority of the Group's production facilities are certified according to the medical device quality standard ISO 13485 and/or the general quality standard ISO 9001. In total, the Group allocates significant resources to quality and regulatory matters in order to best manage this risk exposure, and quality is the overall priority in the Group's strategy.
<b>Product liability risks</b>	Health care suppliers run a risk, like other players in the health care industry, of being subject to product liability and other legal claims.	Such claims can involve large amounts and significant legal expenses. Getinge carries customary indemnity and product liability insurance, but there is a risk that Getinge's insurance coverage may not fully cover product liability and other claims.	Getinge acts as if it does not have any insurance cover. The best way of managing these risks is the extensive quality and regulatory activities performed by the Group. Sources of potential future claims for damages are monitored through active incident reporting. Corrective and protective action (CAPA) is initiated when necessary to investigate the root cause and correct the product design to remedy the fault.
<b>Risks related to intellectual property rights</b>	Getinge's leading positions in many of the Group's product segments are based on patent and trademark rights. These rights could lead to disputes with competitors.	Getinge invests significant resources in product development that results in patent rights. There is a risk that the Group will be involved in costly disputes concerning such rights and thus a risk that invested resources will not generate the expected return if such a dispute is lost.	To secure returns on these investments, Getinge actively upholds its rights and monitors competitors' activities closely. If required, Getinge will protect its intellectual property rights through legal proceedings.
<b>Financial risks</b>	Getinge is exposed to a number of financial risks in its operations. Financial risks principally pertain to risks related to currency risks, interest-rate risks, and credit and counterparty risks.	Fluctuations in exchange rates and interest rates and changes in counterparties' credit profiles could adversely affect the Group's income statement and balance sheet.	Risk management is regulated by the finance policy adopted by the Board and a Treasury directive decided by the Getinge Executive Team based on the finance policy. The ultimate responsibility for managing the Group's financial risks and developing methods and principles of financial risk management lies with the Getinge Executive Team and the treasury function. For more detailed information concerning these risks, refer to Note 28.



<b>Information and data security</b>	Leaks of confidential information or hacking into the Group's IT system resulting in restricted availability or interruptions of business-critical systems.	Leaks of personal data could lead to high fines. Hacking into IT-systems could lead to business interruptions. Loss of sensitive information may adversely affect confidence in the company.	The Group's IT structure can be considered to be decentralized, which reduces the consequence of any unauthorized access. The Group improved user authentication during the year to prevent hacking. This work will continue in the year ahead. The Group also closely monitors critical systems to prevent hacking.
<b>Deficiencies in cyber security</b>	Security deficiencies in the Group's digital offering, such as connected machines at customer sites.	Restricted availability of equipment delivered by Getinge to its customers, which could result in interruptions to the hospital operations and it not being possible to offer patients sufficient care in critical situations.	The Group works diligently to ensure the integrity of its equipment that is connected to the Internet. In-depth access testing and other measures are carried out before these solutions are offered to customers. This is considered to be a low risk for most products today since the products are not connected when patients are treated and there are only a few cases in which the products process sensitive information.  Alongside these efforts to ensure the security of the digital offering, Getinge works with standard preventive measures to raise cyber security throughout the company.
<b>Business interruptions</b>	Unforeseen and sudden events, such as natural disasters, fires, etc. that result in disruptions to production or the supply chain.	Potential interruptions to production could lead to delivery delays or in the worst case non-delivery to customers. Such a situation risks negative consequences for the Group's earnings.	The Group continuously works on claims prevention at its plants to ensure a high level of availability and delivery reliability. External experts inspect the Group's plants on a regular basis to identify and take action on potential interruption risks, following a Group-wide standard. Activities to further strengthen the Group's continuity work will be conducted in 2021 and 2022.



**Getinge's insurance program Strategy**

The Group works actively to prevent insurance claims, for example, through its extensive quality activities and by preventing interruption risks in the operations. We are to act as if we are uninsured. That means that we continuously consider risk factors and manage them as part of our daily work. Actively monitoring incidents and correcting underlying causes means that claims related to product liability can be prevented. The insurance program protects the consolidated balance sheet and avoids fluctuations in the income statement.

**Group-wide insurance program**

Getinge has a Group-wide insurance program that encompasses the global operations. The aim is to cover insurable risks with adequate limits based on current risk exposure levels. Insurance contracts are taken out with insurance companies with high credit ratings and a documented ability to provide claims assistance.

A joint insurance program creates economies of scale and ensures a harmonized approach to limits and deductibles. It also

creates a platform for building a balanced and cost-efficient program to prevent fluctuations in earnings.

Stable insurance cover also adds customer value since it is required in many tender and procurement processes and when commercial contracts are signed.

**Financial risk management**

Getinge is exposed to a number of financial risks in its operations. Financial risks principally pertain to risks related to currency risks, interest-rate risks, financing risks and credit and counterparty risks. Risk management is regulated by the finance policy adopted by the Board and a Treasury directive decided by the Getinge Executive Team based on the finance policy. The ultimate responsibility for managing the Group's financial risks and developing methods and principles of financial risk management lies with the Getinge Executive Team and the finance function. For more detailed information concerning these risks, refer to Note 28 Financial risk management. The Group has a number of participations in foreign operations whose net assets are exposed to currency risks.

Currency exposure that arises from net assets in the Group's foreign operations is primarily managed by borrowing in said foreign currency.

**Currency**

The effect of exchange-rate movements on earnings and equity below is calculated using forecast volumes and earnings in foreign currency for 2021, taking into consideration currency hedging that has been conducted. In addition, there is the exchange-rate impact on net financial items related to interest expenses in foreign currencies. For a rate movement of 5%, the impact on equity of a remeasurement of the Group's portfolio of currency derivatives held for hedging purposes is about SEK 14 M. At a 5% rate movement, the impact of other translation effects on equity is approximately SEK 1,028 M. The extent to which earnings are impacted by exchange-rate fluctuations is detailed in the following table, based on the exchange rates specified.

Currency: estimated rate in 2021	Budgeted net volume in 2021, M	Impact in SEK M of 5% rate movement
CNY: 1.25	639	+/- 40
EUR: 10.04	-136	+/- 68
JPY: 0.0792	5,302	+/- 21
USD: 8.19	281	+/- 115

**Sensitivity analysis**

Getinge's earnings are affected by a series of external factors. The following table shows how changes to some of the key factors that are important to Getinge could have affected the Group's profit before tax in 2020.

Change in profit before tax		SEK M
Price change	+/- 1%	+/- 298
Cost of goods sold	+/- 1%	+/- 151
Salary costs	+/- 1%	+/- 100
Interest rates	+/- 1 percentage point	+/- 73

The effect of a +/- 1 percentage point change in interest rates on the Group's profit before tax was calculated based on the Group's interest-bearing liabilities, excluding pension liabilities, at year-end 2020. The impact of a +/- 1 percentage point change in interest rates on equity is about SEK 27 M. Consideration was given to the effect of the various risk-management measures that Getinge applies in accordance with its approved finance policy.



# Corporate Governance Report

Getinge AB (publ) hereby presents the Corporate Governance Report for 2020. This Corporate Governance Report is reviewed by the company's auditors. The review is presented in the auditor's report on pages 131–134.

## Getinge's overall structure for corporate governance

Effective corporate governance is a key component in ensuring that Getinge is managed sustainably and responsibly in accordance with applicable legislation and regulations. The Group's corporate governance structure and its internal regulations provide frameworks for achieving business objectives and strategies. It is aimed at ensuring the continued strong development of the Group's operations and, consequently, that the Group's operations fulfill its obligations to shareholders, customers, employees, suppliers, creditors and society.

This report summarizes how corporate governance is structured and how it has been carried out and developed in the Group during the 2020 fiscal year.

## Swedish Corporate Governance Code, Nasdaq Stockholm rules and good practice on the stock market

The Group's corporate governance is based on Swedish legislation, rules and regulations, applicable EU regulations, good practice on the stock market and Nasdaq's Rulebook for Issuers, based on the Swedish Corporate Governance Code ("the Code") and applicable instructions, which are available at [corporategovernanceboard.se](http://corporategovernanceboard.se). The company complies with the Code's regulations and presents in this report an explanation for any deviation from the Code's regulations in 2020, based on the version of the Code per December 31, 2020.

Nasdaq Stockholm's Rulebook for Issuers, available at [nasdaqomxnordic.com](http://nasdaqomxnordic.com), and the Swedish Securities Council's rulings on good practice on the Swedish stock market are available on [aktiemarknadsnamnden.se](http://aktiemarknadsnamnden.se).

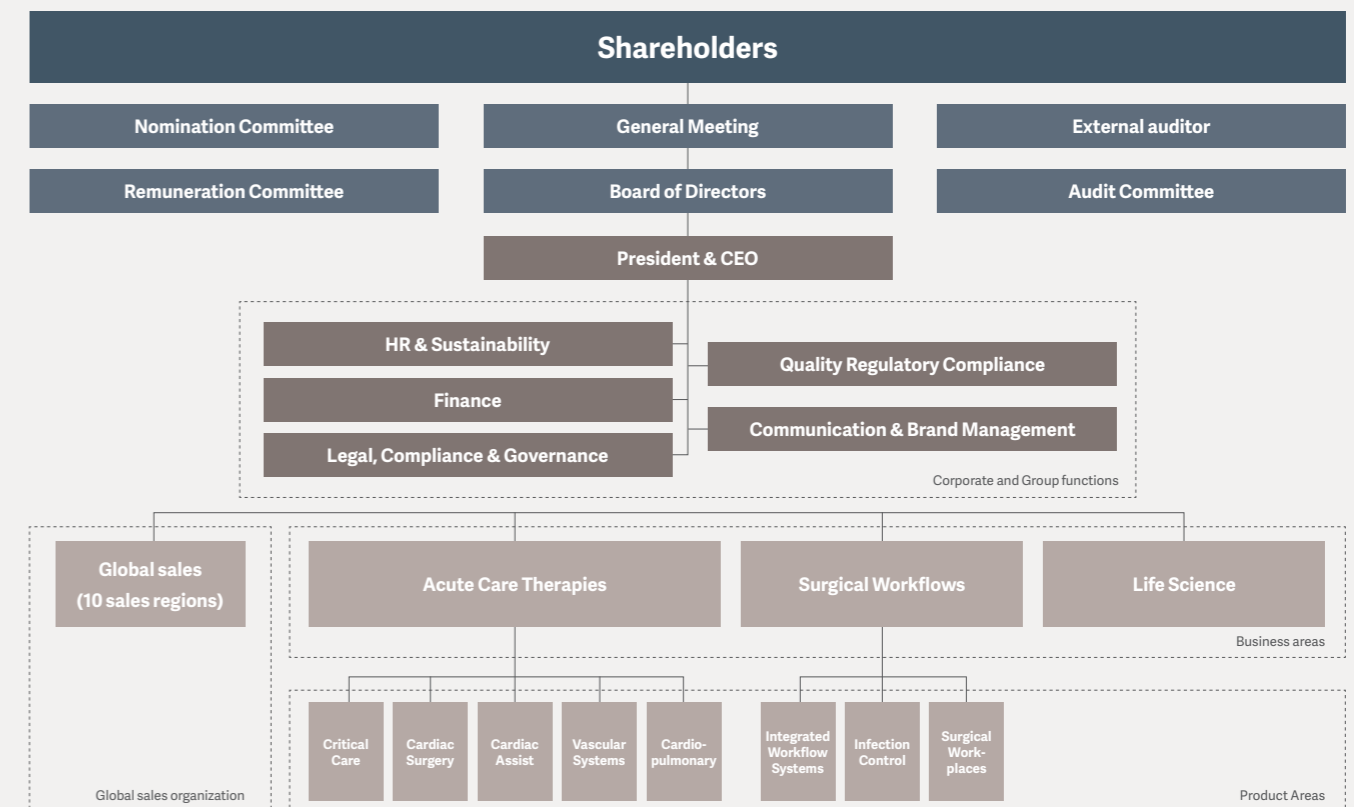
### The company and Articles of Association

Getinge AB (publ) is a Swedish public limited liability company (Aktieföretag). The registered name of the company is Getinge AB (publ.). The company's corporate registration number is 556408-5032. The registered office of the Board of Directors is in the municipality of Gothenburg, Västra Götaland County, Sweden. The head office is located in Gothenburg. The objects of the company's operations shall be to, directly or indirectly through subsidiaries, engage in the manufacture and sale of medical-technical equipment, and in any other activities compatible therewith. The company's Articles of Association contain no limitation on the number of votes each shareholder can cast at a General Meeting of Shareholders. The company's Articles of Association contain no specific provisions for the appointment or dismissal of Board members or on amendments to the Articles of Association. The company's Articles of Association are available on the Group's website: [www.getinge.com](http://www.getinge.com)

### Shares and shareholders

The company's Class B shares have been admitted to trading on Nasdaq Stockholm since 1993 and the share is included in the Nasdaq Nordic Large Cap segment and the OMXS30 index. The total number of shares in the company amount to 272,369,573, of which 18,217,200 are Class A shares with each share carrying entitlement to ten votes and 254,152,373 are Class B shares with each share carrying entitlement to one vote. All shares carry the same dividend entitlement.

At the end of the fiscal year of 2020, the single largest shareholder Carl Bennet AB, held 20.00% of the total number of issued shares and 50.10% of all votes in the company, making him the only direct or indirect shareholder with a holding in the company representing over one tenth of the number of votes for all of the shares in the company. For information about shareholders and the Getinge share, see pages 150–151 in the annual report and [www.getinge.com](http://www.getinge.com).



## Good compliance with the Code, no violations of stock market rules or good practice

Getinge follows the Code's "comply or explain" principle.

In the view of the Board of Directors, Getinge essentially complied with the Code during 2020, however with the deviation from the Code's rule p. 2.4 that the Chairman of the Board or any other board member is not to be Chairman of the Nomination Committee. The Nomination Committee appointed Carl Bennet (Board member but also sole owner of the company's largest shareholder, Carl Bennet AB) as Chairman of the Nomination Committee, since the Nomination Committee found it important to have a representative of the largest shareholder to serve as Chairman of the Nomination Committee.

There were no violations of the stock market rules and no violations of good practice on the stock market reported by Nasdaq Stockholm's Disciplinary Committee or the Swedish Securities Council.

## Main governing bodies within Getinge

The main governing bodies within Getinge are:

- Getinge AB's General Meeting of Shareholders
- The Board of Directors of Getinge AB
- President & CEO of Getinge AB, assisted by the Getinge Executive Team.

## General Meeting of Shareholders

The General Meeting of Shareholders is Getinge's highest decision-making body. Shareholders can exert their influence at the Annual General Meeting (AGM) and, when applicable, at an Extraordinary General Meeting. A General Meeting of Shareholders will be held in the location that the Board has its registered office (Gothenburg Municipality, Västra Götaland County) or in Halmstad Municipality, Halland County. A General Meeting of Shareholders will be convened by publishing notice in Post- och Inrikes Tidningar and on the company's website. An announcement is to be made in Svenska Dagbladet that notice of the Meeting has been published. Shareholders, who want to participate in the discussions at the Meeting must give notice of antecedence to the company not later than the date provided in the notification of the

Meeting. All shareholders registered in the shareholders' register six bank days before the Meeting and who have notified their attendance to the Meeting before the time given in the notice are entitled to participate in the Meeting and exercise their voting rights in full. Shareholders who are not able to personally attend can be represented by proxy. The Articles of Association also prescribe a possibility for the Board of Directors to resolve on the collection of powers of attorney in accordance with procedure described in the Swedish Companies Act and to resolve that shareholders can exercise their voting rights by post prior to the Meeting. A shareholder who wishes to have a matter put forward at the General Meeting of Shareholders must submit a written proposal to the Board in a timely manner so that the proposal can be included in the notice of the Meeting.

The AGM must be held within six months of the end of the fiscal year. At the AGM, the shareholders exercise their voting rights in key issues, such as the adoption of income statements and balance sheets, allocation of the company's earnings, discharge from liability of members of the Board and the CEO,



election of Board members and auditors, fees to Board members and auditors, the establishment of guidelines for remuneration to senior executives (where applicable), approval of the remuneration report (for the first time at the 2021 AGM), and approval of principles for appointment of the Nomination Committee and guidelines for the Nomination Committee's work (where relevant).

**2020 Annual General Meeting**

Due to the prevailing coronavirus pandemic, the Board of Directors resolved in March 2020 that the scheduled Annual General Meeting in April 2020 would be postponed and held in June instead. The 2020 Annual General Meeting was held, with observation of the applicable recommendations, on June 26, 2020 at Lindholmen Conference Center in Gothenburg. Prior to and at the AGM, the relevant precautions were taken to restrict the risk of further spread of infection. In light of this, Getinge offered its shareholders the opportunity to vote by post in advance.

With the support of the instruction issued by the Swedish Corporate Governance Board, the only members of the Board and the Nomination Committee to participate in person were the Chairman and Vice Chairman of the Board and the Chairman of the Nomination Committee. The company's CEO participated by telephone and a recorded presentation by the CEO was made available on the website prior to the Meeting.

A total of 508 shareholders participated in the AGM (via postal vote and physical participation), representing approximately 55.8% of the number of shares and approximately 72.4% of the total number of

votes in the company. Board Chairman Johan Malmquist was elected Chairman of the Meeting. The minutes from the AGM are available on Getinge's website: www.getinge.com. The decisions made by the AGM include:

- Adoption of the submitted income statements and balance sheets presented for the Parent Company and the Group, and discharge of the Board members and CEO from liability.
  - Dividend in accordance with the Board's and the CEO's proposal of SEK 1.50 per share for the 2019 fiscal year.
  - Adoption of the remuneration to Board members and the auditor.
  - In accordance with the Nomination Committee's proposal, Carl Bennet, Johan Bygge, Cecilia Daun Wennborg, Barbro Fridén, Dan Frohm, Sofia Hasselberg, Johan Malmquist, Mattias Perjos, Malin Persson and Johan Stern were re-elected to the Board.
  - Re-election of Johan Malmquist as Chairman of the Board in accordance with the Nomination Committee's proposal
  - Re-election of Öhrlings PricewaterhouseCoopers AB as auditor for the company until the conclusion of the 2021 AGM in accordance with the Nomination Committee's recommendation
  - Guidelines for the remuneration to senior executives.
  - New principles for the appointment of the Nomination Committee and instruction for the Nomination Committee
  - Articles of Association
- The Board of Directors did not propose and the AGM did not authorize the Board to resolve that the company should issue new shares or acquire own shares.

**2021 Annual General Meeting**

The 2021 Annual General Meeting (AGM) will be held on April 20, 2021. The date and location of the AGM were published on the company's website in conjunction with the publication of the interim report for the third quarter of 2020. It was announced in interim report for the fourth quarter of 2020 that given the continued spread of COVID-19, Getinge's Board had decided to hold the AGM virtually through an online connection with shareholders. Shareholders will also have the opportunity to vote by post. The website states that shareholders who would like to have a matter addressed at the AGM must submit a motion by March 2, 2021, at the latest.

**Nomination Committee**

The Nomination Committee's task is to put forward proposals ahead of the AGM, regarding the election of the Chairman of the AGM, the Chairman of the Board and other members of the Board, election of auditors, as well as fees for Board members and auditors.

At the 2020 AGM, new principles were adopted for the appointment of the Nomination Committee and the instruction for the Nomination Committee. Ahead of the Annual General Meeting, the Nomination Committee shall be composed of members appointed by the four 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 minority shareholders as a member of the Nomination Committee. In addition, the instruction contains, for example, provisions that are applicable in the event that any member leaves the Nomination Committee, measures in the event of significant changes in ownership and guidelines for the Nomination Committee's assignment and work.

No remuneration will be paid to the members of the Nomination Committee. Any necessary expenses for the Nomination Committee's work will be paid by the company. The Nomination Committee is entitled to charge reasonable costs to the company, such as recruitment costs, if it is deemed necessary to obtain an appropriate selection of candidates for the Board of Directors.

The instruction for the Nomination Committee is available in its entirety at: [www.getinge.com/int/about-us/corporate-governance/](http://www.getinge.com/int/about-us/corporate-governance/)

**Nomination Committee ahead of 2021 Annual General Meeting**

The Nomination Committee ahead of the 2021 Annual General Meeting comprises the company's Chairman Johan Malmquist, and representatives from the following owners, listed by size:

- Carl Bennet AB: Carl Bennet
- Fourth Swedish National Pension Fund: Per Colleen
- Swedbank Robur: Marianne Nilsson
- SHB Fonder & Liv: Anna Sundberg
- Representing minority shareholders: Sophie Nachemson-Ekwall

Carl Bennet was appointed Chairman of the Nomination Committee ahead of the 2021 AGM. (See also the section "Good

compliance with the Code, no violations of stock market rules or good practice" for information about deviations from the Code.) No remuneration is paid to members of the Nomination Committee, and the members have affirmed that there are no conflicts of interest that affect their assignment on the Committee.

The Nomination Committee has held two minuted meetings ahead of the 2021 AGM. The members of the Nomination Committee have maintained contact and engaged in telephone dialog with one another between meetings.

The Nomination Committee has addressed all the matters that the Nomination Committee must address in accordance with the Code, as presented in more detail below. The Nomination Committee has also, with the purpose of fulfilling its obligation to provide information to shareholders, informed the company on how the Nomination Committee conducted its work and of the proposals the Nomination Committee has decided to submit.

As a basis for its work, the Nomination Committee studied the financial statements for the company's operations in 2020. The Nomination Committee has also studied the nomination proposals received and the evaluation of the Board of Directors as well as the work it has carried out. The results of the evaluation were presented in their entirety to the Nomination Committee. The evaluation also showed that the Board functioned well, the rate of attendance at Board meetings was high, and that all the Board members displayed a high level of commitment.

In addition, the Nomination Committee has conducted interviews with some of Board members elected by the AGM. The

proposed new Board member was also interviewed by the Nomination Committee. In its own evaluation the Nomination Committee also assessed whether the Board functioned well and whether the current Board members possess broad expertise, extensive industry knowledge, financial know-how and knowledge of international conditions and markets. When preparing its proposals on the composition of the Board, the Nomination Committee takes into account the individual expertise and experience of the proposed Board members, how well the Board will work as a whole and whether it possesses the necessary breadth in terms of background and expertise. The Nomination Committee paid particular attention to the value of diversity and the balance between the need for renewal and continuity in the Board. In its efforts to achieve diversity, the Nomination Committee gave special consideration to an even gender distribution.

In its assessment of the future composition of the Board, the Nomination Committee specifically looked at the need to supplement the Board's overall skills and experience of evidence-based medical research, artificial intelligence (AI) and digitization in the field of medicine.

A press release published on February 4, 2021 announced that ahead of the 2021 AGM the Nomination Committee had proposed that the number of Board members elected by the AGM remain ten, that Johan Stern had declined re-election and that the Nomination Committee had proposed Kristian Samuelsson as a new Board member.

The Nomination Committee has also studied the Audit committee's recommended proposal for the election of auditors.

**Board and Committee meetings in 2020**

Q1			Q2		
JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Audit Committee meeting Remuneration Committee meeting Board meeting: Full-year report (annual accounts and Q4 report), strategy review Acute Care Therapies, AGM-related resolutions		Three extraordinary Board meetings*	Extraordinary Board meeting* Audit Committee meeting Board meeting: Interim Report (Q1)	Extraordinary Board meeting*	Board meeting: Sustainability, investments, statutory Board meeting Annual General Meeting

\* Extraordinary Board meeting to address certain issues, such as questions relating to the economic situation and the impact of the pandemic on the Group's operations, the Group's adaptation and management of the effects of the pandemic, AGM matters, financing, cost issues, company acquisitions and other investments.

Q3			Q4		
JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Audit Committee meeting Board meeting: Interim Report (Q2)	Board meeting: Group strategy and strategy review Life Science	Audit Committee meeting Extraordinary Board meeting*	Audit Committee meeting Remuneration Committee meeting Board meeting: Interim report and nine-month report (Q3), strategy review SW, Sustainability, Compliance Extraordinary Board meeting*		Audit Committee meeting Extraordinary Board meeting* Board meeting: Financial plan, strategy review Global Sales, Succession planning, talent development, etc., Risk assessment and risk management process

\* Extraordinary Board meeting to address certain issues, such as questions relating to the economic situation and the impact of the pandemic on the Group's operations, the Group's adaptation and management of the effects of the pandemic, AGM matters, financing, cost issues, company acquisitions and other investments.



No remuneration was paid to the members of the Nomination Committee.

The Nomination Committee has applied rule 4.1 of the Code as its diversity policy in preparing proposals of Board members. The aim of the policy is that the Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances and to exhibit diversity and breadth of qualifications, experience and background, and strive for an equal gender distribution. The Nomination Committee's proposal to Board members, remuneration to the Board of Directors and election of auditors and other relevant proposals are submitted together with the notice of the forthcoming 2021 AGM.

Shareholders who wished to submit proposals to Getinge's 2021 Nomination Committee were able to contact the Nomination Committee by e-mail at [valberedningen@getinge.com](mailto:valberedningen@getinge.com) or by mail: Getinge AB (publ), Att: Nomination Committee, Box 8861, SE-402 72 Gothenburg, Sweden.

The composition of the Board of Directors, Board members' individual shareholdings, their independence to the company, executive management and the largest shareholders as well as their other assignments in other companies are presented in the table on in the presentation of Board members on pages 69–71. The Board members' attendance at meetings during the year is also presented on these pages. Information on the remuneration of Board members is presented on pages 69–70.

## Board of Directors

### Board members, independence, etc.

According to the Articles of Association, Getinge's Board of Directors is to comprise not fewer than three and not more than ten members, with not more than ten deputy members. The Board members are elected annually at the AGM to serve for the period up to and including the next AGM. Employees have the right to appoint two representatives and two deputy members to the Board.

In 2020, Getinge's Board comprised ten members elected at the AGM and two members appointed by the employee-representative organizations, as well as two deputy members for the employee representatives. At the AGM on June 26, 2020, all Board members previously elected at the AGM were re-elected in accordance with the Nomination Committee's proposal for resolution, entailing that ten members were elected, of whom four are women and

six men (40% and 60%, respectively). Johan Malmquist was appointed Chairman of the Board in accordance with the Nomination Committee's proposal. Getinge's President & CEO is one of the members elected by the AGM.

According to rules 4.4 and 4.5 of the Code, the majority of the elected Board members are to be independent in relation to the company and its management and at least two of these members are also to be independent in relation to the Group's largest shareholders. The Nomination Committee believes that the Board's composition in Getinge AB during 2020 meets the requirements for independent members as stipulated by the Code. The Nomination Committee has observed that Mattias Perjos, in his capacity as CEO, and Johan Malmquist, in his capacity as former CEO, are to be regarded as dependent in relation to the company and executive management, and that Carl Bennet, Johan Stern and Dan Frohm as representatives and Board members of Getinge AB's principal owner Carl Bennet AB, are to be regarded as dependent in relation to the largest shareholders. Other Board members are deemed to be independent in relation to the company, executive management and the largest shareholders.

### Responsibilities and work of the Board of Directors

Primarily, the Board is responsible for the organization of the company and the management of its affairs. In carrying out its duties, the Board must safeguard the interest of all its shareholders. It is also the Board's duty and responsibility to ensure that this Corporate Governance Report is prepared.

The Board of Directors is to maintain and promote a good corporate culture and ensure that Getinge – on behalf of its shareholders – is led in the most sustainable, responsible and effective manner possible. The Board of Directors regularly evaluates Getinge AB's and Getinge's financial position and ensures that Getinge is organized in such a way that bookkeeping, management of cash and cash equivalents, and the company's general financial conditions are controlled satisfactorily.

The Board of Directors of Getinge AB will also, for example,

- approve the overall strategy and the overall goals for Getinge's operations and its general organization;
- ensure that there are established procedures in place for financial reporting and internal control, and ensure that

financial reporting is conducted in accordance with applicable rules and regulations;

- have an overview of the overall financial plan for Getinge and earnings, forecasts and forward-looking statements, as well as adopt all financial statements;
- ensure that there are effective systems for control of Getinge's operations and financial position;
- ensure that there is well-functioning internal control within Getinge;
- ensure that there is a well-functioning system for the monitoring and control of Getinge's operations and risks that are related to the operations;
- identify how sustainability issues affect Getinge's risks and business opportunities;
- approve the required guidelines for the company and the Group's conduct in society for the purpose of securing its long-term value-creation ability and approve the required general policies for the company and the Group;
- ensure that there are sufficient control mechanisms in place for Getinge's compliance with applicable rules and regulations, as well as compliance with internal policies and guidelines;
- ensure that the company's external disclosures (incl. financial reporting) are characterized by openness and objectivity, and are correct, reliable and have a high level of relevance for the target groups they are aimed at, and that there are appropriate processes, controls and systems in place.

The Board is also to continuously evaluate the work of the CEO and devote one meeting every year to this matter without the presence of anyone from executive management. The Board is to meet the company's auditors without the presence of the CEO or any other individual from executive management at one of its meetings during the year. The work of the Board is governed mainly by the Swedish Companies Act, the Code and the Board's formal work plan.

The guidelines for the Board's work are described in greater detail in the Board's formal work plan and annual plan, which are reviewed and adopted each year. The formal work plan states how many ordinary Board meetings are to be held (seven scheduled in addition to the statutory meeting), the items to be included on the agenda at each meeting and the issues to be discussed at the ordinary Board meetings, the Chairman's work assignments and the division of responsibilities between the Board of Directors and the



## BOARD OF DIRECTORS' WORK IN 2020

During the year, a total of 15 Board meetings were held, with an average attendance rate of 98.7% of the AGM-elected members. At its scheduled meetings, the Board addresses fixed agenda items in accordance with the Board's formal work plan and annual plan. Accordingly, the Board has addressed the Group's long-term objectives, strategy and risks and risk management, adopted corporate governance documents and focused on sustainability issues, the financial plan and investment plan, the annual accounts and financial reports. The Board has also continuously addressed business situation and financial issues, ethics and compliance, quality issues, regulatory issues, succession planning and talent development, as well as general organizational issues. During the year, at its scheduled and some extraordinary Board meetings, the Board addressed matters related to the economic climate, cost issues, company acquisitions and other investments. On a

continuous basis, the pandemic's impact on the Group, the Group's adaptation and management of the pandemic's effects, have been addressed separately, but also integrated with other issues addressed by the Board. In addition to the scheduled and extraordinary Board meetings, the members of the Board have, since the outbreak of the coronavirus pandemic, been invited to and participated in information meetings at which the Board members have been kept up to date on the Group's performance and the business environment factors affecting the company. During certain periods of 2020, such information meetings were held weekly. The Board met without the presence of the CEO or any other individual from executive management or the company's auditors at one of its meetings. The Board also continuously evaluated the work of the CEO and devoted one meeting to this matter without the presence of the executive management.



## BOARD COMMITTEES

The Board of Directors has established two committees – a Remuneration Committee and an Audit committee.

### Remuneration Committee

Following written instructions, the Remuneration Committee's duties include preparing questions concerning remuneration principles and remuneration and other employment terms and conditions for the CEO and other members of the Getinge Executive Team. The Committee also prepares proposals to the Board on the guidelines for the remuneration to senior executives, which the Board submits for decision at General Meetings. In addition, the Committee follows and evaluates ongoing and completed variable remuneration programs for the Getinge Executive Team during the year and the application of the guidelines for remuneration to senior executives resolved at the AGM and prepare the Board's remuneration report. The Remuneration Committee is also a standing

committee in issues concerning succession planning and talent development.

#### Remuneration Committee's composition and work 2020

In 2020, Getinge AB's Remuneration Committee comprised Board members Johan Malmquist (Chairman), Carl Bennet, Johan Stern, Barbro Fridén, Malin Persson, and Dan Frohm. Except for Johan Malmquist, who in his capacity as former CEO is to be considered to be dependent in relation to the company and executive management, all other members of the Remuneration Committee are independent in relation to the company and executive management.

The Committee will, under normal circumstances, hold three meetings per year. Ahead of the 2021 AGM, the Committee held three minuted meetings and remained in

informal contact. The attendance of members at the Committee meetings are presented in the table on pages 69–70.

During the year, there was particular focus in the committee's work on evaluating guidelines for remuneration to senior executives, the preparation of the new remuneration report and succession planning. The 2020 guidelines for the remuneration to senior executives are presented on pages 74–75 of the Annual Report. The remuneration report was prepared by the Board and will be laid before the Annual General Meeting for resolution. The remuneration report was prepared as a separate report but is included in the annual report document on pages 79–81. The Board of Directors proposes that the AGM adopt the new guidelines for the remuneration to senior executives as presented on pages 76–78.

### Audit Committee

The Audit Committee follows written instructions and its activities are to meet the requirements of the Swedish Companies Act and the EU Audit Regulation. The Audit Committee is a standing committee in the contact between the Board and the auditors, and continuously reports on its work to the Board.

The Committee's tasks include assisting the Nomination Committee with preparing proposals for resolutions by the General Meeting on election of auditors and fees to audits, for which the Committee is to monitor that the auditor's mandate period does not exceed applicable rules, procure the audit and present a recommendation to the Nomination Committee in accordance with the EU Audit Regulation.

The Audit Committee is also to publish guidelines on non-audit services provided by the auditors and, in applicable cases, approve the provision of such services in accordance with these guidelines. The Audit Committee is also to examine and monitor the independence of the auditors and pay particular attention to whether the auditors provide other non-audit services and otherwise evaluate the auditing activities.

In addition, the Audit Committee is involved in planning the external audits

and continuously consults and confers with the external auditors. Among the Audit committee's tasks is to examine and monitor the consolidated financial statements and prepare the financial reports that the company provides externally as well as monitor the efficiency of the company's internal control, financial risk management and internal audit. The Committee also discusses the company's significant financial risk exposure and measures to be taken to limit, monitor and control such exposures with the company's auditor and executive management. Under the framework of this work, the Audit Committee monitors the work of the Ethics & Compliance function, internal investigations and whistleblower cases.

The Committee will, under normal circumstances, hold six meetings per calendar year.

#### Audit committee's composition and work 2020

In 2020, Getinge AB's Audit Committee comprised Board members Johan Bygge (Chairman), Cecilia Daun Wennborg, Sofia Hasselberg and Dan Frohm. All members of the Audit Committee were independent in relation to the company, executive management and the company's largest shareholders, with the exception of

Dan Frohm, who is not considered to be independent in relation to the company's largest shareholders. The composition of the Committee is set up to meet the qualification criteria that is placed on accounting or auditing expertise.

The Committee held six minuted meetings in 2020, including informal contact when necessary. The Audit Committee has continuously addressed all the issues that the Committee must address in accordance with the formal work plan. During the year, the committee particularly focused on financing-related issues, development of internal control and internal auditing, follow-up of specific issues identified in conjunction with risk assessments, internal control and internal auditing.

The attendance of members at the Committee meetings are presented in the table on pages 69–70. 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. Additionally, the company's internal auditors have participated in every meeting with the Committee to the extent to which has been deemed relevant.

President & CEO. In addition, the formal work plan states what the President & CEO is to report to the Board of Directors, and when and how the Board is to receive information and documentation for its work and to allow the Board to make well-founded decisions. The President & CEO presents reports at the Board's meetings. The Group's Finance Director and Chief Financial Officer is also responsible for submitting reports at the Board meetings and the Group's Head of Corporate Legal serves as Secretary for the Board, with the exception of instances where there is a conflict of interest or where it is otherwise inappropriate for them to attend. Other senior executives also participate when needed.

The formal work plan also contains guidelines for the work within the Board committees – for example, the committees' assignments are established, the number of meetings to be held, the issues to be raised at the meetings and how the committees are to report to the Board of Directors. The Board of Directors has established a Remuneration Committee and an Audit committee. The Committees are to be viewed as executive committees to the Board and do not assume the responsibility that lies with the Board as a whole. (See more in the section below on

the Remuneration Committee and the Audit committee)

#### Distribution of roles among the Board of Directors

The Chairman's role is to lead and manage the Board's work and to ensure that this is conducted in an organized and efficient manner. It involves ensuring that the Board fulfills its responsibilities and monitors the development of the company, and ensuring that the Board continuously receives the information required for the Board to perform its work while maintaining the same level of quality in accordance with applicable regulations. The Chairman of the Board does not participate in the operational management of the company. Carl Bennet was re-elected Vice Chairman at the Board's statutory meeting in 2020.

#### Board of Directors' evaluation of its work

The Board carries out an annual evaluation of its work for the purpose of evolving its methods and effectiveness. The evaluation of the work in 2020 was, as in previous years, based on a survey. Additionally, the Chairman of the Board carried out individual interviews with the Board members. The results and analysis of this has been reported to the Board and followed up on with discussions and identification of focus

areas moving forward. It can be noted that the Nomination Committee has been presented with the report in its entirety as well as the Board's conclusions.

#### President & CEO and Getinge Executive Team

##### President & CEO

The Board of Directors of Getinge has delegated the ongoing management of Getinge AB and the overall management of Getinge's operations to the President & CEO, including an authorization to make decisions or take control in all issues that are not exclusively under the authority of the Board of Directors. The President & CEO heads up Getinge's operations through the Getinge Executive Team.

It is the President & CEO's responsibility to implement and ensure that the strategies, business plans and operational objectives agreed on by the Board are carried out and that effective governance and control are maintained. The President & CEO is also responsible for presenting reports at Board meetings and keeping the Board of Directors and its Chairman up to date on Getinge's financial position, development, risks and opportunities. The President & CEO's role, areas of responsibility and authorizations are described in more detail in the instruction for the CEO and for financial reporting.

## MAIN FEATURES OF GETINGE'S CORPORATE GOVERNANCE MODEL





**Getinge Executive Team, other important forums and delegation**

Getinge's President & CEO is supported by the Getinge Executive Team in conducting Getinge's operations. The Getinge Executive Team comprises the business area directors, the global sales organization and some heads of the Group-wide support functions.

The Getinge Executive Team meets at least six times a year to establish and follow up on strategic plans, business plans and results, major projects, questions and requests to be addressed by the Board for decision, risks and coordination of other issues of a strategic nature or Group-wide importance. In addition, a quality management audit is conducted twice a year, including a review of the quality management system.

The President & CEO delegates detailed roles and areas of responsibility to each member of the Getinge Executive Team. These individuals then structure their respective management teams, relevant decision and drafting bodies, as well as delegated roles and responsibility in their respective areas.

A requirement for effective corporate governance and shared prioritization of initiatives and resources is good cooperation throughout the organization. Internally, Getinge has a constant need for coordination and interaction between the various functions and competencies in the global organization. On this basis, several forums or meeting structures have been established to ensure acceptance and coordination.

To assist the President & CEO and members of the Getinge Executive Team in making well-founded decisions, a number of forums have been established, including: The Insider Committee, Disclosure Committee, Ethics Committee, Sustainability Board, Governance, Risk & Compliance Committee, Sponsor & Donations Committee and the IT Board.

**Getinge Executive Team 2020**

At year-end 2020, Getinge Executive Team comprised ten individuals. During the year, Anna Romberg was appointed EVP Legal, Compliance & Governance and member of the Getinge Executive Team.

These people who are members of the Getinge Executive Team are presented on pages 72–73 in the Annual Report. The Getinge Executive Team held six ordinary meetings in 2020 and remained in continuous contact between meetings. The focus of the meetings was mainly the Group's strategic and operational performance, monitoring results and quality issues. During the year, the Getinge Executive Team placed significant focus on the pandemic's impact on the Group, monitoring of risks and opportunities, as well as efficiency measures and synergies. The Getinge Executive Team followed the developments in the Group and the business environment very carefully and, during some periods, held weekly consultation and information meetings.

**Building blocks in the Getinge corporate governance model**

Effective corporate governance is important because it creates an infrastructure that enables better quality in the decisions made by those who lead the operations. Good quality and ethical decisions lead to sustainable operations and enable the creation of long-term value in a more effective manner.

In addition to the corporate governance structure for Getinge AB described above, three primary building blocks can be identified in Getinge's corporate governance model, as well as the formal company bodies: (i) Getinge's operating model, (ii) governance of legal entities and (iii) guiding principles and steering documents. Combined with the control of quality and regulatory compliance, as well as the sustainability plan, Getinge's corporate governance model creates the conditions for meeting targets, monitoring and control, which supports the Board's agenda.

**Getinge's operating model**

Getinge's operating model, with a focus on decentralized decision-making and individual responsibility, provides guidance for Getinge's corporate governance.

**Business areas**

Getinge's operating activities comprise the business areas of Acute Care Therapies, Life Science and Surgical Workflows. The business areas are responsible for developing the portfolio offering and its potential value for the customers.

The business areas are responsible for (i) their own daily operations and respective integrated financial results, (ii) developing their product portfolios and offerings, and (iii) their respective strategic agendas. In addition to financial responsibility, each business area has full responsibility for ensuring that the operations are conducted in accordance with applicable laws and rules, and for ensuring that quality and regulatory requirements are met.

**Global sales organization**

The operating activities are also organized into a global and shared sales organization that aims to capitalize on synergies in sales. The global sales organization has total responsibility for sales of Getinge's solutions in the ten sales regions and develops operations based on needs and trends in the market and among Getinge's customers. The global sales organization, with a few exceptions, is responsible for the sales of each business area, and has total responsibility for conducting sales in the various regions and for developing the operations in accordance with the market/customers' needs and trends. The global sales organization coordinates major strategic decisions with the business areas. Ultimately, the global sales organization has overall responsibility for ensuring that sales are conducted in accordance with applicable legislation and rules in the sales regions, and for ensuring that quality and regulatory demands are met in their operations.

**Central support functions**

Centrally, Getinge has certain shared competence and support functions – organized into Corporate functions and group functions. These functions are responsible for supporting and monitoring the development of the organization.

Corporate functions provide control within Getinge in a number of areas at Corporate level: Corporate Finance (including Treasury, Tax and Corporate

Control), Corporate HR & Sustainability, Corporate Quality & Regulatory Compliance, Corporate Communications, Brand Management & Investor Relations, Corporate Legal, Compliance & Governance, M&A and strategy. The Corporate functions are responsible for developing policies, guidance, processes and structures for issues that apply to the specific Corporate function. The group functions are competence and support functions for coordination in a number of areas such as: HR; Marketing & Communications; Quality (QRC); Logistics; Business Services (including shared services and IT); Purchasing; Legal; Ethics, Compliance & Governance; and Financial Services.

**Governance of legal entities**

Getinge comprises a large number of separate legal entities throughout the world. Each legal entity within Getinge functions as part of an operational group, and is organizationally affiliated with one of the business areas, the global sales organization or the Corporate functions.

Corporate governance relating to Getinge's legal entities must be effective and designed to ensure compliance with applicable local laws, regulations, other legal requirements and intra-Group rules.

**Getinge guiding principles and steering documents**

**Guiding principles**

Getinge's expression of its purpose, mission, vision, goals, brand promise, cultural core values as guiding principles for its operations. The Board established the general long-term strategy, which provides the direction for the coming years, as well as annual operational and financial targets. Read more about Getinge's strategy on pages 10–29 of the 2020 Annual Report. The strategy review process comprises an annual audit and review of the strategy. In addition, the Board reviews the strategy for each of the business areas and the global sales organization once a year. The financial plan is based on the strategic initiatives. The President & CEO establishes the targets for the operations based on decisions by and guidance from the Board of Directors. Each of the respective function's goals is set on the basis of the established overall objectives.

The business areas, the global sales organization, Corporate functions and certain group functions hold regular meetings for operational review with the Getinge Executive Team to follow up on developments and results, plans, risks and opportunities. In addition, monthly follow-ups of economic goals and forecasts are carried out together with the business areas and the global sales organization in so-called monthly financial reviews.

**Steering documents – framework**

Code of Conduct – Responsible leadership – provide guidelines for how we work at Getinge. It is summarized in six principles: (i) Always act with honesty, fairness and integrity, (ii) Stand up and speak up when something isn't right, (iii) Act respectfully to protect confidentiality, privacy and information, (iv) Take care of each other, (v) Take care of the world, and (vi) Act together to protect our stakeholders.

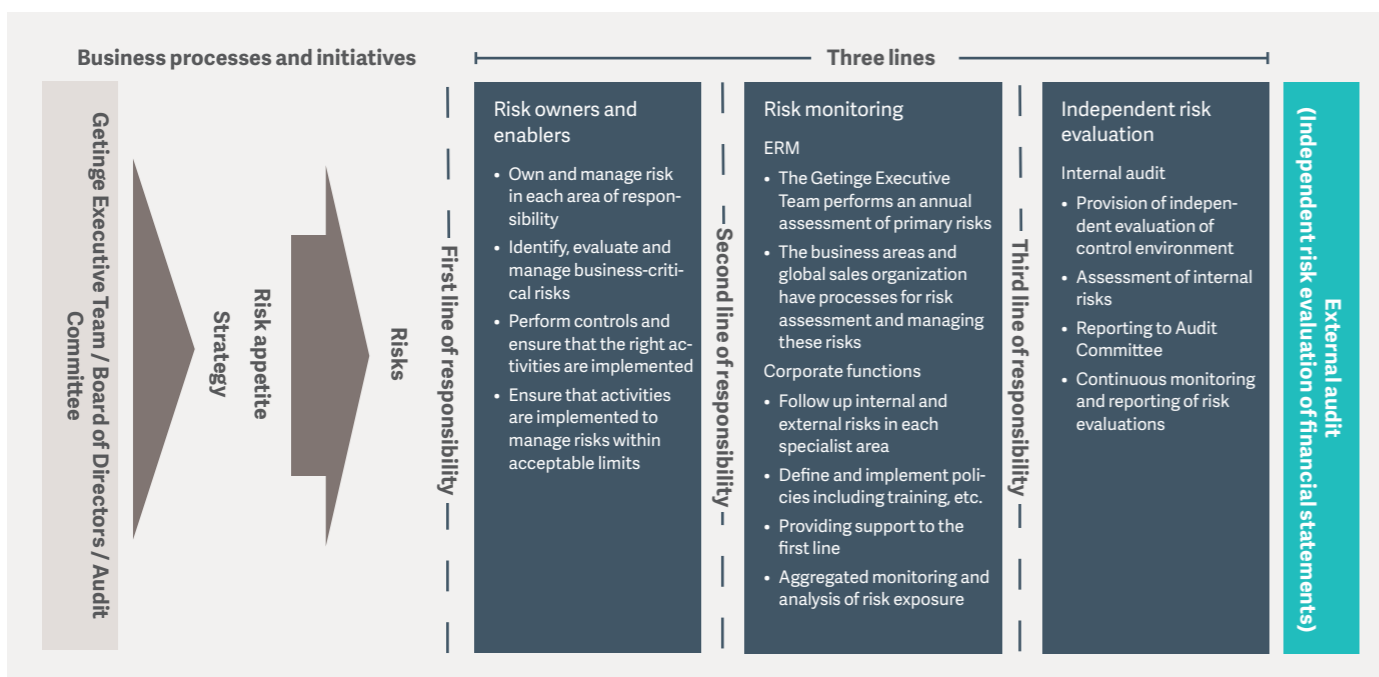
The Code of Conduct is based on our global policies. The Board of Directors has adopted 14 global policies that contain binding rules and general guidance for conduct within the Group. For each of the policy documents, more detailed and guiding directives and guidelines are issued (where appropriate). In addition to the above global policies on ethical business conduct, there is a separate quality and environmental policy issued by the QRC organization, as well as Getinge's sustainability agenda. The Code of Conduct and all policy documents, directives and guidelines are available on the Group's intranet and are published in a database for steering documents that is available to all employees. The Code of Conduct is also publicly available at [www.getinge.com/int/about-us/business-ethics/code-of-conduct/](http://www.getinge.com/int/about-us/business-ethics/code-of-conduct/). Most of the global policy documents are also available on the above external website. The policies are approved by the Board of Directors and revised at least every second year or as required.

**SIX PRINCIPLES OF CODE OF CONDUCT**

 <p>Always act with honesty, fairness &amp; integrity</p> <ul style="list-style-type: none"> <li>Global Anti Bribery Corruption Policy</li> <li>Global Anti-Trust &amp; Fair Competition Policy</li> <li>Trade Compliance Policy</li> <li>Insider Policy</li> </ul>	 <p>Act respectfully to protect confidentiality, privacy and information</p> <ul style="list-style-type: none"> <li>Global Purchasing Policy</li> <li>Global Intellectual Property Policy</li> <li>Communication Policy</li> </ul>	 <p>Take care of each other</p> <ul style="list-style-type: none"> <li>People Policy</li> <li>Human Rights Policy</li> <li>Global Data Protection Policy</li> </ul>
 <p>Take care of the world</p> <ul style="list-style-type: none"> <li>Human Rights Policy</li> <li>Global Anti Bribery Corruption Policy</li> <li>Sustainability Policy</li> </ul>	 <p>Stand up and speak up when something isn't right</p> <ul style="list-style-type: none"> <li>Human Rights Policy</li> <li>Speak up Line</li> </ul>	 <p>Act together to protect our stakeholders</p> <ul style="list-style-type: none"> <li>Communication Policy</li> <li>Global Intellectual Property Policy</li> <li>Global Purchasing Policy</li> </ul>



## GETINGE'S RISK MANAGEMENT FRAMEWORK APPLIED THROUGH THREE LINES MODEL



Directives are decided by the CEO or the Getinge Executive Team member responsible for the area after being accepted by the entire Getinge Executive Team.

Getinge's Corporate Governance Policy comprises the Group-wide frameworks and principles for operational governance, governance of legal entities, and guiding principles and steering documents.

The purpose of the policy is to clarify Getinge's corporate governance model, roles and areas of responsibility, as well as the system for decision-making that applies within the Group. The policy is supplemented by more detailed guidance in directives and guidelines.

### Framework for risk management, internal steering and control

Getinge has a risk management framework that could affect the fulfillment of the Getinge's targets and strategies. This framework entails, for example, that the Getinge Executive Team conducts an annual evaluation of the Group's largest risks and their effect on Getinge's operations, and decides on risk-management measures. This work is continuously monitored by the Getinge Executive Team during the year.

The Getinge Executive Team's risk evaluation is reported to the Board of Directors and comprises a key parameter in

determining the areas to be subject to internal audit.

The three business areas and the sales organization are owners of the risk in their respective areas and, accordingly, have their own risk-management structures in their respective operations. Corporate functions assist the business areas and sales organization in managing risks in a number of areas by providing governance. The group functions are responsible for supporting and coordinating the development of the organization and driving synergies in their respective areas.

A number of established forums that focus on risks of a particular nature conduct regular evaluations and monitoring to ensure correct coordination and management from a Group perspective.

The above risk signaling system is supplemented by the Ethics & Compliance function, which conducts risk assessments and internal investigations. The Ethics & Compliance function is independent and reports to the Board. The Audit Committee monitors the work of the Ethics & Compliance function under the framework of its mandate. The risk signaling system is also supplemented by the Group's whistleblowing system and Speak Up, as well as the Group's internal control function and internal audit (see more below).

By conducting quantitative and qualitative risk analyses based on the offering and operations, Getinge can identify the key risks that could threaten the achievement of business and financial targets. In addition, several units in each business area and in the sales organization are analyzed to gain a more detailed understanding of the actual application of the existing rules and regulations. Accordingly, measures to minimize identified risks are formulated centrally within the Group.

In 2020, Getinge improved its risk awareness and worked to more efficiently manage identified risks. The Getinge Executive Team identified six priority risk areas in the Group-wide analysis performed in 2020:

- New competitors and new technology
- External shocks, such as geopolitical risks, natural disasters, terrorism, pandemics, etc.
- Profitability dependent on certain products and markets
- Product quality from a customer perspective
- Laws and regulations mainly on business ethics
- Digitization and innovation

It is important to state that these six risks do not form a complete overview of the Group's

risk exposure. However, these are the six risks that have been deemed to be most relevant for the Group to actively manage.

In 2020, Getinge continued its efforts to strengthen risk identification, preventive measures and management through internal audit.

### Internal audit

The purpose of the internal audit within Getinge is to provide independent evaluation of operational governance in selected areas, with a focus on effectiveness and risk management. The annual internal audit plan is based on the company's thorough risk analysis and function-specific and industry-related risk assessments. Internal audits are conducted for individual units and company-wide processes and within thematic areas. Each year, priority is assigned to six to eight units, processes or themes for auditing, in which a number of improvement areas are identified and graded based on their potential business impact. For all observations, an action plan is prepared in collaboration with each business owner. The internal audit function then follows up, together with the business owner, to ensure that each observation is closed within the defined time frame.

EY (Ernst and Young Global Limited) is Getinge's partner in internal auditing.

Getinge established an internal audit directive in 2020.

### Ethics & Compliance

The Ethics & Compliance function is a global function headed by the VP Ethics & Compliance. Every regional Ethics & Compliance head is independent of the local management team and reports directly to the VP Ethics & Compliance. The VP Ethics & Compliance reports to the EVP Legal, Compliance & Governance, but serves as an independent body to ensure that suspicions that rules are not being managed appropriately are reported to the Board. At each quarterly meeting with the Board's Audit committee, the EVP Legal, Compliance & Governance presents the progress of the risk-base compliance program and reports on any incidents and the status of ongoing investigations. The Audit Committee regularly monitors any matters that may require additional focus, as instructed by the Board. Getinge has an independent department for internal investigations and supervision that reports

directly to the EVP Legal, Compliance & Governance. The internal investigation processes are monitored through quarterly reports to the Ethics Committee of the Getinge Executive Team.

### Internal control

#### Description

At Getinge, internal control over the financial reporting is an integral part of corporate governance. It comprises processes and methods to safeguard the Group's assets and accuracy in the financial reporting, and in this manner, protects the shareholders' investment in the company.

#### Control environment

The basis of the internal control over the financial reporting comprises the control environment, including the organization, decision-making channels, authorities and the responsibilities that are documented and communicated in steering documents. The Audit committee's responsibilities include monitoring the effectiveness of the company's internal control, financial reporting and risk management. Each business area and the sales organization are responsible for continuous transaction management and accounting, while Getinge's Shared Service Center in Krakow, Poland, executes on behalf of the business areas and the sales organization to a certain extent. Each business area and the sales organization has a financial manager, who is responsible for the financial control and for ensuring that the financial statements are accurate, complete and submitted in good time prior to consolidated reporting.

#### Control activities

The most material risks identified relating to financial reporting are handled by the company's control activities. For example, there are automated controls in IT-based systems that manage authority levels and rights to authorization, as well as key control elements, such as duality in the day-to-day recording of transactions and closing entries. Detailed financial analyses of results and follow-ups against plan and forecasts supplement the operation-specific controls and provide overall confirmation of the quality of the financial reporting. The Group follows standardized templates and models to document controls.

### Information and communication

The Group has information and communication procedures to promote completeness and accuracy in the financial reporting. Steering documents and work descriptions are available on the company's intranet. Information regarding the efficiency of the internal controls in the Group is regularly reported to the relevant financial manager for the sales organization and the business areas, as well as to the internal control function, the finance function, the Getinge Executive Team and the Audit committee.

### Follow-up and monitoring

Each financial manager and the Getinge Executive Team perform monthly analyses of the financial reporting at a detailed level. The Audit Committee follows up the financial reporting at its meetings and the company's auditors report on their observations and provide recommendations. The Board receives financial reports on a monthly basis and the company's financial position is discussed at every Board meeting. The efficiency of the internal control activities for the financial reporting is followed up by the internal control function in the Group every year and this comprises an assessment of the formulation and operative function of key control elements that have been identified and documented.

### Self-assessment and validation

Getinge has worked for several years with a formalized process for the follow-up and evaluation of the documentation of key control elements. The internal control framework was gradually reviewed and updated in 2016–2018, and has since been regularly reviewed based on the results of, for example, self-assessments and auditing activities. This work took the form of self-assessments and validation of the self-assessments. The validations are performed by each financial manager or the person in the sales organization or the business area to whom the manager has delegated this task, supported by the central internal control function.

The purpose of self-assessment is to proactively identify any weaknesses in the internal control environment, jointly develop improvement measures, but also ensure the maintenance of the achieved good internal control environment.



Another purpose is to enhance the efficiency of the local control activities in companies by identifying shared work methods and transferring knowledge between the companies to raise the general quality of the control environment.

In 2020, more than half of the active companies, jointly totaling just over 85% of the sales in the Group, conducted a self-assessment. In conjunction with the standard audits, the auditors conducted an in-depth validation of the internal control environment. Both the self-assessment and the auditors' evaluation encompass nine processes: corporate governance (such as assignment of authority for financial IT systems and implementation of policies), financial reporting, production and inventories, tangible and intangible assets, sourcing of and revenues from products and services, salary and remuneration procedures and tax management. During the past year, the self-assessment form and process were digitalized.

#### Outcome 2020

The follow-up of the internal control in 2020 indicated that documentation and control activities over the financial reporting were, in all material respects, established at the validated companies.

#### Follow-on work

In 2021, the internal control function will continue its work to improve the internal control environment through the further development of the framework and work method, and by further clarifying roles and responsibilities. The digitization of the self-assessment will continue by including more companies in the system. The outcome from the year's validation and evaluation, and from the various company audits, will be used as a basis for the continuous improvement work on internal control via financial reporting.

#### External auditor

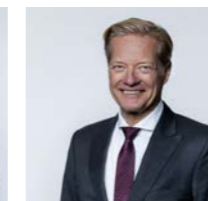
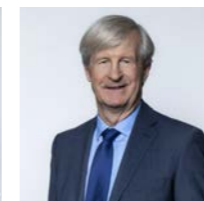
Getinge AB's auditors are elected at the AGM. The auditors will review the Annual report, financial statements and the consolidated financial statements as well as the management by the Board and CEO in accordance with generally accepted auditing standards. After every fiscal year an auditor's report is presented to the Parent Company and a Group auditor's report is presented to the General Meeting. The auditors also review Getinge's nine-month report. The Auditor in Charge and co-auditor participate in all of the Audit Committee's meetings and report to the committee and Board of Directors on their audit.

#### External auditors in 2020

At the 2020 AGM, the registered accounting firm Öhrlings PricewaterhouseCoopers AB was elected auditor. Öhrlings PricewaterhouseCoopers AB has been the company's appointed auditing firm since 2008. The auditor in charge is the authorized public accountant Johan Rippe. The co-auditor is the authorized public accountant Tomas Hilmarsson.

The current mandate period expires at the 2021 AGM. In addition to standard audit assignments, Öhrlings PricewaterhouseCoopers AB provides advisory services and performs investigations. Such assignments take place in accordance with the regulations determined by the Audit Committee for approval of the nature and scope of the services and the fees for such services. The performed assignments are not deemed to have given rise to a conflict of interest. Details about the amounts of remuneration paid to auditors are presented in Note 5 of the Annual Report.

## Board of Directors



Name	Johan Malmquist	Carl Bennet	Johan Bygge	Cecilia Daun Wennborg	Barbro Fridén
<b>Function</b>	Board member elected by AGM, Chairman of the Board, Chairman of Remuneration Committee	Board member elected by AGM, Vice Chairman of the Board, Member of Remuneration Committee	Board member elected by AGM, Chairman of Audit committee	Board member elected by AGM, Member of the Audit committee	Board member elected by AGM, Member of the Remuneration Committee
<b>Year of birth</b>	1961	1951	1956	1963	1956
<b>Education</b>	B.Sc. (Business Administration)	B.Sc. (Business Administration), med. Dr. h.c., tech.Dr. h.c.	B.Sc. (Business Administration)	M.Sc. (Business Administration)	Licensed physician, M.D.
<b>Nationality / Elected</b>	Swedish/2016	Swedish/1989	Swedish/2007	Swedish/2010	Swedish/2017
<b>Board assignments</b>	Chairman of Arjo AB. Board member of Elekta AB (publ.), Mölnlycke Health Care AB, the Dunker Foundations, Stena Adactum AB, Trelleborg AB and Chalmers University of Technology Foundation.	Chairman of the Board of Elanders AB and Lifco AB. Vice Chairman of Arjo AB, Board member of Holmen AB and L E Lundbergföretagen AB.	Chairman of Nobina AB, Board member of Baltic Deep Water Life, Board member of Lantmännen, Board member of the Third Swedish National Pension Fund.	Board member of companies including ICA Gruppen AB, Loomis AB, Bravida Holding AB, Hoist Finance AB, Oncopeptides AB, Atvexa AB and member of Swedish Securities Council.	Board member of companies including Apoteket AB, Life Clean AB, Sophiahemmet, SciBase AB and Swedish Sea Rescue Society.
<b>Professional experience, previous assignments and other information</b>	President and CEO of Getinge 1997–2015. Former Business Area Director within Getinge, President of Getinge's French subsidiary, President of subsidiaries in the Electrolux Group.	CEO and Chairman of Carl Bennet AB. Former President and CEO of Getinge. Chairman of Getinge's Board of Directors 1997–2019.	Former Chairman of PSM International China, Chairman of EQT Asia Pacific, COO of EQT, Board member of Anticimex and I-Med Ltd, CFO of Investor AB, Executive Vice President of Electrolux and CFO of Electrolux.	Former Vice President of Ambea AB, President of Carema Vård och Omsorg AB, acting CEO of Skandiabanken, Head of Swedish Operations at Skandia Link. Board member of Sophiahemmet.	Consultant and Advisor. Former Board member of companies including Vitrolife AB and Helsa AB and in senior positions in healthcare such as CEO for Sheikh Khalifa Medical City, United Arab Emirates and Hospital Manager of Sahlgrenska University Hospital.
<b>Attendance at meetings</b>					
Board meetings	15/15	15/15	15/15	15/15	14/15
Remuneration Committee	3/3	3/3	–	–	3/3
Audit committee	–	–	6/6	6/6	–
<b>Independence<sup>1)</sup></b>					
Dependent/independent in relation to Getinge and its management and in relation to major shareholders	Dependent in relation to the company and executive management, former President and CEO of Getinge. Independent in relation to major shareholders.	Dependent in relation to major shareholders, owner and Chairman of Getinge's principal owner Carl Bennet AB. Independent in relation to Getinge and its management.	Independent in relation to the company, executive management and major shareholders.	Independent in relation to the company, executive management and major shareholders.	Independent in relation to the company, executive management and major shareholders.
<b>Remuneration and holdings</b>					
Total remuneration in 2020, KSEK	1,555 of which 130 is related to the remuneration committee	707 of which 97 is related to the remuneration committee	880 of which 270 is related to the audit committee	745 of which 135 is related to the audit committee	707 of which 97 is related to the remuneration committee
Holdings in Getinge AB (own and related parties <sup>2)</sup> )	Shareholding (own and related parties): 90,000 Class B shares. Synthetic options: 144,927 (Class B shares).	Shareholding (own and related parties): Holds 18,217,200 Class A shares and 36,332,969 Class B shares.	Shareholding (own and related parties): 12,200 Class B shares. Synthetic options: 144,927 (Class B shares).	Shareholding (own and related parties): 4,500 Class B shares. Synthetic options: 144,927 (Class B shares).	Shareholding (own and related parties): 1,770 Class B shares. Synthetic options: 72,463 (Class B shares).

1) See the composition of the Board on page 59.

2) See definition of related parties on page 71.



## Board of Directors, cont.



Name	Dan Frohm	Sofia Hasselberg	Mattias Perjos	Malin Persson	Johan Stern
<b>Function</b>	Board member elected by AGM, Member of the Audit Committee and Remuneration Committee	Board member elected by AGM, Member of the Audit committee	Board member elected by AGM, President & CEO	Board member elected by AGM, Member of the Remuneration Committee	Board member elected by AGM, Member of the Remuneration Committee
<b>Year of birth</b>	1981	1983	1972	1968	1951
<b>Education</b>	M.Sc. (Industrial Engineering and Management).	M.D.	M.Sc. (Industrial Engineering and Management).	M.Sc. (Industrial Engineering & Management)	B.Sc. (Business Administration)
<b>Nationality / Elected</b>	Swedish/2017	Swedish/2017	Swedish/2017	Swedish/2014	Swedish/2004
<b>Board assignments</b>	Board member of Arjo AB, Carl Bennet AB, Elanders AB, Lifco AB and Swedish-American Chamber of Commerce, Inc.	Board member of Clinic Friends AB.		Board member of companies including Hexpol AB and Peab AB.	Chairman of Healthinvest Partners AB, Rolling Optics AB, Fädrift Invest AB, Skanör Falsterbo Kallbadhus AB and Harry Cullberg's Fund Foundation. Board member of Carl Bennet AB, Elanders AB, Lifco AB, RP Ventures AB and Estea AB.
<b>Professional experience, previous assignments and other information</b>	CEO of DF Advisory LLC. Former management consultant at Applied Value LLC in New York.	Former Director of Marketing and Digital Operations Lead at MSD Sweden. Vast experience as a senior adviser, providing strategic, operational and organizational advice to players across the full health care value chain. Former management consultant at McKinsey & Company, and doctor at Karolinska University Hospital.	President and CEO of Getinge. Former CEO of Coesia Industrial Process Solutions (IPS) and head of Coesia International. Senior positions at FlexLink AB including the role of CEO.	CEO and owner of Accuracy AB. Former CEO of the Chalmers University of Technology Foundation, many years' experience in major Swedish industrial enterprises such as the Volvo Group.	Previously active within SEB's operations in Sweden and the US.
<b>Attendance at meetings</b>					
Board meetings	15/15	15/15	15/15	15/15	14/15
Remuneration Committee	3/3	–	–	3/3	3/3
Audit committee	6/6	6/6	–	–	–
<b>Independence<sup>9)</sup></b>					
Dependent/independent in relation to Getinge and its management and in relation to major shareholders	Dependent in relation to major shareholders, Board member of Getinge's principal owner Carl Bennet AB. Independent in relation to Getinge and its management	Independent in relation to the company, executive management and major shareholders.	Dependent in relation to the company and executive management in capacity as President and CEO of Getinge. Independent in relation to major shareholders	Independent in relation to the company, executive management and major shareholders.	Dependent in relation to major shareholders, Board member of Getinge's principal owner Carl Bennet AB. Independent in relation to Getinge and its management
<b>Remuneration and holdings</b>					
Total remuneration in 2020, KSEK	842 of which 97 is related to the remuneration committee and 135 to the audit committee	745 of which 135 is related to the audit committee	–	707 of which 97 is related to the remuneration committee	707 of which 97 is related to the remuneration committee
Holdings in Getinge AB (own and related parties <sup>2)</sup> )	Shareholding (own and related parties): 149,510 Class B shares.  Synthetic options: 144,927 (Class B shares).	Holds no shares.	Shareholding (own and related parties): 60,000 Class B shares.  Synthetic options: 579,710 (Class B shares).	Shareholding (own and related parties): 3,284 Class B shares.  Synthetic options: 144,927 (Class B shares).	Shareholding (own and related parties): 37,004 Class B shares.  Synthetic options: 144,927 (Class B shares).

1) See the composition of the Board on page 59.  
2) See definition of related parties on page 71.



Name	Rickard Karlsson	Åke Larsson <sup>9)</sup>	Fredrik Brattborn <sup>9)</sup>	Peter Jörmalm <sup>9)</sup>
<b>Function</b>	Regular Board member appointed by employee organization	Regular Board member appointed by employee organization	Deputy appointed by employee organization	Deputy appointed by employee organization
<b>Year of birth</b>	1970	1966	1976	1959
<b>Education</b>		M.Sc. (Industrial Engineering & Management)		
<b>Nationality / Elected</b>	Swedish/2013	Swedish/2014	Swedish/2020	Swedish/2012
<b>Board assignments</b>				
<b>Professional experience, previous assignments and other information</b>	Assembly at Getinge Sterilization AB. Assignments on Getinge's Board: Regular Board member since 2014. Deputy 2013–2014.	Research & Development at Maquet Critical Care AB. Assignments on Getinge's Board: Regular Board member 2016–2018 and from 2020. Deputy 2014–2016 and 2018–2020	Workshop technician, Manufacturing at Getinge Disinfection AB.	Materials Planner, Supply Chain department at Getinge Sterilization. Assignments on Getinge's Board: Regular Board member 2014–2016 and 2018–2020. Deputy 2012–2014, 2016–2018 and from 2020.
<b>Attendance at meetings</b>				
Board meetings	15/15	15/15	8/8	14/15
Remuneration Committee	–	–	–	–
Audit committee	–	–	–	–
<b>Independence<sup>9)</sup></b>				
Dependent/independent in relation to Getinge and its management and in relation to major shareholders	–	–	–	–
<b>Remuneration and holdings</b>				
Total remuneration in 2020, KSEK	–	–	–	–
Holdings in Getinge AB (own and related parties <sup>2)</sup> )	Holds no shares.	Holds no shares.	Holds no shares.	Holds no shares.

Former deputy Marie Grehagen Hedberg passed away in February 2020.

**Definition of related parties, linked to shareholdings:** Related parties are legal entities directly or indirectly controlled by the Board member or CEO or by his or her related parties. In the case of natural persons related, the spouse/cohabiting partner, children under custody and other relatives with whom households have been shared for at least one year are covered.

1) See also the composition of the Board on page 59.  
2) See also the definition of related parties above.  
3) Became deputy appointed by employee organization on June 26, 2020, prior to that elected regular Board member.  
4) Became regular Board member appointed by employee organization on June 26, 2020, prior to that elected deputy.  
5) Became deputy appointed on June 26, 2020.



# Getinge Executive Team



## Mattias Perjos (1972)

President & CEO

M.Sc. (Industrial Engineering and Management).

Swedish citizen

Employed at Getinge since 2017

Shareholdings (own and related parties): 60,000 Class B shares

Synthetic options: 579,710, attributable to Class B shares

Previous experience: Senior positions at Coesia 2012–2017, including CEO of Coesia IPS Division and Coesia International. CEO of Flexlink 2006–2016 where he started his career in 1998 and, including serving as business area manager 2003–2006.



## Lars Sandström (1972)

Chief Financial Officer

M.Sc. (Business Administration)

Swedish citizen

Employed at Getinge since 2017

Shareholdings (own and related parties): 13,159 Class B shares

Synthetic options: 289,855 Class B shares

Previous experience: Most recently as Senior Vice President Group reporting, Tax & Control in the Volvo Group (2015-2017). Several senior positions within Scania such as Vice President Financial Services, Head of Group Financial reporting and Head of Group Reporting and Control. Between 2010–2012 CFO Orphan Biovitrum AB.



## Carsten Blecker (1966)

Chief Commercial Officer

PhD (Dentistry), Doctorate (Business Administration)

German citizen.

Employed at Getinge since 2014

Shareholdings (own and related parties): 1,000 Class B shares

Synthetic options: 144,927 Class B shares

Previous experience: President EMEA in Medical Systems and President Middle East & Africa for Getinge. Carsten Blecker's previous experience includes positions at Biomet, McKinsey & Company, Kimberly-Clark, Medtronic and Pallex Medical.



## Jens Viebke (1967)

President Acute Care Therapies

Executive MBA, PhD (Polymer Technology) and M.Sc. (Chemical Engineering).

Swedish citizen

Employed at Getinge since 2010

Shareholdings (own and related parties): 1,100 Class B shares

Synthetic options: 217,391 Class B shares

Previous experience: Jens Viebke served as Chief Technology Officer of Acute Care Therapies at Getinge until June 2016. He had previously held positions at GE Healthcare Life Sciences.



## Stéphane Le Roy (1977)

President Surgical Workflows

Masters Degree in Industrial Engineering from the Ecole Nationale des Ponts et Chaussées, France

French citizen

Employed at Getinge since 2012

Shareholdings (own and related parties): 2,500 Class B shares

Synthetic options: Holds no synthetic options.

Previous experience: Stéphane Le Roy most recently served as the Regional President of South West Europe within Getinge's global sales organization. Stéphane joined Getinge in 2012 as country manager for Infection Control in France. Between 2006 and 2012 he was business unit manager for CT Scanners for Siemens Healthcare in France. Before that, he held several product management positions and supply chain assignments within the field of medical imaging at GE Healthcare.



## Harald Castler (1957)

President Life Science

M.Sc. (Chemical Engineering)

Swedish citizen

Employed at Getinge since 1988

Shareholdings (own and related parties): 15,000 Class B shares

Synthetic options: 217,391 Class B shares

Previous experience: Leading positions in Getinge for more than 30 years, including Sales and Marketing director for Infection Control and President for Getinge International.



## Lena Hagman (1965)

Executive Vice President Quality Regulatory Compliance

B.Sc. (Chemistry and Textile Engineering)

Swedish citizen

Employed at Getinge since 2010

Shareholdings (own and related parties): 3,656 Class B shares

Synthetic options: 217,391 Class B shares

Previous experience: Until year-end 2015, Lena Hagman was Senior Vice President, Group Quality & Regulatory Compliance for Getinge. Lena has a broad background from the field of quality and her experience includes working at companies including Capio, Neoventa Medical AB and Mölnlycke Healthcare.



## Jeanette Hedén Carlsson (1966)

Executive Vice President Communications & Brand Management

B.Sc. (Business Administration)

Swedish citizen

Employed at Getinge since 2017

Shareholdings (own and related parties): 2,800 Class B shares

Synthetic options: 144,927 Class B shares

Previous experience: Leading management positions within Communication and Marketing in the Volvo Group and Volvo Car Group. Previous assignment held was as Senior Vice President Brand & Communication Volvo Trucks, with responsibility for global marketing, brand management, media relations and internal communication.



## Magnus Lundbäck (1969)

Executive Vice President Human Resources & Sustainability

PhD (Strategy and Organization) and Licentiate of Science

Swedish citizen

Employed at Getinge since 2017

Shareholdings (own and related parties): 1,000 Class B shares

Synthetic options: 217,391 Class B shares

Previous experience: SVP Human Resources & Sustainability at Gunnebo Group. He has previously served as Executive Vice President Human Resources and Sustainability at Getinge and as Vice President of Human Resources at Volvo Car Corporation.



## Anna Romberg (1979)

Executive Vice President Legal, Compliance & Governance

PhD (Corporate Governance and Compliance) and M.Sc. in Economics and Business Administration

Finnish citizen

Employed at Getinge since 2020

Shareholdings (own and related parties): 4,500 Class B shares.

Synthetic options: Holds no synthetic options.

Previous experience: Anna Romberg has served as VP Ethics and Compliance for Cargotec Oyj, and in various governance and compliance roles at Telia Company AB. She has also supported numerous global companies, with regards to ethics and compliance matters, on a consultancy basis. She is one of the founders of the Nordic Business Ethics Initiative.



# Current guidelines for remuneration to senior executives

Adopted at the 2020 Annual General Meeting

## 1. Scope of the guidelines, etc.

These guidelines cover the individuals who, during the validity period of the guidelines, are included in the group management of Getinge AB (publ), below referred to as "Senior Executives". After adoption of the guidelines by the Annual General Meeting 2020, the guidelines shall be applicable on remuneration agreed and amendments in remunerations already agreed. These guidelines do not apply on any remuneration decided on by the General Meeting.

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

A prerequisite for successful implementation of the company's business strategy and safeguarding of its long-term interests is that the company is able to recruit and retain qualified personnel. The basic principle is that remuneration, and other conditions for employment for Senior Executives, shall be in line with market conditions and competitive on every market where Getinge operates, to ensure that competent and skilled personnel can be attracted, motivated and retained. Individual levels of remuneration shall be based on experience, competence, level of responsibility and performance, and also the country where the Senior Executive is employed. These guidelines promote the company's business strategy, long-term interests and sustainability as described in the below section regarding criteria for variable remuneration, and also contributes to the ability for the company to, on a long-term basis, retain qualified personnel to the business.

## 3. Principles for various types of remuneration, etc.

The total remuneration to Senior Executives shall be in line with market conditions and consist of base salary (fixed cash remuneration), variable cash remuneration, pension benefits and other benefits. In addition, the General Meeting may – irrespective of these guidelines – resolve on, for instance, share- or share price-related remunerations.

### Fixed remuneration

The fixed remuneration, meaning the base salary, shall be based on the individual employee's area of responsibility, mandate, competence, experience and performance.

### Variable remuneration

The allocation between base salary and variable remuneration shall be in proportion with the area of responsibility and mandate of the executive. The variable remuneration shall always be prelimited to a maximum amount and related to predetermined and measurable criterias, designed to contribute to the company's business strategy and long-term added value of the company.

The sustainability work is integrated in the company's day-to-day operations. If the company's principles for sustainability or ethical guidelines are not complied with, the company has the possibility to withhold any variable remuneration or reclaim already paid remuneration. The variable remuneration is designed to promote the company's strategy to long-term produce and offer products that help to make care giving more efficient and to provide better medical care for the people who require Getinge's products. If the above-mentioned activities are performed in an efficient and sustainable manner, one effect is improved financial results and increased capital efficiency, which constitutes the foundation of the variable remuneration.

### Annual variable remuneration

For Senior Executives, the annual variable remuneration (annual bonus) shall be capped at 70% and, in specific cases, where the nature of the position, the competitive situation and the country of employment so require, up to 90% of the fixed yearly base salary. The variable remuneration shall be based on the objectives set by the Board of Directors. These objectives are connected to earnings, organic growth, working capital and cash flow. In order to promote the interest of the shareholders, the company's values and collectively strive to achieve the company's business strategy, long-term interests and sustainable development of the company, all members of the group management have the same targets for annual variable remuneration.

### Variable long-term cash bonus (LTI-bonus)

In addition to base salary and the annual variable remuneration described above, Senior Executives can obtain a variable long-term bonus (LTI-bonus), which rewards clear, measurable performance targets

and is conditioned by continued employment at the end of the performance period for the LTI-bonus (with some customary exceptions). The criteria for payment of the LTI-bonus shall be constructed to promote the long-term interests and sustainable development of Getinge by a clear connection to the business strategy. The criteria for the LTI-bonus are connected to earnings per share, adjusted in accordance with any acquisitions, sale of companies, restructuring costs and/or other material non-recurrent costs. By connecting the targets to the main objectives of the shareholders, a common interest to further promote Getinge's business strategy and long-term interests is created. The performance period for the LTI-bonus shall be no less than three financial years and, for each three-year period, the LTI-bonus shall be capped at an amount corresponding to one year's base salary. Each Senior Executive of the group management shall invest at least 50% of the payout (net, after taxes paid) in Getinge shares, until a reinvestment corresponding to one year's salary (gross) has been reached. The Senior Executive shall keep the shares for at least three years.

### Determination of the outcome of variable remuneration, etc.

At the end of the performance period to fulfil the criteria for payment of the variable remuneration, the Board of Directors shall, based on proposal by the Remuneration Committee, establish to which extent the criterias are fulfilled. In its assessment on whether the criterias are fulfilled or not, the Board of Directors may, in accordance with proposal by the Remuneration Committee, allow exception from the established targets on the conditions set out in the below item 5. The assessment of whether the financial targets have been reached shall be based on the company's most recent published financial information, with any adjustments predetermined by the Board of Directors when implementing the program. Variable cash payment may be awarded after the expiration of the performance period (annual variable remuneration) or be subject to postponed payment (LTI-bonus).

Getinge is actively working to ensure that the company is managed in the most sustainable, responsible and efficient way possible, and that applicable legislation and

regulations are complied with. Getinge also apply internal regulations, including the code of conduct and different Group-wide steering documents (policies, instructions and guidelines) within many different fields. Any variable remuneration can be withheld or reclaimed, if the Senior Executive has acted contrary to these rules, principles or the company's code of conduct. Any variable remuneration shall not be awarded if the earnings before tax is negative. The Board of Directors shall also have the possibility to, in accordance with legislation or agreement, in whole or in part, reclaim any variable remuneration awarded on incorrect basis.

### Other variable remuneration

Further variable cash remuneration may be awarded due to extraordinary circumstances, provided that such extraordinary arrangements are only conducted for the purpose of recruiting or retaining executives. Such remuneration may not exceed an amount corresponding to 100% of the base salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors and based on a proposal by the Remuneration Committee. In addition to variable remuneration, resolutions on share- or share price related incentive plans, in accordance with the above, may from time to time be made.

### Pension and health insurance

The CEO has right to retire from the age of 62 and other Senior Executives has right to retire in accordance with current local regulations.

Pension contributions for the CEO shall amount to no more than 40% of the fixed base salary on a defined contribution basis. Variable cash remuneration shall not qualify for pension benefits.

Other Senior Executives shall be covered by ITP1 or ITP2 and the pension benefits shall be on a defined contribution basis. Variable cash remuneration shall not qualify for pension benefits in general, except where mandatory collective agreement provisions are applicable for the Executive, in which case, this shall be considered when establishing the total benefit package. Senior Executives covered by ITP2, with the possibility to choose 'alternative ITP' has, according to the ITP2-pension plan, benefits up to 7.5 income base amounts ("IBB") and health insurance covering a salary up to 30 IBB. On parts of the salary above the cap of the ITP2-plan of 30 IBB, there is a supplementary contribution of 30% of the pensionable salary.

In addition to the above, Senior Executives can be covered by an additional health income insurance for parts of the salary over 30 IBB, premium relief insurance and part-time pension premium, amounting to not more than 3% of the fixed base salary.

For employments governed by other than Swedish regulations, pension benefits and other benefits may be duly amended to comply 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, additional medical insurance and company health care, may be provided to the extent this is considered to be in line with market terms for Senior Executives in equal positions in the employment location. The total value of such benefits may not exceed 10% of the fixed base salary.

### Conditions for termination

Senior executives shall have a permanent employment. The notice period may not exceed twelve months if notice of termination of employment is made by the company. Upon notice of termination, the fixed salary during the period of notice together with severance pay may together not exceed an amount equivalent to the CEO's fixed base salary for two years, and one year for other executives. The period of notice may not to exceed six months when termination is made by the executive, without any right to severance pay.

Senior executives may be entitled to reimbursement for competition restrictions after the termination of their employment, however, only to the extent severance pay for the corresponding period is not awarded. The purpose of such reimbursement is to compensate the executive for the gap between the monthly base salary at the period for the notice of termination and the (lower) monthly income received, or which could be received, by a new employment, assignment or own business. The reimbursement may be paid during the period of the competition restriction, however, not more than 12 months after the termination of the employment.

### Salary and employment conditions for employees

When preparing the Board of Director's proposal for these remuneration guidelines, salary and employment conditions for the company's employees have been considered. This have been made by including information of the total income of the employees,

the components of the remuneration and the increase and growth rate over time, and constitutes one part of the Remuneration Committee's and the Board of Directors' basis for decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The increase of the gap between the remuneration to Senior Executives and remuneration to other employees will be disclosed in the remuneration report.

## 4. The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose Guidelines for executive remuneration. These are reviewed by the Board annually and presented to the Annual General Meeting for resolution. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the group management, the guidelines for remuneration to Senior Executives, as well as the current remuneration structures and compensation levels in the company. The CEO and other members of the group management do not participate in the Board of Directors' processing of, and resolutions on remuneration-related matters as far as such matters concerns them.

## 5. Deviations from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation 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 of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the Guidelines.

## 6. Other

The guidelines entail a level of remuneration, which in principle is equivalent to the remuneration for the financial year 2019.

Information on remuneration, etc. to Senior Executives during the financial year 2019 is set out on page 106 (part of note 29) of the Annual Report 2019, including any previously resolved remuneration that has not yet been due for payment.



# The Board of Directors' proposal to guidelines for remuneration to Senior Executives

The Board of Directors of Getinge AB (publ) proposes that the 2021 Annual General Meeting resolves on the following guidelines for remuneration to Senior Executives.

## 1. Scope of the guidelines, etc.

These guidelines cover the individuals who, during the validity period of the guidelines, are included in the group management of Getinge AB (publ), below referred to as "Senior Executives". The guidelines shall apply for remuneration agreed and amendments in any remunerations already agreed, as of the adoption of the guidelines by the Annual General Meeting 2021. The guidelines are not applicable on any remuneration resolved by the General Meeting.

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

A prerequisite for successful implementation of the company's business strategy and safeguarding the company's long-term interests is that the company is able to recruit and retain qualified personnel. The main principle is that remuneration and other employment conditions for Senior Executives, shall be in line with market terms and competitive on every market where Getinge operates, to ensure that competent and skilled personnel can be attracted, motivated and retained. Individual levels of remuneration shall be based on experience, competence, level of responsibility and performance, and also the country where the Senior Executive is employed. These guidelines promote the company's business strategy, long-term interests and sustainability as described in the below section regarding criteria for variable remuneration, and contribute to the company's ability to, on a long-term basis, retain qualified personnel.

For information regarding Getinge's business strategy, please see the company's annual reports and the website (<https://www.getinge.com>).

## 3. Principles for various types of remuneration, etc.

The total remuneration to Senior Executives shall be in line with market terms and consist of base salary (fixed cash remuneration), variable cash remuneration, pension

benefits and other benefits. In addition, the General Meeting may – irrespective of these guidelines – resolve on, for instance, share- or share price-related remunerations.

### Fixed remuneration

The fixed remuneration, meaning the base salary, shall be based on the individual employee's area of responsibility, authority, competence, experience and performance.

### Variable remuneration

The allocation between base salary and variable remuneration shall be in proportion with the area of responsibility and authority of the executive. The variable remuneration shall always be pre-limited to a maximum amount and related to predetermined and measurable criteria, designed to contribute to the business strategy and long-term added value of the company.

The sustainability work is integrated in the company's day-to-day operations. If the company's principles for sustainability or ethical guidelines are not complied with, the company has the possibility to withhold any variable remuneration or reclaim already awarded remuneration. The annual variable remuneration is designed to promote the company's strategy to produce and offer products that can support in making health care more efficient in the long-term and to provide better health care for the people who need Getinge's products. If the above-mentioned activities are performed in an efficient and sustainable way, one outcome is improved financial results and increased capital efficiency, which constitutes the foundation of the variable remuneration.

### Annual variable remuneration

For Senior Executives, the annual variable remuneration (annual bonus) shall be capped at 70 % and, in specific cases, where the nature of the position, the competitive situation and the country of employment so require, capped at 90 % of the fixed annual base salary. The variable remuneration shall be based on objectives set by the

Board of Directors. These objectives are related to (i) earnings, (ii) organic growth, (iii) working capital and cash flow. In order to promote the interest of the shareholders, the company's values and collectively strive to achieve the business strategy, long-term interests and sustainable development of the company, all members of the group management have the same targets for annual variable remuneration.

### Variable long-term cash bonus (LTI-bonus)

In addition to base salary and annual variable remuneration as described above, Senior Executives can obtain a variable long-term bonus (LTI-bonus), which rewards clear, measurable performance targets and is conditioned by continued employment at the end of the vesting period for the LTI-bonus (with some customary exceptions). The criteria for payment of the LTI-bonus shall be constructed to promote the long-term interests and sustainable development of Getinge by a clear connection to the business strategy. The criteria for the LTI-bonus is connected to earnings per share, adjusted in accordance with any acquisitions, divestments, restructuring costs and/or other material non-recurrent items. By connecting the performance target to the shareholders' objective, a common interest to promote Getinge's business strategy, long-term interests and value creation is created.

The vesting period for the LTI-bonus shall be not less than three financial years. The payment of LTI-bonus in a program shall, during a three-year period, be capped to an amount corresponding to one year's base salary. A new LTI-bonus program can be set up every year with a duration period of three years. Senior Executives of the group management shall invest not less than 50 % of the received LTI-bonus (net, after taxes paid) in Getinge shares, until the Senior Executive's own total holdings of shares correspond to one year's salary (gross). The Senior Executive shall keep these shares for at least three years.

### Determination of result for variable remuneration, etc.

When the measuring period for achievement of the criteria for payment of the variable remuneration has expired, the Board of Directors shall, based on proposal by the Remuneration Committee, establish to which extent the criteria are achieved. In their assessment on whether the criteria are achieved or not, the Board of Directors may, in accordance with proposal by the Remuneration Committee, allow exception from the established targets on the conditions set out in the below item 5. The assessment of achievement of the financial targets shall be based on the company's most recent published financial information, with any adjustments predetermined by the Board of Directors when implementing the program. Variable cash payment can be awarded after the expiration of the measuring period (annual variable remuneration) or be subject to postponed payment (LTI-bonus).

Getinge is actively working to ensure that the company is managed in the most sustainable, responsible and efficient way possible, and that applicable legislations and regulations are complied with. Getinge also apply internal rules, including a code of conduct and different group-wide steering documents (policies, instructions and guidelines) within a range of different areas. Variable remuneration shall not be awarded, and variable remuneration can be reclaimed, if the Senior Executive has acted contrary to these rules, principles or the company's code of conduct. Variable remuneration shall not be awarded if the earnings before tax is negative. The Board of Directors shall also have the possibility to, in accordance with legislation or agreement, in whole or partly, reclaim any variable wrongly awarded remuneration.

### Other variable remuneration

Additional variable cash remuneration can be awarded in case of extraordinary circumstances, provided such extraordinary arrangements are only conducted for the purpose of recruiting or retaining

executives. Such remuneration may not exceed an amount corresponding to 100% of the base salary and only be awarded once a year per individual. Resolution on such remuneration shall be made by the Board of Directors and based on a proposal by the Remuneration Committee. In addition to variable remuneration, resolutions on share- or share price related incentive programs, in accordance with the above, can from time to time be made.

### Pensions and health insurance (sw. sjukförsäkring)

The CEO has right to retire from the age of 62 and other Senior Executives has right to retire in accordance with applicable local regulations.

Pension contributions for the CEO shall amount to no more than 40% of the fixed base salary on a defined contribution basis. Variable cash remuneration shall not qualify for pension benefits.

Other Senior Executives shall be covered by ITP1 or ITP2 and the pension benefits shall be on a defined contribution basis. Variable cash remuneration shall not qualify for pension benefits in general, except where mandatory by collective bargaining agreement provisions applicable for the executive. In such case, this shall be considered when creating the total benefits package. Senior Executives covered by ITP2, with the option to choose 'alternative ITP' has, according to the ITP2-pension plan, benefits up to 7.5 income base amounts (sw. inkomstbasbelopp) ("IBB") and health insurance covering a salary up to 30 IBB. On portions of the salary above the cap of the ITP2-plan of 30 IBB, there is a supplementary contribution of 30% of the pensionable salary.

In addition to the above, Senior Executives can be covered by an additional health income insurance (sw. sjukinkomstförsäkring) for portions of the salary over 30 IBB, premium relief insurance (sw. premiebefrielseförsäkring) and part-time pension premium, amounting to not more than 3% of the fixed base salary.

For employments governed by other than Swedish regulations, pension benefits and other benefits may be duly amended to comply with mandatory rules or established local regulations, taking into consideration, to the extent possible, the overall purpose of these guidelines.

### Other benefits

Other benefits such as company car, additional medical insurance (sw. sjukvårdsförsäkring) and company health care (sw. företagshälsovård), may be provided to the extent this is considered to be in line with market terms for Senior Executives on similar positions on that local market. The total value of such benefits may not exceed 10% of the fixed base salary.

### Conditions for termination

Senior Executives shall have a permanent employment. If the company terminates the employment, the notice period shall not exceed twelve months. Upon termination of employment, the total of the fixed salary during the notice period together with severance pay may not exceed an amount equivalent to two years fixed base salary for the CEO, and one year for other executives. If the executive terminates the employment, the notice period shall not exceed six months and be without any right to severance pay.

Senior Executives may be entitled to compensation for any competition restrictions after the termination of employment, however, only to the extent severance pay for the corresponding period is not awarded. The purpose of such compensation is to compensate the executive for any gap between the monthly base salary at the notice of termination and (lower) monthly income received, or that could be received, by a new employment, assignment or own business. The compensation can be awarded during the period of the competition restriction, however, not more than for 12 months after the termination of employment.



### Salary and employment conditions for employees

When preparing the Board of Director's proposal for these remuneration guidelines, salary and employment conditions for the company's employees have been considered. This have been made by including information of the total income of the employees, the components of the remuneration and the increase and growth rate over time, as part of the Remuneration Committee's and the Board of Directors' basis for decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The increase of the gap between the remuneration to Senior Executives and remuneration to other employees will be disclosed in the remuneration report.

### 4. The resolution process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for Senior Executive remuneration. These are reviewed annually and new proposals for guidelines shall be drafted by the Board at least every fourth year and presented to the Annual General Meeting for resolution. The guidelines shall be in force until new guidelines are adopted by the Annual General Meeting.

The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to Senior Executives, the guidelines for remuneration to Senior Executives, as well as the current remuneration structures and compensation levels in the company, and provide recommendations to the Board of Directors in relation to remuneration to the CEO. Regarding resolution on remuneration to other Senior Executives in accordance with the guidelines (other than the specifically regulated above) the CEO shall consult with the Remuneration Committee.

The CEO and other members of the group management do not participate in the Board of Directors' processing of, and resolutions on, remuneration-related matters when such matters concerns them.

The Board of Directors shall annually draw up a remuneration report that shall be presented to the Annual General Meeting for approval.

### 5. Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, entirely or partly, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long-term interests, a sustainable development of the company or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

### 6. Description of significant changes to the guidelines and consideration given to shareholder opinions

No material amendments have been made to the guidelines for remuneration to Senior Executives. In relation to the guidelines for remuneration to Senior Executives adopted on the Annual General Meeting 2020, the validity of the guidelines have been amended to correspond with applicable regulations entailing that the Board of Directors shall draft a proposal for new guidelines every fourth year and not every year as earlier stated.

No remarks on the remuneration guidelines have emerged.

### 7. Other

The guidelines entail a level of remuneration, which in principle is equivalent to the remuneration for the financial year 2020.

Information regarding remuneration, etc. to Senior Executives during the financial year 2020 is set out in note 29 of the Annual Report 2020, including any previously resolved remuneration that has not yet been due for payment, and in the remuneration report.

Gothenburg, March 2021

**The Board of Directors of Getinge AB**

# Remuneration report 2020

## Introduction

This report reflects how the guidelines for remuneration to Senior Executives, adopted at the Annual General Meeting 2020, has been implemented and applied during 2020. The report also provide details on the remuneration to the CEO, how the performance targets for variable remuneration has been applied, the synthetic option program issued by the majority shareholder and information that the company has not executed any share and share-price related incentive programs. This report has been prepared in compliance with the Swedish Companies Act and the Rules on remuneration of the Board and Executive Management and Incentive programs issued by the Swedish Corporate Governance Board (the Remuneration Rules).

Further information on remuneration to Senior Executives is available in note 29 on pages 116–117 of the annual report 2020. Information on the work by the remuneration committee in 2020 is set out in the corporate governance report, which is included on pages 56–68 of the annual report 2020.

Remuneration to the members 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 29 on page 116 of the annual report 2020 and the corporate

governance report on pages 69–71 of the annual report 2020.

## The group's overall performance 2020

The CEO summarizes the group's result and overall performance in his statement in the annual report 2020.

## The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for successful implementation of the company's business strategy and safeguarding of its long-term interests and sustainability is that the company is able to recruit, motivate and retain qualified personnel. By enabling the possibility to offer Senior Executives a competitive total compensation, the guidelines contribute to the ability for the company to, on a long-term basis, retain qualified personnel.

The total remuneration to Senior Executives shall be on market terms and consist of base salary (fixed cash remuneration), variable cash remuneration, pension benefits and other benefits. The remuneration, and other employment conditions for Senior Executives, shall be on market terms and competitive on every market where Getinge operates. In addition, the general meeting can decide on share- or share price-related remunerations.

The fixed remuneration (the base salary) should be based on the individual

executive's area of responsibility, authority, competence, experience and performance. The allocation between base salary and variable remuneration shall be proportional to the executive's level of responsibility and authority. The variable remuneration shall always be pre-limited to a maximum amount and connected to pre-determined and measurable criteria's, designed to contribute to the business strategy, long-term added value and sustainability of the company.

The guidelines adopted at the annual general meeting 2020 are available on pages 70–71 of the annual report 2019 and on pages 74–75 in the annual report 2020. The proposed revised guidelines for 2021 are available on pages 76–78 in the annual report 2020.

During 2020 the company has complied with the guidelines adopted at the annual general meeting 2020. No deviations from the guidelines nor any derogations from the procedure for resolution on remuneration, established by the remuneration guidelines, have been made.

The auditors statement regarding the company's compliance with the guidelines is available on [www.getinge.com/se/om-oss/bolagsstyrning/bolagsstamma](http://www.getinge.com/se/om-oss/bolagsstyrning/bolagsstamma) under the tab annual general meeting 2021. No paid remuneration have been reclaimed during 2020.

## Total remuneration to the CEO during 2020

### Remuneration and benefits to CEO in 2020, KSEK

Executive	Fixed remuneration		Variable remuneration		Pension expenses <sup>4)</sup>	Total	Share of fixed and variable remuneration (%) <sup>5)</sup>
	Base salary	Other benefits <sup>1)</sup>	Short-term variable remuneration <sup>2)</sup>	Long-term variable remuneration <sup>3)</sup>			
Mattias Perjos, CEO	23,250	2,752	18,600	12,810	9,294	66,706	53/47

1) Additional benefits refer to holiday pay, company car, medical insurance (sw: sjukvårdsförsäkring), etc.

2) Short-term variable remuneration refer to bonus accrued during the financial year 2020 and to be paid during 2021.

3) Long-term variable remuneration refer to vested amount of long-term bonus program for the period 2018–2020, which will be paid during 2021. During 2020, no amount of long-term variable remuneration have been paid.

4) Pension costs for the CEO are based on a defined contribution basis and amounts to 40 percent of the base salary.

5) The portion of fixed vs variable remuneration as percentage of the grand total remuneration amounted to 53/47. (The pension cost for the CEO is based on fixed base salary and is included in its entirety in the fixed remuneration.)



### Share based remuneration – outstanding share- or share price related incentive programs

The general meeting has not resolved on implementation of any share or share price related incentive programs.

### Synthetic option program issued by the majority shareholder

During 2018, the Board of Directors of Getinge AB was informed that the majority shareholder of the company, Carl Bennet AB, had issued an incentive program consisting of synthetic options intended for the members of the Board of Directors and Senior Executives of Getinge. In total, the members of the Board of Directors and the Senior Executives were acquired 3,153,889 synthetic options for a price corresponding to the estimated market value. At the time for the acquisition, the aggregated market value of the options was calculated to approx. SEK 21.8 M.

The synthetic options are related to Getinge shares of series B and have a duration period of four years. The options may be exercised during the period of March 1, 2022 to May 31, 2022. The redemption price amounts to SEK 101.50 per option, equivalent to 122 percent of the average of the, for each trade day during

the period April 27 – May 4 2018 volume-weighted payment price for Getinge's B-share at Nasdaq Stockholm.

At exercise of the option, the holder receives a cash payment from Carl Bennet AB, that correspond with the number of underlying shares that the option entitles to multiplied by the market value of the share, with deduction of the redemption price. If the market value is less than the redemption price, no payment is received.

Getinge has not participated in the offer which has been provided to the members of the Board of Directors and the Senior Executives solely by Carl Bennet AB.

The CEO acquired 579,710 synthetic options.

### Principles for application of the performance targets for variable remuneration

Selection of performance targets and resolution to determine the variable remuneration has been prepared by the remuneration committee and resolved by the Board of Directors. The variable remuneration is pre-limited to a maximum amount and connected to pre-determined and measurable criteria's, designed to contribute to the business strategy and long-term added value of the company. The

sustainability work is integrated in the company's day-to-day operations. If the company's principles for sustainability or ethical guidelines are not complied with, the company has the possibility to withhold any variable remuneration or reclaim already paid remuneration.

After the end of financial year and based on a proposal by the remuneration committee, the Board of Directors has resolved to which extent the criteria's for payment of the short- and long term variable remuneration have been fulfilled. The assessment if the financial targets have been reached has been based on the company's most recent published financial information, with any pre-determined adjustments established by the Board of Directors when implementing the program.

### Application of the performance targets for short-term variable remuneration

The short term variable remuneration to the CEO is based on performance targets established by the Board of Directors based on the guidelines for remuneration to Senior Executives and is designed to promote the interests of the shareholders and the company's values, and also to create incentive for a common strive to reach the business strategy, long-term

### The performance by the CEO during the reported financial year: short term variable cash remuneration

#### Criteria for determination of short-term variable remuneration for the CEO and outcome, KSEK

Executive	Performance target	Weighting of performance target	Outcome of performance target	Variable remuneration per performance target
Mattias Perjos, CEO	Adjusted EBITA <sup>1)</sup>	50%	SEK 5,785 M	9,300
	Net sales – organic growth	25%	14.3%	4,650
	Tied-up working capital – no. of days	25%	96.8	4,650
				<b>18,600</b>

<sup>1)</sup> The adjusted EBITA refer to operating profit adjusted for exchange rate changes, acquisitions, divestments, restructuring costs and other material items affecting comparability.

interests and a sustainable development of the company. The variable short-term remuneration to the CEO is limited to 80 % of the fixed yearly base salary. The targets for 2020 were connected to result, organic growth and restriction of working capital. All three performance targets were fully achieved in 2020 resulting in maximum bonus payout.

### Applying the performance targets for the variable long-term remuneration

In addition to base salary and the annual variable remuneration as described above, the CEO can receive a variable long-term

bonus (LTI-bonus), which rewards clear, measurable performance targets and is conditioned by continued employment at the end of the performance period for the LTI-bonus (with some customary exceptions). The criteria for payment of the LTI-bonus shall be constructed to promote the long-term interests of Getinge and sustainable development of the company.

The performance target for all outstanding LTI-bonus programs are earnings per share, adjusted for acquisitions, divestments, restructuring costs and other material non-recurrent costs.

By relating the performance target to

the objective of the shareholders', a joint interest to further promote Getinge's business strategy and long-term interests is created. The vesting period for the LTI-bonus is three financial years and for the CEO, the bonus outcome for each three-year period is capped to an amount equivalent to one year's base salary. At the end of the financial year 2020 the LTI-bonus program 2018–2020 expired and during 2021 KSEK 12,810 will be paid to the CEO for this program, which is equivalent to 66 % of the maximum outcome.

### The performance by the CEO during the reported financial year – long-term variable remuneration

#### Criteria for determination of long-term variable remuneration for the CEO and outcome, KSEK

Executive	Long-term incentive program (LTI)	Performance target <sup>1)</sup>	Outcome of performance target	Variable remuneration per performance target <sup>5)</sup>
Mattias Perjos, CEO	LTI 2018–2020	Adjusted earnings per share 2018	4.78 SEK	–
		Net sales – organic growth 2018	5.6%	3,612
		Adjusted earnings per share 2019	5.96 SEK	5,733
	LTI 2018–2020	Adjusted earnings per share 2020	13.19 SEK	3,465
				<b>12,810<sup>2)</sup></b>
	LTI 2019–2021	Adjusted earnings per share 2019	5.96 SEK	3,000
Adjusted earnings per share 2020		13.19 SEK	3,639	
			<b>6,639<sup>3)</sup></b>	
LTI 2020–2022	Adjusted earnings per share 2020	13.19 SEK	3,847	
			<b>3,847<sup>4)</sup></b>	

<sup>1)</sup> The performance targets in the group's long-term variable remuneration schemes are earnings per share, adjusted for acquisitions, divestments, restructuring costs and other material non-recurrent costs. (For the LTI 2018–2020 organic growth in net sales was one of the performance targets during the first year of the program.)

<sup>2)</sup> Refers to the total provisions for the incentive scheme LTI-2018–2020. The remuneration is vested and will be paid during 2021.

<sup>3)</sup> Refers to the total provisions for the incentive scheme LTI-2019–2021. The remuneration is conditioned by continued employment at the end of the three year vesting period.

<sup>4)</sup> Refer to the total provisions for the incentive scheme LTI-2020–2022. The remuneration is conditioned by continued employment at the end of the three year vesting period.

<sup>5)</sup> At the end of the year, the total provision for long-term bonus to the CEO amounted to KSEK 23,296, whereof KSEK 12,810 will be paid during 2021. The expense for the long-term variable remuneration to the CEO for the year amounted to KSEK 10,951. The vesting period for the group's long-term incentive scheme is three years and the remuneration is conditioned by the CEO remaining at his position at the end of the vesting period.

### Comparative information regarding the company's result and changes in the remuneration

#### Five-year overview of changes in remuneration and performance<sup>1)</sup>

	2016 compared with 2015	2017 compared with 2016	2018 compared with 2017	2019 compared with 2018	2020 compared with 2019	2020 <sup>5)</sup>
Changes in remuneration to the CEO, KSEK <sup>2)</sup>	32,538 (91.6%)	-43,218 (-63.5%)	8,710 (35.1%)	12,483 (37.2%)	20,663 (44.9%)	66,706
Changes in average remuneration to employees of Getinge AB, KSEK <sup>3)</sup>	587 (75.8%)	-214 (-15.7%)	61 (5.3%)	440 (36.4%)	-34 (-2.1%)	1,614
Changes in operating profit for the Group, SEK M	N/A <sup>4)</sup>	-13 (-0.9%)	-1,777 (-119.0%)	2,656 (935.2%)	2,412 (101.7%)	4,784

<sup>1)</sup> In the above table, changes in the remuneration and result between the years are presented. The changes are presented in both actual amounts and percentage.

<sup>2)</sup> Remuneration to the CEO relates to the total remuneration to CEO including base salary, short- and long-term incentive program, pension expenses and other benefits. The remuneration to the CEO in 2016 included severance pay.

<sup>3)</sup> Remuneration to the Senior Executives excluded.

<sup>4)</sup> Not applicable due to the fact that 2015 year's result has not been adjusted for the spin-off of Arjo in December 2017.

<sup>5)</sup> Refers to the outcome for year 2020.

Gothenburg, March 2021

**The Board of Directors of Getinge AB**



# Proposed appropriation of profit

Getinge AB (publ), Corp. Reg. No. 556408-5032

The following non-restricted equity in the Parent Company is at the disposal of the Annual General Meeting, SEK M:	
Share premium reserve	4,264
Retained earnings	13,978
Net profit for the year	116
<b>Total</b>	<b>18,358</b>

The Board and Chief Executive Officer propose that a dividend of SEK 3.00 per share shall be distributed to shareholders	817
to be carried forward	17,541
<b>Total</b>	<b>18,358</b>

The Board of Directors deems the proposed dividend to be justified in relation to requirements that the nature of the business, scope and risks impose on consolidated 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, as adopted by the EU, and provide a true and fair view of the Group's financial position and profit. This Annual Report was prepared in accordance with generally accepted accounting policies and provides a true and fair view of the Parent Company's financial position and profit.

The Administration Report for the Group and Parent Company provides a fair and accurate overview 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.

Göteborg, March 19, 2021

<b>Johan Malmquist</b> Chairman, AGM-elected Board member	<b>Carl Bennet</b> Vice Chairman, AGM-elected Board member	<b>Johan Bygge</b> AGM-elected Board member
<b>Barbro Fridén</b> AGM-elected Board member	<b>Dan Frohm</b> AGM-elected Board member	<b>Sofia Hasselberg</b> AGM-elected Board member
<b>Rickard Karlsson</b> Board member Representative of the Swedish Metalworkers' Union	<b>Åke Larsson</b> Board member Representative of the Swedish Association of Graduate Engineers	<b>Mattias Perjos</b> President & CEO, AGM-elected Board member
<b>Malin Persson</b> AGM-elected Board member	<b>Johan Stern</b> AGM-elected Board member	<b>Cecilia Daun Wennborg</b> AGM-elected Board member

Our auditor's report was submitted on March 19, 2021  
Öhrlings PricewaterhouseCoopers AB

<b>Johan Rippe</b> Authorized Public Accountant Auditor in Charge	<b>Tomas Hilmarsson</b> Authorized Public Accountant
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# Consolidated income statement

SEK M	Note	2020	2019
Net sales	2, 3	29,819	26,559
Cost of goods sold	4	-15,097	-14,104
<b>Gross profit</b>		<b>14,722</b>	<b>12,455</b>
Selling expenses	4	-5,285	-5,411
Administrative expenses	4	-3,498	-3,443
Research and development costs	4, 34	-1,033	-762
Acquisition expenses	4	-8	-45
Restructuring costs	4	-169	-279
Other operating income	4	1,026	172
Other operating expenses	4	-971	-315
<b>Operating profit (EBIT)</b>	3, 4, 5, 6	<b>4,784</b>	<b>2,372</b>
Interest income and other similar income	7	8	11
Interest expenses and other similar expenses	8	-307	-474
<b>Profit after financial items</b>		<b>4,485</b>	<b>1,909</b>
Taxes	9	-1,213	-653
<b>Net profit for the year</b>		<b>3,273</b>	<b>1,256</b>
<b>Net profit for the year attributable to:</b>			
Parent Company's shareholders		3,239	1,222
Non-controlling interests		34	34
<b>Earnings per share, SEK<sup>1)</sup></b>		<b>11.89</b>	<b>4.48</b>
Weighted average number of shares for calculation of earnings per share (000s)	11	272,370	272,370

1) Before and after dilution.



# Consolidated statement of comprehensive income

SEK M	Note	2020	2019
<b>Net profit for the year</b>		<b>3,273</b>	<b>1,256</b>
<b>Other comprehensive income</b>			
<b>Items that cannot be restated in profit</b>			
Actuarial gains/losses pertaining to defined-benefit pension plans		-13	-526
Tax attributable to items that cannot be restated in profit		-1	142
<b>Items that can later be restated in profit</b>			
Translation differences and hedging of net investments		-2,319	600
Cash flow hedges	28	-16	168
Tax attributable to items that can be restated in profit		21	-24
<b>Other comprehensive income for the year, net after tax</b>		<b>-2,327</b>	<b>360</b>
<b>Comprehensive income for the year</b>		<b>946</b>	<b>1,616</b>
<b>Comprehensive income for the year attributable to:</b>			
Parent Company's shareholders		936	1,567
Non-controlling interests		9	49

# Consolidated balance sheet

SEK M	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3, 12	22,085	24,283
Tangible assets	3, 12	2,956	3,146
Right-of-use assets	20	1,017	941
Financial instruments, long-term	28	2	15
Financial receivables, long-term		50	32
Deferred tax assets	9	1,474	1,802
<b>Total non-current assets</b>		<b>27,584</b>	<b>30,219</b>
<b>Current assets</b>			
Inventories	13	4,513	4,691
Accounts receivable	14	5,338	6,344
Contract assets	15	453	803
Current tax assets		63	170
Financial instruments, current	28	23	12
Other receivables		752	895
Prepaid expenses and accrued income	16	233	325
Cash and cash equivalents	19, 33	6,056	1,254
<b>Total current assets</b>		<b>17,431</b>	<b>14,494</b>
<b>TOTAL ASSETS</b>		<b>45,014</b>	<b>44,713</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	136	136
Other capital provided		6,789	6,789
Other reserves		-323	1,965
Retained earnings		14,422	11,606
<b>Equity attributable to the Parent Company's shareholders</b>		<b>21,024</b>	<b>20,496</b>
Non-controlling interests		462	477
<b>Total equity</b>		<b>21,486</b>	<b>20,973</b>
<b>Long-term liabilities</b>			
Interest-bearing long-term loans	19	7,020	6,487
Financial instruments, long-term	28	14	-
Other long-term liabilities		294	277
Provisions for pensions, interest-bearing	19, 24	3,359	3,555
Provisions for pensions, non-interest-bearing	24	165	160
Leasing liabilities, long-term	19, 20, 28	667	581
Deferred tax liabilities	9	829	661
Restructuring reserves, long-term	21	30	93
Other provisions, long-term	22	1,362	2,062
<b>Total long-term liabilities</b>		<b>13,740</b>	<b>13,876</b>
<b>Current liabilities</b>			
Restructuring reserves, current	21	210	258
Other provisions, current	22	519	354
Interest-bearing current loans	19	2,196	2,625
Leasing liabilities, current	19, 20, 28	323	327
Accounts payable		1,446	1,995
Contract liabilities	23	1,355	1,293
Current tax liabilities		376	237
Financial instruments, current	28	0	7
Other liabilities		495	454
Accrued expenses and deferred income	25	2,868	2,314
<b>Total current liabilities</b>		<b>9,788</b>	<b>9,864</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>45,014</b>	<b>44,713</b>

Refer to Note 26 for information concerning Getinge Group's pledged assets and contingent liabilities.

## Changes in equity for the Group

SEK M	Share capital	Other capital provided	Reserves <sup>1)</sup>	Retained earnings	Total	Non-controlling interests	Total equity
<b>Opening balance at January 1, 2019</b>	<b>136</b>	<b>6,789</b>	<b>1,235</b>	<b>11,041</b>	<b>19,201</b>	<b>454</b>	<b>19,655</b>
Comprehensive income for the year	–	–	730	837	1,567	49	1,616
Dividend	–	–	–	-272	-272	-26	-298
<b>Closing balance at December 31, 2019</b>	<b>136</b>	<b>6,789</b>	<b>1,965</b>	<b>11,606</b>	<b>20,496</b>	<b>477</b>	<b>20,973</b>
<b>Opening balance at January 1, 2020</b>	<b>136</b>	<b>6,789</b>	<b>1,965</b>	<b>11,606</b>	<b>20,496</b>	<b>477</b>	<b>20,973</b>
Comprehensive income for the year	–	–	-2,288	3,225	936	9	946
Dividend	–	–	–	-409	-409	-24	-433
<b>Closing balance at December 31, 2020</b>	<b>136</b>	<b>6,789</b>	<b>-323</b>	<b>14,422</b>	<b>21,024</b>	<b>462</b>	<b>21,486</b>

1) Reserves pertain to cash flow hedges, hedges of net investments and translation differences.

## Consolidated cash flow statement

SEK M	Note	2020	2019
<b>Operating activities</b>			
Operating profit (EBIT)		4,784	2,372
Add-back of amortization, depreciation and write-down		2,467	2,223
Other non-cash items	33	60	54
Add-back of restructuring costs <sup>1)</sup>		169	249
Paid restructuring costs		-262	-369
Interest paid and received	33	-260	-419
Other financial items		-53	-55
Taxes paid		-553	-357
<b>Cash flow before changes in working capital</b>		<b>6,352</b>	<b>3,698</b>
<b>Changes in working capital</b>			
Inventories		-544	-107
Operating receivables		1,121	-109
Operating liabilities		270	350
<b>Cash flow from operating activities</b>		<b>7,199</b>	<b>3,832</b>
<b>Investing activities</b>			
Acquisition of operations	27	-999	-6
Investments in intangible assets and tangible assets	12	-1,045	-1,220
Divestment of non-current assets		53	109
<b>Cash flow from investing activities</b>		<b>-1,991</b>	<b>-1,117</b>
<b>Financing activities</b>			
Raising of loans		4,327	2,075
Repayment of loans		-3,784	-4,189
Lease payments		-390	-363
Change in long-term receivables		-17	3
Dividend paid		-433	-298
<b>Cash flow from financing activities</b>		<b>-297</b>	<b>-2,772</b>
<b>Cash flow for the year</b>			
		<b>4,911</b>	<b>-57</b>
Cash and cash equivalents at the beginning of the year		1,254	1,273
Cash flow for the year		4,911	-57
Translation differences		-110	38
<b>Cash and cash equivalents at year-end</b>	33	<b>6,056</b>	<b>1,254</b>

1) Excluding write-downs on fixed assets.



**NOTE 1** Accounting policies**General information**

Getinge AB, which is the Parent Company of Getinge Group, is a limited liability company with its registered offices in Gothenburg, Sweden. A description of the company's operations is included in the Administration Report on page 47.

The consolidated financial statements for the fiscal year ending December 31, 2020 were approved by the Board on March 19, 2021 and will be presented to the AGM on April 20, 2021 for adoption.

**Accounting and measurement policies**

Getinge's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), including interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 has been applied. The consolidated financial statements include the financial statements for Getinge AB and its subsidiaries and were prepared in accordance with the cost method. The Parent Company applies the same accounting policies as the Group, except in the instances stated below in the section "Parent Company's accounting policies." The differences that arise between the Parent Company and the Group's accounting policies are attributable to the limited opportunities for the application of IFRS in the Parent Company, as a result of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act. The Parent Company's functional currency is Swedish kronor (SEK), which is also the Parent Company's and Group's presentation currency. This means that the financial statements are presented in Swedish kronor (SEK). Unless otherwise stated, all amounts are given in millions of Swedish kronor (SEK M). For practical reasons, the figures in this Annual Report have not been rounded off, which is why notes and tables may not total correct amounts.

**Significant estimates and assessments**

To prepare the financial statements in accordance with IFRS, the company management is required to make assessments and assumptions that affect the recognized amounts of assets and liabilities and other information in the financial statements as well as the revenues and expenses recognized during the period. Assumptions, assessments and estimates are reviewed on a regular basis. The actual outcome may diverge from these assumptions, assessments and estimates. The Board of Directors and Getinge Executive Team have deemed that the following areas may have a significant impact on Getinge's earnings and financial position:

**Measurement of identifiable assets and liabilities in connection with acquisitions**

In conjunction with acquisitions, all identifiable assets and liabilities in the acquired company are measured at fair value, including the value of assets and liabilities in the previously owned share as well as the share attributable to non-controlling interests.

**Goodwill and intangible assets with an indefinite useful life**

The impairment requirement for goodwill and other intangible assets with an indefinite useful life is tested annually by Getinge in accordance with the accounting policy described here in Note 1. The recoverable amount for cash generating units (CGUs) has been established through the measurement of value in use. For these calculations, certain estimations must be made (see Note 12).

**Pension commitments**

Recognition of the costs of defined-benefit pensions and other applicable retirement benefits is based on actuarial valuations, relying on key 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 (see Note 24).

**Obsolescence reserve**

Inventories are recognized at the lower of cost according to the first in/first out principle, and net realizable value. 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 (see Note 13).

**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. Deferred tax is recognized in profit or loss unless the deferred tax is attributable to items recognized in other comprehensive income, in which case the deferred tax is recognized together with the underlying transaction in other comprehensive income (refer to Note 9).

**Capitalized product development costs**

Costs for product development projects are capitalized to the extent that the costs can be expected to generate financial benefits. Capitalization starts when management believes that the product will be technically or financially viable. This means that established criteria must be met before a development project is capitalized as an intangible asset. Capitalization ends and amortization of the capitalized development costs starts when the asset is ready for use. Capitalized development costs are tested for impairment when there are indications of a decline in value. Determining the amortization period and testing for impairment require management to make assessments.

**Disputes**

Provisions for disputes represent management's best estimate of the future cash flow required to settle the obligations. The disputes primarily relate to contractual commitments in contracts with customers and suppliers and damages related to product liability. Management's assessment is that the need to make provisions depends on the legal processes in the country in question and the course of the proceedings. Opinions from external and internal advisors are taken into consideration, as is experience from similar cases. The results of complicated disputes may nevertheless be difficult to predict and disputes could be both time-consuming and costly (See Note 22).

**Consolidated financial statements**

Subsidiaries are all companies (including structured entities) over which the Group exercises a controlling influence. The Group controls a company when it is exposed to or has the right to variability of returns from its holding in the company and can affect these returns through its influence over the company. The controlling influence is usually transferred at the acquisition date. Acquired companies are consolidated into the consolidated financial statements in accordance with the purchase method, which means that the cost of the shares in subsidiaries is eliminated against their equity at the acquisition date. Accordingly, only the portion of the subsidiary's equity that has arisen after the acquisition is included in consolidated equity. Getinge has chosen not to restate earlier acquisitions. Equity in the subsidiaries is thus determined on a market-based value of identifiable assets, liabilities, provisions and contingent liabilities on the date of the acquisition. If the cost of the shares in the subsidiaries exceeds the value of the acquired net assets, calculated as described above, the difference is assigned to goodwill. If the acquisition cost falls below the fair value of the acquired subsidiary's net assets (acquisition at low price), the difference is recognized directly in profit or loss as other operating income. If assets are included in the subsidiary at the time of acquisition – for example, property, participations or other operations – that will not be retained but sold in the near future, these assets are recognized in the acquisition analysis at the amount expected to be received. Deferred tax is calculated on the difference between the calculated market values of assets and liabilities and the fiscal residual values. Intra-Group transactions and unrealized inter-company profits are eliminated in the consolidated financial statements, except with respect of shares in non-controlling interests. In profit or loss, net profit is recognized without deductions for non-controlling interests in net profit for the year. Non-controlling interests are recognized as a separate item in consolidated equity in the balance sheet. The Group applies revised IFRS 3 Business Combinations to all acquisitions made after January 1, 2010, whereby the most significant change entails expensing transaction costs in conjunction with an acquisition.

**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 as other operating income/operating expenses. Exchange-rate differences regarding financial assets and liabilities are recognized under Other financial items. When preparing the consolidated financial statements, the balance sheets of the foreign operations are translated from their functional currency to SEK, based on the closing day rate.

**Translation of foreign operations**

Getinge applies the current method for translation of foreign subsidiaries' balance sheets and income statements. This means that all assets and liabilities in subsidiaries are translated at the closing day rate, and all income statement items are translated at average annual exchange rates. Translation differences arising in this context are due to the difference between the income statement's average exchange rates and closing day rates, and to the net assets being translated at a different exchange rate at year-end than at the beginning of the year. Translation differences are recognized under other comprehensive income. The total translation differences in conjunction with divestments are recognized together with the gains/losses arising from the transaction. Hedge accounting is applied to external loans raised in order to reduce translation effects in exposed currencies to match the net assets in foreign subsidiaries. Exchange-rate differences for these loans are recognized directly in other comprehensive income for the Group.

**Revenue recognition**

Sales include products, services and rental, net after discounts, excluding indirect sales tax. Revenue is mainly recognized when the buyer passes control of the sold product or service and is able to use or benefit from the product or service. Getinge's overall performance obligations can be divided into products and services. Revenue recognition of sales of products usually takes place at a point in time when the goods are delivered and when collection of the receivable is reasonably assured. Revenue is normally recognized once the buyer has accepted delivery and after installation and final inspection. Revenue from services is recognized over time when the services are performed. Income from rental is allocated to a particular period over the term of the rental agreement.

Interest income is recognized continuously and dividends received are recognized after the right to the dividend is deemed secure. In the consolidated financial statements, intra-Group

sales are eliminated. For larger assignments that meet the criteria for revenue recognition over time, revenue and expenses are recognized in relation to the degree of completion of the assignment on the closing date. The degree of completion of an assignment is established in a ratio between accrued assignment costs for work completed on the closing date and the calculated total assignment costs, except in those instances this does not correspond to the degree of completion. Changes in the scope and claims of the assignment are included only if there is an agreement with the customer. When the outcome of an assignment cannot be calculated in a reliable manner, only the amount corresponding to the accrued assignment costs that will probably be paid by the client is recognized as revenue. Other accrued assignment costs are recognized as costs in the period in which they occur. If it is probable that the total amount of accrued assignment costs will exceed total revenue from the assignment, the expected loss is promptly recognized as a cost in its entirety.

### Government grants

Government grants are measured at fair value when it is probable that the terms associated with the grants will be met and that the grants will be received. Government Grants relating to costs are reported in the income statement as a cost reduction in the same period as the costs to which the grants relate. If the grants received do not refer to a specific cost the contributions are reported as income in the item other operating income. Government grants relating to the acquisition of assets reduce the assets' carrying amounts. Such grants affect recognized earnings over the assets' useful life by reducing depreciation (see Note 35).

### Financial income and expenses

Financial income and expenses include interest income on bank deposits and receivables, interest expenses on loans, income from dividends, unrealized and realized profits and losses on financial investments, exchange-rate differences, and the change in value of derivative instruments used in financial activities. Borrowing costs in conjunction with the raising of loans are recognized as part of the loan to which they pertain and are charged to profit during the term of the loan.

### Discontinued operations

A discontinued operation is part of a company that has been divested, distributed to the shareholders or is classified as held for sale and that comprises a material, independent segment or an operation conducted in a geographic area. Profit from discontinued operations are recognized separately from continuing operations in profit or loss.

### Intangible assets

#### 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 the Group. In a business acquisition whereby

the acquisition costs are less than the net value of acquired assets, assumed liabilities and contingent liabilities, the difference is recognized directly in profit or loss. 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. Goodwill arising from the acquisition of associated companies is included in the value of the holdings in the associated company. An impairment test of goodwill is conducted once per year or more often if there is an indication that there could have been a decrease in value. Impairment of goodwill is recognized in profit or loss. The gain or loss in connection with the divestment of an entity includes the residual carrying amount of goodwill that pertains to the divested unit.

#### Other intangible assets

Other intangible assets comprise capitalized development costs, customer relations, technical know-how, trademarks, agreements and other assets. Intangible assets are recognized at cost with deductions for accumulated amortization and any impairment losses. Amortization is applied proportionally over the asset's anticipated useful life, which usually varies between three and 15 years. Acquired intangible assets are recognized separately from goodwill if they fulfill the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner. Intangible assets that are recognized separately from goodwill in acquisitions of operations include customer relations, technical know-how, trademarks, agreements, etc.

Acquired intangible assets are measured at market value and amortized on a straight-line basis over their anticipated useful life. The useful life can, in certain cases, be indefinite. These intangible assets are not amortized, instead they are tested for impairment every year or more often if there is an indication that there could have been a decrease in value. 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. The amortization period is determined based on historical data and taking into consideration future changes in technology. For capitalized development costs, the amortization period is five to 15 years and for software three years.

### Tangible assets

Properties, machinery, equipment and other tangible assets are recognized at cost, with deductions for accumulated depreciation and any impairment losses. 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 acquisition costs with deduction for accumulated depreciation and any impairment losses. Land is not depreciated since it is deemed to have an infinite economic life, however, the depreciation of other assets is based on the following anticipated useful lives:

Class of assets	Depreciation, number of years
Land	40–50
Buildings	10–50
Machinery	5–25
Equipment	10
Production tools	5
Rental equipment	5
Cars	4
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.

### Leasing – Getinge as a lessee

The Group's leases mainly comprise right-of-use assets for premises and vehicles. The leases are recognized as a right-of-use asset with a corresponding lease liability when the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are exempted. Each lease payment should be divided between amortization of the lease liability and a financial cost. The financial cost should be allocated over the lease term, so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognized under each period.

The Group's lease liabilities are recognized at the present value of the Group's fixed lease payments. Purchase options are included if it is reasonably certain that Getinge will exercise the option to acquire the underlying asset. Penalties for terminating the lease are included if the lease term reflects that the lessee will exercise an option to cancel the lease. Lease payments are discounted with the interest rate implicit in the lease, if this rate can easily be

determined. Otherwise, the Group's incremental borrowing rate is applied.

The Group's right-of-use assets are recognized at cost, and include initial present value of the lease liability, adjusted for lease payments made at or before the commencement date and any initial direct expenses. Restoration costs are included in the asset if a corresponding provision for restoration costs exists. The right-to-use asset is depreciated on a straight-line basis over the assets useful life and the lease term, whichever is the shortest.

### Leasing – Getinge as a lessor

Leasing agreements are defined in two categories, operating and finance, depending on the financial significance of the agreement. Operating leases are recognized as non-current assets. Revenue from operating leases is recognized evenly over the lease term. Straight-line depreciation is applied to these assets in accordance with the undertakings and the depreciation amount is adjusted to correspond with the estimated realizable value when the undertaking expires. The estimated impairment requirement is immediately charged to profit or loss. The products' estimated realizable value at the expiration of the undertaking is continuously followed up on an individual basis. Finance leases are recognized as long-term and current receivables. Payments received from finance leases are divided between interest income and depreciation of receivables.

### 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. Earlier recognized impairment losses on intangible assets and tangible assets are reversed if the recoverable amount is deemed to have increased, although the impairment losses are not reversed to an amount greater than what the carrying amount would have been if no impairment losses had been recognized in earlier years. Recognized impairments of goodwill are not reversed.

### Inventories

Inventories are measured at the lower of cost and production value, according to the first in/first out (FIFO) principle, and 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. 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.

## Financial instruments

### Initial recognition

Financial assets and financial liabilities are recognized when the Group becomes party to the contractual terms of the instrument. Purchases and sales of financial assets are recognized on the transaction date, which is the date on which the Group undertakes to buy or sell the asset. 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. Financial instruments are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of a financial asset or financial liability. The Group classified its financial assets and liabilities depending on the purpose for which the financial asset or liability was acquired.

### Financial assets measured at amortized cost

Assets held for the purpose of collecting the contractual cash flows that are solely payments of principal and interest on the principal amount are measured at amortized cost. 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. The carrying amount of the assets is adjusted for any impairment for expected credit losses. Interest income from these financial assets is recognized using the effective interest method and is included in financial income. Assets in this category comprise long-term financial receivables, accounts receivable and other current receivables. They are included in current assets with the exception of items that fall due more than 12 months after the end of the reporting period, which are classified as non-current assets.

### Impairment of financial assets measured at amortized cost

The Group assesses the future expected credit losses related to assets measured at amortized cost and recognizes a reserve for such credit losses ("loss allowance") on each reporting date. For accounts receivable, the Group applies the simplified approach for loss allowance, meaning that the reserve will correspond to the expected loss for the full lifetime of the receivable. Expected credit losses on accounts receivable are recognized under the item selling expenses in profit or loss.

### Financial liabilities measured at amortized cost

The Group's other financial liabilities are initially measured at fair value, net after transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Long-term liabilities have an expected term longer than one year while current liabilities have a term of less than one year. This category includes liabilities to credit institutions, issued bonds, accounts payable and other current liabilities.

### 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 are recognized at nominal amounts, which are equivalent to fair value.

### Financial assets measured at fair value

Financial assets in this category comprise derivatives. They 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. All derivatives are measured at fair value in the balance sheet. Changes in fair value are recognized as a component of other comprehensive income insofar as they are part of a hedging relationship that qualifies as hedge accounting. They are reversed to profit or loss when the hedged transaction occurs. Derivatives that do not meet the requirements for hedge accounting are measured at fair value through profit or loss.

### Hedge accounting

For derivative instruments or other financial instruments that meet hedge accounting requirements under the cash flow hedging method or hedging of net investments in foreign operations method, the effective component of the value change is recognized in other comprehensive income. Accumulated value changes from cash flow hedges are reversed from equity to profit or loss at the same time as the hedged item impacts profit or loss. Accumulated value changes from the hedging of net investments in foreign operations are reversed from equity to profit or loss when the foreign operation is divested in full or in part. Interest-bearing liabilities to which hedge accounting has been applied in accordance with the method for fair-value hedging are measured at fair value regarding the hedged risk. The effect of the hedge is recognized on the same line as the hedged item.

### 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 at current prices. In terms of instruments for which no reliable prices were available, such as interest-rate swaps, cash flows were discounted using deposit and interest-rate swaps for the currency in question. Translation to SEK is conducted at the closing day rate.

## Remuneration to employees

### Recognition of pensions

Getinge 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. The Group'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. The Group'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 recognized asset value is limited to the total of costs related to services rendered during previous periods and the present value of future repayments from the plan, or reductions in future contributions to the plan. The actuarial assumptions constitute the company's best assessment of the different variables that determine the costs of providing the benefits. When actuarial assumptions are used, the actual results could differ from the estimated results, and actuarial assumptions change from one period to another. These differences are recognized as actuarial gains and losses. Actuarial gains and losses are recognized in other comprehensive income for the period in which they are incurred.

Costs for defined-benefit pension plans in profit or loss comprise the total costs for service during the current and earlier years, interest on commitments and the expected return on plan assets. Costs for service during the current period and previous periods are recognized as employee costs. The interest component of pension expenses is recognized under financial expenses.

### Defined-contribution plans

These are plans in which the company pays fixed fees to a separate legal entity and does not have any legal or informal obligation to pay additional fees. The Group's payments for defined-contribution plans 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 disclosure 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.

### Share-based remuneration

There were no share-based incentive programs in the Group at the end of 2020.

## Provisions

Provisions are recognized when the Group 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. Pensions, deferred tax liabilities, restructuring measures, guarantee commitments and similar items are recognized as provisions in the balance sheet. Provisions are reviewed at the end of each accounting period.

## Contingent liabilities

Contingent liabilities are commitments not recognized as liabilities/provisions either because it is not certain that an outflow of resources will be required to settle the commitment or because it is not possible to make a reliable estimate of the amount.

## Income taxes

Getinge's income taxes include taxes on Group companies' profits recognized during the accounting period and tax adjustments attributable to earlier periods and changes in deferred taxes. Measurement of all tax liabilities/receivables is conducted at nominal amounts and in accordance with enacted tax regulations and tax rates or those that have been announced and will almost certainly be adopted. Tax is recognized directly in equity if the tax is attributable to items that are recognized directly in equity. Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all existing differences between fiscal and carrying amounts of assets and liabilities by applying applicable tax rates. Temporary differences primarily arise from the depreciation of properties, machines and equipment, the market valuations of identifiable assets, liabilities and contingent liabilities in acquired companies, the market valuation of investments classified as available-for-sale and 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. Deferred tax liabilities pertaining to temporary differences that are attributable to investments in subsidiaries and affiliates are not recognized, since the Parent Company, in each instance, can control the point in time of reversal of the temporary differences and a reversal in the foreseeable future has been deemed improbable.

## Segment reporting

Getinge's reporting of operating segments is in line with the internal reporting to the CEO, identified as the chief operating decision maker. Getinge's operations are controlled and reported primarily by business area. Each segment is consolidated according to the same policies as for the Group in its entirety. The earnings of the segments represent their contribution to the Group's earnings. Assets in a segment include all operating assets used by the segment and primarily comprise intangible assets, tangible assets, inventories, external accounts receivable, other receivables and prepaid expenses and accrued income. Liabilities in a segment include all operating liabilities utilized by the segment and primarily comprise provisions excluding interest-bearing pension provisions and deferred tax liabilities, external accounts payable, other

current liabilities and accrued expenses and deferred income. Non-distributed assets and liabilities include all tax items and all items of a financial, interest-bearing nature.

### Cash flow statements

Cash flow statements are prepared in accordance with IAS 7 Statement of Cash Flows, indirect method. 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.

### Earnings per share

Earnings per share before dilution are calculated by dividing net profit for the year attributable to the Parent Company's shareholders by the weighted average number of shares outstanding during the period.

### Dividend

Dividends proposed by the Board of Directors are not deducted from distributable earnings until the dividend has been approved by the Annual General Meeting (AGM).

### Alternative performance measures

In the Annual Report, alternative performance measures are used to facilitate analyses of the Group's operations, and the primary alternative performance measures that are presented are net debt/equity ratio and gross profit, EBIT, EBITA, EBITDA with add-back of acquisition and restructuring costs as well as other items affecting comparability. For definitions and reconciliations of the alternative performance measures, see pages 156–157 and 162.

### New accounting policies applied by the Group in 2020

No standards, amendments or interpretations effective from fiscal years beginning on or after January 1, 2020 had a material impact on the consolidated financial statements.

### New and amended standards and interpretations that have not yet come into effect

No new standards or interpretations that come into effect after December 31, 2020 are expected to have any material impact on the consolidated financial statements.

### NOTE 2 Net sales per revenue classification

SEK M	2020	2019
<b>Product sales, capital goods</b>	<b>15,473</b>	<b>11,781</b>
<b>Recurring revenue</b>		
Product sales	9,551	11,243
Service assignments incl. spare parts	4,795	3,535
<b>Total recurring revenue</b>	<b>14,346</b>	<b>14,778</b>
<b>Total</b>	<b>29,819</b>	<b>26,559</b>

### NOTE 3 Segment reporting

The segment reporting has been prepared in accordance with the same policies as for the Group in its entirety. Getinge's operations throughout the world are organized into three business areas – Acute Care Therapies, Life Science and Surgical Workflows. These business areas form the basis for the Group's segment information. Business terms and conditions as well as market-regulated pricing apply for delivery of products and services between Group companies. No sales are made between the different business areas. The Group has no single customer that accounts for 10% or more of the Group's sales.

tions for cardiac, pulmonary and vascular therapies and a broad selection of products and therapies for intensive care.

**Life Science** Life Science offers a comprehensive range of equipment, technical expertise and consultation to prevent contamination in biopharmaceutical production, biomedical research, medical device manufacturing and laboratory applications.

**Surgical Workflows:** Surgical Workflows offers products and services for efficient disinfection and sterilization of instruments used in operations, operating tables and other high-quality hardware for operating rooms and advanced IT systems for efficient and secure hospital workflows.

### The reporting segments are active in the following operations

**Acute Care Therapies:** Acute Care Therapies offers solutions for life support in acute health conditions. The offering includes solu-

SEK M	Net sales		Adjusted EBITA		Operating profit (EBIT)		Amortization, depreciation and write-downs	
	2020	2019	2020	2019	2020	2019	2020	2019
Acute Care Therapies	18,719	14,637	5,831	3,110	5,312	2,402	-1,529	-1,428
Life Science	2,854	2,487	393	323	337	309	-183	-116
Surgical Workflows	8,246	9,435	-127	222	-489	49	-744	-669
Group functions	–	–	-374	-345	-375	-388	-11	-10
<b>Total</b>	<b>29,819</b>	<b>26,559</b>	<b>5,724</b>	<b>3,310</b>	<b>4,784</b>	<b>2,372</b>	<b>-2,467</b>	<b>-2,223</b>
Interest income and other similar income					8	11		
Interest expenses and other similar expenses					-307	-474		
Tax on profit for the year					-1,213	-653		
<b>Net profit/loss</b>					<b>3,273</b>	<b>1,256</b>		

SEK M	Assets		Liabilities		Investments	
	2020	2019	2020	2019	2020	2019
Acute Care Therapies	28,495	30,271	6,728	6,165	804	927
Life Science	2,294	2,052	682	686	58	47
Surgical Workflows	6,643	9,287	1,709	2,646	180	239
<b>Total business areas</b>	<b>37,432</b>	<b>41,610</b>	<b>9,119</b>	<b>9,497</b>	<b>1,042</b>	<b>1,213</b>
Undistributed	7,582	3,103	14,409	14,243	3	7
<b>Total</b>	<b>45,014</b>	<b>44,713</b>	<b>23,528</b>	<b>23,740</b>	<b>1,045</b>	<b>1,220</b>



SEK M	Net sales		Intangible assets, tangible assets and right-of-use assets	
	2020	2019	2020	2019
	EMEA	12,096	10,047	10,872
of which, Sweden	804	524	2,205	2,552
Americas	11,394	10,635	14,370	16,707
APAC	6,329	5,877	815	932
<b>Total</b>	<b>29,819</b>	<b>26,559</b>	<b>26,058</b>	<b>28,370</b>

## Net sales per business area and region, 2020

SEK M	Acute Care Therapies			Surgical Workflows	Total
	Life Science				
EMEA	6,566	1,278	4,253	12,096	
Americas	8,431	1,103	1,860	11,394	
APAC	3,722	473	2,133	6,329	
<b>Total</b>	<b>18,719</b>	<b>2,854</b>	<b>8,246</b>	<b>29,819</b>	

## Net sales per business area and region, 2019

SEK M	Acute Care Therapies			Surgical Workflows	Total
	Life Science				
EMEA	4,305	1,233	4,509	10,047	
Americas	7,288	887	2,460	10,635	
APAC	3,044	367	2,466	5,877	
<b>Total</b>	<b>14,637</b>	<b>2,487</b>	<b>9,435</b>	<b>26,559</b>	

## Net sales per business area and revenue type, 2020

SEK M	Acute Care Therapies			Surgical Workflows	Total
	Life Science				
Product sales, capital goods	8,593	2,029	4,851	15,473	
Recurring revenue	10,126	825	3,394	14,346	
<b>Total</b>	<b>18,719</b>	<b>2,854</b>	<b>8,246</b>	<b>29,819</b>	

## Net sales per business area and revenue type, 2019

SEK M	Acute Care Therapies			Surgical Workflows	Total
	Life Science				
Product sales, capital goods	4,207	1,635	5,939	11,781	
Recurring revenue	10,430	852	3,496	14,778	
<b>Total</b>	<b>14,637</b>	<b>2,487</b>	<b>9,435</b>	<b>26,559</b>	

Getinge's operations are secondarily reported by geographic area. The US accounted for 33% (35) of the Group's sales and was the only country that accounted for more than 10% of total sales. Refer

also to page 154 for a list of the Group's 20 largest markets. The geographic areas' consolidation is conducted in accordance with the same policies as for the Group in its entirety.

## NOTE 4 Costs by cost category

Costs by cost category, SEK M	2020	2019
Salaries and remuneration	-8,281	-7,339
Social security expenses	-1,340	-1,309
Pension expenses	-421	-392
Amortization and write-downs of intangible assets	-1,562	-1,343
Depreciation and write-downs of tangible assets	-500	-503
Depreciation and write-down of right-of-use assets	-405	-377
Goods and services	-12,581	-12,781
Other operating income	1,026	172
Other operating expenses	-971	-315
<b>Total</b>	<b>-25,035</b>	<b>-24,187</b>

## Amortization, depreciation and write-downs, SEK M

	2020	2019
Cost of goods sold	-1,017	-946
Selling expenses	-754	-745
Administrative expenses	-433	-428
Research and development costs	-263	-74
Restructuring costs	-	-30
<b>Total</b>	<b>-2,467</b>	<b>-2,223</b>

## Other operating income, SEK M

	2020	2019
Currency gains	735	115
Capital gains	6	24
Other <sup>1)</sup>	285	33
<b>Total</b>	<b>1,026</b>	<b>172</b>

1) Other operating income 2020 includes a reversal of unutilized provision of SEK 183 M.

## Other operating expenses, SEK M

	2020	2019
Currency losses	-804	-125
Capital losses	-32	-7
Other	-135	-183
<b>Total</b>	<b>-971</b>	<b>-315</b>

## NOTE 5 Auditing

## Fee to PwC, SEK M

	2020	2019
Auditing assignment	-33	-31
Auditing activities other than auditing assignments	-2	-2
Tax consultancy services	-2	-1
Other services	-1	-9
<b>Total</b>	<b>-38</b>	<b>-43</b>

Total fees to PwC and its international network amounted to SEK 38 M (43) for the 2020 fiscal year. Fee to auditing firm Öhrlings PricewaterhouseCoopers AB amounted to SEK 18 M (19), of which SEK 17 M (17) refers to the auditing assignment, SEK 0 M (1) to other statutory assignments and other auditing assignment and SEK 1 M (1) to tax consultancy and other services.

PwC has the auditing assignment for the entire Group. Auditing assignments refer to auditing of the financial statements and statutory accounts and other required legal audit.

Auditing activities other than auditing assignments include mainly the review of interim reports, services in conjunction with the issuance of certificates and audit certificates as well as other services related to financial reporting. Tax consultancy services primarily pertain to general tax matters concerning corporate tax and internal pricing. Other services mainly pertain to services in connection with acquisitions.

## NOTE 6 Exchange-rate gains and losses, net

## Exchange-rate differences were recognized in profit or loss within, SEK M

	2020	2019
Other operating income and expenses	-68	-10
Financial items	-11	0
<b>Total</b>	<b>-79</b>	<b>-10</b>

## NOTE 7 Interest income and other similar income

SEK M	2020	2019
Interest income	5	7
Currency gains	2	2
Other	1	2
<b>Total</b>	<b>8</b>	<b>11</b>

**NOTE 8 Interest expenses and other similar expenses**

SEK M	2020	2019
Interest expenses	-251	-415
Currency losses	-13	-2
Other	-43	-57
<b>Total</b>	<b>-307</b>	<b>-474</b>

**NOTE 9 Taxes**

The Group's tax expense amounted to SEK -1,213 M (-653), entailing a tax rate of 27% (34). The tax rate was positively impacted by high earnings and a favorable country mix due to the outbreak of COVID-19.

The high tax rate last year was mainly due to US BEAT tax introduced in conjunction with the US Tax Reform.

Taxes, SEK M	2020	2019
Current tax	-733	-514
Deferred tax	-480	-139
<b>Total</b>	<b>-1,213</b>	<b>-653</b>

The relationship between the year's tax expense and the recognized profit before tax, SEK M	2020	2019
<b>Recognized profit before tax</b>	<b>4,485</b>	<b>1,909</b>
Tax according to current tax rate in Sweden (21.4%)	-960	-409
Adjustment for tax rates in foreign subsidiaries	-111	-92
Adjustment of tax expenses from earlier years	-9	-23
Adjustment for changed tax rates	0	-
Changed value of temporary differences	2	-
Other tax effects <sup>1)</sup>	-135	-129
<b>Recognized tax expense</b>	<b>-1,213</b>	<b>-653</b>

1) Mainly refers to US BEAT-tax, foreign withholding tax and tax effects of non-deductible costs.

Deferred tax assets relate to the following temporary differences and loss carryforwards, SEK M	2020	2019
<i>Deferred tax assets relating to:</i>		
Non-current assets	74	169
Financial receivables and derivatives	2	3
Current assets	430	339
Provisions	986	1,079
Loss carryforwards	1,045	1,444
Other	176	198
Offset	-1,239	-1,430
<b>Deferred tax assets</b>	<b>1,474</b>	<b>1,802</b>

Deferred tax liabilities relate to the following temporary differences, SEK M	2020	2019
<i>Deferred tax liabilities relating to:</i>		
Non-current assets	-1,523	-1,631
Current assets	-24	-45
Provisions	0	-8
Other	-521	-407
Offset	1,239	1,430
<b>Deferred tax liabilities</b>	<b>-829</b>	<b>-661</b>

**Maturity structure for loss carryforwards, SEK M**

	2020	2019
Due within 1 year	-	5
Due within 2 years	14	8
Due within 3 years	-	1
Due within 4 years	4	23
Due within 5 years	101	0
Due after 5 years	-	13
No due date	4,272	7,356
<b>Total</b>	<b>4,391</b>	<b>7,406</b>

At year-end 2020, there were unrecognized tax assets pertaining to loss carryforwards and unutilized interest deductions amounting to SEK 61 M (335).

**NOTE 10 Dividend**

On July 3, 2020, shareholders were paid a dividend of SEK 1.50 per share (SEK 409 M in total) relating to 2019. The Board and the CEO propose to the Annual General Meeting that a dividend of SEK 3.00 distribute the dividend to shareholders on April 27, 2021. per share be paid to shareholders, which amounts to SEK 817 M. The proposed record date is April 22, 2021. Euroclear is expected to

**NOTE 11 Earnings per share**

Earnings per share, before and after dilution, amounted to SEK 11.89 (4.48).

The calculation of earnings per share relating to the Parent Company's shareholders is based on the following information:

Earnings (numerator), SEK M	2020	2019
Earnings relating to the Parent Company's shareholders, which form the basis for calculation of earnings per share	3,239	1,222
Number of shares (denominator)	2020	2019
Weighted average number of ordinary shares for calculation of earnings per share	272,369,573	272,369,573

**NOTE 12 Intangible assets and tangible assets**

Intangible assets	Intangible assets							Total
	Goodwill	Trade-marks	Capitalized development costs <sup>1)</sup>	Patents & Agreements	Customer relations	Technical know-how	Intangible assets, other	
<b>Cost, Jan 1, 2020</b>	<b>19,343</b>	<b>636</b>	<b>7,501</b>	<b>1,032</b>	<b>2,899</b>	<b>1,317</b>	<b>5,164</b>	<b>37,892</b>
Investments	-	-	429	-	-	-	179	608
Acquisitions	610	131	184	49	192	-	-	1,165
Sales/disposals	-	-	-261	-	-2	-	-20	-283
Reclassifications	-	-	-	-	-	-	0	0
Translation differences	-1,894	-72	-365	-111	-325	-150	-420	-3,337
<b>Accumulated cost, Dec 31, 2020</b>	<b>18,058</b>	<b>695</b>	<b>7,488</b>	<b>970</b>	<b>2,763</b>	<b>1,167</b>	<b>4,904</b>	<b>36,045</b>
<b>Amortization and write-downs, Jan 1, 2020</b>	<b>-669</b>	<b>-568</b>	<b>-4,190</b>	<b>-988</b>	<b>-2,519</b>	<b>-1,159</b>	<b>-3,516</b>	<b>-13,609</b>
Amortization for the year	-	-8	-577	-19	-191	-58	-470	-1,324
Write-downs	-	-	-206	-	-	-	-32	-238
Acquisitions	-	-	-137	-	-	-	-	-137
Sales/disposals	-	-	183	-	2	-	19	205
Reclassifications	-	-	-	-	-	-	-1	-1
Translation differences	37	64	155	106	300	142	340	1,144
<b>Accumulated amortization and write-downs, Dec 31, 2020</b>	<b>-632</b>	<b>-512</b>	<b>-4,773</b>	<b>-901</b>	<b>-2,408</b>	<b>-1,075</b>	<b>-3,661</b>	<b>-13,960</b>
<b>Closing carrying amount, Dec 31, 2020</b>	<b>17,427</b>	<b>184</b>	<b>2,716</b>	<b>69</b>	<b>355</b>	<b>92</b>	<b>1,243</b>	<b>22,085</b>

1) Write-downs of capitalized development costs amounted to SEK -206 M (-31), whereof SEK -60 M (-23) within Acute Care Therapies, SEK -29 M (-) within Life Science and SEK -117 M (-8) within Surgical Workflows.



Intangible assets								Total
	Goodwill	Trade- marks	Capitalized develop- ment costs	Patents & Agree- ments	Customer relations	Technical know- how	Intan- gible assets, other	
<b>Cost, Jan 1, 2019</b>	<b>18,747</b>	<b>616</b>	<b>6,979</b>	<b>996</b>	<b>2,798</b>	<b>1,270</b>	<b>4,891</b>	<b>36,297</b>
Investments	–	–	500	–	–	–	335	835
Sales/disposals	–	–	-49	–	–	–	-185	-234
Reclassifications	–	–	-14	–	–	–	–	-14
Translation differences	596	20	85	36	101	47	123	1,008
<b>Accumulated cost, Dec 31, 2019</b>	<b>19,343</b>	<b>636</b>	<b>7,501</b>	<b>1,032</b>	<b>2,899</b>	<b>1,317</b>	<b>5,164</b>	<b>37,892</b>
<b>Amortization and write-downs, Jan 1, 2019</b>	<b>-655</b>	<b>-538</b>	<b>-3,661</b>	<b>-946</b>	<b>-2,248</b>	<b>-1,043</b>	<b>-3,108</b>	<b>-12,199</b>
Amortization for the year	–	-10	-507	-8	-191	-78	-501	-1,295
Write-downs	–	–	-31	–	–	–	-17	-48
Sales/disposals	–	–	48	–	–	–	184	232
Reclassifications	–	–	–	–	–	–	–	–
Translation differences	-14	-20	-39	-34	-80	-38	-74	-299
<b>Accumulated amortization and write-downs, Dec 31, 2019</b>	<b>-669</b>	<b>-568</b>	<b>-4,190</b>	<b>-988</b>	<b>-2,519</b>	<b>-1,159</b>	<b>-3,516</b>	<b>-13,609</b>
<b>Closing carrying amount, Dec 31, 2019</b>	<b>18,674</b>	<b>68</b>	<b>3,311</b>	<b>44</b>	<b>380</b>	<b>158</b>	<b>1,648</b>	<b>24,283</b>

Tangible assets						Total
	Buildings and land <sup>1)</sup>	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment	Construction in progress	
<b>Cost, Jan 1, 2020</b>	<b>3,256</b>	<b>1,758</b>	<b>2,569</b>	<b>682</b>	<b>240</b>	<b>8,505</b>
Investments	18	62	122	9	225	437
Acquisitions	–	37	42	–	–	79
Sales/disposals	-15	-53	-162	-95	-18	-344
Reclassifications	22	33	142	138	-144	191
Translation differences	-240	-119	-172	-52	-26	-610
<b>Accumulated cost, Dec 31, 2020</b>	<b>3,040</b>	<b>1,718</b>	<b>2,540</b>	<b>682</b>	<b>277</b>	<b>8,258</b>
<b>Depreciation and write-downs, Jan 1, 2020</b>	<b>-1,754</b>	<b>-1,377</b>	<b>-1,838</b>	<b>-390</b>	<b>–</b>	<b>-5,359</b>
Depreciation for the year	-111	-92	-221	-57	–	-480
Write-downs	–	–	-18	-1	–	-19
Acquisitions	–	-32	-34	–	–	-66
Sales/disposals	15	51	139	47	–	252
Reclassifications	–	-1	-3	-4	–	-8
Translation differences	125	93	126	34	–	378
<b>Accumulated depreciation and write-downs, Dec 31, 2020</b>	<b>-1,724</b>	<b>-1,358</b>	<b>-1,850</b>	<b>-371</b>	<b>–</b>	<b>-5,302</b>
<b>Closing carrying amount, Dec 31, 2020</b>	<b>1,316</b>	<b>361</b>	<b>690</b>	<b>312</b>	<b>277</b>	<b>2,956</b>

1) Closing carrying amount for land is SEK 185 M (208).

Tangible assets						Total
	Buildings and land <sup>1)</sup>	Plant and machinery	Equipment, tools, fixtures and fittings	Rental equipment	Construction in progress	
<b>Cost, Jan 1, 2019</b>	<b>3,166</b>	<b>1,708</b>	<b>2,533</b>	<b>594</b>	<b>222</b>	<b>8,223</b>
Investments	47	51	162	22	103	385
Sales/disposals	-105	-46	-226	-30	–	-407
Reclassifications	68	8	40	80	-90	106
Translation differences	80	37	60	16	5	198
<b>Accumulated cost, Dec 31, 2019</b>	<b>3,256</b>	<b>1,758</b>	<b>2,569</b>	<b>682</b>	<b>240</b>	<b>8,505</b>
<b>Depreciation and write-downs, Jan 1, 2019</b>	<b>-1,636</b>	<b>-1,299</b>	<b>-1,785</b>	<b>-343</b>	<b>–</b>	<b>-5,063</b>
Depreciation for the year	-112	-95	-216	-58	–	-481
Write-downs	-5	-4	-13	–	–	-22
Sales/disposals	37	44	218	18	–	317
Reclassifications	–	3	–	2	–	5
Translation differences	-38	-26	-42	-9	–	-115
<b>Accumulated depreciation and write-downs, Dec 31, 2019</b>	<b>-1,754</b>	<b>-1,377</b>	<b>-1,838</b>	<b>-390</b>	<b>–</b>	<b>-5,359</b>
<b>Closing carrying amount, Dec 31, 2019</b>	<b>1,502</b>	<b>381</b>	<b>731</b>	<b>292</b>	<b>240</b>	<b>3,146</b>

### Impairment testing

Goodwill	2020	2019
Acute Care Therapies	13,736	15,382
Surgical Workflows	2,893	2,897
Life Science	798	395
<b>Total</b>	<b>17,427</b>	<b>18,674</b>

Goodwill is distributed among the Group's cash generating units (CGUs), which are identified per business area.

Goodwill and other net assets are tested for impairment annually and whenever conditions indicate that impairment may be necessary. The recoverable amount for CGUs is determined based on the calculated value in use. For impairment-testing purposes, this has been done at the lowest level where separable cash flows have been identified, which for Getinge is the same as its business areas.

### Assumptions

The value in use of goodwill and other net assets attributable to Acute Care Therapies, Surgical Workflows and Life Science was calculated based on discounted cash flows, which are based on assumptions regarding sales growth and the cost trend. Cash flows for the first three years are based on a financial plan approved by the Board. Cash flows after this three-year period have been determined using a growth rate corresponding to 2%. This growth is based on reasonable prudence and does not exceed long-term growth for the industry as a whole. A discount rate of 8.4% (8.6)

before tax was applied when calculating the value in use of all business areas. Right-of-use assets are included in the net assets tested for impairment for each business area and future cash flows referring to lease contracts are taken into account when determining the value in use. With the assumptions described above, value in use exceeds the carrying amount for all CGUs.

### Sensitivity analysis

In connection with the impairment test, sensitivity analyses have been performed regarding changes in growth rate and discount rate, which have a significant impact on the calculation of the discounted cash flows. The sensitivity analyses showed that the negative changes below would not individually generate a need for impairment in any business area:

- Growth rate after year three decreases to 1%
- Discount rate before tax increases 1 percentage point to 9.4%

### Intangible assets

Except goodwill, there are within intangible assets also trademarks amounting to SEK 135 M (11) whose useful life has been assessed as indefinite. For these assets, no foreseeable time limit have been applied for expected future cash flows. The useful life for other intangible assets is three to 15 years. For strategic acquisitions, the useful life exceeds five years.

**NOTE 13 Inventories**

SEK M	2020	2019
Raw materials	1,550	1,473
Work in progress	613	572
Finished products	2,351	2,646
<b>Total</b>	<b>4,513</b>	<b>4,691</b>

Of the Group's inventories, SEK 4,432 M (4,649) is measured at cost and SEK 81 M (42) at net realizable value. The write-down during the year amounted to SEK 281 M (178). Reversed amounts from prior years amounted to SEK 121 M (113). The amounts are reported as cost of goods sold in the income statement.

**NOTE 14 Accounts receivable**

SEK M	2020	2019
Accounts receivable before provisions	5,580	6,541
Loss allowance	-243	-197
<b>Total</b>	<b>5,338</b>	<b>6,344</b>

Accounts receivable net, after provision for expected credit losses, theoretically constitutes maximum exposure for the calculated risk of losses. Accordingly, the carrying amount of accounts receivable represents the fair value. It is the Group's opinion that there is no significant concentration of accounts receivable to any single client. Letters of credit or the equivalent normally cover sales to countries outside the OECD. Confirmed credit losses in relation to net sales amounted to 0.1% (0.1) for the 2020 fiscal year. The loss allowance is based on historical credit losses and taking into consideration current and forward-looking information about customers' payment capacity.

A maturity analysis of accounts receivable before loss allowance is presented below:

SEK M	2020	2019
Not fallen due	3,950	4,705
Fallen due 1–5 days	211	279
Fallen due 6–30 days	472	372
Fallen due 31–60 days	266	329
Fallen due 61–90 days	183	154
Fallen due, more than 90 days	498	702
<b>Total</b>	<b>5,580</b>	<b>6,541</b>

At December 31, 2020, the Group's provisions for doubtful receivables totaled SEK 243 M (197). A maturity analysis of these accounts receivable is presented below:

SEK M	2020	2019
Not fallen due	-12	-3
Fallen due 1–5 days	0	0
Fallen due 6–30 days	0	0
Fallen due 31–60 days	-1	-1
Fallen due 61–90 days	-1	0
Fallen due, more than 90 days	-228	-193
<b>Total</b>	<b>-243</b>	<b>-197</b>

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

SEK M	2020	2019
EUR	1,854	1,855
USD	1,923	2,352
GBP	187	170
CAD	174	123
SEK	143	120
Other currencies	1,300	1,921
<b>Total</b>	<b>5,580</b>	<b>6,541</b>

Changes in loss allowance are as follows:

SEK M	2020	2019
<b>At beginning of the year</b>	<b>-197</b>	<b>-189</b>
Acquisitions	0	–
Provision for expected losses	-118	-74
Receivables written off during the year that cannot be recovered	24	33
Recovered doubtful receivables	26	38
Translation differences	23	-5
<b>At year-end</b>	<b>-243</b>	<b>-197</b>

**NOTE 15 Contract assets**

SEK M	2020	2019
Service	73	70
Projects	294	705
Other	86	28
<b>Total</b>	<b>453</b>	<b>803</b>

Contract assets refer to accrued income relating to service, projects that are recognized according to the percentage of completion method and other income. In comparison with the previous

year, accrued income regarding projects has decreased as a result of the outbreak of COVID-19 and the completion of major projects.

**NOTE 16 Prepaid expenses and accrued income**

SEK M	2020	2019
Prepaid insurance expenses	30	44
Prepaid commissions	40	40
Prepaid IT expenses	10	8
Other	152	233
<b>Total</b>	<b>233</b>	<b>325</b>

**NOTE 17 Share capital**

Class of shares	A	B	Total
Quotient value per share, SEK	0.50	0.50	
<i>Number of shares outstanding:</i>			
December 31, 2019	18,217,200	254,152,373	<b>272,369,573</b>
December 31, 2020	18,217,200	254,152,373	<b>272,369,573</b>
Shares' voting rights in %	41.8	58.2	<b>100.0</b>

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 Class A share carries ten votes and one Class B share carries one vote. Both classes of share have the same quotient value, which is SEK 0.50. At December 31, 2020, the company's share capital totaled SEK 136 M (136).

**NOTE 18 Unutilized overdraft facilities and credit facilities**

At December 31, 2020, the total granted, unutilized overdraft facilities were SEK 526 M (729). In addition, there were unutilized short-term credit facilities of SEK 951 M (963) and committed, unutilized

facilities for medium and long-term credit of SEK 5,220 M (5,634), which may be utilized without qualification.



**NOTE 19** Net interest-bearing debt

SEK M	2020	Change	2019
Interest-bearing current loans	2,196	-429	2,625
Interest-bearing long-term loans	7,020	533	6,487
Pension provisions, interest-bearing	3,359	-196	3,555
Leasing liabilities	990	82	908
Less cash and cash equivalents	-6,056	-4,802	-1,254
<b>Total</b>	<b>7,509</b>	<b>-4,812</b>	<b>12,321</b>

SEK M	Cash and cash equivalents	Interest-bearing loans and leasing liabilities	Provisions for pensions, interest-bearing	Total
<b>Net debt at January 1, 2019</b>	<b>-1,273</b>	<b>10,829</b>	<b>3,035</b>	<b>12,591</b>
Lease liability under IFRS 16 at January 1, 2019	–	1,017	–	1,017
Cash flow affecting net debt	57	-2,427	-50	-2,420
Other non-cash items	–	225	526	751
Exchange-rate differences	-38	376	44	382
<b>Net debt at December 31, 2019</b>	<b>-1,254</b>	<b>10,020</b>	<b>3,555</b>	<b>12,321</b>
<b>Net debt at January 1, 2020</b>	<b>-1,254</b>	<b>10,020</b>	<b>3,555</b>	<b>12,321</b>
Acquisitions	-30	11	–	-19
Cash flow affecting net debt	-4,881	209	-56	-4,728
Other non-cash items	–	559	13	572
Exchange-rate differences	109	-593	-153	-637
<b>Net debt at December 31, 2020</b>	<b>-6,056</b>	<b>10,206</b>	<b>3,359</b>	<b>7,509</b>

**Liquidity risk**

The Group's current interest-bearing liabilities totaled SEK 2,196 M (2,625) and are covered by unutilized committed credit facilities of SEK 5,220 M (5,634). The Group's long-term interest-bearing liabilities amounted to SEK 7,020 M (6,487). The average interest expense for the Group's liabilities to credit institutions amounted to approximately 1.6%.

**Debt/equity ratio**

According to the terms of the main credit facilities, the net debt/equity ratio must be below a certain level. At year-end, the net debt/equity ratio was well below this level.

**NOTE 20** Leases

Right-of-use assets, SEK M	Building	Cars & other vehicles	Machinery & equipment	Total
<b>Cost, Jan 1, 2020</b>	<b>846</b>	<b>417</b>	<b>20</b>	<b>1,283</b>
Entered into new leasing contracts	262	215	10	486
End of lease contracts	-49	-52	-1	-101
Reassessment/modifications	90	–	0	89
Translation differences	-79	-53	-1	-133
<b>Accumulated cost, Dec 31, 2020</b>	<b>1,069</b>	<b>528</b>	<b>27</b>	<b>1,624</b>
<b>Depreciation and write-downs, Jan 1, 2020</b>	<b>-205</b>	<b>-132</b>	<b>-5</b>	<b>-342</b>
Depreciation for the year	-227	-171	-7	-405
End of lease contracts	45	51	0	97
Translation differences	22	22	0	44
<b>Accumulated depreciation and write-downs, Dec 31, 2020</b>	<b>-365</b>	<b>-231</b>	<b>-11</b>	<b>-606</b>
<b>Closing carrying amount, Dec 31, 2020</b>	<b>704</b>	<b>297</b>	<b>17</b>	<b>1,017</b>

**Right-of-use assets, SEK M**

	Building	Cars & other vehicles	Machinery & equipment	Total
<b>Cost, Jan 1, 2019</b>	<b>761</b>	<b>277</b>	<b>18</b>	<b>1,056</b>
Entered into new leasing contracts	92	152	5	249
End of lease contracts	-41	-18	-3	-62
Reassessment/modifications	15	–	0	15
Translation differences	19	6	0	25
<b>Accumulated cost, Dec 31, 2019</b>	<b>846</b>	<b>417</b>	<b>20</b>	<b>1,283</b>
<b>Depreciation and write-downs, Jan 1, 2019</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation for the year	-218	-152	-7	-377
End of lease contracts	10	18	2	30
Translation differences	3	2	0	5
<b>Accumulated depreciation and write-downs, Dec 31, 2019</b>	<b>-205</b>	<b>-132</b>	<b>-5</b>	<b>-342</b>
<b>Closing carrying amount, Dec 31, 2019</b>	<b>641</b>	<b>285</b>	<b>15</b>	<b>941</b>

The leasing period for buildings usually amounts to between 3 and 5 years, while for cars and other vehicles it is between 3 and 4 years. Leasing payments are discounted with the Group's marginal borrowing rate. The Group's weighted average marginal borrowing rate was 1.8 percent (2.3).

**Recognized cost for lease contracts, SEK M**

	2020	2019
Depreciation on right-of-use assets	-405	-377
Interest expenses on lease liabilities	-23	-23
Cost related to short-term leases	0	-5
Cost related to low-value leases	-15	-12
<b>Total</b>	<b>-443</b>	<b>-417</b>

Payments for short-term leasing agreements regarding equipment and vehicles and all leasing agreements of low-value are expensed in the income statement. Short-term leasing agreements are agreements with a leasing period of less than 12 months. Low-value contracts include IT equipment and office equipment.

**Lease liabilities, SEK M**

	2020	2019
Short-term	323	327
Long-term	667	581
<b>Total</b>	<b>990</b>	<b>908</b>

The total cash-outflow for leasing contracts amounted to SEK -437 M (-407). Information about Getinge's lease liabilities undiscounted cash out-flows, see Note 28.

**Getinge as a lessor****Operating leases, SEK M**

	2020	2019
Due within 1 year	59	38
Due within 2 to 5 years	162	66
Due in more than 5 years	18	28
<b>Total</b>	<b>239</b>	<b>132</b>

**Financial leases, SEK M**

	2020	2019
Due within 1 year	3	–
Due within 2 to 5 years	14	–
Due in more than 5 years	14	–
<b>Total</b>	<b>31</b>	<b>–</b>

**NOTE 21** Restructuring reserves

SEK M	FDA	Personnel	Other	Total
<b>Opening balance 2019</b>	<b>382</b>	<b>58</b>	<b>23</b>	<b>463</b>
Provisions	–	182	53	235
Used amount	-154	-135	-23	-312
Unutilized funds restored	–	-32	-10	-42
Translation differences	6	1	0	7
<b>Closing balance 2019</b>	<b>234</b>	<b>74</b>	<b>43</b>	<b>351</b>
<i>Of which:</i>				
Short-term				258
Long-term				93

SEK M	FDA	Personnel	Other	Total
<b>Opening balance 2020</b>	<b>234</b>	<b>74</b>	<b>43</b>	<b>351</b>
Provisions	–	127	21	148
Used amount	-136	-74	-28	-239
Unutilized funds restored	–	3	-3	0
Translation differences	-9	-8	-2	-20
<b>Closing balance 2020</b>	<b>89</b>	<b>121</b>	<b>30</b>	<b>240</b>
<i>Of which:</i>				
Short-term				210
Long-term				30

**Expected timing of outflow, SEK M**

	Total
Within 1 year	210
Within 3 years	28
Within 5 years	2
> 5 years	1
<b>Closing balance 2020</b>	<b>240</b>

**Provision FDA**

In reaction to the US Food and Drug Administration's (FDA) comments on several of the quality management processes and documentation procedures in Acute Care Therapies' manufacturing units in 2013, quality work is under way in the form of a remediation program.

Getinge committed SEK 995 M in 2014 related to improvements under the remediation program, and in 2016 SEK 400 M was committed for the same purpose. An additional provision of SEK 488 M was made in 2017 and the total cost of the remediation program thus amounted to SEK 1,983 M, of which SEK 100 M is fines.

**NOTE 22** Other provisions

SEK M	Guarantee reserve	Personnel	Other	Total
<b>Opening balance 2019</b>	<b>176</b>	<b>67</b>	<b>2,239</b>	<b>2,482</b>
Provisions	68	81	54	203
Used amount	-60	-7	-286	-353
Reclassification	20	13	-33	0
Translation differences	3	1	80	84
<b>Closing balance 2019</b>	<b>207</b>	<b>155</b>	<b>2,054</b>	<b>2,416</b>
<i>Of which:</i>				
Short-term				354
Long-term				2,062

SEK M	Guarantee reserve	Personnel	Other	Total
<b>Opening balance 2020</b>	<b>207</b>	<b>155</b>	<b>2,054</b>	<b>2,416</b>
Acquisitions	–	1	42	43
Provisions	154	12	162	328
Used amount	-73	-22	-362	-457
Unutilized funds restored	-22	–	-172	-194
Translation differences	-13	-6	-237	-256
<b>Closing balance 2020</b>	<b>253</b>	<b>140</b>	<b>1,488</b>	<b>1,881</b>
<i>Of which:</i>				
Short-term				519
Long-term				1,362

Provisions under the item other primarily refer to claims related to Atrium Medical Corporation's surgical mesh products. In the third quarter of 2018, Getinge made a provision of SEK 1.8 billion for expected costs related to Atrium's surgical mesh product liability claims filed in the US and Canada. The claims consist of individual lawsuits, consolidated state cases and consolidated multi-district federal litigation. The provision is intended to cover all costs related to the claims, including defense and handling of claims. The use of polypropylene mesh is the established standard for

hernia repair and the patients are claiming damages for complications allegedly sustained after receiving surgical mesh implants. A material increase in the number of claims filed began in late 2017, following the consolidation of individual cases in the group action. The claims are being contested by Getinge and there have, to date, been no adverse verdicts against Atrium Medical. Getinge has previously announced that the Group holds standard product liability insurance and is in discussions with insurance carriers regarding the scope of its insurance coverage.

**Expected timing of outflow, SEK M**

	Total
Within 1 year	519
Within 3 years	726
Within 5 years	594
> 5 years	42
<b>Closing balance 2020</b>	<b>1,881</b>

**NOTE 23** Contract liabilities

SEK M	2020	2019
Advances from customers	692	723
Service	471	499
Other	192	71
<b>Total</b>	<b>1,355</b>	<b>1,293</b>

Contract liabilities refers to advances from customers and deferred income relating to service and other. Contract liabilities in the form of deferred income and advances from customers in the

beginning of the year were essentially recognized in income during the financial year.



**NOTE 24** Provisions for pensions and similar obligations**Defined-contribution plans**

In several countries, the Group's employees are covered by defined-contribution pension plans. The pension plans are primarily retirement pensions. The premiums are paid continuously throughout the year by each Group company to separate legal entities, such as insurance companies. The size of the premium paid by the employees and Group companies is normally based on a set proportion of the employee's salary and in certain cases the employees pay for a portion of the premiums themselves. The expense for defined-contribution plans amounted to SEK 363 M during 2020.

**Defined-benefit plans**

Getinge has large defined-benefit pension plans in Sweden, Germany and the US. The pension plans primarily comprise retirement pensions. Each employer normally has an obligation to pay a lifelong pension. The pension is earned according to the number of employment years and the employee must be affiliated with the plan for a certain number of years to achieve full retirement pension entitlement. Pension commitments are calculated based on actuarial assumptions and gains and losses of changed actuarial assumptions are recognized as part of comprehensive income.

**Sweden**

Most of the Group's defined-benefit pension commitments in Sweden are so called PRI liabilities. These plans are closed for new employees but remain open for the employees encompassed by the plans. The commitments pertain to lifelong retirement pensions and the benefits are primarily based on the employees' final salary. The pension commitments were calculated at a discount rate based on the return on the market rate of Swedish mortgage bonds. These bonds are deemed to be of high quality since they are guaranteed by assets and the mortgage bond market in Sweden is considered to be deep and liquid. The terms of the bonds correspond to the average term of the commitments, which is 22 years.

At year-end, the amount of the Group's defined-benefit pension commitments in Sweden totaled SEK 697 M (659). The Swedish pension commitments increased year-on-year mainly due to a lower discount rate. Plan assets exist to only a minor extent and are attributable to a small plan that is not credit-insured.

**Germany**

Some employees in Germany are part of defined-benefit pension plans. These plans are closed for new employees but remain open for the employees encompassed by the plan. The benefits are based on the employees' final salary and the remaining weighted average term of the total commitment is 16 years. The pension plans are insured in accordance with statutory requirements.

Total defined-benefit pension commitments decreased to SEK 2,281 M (2,453) during the year. The decrease was mainly due to currency rate fluctuation. The discount rate is based on high-quality corporate bonds with a term corresponding to the average remaining term of the commitment.

**USA**

The Group's defined-benefit pension commitment in the US is closed for new employees and also to the employees encompassed by the plan, meaning that no new pension rights are vested. The commitment's remaining average term is 14 years.

The total defined-benefit commitment decreased to SEK 1,240 M (1,322), mainly due to currency rate fluctuation, partly offset by changes in financial assumptions and net interest expenses.

The value of the plan assets decreased from SEK 802 M to SEK 778 M, due to currency rate change and paid benefits, offset by the result of this year's return on plan assets and pension payments to the plan from the employer. Both the defined-benefit commitment and the return on the plan assets were calculated using a discount rate based on high-quality corporate bonds with a term corresponding to the average remaining term of the commitment.

Dec 31, 2020, SEK M	Funded pension plans	Unfunded pension plans	Total
Present value of commitments	-1,265	-3,090	-4,355
Fair value of plan assets	831	–	831
<b>Net provision in the balance sheet</b>	<b>-434</b>	<b>-3,090</b>	<b>-3,524</b>

Dec 31, 2019, SEK M	Funded pension plans	Unfunded pension plans	Total
Present value of commitments	-1,367	-3,205	-4,572
Fair value of plan assets	857	–	857
<b>Net provision in the balance sheet</b>	<b>-510</b>	<b>-3,205</b>	<b>-3,715</b>

Pension commitments, SEK M	2020	2019
<b>Opening balance</b>	<b>-3,715</b>	<b>-3,168</b>
Costs for service in the current year	-58	-46
Net interest expenses	-52	-73
Costs for service in previous years	–	0
Return on plan assets	71	88
Gains/(losses) attributable to changed demographic assumptions	13	18
Gains/(losses) attributable to changed financial assumptions	-136	-616
Experience-based gains/(losses)	42	-1
Special employer's contribution on actuarial assumptions	-4	-20
Restriction in plan surpluses with regard to asset ceilings	1	5
Exchange-rate differences	164	-51
Contributions paid by employer	40	38
Paid benefits	110	111
<b>Closing balance</b>	<b>-3,524</b>	<b>-3,715</b>
<b>Of which:</b>		
Interest-bearing pension commitments	-3,359	-3,555
Non-interest-bearing pension commitments	-165	-160

The defined-benefit pension commitment and composition of plan assets 2020, SEK M	Present value of commitments	Fair value of plan assets	Net provision for pensions
Sweden	-697	29	-668
Germany	-2,281	18	-2,263
USA	-1,240	778	-462
Other countries	-137	6	-131
<b>Total</b>	<b>-4,355</b>	<b>831</b>	<b>-3,524</b>

Significant actuarial assumptions, %	2020	2019
<i>Weighted average, %</i>		
Discount rate	1.6	1.7
Expected salary increase rate	2.6	2.6
Expected inflation	1.6	1.6

Significant actuarial assumptions 2020, %	Sweden	Germany	USA	Other countries
<i>Weighted average, %</i>				
Discount rate	1.3	1.2	2.5	0.9
Expected salary increase rate	2.0	2.5	3.0	2.4
Expected inflation	2.0	1.3	2.3	1.3

Sensitivity of defined-benefit commitments to changes in the significant assumptions 2020, SEK M	Expected value of pension commitments	Change compared with used calculation assumptions
<b>Pension commitments according to original valuation</b>	<b>-4,355</b>	
Discount rate +1 percentage point	-3,747	608
Inflation +1 percentage point	-4,811	-456
Salary increases +1 percentage point	-4,427	-72

The sensitivity analyses above are based on a change in an 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 as that used in the calculation of pension liabilities<sup>1)</sup>.

1) The present value of defined-benefit commitments by applying the Projected Unit Credit Method at the end of the reporting period.

Composition of plan assets, SEK M	2020	2019
Equities	186	222
Financial instruments	546	544
Properties	29	19
Cash and cash equivalents and similar assets	12	14
Other	58	58
<b>Total</b>	<b>831</b>	<b>857</b>

The weighted average term of the pension commitments is 16 years (17).

#### Information regarding recognition of multi-employer defined-benefit pension plans

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 2020 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 scheme in accordance with ITP, which is safeguarded through insurance with Alecta, is thus

recognized as a defined-contribution scheme. During the year, fees for pension insurance covered by Alecta amounted to SEK 37 M (34). Alecta's surplus can be distributed to the insurers and/or the insured. At year-end 2020, Alecta's surplus in the form of the collective consolidation level was approximately 148% (148). 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.

#### NOTE 25 Accrued expenses and deferred income

SEK M	2020	2019
Salaries	1,539	1,197
Social security expenses	379	283
Commissions	169	184
Interest expenses	22	36
Consultancy fees	51	95
Other	709	519
<b>Total</b>	<b>2,868</b>	<b>2,314</b>

#### NOTE 26 Pledged assets and contingent liabilities

##### Pledged assets

The Group had no pledged assets

Contingent liabilities, SEK M	2020	2019
Guarantees	294	327
Other	90	109
<b>Total</b>	<b>384</b>	<b>436</b>

#### NOTE 27 Acquisition of operations

Net assets acquired, SEK M	2020	2019
Intangible assets	418	–
Tangible assets	13	–
Inventories	84	–
Accounts receivables	99	–
Other current receivables	49	–
Cash and cash equivalents	30	–
Other provisions	-5	–
Other interest-bearing liabilities	-11	–
Deferred tax liabilities	-80	–
Accounts payable	-39	–
Other non-interest-bearing liabilities	-107	–
<b>Identifiable net assets</b>	<b>451</b>	<b>–</b>
Goodwill	610	–
<b>Total purchase prices</b>	<b>1,061</b>	<b>–</b>
<i>Add/Less:</i>		
Additional purchase prices	6	6
Unpaid purchase prices	-38	–
Cash and cash equivalents in the acquired company	-30	–
<b>Impact on the Group's cash and cash equivalents</b>	<b>999</b>	<b>6</b>

#### Acquisitions in 2020

Applikon and Quadralene were acquired in 2020 and an additional purchase price was paid for the Thai company Simm Company and Surgeon Aids. The table above presents the fair value of acquired identifiable net assets, recognized goodwill and the impact on the Group's cash and cash equivalents.

#### Applikon

On January 3, 2020, the acquisition of 100 percent of Applikon Biotechnology BV was completed and the acquisition analysis was confirmed in the fourth quarter of the same year. Applikon has its registered office in Delft, the Netherlands and has about 180 employees. The purchase price paid amounted to SEK 826 M. In addition, a maximum of EUR 60 M may be paid in so-called additional purchase prices in 2021-2022 if certain financial targets are met. Acquisition expenses charged to 2019's profit amounted to SEK 23 M. The goodwill that arose in connection with the acquisition amounted to SEK 444 M, and is primarily attributable to strategic advantages in the form of growth opportunities and a broader product range. After the acquisition, the company generated sales of SEK 341 M with an EBITA of SEK 17 M.

#### Quadralene

All of the shares in Quadralene Holdings Ltd, a manufacturer and supplier of decontamination products with its registered office in Derby, UK, were acquired in November 2020. Quadralene generates annual sales of about SEK 75 M and has 30 employees. The purchase price amounted to SEK 235 M, of which SEK 38 M comprised contingent purchase prices that may be paid in 2021-2023 if certain financial targets are met. The costs of the acquisition amounted to SEK 6 M and were charged to earnings for 2020. The goodwill arising in connection with the acquisition amounted to SEK 166 M and was attributable to such items as revenue from future customers and strategic advantages regarding opportunities for package offerings that combine services and products. The acquisition did not have any material impact on Getinge's sales or earnings in 2020. The acquisition analysis was still preliminary when this annual report was published.

#### Simm Company and Surgeon Aids

In the second quarter of 2020, an additional purchase price of SEK 6 M was paid for the Thai company Simm Company and Surgeon Aids, which was acquired in 2017.



**NOTE 28** Financial risk management

Most of Getinge's operations are located outside Sweden. This situation entails that the Group is exposed to different types of financial risks that may cause fluctuations in net profit, cash flow and equity due to changes in exchange rates and interest rates. In addition, the Group is exposed to refinancing and counterparty risks. The primary role of the Group's finance function is to support the 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 and related directives, which are revised annually. Getinge's financial activities are centralized to benefit from economies of scale, to ensure good internal control and to facilitate monitoring of risk.

**Currency risks**

Currency risks comprise exchange-rate fluctuations, which have an impact on the Group's earnings and equity. Currency exposure occurs in connection with payments in foreign currency (transaction exposure) and when translating foreign subsidiaries' balance sheets and income statements to the presentation currency SEK (translation exposure). The effect of exchange-rate fluctuations is presented in the section on financial risk management in the Administration Report.

**Transaction exposure**

The Group's payment flows in foreign currencies are mainly generated by export sales, with the largest flows in USD, EUR, CNY and JPY. Getinge's finance policy stipulates that forecast net flows in foreign currency can be hedged for up to 24 months. Hedging is conducted using currency forwards, currency swaps and currency options. The market value of financial currency derivatives that meet the cash flow hedging requirements amounted to SEK 23 M (5) at December 31, 2020.

**Translation exposure — income statement**

When translating the results of foreign subsidiaries into SEK, currency exposure occurs, which affects the Group's earnings when exchange rates fluctuate.

**Translation exposure — balance sheet**

Currency exposure occurs when translating net assets of foreign subsidiaries into SEK, which can affect consolidated other comprehensive income. Although Getinge does not have the specifically stated goal of hedging translation exposure, the finance policy states that the Group's lending is to take place in currencies that limit translation exposure.

**Interest-rate risk**

Interest-rate risks are the changes in market interest rates that affect the Group's net interest. How quickly interest-rate changes impact net interest depends on the fixed-interest term of the loans. At December 31, 2020, the average fixed-interest term in the loan portfolio was five months. Interest-rate derivatives, such as interest-rate swaps, are used to achieve the desired fixed-interest term for borrowings.

If the average interest rate for currencies represented in the Group's loan portfolio at the end of the year changed by 1 percentage point, this would affect profits by +/- SEK 73 M on an annual basis. The market value of financial interest-rate derivative instru-

ments that meet the cash flow hedging requirements amounted to SEK -12 M (15) at December 31, 2020.

**Financing and liquidity risk**

Financing risk is defined as the risk of the cost being higher and financing opportunities limited as the loan is renegotiated and that the ability to pay cannot be met as a result of insufficient liquidity or difficulties in securing funding. Financing risk can arise through disruptions in the financial markets, for example, decisions on new regulations or the implementation of recently enacted laws. Getinge endeavors to have an investment grade rating. The Group's existing credit facilities are currently deemed to be sufficient. The Group's sources of financing primarily comprise equity, cash flow from operating activities and borrowing. To reduce financing risks, the Group strives to diversify its sources of financing and maturities according to the Group's finance policy. The single largest loan is a syndicated loan of EUR 490 M with seven banks. This loan agreement falls due in 2024. The Group has had an MTN program since 2012 with the aim of issuing bonds in the Swedish capital market. At year-end 2020, SEK 1,250 M was outstanding under this loan program. During the year, the Group signed a new EUR 100 M credit agreement with Landesbank Baden-Württemberg. The loan has an installment structure, with final payment due in 2029. Getinge also refinanced a loan agreement for USD 75 M with Mizuho Bank for a two-year period and a long-term EUR 30 M credit line with the European Investment Bank. In addition, agreements were signed for short-term financing solutions with SEB (SEK 500 M) and the Swedish Export Credit Corporation (SEK 600 M) to reduce potential liquidity risk related to the COVID-19 pandemic. In April 2020, Getinge also issued a six-month SEK 1 billion COVID-19 commercial paper, which was developed in line with the ICMA Social Bond Principles where the proceeds exclusively have been allocated to finance the increased production of ventilators and other life-saving equipment.

In addition to these credit facilities, the Group has short-term uncommitted credit lines. For further information on these credit lines, refer to Note 18.

At December 31, 2020, the Group's borrowings were in line with the requirements under the finance policy pertaining to diversification of lenders and maturity dates.

**Credit and counterparty risks**

The Group's financial transactions cause credit risks with regard to financial counterparties. Financial credit risks or counterparty risks constitute the risk of losses if the counterparties do not fully meet their commitments. The management of the Group's financial credit risk is regulated in the finance policy through accepting only creditworthy counterparties and fixed limits. At December 31, 2020, the total counterparty exposure in derivative instruments was SEK 14 M (20). The Group has signed standard netting agreements (ISDA) with counterparties for currency transactions and interest-rate swaps. These agreements permit relevant financial assets and liabilities to be offset. Transactions take place within established limits and exposures are continuously monitored.

Commercial credit risks are limited by a diversified customer base with a high credit rating. The Group's customers are found primarily in the public sector, which means that its credit risk is

generally very low. The credit risk for Getinge's customers in the private sector is also deemed to be low. When deemed necessary, credit risk is managed using letters of credit or export credit-related guarantees. The loss allowance at year-end totaled SEK 243 M (197). The Group's accounts receivable are presented in Note 14, which shows that the share of past due accounts receivable at December 31, 2020 amounted to SEK 1,630 M in relation to the total volume of accounts receivable, which amounted to SEK 5,580 M. For slightly more than 40% of past due accounts receivable, payment is past due by a maximum of one month.

**Financial derivatives**

Getinge uses financial derivatives to manage interest and currency exposure arising in its business. The effectiveness of a hedge is assessed when the hedging relationship is entered into. The hedged item and the hedging instrument are continuously assessed to ensure that the relationship meets the requirements. When the Group hedges purchases/sales in foreign currency, a hedging relationship is entered into whereby the critical terms of the hedging instrument match the terms of the hedged item. In this way, a qualitative assessment of the effectiveness of the relationship is performed and the hedges are expected to be effective for the period for which they are valid.

The Group also enters into interest-rate swap agreements that have the same critical terms as the hedged item. Critical terms may be benchmark interest rates, reset dates, currency, maturities and nominal amount. The Group does not hedge 100% of the principal and thus identifies only a portion of the outstanding principal that corresponds to the nominal amount of the swap. At

December 31, 2020, all financial derivatives outstanding were held for hedging purposes and were deemed to be effective. Consequently, hedge accounting was applied for these.

All derivatives are classified under level 2 of the value hierarchy. Fair value measurements for currency forwards are based on published forward rates in an active market. The measurement of interest-rate swaps is based on forward rates as expressed in market yield curves.

As part of the ongoing Interest Rate Benchmark Reform (IBOR reform), the IASB published amendments to the rules on hedge accounting in IFRS 9 and IAS 39 on September 26, 2019, which Getinge applied in the annual accounts for the 2020 fiscal year. This reform entails that the base rates applied to the Group's financial instruments will be changed in the future. The volumes subject to the amendments are presented in the table on interest-rate swaps in this Note and refer to the base rates of USD Libor and Stibor. Getinge is monitoring developments and currently believes that the effect of the forthcoming change will be minor and that the financial risk will be low.

**Fair value disclosures pertaining to borrowing and other financial instruments**

Essentially, all loans have floating interest rates and, accordingly, the fair value is assessed as corresponding to the carrying amount. The fair value of contingent purchase prices is assessed in accordance with level 3 in the value hierarchy. For other financial assets and liabilities, fair value is assessed as corresponding to the carrying amount due to the short expected maturity in time.

**Cash flow for financial liabilities**

The table below shows the Group's financial liabilities and derivative instruments that comprise financial liabilities, subdivided into the periods remaining on the closing date until the agreed date of maturity. The amounts stated in the table comprise contractual, undiscounted cash flows.

At December 31, 2020, SEK M	< 1 year	1-2 years	2-5 years	> 5 years
Bank loans and bond loans (including interest)	-2,294	-3,504	-2,955	-733
Derivative instruments	-7	-7	-	-
Leasing liabilities	-366	-255	-351	-144
Accounts payable	-1,446	-	-	-
<b>Total</b>	<b>-4,113</b>	<b>-3,766</b>	<b>-3,306</b>	<b>-877</b>

**Outstanding derivative instruments**

SEK M	2020		2019	
	Nominal amount	Fair value	Nominal amount	Fair value
Interest-rate derivatives	1,655	-12	1,745	15
Currency derivatives	309	23	698	5
<b>Total</b>	<b>1,964</b>	<b>11</b>	<b>2,443</b>	<b>20</b>

SEK M	2020		2019	
	Asset	Liability	Asset	Liability
Interest-rate derivatives – cash flow hedges	2	14	15	-
Currency derivatives – cash flow hedges	23	-	12	7
<b>Total</b>	<b>25</b>	<b>14</b>	<b>27</b>	<b>7</b>
Of which, short-term	23	-	12	7
Of which, long-term	2	14	15	-

Paid and accrued interest on interest-rate derivatives and combined instruments is continuously recognized in profit or loss. The fair value of derivative instruments is established using valuation techniques based on observable market information.

### Financial instruments by category

#### Financial assets, SEK M

	Assets at amortized cost		Assets at fair value through profit or loss		Derivatives used for hedging purposes		Assets at fair value through other comprehensive income		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Derivative instruments	–	–	1	–	24	27	–	–	25	27
Accounts receivable and other receivables, excluding interim receivables	6,140	7,271	–	–	–	–	–	–	6,140	7,271
Cash and cash equivalents	6,056	1,254	–	–	–	–	–	–	6,056	1,254
<b>Total</b>	<b>12,196</b>	<b>8,525</b>	<b>1</b>	<b>–</b>	<b>24</b>	<b>27</b>	<b>–</b>	<b>–</b>	<b>12,221</b>	<b>8,552</b>

#### Financial liabilities, SEK M

	Liabilities at amortized cost		Liabilities at fair value through profit or loss		Derivatives used for hedging purposes		Total			
	2020	2019	2020	2019	2020	2019	2020	2019		
Borrowing	–	–	9,216	9,112	–	–	–	–	9,216	9,112
Derivative instruments	–	–	–	–	0	7	14	–	14	7
Contingent purchase prices	–	–	–	–	38	–	–	–	38	–
Accounts payable and other financial liabilities	–	–	2,235	2,726	–	–	–	–	2,235	2,726
<b>Total</b>	<b>–</b>	<b>–</b>	<b>11,451</b>	<b>11,838</b>	<b>38</b>	<b>7</b>	<b>14</b>	<b>–</b>	<b>11,503</b>	<b>11,845</b>

### Distribution of currency for outstanding derivative instruments in nominal amounts, SEK M

	2020	2019
DKK	13	–
EUR	79	130
SEK	1,000	1,000
USD	872	1,313
<b>Total</b>	<b>1,964</b>	<b>2,443</b>

### Maturity structure for outstanding derivative instruments in 2020, SEK M

	2021	2022	2023	2024	2025	Total
Interest-rate derivatives	–	1,655	–	–	–	1,655
Currency derivatives	309	–	–	–	–	309
<b>Total</b>	<b>309</b>	<b>1,655</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,964</b>

The table refers to net flows

### Maturity structure for outstanding derivative instruments in 2019, SEK M

	2020	2021	2022	2023	2024	Total
Interest-rate derivatives	–	–	1,745	–	–	1,745
Currency derivatives	698	–	–	–	–	698
<b>Total</b>	<b>698</b>	<b>–</b>	<b>1,745</b>	<b>–</b>	<b>–</b>	<b>2,443</b>

The table refers to net flows

### Reserve of cash flow hedges

The table below shows the composition of the Group's reserve of cash flow hedges and the change in each component during the year.

SEK M	Currency forwards	Interest-rate swaps	Total
<b>Opening balance 2019</b>	<b>-48</b>	<b>-62</b>	<b>-110</b>
Change in fair value of hedging instruments recognized in other comprehensive income	12	71	83
Reclassification to profit or loss	61	24	85
Deferred tax	-16	-22	-38
<b>Closing balance 2019</b>	<b>9</b>	<b>11</b>	<b>20</b>
<b>Opening balance 2020</b>	<b>9</b>	<b>11</b>	<b>20</b>
Change in fair value of hedging instruments recognized in other comprehensive income	22	-26	-4
Reclassification to profit or loss	-12	0	-12
Deferred tax	-2	6	4
<b>Closing balance 2020</b>	<b>17</b>	<b>-9</b>	<b>8</b>

### Derivative instruments – currency forwards

Currency forwards, in the three largest currency pairs, impact the Group's financial position and earnings as follows:

Derivative instruments - currency forwards EUR/SEK, SEK M	2020	2019
Recognized amount (asset)	3	1
Nominal amount EUR M	8	13
Maturity	Jan 2021–Jun 2021	Jan 2020–Dec 2020
Hedge ratio	1:1	1:1
Change in discounted forward rates for outstanding hedging instruments since January 1	3	1
Change in value of hedged item to determine effectiveness	-3	-1
Weighted average of forward rates at year-end (including forward points)	10.42	10.52
Derivative instruments - currency forwards EUR/USD, SEK M	2020	2019
Recognized amount (asset)	2	3
Nominal amount USD M	4	32
Maturity	Jan 2021–Mar 2021	Jan 2020–Apr 2020
Hedge ratio	1:1	1:1
Change in discounted forward rates for outstanding hedging instruments since January 1	2	3
Change in value of hedged item to determine effectiveness	-2	-3
Weighted average of forward rates at year-end (including forward points)	1.17	1.11
Derivative instruments - currency forwards USD/SEK, SEK M	2020	2019
Recognized amount (asset)	17	8
Nominal amount USD M	22	29
Maturity	Jan 2021–Nov 2021	Jan 2020–Dec 2020
Hedge ratio	1:1	1:1
Change in discounted forward rates for outstanding hedging instruments since January 1	17	8
Change in value of hedged item to determine effectiveness	-17	-8
Weighted average of forward rates at year-end (including forward points)	8.94	9.53

### Derivative instruments – interest-rate swaps

Interest-rate swaps impact the Group's financial position and earnings as follows:

SEK M	2020	2019
Recognized amount (liability (-)/asset)	-12	15
Nominal amount <sup>1)</sup>	1,655	1,745
Maturity	Aug 2022–Oct 2022	Aug 2022–Oct 2022
Hedge ratio	1:1	1:1
Change in value of outstanding derivative instruments since January 1	-26	71
Change in value of hedged item to determine effectiveness	26	-71
Weighted average rate for outstanding interest-rate swap at year-end (including forward points)	0.50%	0.55%

1) The nominal amount will be affected by the changes in benchmark interest rates after 2021 (USD Libor and Stibor).



**NOTE 29** Employee costs

SEK M	2020			2019		
	Board and CEO	Other	Total	Board and CEO	Other	Total
Salaries and remuneration	-290	-7,991	-8,281	-232	-7,107	-7,339
Social security expenses	-51	-1,289	-1,340	-57	-1,252	-1,309
Pension expenses	-21	-400	-421	-19	-373	-392
<b>Total</b>	<b>-362</b>	<b>-9,680</b>	<b>-10,042</b>	<b>-308</b>	<b>-8,732</b>	<b>-9,040</b>

**Remuneration and other benefits in 2020**

SEK 000s	Board fee <sup>1)</sup>	Base salary	Short term variable remuneration	Long term variable remuneration	Other benefits	Pension expenses	Total
Chairman of the Board	-1,555	–	–	–	–	–	-1,555
Board members	-6,040	–	–	–	–	–	-6,040
Mattias Perjos, President & CEO	–	-23,250	-18,600	-12,810	-2,752	-9,294	-66,706
Other senior executives (9 people)	–	-25,860	-18,603	-14,104	-3,342	-8,507	-70,416
<b>Total</b>	<b>-7,595</b>	<b>-49,110</b>	<b>-37,203</b>	<b>-26,914</b>	<b>-6,094</b>	<b>-17,801</b>	<b>-144,717</b>

<sup>1)</sup> Also includes fees for work on Board Committees.

**Comments on the table**

- Short term variable remuneration refers to bonuses for the 2020 fiscal year, which will be paid in 2021.
- Long term variable remuneration refers to amounts earned in a long-term bonus program for 2018–2020, which will be paid in 2021.
- Other benefits refer to vacation pay, company car, medical insurance, etc.
- For information on Board fees for each member, refer to pages 69–71.
- Other senior executives pertains to remuneration to members in the Getinge Executive Team, other than the CEO. Excluding the CEO, the Getinge Executive Team comprised nine individuals at year-end. Only remuneration that has been received as a member of the Getinge Executive Team is included in the amounts recognized, which includes individuals that joined and left the Getinge Executive Team during the year.

**Remuneration and other benefits in 2019**

SEK 000s	Board fee <sup>1)</sup>	Base salary	Short term variable remuneration	Long term variable remuneration	Other benefits	Pension expenses	Total
Chairman of the Board	-1,309	–	–	–	–	–	-1,309
Board members	-5,846	–	–	–	–	–	-5,846
Mattias Perjos, President & CEO	–	-22,056	-14,116	–	-992	-8,879	-46,043
Other senior executives (8 people)	–	-24,611	-15,388	–	-2,686	-7,191	-49,876
<b>Total</b>	<b>-7,155</b>	<b>-46,667</b>	<b>-29,504</b>	<b>–</b>	<b>-3,678</b>	<b>-16,070</b>	<b>-103,074</b>

<sup>1)</sup> Also includes fees for work on Board Committees.

**Annual General Meeting's guidelines for remuneration to senior executives**

The 2020 Annual General Meeting resolved on guidelines for remuneration to senior executives, which are described in pages 74–75. Getinge applied the guidelines adopted by the AGM as follows:

**Principles:** The Annual General Meeting decides on remuneration to the Chairman of the Board and Board members. Employee representatives do not receive Board remuneration. Remuneration to the CEO and other senior executives comprises base salary, variable remuneration, other benefits as well as pensions. Other senior executives comprise the individuals, who together with the CEO, comprise the Getinge Executive Team. For the Getinge Executive Team structure, see pages 72–73. The allocation between base salary and variable remuneration should be proportionate to the executive's responsibility and authority. The CEO's variable remuneration is maximized to 80% of base salary. For other senior executives, the variable remuneration is maximized to between 60 and 90% of the base salary.

**Annual variable remuneration:** The variable remuneration for senior executives is based on performance targets set by the Board and in order to promote the company's development, all members of the Getinge Executive Team have identical targets. For the 2020 fiscal year, the goals were related to earnings, organic sales growth and tied-up working capital. All performance targets were fully achieved, which resulted in a maximum bonus outcome.

**Variable long term remuneration:** In addition to base salary and the above annual variable remuneration, senior executives may also receive a variable long term bonus that rewards and promotes the company's long term value creation. The earnings period for this bonus must be at least three fiscal years and the bonus may amount to a maximum of 100% of base salary.

**Pensions:** The CEO is entitled to a pension from the age of 62. The pension is premium based and pension expenses amount to 40% of base salary. Variable cash remunerations do not qualify for pension benefits. For other senior executives, the retirement age is 65 years, except for one senior executive whose retirement

age is 62 years in accordance with local regulations in the country of residence. All pension benefits are transferable, i.e. not conditional on future employment.

**Severance pay:** 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. Severance pay is not offset against any other income. After the end of the period of notice, severance pay corresponding to one annual salary is paid. The company is entitled to deduct any income the CEO may receive from other employment or business activities from the severance pay. 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 one year.

**Drafting and decision-making process:** During the year, the Remuneration Committee gave the Board its recommendations concerning policies for the remuneration to senior executives. The recommendations included the proportion between fixed and variable remuneration and the size of possible pay increases. The Remuneration Committee also proposed criteria for determining bonuses, allotment and the size of the pension conditions and severance pay. The Board discussed the Remuneration Committee's proposals and decided in line with the Remuneration Committee's recommendations. Remuneration to the CEO for the 2020 fiscal year was decided by the Board taking into account the Remuneration Committee's recommendations. Remuneration to other senior executives was decided by the Remuneration Committee following a recommendation by the CEO and in consultation with the Chairman of the Board. The Remuneration Committee was convened on three occasions prior to the 2021 AGM. The committee's work was conducted with the support of external experts in issues concerning remuneration levels and structures.

**NOTE 30** Average number of employees

By country	2020			2019		
	Men	Women	Total	Men	Women	Total
Australia	143	80	223	142	87	229
Belgium	61	12	73	56	9	65
Brazil	58	39	97	63	37	100
Colombia	19	11	30	19	12	31
Costa Rica	–	–	–	42	14	56
Denmark	97	41	138	107	39	146
Finland	28	9	37	26	8	34
France	671	398	1,069	620	411	1,031
United Arab Emirates	44	19	63	44	19	63
Hong Kong	31	27	58	29	25	54
India	218	36	254	199	39	238
Ireland	11	1	12	11	1	12
Italy	98	41	139	103	52	155
Japan	169	59	228	182	59	241
Canada	81	41	122	76	44	120
China	374	177	551	370	168	538
Mexico	26	17	43	30	15	45
Netherlands	174	56	230	86	25	111
Norway	31	1	32	27	2	29
Poland	202	314	516	200	266	466
Portugal	16	6	22	15	6	21
Russia	25	29	54	33	15	48
Switzerland	44	8	52	43	8	51
Serbia	7	4	11	11	6	17
Singapore	44	37	81	36	22	58
Slovakia	3	1	4	2	1	3
Spain	80	31	111	70	31	101
Great Britain	220	74	294	213	81	294
Sweden	909	340	1,249	895	331	1,226
South Africa	8	13	21	9	14	23
South Korea	7	5	12	8	6	14
Taiwan	21	16	37	20	12	32
Thailand	92	46	138	91	54	145
Czech Republic	26	12	38	25	11	36
Turkey	246	276	522	240	270	510
Germany	1,207	677	1,884	1,250	706	1,956
USA	1,429	884	2,313	1,483	864	2,347
Austria	34	3	37	35	3	38
<b>Total average number of employees</b>	<b>6,954</b>	<b>3,841</b>	<b>10,795</b>	<b>6,911</b>	<b>3,773</b>	<b>10,684</b>

**Distribution of senior executives and Board members at the closing date, %**

	2020	2019
<b>Women:</b>		
Board members of the Parent Company	33%	33%
Other members of the company's management, incl. CEO	30%	22%
<b>Men:</b>		
Board members of the Parent Company	67%	67%
Other members of the company's management, incl. CEO	70%	78%

**NOTE 31** Transactions with related parties

Transactions between Getinge AB and its subsidiaries, which are related companies to Getinge AB, were eliminated in the consolidated financial statements. Business terms and conditions as well as market-regulated pricing apply for delivery of products and services between Group companies. No Board member or senior executive has, or has had, any direct or indirect participation in any business transactions, between themselves and the company, that are or were non-transparent in nature, regarding the applicable terms or conditions. In 2018, Board members and the Executive Team of Getinge AB acquired synthetic options in Getinge AB issued by the company's principal owner Carl Bennet AB. Getinge was not a party to the transactions and the offering was submitted

on Carl Bennet AB's own initiative, without Getinge's participation. The options were acquired at a price corresponding to the estimated market value.

Following the distribution of Arjo in December 2017, Getinge carried out normal commercial transactions with Arjo for the sale and purchase of goods and services. Getinge's receivables from Arjo amounted to SEK 6 M and liabilities amounted to SEK 8 M at December 31, 2020.

In addition to the above, there were no other transactions with related parties. For remuneration and benefits to senior executives and Board members, see Note 29.

**NOTE 32** Events after the end of the fiscal year

No significant events have occurred after the end of the financial year.

**NOTE 33** Supplementary disclosure to cash flow statement

	2020	2019
<b>Cash and cash equivalents, SEK M</b>		
Investments	2,081	1
Cash and bank balances	3,975	1,253
<b>Total</b>	<b>6,056</b>	<b>1,254</b>
<b>Adjustments for items not included in cash flow, SEK M</b>		
Gain(-)/loss(+) from divestment/disposal of non-current assets	32	-18
Write-down of inventories	102	–
Write-down of operating receivables	88	72
Unutilized provisions restored	-183	–
Other	21	–
<b>Total</b>	<b>60</b>	<b>54</b>
<b>Interest paid and received, SEK M</b>		
Interest received	5	7
Interest paid	-265	-426
<b>Total</b>	<b>-260</b>	<b>-419</b>

**NOTE 34** Capitalized development costs

SEK M	2020	2019
Research and development costs, gross	-1,462	-1,261
Capitalized development costs	429	499
<b>Research and development costs, net</b>	<b>-1,033</b>	<b>-762</b>

**NOTE 35** Government grants

Getinge has received government grants related to the outbreak of COVID-19 from authorities in several different countries. The total amount regarding such grants amounted to SEK 27 M, of which SEK 24 M has been reported in the income statement and SEK 3 M has reduced the carrying amount of the assets to which the grants were related. The corona related grants mainly concerned allowance for short-term work and compensation for sick leave costs.

During the year, Getinge also received SEK 18 M (8) in government grants, which were not related to COVID-19.

Government grants reported in the income statement totaled SEK 42 M (8), of which SEK 21 M (8) was reported as other operating income and SEK 21 M (0) has been reported as a reduction of the costs to which the grants were related.



## Parent Company's income statement

SEK M	Note	2020	2019
Administrative expenses	2, 16, 17	-58	-234
Other operating income		38	-
Other operating expenses		-	-43
<b>Operating result</b>		<b>-20</b>	<b>-277</b>
Result from participations in Group companies	5	308	979
Interest income and other similar income	6	1	1
Interest expenses and other similar expenses	7	-394	-783
<b>Profit after financial items</b>		<b>-105</b>	<b>-80</b>
Appropriations	18	243	493
Taxes	8	-22	15
<b>Net profit for the year</b>		<b>116</b>	<b>428</b>

## Parent Company's statement of comprehensive income

SEK M	Note	2020	2019
<b>Net profit for the year</b>		<b>116</b>	<b>428</b>
Other comprehensive income		-	-
<b>Comprehensive income for the year</b>		<b>116</b>	<b>428</b>

## Parent Company's balance sheet

SEK M	Note	2020	2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	3	24	34
Tangible assets	4	6	7
Participations in Group companies	9	28,090	28,431
Deferred tax assets		106	112
<b>Total non-current assets</b>		<b>28,226</b>	<b>28,584</b>
<b>Current assets</b>			
Accounts receivable		-	6
Receivables from Group companies		295	587
Current tax assets		5	6
Other receivables		6	34
Prepaid expenses and accrued income	12	17	18
Cash and cash equivalents	20	950	0
<b>Total current assets</b>		<b>1,273</b>	<b>651</b>
<b>TOTAL ASSETS</b>		<b>29,499</b>	<b>29,235</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	19		
<i>Restricted equity</i>			
Share capital		136	136
Statutory reserve		2,525	2,525
<i>Non-restricted equity</i>			
Share premium reserve		4,264	4,264
Retained earnings		13,978	13,959
Net profit for the year		116	428
<b>Total equity</b>		<b>21,019</b>	<b>21,312</b>
<b>Long-term liabilities</b>			
Interest-bearing long-term loans	10, 20	-	1,456
Liabilities to Group companies	20	-	745
Other provisions, long-term		32	29
<b>Total long-term liabilities</b>		<b>32</b>	<b>2,230</b>
<b>Current liabilities</b>			
Interest-bearing current loans	11, 20	1,248	2,191
Accounts payable		23	38
Liabilities to Group companies		6,932	3,197
Current tax liabilities		-	4
Other liabilities		4	3
Accrued expenses and deferred income	13	241	260
<b>Total current liabilities</b>		<b>8,448</b>	<b>5,693</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,499</b>	<b>29,235</b>

Refer to Note 14 for information concerning pledged assets and contingent liabilities.

## Changes in Parent Company equity

SEK M	Restricted equity		Non-restricted equity		Total equity
	Share capital <sup>1)</sup>	Statutory reserve	Share premium reserve	Retained earnings and net profit for the year	
<b>Opening balance at January 1, 2019</b>	136	2,525	4,264	14,231	21,156
Comprehensive income for the year	–	–	–	428	428
Dividend	–	–	–	-272	-272
<b>Closing balance at December 31, 2019</b>	136	2,525	4,264	14,387	21,312
<b>Opening balance at January 1, 2020</b>	136	2,525	4,264	14,387	21,312
Comprehensive income for the year	–	–	–	116	116
Dividend	–	–	–	-409	-409
<b>Closing balance at December 31, 2020</b>	136	2,525	4,264	14,094	21,019

1) The share capital consists of 18,217,200 Class A shares and 254,152,373 Class B shares. Each share's quotient value is SEK 0.50 and all shares carry equal rights to dividends. One Class A share carries ten votes and one Class B share carries one vote.

## Parent Company's cash flow statement

SEK M	Note	2020	2019
<b>Operating activities</b>			
Operating result		-20	-277
Adjustments for items not included in cash flow		14	49
Interest received and similar items		1	1
Dividend received		712	987
Interest paid and similar items		-351	-584
Taxes paid		-19	46
<b>Cash flow before changes in working capital</b>		<b>337</b>	<b>222</b>
<b>Changes in working capital</b>			
Current receivables		77	478
Current liabilities		3,718	1,915
<b>Cash flow from operating activities</b>		<b>4,132</b>	<b>2,615</b>
<b>Investing activities</b>			
Investments in intangible assets	3	–	-4
Investments in tangible assets	4	–	-1
Divestment of fixed assets		–	1
Investments in subsidiaries		-63	-408
Divestment of subsidiaries		–	31
<b>Cash flow from investing activities</b>		<b>-63</b>	<b>-381</b>
<b>Financing activities</b>			
Repayment of loans	20	-3,203	-4,179
Change in long-term receivables		–	29
Dividend paid		-409	-272
Group contributions received		493	2,188
<b>Cash flow from financing activities</b>		<b>-3,119</b>	<b>-2,234</b>
<b>Cash flow for the year</b>		<b>950</b>	<b>0</b>
Cash and cash equivalents at the beginning of the year		0	0
Cash flow for the year		950	0
<b>Cash and cash equivalents at year-end</b>		<b>950</b>	<b>0</b>



**NOTE 1** Parent Company's accounting policies

The financial statements of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Reporting of Legal Entities. In accordance with the regulations stipulated in RFR 2, in the annual financial statements for a legal entity, the Parent Company is to apply all of the IFRS/IAS regulations and statements that have been endorsed by the EU where possible within the framework of the Swedish Annual Accounts Act and with consideration of the link between accounting and taxation. The recommendation specifies which exceptions and additions are to be made from IFRS/IAS. Provisions conforming to IFRS/IAS are stated in Note 1 Accounting policies, for the consolidated financial statements.

The Parent Company applies the accounting policies detailed for the Group with the exception of the following:

**Remuneration to employees**

The Parent Company complies with the Swedish Pension Obligations Vesting Act and directives from the Swedish Financial Supervisory Authority when calculating defined-benefit pension plans.

**Financial derivatives**

For derivatives, the exemption in RFR 2 pertaining to IFRS 9 is applied, meaning that measurement and recognition of financial instruments is based on cost pursuant to the Swedish Annual Accounts Act.

**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.

**Group contributions**

Group contributions received and paid are recognized as appropriations according to the alternative rule in RFR 2.

**Operational leases**

All leasing agreements in the Parent Company are recognized as operational leases.

**NOTE 2** Depreciation/amortization according to plan

SEK M	2020	2019
Equipment, tools, fixtures and fittings	-1	-2
Intangible assets	-10	-11
<b>Total</b>	<b>-11</b>	<b>-13</b>

**NOTE 3** Intangible assets

Intangible assets, SEK M	2020	2019
Opening cost	53	206
Investments	-	4
Sales/disposals	-	-157
<b>Closing accumulated cost</b>	<b>53</b>	<b>53</b>
Opening amortization	-19	-148
Amortization for the year	-10	-11
Sales/disposals	-	140
<b>Closing accumulated amortization</b>	<b>-29</b>	<b>-19</b>
<b>Closing carrying amount</b>	<b>24</b>	<b>34</b>

**NOTE 4** Tangible assets

Equipment, tools, fixtures and fittings, SEK M	2020	2019
Opening cost	11	16
Investments	-	1
Sales/disposals	-	-6
<b>Closing accumulated cost</b>	<b>11</b>	<b>11</b>
Opening depreciation	-4	-7
Depreciation for the year	-1	-2
Sales/disposals	-	5
<b>Closing accumulated depreciation</b>	<b>-5</b>	<b>-4</b>
<b>Closing carrying amount</b>	<b>6</b>	<b>7</b>

**NOTE 5** Result from participations in Group companies

SEK M	2020	2019
Dividends from Group companies	712	987
Divestment of subsidiaries	-	29
Impairment of shares in subsidiaries	-404	-37
<b>Total</b>	<b>308</b>	<b>979</b>

**NOTE 6** Interest income and other similar income

SEK M	2020	2019
Interest income	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

**NOTE 7** Interest expenses and other similar expenses

SEK M	2020	2019
Interest expenses to Group companies	-143	-106
Interest expenses	-39	-203
Currency losses	-206	-464
Other	-6	-10
<b>Total</b>	<b>-394</b>	<b>-783</b>

**NOTE 8** Taxes

SEK M	2020	2019
Current tax	-16	-17
Deferred tax	-6	32
<b>Total</b>	<b>-22</b>	<b>15</b>

**The relationship between the year's tax expense and the recognized profit before tax, SEK M**

Recognized profit before tax	2020	2019
Tax according to current tax rate in Sweden (21.4%)	-30	-88
Tax effect of non-deductible costs	-130	-99
Tax effect of non-taxable income	166	221
Foreign withholding tax	-16	-17
Adjustment of tax expenses from earlier years	-12	-1
Revaluation of deferred tax assets to new tax rate	-	-1
<b>Recognized tax expense</b>	<b>-22</b>	<b>15</b>

**NOTE 9** Participations in Group companies

Parent Company's holdings	Reg. office	Swedish Corp. Reg. No.	No. of shares	Percentage holding	Carrying amount	Carrying amount
					2020, SEK M	2019, SEK M
Getinge Finance Holding AB	Gothenburg	556473-1700	23,062,334	100	10,959	10,959
Getinge Sterilization AB	Halmstad	556031-2687	50,000	100	623	623
Maquet Holding AB	Gothenburg	556535-6317	1,000	100	1,481	1,481
Getinge Disinfection AB	Halmstad	556042-3393	25,000	100	118	118
Getinge Australia Pty Ltd	Australia		56,975	100	72	9
Getinge Danmark A/S	Denmark		10,000	100	41	41
Getinge IT Solutions ApS	Denmark		533,000	100	27	27
Getinge Finland Oy Ab	Finland		15	100	0	0
Getinge Infection Control SAS	France		1,666,712	85	698	698
Getinge/Castle International Ltd	Greece		100	100	0	2
Getinge Treasury Ireland DAC	Ireland		2	100	583	985
Getinge Norge AS	Norway		4,500	100	4	4
Neuromedica SA	Spain		40,000	100	16	16
Getinge Shared Services Sp. z o.o.	Poland		60,600	100	33	33
Getinge Holding USA, Inc	USA		10,000	100	13,179	13,179
Getinge Group Shared Services CR Sociedad	Costa Rica		10	100	0	0
Getinge Polska Sp. z o.o.	Polen		2,109	35	13	13
Getinge Group Japan K.K.	Japan		800	100	243	243
<b>Total carrying amount</b>					<b>28,090</b>	<b>28,431</b>

The Parent Company's holding of shares in the subsidiaries constitutes the entire capital of the respective company, which also corresponds to 100% of the voting rights, unless otherwise stated.

**Subsidiaries of sub-groups**

Getinge Group, with operations in many countries, is organized into sub-groups in several categories, and accordingly, the legal structure cannot be reflected in a simpler manner in a tabular presentation.

Group companies directly or indirectly owned by Getinge AB are specified below. The ownership interest is 100% except in cases where the ownership interest is stated in parentheses.

**Sweden**

- Getinge Finance Holding AB, 556473-1700, Gothenburg
- Arjo Ltd Med. AB, 556473-1718, Gothenburg
- Getinge Disinfection AB, 556042-3393, Halmstad
- Getinge Infection Control AB, 556547-8798, Halmstad
- Getinge International AB, 556547-8780, Halmstad
- Getinge Sterilization AB, 556031-2687, Halmstad
- Getinge Sverige AB, 556509-9511, Halmstad
- Getinge Treasury AB, 556535-6309, Gothenburg
- Maquet Critical Care AB, 556604-8731, Solna
- Maquet Holding AB, 556535-6317, Gothenburg
- Maquet Nordic AB, 556648-1163, Solna

**Australia**

- Getinge Australia Pty Ltd

**Belgium**

- Getinge Belgium NV

**Brazil**

- Getinge do Brasil Equipamentos Medicos Ltda

**Colombia**

- Maquet Colombia S.A.S

**Costa Rica**

- Getinge Group Shared Services CR Sociedad

**Denmark**

- Getinge Cetrea A/S
- Getinge Danmark A/S
- Getinge IT Solutions ApS
- Getinge Water Systems A/S
- Polystan A/S

**Finland**

- Getinge Finland Oy Ab
- Maquet Finland Oy

**France**

- Filance SAS
- Getinge France SAS
- Getinge Infection Control SAS
- Getinge La Calh ne SAS
- Getinge Lancer
- Intervascular SAS
- Maquet SAS

**United Arab Emirates**

- Getinge Group Middle East FZ-LLC

**Greece**

- Getinge/Castle International Ltd

**Hong Kong**

- Getinge Group Hong Kong Ltd

**India**

- Atrium Medical India Pvt Ltd
- Getinge India Pvt Ltd
- Getinge Medical India Pvt Ltd

**Ireland**

- Getinge Treasury Ireland DAC
- Getinge Ireland Ltd
- Quadralene International Limited

**Italy**

- Getinge Italia SRL

**Japan**

- Getinge Group Japan K.K.

**Canada**

- Getinge Canada Ltd

**China**

- Getinge Shanghai Trading Co. Ltd
- Maquet (Shanghai) Medical Equipment Co., Ltd.
- Maquet (SuZhou) Co., Ltd.
- Suzhou MAQUET Medical Engineering Co., Ltd.

**Mexico**

- Maquet Mexicana, S. de R.L. de CV

**Netherlands**

- Getinge Holding Netherlands B.V.
- Datascope B.V.
- Getinge Netherlands B.V.
- Maquet Verwaltungs B.V.
- Applikon Biotechnology BV

**Norway**

- Getinge Norge AS

**Poland**

- Getinge Polska Sp. z o.o.
- Getinge IC Production Polska Sp. z o.o.
- Getinge Shared Services Sp. z o.o.

**Portugal**

- Getinge Group Portugal Unipessoal Lda

**Russia**

- Maquet LLC

**Switzerland**

- Getinge Schweiz AG

**Serbia**

- Getinge Group South East Europe d.o.o. Beograd- Novi Beograd

**Singapore**

- Getinge Singapore Pte. Ltd.
- Getinge South East Asia Pte Ltd

**Slovakia**

- Getinge Slovakia s.r.o.

**Spain**

- Getinge Group Spain SL
- Neuromedica SA

**UK**

- Getinge IT Solutions Limited
- Getinge Extended Care UK Limited\*
- Getinge Holding Limited\*
- Getinge Production UK Limited
- Getinge UK Limited
- Getinge Limited
- Scantrack Healthcare Limited
- Quadralene Holdings Limited
- Quadralene Limited
- Biocleanse Limited
- Bioclear Limited
- Dentisan Limited
- Teknon Limited

**South Africa**

- Maquet Southern Africa (Pty) Ltd

**South Korea**

- Getinge Medical Korea Co. Ltd

**Taiwan**

- Getinge Group Taiwan Co. Ltd

**Thailand**

- Getinge (Thailand) Co. Ltd (49%)

**Czech Republic**

- Getinge Czech Republic, s.r.o.

**Turkey**

- Getinge Stericool Medikal Aletler Sanayi ve Ticaret Anonim Sirketi
- Trans Medikal Aletler Sanayi ve Ticaret A.S
- Maquet Cardiopulmonary Medikal Teknik Sanayi Ticaret Limited Sirketi
- Getinge Medikal Sistemler San ve Tic A.S

**Germany**

- Getinge Holding GmbH
- Getinge Vertriebs Holding GmbH
- Getinge Hospital Solutions GmbH
- Maquet Cardiopulmonary GmbH
- Getinge Financial Services GmbH
- Maquet GmbH
- Getinge Holding B.V. & Co KG
- MediKomp GmbH
- Maquet Medical Systems AG
- Getinge Deutschland GmbH
- Getinge IT Solutions GmbH
- PULSION Medical Systems SE (78%)

**Ukraine**

- Maquet Ukraine LLC

**USA**

- Atrium Medical Corp
- Getinge USA Sales LLC
- Genisphere Inc
- Getinge Group Logistics Americas, LLC
- Getinge Holding USA, Inc
- Getinge Sourcing LLC
- Getinge La Calh ne USA Inc
- Lancer Sales USA Inc
- Maquet Cardiovascular LLC
- Maquet Cardiovascular US Sales LLC
- Datascope Corp
- Steritec Products Mfg Co Inc
- Applikon Biotechnology Incorporated

**Vietnam**

- Getinge Vietnam Company Limited

**Austria**

- Getinge  sterreich GmbH

\* A Parent Company guarantee was issued in accordance with section 479(C) of the UK Companies Act 2006 for the 2020 fiscal year for certain subsidiaries registered in the UK. The Parent Company guarantee applies to all outstanding liabilities for the subsidiaries on the closing date until the commitments have been met. The stated subsidiaries have applied the exemption from statutory audit in accordance with section 479(A) of the UK Companies Act 2006.



**NOTE 10 Interest-bearing long-term loans**

SEK M	2020	2019
Liabilities to credit institutions	–	1,456
<b>Total</b>	<b>–</b>	<b>1,456</b>

**NOTE 11 Interest-bearing current loans**

SEK M	2020	2019
Liabilities to credit institutions	1,248	2,191
<b>Total</b>	<b>1,248</b>	<b>2,191</b>

**NOTE 12 Prepaid expenses and accrued income**

SEK M	2020	2019
Prepaid financial expenses	–	1
Other	17	17
<b>Total</b>	<b>17</b>	<b>18</b>

**NOTE 13 Accrued expenses and deferred income**

SEK M	2020	2019
Salaries	102	63
Social security expenses	121	97
Interest expenses	2	18
Other	16	82
<b>Total</b>	<b>241</b>	<b>260</b>

**NOTE 14 Pledged assets and contingent liabilities****Pledged assets**

The Parent Company had no pledged assets.

Contingent liabilities, SEK M	2020	2019
Guarantees FPG/PRI	289	280
Other guarantees	857	917
<b>Total</b>	<b>1,146</b>	<b>1,197</b>

**NOTE 15 Average number of employees**

	2020	2019
Men	37	38
Women	38	38
<b>Total</b>	<b>75</b>	<b>76</b>

**Distribution of senior executives at the closing date**

	2020	2019
<b>Women:</b>		
Board members of the Parent Company	4	4
Other members of the company's management, incl. CEO	2	2
<b>Men:</b>		
Board members of the Parent Company	8	8
Other members of the company's management, incl. CEO	4	4

**NOTE 16 Employee costs**

2020, SEK M	Board and CEO	Other	Total
Salaries and remuneration	-65	-120	-185
Social security expenses	-22	-47	-69
Pension expenses	-9	-33	-42
<b>Total</b>	<b>-96</b>	<b>-200</b>	<b>-296</b>

2019, SEK M	Board and CEO	Other	Total
Salaries and remuneration	-44	-114	-158
Social security expenses	-16	-43	-59
Pension expenses	-9	-33	-42
<b>Total</b>	<b>-69</b>	<b>-190</b>	<b>-259</b>

**NOTE 17 Auditing**

Fee to PwC, SEK M	2020	2019
Auditing assignment	-15	-15
Auditing activities other than auditing assignments	-0	-1
Other services	-1	-9
<b>Total</b>	<b>-16</b>	<b>-25</b>

Öhrlings PricewaterhouseCoopers AB has the auditing assignment for the Parent Company. Auditing assignments refer to auditing of the financial statements and statutory accounts and other required legal audit. Auditing activities other than auditing assignments include mainly the review of interim reports as well as other

services related to financial reporting. Other services mainly pertain to services in connection with acquisitions. Of other services SEK 1 M (2) was attributable to the registered auditing firm Öhrlings PricewaterhouseCoopers AB.

**NOTE 18** Appropriations

SEK M	2020	2019
Group contributions received	243	493
<b>Total</b>	<b>243</b>	<b>493</b>

**NOTE 19** Proposed appropriation of profit**The following non-restricted equity in the Parent Company is at the disposal of the Annual General Meeting, SEK M:**

Share premium reserve	4,264
Retained earnings	13,978
Net profit for the year	116
<b>Total</b>	<b>18,358</b>

The Board and Chief Executive Officer propose that a dividend of SEK 3.00 per share shall be distributed to shareholders to be carried forward	817
<b>Total</b>	<b>18,358</b>

**NOTE 20** Parent Company's net interest-bearing debt

SEK M	2020	Change	2019
Interest-bearing current loans to credit institutions	1,248	-943	2,191
Interest-bearing long-term loans to Group companies	–	-745	745
Interest-bearing long-term loans to credit institutions	–	-1,456	1,456
Less cash and cash equivalents	-950	-950	0
<b>Total</b>	<b>298</b>	<b>-4,094</b>	<b>4,392</b>

SEK M	Cash and cash equivalents	Interest-bearing loans	Total
<b>Net debt at January 1, 2019</b>	<b>0</b>	<b>8,354</b>	<b>8,354</b>
Cash flow affecting net debt	0	-4,179	-4,179
Exchange-rate differences	0	217	217
<b>Net debt at December 31, 2019</b>	<b>0</b>	<b>4,392</b>	<b>4,392</b>

<b>Net debt at January 1, 2020</b>	<b>0</b>	<b>4,392</b>	<b>4,392</b>
Cash flow affecting net debt	-950	-3,203	-4,153
Exchange-rate differences	0	59	59
<b>Net debt at December 31, 2020</b>	<b>-950</b>	<b>1,248</b>	<b>298</b>

**NOTE 21** Events after the end of the fiscal year

No significant events occurred after the end of the fiscal year.

# Auditor's report

To the general meeting of the shareholders of Getinge AB (publ),  
corporate identity number 556408-5032

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Getinge AB (publ) for the year 2020 except for the corporate governance statement on pages 56–73. The annual accounts and consolidated accounts of the company are included on pages 46–130 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 56–73. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Our audit approach

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

#### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

#### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgement, 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 on these matters.



Key audit matters	How our audit addressed the Key audit matter
<p><b>Valuation of intangible assets</b>  <i>With reference to Note 1 and Note 12.</i>            Goodwill and other intangible assets with an indefinite useful life represents a significant part of the Balance Sheet of Getinge. The Company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported.</p> <p>This impairment test is based on a high level of judgments and assumptions regarding future cash flows. Information is provided in Notes 1 and 12 as to how the Company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins and discount factor (cost of capital). It is presented that no impairment requirement has been identified based on the assumptions undertaken.</p>	<p>In our audit, we have evaluated the calculation model applied by management.</p> <p>We have reconciled and critically tested essential variables against forecast and strategic plan for the Company. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors.</p> <p>We have tested the sensitivity analysis for key variables in order to assess the risk of need for impairment.</p> <p>We have also assessed the correctness of the disclosures included in the financial statements.</p>
<p><b>Valuation of accounts receivables</b>  <i>With reference to Note 1 and Note 14.</i>            Accounts receivables comprise a significant area in the Group's financial reports. Based on the Group's business operations, a significant portion of net sales is generated during the fourth quarter, which usually implies a significant increase in accounts receivables in conjunction with the year-end closing. The Group undertakes business operations with both private and public players in a number of different countries where, for certain regions, the payment of customer invoices takes a long time after delivery to the customers. In the Group's operation, this refers primarily to the Italy, United Arab Emirates, and India. As of 31 December 2020, accounts receivables matured more than 90 days amounted to MSEK 498 which is equivalent to approximately 9% of total accounts receivables as per the balance sheet date. The valuation of these, and other matured, or yet to mature, accounts receivables, is based on management's assessment of the customers future payment capacity.</p>	<p>In our audit we have evaluated the correctness of the valuation of the accounts receivables by assessing the appropriateness of the loss assessment executed by management, which was based on individual assessments taking into consideration the unique risk profiles of the local markets.</p> <p>Our audit includes an assessment of the control environment for the sales process and also includes an examination of the reported revenue transactions against underlying documentation, such as customer agreements, sales orders, suppliers' documentation, customer invoices, reconciliation against price lists, payment verification and obtaining customer invoice confirmations from customers.</p> <p>We have examined management's assessment of the valuation of customer receivables compared with the historical outcome for bad debts. The appropriate audit procedures for the respective significant units in the Group have been determined based on the nature of the operations and the complexity of the sales transactions. We have also assessed the correctness of the information regarding accounts receivables provided in the financial statements.</p>
<p><b>Accounting for provisions</b>  <i>With reference to Note 1, Note 21 and Note 22.</i>            Provisions comprise a significant area in the Group's financial reports. Sub items reported in this area refer primarily to assumptions regarding pensions, restructuring programs, legal cases and requirements with regards to Consent Decree with FDA (Food and Drug Administration). The main provision relates to expected costs associated with surgical mesh product liability claims previously produced by the Group that was initially accounted for in 2018. Common for these provisions is that they are primarily based on significant assessments undertaken by management regarding future events. The assessment of these areas is associated with a large degree of uncertainty and subjectivity.</p>	<p>In our audit, all of the sub items have been subject to examination but we have particularly focused our audit activities on the assessment of the provisions related to surgical mesh product liability claims and other legal matters.</p> <p>We have received Managements calculations for exposures related to surgical mesh product liability claim. We have also received statements from external legal advisors which has also been complemented with follow up meetings with the external legal advisors. We have assessed the reasonability in Managements calculations also taken into considerations information from legal advisors.</p> <p>As regards other provisions, we have assessed the reasonableness of the management's assumptions and cost calculations. This assessment has taken place based on available information and historical outcome.</p>

#### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–45, 74–81 and 150–166. The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer

The Board of Directors and the Chief Executive Officer 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 as adopted by the EU. The Board of Directors and the Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

#### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

#### Report on other legal and regulatory requirements

##### 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 Chief Executive Officer of Getinge AB (publ) for the year 2020 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 Chief Executive Officer 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 Chief Executive Officer

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Chief Executive Officer 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 and the Chief Executive Officer in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the auditor's report.

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 56–73 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 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.

Öhrlings PricewaterhouseCoopers AB, was appointed auditor of Getinge AB (publ) by the general meeting of the shareholders on the 26 June 2020 and has been the company's auditor since the 17 April 2008.

Gothenburg, March 19, 2021  
Öhrlings PricewaterhouseCoopers AB

Johan Rippe  
Authorized Public Accountant  
Auditor in charge

Tomas Hilmarsson  
Authorized Public Accountant





# Sustainability notes

## ABOUT THE REPORT

Getinge's Sustainability Report is prepared according to the Sustainability Framework, following the focus areas of Quality Culture, Environmental & Social Engagement, Passionate Employees and Business Ethics & Responsible Leadership. The Sustainability Notes follow the same structure.

This report has been prepared in accordance with the GRI Standards: Core option, and pertains the 2020 fiscal year. It encompasses the company's production facilities and subsidiaries, but not associated companies.

Getinge's reporting cycle is annual, and the company's latest Annual Report and Sustainability Update Report were published on March 12, 2020.

Getinge's sustainability report for 2020 in accordance with GRI Standards: Core Option has not been externally reviewed. The sustainability report for 2021 in accordance with GRI Standards will be reviewed by the company's auditor and assessed in a certified report.

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Getinge has chosen to prepare the sustainability report as a separate report from the Annual Report. The following subjects are reported:

- Business model page 2–3
- Anti-corruption pages 26–27 and 144–145
- Environment pages 28–29 and 140–141
- Employee pages 22–23 and 142–143
- Human rights pages 27–28

Risks related to these subjects are found in conjunction with the information, in Getinge's overall risk management description on pages 51–55 and 27.

### Sustainability Report contact:

Ralf Uwe Schmitt  
Vice President Sustainability & Leadership  
Email: ralf.schmitt@getinge.com

## Audit and risk management

As a part of the company's updated sustainability framework an assessment focusing on audit and risk management within Environmental, Social and Governance (ESG) was undertaken in the last quarter of 2020. The assessment focused on Getinge's exposure to ESG-related risks in the four focus areas of Quality Culture, Passionate Employees, Environmental & Social Engagement and Business Ethics & Responsible Leadership. With this, Getinge integrates potential ESG risks into the organization's risk management (ERM).

Getinge's Group functions and production units are responsible for identifying and evaluating sustainability-related risks, such as environmental, occupational health & safety, anti-corruption, human rights, labor and supplier risks, in their operations. Identified risks are highlighted at the Sustainability Board meetings.

Read more about Getinge's risk management on pages 51–55 and Ethics & Compliance risk assessments on page 144.

## Governance and sustainability organization

Getinge's Sustainability Program is governed by the company's Code of Conduct together with its global steering documents. All Getinge employees must know and comply with the Code of Conduct and company policies, directives and SOP's relevant to their work.

In addition, Getinge revised its Supplier Code of Conduct during the year and extended it to cover all of the company's business partners. The result is a new Business Partner Code of Conduct that will be implemented in 2021, with an increased focus on governance aspects such as business ethics, environment, human and labor rights and health & safety.

Read more about Getinge's Sustainability Program on page 138.

## Commitments

As a signatory of the UN Global Compact and supporter of the UN Sustainable Development Goals, Getinge considers global trends and challenges, international principles for responsible business and the expectation from stakeholders as it continuously develops its work.

Getinge started to evaluate its sustainability performance through EcoVadis, a leading system for evaluating suppliers' environmental aspects, working conditions, corporate social responsibility and subcontractors. The EcoVadis rating is an important achievement that illustrates Getinge's commitment regarding sustainability and the continued improvement in this area.

At the end of 2020 Getinge committed to the Science Based Targets initiative (SBTi), and are thereby committed to develop science-based targets aligned with the SBTi criteria and publish its approved targets within 24 months.

## Associations

Getinge holds positions as members of the Board of Directors at Swecare, a Swedish semi-governmental non-profit organization within health care, and Swedish Medtech, the association for medical technology in Sweden.

## Organization

The Executive Vice President Human Resources & Sustainability, has together with Getinge's Executive Team, the overall responsibility for setting related goals and strategies, and monitoring and measuring progress. In addition, Getinge has a Sustainability Board with representatives from the company's Executive Team, Business Areas, Business Ethics & Compliance, QRC, Finance and Communications responsible for overviewing current status, progress and risks.

Each of the company's Group functions and production units are responsible for compliance with the Code of Conduct and to implement the sustainability targets in their organizations. They are also responsible for evaluation of sustainability-related risks in their operations, such as environment, occupational health & safety, anti-bribery & corruption, human rights, labor and supplier responsibility.

## Stakeholder dialogue

Getinge's stakeholder dialogue is a continuous practice in its day-to-day work. As part of the updated sustainability framework a major stakeholder dialogue was held in 2020 during which multiple internal and external business partners were interviewed on their needs and priorities in sustainability priorities as regards Getinge as a company and as a supplier.

### Employees

Getinge's passionate employees is a key factor for Getinge to deliver on the company's business strategy, achieve the overall targets and act as a responsible company.

### Customers

Getinge values its close customer relationships and dialogues. The company actively listens to customer feedback so that it can deliver valuable products and services.

### Partners

Cooperation and dialogues with other experts are necessary to achieve success and to contribute to the society in the best way possible. The many collaborations with partners during COVID-19 are good examples on this.

### Investors and owners

Getinge has ongoing dialogues with its investors and owners, especially in conjunction with financial reporting. The company provides actual and fact-based sustainability data and progress reporting.

## Stakeholder dialogue

Stakeholders	Prioritized topics	Channels for dialogue
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Become a CO<sub>2</sub> Neutral Company by 2025</li> <li>• Way of working</li> <li>• Learning organization</li> <li>• Innovate products &amp; services, Eco Design</li> <li>• Social responsibility commitment</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings, interviews and workshops</li> <li>• Education and trainings</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product quality, efficiency and safety, innovation and longevity</li> <li>• Product sustainability data and information in tenders</li> <li>• Eco Design: Ease of use &amp; recycling of packaging materials, reduction of waste</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and interviews</li> <li>• Financial statements including Annual Report &amp; Sustainability Report</li> <li>• Product-related information and training</li> <li>• Getinge.com</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>• ESG Reporting</li> <li>• Digitalization of processes and data management</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings and interviews</li> <li>• Financial statements including Annual Report &amp; Sustainability Report</li> <li>• Supplier Code of Conduct</li> <li>• Getinge.com</li> </ul>
<b>Investors and owners</b>	<ul style="list-style-type: none"> <li>• Fact-based quarterly sustainability data</li> <li>• Evolving reporting standards and additional formats in ESG reporting</li> <li>• Economic efficiency, tangible and intangible assets</li> <li>• Governance and compliance</li> <li>• Long term profitability &amp; financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings, interviews and workshops</li> <li>• Financial statements including Annual Report &amp; Sustainability Report</li> <li>• Quarterly telcos</li> </ul>

**Material topics**

As described on the previous page, Getinge conducted a major stakeholder dialogue in 2020, which provided the foundation for a review and update of the materiality analysis that was performed in 2018. The materiality analysis review was carried out to ensure that the updated sustainability framework and targets under the program are addressing what is material to its internal and external stakeholders.

The updated material topics, outlined in table below, are divided into the four focus areas of the sustainability framework; Quality Culture, Passionate Employees, Environmental & Social Engagement and Business Ethics & Responsible Leadership.

Following the materiality analysis review, Getinge has together with an external partner begun an auditing process of the company's sustainability practices to find any potential gaps.

The material topics and aspects are regularly monitored as a part of the sustainability program.

**Sustainability Program 2019–2025**

The Sustainability Program was adopted in 2018 by the Executive Management Team, and integrated as a part of the overall company strategy in 2019. The program include non-financial targets in the areas identified in the materiality analysis.

The non-financial results are reported on a quarterly basis, and continuous improvement programs are tailored to increase performance and outcomes.

During 2020, Getinge set a new environmental target as a part of the program, to become CO<sub>2</sub> neutral by 2025 and committed to the Science Based Target initiative (SBTi). To easier follow up on the targets and take action, a digital reporting system focused on sustainability measures following GRI requirements was implemented during the year.

To increase the competence and engagement about sustainability among Getinge's employees, the company has increased related communication, and held seminars and workshops during the year.

**Material topics**

Quality Culture	Business Ethics & Responsible Leadership	Passionate Employees	Environmental & Social Engagement
<ul style="list-style-type: none"> <li>• Clear Roles &amp; Responsibilities</li> <li>• Well defined Processes</li> <li>• Continuous Improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Ethics &amp; Compliance: Compliance with laws and regulations, ethical standards, Code of Conduct and global polices and directives.</li> <li>• Company Core Values &amp; Leadership Competencies: Getinge's cultural values are the foundation of all work and activities that enables and develop the leadership.</li> <li>• Diversity &amp; Equality: Getinge's commitment to its role in global society, ensuring a more diverse workforce based on gender equality.</li> </ul>	<ul style="list-style-type: none"> <li>• Way of Working: Transformation of management processes with a focus on efficiency and digitalization.</li> <li>• Learning Organization: Enabling all employees to understand the company targets and act responsibly based on company values.</li> <li>• Employee engagement: Improvements based on employee surveys and employee NetPromoterScore.</li> </ul>	<ul style="list-style-type: none"> <li>• Eco Design &amp; Environmental Management: Getinge's commitment to transform its use of environmental resources and create sustainable products and health care offerings.</li> <li>• Health &amp; Safety: Global Health &amp; Safety Management System to keep the company's employees safe and healthy, and reduce the number of work related accidents and incidents.</li> <li>• Getinge in the Society: Engagement in local communities, donation programs and charity engagements.</li> </ul>
<p><i>Boundaries</i> This topic includes all parts of the organization, Group companies and all employees at Getinge.</p>	<p><i>Boundaries</i> This topic includes all parts of the organization, Group companies and all employees at Getinge.</p>	<p><i>Boundaries</i> This topic includes all parts of the organization, Group companies and all employees at Getinge.</p>	<p><i>Boundaries</i> This topic includes all parts of the organization, Group companies and all employees at Getinge.</p>
<p><i>Impact Analysis</i> A strong governance structure ensures transparency in decision making, monitoring progress toward targets, and guidance for all employees.</p>	<p><i>Impact Analysis</i> Responsible leadership at Getinge means involving all employees to set the standard and act as role models for ethical behavior and professional integrity. Activities in this area provide the conditions and requirements for Getinge's employees to ensure business is conducted in an ethical and responsible manner, in all internal and external contexts.</p>	<p><i>Impact Analysis</i> Passionate employees are the key factor to bring our business strategy to life, achieve our overall targets and act responsibly as a company. Governance and reporting of activities and measurement data are based on standards and a centralized IT infrastructure, adapted to Getinge's control organization.</p>	<p><i>Impact Analysis</i> For Getinge, acting sustainable means that the company conducts business that is ethically, socially and environmentally sound across the entire value chain. Corporate &amp; Social Responsibility is an elementary part of Getinge's company strategy to meet customer demands, why this is regularly monitored by the Sustainability Board.</p>

**FOCUS AREA: Quality Culture**

**A solid quality compliance base**

Quality Culture at Getinge is about ensuring a high level of quality and being regulatory compliant, which both are prerequisites to operate in the medtech industry. In recent years, Getinge has established a solid quality compliance base focused on the set of rules and regulations that competent authorities, notified bodies, and regulatory agencies requires a company to follow in order to market a device in their area of jurisdiction. Getinge is now taking the next steps to ensure customer value and productivity as a part of everyday work, with the aim of incorporating the best possible quality in its products and solutions even in the design phase.

**Quality Management System GetAligned**

Quality and regulatory compliance remediation efforts made significant progress in 2020, despite record production output from relevant factories. In the service and sales units alone, 5,117 employees completed 38,803 training sessions related to quality and regulatory compliance in 2020. In the factories, hundreds of thousands of quality and regulatory compliance training sessions were completed throughout the year. For example, in the Cardio-pulmonary manufacturing sites, 70,203 training sessions were completed by 979 employees.

**Adjustments to the EU Medical Device Regulation (EU MDR)**

In 2019 Getinge began its transition to comply with the EU Medical Device Regulation (EU MDR), effective of May 2021. The site in Solna, Sweden, received the company's first EU MDR certification in February 2020, and since then four additional sites have successfully passed their certification audit with a successful result. All sites will comply with the new regulations in May 2021 and all affected products will be CE marked based on the EU MDR before May 2024 in accordance with the transition rules in the EU MDR.

**Supply chain**

Getinge has 20 production sites in nine countries: USA, Germany, France, Poland, Sweden, Turkey, China, UK and the Netherlands. All production sites are required to have management systems that meet the ISO 14001 standards. New operations must have certified

management systems in place within two years of being acquired or established. Re-certification of ISO 14001 takes place every three years.

Getinge's supply chain is part of an organizational matrix. Direct and indirect sourcing and logistics, including inventory, are managed by centralized business units. The company's business area functions are decentralized. This is particularly the case for manufacturing-related operations. A number of service and maintenance measures are run by regional sales offices.

The company's brand is Getinge. Product names partly reflect brand names from previously acquired companies.

**Increased productivity and efficiency through Manufacturing Excellence**

As a part of Getinge's Quality Culture a Manufacturing Excellence Program was introduced in 2017 aiming to improve productivity and efficiency in production, drive operational performance and increase the company's customer focus and quality leadership. The program covers production flows in an end-to-end scope in the company's production sites and its interfaces with suppliers and sales- and service units.

The Manufacturing Excellence Program objectives 2020–2023 are to:

- improve product quality by 40%
- reach delivery performance with over 97%
- improve productivity by 30%
- shorten lead-time by 30%
- reduce inventory by 30%

In 2020, 16 of the company's 20 production sites are engaged with the program, covering manufacturing in France, Sweden, Poland, Germany, Turkey, China and the US. The production sites that have completed the program have seen significant results in efficiency and productivity.





**FOCUS AREA: Environmental & Social Engagement**

**Reducing transport and warehouse footprint**

During the year, Getinge continued its EU warehouse process harmonization in Germany, Italy, UK and France, and streamlined its European supply chain by consolidating two distribution centers (DC) into one. The company also consolidated its Australian warehouses, moving goods from warehouses in five states to a new facility in Sydney. In total the reduced number of warehouses and distribution centers has resulted in cost savings, enhanced efficiency and improved service levels.

Considerable efforts have been made in the planning of stock levels in Getinge’s warehouses, ensuring that the level is enough to meet demand in time, without unnecessary surplus stock. The program to reduce working capital by optimizing inventory levels and reducing overall inventory, including the inventory held in service technicians vans continued throughout the year.

To support switching from air freight to more sustainable transport modes is central to the company’s work on becoming CO<sub>2</sub> neutral by 2025. In 2020, Getinge has continued implementing its global freight agreements enabling harmonized transport processes that generate savings, reduce complexity and improved delivery performance. COVID-19 has changed the global freight market completely, with a large reduction in capacity and fluctuations in demand. Getinge has been able to maintain a high delivery performance to customers by utilizing global freight agreements and with focused cooperation within the organization. In day-to-day business, Getinge is shifting into choosing sea or rail freight instead of air- freight, and actively optimizing transport routes.

**Waste, recycling and water consumption**

Reducing the amount of waste in production is included as a part of Getinge’s EcoDesign principles, and in parallel efforts are made to increase the amount of waste sent to recycling.

In 2020, the total amount of waste decreased by 2%, as a result of methodical measures undertaken at Getinge’s production sites. The overall share of recycling increased from 76% to 88% in 2020. Getinge’s water consumption in production decreased by 3.5%, to 197,700 (204,800) m<sup>3</sup> in 2020.

**Emissions and energy consumption**

Getinge’s target is to become CO<sub>2</sub> neutral by 2025, and the company is working methodically and stepwise to achieve it. As a result, the direct and indirect emissions from the company’s production sites were reduced by 25% (ton CO<sub>2</sub>/MSEK) in 2020.

Getinge actively choose to only use green electricity where it is possible, or choose suppliers with a high level of renewables in their electricity generation. In some geographies, there is still a challenge to actively choose renewable sources for electricity generation actively. In those cases, Getinge works to reduce emissions through other solutions, such as using solar power on facilities.

During the year, the energy consumption decreased with 3% and the percentage of energy from renewable sources increased from 38% in 2019 to 43% during 2020.

**Continuous follow-up on environmental targets**

As a part of Getinge’s target to become CO<sub>2</sub> neutral by 2025, the company implemented a data driven platform in 2020 to gather all sustainability data in one place and to facilitate regular monitoring of progress.

The platform is fully implemented and the sustainability data reporting takes place quarterly, integrated with the consolidated financial reporting.

**Boundaries and measuring methods**

**Proprietary vehicles**

A key component of Getinge’s efforts to reduce the operations’ environmental impact relates to emissions from transportation. This applies to transportation using the company’s vehicles, such as sales & service visits. Getinge’s Company fleet policy makes far-reaching demands regarding reduction of CO<sub>2</sub> emissions, which have begun to have an impact in the form of reduced emission volumes.

**Business travel**

To keep its employees as safe as possible, Getinge restricted traveling in February 2020 due to COVID-19, except for the very business critical travel. The employees who could work remotely from home were encouraged to do so.

Getinge has a strict travel policy based on smart travel – it is to be conducted for the right reasons and be booked in the most cost-efficient manner. Online meetings are always encouraged to reduce environmental impact, costs and the impact that travel has on the work-life balance.

**Raising concerns on potential human rights violations**

Getinge routinely identifies, assesses, and manages the human rights impact of its business and operations. Any Getinge employee who suspects violations of the company’s Human Rights Policy is expected to speak up and raise the issue to their line manager, to Human Resources, to Ethics and Compliance, or to use the Getinge Speak-Up Line.

All of Getinge’s stakeholders can raise questions and/or concerns regarding potential and current adverse Human Rights impacts by using the Getinge Speak-Up Line. Getinge is committed to investigating any concerns, and if any severe adverse human rights impacts are discovered, the company will act appropriately without delay. Read more about Getinge’s Speak-Up Line on page 145.

**Waste in production, tons**

	2020	2019
Non-hazardous waste	3,107	3,172
- of which recycled	2,795	2,436
- recycling fraction, %	90	77
Hazardous waste	264	271
<b>Total volume of waste</b>	<b>3,372</b>	<b>3,443</b>

**Greenhouse gas emissions<sup>1)</sup> from production, tons CO<sub>2</sub>**

	2020	2019
<b>Direct (Scope 1)<sup>2)</sup></b>		
Gas and oil	6,614	6,661
<b>Indirect (Scope 2)<sup>2)</sup></b>		
Electricity	10,498	12,568
District heating	160	54
<b>Total</b>	<b>17,272</b>	<b>19,284</b>

**Greenhouse gas emissions<sup>1)</sup> Scope 3, tons CO<sub>2</sub>**

	2020	2019
<b>Direct (Scope 3)<sup>3)</sup></b>		
Total emissions from Travel	1,897	8,237
Emissions from Oil (WTT)	8	8
Emissions from Gas (WTT)	456	459
Emissions from Electricity (WTT)	703	980
Emissions from District heating (WTT)	40	14
<b>Total</b>	<b>3,104</b>	<b>9,698</b>

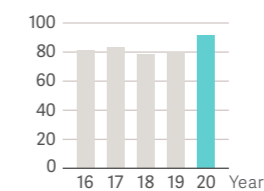
1) Calculations of emissions  
Local emission factors are used for calculation where available, otherwise global factors of the GHG protocol are used. The data from 2019 on consumption of resources had to be corrected in 2020 for several production sites, due to late invoices from suppliers. The emission data for 2019 has also been corrected in order to reflect correct separation of renewable from non-renewable energy sources and applicable emission factors from our suppliers. Emission factors may change during a year, based on the change of local suppliers and/or energy resource types.  
2) Calculation of GHG Emissions Scope 1 and Scope 2:  
Local emission factors are used for calculation where applicable. Emission factors may change during a year, based on the change of local suppliers and/or energy resource types.  
3) Calculation of GHG Emissions Scope 3:  
Getinge reports CO<sub>2</sub> emissions from travel based on data provided by our global business partners in travel management. Scope 3 emission factors for energy resources follow the WTT factors as provided by suppliers or GHG standards. Getinge will continue to further define the scope, indicators and approach to enhance the reporting in Scope 3 during 2021.

**Energy consumption in production, MWh**

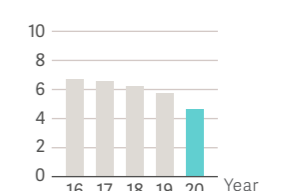
	2020	2019
Electricity	50,611	53,479
- of which renewable energy	20,915	18,353
District heating	4,016	3,741
Gas	37,992	38,259
Oil	378	383
<b>Total</b>	<b>92,997</b>	<b>95,862</b>

When calculating the share of renewable energy, only 100% renewable electricity with a certificate has been included.

**Recycling of non-hazardous waste, %**



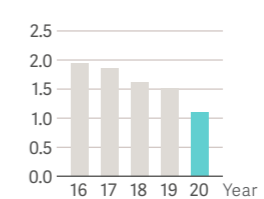
**Total energy consumption in production**



Waste to recycling

Energy consumption in production, MWh per SEK M of internal sales.

**Total production-related CO<sub>2</sub> emissions**



Direct and indirect emissions, tons per SEK M of internal sales.



## FOCUS AREA: Passionate Employees

### Diversity and equality

Diversity, equal opportunities, gender and inclusion are not only part of Getinge's expanded Sustainability Framework but are also key components of the company strategy. Getinge is strongly committed to improving diversity, securing equal opportunities and closing gender gaps.

In 2020, the focus to increase the balance between female and male managers as well as increasing the number of young and emerging talent has continued. For example, a diversity, inclusion and belonging initiative was launched in North America, consisting of different programs such as internships and women and leadership forums.

### Collective agreements

Getinge welcome a close dialogue and participation with employee representatives and trade unions, and values constructive employee participation for all employees. Collective agreements are in place in Sweden and most European countries.

### Boundaries and measuring methods

#### Personnel

Employee statistics concerning age, part-time/full-time and gender are collected from the company's group-wide HR system. These figures are compiled each year. Financial information and personnel statistics not mentioned above are derived from the financial reporting system.

#### Occupational health and safety

The implementation of the company-wide Operational Health & Safety Management System, and compliance with local legislative requirements is managed by the company's production sites and global sales unit managers.

The Health & Safety Management Systems encompass all employees, outside workers and visitors, and include risk assessments, preventive and improvement initiatives in the workplace. Incidents and accidents are registered locally to the operational management and reported centrally. Reports are followed up to establish preventive measures and continuous improvements.

During the year, 152 (207) work-place accidents were reported, amounting to 1.5 (1.98) accidents per 100 employees. The main reasons for accidents were cuts, slips or falls, musculoskeletal disorders (MSD) and driving. No fatalities were reported during the year. Getinge holds safety training on-site for employees and outside workers in accordance with local standards and legal requirements. The training sessions are regularly revised to ensure quality.

All production sites work with preventive measures as a means of safeguarding the health and safety of employees, and medical and health care services are provided in accordance with local standards and legislative requirements. Some production units have a doctor on-site, at least part-time, to offer employees regular health check-ups and consultations.

Employee safety is a priority for Getinge. Vaccinations are offered to employees who spend a great deal of time with customers in health care, particularly at emergency care hospitals, and to employees who travel to specific countries.

### Accidents and injury

Getinge registered a total of 152 (207) occupational injuries in 2020. The number of accidents per 100 employees was 1.50 (1.96). Most injuries were related to car accidents when commuting, or during business travel.

No occupational fatalities were reported during the year.

Information about health and safety is provided by the company's financial and HMS reporting systems, for which reporting takes place every month for safety-related indicators and every quarter for data concerning environmental key figures. Supporting information is collected and compiled manually once every year.

Working hours when calculating the accident frequency rate are based on the assumption of 2,000 working hours per employee and year.

### Ethics & Compliance Program

Getinge has identified four main risk areas: Bribery and Corruption, Antitrust, Data Privacy and Trade Compliance. Dedicated Ethics & Compliance Programs for each of the four risk areas were implemented during the year.

In 2020, three markets were assessed for risks related to bribery, corruption and anti-trust: Dubai, Italy and Spain. A risk assessment of China was initiated and will be completed in 2021. The Ethics & Compliance function has also initiated US specific risk assessment. Through the risk assessment the following risks were identified: Interactions with Healthcare Professionals, Sales practices through third parties, Integration of Ethics & Compliance in the daily business activities and risks of adherence to local laws requirements related to prevention of corruption.

A company-wide online training course on business ethics was conducted for all employees (excluding manufacturing employees). 8,788 (85.3%) employees had completed the course by the end of 2020.

A total number of 24 (100 %) of governance body members (Board & GET) received communication and on Getinge's anti-corruption policies and procedures, and for employees 100% received communication. In Latin America, Europe, the Middle East and Africa, 547 agents and distributors have received face-to-face or virtual training on the organization's anti-corruption policies and procedures. An anti-corruption e-learning module for distributors and agents is planned in 2021.

Getinge's Anti-Bribery and Corruption Policy is a mandatory part of the new contract template under implementation for all distributors and agents. Training on anti-corruption was received by 24 (100 %) of governance body members (Board & GET), for employees the total number was 8,788 (85.3%). Read more about Business Ethics on page 144.

### Total number of employees by employment contract, by gender

Gender	Permanent	Internal Temporary	Total
Female	3,640	197	3,837
Male	6,731	190	6,921
Unknown	55	5	60
	<b>10,426</b>	<b>391</b>	<b>10,818</b>

### Total number of employees by employment type, by gender

Gender	Full Time	Part Time	Total
Female	3,619	218	3,837
Male	6,818	103	6,921
Unknown	60	-	60
	<b>10,497</b>	<b>321</b>	<b>10,818</b>

### Total number of employees by employment contract, by region

Region	Staff turn-over 2020, %	Internal Permanent	Internal Temporary	Total
<b>Americas</b>	<b>9.4</b>	<b>2,583</b>	<b>26</b>	<b>2,609</b>
Latin America	15.9	164	12	176
North America	9.0	2,419	14	2,433
<b>APAC</b>	<b>12.9</b>	<b>1,547</b>	<b>32</b>	<b>1,579</b>
Eastern Asia	13.8	631	14	645
Japan	7.4	218	8	226
South East Asia, Australia and New Zealand	13.9	698	10	708
<b>EMEA</b>	<b>10.3</b>	<b>6,296</b>	<b>334</b>	<b>6,630</b>
Central Eastern Europe	15.6	1,077	83	1,160
DACH <sup>1)</sup>	4.3	1,832	121	1,953
Middle East and Africa	4.9	82	2	84
North Europe	9.5	1,709	57	1,766
South West Europe	15.0	1,596	72	1,668
	<b>10.5</b>	<b>10,426</b>	<b>392</b>	<b>10,818</b>

<sup>1)</sup> Refers to Germany, Austria and Switzerland

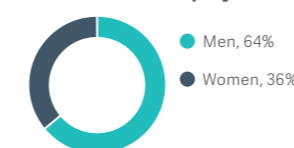
### Workplace Safety

	2020	2019
<b>Employees</b>		
Number of work-related accident	152	207
Number of work-related ill health	129	32
Number of lost workdays for work-related accident	1,923	2,691
Number of lost workdays for work-related ill health	1,215	936
Number of work-related fatalities	0	0
Global number of accident/100 employees	1.5	1.98
Total work-related accident rate	1.48	2.01
Total work-related ill health rate	1.26	0.31
Total work-related accident absence (%)	0.07%	0.10%
Total work-related ill health absence (%)	0.05%	0.04%
<b>Contractors</b>		
Number of temporary agency workers	637	481
Number of contractor workers	259	687
Number of work-related accident	1	11
Number of work-related fatalities	0	0
Total work-related accident rate	0.11	0.98

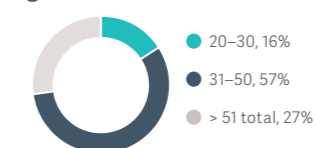
### Injuries and main hazards

	2020
<b>Employees and contractors</b>	
Four most common types of work-related accidents	Cuts, slips or falls, musculoskeletal disorders and driving
Four most common types of work-related ill health	Musculoskeletal disorders, psychological stress, chemicals, infection
Four main hazards	Cuts, slips or falls, musculoskeletal disorders and driving

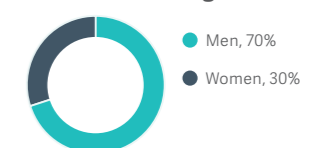
### Gender distribution employees



### Age distribution



### Gender distribution managers





**FOCUS AREA: Business Ethics & Responsible Leadership**

**Ethics & Compliance Program**

Getinge has identified four main risk areas; Bribery and Corruption, Antitrust, Data Privacy and Trade Compliance. Getinge's Ethics and Compliance Program has been continuously developed throughout the year and dedicated programs for each of the four risk areas have been implemented. During the year two additional risk areas were identified, Interactions with Healthcare Professionals and Human Rights. Dedicated programs for the additional risk areas will be developed and implemented during 2021.

Getinge's Ethics & Compliance framework consists of nine program areas:

**Responsible leadership**

Getinge's work within Ethics & Compliance is centered around Responsible Leadership. The Board of Directors has the overall responsibility for the implementation of an effective Ethics & Compliance program. The EVP Legal, Compliance & Governance reports regularly to the Board and the Audit Committee.

**Risk Assessments**

During the 2020, Getinge conducted a combined Anti-Bribery and Corruption and Anti-trust Risk assessments in Dubai, Italy and Spain. An assessment in China is ongoing and will be completed in 2021. The Ethics & Compliance function has also initiated US specific risk assessment on Interactions with HCP's and HIPAA Risk Assessment.

The following main risks were identified from the risk assessment:

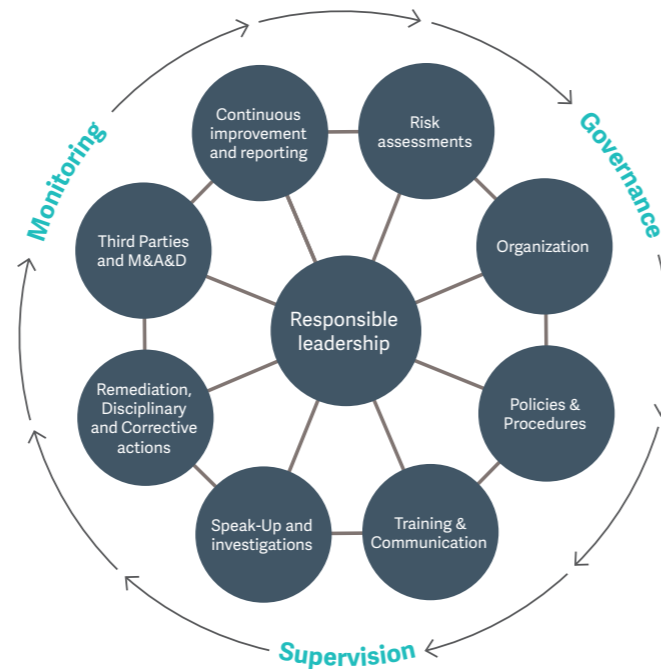
- 1) Interactions with Healthcare Professionals
- 2) Sales practices through third parties
- 3) Integration of E&C in the daily business activities
- 4) Risk of adherence to local laws requirements related to prevention of corruption

Ethics & Compliance has further formalized the risk assessment efforts during the year by establishing a new Global Risk Assessment handbook with the purpose of providing guidance and templates to ensure a consistent approach to ethics and compliance risk assessments at Getinge.

**Organization**

In October 2020, Getinge appointed Anna Romberg as Executive Vice President Legal, Compliance & Governance and member of Getinge Executive Team. The Ethics & Compliance function is a global function headed by VP Ethics & Compliance reporting to EVP Legal, Compliance & Governance. In 2020 the Global Ethics & Compliance function was strengthened by appointing the following new team members:

- Regional E&C Officer for Europe based in Switzerland
- Local Director Legal & Compliance for France
- Regional E&C Officer for APAC + India based in Singapore



- Digitalization & Data Privacy Counsel based in Sweden
- Head of Internal Investigations and Monitoring based in Denmark
- Investigations & Monitoring Senior Manager based in the US
- Two Third Party Due Diligence Specialists based in Poland

**Policies & Procedures**

During 2020, Getinge has implemented a new web-based Code of Conduct. Getinge's 14 global policies form the base of the Code of Conduct and provide more guidance in specific areas. Read more about Getinge's Code of Conduct on page [www.getinge.com/code-of-conduct](http://www.getinge.com/code-of-conduct).

All Getinge employees must know and comply with all company policies and directives relevant to their work. The Global Policies are translated into 12 languages and are available for all employees on the company's intranet and in Getinge's quality management system.

**Training & Communication**

Training and internal communications are important parts of Getinge's work with Ethics & Compliance, which includes targeted training for specific groups at all levels of the company including employees, the Board of Directors and all members of the Executive Management Team.

In 2020, the e-learning Getinge Dilemma Game, with real-life ethical dilemmas from the organization, was rolled out to all non-production employees as a way to learn about Getinge's Code of Conduct and global policies. By the end of 2020, 8,788 (85.3%)

employees including managers had completed the e-learning.

In addition to the e-learning, training were held on topics such as Ethical Blindness, Lessons Learned, Anti-Trust, Anti-Bribery & Corruption, Data Privacy and Money laundering & fraud during the year. In 2020, 7,256 employees were trained both in face-to-face and virtual workshops.

Getinge's Anti-Bribery and Corruption Policy is a mandatory part of the new contract template under implementation for all distributors and agents. In 2020, 547 agents and distributors have received face-to-face or virtual training in Latin America, Europe, the Middle East and Africa. An Anti-Bribery and Corruption e-learning module for distributors and agents is planned for 2021.

**Antitrust & Fair Competition**

In 2020, activities to increase knowledge among employees in the area of Antitrust & Fair Competition included tailored training courses on Antitrust and Fair Competition which have been rolled out in all of the company's sales regions. In total, 2,802 employees were engaged in interactive virtual workshops during the year. The Sales and Marketing Development program also included a full Antitrust and Fair Competition workshop specially designed to address commercial issues and needs.

**Speak-Up and investigations**

Getinge's Internal Investigations team assesses all reports of suspected serious misconduct and possible Code of Conduct violations. The Speak-Up process is governed by Speak-Up and Non-Retaliation Directive, the Code of Conduct Investigations Directive and the Ethics Committee.

Getinge has a policy of non-retaliation, which means retaliation is not accepted against anyone who speaks up, expresses concerns or opinions in good faith or who participates in an investigation of an issue.

In 2020, 50 reports were recorded and investigated by the Internal Investigations team. 28 reports were received through Getinge's reporting tool (Speak-Up Line), and 22 reports through other channels. The most common reported concerns relates to the Business Ethics and People matters. Following investigations disciplinary actions, including employee dismissals and termination of contracts, were taken in eight cases.

A total number of one incident of discrimination was reported during the period, the incident review commenced 2020 and still ongoing, meaning any implementation of remediation is in progress and will be implemented in 2021. There were no incidents subject to action.

**Remediation, Disciplinary and Corrective actions**

The Ethics Committee assumes responsibility for the review and monitoring of Code of Conduct case investigation and remediation. The Ethics Committee is a subset to the Getinge Executive Team (GET). The Ethics Committee provides guidance on major cases, including involvement of external counsel, remediation and disciplinary action.

**Third Parties and Mergers, Acquisitions & Divestitures (M&A&D)**

To manage third party representative risk, a Third Party Risk Management (TPRM) Office was established in 2019, located in the company's Shared Service Center in Krakow. A mandatory third party engagement process has been set up and a pilot implementation project started in 2019.

Since March 2020, the third party due diligence process has been mandatory for all potential distributors and agents used by Getinge globally. Simultaneously, work on existing distributors and agents has been initiated, starting with the LATAM and CEE regions. In 2020, TPRM team completed in total due diligence on a total of 340 third parties, of which 15 third parties were denied.

**Continuous Improvement & Reporting**


The Long Term Plan for Ethics & Compliance is reviewed annually by the Vice President Ethics & Compliance Officer together with the Regional Ethics & Compliance Officers, to suggest improvements to the Global Ethics & Compliance Program, as well as the specific programs for each of the Ethics & Compliance risk areas: Anti-Corruption, Anti-trust, Trade Compliance and Data Privacy. The Executive Vice President Legal, Compliance & Governance presents the progress of the risk-based compliance program at each quarterly meeting of the audit committee of the board of directors and reports the status of ongoing activities to the executive management team (GET) on a regular basis. The full board is receiving an update on ethics and compliance at least once a year. In addition, Regional Ethics & Compliance officers regularly participate in Global and Regional Commercial management teams.

In January 2020, Getinge launched an all-employee first-generation Business Ethics Awareness survey to get a baseline for development of key integrity questions. A new Business Ethics Awareness survey will be rolled out during Q1 2021.




### UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Getinge supports all of the UN's 17 Sustainable Development Goals for environmental, social and economically sustainable development, but has identified a number of goals that best correspond to the company's impact on its business environment. These goals are:



**Goal 3 – Ensure healthy lives and promote well-being for all at all ages**


As a company operating in the medical device industry, Getinge contributes its therapeutic innovations to considerably improve health and well-being as an integrated part of its business strategy. This includes own employees, suppliers, distributors and customers.



**Goal 4 – Ensure inclusive and quality education for all and promote lifelong learning opportunities for all**


Receiving high-quality education is a basis for a more prosperous life. Getinge continuously contributes to partners within health care organizations, universities and medical schools to educate and train health care professionals, as well as students starting their medical training.

In addition to involvement in medical training, Getinge also support the Pratham educational program in India, to improve quality of education to children in the fight against poverty. Getinge is also a partner of Universeum, the largest science center in the Nordics. With this partnership, Getinge support Universeum in their mission to strengthen science skills and innovation, and to contribute to sustainable societal development.



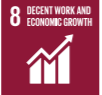
**Goal 5 – Gender equality**

Getinge is strongly committed to improve diversity, securing equal opportunities and close gender gaps. Diversity, equal opportunities, gender and inclusion are not only part of Getinge's expanded Sustainability Framework but are also key components of the company strategy.




**Goal 6 – Ensure access to water and sanitation for all**

Today, industry accounts for over 19% of global water withdrawal, and Getinge is continuously working to decrease its water usage. Through its EcoDesign principles, the company designs products that reduce water usage throughout the product's entire lifecycle. Getinge is also a partner of WaterAid to support its work in improving access to clean water, sanitation and hygiene at health care facilities around the world.




**Goal 8 – Promote inclusive and sustainable economic growth, employment and decent work for all**

Getinge strives to ensure protection of employee rights, assurance of a safe and secure work environment, and equality and equal conditions in working life. As a global company, Getinge works to promote economic growth, a higher productivity level and technical innovation.




**Goal 12 – Ensure sustainable consumption and production patterns**

Getinge works to achieve more sustainable consumption and production that are anchored in environmental sustainable goals and corresponds with international norms, standards and certifications such as ISO 14001. Getinge addresses defined goals and indicators related to CO<sub>2</sub> emissions, energy efficiency, EcoDesign, waste and recycling.



**Goal 13 – Take urgent action to combat climate change and its impacts**

Getinge is committed to doing its utmost to combat climate change, and is actively works to minimize its negative environmental footprint. The company is engaged in achieving the Paris agreement goals of limiting global warming to 1.5 °C above pre-industrial levels, and has committed to the Science Based Target initiative. During the year, Getinge set the target of becoming CO<sub>2</sub> neutral by 2025.



**Goal 17 – Partnership for the goals**

Strong global partnerships and collaborations is key to realize the Sustainable Development Goals. Getinge collaborates with its customers and partners as a part of its daily operations to develop products and solutions that contributes to a more sustainable health care. In addition, the company also work together with academia, industry organizations, NGO's and governments to identify and develop scalable solutions to health care related challenges.

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**Subject-specific disclosures**

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<b>GRI 405 (2016): Diversity &amp; Equal Opportunities</b>		
405-1	Diversity of governance bodies and employees	Business Ethics & Responsible Leadership 23, 72–73, 143 (For more information see the Sustainability Update 2020)
<b>GRI 406 (2016): Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	Business Ethics & Responsible Leadership 145
<b>GRI 412 (2016): Human Rights Assessment</b>		
412-2	Employee training on human rights policies or procedures	Passionate Employees 15, 144–145
<b>GRI 413 (2016): Local Communities</b>		
413-2	Operations with local community engagement, impact assessments, and development programs	Corporate & Social Responsibility 24, 28–29, 146

**Auditor's opinion on the statutory sustainability report**

To the general meeting of the shareholders in Getinge AB (publ), corporate identity number 556408-5032

**Opinions**  
A sustainability report has been prepared.

**Assignment and responsibility**

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 on pages 14–29 and 136–149 and that it has been prepared in accordance with the Annual Accounts Act.

Gothenburg, March 19, 2021  
Öhrlings PricewaterhouseCoopers AB

**The scope of the audit**

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Johan Rippe  
Authorized Public Accountant  
Auditor in Charge  
Tomas Hilmarsson  
Authorized Public Accountant

# The Getinge share

Getinge's Class B share has been listed on Nasdaq Stockholm AB since 1993. The share is included in the Nasdaq Nordic Large Cap segment and the OMXS30 index. At December 31, 2020, the number of shareholders was 47,049 and the percentage of foreign-owned shares amounted to 43.5%. Institutional owners accounted for 56.9% of the share capital, of which Swedish institutional owners accounted for 27.5 percentage points.

## Share trend, liquidity and dividend policy

At year-end, Getinge's share was listed at SEK 192.10, which was an increase of 9.0% (54.9) during the year. The highest price paid in 2020 was SEK 217.0 (July 28) and the lowest was SEK 136.0 (March 16). At year-end, market capitalization amounted to SEK 52.3 billion. During the year, 330.5 million shares were traded (266.4).

At year-end 2020, share capital in Getinge totaled SEK 136,184,786.50 distributed among 272,369,573 shares. All shares carry the same dividend entitlement. One Class A share carries ten votes and one Class B share carries one vote. The Board of Directors of Getinge has adopted a dividend policy entailing that future dividends will be adjusted in line with Getinge's profit level, financial position and future development potential. The aim is for the dividend to correspond to 30–50% of net profit.

## Sell-side analysts covering Getinge

AlphaValue, ABG Sundal Collier, Bank of America Merrill Lynch, Berenberg Bank, Carnegie, Danske Bank, DNB Markets, Handelsbanken, J.P. Morgan, Kepler Cheuvreux, Morgan Stanley, Morningstar, Nordea, Pareto Securities, Redburn and SEB Enskilda.

## Getinge's peers

Getinge's peers consist of the listed companies named in the section for each business area in this annual report.

## Shareholder information

Financial information about Getinge is available on the Group's website. Questions about this Annual Report and other financial communication can be put directly to the investor relations function of the company.

# Getinge as an investment

## Long-lasting and close customer relations

Since it was first founded more than 100 years ago, Getinge has concentrated all its energies on creating customer value. This has led to close and long-lasting customer relations in which both customers and partners in many cases are deeply involved in product development. This is the key reason for the company's historic and future success.

## Stronger market positions

Over the years, Getinge has developed leading global technology together with its partners and customers to enhance the quality, safety and productivity of health care around the world. This has resulted in the company commanding leading positions in most of its product segments. This generates high customer loyalty and robust protection from competitors.

## Excellent conditions for growth

Demographic and socio-economic factors show that the need for effective health care will increase for a long time to come, in all parts of the world. Getinge has a well-defined growth strategy in both mature product segments and growth areas, indicating continued healthy growth.

## Attractive non-cyclical market

Patient needs for high-quality, safe and sustainable health care are not affected by economic upturns and downturns, which is why

sales are relatively impervious to economic fluctuations. However, the conditions for growth could be affected in the event of major economic crises and a substantially weaker national economy. But in such a case the need for sustainable health care rises, which benefits Getinge's solutions.

## Continuous improvements of margins and cash flows

Getinge has been implementing an improvement process for a number of years to increase sales, raise margins and strengthen its cash flows. Progress to date has been successful and continued positive contributions are expected for several years in the future.

## Sustainability a top priority

Getinge operates in an industry in which sustainability is a given. Accordingly, it is a top priority and compasses everything from environment and quality to ethics and social responsibility. Getinge believes that this not only contributes to a better society but is also an advantage for the company's business.

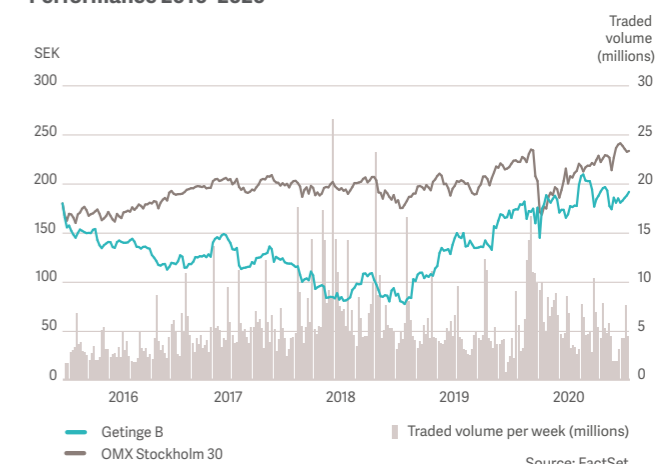
## Long-term owners

Getinge has a long-term owner base that wants to generate long-term value for shareholders and other stakeholders, such as customers, patients and society at large. This provides stability that helps to create long-term value.

## Performance in 2020



## Performance 2016–2020



## Development of share capital

Transaction	No. of shares after transaction	Share capital after transaction, SEK
1990 Formation	500	50,000
1992 Split 50:1, par value SEK 100 to SEK 2	25,000	50,000
1992 Private placement	5,088,400	10,176,800
1993 Private placement	6,928,400	13,856,800
1995 Non-cash issue	15,140,544	30,281,088
1996 Bonus issue 2:1	45,421,632	90,843,264
2001 New issue 1:9 at SEK 100	50,468,480	100,936,960
2003 Split 4:1, par value SEK 2 to SEK 0.50	201,873,920	100,936,960
2008 New issue 1:16 at SEK 120	214,491,404	107,245,520
2009 New issue 1:9 at SEK 83.5	238,323,377	119,161,689
2017 New issue 1:7 at SEK 127	272,369,573	136,184,787

## Ownership structure 2020

Shares	% of capital	% of votes	Ownership	Ownership
1–100	0.3%	0.2%	23,837	50.7%
101–200	0.3%	0.2%	6,238	13.3%
201–500	0.9%	0.6%	7,406	15.7%
501–1,000	1.2%	0.7%	4,372	9.3%
1,001–2,000	1.4%	0.9%	2,762	5.9%
2,001–5,000	1.7%	1.1%	1,524	3.2%
5,001–10,000	1.1%	0.7%	432	0.9%
10,001–20,000	1.0%	0.6%	183	0.4%
20,001–50,000	1.2%	0.8%	107	0.2%
50,001–100,000	1.4%	0.9%	53	0.1%
100,001–200,000	2.4%	1.5%	46	0.1%
200,001–500,000	4.1%	2.5%	35	0.1%
500,001–1,000,000	5.5%	3.4%	22	0.0%
1,000,001–2,000,000	5.4%	3.4%	11	0.0%
2,000,001–5,000,000	12.6%	7.9%	12	0.0%
5,000,001–10,000,000	15.1%	9.5%	6	0.0%
10,000,001–20,000,000	4.7%	2.9%	1	0.0%
20,000,001–	28.3%	55.2%	2	0.0%
Anonymous ownership	11.3%	7.1%	N/A	N/A
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>31,848</b>	<b>100.0%</b>

## Getinge's largest shareholder at December 31, 2020

	Class A shares	Class B shares	% of capital	% of votes
Carl Bennet AB	18,217,200	36,332,969	20.0%	50.1%
Fourth Swedish National Pension Fund		22,486,987	8.3%	5.2%
Schroders		12,745,420	4.7%	2.9%
AMF Pension & Fonder		9,252,686	3.4%	2.1%
Norges Bank		7,109,257	2.6%	1.6%
Handelsbanken Fonder		6,348,101	2.3%	1.5%
Swedbank Robur Fonder		6,319,963	2.3%	1.4%
Incentive AS		6,278,003	2.3%	1.4%
Vanguard funds		5,950,724	2.2%	1.4%
Didner & Gerge Fonder		4,684,700	1.7%	1.1%
Other		136,643,563	50.2%	31.3%
<b>Total</b>	<b>18,217,200</b>	<b>254,152,373</b>	<b>100.0%</b>	<b>100.0%</b>

## Share capital distribution

	Class A	Class 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	7	93	100
% of votes	42	58	100

## Five largest countries – capital, %

Sweden	56.6%
USA	13.7%
UK	6.2%
Norway	5.5%
Canada	1.7%
Other	5.0%
Anonymous ownership	11.3%
<b>Total</b>	<b>100.0%</b>

## Ownership by category – capital, %

Swedish institutional owners	27.5%
Foreign institutional owners	29.4%
Other owners	23.6%
Swedish individuals	8.2%
Anonymous ownership	11.3%
<b>Total</b>	<b>100.0%</b>





# The Group's 20 largest markets

	2020			2019			2018		
	SEK M	%	#	SEK M	%	#	SEK M	%	#
USA	9,948	33.4%	1	9,315	35.1%	1	8,225	34.0%	1
China	2,186	7.3%	2	1,854	7.0%	2	1,499	6.2%	3
Germany	2,016	6.8%	3	1,783	6.7%	3	1,569	6.5%	2
Japan	1,476	5.0%	4	1,478	5.6%	4	1,282	5.3%	4
France	1,288	4.3%	5	1,228	4.6%	5	1,167	4.8%	5
Italy	1,011	3.4%	6	727	2.7%	7	685	2.8%	8
UK	977	3.3%	7	880	3.3%	6	813	3.4%	6
Sweden	804	2.7%	8	524	2.0%	10	554	2.3%	9
Canada	754	2.5%	9	516	1.9%	11	472	2.0%	11
Australia	705	2.4%	10	660	2.5%	8	686	2.8%	7
Spain	651	2.2%	11	453	1.7%	12	429	1.8%	12
Saudi Arabia	573	1.9%	12	261	1.0%	20	301	1.2%	17
Netherlands	522	1.8%	13	411	1.5%	14	371	1.5%	14
Belgium	460	1.5%	14	416	1.6%	13	345	1.4%	15
India	384	1.3%	15	531	2.0%	9	545	2.3%	10
Hong Kong	329	1.1%	16	200	0.8%	24	172	0.7%	26
Switzerland	322	1.1%	17	286	1.1%	17	287	1.2%	18
South Korea	305	1.0%	18	288	1.1%	16	213	0.9%	23
Russia	284	1.0%	19	246	0.9%	21	337	1.4%	16
Austria	270	0.9%	20	240	0.9%	22	249	1.0%	21

# The ten largest markets by business area

	2020			2019			2018		
	SEK M	%	#	SEK M	%	#	SEK M	%	#
<b>ACUTE CARE THERAPIES</b>									
USA	7,358	39.3%	1	6,567	44.9%	1	5,705	43.8%	1
China	1,372	7.3%	2	1,090	7.4%	2	843	6.5%	2
Germany	1,008	5.4%	3	830	5.7%	3	764	5.9%	3
Japan	890	4.8%	4	745	5.1%	4	667	5.1%	4
Italy	737	3.9%	5	441	3.0%	5	392	3.0%	6
Canada	572	3.1%	6	307	2.1%	9	280	2.2%	9
France	538	2.9%	7	436	3.0%	6	411	3.2%	5
Spain	498	2.7%	8	278	1.9%	10	259	2.0%	11
UK	496	2.7%	9	315	2.2%	8	284	2.2%	8
Saudi Arabia	465	2.5%	10	107	0.7%	22	127	1.0%	17
<b>LIFE SCIENCE</b>									
USA	1,030	36.1%	1	818	32.9%	1	752	34.3%	1
France	345	12.1%	2	389	15.7%	2	325	14.8%	2
Germany	228	8.0%	3	218	8.8%	3	109	4.9%	5
China	153	5.4%	4	135	5.4%	5	154	7.0%	3
Belgium	141	5.0%	5	106	4.3%	6	71	3.2%	6
UK	131	4.6%	6	150	6.0%	4	126	5.8%	4
Netherlands	127	4.5%	7	45	1.8%	11	37	1.7%	12
Hong Kong	90	3.2%	8	11	0.5%	21	11	0.5%	21
Japan	70	2.4%	9	89	3.6%	7	71	3.2%	7
Sweden	51	1.8%	10	39	1.6%	13	61	2.8%	8
<b>SURGICAL WORKFLOWS</b>									
USA	1,560	18.9%	1	1,930	20.5%	1	1,767	19.7%	1
Germany	780	9.5%	2	734	7.8%	2	696	7.8%	2
China	661	8.0%	3	629	6.7%	4	502	5.6%	4
Japan	517	6.3%	4	644	6.8%	3	544	6.1%	3
Sweden	423	5.1%	5	369	3.9%	8	350	3.9%	8
France	405	4.9%	6	403	4.3%	6	431	4.8%	5
UK	349	4.2%	7	415	4.4%	5	402	4.5%	6
Australia	297	3.6%	8	379	4.0%	7	371	4.1%	7
Italy	240	2.9%	9	235	2.5%	9	262	2.9%	9
Denmark	164	2.0%	10	187	2.0%	11	156	1.7%	16

# Acquisition history

Year	Company	Business	Country	Sales
2020	Applikon Biotechnology BV	Life Science	NL	SEK 350 M
2020	Quadralene Holdings Ltd	Disinfection	GB	SEK 75 M
2017	Carus HMS GmbH	Integrated workflow solutions	DE	SEK 20 M
2017	Simm Company and Surgeon Aids	Distributor	TH	SEK 75 M
2016	AccuMed	Production facility for medical textiles	DR	SEK 100 M
2016	1st Call Mobility Ltd	Medical-device solutions for bariatric patients	GB	SEK 100 M
2015	GOA Teknoloji Danismanlik Elektronik	Low temperature sterilization technology	TR	SEK 20 M
2014	Pulsion AG	Systems for hemodynamic monitoring	DE	SEK 300 M
2014	Altrax Group Ltd	Systems for traceability and quality assurance for sterilization	GB	SEK 35 M
2014	Cetrea A/S	Systems for resource planning	DK	SEK 30 M
2014	Austmel Pty Ltd	Sterilization and thermal processes	AU	SEK 80 M
2013	LAAX Inc.	Cardiac and vascular surgery	US	SEK 8 M
2013	Trans Medikal Devices Inc.	Manufacture of sterilizers and distribution of disinfectors	TR	SEK 55 M
2013	STS East LLC	Service	US	SEK 25 M
2012	Product rights from Avalon Laboratories	Cardiopulmonary	US	-
2012	Eirus Medical	Critical Care	SE	-
2012	Acare Medical Science Ltd	Healthcare beds	CH	SEK 135 M
2012	USCI	Distributor	JP	SEK 150 M
2012	Tecno Hospitalia	Distributor	CO	SEK 4 M
2012	Therapeutic Support Systems (TSS)	Wound care	US	SEK 1,600 M
2012	Steritec Products Mfg Inc.	Consumables	US	SEK 70 M
2011	Blanchet Medical Service	Service	FR	SEK 3 M
2011	Atrium Medical Inc	Products for the cardiovascular market	US	USD 200 M
2011	Combimobil AB	Rehabilitation aids	SE	SEK 2 M
2011	Fumedica	Distributor	CH	SEK 70 M
2011	IDS Medical Equipment	Distributor	SG	SEK 25 M
2011	Mak Saglik	Distributor	TR	SEK 20 M
2011	STS Holding West	Service	US	SEK 20 M
2010	Odelga	Service	AT	SEK 25 M
2008	Datascope	Cardiac assist and vascular surgery	US	USD 231 M
2008	Cardio Research Pty Ltd.	Distributor	AU	AUD 5.1 M
2008	Subtil Crepieux	Service	FR	EUR 8 M
2008	Getus Services Ltd	Service	NZ	NZD 1.1 M
2008	Olmed AB	Distributor	SE	SEK 70 M
2008	Boston Scientific's Cardiac and Vascular surgery divisions	Endoscopic vessel harvesting (EVH), anastomosis, stabilizers and instruments for surgery on beating hearts and vascular implants	US	SEK 1,733 M
2007	NS Nielsen Equipment A/S	Distributor	DK	-
2006	Huntleigh Technology	Special mattresses for pressure-ulcer treatment, beds for intensive, specialist and elderly care vein thrombosis prophylaxis and equipment for fetal and vascular diagnostics.	UK	SEK 2,675 M
2006	Comercio E Industria Medicia	Consumables for open-heart surgery	BR	SEK 25 M
2006	OTY GmbH	Telemedicine specializing in products and solutions for hospitals' IT infrastructure focused on the operating room.	DE	SEK 20 M
2006	Getinge Czech Republic	Distributor	CZ	SEK 10 M
2005	Lancer UK	Distributor	UK	SEK 104 M
2005	La Cahlené	Isolator technology and electron sterilization technology	FR	EUR 40 M
2004	Dynamed	Distributor	CA	SEK 85 M
2004	BHM Medical Inc.	Patient management products for the care and elderly care segments	CA	SEK 206 M
2003	MAQUET AG, Swiss dealer	Distributor	CH	CHF 4.9 M
2003	Siemens LSS	Ventilators and anesthesia equipment for the hospital market	SE	EUR 230 M
2003	Jostra GmbH	Equipment and consumables for cardiac surgery	DE	EUR 90 M
2003	Copharm B.V.	Distributor	NL	EUR 10 M
2002	Heraeus Medical	Surgical lamps, ceiling service units and therapy accessories and gas distribution for operating rooms	DE	EUR 52 M
2001	ALM	Surgical lamps	FR	FRF 490 M
2000	Maquet	Surgical tables	DE	EUR 155 M
2000	Parker Bath	Bathing systems for the semi-institutional care market	UK	SEK 150 M
2000	Lenken Healthcare	Distributor	IE	SEK 65 M
2000	Gestion Techno-Medic	Patient lifting systems	CA	SEK 22 M
1999	Lunatronics Aps	Comprehensive IT solutions for the maintenance of sterilization departments	DK	DKK 15 M
1999	MPT Corp.	Washer disinfectors for the Life Science market	US	SEK 35 M
1998	Egerton Hospital Equipment	Specialist beds and anti-decubitus mattresses for hospitals and care facilities	UK	SEK 45 M
1998	Royal Linden B.V.	Infection control	NL	SEK 60 M
1998	Medibo	Patient lifting and pressure-ulcer treatments	BE	SEK 28 M
1998	OMASA	Infection control	IT	SEK 100 M
1998	SMI/BBC	Infection control	FR	SEK 75 M
1998	Kemiterm	Water distillers pure-steam generators for pharmaceutical industry	DK	DKK 25 M
1998	Pegasus	Anti-decubitus products for hospitals and elderly care	UK	SEK 350 M
1996	MDT/Castle	Infection control	US	-
1996	Van Dijk Medizintechnik GmbH	Infection control	DE	SEK 30 M
1995	Arjo	Products for aging care related to hygiene and patient management	SE	SEK 1,538 M
1994	Lancer	Disinfection products	FR	FRF 70 M
1993	British Sterilizer	Sterilizers	UK	SEK 15 M
1993	Stirn	Disinfection	FR	-



# Reconciliation of 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 are not to be considered a substitute for, but rather a supplement to, the financial statements prepared in accordance with IFRS. The alternative performance measures recognized are not calculated

in accordance with IFRS but are provided since Getinge believes that they are important to investors' assessments of the Group and the Getinge share, and that these performance measures are widely used by investors, securities analysts and other stakeholders as supplementary measures of the earnings trend and financial position. Getinge's performance measures that are not defined in accordance with IFRS are not necessary comparable with similar measures presented by other companies and have certain limitations as analysis tools.

## THE GROUP'S PRIMARY PERFORMANCE MEASURES

Adjusted gross profit, SEK M	2020	2019
<b>Gross profit</b>	<b>14,722</b>	<b>12,455</b>
<i>Add-back of:</i>		
Depreciation, amortization and write-downs of tangible and non-acquired intangible assets	1,017	946
Other items affecting comparability	135	–
Adjustment for write-downs included in other items affecting comparability	–	–
<b>Adjusted gross profit</b>	<b>15,874</b>	<b>13,401</b>
Adjusted EBITDA, SEK M	2020	2019
<b>Operating profit/loss (EBIT)</b>	<b>4,784</b>	<b>2,372</b>
<i>Add-back of:</i>		
Depreciation, amortization and write-downs of tangible and non-acquired intangible assets	1,973	1,726
Amortization and write-down of acquired intangible assets	494	497
Other items affecting comparability	59	117
Acquisition and restructuring costs	177	324
Adjustment for write-downs included in other items affecting comparability and restructuring costs	–	-50
<b>Adjusted EBITDA</b>	<b>7,487</b>	<b>4,986</b>
EBITA, SEK M	2020	2019
<b>Operating profit/loss (EBIT)</b>	<b>4,784</b>	<b>2,372</b>
<i>Add-back of:</i>		
Amortization and write-down of acquired intangible assets	494	497
<b>EBITA</b>	<b>5,278</b>	<b>2,869</b>
Adjusted EBITA, SEK M	2020	2019
<b>Operating profit/loss (EBIT)</b>	<b>4,784</b>	<b>2,372</b>
<i>Add-back of:</i>		
Amortization and write-down of acquired intangible assets	494	497
Other items affecting comparability	269	117
Acquisition and restructuring costs	177	324
Adjustment for write-downs of acquired intangible assets included in other items affecting comparability and restructuring costs	–	–
<b>Adjusted EBITA</b>	<b>5,724</b>	<b>3,310</b>
Adjusted EBIT, SEK M	2020	2019
<b>Operating profit/loss (EBIT)</b>	<b>4,784</b>	<b>2,372</b>
<i>Add-back of:</i>		
Other items affecting comparability	300	117
Acquisition and restructuring costs	177	324
<b>Adjusted EBIT</b>	<b>5,261</b>	<b>2,813</b>
Net debt/equity ratio, multiple	2020	2019
Net interest-bearing debt, SEK M	7,509	12,321
Equity, SEK M	21,486	20,973
<b>Net debt/equity ratio<sup>1)</sup></b>	<b>0.35</b>	<b>0.59</b>

1) Net interest-bearing debt in relation to equity.

## ADJUSTED EBITA PER SEGMENT

Adjusted EBITA, 2020, SEK M	Acute Care Therapies	Life Science	Surgical Workflows	Group functions and other	Total
<b>Operating profit (EBIT)</b>	<b>5,312</b>	<b>337</b>	<b>-489</b>	<b>-375</b>	<b>4,784</b>
<i>Add back of:</i>					
Amortization and write-down of acquired intangible assets	454	26	14	–	494
Other items affecting comparability	3	30	236	–	269
Acquisition and restructuring costs	62	0	113	2	177
<b>Adjusted EBITA</b>	<b>5,831</b>	<b>393</b>	<b>-127</b>	<b>-374</b>	<b>5,724</b>
Other items affecting comparability, 2020, SEK M	Acute Care Therapies	Life Science	Surgical Workflows	Group functions and other	Total
Write-down of R&D	73	29	108	–	210
Impairment of receivables	55	–	7	–	62
Write-down of inventories	38	1	92	–	131
Reversed unutilized provision	-183	–	–	–	-183
Other	20	–	29	–	49
<b>Total</b>	<b>3</b>	<b>30</b>	<b>236</b>	<b>–</b>	<b>269</b>
Adjusted EBITA, 2019, SEK M	Acute Care Therapies	Life Science	Surgical Workflows	Group functions and other	Total
<b>Operating profit (EBIT)</b>	<b>2,402</b>	<b>309</b>	<b>49</b>	<b>-388</b>	<b>2,372</b>
<i>Add back of:</i>					
Amortization and write-down of acquired intangible assets	477	4	16	–	497
Other items affecting comparability	99	–	18	–	117
Acquisition and restructuring costs	132	9	140	43	324
<b>Adjusted EBITA</b>	<b>3,110</b>	<b>323</b>	<b>222</b>	<b>-345</b>	<b>3,310</b>
Other items affecting comparability, 2019, SEK M	Acute Care Therapies	Life Science	Surgical Workflows	Group functions and other	Total
Write-down of R&D	20	–	–	–	20
Impairment of receivables	79	–	18	–	97
<b>Total</b>	<b>99</b>	<b>–</b>	<b>18</b>	<b>–</b>	<b>117</b>

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# Definitions

## Financial terms

**Adjusted EBIT.** Operating profit (EBIT) with add-back of acquisition and restructuring costs and other items affecting comparability.

**Adjusted EBITA.** EBITA with add-back of acquisition and restructuring costs and other items affecting comparability.

**Adjusted EBITDA.** EBITDA with add-back of acquisition and restructuring costs and other items affecting comparability.

**Adjusted earnings per share.** Adjusted net profit for the year attributable to Parent Company's shareholders in relation to average number of shares.

**Adjusted gross profit.** Gross profit with add-back of depreciation, amortization and write-downs and other items affecting comparability.

**Adjusted net profit.** Net profit for the year with add-back of amortization and write-down of acquired intangible assets, acquisition and restructuring costs and other items affecting comparability.

**Adjusted profit before tax.** Profit before tax with add-back of amortization and write-down of acquired intangible assets, acquisition and restructuring costs and other items affecting comparability.

**Capital goods.** Durable products that are not consumed when used.

**Cash flow after net investments.** Cash flow from operating activities and investing activities, excluding acquisitions and divestment of operations.

**Currency transaction effect.** Exchange of current year's volumes of foreign currency at this year's exchange rates, compared with the exchange rates in the preceding year.

**Cash flow per share.** Cash flow from operating activities divided by the average number of shares.

**Dividend yield.** Dividend in relation to the market share price on December 31.

**Earnings per share.** Net profit for the year attributable to Parent Company's shareholders in relation to average number of shares.

**EBIT.** Operating profit.

**EBITA.** Operating profit (EBIT) before add-back of amortization and write-down of acquired intangible assets.

**EBITDA.** Operating profit (EBIT) with add-back of amortization, depreciation and write-downs.

**EBITDA margin.** EBITDA in relation to net sales.

**EBITA margin.** EBITA in relation to net sales.

**Equity/assets ratio.** Equity in relation to total assets.

**Equity per share.** Equity in relation to the number of shares at the end of the period.

**Gross margin.** Gross profit in relation to net sales.

**Interest-coverage ratio.** Adjusted EBITDA in relation to net interest.

**Net debt/equity ratio.** Net interest-bearing debt in relation to equity.

**Operating capital.** Average total assets with add-back of cash and cash equivalents, other provisions, accounts payable and other non-interest-bearing liabilities.

**Operating margin.** Operating profit (EBIT) in relation to net sales.

**Organic change.** A financial change adjusted for currency, acquisitions and divestment of operations.

**P/E ratio.** Share price (final price) in relation to earnings per share.

**Recurring revenue.** Revenues from consumables, service, spare parts and similar items.

**Return on equity.** Profit after tax in relation to average equity.

**Return on operating capital.** Adjusted EBIT in relation to operating capital.

## Medical terms

**Artificial grafts.** Artificial vascular implants.

**Cardiopulmonary.** Pertaining or belonging to both heart and lung.

**Cardiovascular.** Pertaining or belonging to both heart and blood vessels.

**DPTE BetaBag®.** A bag that ensures contamination-free transfer of components.

**ECMO.** Extracorporeal membrane oxygenation, meaning oxygenation outside the body through a membrane. Put simply, a modified cardiac and respiratory machine that exchanges oxygen and carbon dioxide, like an artificial lung.

**Endoscope.** Equipment for visual examination of the body's cavities, such as the stomach.

**Endovascular.** Vascular treatment using catheter technologies.

**EU MDR.** A new regulatory framework for medical devices which ensures a high level of safety and health whilst supporting innovation.

**Hemodynamic monitoring.** Monitoring the balance between blood pressure and blood flow.

**Low temperature sterilization.** A device used to sterilize surgical instruments which cannot be sterilized with high temperature steam. It is mainly used for instruments used in the minimal invasive and robotic surgery.

**NAVA.** Neurally Adjusted Ventilatory Assist (NAVA) identifies the electric activity that activates the human diaphragm and using these signals adapts the ventilation to the patient's respiratory rhythm.

**Stent.** A tube for endovascular widening of blood vessels.

**Sterilizer.** A device to eliminate microorganisms on surgical instruments, usually by high temperature with steam.

**Vascular intervention.** A medical procedure conducted through vascular puncturing instead of using an open surgery method.

**Ventilator.** Medical device to help patients breath.

## Geographic areas

**Americas.** North, South and Central America.

**APAC.** Asia and Pacific.

**EMEA.** Europe, Middle East and Africa.





# Annual General Meeting and Nomination Committee

## Annual General Meeting

The Annual General Meeting (AGM) will be held on April 20, 2021, at 15:00. Due to the ongoing COVID-19 pandemic, the Board of Getinge has decided to hold the AGM virtually through electronic connection with shareholders and provide the opportunity for shareholders to also vote by post. Detailed information on participation and postal voting is available at the company website, [www.getinge.com](http://www.getinge.com).

## Registration

Shareholders wishing to participate at the Annual General Meeting should:

- Be registered in the shareholders' register kept by Euroclear, not later than April 12, 2021
- Inform the company of their intention to participate not later than April 14, 2021

Shareholders may register in the following ways:

- Getinge's website: [www.getinge.com](http://www.getinge.com)

- By conventional mail to: Getinge AB (publ) "AGM 2021" c/o Euroclear Sweden Box 191, SE-101 23 Stockholm, Sweden
- By telephone: +46 (0) 10 335 08 18 (weekdays 09:00–16:00)

## Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee through a bank or other nominee must be entered in their own name in the shareholders' register maintained by Euroclear Sweden AB not later than April 12, 2021 in order to be entitled to participate at the AGM. Shareholders must inform the nominees well in advance of this date.

Shareholders represented by proxy must submit a power of attorney to the company prior to the meeting. A power of attorney form can be downloaded at [www.getinge.com](http://www.getinge.com). Anyone representing a legal entity must have a certified copy of the registration certificate or a corresponding

authorization document that indicates the proper authorized signatory.

## Nomination Committee

Getinge's interim reports for the third quarter of 2020 contained instructions for shareholders on how to proceed to submit proposals to Getinge's Nomination Committee and how to propose motions to be addressed at the Annual General Meeting.

## Dividend

The Board of Directors and CEO propose that a dividend of SEK 3.00 (1.50) per share, a combined total of SEK M 817 (409), be paid for 2020.

The proposed record date is April 22, 2021. Euroclear is expected to distribute the dividend to shareholders on April 27, 2021.

# Reading guide and distribution policy

## Reading guide

- The Getinge group is referred to as Getinge in the Annual Report.
- Figures in parentheses pertain to operations in 2019, 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.
- For practical reasons, numbers are not rounded off in the annual report therefore it can occur that notes and tables do not sum up.
- Information provided in the Annual Report concerning markets, competition and future growth constitutes Getinge's assessment based on both external information and material compiled internally.

## Distribution policy

The Annual Report is available for download at [www.getinge.com](http://www.getinge.com). A printed version of the report can also be ordered from the website. The decision not to automatically send a printed version to the company's shareholders is based on the ambition to reduce Getinge's negative impact on the environment.

# Financial information

Updated information on, for example, the Getinge share and corporate governance is available on Getinge's website [www.getinge.com](http://www.getinge.com).

The Annual Report, year-end report and interim reports are published in Swedish and English and are available for download at: [www.getinge.com](http://www.getinge.com).

A printed copy of the Annual Report can also be ordered at [www.getinge.com](http://www.getinge.com).

## Financial information

Preliminary dates for financial information are as follows:

- April 20, 2021: Interim report January–March 2021
- April 20, 2021: Annual General Meeting
- July 16, 2021: Interim report, January–June 2021
- October 20, 2021: Interim report January–September 2021
- January 28, 2022: Year-end report 2021
- March 2022: 2021 Annual Report

# Contact

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