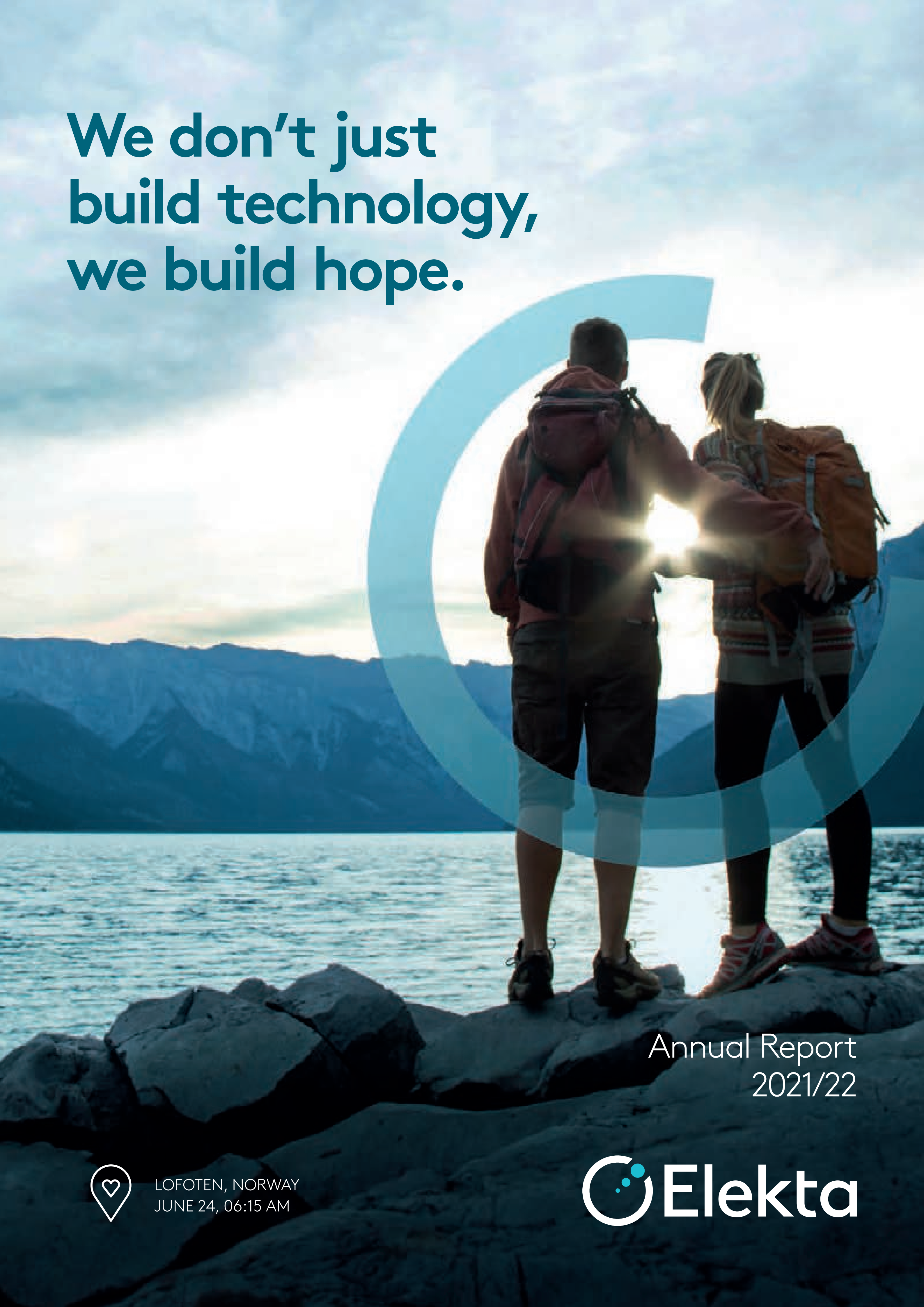
We don't just build technology, we build hope.



Annual Report
2021/22

LOFOTEN, NORWAY
JUNE 24, 06:15 AM

Elekta

Content

About the Annual Report
Pages 94–147 constitute the statutory annual report, which has been audited. The Annual Report also includes Elekta's sustainability information, corporate governance and remuneration reports. Elekta presents a sustainability report prepared in accordance with the GRI Standards, Core option, and a sustainability report in accordance with the Swedish Annual Accounts Act.

Global leader in precision radiation therapy

With sales in **120** countries...

... through **40** local offices plus distributors...

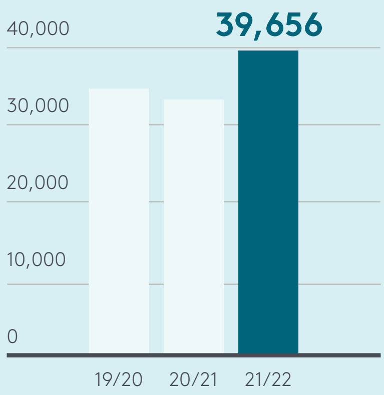
... our global team of **4,700** employees combine passion, science and imagination to profoundly change cancer care

Our strategy ACCESS 2025 and our sustainability agenda is set on improving access to healthcare globally (UNs SDG 3) enabled by environmental action, securing our ethical business standards, and ensuring health, safety and engagement of our people.

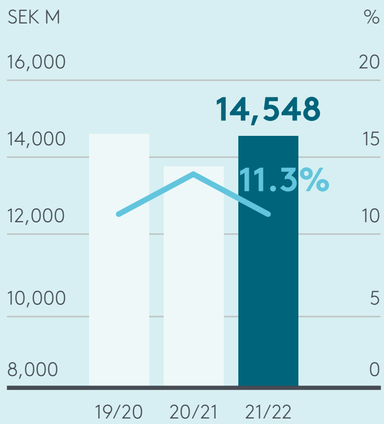
Key figures

Impacted by Covid-19.

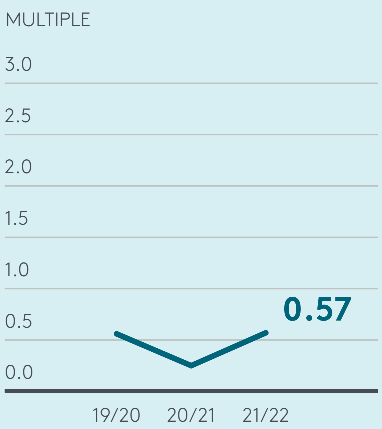
Order backlog



Net sales and EBIT margin



Net debt[1]/EBITDA ratio



[1] Excluding lease liabilities.

We openly collaborate with customers to advance sustainable, outcome-driven and cost-efficient solutions to meet evolving patient needs, improve lives and bring hope to everyone dealing with cancer.

Solutions ~60% of net sales

 Oncology Informatics

 Linac

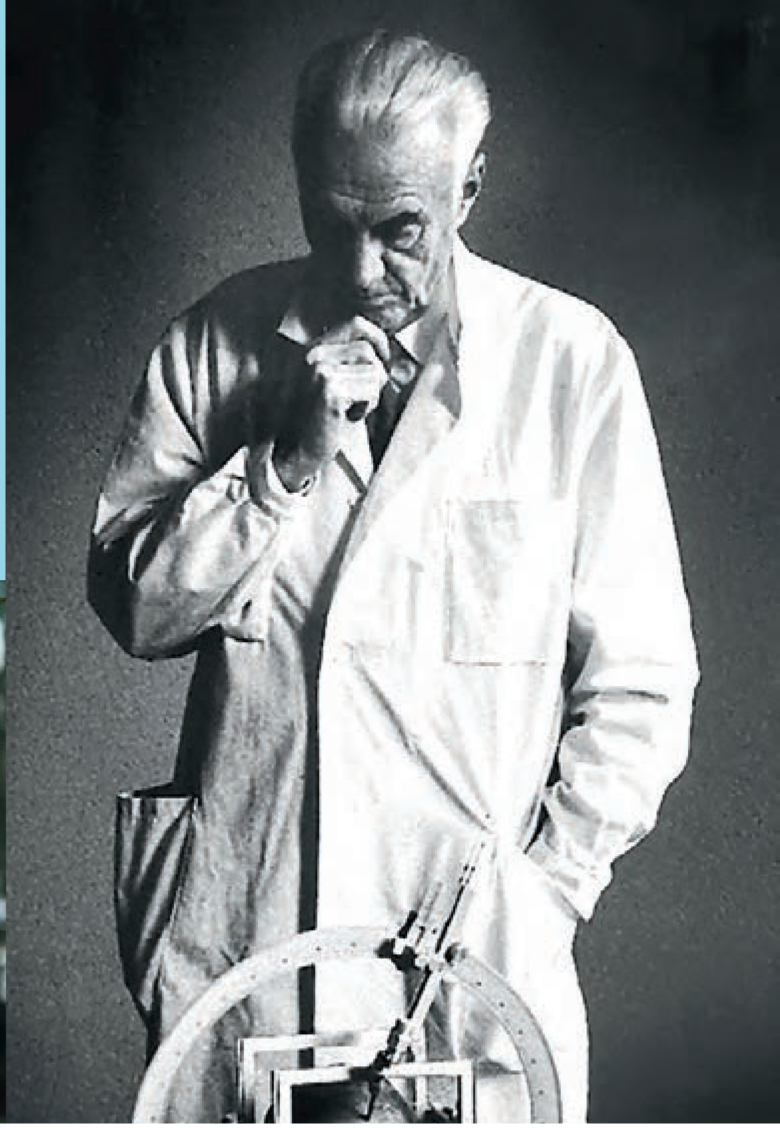
 Brachy

 Neuro

Service ~40% of net sales

 Delivering high quality after-market services, generating recurring revenues

Push the boundaries



50 years of innovation and beyond

Experience the difference

Artificial intelligence enhancing productivity...

...and access to the best cancer care.

BUSINESS OVERVIEW

Driving growth despite challenges

Elekta showed resilience and delivered growth throughout the year, but our margins were pressured by the current challenges in global supply chains.

Securing cancer care and driving growth in a year impacted by supply chain challenges

Last year, I summarized the year as unprecedented, as our focus was to help our customers maintain cancer care in a world stricken by the pandemic and lockdowns. This year, just as the world was opening, we were faced with new headwinds, supply chain disturbances, component shortages, and increased inflation. Throughout the year, our priority has been to continue to secure installations and service our solutions to help our customers take on the cancer backlog, a result of the past years' pandemic. Elekta showed resilience and delivered growth throughout the year, but our margins were pressured by the current challenges in the global supply chains.

ACCESS 2025 – delivering on our four strategic pillars in a sustainable way

We entered the fiscal year with our Capital Markets Day in June 2021 where we launched our strategy, ACCESS 2025, and our midterm financial outlook. ACCESS 2025 supports our vision of a world where everyone has access to the best cancer care. It is based on four strategic pillars: accelerate innovation with customer utilization in mind, drive adoption, be the customers' lifelong companion and drive partnership integration, on which we have executed throughout the year.

With **innovation with customer utilization in mind** we have invested significantly in R&D and innovation to support future growth and margin expansion. The cancer care backlog requires effective radiation therapy and better workflows for clinicians. Our latest linear accelerator, Elekta Harmony, delivers on this need. We also see an increased global focus on short-course treatments, accelerated by the pandemic, to reduce hospital visits. Our innovation in image-guided radiotherapy is enabling clinicians to reduce the number of treatment courses from 30 to only a few. Leading this development is Elekta Unity, our MR-Linac, which over the year has showed impressive clinical outcome, pushing the boundaries for what is possible to treat, with some very promising results on, for instance, treatment of pancreatic cancer, a form of cancer that has been very hard to treat, and prostate cancer, where the results indicate fewer sessions, fewer side effects and potentially better outcomes. We continue to drive the paradigm shift in radiation therapy by having more than 120 Unity systems sold and more than 60 installed. Another important innovation milestone was the launch of our latest Leksell Gamma Knife platform, Elekta Esprit. It has the capacity to reduce treatment planning from what used to be hours, to under 60 seconds. Through Kaiku Health, we have partnered up with global pharmaceutical companies, and have initiated truly inspiring programs with our customers, enabling more personalized and precise care, thanks to patient reporting and AI monitoring of side effects.

> "We have invested significantly in R&D and innovation to support future growth and margin expansion."

Access to the best cancer care is also driven by our strategic pillar of **partner integration across the cancer care ecosystem**. Elekta is the only company of scale focusing exclusively on radiation therapy, and we are also committed to partnership both with healthcare companies and customers.

In the beginning of this fiscal year, we announced our strategic partnership with Royal Philips, where we deepened an already successful collaboration to further develop products and solutions. We have also launched a commercial partnership with GE Healthcare, and with IBA. Recently, we signed a ten-year customer partnership with the leading cancer institute in the Netherlands, NKI/AVL, to cocreate personalized workflows and drive treatment delivery advancements.

Elekta is **driving adoption across the globe** by expanding the number of people who have access to radiation therapy by 300 million by the end of our fiscal year 2024/25. This will be achieved by adding 825 linacs to underserved market where people today lack access to radiation therapy. So far, we are well on track to reach this target, by increasing access to an additional 123 million people. To drive growth and customer satisfaction, we deployed a strategy of having more direct market presence and over the year we opened offices in the Philippines and Indonesia. We also inaugurated the Elekta Foundation at EXPO in Dubai. The Foundation's mission is to improve cancer care access in underserved markets and regions, and it will focus on increased awareness and prevention, strengthen the infrastructure, and expand training.

> "During the year we have worked diligently to validate our CO_2e baseline as well as identify and drive actions to reduce it."

It is crucial that we deliver our strategy in a sustainable way, and during the year we have worked diligently to validate our CO_2e baseline as well as identify and drive actions to reduce it. I'm proud that we now have submitted our emission targets for validation by the Science Based Targets initiative, to secure the alignment with climate science. We also continue to support the principles of the UN Global Compact.

Driving growth and margin expansion in an uncertain environment

We are convinced that long-term market trends around the unmet need for cancer care are supporting growth and investment in high-end radiotherapy equipment as well as margin expansion. We expect the uncertain macroeconomic environment and supply chain challenges to continue to impact installations, costs, and margins. To mitigate these effects, we are accelerating our Resilience and Excellence program to improve our cost base and further strengthen our processes.

I would like to thank all Elekta employees for their important and tireless work to give patients around the world access to the best cancer care and extend my gratitude to all our customers and partners who, through their dedication and commitment to patients, provide hope for everyone dealing with cancer.

Gustaf Salford
President and CEO

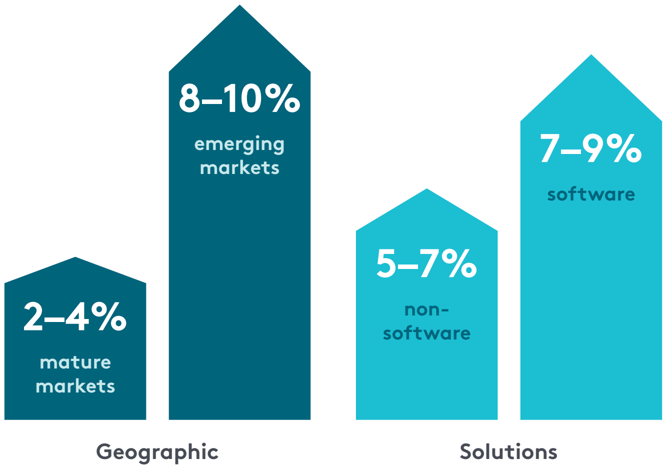
Expanding access main growth driver

The need for cancer care is growing globally. Radiotherapy plays an important role in treating cancer but is currently underused, especially in low- and middle-income countries where access to equipment is lacking. Closing this access gap is vital to improve global cancer care.

The market for radiotherapy and related oncology informatics software is estimated to be worth more than USD 7 billion globally. Historically, pre-covid, it has grown by 6–8 percent annually. Elekta has a strong global market position with an overall market share of 42 percent[1].

The market is primarily driven by an increase in the number of patients and the continuous strive to improve patient outcomes. Growing radiotherapy adoption with the expansion of treatment capacity in currently underserved low- and middle-income countries is expected to be the main future growth driver[2].

[1] Based on order intake of linacs, MR-Linacs and Leksell Gamma Knife systems in 2021/22.
[2] Data bridge market research. Markets and markets. Competitive reporting. Elekta business intelligence.



Elekta expects the following growth rates going forward based on market reports and Elekta's business intelligence.

The overall market for linear accelerators is dominated by Elekta and Siemens Healthineers. The MR-Linac subsegment consists of Elekta and ViewRay. For more information on competition, see **page 96**.

Expected number of new cancer cases 2025 | Expected yearly growth in cancer cases 2020–2025 | Number of radiotherapy units per capita 2021

Source: Ferlay J, et al. Global Cancer Observatory: Cancer Tomorrow. Lyon: International Agency for Research on Cancer, 2020; The IAEA Directory of Radiotherapy Centres (DIRAC), 2021.

Drivers for radiotherapy adoption

More people get cancer...

The world's population is increasing and aging. With the 65+ cohort expected to increase by almost 80 percent by 2040[1], cancer incidence will increase. The World Health Organization estimates new cancer cases will grow from an estimated 18 million cases in 2020 to 28 million new cases in 2040[2].

...and live with it longer...

As survival rates have improved over time, more people are living with cancer as a chronic condition. This increases the risk of oligometastatic disease. As a non-invasive treatment option, radiotherapy plays an important part in treating oligometastases, adding both years to life and life to the years[3].

...but many still lack access to radiotherapy

There are large structural differences in cancer care and the availability of radiotherapy between countries and regions. While 50–60 percent of all cancer patients need radiotherapy treatment, 40–60 percent of them lack access. Investments in radiotherapy capacity in low- and middle-income countries would save lives and lead to substantial economic benefits[4].

[1] Projections from the UN Population Division, https://www.un.org/development/desa/pd/
[2] GLOBOCAN, data visualization available at CANCER TOMORROW: https://gco.iarc.fr/tomorrow/en/dataviz/isotype?types=0&single_unit=500000&cancers=40 (excluding non-melanoma skin cancer)
[3] Palma et al, 2020, Stereotactic Ablative Radiotherapy for the Comprehensive Treatment of Oligometastatic Cancers, available at https://www.medrxiv.org/content/10.1101/2020.03.26.20044305v1
[4] Atun et al, Expanding global access to radiotherapy, The Lancet Oncol 2015 Sep;16(10):1153-86 https://pubmed.ncbi.nlm.nih.gov/26419354/

Healthcare trends

Personalized precision

Medical science and technology continue to advance, creating new possibilities for tailored and better targeted treatment for patients. In radiotherapy, advances in imaging, for example the launch of MR-Linacs, expands the potential use of radiation treatment to more cancer types and enables lower-margin planning, online adaptive treatment and hypofractionation – a treatment plan where the planned radiation dose is delivered in five treatment sessions, so-called fractions, or less.

Higher productivity

Aging populations and more treatment options will lead to increasing costs for healthcare systems. As a result, there is a clear trend in all markets, regardless of reimbursement system or financing model, to align economic incentives with quality of care and to focus on cost efficiency and productivity. This benefits cost-efficient treatments such as radiotherapy, and within radiotherapy more productive treatment plans such as hypofractionation.

Increased digitalization

More treatment options and workflow complexity across most healthcare disciplines increase the need for digital decision support for clinicians, and workflow management tools for clinics. In addition, oncology and radiotherapy are data-intensive disciplines that are well-suited to reap the benefits of AI-supported automation tools and big-data analysis. Tying data from different workflows together into integrated solutions will benefit both precision and productivity in cancer care.

Access to the best cancer care

Our updated strategy is guided by our purpose, mission, and vision. It builds on our strengths as a leader in precision radiation therapy and our unique position as an agile innovator and the only independent radiotherapy provider of scale.

Strategic framework

Our purpose is to inspire hope for anyone dealing with cancer, be those patients, clinicians, or relatives. While radiotherapy has a critical role to play in inspiring hope, it is not the sole answer.

Therefore, **our mission** is to improve patients' lives by working together with our customers. We use our precision radiation expertise to work hand in hand with clinicians and our partners to continuously develop innovative, outcome-driven, and cost-efficient solutions that provide a lasting clinical difference in a sustainable way. We believe in taking an open and proactive approach in our practices, enabling us to build strong partnerships and meet evolving patient needs, no matter where they are in the world.

Our vision is a world where everyone has access to the best cancer care. Our approach to working towards our vision is set out in our strategy, ACCESS 2025, of which a core element is our social sustainability ambition of improving Access to Healthcare globally. To be able to deliver on our vision in the longer term, we have identified three additional sustainability focus areas where we put extra effort: Environmental Action, Business Ethics and People in Focus. Through Environmental Action we work to ensure we conduct our business within the boundaries of our planet. In focus area Business Ethics, we work on embodying the ethical business standards we have set for ourselves. And in People in Focus, we work to ensure we always respect human rights throughout our entire value chain.

To measure the improvements in access to the best cancer care we have set ambitious strategic targets based on availability, efficiency, and clinical outcome. Availability is improved by growing the installed base in currently underserved markets. Patients get better and more efficient care through clinical adoption of new technology or utilization of available technology and improved decision-making support. And through increased patient involvement the care teams can improve clinical outcomes by deeper and richer patient-reported insights. All these actions will improve cancer care. For more information about our strategic milestones see **page 15.**

The strategy and its enablers

Accelerate innovation with customer utilization in mind

Drive partner integration across the cancer care ecosystem

A world where everyone has **access** to the **best** cancer care

Be the customer lifetime companion

Drive adoption across the globe

People

Resilience & Process Excellence across the value chain

Values We do what we say | We work as one team | We keep thinking forward

Delivered in a sustainable way

The strategy – ACCESS 2025

Elekta's strategy, ACCESS 2025, is built around four main strategic pillars that shall drive sustainable profitable growth and create the next generation treatment, workflows and customer engagement models.

Accelerate innovation with customer utilization in mind

We will continue to invest in innovation, both in hardware and software, to keep driving the category of precision radiation medicine forward and to develop new solutions that help customers elevate standards of cancer care. We keep innovating with implementation in mind to drive faster adoption in the market while also advancing functionality.

Be the customer lifetime companion

We want to be the preferred and most trusted partner to our customers throughout the lifecycle of our solutions. We will therefore continue developing our service offering as well as new business models so we can build stronger relationships with our customers.

Drive partner integration across the cancer care ecosystem

We believe that cancer care is best elevated by bringing together the expertise across the entire network. We also believe that there is no one solution to fit all and customers will need tailored solutions to fit their needs. And as the only independent radiotherapy provider of scale, we have an important role to play to ensure interoperability so that our customers and their patients can enjoy best-of-breed solutions across the cancer care continuum.

Drive adoption across the globe

To make sure that patients really do get access to the best cancer care, we will continue to drive market adoption. Initiatives under this focus area include both optimizing our local presence in each market and working with governments on, for example, reimbursement rates.

Business model to foster innovations

Elekta's business model is to develop, manufacture and market innovative solutions for precision radiation therapy, as well as to provide services and support for the installed base.

After the installation of the solution one year of warranty follows. To secure continuous treatments and avoid interruption for the scheduled patients, it is important to have the right service for the solution. Elekta has a good attach rate of service contracts to its installed base.

Together, the installation of solutions and the service business drive two different revenue streams: upfront and periodical. Today, most devices and software solutions are paid upfront. Services are mainly paid periodically based on contracts but also including occasional service assignments.

Customers are increasingly interested in the concept "as a Service" to gain from lower upfront costs and always having the latest software. Based on this demand, Elekta is starting to offer "Software as a Service" and "Solutions as a Service". This implies that there will be a gradual shift towards periodical fees instead of upfront payment over time. As it occurs, it will smoothen out revenue and cash flow more evenly over a longer time period.

TODAY'S REVENUE STREAM

Upfront

Solutions:
- Device
- Software

Periodical
- Service

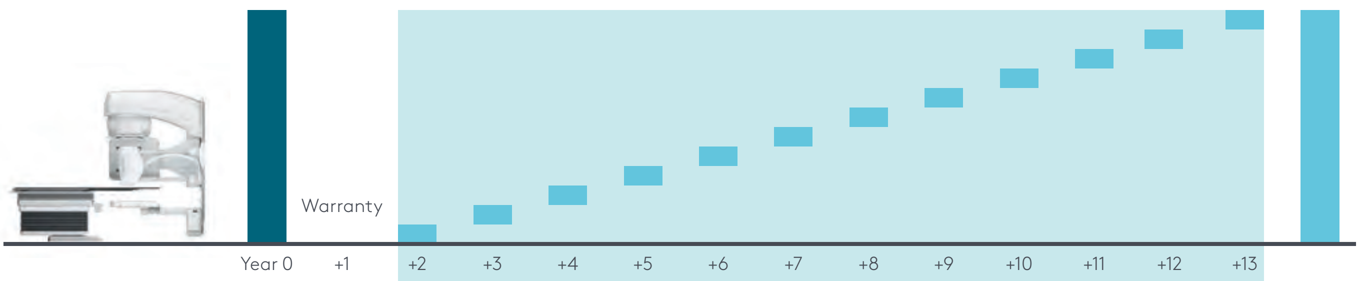
FUTURE REVENUE STREAM

Upfront

Solutions:
- Device
- Software

Periodical
- "as a Service"
- Service

REVENUE STREAM



Solutions revenue including software, installation, service and training

Service revenue for field and remote service, software license and upgrades

Total service revenue

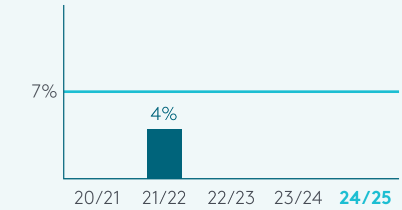
Outlook and strategic milestones 2024/25

Elekta's strategy provides the framework for our pursuit of profitable growth in a sustainable way and are quantified in the financial outlook.

Outlook | **Outcome** | **Comment**

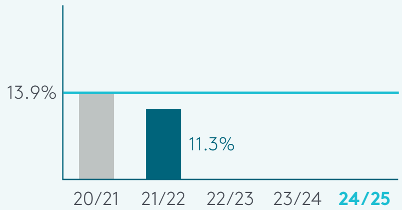
Mid-term outlook

Net sales
>7% CAGR



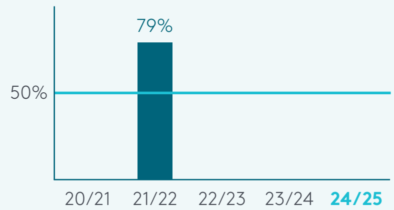
- Despite the pandemic and geopolitical-related challenges Elekta had a net sales growth rate in 2021/22 of 4% based on constant exchange rates. In SEK net sales growth was 6%
- The outlook is set based on an average expected 6–8% market growth based on constant exchange rates during the mid-term period. In 2021/22 the market[1] grew with <4%

EBIT margin
expansion



- 2021/22 Elekta's EBIT margin decreased compared to 2020/21. The main reason is a lower gross margin due to pandemic-driven higher supply chain, logistics and service costs. For more information see **page 98**

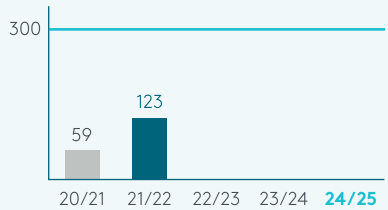
Dividend
≥50% of annual net income



- The dividend proposal is 2.40 SEK/share to be paid out in two installments

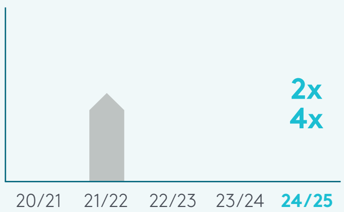
Strategic milestones

Availability of care
+300 M people in underserved markets to get access via Elekta's installed base



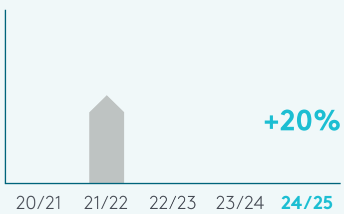
- At end of 2021/22 +123 million people in underserved markets had gotten access via Elekta's installed linac base (baseline 2019/20)

Elevation of care
Among Elekta customers:
2x clinical usage of hypofractionation
4x usage of adaptive treatments



- Increased usage of hypofractionation in most mature markets as well as increased usage of adaptive treatments
- Not quantified on a yearly basis

Participation of care
Among Elekta customers' patients:
+20% increase of engagement via an Elekta-powered tool



- Ongoing higher engagement among customers patients
- Not quantified on a yearly basis

[1] Order value of capital goods, in USD.

For **sustainability targets** see the In-depth sustainability report on **page 41**.

Creating responsible value throughout the value chain

Elekta's business provides an important part of cancer care around the globe. Collaborations help to secure both clinician and patient's need and drive innovations within radiotherapy based on sustainable operations with high-quality suppliers.

The foundation of our long-term success is excellence and sustainability in all our processes throughout the value chain. We achieve that by developing our people, being mindful of our stakeholders' needs and continuously refining our processes to reduce both our costs and environmental footprint. This focus creates resilience and ensures we continue to have the resources to inspire hope for anyone dealing with cancer.

The pyramid icons in each section of the value chain illustrates the sustainability focus area most essential for the respective part and refers to the focus areas described in the pyramid below. For more information about the addressed sustainability issues and goals see **page 43**.

R&D

Improving cancer care through innovation

Elekta's market-leading position is based on innovations, both in products and processes, developed in close collaboration with leading researchers and clinics in mature and emerging markets. Sustainability requirements are set early in the product design phase.

Our R&D hubs:

- Informatics solutions in Sunnyvale and St. Louis, U.S., and in Shanghai, China, as well as software in Northern Europe
- Leksell Gamma Knife in Stockholm, Sweden
- Brachy in Veenendaal, the Netherlands
- Linacs and MR-Linacs in Crawley, UK and Beijing, China

Main R&D areas supporting:

1. Personalized precision – decision support and increased engagement of patients in care pathway
2. Elevated productivity – resource optimization and mobility of care
3. Integrated informatics – adaptive treatments, workflow efficiency, automation and cost-effective devices

SOURCING & MANUFACTURING

Securing stable solutions

Both sourcing and manufacturing operations have strong focus on quality and we only use high-quality suppliers to secure stable solutions that provide the necessary precision. The Sustainable Sourcing Program shall identify and mitigate any nonconformities with our Supplier Code of Conduct and drive change.

Three main manufacturing sites:

- Crawley, UK (Linacs and MR-Linacs)
- Beijing, China (Linacs and MR-Linacs)
- Veenedaal, the Netherlands (Brachytherapy)

80% of the sourced products and services come from approximately...

450 qualified suppliers around the world.

LOGITICS PLATFORM **Optimized**

14%
of net sales in R&D investment

>1,800
patents

MARKETING & SALES

Bringing innovations together with clinicians

With a strong local presence around the world, we are close to our customers. We have sales in over 120 countries. In many markets we act with our own employees, in others, through selected partners. Training and compliance programs are established to ensure ethical business conduct. To enhance access in underserved markets we also offer financial solutions.

~13%
of net sales through distributors

SEK 18 bn
in gross order intake 2021/22

AFTERMARKET & SERVICE

Providing excellence every day

Through high-quality service and support, we enable our customers to maximize the lifetime and value of their investments and provide the best care possible. A global team supports customers throughout the lifecycle of the solution. Assisted by the AI-based Elekta IntelliMax® system, connected to 80 percent of the installed base, an increased share of the support is conducted remotely.

650
field service engineers

160
support specialists

transport through fully digitalized logistics platform

Expanding and elevating innovations

Elekta offers leading radiotherapy treatment solutions and complete oncology informatics solutions for comprehensive oncology departments. With innovations that both elevate and expand access to care, we contribute to easing the global cancer burden.

Elekta's offering consists of two distinct segments: solutions and aftermarket services. Solutions is in turn divided in two subsegments: Oncology Informatics Solutions and Radiotherapy Treatment Solutions. The first brings together people, workflows, and the information clinics need to deliver quality care and run smooth operations across the entire oncology space. The second subsegment, Radiotherapy Treatment Solutions, consists of the three business lines: Linac Solutions, Neuro Solutions and Brachy Solutions. Each business line offers leading radiotherapy treatment solutions that are optimized for precision, delivering radiation to the target while minimizing the damage to healthy surrounding tissue.

The service business provides a large stream of recurring revenues based on long-term service contracts with customers. Through AI-supported big data analytics, service operations are becoming more preventative, reducing unplanned downtime so that more patients can be treated.

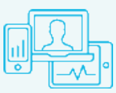
Accelerated pace of innovation

In line with our strategy, ACCESS 2025, investments in research & development have been accelerated. Focus is set on developing the MR-Linac platform, projects within the linac family, and software. As medicine and technology progress, treatment possibilities continue to expand, resulting in increasingly complex workflows for clinics. Elekta is developing the next generation of software solutions that will help clinics manage and streamline these workflows, tying the two subsegments within solutions closer together. We expect to launch new innovative solutions in 2022/23.

At the end of 2021/22, the installed base of Elekta solutions was around 6,900, of which some 5,000 units were linacs, MR-Linacs and Leksell Gamma Knife systems.

Solutions

Elekta offers leading solutions in both radiotherapy treatment and oncology informatics systems for complete oncology clinics.



Oncology Informatics

Linac

Brachy

Neuro

Services

Elekta delivers high-quality aftermarket services with a global network, generating recurring revenues.

Oncology Informatics Solutions Decision support tools that improve access and elevate care

For more than 30 years our leading oncology information system has helped clinicians connect with patients and improve treatment outcomes. The right software tools will raise the standard of care and run clinics operations more efficiently.

Oncology is a complex and data-driven discipline. Due to the wide range of cancers and tumor types, there is no single standard of care. Treatment plans need to be personalized for each patient, usually from a combination of radiotherapy, surgery, and chemotherapy. To manage this complexity and to ensure continuity in the handovers between all healthcare professionals involved, clinics use oncology information systems (OIS) to handle patient data and to manage and analyze their own operations.

Elekta offers the best of breed OIS, MOSAIQ, and the supporting ecosystem of digital tools, MOSAIQ Plaza. It works seamlessly with all Elekta radiotherapy systems and supports virtually any other oncology medical device or treatment management solution.

The OIS is built around a data model specifically designed for multidisciplinary oncology care. With repeated observations of the same variables over a long time, it enables clinics to continuously evaluate their practices. The role-based software presents each clinician with everything they need for making precision treatment decisions, including high-level support, granular patient data and care pathways based on established treatment guidelines. Developing the pathways tool further with better visualization and easier decision making on the optimal treatment strategy is one aspect of the deepened partnership with Royal Philips signed during the year.

Supporting innovations

The new version of MOSAIQ supports additional radiotherapy systems, like Elekta Harmony, and has an improved user experience and added automation workflows. Our OIS and analytics tools have been updated and can provide our customers with good support to comply with the requirements of the previously planned new bundled payment system in the U.S.

Kaiku Health is a platform for electronic patient-reported outcomes (ePRO) and an efficient tool for connecting clinicians and patients. It works by patients reporting their wellbeing via an app. The care team can follow each patient and focus their resources on those whose reporting indicate they need care. Kaiku and similar ePROs are continually demonstrating improved survivorship and reduced adverse events resulting in an elevation of care as well as a reduced burden on acute treatments. During the year, Kaiku received an ONC Health IT Certification in the US, which means it can be used to meet the requirements of various regulatory healthcare programs.

Cloud-delivered bundles

There is growing interest in cloud-delivered software as a service (SaaS) among healthcare providers. The model moves software from a capital investment to an operational expense and makes sure the clinic is always using the latest software version while benefiting from smooth updates and flexibility. For many new clinics this is an advantage, especially in emerging markets where budgets are smaller and there is greater uncertainty about future software needs.

We have put together software bundles that align with different clinical functionality and deliver them via the Elekta Axis cloud. This makes it easier, especially for new clinics, to match software purchases with their needs while getting enhanced support for cybersecurity. The right software tools will raise the standard of care through strong decision support, and expand access by making clinics' operations run more efficiently.

Dr B S Ajaikumar
Executive Chairman, HealthCare Global Enterprises, India

> "Elekta's pay-per-use model fits very well with our oncology business model, marked by low capex, cost-effective solutions that are rooted in the optimal usage of assets, and not their ownership."

Experience the difference:

Kaiku

Like many, Florencia Escobar enjoys the small things in life, meeting up with friends or having dinner with her partner. Relaxing and enjoying these moments after receiving cancer treatment – in Florencia's case external beam radiotherapy and brachytherapy for stage III cervical cancer – can be challenging. Florencia has the support of Elekta's software application, Kaiku, to help her cope. "The Kaiku app really gives me peace of mind regarding symptoms and my own follow-up," she says.

Using her phone or tablet, Florencia answers questions and reports her symptoms in the app so that her medical team at Leben Salud in Neuquén, Argentina, can follow her condition and schedule follow-up meetings if necessary.

Kaiku also helps Florencia by automatically sending her symptom feedback articles. "I find them very useful, as they help me to learn about the treatment, the symptoms and how to manage them. And it's reassuring to know the information is reliable – there is a lot of false information on the internet," she says.

PILAHUE, ARGENTINA
JUNE 24, 08:15 AM
ILLUSTRATIVE PICTURE

Linac Solutions
Shifting the paradigm and optimizing workflow

Elekta offers a complete range of linac solutions that both elevates the standard and expands access to care.

Linear accelerators, or linacs, are the cornerstone of radiotherapy departments, treating a wide range of cancer tumors. Patients receiving care with a linac usually only visit the clinic to receive treatment and spend the rest of the day at home. Elekta's linac solutions are designed to help clinicians raise the quality of care by tailoring treatments to each patient while still improving productivity so that more patients can receive treatment.

Due to an increasing number of patients as well as budget and personnel constraints, clinics are increasingly focusing on optimizing operational efficiency. This means that integration and streamlining of clinical workflows have become just as important as choosing the optimal tool for each individual task.

Shifting the paradigm

Elekta's linac offering ranges from the very cutting edge of technology to value solutions.

At the top of the range is Elekta Unity, our MR-Linac, which is equipped with a diagnostics grade MRI. The introduction of Unity marked a paradigm shift in radiotherapy as the superior image quality of the MRI provides clinicians with clear visibility even in notoriously difficult to see soft tissue such as the abdomen. The MR-Linac consortium believes that all the nine most common cancers globally would benefit from Unity's improved visualization and treatment adaption: lung, breast, prostate, colon, stomach, liver, rectum, esophagus, and cervix[1]. 25 percent of all radiotherapy should benefit from a MR-Linac treatment in the future.

[1] https://gco.iarc.fr/today/data/factsheets/populations/900-world-fact-sheets.pdf

Experience the difference:

Unity

Wayne Crawley, 73, led a relaxing life, spending his time on his hobbies – fishing, golfing and cooking – and family when he was diagnosed with prostate cancer. After some searching, he found an oncologist at a cancer center in New Jersey that he connected with. "He was great. It was like talking to family," he says.

With the treatment options explained to him, Wayne opted for radiotherapy on the hospital's new Elekta Unity MR-Linac. "I understood this was the latest and greatest system, and it's proven true," Wayne says. "Everything was fantastic. I thought it might be painful or at least uncomfortable, but the only slight discomfort was lying on the hard couch and the sounds of the machine. But you quickly get used to these; I actually fell asleep during treatment a couple times."

And the side-effects from the treatment have been minimal. "I was visiting the bathroom a little more frequently for the first one or two weeks, but other than that, nothing," he says.

JERSEY CITY, THE UNITED STATES
JUNE 24, 10:15 AM
ILLUSTRATIVE PICTURE

The benefits of Elekta Unity

Visualization
Unprecedented visibility

Precision
Truly precise and personalized radiotherapy

Data & insights
Diagnostic quality MR imaging

Productivity
Unparalleled insight, visibility and control

Improved outcomes
Real-time adaptive treatment in presence of motion

Unity community
Unique approach to innovation with hundreds of clinical partners

The ability to see clearly and to continuously, in real-time, adapt the treatment plan to changing tumor anatomy, will spare more healthy tissue; enable the managing of hard-to-treat cancers in difficult anatomical sites such as rectum, liver, and pancreas; and facilitate the use of more efficient treatment schedules such as hypofractionation.

The MOMENTUM study was initiated in 2019 to provide an infrastructure for data to both develop and assess the best clinical practices with Unity. Participating institutions can access clinical and technical data from a large, shared repository, which enables researchers to learn from all patients treated with Unity. Compiling clinical evidence is important to help radiation oncologists and physicists optimize their practice and key to obtaining enhanced and stable reimbursement rates in line with the additional clinical value brought by Unity.

A major milestone was achieved at ESTRO 2022, when the MOMENTUM study reported on the experience of over 1,800 patients demonstrating utilization in a wide variety of tumor types, all with a promising side effect profile. We continue to see studies where new concepts are explored and are starting to see more studies on clinical safety and effectiveness. Focus going forward is on studies that demonstrate the clinical superiority of Unity, which will then be used to establish differential reimbursement schemes.

Dr Arjun Sahgal
Deputy Chief, Sunnybrook Health Sciences Centre, Toronto, Canada

> " When I know my patient is going on the MR-Linac, I feel a sense of relief. My patient is getting the best care possible and I will know what's happening to the tumor through that journey. That's an overwhelming feeling, not only for the physician, but also for the patient. "

Common development areas

Versa HD is in the high-end segment for traditional linacs. Sub-millimeter precision together with Elekta's treatment planning system, Monaco, and advanced imaging enable clinics to transition to hypofractionated treatment schedules. These include stereotactic radiosurgery (SRS) and stereotactic body radiation therapy (SBRT), which can fit into standard 15-minute treatment slots.

Understanding and handling motion, for example when breathing, is a big focus area for both Unity and Versa HD. With Versa HD comes advanced 4D imaging capability, and for Unity updates during the year included new features in comprehensive motion management. Another area of common interest is online adaptive treatment, which is standard on Unity and under development for traditional linacs.

Increasing productivity

Harmony is a high-productivity linac as well as Elekta's newest linac on the market. It brings a completely redesigned in-room experience, especially for the time-consuming patient setup

process which Harmony's FastTrack system can reduce by up to 50 percent. Overall, treatment times can be reduced by up to 25 percent, and some sites are treating up to 70–80 patients a day, meaning clinics can treat more patients with the same staffing, improving access to radiotherapy.

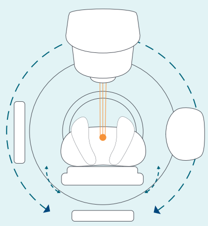
It is available in two configurations: Harmony and Harmony Pro. The Pro model is aimed at mature markets and the regular version at emerging greenfield markets. With support for the new in-room workflow added to Elekta's oncology informatics solution, MOSAIQ, there are significant benefits of Harmony in enabling both mature and emerging markets to treat more patients without compromising on precision or clinical versatility.

Cloud-based analytics

ProKnow is our cloud-based collaboration platform for distributing tasks and for measuring and improving patient outcomes, both important aspects of value-based healthcare. All patient radiotherapy data is centralized in a secure web repository and accessed via a simple and intuitive user interface. Tools like peer-review and plan evaluation can be used to maintain quality and consistency in clinical practice, while tools for big data aggregation and analytics can improve practices over time. The built-in automated workflows, such as auto-contouring, can be further enhanced by customized automated scripts and third-party analytics.

How it works: Linac

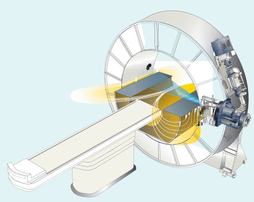
The linear accelerator (linac) uses high power microwaves (like radar) to accelerate electrons to nearly the speed of light where they hit the target to produce an intense beam of radiation. The shape, direction and intensity of the radiation beam is automatically controlled in accordance with a treatment plan, which has been optimized to deliver the required dose of radiation to the individual patient's tumor, while minimizing the impact to the surrounding healthy tissue.



Cone beam CT

Image guided radiotherapy

Most linacs include an integrated CT imaging system for visualization and positioning of the tumor target while the patient is in the treatment position. Elekta Unity, MR-Linac, replaces this CT imaging with a diagnostic-grade MR imager. MR images are generated immediately before and during treatment which enables real-time adjustments of the radiation beam to the patient's anatomy at the exact time of the treatment.



MR-Linac

CLERMONT-FERRAND, FRANCE
JUNE 24, 02:15 PM
ILLUSTRATIVE PICTURE

Experience the difference:

Harmony

When it was time for a cancer clinic in Clermont-Ferrand, France, to upgrade one of its two linacs in 2021, they opted for Elekta Harmony Pro.

"We had significantly improved our volume or cancer cases over the last four years, but we knew that a linac like Harmony would allow us to treat even more patients," says Dr Vivien Fung, radiation oncologist at the clinic in Clermont-Ferrand. "Plus, it would give us more capacity to meet the increasing demand for hypofractionation."

In October 2021, the clinic began treating patients with a brand-new Harmony Pro, complementing their existing Elekta Versa HD linac. From the beginning, the clinic was able to treat all major tumor types on Harmony. After a month, 70 patients a day were receiving treatments on Harmony alone, ranging from conventional treatments to hypofractionation. Dr Fung adds that they chose the Pro version of Harmony to get High Dose Rate mode, like Versa HD, to enable efficient stereotactic delivery and increase the number of such treatments performed.

The clinic's data show that setup time on Harmony is about 20 percent lower than on conventional linacs, but the clinic thinks they can improve further.

"We believe that with more experience on this linac we can decrease patient setup time even more, while increasing efficiency and productivity," says Dr Fung.

Brachy Solutions
A very precise and economical treatment option

Brachytherapy is a cost-efficient treatment modality for many cancer types. As the market leader, Elekta works to improve both access and standard of care.

High dose rate brachytherapy is a very precise form of radiotherapy where a radioactive source is temporarily inserted into the body, inside or close to the tumor. Most brachy patients receive it in combination with external beam radiation, for example with a linac, but it can also be used as a standalone treatment. It is standard care for cervical cancer and clinically effective, as well as an economical treatment option, for a range of different cancer types such as prostate, breast, skin and rectal.

Elekta is the undisputed market leader in the segment of high dose rate brachytherapy, with around two thirds of the market. The offering consists of afterloaders, treatment planning software and a wide range of applicators. The latest innovation, Elekta Studio, makes it possible to offer a complete image-guided brachytherapy solution, as an in-room mobile wide-bore CT system (ImagingRing) has been added.

Clear advantages

In-room imaging has very clear advantages. After the applicator has been inserted, patients are usually transported to another room for imaging, which takes time and carries displacement risk that affects the quality of treatment, and can be stressful for both patients and clinicians. With ImagingRing, images can be obtained in-room without transporting the patient, improving the treatment delivered, patient comfort, and enabling a greater throughput of patients for the clinic.

Feedback from the early adopters has been highly positive. Different clinics will now be optimizing their workflows and compiling real-world evidence about the benefits of ImagingRing. Clinical evidence will make the advantages clearly visible and increase market demand.

A near-term focus has been to get Elekta's large product portfolio with over 200 applicators approved under the new stricter EU Medical Device Regulation. Future innovation efforts will continue to focus on making brachytherapy faster and easier to perform, and on bringing imaging to the next level with better integration and working towards image-guided adaptive treatments.

Access to training

A limiting factor for expanding the use of brachytherapy is a shortage of trained staff. To help alleviate this, Elekta runs the BrachyAcademy, the world's largest educational resource for brachytherapy. Since brachytherapy usually involves a minimally invasive procedure, it may take some time for clinicians to become proficient and fast enough at performing it for the reimbursement to fully cover the clinic's cost. The BrachyAcademy educates clinicians by peer-to-peer training, improving the economics for the clinic, while also spreading the use of brachytherapy. Elekta and its 22 BrachyAcademy partner hospitals worldwide have trained over 2,500 clinicians through workshops and observational visits.

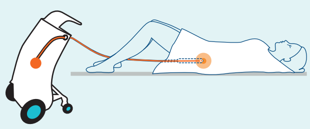
The World Health Organization has presented a global strategy to eliminate cervical cancer as a public health problem by pursuing vaccination, screening and treatment. The aim is to drastically reduce the incidence of cervical cancer and to expand access to treatment. As the market leader, Elekta is committed to increasing access and to training medical staff globally, especially in underserved markets where it is needed the most. That is why the BrachyAcademy is expanding in low- and middle-income countries, with focus on developing BrachyAcademy partners for gynecological cancer treatments in new regions.

Mulape Mutule Kanduza
Chief Medical Physicist, Cancer Diseases Hospital, Lusaka, Zambia

"I had a unique experience and learned a lot both by observation and through verbal communication."

How it works: Afterloader with an applicator

A radioactive source, the size of a grain of rice, is temporarily placed inside or close to the tumor via an applicator. Treatment planning is done after the applicator has been inserted and an image has been acquired via CT or MRI. Then a carefully planned high dose is delivered very precisely with the afterloader that remotely steers the source in the patient's body. The entire treatment is typically delivered in one to four fractions during one stay at the hospital, enabling the patient to return home the same day or the day after.



PHILADELPHIA, THE UNITED STATES
JUNE 24, 04:15 PM
ILLUSTRATIVE PICTURE

Experience the difference:

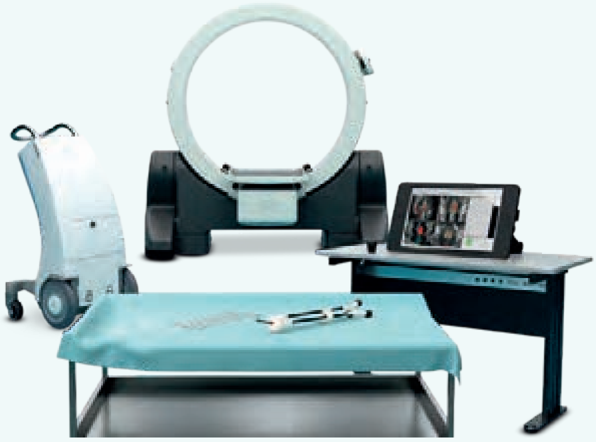
Elekta Studio

The Sidney Kimmel Cancer Center (SKCC) – Jefferson Health, located at the Thomas Jefferson University Hospital in Philadelphia, was the first clinic in North America to acquire Elekta Studio, which includes ImagingRing, a mobile CT scanner for brachytherapy.

"This state-of-the-art, mobile-CT technology brings real-time imaging directly to the patient, thus reducing the amount of time each procedure takes, while improving treatment accuracy and enhancing patient safety," says Dr Pramila Rani Anne, Director of Clinical Operations, Department of Radiation Oncology.

To make sure the radiation source is positioned correctly inside the body, images are obtained with a CT scan. Until the advent of ImagingRing, this meant moving the patient to another room, risking displacement of the applicator or needles, and delaying the treatment time. For patients movements during the treatment can be stressful. Therefore, Elekta Studio not only increases efficiency but also patient comfort.

"ImagingRing underscores our commitment to patient-centered care, ensuring that we are able to provide every individual with the latest treatment options while also providing a more convenient experience," says Pramila.



Neuro Solutions
Minimally invasive treatment with the highest precision

The expertise to protect what matters most with a strong and specialized value proposition for stereotactic radiosurgery.

The core of Elekta's neuro offering is Leksell Gamma Knife (LGK), the most proven and well-documented stereotactic radio surgery (SRS) device on the market. SRS is a safe and cost-efficient treatment option for neurological diseases and brain metastases, and a gentler alternative to open surgery and conventional radiotherapy. It is non-invasive, and usually has no side effects and no convalescence or rehabilitation requirements for the patient. Treatment is normally performed in one fraction and patients can return home the same day.

The main advantage of LGK is the very sharp dose fall-off that ensures minimal dose to surrounding healthy tissue. The optimized workflow, which requires minimal quality assurance, is highly efficient and enables some centers to treat more than 1,500 patients per year with one LGK.

While SRS can also be performed on modern linacs, LGK offers superior accuracy and shorter treatment times. Clinics that have invested in LGK find that they can increase the throughput of brain patients while freeing up time on the linac, improving overall access for patients and the economics for the clinic. The installed base of LGKs is around 360 and growing.

The latest Neuro solution is the state-of-the-art Elekta Esprit, which was launched at ESTRO in May 2022. Built on decades of development, Esprit takes SRS to the next level. This latest and most advanced system will offer significantly faster automated treatment planning for clinicians, more personalized and patient-friendly treatments, and a degree of precision able to protect the mind and the person. With submillimeter accuracy, it can target even the smallest, most challenging intracranial tumors and lesions while protecting essential healthy tissue. Its new platform will also serve as a perfect hub for coming innovations and future updates.

Lightning-fast

LGK comes with its own planning tool, Leksell GammaPlan, which is fully integrated with and tailored to LGK. It is also available remotely, a feature which has proven invaluable during the pandemic and has the added advantage of allowing easier collaboration between clinicians and departments.

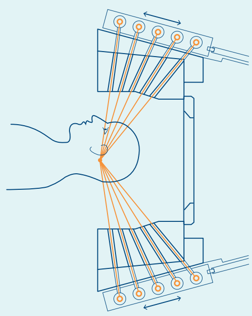
The treatment optimizer Leksell Gamma Knife Lightning is a software designed to reduce planning and treatment delivery times while ensuring that even novice planners can deliver high-quality plans. The automated process reduces planning time by up to 80 percent, increases plan quality, and reduces beam-on-time by up to 50 percent. This solution has been described as game-changing by customers, and the product has seen an enthusiastic uptake with 160 installations in just two years.

Immobilization options with patient comfort

There are currently two immobilization options: a frame and a mask. The latest frame, Leksell Vantage, has an open face design, which greatly improves patient comfort while also providing better access for anesthesia. It is easy to assemble and the disposable pins fixing the frame eliminate the need for sterilization. The innovative construction secures improved image quality through dramatically less image distortion, which speeds up the imaging process while allowing clinicians to see more anatomy. In addition to LGK, the headframe is part of a stereotactic system that is used for performing stereotactic surgical procedures.

How it works: Leksell Gamma Knife

Stereotactic radiosurgery is specifically developed to treat neurological conditions. With Elekta's Leksell Gamma Knife, up to 192 low-intensity radiation beams simultaneously converge with high accuracy, to deliver a powerful radiation dose to the target. Target volume and shape determine the number of beams used. Advanced stereotactic imaging and a high-definition motion management system enables real-time adaptive treatment.



Service
Preventive maintenance increases availability for patient treatments

We invest in digitalization to be a strong life-time companion to our customers. By connecting and collecting data from our machines we can act before breakdowns happen, enabling customers to plan their downtime and minimize operational disruptions.

Service plays an integral part in the value that Elekta and clinicians provide for patients, directly via maintenance and repairs that keeps the solutions running, and through an expansion in the service portfolio with more value-added services. With preventive maintenance, clinical downtime can be both minimized and planned, making sure that patients receive their treatments as scheduled and that clinics' operations run efficiently.

Indirectly, service and support of our installed base is the cornerstone of the close relationship between clinics and Elekta. Together with the stable recurring revenue stream from the service business, it forms a foundation for continued investments in research and development of Elekta's solutions.

Our portfolio of services, Elekta Care, ranges from installation of a new machine to ongoing maintenance, training, and technology updates during the lifetime of the product. We also offer opportunities to participate in knowledge sharing through our global network of service experts.

IntelliMax with patented algorithms

The bedrock of our preventive maintenance program is Elekta IntelliMax. It collects machine data from more than 22,000 connected Elekta products, including 80 percent of our installed base of linacs, and performs analyses using AI-based patented algorithms to detect issues before they impact the product's availability.

For every issue detected by IntelliMax, an average of eight hours of clinical downtime can be avoided[1]. Through IntelliMax, more than 20,000 hours of clinical downtime are avoided by our customers each year.

Leading remote capabilities

Early investments in digitalization have enabled us to develop leading remote support capabilities. We have over 650 field technicians performing maintenance and repairs, which are supported by more than 160 support specialists providing remote assistance in local languages. Where field technicians used to rely solely on their own expertise and experience, they can now count on the support from our remote specialists and data from Elekta IntelliMax. In 2021/22, 68 percent of service cases were solved with remote support, avoiding more than 50,000 hours of clinical downtime.

[1] Hypothetical case based on a conservative average of three patients treated per hour per linac, multiplied by the average clinical downtime avoided per IntelliMax detected issue.

Phattanapong Saenchon
Chief Physicist, Sakon Nakhon Hospital, Thailand

> "IntelliMax appealed to us, not only because it would alert our support team of any current system errors, but because it would detect issues weeks before they occur."

Automated spare part logistics

Digitalization has also enabled intelligent automation of our spare parts logistics. When the system detects a potential upcoming issue, the required spare part is automatically ordered and sent from the closest warehouse. Spare parts are automatically distributed across our warehouses according to analytics of where they are most likely to be needed. The same analytics also provide insights into when spare parts need to be restocked.

This automation has, together with strong efforts from the logistics team, enabled us to keep our customers supplied with the necessary parts throughout the pandemic.

Developing the service offering

Continued investments in digitalization will improve our capability to deliver and to launch new services. Currently we are looking to expand our service portfolio by offering more value-added services, such as dosimetry, physics, and workflow consultancy. We are also increasing our remote support further by standardizing and optimizing the remote process, and creating visual aids to improve communication. We see an increased demand from the market, and together with our partners we are enhancing our service offering.

Geographical overview

The demand for cancer care is expected to increase as cancer incidence continues to rise all over the world. The challenges from the pandemic diminished as the year proceeded with improved access to hospitals reaching more normalized installation levels but still different investment appetite among the geographic markets.

Delayed cancer screening and diagnosis due to pandemic-related restrictions and re-prioritizations have led to a pent-up demand in cancer care. Several national cancer care programs have been activated during the year to battle the demand.

Later in the year, risk of component shortages arose and new challenges emerged. Both the war in Ukraine and rising inflation rates have led to higher costs in addition to already high logistics and supply chain costs as well as delays and market cautiousness. Despite these short-term effects, the underlying growing need for radiotherapy treatment persists.

Americas[1)]

30%

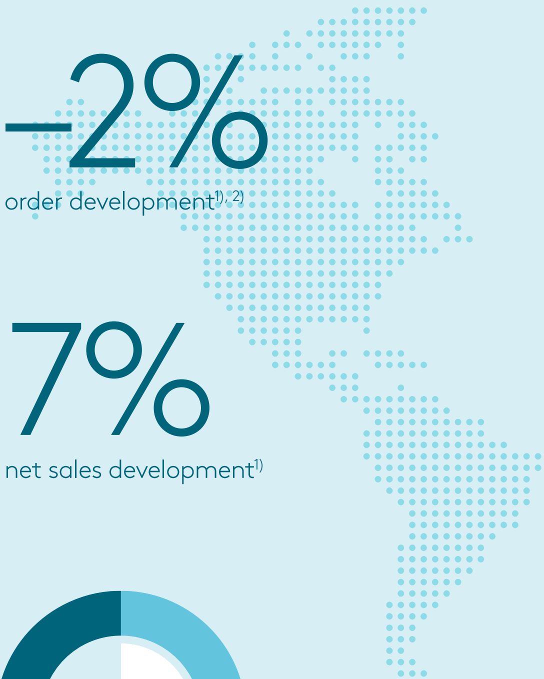
EMEA[1)]

39%

APAC[1)]

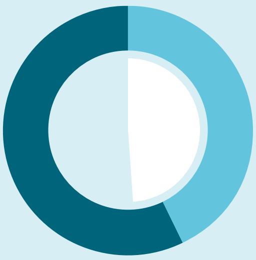
31%

1) Share of Elekta's total order intake 2021/22.

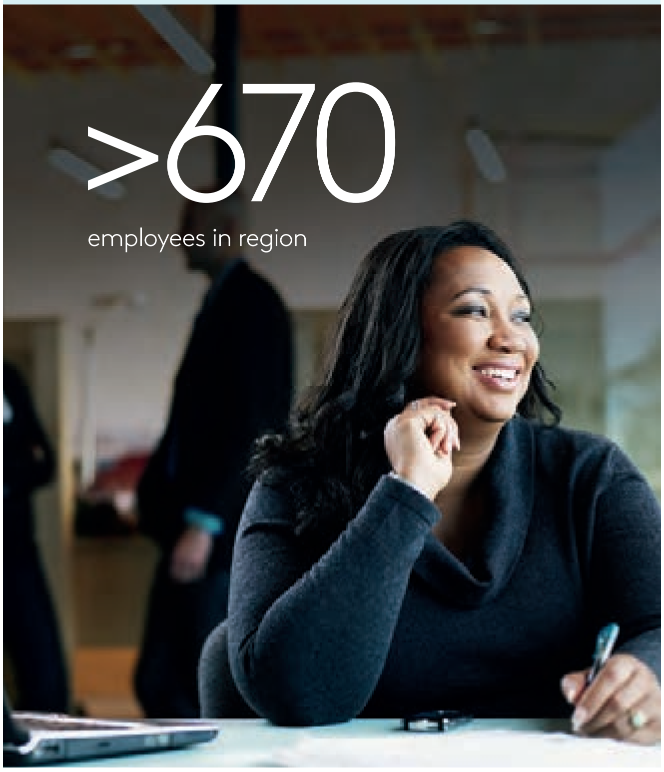


–2%
order development[1), 2)]

7%
net sales development[1)]



[1)] Compared to previous year based on constant exchange rates.
[2)] Includes the largest deal ever in the comparing year.



Americas
Focused on the entire cancer care continuum

Market development during 2021/22

U.S. customers' budgets did not return to pre-pandemic levels and construction projects on customer sites were delayed due to elevated building costs emerging from supply chain issues and inflation. However, towards the end of the year we saw a boost in demand.

Latin America continued to be impacted by Covid-19. Government funds were diverted to managing new waves of the pandemic, and vaccine rollouts caused delays throughout Latin America. Unfavorable exchange rates and soft economics also delayed both demand and access to customers in emerging markets in the region.

Market outlook

Cloud services and SaaS structures are accelerating across all industries in the U.S. and at the same time consolidation among healthcare providers is driving demand for integrated and standardized software and hardware solutions. Overall, there is a growing importance of software integration in the radiation oncology space as software advancements change the workflow and roles for care management, particularly in treatment planning and oncology informatics systems. Customers are looking for solutions to support the entire cancer care continuum and involve the patient in their care journey. There is also an increased interest in the combined treatments of immunotherapy and radiotherapy. The change in the competitive landscape is expected to drive a closer connection between radiation oncology and diagnostic imaging.

The reimbursement change to bundled payment, planned for in the U.S., is on hold until further notice. As the inevitable migration towards value-based healthcare takes place in the U.S., demand for technologies that enable hypofractionation keep growing. This shift leads to a decrease in average treatment sessions per patient, but as cancer incidence rises and more cancer types are treated with radiotherapy, long-term demand is expected to remain intact. This, combined with the expectation that the emerging markets of the region will grow steadily, leads to an overall positive market outlook for the region.

Americas, continued.

Market characteristics

U.S.

- World's largest radiotherapy market
- Customers predominately private
- A replacement market
- High focus on value-based healthcare and new technology
- World's highest healthcare cost per capita resulting in public interest in efficiency and reimbursement

Canada

- Publicly run healthcare with government and province making purchase decisions
- Primarily a replacement market
- High interest in advanced technology

Latin America

- A combination of private and public customers
- Low access to radiotherapy driving greenfield investments
- Weak reimbursement systems
- Rapidly growing aging population
- Large healthcare groups acquiring smaller clinics

Carlos Castilleja
Executive Vice President Region Americas, Elekta

"U.S. customers shorten courses of treatments and treat more indications in adaptive ways."

See page 96 and Note 5 for Elekta's performance during the year

EMEA
Recovery supported by health care programs

Market development during 2021/22

Covid challenges in Europe decreased during the year and most countries within the region had recovered from the pandemic at year-end. As the pressure from the pandemic eased, large cancer care programs were able to shift gear. EU's Beating Cancer Plan and resilience fund (Recovery and Resilience Facility) were activated, which resulted in the start of large public tenders for replacement investments to modernize the installed base in Europe. Longer-term these funds shall harmonize cancer care within the EU. At the same time supply chain challenges accelerated and in the last quarter the war in Ukraine impacted market stability and disrupted cancer treatments. In the Middle East and Africa, glimpses of recovery were seen as actions from public-private partnerships surfaced.

Market outlook

Demand in Western Europe is driven by national healthcare programs and their shift towards cancer care (e.g. screening programs for lung cancer), and an increased focus on multidisciplinary cancer care and combination therapy. In Eastern Europe, the resilience fund will drive national cancer programs and market growth. Demand for high-end solutions is increasing as access to resilience funds is enabled and hospitals in Eastern Europe seek clinical expertise from Western Europe and the U.S. In the Middle East and Africa, extended public-private partnerships will contribute to market recovery and there is a focus on driving efficiency to recover from pandemic-related delays in treatment and modernizing the installed base. In the Gulf region funds are directed to reverse the outflow of medical tourism by creating self-sufficient national radiotherapy facilities with help from excess budgets resulting from the oil price surge. The revival of medical tourism is also driving the demand for high-end solutions, like the MR-Linac.

The war in Ukraine and the sanctions imposed on Russia and Belarus are disrupting supply chains and cancer treatments in Europe and increasing market concerns. At the same time, regional healthcare investment initiatives within EMEA are shifting to cancer care to address the growth in cancer prevalence and incidence. In addition to fighting the pandemic-driven pent-up demand in cancer care, investments in cancer screening will also enable more early-stage patients to benefit from radiotherapy. Especially in highly underserved markets like Africa, where access to cancer care is lacking, increased detection of cancer implies a substantial long-term growth potential.

Market characteristics

Western Europe

- Mainly public customers
- Private sector growing steadily
- Customers interested in long-term partnership agreements
- A replacement market
- Focus on new technology and efficiency
- Increasing demand for service

Eastern Europe, Middle East and Africa

- An expansion market
- Investments often funded by national healthcare programs
- Medical health tourism drives adoption of new technology
- Around half of market in Middle East and Africa public

Ardie Ermers
Executive Vice President Region Europe, Elekta

"Elekta has a strong market position in Europe with several new long-term customer partnerships."

See page 96 and Note 5 for Elekta's performance during the year

12%

order development[1]

2%

net sales development[1]

- Solutions, 61%
- Service, 39%
- % of total net sales, 37%

[1] Compared to previous year based on constant exchange rates.

>640

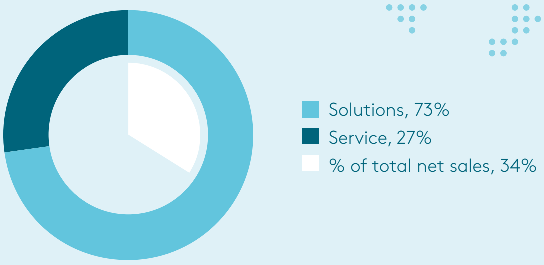
employees in region

1%

order development[1)]

4%

net sales development[1)]



[1)] Compared to previous year based on constant exchange rates.

>770

employees in region

APAC
High growth potential

Market development during 2021/22

Despite negative impact from Covid-19 on the Chinese market, the demand for radiotherapy, and especially hypofractionation, increased. The development was driven by the continued improvement of the Chinese healthcare system, which generated growth opportunities for radiotherapy. The Made in China 2025 policy, aiming to upgrade Chinese industries from labor-intensive manufacturing into technology-intensive powerhouses, intensified the importance of local presence in a broader perspective.

The Indian market continued to grow, mainly through large private investments, since government funding diverted to Covid-related spending and medical tourism decreased. In Southeast Asia, where medical tourism has been an important growth driver, the impact of the pandemic was profound and the recovery lagged due to infrastructural challenges, regulations and repeated lockdowns.

The Japanese customers had a cautious attitude due to the pandemic and strict international border control, which challenged access and pace of business, although public spending remained resilient. In Australia, a diversion of government spending and a conservative border control slowed down the market in both the public and private sector.

Market outlook

China's zero-Covid strategy continues to impact short-term market growth, and in the long term the Made in China 2025 policy will favor domestic players. At the same time, business opportunities arise from public efforts to increase cancer survival rates by expanding the national healthcare system to more rural areas. Overall, the huge growing cancer burden in combination with a growing economy confirms China's long-term growth potential.

In India public investments are estimated to increase short term, even though the driving private sector is expected to recover faster. Fast growing suburbs, privatization, increased private-public partnerships and medical tourism will be the engines of long-term growth, at the same time as customers' orientation indicates somewhat harder competition from local providers. In Southeast Asian markets, demand will resume progressively as borders open and the latent medical tourism starts to pick up.

Both the resilient public segment and the recovering private segment are likely to drive growth in Japan as replacement investments are expected to increase. In Australia, reimbursement changes may delay new technology investments, but in the end, also stimulate technology upgrades, and in rural areas the need for greenfield expansion investments persists.

Market characteristics

China

- An expansion market, but increasing replacement investments
- Customers both public and private
- Increasing demand for hypofractionation
- Lack of professionals drives demand for comprehensive radiotherapy solutions

India

- Underserved market with growing need for local high-quality radiotherapy treatments at low cost
- Customers mainly private
- Low healthcare spending as percentage of GDP
- Important destination for medical tourism

Japan

- A replacement market
- Expansion potential as only 25–30 percent of cancer patients receive radiotherapy
- High penetration of Leksell Gamma Knife systems

Other markets

- Underserved markets:
  - High and growing cancer incidences, increasing life expectancy, more effective cancer diagnostics
  - Lack of qualified professionals
- Mature markets:
  - High cancer care capacity
  - Quick to adopt new technology

Anming Gong
Executive Vice President Region China, Elekta

"Cancer care and radiotherapy continue to be an important area in expanding the Chinese health system."

See page 96 and Note 5 for Elekta's performance during the year

Risk management linked with strategic planning

Elekta operates in a highly competitive and regulated industry and a strong local presence leave us open to such risks as threats, uncertainties or lost opportunities relating to current or future operations or activities. Sound practices for risk management are an essential element of our culture, corporate governance, strategy development, and operational and financial management. We strive to maintain a culture of individual accountability, where everyone factors in risk in daily decision making so that the right level of risk is being assumed.

Elekta's two-dimensional ERM process:

- **"Top-down"** – designed to distill insights and provide clarity on the most important risk areas, supporting risk-informed decisions at the executive level and enabling proper risk oversight by the Board of Directors.
- **"Bottom-up"** – ensuring a consistent, comprehensive and group-wide risk identification and prioritization of important risks. Risks are evaluated on the basis of impact and probability and the level of risk preparedness.

Top-down
Methodology provides clarity on key risks at group level and enables proper risk oversight by the Board of Directors.

Bottom-up
Methodology ensures consistent and comprehensive risk identification and prioritization across the company. Risks are evaluated on the basis of impact and probability and level of preparedness.

Clear accountabilities at all levels

The first level of control consists of our employees who perform the day-to-day activities within the boundaries set by the Executive Management, and ultimately, the Board of Directors. These boundaries ensure that the actions of a single individual will not result in disproportionate risk or missed opportunities for the entire company, resulting in not achieving Elekta's strategic goals. Elekta's employees and their managers own all risks related to their business operations and are expected to manage these by maintaining internal controls and risk control procedures. Every employee is expected to comply with internal policies and procedures and applicable laws and regulations. Elekta's support functions, such as Finance, IT, Human Resources, Legal & Compliance and Regulatory Affairs & Quality, form a second control level and carry out various risk management and compliance activities to support and monitor the first level of control. Elekta's independent internal audit function constitutes a third and final level of control reporting to the Audit Committee on the effectiveness of the risk management processes and internal control system.

Risk management governance

The Board of Directors is ultimately responsible for the governance of risk management and control systems. The President and CEO, assisted by the Executive Management, is responsible for ensuring there is a common and efficient risk management process in place. Support functions provide guidance on governance, risk management and internal control.

Risk management linked with strategic planning

Elekta has an established Enterprise Risk Management (ERM) framework aligned with the strategic planning process. A group-wide overview of all Elekta's risks is undertaken twice a year, using a common risk identification and rating methodology, providing a basis for decision-making and prioritization as well as ensuring appropriate levels of control.

Crisis management and response at group level

To ensure efficiency in Elekta's ability to successfully respond to disruptive events at group level and continue business operations, a number of risks deemed to have a major impact at group level are described in Elekta's risk universe on **page 37** and in **Note 2** concerning financial risk management. Elekta's risk universe is divided into four risk categories and 28 aggregated risk areas where impact, probability and risk preparedness are tracked and trended on a yearly basis.

Covid-19

As a response to Covid-19 a global crisis management and resilience response plan was early established. Elekta is running a set of well-coordinated global programs focusing on employee well-being and safety, ensuring sustainable financing and stable cash reserves, as well as continuously improving our processes with more innovation, automation, and digitalization. Impact of Covid-19 is also seen in global logistics and sourcing today and this is managed through a cross-functional task force that is continuously monitoring and taking measures to counter any negative effects on our customers.

Insurance as a risk management tool

Where identified risks cannot be avoided, mitigated or accepted, risks are being transferred through insurance where possible. Elekta's insurable risks are covered through global insurance programs tailored to transfer risks associated with property and

business interruption, transportation, project execution, business travel, cyber- and liability risks.

Elekta's risk universe

Elekta has classified risks in four broad categories to facilitate the discussion around risk appetite and risk response.

Operational risks

Operational risks are those directly attributable to business operations that Elekta largely can manage and prevent. They have a negative impact on our financial performance and reputation.

Risk factors

We manufacture and sell medical equipment that is subject to many laws and regulations and commercialization is dependent on certification and approvals at local levels. Elekta must fulfill rigorous demands in accordance with several rules and product safety standards, e.g. EU Directive 93/42/EEG on medical products, FDA's demands on quality systems, as well as a number of domestic directives and rules. Our portfolio is characterized by large investments in research and development leading to patent and other intellectual property rights, which need to be safeguarded from third party infringement or improper use. We operate in an industry in which there is an increased demand for using and analyzing personal data or treatment data in order to further develop our product portfolio. This needs to be done in accordance with privacy laws worldwide, and appropriate measures to protect the data against damage, manipulation and undue interference need to be considered. Our business operations depend on many advanced IT systems and solutions that need to be protected against damage and undue interference while also adhering to various data privacy and security laws and regulations worldwide. We depend on successful relationships with business parties across the entire value chain, especially suppliers of critical components. In many markets, we rely on an external network of distributors and agents. There is a worldwide trend to strengthen anti-corruption laws, and healthcare equipment manufacturers are particularly exposed in this area selling in many compliance-challenged markets with a growing need for access to equipment. Our ability to attract and retain qualified personnel and management is of great importance and has a significant impact on the future success of Elekta. Increasingly, companies are being judged by their performance on a variety of environmental, social and governance matters and our ability to meet external expectations on these matters may impact our business and reputation of long-term sustainability performance.

Risk approach
The focus is on avoiding or mitigating these risks in a cost-efficient way. This is done through active risk prevention through strong corporate governance controls and business processes to guide the organization's behavior and decisions towards desired norms.

Strategic risks

Strategic risks are risks that Elekta voluntarily assumes in order to generate superior returns from the strategy.

Risk factors
Our industry is characterized by relatively swift technological alterations with advances in industrial know-how and we rely on close collaboration with clinicians to develop new and improved treatment methods according to their needs. We use increased precision to expand the role of radiotherapy, e.g. with innovations such as our MR-Linac, driving paradigm shifts in precision radiation therapy and digital patient-centric solutions for value-based care. Strategic alliances and acquisitions are key to strengthening our portfolio and executing on our strategic priorities and we need to successfully implement the right company operating model that supports our strategy.

Risk approach
Our approach to managing these risks is to embed fact-based risk information as a natural part of executive decision-making, balancing risk versus reward. Read more about Elekta's strategy on **page 12**.

External risks

External risks arise from events outside the company and are beyond our influence or control.

Risk factors
A large geographical presence with multiple manufacturing sites and a large installed base expose us to potential political and economic risks on a global scale and in individual countries or regions. Pandemics cause uncertainty in order growth, limited access to hospitals, and increased risk of delayed installations because of lock down of countries. Elekta's ability to sell is dependent on availability of financing for private customers and healthcare spending funds by governments. Elekta's ability to commercialize its solutions is dependent on the reimbursement level that hospitals and clinics can obtain. Elekta's operation is guided by stringent demands and standards for medical equipment by regulatory authorities and rule changes might bring about increased costs or hinder sales of Elekta's products.

Risk approach
The focus is to limit the consequences of these risks on our business. Risk management strategies involve continuously identifying and monitoring external risks and to prepare and train the organization to reduce the impact of occurring risk events through stress testing, and disaster/continuity/recovery plans. Understanding and managing the pandemic has also this year been critical, balancing the well-being and safety of employees with the commitments to customers and their patients. Strong focus has been on resilience activities to control costs and prepare for returning to more normalized growth.

Financial risks

Financial risks mainly refer to Elekta's ability to manage its financial debt and financial leverage, such as financing risks and liquidity risks as well as market risks.

Risk factors
With a large geographical presence and many legal entities worldwide, the company faces currency risks in the form of -transaction and translation exposure. Further, the company holds loans in fixed and floating interest rates which could impact the financial result negatively.

Risk approach
Financial risk management is conducted by Elekta's finance department, which identifies, evaluates and hedges financial risks. Work is pursued in line with the policies established by the Board for overarching risk management and for specific areas such as currency risk, interest-rate risk, and credit risk. Read more about Elekta's financial risk management in **Note 2** and in the internal control over financial reporting on **page 83**.

Risks with major impact on group level (bottom-up)

The Elekta risk universe model is built from a bottom-up approach where individual strategic, operational, and external risks are consolidated with the help of cluster risk areas. Each individual risk contained in Elekta's bottom-up risk register is mapped against a given risk cluster area and measured on its probability and impact, risk management preparedness and contribution to the overall impact on Elekta. Each risk identifying source is also given a unique weight, which will determine the level of influence on the overall risk score.

Below is a picture showing the Elekta risk universe and the severity of each risk cluster area. The closer to the center of the diagram, the more severe impact the risk cluster area has on Elekta during this strategic period.

Operational risks

Employees & human rights
- Talent attraction, succession planning and employee retention
- Adverse human rights impact in our supply chain, material traceability and conflict minerals

Legal & regulatory
- Intellectual property rights & trade secrets protection
- Substandard agreements and breach of contractual terms
- Deviation from quality assurance systems and regulatory processes

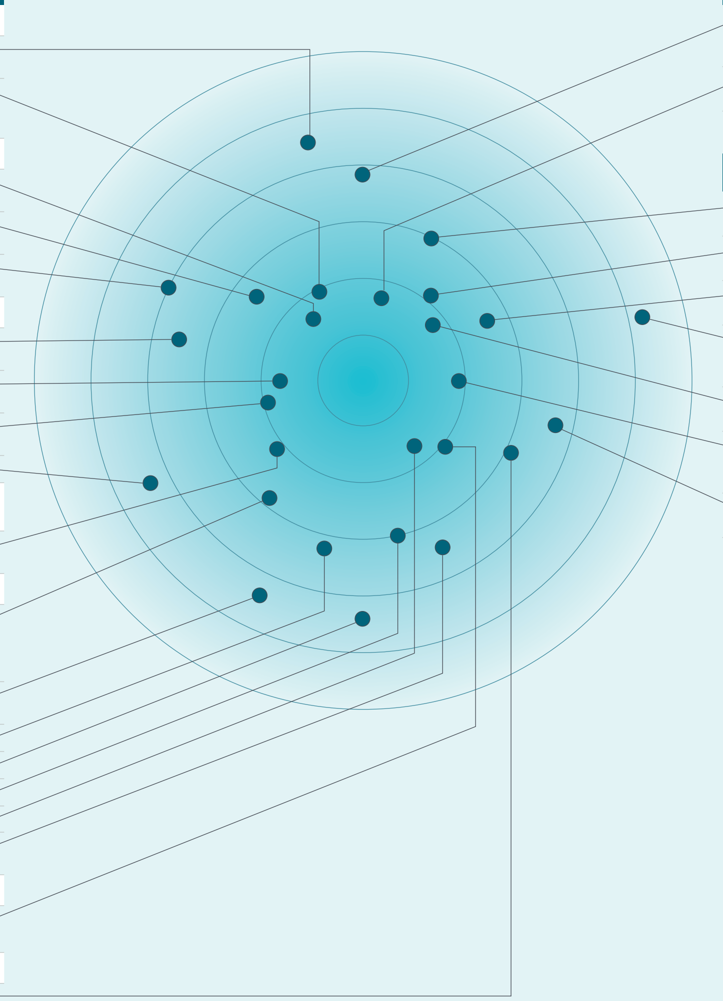
Supply chain & process excellence
- Loss of key suppliers and access to third-party items
- Quality issues and disruption in our supply chain processes
- Business transformation & process excellence
- Pricing model & sales governance

Organization, roles and responsibilities
- Internal operations/dependencies and suboptimal processes

Compliance & business ethics
- Compliance with laws such as allegations of corruption, improper payments and bid rigging
- Anti-money laundering & Tax evasion (KYC)
- Export control & trade compliance
- Employee fraud
- Tax risk
- Data protection
- Elekta values, accountability and corporate culture

IT
- Cyber and security threats and IT systems disruptions

Environment & social
- Environmental compliance & meet expectations on climate change



Strategic risks
- Not fulfilling transactional, strategic alliances and company reorganizational goals
- Technology and innovation failures

External risks
- Unfavorable alteration in reimbursement levels
- Natural disasters and pandemic risk management
- Political risks including trade restrictions and protectionism
- Limited access to radiotherapy in low- and middle-income countries
- Less availability of financing (customers)
- Increased market consolidation & strengthened competition landscape
- Changes in regulatory framework or processes

Sustainability-related risks embedded into our risk universe

Our ERM methodology allows for all material sustainability risks to be part of our risk universe. As part of our strategic planning process, all management teams are asked to ensure that material sustainability risks associated with their operations are appropriately identified, evaluated and managed. For our material sustainability risks see the In-depth Sustainability Report on **page 43**.

Elekta key risks (top-down)

As part of the ERM process, risks are evaluated with the insight of the Executive Management and the result is a list of the most important risks areas to focus on during the current strategy period.

Risk areas	Risk description	Consequences	Mitigation	Relevant UN SDG
Customer satisfaction & quality excellence (operational risk)	Ability to timely and efficiently identify and respond to customer needs, demonstrate the value proposition of new products and services and fully comply with internal quality assurance systems and processes.	Customer dissatisfaction, loss of quality advantage, generating costs of non-quality and loss of market share.	Continuous development of products in close collaboration with customers and continuous improvements in efficient quality management processes.	3, 4, 17
Cyber & security threats (operational risk)	Cyberattack on the Elekta internal network or on external services providers.	Damage to the company network and/or leakage of confidential information resulting in business interruption, loss of business critical data and breach of privacy regulations.	Consistent risk analyses and monitoring of threats. Employee training, updated software and internal control.	16
Talent attraction & employee retention (operational risk)	Ability to attract, recruit and retain highly skilled employees.	Lost technological advantage, knowledge transfer disruption and inability to secure long-term talent growth.	Retention and succession planning. Leadership and people development programs and initiatives. Demonstrate sustainable business practices to increase human capital attractiveness.	5, 8
Compliance & business ethics (operational risk)	Allegations of corruption and bid rigging and failure to prevent improper payments by third parties on Elekta's behalf.	Breach of bribery, public tender and specific industry laws. Loss of reputation, brand value and shareholder value in addition to fines, blacklisting and management distraction and prosecution.	Implementation of effective compliance programs and training with focus on high-risk areas and behavior consistent with Elekta's values.	12, 17
Technology & innovation (strategic risk)	Ability to anticipate and adapt to customer's needs and customer's ability to adopt new technology and software.	Loss of competitiveness and ability to reach strategic targets, leading to lower growth and financial performance.	Technology and innovations to be proven through clinical and financial data. Proactively work with customers to support clinical evidence for new technology adoption.	9, 4, 17
Business transformation & process excellence (operational risk)	Overcoming change management challenges, new delivery and support models.	Slow adoption of new ways of working and deliveries. Results in lost competitiveness and failure to meet strategic targets.	Align processes with strategy and stakeholders. Ensure right employee competences and research. Working together as one Elekta team addressing change management.	
Macro economic developments (external risk)	Ability to adapt and react to pandemics, trade restrictions/ protectionism and war impact on sales, operations, employee well-being, cash flow and downturns in emerging markets.	Pandemics, trade restrictions and war causing limited access to hospitals and delayed start of installations. Inability to plan long-term, leading to less agile business, higher costs and potentially lower financial performance.	Control of costs and close monitoring of the macroeconomic development in all markets, adjusting ways of working to keep servicing customers and maintain business sustainability.	3, 8, 9
Competition landscape (external risk)	Ability to anticipate and respond to competition pressure due to vendor and customer consolidation as well as increased competition from the evolving medical imaging and informatics industry market	Potential loss of competitiveness and ability to reach strategic targets, leading to lower growth and financial performance.	Continuous development of state-of-the-art solutions and focus on unique value proposition.	
Environmental compliance (operational risk)	Ability to comply with minimum environmental standards & preparedness for investments in climate change	Loss of business advantage, brand value and impacting human capital and financial attractiveness.	Continuous monitoring of environmental legislation development, compliance with legislation and active participation in environmental ratings organizations	6, 11, 12, 13

79 percent of net income to shareholders

Elekta B-shares have been listed on Nasdaq Stockholm since 1994. The total number of shares outstanding on April 30, 2022 were 383,568,409, whereof treasury shares amounted to 1,485,289 B-shares. Total trading in Elekta shares on Nasdaq Stockholm during the fiscal year 2021/22 (May 1, 2021 – April 30, 2022) amounted to 293.4 million shares (364.2), corresponding to 76 percent (95) of the total number of shares. Market capitalization on April 30, 2022, was SEK 25,500 M (41,761), a decrease of 39 percent.

DISTRIBUTION OF SHARES APRIL 30, 2022

			Percentage of	
Class of share	No. of shares	No. of votes	Capital	Votes
A-shares	14,980,769	149,807,690	3.9%	28.9%
B-shares	368,587,640	368,587,640	96.1%	71.1%
Total	**383,568,409**	**518,395,330**	**100.0%**	**100.0%**

See Note 26 for more information on Elekta's share capital.

Dividend and authorization to repurchase shares

As of May 2021, Elekta's policy is to distribute at least 50 percent of yearly net income in the form of dividends, share repurchases or comparable measures. All decisions regarding income distribution are based on Elekta's financial position, earnings trend, growth potential and investment needs.

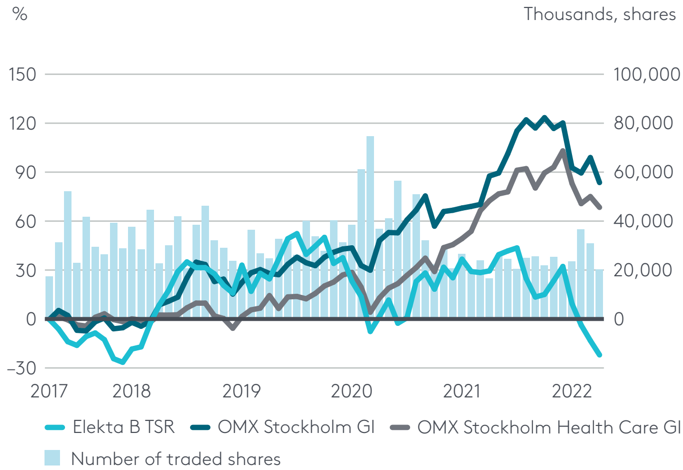
For 2021/22, the Board of Directors proposes a dividend of SEK 2.40 (2.20) per share (paid in two installments) to the Annual General Meeting (AGM). The dividend proposal for 2021/22 amounts to approximately SEK 917 M (841), which corresponds to 79 percent (67) of the net income for the year.

For more information on the dividend, see page 101.

The Board intends to propose to the AGM a renewal of the Board's authorization to repurchase shares, not exceeding the limit for treasury shares of ten percent of the total amount of shares outstanding. Treasury shares may be used for Elekta's share-based compensation programs.

See Note 7 for more information on Elekta's share programs.

THE TOTAL RETURN OF THE ELEKTA SHARE



TEN LARGEST SHAREHOLDERS ON APRIL 30, 2022[1)]

		Percentage of	
Shareholder	No. of shares	Capital	Votes
Fourth Swedish National Pension Fund	33,680,795	8.8%	6.5%
Laurent Leksell[2)]	22,737,393	5.9%	30.4%
Nordea Funds	18,332,409	4.8%	3.5%
SEB Funds	14,814,517	3.9%	2.9%
Schroders	13,392,397	3.5%	2.6%
Didner & Gerge Funds	12,766,029	3.3%	2.5%
AMF Pension & Funds	12,193,022	3.2%	2.4%
T. Rowe Price	11,407,749	3.0%	2.2%
Lannebo Funds	11,242,787	2.9%	2.2%
Vanguard	11,009,539	2.9%	2.1%
Other	221,991,772	57.8%	42.6%
Total	**383,568,409**	**100.0%**	**100.0%**

1) Source: Modular Finance.
2) Including company holdings.

The table shows the ten largest known shareholders at the end of the fiscal year. Foreign ownership was approximately 47 percent (52) of capital and 35 percent (38) of votes.

Elekta as an investment

Elekta acts in a market segment with strong underlying demand as a driver for sustainable growth. Strategic decisions of technological progress and closeness to customers have strengthened our leading positions in the markets. Based on a strong balance sheet and business model, we are increasing our focus on innovation to develop new solutions and elevate the standard of cancer care. Our aim to create further shareholder value and strengthen our sustainability agenda is built upon the following:

Filippa Gerstädt
Portfolio Manager, Nordea Asset Management, Sweden

" In my view Elekta has opportunities for attractive earnings growth, not least through increasing service operations, higher MR-Linac volumes and cost control. "

Strong underlying demand for cancer treatment driving radiotherapy

- Increasing global cancer burden through growing incidence and prevalence as people live longer and cancer survival rates are rising globally
- Technological innovations improve radiotherapy treatment and more cancer types become relevant for radiotherapy
- Large structural differences in the availability of cancer care around the globe
- Increasing healthcare spending putting cost pressure on clinics, thus focusing on value-based healthcare to the benefit of cost-efficient treatments like radiotherapy

Attractive business model and strong financial position

- Business model with growing recurring revenue providing sustainable growth
- Long-term stable growth in order intake, revenue, cash flow and cash generation. Short term more volatile, as the high-value MR-Linac business develops
- Strategic focus on service and software to further improve profitability long term
- Strong balance sheet with good financial position

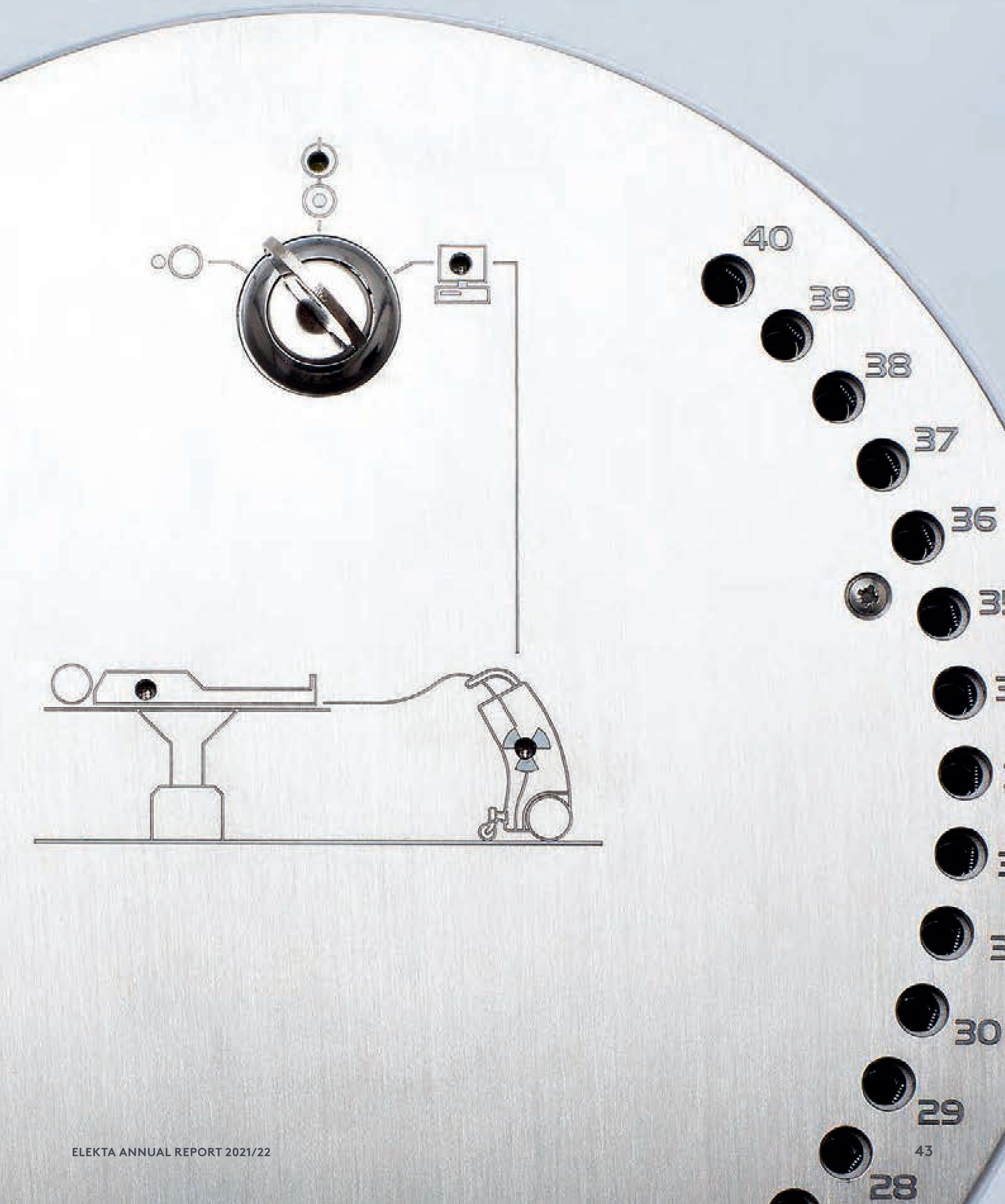
Strategic focus to improve patient access to best cancer care…

- Build stronger relationships with customers
- Deepen our partnerships, e.g. through strategic collaboration with Royal Philips and commercial agreement with GE Healthcare in 2021/22
- Drive market adoption through public affairs and optimizing local presence like e.g. new sales offices in Indonesia and the Philippines in 2021/22

…including innovations

- Build on strong product portfolio in close collaboration with partners
- Invest in innovation to drive faster adoption, advancing functionality, and to take precision radiation therapy forward

IN-DEPTH SUSTAINABILITY REPORT



We are part of building a sustainable future globally

Elekta's vision is a world where everyone has access to the best cancer care. Working to realize this vision while taking our social and environmental responsibility is integral for the long-term success of our company and for building a sustainable future for society.

Our approach to sustainability is guided by Agenda 2030 and its Global Goals for Sustainable Development. By addressing our most material sustainability topics, we are making positive contributions to nine of the 17 goals. Particularly, we are making a significant contribution to target 3.4, which is to reduce premature mortality from cancer and other non-communicable diseases by one third until 2030. We do this through our focused strategy to increase access to radiotherapy in underserved markets.

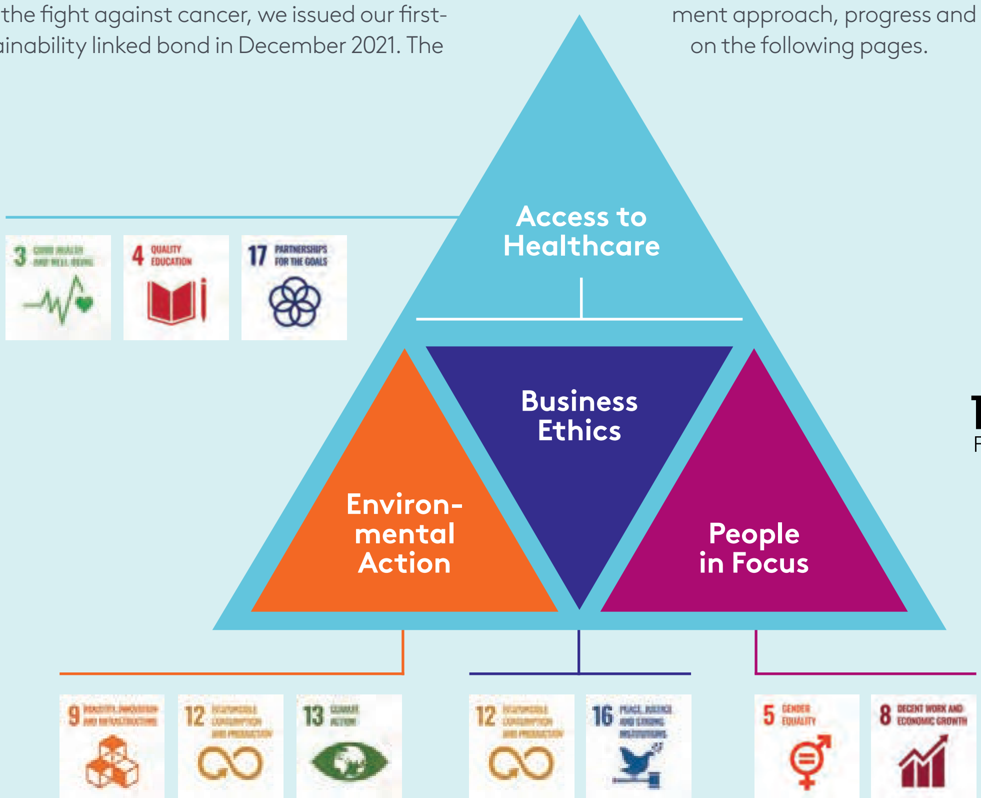
There are large structural differences in cancer care globally, with low- and middle-income countries generally being underserved in terms of treatment capacity. This is illustrated by the fact that they account for 62 percent of new cancer cases each year and for 70 percent of the deaths.

By expanding our reach in underserved low- and middle-income markets, we aim to grow our business and contribute to closing the treatment access gap and supporting global sustainable development. To support this effort, and to drive inclusion and strive towards a world where no one is left behind in the fight against cancer, we issued our first-ever sustainability linked bond in December 2021. The bond has a KPI linked to closing the access gap and was the first bond ever issued in Sweden with a purely social KPI.

We aim to serve as a partner to decision-makers globally in building sustainable healthcare systems, which for us means ensuring patients get access to the best care possible. To achieve this, the systems need to be able to regularly adopt new innovations that improve treatment outcomes, for example by ensuring fair and adequate compensation structures for healthcare providers. Other key elements include improving education and training access for healthcare professionals and offering innovative financing solutions for treatment products and services.

While access to healthcare for all is the guiding star for Elekta in our business strategy, and a core element of our sustainability agenda, our three other sustainability focus areas – Business Ethics, Environmental Action and People in Focus – serve as enablers by ensuring that we build a sustainable business that can thrive over the long term.

Further information about Elekta's focus areas, management approach, progress and performance can be found on the following pages.



THE GLOBAL GOALS
For Sustainable Development

Corporate sustainability governance

Given its importance to Elekta, corporate sustainability is integrated at every level of Elekta's governance structure, which we describe as bottom-up and top-down.

Elekta's sustainability strategy and targets are set on group level and cascaded throughout the organization and aligned with strategies and targets in relevant functions and business lines. Elekta strives to incorporate the agenda into the line organizations' planning processes to ensure effective management and alignment with other strategic initiatives and targets. Sustainability performance may also impact individual performance assessments and remuneration in parts of our organization.

A cross-functional steering committee comprised of selected members of the Executive Management team streamlines the process of implementing relevant actions and targets throughout the organization, and measures results. The sustainability agenda is managed by the Group Sustainability Director reporting to the VP Strategy & Sustainability, following an organizational change during the year where the sustainability function was expanded and moved from Compliance to the Group Strategy function.

The Board of Directors and its committees oversee the sustainability agenda. Social and environmental sustainability topics are managed by the Board's compensation and sustainability committee while business ethics and integrity-related topics are managed by the audit committee.

Please refer to **page 64** for more information on Elekta's sustainability and corporate responsibility governance, as well as descriptions of Elekta's stakeholder dialogues and materiality assessment.

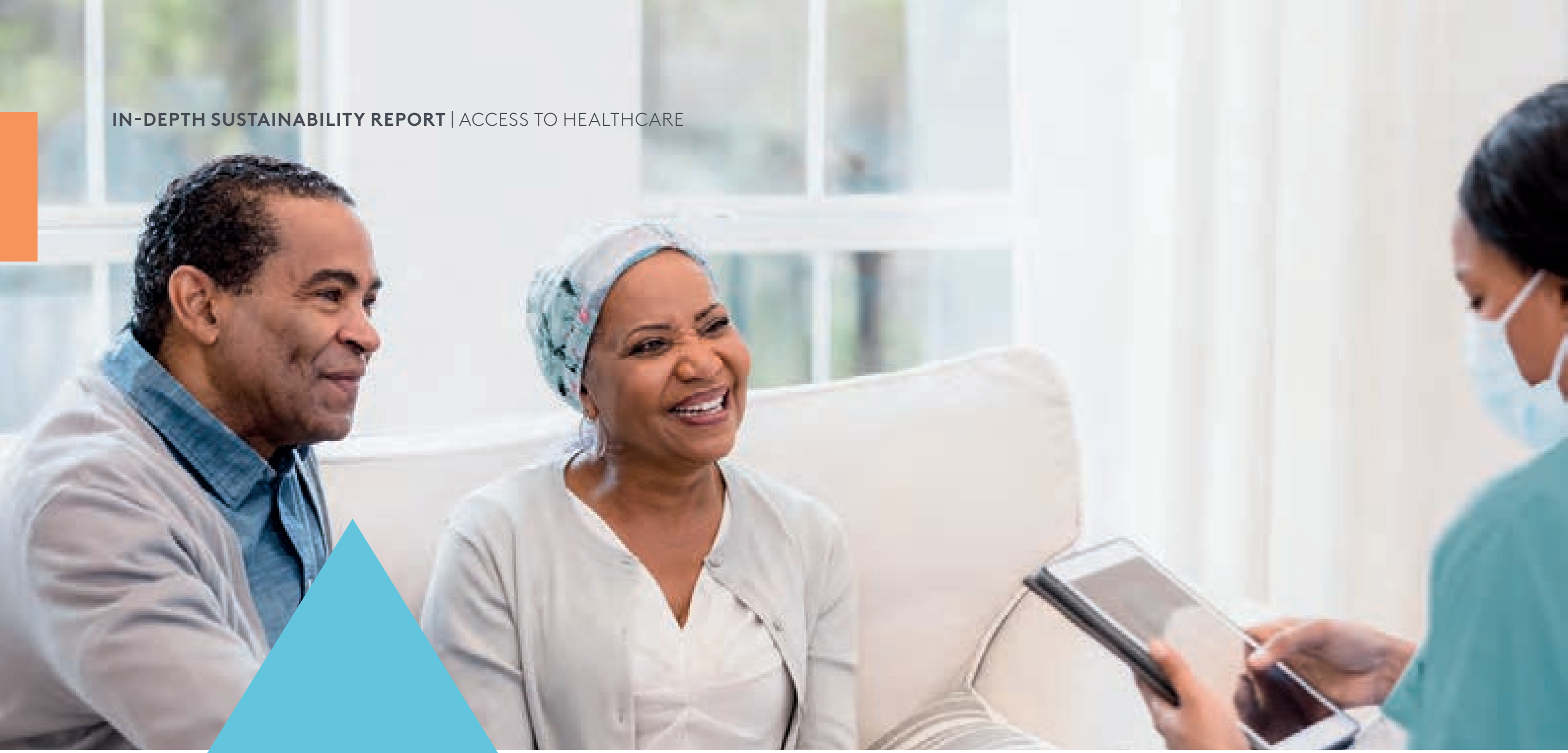
Guided by global standards and principles

Our ethical principles are set forth in our Code of Conduct, which is a cornerstone in our effort to build a sustainable company. The Code of Conduct applies to everyone working for and on behalf of Elekta, such as employees, consultants, controlled companies, distributors, and agents. The Code of Conduct is supplemented by specific policies where needed.

In addition, we let leading global standards and principles guide our sustainability efforts and policies – including the UN Global Compact and its 10 principles; the OECD Guidelines for Multinational Enterprises and its associated due diligence guidance for responsible business conduct; the UN Guiding Principles on Business and Human Rights; the Universal Declaration of Human Rights; the ILO Declaration on Fundamental Principles and Rights at Work; and also the precautionary principle.

Highlights of the year

- Issued a sustainability-linked bond
- Launched Elekta Foundation
- Conducted a fullscale CO_2e emissions mapping (according to Greenhouse Gas Protocol)



Access to Healthcare

Access to healthcare, in particular radiotherapy, lies at the heart of our business. Improving access globally, especially in low- and middle-income countries, is an important strategic priority for Elekta.

Why is this important to us?

Cancer is one of the leading causes of death globally. Around 19 million people are diagnosed with cancer each year and that number is expected to increase[1]. In addition, there are large structural differences in cancer care globally. Investing in radiotherapy capacity in low- and middle-income countries would save lives and lead to substantial economic benefits[2], and would contribute to Goal 3 of the UN Sustainable Development Goals: securing good health and well-being for all.

Applicable Sustainable Development Goals

Goal 3: Ensure healthy lives and promote well-being for all at all ages
3.4: Reduce mortality from non-communicable diseases and promote mental health
3.C: Increase health financing and support health workforce in developing countries

Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
4.4: Increase the number of people with relevant skills for financial success

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development
17.16: Enhance the global partnership for sustainable development
17.17: Encourage effective partnerships

Elekta's contribution

- Providing access to high-quality and innovative radiotherapy solutions globally
- Offering training and education in radiotherapy to healthcare professionals, particularly in low- and middle-income countries
- Collaborating and partnering with clinics, researchers, governments, and the civil society to develop new products and raise awareness about radiotherapy
- Established a philanthropic foundation (Elekta Foundation) to further improve access to, and quality of, cancer care with special focus on radiotherapy

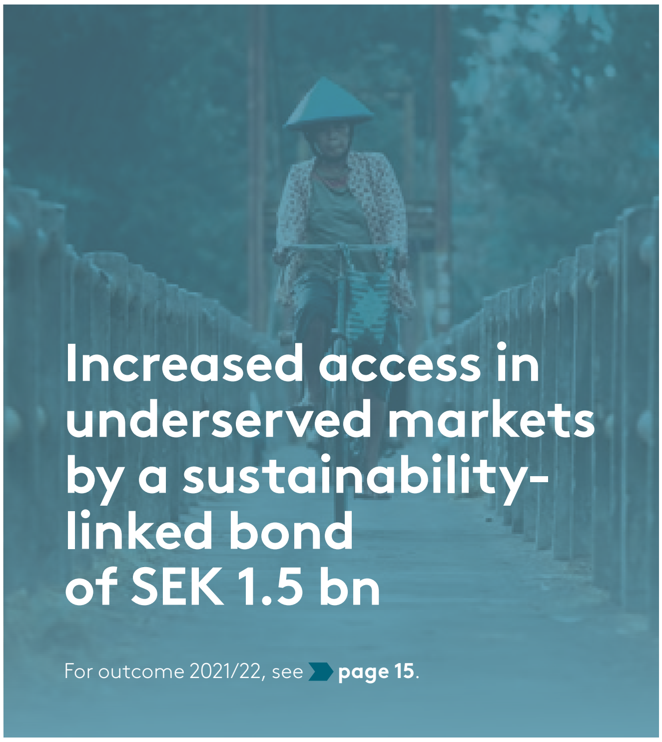
[1] Sung et al, Global Cancer Statistics 2020: GLOBOCAN Estimates of Incidence and Mortality Worldwide for 36 Cancers in 185 Countries, CA: A Cancer Journal for clinicians May/June 2021 https://acsjournals.onlinelibrary.wiley.com/doi/full/10.3322/caac.21660
[2] Atun et al, Expanding global access to radiotherapy, The Lancet Oncol 2015 Sep; 16(10): 1153-86 https://pubmed.ncbi.nlm.nih.gov/26419354/

What hinders access?

Improving access to radiotherapy in low- and middle-income countries, often requires working more levers than just adding equipment. The challenges can be categorized into three main types:

- **Infrastructure:** underdeveloped general healthcare and late cancer diagnostics, low public awareness, lack of financing and compensation systems, and under-dimensioned power systems that may not serve radiotherapy equipment appropriately
- **Human capital:** qualified radiotherapy professionals (such as radiation oncologists, radiation therapists, radiation physicists) are in short supply globally, but especially in low- and middle-income countries
- **Utilization of equipment:** usability knowledge gap which may lead to equipment downtime, unnecessarily lengthy treatment plans and patient queues

In addition, healthcare systems are slow to adopt innovations that improve patient outcomes. A reason for that is that both compensation schemes and treatment guidelines are slow to adapt to the possibilities brought on by the new technology.



How are we working with this?

Helping health systems with adopting innovation

In 2021, Elekta formed a new department, Global Policy and Patient Access, to serve as a partner to decision makers, across the world, in building long-term sustainable healthcare systems. To Elekta, a system is only sustainable if it provides fair and adequate compensation so that new innovations which provide clear clinical value can emerge and be adopted.

Challenges differ between healthcare systems. Developed markets for example may have compensation schemes that economically disadvantage clinics that adopt new treatment schemes, such as hypofractionation, when reimbursing per completed fraction. In developing markets, patients might lack access to treatment altogether due to a range of factors.

To tackle these varying challenges, the department develops expertise on how healthcare systems are constructed, on how compensation and treatment guidelines are set, and what kind of questions researchers need to answer to help policy makers construct policies that lead to optimal patient outcomes, in an economically sustainable way.

To make sure this expertise reaches the right people, the department works with decision and policy makers to drive change. The aim is to ensure fair and adequate compensation for radiotherapy treatments, so that hospitals and clinicians working within healthcare systems can adopt new innovations that improve both patient outcomes and access to treatments.

The department also manages partnerships with organizations such as IAEA and WHO, societies like ESTRO Cancer Foundation and ASTRO, as well as global organizations like City Cancer Challenge, UICC and Global Coalition for Radiotherapy. Elekta engages with these organizations to raise public awareness around the need for, and importance of, radiotherapy as a critical cancer treatment and for how innovative technical solutions can contribute to increasing access, as well as supports them with both funds and clinical experts.

Innovation focusing on utilization and efficiency

Elekta invests heavily in R&D to develop cutting edge radiotherapy solutions and oncology information system software.

Our linac solutions enable delivery of advanced treatment modalities such as IMRT/VMAT and SBRT that can provide outcomes for several indications that are equal to surgery at a fraction of the cost for both provider and patient. Other highly cost-efficient and effective radiotherapy treatment modalities include SRS, for which Elekta has a specialized offering with Leksell Gamma Knife, and brachytherapy, which is the standard of care for cervical cancer and therefore very relevant for low-income markets where prevalence for that indication is higher.

A strong focus of our product development is to increase clinical productivity through software that provides decision support, and through user-friendly hardware. These include high-productivity innovations with competitive pricing specifically aimed at low- and middle income markets, such as the Elekta Harmony linac. It also includes cloud-delivered software bundles that can easily be scaled up or down with usage. This lowers barriers to adoption for new clinics, especially those in low- and middle income markets where the patient load might be uncertain.

Our service portfolio minimizes unnecessary and unplanned clinical downtime through preventive maintenance and remote support. Value-added services such as dosimetry, physics, and workflow consultancy services increase access to the competencies necessary for clinics to treat patients.

The Elekta Foundation

At the 2021 AGM, Elekta's shareholders voted to establish the Elekta Foundation.

Its mission is to initiate and support projects and programs in partnership with governments, NGOs and healthcare providers to improve access to cancer care in underserved regions and communities.

The foundation focuses on three areas:
1) expand education to close knowledge gaps in radiotherapy
2) increase awareness and prevention in cervical cancer,
3) strengthen cancer care infrastructure through new tools and models.

Establishing and supporting the foundation is an important part of Elekta's sustainability strategy. Since its launch in January 2022, the Elekta Foundation and Turkish Radiation Society have co-organized two hands-on workshops to improve radiation oncologists' contouring skills in cervical cancer and breast cancer, the two leading causes of cancer deaths among African women. Also, with initial funding from Elekta last year, Rayos Contra Cancer, a US-based non-profit group developed several multicourse programs geared towards clinicians in low- and middle-income countries in Africa, the Middle East, Latin America and Southeast Asia. The programs were taught by volunteer physicians, medical physicists, and therapists. This year, the partnership moved over to the Elekta Foundation with increased funding so that more people could enroll, with a target set at 1,700 clinicians from 123 centers. During the year, 1,827 clinicians from 280 centers were trained.

The Elekta Foundation is also working with the Rwanda Ministry of Health and NGOs such as Clinton Health Access Initiatives (CHAI) and the Society For Health (SFH) to develop a pilot program in cervical cancer prevent and treatment. According to the World Health Organization, cervical cancer is the fourth most frequent cancer in women with an estimated 604,000 new cases in 2020. Of the estimated 342,000 deaths from cervical cancer in 2020, about 90% occur in low- and middle-income countries. The Foundation wants to join the fight to end this life threatening disease in Africa.

Closing the knowledge gap and building human capital locally

Trained professionals are in short supply globally, especially in low and middle-income countries, and the need for effective education and training is essential to enable increased patient access.

Elekta's education and training programs address this challenge through three broad categories:

- Targeted education and training to optimize adoption of our products and solutions
- The use of learning partnerships with our customers for the provision of peer-to-peer clinical education, and
- Partnering arrangements with local universities and organizations in low and middle-income countries.

Elekta employs a flexible education and training offering to assist the customer adoption of our products and solutions with instructor-led sessions conducted at customer sites, instructor-led courses conducted at Elekta's Global Learning Centers, and through digital virtual sessions as part of our Elekta Digital Learning offering. During 2021/22, over 17,000 people undertook training using this blended approach. In addition, our customers and employees are able to access self-study materials including videos, eLearning, and software simulations through our Learning Management System and over 21,000 users were registered in the system in 2021/22.

Peer-to-peer education is facilitated by our global network of learning partnerships and initiatives such as Elekta's Brachy-Academy, which enable accelerated adoption and start-up of our solutions through consulting and clinical education. Experienced learning partners share their expertise and best practice by hosting clinical observations sessions, clinical courses, and webinars. Over 6,700 clinicians were assisted through these offerings this year. In addition to this, Elekta also arranges for clinics in low and middle-income markets to twin with – and learn from – clinics in developed markets.

Elekta has developed its successful partnering program with NGOs to provide digital learning opportunities in low and middle-income countries this year. Over 450 clinicians have been able to benefit from these free course, including contouring classes for African radiation oncologists to enhance their contouring skills by Turkish Society for Radiation Oncology and a clinical training program focused on cervical cancer in India via the BrachyAcademy.

The creation of the Elekta Foundation has served to reinforce our commitment to growing cancer awareness and prevention to ensure access to cancer care for all. Please see **page 48**.

Strengthening local presence

Elekta builds capacity locally by expanding its direct presence, and by increasing the number of local technical experts (service engineers) that help customers avoid unnecessary clinical downtime, directly improving patient access. We are also establishing new entities in low- and middle-income countries to better serve customers. During the year, we have, for example established local entities in the Philippines and Indonesia.

Developing customer financing solutions in joint efforts

By partnering with third-party financiers, such as leasing companies or export credit agencies, we enable financing solutions and other alternative payment models, that increase the affordability of modern radiotherapy technology for clinics.

Susanna Francke Rodau
VP Global Policy and Patient Access, Elekta

> " Our newly established team acts as a liaison between industry, academia, healthcare professionals, patients and governments to enable a joint approach for facing challenges in healthcare systems in an economically sustainable way. "

Performance and outlook 2021/22

Goals	Achievements	Status	New/adjusted goals
ACCESS TO HEALTHCARE			
Increase the installed base by 825 linacs in underserved markets by April 30, 2025, compared to April30, 2020.	2021/22: 175 linacs were installed in underserved markets in (2020/21: 163 linacs).	Ongoing, on track	Goal retained.

Achieved · Ongoing, on track · Ongoing, not on track · Not achieved

Environmental Action

As Elekta strives for a world where everyone has access to the best cancer care, we need to ensure that we minimize our environmental footprint while maximizing the social value. By setting ambitious targets for reducing greenhouse gas emissions and waste, and increasing circularity, Elekta is committed to being part of the solution and decouple growth from environmental impact.

Why is this important to us?

Climate change is an existential issue and everyone must take action to curb global warming and ensure a sustainable future for the planet. As a society, we need to decouple economic growth from environmental impact. At Elekta, we are determined to do our part, and we have stepped up our ambition during 2021/22. Elekta has set an ambitious roadmap for reducing emissions in line with the Paris Agreement and aligning our operations with climate science. Elekta has submitted environmental targets to the Science Based Targets Initiative for validation, following our commitment to the initiative in 2021.

Applicable Sustainable Development Goals

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
9.4: Upgrade all industries and infrastructures for sustainability
9.5: Enhance research and upgrade industrial technologies

Goal 12: Ensure sustainable consumption and production patterns
12.4: Responsible management of chemicals and waste
12.5: Substantially reduce waste generation

Goal 13: Take urgent action to combat climate change and its impacts
13.1: Strengthen resilience and adaptive capacity to climate related disasters

Elekta's contribution

- Decrease the greenhouse gas emissions at Elekta and throughout our value chain through e.g. environmental efficiencies within our own operations, supplier and customer engagement, product development, proactive servicing to maximise system value, environmentally efficient logistics and and the scaling down of waste at our sites
- Advancing our circular approach and applying ISO 14000 series design for sustainability standards to all new product development
- Ensuring adherence to our environmental policies and standards

How are we working with this?

Group-wide collaboration

Elekta has established a group-wide team for driving the company's environmental agenda, with dedicated representatives from the company's four business lines and selected business functions giving the company a platform for driving change across the value chain.

Detailed CO_2e assessment to enable ambitious reduction targets

During 2021/22, Elekta has completed an in-depth analysis of our GHG emissions profile across scopes 1–3, establishing a new CO_2e baseline. We have identified three main sources of emissions resulting from our work to drive access to cancer care: the use of our products, our supply chain and the production of input materials, and the transportation of our products.

In Scope 1, Elekta has expanded its baseline with detailed information on car fleet emissions and we have continually focused on reducing emissions from Scope 1 and 2 during the year. Actions taken include installing more efficient heating and cooling systems in the Brachy production facility in the Netherlands and switching parts of our North American car fleet to hybrid vehicles. We foresee absolute emission reductions in Scope 1 and 2 over the coming years as part of our commitment to Science Based Targets.

In Scope 3, Elekta has improved our emissions data by completing a full emissions according to the Greenhouse Gas (GHG) Protocol. Categories added in the mapping include: employee commuting, processing of products, an expanded view on use of sold products, and end of life treatment of sold products.

To reduce our transportation emissions, Elekta has worked with logistics partners during 2021/22 to establish granular emissions data. We have also established digital intelligence tools to analyze activity-based logistics data which will further increase the understanding of our environmental footprint and assist in identifying prioritization areas for emissions reduction.

The pandemic developed our ability to leverage digital tools for coordinating global events and activities. We continued to stress more environmentally efficient business travel and during the year, we also estimated emissions from employee commuting through an employee survey across our global organization to follow up going forward.

Increasingly driving circularity and scaling down waste

The circular economy principles aim to minimize waste and to reuse products and materials. Developing business models based on a more circular approach will enable the decoupling of economic value creation from the consumption of finite resources.

Our ambition is to deliver eco-designed products where we take the full product lifecycle footprint into consideration. The aim is to maximize the positive social impact of our solutions in terms of care provided, while minimizing their environmental footprint. This is managed at the product development stage through the setting of meaningful requirements that drive inherent design choices. These requirements relate to low energy usage, materials selection, and modular design that increases upgradability, repairability and serviceability to maximize the product value. We also design for reuse, enabling reselling of components at a system's end of life.

Gustaf Salford
President and CEO, Elekta

> " We are committed to aligning our operations with climate science and have submitted Elekta's environmental targets to SBTi for validation. "

A dedicated Global Product sustainability team was set up during the year to analyze the environmental impact of Elekta's Linac Solutions and to expand the scope of Linac parts included in the circular economy. The team focuses on engineering analysis of high CO_2e impact materials such as tungsten and on the quantification of reuseable parts used in modular assemblies within our products to identify improvement opportunities and to implement changes. Based on this work and as part of the planned materality analysis, Elekta aims to revisit our circularity strategy during 2022/23.

Elekta has several ongoing and planned projects for taking back components of our products at end-of-life for refurbishment. We have continued to expand this approach across our product lines. In Linac Solutions, the refurbishment program includes 22 Linac components (21 components in 2020/21), and we continue to identify new components fit for refurbishment. When hardware is updated in Neuro, computers are now returned to Elekta to be used as spare parts.

Elekta also has an ambition to reduce its packaging waste and during the year, we have worked to improve the baseline for our product packaging. Some initiatives underway include the redesign of packaging cases for Linacs and patient support systems. Elekta is also reusing and switching to more environmentally efficient materials, such as replacing soft wood with plywood, which decreases our packaging footprint and decreases transport emissions thanks to the reduced size and weight of packaging materials. Other circular initiatives include return and reuse of Gamma Knife shipping containers as well as the refurbishing and reuse of Brachy source containers.

Elekta is dedicated to eliminating landfill. Our largest manufacturing site in the UK achieved zero waste to landfill in 2021, and waste to landfill is already zero at our other two major office sites in Europe (Sweden and the Netherlands). In addition, used furniture, laptops and mobile phones from Elekta are being repurposed in schools and charities in the UK as part of a local circular economy and recycling community scheme.

In this report, Elekta has adopted the Global Reporting Initiative's revised waste reporting standard, increasing the quality of our waste reporting, see **page 67**.

Environmental compliance across our business and in our supply chain

To ensure compliance in our own operations, all Elekta manufacturing sites have local environmental management systems that are certified with ISO 14001 or equivalent. A group-wide environmental policy is used to continuously drive environmental performance. On an operational level, environmental compliance is managed by the business lines. Elekta intends to expand its group-wide coordination of environmental compliance during 2022/23.

Elekta's environmental compliance risks are mainly found in the supply chain and involve suppliers specializing in complex manufacturing processes, which occassionally could have adverse environmental impacts. Suppliers are required to operate in full compliance with applicable environmental legislation and employ suitable management systems. Through our Supplier Code of Conduct, we ask suppliers to set the same level of responsibility for their environmental impact that we have set for ourselves. The Code is reviewed and updated regularly and covers a wide range of sustainability activities that provide greater transparency about the risks and opportunities faced by both Elekta and the supplier.

Additionally, our current suppliers are assessed and monitored from an environmental risk perspective through our Sustainable Sourcing Program, see **page 61**. Elekta selects suppliers through our Sourcing process that includes quantitative and qualitative assessment criteria which are governed by our Sourcing Board, as well as commercial contracting and quality assurance processes. If an environmental risk with a current supplier is identified, an action plan would be initiated to correct any non-conformances. If the risk is still not addressed, the supplier would be deselected as a last resort.

EU Taxonomy

The Taxonomy Regulation

The purpose of the European Union's Taxonomy Regulation is to facilitate investors' assessments of companies' performance in relation to climate and the environment, with the aim of redirecting capital flows to sustainable businesses. The Taxonomy Regulation is a classification system defining sustainable performance for a set of economic activities. Activities covered by the taxonomy are called taxonomy-eligible activities. For these activities, the delegated acts complementing the Taxonomy Regulation define performance criteria across six environmental objectives, as well as minimum safeguards for the protection of human rights and labor law. Activities that meet all these criteria are considered taxonomy aligned.

Elekta's taxonomy assessment and reporting

A cross-functional working group at Elekta has analyzed the Group's activities, based on NACE (Nomenclature of Economic Activities) codes and in-depth knowledge of the Group, to identify activities and financial transactions which relate to the share of taxonomy eligible net sales, capital expenditure and operational expenditure. Elekta's main activity, the manufacturing of medical technology, is not currently taxonomy-eligible under the first two environmental objectives.

To develop the Group's taxonomy reporting, Elekta is following the developments relating to the Taxonomy Regulation, its delegated acts and guidance issued. In 2022/23, initiatives will be undertaken to analyze Elekta's alignment to the criteria of the taxonomy-eligible activities. In line with the reporting requirements, Elekta will report its taxonomy alignment in the annual report 2022/23.

	Total (MSEK)	Share of which taxonomy eligible, %	Share of which taxonomy non-eligible, %
Net sales	14,548	0%	0%
Capital expenditure	1,732	0.34%	99.66%
Operational expenditure	697	0.03%	99.97%

Net sales

Elekta's net sales totaled SEK 14,548 million in 2021 (see Note 6). None of the net sales is attributable to activities covered by the delegated acts.

Capital expenditure

Elekta's capital expenditure, as defined in the Taxonomy Regulation, corresponds to SEK 1,732 million, of which 0.34 percent is considered taxonomy-eligible. The denominator includes additions to Intangible assets, Right of use assets and Tangible assets (see **Note 16, 17**, and **18**). Taxonomy-eligible capital expenditure relates to the purchase of facility upgrades (taxonomy category 7.3–7.4), and long-term leasing of hybrid and electric cars (taxonomy category 3.3).

Operational expenditure

Elekta's operating expenditure[1] of SEK 697 million, covers direct capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair and other direct expenditures relating to the day-to-day servicing of property, plant and equipment. 0.03 percent of this operating expenditure is considered taxonomy-eligible and primarily includes facility maintenance upgrades (taxonomy category 7.3–7.4).

[1] The Taxonomy Regulation's definition of operating expenditure does not correspond to that of IFRS and Elekta's financial statements.

Performance and outlook 2021/22

Goals	Achievements	Status	New/adjusted goals
CLIMATE AND EMISSIONS			
Elekta will develop and submit new emission reduction targets to SBTi for approval by 2021/22.	Emission reduction targets covering Scopes 1–3 have been submitted to SBTi and are awaiting validation. (In 2021/22, Elekta has further developed its climate calculations methodology with an extended scope, improved data quality and updated emission factors. 2021/22 is Elekta's new baseline year.)	Ongoing, on track	The emission reduction targets will be communicated once validated by SBTi. Progress will be reported in the Annual Report 2022/23.

CO_2e (tons)	2021/22
Direct emissions (Scope 1)	4,405
Indirect emissions (Scope 2), market based[1)]	2,859
Other indirect emissions (Scope 3)	826,756
Total emissions, all scopes	**834,020**
Emission intensity (total emissions tons CO_2e/ MSEK net sales)	57.3

1) Location based indirect emissions in 2021/22: 6,206 tonnes CO_2e.

Please refer to **page 66** for detailed reporting.

Goals	Achievements	Status	New/adjusted goals
MATERIALS EFFICIENCY			
Establish and implement a take-back program for selected parts of relevant products by 2021/22, and a refurbishment program to use reclaimed parts and components by 2025/26.	Ongoing, with 22 components included in program (21 components in 2020/21). Elekta is actively working to expand the scope of this program through the deployment of circular economy requirements in two major new product development projects, as well as in the existing installed base.	Ongoing, on track	Increase number of components in the take-back program. Circularity strategy and initiatives to be expanded in 2022/23.
WASTE			
Send zero waste to landfill by 2024/25.	On track. In 2021/22, Elekta achieved zero waste to landfill in the UK. In Sweden and the Netherlands, zero waste to landfill has earlier been achieved. During 2021/22, Elekta has adopted the Global Reporting Initiative's revised reporting standard, increasing the quality of our waste reporting, see **page 67**.	Ongoing, on track	Send zero waste to landfill by 2024/25 from our main sites (UK, Netherlands, Sweden, China; 3 out of 4 completed) and improve data quality at remaining sites.
			New! Minimize waste from use of sold products by increasing re-use or recycling of materials; first step is to refine customer disposal guidelines by 2022/23.

Achieved | Ongoing, on track | Ongoing, not on track | Not achieved

Business Ethics

As Elekta strives for our life-saving products to be available to as many as possible worldwide, we must make it a top priority to combat corruption and other unethical business behavior, which can be detrimental to sustainable development. We implement effective compliance and integrity programs with emphasis on values and behavior.

Why is this important to us?

Unethical business practices, such as corrupt or anticompetitive behavior, hinders sustainable economic and social development. Such practices can also have a substantial negative impact on innovation, customers and ultimately the well-being of patients. Agenda 2030 and its SDG 16.5 sets out to substantially reduce corruption and bribery by 2030. It is a prerequisite to reach the other global goals for sustainable development.

The healthcare sector is particularly vulnerable to corruption[1], including improper benefits provided in good faith in close interaction with those in charge of government funds. Close interactions with healthcare professionals calls for detailed guidelines on business practices that need to be free from even the suggestion of improper influence. Most of our sales will go through a public tender process, and it is crucial that we implement and promote lawful and sustainable practices, which is part of SDG 12.7.

Applicable Sustainable Development Goals

Goal 12: Ensure sustainable consumption and production patterns
12.7: Promote sustainable public procurement practices

Goal 16: Promote just, peaceful and inclusive societies
16.5: Substantially reduce corruption and bribery

Elekta's contribution

Enforcing a robust compliance program to detect, prevent and mitigate unlawful and unethical behavior in all our business activities, raising awareness about sound business practices, and providing compliance training both internally and externally.

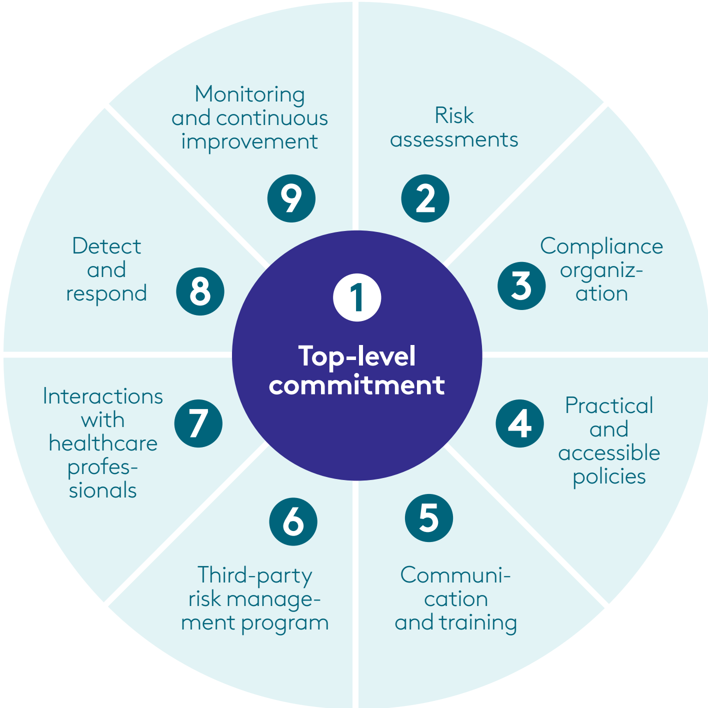
[1] According to a report from the U4 Anti-Corruption Resource Centre, this is due to "large amounts of resources, information asymmetry, the large number of actors, system complexity and fragmentation, and the globalised nature of the supply chain for drugs and medical devices". Read more at: https://www.u4.no/publications/health-sector-corruption

Performance and outlook 2021/22

Goals	Achievements	Status	New/adjusted goals
RISK ASSESSMENTS			
Complete anti-bribery and corruption risk assessment for Region Europe.	Completed for Russia. Other eastern European countries to be concluded within 2022/23.	Ongoing, not on track	Develop a compliance-focused risk assessment strategy by 2022/23, to be used to prioritize activities and allocate resources.
COMMUNICATION AND TRAINING			
Complete compliance training for all regions.	Goal revised during the year to target all regional management teams with responsibility to cascade down. Completed for the majority of regions. Training continuously on-going in all regions.	Ongoing, on track	Continue to execute and mature a structured business ethics training and communication plan, with 100% employee training in compliance & business ethics, including in-depth role-based training plan as well as training of customer facing Elekta business parties.
Annual all-employee Code of Conduct to be completed for 100% employees according to enhanced training model, further adapting training to the employee´s individual profile.	Annual employee Code of Conduct training provided to all regions, detailed and instructor lead training provided to customer facing employees.	Ongoing, not on track	
Complete Code of Conduct and enhanced Compliance training for all third parties according to new delivery model.	Goal revised, new strategy and modality for compliance training to be implemented in 2022/23.	Ongoing, not on track	
Extend trainings *on lawful interactions during public tenders* to all employees and third parties involved in sales working for and on Elekta's behalf during 2021/22.	Goal revised during the year to target all regional management teams with responsibility to cascade down. Completed for the majority of the regions. Training continuously ongoing in all regions.	Ongoing, not on track	
DETECT AND RESPOND			
Implement Third-Party Monitoring program and complete monitoring process for 40% of total third-party population during an 18-month period.	Goal achieved.	Achieved	Complete monitoring activities for the second target group of the Third-Party monitoring program by 2022/23.
Continue to increase response rate for participation in annual all-employee Integrity Survey with a target of at least 50% participation.	Increased response rate (from 38% to 45%) with an absolute increase of more than 500 employees. The survey revealed that Elekta employees are committed to compliance generally, with a very good understanding of importance of ethical business, and how to behave in accordance with the Code of Conduct and other company policies and that standards expressed therein align with their personal values (>95 %). Year-over-year trends were positive in 4 of 6 questions for which such a comparison can be made. The only two questions slightly tending down, which are topics for global improvement, regards clear understanding on compliance expectations including management communication of compliance expectations.	Ongoing, not on track	Continue to deploy and mature an improved culture of business ethics and compliance, emphasizing role of leadership, ownership and accountability, measured through yearly integrity surveys and re-launch in 2022/23 of Elekta Integrity Line campaign in all offices.

Achieved · Ongoing, on track · Ongoing, not on track · Not achieved

Elekta's compliance program



1 Top-level commitment

The responsibility for implementing an effective compliance ultimately rests with the Board of Directors. At least four times a year, the President and CEO reports to the Board and the EVP & General Counsel, in the capacity of head of the company's Compliance function, reports to the Board's audit committee on risks, programs, and ongoing issues and investigations. For more information on the compliance function and its interaction with the Board, see the Corporate Governance Report on **page 75**.

Since the building of a compliance culture starts at the top, the CEO and the senior management team are expected to lead by example, to demonstrate through behavior and communication that all employees are expected to act according to the highest ethical standards.

2 Risk assessments

Elekta's biggest compliance risks are identified through systematic risk assessments where high-risk geographies with strategic importance to Elekta are prioritized. The aim of the assessments is to identify any gaps our compliance program might have in a specific region and to implement mitigation measures where needed. The assessments are conducted as workshops together with the relevant regional management and external support, and include a comprehensive risk identification process that covers the typical risk categories of country-, sector-, transaction-, business opportunity- and business partner risks. They are supported with specific compliance audits conducted by the internal audit function.

3 Compliance organization

The Board of Directors has given the EVP & General Counsel, as the head of the Compliance function, autonomy and resources for the day-to-day management of the compliance program that oversees the high-risk legal and reputational areas: anti-bribery and corruption; competition and antitrust law; and trade compliance. These resources include regional compliance officers, and a global trade compliance officer. The compliance function was reorganized during the year with a greater focus on regional remits.

Tax matters are managed by Elekta's tax committee and Elekta's finance function.

4 Practical and accessible policies

Our Code of Conduct and the Group-wide anti-corruption policy are the cornerstone documents for building and maintaining a compliance culture.

The Code of Conduct is available in twelve languages and is further supported by several policies from the Board of Directors and the President and CEO. The global policy framework was reviewed and updated during 2020/21. In 2021/22, the focus has been on further updating the Code of Conduct, updating the policies as well as creating processes that align with the updated policies. These cover the following areas:

- Anti-corruption & dealing with business partners
- Conflicts of interest
- Fair competition
- Confidential information & trade secrets
- Insider trading
- Trade compliance
- People & Human rights
- Procurement
- Data privacy
- Risk management
- Tax strategy
- Anti-money laundering & anti-tax evasion
- IT security
- Travel & expenses

The anti-corruption policy provides guidance to employees and business partners, primarily in various interactions with healthcare providers and professionals. Where needed due to a higher identified risk, the policy is supplemented by stricter local guidelines.

Several ways-of-working documents supplement each area with more detailed guidance.

How are we working with this?

We are building a culture of ethical business conduct by establishing expectations for individual behavior across the organization and by embedding compliance into our processes. The work is guided by our nine-point compliance program, focusing on our high-risk legal areas: anti-bribery and corruption, competition law, and trade compliance. The program is based on best practices defined by leading enforcement agencies that have been tailored to suit Elekta's needs, risks and challenges. It consists of nine activities designed to strengthen business ethics and prevent corruption and improper payments. The management approach of trade compliance and fair competition are also described below.

How do we know the program is working?

Elekta measures the Compliance program effectiveness through risk assessments with the aim to identify and remedy any gaps we may have in our program due to for example specific country risks or local challenges. The risk assessment serves as a good indicator of local knowledge about policies and procedures and whether local management genuinely engages in promoting compliance and integrity.

Elekta includes root cause assessments as part of our case management process for reported incidents. The aim is to detect and prevent future similar misconduct and to test whether the existing controls were adequately designed to mitigate the risk. Additionally, we are including compliance controls in our Internal Controls Framework.

Elekta's annual internal employee survey tracks employees' perception of our performance on compliance and integrity. Survey questions include whether Elekta's senior management genuinely promotes a culture of compliance and integrity, and whether employees believe concrete actions would be taken should they report a violation of the Elekta Code of Conduct. Results are presented on **page 55**.

Elekta's programs are continuously benchmarked with our peer companies, and we participate in external surveys to measure our performance against best practice.

5 Communication and training

Compliance and integrity training is essential in ensuring that our Code of Conduct and other policies are used and adhered to, and we strive to provide continuous training for both employees and business partners. The training is designed to be engaging and uses real-life scenarios and ethical dilemmas with a focus on the psychology of decision-making.

To provide easily available hands-on guidance on the main corporate policies, training videos on different topics are regularly published internally. The material is also included in the mandatory Code of Conduct training.

New employees are introduced to the Code of Conduct during their orientation program. The Code of Conduct is supplemented with specific compliance training tailored to the risk profile and needs of the employee's role.

6 Third-party risk management program

Third-party representative risk is managed by strict requirements on completion of an automated risk-based due diligence on all third-party intermediaries, as well as inclusion of compliance-with-laws language in all representative agreements which sets forth clear expectations on business conduct and provides audit rights.

The third-party risk management program covers commercial intermediaries and other non-sales intermediaries that work with government officials, such as registration agents and customs brokers. The program was revamped during the year to include systematic monitoring of the high risk third parties. This provides reasonable assurance that our third parties follow the applicable laws and business ethics standards set out in our Code of Conduct, when acting on Elekta's behalf.

7 Interactions with healthcare professionals

Elekta has clear guidelines in our anti-corruption policy on interactions with healthcare professionals that, in addition to areas such as travel, gifts and entertainment, covers risk areas such as research funding, scholarships and other collaborations. In higher risk markets, the guidelines are supplemented with more detailed local policies.

The guidelines are aligned with codes that have been developed with peers in industry associations such as COCIR and AdvaMed. Cooperation and alignment are vital for the creation of a framework for ethical business conduct between the medical device industry and healthcare professionals.

8 Detect and respond

Elekta aims to create a culture where everyone feels free and safe to raise compliance-related issues. When such issues are promptly addressed, it reduces the risk of escalation to violations against the law or our Code of Conduct. To facilitate anonymous reporting for all stakeholders, internal and external, if such violations were to occur, or were suspected to occur, we have an established global whistleblower process and a reporting tool, the Elekta Integrity Line, which is available in all applicable languages.

All reported cases are checked internally by the head of the Compliance function, the EVP & General Counsel, and regularly reported to the Board of Directors. Each case is followed up to the extent feasible, and appropriate remediation measures are taken.

In 2021/22, 17 cases were reported, either through the Integrity Line, a special e-mail address directly to Compliance, or through other channels. Most cases relate to people and leadership issues.

9 Monitoring and continuous improvement

The effectiveness of the compliance program is ensured through continuous monitoring and audits that make sure our policies and procedures are adhered to.

Internal adherence is ensured through, inter alia, the inclusion of relevant compliance-specific questions in the Internal Controls Framework and audits performed by the Internal Audit Function. Findings are used to improve both local and global programs. The third-party monitoring program referred to in step 6 above, measures adherence by our third parties, and can trigger performing audits where necessary.

People in Focus

People are at the core of Elekta's business. From the patients receiving treatment with our solutions, to our more than 4,700 employees across the globe and the people that we, in different ways, engage with in our supply chain.

Why is this important to us?

We are dependent on the creativity and competence of both our own employees and the people employed in our supply chain to keep bringing innovations that benefit cancer patients to the market.

Ensuring that we can attract and develop qualified employees is a prerequisite for keeping our position as innovator of cancer treatments. We offer a range of opportunities for employees and aim to create an inclusive and diverse culture where everyone can grow professionally as well as personally.

In addition, we set high standards on our supply chain to ensure human and labor rights are safeguarded.

Applicable Sustainable Development Goals and targets

Goal 5: Achieve gender equality and empower all women and girls
5.5: Ensure full participation in leadership and decision-making
5.C: Adopt and strengthen policies and enforceable legislation for gender equality

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
8.5: Full employment and decent work with equal pay
8.7: End modern slavery, trafficking, and child labor
8.8: Protect labor rights and promote safe working environments

Elekta's contribution

Safeguarding human rights and labor rights for everyone working at Elekta and in our supply chain globally. Ensuring that we offer an inclusive and safe workplace.

How are we working with this?

Our approach as employer

Elekta's approach as employer is summarized in our People & Human Rights Policy. It is based on international standards for human and labor rights and aims to facilitate a culture that promotes diversity, inclusion, and equal opportunity as well as high health and safety standards. The Human Resources function is responsible for maintaining the policy, training our employees and investigating any reported violations. Managers are responsible for implementing the policy in their line organizations and for making sure that all employees and contract workers are familiar with it and follows its guidelines.

Elekta's global People Agenda aims to leverage the full potential of our employees in executing on our company strategy. The agenda is updated on an annual basis in line with Elekta's annual strategic focus areas, and is based on the following cornerstones:

- Driving capability development to ensure delivery of ACCESS 2025, with systematic talent management ensuring a future talent pool and a culture of development
- Strengthening our culture to secure a sustainable delivery of our strategy
- Continuing to improve the Diversity, Equity, Inclusion and Belonging agenda
- Proactively driving organizational effectiveness and efficiency
- Continually enhancing the support delivered by HR through our HR Excellence program

Performance evaluation and employee engagement

Employee performance is reviewed throughout the year with a formal annual review against company targets and values (as well as Leadership Cornerstones for managers), and against individual annual development plans. The plans, which manager and employee co-develop, and the reviews are tools for employees to become accountable for their owncareer development.

Comprehensive employee engagement surveys are conducted yearly and complemented throughout the year with shorter pulse surveys across the organization. They enable Elekta to track a range of indices, including engagement, team efficiency and leadership, and to improve as an employer. The last comprehensive survey was conducted in March 2022. See **page 62** for comments on results.

Tailored training and development programs

Continuous competence development is essential to keep up with a rapidly evolving business environment and is at the top of Elekta's strategic agenda. Personal development plans are based on the best practice model 10:20:70, which means 10 percent formal training; 20 percent developmental relationships such as peer coaching, support from a line manager, a mentor, or similar; and 70 percent applying the acquired skills in the daily work or in a stretch project.

Developing leaders is an important priority for Elekta. We have various global leadership development programs, aimed at managers at different levels in the organization, as well as diverse development offerings for all employees. We constantly review both the content and delivery methods of our offerings to ensure employee development aligns with our strategy or as a response to the changing demands of employees and leaders alike, such as in relation to well-being, or diversity, equity or inclusion.

In addition to the global programs, different local offerings, both within geographies and functions, are offered.

A diverse and inclusive workplace

Everyone at Elekta should have equal opportunity, no matter of gender, age, sexual orientation, ethnicity, nationality, religion or any other potential basis for discrimination. An inclusive and respectful work environment is essential for maintaining a diverse workforce, where everyone's talents and contributions are appreciated. Our approach is outlined in Elekta's People & Human Rights policy and is evaluated against targets and reported annually.

Gender diversity is an area of special focus where we have targets to increase the underrepresented gender, which today is female, in both senior leadership and in business-critical positions to 30 percent by 2022/23. To achieve this, we ensure that there is female representation in recruiting processes, that we evaluate candidates for new roles fairly, that we identify new hires with high potential for managerial roles and that the gender distribution in our leadership programs is balanced. We also assess and review gender pay gaps for comparable roles within the company. These are conducted locally and are based on local regulations and legal requirements.

Elekta promotes a geographically and culturally diverse workforce. One example of our work is the Diversity, Equity, Inclusion and Belonging Committee with a Women's Initiative and Next

Karin Svenske Nyberg
EVP Human Resources, Elekta

> " I'm proud that we have continued to strengthen our culture during the pandemic. When each and every one takes full responsibility, we create a force that will strengthen our position as an employer, and secure our long-term competitiveness as a business. "

Generation affinity group in the region Americas. The groups work to make Elekta an increasingly inclusive and rewarding place to work, for example by supporting women and early career employees in the workplace. Another example is the recently started Diversity, Inclusion and Belonging group in the UK, that works with awareness training, for example about unconscious bias.

Emily Jenkins
VP Marketing, Elekta

> " Becoming a more diverse and inclusive company is a smart business decision as it drives performance and customer loyalty. We have started a Women's Initiative in our region to create a space for women to grow, to connect, and to further a sense of belonging within Elekta. "

Health, well-being and safety of employees

Elekta is committed to ensuring a safe work environment throughout our operations, preventing workplace accidents, injuries, and illness. The health, well-being, and safety of all our employees and customers is paramount, and we will continue to develop this agenda in relation to both physical and psychological aspects. Discrimination, harassment or bullying in the workplace jeopardizes the health and well-being of our employees and contractor partners and conflicts with the company's success and are not tolerated in any form. There have been nine incidents of discrimination in the year, of which all have been investigated and resolved without any further actions. No incidents are still on-going. Reported incidents of discrimination are primarily reviewed by the local HR function as well as by an independent party.

Our manufacturing sites operate local occupational health and safety (OHS) management systems which have been designed in line with national legal requirements. All procedures cover both our own employees and subcontractors working on behalf of Elekta. Local OHS committees or onsite working groups identify hazards, assess risks, and investigate workplace incidents. They meet quarterly and are comprised of representatives from local management teams, health- and safety-specialists, and employee representatives.

Risk assessments are in place for all activities that are carried out by Elekta's workers and contractors. Specially trained health- and safety-managers also carry out walk-around audits and inspections to identify hazards and investigate reported incidents. External advisors are consulted in these activities. When hazards are identified or incidents occur, the internal processes are reviewed and risk assessments updated.

Employees and contractors are required to report work-related hazards and hazardous situations to their managers or directly to the health- and safety-manager. Specific instructions and routines have been established for workers engaged in off-site installations, for example with installations or service at hospitals. These employees are always required to evaluate their working conditions and may discontinue their work until any identified health and safety issues have been resolved.

OHS risks directly linked to our business include radiation and off-site installations. Safety measures related to radiation include purpose-built shelters for testing, personal dosimetry for workers exposed to radiation and regular occupational health physical exams.

Training in health and safety is provided to workers according to the specific needs of their role and responsibilities. As stipulated in both our Code of Conduct and in our People & Human Rights Policy, roles that require specific safety instructions and protection receive all necessary training and are equipped with personal protective equipment (PPE) and tools before starting work.

Health- and safety-training covers general work practices as well as specific work-related hazards including the use pf chemicals and radiation. Health- and safety-information is communicated through the line organization and in many sites through work-safety 'Tool Box Talk' meetings where workers are invited to participate. Employees are also consulted in the development, implementation and evaluation of the safety management systems.

The promotion of worker health, including mental health, is of the highest importance to Elekta. We partner with non-occupational healthcare providers as part of the compensation and benefits system in many sites. Other sites offer medical exams annually. Elekta encourages employee well-being and health through webinars and the sponsoring of company sports associations, team well-being events and health awareness campaigns.

Safeguarding human and labor rights

Elekta has a global supplier base and most of our suppliers of direct materials do not operate in countries with known human rights issues. Such exposure is located further upstream in our supply chain, where there may be a risk that workers work excessive overtime, lack freedom of association, experience forced labor or are not paid living wages.

Our commitment to human rights and labor rights is set out in our Code of Conduct, which prohibits any form of forced, compulsory or child labor and proclaims the right to fair wages including time to rest, overtime compensation and holidays. The Code of Conduct is complemented by a Supplier Code of Conduct, which puts more detailed human and labor rights requirements on Elekta suppliers. It also covers sourcing of conflict minerals, business ethics, and environmental protection and requires all suppliers to cascade the same requirements on their suppliers.

Some of our products contain, to a small extent, minerals such as cobalt and tungsten, which are often mined in high-risk or conflict-affected areas and where there might be modern slavery-like working conditions connected to their extraction. We are members of the Responsible Minerals Initiative and are working with them to trace the source of minerals in our products, ensuring the minerals have been extracted under decent working conditions. For results, see **page 63**.

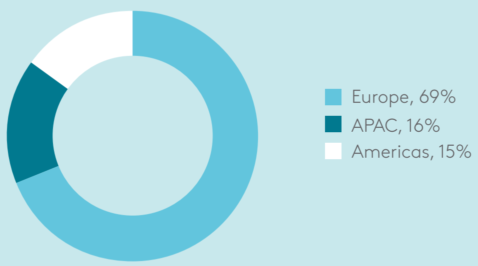
Supplier engagement for sustainability

We select suppliers through our Sourcing process that includes quantitative and qualitative assessment criteria that are governed by our Sourcing Board, commercial contracting and quality assurance processes. A key part of our sustainability ambition is our Sustainable Sourcing Program, which is a due diligence and continuous improvement program aimed at building a win-win relationship with our suppliers to manage risk and drive value creation, while identifying opportunities for improvements in our supply chain. The program covers a range of sustainability requirements, and aims to identify and mitigate any non-conformances with Elekta's Supplier Code of Conduct. During the year, we have revised the program to address deviations identified in 2020/21 regarding its execution and started its implementation. Elekta's revised Sustainable Sourcing Program is managed by the Sustainable Sourcing Forum which is chaired by Business Line Linac Solutions Sustainability Lead and includes procurement directors and representation from Compliance. Elekta's Compliance function is responsible for the Supplier Code of Conduct while Elekta's Procurement Function is responsible for ensuring supply chain implementation and compliance to the Code.

During the year, Elekta conducted supplier assessments including supplier audits and business reviews in which suppliers shared their ESG programs. Eleven supplier audits included specific ESG assessments. The audits identified no significant non-conformances. Some suppliers were instructed to review their employee working hours policy. In 2021/22, four suppliers were categorized as high-risk suppliers. Elekta commissioned independent third-party on-site audits of all these suppliers. Findings included risks relating to working hours and overtime. Elekta has reported its findings to all the suppliers and requested corrective action. No supplier commercial contracts have needed to be terminated, and we continue to engage with the suppliers to build collaboration across the supply chain.

We aim to build collaborative partnerships with suppliers that foster a mutual understanding of each organization's sustainability programs, commitments and targets. In March 2022, Elekta hosted a global supplier engagement day in Sweden, UK, the Netherlands, and China. More than 100 supplier representatives attended physical and virtual events focusing on the importance of sustainable sourcing and the building of resilient supply chains for the future.

GEOGRAPHIC LOCATION OF SUPPLIERS, BY SPEND; 2021/22



Steve Wort
SVP and Head of Supply Chain, Linac Solutions, Elekta

" Supplier collaboration is key to Elekta and we welcomed more than 100 suppliers during our global Supplier Day in March 2022 for discussions on future strategic collaborations, specifically on sustainability and resilience programs. "

Striving for the highest quality and product safety

Quality and safety in all products and offerings are top priorities for Elekta. The goal is to meet the highest possible safety standards for all products, for customers and patients, as well as for the company's own installation and service employees. Elekta's products are developed, manufactured, marketed, sold, and serviced in accordance with quality-controlled processes. As a medical device manufacturer, Elekta must comply with strict and comprehensive international legal requirements and product safety standards. The function Product Quality & Service is specialized to improve and monitor product quality.

Elekta is certified with ISO 13485 (quality management systems, design and manufacture of medical devices). Requirements in national regulations are implemented as applicable in the procedures concerned, such as the requirement of reporting of incidents and recalls. Quality management systems are reviewed by both internal and third-party auditors and certified by external regulatory bodies and authorities that conduct regular inspections.

Performance and outlook 2021/22

Goals	Achievements	Status	New/adjusted goals
EMPLOYEE ENGAGEMENT			
Increase eNPS (employer net promoter score) to 26 by 2023/24.	eNPS at 28 in 2021/22.		Increased level of ambition: eNPS at 34 in 2024/25.
Reduce voluntary attrition rate to 7% by 2023/24.	Voluntary attrition rate at 8.2% in 2021/22. Elekta has seen a slight increase in attrition this year, which follows global trends in this area.		Goal retained.
Improve overall employee experience based on results from individual employee and team discussions, comprehensive or pulse surveys and other dialogue forums.	In 2021/22, the annual employee survey saw an increase of all indices. Elekta continues to develop pulse survey offerings to ensure timely employee feedback is obtained and acted upon. All employees received performance and career development reviews during the year.		Goal retained.
DIVERSITY AND INCLUSION			
Increase the female/underrepresented gender representations in critical business positions to 30% by 2022/23.	26% in 2021/22, increased during the year. Elekta continues to focus on initiatives to develop gender diversity for example through leadership development.		Goal retained.
Implement, assess and review gender pay gap reviews in our larger sites globally in a meaningful way.	Location – Gender Pay Gap United States – 16 % The Netherlands – 12 % United Kingdom – 6 % Sweden – 0 % China – 0 % Gender pay gap is measured at Elekta's larger sites. For reporting principles, see **page 68**.		We continue to focus on this important area. Elekta will always strive to achieve 100%, meaning 0% pay gap.
Continue to promote a geographically and culturally diverse workforce.	We continue to develop the use of employee resource groups across Elekta.		Revise diversity ambition and develop our goals during 2022/23.

Achieved · Ongoing, on track · Ongoing, not on track · Not achieved

Performance and outlook 2021/22

Goals	Achievements	Status	New/adjusted goals
OCCUPATIONAL HEALTH AND SAFETY			
Zero vision of 'lost time' workplace accidents by 2022/23.	In 2021/22, Elekta recorded a total of four incidents of lost-time cases (15 cases in 2020/21). During 2021/22, Elekta's UK site has initiated reporting of all "near misses" which expedites corrective actions to avoid future accidents.	Ongoing, on track	Implement a health surveillance program during 2022/23 for manufacturing sites in the UK and China. Expand and align accident reporting at manufacturing sites in the UK and China by 2022/23.
Develop a global work environment policy (incl. psychological work environment).	Continued work to ensure a safe psychological work environment has been conducted during 2021/22 in local units that will serve as input into the global policy framework.	Ongoing, not on track	Expand the People & Human Rights Policy to include psychological work environment by 2022/23.
SUPPLIER ASSESSMENTS INCL. HUMAN RIGHTS			
New goals will be set upon the completion of the review of the Sustainable Sourcing Program which was initiated in 2020/21.	During the year, Elekta has established a new Sustainable Sourcing Program. See **page 61**.	Ongoing, not on track	Goals and targets within the new Sustainable Sourcing Program are in formulation and will be aligned with new and upcoming international standards.
Training on sustainability risk awareness in the supply chain to be offered to relevant employee groups.	In 2021/22, selected procurement employees (appr 12 employees) have attended ESG awareness sessions including human rights (more than 20 hours per individual). The sessions will be followed up with further training in 2022/23.	Ongoing, on track	Offer sustainability risk awareness training with focus on upcoming legislation relating to the supply chain to relevant employee groups.
Revision of previous target: 100% of Elekta suppliers of products with 3TGs (tin, tantalum, tungsten)/cobalt to require their smelters validated by 2021/22.	In 2021/22, all suppliers of products with tungsten used smelters validated by the Responsible Mining Initiative. All suppliers of cobalt have signed Elekta's Suppliers Code of Conduct or equivalent. Elekta is using minor quantities of tantalum, tin and gold.	Ongoing, on track	Maintain level of conformance and improve data quality on supplier processes.

Achieved   Ongoing, on track   Ongoing, not on track   Not achieved

Sustainability governance and reporting principles

Structured sustainability governance, stakeholder dialogues and materiality assessments ensure that we focus on our most material topics and enable us to track our progress.

Governance structure for corporate responsibility and sustainability

By incorporating the program for corporate responsibility into our line operations, we ensure effective management and alignment with other strategic initiatives and targets. The Board of Directors governs Elekta's sustainability program and our CEO reports to the Board on major issues.

The Group's compensation and sustainability committee oversees quarterly Elekta's environmental and social work. Matters pertinent to business ethics and compliance are overseen by the audit committee. For more information, see **page 79**.

A cross-functional steering committee, comprising of selected members of the Executive Management, regularly discusses matters pertinent to corporate responsibility and sustainability. The committee includes functions such as finance, communications, HR, legal, and strategy.

The work of this group streamlines the process of implementing relevant actions and targets throughout the different functions and business lines in our organization, as well as measuring results. The corporate responsibility program is developed and coordinated by the Group Sustainability Director reporting to the VP Strategy and Sustainability following an organizational change during this year, when the sustainability function was moved from Compliance to the Group Strategy function and expanded.

Defining material topics and reporting content: stakeholder engagement and materiality assessment

Our approach to sustainability is all about focusing where it matters the most. By engaging with stakeholders and continuously developing our sustainability agenda, we have the best opportunity to conduct our business sustainably and thrive in an ever-changing environment.

In 2021/22, Elekta has re-organized its sustainability function and transferred it to the Group Strategy team. Following this re-organization, Elekta is planning to update its materiality assessment during 2022/23.

Elekta continuously engages in dialogues with stakeholders such as investors, clients and employees. Insights and conclusions from these continuous dialogues guide our agenda and activities. Elekta also conducts more comprehensive stakeholder dialogues intermittently, the last one being in 2018/19. In 2019/20, Elekta carried out a gap and bechmark analysis, comparing the sustainability program and reporting with industry standards, peers and various sustainability rating indices. The stakeholder dialogue engaged a number of investors, all our employees as well as our Executive Management team and their directly reporting managers. Stakeholders were asked to rank various sustainability issues and individual topics based on their importance to our business and their impact on sustainable development. Input from relevant networks as well as general external stakeholder priorities of the medical supplies sector were also accounted for. Results were analyzed and discussed in the steering group for corporate sustainability. The topics considered material are presented in the table on **page 65**.

Forums for sustainable development

Elekta is an active member in networks and industry associations working on sustainability and human rights to ensure that we contribute to, and are up to date with, the global sustainability agenda. We are actively participating and collaborating in networks and organizations such as the following:

- UN Global Compact and its Swedish network
- Responsible Minerals Initiative
- ICC Sweden's Sustainability Committee
- COCIR (e.g. the EHS steering committee)

Our material topics and their boundaries

Drawing on the conclusions from the stakeholder dialogue, legal requirements, risks and opportunities, we have identified a set of important topics, based on the double materiality principle. The topics cover a wide range of different issues along the value chain.

The table below describes the specific boundaries – where the impact occurs. The size of the bullet reflects the scope of our impact.

Material topics	Research and development	Sourcing and manu-facturing	Logistics	Marketing and sales	After market and service
ACCESS TO HEALTHCARE					
Access to healthcare	•			•	●
Innovation and R&D	●			·	•
ENVIRONMENTAL ACTION					
Materials efficiency	●	●			·
Emissions	•	●	•	·	·
Waste		●			
Environmental compliance	·	●			
Supplier environmental assessments		●			
BUSINESS ETHICS					
Anti-corruption		·		●	●
Fair competition and public tenders				●	●
Export control and safe trading	•	•	•	●	●
Customer privacy	•			•	●
PEOPLE IN FOCUS					
Employee engagement	•	•	•	•	•
Occupational health and safety	·	●	·	·	•
Diversity and inclusion	•	•	•	•	•
Supplier social assessments		●			
Human rights assessment		●			
Customer health and safety	•				●

See **page 69** for the GRI Content Index with page references for each material topic.

Reporting data and principles

Environmental Action

Materials

(weight in tonnes)	2021/22	2021/22[1)]	2020/21[1)]
Non-renewable materials	4,141	3,180	3,049
Renewable materials	1,142	869	859
Total	**5,283**	**4,049**	**3,908**

1) Excluding Brachytherapy and 2020/21 reporting format.

Non-renewable materials include metals, composites and ceramics, electronics and other materials used in the manufacturing of Elekta's products. Renewable materials include materials used in transport and packaging such as wood and cardboard.

The data compiled is based on material types and composition of standard products and may exclude certain parts. It covers Neurotherapy (Leksell Gamma Knifes), Radiotherapy (Linacs), MR-Radiotherapy (MR-Linacs) products and Brachytherapy, that were ordered during 2021/22. Previous years, Elekta has reported by number of shipped units, but starting 2021/22, Elekta reports ordered units for materials used as per the CO_2e emissions baseline set during the year.

The increased use of materials is a result of increased sales during 2021/22 and also impacted by the fact that reporting is changed to number of ordered units.

Greenhouse gas emissions

CO_2e (tons)	2021/22
Direct emissions (Scope 1)	**4,405**
Indirect emissions (Scope 2), market based[1)]	**2,859**
Other indirect emissions (Scope 3)	**826,756**
Purchased goods and services	290,697
Fuel and energy related	2,212
Upstream transportation	16,863
Waste generated in operations	888
Employee commuting	3,733
Business travel	9,651
Processing of sold products	96,712
Use of sold products	405,801
EoL treatment of sold products	199
Total CO_2e emissions, scope 1–3	**834,020**

Elekta has set a new CO_2e baseline in 2021/22, which is based on number of ordered units in the period. Elekta follows the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and reports greenhouse gas as carbon dioxide equivalents (CO2e) and has selected the operational control approach when defining its organizational boundary. Elekta does not offset emissions and the calculations were carried out by a third-party provider.

Scope 1 and 2

Elekta's scope 1 emissions arise from fuel use within owned and leased vehicles (mobile combustion) as well as gaseous fuel used for heating in office premises (stationary combustion).

Elekta's scope 2 emissions arise from electricity and heating consumption within Elekta's office and manufacturing premises. Actual consumption figures of electricity and gas usage were collected for all Elekta sites with 50+ FTE (covering around 90% of the total employee count) and the remaining energy consumption was extrapolated from this to cover all FTEs globally.

Scope 3

- Purchased goods and services including capital goods: Emissions from those categories are derived by applying spend-based method where emissions are calculated by mapping each supplier based on its sector to an environmentally extended input-output analysis, EEIO (specifically, Exiobase).
- Fuel- and energy-related activities (not included in scope 1 or 2): Well-to-tank emissions have been calculated based on the used volumes per fuel type and the kWh for energy per country.
- Upstream transportation: The majority of emissions data within this category (91% of the total transport emissions) were provided directly by Elekta's logistic suppliers (well-to-wheel assessment). For the remaining logistic activities, the emissions were appropriately extrapolated based on the available activity data.
- Waste generated in operations: The calculations were made by applying a spend-based method. Emissions were calculated by mapping each supplier falling into this scope 3 category to an environmentally extended input-output analysis, EEIO (specifically, Exiobase).
- Employee commuting: Emissions were estimated based on an employee survey considering the distance traveled as well as the mode of commuting. The survey was conducted in 2022 with 572 respondents. The results were then extrapolated to cover the whole workforce.
- Business travel: The majority of business travel emissions calculations are based on activity data provided by Elekta's travel suppliers and the remaining data has been calculated using the spend-based method.
- Use of sold products: Emissions arising from this category were assessed by matching the energy use (per max rating, and using an average user profile with conservative assumptions) over the full lifetime of Elekta's products (Linac, MR-Linac, Brachy and Gammaknife) and software to respective countries' emissions factors of the countries to which products were sold. This category also contains emissions from SF6 used in some of our products.
- End-of-life treatment of sold products: Emissions from this category include an assessment of key materials and packaging by weight which were matched with conservative (highest emitting scenario) end-of-life scenario assumptions since not full transparency is available on how our products or their materials are handled at the end of life at customer site.

Waste

Waste generated

(weight in tons)	Total, generated waste	Diverted from disposal	Directed to disposal
Hazardous	5.49	0.82	4.67
Non-hazardous	403.09	329.37	73.72
Total	**408.58**	**330.19**	**78.39**

Waste diverted from disposal

(weight in tons)	Onsite	Offsite	Total
Hazardous waste			
Preparation for reuse	0	0	0
Recycling	0	0.82	0.82
Other recovery operations	0	0	0
Total, hazardous waste	**0**	**0.82**	**0.82**
Non-hazardous waste			
Preparation for reuse	0	5.6	5.6
Recycling	0	323.77	323.77
Other recovery operations	0	0	0
Total, non-hazardous waste	**0**	**329.37**	**329.37**
Total waste diverted from disposal		**330.19**	**330.19**

Waste directed to disposal

(weight in tons)	Onsite	Offsite	Total
Hazardous waste			
Incineration (with energy recovery)	0	0.07	0.07
Incineration (without energy recovery)	0	4.51	4.51
Landfilling	0	0	0
Other disposal operations	0	0.09	0.09
Total, hazardous waste	**0**	**4.67**	**4.67**
Non-hazardous waste			
Incineration (with energy recovery)	0	26.92	26.92
Incineration (without energy recovery)	0	0	0
Landfilling	0	46.8	46.8
Other disposal operations	0	0	0
Total, non-hazardous waste	**0**	**73.72**	**73.72**

Waste data includes data from Elekta's sites in the Netherlands, Sweden, the United Kingdom and China. Data is mainly actual and based on information provided by the waste disposal contractor at each site. In previous years, we have reported waste data for North America. However, nearly all the offices remain closed or attendance on a voluntary basis following the pandemic. In 2021/22, Elekta has not been billed for any waste removal on the following sites: Atlanta, St Charles, Sunnyvale and Montreal.

Environmental compliance

Elekta has not been subject to any significant fines or non monetary sanctions for non-compliance with environmental laws.

Business Ethics

During 2021/22, Elekta made a significant upgrade to its Global Data Privacy organization in order to meet the challenges posed by the constantly increasing data privacy regulatory requirements. The organization is transitioning to a GDPR+ methodology whereby the default approach is GDPR compliance and adjustments are made to this approach based on specific country-by-country requirements. During the FY, the organization investigated several potential privacy-related issues, none of which arose as a result of complaints. Elekta has not been subject to any significant fines or nonmonetary sanctions for non-compliance with data privacy laws and no privacy related cases reported through the Elekta Integrity line during 2021/22.

In 2021/22 there were no confirmed incidents of corruption, and no legal actions for anti-competitive behavior, anti-trust, and/or monopoly practices. Elekta has no on-going legal disputes.

People in Focus

Elekta's employees

Elekta has 4,826 (4,342) employees. Occassionally, Elekta uses contractors for specific projects. Elekta's number of employees is not impacted by seasonal variations. The human resources data has been collected from Elekta's HR system.

Total number of employees by employment contract (permanent and temporary), by gender

	2021/22		
	Permanent contract	Temporary contract	Total
Women	1,378	23	1,401
Men	3,257	21	3,278
Non-categorized	146	1	147
Total	**4,781**	**45**	**4,826**

	2020/21		
	Permanent contract	Temporary contract	Total
Women	1,201	27	1,228
Men	2,942	34	2,976
Non-categorized	138		138
Total	**4,281**	**61**	**4,342**

Total number of employees by employment contract (permanent and temporary), by region

	2021/22		
	Permanent contract	Temporary contract	Total
North America	1,035	1	1,036
South America	118	0	118
Europe	2,253	28	2,281
Middle East, Africa and India	306	0	306
China	741	0	741
Japan	135	12	147
Asia Pacific	193	4	197
Total number of employees	**4,781**	**45**	**4,826**

	2020/21		
	Permanent contract	Temporary contract	Total
North America	1,038	3	1,041
South America	71	0	71
Europe	1,914	44	1,958
Middle East, Africa and India	216	0	216
China	716	0	716
Japan	125	11	136
Asia Pacific	201	3	204
Total number of employees	**4,281**	**61**	**4,342**

Total number of employees by employment type (full-time and part-time), by gender

	2021/22		
	Full-time	Part-time	Total
Women	1,342	59	1,401
Men	3,208	70	3,278
Non-categorized	146	1	147
Total number of employees	**4,696**	**130**	**4,826**

	2020/21		
	Full-time	Part-time	Total
Women	1,171	57	1,228
Men	2,902	74	2,976
Non-categorized	137	1	138
Total number of employees	**4,210**	**132**	**4,342**

Collective bargaining agreements

All employees have the right to join a trade union and to bargain collectively in accordance with local laws and applicable conventions. Everyone who works for Elekta should have the right to fair terms and conditions according to local rules and regulations, including contractual working time, time to rest, overtime and holidays. Employees, whether they are covered by collective bargaining agreements or not, are competitively and fairly compensated for their work. At year end 2021/22, 12.6% (11) percent of Elekta's employees were covered by collective bargaining agreements (Brazil, Germany, Austria, France, Greece, Italy, Finland, the Netherlands).

Occupational health and safety

Workplace accidents are followed up by collecting data from production sites involving manual manufacturing work. See **page 63**.

Diversity of governance bodies and employees

	2021/22		2020/21	
Gender, %	Men	Women	Men	Women
Board of Directors	57.2	42.8	62.5	37.5
Group management	85.7	14.3	86.0	14.0
All employees[2]	61.0	29.0	61.0	29.0

[2] 10.0% of employees are not categorized.

	2021/22			
Age, %	–30 years	30–50 years	50–years	No age recorded
Board of Directors	0	14.2	85.8	0
Group management	0	50.0	50.0	0
All employees	11.0	61.6	24.4	3.0

	2020/21			
Age, %	–30 years	30–50 years	50–years	No age recorded
Board of Directors	0	12.5	87.5	–
Group management	0	46.6	46.6	–
All employees	11.0	61.7	24.1	3.2

Gender pay gap

Gender pay gap is calculated by dividing the average salary of men by the average salary of women and subtracting one. The gender pay gap reflects the pay gap across the organization and is not adjusted for differences such as managerial levels and years of work experience. See **page 62**.

[1] All employee data is based on headcount and includes contractors.

GRI content index

GRI Standard	Disclosure number	Disclosure name	Page reference	Omissions/ Comment
GRI 101: FOUNDATION 2016				
GRI 102: GENERAL DISCLOSURES 2016				
ORGANISATIONAL PROFILE				
	102-1	Name of the organisation.	96	
	102-2	Activities, brands, products and services	16–17, 18–29, 96	
	102-3	Location of headquarters	96	
	102-4	Location of operations	16–17	
	102-5	Ownership and legal form	41, 96	
	102-6	Markets served	17, 30–35, 126	
	102-7	Scale of the organisation	18, 67–68, 96, 104, 106, 137	
	102-8	Information on employees and other workers	67–68	
	102-9	Supply chain	18, 60–61	
	102-10	Significant changes to the organisation and its supply chain	98–99	
	102-11	Precautionary principle or approach	45	
	102-12	External initiatives	45, 50	
	102-13	Membership of associations	47, 64	
STRATEGY				
	102-14	Statement from President/CEO (senior decision-maker)	6–7	
ETHICS AND INTEGRITY				
	102-16	Values, principles, standards and norms of behaviour	11–12, 44–45, 56, 59–60	
GOVERNANCE				
	102-18	Governance structure	45, 64, 78–80	
STAKEHOLDER ENGAGEMENT				
	102-40	List of stakeholder groups	64	
	102-41	Collective bargaining agreements	68	
	102-42	Basis for identification and selection of stakeholders	64	
	102-43	Approach to stakeholder engagement	64	
	102-44	Key topics and concerns raised	64–65	
REPORTING PRACTICE				
	102-45	Entities included in the consolidated financial statements	137	
	102-46	Process for defining the report content and the topic boundaries	64–65	
	102-47	List of material topics	65	
	102-48	Restatements of information	60	
	102-49	Changes in reporting	72	
	102-50	Reporting period	72	
	102-51	Date of most recent report	72	
	102-52	Reporting cycle	72	
	102-53	Contact point for questions regarding the report	72	
	102-54	Reporting in accordance with the GRI Standards	72	
	102-55	GRI content index	69–71	
	102-56	External assurance	72	

Material topics

GRI Standard	Disclosure number	Disclosure name	Page reference	Omissions / Comment
ACCESS TO HEALTHCARE				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 46–49, 65	
INNOVATION AND R&D				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	13–14, 16, 18–29, 45, 46–47, 57, 65	
Company specific disclosure	N/A	Investments in R&D	99	
ANTI-CORRUPTION				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 54–57, 65, 82	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	67	
FAIR COMPETITION AND PUBLIC TENDERS				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 54–57, 65	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	67, 100	
EXPORT CONTROL AND SAFE TRADING				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 54–57, 65	
MATERIALS EFFICIENCY				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 51, 53, 57, 65	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	66	
EMISSIONS				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 50-53, 57, 65	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	53, 66	
	305-2	Energy indirect (Scope 2) GHG emissions	53, 66	
	305-3	Other indirect (Scope 3) GHG emissions	53, 66	
	305-4	GHG emissions intensity	53	
WASTE				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	48–50, 57, 65	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	50–53, 67	
	306-2	Management of significant waste-related impacts	50–53, 67	
	306-3	Waste generated	67	
	306-4	Waste diverted from disposal	67	
	306-5	Waste directed to disposal	67	
ENVIRONMENTAL COMPLIANCE				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 52, 53, 57, 60–61, 65	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	67	
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 50–52, 57, 60–61, 63, 65	
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	51–52, 61	
EMPLOYEE ENGAGEMENT				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 57, 58–59, 62, 65	
Company specific disclosure	N/A	Employee engagement and eNPS	62	

GRI Standard	Disclosure number	Disclosure name	Page reference	Omissions / Comment
OCCUPATIONAL HEALTH & SAFETY				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 57, 58, 60, 65	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	60	
	403-2	Hazard identification, risk assessment and incident investigation	60	
	403-3	Occupational health services	60	
	403-4	Worker participation, consultation, and communication on occupational health and safety	60	
	403-5	Worker training on occupational health and safety	60	
	403-6	Promotion of worker health	60	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60	
Company specific disclosure	N/A	Number of recorded incidents	63	
	N/A	Number of lost time cases	63	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	60	
TRAINING AND EDUCATION				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 57, 58–59, 65	
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	59	
	404-3	Percentage of employees receiving regular performance and career development reviews	62	
DIVERSITY AND INCLUSION				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 57, 58–59, 62, 65	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	65	
	405-2	Ratio of basic salary and remuneration of women to men	62, 68	Not reported by employee category.
HUMAN RIGHTS ASSESSMENT				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 57, 58, 60–61, 62, 65	
GRI 412: Human Rights Assessment 2016	412-2	Employee training on human rights policies or procedures	63	
SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 57, 58, 60–61, 62, 65	
GRI 414: Supplier Social Assessment 2016	414-2	Negative social impacts in the supply chain and actions taken	60–61	
Company specific disclosure	N/A	Number of audits of high-risk suppliers – results and follow-up actions/sanctions	61	
CUSTOMER PRIVACY				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 55–57, 65	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	67	
CUSTOMER HEALTH AND SAFETY				
GRI 103: Management Approach 2016	103-1–3	Explanation of the material topic, its boundary and management approach	45, 57, 61, 65	

About the sustainability report

This sustainability report covers the fiscal year 2021/22 (May 1, 2021 – April 30, 2022). Elekta publishes a sustainability report annually. Last year's report was published on July 9, 2021. Compared to last year's report Elekta has adopted the revised standard GRI 306: Waste 2020.

The report covers all Elekta's fully-owned subsidiaries. See **Note 19** for details about Elekta's subsidiaries.

The report constitutes Elekta's Communication of Progress in line with the UN Global Compact's guidelines. This report has been prepared in accordance with the GRI Standards: Core option.

Questions or comments? We would like to hear from you. Please contact Hilma Nordquist, Global Sustainability Director, hilma.nordquist@elekta.com

Statutory Sustainability Report

This report has been prepared in accordance with the Swedish Annual Accounts Act. Please refer to the table below for page references.

	Pages
Business model	14, 16–17
Environmental matters	51–53, 66–67
Social matters and employees	46–49, 58–63, 67–68
Human rights	58, 60–61, 63
Anti-corruption	54–57, 67
Sustainability risks	36–40, 50, 52, 54, 56–57, 58–61
EU taxonomy reporting	52
Auditor's report	72

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Elekta AB (publ), corporate identity number 556170-4015

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2021-05-01 – 2022-04-30 on pages 43–72 and that it has been prepared in accordance with the Annual Accounts Act.

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 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.

Opinion

A statutory sustainability statement has been prepared.

Stockholm, 8 July 2022

Ernst & Young AB
Signature on original auditors' report in Swedish[1)]

Rickard Andersson
Authorized Public Accountant

[1)] This is a translation of the original auditors' report in Swedish. In the event of any differences between the translation and the original statement in Swedish, the Swedish version shall prevail.

CORPORATE GOVERNANCE

> "Elekta has grown to become essential to cancer care globally, as the only major company fully focused on radiotherapy and neurosurgery."

This year, it has been 50 years since Elekta was founded. While our expansion did not begin in earnest until the early 1980s, our focus has remained unchanged: to make a meaningful impact on healthcare providers and their patients around the world by delivering the best and safest clinical solutions.

Staying close to our customers and really understanding their needs has enabled us to push the boundaries of cancer care. We have pioneered technologies in neurosurgery with Leksell Gamma Knife, and in radiation therapy with onboard imaging and advanced treatment modalities such as IMRT and VMAT, among others. Our latest breakthrough, the Elekta Unity MR-Linac, continues to gain ground thanks to to its superior MR image quality, providing exquisite images of targets and surrounding healthy tissue.

Building on our Swedish heritage, our systematic approach to internationalization began early. We had a simultaneous strategy of reaching out to both the largest healthcare markets and emerging markets. Today, we are diversified with product development and clinical research activities in all major global markets. Since we work with advanced technology in a very complex clinical area, this footprint helps us gain an insight into the differing needs of cancer care around the world.

We have come a long way in 50 years, having grown from a small Swedish company specializing in stereotactic radiosurgery, to a broad global radiation therapy leader with sales in more than 120 countries, around 40 of which we have direct representation.

Elekta has grown to become essential to cancer care globally, as the only major company fully focused on radiotherapy and neurosurgery.

I know that my father, Professor Lars Leksell, would have been proud to see us carry out his legacy, and excited to see us continue to develop clinical solutions, software systems, and services to ensure that our customers and their patients get access to best treatment possible.

But we could not have done it alone. Close cooperation with our customers has been, and will continue to be, essential for our ability to develop technology that makes a difference for patients. I would therefore like to extend my sincere gratitude to our customers, employees, and many others and thank them for their support and contribution throughout the years.

We saw geopolitical tensions rising and the outbreak of a large war in Europe in February 2022, when Russia invaded Ukraine. This will exacerbate the trend of regionalization of supply chains that arguably started with Covid. To ensure we comply with sanctions, and to secure our supply chains, we have strengthened our focus on risk management and compliance.

While the situation in the world might affect the short-term supply chains, it will not affect the elevated post-covid need for cancer care, nor the long-term growing cancer burden. In addition, the shortage and uneven distribution of treatment capacity in the world remains a persistent challenge. Elekta has both a responsibility and a great opportunity to respond to these challenges and strengthen access to cancer care. This is also our key strategic priority in the coming years – ACCESS 2025.

This means continuing to bring imaging into the radiotherapy process and to help clinicians manage the ever-increasing complexity – due to growth in both treatment options and available data – by integrating and systemizing treatment workflows with more efficient software systems. Our knowledge of the disease continues to develop. As we better understand the tumors' genetics, and with support of other pathological information sources, the personalization of treatment will improve. Going forward, more interplay can be expected with immunotherapy. In addition, we have launched new solutions and programs to strengthen access, particularly in low-income countries, which is the key priority of our social sustainability strategy. The establishment of the Elekta Foundation in 2021 is an important element of this strategy.

Creating value for patients and cancer care demands perseverance and focus. We will continue to think and plan for the long term. This starts by securing efficiency and good governance in our own operations, while addressing our sustainability, environmental and social responsibilities. Using our financial resources wisely ensures that we can provide a return to our financial stakeholders, without whom we would not have been able to get to where we are, and where we need to go.

We will keep pushing the boundaries for many years to come. We are here to continue to provide hope and help for everyone dealing with cancer.

Laurent Leksell
Chairman of the Board

Corporate Governance Report 2021/22

Elekta AB (publ)[1] is a Swedish public limited liability company listed on Nasdaq Stockholm. Elekta considers good corporate governance, including risk management and internal control, to be an important element of successful business operations as it provides opportunities for maintaining confidence among customers, patients, shareholders, authorities and other stakeholders. Elekta's Corporate Governance Report 2021/22 has been prepared by Elekta AB's Board of Directors, in accordance with the Annual Accounts Act and the Swedish Corporate Governance Code, as a separate report from the Board of Directors' report, and it has been reviewed by Elekta AB's external auditor.

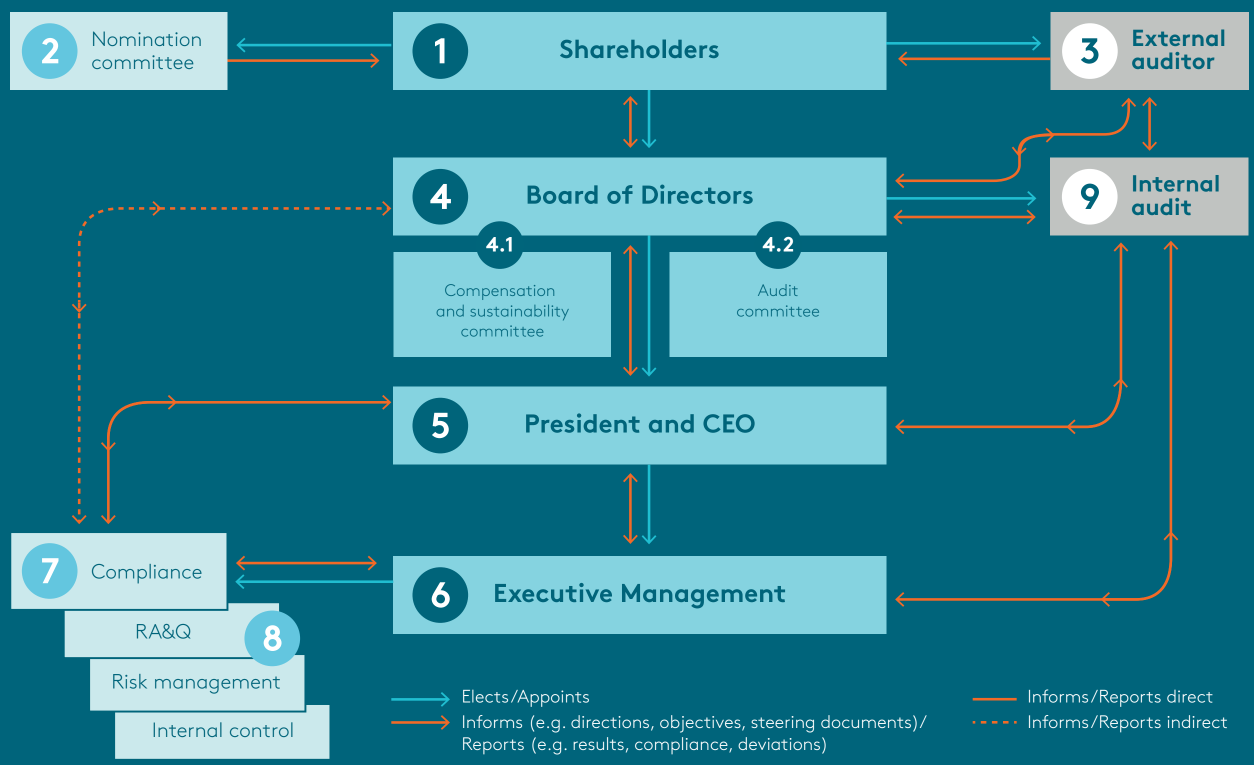
Elekta's structure for corporate governance

An overview of Elekta's corporate governance structure is set out in the illustration below. The different corporate bodies that are included in the structure are described in more detail in this report in the order specified below.

Elekta has implemented and complied with the Swedish corporate governance code (the Code)[2] with one exception during the -fiscal year of 2021/22. According to point 2.4 of the Code, the chairman of the Board of Directors is not to be the chairman of the nomination committee. Elekta's nomination committee resolved to appoint the Chairman of the Board, Laurent Leksell, as chairman of the nomination committee. This was motivated by the fact that Laurent Leksell, in his capacity as the major shareholder, is well suited to effectively lead the work of the nomination committee in order to achieve the best result for Elekta AB's shareholders.

ELEKTA'S GOVERNANCE STRUCTURE

As per April 30, 2022



[1] "Elekta" or the "Group" refers to the Elekta Group which includes Elekta AB (publ) and its subsidiaries, and "Elekta AB" and the "Company" or the "Parent Company" refers to Elekta AB (publ). [2] The Code can be found at www.corporategovernanceboard.se

1 Shareholders

Shares and votes

Elekta AB's B share is, since 1994, listed on Nasdaq Stockholm. On April 30, 2022, the total number of registered shares in Elekta AB was 383,568,409 divided between 14,980,769 Series A shares and 368,587,640 Series B shares. At the general meetings of shareholders, which are the forum in which shareholders may exercise influence, Series A shares entitle the holder to ten votes each, while Series B shares carry one vote each.

Laurent Leksell has been the largest shareholder of Elekta AB in terms of voting rights since the listing on Nasdaq Stockholm and controlled through own and related parties as per 30 April, 2022, holdings representing 30.4 percent of the votes.

Read more about the share, the shareholders and Elekta's dividend policy on **page 41**.

General meeting of shareholders

The general meeting of shareholders is Elekta AB's highest decision-making body at which the shareholders can exercise their right to make decisions in certain company matters. In addition to the annual general meeting (AGM) of shareholders, extraordinary general meetings (EGM) of shareholders may be held at the discretion of the Board of Directors or if requested by the external auditor or by shareholders holding at least ten percent of the shares.

The AGM is held in Stockholm, Sweden. The date and venue for the meeting will be announced on Elekta's website **www.elekta.com**, not later than in connection with the third interim report for the period May–January. Notification of the AGM is published, according to the rules of the Swedish Companies Act, not earlier than six weeks and not later than four weeks in advance of the meeting.

Disclosures on direct or indirect shareholdings in Elekta AB representing at least one-tenth of the voting rights, and information about authorizations by the general meeting of shareholders for the Board of Directors to decide upon acquisition of own shares, are set out on **page 41**.

AGM 2021

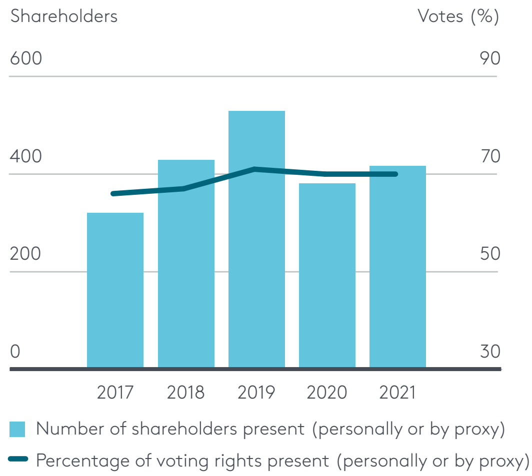
The AGM 2021 was held on August 25, 2021. As a result of the Covid-19 pandemic, the AGM was held through advance voting. 417 shareholders voted in advance, either personally or by proxy, corresponding to approximately 70 percent of the votes in the Company. The main resolution items of the AGM 2021 are set out in the column to the right.

Further information regarding the AGM 2021, including the minutes, is available at **www.elekta.com**. No other general meetings of shareholders were held during the fiscal year 2021/22.

AGM 2022

The AGM 2022 will be held on August 25, 2022. More information regarding this AGM is found on **page 160**.

SHAREHOLDERS' PRESENCE AT AGM:S



The main resolution items of the AGM 2021:

- A dividend payment of SEK 2.20 per share to shareholders
- Discharge from liability of the members of the Board as well as the President and CEO for management of Elekta AB in the 2020/21 fiscal year
- Adoption of fees to the Board totaling SEK 5,040,000 (4,580,000), of which SEK 1,410,000 (1,280,000) to the Chairman of the Board and SEK 605,000 (550,000) to each of the other external members of the Board, as well as remuneration for board committee work of SEK 135,000 (115,000) to the chairman of the compensation and sustainability committee and SEK 90,000 (80,000) to each of the other members of the committee, and SEK 250,000 (240,000) to the chairman of the audit committee and SEK 160,000 (150,000) to each of the other members of the committee
- Re-election of Laurent Leksell, Caroline Leksell Cooke, Johan Malmquist, Wolfgang Reim, Jan Secher, Birgitta Stymne Göransson and Cecilia Wikström as members of the Board. Laurent Leksell was re-elected as Chairman or the Board
- Election of Ernst & Young AB as external auditor, with authorized public accountant Rickard Andersson as the auditor in charge
- Approval of the Board's remuneration report
- Adoption of the share-based long-term incentive program, Performance Share Plan 2021, to be offered to Executive Management and certain key employees
- Authority for the Board for acquisition and transfer of own shares
- Contribution for establishing a philanthropic foundation

2 Nomination committee

Responsibilities of the nomination committee

The main responsibility of the nomination committee is to prepare proposals for adoption at the AGM with respect to election and remuneration matters, as for instance election of chairman of the general meeting, directors and external auditor as well as remuneration to the directors and the external auditor.

Appointment of nomination committee

The instruction for the nomination committee, adopted by the AGM 2020, sets out a procedure for how the nomination committee for an AGM shall be appointed. According to such procedure, the Chairman of the Board shall contact the four largest shareholders in terms of voting rights, besides the shareholder or shareholders the Chairman of the Board may represent. The assessment of which shareholders that are the largest shall be based on Euroclear Sweden's shareholder statistics as of the last banking day in September. These shareholders will be given the opportunity to appoint one person each who, together with the Chairman of the Board, will constitute the nomination committee. The chairman of the nomination committee will, unless the nomination committee unanimously decides otherwise, be the member of the nomination committee appointed by the largest shareholder in terms of voting rights. No remuneration will be paid to the members of the nomination committee.

The composition of the nomination committee for the AGM 2022 is set out below. The assignment for the nomination committee is valid until the end of the next AGM or, where applicable, until a new nomination committee has been appointed.

The nomination committee for the AGM 2022

- Laurent Leksell (chairman) – represents his own and related parties' holdings and is also the Chairman of the Board
- Jesper Bergström – Handelsbanken Funds
- Per Colleen – The Fourth Swedish National Pension Fund
- Filippa Gerstädt – Nordea Funds
- Javiera Ragnartz – SEB Funds

Preparation for the AGM 2022

The nomination committee held five meetings prior to the AGM 2022. An evaluation of the Board's work, competences, composition and independence of its members is performed annually and initiated by the Chairman of the Board, partly to assess the preceding year, partly to identify areas for development for the Board. During the fiscal year 2021/22 a digital evaluation was performed with support from an external company. The conclusion is presented to the nomination committee by the Chairman of the Board. In addition, individual interviews have been held by the committee with each director. The nomination committee has, through the audit committee's chairman, obtained the audit committee's recommendation as regards election of auditor.

When preparing its proposal for board composition, the nomination committee has applied the Code, section 4.1, as diversity policy. The aim with the policy is to have a composition appropriate to Elekta AB's operations, phase of development and other

relevant circumstances. The members of the Board are collectively to exhibit diversity and breadth of qualifications, experience and background. Gender balance on the Board is to be strived for. The view of the nomination committee is that the current board composition meets the requirements of the policy. One of the focus areas for the committee has been to increase gender balance on the Board. The nomination committee's proposals for the AGM 2022 are presented in the notice convening the AGM 2022. A reasoned statement explaining the nomination committee's proposal for the Board's composition is posted on Elekta's website **www.elekta.com** in connection with the issuance of the notice of the AGM 2022.

3 External auditor

External auditor and auditor in charge

The external auditor of Elekta AB is appointed by the AGM for a period lasting until the end of the next AGM. The AGM 2021 elected Ernst & Young AB (EY) as external auditor with Rickard Andersson as auditor in charge.

Rickard Andersson was born in 1973 and is an authorized public accountant as well as member of FAR. During the year, he was also the elected auditor in charge of Munters, Securitas, SSAB and Volati. He has no assignments in any other company that affects his independence as the auditor in charge of Elekta AB.

EY has performed the audit of Elekta for the 2021/22 fiscal year, in accordance with a risk-based external audit plan, resulting in the unqualified auditor's report and statement, which are available on **page 148**.

Services and fees

According to the audit committee's guidelines, services in addition to audit services, known as permissible non-audit services, that Elekta may procure from the external auditor in order to assure that the impartiality and independence of the external auditor is not put at risk, may not exceed 70 percent of the cost for audit services measured over a three-year period. The audit committee may decide to make exceptions under certain circumstances.

Non-audit services procured from EY during the 2021/22 fiscal year adhered to the guidelines established and comprised mainly of tax consultancy and other audit-related services.

The fees to the external auditor for the 2021/22 fiscal year are reported in Note 9.

4 Board of Directors

Responsibilities of the Board of Directors

The work of the Board of Directors is regulated by the Swedish Companies Act, Elekta AB's articles of association, the Code and the working instructions for the Board. The Board is responsible for the organization of Elekta AB and the management of its operations in the interest of the Company and all shareholders. This includes appointing a President and CEO who is responsible for managing the day-to-day operations in accordance with instructions from the Board. The responsibilities for the Board also include:

- Establishing overall goals and strategy
- Defining guidelines to govern ethical conduct with the purpose of ensuring the long-term ability to create value
- Ensuring an effective system for follow-up and control on Elekta AB's operations and risks that Elekta AB and its operations are exposed to
- Ensuring a satisfactory process for monitoring compliance with laws and regulations and other regulatory compliance requirements applicable for Elekta AB as well as compliance with internal company regulations
- Ensuring that external information and communications are characterized by openness, and that they are accurate, reliable and relevant

Appointment of the Board of Directors

The Board of Elekta AB is elected by the AGM for a period lasting until the end of the next AGM.

According to the articles of association of Elekta AB, the Board is to have between three and ten members with no more than five deputy members.

There are no specific rules in the articles of association concerning the appointment or removal of members of the Board, nor concerning amendment of the articles of association.

Composition and independence of the Board of Directors

The Board comprises seven members, which are presented on page 86. There are neither deputy board members nor employee representatives on the Board. The General Counsel, EVP and Chief Compliance Officer (the General Counsel) serves as secretary for the Board.

According to the Code, the majority of the directors appointed by the general meeting of shareholders shall be independent of Elekta AB and the Executive Management. In addition, at least two of the directors, who are independent of Elekta AB and the Executive Management, shall also be independent of major shareholders. The composition of the Board meets the independence requirements as five of the seven members of the board have been deemed independent in relation to Elekta AB, the Executive Management and major shareholders. These five members are Johan Malmquist,

THE WORK OF THE BOARD OF DIRECTORS INCLUDING SOME IMPORTANT AGENDA ITEMS IN 2021/22

2021	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER

Board meeting (May)
- Adoption of year-end and Q4 report 2020/21
- Meeting with auditor and review of external audit report for the full year
- Review and approval of budget for fiscal year 2021/22 incl. financial targets
- Report from the audit committee and the compensation and sustainability committee
- Adoption of updated prospectus for MTN-program

Board meeting (July)
- Adoption of annual report 2020/21 (including all reports therein)
- Adoption of notice and final proposals to the AGM

Two board meetings (August)
- Inaugural board meeting
- Adoption of interim report Q1 2021/22
- Report from the audit committee and the compensation and sustainability committee

Board meeting (September)
- Presentations by an investor, an analyst and customers on the external view of Elekta
- Review of strategic initiatives

Board meeting (October)
- Review of strategic initiatives

Examples of the Board's focus areas:

1 New external environment

Supervision of pandemic related headwinds remained on the Board of Directors' agenda throughout the year. Elekta's Resilience and Excellence program was accelerated as geopolitical uncertainties emerged from the war in Ukraine next to persistent pandemic challenges. The Board has focused on foreseeing and mitigating the impact from the new macroeconomic environment with continued higher costs in the supply chain and rising inflation.

2 Innovation

The accelerated investments in innovation during the year highlights the importance of R&D for Elekta and these activities are monitored closely by the Board of Directors. The R&D pipeline focuses on personal precision, elevated productivity and integrated informatics within oncology care. The Board's aim is to ensure Elekta's competitive edge and providing good return on the investments through innovations that will drive Elekta's future growth and improve profitability.

Wolfgang Reim, Jan Secher, Birgitta Stymne Göransson and Cecilia Wikström.

The independence of each board member is shown on page 86. Remuneration to the Board is set out in Note 7 and on page 86.

The work of the Board of Directors

The working instructions for the Board establish that the Board is to:

- Hold at least seven ordinary meetings per year
- Adopt finance and foreign exchange policies
- Adopt a code of conduct
- Approve a long-term plan and budget, including an investment budget
- Approve investments and similar decisions where the amount of the transaction exceeds SEK 10 million if such a transaction falls outside the approved investment budget
- Decide on acquisition or sale of real estates or shares, or acquisition or sale of the assets of, or a major part of the assets of, another company
- Decide on the establishment and liquidation of subsidiaries
- Adopt guidelines for remuneration of senior executives to be approved by the AGM
- Decide on terms of employment for the President and CEO according to guidelines for remuneration of senior executives approved by the AGM
- Adopt the annual report, year-end report and interim reports

Within the Board, there is no special distribution of responsibilities among the members of the Board in addition to the duties that the Board has delegated to the compensation and sustainability committee and to the audit committee, respectively.

During the fiscal year 2021/22, the Board held ten minuted meetings. Board meetings are normally held at Elekta's head office in Stockholm, or at other locations where Elekta has offices or other facilities, but have during this fiscal year to some extent been held through telephone and video conferences as a result of the pandemic. Representatives from the Executive Management and other senior managers regularly attend board meetings to report on matters within their respective area of responsibility. For ordinary board meetings, an agenda with decision supporting material is available ahead of the meetings. The board members' attendance at board meetings is shown on page 86.

BOARD COMMITTEES

To improve the efficiency of the board work, the Board has appointed a compensation and sustainability committee and an audit committee. The committees work in accordance with directives adopted by the Board and prepare recommendations and proposals for the Board.

4.1 Compensation and sustainability committee

The committee and its responsibilities

The compensation and sustainability committee shall prepare the Board's motions on issues relating to remuneration principles, remuneration and other terms and conditions of employment for the Executive Management. In relation to sustainability,

NOVEMBER	DECEMBER	2022	JANUARY	FEBRUARY	MARCH	APRIL

Board meeting (November)
- Adoption of interim report Q2 2021/22
- Adoption of working instructions for board, committees and CEO
- Meeting with auditor and review of mid-term audit report
- Report from the audit committee and the compensation and sustainability committee

Board meeting (January)
- Investment review

Board meeting (February)
- Adoption of interim report Q3 2021/22
- Report from the audit committee and the compensation and sustainability committee
- Review of long-term financial plan

Board meeting (April)
- Review of draft budget for fiscal year 2022/23

3 M&A and partnerships

Complementing Elekta's own R&D pipeline through mergers and acquisitions is permanently on the Board of Director's agenda. Since the competitive landscape of the radiotherapy market shifted, building partnerships has been on top of the agenda. During the year Elekta has entered new partnerships with both industry peers as well as customers. The Board has been closely involved in building these collaborations that will broaden Elekta's offering while ensuring the Company's vendor agnostic position is kept intact.

the committee shall, inter alia, monitor the measures to strengthen corporate culture with respect to corporate social responsibility in the light of Elekta's code of conduct as well as advise the President and CEO on proposals for targets and vision for sustainability.

Composition

The compensation and sustainability committee consists of four members appointed by the Board, at the first board meeting following the election of the Board by the AGM, for a term of one year. In addition to the committee members, the President and CEO, the Executive Vice President Human Resources, the Vice President of Compensation & Benefits, the Group Sustainability Director as well as Vice President Group Strategy & Sustainability attend the committee's meetings. The General Counsel serves as secretary for the committee.

The compensation and sustainability committee

- Laurent Leksell (chairman)
- Caroline Leksell Cooke
- Wolfgang Reim
- Cecilia Wikström

Work during the year

During the fiscal year 2021/22, the compensation and sustainability committee held four minuted meetings. At these meetings, the committee has, inter alia, reviewed the remuneration of the Executive Management, prepared a proposal for a new long-term incentive program for 2022/23 for Executive Management and other key individuals as well as prepared the Board's recommendations regarding guidelines for remuneration of senior executives for the next AGM. In addition, the work has included conducting a succession planning and reviewing management succession plans for senior management levels and other Group-critical positions. The committee has further, in line with instructions from the Board of Directors, worked with the Elekta's sustainability matters, with a special focus on human rights, corporate philanthropy and environment.

The members' attendance at committee meetings and independence are shown on **page 86**.

4.2 Audit committee

The audit committee and its responsibilities

The Board shall appoint an audit committee with the responsibility to monitor Elekta AB's financial reporting and provide recommendations and proposals to ensure the reliability of the reporting. The committee shall, with regard to the financial reporting, monitor the effectiveness of Elekta's internal control, internal audit and risk management. The committee's responsibilities also include being continually informed about the audit of the annual report and consolidated financial statements. In addition, the committee shall inform the Board about the result of the audit and how the audit contributed to the reliability of the reporting as well as the role of the committee during the audit. The audit committee also examines and monitors the impartiality and independence of the auditor. Furthermore, the committee provides proposal to Elekta AB's nomination committee concerning the appointment of auditor for the following mandate period.

Johan Malmquist
Member, Elekta's audit committee

> " Good corporate governance includes an audit committee that monitors both the internal and external reporting. "

Composition

The members of the audit committee cannot be employed by the Company and at least one member shall have accounting or audit competency. Elekta's audit committee has three members who were appointed by the Board at the first board meeting following the election of the Board by the AGM, for a term of one year.

In addition to the committee members, the CFO, the Head of Group Accounting and the Chief Audit Executive also attend the committee's meetings as well as the external auditor, if needed. The Deputy General Counsel serves as secretary for the committee.

The audit committee

- Birgitta Stymne Göransson (chairman)
- Johan Malmquist
- Jan Secher

Work during the year

During the fiscal year 2021/22, the audit committee held six minuted meetings. During such meetings, the committee has reviewed the year-end report and annual report for the fiscal year 2020/21 as well as interim reports for 2021/22. Further, part of the work has been to monitor the performance of the global internal control framework, approve the internal audit plan as well as review and follow up of internal audit reports. Another task, among others, that has been dealt with is to review the external audit plan and external audit reports. At every meeting, in-depth reviews are carried out on the financial management of selected business areas.

The members' participation at committee meetings is shown on **page 86**.

5 President and CEO

Responsibility

The President and CEO is responsible for the day-to-day management of Elekta AB in accordance with applicable laws and regulations as well as internal steering documents. These include the working instructions for the CEO adopted by the Board and other instructions from the Board. The President and CEO also represents the Group in various contexts, leads the work of the Executive Management and makes decisions in consultation with the members of the Executive Management.

Appointment of the President and CEO

The Board appoints Elekta AB's President and CEO.

Gustaf Salford is the President and CEO of Elekta AB. More information about Gustaf Salford is provided in the presentation of the current Executive Management on page 88.

Remuneration to the President and CEO is described in Note 7. The guidelines, proposed by the Board for approval by the AGM 2022, for remuneration to the Executive Management are described on page 102 and in the Remuneration report 2021/22 on page 92.

6 Executive Management

Appointment and responsibility

The President and CEO appoints the members of the Executive Management. The President and CEO is responsible for and leads the work and meetings of the Executive Management. The Executive Management supports the President and CEO in his work and makes joint decisions following consultation with various parts of the Group.

Composition

A presentation of Elekta's current Executive Management is provided on page 88. As of April 30, 2022, Elekta's Executive Management comprised the President and CEO, the CFO, the four Solutions presidents, four region EVPs as well as the heads of Product, Global Services, HR and Legal & Compliance.

Remuneration to the Executive Management is described in Note 7. The guidelines, proposed by the Board for approval by the AGM 2022, for remuneration to Executive Management are described on page 102.

Work during the year

The Executive Management meets on a regular basis. During the fiscal year, the meetings have partly been carried out through telephone and video conferences due to the pandemic.

The most important agenda items at the meetings during the fiscal year were strategic and operational matters such as product development, acquisitions/divestments, investments, market development, organization, long-term plans and budget, and monthly and quarterly business and financial reviews.

7 Compliance

Responsibility

The compliance function's responsibilities are to review and evaluate compliance issues within the organization to ensure that management and employees of the Group are in compliance with rules and ethical regulations relating to, inter alia, anti-bribery and corruption, trade compliance as well as competition and antitrust laws.

The General Counsel presents on a quarterly basis for the audit committee the progress of the risk-based compliance program and reports on any incidents and on-going investigations. A written compliance report is submitted at every meeting.

The function is headed by the General Counsel.

Work during the year

The compliance function was partly reorganized during the fiscal year, inter alia, to increase regional focus. Two regional compliance heads, who report directly to the General Counsel, were appointed. During the year, focus has remained on the third-party management program, which involves activities such as risk assessment, monitoring and training of business partners such as distributors and sales agents.

Elekta's compliance program has been further strengthened through an update of the training and awareness program. This includes a review of the automated Code of Conduct training which is given to all employees as well as the in-depth individual training adapted to specific risks deemed relevant for the employees respective role and duties.

More information about the compliance function, the compliance and business ethics program as well as the activities during the year is provided on page 54.

8 Regulatory affairs and quality

Responsibility

The regulatory affairs and quality function's responsibilities include supporting management to comply with regulatory requirements for products, quality systems and market entry. Interaction with, and to provide transparency to, external regulatory bodies is another key responsibility. The function is furthermore responsible for the quality system's infrastructure and compliance, product clearances and approvals as well as post market vigilance and recall reporting.

The heads of the function, Senior Vice President Regulatory Affairs & Quality and Vice President Regulatory Affairs & Quality, both report to the General Counsel.

Work during the year

The most important tasks during the fiscal year have encompassed ensuring product approval for regulatory market entry as well as to manage inspections from different authorities and organizations to ensure continued certification. In addition, the work of the function has included completing the implementation of the Medical Device Regulation (MDR) in Europe. The quality management system and the main part of the product portfolio are MDR certified.

9 Internal audit

Responsibility

Internal audit is an independent function that conducts independent and objective assurance, review, investigation and consulting activities. The scope of the internal audit function encompasses the examination and evaluation of the adequacy and effectiveness of Elekta's governance, process steering, risk management and internal control processes, as well as the quality of performance in carrying out assigned responsibilities to achieve the Group's objectives as part of the assurance activity. The work also encompasses consulting activities and advisory support in the same areas. The internal audit function works in accordance with the guidelines for the internal audit function adopted by the Board.

The internal audit function is appointed by, and reports to, the audit committee and the Board. The Chief Audit Executive, who functionally reports to the audit committee and administratively to the CFO, supervises the internal audit function.

Work during the year

The work of the internal audit function, based on an internal audit plan established and approved by the audit committee, has ncluded internal audits and investigations of subsidiaries. In addition, their work included quality reviews of processes encompassed by the global internal control program. Furthermore, statistical follow-up reporting of the internal control program to Executive Management, the audit committee and the Board has been carried out as well as consulting in connection with the update of the internal control program. The internal audit function has during the year coordinated the external audit as well as managed the audit committee meetings.

ELEKTA´S PROCESS FOR INTERNAL CONTROL

Risk management, governance and internal control are key components of Elekta's strategy and management processes. Elekta's Board of Directors assumes the overall responsibility for establishing an efficient control of risk management, governance and internal control. The responsibility for maintaining the control systems is delegated to the President and CEO, who is assisted by the Executive Management, other operational managers and coworkers. Functions responsible for risk management, governance and internal control continuously report the current status directly to the Board and/or the audit committee.

Elekta's personnel will represent the first level of control environment in their day-to-day work and in their management teams. To facilitate the work, there are policies, guidelines and boundaries set by the Executive Management on behalf of the Board. The boundaries should ensure that no individual employee accepts a disproportionate portion of risk or to little risk which may result in missed opportunities and ultimately Elekta not achieving the strategic goals. All employees have the obligation to obtain an appropriate level of understanding within their roles and responsibilities and carry out their responsibilities correctly and completely. Employees are the owners of all risks related to their business operations and are expected to manage these by maintaining good internal control and follow risk and control procedures. Every employee is expected to comply with internal policies, procedures and applicable laws and regulations.

The next stage of control environment lays within the support functions such as finance, IT, HR, compliance, regulatory affairs and quality as well as legal that support and monitor the first level of controls.

The final stage of control environment is the internal audit function that provides independent and objective audits, assurance and advisory support to the management on governance, preparation of decisions, risk management and internal control.

The process for risk management and internal control applies for the entire Group, including business lines, regions, functions, management, coworkers, processes and technology. The Elekta risk work is focused on identifying and managing strategic risks, operational risks, legal and regulatory risks, external risks and market- and financial risks. Risk assessments are being completed and updated continuously in order to identify risks that can impact the achievement of strategy goals, legal compliance and regulations and financial reporting.

The Board also continuously manages decisions that include risk management, for example, within the Elekta strategy and management processes and business management. Find out more about risk management in the Board's report on risk management and internal control over financial reporting on **page 83**. A description of how other risks are being managed can be found in the risks and risk management section on **page 36**.

Report on risk management and internal control over financial reporting

The Board of Directors' report on risk management and internal control over financial reporting has been prepared in accordance with the Annual Accounts Act and the Swedish corporate governance code, and constitutes an integral part of the corporate governance report. The external financial reporting has been prepared in accordance with laws and regulations and applicable accounting standards, namely the International Financial Reporting Standards (IFRS), and other requirements on listed companies, such as the Nasdaq Stockholm Rule Book for Issuers. Elekta's work on risk management and internal control over financial reporting is based on the 2013 updated internal control – integrated framework (the "framework"), established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO framework is based on 17 fundamental principles linked to five components: control environment, risk assessment, control activities, information and communication, as well as monitoring.

Objective

The Elekta Group is governed and controlled based on the distribution of rights and responsibilities, including decision-making, among different corporate bodies according to laws and regulations as well as internal steering documents. A structure is provided through which Elekta's objectives and the means of attaining these objectives and monitoring performance are set. The objectives reflect choices made on how the Group seeks to create, preserve and realize value for its stakeholders. Governance is twofold; it concerns both effectiveness and accountability. Effectiveness is measured by performance, and accountability includes all issues surrounding disclosure and transparency.

Objective setting is a prerequisite necessary to internal control and a key part of the Elekta strategy and management processes. Therefore, Elekta's corporate governance encompasses both the strategy and management processes, outlining the establishment of both long-term objectives and strategies with at least a three-year perspective and short-term objectives and plans with a one-year perspective, and the risk management and internal control process.

Control environment

Important elements of the control environment applicable for Elekta's financial reporting are the financial guide, including the accounting policy, reporting instructions, authorization policy and finance policy. In addition, there are other important elements of the control environment for financial reporting such as the communication policy and processes and work instructions to be found in group-wide steering documents and in the Elekta business management system.

≥3 years
strategic perspective

Risk assessment is carried out continuously throughout the year in order to identify risks that can affect the possibility to reach targets set in relation to the strategy, the business, reporting and compliance.

Risk assessment

Risk assessment includes identifying any risk that the qualitative characteristics of useful financial information, according to IFRS, may not be fulfilled or the financial reporting assertions may not be supported. Risk assessment criteria include occurrence, completeness, accuracy, cut-off, classification, existence, rights and obligations, and valuation for profit and loss and balance sheet items in the financial reporting as applicable, but also information processing relating to input, processing and recording of data. A risk assessment regarding internal control over financial reporting is performed once a year and covers profit and loss and balance sheet items in the financial reporting and related areas and processes. The work is documented in a risk map and included in risk and control matrices (RACMs) per area and process.

Control activities

Control activities mitigate the risks identified to achieve set objectives through adherence to risk tolerance levels in terms of globally defined minimum internal control requirements over financial reporting. The control activities are documented in RACMs per area, process and risk.

Control activities are aimed at preventing errors and irregularities from occurring and/or detecting errors and irregularities that may have occurred. Control activities can be manual or automated, such as authorizations and approvals, verifications, reconciliations, and business performance reviews, or a combination of two.

Control activities comprise the following areas and processes:
- Entity-level controls – over the control environment
- General IT controls – over IT system components, processes and data for a given IT environment including logical access, program change management, back-up and recovery
- Process controls – over processes such as order recognition, order to cash, revenue recognition, purchase to pay, inventory, payroll and financial statement close

The globally defined minimum internal control requirements over financial reporting comprise entity level controls that are regulated through Elekta's steering documents at Group-wide level, the business management system and internal control frameworks of standard controls that include general IT controls and uniform process controls for all Elekta companies and locally defined controls where necessary. The controls included in the internal control framework are documented in RACMs as standard models for all entities and then specifically for each individual entity. All controls in the internal control framework are based on risk assessments of financial flows that impact the financial reporting in general and more specifically for the individual entities.

Information and communication

Information and communication regarding risk management and internal control over financial reporting relates to both internal and external information and communication.

Internal information about important internal steering documents for risk management and internal control over financial reporting, including RACMs, as well as the communication policy and processes, work instructions and other relevant information in the Elekta business management system, are channeled down the organization and communicated to relevant personnel on the Group's intranet. Internal information regarding the status of the effective design and operating effectiveness of risk management and internal control over financial reporting are channeled up the organization, based on the result of the monitoring, in order for management at different levels to be able to take corrective actions as necessary. The President and CEO and the Chief Audit Executive in turn inform the audit committee and the Board, respectively, of the results of the monitoring in order for them to be able to fulfill their oversight responsibility. This communication normally takes place at the ordinary audit committee meetings and board meetings, respectively.

Elekta provides the financial markets and other stakeholders with continuous external information and communication regarding the Group's and Elekta AB's financial performance and position in accordance with the communication policy.

External information and communication regarding financial reporting is provided in the form of:

- Interim reports, year-end reports and annual reports
- Press releases on news and events that may significantly affect the Group's valuation and future prospects
- Presentations and telephone conferences for financial analysts, investors and media representatives on a regular basis

See information, including reports, press releases and presentations, on the Elekta website **www.elekta.com**. Elekta observes a silent period prior to each interim and year-end report.

Monitoring

Monitoring of internal control over financial reporting is carried out through ongoing evaluations, separate evaluations, or some combination of the two, to ascertain whether the five components of risk management and internal control are present and functioning: control environment, risk assessment, control activities, information and communication, as well as monitoring.

Jonny Lövgren
Chief Audit Executive, Elekta

> " Elekta's Internal Control Framework brings a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. "

Ongoing evaluations are routine operations, built into processes. Monitoring takes place on a real-time basis by operational managers and personnel and periodically by management at different levels of the Group, and the audit committee and the Board, and includes, for example, monitoring of the following:

- Business and financial performance
- Order bookings and revenue recognition
- Compliance reports from the compliance function
- Internal audit reports from the RA&Q functions related to, for example, the quality system and regulatory compliance
- Internal audit planning
- Internal audit reports from the internal audit function
- External audit reports from the external auditor

Special evaluations may be performed through:

- Periodic reviews of whether risk management and internal control are operating as intended by financial managers and general management at local, regional, business area and Group level as applicable
- Internal control compliance confirmation questionnaire, a tool for local management to report on the status of effective design and operating effectiveness of the globally defined minimum internal control requirements over financial reporting documented in RACMs
- Internal audit according to the internal audit plan

Instructions and budget approvals of internal control for financial reporting are conducted by the audit committee on behalf of the Board and require supporting documentation in the form of presentation of status, progress and solutions, as well as supporting appendices such as internal audit reports and internal control reports. Status, progress and solutions for internal control over financial reporting are discussed at the audit committee meeting and instructions are documented and, where approvals are required, approvals are performed and documented accordingly. The audit committee subsequently briefs the Board of Directors at the next board meeting and provides supporting documentation for discussion and approval.

Activities performed in the fiscal year 2021/22

During the fiscal year 2021/22, the performed activities have primarily focused on review of timeliness and quality of internal control performance, improvement of management reporting regarding adherence to the internal control framework as well as ongoing internal control improvements. In addition, the implementation of the internal control framework in some small-sized new group companies has continued as planned. Risk-based reviews on the quality of financial reporting, underlying processes and control points in smaller and/or new entities have been carried out. Annual update of the internal control framework has been performed according to plan as well as annual sign-off by management. Information relating to the results of the independent reviews were addressed at the meetings of the audit committee and subsequently followed up by the Board.

Planned activities for the fiscal year 2022/23

During the fiscal year 2022/23, focus will be on reviews of timeliness and quality of internal control performance and also increase efficiency and centralization of control performance. Furthermore, on-going implementation of internal control framework in new entities will be continued and any new entities will be included continuously. Also, additional risk-based reviews on the quality of financial reporting, underlying processes and control points in smaller and/or new entities will continue.

Board of Directors

1 Laurent Leksell

First elected: 1972
■ Board chairman ■ Chairman of the compensation and sustainability committee
Attendance: ■ 10/10 ■ 4/4
Total fees (SEK): ■ 1,410,000 ■ 135,000
Year of birth: 1952
Education: MBA and PhD in Economics, Stockholm School of Economics
Independence: ◤
Other board assignments: Board chairman: Leksell Social Ventures and Stockholm School of Economics. Board member: International Chamber of Commerce (ICC) and Elekta Foundation
Holdings[1]**:** 14,980,769 A-shares and 7,756,624 B-shares
Principal work experience: Founder of Elekta and Executive Director (2005–2013), President and CEO (1972–2005). Founder and partner of Nordic Management AB (1980–1986). Among others, Assistant Professor and Faculty member of Stockholm School of Economics, IFL and INSEAD Fontainbleau, and Visiting Scholar at Harvard Business School.

2 Caroline Leksell Cooke

First elected: 2017
■ Member of the board ■ Member of the compensation and sustainability committee
Attendance: ■ 10/10 ■ 4/4
Total fees (SEK): ■ 605,000 ■ 90,000
Year of birth: 1981
Education: BSc in Business Administration, Stockholm University; Marketing studies at Wharton School at the University of Pennsylvania and at Columbia Business School
Independence: ◤
Other board assignments: Board chairman: Bonit Invest S.A./N.V. Board member: Leksell Social Ventures' investment committee
Holdings[1]**:** 182,308 B-shares
Principal work experience: Extensive experience in the areas of digital strategy, communication and technology. Currently responsible for major international business in the role as industry manager at Google.

3 Johan Malmquist

First elected: 2015
■ Member of the board
■ Member of the audit committee
Attendance: ■ 10/10 ■ 6/6
Total fees (SEK): ■ 605,000 ■ 160,000
Year of birth: 1961
Education: BSc in Business Administration, Stockholm School of Economics
Independence: ■
Other board assignments: Board chairman: Getinge AB and Arjo AB. Board member: Mölnlycke Health Care AB, The Dunker Foundations, Chalmers University of Technology Foundation, Trelleborg AB and Stena Adactum AB
Holdings[1]**:** 30,000 B-shares
Principal work experience: Extensive experience from the medical technology industry, among others as president and CEO of Getinge AB (1997–2015). Before that various positions within the Getinge Group and Electrolux Group.

4 Wolfgang Reim

First elected: 2011
■ Member of the board ■ Member of the compensation and sustainability committee
Attendance: ■ 10/10 ■ 4/4
Total fees (SEK): ■ 605,000 ■ 90,000
Year of birth: 1956
Education: MSc and Doctor of Physics, Federal Institute of Technology ETH in Zurich
Independence: ■
Other board assignments: Board chairman: Ondal Medical Systems GmbH. Board member: Nord A/S, LAP GmbH and Audeering GmbH
Holdings[1]**:** 17,500 B-shares
Principal work experience: CEO of Amann Girrbach AG. Independent consultant focusing on the medical technology industry and interim CEO at DORC BV (2016) and Ondal Medical Systems (2013). Before that, CEO of Dräger Medical AG (2000–2006). At Siemens from 1986 until 2000, as CEO of the Ultrasound Division (1998–2000) and President of the Special Products Division (1995–1998).

5 Jan Secher

First elected: 2010
■ Member of the board
■ Member of the audit committee
Attendance: ■ 9/10 ■ 6/6
Total fees (SEK): ■ 605,000 ■ 160,000
Year of birth: 1957
Education: MSc in Industrial Engineering and Management, Linköping University
Independence: ■
Other board assignments: Board chairman: Peak Management AG. Board Member: IKEM (Innovation and Chemical Industries in Sweden) and CEFIC (the European Chemical Industry Council)
Holdings[1] **in Elekta AB:** 38,800 B-shares
Principal work experience: President and CEO of Perstorp Holding AB. Previously President and CEO of Ferrostal AG (2010–2012). Operating partner of the US private equity fund Apollo in London (2009–2010). CEO of Clariant AG in Basel (2006–2008). CEO of SICPA in Lausanne (2003–2005). Various leading positions in the ABB Group (1982–2002).

6 Birgitta Stymne Göransson

First elected: 2005
■ Member of the board
■ Chairman of the audit committee
Attendance: ■ 10/10 ■ 6/6
Total fees (SEK): ■ 605,000 ■ 250,000
Year of birth: 1957
Education: MBA, Harvard Business School; MSc in Chemical Engineering and Biotechnology, Royal Institute of Technology (KTH) in Stockholm
Independence: ■
Other board assignments: Board chairman: Industrifonden and Min Doktor. Board member: Bure Equity AB, Pandora AS, Asker Healthcare AB, BCB Medical Oy and Rhenman & Partners Asset Management
Holdings[1]**:** 8,100 B-shares
Principal work experience: President and CEO of Memira Group (2010–2013). CEO of Semantix Group (2005–2009). COO/CFO of Telefos (2001–2005). Before that various management positions, including McKinsey, Gambro and Åhléns.

7 Cecilia Wikström

First elected: 2018
■ Member of the board ■ Member of the compensation and sustainability committee
Attendance: ■ 10/10 ■ 4/4
Total fees (SEK): ■ 605,000 ■ 90,000
Year of birth: 1965
Education: Master of Divinity, Uppsala University
Independence: ■
Other board assignments: Board chairman: Elekta Foundation, European Institute of Public Administration (EIPA), NL, and Uppsala University Alva Myrdal Center for Nuclear Disarmament. Board member: Integrum AB, The Royal Swedish Library (KB)
Holdings[1]**:** 4,000 B-shares
Principal work experience: CEO of the Beijer Foundation and Anders Wall Foundation. Member of the European Parliament (2009–2019). M.P. in the Swedish Parliament (2002–2009). Priest within the Swedish Church (since 1994).

Independence:

■ Independent of the Company and the executive management and **independent** of the major shareholders.

◤ Independent of the Company and the executive management, **not independent** of the major shareholders.

1) Own and closely related parties' holdings in Elekta AB as per April 30, 2022. For current holdings see **www.elekta.com**

Executive Management

1 Gustaf Salford

President and CEO
Employed since: 2009
Holdings[1)]**:** 39,000 B-shares
Year of birth: 1977
Education: MSc in Business Administration, Stockholm School of Economics
Principal work experience: CFO at Elekta during 2017–2020 and several different leadership roles at Elekta since 2009. Prior to Elekta experience from management consulting firms BCG and Booz Allen Hamilton.

2 Tobias Hägglöv

CFO
Employed since: 2022
Holdings[1)]**:** –
Year of birth: 1978
Education: MSc in Industrial Engineering and Business Management, Royal Institute of Technology (KTH) in Stockholm; MSc in Business Administration and Economics, Stockholm University
Principal work experience: CFO at Recipharm during 2018–2021. Before that experience from senior management positions at LEAX, Electrolux, SAS and Accenture.

3 Andrew Wilson

President Oncology Informatics Solutions
Employed since: 2006
Holdings[1)]**:** –
Year of birth: 1970
Education: BSc in Health Science, University of Sydney.

4 Lionel Hadjadjeba

President Linac Solutions
Employed since: 2019
Holdings[1)]**:** 8,787 B-shares
Year of birth: 1958
Education: Medical Doctor in Internal Medicine and Haemato-Oncology, Nancy-Université in Lorraine; MBA, Business School HEC Paris.

5 John Lapré

President Brachy Solutions
Employed since: 2011
Holdings[1)]**:** 17,300 B-shares
Year of birth: 1964
Education: MSc in Human Nutrition and Physiology, and PhD in Toxicology, Wageningen University & Research.

6 Verena Schiller

President Neuro Solutions
Employed since: 2008–2010 and since 2012
Holdings[1]: 8,581 B-shares
Year of birth: 1980
Education: Radiation Therapist, Munich.

7 Paul Bergström

EVP Global Services
Employed since: 2017
Holdings[1]: 5,800 B-shares
Year of birth: 1974
Education: MSc in Electrical Engineering, Royal Institute of Technology (KTH) in Stockholm.

8 Maurits Wolleswinkel

Chief Product Officer
Employed since: 2011
Holdings[1]: 22,716 B-shares
Year of birth: 1971
Education: MSc in Mechanical Engineering, Delft University of Technology; MSc in General Management, Nyenrode Business Universiteit in Breukelen.

9 Ardie Ermers

EVP Region Europe
Employed since: 2021
Holdings[1]: 8,700 B-shares
Year of birth: 1975
Education: MSc in Industrial Engineering and Management Science, Eindhoven University of Technology.

[1] Own and closely related parties' holdings in Elekta AB as per April 30, 2022. For current holdings see **www.elekta.com**

Koncernledning, forts.

10 Carlos Castilleja[2]

Acting EVP Region Americas
Employed since: 2007
Holdings[1]**:** –
Year of birth: 1974
Education: BSc in Business Administration, Baylor University, Texas.

11 Habib Nehme

EVP Region Turkey, India, Middle East, Africa, APAC & Japan
Employed since: 2018
Holdings[1]**:** 2,000 B-shares
Year of birth: 1964
Education: MSc in Biomedical Engineering, University of Technology of Compiègne; Electrical Engineering degree, Jesuits Saint Joseph University of Beirut; Marketing degree, Business School HEC Paris.

12 Anming Gong

EVP Region China
Employed since: 2009
Holdings[1]**:** –
Year of birth: 1964
Education: MSc in Biomedical Engineering, Huazhong University of Science and Technology in Wuhan.

13 Karin Svenske Nyberg

EVP Human Resources
Employed since: 2017
Holdings[1]**:** 7,120 B-shares
Year of birth: 1966
Education: MSc in Chemical Engineering, Royal Institute of Technology (KTH) in Stockholm; Behavioural Science, Stockholm University.

14 Jonas Bolander

General Counsel and EVP
Employed since: 2001
Holdings[1]: 17,000 B-shares
Year of birth: 1966
Education: Master of Laws, Stockholm University.

1) Own and closely related parties' holdings in Elekta AB as per April 30, 2022. For current holdings see **www.elekta.com**

2) Larry Biscotti was EVP Region Americas until May 2022.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Elekta AB (publ), corporate identity number 556170-4015

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2021-05-01 – 2022-04-30 on pages 73–90 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been 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.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 8 July 2022

Ernst & Young AB
Signature on original auditors' report in Swedish[1)]

Rickard Andersson
Authorized Public Accountant

[1)] This is a translation of the original auditors' report in Swedish. In the event of any differences between the translation and the original statement in Swedish, the Swedish version shall prevail.

Remuneration Report 2021/22

Introduction

This report describes how Elekta AB (publ) has applied the guidelines for remuneration to executive management, adopted by the Annual General Meeting (AGM) 2020, in the fiscal year 2021/22. One senior executive at Elekta is covered by this report, Elekta's President and CEO. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive Management and on Incentive Programmes issued by the Swedish Corporate Governance Board, and will be approved by the AGM. The remuneration report will be available on Elekta's website **www.elekta.com** at the time of the AGM 2022.

Further information on executive remuneration is available in **Note 7**. Information on the work of the compensation and sustainability committee during the fiscal year is set out in Elekta's corporate governance report available on **page 73**. Remuneration of the Board of Directors is not covered by this report, such remuneration is resolved annually by the AGM and disclosed in **Note 7** and on **page 87**.

Key events and key figures in 2021/22

On **page 6**, the President and CEO summarizes the fiscal year 2021/22 and Elekta's result. In the summary, information around key events which have impacted the remuneration will be available in more detail.

Elekta's remuneration guidelines: purpose, scope and deviations

A prerequisite for the successful implementation of Elekta's strategy and safeguarding of its long-term interests, including its sustainability, is that the company can recruit and retain qualified personnel. To this end, it is necessary that Elekta offers competitive remuneration. The remuneration structures shall encourage employees to do their utmost to safeguard shareholders' interests and thereby Elekta's sustainability and long-term value creation.

According to the remuneration guidelines for executive management, they shall include a well-balanced combination of fixed salary, variable remuneration, long-term incentive programs, pension benefits and other benefits, as well as terms governing termination, where applicable. This combination of remuneration strengthens and supports short- and long-term targeting and target fulfilment. The total compensation shall be on market terms on the geographic market where the individual resides or works. Applied remuneration levels shall be reviewed annually in comparison with equivalent positions on the market, to ensure that Elekta is able to attract and retain skills critical for the business where so required.

The auditor shall review if the company has complied with the remuneration guidelines to executive management. The auditor's report will be available on Elekta's website **www.elekta.com** at the time for the AGM 2022 together with other AGM material.

No remuneration has been reclaimed during the fiscal year.

Wolfgang Reim
Member, Elekta's compensation and sustainability committee

> " Our remuneration guidelines safeguard shareholders' interests by strengthening and supporting long-term sustainable value creation. "

In addition to remuneration covered by the remuneration guidelines, the AGM of the company may resolve to implement long-term share-related incentive plans. Elekta has three outstanding share programs called performance share plans and they are described in **Note 7**.

Total remuneration of the President and CEO in 2021/22 (TSEK)

	Fixed remuneration			Variable remuneration			Proportion of fixed and variable	
Name (position)	Annual base salary	Pension	Other benefits	One-year incentives[1]	Multi-year incentives[2]	Total remuneration	Fixed	Variable
Gustaf Salford (President and CEO)	7,896	1,969	114	4,810	594	15,384	59%	41%

1) One-year incentives (STI 2021/22 and other bonus) earned in 2021/22.
2) Multi-year incentive cost allocated in 2021/22. For actual vested reward, see table multi-year variable remuneration (LTI 2019/22) below.

Performance of the President and CEO in 2021/22

One-year variable remuneration (STI 2021/22)

Name (position)	Performance criteria[1]	Relative weighting of performance criteria	Measured performance and Remuneration outcome (MSEK)
Gustaf Salford (President and CEO)	Group net sales from Solutions	25%	Threshold for payout: 6,595 Cap for maximum payout: 13,048 Performance outcome[2]: 8,385
	Group net sales from Service	25%	Threshold for payout: 4,590 Cap for maximum payout: 8,606 Performance outcome[2]: 5,720
	Group operating income (EBIT)	25%	Threshold for payout: 1,676 Cap for maximum payout: 3,144 Performance outcome[3]: 1,678
	Group cash flow[4]	25%	Threshold for payout: 720 Cap for maximum payout: 1,350 Performance outcome: 450

1) The performance criteria are reviewed and decided every year by the Board of Directors and the criteria shall support the short-term strategy but also have a long-term view. Therefore, the performance criteria can be changed year by year.
2) Group net sales outcome adjusted to budgeted rates.
3) Excluding the contribution to Elekta Foundation of SEK 35 M reported in Q3 2021/22.
4) After continuous investments.

Multi-year variable remuneration (LTI 2019/22)

Name (position)	Performance criteria	Relative weighting of performance criteria	Measured performance and Remuneration outcome
Gustaf Salford (President and CEO)	Total shareholder return (TSR) development compared to OMXS30 share index[1]	100%	Threshold for payout: +0.1% Cap for maximum payout: ≥15%

1) Performance share plan LTI 2019/22 described in detail under share programs in Note 7 in the Annual Report 2021/22.

Comparative information on the change of remuneration[1] and company performance over the last three fiscal years (TSEK)

	2021/22	Change	2020/21	Change	2019/2020
Total remuneration for President and CEO position	15,384	12%	13,680	–9%	15,027
Group operating income (EBIT)[2]	1,678,296	–12%	1,906,000	15%	1,657,000
Average remuneration on full time equivalent basis employees[3] in Sweden	773	–9%	852	4%	821

1) Fixed and variable remuneration earned during each fiscal year.
2) Excluding the contribution to Elekta Foundation of SEK 35 M reported in Q3 2021/22.
3) Excluding members of the executive management.

FINANCIAL REPORTING

Content

Tobias Hägglöv
CFO, Elekta

" In 2021/22 Elekta's profitability has been adversely impacted by higher pandemic-related costs within supply chain, logistics and service as well as inflation. This was partly offset by underlying sales growth, although still at a lower rate than pre-pandemic growth levels. "

Board of Directors' Report

The Board of Directors and the CEO of Elekta AB (publ), corporate identity number 556170-4015 and registered office in Stockholm, hereby submit the consolidated financial statements and annual report for the fiscal year 2021/22, covering the period May 1, 2021 – April 30, 2022. Amounts in parentheses indicate values for the previous fiscal year. Elekta AB (publ) is referred to as "Elekta AB" or "the Parent Company" and the Elekta Group, which includes Elekta AB and its subsidiaries, is referred to as "Elekta" or "the Group".

Elekta's operations

Elekta is a medical technology company which aims to improve, prolong and save lives through clinical solutions for treating cancer and brain disorders. The Group develops clinical treatment solutions for radiation therapy and radiosurgery, as well as workflow-enhancing software systems, across the spectrum of cancer care. Elekta is a leader in clinical solutions for image guided radiation therapy and stereotactic radiosurgery, giving oncologists and neurosurgeons an unmatched capability to treat tumors and functional targets with ultra-high precision while sparing healthy tissue. Since 2018 Elekta also offers MR-guided radiation therapy solutions, combining a linear accelerator with magnetic resonance imaging.

Elekta's treatment solutions and oncology informatics portfolios are designed to enhance the delivery of radiation therapy, radiosurgery and brachytherapy, and to drive cost efficiency in clinical workflows.

At the end of 2021/22 Elekta had an installed base of approximately 6,900 devices. The Group has a good attach rate of service contracts to the installed base. Around 60 percent of net sales comes from Solutions and around 40 percent from Service.

Elekta's operations are divided into three geographical regions:

- Americas
- EMEA
- APAC

Market

The global market development for Elekta's solutions is driven by the need for qualitative cancer care at an affordable cost.

Cancer incidence and prevalence are increasing. More patients are surviving their cancer, which increasingly makes cancer a chronic disease with growing number of patients all over the world in need of long-term care. The cost of cancer care is increasing and the demands for cost efficiency in health systems and among care providers is an important part of the market dynamics. This benefits solutions within radiation therapy which is one of the most cost-effective treatment solutions.

In the wake of Covid most markets are also focused on reducing the number of treatments per patients, so-called hypofractionation, enabled by the state-of-the-art devices with high precision.

A complete radiation therapy program includes various technologies in Elekta's product portfolio. New advancements in precision, accuracy and effectiveness will increase the need for radiotherapy. Information management solutions constitute an important element in care delivery where hospital information systems and cancer informatics are other important elements of Elekta's solutions. There is a significant shortage of radiotherapy capacity, which is important in understanding the potential and market in many low-income economies.

Increasingly precise diagnosis of each tumor, and a continuously expanding range of therapy options is transforming oncology care to more integration between diagnosis and radiotherapy treatment.

Competition

The main competitor in the global market, with a comprehensive product range and overlap with Elekta, is Siemens Healthineers after their acquisition of Varian Medical Systems. Elekta is one of the largest suppliers of radiation therapy solutions. For the emerging markets, Elekta is the largest supplier. To support customer's need accross the cancer care ecosystem Elekta has deepened its partnership with the imaging player Royal Philips and set up a commercial partnership with another imaging player, GE Healthcare.

From a competitive perspective there are also various companies addressing specific segments within radiation therapy. Companies, such as Accuray with radiosurgery solutions, Bebig with brachytherapy products, ViewRay with MR-Linac as well as RaySearch with software solutions, are part of Elekta's competitive landscape. Hospital Information System (HIS) companies are addressing the HIS market with hospital wide solutions where cancer care is one of many different specialties. In addition, there are a number of companies with products and applications supporting different aspects of cancer care processes.

Financial guidance

Elekta's strategy is built around four main strategic pillars:

- Accelerate innovation with customer utilization in mind
- Drive partner integration across the cancer care ecosystem
- Be the customers' lifetime companion
- Drive adoption accross the globe

These pillars shall drive sustainable profitable growth and create the next generation trement, workflows and customer engagement models. The strategy is regularly reviewed and evaluated by the Board of Directors and the strategic plan is the base for the execution of Elekta's operations.

Due to uncertainties related to the development of the pandemic Elekta did not publish an outlook for the fiscal year 2021/22. In May, 2021, Elekta published a mid-term outlook. Until fiscal year 2024/25 Elekta will target:

- Net sales CAGR of above 7 percent
- EBIT margin percent expansion
- Dividend policy of at least 50 percent of net income

For the fiscal year 2022/23 no outlook has been published due to the continued impact from the pandemic and recent geopolitical and macro economic challenges.

Fiscal year 2021/22

Order intake and order backlog

The pandemic and locked down countries continued to have a negative impact on order intake, but towards the end of the fiscal year most parts of the world had gradually lifted the restrictions. At year-end there were additional challenges due to the changing

The fiscal year 2021/22

- Gross order intake amounted to SEK 18,364 M (17,411), an increase of 4 percent in constant exchange rates
- Net sales amounted to SEK 14,548 M (13,763), an increase of 4 percent in constant exchange rates
- Operating income (EBIT) was SEK 1,643 M (1,906), corresponding to an EBIT margin of 11.3 percent (13.9)
- Net income for the year amounted to SEK 1,157 M (1,253)
- Earnings per share amounted to SEK 3.02 (3.28) before/after dilution
- Cash flow from operating activities amounted to SEK 1,858 M (2,551), representing an operational cash conversion of 69 percent (82)
- Cash flow after continuous investments amounted to SEK 450 M (1,706)
- The Board of Directors proposes to the AGM a dividend of SEK 2.40 (2.20) per share for 2021/22

4%

order growth based on constant exchange rates

geopolitical situation. For the full year gross order intake increased based on constant exchange rates by 4 percent and 5 percent in SEK. The order backlog was SEK 39,656 M on April 30, 2022, compared with SEK 33,293 M on April 30, 2021. Orders that are canceled or not expected to materialize as planned are removed from the order backlog. The positive translation effect due to the conversion to closing exchange rates amounted to SEK 3,763 M (negative 3,524).

Geographic region: Americas

In Americas gross order intake was flat with SEK 5,570 M (5,579), corresponding to a 2 percent decrease based on constant exchange rates. The decrease was mainly due to strong comparable figures as Elekta's largest order ever was booked last year. Order intake in Latin America increased compared to the previous year.

Net sales increased by 9 percent to SEK 4,254 M (3,888), corresponding to an increase of 7 percent based on constant exchange rates. Both North and Latin America had a positive development. Revenue from Solutions represented 43 percent (40) of the region's total net sales. The contribution margin in the region amounted to 39 percent (39).

For information on the market characteristics of the region Americas see **page 31**.

Geographic region: EMEA

Gross order intake in EMEA increased by 13 percent to SEK 7,165 M (6,353) and by 12 percent based on constant exchange rates. Order intake grew double-digits in both Europe and the Middle East and Africa.

Net sales increased by 4 percent to SEK 5,321 M (5,140), corresponding to an increase of 2 percent based on constant exchange rates. The development in Europe as well as in the Middle East and Africa was positive. Revenue from Solutions represented 61 percent (61) of the region's total net sales. The contribution margin in the region amounted to 34 percent (37).

For information on the market characteristics of the region EMEA see **page 32**.

GROSS ORDER INTAKE

- Americas, SEK 5,570 M
- EMEA, SEK 7,165 M
- APAC, SEK 5,628 M

NET SALES

- Americas, SEK 4,254 M
- EMEA, SEK 5,321 M
- APAC, SEK 4,972 M

Geographic region: APAC

Gross order intake in APAC increased by 3 percent to SEK 5,628 M (5,479), corresponding to a 1 percent increase based on constant exchange rates. India was, together with Australia, a strong growth driver in the region, whereas China was flat based on a contracting market at the end of the year.

Net sales increased by 5 percent to SEK 4,972 M (4,735), corresponding to an increase of 4 percent based on constant exchange rates. The positive development was related to both the mature and emerging markets in the region. Revenue from Solutions represented 73 percent (74) of the region's total net sales. The contribution margin in the region amounted to 31 percent (32).

For information on the market characteristics of the region APAC see **page 34**.

Net sales

The pandemic continued to have a negative impact on net sales throughout the fiscal year as travel restrictions and limited access to hospitals led to delayed installations. Net sales for the full year increased by 6 percent to SEK 14,548 M (13,763), equivalent to an increase of 4 percent based on constant exchange rates. Solutions and Service had equally growth rates of 6 percent in SEK, although revenue for Solutions had a larger positive currency impact. Based on constant exchange rates Solutions grew 4 percent and Service 5 percent. Geographically net sales increased in all three regions. For net sales in the regions see each section above.

Earnings

Gross margin was 37.4 percent (40.8). The decrease compared to last year was explained by higher logistics and supply chain costs and higher costs to serve the installed base.

EBITDA amounted to SEK 2,682 M (3,110).

Operating income decreased by 14 percent and amounted to SEK 1,643 M (1,906). The operating income decreased due to lower gross margin and increased operating expenses. Selling expenses increased 17 percent driven by more travelling and marketing activities with additional physical exhibitions compared to previous year as well as provision related to the war in Ukraine. Administration costs increased 5 percent driven by more investments in digitalization and one-off project related costs. The effect from changes in exchange rates was SEK 155 M (97), including hedges. Operating income was positively impacted by a reversed additional purchase price of SEK 48 M, while the contribution to Elekta Foundation, as decided by AGM 2021, impacted the operating income negatively by SEK 35 M. Operating margin was 11.3 percent (13.9).

Net financial items amounted to SEK –142 M (–277), of which SEK –41 M (–41) consisted of interest on lease liabilities under IFRS 16. Income after financial items amounted to SEK 1,501 M (1,630) and tax amounted to SEK –345 M (–377) representing a tax rate of 23 percent (23). Net income for the year amounted to SEK 1,157 M (1,253).

Earnings per share amounted to SEK 3.02 (3.28) before and after dilution. Return on shareholders' equity amounted to 14 percent (16) and return on capital employed amounted to 12 percent (12).

Significant events during the year

MAY 2021 – APRIL 2022

Partnership with Royal Philips

In June, 2021, Elekta and Royal Philips signed a non-exclusive agreement to deepen their existing strategic partnership. Through deeper cross-portfolio collaboration, Elekta and Royal Philips will utilize their complementary capabilities to further improve patient care. The partnership also intends to further deliver a superior experience in diagnosis and adaptive, personalized treatments for clinicians, shorter treatment times and more precise therapy for patients, and lowered care costs for healthcare providers.

Elekta Harmony received clearance by FDA

In June, 2021, Elekta announced that its newest linear accelerator, Harmony, has received 510(k) clearance from the U.S. Food and Drug Administration (FDA).

Elekta Foundation

At the Annual General Meeting in August Elekta's shareholders approved the Board of Directors' proposal of a contribution of SEK 35 M to establish the philanthropic Elekta Foundation. The Foundation was inaugurated in January, 2022.

Investments and depreciation
Continuous investments amounted to SEK 1,408 M (845). Investments in intangible assets increased and amounted to SEK 1,220 M (678), mainly related to R&D investments in the Linac family, Unity and software. Investments in tangible assets amounted to SEK 188 M (167). Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 1,039 M (1,204).

Research and development
Elekta conducts research and development (R&D) aimed at strengthening and enhancing its position as technology leader. Costs related to the R&D function amounted to SEK 1,372 M (1,486). Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 673 M (–9), of which SEK 675 M (–2) relates to the R&D function. Capitalization within the R&D function amounted to SEK 1,157 M (676) and amortization to SEK –482 M (–678). Projects in capitalization phases increased in line with accelerated investments in innovations and amortizations decreased due to lower amortization from Unity.

Cash flow
Cash flow from operating activities decreased by SEK 693 M to SEK 1,858 M (2,551). Cash flow after continuous investments decreased to SEK 450 M (1,706) mainly due to higher investments in intangible assets in accordance with the accelerated focus on innovation. Operational cash conversion was 69 percent (82). The lower cash flow was mainly related to lower result and higher investments in intangible assets related to R&D investments in the Linac family, Unity and software. For more information on the consolidated cash flow see **page 110**.

Financial position
Cash and cash equivalents and short-term investments amounted to SEK 3,077 M (4,411) and interest-bearing liabilities excluding lease liabilities amounted to SEK 4,609 M (5,184). Thus, net debt amounted to SEK 1,532 M (774). Net debt in relation to EBITDA was 0.57 (0.25). In December 2021 a sustainability-linked bond of SEK 1,500 M was issued with a social KPI to refinance maturities of SEK 1,000M in Swedish bond market and loans of 36M GBP and 50M USD. The exchange rate effect from the translation of cash and cash equivalents amounted to SEK 183 M (–329). The translation difference in interest-bearing liabilities amounted to SEK 78 M (–216). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 758 M (–838). For more information on the consolidated balance sheet see **page 106**.

Employees
The average number of employees during the year was 4,631 (4,194). The number of employees on April 30, 2022 totaled 4,751 (4,314). Value added per average employee amounted to SEK 1,388 K (1,432).

Increased market presence
To improve market access and strengthen the relationship with customers Elekta has established presence in markets in which Elekta previously have been represented by distributors. A sales office was established in Indonesia in August 2021 and in the Philippines in February 2022. In Turkey the long-time partner, Özyürek Mümessillik ve Dış Ticaret A.Ş., was acquired in September 2021.

Investment grade rating from S&P
In October Elekta received an investment grade rating from S&P Global Ratings (S&P). S&P has assigned a BBB- rating to Elekta and to the Group's senior unsecured notes, with stable outlook. S&P notes that Elekta's rating reflects the global leading position, ability to introduce new innovative treatment solutions and the key credit strengths being low leverage and stable cash generation.

Sustainability-linked bond
In December, 2021, Elekta issued Sweden's first sustainability-linked bond with a pure social key performance indicator. The funds, SEK 1.5 billion, will contribute to closing the global access gap within radiation therapy through increasing the number of linear accelerators in underserved markets.

Tobias Hägglöv appointed CFO
In January, Elekta appointed Tobias Hägglöv as Chief Financial Officer (CFO). Tobias Hägglöv has previously held the role of CFO at Recipharm as well as senior management positions at LEAX, Electrolux, SAS and Accenture.

Elekta and IBA in collaboration
In March, Elekta entered into a collaborative agreement with IBA to optimize quality assurance (QA) solutions.

Partnership with GE Healthcare
In April Elekta and GE Healthcare signed a global commercial collaboration agreement in radiation oncology to be able to provide hospitals a comprehensive offering across imaging and treatment for cancer patients requiring radiation therapy.

Legal disputes
Elekta has no ongoing material legal disputes.

Significant events after year-end
No events have occurred subsequent to the balance sheet date that would have a material impact on the Elekta's financial statements.

Impact from war in Ukraine
On February 24, 2022, Russia initiated an invasion of Ukraine. In fiscal year 2020/21 and the first nine-months of fiscal year 2021/22 group revenue in Russia, Belarus and Ukraine represented about 2 percent. The war has had a negative impact on Elekta's European business in terms of orders, revenue and profitability, including a provision of receivables amounting to SEK 18 M. On a global scale the war has impacted supply chain costs and prolonged lead times further. Elekta has neither production nor Tier 1 suppliers in these three countries.

Sustainability
Elekta presents sustainability information in the section Business overview and In-depth Sustainability Report. Elekta AB has prepared a statutory sustainability report in accordance with Chapter 6 Section 11 of the Swedish Annual Accounts Act. The references to the statutory sustainability report are presented on **page 72**.

Quality
Elekta continues to focus on improving processes as one of the company's key strategic priorities. Elekta conducts regular audits to ensure compliance to established requirements from medical regulatory authorities. Where appropriate Elekta's development, production or sales units are certified in accordance with relevant ISO standards.

IT
During the fiscal year Elekta has been committed to the ongoing expansion of cloud-based IT services and has renewed the Company's long-term partnerships with a number of leading cloud application providers. Microsoft has become an increasingly important strategic partner for productivity, security, and collaboration services for Elekta as well as for the Company's customer and partner ecosystem. These new agreements include substantial cloud capacity expansion for both internal business requirements and the customer facing cloud computing services for Elekta's clinical solutions. This will allow for further migration of business applications and product development activities into the cloud, enabling further IT consolidation with higher contracted service levels to reduce Data-Centre consumption, supporting Elekta's sustainability strategy through reduced carbon footprint.

The journey to digitalization and automation of Elekta's processes continues and the IT project portfolio has been focused on a range of initiatives that support Elekta's business plan for process efficiency and automation. Work has been particularly focused on governance and cost controls in the supply chain and in the digitalization of the customer support processes.

In these innovative projects, new ways of working have been established to ensure global standardization and control of all procurement needs. Elekta's initiative to drive remote support effectiveness, through a recent implementation of a leading IT integration platform, has been effective in ensuring that machine data from the installed clinical systems can be more rapidly made available across the Company's business ecosystem. The platform ensures timely monitoring of system performance which enhances predictive and proactive maintenance and a more automatic customer support process.

Elekta continues to develop the Company's digital capabilities and has initiatives underway to build new secure workflows that will connect Elekta to the growing ecosystem of partners and customers across the globe.

Risks
During the year, the impact of Covid-19 has caused uncertainty in order growth, limited access to hospitals and increased risk of delayed installations because of lock down of countries. A weak economic development, strained finances, especially in light of a prolonged impact of the pandemic, may mean less availability of financing for private customers and reduced future healthcare spending by governments. Geopolitical tensions, including restrictions and protectionism with a growth of sanctions may impact Elekta's local partnering, manufacturing and sales in certain markets as well as further expose Elekta to potentially conflicting trade compliance sanctions. The radiotherapy industry is characterized by an increased demand for using and analyzing personal data or treatment data in order to further develop the products. Elekta's solutions need to be protected against damage and undue interference whilst also adhering to various data privacy laws and regulations worldwide and an increasing threat of material cyber and information security attacks targeting healthcare data has been noted. Elekta witnesses an increased competition due to vendor and customer consolidation as well as changing competition landscape within the medical imaging and informatics market. Elekta continues to respond with development of state-of-the-art solutions and focus on a unique value proposition. Corruption and risk of improper payments continues to be a threat in many markets having a growing need for access to radiotherapy and Elekta continuously work to strengthen its compliance programs and business ethics preventive controls. Elekta's operational, strategic, external, and financial risks are described on **page 37** together with the risk management process. Elekta's financial risks are described in more detail in **Note 2**.

Sensitivity analysis
Elekta's operation is project based with relatively big deliveries to customers. The lead time from delivery to installation can therefore vary from period to period. Quarterly variations of delivery volumes occur, which has a high impact on net sales and net income each quarter. Elekta's gross margin can also vary from period to period depending on product and geographic mix and currency movements.

As a result of its international operations and structure, Elekta has a significant exposure to exchange rate fluctuations. This pertains primarily to expenses in GBP and CNY against revenue in USD and EUR. Based on the year's income, expense and currency structure a general change of 1 percentage point in the SEK exchange rate against other currencies would affect the Group's net profit and shareholders' equity by approximately +/– SEK 25 M (23). In the short term, the effect is reduced through hedging.

Based on the balance sheet structure at year-end a general change of 1 percentage point in the interest on borrowings and investments would affect the Group's profit before tax by approximately +/– SEK 3 M (0).

Parent Company

The Parent Company of the Group, Elekta AB, conducts no operating activities but provides group management, joint group functions and financial management. Net income for the year amounted to SEK 1,118 M (427) inclusive of dividends from subsidiaries of SEK 1,101 M (354). Total assets amounted to SEK 9,543 M (11,306) of which shares in subsidiaries amounted to SEK 2,752 M (2,590) and receivables from subsidiaries amounted to SEK 4,759 M (5,089). Cash and cash equivalents and short-term investments at year-end amounted to SEK 1,863 M (3,421). Shareholders' equity amounted to SEK 2,368 M (2,087). Interest-bearing liabilities amounted to SEK 7,081 M (9,042), of which SEK 2,482 M (3,858) constituted liabilities to subsidiaries. The average number of employees during the year was 57 (45). The number of employees on April 30, 2022 was 60 (49). For further information refer to the Parent Company's financial reports and the accompanying notes.

Shares

The total number of registered shares on April 30, 2022 was 383,568,409 divided between 14,980,769 A-shares and 368,587,640 B-shares. One series A-share entitles the holder to 10 votes and series B-shares entitle the holder to one vote for each share. All shares carry equal rights to participate in the Company's assets and profits. In accordance with Section 12 of Elekta's Articles of Association, series A-shares are subject to right of first refusal. All A-shares are owned indirectly by Laurent Leksell who is also the only shareholder representing more than 10 percent of total votes. On April 30, 2022, treasury shares amounted to 1,485,289 (1,485,289) equivalent to 0.4 percent (0.4) of the total number of outstanding shares as well as of share capital. Regarding treasury shares, par value is 0.50 SEK per share and average cost is 49.70 SEK per share.

For more information on Elekta's share see **page 41**.

Dividend and proposal to repurchase shares

For 2021/22, the Board of Directors proposes to the AGM a dividend of SEK 2.40 (2.20) per share. Total proposed dividend amounts to approximately SEK 917 M (841) and 79 percent (67) of the group net profit for the year. It is also proposed that the dividend will be paid in two installments, with one payment of SEK 1.20 per share in September 2022 and the remaining SEK 1.20 per share in March 2023. The proposed record dates are August 29, 2022, for the first payment and February 27, 2023, for the second payment.

The Board of Directors intends to propose to the 2022 AGM a renewal of the board's authorization to decide on the acquisition of a maximum number of own shares so that, after the acquisition, the company holds no more than 10 percent of the total number of outstanding shares in Elekta AB.

2.40

SEK/share, dividend proposal

Appropriation of profit

Amounts in SEK	April 30, 2022
Distributable shareholders' equity of the Parent Company	
Premium reserve	656,608,114
Retained earnings	245,591,714
Profit for the year	1,117,970,581
Total	**2,020,170,409**
The Board of Directors propose:	
to be distributed to the shareholders, a total dividend of SEK 2.40 per share[1]	916,999,488
and that the remaining amount be carried forward	1,103,170,921
Total	**2,020,170,409**

[1] The total amount distributed may change up until the record date depending on changes in the number of shares.

The board's statement on the proposed dividend

In making this proposal for dividend, the board has taken into account the Parent Company's dividend policy, equity/assets ratio as well as its general financial position, whereby the Parent Company's ability to fulfill existing and foreseeable payment obligations in a timely manner, as well as potential acquisitions and other investments has been considered. The Parent Company's equity includes SEK –20 M pertaining to assets and liabilities measured at fair value in accordance with Chapter 4 Section 14 a of the Swedish Annual Accounts Act. The equity ratio and liquidity is reassuring, under the assumption that the Parent Company and the Group continue to be profitable. The impact of the proposed dividend on the Group's reported equity/assets ratio of 34 percent (33), will be marginal. Concerning the Parent Company's and the Group's result and position in general, refer to the income statements, statements of comprehensive income, balance sheets and cash flow statements and notes.

It is the assessment of the Board of Directors that the proposed dividend neither prevents the Parent Company, and other companies within the Group, from fulfilling their obligations, nor from making the necessary investments. The proposed dividend can therefore be justified in respect of Chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act (the prudence rule).

Articles of Association

The Articles of Association state that board members are appointed and dismissed by the AGM. The Articles of Association contain no specific regulations regarding changes to the Articles of Association.

Guidelines for remuneration to executive management

The guidelines for remuneration to the executive management were adopted by the AGM 2020 and will apply until the AGM 2024 at the latest. The guidelines cover the President and CEO and members of the executive management of Elekta. The guidelines shall apply to employment agreements and any modifications to employment agreements executed after the AGM 2020. The guidelines do not apply to remuneration decided on or approved by the general meeting or such issues and transfers covered by Chapter 16 of the Companies Act.

The guidelines' promotion of Elekta's business strategy, long-term interests and sustainability

In order to successfully implement Elekta's business strategy and to foster Elekta's long-term interests, including its sustainability, it is of fundamental importance for Elekta and its shareholders that, from a short-term and long-term perspective, the remuneration guidelines attract, incentivise and create favourable conditions for retaining skilled employees and managers. The guidelines are aimed at creating increased transparency as regards remuneration issues and, through a carefully considered remuneration structure, creating incentives for executive management to execute strategic plans and achieve Elekta's financial targets. To achieve this, it is important to maintain fair and internally balanced terms which, at the same time, are competitive on the market in terms of remuneration structure, scope and level. For information regarding Elekta's business strategy, please see Elekta's website.

Remuneration and forms of remuneration

Employment terms for executive management shall include a well-balanced combination of fixed salary, variable remuneration, long-term incentive programs, pension benefits and other benefits, as well as terms governing termination, where applicable. This combination of remuneration strengthens and supports short-term and long-term targeting and target ful-filment. The total compensation shall be on market terms on the geographic market where the individual resides or works. Applied remuneration levels shall be reviewed annually in comparison with equivalent positions on the market, to ensure that Elekta is able to attract and retain skills critical for the business where so required. Median salaries on the market are determined through external benchmarking where such is available. As far as possible, remuneration shall be based on performance and thus the annual variable remuneration shall constitute a relatively large portion of the total remuneration. The various types of remuneration that may be paid out are described below.

Fixed salary

Fixed salary for executive management shall be individual and based on each individual's responsibilities and role in terms of individual skills and experience in the relevant position as well as regional conditions. In case of a maximum variable remuneration result, the fixed salary may amount to between 40 and 50 per cent of the total annual fixed salary and variable remuneration.

Variable remuneration

In addition to fixed salary, executive management are entitled to variable remuneration, referred to as an annual bonus. The variable remuneration is structured as part of the total remuneration package and shall primarily be related to results in terms of the Group's financial targets (50–100 per cent of the variable remuneration). Other non-financial targets of particular interest, such as clearly defined individual targets with respect to specific work duties within the respective business area, shall also be used (0–50 per cent of the variable remuneration). Variable remuneration targets shall be established annually by the Board of Directors with the aim of ensuring that they are in line with the Group's business strategy and results targets. Targets shall be structured so as to promote the Group's business strategy and long-term interests, including its sustainability, by being clearly connected to the business strategy and promoting the long-term development of the executive management.

The size of the variable remuneration varies depending on position and may constitute between 30 and 70 per cent of fixed annual salary at full achievement of targets. Target fulfilment is measured, and any payments made in respect thereof take place annually or quarterly. If the financial targets for variable remuneration are exceeded, there is a possibility to pay additional remuneration in consideration of over-performance. The annual bonus entails that there is potential to receive, at most, 200 per cent of the variable remuneration in case of over achievement of targets. Thus, payment of variable remuneration is capped at 200 per cent of the original target for the variable remuneration and may entail, at most, that 140 per cent of the fixed salary can be paid out as variable remuneration. Target formulation is structured so that no variable remuneration or bonus is received in the event a minimum performance level or threshold is not achieved.

Upon conclusion of the annual measurement period, an assessment shall take place as to the extent to which targets have been fulfilled, through an overall performance assessment. The Compensation & Sustainability Committee is responsible for the assessment with respect to variable salary for the President and CEO and other executive management. Insofar as relates to financial targets, the assessment shall be based on audited financial information published by the Group.

Elekta may, at any given time, alter, discontinue or cancel parts of the remuneration plan, or the entire plan. However, only in respect of future performance at the time in question. Elekta may also, after payment of remuneration, subsequently correct the remuneration if an error can be identified in a final audit.

Share-related long-term incentive programs

The Board of Directors uses long-term incentive programs to ensure alignment between the interests of the shareholders and the interests of executive management and other key individuals in Elekta. The Board of Directors shall each year assess whether a share-related long-term incentive program should be proposed to the annual general meeting. More information about current share programs is available in Note 7 of the annual report and on Elekta's website.

These long-term incentive programs promote the Group's business strategy and long-term interests including its sustainability by strengthening the Group's ability to recruit and retain employees, diversifying and increasing share ownership among key individuals and ensuring a shared focus on long-term growth in value for the shareholders.

Special remuneration

Additional cash variable remuneration can be paid, with a delay in payment up to 36 months, to ensure long-term commitment and that key employees remain in connection with acquisitions of new companies, divestments of businesses, other transitional activity or other extraordinary work endeavours. Such delayed remuneration is conditional on continued employment until a predetermined date in order for any payment to take place, and is applied only in very special cases, and thus is not included in any ordinary remuneration system. The delayed remuneration may not exceed 50 per cent of the contracted annual fixed remuneration per year and thus may amount to 150 per cent of annual salary in the event of delayed payment for 36 months. The delayed remuneration shall otherwise comply with the same principles as applicable to variable remuneration in the Group. Decisions regarding special remuneration for extraordinary endeavours shall be taken by the Board of Directors.

Pensions
When new pension agreements are entered into, executive management who are entitled to pension shall only have defined contribution pension agreements. With respect to executive management who are Swedish citizens, retirement normally takes place at the age of 65 and, with respect to others, in accordance with each country's pension regulations. The general rule is that pension provisions are based only on fixed salary and take place at market levels in each country; however, pension provisions shall not exceed 40 per cent of fixed salary. Certain individual adjustments may occur in line with local market practice or mandatory collective agreement provisions.

Other benefits
Benefits such as company car, compensation for preventive care insurance, healthcare insurance and medical insurance, etc. shall constitute a smaller element of the total compensation package and be in accordance with what is customary on each geographic market. Premiums and other costs for such benefits may not, in total, exceed 20 per cent of fixed salary. For executive management stationed in a country other than their country of domicile, additional compensation and other benefits may be paid to a reasonable extent in light of the particular circumstances associated with being stationed in a foreign country. This comprises, for example, flight costs, housing, term fees, journeys home, assistance with tax returns and tax equalisation.

With respect to employment conditions governed by regulations other than Swedish ones, insofar as relates to other benefits, appropriate adjustments shall take place to comply with such mandatory regulations or established local practice, whereupon the overarching purpose of these guidelines shall be satisfied as far as possible.

Remuneration payable to Directors
Directors elected by the general meeting shall, in specific cases, be entitled to receive fees and other remuneration for work performed on behalf of Elekta, alongside board work. Fees on market terms, which must be approved by other Directors, shall be payable in respect of such services.

Termination terms and severance compensation
Termination periods within Elekta shall comply with the statutes and agreements applicable on each geographic market. Termination periods with respect to executive management shall be between 6 and 12 months and, in specific cases, executive management are entitled to severance compensation corresponding to 6–12 months' fixed salary. In case of certain radical changes in the ownership structure, the President and CEO is entitled to receive additional severance compensation corresponding to 18 months' fixed salary.

Preparation and decision-making procedure
The Compensation & Sustainability Committee shall, each year, prepare remuneration issues and submit to the Board of Directors recommendations for principles for structuring the Group's compensation system and executive management remuneration. The recommendations shall include proposals for structuring bonus systems, the breakdown between fixed and variable remuneration as well as the size of any salary increases. The Compensation & Sustainability Committee shall also propose criteria for assessment of performance by executive management. Decisions regarding remuneration are adopted by the Board of Directors as a whole. The Board of Directors shall prepare proposals for new guidelines at least every fourth year and shall present the proposals for a decision by the annual general meeting.

The Compensation & Sustainability Committee shall comprise of at least three independent directors, one of whom shall serve as chairman. The President and CEO shall attend the meetings of the committee. The elected chairman of the Compensation & Sustainability Committee shall convene its meetings. The members of the Compensation & Sustainability Committee are independent in relation to Elekta AB and the executive management. The President and CEO, and other members of executive management, may not be present at meetings at which remuneration issues are addressed and decided upon, insofar as they are affected by the issues. In conjunction with all decisions, it is ensured that conflicts of interest are avoided and that any potential conflicts of interest are addressed in accordance with Elekta's corporate governance framework, comprising of a code of conduct, policies and guidelines.

Derogation from the guidelines
The Board of Directors may decide to derogate temporarily from the guidelines, wholly or in part, where there are particular reasons for doing so in an individual case and provided such derogation is necessary to satisfy Elekta's long-term interests, including its sustainability, or to ensure Elekta's financial viability. As stated above, the duties of the Compensation & Sustainability Committee include preparing decisions by the Board of Directors on remuneration issues, which includes decisions regarding derogations from the guidelines.

Description of significant changes to the guidelines
The content of the guidelines has been reviewed and adapted to the legal requirements imposed by Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/ EC as regards encouragement of the long-term shareholder engagement.

Previously decided remuneration that is not yet due for payment
Elekta has ongoing share-related programs that have not yet fallen due for payment. More information about current share programs is available in Note 7 of the annual report and on Elekta's website.

Consolidated income statement

SEK M	Note	2021/22	2020/21
Net sales	6	14,548	13,763
Cost of products sold		–9,111	–8,153
Gross income		**5,436**	**5,610**
Selling expenses		–1,355	–1,143
Administrative expenses		–1,173	–1,086
R&D expenses		–1,372	–1,486
Other operating income and expenses		–48	–85
Exchange rate differences		155	97
Operating income	5–10	**1,643**	**1,906**
Income from participations in associated companies	12	5	–7
Financial income	12	42	30
Financial expenses	12	–159	–253
Interest expenses lease liabilities	12	–41	–41
Exchange rate differences	12	12	–5
Income after financial items		**1,501**	**1,630**
Income tax	14	–345	–377
Net income		**1,157**	**1,253**
Net income attributable to:			
Parent Company shareholders		1,154	1,254
Non-controlling interests		3	–1
Earnings per share:			
Before dilution, SEK	15	3.02	3.28
After dilution, SEK	15	3.02	3.28
Average number of shares:			
Before dilution, thousands	15	382,083	382,083
After dilution, thousands	15	382,083	382,083

Consolidated statement of comprehensive income

SEK M	Note	2021/22	2020/21
Net income		**1,157**	**1,253**
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Remeasurements of defined benefit pension plans	28	27	–3
Change in fair value of equity instruments	21	–45	206
Tax	14	2	–43
Total items that will not be reclassified to the income statement, net of tax		**–16**	**160**
Items that subsequently may be reclassified to the income statement:			
Revaluation of cash flow hedges	3	–448	231
Translation differences from foreign operations		758	–838
Tax	14	92	–48
Total items that subsequently may be reclassified to the income statement, net of tax		**402**	**–654**
Other comprehensive income, net of tax		**386**	**–494**
Total comprehensive income		**1,543**	**759**
Comprehensive income attributable to:			
Parent Company shareholders		1,540	760
Non-controlling interests		3	–1

Comments on the consolidated income statement

Net sales

Net sales increased 6 percent to SEK 14,548 M (13,763), corresponding to 4 percent increase based on constant exchange rates.

	Net sales, SEK M	Change, %[1]	Operating income, SEK M
Q1	3,009	8%	201
Q2	3,697	7%	533
Q3	3,602	–3%	340
Q4	4,239	5%	570
Full-year 2021/22	**14,548**	**4%**	**1,643**

[1] Compared to last fiscal year based on constant exchange rates.

Earnings

Gross margin was 37.4 percent (40.8). The decrease in gross margin compared to previous year was explained by higher logistics and supply chain costs and higher costs to serve the installed base. EBITDA amounted to SEK 2,682 M (3,110).

Operating income decreased by 14 percent and amounted to SEK 1,643 M (1,906). The operating income decreased due to lower gross margin and increased operating expenses. Selling expenses increased 17% driven by more travelling and marketing activities with more the physical exhibitions compared to previous year as well as provision related to war in Ukraine. Administration costs increased 5% driven by more investments in digitalization and one-off project related costs.

Research and development costs decreased by 8 percent to SEK –1,372 M (–1,486) equal to 9 percent (11) of net sales. Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 673 M (–9), of which SEK 675 M (–2) relates to the R&D function. Projects in capitalization phases increased in line with accelerated investments in innovations and amortizations decreased due to lower amortization from Unity. Capitalization within the R&D function amounted to 1,157 M (676) and amortization to SEK –482 M (–678).

Operating income included a positive effect from changes in exchange rates compared to last year and was positively impacted by a reversed additional purchase price of SEK 48 M. The contribution to Elekta Foundation, as decided by AGM 2021, amounted to SEK 35 M. Operating margin was 11.3 percent (13.9).

The change in unrealized exchange rate effects from effective cash flow hedges amounted to SEK –448 M (231) and is reported in other comprehensive income. According to Elekta's currency hedging policy, anticipated sales in foreign currency may be hedged up to 24 months.

Net financial items amounted to SEK–142 M (–277). Interest expenses was lower due to lower level of gross debt and as the average interest rate expenses on the debt was lower.

Income after financial items amounted to SEK 1,501 M (1,630). Tax expense amounted to SEK –345 M (–377) or 23 percent (23). Net income amounted to SEK 1,157 M (1,253).

Result overview

SEK M	2021/22	2020/21
Operating income (EBIT)	**1,643**	**1,906**
Amortization of intangible assets:		
Capitalized development costs	493	685
Assets relating business combinations	123	118
EBITA	**2,259**	**2,709**
Depreciation	422	401
EBITDA	**2,682**	**3,110**

Consolidated balance sheet

SEK M	Note	**April 30, 2022**	April 30, 2021
ASSETS			
Non-current assets			
Intangible assets	16	10,262	8,779
Right-of-use assets	17	975	953
Tangible assets	18	954	897
Shares in associated companies	20	25	27
Other financial assets	3, 21	590	506
Deferred tax assets	14	616	436
Total non-current assets		**13,423**	**11,597**
Current assets			
Inventories	22	2,533	2,283
Accounts receivable	23	3,647	3,281
Accrued income	29	1,796	1,772
Current tax receivables	14	219	165
Derivative financial instruments	3	127	220
Other current receivables	24	1,481	1,116
Cash and cash equivalents	25	3,077	4,411
Total current assets		**12,880**	**13,247**
Total assets		**26,303**	**24,844**
EQUITY AND LIABILITIES			
Equity			
Parent Company shareholders:			
Share capital	26	192	192
Contributed funds		812	812
Reserves		1,025	623
Retained earnings		6,883	6,568
Parent Company shareholders, total		**8,913**	**8,197**
Non-controlling interests		3	0
Total equity		**8,916**	**8,197**
Non-current liabilities			
Interest-bearing liabilities	27	4,099	3,043
Deferred tax liabilities	14	549	515
Lease liabilities	27	841	854
Provisions	28	215	224
Other liabilities	3	120	71
Total non-current liabilities		**5,824**	**4,707**
Current liabilities			
Interest-bearing liabilities	27	510	2,141
Lease liabilities	27	245	200
Accounts payable	2, 3	1,352	1,016
Advances from customers	29	4,161	3,759
Prepaid income	29	2,342	2,082
Accrued expenses	30	1,901	1,837
Current tax liabilities	14	114	137
Provisions	28	149	174
Derivative financial instruments	3	361	35
Other current liabilities	31	429	559
Total current liabilities		**11,564**	**11,941**
Total equity and liabilities		**26,303**	**24,844**

For information about assets pledged and contingent liabilities see **Note 32** and **33** respectively.

Comments on the consolidated balance sheet

The Group's consolidated balance sheet has been affected by changes in exchange rates. The balance sheets of the foreign subsidiaries are translated at the closing rate as per the closing date. The exchange rates used for translation as per April 30, 2022 and April 30, 2021 respectively are presented in the table on **page 115**.

Assets and capital employed

The Group's total assets increased by SEK 1,459 M to SEK 26,303 M (24,844). Fixed assets totaled SEK 11,216 M (9,676) of which goodwill amounted to SEK 6,499 M (5,973). Right-of-use assets amounted to SEK 975 M (953).

Current assets, excluding cash and cash equivalents and short-term investments, increased by SEK 966 M to SEK 9,803 M (8,837). Accounts receivable, accrued income and inventories increased by 9 percent (–4). Inventory value in relation to net sales was 17 percent (17).

Cash and cash equivalents and short-term investments decreased by SEK 1,334 M to SEK 3,077 M (4,411) at year-end, totaling 12 percent (18) of total assets. Of total bank balances SEK 8 M (8) were pledged primarily for commercial guarantees.

The Group's capital employed increased to SEK 14,610 M (14,435).

Liabilities and shareholders' equity

Interest-free liabilities and provisions increased by SEK 1,283 M to SEK 11,693 M (10,409). Interest-bearing liabilities amounted to SEK 5,695 M (6,239), of which SEK 1,086 M (1,054) pertained to lease liabilities. Net debt amounted to SEK 1,532 M (774). Total equity was SEK 8,916 M (8,197). Return on shareholders' equity amounted to 14 percent (16) and return on capital employed amounted to 12 percent (12). Net debt/EBITDA ratio was 0.57 (0.25) and equity/assets ratio was 34 percent (33).

Working capital

Elekta's operations is to a large extent project based. Payment flows from projects generally occur in connection with order receipt, delivery and acceptance, which generates fluctuations in working capital. Thus, movements in working capital depend on the progress of projects and the timing of certain events in relation to terms in the contract. Invoicing and payments from the customer occur in accordance with the terms of the contract while revenue is recognized based on accounting principles. Therefore cash flow from projects does not always coincide with the recognition of revenue and may result in either an asset (accrued income) or a liability (advances from customers).

Elekta's payment terms varies significantly between regions and specific customers. For example, in China, the majority of Elekta's customers are in the public sector. Financing and payments are normally structured by a bank through a letter of credit arrangement. When Elekta has met certain performance conditions, payments are obtained from the issuing bank. The majority of the proceeds are normally due at shipment. As another example, the US is largely a private hospital market with replacement investments. The operating cycle in the projects are typically shorter than Elekta's average. In a typical customer relationship, Elekta receives partial payments at order receipt, delivery, installation and acceptance. Lastly, customers in Europe are typically public hospitals and contracts are awarded through public procurement processes. In such cases, terms and conditions are often pre-defined by the customer. This means that Elekta get paid late in the operating cycle and payment times are generally longer than normal. There are many examples of projects where customers pay after acceptance of installation.

Accounts receivable amounted to SEK 3,647 M (3,281) as per April 30, showing an increase of 11 percent in SEK. The majority of non-due accounts receivable are normally due within 90 days.

In a limited number of customer projects, Elekta is providing financing through extended payment terms. Such receivables amounted to SEK 397 M (372) as per April 30 and are included in "Other financial assets" in the balance sheet and specified as "Contractual receivables" in **Note 21**.

Customer advances represent projects for which invoiced amounts exceed revenue recognized. Advances from customers amounted to SEK 4,161 M (3,759) as per April 30, an increase of SEK 402 M.

Working capital

SEK M	**April 30, 2022**	April 30, 2021
Working capital assets		
Inventories	2,533	2,283
Accounts receivable	3,647	3,281
Accrued income	1,796	1,772
Other operating receivables	1,459	1,116
Sum working capital assets	**9,435**	**8,451**
Working capital liabilities		
Accounts payable	1,352	1,016
Advances from customers	4,161	3,759
Prepaid income	2,342	2,082
Accrued expenses	1,901	1,837
Short-term provisions	149	174
Other current liabilities	429	559
Sum working capital liabilities	**10,333**	**9,428**
Net working capital	**–898**	**–977**
Percent of net sales	–6%	–7%

Net working capital amounted to SEK –898 M (–977) at year-end, corresponding to –6 percent (–7) of net sales.

Changes in consolidated equity

SEK M	Note	Share capital	Other contributed capital	Translation reserve	Hedge reserve	Retained earnings	Elekta AB:s owners, total	Non-controlling interests	Total equity
Opening balance May 1, 2020		**192**	**812**	**1,307**	**–29**	**5,830**	**8,113**	**1**	**8,113**
Net income		–	–	–	–	1,254	1,254	–1	1,253
Remeasurements of defined benefit pensions plans		–	–	–	–	–3	–3	–	–3
Change in fair value of equity instruments		–	–	–	–	206	206	–	206
Revaluation of cash flow hedges[1]		–	–	–	231	–	231	–	231
Translation differences from foreign operations		–	–	–838	–	–	–838	0	–838
Tax relating to components of other comprehensive income	14	–	–	–	–48	–43	–90	–	–90
Other comprehensive income		–	–	–838	184	160	–494	0	–494
Total comprehensive income		**–**	**–**	**–838**	**184**	**1,414**	**760**	**–1**	**759**
Dividend		–	–	–	–	–688	–688	–	–688
Incentive programs		–	–	–	–	12	12	–	12
Transactions with the shareholders, total		**–**	**–**	**–**	**–**	**–676**	**–676**	**–**	**–676**
Closing balance April 30, 2021		**192**	**812**	**469**	**154**	**6,568**	**8,197**	**0**	**8,197**
Opening balance May 1, 2021		**192**	**812**	**469**	**154**	**6,568**	**8,197**	**0**	**8,197**
Net income		–	–	–	–	1,154	1,154	3	1,157
Remeasurements of defined benefit pensions plans		–	–	–	–	27	27	–	27
Change in fair value of equity instruments		–	–	–	–	–45	–45	–	–45
Revaluation of cash flow hedges[1]		–	–	–	–448	–	–448	–	–448
Translation differences from foreign operations		–	–	758	–	–	758	0	758
Tax relating to components of other comprehensive income	14	–	–	–	92	2	94	–	94
Other comprehensive income		–	–	758	–355	–16	386	0	386
Total comprehensive income		**–**	**–**	**758**	**–355**	**1,137**	**1,540**	**3**	**1,543**
Dividend		–	–	–	–	–841	–841	–	–841
Incentive programs		–	–	–	–	17	17	–	17
Transactions with the shareholders, total		**–**	**–**	**–**	**–**	**–823**	**–823**	**–**	**–823**
Closing balance April 30, 2022		**192**	**812**	**1,227**	**–201**	**6,883**	**8,913**	**3**	**8,916**

[1] Of which transferred to the income statement in 2021/22: SEK 94 M (164).

Comments on changes in consolidated equity

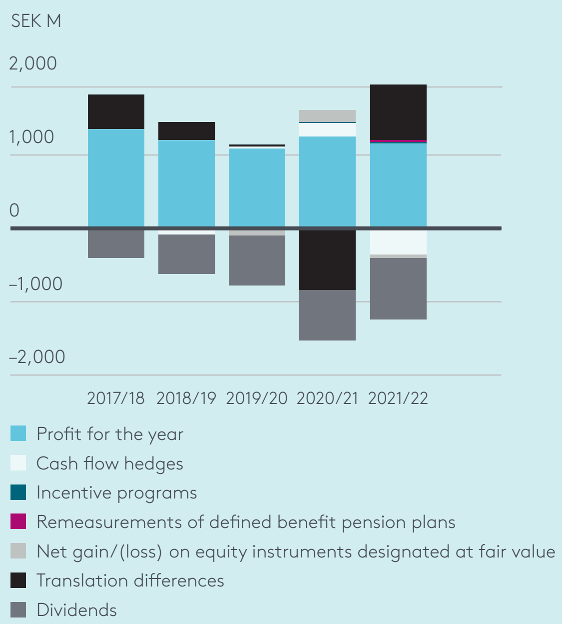
In 2021/22 Elekta paid a total dividend of SEK 841 M. The dividend payment has affected equity through a reduction of retained earnings.

The total number of shares in Elekta as of April 30, 2022, amounted to 383,568,409 of which 14,980,769 A-shares and 368,587,640 B-shares. See **Note 26** for more information on share capital.

Total equity includes equity of foreign subsidiaries. Translation is performed at closing rate and the translation difference is reported in the translation reserve via other comprehensive income. The translation difference amounted to SEK 758 M (–838) in 2021/22. Shareholders' equity in foreign currency is hedged when it is deemed appropriate in individual cases. The translation reserve includes all exchange rate differences arising in conjunction with the translation of foreign operations that have prepared their financial reports in a currency other than that used in the group's financial reports. In addition, the translation reserve consists of exchange rate differences arising from the translation of liabilities raised as a hedging instrument for a net investment in foreign operations. The translation reserve amounted to SEK 1,227 M (469) at year end.

Cash flow hedges are reported in the hedge reserve via other comprehensive income. Elekta hedges its currency risk in line with the policy established by the board. The scope of this hedging is determined by the Company's currency risk assessment. Currency hedging is defined on the basis of the expected sales in foreign currency over up to 24 months. Hedging is done to reduce the effects of short-term fluctuations on the currency markets. The hedge reserve includes the effective portion of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred. During 2021/22 the change in the hedge reserve was SEK –355 M (184) after tax and the closing balance of the hedge reserve was SEK –201 M (154).

Changes in consolidated equity



Consolidated equity and return

Consolidated cash flow statement

SEK M	Note	2021/22	2020/21
Operating activities			
Income after financial items		1,501	1,630
Non-cash items:			
Depreciation and amortization	8, 16, 17, 18	1,039	1,204
Interest net	34	106	204
Other non-cash items	34	–211	307
Operating cash flow before interest and tax		**2,435**	**3,345**
Interest received		42	30
Interest paid		–156	–249
Income taxes paid	14	–452	–465
Operating cash flow		**1,869**	**2,660**
Change in inventories		–97	270
Change in operating receivables		–291	–772
Change in operating liabilities		376	393
Change in working capital		**–12**	**–109**
Cash flow from operating activities		**1,858**	**2,551**
Investing activities			
Investments in intangible assets	16	–1,220	–678
Investments in tangible assets	18	–188	–167
Sale of fixed assets		0	0
Continuous investments		**–1,408**	**–845**
Cash flow after continuous investments		**450**	**1,706**
Business combinations	34, 36	–175	–272
Short-term investments	34	–69	60
Divestment in other shares	34	–	443
Dividends associated companies	20	4	1
Cash flow from investing activities		**–1,649**	**–613**
Cash flow after investments		**209**	**1,938**
Financing activities			
Borrowings	34	1,505	0
Repayment of lease liabilities	34	–228	–215
Repayment of debt	34	–2,163	–2,703
Dividend		–841	–688
Cash flow from financing activities		**–1,726**	**–3,605**
Cash flow for the year		**–1,517**	**–1,667**
Change in cash and cash equivalents during the year			
Cash and cash equivalents at the beginning of the year		**4,411**	**6,407**
Cash flow for the year		–1,517	–1,667
Exchange rate differences		183	–329
Cash and cash equivalents at the end of the year	25	**3,077**	**4,411**

Comments on the consolidated cash flow statement

The cash flow statement describes the ability of the operations to generate cash and cash equivalents. Elekta's cash flow is used primarily to finance market growth, strategic research projects and investments. Based on the income statement and balance sheet translated at the average exchange rate, the statement shows the Group's net flows during the year.

Elekta's project-based operations affect cash flow through movements in working capital. Payment flows from projects generally occur in connection with order receipt, delivery, and acceptance – mostly not coinciding with revenue recognition – thus generating fluctuations in working capital levels. See also comments on working capital on **page 107**.

The operating cash flow (cash flow from operating activities exclusive of change in working capital) amounted to SEK 1,869 M (2,660), a decrease of SEK 791 M compared with the previous year.

Cash flow from operating activities decreased to SEK 1,858 M (2,551).

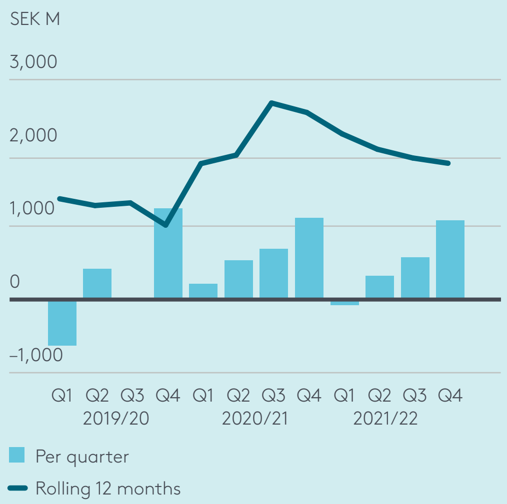
Cash flow from investing activities amounted to SEK –1,649 M (–613) including investments in intangible assets of SEK –1,220 M (–678).

Cash flow after continuous investments decreased by SEK 1,256 M to SEK 450 M (1,706). The decrease in cash flow was due to decreased cash flow from operating activities.

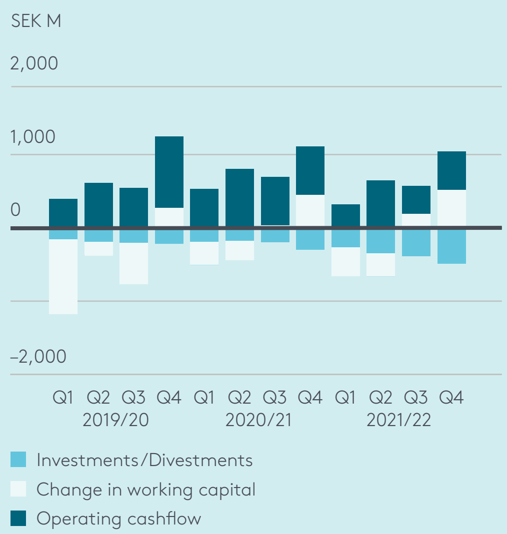
Cash flow after investments amounted to SEK 209 M (1,938), including payments relating to business combinations of SEK –175 M (–272).

Cash flow from financing activities amounted to SEK –1,726 M (–3,605).

Cash flow from operating activities



Specification of cash flow after continuous investments



Financial statements – Parent Company

Income statement – Parent Company

SEK M	Note	2021/22	2020/21
Administrative expenses		–38	–27
Other operating income and expenses		48	–
Operating income		**10**	**–27**
Income from participations in Group companies	11	1,121	327
Interest income and similar items	13	138	154
Interest expenses and similar items	13	–125	–217
Result from participation in other companies		–43	208
Exchange rate differences		11	–4
Income after financial items		**1,112**	**441**
Income tax	14	6	–14
Net income		**1,118**	**427**

Statement of comprehensive income – Parent Company

SEK M	2021/22	2020/21
Net income	**1 ,118**	**427**
Other comprehensive income		
Other comprehensive income, net of tax	**–**	**–**
Total comprehensive income	**1 ,118**	**427**

Balance sheet – Parent Company

SEK M	Note	April 30, 2022	April 30, 2021
ASSETS			
Non-current assets			
Intangible assets	16	39	46
Shares in subsidiaries	19	2,752	2,590
Shares in associated companies	20	6	13
Receivables from subsidiaries		2,160	2,194
Other financial assets	21	38	81
Deferred tax assets	14	44	27
Total non-current assets		**5,039**	**4,951**
Current assets			
Receivables from subsidiaries		2,599	2,895
Other current receivables	24	42	39
Cash and cash equivalents	25	1,863	3,421
Total current assets		**4,504**	**6,355**
Total assets		**9,543**	**11,306**
EQUITY AND LIABILITIES			
Equity			
Share capital	26	192	192
Statutory reserve		156	156
Restricted equity		**348**	**348**
Premium reserve		657	657
Retained earnings		1,363	1,082
Unrestricted equity		**2,020**	**1,739**
Total equity		**2,368**	**2,087**
Provisions	28	13	36
Interest-bearing liabilities	27	4,099	3,043
Total non-current liabilities		**4,112**	**3,079**
Current liabilities			
Interest-bearing liabilities	27	500	2,141
Liabilities to subsidiaries	27	2,482	3,858
Provisions	28	–	4
Other current liabilities	31	81	137
Total current liabilities		**3,063**	**6,140**
Total equity and liabilities		**9,543**	**11,306**

Cash flow statement – Parent Company

SEK M	Note	2021/22	2020/21
Operating activities			
Income after financial items		1,112	441
Interest net	34	–24	37
Other non-cash items	34	–2	–135
Interest received		138	154
Interest paid		–114	–191
Income taxes paid	14	–11	–
Operating cash flow		**1,099**	**306**
Change in operating receivables		–655	1,119
Change in operating liabilities		–1,433	–391
Change in working capital		–2,088	728
Cash flow from operating activities		**–989**	**1,034**
Investing activities			
Business combinations	34	–	–235
Shareholders' contributions paid	34	–155	–55
Divestments of other shares	34	–	443
Change in long-term receivables		1,154	197
Cash flow from investing activities		**999**	**350**
Cash flow after investments		**10**	**1,384**
Financing activities			
Borrowings		1,401	–
Repayment of debt		–2,067	–2,701
Dividend		–841	–688
Cash flow from financing activities		**–1,507**	**–3,389**
Cash flow for the year		**–1,497**	**–2,005**
Change in cash and cash equivalents during the year			
Cash and cash equivalents at the beginning of the year		**3,421**	**5,387**
Cash flow for the year		–1,497	–2,005
Exchange rate differences		–61	39
Cash and cash equivalents at the end of the year	25	**1,863**	**3,421**

Changes in equity – Parent Company

	Restricted equity		Unrestricted equity		
SEK M	Share capital	Statutory reserve	Premium reserve	Retained earnings	Total equity
Opening balance May 1, 2020	**192**	**156**	**657**	**1,341**	**2,346**
Net income	–	–	–	427	427
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**427**	**427**
Dividend	–	–	–	–688	–688
Incentive programs	–	–	–	2	2
Transactions with the shareholders, total	**–**	**–**	**–**	**–686**	**–686**
Closing balance April 30, 2021	**192**	**156**	**657**	**1,082**	**2,087**
Opening balance May 1, 2021	**192**	**156**	**657**	**1,082**	**2,087**
Net income	–	–	–	1,118	1,118
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**1,118**	**1,118**
Dividend	–	–	–	–841	–841
Incentive programs	–	–	–	4	4
Transactions with the shareholders, total	**–**	**–**	**–**	**–837**	**–837**
Closing balance April 30, 2022	**192**	**156**	**657**	**1,363**	**2,368**

Notes

Note 1
Significant accounting principles

Elekta AB, with corporate registration number 556170-4015, is a public limited company and its shares are listed on Nasdaq Stockholm, Sweden. Elekta AB is the parent company of the Group and is headquartered in Stockholm, Sweden. The address to the head office is Elekta AB, Kungstensgatan 18, Box 7593, SE-103 93 Stockholm.

This annual report, including the consolidated financial statements, was signed and approved for publication by the Board of Directors of Elekta AB on July 7, 2022. The statements of income and the balance sheets, for the Parent Company and the Group, included in the annual report and the consolidated financial statements, are subject to adoption by the annual general meeting on August 25, 2022.

The most important accounting principles applied in the preparation of the financial reports are set out below and, where applicable, in the following notes. Mainly, the same principles are applied for the Parent Company and the Group. The Parent Company's accounting principles deviating from those applied by the Group, or considered important to describe, are stated under a separate heading at the end of this note.

Basis for preparation

Elekta's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) on April 30, 2022, the Swedish Annual Accounts Act and standard RFR 1 of the Swedish Financial Reporting Board. The Parent Company's financial reports have been prepared in accordance with the Swedish Annual Accounts Act and standard RFR 2 of the Swedish Financial Reporting Board.

Measurement basis

Assets and liabilities are recognized at historical cost apart from financial assets and liabilities that are short-term investments, derivatives and contingent considerations, which are recognized at fair value.

New and revised IFRS applied from May 1, 2021

There are no new or revised standards and interpretations adopted as of May 1, 2021 that have had a material impact on the Elekta Group's financial statements.

Consolidated accounts

The consolidated accounts include Elekta AB (the Parent Company) and its subsidiaries. Subsidiaries are all companies in which the Group has a controlling interest. The Group has a controlling interest in a company when it has exposure, or right, to variable returns from its holding in the company and has the ability to use its power over the company to affect the returns. A subsidiary is included in the consolidated accounts from the point in time when the controlling interest is obtained until the point in time when the controlling interest ceases. Intra-group transactions, balance sheet items and unrealized intra-group profits are eliminated in the consolidated accounts.

The acquisition method

The consolidated accounts have been prepared in accordance with the acquisition method, which means that the cost of shares in subsidiaries is eliminated against their equity at the time of acquisition. Acquisition related transaction costs are not included in the cost of the shares but expensed as incurred. The equity in a subsidiary is determined on the basis of the fair value of assets, liabilities and contingent liabilities at the acquisition date. Thus, only the part of the subsidiary's equity which has arisen after the acquisition date is included in the consolidated accounts. In business combinations, where the sum of (i) the cost of shares in subsidiaries, (ii) the value of non-controlling interest and (iii) the fair value of previously held equity interest, exceeds the fair value of the Group's share of acquired identifiable net assets at acquisition, the difference is reported as goodwill.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts are reported for the items for which the accounting is incomplete. Such amounts may be adjusted during the measurement period, or new assets or liabilities may be recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date.

Non-controlling interests

In connection with acquisitions of less than 100 percent, when a controlling influence is achieved, non-controlling interests are determined either as a proportional share of the fair value of identifiable net assets excluding goodwill or at fair value. Non-controlling interests are recognized as a separate item in the Group's equity. The Group's income statement and every component of other comprehensive income are attributable to the shareholders of the Parent Company and to non-controlling interests. Losses attributable to non-controlling interests are recognized even if this results in a negative balance. Subsequent acquisitions up to 100 percent and divestments of participations in a subsidiary that do not lead to a loss of controlling influence are recognized as equity transactions.

Translation of foreign subsidiaries

The Group companies prepare their financial statements in their functional currency, i.e. the currency used in the primary economic environment in which they mainly operate. These reports provide the basis for the consolidated accounts which are prepared in Swedish kronor (SEK), which is the functional currency of the Parent Company and the presentation currency. Unless otherwise stated, the amounts presented are

NOTE 1 Essential accounting principles, cont.

in millions Swedish krona and, accordingly, rounding differences can occur. The income statements and balance sheets of foreign subsidiaries have been translated, from their respective functional currency, to the presentation currency of the Group. All items in the income statements have been translated at the average rate for the reporting period, while assets and liabilities in the balance sheets have been translated at the closing rate. Translation differences are reported in other comprehensive income.

Certain long-term financing related to subsidiaries, where a settlement is not considered to take place in the foreseeable future, is considered as an increase in the Parent Company's net investment in the subsidiaries. Taking the tax effect into consideration, exchange gains and losses are reported in other comprehensive income.

Income statement

Elekta presents its income statement classified by function where the operating expenses are allocated to cost of products sold, selling expenses, administrative expenses and R&D expenses. Exchange rate differences are reported on separate lines within the operating income. These have been identified as important to distinguish from operating income and expenses directly related to functions in order to ease comparability over time.

Government grants

Government grants relate to financial grants from governments, public authorities and similar local, national, or international bodies. These are recognized when there is a reasonable assurance that the grants will be received and that Elekta will comply with the conditions attached to them. Government grants relating to expenses are recognized in the income statement as a deduction of such related expenses. Government grants relating to assets are included in the balance sheet as prepaid income and recognized as income over the useful life of the assets.

Transactions and balances in foreign currency

Transactions in foreign currency are translated to the respective Group Company's functional currency by use of the currency rate prevailing on the transaction date. Monetary receivables and liabilities in foreign currency are similarly translated by use of the closing day rate. Exchange rate differences arising upon translation, and upon payment of the transaction, are reported in the income statement with the exception of those related to qualified hedge transactions, related to cash flows or net investments, which are recognized in equity under other comprehensive income. Exchange rate gains and losses on operating balance sheet items are recognized in the operating income. Exchange rate gains and losses on loans and investments are recognized as financial items. Non-monetary assets and liabilities carried at historical cost are translated at the exchange rate prevailing on the transaction date.

Cash flow statement

The cash flow statement is prepared according to the indirect method.

Exchange rates

		Average rate		Closing rate	
Country	Currency	**2021/22**	**2020/21**	**April 30, 2022**	**April 30, 2021**
Australia	AUD	6.554	6.388	7.031	6.517
Canada	CAD	7.093	6.692	7.712	6.825
China	CNY	1.389	1.302	1.483	1.295
Euroland	EUR	10.250	10.293	10.349	10.151
United Kingdom	GBP	12.089	11.549	12.294	11.682
Hong Kong	HKD	1.143	1.130	1.254	1.079
Japan	JPY	0.078	0.083	0.075	0.077
USA	USD	8.902	8.764	9.839	8.377

The Parent Company

The Group's Parent Company, Elekta AB, carries out group management and provides joint group functions and financial management. The Parent Company's revenues consist mainly of dividends from subsidiaries. The most material balance sheet items are shares in subsidiaries, intra-group balances and external loans.

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and standard RFR 2 of the Swedish Financial Reporting Board. RFR 2 requires the Parent Company, in its annual accounts, to apply all the International Financial Reporting Standards (IFRS) as endorsed by the EU in so far as this is possible within the framework of the Annual Accounts Act and with regard to the relationship between accounting and taxation. RFR 2 states what exceptions from, and additions to, IFRS should be made.

Revenues

The Parent Company's revenues consist mainly of dividends from subsidiaries. Dividends are recognized when the right to receive payment is judged to be firm.

Shares in subsidiaries and shares in associates

Shares in subsidiaries and shares in associates are accounted for at cost less any accumulated impairment losses. Acquisition-related transaction costs are included in the cost of the shares. The recoverable amount of shares in subsidiaries or shares in associates is calculated whenever there is an indication of a reduction in value. Impairment is performed if the recoverable amount is lower than the carrying value. Impairment losses are recognized in the financial net in the income statement.

NOTE 1 Essential accounting principles, cont.

Financial instruments

Derivative financial instruments and short-term investments are accounted for at fair value. Changes in the fair values of derivative financial instruments are reported in the income statement with the exception of exchange differences related to a monetary item that forms part of a net investment in a foreign subsidiary. Such value changes are recognized in equity under other comprehensive income. Contingent considerations are reported as provisions in the Parent Company.

Group contributions

Group contributions are reported in accordance with RFR 2. Group contributions received and given are recognized as income from participations in Group companies and increase of shares in subsidiaries respectively. The tax effect of group contributions is recognized in the income statement in accordance with IAS 12.

Note 2
Financial risk management

Accounting principles

See **Note 3** for accounting principles relating to financial instruments.

Financial risk factors

As a result of its operations, the Elekta Group is exposed to a number of financial risks: market risk, credit risk and liquidity risk. The Group's overriding risk management policy focuses on the unpredictability of financial markets and seeks to reduce any potentially unfavorable effects on the Group's financial results.

Risk management is conducted by the Group's finance department, which identifies, evaluates and hedges financial risks. Work is pursued in line with the policies established by the board for overarching risk management and for specific areas such as currency risk, interest-rate risk, credit risk, utilization of derivative instruments and financial instruments that are not derivatives, and the investment of surplus liquidity.

Market risk

Market risk encompasses currency risk, interest-rate risk and price risk. The Group's exposure to and management of currency risk and interest-rate risk are described below. The Group's exposure to price risk is limited and is not described in particular.

Currency risk

Because of its international operations, the Group is exposed to currency risks in the form of transaction exposure and translation exposure. Transaction exposure arises as a result of future business transactions and translation exposure emerges as a result of recognized assets and liabilities in foreign currency as well as net investments in foreign operations. The Group's currency risk mainly arises from currency exposures in US dollars (USD), Euro (EUR), British Pounds (GBP), Japanese Yen (JPY) and Chinese Yuan (CNY).

The Group's net revenue arises primarily in USD, EUR and JPY, while the Group's net expenses largely arise in GBP, EUR and USD. Sales companies primarily have income and expenses in their functional currency while production companies are to a greater extent exposed to currency risk as sales are largely in a currency other than the functional currency. The currency risk that arises from future business transactions and recognized assets and liabilities are managed using derivative contracts based on forecasted net flows and recognized net balances. Elekta's policy is to hedge the exchange-rate risk using forwards, the extent of which is determined by the Group's estimation of the exchange-rate risk and in accordance with the Group's established policy. Highly forecasted transaction exposure hedging is on the basis of expected net sales and hedging is conducted over a period up to 24 months. Each Group company is responsible for quantifying its transaction exposure in particular flow forecasts that then provide the basis for determination of the exposure and decisions on hedging measures. Currency hedging of recognized assets and liabilities in foreign currency is hedged, in accordance with policy, from 50 percent to 100 percent.

Hedging is carried out in order to reduce the effects of short-term fluctuations in currency markets. The Parent Company's direct and indirect holdings in foreign operations entail that net assets in the foreign operations are exposed to currency risk. Such net investments in foreign currency are hedged when viewed as appropriate on an individual basis, currently there are no outstanding net investment hedges.

Based on the year's income, expense and currency structure (transaction exposure) a general change of one percentage point in the SEK exchange rate against other currencies would affect Group net profit and shareholders' equity by approximately +/– SEK 25 M (23), exclusive of hedging effects.

The table below shows the impact on net income from a 1 percent weakening of the Swedish krona (SEK) in relation to the major currencies.

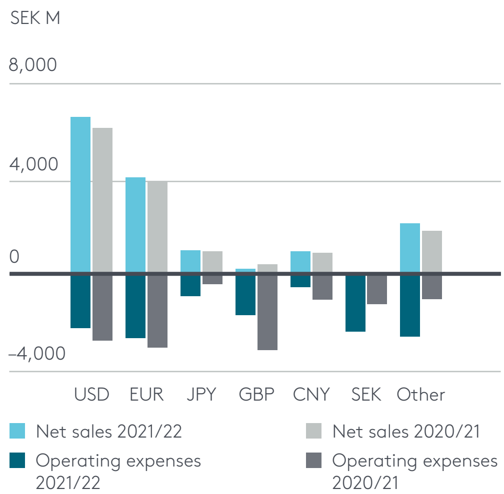
Impact on operating income of a 1 percent weakening of SEK, SEK M

Currency	**April 30, 2022**	April 30, 2021
USD	36	32
EUR	6	8
JPY	5	5
GBP	–27	–27
CNY	–3	–2
Other currencies	8	7

The Group's net sales and operating expenses by currency for 2021/22 are shown in the following diagram.

NOTE 2 Financial risk management, cont.

Net sales and operating expenses per currency



Interest-rate risk

Interest-rate risk refers to the risk that changes in the interest rate level negatively affect Elekta's earnings.

Elekta's policy is to reduce the interest-rate risk through the use of loans, investments and derivatives. Hedging is carried out in order to reduce impact on result from interest rate movements and is never to exceed the amount and maturity of the underlying exposure. The Group's finance department analyzes exposure to interest-rate risk, whereby refinancing, turnover of existing positions, alternative financing and hedging are taken into account. Based on this, the effect on earnings that a certain change in the interest rate would have is calculated, in which the total change in the interest rate is used for all currencies.

Elekta usually obtains long-term loans at a variable or fixed interest rate based on current market conditions. Conversion to fixed or variable interest rates is done using interest rate derivatives when this is deemed appropriate from a risk management and market perspective. An interest rate swap entails that the Group reaches agreement with another party with the indicated intervals (such as per quarter) to swap the difference between fixed and variable interest amount, estimated on the basis of the contracted nominal amount.

Based on the balance sheet structure at year-end and under the assumption that all other variables were constant, a general change in the interest rate on loans and investments by one percentage point would affect the Group's net result and shareholders' equity by SEK –4 M (0), excluding hedging effects. The impact on the result is mainly attributable to lower/higher interest expense for loans at variable interest rate.

On April 30, 2022, interest-bearing liabilities amounted to SEK 5,695 M (6,239), of which SEK 1,086 M (1,054) pertained to lease liabilities. The average fixed interest term was 1.6 years (1.1) and the weighted average interest rate, taking interest rate derivatives into account, was 1.5 percent (1.8). See **Note 27** for more information on interest-bearing loans.

Credit risk

Credit risk arises via financial credit risk related to cash and cash equivalents, short-term investments, derivative instruments and balances at banks and financial institutions as well as through credit exposure vis-à-vis customers and distributors. Credit risk is managed primarily at Group level, but, as regards credit risk in accounts receivable and accrued income, the primary responsibility lies with the individual Group companies. Maximum credit risk is deemed to correspond to the carrying values of the financial assets recognized in the balance sheet.

Financial credit risk

Elekta's finance policy includes special counterparty regulations in which the maximum credit exposure and the lowest credit rating for various counterparts are specified. Elekta's liquidity is invested in accordance with the determined policy, with the goal of maintaining high liquidity combined with a low credit risk.

The majority of the subsidiary financing goes through internal loans from the Parent Company, therefore there is a credit risk originating from these. The opening balance of expected credit losses in the Parent Company amounted to SEK 27 M and the closing balance of expected credit loss reservation at the end of financial year 2021/22 was SEK 21 M.

Credit risk in accounts receivable

Credit risk in accounts receivable, including accrued income, are managed primarily by the individual group companies. The credit risk for each new customer is analyzed before the conditions for payment and delivery are offered. A continuous follow up of the credit risk in receivables outstanding and agreed transactions are performed. A risk assessment is conducted continuously of credit worthiness through the observance of the customer's financial position and other influencing factors as well as previous experience. No single customer accounts for 10 percent or more of Elekta's net sales.

A continuous assessment is made of the credit risk in receivables outstanding and at the end of the financial year 2021/22 the provision for bad debts amounted to SEK 98 M. See **Note 23** for an analysis of credit exposure in accounts receivable and provision for bad debts.

Liquidity risk

Liquidity risk pertains to the risk of not being able to cover payment obligations due to insufficient cash and cash equivalents or difficulties in obtaining external financing. The operating Group companies draw up cash flow forecasts, which are consolidated centrally. At the Group level, rolling forecasts for the Group's liquidity reserve are observed in order to ensure that the Group has sufficient cash resources to meet the requirements of current operations, while also retaining sufficient scope of unutilized credit facilities.

Excess liquidity in operating Group companies is usually transferred centrally and is managed by the Group's financial function. Investments are made primarily in interest-bearing accounts, term-limited borrowing, money market instruments, money market funds and tradable securities, depending on which instrument is viewed as having an appropriate term or sufficient liquidity to meet the particular situation. In order to reduce the liquidity risk, Elekta endeavors to maintain readily available funds equal to at least 10 percent of net sales. On April 30, 2022, available cash and cash equivalents and short-term investments amounted to SEK 3,069 M (4,403), or 21 percent (32) of net sales. In addition, Elekta had SEK 2,070 M (2,030) in unutilized credit facilities.

NOTE 2 Financial risk management, cont.

The table below shows the Group's liquidity risk through a maturity analysis regarding financial liabilities (including interest payments as applicable) and derivatives recognized as financial liabilities. The amounts noted in the table are contractual, undiscounted cash flows classified on the basis of the term on the balance sheet date that remains to the agreed maturity date.

Capital management

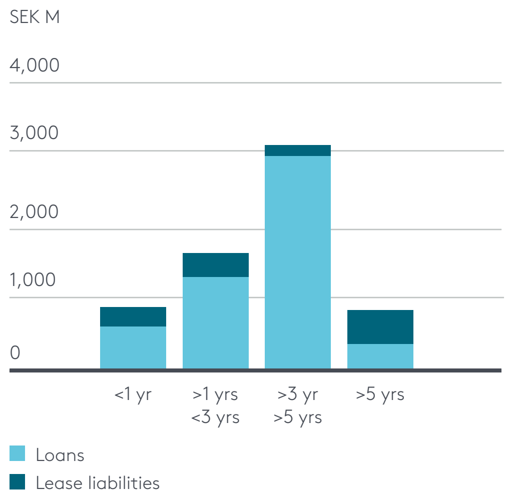
The primary objective of the Group's capital management is to secure a going concern through maintaining a high creditworthiness and a well-balanced capital structure with the aim of generating return to shareholders and benefits for other stakeholders, and to keep down the costs of capital.

In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

Maturity analysis: financial liabilities

	April 30, 2022					April 30, 2021				
SEK M	< 1 yr	> 1 yrs < 3 yrs	> 3 yrs < 5 yrs	> 5 yrs	Total	< 1 yr	> 1 yrs < 3 yrs	> 3 yrs < 5 yrs	> 5 yrs	Total
Loans (Note 27)	615	1,274	2,921	363	5,172	2,232	597	1,093	1,580	5,502
Lease liabilities (Note 27)	260	331	154	464	1,209	231	346	164	512	1,252
Accounts payable	1,352	–	–	–	1,352	1,016	–	–	–	1,016
Derivative financial instruments – outflow, gross	7,727	2,185	–	–	9,912	6,886	1,675	–	–	8,561
Derivative financial instruments – inflow, gross	–8,076	–2,131	–	–	–10,207	–6,721	–1,692	–	–	–8,413
Other liabilities	429	42	–	–	471	559	64	–	–	623
Total	**2,307**	**1,701**	**3,075**	**827**	**7,909**	**4,204**	**990**	**1,257**	**2,092**	**8,542**

Maturity analysis: loans & lease liabilities



Net debt/EBITDA ratio

SEK M	Note	**April 30, 2022**	April 30, 2021
Interest-bearing liabilities	27	4,609	5,184
Cash and cash equivalents and short-term investments	25	–3,077	–4,411
Net debt		**1,532**	**774**
EBITDA		2,682	3,110
Net debt/EBITDA ratio		0.57	0.25

The net debt/EBITDA ratio was 0.57 compared to 0.25 for prior fiscal year. See **Note 27** for more information on interest-bearing liabilities and section Alternative Performance Measures on **page 155** for more information on EBITDA and Net debt.

Note 3
Financial instruments

Accounting principles
A financial asset or a financial liability is reported in the balance sheet when the Company becomes party to the contractual terms and conditions of the instrument. A financial asset is removed from the balance sheet when the contractual rights are realized, fall due, or if the Company transfer substantially all the risks and rewards of ownership. Spot acquisitions or sales of financial assets are reported on the settlement date, which is the date on which the asset is delivered. Accounts receivable are reported in the balance sheet when the invoice is dispatched.

Financial assets are initially recognized at fair value plus transaction costs, except for those financial assets carried at fair value through the net income. Related transaction costs are expensed in the income statement.

The fair value of quoted financial assets corresponds to the asset's listed bid price on the closing date. In the absence of such information, a valuation is carried out using generally accepted methods such as the discounting of future cash flows at the quoted market interest rate for the particular maturity.

For short-term loans, the fair value is deemed to comply with the carrying amount in view of the fact that a change in market rate of interest does not have a material effect on the market value.

Financial assets and liabilities are off-set and reported at a net amount in the balance sheet when there is a legal right to net and when the intention is to settle the items using a net amount or simultaneously realize the assets and settle the liability.

Subsequent measurement of the financial asset, after the initial recognition at fair value, is based on what business model the Company have for managing the asset and the cash flow characteristics of the asset. For debt instruments there are three measurement categories with the following characteristics.

- Amortized cost; assets held with the intention for collection of contractual cashflows and the cashflow represent solely payments of principal and interest.
- Fair value through other comprehensive income; assets held with the intention for collection of contractual cashflow and for selling it, and the cashflow represent solely payments of principal and interest.
- Fair value through the net income; all financial assets that do not meet the criteria for amortized cost or fair value through other comprehensive income.

Equity instruments, instrument that evidences a residual interest in the asset of an entity after deduction of all its liabilities, are measured at fair value through the net income.

The financial liabilities are classified into following measurement categories:

- fair value through the net income; liabilities held for trading
- amortized costs; liabilities not held for trading

Financial assets measured at amortized cost
Assets are classified in this category when the intention is to hold the asset for collection of contractual cashflows and the cashflow represent solely payments of principal and interest.

In this category assets are measured at amortized cost using the effective interest method, less any provision for impairment. Interest income and gains and losses is recognized in the income statement. The category includes for example accounts receivables as well as cash and bank.

Accounts receivable
Since the anticipated life of accounts receivable is short, reporting is based on the amounts expected to be received, without discounting in accordance with the method for amortized cost. Impairment loss on accounts receivable is recognized in operating income. See **Note 2** and **23** for further information about credit risk and impairment policies.

Cash and cash equivalent
Cash and cash equivalent comprise cash and bank balances with financial institutions and short-term investments with an original maturity of less than three months. Cash and bank are reported at amortized cost, while the short-term investments in money market funds is measured at fair value through the net income.

Financial assets measured at fair value through other comprehensive income (FVOCI)
When the intention of the financial asset is to hold the asset for collection of contractual cashflow and for selling it, and the cashflow represent solely payments of principal and interest, the asset is classified into this category. The assets are measured at fair value with changes in fair value recognized in other comprehensive income (OCI), except for effective interest, impairment gains and losses and foreign exchange gains and losses which are recognized in the income statement. When the financial asset is derecognized, the cumulative gain or loss in OCI is reclassified to the income statement.

In this category Elekta has classified account receivables that may be sold. For Elekta it is only in a few countries where account receivables are subject for factoring.

As the sold account receivables are derecognized close to them being issued, there are no material differences between fair value and amortized cost.

Elekta treat interest in other shares as equity investment designated as measured at fair value through other comprehensive income with gains and losses remaining in other comprehensive income, without recycling to the net income upon derecognition.

Financial assets measured at fair value through profit and loss (FVPL)

All financial assets that do not meet the criteria for amortized cost or FVOCI are measured as FVPL. Assets are classified to this category when the intention is to sell in short term. Derivatives with a positive market value are classified in this category unless they are used for hedge accounting. Financial derivatives and short-term investments in tradeable securities as well as money market funds is classified in this category. Assets in this category are recognized at fair value and changes in value are recognized in the income statement.

Impairment

Financial assets carried at amortized cost and FVOCI are assessed for impairment based on expected credit losses. The expected credit loss allowance is based on historical credit loss experience, current conditions and forward-looking economic conditions.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach to measuring expected credit losses on accounts receivables, meaning a use of a lifetime expected loss allowance. See **Note 23** for more information about impairment on accounts receivables.

Financial liabilities at fair value through profit or loss

This category includes derivatives with negative fair values that are not used for hedge accounting, financial liabilities held for trading and contingent considerations. Liabilities in this category are measured at fair value with changes in that value recognized in the income statement.

Financial liabilities measured at amortized cost

This category includes financial liabilities that are not held for trading, for example loans and accounts payable. These are recognized initially at fair value, net after transaction costs, and subsequently at amortized cost according to the effective interest method.

Loan liabilities

Loan liabilities are initially reported at fair value, net of transaction costs, and subsequently at amortized cost according to the effective interest method.

Loan liabilities carrying a fixed rate of interest that are reported under hedge accounting in line with the method for fair value hedging are valued at market in respect of the interest component. Changes in market value are off-set with changes in value of the hedge instrument in net financial items.

Hedging of net investments

Loans in foreign currency are reported at closing rate. Exchange rate differences for loans in connection with hedging of net investments in foreign operations are reported in other comprehensive income, with tax effects taken into account, and are thus off-set against the translation differences that arise when translating the subsidiaries' balance sheets into SEK.

Accounts payable

The valuation principle for accounts payable is the amortized cost principle. The expected lifetime for accounts payable is short and thus the payables are reported at nominal value without discounting.

Accounting for derivatives used for hedging purposes

The group applies the hedge accounting requirements of IFRS 9. All derivatives are initially and continuously recognized at fair value in the Balance sheet. Gains and losses on remeasurement of derivatives used for hedging purposes are recognized as follows. Changes in value relating to cash flow hedges are reported in other comprehensive income and are taken to the income statement as the hedged cash flow affects the income statement. Any ineffective portion of the change in value is reported directly in the income statement.

The result of a revaluation of derivatives used to hedge fair value is reported in the income statement along with changes in the fair value of the receivable or liability exposed to the hedged risk. For derivatives designated and qualified as hedging instruments, the method of recognizing the fair value gains or losses depends on the nature of the item being hedged.

The Group documents, at the inception of the hedge, the relationship between hedged item and financial derivative instrument, as well as its risk management objective and strategy. The Group also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting the changes in fair values or cash flows of hedged items based on the following hedging criteria's.

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship and
- The hedge ratio of the hedging relationship is consistent with risk management strategy.

The table below presents the Group's financial assets and financial liabilities by measurement category with the carrying amount and fair value per item. Fair value for long-term interest-bearing liabilities has been established by discounting future payment flows at current market interest rate and then converting to SEK at the current exchange rate. For other financial instruments the fair value is estimated to agree with the carrying amount.

NOTE 3 Financial instruments, cont.

Financial instruments per category

SEK M	Note	April 30, 2022 Carrying amount	April 30, 2022 Fair value	April 30, 2021 Carrying amount	April 30, 2021 Fair value
FINANCIAL ASSETS					
Financial assets measured at fair value through the net income:					
Derivative financial instruments – non-hedging		16	16	32	32
Current investments classified as cash equivalents	25	3	3	792	792
Financial assets measured at amortized cost:					
Other financial assets	21	552	552	423	423
Accounts receivable	23	3,647	3,647	3,281	3,281
Other receivables	24	688	688	582	582
Cash and bank	25	3,074	3,074	3,619	3,619
Financial assets measured at fair value through other comprehensive income:					
Equity instruments	21	15	15	60	60
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging		135	135	212	212

SEK M	Note	April 30, 2022 Carrying amount	April 30, 2022 Fair value	April 30, 2021 Carrying amount	April 30, 2021 Fair value
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value through the net income:					
Derivative financial instruments – non-hedging		55	55	29	29
Other liabilities (contingent considerations)		32	32	120	120
Financial liabilities measured at amortized cost:					
Long-term interest-bearing liabilities	27	4,099	4,251	3,043	3,250
Short-term interest-bearing liabilities	27	510	504	2,141	2,174
Accounts payable		1,352	1,352	1,016	1,016
Other liabilities		884	884	803	803
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging		384	384	13	13

Distribution by level when measured at fair value

SEK M	April 30, 2022 Level 1	Level 2	Level 3	Total	April 30, 2021 Level 1	Level 2	Level 3	Total
FINANCIAL ASSETS								
Financial assets measured at fair value through the net income:								
Derivative financial instruments – non-hedge accounting	–	16	–	16	–	32	–	32
Current investments classified as cash equivalents	3	–	–	3	792	–	–	792
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	–	135	–	135	–	212	–	212
Financial assets measured at fair value through other comprehensive income:								
Equity instruments[1]	–	–	15	15	60	–	–	60
Total financial assets	**3**	**151**	**15**	**168**	**852**	**244**	**–**	**1,096**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through the net income:								
Derivative financial instruments – non-hedge accounting	–	55	–	55	–	29	–	29
Contingent considerations	–	–	32	32	–	–	120	120
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	–	384	–	384	–	13	–	13
Total financial liabilities	**–**	**439**	**32**	**471**	**–**	**42**	**120**	**162**

[1] The reduction of SEK 45 M in 2021/22 in fair value of equity instruments was related to uncertainty in an investment in other companies and measured at fair value through other comprehensive income. The reclassification has taken place due to the asset is no longer listed on the market.

NOTE 3 Financial instruments, cont.

The table above shows how the Group's financial assets and financial liabilities, which are carried at fair value, have been categorized in the fair value hierarchy. The different levels are defined as follows. Level 1: Quoted prices on an active market for identical assets or liabilities. Level 2: Other observable data than quoted prices included in Level 1, either directly (that is, price quotations) or indirectly (that is, obtained from price quotations). Level 3: Data not based on observable market data.

Financial instruments, level 1

The fair value of tradeable securities are reported based on quoted prices on an active market.

Financial instruments, level 2

The fair value of financial instruments that are not traded on an active market are determined by means of available valuation techniques. Market information is used when available. The use of corporate-specific information is avoided whenever possible. If all important in-data required for a fair value valuation of an instrument is observable, the instrument is in level 2. Specific valuation techniques used in the valuation of financial instruments include, for example, listed market prices, fair value for interest-rate swaps, calculated as the present value of estimated future cash flows based on observable yield, fair value of currency forward contracts determined through the use of rates for currency foreign exchange contracts on the balance sheet date.

Financial instruments, level 3

The change during the year for instruments at level 3 mainly refers to contingent considerations. Contingent considerations are valued at the fair value based on data available such as conditions set forth in the purchase agreement and current assessments of the estimated fulfillment of the conditions.

Movements financial instruments level 3

Financial instruments, net	2021/22	2020/21
Opening balance May 1	–120	–105
Business combinations	–18	–79
Payments	43	47
Reversals	65	–
Reclassifications	15	–
Translation differences	–2	16
Closing balance April 30	**–18**	**–120**

The reclassification has taken place due to the asset no longer listed on the market.

Outstanding derivative financial instruments

The Group's derivative financial instruments outstanding at April 30 are presented with nominal amounts and fair values in the table below. The total amount of fair values of assets and liabilities respectively are equivalent to the carrying values recognized in the balance sheet.

Derivatives outstanding

	April 30, 2022				April 30, 2021			
SEK M	Nominal	Asset	Liability	Hedge reserve after tax	Nominal	Asset	Liability	Hedge reserve after tax
Currency derivatives:								
Cash flow hedges	2,756	135	384	–201	5,772	212	13	154
Non-hedge accounting	1,323	16	55	–	–22	32	29	–
Currency derivatives, total	**4,080**	**151**	**439**	**–201**	**5,750**	**244**	**42**	**154**

The table below presents detailed information regarding the Group's outstanding cash flow hedges. Realized results from cash flow hedges have been recognized on the line "Currency rate differences" in the operating income and amounted to SEK 94 M (164) during the year, of which SEK 17 M (0) was related to the ineffective portion.

Cash flow hedges outstanding

		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		23/24	
Currencies	Currency	Amount	Exchange rate	Amount	Exchange rate	Amount	Exchange rate	Amount	Exchange rate	Amount	Exchange rate
GBP/SEK	GBP	27 M	11.497	31 M	10.824	13 M	11.758	37 M	11.720	59 M	11.879
EUR/SEK	EUR	12 M	10.171	32 M	10.216	7 M	10.292	16 M	10.292	34 M	10.307
USD/SEK	USD	51 M	8.503	69 M	8.494	34 M	8.462	85 M	8.707	103 M	8.984
JPY/SEK	JPY	1,000 M	0.079	800 M	0.079	550 M	0.080	1,350 M	0.078	1,725 M	0.079

NOTE 3 Financial instruments, cont.

The hedged transactions in foreign currency are estimated to take place in the coming 24 months. Results from the forward exchange agreements recognized in the hedge reserve in other comprehensive income on 30 April 2022, will be accounted for in the income statement in the periods when the hedged transactions will affect the income statement. The estimated future effect from outstanding cash flow hedges are presented in the table below.

Outstanding cash flow hedges' estimated effect on the income statement

	2022/23				2023/24			
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Expected result from cash flow hedges	–44	–47	–37	–67	–21	–17	–12	–4

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities set off only consist of derivative financial instruments.

	2021/2022					2020/2021				
SEK M	Gross amount	Amounts set off in the balance sheet	Net amounts in the balance sheet	Amounts covered by netting agreements but not set off	Net amount	Gross amount	Amounts set off in the balance sheet	Net amounts in the balance sheet	Amounts covered by netting agreements but not set off	Net amount
Financial assets	151	–	151	–4	146	244	–	244	–203	41
Financial liabilities	439	–	439	–293	146	42	–	42	0	41

In the case of financial assets and liabilities that are subject to legally binding offsetting agreements, each agreement between the company and the counterparties permits net deduction of the relevant financial assets and liabilities if both parties elect to apply net deduction. If both parties are not in agreement regarding net deduction, gross deduction is applied. In the event that one party defaults, the other party is entitled to deduct on a net basis.

Note 4
Estimates and assessments

The preparation of financial statements and application of accounting standards require that management use estimates and assessments. Therefore, they make certain assumptions which are considered reasonable under the prevailing circumstances. Thus, estimates and assessments affect the financial reports and they are frequently based on experience as well as other factors, including expectations of future events. Using other assumptions than those actually applied in the preparation of the financial statements, the result can be different and the actual outcome seldom complies with the anticipated result.

For Elekta, estimates and assessments are particularly important in:

- revenue recognition, see **Note 6**
- valuation of accounts receivable, see **Note 23**
- calculation of deferred taxes, see **Note 14**
- impairment testing of goodwill, see **Note 16**
- capitalization and amortization of intangible assets, see **Note 16**
- calculation of provisions, see **Note 28**
- valuation of leases, see **Note 17**

Estimates and assessments are continually reassessed.

Note 5
Segment reporting

Accounting principles

Operating segments are reported in accordance with management reporting as reported to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocation of resources and assessment of the operating segments' performance. In Elekta, this function has been identified as the President and CEO who is responsible for and deals with the continuous administration of the Group based on the board's guidelines and instructions. To his aid, he has the executive management. Elekta's President and CEO evaluates business performance from both geographic and product based perspectives. The geographic follow-up is however the main perspective and the product based perspective constitutes a complement to the geographic monitoring and control. It is from the geographic perspective that the business activity is conducted and managed. Evaluation of financial performance is executed for three geographic regions which are Elekta's operating segments:

- Americas
- EMEA
- APAC

The same accounting principles are applied in the segment reporting as for the Group.

See **Note 16** for information on goodwill per region. For information regarding tangible assets per country see **Note 18**.

Segment reporting

	Americas		EMEA		APAC		Other/ Group-wide[1]		Group total	
SEK M	**2021/22**	2020/21	**2021/22**	2020/21	**2021/22**	2020/21	**2021/22**	2020/21	**2021/22**	2020/21
Net sales[3]	4,254	3,888	5,321	5,140	4,972	4,735	–	–	14,548	13,763
Operating expenses	–2,606	–2,386	–3,486	–3,260	–3,409	–3,227	–	–	–9,501	–8,874
Contribution margin	**1,648**	**1,502**	**1,835**	**1,880**	**1,563**	**1,507**	–	–	**5,047**	**4,889**
Contribution margin, %	39%	39%	34%	37%	31%	32%				
Global costs	–	–	–	–	–	–	–3,403	–2,983	–3,403	–2,983
Operating income	**1,648**	**1,502**	**1,835**	**1,880**	**1,563**	**1,507**	**–3,403**	**–2,983**	**1,643**	**1,906**
Income from participations in associated companies	–	–		–		–	5	–7	5	–7
Financial income	–	–		–		–	42	30	42	30
Financial expenses	–	–		–		–	–200	–295	–200	–295
Exchange rate differences	–	–		–		–	12	–5	12	–5
Income after financial items	**1,648**	**1,502**	**1,835**	**1,880**	**1,563**	**1,507**	**–3,545**	**–3,259**	**1,501**	**1,630**
Income tax	–	–	–	–	–	–	–345	–377	–345	–377
Net income	**1,648**	**1,502**	**1,835**	**1,880**	**1,563**	**1,507**	**–3,890**	**–3,636**	**1,157**	**1,253**
Net sales per product type										
Solutions[2]	1,819	1,563	3,221	3,126	3,612	3,485	–	–	8,652	8,175
Service	2,435	2,325	2,100	2,014	1,360	1,249	–	–	5,896	5,588
Total	**4,254**	**3,888**	**5,321**	**5,140**	**4,972**	**4,735**	**–**	**–**	**14,548**	**13,763**
Depreciation/Amortization	–352	–519	–597	–608	–89	–77	–	–	–1,039	–1,204
Investments	416	407	909	352	83	86	–	–	1,408	845

1) Within other/group-wide are costs that can not be allocated by segment such as global costs and items affecting comparability. Allocations by segment are not done for financial items and tax.
2) The product type Solutions includes hardware and software combined as it better reflects the business follow-up.
3) Net sales from internal transactions amounts to SEK 13,348 M (11,489) and has been eliminated in the table above.

Note 6
Net sales

Accounting principles

Elekta's revenue is primarily derived from the sales of treatment solutions and oncology informatics including equipment used for radiation therapy, radiosurgery and brachytherapy as well as software products and related services.

Many of Elekta's products and services are sold on a stand-alone basis but are often included in bundled deals, which are arrangements where equipment, software and services may be included in the same contract. A bundled deal is treated as a project which is supported by a project team that coordinates the production, delivery and installation, which can occur at different stages. The equipment, installation, software and services are distinct performance obligations excluding the software that is integrated in the hardware.

In most contracts the transaction price consists of a fixed consideration which is clearly stated in the contract and the products are usually sold without a right of return. In rare cases contracts can include variable consideration for which the value is estimated for revenue recognition purposes.

The allocation of the transaction price, including any discount, to the various goods and services (performance obligations) in a contract is performed based on the relative stand-alone selling prices for the goods and services identified as performance obligations. As many items included in a bundled deal are also sold on a stand-alone basis, the stand-alone selling prices are based on observable prices in most cases. For items not sold on a stand-alone basis the stand-alone selling prices have been estimated using the best available market and internal data relating to those items.

Costs incurred to obtain a contract consist mainly of commissions, which is recognized as contract asset and are amortized over the time when the related revenue is recognized.

The timing for revenue recognition of products and services included in a bundled deal depend on its nature and when control for each product or service has been transferred to the customer. Payment terms or conditions for projects differ between regions. In some markets, partial payments will be due upon certain events such as order receipt, delivery and acceptance. In other markets, the entire payment is due upon completion of implementation or acceptance. Amounts invoiced are reported as accounts receivable while revenue recognized amounts not yet invoiced are reported as accrued income.

Treatment solutions

Elekta sells treatment solutions including hardware, software and service. Main hardware products are Leksell Gamma Knife®, Linear accelerators, MR-Linacs and Afterloaders. Software licenses consist mainly of Oncology informatics systems (OIS) and Treatment planning systems (TPS). Services include maintenance and support relating to equipment, software, training, installation services and warranties. Most bundled deals include at least one device, software licenses, installation, service, training and one-year standard warranty that is included in the price. There is a possibility for an extended warranty in some contracts that is considered as a service contract. Revenue recognition for these deals is linked to when control for each identified performance obligation is transferred to the customer, which for a standard contract happens at different stages over a longer period, usually up to six months depending on the geographical market.

Hardware products

In a standard contract, control is considered to be transferred when the device is delivered to the customer's site and installation is started. At this time, the customer has physical possession of the unit and Elekta has the right to payment for the equipment delivered.

Software products

For software licenses control is considered to be transferred and revenue is recognized when the licenses are made available to the customer, which is usually at the time of acceptance of the software.

Service contracts

For service agreements, control is considered to be transferred over time and revenue is recognized on a straight-line basis over the contractual term of the arrangement or the expected period during which the specified services will be performed. Maintenance and support agreements relating to software products are generally renewed on an annual basis. Installation services and training with low values and which span over a limited time are considered non-material and revenue is recognized when the related device reaches the stage of technical acceptance.

Estimates and assessment

Changes to the goods and services included in an arrangement and the amounts allocated to each item could affect the timing and amount of revenue recognition. Revenue recognition also depends on the timing of shipment, readiness of the customer's site, availability of products and for some contracts, customer acceptance terms. If shipments or installations are not made on scheduled timelines or if the products are not accepted by the customer in a timely manner, revenues may differ from expectations.

Revenue recognition does often not coincide with invoicing to, and payments from, customers. Payment terms or conditions for projects may differ between contracts and regions, but in a standard Elekta contract partial payments will be due upon certain events, such as order receipt, shipment and acceptance. In a standard project, amounts invoiced in accordance with an invoicing plan are reported as accounts receivable and as a contract liability included in advances from customers if performance obligations are not yet satisfied and revenue cannot be recognized. Amounts that have been recognized as revenue, but for which Elekta has not yet the right to invoice according to the invoicing plan agreed, are reported as contract assets and included in accrued income. For service contracts the agreed consideration is invoiced and paid in advance in most markets. When there is a contract agreed and invoiced to the customer, Elekta usually has the right to payment even if the performance obligations are still to be satisfied. Therefore, a receivable is accounted for with a corresponding contract liability reported as deferred income.

NOTE 6 Net sales, cont.

Net sales for the year amounted to SEK 14,548 M (13,763). Accrued income amounted to SEK 1,796 M (1,772). Accounts receivable amounted to SEK 3,647 M (3,281). For more information on accounts receivable see **Note 23**.

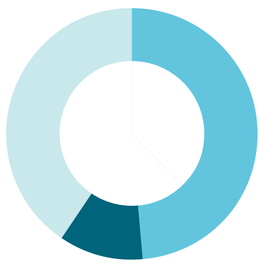
Net sales per country is based on sales to customers in the respective country. There is no individual customers representing more than 10 percent of net sales.

Net sales by country

SEK M	2021/22	%	2020/21	%
Sweden	38	0.3	46	0.3
USA	3,228	22.2	3,147	22.9
China	2,314	15.9	2,221	16.1
Japan	953	6.5	926	6.7
Germany	741	5.1	650	4.7
Italy	594	4.1	697	5.1
France	487	3.3	445	3.2
India	482	3.3	397	2.9
Canada	452	3.1	249	1.8
United Kingdom	449	3.1	389	2.8
Australia	344	2.4	312	2.3
Netherlands	339	2.3	304	2.2
Spain	260	1.8	382	2.8
Other countries	3,865	26.6	3,599	26.1
Total	**14,548**	**100.0**	**13,763**	**100.0**

Net sales per product type and timing of revenue recognition

SEK M		2021/22	2020/21
Hardware	Point in time	7,100	6,595
Software	Point in time	1,552	1,581
Service (incl. software)	Over time	5,896	5,588
Total		**14,548**	**13,763**



Note 7
Salaries, other remuneration and social security costs

Accounting principles

Remuneration paid to employees in the form of wages/salary, paid vacation, etcetera is accounted for as it is earned.

Share-based compensation

Ongoing share programs are reported according to IFRS 2 Share-based payments and are mainly equity-settled. The conditions of the share programs state that they may be settled in other ways than through shares. This possibility is only applied to a very limited extent and neither cost nor obligationare material amounts.

Accounting for equity-settled share-based compensation programs entails that the instrument's fair value at grant date is recognized in the income statement over the vesting period, with a corresponding adjustment to equity. This leads to an estimated cost, corresponding to the earned portion of the estimated share value at allotment, being charged to profit and loss over the vesting period. For performance-based share programs, the expected number of vested shares is revised at each reporting date and the impact of any changes over the original estimates are recognized in the income statement, with a corresponding adjustment to equity. Market-based share programs (LTI 2019/22, LTI 2020/23 and LTI 2021/24) are not revalued during the remainder of the vesting period after the fair value is established, except if the condition of continued employment during the vesting period is no longer fulfilled.

In addition, provisions are made for estimated employer contributions related to the share programs. Calculations are based on a theoretical market valuation where the market value is calculated using Monte Carlo based on the share price on the closing date. For allotted shares, social security expenses are paid on the basis of the market value on the allotment date.

Salaries, other remuneration and social security costs

	Group		Parent Company	
SEK M	2021/22	2020/21	2021/22	2020/21
Salaries and remunerations:				
Board and Managing directors	125	115	27	24
Other employees	3,858	3,308	67	43
Total salaries and other remunerations	**3,983**	**3,423**	**94**	**67**
Social security costs:				
Pension costs	294	215	15	12
Other social security costs	488	451	30	28
Total social security costs	**782**	**667**	**45**	**41**
Total salaries, other remuneration and social security costs	**4,766**	**4,089**	**139**	**108**

Bonuses included in the above salaries and other remunerations paid to the Boards and the Managing directors of subsidiaries amounted to SEK 30 M (34), and SEK 12 M (8) in the Parent Company. Total pension costs amounted to SEK 294 M (215) of which SEK 23 M (19) concern defined benefit pension plans. Pension costs in the Parent Company amounted to a total of SEK 15 M (12) and the full amount related to defined contribution pension plans. For further information regarding the defined benefit pension plans see **Note 28**.

NOTE 7 Salaries, other remuneration and social security costs, cont.

Remuneration to the Board of Directors

The AGM resolved the adoption of fees to the Board of Directors totaling SEK 6,015 K (5,475), of which SEK 6,015 K (5,475) were paid. The fees were distributed in accordance with the table below.

Fees for the Board of Directors

	April 30, 2022			April 30, 2021		
SEK Thousands	Regular remuneration	Remuneration compensation committee	Remuneration audit committee	Regular remuneration	Remuneration compensation committee	Remuneration audit committee
Chairman:						
Laurent Leksell	1 410	135	–	1,280	115	–
Members:						
Cecilia Wikström	605	90	–	550	80	–
Wolfgang Reim	605	90	–	550	80	–
Jan Secher	605	–	160	550	–	150
Birgitta Stymne Göransson	605	–	250	550	–	240
Johan Malmqvist	605	–	160	550	–	150
Caroline Leksell Cooke	605	90	–	550	80	–
Total	**5,040**	**405**	**570**	**4,580**	**355**	**540**

Remuneration to executive management

The guidelines for remuneration to the executive management, adopted by the AGM in 2020, are presented on **page 102**. The Executive Management for 2021/22 was comprised of a total of 17 people, of whom 6 are located in Sweden and the other 11 in the Netherlands, the UK, the US, Turkey, Germany and China. The tables below display remunerations and other benefits to the Executive Management in 2021/22 and 2020/21 respectively.

Remuneration and other benefits to Executive Management during the year 2021/22

SEK Thousands	Fixed remuneration	Variable remuneration	Share-based compensation[2]	Other benefits	Pension costs	Total
President and CEO	7,896	4,811	2,142	114	1,970	**16,932**
Other senior executives resident in Sweden (5)	11,663	7,480	5,017	271	2,744	**27,176**
Other senior executives resident abroad (11)	37,073	17,307	10,483	1,967	3,071	**69,901**
Total senior executives	**56,632**	**29,598**	**17,642**	**2,352**	**7,785**	**114,009**

Remuneration and other benefits to Executive Management during the year 2020/21

SEK Thousands	Fixed remuneration	Variable remuneration	Share-based compensation[2]	Other benefits	Pension costs	Total
President and CEO [1]	12,656	6,993	1,133	124	5,331	**26,238**
Other senior executives resident in Sweden (8)	9,177	6,167	3,266	273	2,691	**21,574**
Other senior executives resident abroad (11)	37,880	20,499	7,507	1,369	1,488	**68,743**
Total senior executives	**59,713**	**33,660**	**11,906**	**1,765**	**9,511**	**116,554**

1) Richard Hausmann resigned as President and CEO June 2, 2020 and Gustaf Salford took over as Acting President and CEO from June 2, 2020. In november, 2020, Gustaf Salford was appointed President and CEO. Of the remuneration and other benefits listed above to the President and CEO SEK 13,562 T are remunerations and other benefits to Richard Hausmann.

Variable remuneration pertains to the bonus for the 2021/22 and 2020/21 fiscal years respectively, partly paid quarterly during each fiscal year and partly paid in the year after.

NOTE 7 Salaries, other remuneration and social security costs, cont.

Share based payment

As per April 30, 2022, Elekta has three outstanding share programs. The share program performance share plan LTI 2018/21, which was outstanding as per April 30, 2021, has expired during the year.

The total number of shares that may be allotted under the share programs is 1,146,332 (1,187,790) B-shares. The share programs are secured by delivery of shares already held or repurchased by Elekta and, consequently, no new shares will be issued under the share programs. Share programs awarded to employees have a potential dilution effect. However, certain performance targets must be met for dilution to occur and this was not the case at the closing date.

The share-related incentive programs are reported in accordance with IFRS 2 Share-based payments. The recognized costs related to the share programs amounted to SEK 19 M (12) and social security amounted to SEK 2 M (4). For more information see **page 102**.

Share programs

The AGM has for a number of years resolved to adopt share programs called performance share plans. Performance share plan LTI 2018/21, resolved by the AGM in 2018, expired during the year. For information on the program see **the Annual Report 2020/21**. Outstanding share programs as per April 30 2022 were performance share plan LTI 2019/22, LTI 2020/23 and LTI 2021/24. The performance share plans cover approximately 28 (LTI 2019/22), 25 (LTI 2020/23) and 29 (LTI 2021/24) key employees of the Group respectively. The performance share plans entitle the participants to obtain, free of charge, B-shares in Elekta upon fulfillment of certain performance requirements.

The main terms of the performance share programs are:

- A performance share award shall entitle a participant to receive, subject to the terms and conditions set forth in the performance share plans and applicable award agreements, a number of B-shares based upon the attainment of performance targets over a three-year performance period
- Each performance share award shall be subject to forfeiture in the event of termination of employment due to a reason other than death, disability or retirement or failure to attain performance targets over the applicable performance period
- Performance share awards shall be settled through the delivery of shares unless otherwise decided by the board
- The number of shares to be allotted will depend on the degree of fulfillment of financial targets

The financial targets for performance share plans are defined as Total Shareholder Return (TSR) relative to the OMXS30 index over a three-year period. The minimum performance requirement is that Elekta TSR outperform the OMXS30 index with at least +0,1 percent. The maximum performance level requires that Elekta TSR outperform the OMXS30 Index at or above +15 percent. If the minimum performance level is reached, the allocation will amount up to (and will not exceed) 30 percent of annual base salary at the beginning of the fiscal year 2019/20 for performance share plan LTI 2019/22, at the beginning of fiscal year 2020/21 for performance plan LTI 2020/23 and at the beginning of fiscal year 2021/22 for performance plan LTI 2021/24. The actual minimum value for each participant will be subject to an individual performance evaluation for the past fiscal year. If the maximum performance level is reached or exceeded, the allocation will amount to (and will not exceed) the maximum number of performance shares. If performance is below the maximum level but above the minimum level, a proportionate allocation of shares will be made. No allocation will be made if performance is below the minimum level.

The terms of the performance share plan further state that:

- The performance targets may be adjusted should an event occur that affects the operations of the Company or the number of outstanding Elekta shares or otherwise affecting the performance targets and deemed relevant by the board.
- The performance targets will be finally evaluated at the end of the applicable performance period and each participant will receive the number of shares he/she is entitled to according to the participant's award agreement depending on the attainment of the applicable performance targets over the performance period
- The value that a participant can receive in settlement of the performance share award is maximized at 400 percent of the value of the shares at the date of grant of the performance share award
- Potential allotments of shares will take place September 16, 2022 (LTI 2019/22), September 16, 2023 (LTI 2020/23) and September 16, 2024 (LTI 2021/24) respectively

Participants shall at allotment of shares receive compensation for any cash dividends paid during the respective three-year performance period.

Before the number of shares to be allotted is finally determined, the board shall examine whether the allotment is reasonable, taking into consideration the Company's financial results and position, conditions on the stock market and other circumstances, and if not, as determined by the board, reduce the number of shares to be allotted to the lower number of shares deemed appropriate by the board. Delivery of shares and dividend compensation in settlement of the performance share award shall be made as soon as practicable following the lapse of the performance period.

The conditions of the share programs state that the right to performance share awards may be settled in other ways than through the delivery of shares. As per April 30, 2022, there were no material obligations to settle in any other way than through shares.

NOTE 7 Salaries, other remuneration and social security costs, cont.

Share program

	LTI 2018/21[1]	LTI 2019/22[2]	LTI 2020/23[2]	LTI 2021/24[2]
Originally designated number of shares	530,799	410,307	510,622	483,189
Share price used for calculation of theoretical value SEK	120	64	65	53
Theoretical value at time of issue, SEK	63,695,880	26,259,648	33,190,430	25,652,504
Allotment of shares	2021-09-14	2022-09-16	2023-09-16	2024-09-16
Number of shares as of April 30, 2021	397,828	315,115	474,847	–
Granted during the year	–	–	–	483,189
Cancelled/Expired during the year	–397,828	–51,500	–50,847	–24,472
Released during the year	–	–	–	–
Number of shares as of April 30, 2022	**–**	**263,615**	**424,000**	**458,717**

[1] Average closing share price of the Elekta class B share on the exchange NASDAQ Stockholm during a period of ten trading days before the day the participants are offered to participate in the program.
[2] For the market-based perfomance conditions, a Monte Carlo approach has been used to determine the fair value of granted performance shares.

Note 8
Depreciation/amortization/write-down

SEK M	Group 2021/22	2020/21
Cost of products sold	101	95
Selling expenses	161	153
Administrative expenses	245	234
R&D expenses	532	721
Total	**1,039**	**1,204**

There has been no write-downs of tangible assets or intangible assets during 2021/22 or 2020/21.

Note 9
Remunerations to auditors

	Group		Parent Company	
SEK M	**2021/22**	2020/21	**2021/22**	2020/21
Group auditor (EY)				
Audit engagements	11	10	5	3
Audit-related services	0	1	–	0
Tax consultancy	0	1	–	0
Other services	1	0	0	–
Total Group auditor	**13**	**11**	**5**	**4**
Other auditors				
Audit engagements	0	1	–	–
Audit-related services	1	0	–	–
Tax consultancy	9	10	1	4
Other services	0	0	–	–
Total other auditors	**11**	**12**	**1**	**4**
Total	**23**	**24**	**6**	**8**

Audit engagements refers to remuneration to auditors for work related to the statutory audit, including audit of the annual report and the accounting records, the administration of the board of directors and the managing director as well as audit consultancy work directly linked to the audit assignment. Audit-related services comprises quality assurance services, including consultancy work driven by observations made in the audit engagement.

Other services refers to other services/consultancy work which are not covered by any of the other categories above, e g consultancy work related to internal control and acquisitions.

Note 10
Expenses by nature

In the income statement costs are broken down by function. Operating expenses amounts to SEK 12,904 M (11,857). Below, operating expenses are broken down by nature:

SEK M	Group 2021/22	2020/21
Products, materials and consumables	6,119	5,454
Personnel costs	5,018	4,268
Depreciation and amortization (Notes 8, 16, 17 and 18)	1,039	1,204
Other expenses	728	932
Total	**12,904**	**11,857**

Note 11
Income from participations in Group companies

SEK M	Parent Company 2021/22	2020/21
Dividends from subsidiaries	1,101	354
Group Contribution	20	–
Other	–	–27
Total	**1,121**	**327**

Note 12
Net financial items

SEK M	Group 2021/22	2020/21
Income from participations in associated companies	**5**	**–7**
Interest income, external	42	29
Other financial income	0	0
Financial income	**42**	**30**
Interest expenses, other external loans	–107	–192
Interest expenses, lease liabilities	–41	–41
Other financial expenses[1]	–53	–61
Financial expenses	**–200**	**–295**
Exchange rate differences on financial instruments	12	–5
Net financial items	**–142**	**–277**

[1] Other financial expenses mainly consist of bank charges.

Note 13
Interest income, interest expense and similar items

	Parent Company	
SEK M	**2021/22**	2020/21
Interest income from subsidiaries	125	135
Interest income, external	13	18
Interest income and similar items	**138**	**154**
Interest expenses to subsidiaries	–11	–6
Interest expenses, other external loans	–103	–185
Other financial expenses	–11	–26
Interest expenses and similar items	**–125**	**–217**

Note 14
Taxes

Accounting principles
The tax expense in the income statement includes all tax that is to be paid or received for the current year, adjustments relating to previous years' current tax, and changes in deferred tax. Deferred tax is calculated and reported in accordance with the balance sheet method. In accordance with this method, deferred tax is calculated on the basis of the temporary differences between the tax bases and the carrying amounts of assets and liabilities. Deferred tax assets relating to loss carry-forwards and other future tax credits are recognized to the extent it is probable that deductions can be made against future profits. Valuation is based on nominal amounts based on the tax rules prevailing in each country and the anticipated tax rate for the following year in each country. Deferred taxes relating to temporary differences attributable to investments in subsidiaries are not recognized in the consolidated financial statements since Elekta AB, in all cases, can control the time of reversal of the temporary differences and it is not considered probable that such a reversal will occur in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when the deferred tax amounts refer to the same tax authority. For items recognized in the net income, the related tax effects are also recognized in the net income. For items recognized in other comprehensive income, related tax effects are also recognized in other comprehensive income.

Estimates and assessments
Deferred tax assets and deferred tax liabilities are balance sheet items which are subject to estimates and assessments. Deferred tax is calculated on temporary differences between the carrying amounts and the tax values of assets and liabilities. Estimates and assessments affect the recognized deferred tax amounts in the determination of the carrying amounts of the different assets and liabilities, and also through forecasts regarding future taxable profits in those cases where a future utilization of deferred tax assets depends on future taxable profits. Deferred taxes amounted to a net asset of SEK 67 M (-79), whereof assets SEK 616 M (436) and liabilities SEK 549 M (515).

Income taxes

	Group		Parent Company	
SEK M	**2021/22**	2020/21	**2021/22**	2020/21
Current taxes	–402	–401	–11	–
Deferred taxes	57	24	17	–14
Total	**–345**	**–377**	**6**	**–14**

	Group			
	2021/22		2020/21	
SEK M	**SEK M**	**%**	SEK M	%
Income after financial items	1,501	–	1,630	–
Swedish corporate income tax rate	–309	–20.6	–349	–21.4
Difference between corporate tax rate in Sweden and other countries	–71	–4.7	–46	–2.8
Taxes related to prior years	–10	–0.7	3	0.2
Non-taxable income	62	4.1	38	2.3
Non-deductible expenses	–12	–0.8	–31	–1.9
Effect of tax rate changes	30	2.0	3	0.2
Tax losses carried forward without corresponding increase in deferred taxes	–48	–3.2	–8	–0.5
Utilization of previously unrecognized tax losses	15	1.0	15	0.9
Other	–2	–0.1	–2	–0.1
Effective tax rate	**–345**	**–23.0**	**–377**	**–23.1**

Current tax, net (liability –/receivable +)

	Group		Parent Company	
SEK M	**2021/22**	2020/21	**2021/22**	2020/21
Opening balance, May 1	29	–108	17	17
Business combination	1	–	–	–
Reclassifications	32	27	–	–
Adjustment for prior years	–31	–11	–11	–
Current tax for the year	–370	–389	–	–
Paid taxes	452	465	11	–
Divestments	–	33	–	–
Translation differences	–7	11	–	–
Closing balance, April 30	**104**	**29**	**17**	**17**

NOTE 14 Taxes, cont.

Deferred tax assets and deferred tax liabilities

Deferred tax assets/liabilities in the balance sheet are attributable to the following:

Group	Assets (+)		Liabilities (–)		Net	
SEK M	**April 30, 2022**	April 30, 2021	**April 30, 2022**	April 30, 2021	**April 30, 2022**	April 30, 2021
Loss carry-forwards	310	146	–	–	310	146
Untaxed reserves	–	–	0	–27	0	–27
Intangible assets	0	24	–821	–596	–821	–572
Tangible fixed assets	35	31	–68	–48	–33	–17
Right of use assets	22	17	–	–	22	17
Financial assets/liabilities	83	1	0	–44	83	–43
Provisions	69	96	–35	–12	34	84
Accrued expenses	61	60	–	–	61	60
Other assets	397	297	–36	–90	361	207
Other liabilities	54	73	–4	–6	51	67
Deferred tax assets/tax liabilities	**1,031**	**744**	**–964**	**–823**	**67**	**–79**
Offsetting	–415	–308	415	308	–	–
Net deferred tax assets/tax liabilities	**616**	**436**	**–549**	**–515**	**67**	**–79**

Deferred tax assets (+)/liabilities (–), net

SEK M	Group, net	Parent Company, net
Opening balance May 1, 2020	–41	41
Business combinations	0	–
Divestments	3	–
Reclassifications	–3	–
Adjustment for prior years	14	12
Change in tax legislations	3	1
Deferred taxes for the year	7	–26
Deferred taxes charged in other comprehensive income	–90	–
Translation differences	30	–
Closing balance April 30, 2021	**–79**	**27**
Reclassifications	2	–
Adjustment for prior years	22	11
Change in tax legislations	30	–
Deferred taxes for the year	5	6
Deferred taxes charged in other comprehensive income	94	–
Translation differences	–7	–
Closing balance April 30, 2022	**67**	**44**

The Group has tax loss carry forwards of approximately SEK 508 M (308) for which deferred tax assets have not been recognized. These tax loss carry forwards have long or indefinite periods of utilization and are subject to regular assessment of whether it is probable that deductions can be made against future profits.

Tax relating to components of other comprehensive income

	Group		Parent Company	
SEK M	**2021/22**	2020/21	**2021/22**	2020/21
Revaluation of defined benefit pension plans	–7	0	–	–
Revaluation of cash-flow hedges	92	–48	–	–
Net gain/loss on equity instruments designated at fair value	9	–43	–	–
Total	**94**	**–90**	**–**	**–**

Note 15
Earnings per share

Before dilution
The calculation of earnings per share before dilution is based on the net income attributable to Parent Company shareholders divided by the weighted average numbers of shares outstanding during the year excluding treasury shares.

	2021/22	2020/21
Net income attributable to Parent Company shareholders (SEK M)	1,154	1,254
Weighted average number of shares (thousands)		
Total number of ordinary shares	383,568	383,568
Effect of holding of treasury shares	–1,485	–1,485
Weighted average number before dilution (thousands)	**382,083**	**382,083**
Earnings per share before dilution (SEK)	3.02	3.28

After dilution
Diluted earnings per share is calculated by adjusting the weighted average numbers of shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group's long term incentive programs have a dilutive potential.

	2021/22	2020/21
Net income attributable to Parent Company shareholders (SEK M)	1,154	1,254
Weighted average number of shares (thousands)		
Total number of ordinary shares	383,568	383,568
Effect of holding of treasury shares	–1,485	–1,485
Adjusted for long-term incentive programs	–	–
Weighted average number before dilution (thousands)	**382,083**	**382,083**
Earnings per share before dilution (SEK)	3.02	3.28

Note 16
Intangible assets

Accounting principles
Intangible assets contain goodwill, capitalized development costs, customer contracts, customer relationships and other intangible assets. Other intangible assets mainly consist of acquired technology. Amortization of intangible assets is reported in the income statement and allocated to functions as applicable. There are no intangible assets related to manufacturing processes or the like, therefore no amortization is allocated to cost of goods sold.

Goodwill
Goodwill comprises the positive amount by which the sum of (i) the cost of shares in subsidiaries, (ii) the value of non-controlling interest and (iii) the fair value of previously held equity interest exceeds the fair value of the Group's share of acquired identifiable net assets at acquisition. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis, or more frequently if indicated. See also section Impairment.

Research and development
Research costs are expensed as they are incurred. In those instances in which it is difficult to distinguish between the research phase and the development phase in a project, the entire project is considered as research and is expensed as incurred. Identifiable costs for the development of new products are capitalized to the extent that these are considered to provide future economic benefits. In other instances, development expenditures are expensed as they are incurred. Costs for development once reported in the income statement are never capitalized in future periods. Capitalized expenditures are amortized on a straight-line basis from the time when the asset is available for use, which normally occurs when it is produced commercially, and during the estimated useful life of the asset. The amortization period is 3–5 years.

Customer relations and other intangible assets
Intangible assets also include technology, brands and customer relations. In conjunction with the acquisition of such assets, the acquisition values are reported as assets, which are amortized on a straight line basis over the estimated useful life. Surplus value in acquired order backlog is also reported as other intangible assets.

Amortization periods:

Technology	5–11 years
Brands	6–10 years
Customer relations	5–20 years
Order backlog	0.5–1 year

Impairment
The carrying amount of a depreciated asset is tested for impairment whenever there are indications that the carrying amount might not be recoverable. If there are indications of impairment, the asset's recoverable amount is calculated. The recoverable amount consists of the higher of the value in use of the asset in operations and the value that would be received if the asset was sold to a third party, the net realizable value. Value in use consists of all incoming and outgoing payments attributable to the asset during the period it is expected to be used in operations, plus the net realizable value at the end of the useful life. If the calculated recoverable amount is less than the carrying amount, impairment is made to the asset's recoverable amount. An impairment loss recognized in previous periods is reversed if the reasons for the impairment no longer exist. However, a reversal will not be higher than the carrying amount would have been if an impairment loss had not been recognized in previous periods.

Goodwill is subject to annual impairment testing even if there are no indications of impairment. The carrying amount of goodwill is allocated to cash generating units. When testing for impairment of goodwill, the assets are grouped in cash-generating units and assessments are made on the basis of these units' future cash flows. Impairment losses on goodwill are not reversed.

All impairment losses, and any reversals of the same, are recognized in the income statement.

NOTE 16 Intangible assets, cont.

Estimates and assessment

For the Group, the most significant estimates and assumptions are those relating to impairment testing of goodwill. This means that the effect on the financial reports may be considerable if the estimates and assessments made would prove to deviate significantly from the actual outcome. In connection with impairment testing of goodwill the carrying amount is compared with the recoverable amount. The recoverable amount is determined by the higher of an asset's net realizable value and its value in use. Normally, it is not possible to determine the net realizable value. Therefore, the value in use is normally the value being compared with the carrying amount. Thus, each cash generating unit's value in use is calculated in assessing any impairment of goodwill. Calculations are performed through discounting future estimated cash flows. In order to perform the calculations a number of assumptions concerning future circumstances and estimates of parameters are made, for example growth and discount rate. Any adjustments of the assumptions made could have an effect on the carrying amount of the goodwill. Assuming a lower growth rate would lead to a lower recoverable amount. A higher discount rate would also lead to a lower recoverable amount. Goodwill amounted to SEK 6,499 M (5,973).

Other intangible assets mainly relates to technology acquired through business combinations. Capitalized development costs comprise capitalized expenditure for research and development as well as other capitalized development costs such as software. Total capitalized development costs amounted to SEK 1,166 M (677) for the year whereof capitalization of development costs within R&D represented SEK 1,157 M (676).

Intangible assets

	Group						Parent Company	
SEK M	Goodwill	Capitalized development costs	Customer relationships	Tecnology	Patents, Licenses	Total Group	Other intangible assets	Total Parent Company
Accumulated acquisition value May 1, 2021	5,973	5,843	1,575	636	338	14,363	91	91
Business combinations	57	47	45	–	–	148	–	–
Purchases/capitalization	–	1,166	36	–	18	1,220	–	–
Sold/scrapped	–	–1	–	–	10	6	–	–
Translation differences	470	662	66	70	27	1,292	–	–
Accumulated acquisition value April 30, 2022	**6,499**	**7,716**	**1,721**	**706**	**393**	**17,035**	**91**	**91**
Accumulated amortization & impairment May 1, 2021	–	–3,987	–857	–461	–280	–5,585	–45	–45
Amortization for the year	–	–493	–97	–18	–9	–617	–7	–7
Sold/scrapped	–	1	–	–	–10	–6	–	–
Translation differences	–	–420	–54	–63	–25	–562	–	–
Accumulated amortization & impairment April 30, 2022	**–**	**–4,899**	**–1,008**	**–542**	**–324**	**–6,773**	**–52**	**–52**
Carrying amount April 30, 2022	**6,499**	**2,817**	**713**	**164**	**69**	**10,262**	**39**	**39**
Accumulated acquisition value May 1, 2020	6,311	5,762	1,672	751	367	14,863	91	91
Reclassifications	–	4	–	–	–4	–	–	–
Business combinations	228	–	20	30	–	278	–	–
Divested companies	–	–46	–	–	–	–46	–	–
Purchases/capitalization	–	677	–	–	2	678	–	–
Sold/scrapped	–	–	–	–57	–4	–61	–	–
Translation differences	–566	–553	–118	–88	–24	–1,348	–	–
Accumulated acquisition value April 30, 2021	**5,973**	**5,843**	**1,575**	**636**	**338**	**14,363**	**91**	**91**
Accumulated amortization & impairment May 1, 2020	–	–3,687	–836	–575	–297	–5,394	–38	–38
Divested companies	–	46	–	–	–	46	–	–
Amortization for the year	–	–685	–90	–18	–10	–803	–7	–7
Sold/scrapped	–	–	–	57	4	61	–	–
Translation differences	–	340	69	74	22	505	–	–
Accumulated amortization & impairment April 30, 2021	**–**	**–3,987**	**–857**	**–461**	**–280**	**–5,585**	**–45**	**–45**
Carrying amount April 30, 2021	**5,973**	**1,856**	**718**	**175**	**57**	**8,779**	**46**	**46**

Impairment testing

Goodwill is tested for impairment every year in order to assure that the carrying amount of each of the Group's cash-generating units is not higher than its recoverable amount. The Group's cash-generating units equal the geographic regions, which also constitute the Group's operating segments.

The carrying amount equals capital employed and the recoverable amount for each cash-generating unit is determined based on a calculation of value in use for each unit. The allocation of goodwill to cash-generating units (operating segments) is shown in the following table.

NOTE 16 Intangible assets, cont.

Goodwill by segment

SEK M	April 30, 2022	April 30, 2021
Americas	1,836	1,687
EMEA	2,427	2,231
APAC	2,236	2,055
Total	**6,499**	**5,973**

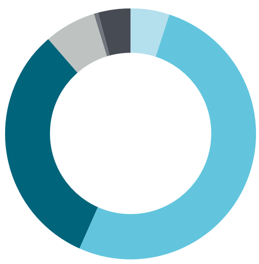
The value in use for each unit is derived from discounted cash flows, based on estimated future cash flows. The estimates are based on the financial budget for the next fiscal year as determined by the Executive Management, and expected future development up to five years. Assumptions regarding sales volume, sales prices, operating expenses and product mix form the basis for estimated future growth and margin development. Volume assumptions are based on historical outcome, the Executive Management's expectations on market development, and expected global market growth. Price assumptions are based on current market trends and inflation forecasts. Margin development is based on current margin levels and product mix adjusted for expected price changes and possible changes in the product mix. For periods after five years, the extrapolation of expected cash flows has been assumed to be a prudent 2 percent (2), which is considerably lower than the anticipated industry growth. The cash flows have been discounted using a pre-tax interest rate of 8 percent (8). The interest rate corresponds to the Group's current weighted cost of capital (WACC) and is based on current market assessments.

Impairment testing is performed in April/May every year, after the budget and business plans have been determined by the Executive Management. The 2022 (2021) test showed that there is no impairment.

Sensitivity analysis have been carried out with regard to the discount rate (risk) and long-term growth with a general reduction in the growth rate after five years of 2 percentage points (2) (implying an assumption of zero growth) and a general increase in the weighted capital cost of 2 percentage points (2). The sensitivity analyses did not demonstrate any impairment.

In addition to the annual impairment test, goodwill is tested whenever there are indications of impairment.

Purchases/capitalization per country



Sweden, SEK 64 M
United Kingdom, SEK 630 M
USA, SEK 390 M
Netherlands, SEK 79 M
Canada, SEK 9 M
Other countries, SEK 48 M

Note 17
Leases

Accounting principles

Elekta's lease contracts mainly consist of contracts for premises, vehicles and equipment. For premises and equipment, theGroup accounts for the lease and non-lease components of a contract separately. Leases are recognized as a liability and a corresponding right-of-use asset at the date at which the leased asset is available for use by the Group. Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of that option

The lease payments are discounted using the Group's incremental borrowing rate, since the interest rate implicit in the lease cannot be readily determined in most cases. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate the Group uses a risk-free interest rate and adjusts for credit risk as well as specific adjustments for different durations and currencies.

Lease payments are allocated between amortization of the lease liability and interest expenses. The interest expense is charged to the income statement over the lease term to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- an estimate of expected restoration costs

NOTE 17 Leases, cont.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group's lease contracts for premises typically range between fixed periods of 1 to 20 years and the vehicle leases usually have a lease term of 3 to 5 years. Elekta has a number of contracts where the contractual terms include extension and termination options that are included when it is determined as reasonably certain that they will be exercised. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs. When adjustments to lease payments or reassessments of the lease term are conducted, the lease liability is remeasured and adjusted against the right-of-use asset. The Group remeasures the lease liability using a revised discount rate if the lease term is reassessed.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect.

Payments associated with short-term leases and low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of less than 12 months. The Group does not apply IFRS 16 to intangible assets. Provided that Elekta's operations continue to the current extent, future lease commitments are deemed to be in par with current commitments.

As of April 30, 2022 the balance sheet shows the following amounts related to leases:

Right-of-use assets

SEK M	Premises	Vehicles	Total
Opening accumulated acquisition value May 1, 2021	1,201	148	1,349
Additions[1]	125	50	175
Terminations	–60	–31	–91
Translation differences	118	9	127
Accumulated acquisition value April 30, 2022	**1,384**	**176**	**1,560**
Opening balance accumulated depreciation May 1, 2021	–337	–59	–396
Depreciation for the year	–184	–46	–229
Terminations	57	27	84
Translation differences	–39	–4	–44
Accumulated depreciation April 30, 2022	**–503**	**–82**	**–585**
Carrying amount April 30, 2021	**881**	**94**	**975**

SEK M	Premises	Vehicles	Total
Opening accumulated acquisition value May 1, 2020	1,260	134	1,394
Additions[1]	69	65	134
Terminations	–11	–39	–49
Translation differences	–117	–13	–130
Accumulated acquisition value April 30, 2021	**1,201**	**148**	**1,349**
Opening balance accumulated depreciation May 1, 2020	–190	–49	–239
Depreciation for the year	–175	–48	–223
Terminations	6	32	39
Translation differences	22	5	27
Accumulated depreciation April 30, 2021	**–337**	**–59**	**–396**
Carrying amount April 30, 2021	**864**	**89**	**953**

[1] Additions includes new lease contracts, index-adjustments and remeasurements.

For maturity analysis of lease liabilities see **Note 2**.

Amounts recognized in the income statement

SEK M	2021/22	2020/21
Depreciation for the year	229	223
Interest expense (included in finance cost)	41	41
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	1	3
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	5	5
Total	**276**	**272**

No material variable lease payments not included in the lease liability has been identified. Low-value assets comprise small items such as printers and coffee machines.

Total cash outflow for leases during fiscal year 2021/22 was SEK 267 M (256).

Leasing fees paid by the Parent Company during the year amounted to SEK 221 K. Future leasing fees due for payment within one year amount to SEK 153 K, after 1 year but within 5 years to SEK 85 K.

The operating lease contracts are mainly contracts for premises where the business is conducted.

Note 18
Tangible assets

Accounting principles

Tangible assets acquired by Group companies are reported at cost, less accumulated depreciation and any write-downs. Assets in acquired companies are reported at fair value on the acquisition date after deduction of subsequent accumulated depreciation. Buildings are depreciated on a straight-line basis over 50 years. Machinery and equipment are depreciated on a straight-line basis during its economic life of between 3 and 5 years. Installations and improvements on third party property are depreciated over the period of the lease agreement.

The residual value of assets and their useful economic lives are reviewed annually and adjusted as required, see **Note 16** for impairment principles. See **Note 17** for right of use assets.

Tangible assets

SEK M	Machinery etc for production	Equipment, tools and installations	Operational leasing	Buildings	Total
Accumulated acquisition value May 1, 2021	396	1,727	25	228	2,376
Business combinations	–	1	–	–	1
Purchases	21	143	21	3	188
Sold/scrapped	–16	–63	–	0	–80
Translation differences	20	127	7	18	175
Accumulated acquisition value April 30, 2022	**423**	**1,934**	**53**	**250**	**2,660**
Accumulated depreciation and impairment May 1, 2021	–259	–1,122	–	–98	–1,480
Reclassifications	–1	1	–	–	–
Sale/disposals	16	61	–	0	78
Depreciation for the year	–36	–141	–3	–13	–192
Translation differences	–13	–88	0	–8	–110
Accumulated depreciation and impairment April 30, 2022	**–294**	**–1,289**	**–3**	**–119**	**–1,706**
Carrying amount April 30, 2022	**129**	**645**	**49**	**130**	**954**
Accumulated acquisition value May 1, 2020	370	1,818	–	235	2,423
Business combinations	–	0	–	–	0
Divested companies	–10	–18	–	–	–28
Reclassifications	29	–29	–	–	–
Purchases	19	113	27	8	167
Sold/scrapped	–2	–24	–	–	–26
Translation differences	–10	–133	–2	–15	–161
Accumulated acquisition value April 30, 2021	**396**	**1,727**	**25**	**228**	**2,376**
Accumulated depreciation and impairment May 1, 2020	–246	–1,118	–	–91	–1,455
Divested companies	8	16	–	–	24
Reclassifications	–1	1	–	–	–
Depreciation for the year	–32	–132	–	–14	–178
Sold/scrapped	1	24	–	–	25
Translation differences	11	87	–	6	104
Accumulated depreciation and impairment April 30, 2021	**–259**	**–1,122**	**–**	**–98**	**–1,480**
Carrying amount April 30, 2021	**137**	**605**	**25**	**130**	**897**

Tangible assets by country

SEK M	**2021/22**	2020/21
Sweden	65	65
United Kingdom	413	392
China	150	139
Netherlands	131	127
USA	76	81
Other countries	119	93
Total	**954**	**897**

- Sweden, SEK 65 M
- United Kingdom, SEK 413 M
- China, SEK 150 M
- Netherlands, SEK 131 M
- USA, SEK 76 M
- Other countries, SEK 119 M

Note 19
Shares in subsidiaries

	Parent Company	
SEK M	2021/22	2020/21
Opening balance May 1	2,590	2,251
Investments	7	284
Shareholder contributions	155	55
Closing balance April 30	**2,752**	**2,590**

Company	Corp. id. no.	Domicile	No. of shares	Interest, %	Carrying amount, SEK M
Elekta Instrument AB	556492-0949	Stockholm, Sweden	1,000,000	100.0	50
Leksell Institute AB	556942-6314	Stockholm, Sweden	50,000	100.0	0
Elekta Solutions AB	559157-5286	Stockholm, Sweden	50,000	100.0	200
Global Medical Investments GMI AB	556786-4375	Stockholm, Sweden	32,100,000	100.0	7
Elekta KK	65 820	Tokyo, Japan	2,000	100.0	36
Elekta Holding Limited	2699176	Crawley, England	22,810,695	100.0	494
Elekta Holdings US Inc.	58-1876545	Norcross, USA	6,020	100.0	432
Elekta Ltd.	R889657862	Montreal, Canada	1	100.0	229
Elekta Asia Ltd	502 493	Hong Kong, S.A.R.	81,022,160	100.0	13
Elekta Instrument (Shanghai) Ltd	310115764250077	Shanghai, China	1	100.0	50
Elekta BMEI (Beijing) Medical Equipment Co., Ltd.	91110114400615135X	Beijing, China	1	80.0	230
Elekta China Investment Co., Ltd	91310115MA1K47TB2R	Shanghai, China	1	100.0	135
Elekta Pty Limited	ACN 109 006 966	Sydney, Australia	1	100.0	1
Elekta Medical System India Private Limited	U33112DL2005PTC139794	New Delhi, India	10,000	99.0	31
Elekta SA	B 414 404 913	Paris, France	2,493	100.0	4
Elekta Medical SA	A-818 867 31	Madrid, Spain	10,000	100.0	3
Elekta GmbH	HRB 63500	Hamburg, Germany	1	100.0	0
Elekta GmbH	FN 166018w	Innsbruck, Austria	1	100.0	3
Elekta Hellas EPE	998 569 196	Atens, Greece	600	100.0	0
Elekta S.A./N.V.	HRB 613 484	Zaventem, Belgium	250	100.0	1
Elekta BV	17 097 384	Best, The Netherlands	40	100.0	0
Elekta S.p.A.	02723670960	Agrate Brianza (MI), Italy	500,000	100.0	66
Elekta Medical Systems Comercio e Servicos para Radioterapia Ltda	CNPJ 09.528.196/0001-66	Sao Paolo, Brazil	1	100.0	73
Elekta (Pty) Ltd	2000/018814/07	Pretoria, South Africa	1	100.0	0
Elekta Pte Ltd	20090927AZ	Singapore, Singapore	10,000	100.0	0
Elekta Limited, South Korea	1311111-0259	Seongnam-si, South Korea	473,879	100.0	16
Elekta Services S.R.O	292 80 095	Brno, Chech Republic	1	100.0	0
Elekta Medikal Sistemler Ticaret A.S.	196757	Istanbul, Turkey	87,900,000	100.0	87
Elekta Medical SA de CV	EME140919G49	Mexiko City, Mexico	50	100.0	57
Elekta sp.Z.O.O	KRS 0000538192	Warszaw, Poland	2,000	100.0	104
Elekta Company Limited	106810452	Hanoi, Vietnam	1	100.0	2
Elekta Business Services sp.Z.O.O	KRS 000567549	Warszaw, Poland	1	100.0	1
Elekta SARL Algeria	16236978051	Dely Ibrahim, Algeria	1	100.0	0
Elekta LLC	1167746799637	Moscow, Russian federation	1	100.0	11
RRTS Unipessoal LDA	514185155	Lisbon, Portugal	1	100.0	13
Elekta General Trading LLC	158410	Cairo, Egypt	310,000	50.0	14
Kaiku Health Oy	2505458-2	Helsinki, Finland	716,944	100.0	381
Elekta Medical Systems SRL	J40/9054/2021	Bucharest, Romania	20	100.0	1
Elekta Philippines Inc	2021110032534-01	Makati City, Philippines	250,000	100.0	5
PT Elekta Medical Solutions	1281002451394	Jakarta, Indonesia	2,500	49.0	2
Total					**2 752**

Note 20
Shares in associated companies

Accounting principles

Associates are companies which are not subsidiaries but in which the Group has a significant, but not controlling, interest. This normally means companies in which the holding represents more than 20 percent but less than 50 percent of the voting rights. Associated companies are reported by use of the equity method. Holdings in associated companies are initially recognized at cost in the consolidated balance sheet. The carrying amount is adjusted for the share of associated companies earnings after the acquisition date. Dividends from associated companies are reported as a reduction of the carrying amount. Income from participations in associated companies is a separate line in the income statement.

NOTE 20 Shares in associated companies, cont.

Shares in associated companies

	Group		Parent Company	
SEK M	**April 30, 2022**	April 30, 2021	**April 30, 2022**	April 30, 2021
Opening balance May 1	27	34	13	6
Investments[1)]	–	7	–	7
Participations in income of associated companies (Note 12)	5	–7	–	–
Dividends	–4	–1	–	–
Reclassification	–7	–	–7	–
Translation differences	4	–6	–	–
Closing balance April 30	**25**	**27**	**6**	**13**

[1)] Previous year, of which SEK 7 M relates to loan conversion to associated company.

Note 21
Other financial assets

	Group		Parent Company	
SEK M	**April 30, 2022**	April 30, 2021	**April 30, 2022**	April 30, 2021
Participations in other companies	15	60	14	58
Derivative financial instruments	24	24	–	–
Loan receivables	12	12	–	–
Contractual receivables	500	373	–	–
Other non-current receivables	40	38	23	23
Total	**590**	**506**	**38**	**81**

The table below presents detailed information regarding the Group's participations in other companies.

Participations in other companies

	Group		Parent Company	
SEK M	**April 30, 2022**	April 30, 2021	**April 30, 2022**	April 30, 2021
Opening balance May 1	60	297	58	293
Revaluation through other comprehensive income	–2	206	–	–
Revaluation	–	–	–	107
Divestments & write-downs	–43	–443	–43	–343
Closing balance April 30	**15**	**60**	**14**	**58**

Note 22
Inventories

Accounting principles

Inventories are valued in accordance with the 'first in, first out' principle at the lower of cost and net realizable value. Internal profits arising from deliveries between Group companies are eliminated upon consolidation.

Inventories

	Group	
SEK M	**April 30, 2022**	April 30, 2021
Components	290	231
Work in progress	95	97
Finished goods	2,147	1,955
Total	**2,533**	**2,283**

Write-down of inventories during the year amounted to SEK 59 M (64). In the income statement this is reported as cost of product sold.

Note 23
Accounts receivable and contract assets

Estimates and assessment

Accounts receivable is one of the most significant items in the balance sheet and is carried at nominal value net after provisions for bad debts. Accounts receivable amounted to SEK 3,647 M (3,281) including expected credit losses of SEK 98 M (146). See **Note 2** for further information regarding the credit risk in accounts receivable. See **Note 3** for accounting principles. From 1 May 2018 Elekta applies the simplified approach for measuring expected credit losses for accounts receivables and contract assets, in accordance with IFRS 9. For all account receivables overdue more than 90 days and with a value of more than SEK 1 M an individual evaluation is made and when necessary a specific provision is applied. For all non-due and overdue receivables not covered by a specific provision a general provision is calculated based on region and aging. The general provision is calculated as a percentage of the receivable and the percentage used is based on historical loss experience, current conditions and forward-looking economic conditions for each region. As of April 30, 2022, the general provision is SEK 58 M and the specific provision amounted to SEK 40 M. Final write off of a receivable is done when no further actions are taken to collect on the receivable and probability of collection is deemed to be unlikely, e.g. bankruptcy.

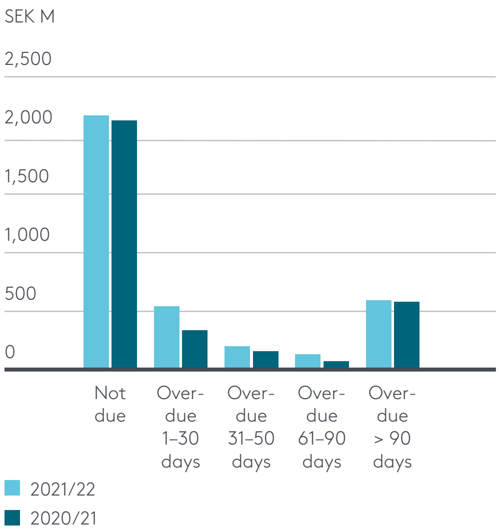
The contract asset relates to unbilled work in progress and are considered to have the same risk characteristics as nondue accounts receivables. An individual evaluation is made for contract assets over 180 days and with a value of more than SEK 5 M.

Contract assets amounted to SEK 1,796 M (1,772) including expected credit losses of SEK 16 M (1).

NOTE 23 Accounts receivable and contract assets, cont.

Credit risk analysis of accounts receivable

	Group					
	April 30, 2022			April 30, 2021		
SEK M	Gross	Provi-sion	Total	Gross	Provi-sion	Total
Not due	2,173	–5	2,168	2,133	–4	2,128
Overdue 1–30 days	547	–1	546	337	0	337
Overdue 31–60 days	205	–1	203	161	–1	160
Overdue 61–90 days	139	–3	136	75	–2	73
Overdue > 90 days	682	–88	594	720	–138	582
Total accounts receivables, net	**3,745**	**–98**	**3,647**	**3,426**	**–146**	**3,281**



Provision for bad debt accounts receivable

	Group	
SEK M	**2021/22**	2020/21
Opening balance May 1	–146	–198
Acquired companies	1	–
Provisions	–91	–78
Reversals	84	83
Realized loss	67	39
Translation differences	–13	9
Closing balance April 30	**–98**	**–146**

Provision for bad debt contract assets

	Group	
SEK M	**2021/22**	2020/21
Opening balance May 1	–1	–1
Provisions	–16	–1
Reversals	1	1
Closing balance April 30	**–16**	**–1**

Note 24
Other current receivables

	Group	
SEK M	**April 30, 2022**	April 30, 2021
Prepayments to suppliers	84	87
Other receivables[1]	688	582
Prepaid expenses	709	447
Total	**1,481**	**1,116**

[1] Mainly value added tax.

	Parent Company	
SEK M	**April 30, 2022**	April 30, 2021
Derivative financial instruments (Note 2)	14	7
Current tax assets	17	17
Other receivables	3	4
Prepaid expenses	8	11
Total	**42**	**39**

Note 25
Cash and cash equivalents and short-term investments

Cash and cash equivalents and short term investments only contains investments that redily can be converted to a known amount of cash and are subject to an insignificant risk of changes in value. All the investments presented as cash equivalents are only held for a short maturity of maximum three months.

	Group		Parent Company	
SEK M	**April 30, 2022**	April 30, 2021	**April 30, 2022**	April 30, 2021
Current investments classified as cash equivalents[1]	3	792	3	792
Cash and bank	3,074	3,619	1,860	2,629
Total	**3,077**	**4,411**	**1,863**	**3,421**

[1] Refers to short-term interest-bearing funds with a high credit rating

Available cash and cash equivalents and short-term investments amounted to SEK 3,077 M (4,411) which is cash and cash equivalents and short-term investments reduced by bank balances included in assets pledged. See **Note 32**.

Note 26
Equity

Number of shares in Elekta AB (publ)	A-shares	B-shares	Total	Share capital
Number of shares May 1, 2020	14,980,769	368,587,640	383,568,409	191,784,205
Number of shares April 30, 2021	**14,980,769**	**368,587,640**	**383,568,409**	**191,784,205**
of which treasury shares	–	1,485,289	1,485,289	
Number of shares May 1, 2021	14,980,769	368,587,640	383,568,409	191,784,205
Number of shares April 30, 2022	**14,980,769**	**368,587,640**	**383,568,409**	**191,784,205**
of which treasury shares	–	1,485,289	1,485,289	

Appropriation of profit

Amount to be paid to the shareholders	SEK 916,999,488
Amount to be carried forward by the Parent Company	SEK 1,103,170,921
Total non-restricted equity of the Parent Company	**SEK 2,020,170,409**

All shares have a par value of SEK 0.50 and provide the holders with equal rights to the Company's assets and earnings. All shares are entitled to dividends subsequently issued. One series A-share entitles the holder to 10 votes and one series B-share to one vote. In accordance with section 12 of the articles of association, series A-shares are subject to right of first refusal. All series A-shares are currently owned by Laurent Leksell via company. The dividend paid out during the financial year amounted to a total sum of SEK 841 M, corresponding to SEK 2.20 per share. At the AGM on August 25, 2022, a dividend of SEK 2.40 per share for the year 2021/22 – a total sum of approximately SEK 917 M will be proposed. The average number of shares before and after dilution during the year, rounded to the nearest thousand, was 382,083 thousand (382,083). The number of repurchased shares on April 30, 2022, totaled 1,485,289 B-shares (1,485,289). The share program awarded to employees have a potential dilution effect. Certain performance targets must be met for dilution to occur and this was not the case at the closing date.

For more information on the Elekta share, see **page 41**.

Note 27
Interest-bearing liabilities

SEK M	Group April 30, 2022	Group April 30, 2021	Parent Company April 30, 2022	Parent Company April 30, 2021
Bond loan	2,995	2,497	2,995	2,497
Liabilities to credit institutions	1,614	2,687	1,604	2,687
Liabilities to subsidiaries	–	–	2,482	3,858
Lease liabilities	1,086	1,054	–	–
Total	**5,695**	**6,239**	**7,081**	**9,042**
Maturity term structure, external loans				
<1 year	510	2,141	500	2,141
>1 year–<3 years	999	499	999	499
>3 years–<5 years	2,751	997	2,751	997
>5 years	349	1,547	349	1,547
Total	**4,609**	**5,184**	**4,599**	**5,184**

Specification by currency

Currency	Liability amount April 30, 2022	Liability amount April 30, 2021	SEK M April 30, 2022	SEK M April 30, 2021
Swedish kronor, SEK M	3,505	5,296	3,494	3,297
US dollar, USD M	1	100	10	419
British Pound, GBP M	90	143	1,104	1,469
Chinese Yuan, CNY M	–	42	–	–
Total			**4,609**	**5,184**

Fixed interest term including effects of derivatives

	April 30, 2022	April 30, 2021
< 1 year	505	4,346
> 1 year < 3 years	1,000	–
> 3 year < 5 years	2,754	–
> 5 years	349	838
Total	**4,609**	**5,184**

Note 28
Provisions

Accounting principles

Provisions

Provisions are reported when the Group has, or is considered to have, an obligation resulting from an event that has occurred and for which payments are likely to meet the obligation. A further condition is that it is possible to make a reliable estimate of the amount to be paid.

Pensions

Pensions are reported either as defined contribution plans or as defined benefit plans. Most of Elekta's pension commitments are met through ongoing payments to authorities or other independent organizations that administer the pension plans. For these defined contribution pension plans, a pension cost is reported on a continuous basis as the benefits are earned, which normally coincides with the date on which the fees are paid.

Elekta has defined benefit pension plans for certain employees in a few countries. Independent actuaries calculate the magnitude of the obligations in each plan and revalue the obligations of the pension plans each year. The pension costs are estimated using the so-called projected unit credit method in a way that distributes the costs over the employee's working life. These obligations are valued at the present value of the expected future payments. Actuarial gains and losses are reported in other comprehensive income in the period during which they arise.

Warranty provisions

Estimated costs for product guarantees are charged against operating costs in conjunction with the income recognition of the products. The estimated costs are established using historic statistics, with known changes taken into account regarding product quality, repair costs etcetera.

Estimates and assessment

Provisions include uncertainties and entails various judgments. Provisions for guarantees are based on historic statistics, while others, such as provisions for legal disputes and restructuring are based on management's best estimate of the expected outcome. A provision is only reported when an event has occurred for which economic responsibility is probable and when it is possible to make a reliable estimate of the amount to be paid. Total provisions amounted to SEK 364 M (398).

Provisions

	Group		Parent Company	
SEK M	**April 30, 2022**	April 30, 2021	**April 30, 2022**	April 30, 2021
Restructuring reserve	4	7	–	4
Warranty provisions	105	108	–	–
Other provisions	39	60	–	0
Short-term provisions	**149**	**174**	**–**	**4**
Provision for pensions	123	146	–	–
Other provisions	92	78	13	36
Long-term provisions	**215**	**224**	**13**	**36**

Pension plans

Elekta has defined benefit pension plans for certain employees in a few countries; mainly Japan, Netherlands, Italy and Germany. Most common is however defined contribution plans. Total pension costs for the Group amounted to SEK 294 M (215) of which SEK 23 M (19) relate to defined benefit pension plans, see **Note 7**.

Pension costs, defined benefit pension plans

	Group	
SEK M	**April 30, 2022**	April 30, 2021
Current service cost	–23	–19
Interest on obligation	–3	–3
Interest income	2	2
Past service costs and gains/losses on settlements	1	–1
Actuarial loss/gain	27	–3
Total cost of defined benefit pension plans before tax	**3**	**–25**
whereof reported in:		
the income statement	–23	–22
other comprehensive income	27	–3

Defined benefit pension plans

	Group	
SEK M	**April 30, 2022**	April 30, 2021
Defined benefit obligation, funded plans	157	186
Fair value of plan assets	–138	–155
Provision for pensions, funded plans	**19**	**31**
Defined benefit obligation, unfunded plans	103	115
Provision for pensions, unfunded plans	**103**	**115**
Pension provision for defined benefit plans, net	**123**	**146**

NOTE 28 Provisions, cont.

Movement in provision for pensions

	April 30, 2022			April 30, 2021		
SEK M	**Present value of obligation**	**Fair value of plan assets**	**Net**	Present value of obligation	Fair value of plan assets	Net
Opening balance	**301**	**–155**	**146**	**317**	**–142**	**175**
Current service cost	21	2	23	18	2	19
Past service costs and gains/losses on settlements	–1	–	–1	1	–	1
Interest expenses/income	3	–2	1	3	–2	1
	324	**–155**	**169**	**338**	**–142**	**197**
Actuarial gains/losses attributable to:						
Return on plan assets	–	36	36	–	–4	–4
Changes in financial assumptions	–57	–	–57	7	–	7
Changes in demographic assumptions	–	–	–	–4	–	–4
Experience assumptions	–6	–	–6	5	–	5
Transfers	–	–	–	–13	–	–13
Contributions by employers	–	–17	–17	–	–18	–18
Contributions by employees	1	–1	–	1	–1	–
Benefit payments	–7	2	–5	–10	2	–9
Exchange rate differences	4	–3	1	–22	7	–15
Closing balance	**261**	**–138**	**123**	**301**	**–155**	**146**

Plan assets in %

	Group	
SEK M	**April 30, 2022**	April 30, 2021
Assets held by insurance company	93%	96%
Other	7%	4%
	100%	**100%**

Discount rate

The discount rate reflects the estimated timing of benefit payments and is used for measuring the present value of the obligation. A fluctuation in the discount rate will have material effect on the pension obligation but will also impact the interest income and expense reported in the finance net. To determine the discount rate, AA-rated corporate bonds indexes matching the duration of the pension obligations are applied in most countries.

Key assumptions used in the valuation of the pension liability (weighted average)

	Group	
	April 30, 2022	April 30, 2021
Discount rate used, %	2.0	1.0
Future salary increase, %	1.8	1.9
Inflation, %	2.1	0.9

Sensitivity analysis of the most important assumptions affecting the recognized pension liability

Group	**April 30, 2022**	April 30, 2021
Discount rate +0.5%	–7,9%	–8,8%
Discount rate –0.5%	9,2%	10,1%
Salary increase rate +0.5%	1,8%	1,5%
Salary increase rate –0.5%	–1,7%	–1,5%
Inflation, +0,5%	1,9%	2,1%
Inflation, –0,5%	–2,1%	–2,0%

NOTE 28 Provisions, cont.

Movement in provisions

SEK M	Group: Restructuring reserve	Group: Warranty provisions	Group: Other provisions	Parent Company: Restructuring reserve	Parent Company: Other provisions
Opening balance May 1, 2020	2	101	135	0	10
Provisions	31	157	37	26	26
Reversals	0	–77	–30	–	–1
Provisions utilized during the year	–26	–67	0	–23	–
Other	–	4	–	–	–
Translation differences	0	–10	–4	–	–
Closing balance April 30, 2021	**7**	**108**	**138**	**4**	**36**
Opening balance May 1, 2021	7	108	138	4	36
Provisions	7	135	49	–	–
Reversals	–1	–88	–6	–	–23
Provisions utilized during the year	–8	–59	–52	–4	–
Other	–	2	–	–	–
Translation differences	0	7	3	–	–
Closing balance April 30, 2022	**4**	**105**	**132**	**–**	**13**

Note 29
Customer contract related balances and order backlog

SEK M	Group: April 30, 2022	Group: April 30, 2021
Contract assets		
Income not invoiced	1,812	1,773
Doubtful income not invoiced	–16	–1
Total	**1,796**	**1,772**
Contract liabilities		
Advances from customer	4,161	3,759
Prepaid service income	2,114	1,995
Other prepaid income	228	88
Total	**6,503**	**5,842**

Revenue recognized in the period

SEK M	Group: 2021/22	Group: 2020/21
Revenue recognized in the year relating to the opening balance of the contract liability balance	4,417	4,277

Order backlog was SEK 39,656 M, compared to SEK 33,293 M on April 30, 2022. Order backlog is converted at closing exchange rates which resulted in a negative translation difference of SEK 3,524 M. According to current delivery plans, current order backlog is expected to be recognized as follows: approximately 35 percent in 2021/22, 30 percent in 2022/23 and 35 percent thereafter.

Note 30
Accrued expenses

SEK M	Group: April 30, 2022	Group: April 30, 2021
Reserve for additional project costs	644	548
Accrued commission costs	50	121
Accrued vacation pay	256	194
Accrued social costs	94	86
Accrued interest expenses	10	18
Accrued bonus costs	360	298
Accrued expenses GRNI[1)]	90	104
Other items	397	468
Total	**1,901**	**1,837**

1) Includes liabilities for goods received where the related invoice has not yet been received.

Note 31
Other current liabilities

SEK M	Group: April 30, 2022	Group: April 30, 2021
Value added tax	318	439
Personnel taxes	28	25
Other personnel related liabilities	8	7
Contingent consideration	24	55
Other items	51	32
Total	**429**	**559**

SEK M	Parent Company: April 30, 2022	Parent Company: April 30, 2021
Accounts payable	4	8
Accrued expenses (see below)	41	49
Derivative financial instruments	34	15
Other liabilities	2	64
Total	**81**	**137**
Accrued expenses		
Accrued vacation pay liability	7	8
Accrued social costs	3	3
Accrued interest expenses	9	18
Other items	22	20
Total	**41**	**49**

Note 32
Assets pledged

SEK M	Group April 30, 2022	Group April 30, 2021
Bank balances	8	8
Total	**8**	**8**

Collateral pledged for contingent liabilities.

Note 33
Contingent liabilities

SEK M	Group April 30, 2022	Group April 30, 2021	Parent Company April 30, 2022	Parent Company April 30, 2021
Guarantees	1,562	1,535	767	633
Total	**1,562**	**1,535**	**767**	**633**

For the group the guarantees consist of mainly bid bonds. For the Parent Company the guarantees consist of mainly performance guarantees and advance payments guarantees.

Note 34
Cash flow statement

SEK M	Group 2021/22	Group 2020/21	Parent Company 2021/22	Parent Company 2020/21
Interest net				
Interest income	–42	–30	–138	–154
Interest expenses	148	233	114	191
Total	**106**	**204**	**–24**	**37**
Other non-cash items				
Participations in net income of associated companies, after tax	–5	7	–	–
Revaluation of participations in other companies	–	2	43	–206
Cost of incentive programs	17	12	5	3
Anticipated group contributions	–	–	–20	–
Unrealized exchange rate effects	–183	291	1	29
Other items	–41	–5	–31	39
Total	**–211**	**307**	**–2**	**–135**
Business combinations				
Purchase price	–152	–274	–	–235
Contingent considerations	–42	–47	–	–
Unpaid part of purchase price	18	49	–	–
Total	**–175**	**–272**	**–**	**–235**
Other investing activities				
Shareholders' contributions paid	–	–	–155	–55
Dividends from associated companies	4	1	–	–
Divestments of other shares	–	443	–	443
Investments in short term investments	–69	–	–	–
Divestments of short term investments	–	60	–	–
Total	**–65**	**504**	**–155**	**388**

More information on business combinations is presented in **Note 36**.

Changes in net liabilities related to financing activities 2021/22

SEK M	Opening balance	Cash flow	Non-cash changes Other	Non-cash changes Foreign exchange movements	Closing balance
Bond loans	2,497	496	–	–	2,993
Leases liabilities	1,054	–228	169	91	1,086
Liabilities to credit institutes	2,687	–1,163	–	78	1,603
Other	–	9	–	–	9
Total	**6,239**	**–886**	**169**	**169**	**5,692**

NOTE 34 Cash flow statement, cont.

Changes in net liabilities related to financing activities 2020/21

SEK M	Opening balance	Cash flow	Non-cash changes		Closing balance
			Other	Foreign exchange movements	
Bond loans	2,496	–	1	–	2,497
Leases liabilities	1,256	–215	121	–109	1,054
Liabilities to credit institutes	5,606	–2,703	–5	–211	2,687
Total	**9,358**	**–2,918**	**117**	**–320**	**6,239**

Note 35
Related party transactions

Transactions between Elekta AB and its subsidiaries are shown in **Notes 11, 12, 13** and **27**. These transactions are eliminated upon consolidation. Sales to associated companies amounted to SEK 22 M (34), receivables from associated companies amounted to SEK 31 M (27) and costs related to associated companies amounted to SEK 9 M (12).

None of the board members or any of the senior executives has, or has had, any direct or indirect involvement in any business transactions between themselves and Elekta. In addition to this, no other transactions with related parties have occurred. Remunerations and benefits to key personnel in management positions are presented in **Note 7**.

Note 36
Business combinations

2021/22

During 2021/22 Elekta has made some minor acquisitions to a total preliminary fixed acquisition price of approximately SEK 150 M with a maximum variable amount of approximately SEK 3 M. The acquisitions made during the year consists of one share acquisition and several small asset acquisitions.

The achievement goals for the variable acquisition price related to Kaiku Health Oy that was acquired in May 2020, has not been fulfilled, and has been reversed during the year.

2020/21

On May 19, 2020 Elekta acquired 100% of shares in Kaiku Health Oy to further develop its focus on cancer care providers and their patients through its acquisition of Kaiku Health. The preliminary acquisition price consisted of a fixed amount of approximately SEK 230 M and a maximum variable amount of approximately SEK 50 M, which is depending on the achievement of goals set-up for the transferred business. Since the acquisition date, the acquisition of Kaiku Health Oy has had an impact of SEK 19 M on consolidated net sales and SEK –40 M on net income. The difference in impact on the Group's consolidated net sales and net income, compared to if the acquisition had been consolidated from May 1, 2020, is insignificant. The goodwill recorded of SEK 228 M from the acquisition is attributable to the value of the skills within the company in terms of its capability to develop new digital health interventions for cancer patient The Finnish company is best known for its app that monitors patient-reported outcomes, providing intelligent symptom tracking and management for healthcare providers in routine oncology care and studies. The Kaiku Health app screens for patients' symptoms, notifies the care team on their development and provides value-based personalized support for patients. It is easily implemented into existing hospital information systems and can be integrated with Elekta's MOSAIQ® Oncology Information System (OIS). This makes Kaiku Health a valuable tool for healthcare teams to collate patient-recorded feedback and act immediately if anything unusual is reported.

Note 37
Average number of employees

	Men		Women		Total	
	2021/22	2020/21	**2021/22**	2020/21	**2021/22**	2020/21
Parent Company	23	26	34	19	57	45
Subsidiaries:						
Sweden	177	152	105	89	282	241
USA	626	597	297	278	924	875
United Kingdom	619	553	202	184	822	736
China	520	484	210	220	730	704
The Netherlands	177	164	57	51	234	214
Poland	92	130	129	58	222	188
Germany	92	86	17	17	109	102
Japan	106	105	22	23	128	127
India	118	120	10	0	128	120
Canada	75	74	27	25	102	99
Italy	63	60	19	17	82	77
France	62	57	15	15	77	72
Australia	61	54	21	19	82	73
Brazil	47	47	16	14	63	62
Spain	44	41	11	7	55	48
Hong Kong	38	35	13	16	51	51
Turkey	54	42	21	17	75	59
Finland	75	48	27	16	102	64
Mexico	34	30	8	8	42	38
South Korea	26	23	2	3	28	26
Singapore	20	18	13	9	33	28
Austria	15	15	3	3	18	18
Russia	15	16	8	6	23	22
Philipines	3	–	2	–	5	–
South Africa	12	14	5	4	17	18
Romania	2	–	0	–	2	–
Indonesia	13	–	2	–	15	–
Belgium	13	10	2	2	15	12
Greece	12	10	3	2	15	12
Czech Republic	6	6	5	4	11	10
Portugal	11	10	3	2	14	12
New Zealand (branch)	8	7	3	2	11	9
Algeria	8	8	1	1	9	9
Vietnam	15	12	3	1	18	12
Switzerland (branch)	5	5	2	2	7	7
Egypt	22	2	0	0	22	2
Serbia	3	3	0	0	3	3
Total average number of employees	**3,312**	**3,062**	**1,319**	**1,132**	**4,631**	**4,194**

Specification men/women among Board of Directors and executive management

During the financial year, the Board of Directors of Elekta AB consisted of 57 percent (57) men. The Executive Committee consisted of 86 percent (86) men.

Note 38
Significant events after the reporting period

No significant events have occured subsequent to the balance sheet date that would have a material impact on the Elekta Group's financial statements.

The Board of Directors and the President and CEO certify that the annual financial report has been prepared in accordance with generally accepted accounting principles and that the consolidated accounts have been prepared in accordance with the international set of accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, and give a true and fair view of the position and profit or loss of the Parent Company and the Group, and that the management report gives a fair review of the development and performance of the business, position and profit or loss of the Parent Company and the Group, and describes the principal risks and uncertainties that the Parent Company and the companies in the Group face.

The annual report also contains the sustainability report in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, see **page 72**, reporting on EU taxonomy for sustainable activities in accordance with the EU Taxonomy Regulation (EU 2020/852), see **page 52,** and the Sustainability Report in accordance with the Global reporting Initiative, GRI, see the GRI Index on **page 69**.

Stockholm July 7, 2022

Laurent Leksell
Chairman of the board

Caroline Leksell Cooke
Member of the board

Johan Malmquist
Member of the board

Wolfgang Reim
Member of the board

Jan Secher
Member of the board

Birgitta Stymne Göransson
Member of the board

Cecilia Wikström
Member of the board

Gustaf Salford
President and CEO

Our audit report was submitted on July 8, 2022
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Elekta AB (publ) corporate identity number 556170-4015
This is a translation from the Swedish original.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Elekta AB (publ) for the financial year 2021-05-01 – 2022-04-30. The annual accounts and consolidated accounts of the company are included on **pages 94–147** in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 30 April 2022 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 30 April 2022 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.

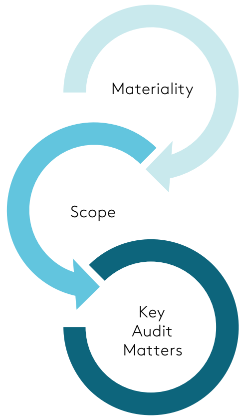
We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.



Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

REVENUE RECOGNITION

Description

Elekta's revenue comes from the sale of machinery, software and services. Many of Elekta's products and services are sold independently, while others are part of so-called compound contracts, where equipment, software and services are covered by a single customer agreement. Revenue for each component in the contract (performance obligation) is recognized when the control is transferred to the customer.

Revenue recognition depends on management's assessments of the contract terms that govern when the control for each component passes to the buyer. Machines are installed in accordance with the installation date agreed with the customer and it is usually at this time that the revenue for the machine is reported. After technical approval has been received from the customer, the remaining part of the revenue is reported attributable to software and installation.

The transaction price, taking discounts into account, is allocated among the various performance commitments in the contract based on estimated standalone sales prices for the goods and services in the contract identified as performance commitments.

Due to the inherent complexity of revenue recognition and the nature of estimates and assessments from management, we have assessed revenue recognition as a particularly important area of the audit.

For accounting policies and disclosures, please refer to **Note 6**.

How this area was taken into account in the audit

In our audit, we have mapped and evaluated Elekta's processes and controls on revenue recognition to gain an understanding of how they work and where any errors could occur.

Our mapping has focused on the approval of new customer agreements, the model for allocating revenue to various components of the agreements and the company's controls to ensure that the revenue is accounted for in the right period. After our mapping, we have tested the controls and carried out, among other things, the following review measures:

- Performed trend and correlation tests using computerized analytical methods in order to identify fluctuations and to check that payment has been received for reported revenue.
- Randomly tested that revenue is accounted for in the correct period and at the right amount
- Reviewed a selection of new and old contracts and sales against the terms of the contract and Elekta's guidelines for assessing revenue recognition.

We have also examined the accounting policies and notes provided in the annual report.

GOODWILL

Description	How our audit addresses this key audit matter
Goodwill amounts to SEK 6,499 million as of April 30, 2022 and represents a significant proportion of Elekta's total assets. Goodwill amounts are allocated to the Group's cash-generating units (CGUs). Impairment testing of goodwill with an indefinite useful life is carried out annually, or more frequently if there are indications of a decline in value. When the book value exceeds the estimated recoverable amount, the asset is impaired to the recoverable amount. The recoverable amount is the highest of a CGU's net realizable value and value in use, which corresponds to the discounted present value of future cash flows. Future cash flows are based on the forecast approved by management. The estimates are based on the financial budget for the next fiscal year as determined by the Executive Management, and expected future development up to five years. As described in **Note 16**, the calculations of utilization values assume that important assumptions are made regarding, among other things, growth rates, gross margin and discount rates. **Note 16** describes significant assumptions used in the calculation of the value in use. As the value in use is dependent upon these assumptions, we have assessed valuation of goodwill as a key audit matter.	Our review has included, among other things, the following review measures; • Evaluation of the company's process for establishing and conducting impairment tests. • Review of the Company's identification of cash-generating units (CGU) • Evaluation using own valuation experts regarding used valuation methods and calculation models. • Assessment of the plausibility of assumptions made. • Conducted a sensitivity analysis of the company's impairment test • Analysis of the reliability of the current year's forecast by comparing it against historical performance • Examination of additional information provided in the Annual Report.

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 1–91**. The remuneration report for financial year 2021–2022 on **pages 92–93** also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of ABC AB (publ) for the year 2021-05-01 – 2022-04-30 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our statement on the Board's proposal for appropriation of the company's profit or loss, we have reviewed the Board's reasoned opinion and a selection of the supporting documents for this in order to assess whether the proposal is compatible with the Swedish Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Elekta AB for the financial year 2021-05-01 – 2022-04-30.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report #[checksum] has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Elekta AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e. if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

Ernst & Young AB was appointed auditor of Elekta AB by the general meeting of the shareholders on 25 August 2021 and has been the company's auditor since the 22 August 2019.

Stockholm July 8, 2022

Ernst & Young AB

Signature on original auditors' report in Swedish[1)]

Rickard Andersson
Authorized Public Accountant

[1)] This is a translation of the original auditors' report in Swedish. In the event of any differences between the translation and the original statement in Swedish, the Swedish version shall prevail.

Glossary

Adaptive radiation therapy
A treatment technique that aims to customize each patient's treatment plan to patient specific variation by evaluating and characterizing the systematic and random variations through image feedback and including them in adaptive planning.

Benign
The term benign is used when describing tumors or growths that do not threaten the health of an individual. Benign is the opposite of malignant.

Brachytherapy
Is also known as internal radiation therapy, involves placing a radiation source in or near the treatment area. This allows very high tumor doses to be achieved, while limiting the impact on surrounding organs. The method is typically used to treat gynecological cancer and prostate cancer, but also breast cancer and certain types of skin cancer.

Cancer
Uncontrolled, abnormal growth of cells.

Chemotherapy
Treatment of cancer diseases with the aid of chemicals that eliminate diseased cells.

Cone beam CT (CBCT)
A CBCT system mounted to a linac or Gamma Knife creates images used for verifying or determining the location of the patient in relation to the treatment beam(s).

Computed tomography (CT)
A radiological method of imaging anatomical structures by means of layering, using computer technology.

Deep brain stimulation (DBS)
A brain 'pacemaker' is implanted to stimulate brain activity and block signals that cause unwanted symptoms present in functional neurological disorders, for example tremor.

Diffusion weighted imaging (DWI)
A method to evaluate the molecular function and micro-architecture of the human body.

Electronic brachytherapy
Type of brachytherapy that uses an X-ray tube to induce radiation. It can deliver radiation to the tumor with a high degree of precision whilst minimizing damage to healthy surrounding tissue. Due to the source of radiation used, electronic brachytherapy can be performed in a room with minimal shielding.

External-beam radiation therapy
The most common type of radiation therapy, in which the radiation source is produced by a linear accelerator and delivered by the radiation beam from the linear accelerator head rotated around the patient. By delivering the radiation from various angles, the radiation dose is distributed more evenly in the tumor without excess damage to surrounding healthy tissue.

Fraction
Part of the total radiation dose, delivered at a daily treatment.

Food and Drug Administration (FDA)
Is an agency of the US Department of Health and Human Services. The FDA is responsible for protecting and promoting public health through the regulation and supervision of for example medical devices.

Gamma Knife® radiosurgery
Stereotactic radiosurgery with Leksell Gamma Knife®.

Glioblastoma
The most common and most aggressive malignant primary brain tumor. They are usually highly malignant as a large number of tumor cells are reproducing at any given time and are supported by a large network of blood vessels. Glioblastoma often infiltrate with normal healthy brain tissue.

High dose radiation (HDR)
An amount of radiation that is greater than that given in typical radiation therapy. High-dose radiation is precisely directed at the tumor to avoid damaging healthy tissue, and may kill more cancer cells in fewer treatments.

Hypofractionation
A treatment schedule in which the total dose of radiation is divided into large doses and treatments are given once a day or less often.

Image guided radiation therapy (IGRT)
IGRT enables high precision targeting and accuracy using high-resolution multi-dimensional X-ray images of the patient's tissue.

Image guided radiation therapy (IGRT) with magnetic resonance imaging (MRI)
This provides high-quality images of tissue and tumors while treatment is in progress, and also enables adaptation of the radiation dose in real-time. The method is under development in the MR-Linac consortium.

Intensity-modulated radiation therapy (IMRT)
IMRT is an advanced type of treatment that uses multiple very small beams of varying intensity rather than a single, large, uniform beam. The radiation can therefore be tailored to the size and shape of the tumor, allowing higher tumor doses while minimizing the impact on healthy tissue.

Incidence
Incidence is the number of new cancer cases arising in a given period in a specified population.

Invasive
A treatment technique that penetrates the skin, skull, etcetera. The opposite of non-invasive (bloodless).

Linear accelerator (Linac)
Equipment for generating and directing ionizing radiation for treatment of cancer.

Magnetoencephalograph (MEG)
Equipment for real time mapping of the function in different parts of the brain, by measuring the magnetic field generated by brain cells activity.

Magnetic resonance imaging (MRI)
Technology used to visualize and differentiate organs and anatomical structures inside the body. It uses non-ionizing radiation and is thus harmless to the patient.

Malignant
Refers to cancerous cells that usually have the ability to aggressively spread, invade and destroy tissue. Opposite to benign.

Meningioma
A type of tumor that develops from the meninges, the membrane that surrounds the brain and spinal cord. Meningiomas are the most common type of primary brain tumors and are often benign.

Metastases
Secondary malignant tumors originating from primary cancer tumors in other parts of the body.

Multileaf collimator
An accessory to the linear accelerator, working like an aperture. With a large number of individually adjustable metal leaves, the treatment beam can be shaped to the size and shape of the target volume.

MR-Linac
See image guided radiation therapy (IGRT) with magnetic resonance imaging (MRI).

Neurology
The study of the nervous system and its disorders.

Neurosurgery
Surgery of the brain or other parts of the central nervous system.

Oligometastases
A limited number of metastases.

Oncology
The study of tumor diseases.

Oncology information system (OIS)
All patient information is collected and accessible in an oncology information system, from diagnosis through treatment and follow-up, so that clinics can deliver the best possible care for every patient. MOSAIQ® is Elekta´s world leading oncology information system.

Parkinson's disease
Paralysis, with trembling and shaking as well as muscular – rigidity, with a change in movements and posture by the patient.

Prevalence
The prevalence of a particular cancer can be defined as the number of persons in a defined population who have been diagnosed with that type of cancer, and who are still alive at the end of a given year, the survivors. Prevalence of cancers based on cases diagnosed within one, three and five are presented as they are likely to be of relevance to the different stages of cancer therapy, namely, initial treatment (one year), clinical follow-up (three years) and cure (five years). Patients who are still alive five years after diagnosis are usually considered cured since the death rates of such patients are similar to those in the general population.

Radiation therapy
Fractionated ionizing radiation treatment of cancer.

Radiosurgery
Non-invasive surgery in which a high, single dose of precise ionizing radiation replaces surgical instruments.

Stereotactic body radiation therapy (SBRT)
SBRT enables accurate delivery of radiation to a tumor and minimizes the radiation dose to surrounding tissue. This enables that small and medium-sized tumors can be treated with higher doses and fewer sessions, known as hypofractionation.

Stereotactic radiosurgery (SRS)
This is typically used to treat tumors and other disorders in the brain. The method involves the delivery of a single high dose, to small and critically located targets in the brain. The method offers very high precision, with a minimum impact on surrounding brain tissue.

Stereotactic radiation therapy (SRT)
Radiation therapy of cancer, where high precision and accuracy is achieved by delivering the radiation based on an external fixed-coordinate system.

Stereotaxy
A technique in which a fixed-coordinate system can determine the location of a point by specifying the coordinates in terms of height, depth and laterally.

Tesla (T)
MRI requires a magnetic field that is both strong and uniform. The field strength of the magnet is measured in teslas (T). The majority of systems operate at 1.5T, even though there are commercial systems available between 0.2–7T.

Treatment planning system
Treatment planning systems provide tools for multimodality image registration, organ and tumor contouring, treatment simulation and plan optimization. Monaco® is Elekta´s comprehensive treatment planning system that supports all major treatment techniques.

Tumor
An abnormal mass of tissue that results when cells divide more than they should or do not die when they should. Tumors may be benign (not cancer), or malignant (cancer). Also called neoplasm.

Volumetric modulated arc therapy (VMAT)
VMAT is a more advanced variant of intensity modulated radiation therapy (IMRT). VMAT enables the physician to control the radiation beam, dosage amount and speed of rotation around the patient, which enables faster and more accurate treatment.

Definitions

Average number of employees
Total annual number of paid working hours in relation to number of standard working hours per year.

Compound annual growth rate (CAGR)
The mean annual growth rate over a specified period of time longer than a year.

Capital employed
Total assets less interest-free liabilities.

Capital turnover ratio
Net sales in relation to average total assets.[1)]

Cash flow per share
Cash flow after investments in relation to the weighted average number of shares.

Contribution margin per region
Net sales less cost of products sold and expenses directly attributable to the respective region.

Days sales outstanding (DSO)
The total of accounts receivables and accrued income less advances from customers and prepaid income in relation to twelve months rolling net sales divided by 365.

Earnings per share (EPS)
Net income attributable to Parent Company shareholders in relation to the weighted average number of shares (excluding treasury shares).

EBIT
Earnings before interest and taxes. Also called operating income.

EBITDA
Operating income plus depreciation and amortization.

Equity/assets ratio
Total equity in relation to total assets.

Gross order intake
Order intake during a period.

Interest cover ratio
EBITDA in relation to interest expenses (excl. interest expenses lease liabilities).

Items affecting comparability
Events or transactions with significant financial effect, which are relevant for understanding the financial performance when comparing income for the current period with previous period, including restructuring programs, expenses relating to major legal disputes, impairments and gains and losses for acquisitions or disposals of subsidiaries.

Net debt
Interest-bearing liabilities (excl. lease liabilities) less cash and cash equivalents.

Net Debt/EBITDA ratio
Net debt in relation to EBITDA.

Net order intake
Order intake during a period adjusted for cancellations, removals of orders and currency effects.

Operational cash conversion
Cash flow from operating activities in relation to EBITDA.

Operating margin
Operating income (EBIT) in relation to net sales.

Profit margin
Income after financial items in relation to net sales.

Return on capital employed
Income after financial items plus financial expenses in relation to average capital employed.[1)]

Return on shareholders' equity
Net income attributable to Parent Company shareholders in relation to average shareholders' equity excluding non-controlling interests.[1)]

Shareholders' equity per share
Shareholders' equity excluding non-controlling interests in relation to the number of shares at year-end (excluding treasury shares).

Value added per employee
Operating income plus salaries, other remuneration and social security costs and cost of incentive programs in relation to average number of employees.

Working capital
Short-term interest-free assets less short-term interest-free liabilities, excluding current tax and derivatives.

[1)] Average based on the last five quarters.

Alternative performance measures

Reconciliation of non-IFRS measures

Alternative Performance Measures (APMs) are measures and key figures that Elekta's management and other stakeholders use when managing and analyzing Elekta's business performance. These measures are not substitutes, but rather supplements to financial reporting measures prepared in accordance with IFRS. APMs used by Elekta are defined on **page 154**. See below for comments on why these APMs are used by Elekta and, when applicable, reconciliations to the IFRS financial statements.

Order backlog

Order backlog represents all orders that have been booked but not yet revenue recognized. Elekta follows the maturity profile of the order backlog when forecasting revenue.

Gross order intake

Gross order intake represents the new orders that have been booked during the period and this is in line with industry peers.

Order and sales growth based on constant exchange rates

Elekta's order intake and sales are, to a large extent, reported in subsidiaries with other functional currencies than SEK, which is the group reporting currency. In order to present order and sales growth on a more comparable basis and to show the impact of currency fluctuations, order and sales growth based on constant exchange rates are presented.

The schedules below present growth based on constant exchange rates reconciled to the total growth reported in accordance with IFRS.

Gross order intake based on constant exchange rates

	Americas		EMEA		APAC		Total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
2021/22 vs 2020/21								
Change based on constant exchange rates	–2	–127	12	740	1	68	4	681
Currency effects	2	117	1	73	1	81	2	271
Reported change	**0**	**–9**	**13**	**812**	**3**	**150**	**5**	**953**
2020/21 vs 2019/20								
Change based on constant exchange rates	23	1,136	–4	–316	5	259	6	1,079
Currency effects	–12	–581	–5	–360	–8	–462	–8	–1,403
Reported change	**11**	**555**	**–10**	**–676**	**–4**	**–203**	**–2**	**–324**

Net sales based on constant exchange rates

	Americas		EMEA		APAC		Total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
2021/22 vs 2020/21								
Change based on constant exchange rates	7	279	2	98	4	205	4	582
Currency effects	2	87	2	84	1	32	1	203
Reported change	**9**	**366**	**4**	**181**	**5**	**237**	**6**	**784**
2020/21 vs 2019/20								
Change based on constant exchange rates	–4	–187	–2	–118	11	516	1	211
Currency effects	–9	–407	–5	–289	–8	–354	–7	–1,049
Reported change	**–13**	**–594**	**–7**	**–406**	**4**	**162**	**–6**	**–838**

Gross income and gross margin

Gross income is the difference between net sales and cost of products sold and is presented on a separate line in the income statement. Gross income as a percentage of net sales represents gross margin. The Gross margin is used by management to review effects on the income statement from factors such as product mix and price development.

EBITDA

EBITDA is used for the calculation of the interest cover ratio and operational cash conversion.

SEK M	2017/18	2018/19	2019/20	2020/21	**2021/22**
Operating income/EBIT	1,845	1,696	1,657	1,906	1,643
Amortization intangible assets:					
Capitalized development costs	408	664	746	685	493
Assets relating business combinations	116	117	119	118	123
Depreciation fixed assets	151	162	410	401	422
EBITDA	**2,520**	**2,639**	**2,931**	**3,110**	**2,682**

Items affecting comparability

The classification of revenue or expenses as items affecting comparability is based on management's assessment of the characteristics and also the materiality of the item.

Operating income (EBIT) and operating margin

EBIT is part of Elekta's long term financial ambitions. The measure is presented in the income statement as Elekta consider it to provide users of the financial statements with a better understanding of the Group's operating performance from a financial perspective. The operating margin shows the operating income as a percentage of net sales.

Capital employed

Capital employed represents the value of the balance sheet net assets that is the key driver of cash flow and capital required to run the business. It is also used in the calculation of return on capital employed.

SEK M	April 30, 2018	April 30, 2019	April 30, 2020	April 30, 2021	**April 30, 2022**
Total assets	23,760	24,064	28,411	24,844	26,303
Deferred tax liabilities	–511	–587	–545	–515	–549
Long term provisions	–158	–188	–235	–224	–215
Other long-term liabilities	–63	–55	–73	–71	–120
Accounts payable	–1,132	–1,427	–1,025	–1,016	–1,352
Advances from customers	–5,316	–4,883	–4,103	–3,759	–4,161
Prepaid income	–1,990	–2,170	–2,226	–2,082	–2,342
Accrued expenses	–1,662	–1,661	–1,703	–1,837	–1,901
Current tax liabilities	–107	–166	–246	–137	–114
Short-term provisions	–186	–188	–179	–174	–149
Derivative financial instruments	–46	–94	–105	–35	–361
Other current liabilities	–257	–308	–501	–559	–429
Capital employed	**12,331**	**12,337**	**17,472**	**14,435**	**14,610**

Return on capital employed

Return on capital employed is a measure of the profitability after taking into account the amount of total capital used unrelated to type of financing. A higher return on capital employed indicates a more efficient use of capital.

SEK M	2017/18	2018/19	2019/20	2020/21	**2021/22**
Income after financial items	1,681	1,580	1,454	1,630	1,501
Financial expenses	225	186	266	295	200
Income after financial items plus financial expenses	**1,905**	**1,766**	**1,720**	**1,924**	**1,702**
Average capital employed (last five quarters)	11,194	12,010	14,247	15,735	14,638
Return on capital employed, %	17	15	12	12	12

Return on shareholders' equity

Return on shareholders' equity measures the return generated on shareholders' capital invested in the company.

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
Net income	1,348	1,198	1,084	1,253	1,154
Average shareholders' equity excluding non-controlling interests (last five quarters)	6,015	7,167	7,967	8,069	8,515
Return on shareholders' equity, %	22	17	14	16	14

Interest cover ratio

The interest coverage ratio shows how much result that is available to pay interest on outstanding debt.

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
EBITDA	2,520	2,639	2,931	3,110	2,682
Interest expenses	163	156	163	192	107
Interest cover ratio, multiple	15.5	16.9	18.0	16.2	25.1

Operational cash conversion

Cash flow is a focus area for management. The operational cash conversion shows the relation between cash flow from operating activities and EBITDA.

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
Cash flow from operating activities	2,404	1,621	1,014	2,551	1,858
EBITDA	2,520	2,639	2,931	3,110	2,682
Operational cash conversion, %	95	61	35	82	69

Working capital

In order to optimize cash generation, management focuses on working capital and reducing lead times between orders booked and cash received. A reconciliation of working capital to items in the balance sheet is presented on **page 107**.

Days sales outstanding (DSO)

DSO is used by management to follow the development of overall payment terms to customers, which have significant impact on working capital and cash flow.

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
Accounts receivable	3,402	3,455	3,379	3,281	3,647
Accrued income	1,160	1,401	1,526	1,772	1,796
Advances from customers	–5,316	–4,883	–4,103	–3,759	–4,161
Prepaid income	–1,990	–2,170	–2,226	–2,082	–2,342
Net receivable from customers	**–2,744**	**–2,198**	**–1,424**	**–789**	**–1,060**
Net sales	11,573	13,555	14,601	13,763	14,548
Number of days	365	365	365	365	365
Net sales per day	32	37	40	38	40
Days sales outstanding (DSO)	–87	–59	–36	–21	–27

Net debt and net debt/EBITDA ratio

Net debt is important to understand the financial stability of the company. Net debt and net debt/EBITDA ratio is used by management to track the debt evolvement and to analyze the leverage and refinancing need of the Group.

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
Long-term interest-bearing liabilities	4,369	3,558	7,101	3,043	4,099
Short-term interest-bearing liabilities	975	1,000	1,001	2,141	510
Cash and cash equivalents and short-term investments	–4,541	–4,119	–6,470	–4,411	–3,077
Net debt	**803**	**439**	**1,632**	**774**	**1,532**
EBITDA	2,520	2,639	2,931	3,110	2,682
Net debt/EBITDA ratio, multiple	0.32	0.17	0.56	0.25	0.57

Equity/assets ratio

The equity/assets ratio gives an indication of the financial flexibility and independence to operate and manage variations in working capital needs as well as to capitalize on business opportunities.

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
Shareholders' equity	6,987	7,779	8,113	8,197	8,916
Total assets	23,760	24,064	28,411	24,844	26,303
Equity/assets ratio, %	29	32	29	33	34

Five year review and key figures

Income statement

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
Net sales	11,573	13,555	14,601	13,763	14,548
Operating expenses excl. amortization and depreciation	–9,053	–10,916	–11,670	–10,653	–11,866
Depreciation	–151	–162	–410	–401	–422
Amortization	–524	–781	–865	–803	–616
Operating income (EBIT)	**1,845**	**1,696**	**1,657**	**1,906**	**1,643**
Financial net	–164	–116	–203	–277	–142
Income after financial items	**1,681**	**1,580**	**1,454**	**1,630**	**1,501**
Taxes	–333	–382	–370	–377	–345
Net income	**1,348**	**1,198**	**1,084**	**1,253**	**1,157**
Attributable to:					
Parent Company shareholders	1,348	1,198	1,084	1,254	1,154
Non-controlling interests	0	0	0	–1	3

Cash flow

SEK M	2017/18	2018/19	2019/20	2020/21	2021/22
Operating cash flow	2,357	2,256	2,526	2,660	1,869
Changes in working capital	47	–636	–1,512	–109	–12
Cash flow from operating activities	**2,404**	**1,621**	**1,014**	**2,551**	**1,858**
Continuous investments	–816	–658	–761	–845	–1,408
Cash flow after continuous investments	**1,589**	**962**	**252**	**1,706**	**450**
Short-term investments	–83	38	–26	60	–69
Acquisition of operations	–58	–54	–511	172	–171
Cash flow from investing activities	**–957**	**–674**	**–1,298**	**–613**	**–1,649**
Cash flow after investments	**1,447**	**946**	**–284**	**1,938**	**209**
Cash flow from financing activities	–367	–1,473	2,624	–3,605	–1,726
Cash flow for the year	**1,080**	**–527**	**2,339**	**–1,667**	**–1,517**

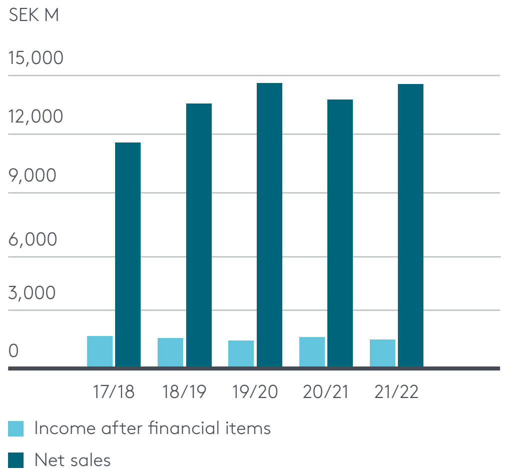
Balance sheet

SEK M	April 30, 2018	April 30, 2019	April 30, 2020	April 30, 2021	April 30, 2022
Intangible assets	9,175	9,301	9,469	8,779	10,262
Right-of-use assets	–	–	1,156	953	975
Tangible assets	895	957	968	897	954
Financial assets	261	508	748	533	615
Deferred tax assets	350	402	504	436	616
Inventories	2,560	2,634	2,748	2,283	2,533
Receivables	5,978	6,144	6,348	6,554	7,271
Short-term investments	83	45	62	–	–
Cash and cash equivalents	4,458	4,073	6,407	4,411	3,077
Total assets	**23,760**	**24,064**	**28,411**	**24,844**	**26,303**
Shareholders' equity	6,987	7,779	8,113	8,197	8,916
Interest-bearing liabilities	5,344	4,558	8,102	5,185	4,609
Lease liabilities	–	–	1,256	1,054	1,086
Non interest-bearing liabilities	11,429	11,727	10,940	10,408	11,692
Total shareholders' equity and liabilities	**23,760**	**24,064**	**28,411**	**24,844**	**26,303**

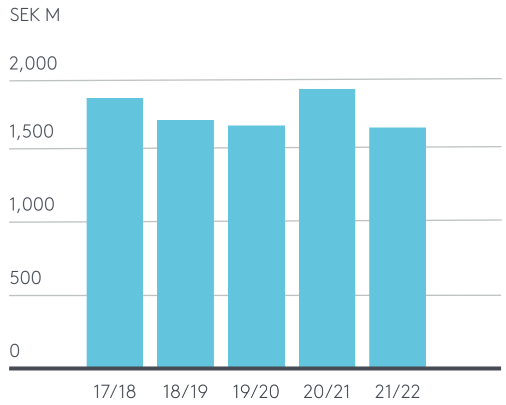
Key figures

	2017/18	2018/19	2019/20	2020/21	**2021/22**
Gross order intake, SEK M	14,493	16,796	17,735	17,411	18,364
Order backlog, SEK M	27,974	32,003	34,689	33,293	39,656
Operating margin, %	16	13	11	14	11
Profit margin, %	15	12	10	12	10
Shareholders' equity, SEK M	6,987	7,779	8,113	8,197	8,916
Capital employed, SEK M	12,331	12,337	17,472	14,435	14,610
Net debt, SEK M	803	439	1,632	774	1,532
Equity/Assets ratio, %	29	32	29	33	34
Net debt/EBITDA ratio, multiple	0.32	0.17	0.56	0.25	0.57
Interest cover ratio, multiple	15.5	16.9	18.0	16.2	25.1
Return on shareholders' equity, %	22	17	14	16	14
Return on capital employed, %	17	15	12	12	12
Investments in tangible and intangible assets, SEK M	861	660	761	845	1,408
Depreciation and amortization, SEK M	–675	–943	–1,275	–1,204	–1,039
Operational cash conversion, %	95	61	35	82	69
Average number of employees	3,702	3,798	4,117	4,194	4,631

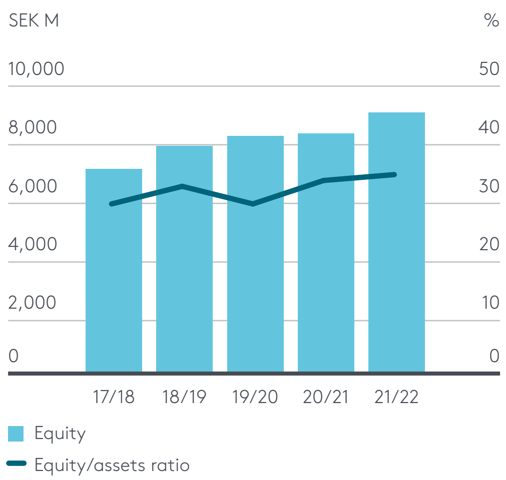
Net sales and income after financial items



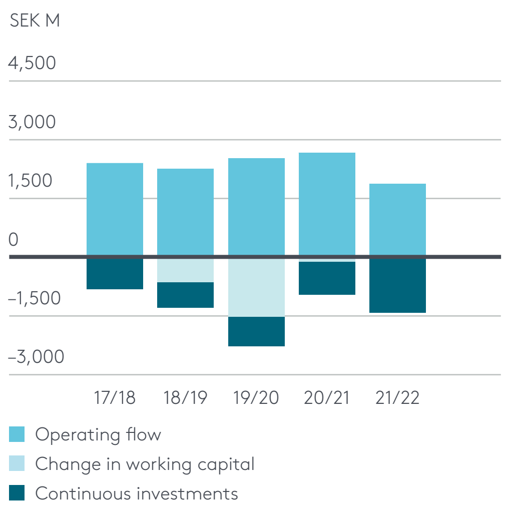
Operating income (EBIT)



Equity and equity/assets ratio



Cash flow after continuous investments



Annual General Meeting (AGM) 2022

The AGM of Elekta AB (publ) will be held on Thursday 25 August 2022. Pursuant to temporary legislation, the Board of Directors has decided that the AGM should be conducted without the physical presence of shareholders, representatives or third parties and that the shareholders before the meeting shall be able to exercise their voting rights only by voting in advance, so-called postal voting.

Shareholders who wish to exercise their voting rights at the AGM shall be registered in the register of shareholders on Wednesday 17 August 2022, and notify by casting its postal vote no later than Wednesday 24 August. This through a special form or electronically through BankID verification, both approaches handled via **www.elekta.com**. For other instructions see under the heading Postal voting in the Notice of the Annual General Meeting that will be published no later than four weeks prior to the AGM.

Since it will not be possible to attend the AGM in person or by proxy, there will be no opportunity to ask questions at the AGM. Questions can instead be sent in advance by post to:

Elekta AB (publ)
Attn Head of Investor Relations
P.O. Box 7593
103 93 Stockholm, Sweden

or via e-mail to cecilia.ketels@elekta.com or by telephone +46 76 611 76 25, no later than on 14 August, 2022. Shareholders who want the President and CEO to be able to address the questions in his presentation, which will be available on **www.elekta.com** in advance of the AGM, need to send the questions to Elekta on 8 August 2022, at the latest.

AGM 2022

Last day for sending in potential questions to the Board or the President and CEO	Aug 14, 2022
Record date to participate	Aug 17, 2022
Last day for voting	Aug 24, 2022
Final day of trading in Elekta shares including the right to the dividend	Aug 25, 2022
AGM	Aug 25, 2022
Record date for first payment of dividends	Aug 29, 2022
First payment date for dividends	Sep 1, 2022
Record date for second payment of dividends	Feb 27, 2023
Second payment date for dividends	Mar 2, 2023

Financial calendar

Interim report, Q1, May–Jul 2022/23	Aug 25, 2022
Annual General Meeting	Aug 25, 2022
Interim report, Q2, May–Oct 2022/23	Nov 24, 2022
Interim report, Q3, May–Jan 2022/23	Feb 24, 2023
Year-end report, Q4, 2022/23	May 25, 2023

Regulatory status of products
This document presents Elekta's product portfolio. Certain products or functionality described may be works in progress and/or pending regulatory approval for certain markets.

Forward looking statements
This report may include forward-looking statements including, but not limited to, statements relating to operational and financial performance, market conditions, and other similar matters. These forward-looking statements are based on current expectations about future events. Although the expectations described in these statements are assumed to be reasonable, there is no guarantee that such forward-looking statements will materialize or are accurate. Because these statements involve assumptions and estimates that are subject to risks and uncertainties, results could differ materially from those set out in the statement. Certain of these risks and uncertainties are described further in the section Risks on **page 36**. Elekta undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or stock exchange regulation.

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