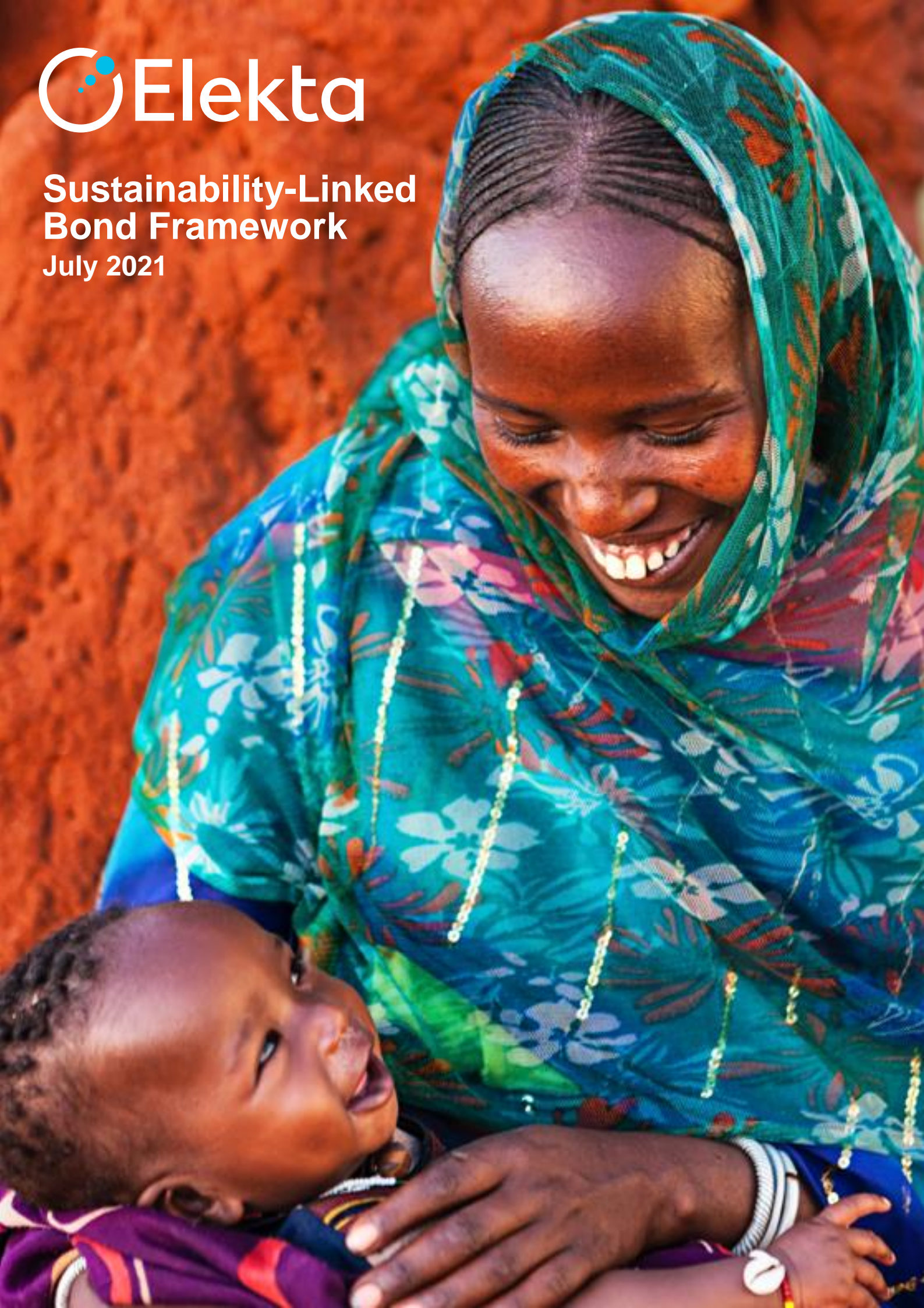




Sustainability-Linked Bond Framework

July 2021





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**Towards a world where
everyone has access to
the best cancer care**

Background

About Elekta

For almost five decades, Elekta has been a leader in precision radiation medicine. Elekta's business model is to develop, manufacture and market innovative solutions for precision radiation medicine as well as to provide services for the installed base.

Today, cancer is the world's second most common cause of death. Every day, 50,000 people around the world are diagnosed with cancer. It does not just affect them; it also affects the people around them. Elekta is working tirelessly on solutions that improve cancer care, so that patients and their loved ones get to share more special moments. With more than 4,700 employees in over 30 countries, we are committed to ensuring everyone with cancer in the world has access to – and benefits from – more precise, personalized radiotherapy treatments.

Elekta's vision is a world where everyone has access to the best cancer care. That is why our sustainability agenda is set on improving access to healthcare globally while operating a responsible and sustainable business.

The Global Challenge of Cancer

Global progress on realizing the 2030 Agenda for Sustainable development and its 17 Sustainable Development Goals (SDGs) was assessed in a UN report published in mid-2019. The report shows that major progress has been made in improving global health, with reduced maternal and child mortality rates, increased life expectancy and in fighting against infectious diseases. Notwithstanding this progress, at least half of the world's population still lacks access to essential health services.

As a result of an overall shortage of services within and outside health systems we have seen a slow development in the prevention and treatment of non-communicable diseases (NCDs). The probability of dying from any of the four main NCDs – cardiovascular disease, cancer, diabetes and chronic respiratory disease – between the ages of 30 and 70 declined from 22 per cent in 2000 to 18 per cent in 2016, with 85 per cent of the premature deaths occurring in low- and middle-income countries. In addition to this, with an increased life expectancy and demographic transition, it is expected that the number of cases are to rise in the future.¹

The problem with premature mortality from NCDs has led the world community to set an ambitious target, as part of Agenda 2030, of reducing mortality from NCDs by one third by 2030. Key actions are urgently required and Elekta has a unique opportunity to make an impact within this field.

Over the last few years, Elekta has addressed the specific needs of low- and middle-income countries by developing products that are tailored to these settings. We strive to develop solutions that are smarter and more user-friendly, and that requires less experience of the clinicians that operate them, without it imperiling the clinical or operational excellence of the cancer care. As a key enabler to increase access to care, Elekta is committed to increase the bandwidth of trained and qualified radiotherapy professionals in many ways.

Elekta is collaborating and partnering with international organizations, governments, and the civil society to raise awareness about cancer, cancer diagnostics and quality cancer care such as radiotherapy, to in the best way possible contribute to the SDG of reducing cancer mortality.

¹ WHO Report on cancer (2020)

Sustainability Strategy

Today, cancer prevalence and mortality are significantly higher in low- and middle-income countries and this is something we want to change. By expanding our reach in low- and middle-income countries, we aim to grow our business in under-served markets while achieving significant positive contribution to sustainable development globally.

Elekta's Sustainability Agenda is based on four focus areas, where working for increased access to healthcare for all is the guiding star on our way to being a responsible and sustainable company.

In our efforts to enable access to healthcare, Elekta as a company, and everyone working for us, must behave responsibly and sustainably in every dimension: ethically, environmentally and socially. These dimensions are represented in our focus areas: business ethics, green processes and people in focus. These three focus areas provide the Sustainability Agenda's foundation as preconditions for a truly sustainable business and enable us to improve and execute under the main focus area: access healthcare.

We let Agenda 2030 and its Global Goals for Sustainable Development guide our approach to sustainability. By addressing our most material sustainability topics, we are making positive contribution to nine of the 17 goals. We are particularly making significant contributions to target 3.4 that sets to reduce mortality from cancer by 2030 through our focused strategy to increase access to radiotherapy in underserved markets.

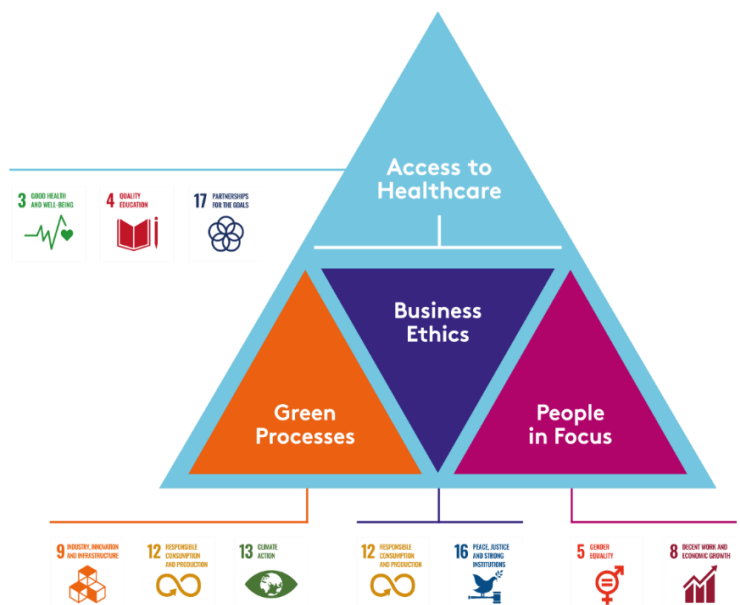
Given its' importance to Elekta, corporate sustainability is integrated at every level of Elekta's governance structure. We describe our governance structure as bottom up and top down. The Board of Directors and its committees oversee the Sustainability Agenda quarterly. Sustainability-related strategies, management and goals are outlined and set by relevant functions and business lines at Elekta.

By incorporating the Agenda into the line organization, we ensure effective management and alignment with other strategic initiatives and targets. Sustainability performance may also impact individual performance assessments and remuneration.

Our sustainability efforts and policies are guided by leading global standards and principles, 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
- the precautionary principle.

Further information about Elekta's governance of the Sustainability Agenda, policies that guide our efforts and progress as well as performance in our respective sustainability Focus Area, can be found below, in our annual report and on our website.





Green processes

Elekta's agenda in this area revolves around one overarching mission: to help fight climate change and setting an ambitious roadmap for carbon dioxide emissions reductions in line with the goals of the Paris agreement. To get there, we focus on activities that have high impact, such as adopting more circular business models, using and choosing materials responsibly and efficiently and minimizing waste.

Elekta's main sources of greenhouse gas emissions derive from the extraction and production of materials we are buying from our suppliers, transportation of our products and assemblies, as well as use of sold products. Even though the vast majority of our emissions thus are not under Elekta's control, we are committed to work hard to reduce the emissions generated also in our supply chain. From the extraction of our raw materials to the delivery to our customers. This makes our targets challenging and we have to look carefully at our processes to identify ways to improve.

We aspire to be an actor that peers and others can look to for inspiration on our approach to combat climate change. Therefore, Elekta recently committed to develop emission reduction target aligned with the Science Based Targets initiative criteria.

A first step in order to manage and minimize our environmental footprint has been to make careful calculations of our baselines - also within the more difficult to measure categories of emissions in "scope 3."

During fiscal year 2019/2020, we established a dedicated program with environmental targets, KPIs, and a global steering team for Green Processes, meeting once a month to align, manage and follow up on activities to reach our targets.

One target area we set out as relevant early on was to reduce our power emissions by a minimum of 30 percent across all major sites by 2021/22. In less than 12 months, we are already on a good track to achieve that target since our sites in the UK, Sweden and the Netherlands are now all running on 100 percent renewable energy, with the Netherlands' power being produced by a windmill only 4.8 km away from the site. In 2020/21, the emissions intensity (kg CO₂e/kWh) from energy and power supply at our major sites decreased by 12 percent compared with 2018/2019.

Another target area is transportation and business travel, an area where our efforts can have big impact. We are working with our transport providers to enable low-emission modalities of transportation, and wherever we can, we are switching towards road or sea freight over air transport. By supplying goods from near production sites, we do not only decrease our emissions by shortening routes, but also costs, delivery times of transportation and efficiency for our employees. In 2020/21 we met our target of lowering our carbon emission intensity from transport and logistics with 25 percent.

The pandemic year, where our travel emissions went down 86 percent compared to baseline financial year 2018, has proven to us that we can successfully coordinate major projects and conferences across borders and continents, without having to physically travel – saving both time for our employees and the environment. Elekta’s travel policy was updated in 2020/21 and we urge employees not to travel for business unless necessary. Travel by train or road is preferred over air travel whenever possible.

Elekta’s R&D department drives the application of environmentally conscious design principles during the product development lifecycle, actively addressing opportunities for low energy usage and

implementation in areas such as material selection, modular design and circular economy. The aim is to increase the lifespan of products and materials by refurbishing products, re-using components, reselling parts at their end-of-life, and recycle materials to minimize wasted resources. There are a number of ongoing and planned projects for taking back parts and components of our machines at end-of-life, refurbishing and subsequently re-using them. One example is the take-back of major climate- intense components such as the tungsten collimator in the Leksell Gamma Knife® for refurbishment and re-use.

During the past year, we have scaled this practice up and implemented the approach across our product lines, especially our linac line that represents the largest part of the business. We now include 21 different components from our linear accelerators in this program and we continue to identify new components fit for refurbishment. Alongside our aim of increasing product refurbishment, we are also dedicated to decreasing landfill. Our largest manufacturing site in the UK moved to zero waste to landfill during the year, and waste to landfill is already zero in our other two major office sites in Europe (Sweden and the Netherlands).





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 behavior, which can be detrimental to sustainable development. We implement effective compliance and integrity programs with emphasis on values and behavior. Elekta's compliance program is based on best-practice elements as defined by leading enforcement agencies and external expectations, yet tailored to Elekta's specific needs, risks and challenges. It consists of nine activities designed to strengthen business ethics and prevent corruption and improper payments. Elekta measures the Compliance program effectiveness through risk assessments.

The aim is to identify and remedy gaps we may have in our program due to, for example, specific country risk or local challenges. The risk assessment also 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. The aim is to detect and prevent similar misconduct and to test whether the existing controls were adequately designed to mitigate the risk. We also ask our entire workforce about their perception of whether we "walk the talk" on compliance and integrity.

An all-employee survey is launched every year to gauge employees' perceptions in this regard. 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. Elekta's programs are continuously benchmarked with our peer companies and we participate in external surveys to measure our performance against best practice.

One of the world's most ethical companies for the third consecutive year

For the third consecutive year, Elekta was identified as one of the world's most ethical companies by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practice. The assessment process includes more than 200 questions on culture, environmental and social practices, ethics and compliance activities, governance, diversity, and initiatives to support a strong value chain.

People in Focus

People are at the heart of Elekta's business. We provide an inclusive, diverse, and respectful working environment for everyone who works at Elekta. Our People and Human Rights Policy summarizes our approach as employer and is based on internationally proclaimed human rights and labor rights standards.

Offering a sustainable workplace for everyone working at, or indirectly for Elekta through our suppliers, is key for long-term success.

We believe that a diverse workforce and an inclusive and respectful work environment are essential components of a thriving innovative and sustainable business. Working at Elekta should mean that everyone has equal opportunities no matter gender, ethnic background, nationality or religion. Our approach is outlined in Elekta's Diversity and Inclusion Policy and progress is evaluated against clear targets and reported annually. Our long-term goal is to increase the underrepresented gender (today female) in senior leadership positions to 30 percent by 2022/23. We aim to achieve this by evaluating candidates to new roles fairly, identifying new hires with high potential for managerial roles, ensuring a balanced gender distribution in our leadership programs, and developing processes for equal pay for equal work. Gender pay gap reviews of comparable roles within the company are conducted locally and based on local regulations and legal requirements.

We have a vision of zero workplace accidents by 2022. As stipulated in the Code of Conduct, and in our People and Human Rights Policy, everyone with a job that requires specific safety instructions and protection will receive all necessary training before starting the work, and the workplace must be equipped with adequate protection materials and tools. Local working environment committees, consisting of local environmental and health and safety specialists, are responsible for continuous monitoring and mitigation of health and safety risks at our manufacturing sites.

Our commitment to human rights and labor rights is set out in the Elekta 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 presents more specific requirements on Elekta suppliers, in all markets and jurisdictions. The Supplier Code of Conduct includes more detailed requirements on human rights and labor rights, and also covers the sourcing of conflict minerals, business ethics, and environmental protection.





Sustainability-Linked Bond Framework

Elekta has a unique opportunity to fight cancer and alleviate the suffering of people affected by cancer in all corners of the world.

By setting up this document (the “Sustainability-Linked Bond Framework” or “Framework”), Elekta intends to link its funding with the objective that we have found as the most material for our long-term sustainability performance. The objective will be achieved through an ambitious timeline, the Key Performance Indicator (KPI) and the Sustainability Performance Target (SPT). The Framework is developed to align with the Sustainability-Linked Bond Principles (SLBP) published in June 2020 by the International Capital Market Association (ICMA).

The five core components of the SLBP are:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Bond characteristics
4. Reporting
5. Verification

The terms and conditions of the underlying documentation for each Sustainability-Linked Bond issued by Elekta shall provide a reference to this Framework. The purpose of the Framework is to define the KPI, SPT, bond structuring features, disclosure and verification related to our sustainability-linked financing.

Elekta has worked with Danske Bank to develop the Framework and DNV has provided a Second Party Opinion, confirming alignment with ICMA’s Sustainability-Linked Bond Principles. Elekta will assign an independent party to issue verification certificates confirming whether the performance of the KPI meets the relevant SPT within the predefined timeframe. All relevant documentation will be publicly available on our website.

9 July, 2021

A handwritten signature in blue ink, appearing to read 'Gustaf Salford'.

Gustaf Salford
President & CEO


A handwritten signature in blue ink, appearing to read 'Johan Adebäck'.

Johan Adebäck
Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'Maria Belfrage'.

Maria Belfrage
VP Group Strategy &
Sustainability

Selection of the Key Performance Indicator

KPI	Horizon	SDG target
Increase access to radiotherapy in underserved markets ² by increasing the installed net base of linear accelerators (linacs) with 825 units.	From 30 April 2020 (the “Baseline Calculation Date”) to 30 April 2025 (the “Target Observation date”).	

Rationale behind the KPI

We cannot successfully operate without thinking, developing and performing under all our four focus areas: Access to Radiotherapy, Business Ethics, Green Processes and People in Focus.

We work hard, every day, to have the most sustainably produced products, the highest ethical standards. Without our qualified people we could not innovate new, state-of-the-art cancer treatment solutions, educate thousands of people improving information about cancer diseases and their possible treatment or train medical professionals in radio-therapy. However, at the end of the day, Elekta has a unique opportunity to fight cancer and alleviate the suffering of people affected by cancer in all corners of the world.

The KPI to increase access to radiotherapy in underserved market by increasing the number of linacs, with the very ambitious 825 units, helping to close the gap between the underserved and developed markets, enable the treatment of the hundreds of thousands people and saving many lives is our main contribution and our KPI analyzed to have the highest materiality. For this reason, we have chosen this KPI, supported and dependent by all efforts under our four focus areas, for our sustainable financing.



² Underserved markets defined as groups and regions, which are underserved in terms of access to treatment due to affordability, lack of equipment and trained staff, or due to being disproportionately burdened by cancer. These markets fully correspond to the countries included in the OECD DAC list of Official Development Assistance (ODA) recipients 2020.

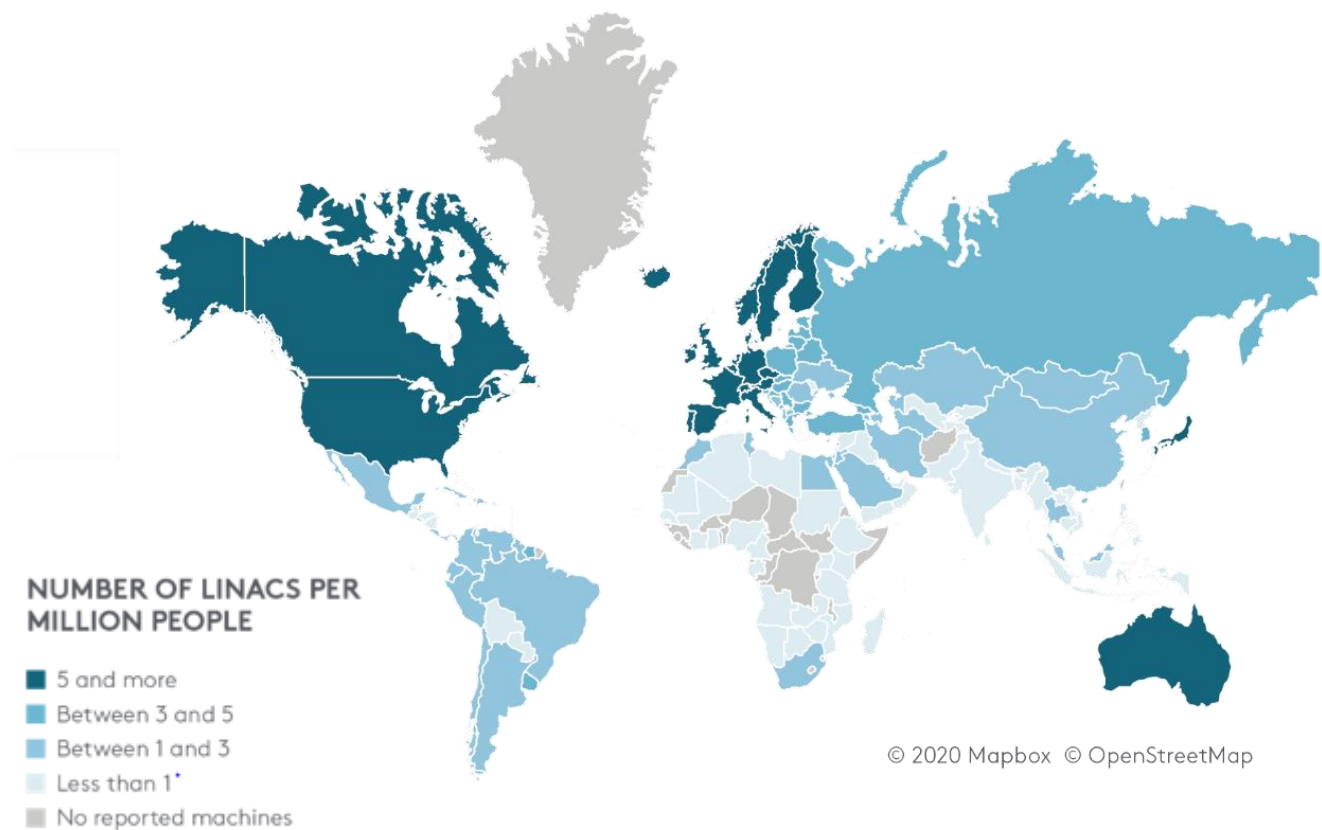
Structural differences in cancer care

The world's population is increasing and getting older. Among an expanding overall population, the over 65 cohort is set to rise by almost 80 percent by 2040. Gains against infections and other diseases, not least cardiovascular diseases in high-income countries, are raising global life expectancy, leading to more cancer cases. The World Health Organization (WHO) estimates that there were about 18 million new cancer cases globally 2020. When accounting for the expected demographic changes, this number is projected to increase to about 28 million new cases by 2040 (non-melanoma skin cancer is excluded).

There are large structural differences in cancer care and in the availability of radiotherapy between countries and regions, with 70 percent of all radiation therapy equipment available to only 25 percent of the world's population. Recommended number of units per million inhabitants is seven.³

A study published in the Lancet in 2015 estimated that while 50–60 percent of all cancer patients require radiotherapy, 40–60 percent of them lack access. At the same time, 70 percent of the total 10 million yearly deaths in cancer (2020) occur in low- and middle-income countries. Less developed countries are picking up quickly, but without having the means to treat the disease. Investing in expanding radiotherapy access in low- and middle-income countries would save lives and lead to substantial economic benefits, according to the Lancet study.

Representing the largest share of radiotherapy treatments, linacs are pivotal in effective cancer care and the reason for the target of increasing the underserved market installed base with 825 units by 30 April 2025, enabling an additional > 400 000 patients in underserved markets to be treated with Elekta's linacs.



³ https://www.cocir.org/fileadmin/Publications_2019/19107_COC_Radiotherapy_Age_Profile_web4.pdf

Main barriers to provide radiotherapy in underserved markets

In order to succeed in providing access to radiotherapy for all, more than just our equipment is needed; health services must be available and of good enough quality. Particular challenges and barriers to provide radiotherapy in underserved markets that Elekta face, could be categorized into three main types:

1. Infrastructure: this includes underdeveloped general healthcare and late cancer diagnostics, low public awareness, lack of financing and reimbursement systems, etc.
2. Education & training: one fundamental element to increase the access to care is to have the workforce required for delivering radiotherapy. Trained and qualified radiotherapy professionals – radiation oncologists, radiographers, medical physicists – are limited across the world, but there is a particular knowledge gap in underserved markets where there is an urgent need to build local capabilities
3. Utilization of equipment: this is related to a usability knowledge gap which may lead to equipment downtime, unnecessary lengthy treatment plans, patient queues etc.

How Elekta fights these barriers

At Elekta, we are committed to deliver and to overcome these barriers. Thereby we directly contribute to target 3.4 of Agenda 2030, which sets out to reduce mortality from non-communicable diseases by a third by 2030.

1. We engage in partnerships with and support organizations such as International Atomic Energy Agency (IAEA), the World Health Organization (WHO) and Cancer Organizations such as ASTRO and ESTRO, to raise public awareness of the need and importance of radiotherapy and to proactively get the necessary infrastructure in place to increase access to cancer. We support ministries of health with advice and partner with third-party financiers, such as leasing companies or export credit agencies, to enable financing solutions and other alternative payment models, to help customers in low-and middle-income countries.
2. We have a broad education and training agenda adapted to target knowledge gaps particularly observed in low- and middle-income countries. These courses are often offered free/funded by Elekta, such as the contouring course with Turkish Radiation Society, the clinical training focused on treatment of cervical cancer with Tata Memorial Center in Mumbai, India, and the training programs with Rayos Contra Cancer, at various clinics in low- and middle-income countries around the world.
3. Elekta is committed to drive digital solutions for value-based healthcare and expand utilization of remote AI service platforms to increase high clinical uptime even in hospitals in remote locations and to improve the quality of treatment plans, increase the efficiency of treatment delivery and potentially improve patient outcomes. Innovation and R&D drive Elekta and we are committed to offer value creating innovations tailored to regional clinical needs, including the specific needs of underserved markets. This includes lowering the barriers to entry by tailored innovations offered at competitive pricing. These cutting-edge innovations enable the delivery of advanced and evidence-based treatment modalities, that may provide outcomes for several indications that are equal to surgery at a fraction of the cost for both provider and patient. Elekta's software solutions such as ProKnow, a cloud-based platform, use big data to assess and continuously improve and standardize treatment quality and workflow efficiency.

KPI calculation

The KPI is defined as “Increase access to radiotherapy in underserved markets by increasing the installed net base of linear accelerators (linacs) with 825 units.” Meaning, the installed base of Elekta linacs in underserved markets, should increase with 825 units within the given timeframe.

The rationale for using linac installed base is that the product is directly connected to the lack of access for radiotherapy based on the recommended number of seven linacs unit per million inhabitants.⁴

Together with the product development and knowledge sharing brought by Elekta, increasing the installed net base of linacs with 825 units contributes to closing the gap in underserved markets and saving the lives of the hundreds of thousands. Installed units and related knowledge will also open up markets for other actors, leading to further installations than Elektas.

For the avoidance of doubt, the KPI is measured as increasing the installed net base of linear accelerators (linacs) with 825 units. This means that installation replacing current installations is not taken into account.

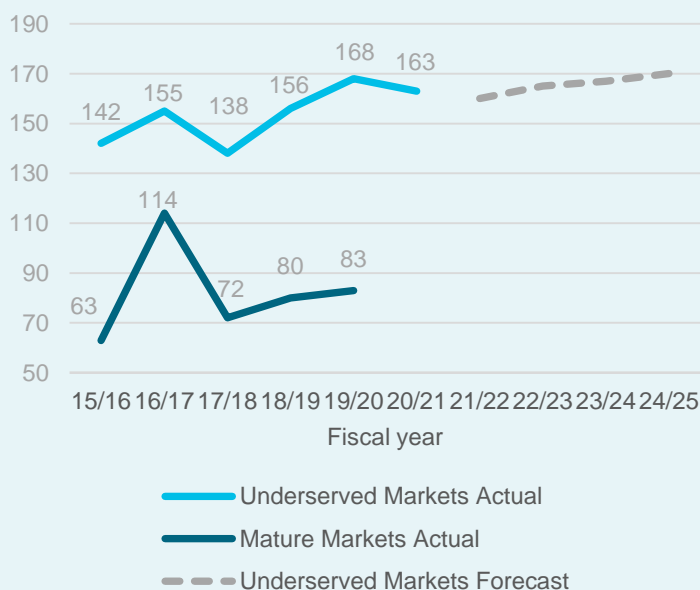
Benchmarks

Elekta has a strong market position globally, being number one or two in each geographic market with a market share of 35 percent based on solutions order intake of treatment systems in Elekta’s fiscal year ending 30 April 2020.

In underserved markets, as defined in this framework, Elekta is the market leader with 50 percent of new order intake and 35 percent of installed base. Over the past five years (2016-2020), Elekta had a 50 percent market share in new orders and 50 percent in installed base. The 2020 underserved markets runner up had a 36 percent market share. The other providers made up the remaining 14 percent.

We are close to our customers with a strong local presence and an installed base in over 120 countries. Elekta delivers close to 400 linac installations (including replacement of old machines) each year, and has grown by an average of 152 new units (excluding replacements) to underserved markets in the last 5 years, an average yearly growth rate of 12 percent. It is crucial in closing the access gap to radiotherapy in the underserved markets that Elekta, with a 50 percent market share continuous to develop, deliver and creating markets that are beneficial for all actors and together contributes in addressing the SDG target 3.4 for non-communicable diseases.

Linac net installed base growth



In the period of 1 May 2020 to 30 April 2025, Elekta is committed to;

- Add an annual average of net 165 units installed in underserved markets.⁵
- Increase the total net installed base in underserved markets by 825 units ~47% to 2,591 units in total.

These measures will create additional capacity estimated to enabling radiotherapy treatment for an additional >400,000 patients per year (approximately 12,000,000 annual treatment fractions added). This is significant progress toward achieving SDG target 3.4

⁴ https://www.cocir.org/fileadmin/Publications_2019/19107_COC_Radiotherapy_Age_Profile_web4.pdf

⁵ Over the five years from 1 May 2015 to 30 April 2020 the installed base has, on average, grown by 152 units per year

Our linac solutions

Our portfolio of linac solutions is continuously being developed further to enhance treatment quality and clinical productivity.

Linacs are the foundation of radiation oncology departments treating a wide range of tumors. Elekta is a market leader delivering close to 400 new installations each year. Together with increasingly intelligent software, our linacs are helping clinicians to achieve better outcomes for more patients.

Improving quality through cloud platform

In August 2019, we acquired ProKnow®, a cloud-based platform for measuring and improving quality in radiotherapy. ProKnow introduces quality metrics to every treatment aspect, which can then be compared with a bigger cohort of patients. This allows clinics to better evaluate and constantly improve their treatment practices, which is a key aspect of value-based healthcare. ProKnow also makes it easier for clinicians to collaborate on difficult cases and to distribute tasks. Especially in the pandemic situation, the cloud-based functionality enables clinicians to work around the restrictions and lockdowns, for example by contouring tumors from home, so that there are fewer delays in the care of cancer patients, increasing certainty and precision.

As the value-based healthcare trend grows, radiation oncology departments are increasingly looking towards hypo fractionation – delivering the planned dose in fewer sessions. A consequence is that there is less room to compensate for day-to-day uncertainties about where the tumor and organs-at-risk are during delivery of the dose.

Therefore, in addition to prior imaging, new measures are being introduced to better understand the anatomy during treatment. One such measure is Clarity®, which is an option with Versa HD™. Clarity uses ultrasound to monitor movements of the prostate and stops the beam when target or critical structures are out of range. Another example is Symmetry™, an advanced 4D imaging technique. It is used for understanding how respiratory motion affects the tumour path to deliver the dose more precisely. Beam accuracy might be another constraint in radiotherapy. Using Versa HD with the treatment planning software Monaco® HD allows unparalleled precision and the delivery of stereotactic radiosurgery and stereotactic body radiation therapy in regular 15-minute treatment slots. Monaco® HD uses a deep understanding of the machine's capabilities to deliver optimized treatment plans that can be delivered in less time without sacrificing plan quality.

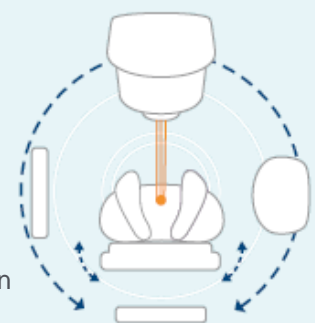
High productivity linac

Our new high-productivity linac, Elekta Harmony, which was launched in September 2020, achieves the perfect balance, improving productivity without compromising on either versatility or precision. The biggest change brought by Harmony is a completely redesigned in-room experience, especially for the often-time-consuming patient setup process. The new FastTrack system can reduce patient setup time by up to 50 percent. With hand controllers at the table, and information displayed at the center of the linac, the operator remains at the patient's side during the entire setup. Overall, treatment times can be reduced by up to 25 percent, which means clinics can treat more patients with the same staffing, thus increasing radiotherapy access. The new linac will be aimed at both mature and emerging markets.



How it works: Linac

The linac produces a beam of radiation that is actively shaped and aimed at the patient's tumor with high precision and in accordance with a calculated, individually adapted treatment plan. Using alternating current voltage, the electrons accelerate to high speeds and are aimed at the target to deliver a significant dose of radiation to the tumor, with minimal impact to the surrounding healthy tissue. The linac also includes an integrated imaging system for visualization and positioning of the tumor target.





Calibration of the Sustainability Performance Target

The Sustainability Performance Target

SPT: Increase the number of linac’s net installed base in underserved markets with 825 units by 30 April 2025.

Meaning 2,591 linac units net installed in underserved markets by the Target Observation Date 30 April 2025, a ~47 percent increase from the 1,766 units net installed on the “Baseline Calculation Date” 30 April 2020.

Elekta’s historical performance in underserved markets

In the period of 1 May 2015 to 30 April 2020, Elekta installed 917 linacs in the underserved markets. The number of net installed Elekta units in underserved markets was 759, the remaining 158 were replacements of old units.

To increase our reach of 1,766 units net installed base 30 April 2020, with yet another 825 installed units by 30 April 2025, holding a capacity to serve another estimated 400,000 cancer patients per year, covering approximately 12,000,000 annual treatment fractions, is a very ambitious task. To this, the replacement installations should increase during the period.

Over the years when we’ve been active in the underserved markets we have learned a lot. There are a number of needs to be addressed for a linac to deliver at its capacity – from understanding the need and possibility, to financing and operation.

Date	Historical value Number of net installed units in underserved markets
30 April 2015	1,007
30 April 2016	1,149
30 April 2017	1,304
30 April 2018	1,442
30 April 2019	1,598
30 April 2020	1,766
30 April 2021	1,929

Elekta’s fiscal year starts on 1 May and ends on 30 April, hence the Target Observation Date 2025 is 30 April 2025.

Strategy to achieve the SPT and close the access gap

Increasing access to radiotherapy will be crucial in reaching the SDG target 3.4 for non-communicable diseases. As a market leader in linacs, delivering close to 400 new installations each year, Elekta has a unique opportunity and position to fight cancer and alleviate the suffering of people affected by cancer in all corners of the world.

Innovation and utilization of equipment

We have addressed and acknowledged the specific needs of the underserved markets by developing products, training and financial solutions that are tailored to these settings. We strive to develop solutions that are smarter and more user-friendly, and that require less experience of the clinicians that operate them, without risk to the clinical or operational excellence of the cancer care. Innovation drives Elekta and we offer value creating innovations tailored to regional clinical needs, including the specific needs of underserved markets.

We are committed to maintain or increase the high level of R&D spent as percentage of sales for Elekta to be able to release enhanced solutions and services to lower the barriers for entry in underserved markets at more competitive pricing. These cutting-edge innovations also enable the delivery of advanced and evidence-based treatment modalities which can provide outcomes for several indications that are equal to surgery at a fraction of the cost for both provider and patient.

Key to Elekta's underserved market development strategy is the Beijing technology center and factory as well as our software hub in Shanghai. China is a major strategic sourcing hub that provides cost and economies of scale advantages for supply chain and material and logistics. Our Beijing factory contributes significantly to R&D and manufacturing of key modules of the equipment. The factory also has the capacity and ships full finished goods to different regions. The factory is capable of increasing Elekta's annual manufacturing capacity to fulfil significant increase in demand without disrupting the main production line and even provide cost benefit through economies of scale.



As utilization of already available equipment remains a challenge in underserved markets, Elekta is committed to drive digital solutions for value-based healthcare and expand utilisation of remote artificial intelligence (AI) service platforms to increase high clinical uptime even in hospitals in remote locations, shorten and improve treatment plans and patient outcomes. Elekta's software solutions such as ProKnow help ensure that clinicians can consistently deliver high quality and efficient care to each and every patient.

Even if the typical workload in an underserved market is two to three work shifts with 50 to 60 daily patient treatment fractions per linac unit, the busiest large public centres in underserved markets operate in three or even four work shifts delivering up to 100 daily patient treatment fractions. Given these conditions, the cost of system downtime and clinical availability are exponential compared to mature market conditions where linacs are typically operated in one to two work shifts, carrying out some 20 to 30 daily patient treatment fractions. As the average patient needs some 30 treatment fractions, a typical workload per linac in the underserved markets means some 15,000 annual patient treatment fractions which means 500 patients fully served. A busy center can even perform some 24,000 patient treatment fractions per linac, meaning up to 800 patients served per year. To cope with these demanding conditions, Elekta provides a minimum 96 percent guaranteed system uptime to preserve clinical availability.

Developing customer financing solutions in joint efforts

Elekta is also partnering with third party financiers, such as leasing companies or export credit agencies, enabling financing solutions and other alternative payment models to help lower the barrier for entry to acquire modern technology demanded by customers in underserved markets. Partnership like these accelerate the transfer of knowledge and the implementation of solutions at a broad scale. From time to time we also provide financing to customers using Elekta Balance Sheet, allowing for longer payment terms.

Advancing infrastructure in public-private partnerships

To succeed with Elekta's purpose and to achieve SDG target 3.4, more than just our equipment is needed; health services must be available and of good enough quality. We collaborate and partner with clinics, researchers, governments, and the civil society to raise awareness about radiotherapy, the essence of finding cancer at an early stage, to find viable financial solutions and to further improve access.

We engage in partnerships with organizations as well as global cancer organizations like City Cancer Challenge, UICC and Global Coalition for Radiotherapy to raise public awareness of the need and importance of radiotherapy as a critical cancer treatment and how innovative technical solutions can contribute to enable access.





Closing the knowledge-gap and building human capital locally

Another fundamental element to increase the access to care is to have the workforce required for delivering radiotherapy. Our education and training portfolio broadly aims to cover three main categories of training gap and extends from training on-site/clinical, classroom, remote and on-demand.

One category of training is focused on our products and is offered to Elekta's customers and ensures the optimal, safe and efficient use of Elekta's products and solutions. During 2019/20, 8,647 training sessions were delivered.

A second type of offered training is more in-depth and aims to ensure efficient and effective clinical practice, often delivered as peer-to-peer training.

A third type of training aims to serve an even bigger knowledge gap in radiotherapy, particularly observed in underserved markets. Where clinics may have no expertise in 3D-contouring and treatment planning, or no contouring experience at all. We partner with local universities and organizations to provide contouring training, non-for-profit, to both customers and non-customers.

Through a non-for-profit organization (Rayos Contra Cancer), Elekta funded a comprehensive peer-to-peer training program targeting radio oncologists, medical physicists and radiotherapists in underserved markets (Latin America, Middle East, Africa and South East Asia).

Through these programs, 450 clinicians in 35 clinics were trained, anticipating to benefit an estimated 21,000 patients with improved radio-therapy treatments. Elekta intends to fund a scale-up of this program, targeting to have, by 2021/22, trained an additional 1,700 clinicians anticipating to benefit an estimated 74,000 patients.

Aside from training and education activities, Elekta builds local capacity through increasing direct local presence inter alia by increasing the number of local technical experts (service engineers) that help ensure clinical availability (machine uptime). We are also establishing new legal entities in underserved markets to better serve customers. It is difficult for typical multinational companies to justify investments in setting up operations in new markets with significant infrastructure limitations and without a validated business case and predictable demand. Elekta however, has taken a long-term view of the strategy of establishing operations directly in underserved markets by investing ahead of the curve even though the infrastructure and growth drivers are not yet fully in place.

To overcome the infrastructure hurdles, the strategy of the company is two-fold: investing in in-market clinical and technical resources to provide direct training and support to customers in deploying the technology safely to treat patients; and also partnering with customers and local societies (Elekta user or not) to programmatise education and training and bridge the human capital gap.

The fight against women's cancer

Every year more than half a million women are diagnosed with cervical cancer around the world. 85 percent of the women are living in low- and middle-income countries and half of them die from the disease. While all cancers can be devastating for the patients and their families and loved ones, women's cancer has additional effects on societies and economies. Unlike other cancers that typically appear later in life, cervical cancer is often diagnosed in the prime years of women's family and work lives. Women who die due to cervical cancer often leave young children without a mother and wage-earner, and economies are negatively affected as women are increasingly entrepreneurial and play a key role in stabilizing and building their local economies.

In February 2020, the WHO published a draft global strategy towards the elimination of cervical cancer as a public health problem. It calls for aligned and accelerated efforts. One of the three targets for 2030 is that 90 percent of all invasive cancer cases should be managed.

Brachytherapy is essential in the treatment of cervical cancer and to achieve WHO's goals. Further, brachytherapy is particularly suitable for low- and middle-income countries as it is comparatively cost-efficient and enables higher radiation doses to be given safely in a shorter period. As a leader in brachytherapy, Elekta is committed to increasing access to the treatment and to train medical staff globally, especially in currently underserved regions. Our Brachy Academy is expanding its services in low- and middle-income countries to increase its lasting impact and a structural growth for brachytherapy globally.



Bond characteristics

Failure to reach the SPTs at the selected Target Observation Date, as disclosed in the annual report published following that date, will result in a Triggering Event. A Triggering Event will result in a premium payable by Elekta according to one of the following alternatives:

- A coupon step-up, by a number of basis points as specified in the final terms of each Sustainability-Linked Bond, applying to the relevant securities from the first day of the next interest period immediately following the Reporting End Date (the date falling due 90 days after the Target Observation Date) and until maturity.
- A one-time payment, by an amount specified in the final terms of each Sustainability-Linked Bond, payable at maturity.

Further details on the structure of the Triggering Event and the adjustment in the coupon rate or the principal repayment amount will be specified in the final terms of each Sustainability-Linked Bond.

Fallback mechanism

In the event the performance level against each SPT cannot be calculated or observed, or not in a satisfactory manner (non-satisfactory manner to be understood as e.g. the independent third party's verification certificate containing a reservation or the third party not being in a position to provide the certificate), it will lead to a Triggering Event. Likewise, if Elekta fails to publish reporting related to the relevant SPT at or before the Reporting End Date, it will result in a Triggering Event.



Reporting

Elekta will annually, up to and including the Reporting End Date, which is the date falling 90 days post the Target Observation Date, communicate to investors in the annual sustainability report the progress towards the KPI and SPT. Information regarding the progress will constitute the following information:

- Up-to-date information on our performance related to the selected KPI and SPT, compared to the baseline and information about any recalculations.
- If applicable, information on the sustainability impact of the linac units installed and related key actions undertaken that have contributed to the improvement.

Verification

Second Party Opinion

DNV has provided a Second Party Opinion to this Framework assessing the relevance, robustness, reliability and ambition level of the selected KPI and SPT, and confirming its alignment with the five core components of ICMA's Sustainability-Linked Bond Principles dated June 2020. The Second Party Opinion will be published on Elekta's website.

Annual assurance

Elekta's annual report, verified by independent auditors, shows the annual performance of the KPI and thereby the SPT.

Verification certificate

A verification certificate will be issued by an independent third party assigned by Elekta following the Target Observation Date, confirming whether the performance on the KPI meets the relevant SPT. The verification certificate will be published on Elekta's website.

Hope for everyone dealing with cancer

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