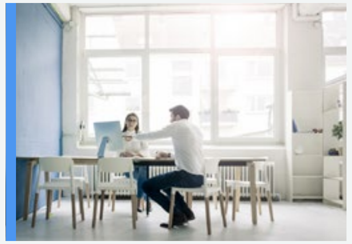
Elekta

Annual Report 2022/23

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

Contents



About the Annual Report
Pages 19–69 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 Sustainability Notes that are prepared in accordance with the GRI Standards, Core option, and a sustainability report in accordance with the Swedish Annual Accounts Act.

Link to other pages in the Annual Report
Link to the Elekta website

Elekta ONE connects **personalized treatments**, in a more **productive way**

Read more about our latest software innovation, on **page 14**.

We combine **passion, science and imagination** to profoundly change cancer care

With sales in **120** countries

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

... our global team of **4,500** employees serving the market

ACCESS 2025

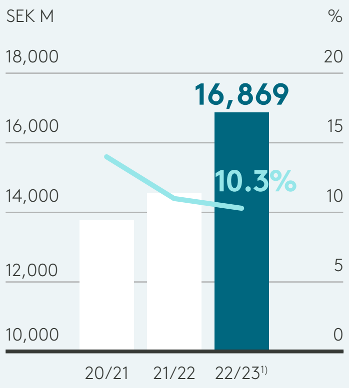
Our strategy ACCESS 2025 and our sustainability agenda is set on improving access to healthcare globally (UNs SDG 3) enabled by environmental action, securing our ethical business standards, and ensuring health, safety and engagement of our people.

Read more about our strategy on page 8.

Elekta acts in a market with strong underlying demand as a driver for sustainable growth. Today, more people than ever need cancer care, and **we meet the evolving patient needs with cost-efficient solutions, no matter where they live.**

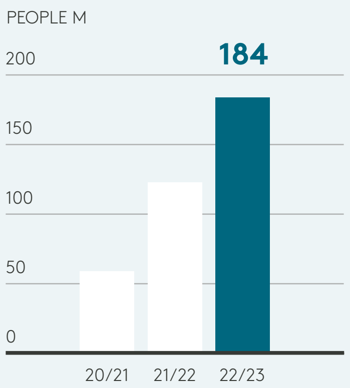
Key figures

Net sales and EBIT margin



Net debt/EBITDA ratio

Additional people with access [2)]



1) Adjusted EBIT margin = Operating income excluding items affecting comparability attributable to the Cost-reduction Initiative.
2) In underserved markets since 2019/20.

Business overview

Delivering on ACCESS 2025

Elekta driving growth and margin expansion despite macroeconomic headwinds.

Despite a challenging start, this year ended in growth. We headed into 2022/23 facing tough macroeconomic headwinds, with component shortages, global supply chain disturbances, and high inflation. These have continued to impact us throughout the year, but we have managed the challenges well, executing our strategy, ACCESS 2025, and delivering growth and increased margins, mainly in the second half of the year. We were able to grow revenue by completing installations from our strong order backlog, and increased margins from the effects of the Cost-reduction Initiative, aimed to accelerate our ongoing resilience activities, that have run according to plan.

As the year concludes, we celebrate some key highlights, among many achievements, linked to the strategy's four pillars.

Driving adoption across the globe

Our strategic milestone to provide access to radiation therapy to an additional 300 million people in underserved markets is well on track and, to date, we have reached more than 180 million additional people, putting us ahead of our plan. Our latest linear accelerator, Elekta Harmony, is proving itself to be instrumental in this cause by delivering a combination of high precision and productivity. We have also continued to establish a direct presence in more markets, by acquiring our distributor Premium Business Inter in Thailand.

Customer lifetime companion

In October, Elekta launched Elekta Care 360, which is our portfolio of customer services that help enhance clinical operations. It includes, for example, dosimetry, consultancy, and physics start-up services. Elekta Care 360 increases our value-added services, further strengthening our position as a lifetime companion. Our service offerings constantly improve our customers effectiveness, and the uptime of their devices, ensuring that patients receive their cancer treatment. An outstanding result during 2022/23, is the more than 250,000 treatment slots that were uninterrupted, thanks to AI-based proactive data monitoring.

Accelerating innovation

During this year, we have seen our latest Leksell Gamma Knife, Elekta Esprit, become fully operational in three continents, treating patients in Europe, Japan, and the U.S. Our MR-Linac, Elekta Unity, reached a true milestone with the launch of Comprehensive Motion Management with True Tracking and automated gating, which has received both CE-mark and FDA clearance, opening up a new range of opportunities for real-time adaptive treatments. After the year ended, at ESTRO in Vienna, we launched Elekta ONE, our comprehensive suite of connected end-to-end applications.

Partner integration across the cancer care eco-system

Elekta remains committed to our partnership strategy as the largest stand-alone player in our industry. During the year, we have seen existing partnerships evolve, as well as the formation of new ones. In March, we entered into a joint venture with Sinopharm in China, which will open access to thousands of cancer clinics in more rural areas, where 70 percent of China's population resides. We were also pleased to announce that Mercurius Health will equip its Robert Janker Klinik with integrated oncology solutions from Elekta and Philips, enabled by our strategic partnership.

Delivered in a sustainable way

Last year, we submitted our emission targets for validation by the Science Based Targets initiative, and this year, we could proudly announce that they had been validated and that we are on track to minimizing our environmental footprint while maximizing social value. We also remain committed to supporting the principles of the UN Global Compact.

Growth and margin expansion

Looking forward, we expect the macroeconomic challenges to remain, however, we will continue to adapt and drive improvements. The long-term underlying demand for cancer care has not changed and we expect the trend of gradual market improvement to continue. Next year we will focus on optimizing our recent product launches – not least Elekta ONE – driving price and margin expansion and maintaining our momentum during the second half of this fiscal year.

I would like to thank all Elekta colleagues for their relentless work, dedication, and resilience in executing our strategy, ACCESS 2025, during what has been a challenging year. Our purpose, to provide hope for everyone dealing with cancer, will continue to drive us forward, and together with our customers and partners, we will strive towards a world where everyone has access to the best cancer care.

Gustaf Salford
President and CEO

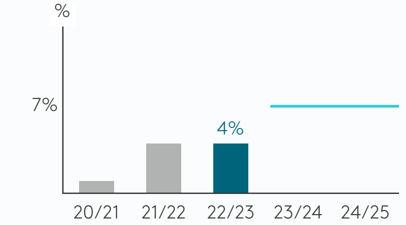
Outlook and strategic milestones 2024/25

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

Outlook and dividend

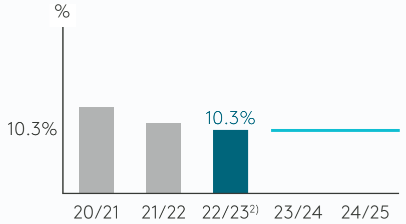
Outlook | **Outcome** | **Comment**

Net sales
>7% CAGR from 2022/23 to 2024/25



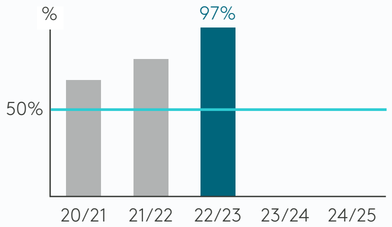
- Despite the post-pandemic impact Elekta had a net sales growth rate of 4 percent in 2022/23 based on constant exchange rates. In SEK, net sales growth was 16 percent
- In 2021/22 and 2022/23 the market grew by ~4 percent respectively

EBIT margin
expansion from 2022/23 to 2024/25



- In 2022/23, Elekta's adjusted EBIT margin[1)] decreased to 10.3 percent. This was explained by a lower gross margin, mainly due to inflation and supply chain challenges, as well as higher selling and administration expenses. A Cost-reduction Initiative was implemented during 2022/23. For more information see page 23

Dividend policy
≥50% of annual net income



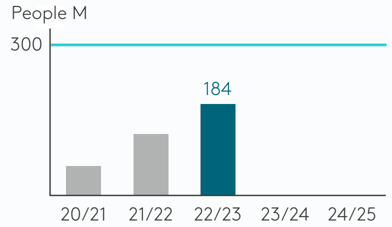
- The dividend proposal for 2022/23 is 2.40 SEK/share to be paid out in two installments

[1)] Adjusted EBIT margin = Operating income excluding items affecting comparability attributable to the Cost-reduction Initiative.

Strategic milestones

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

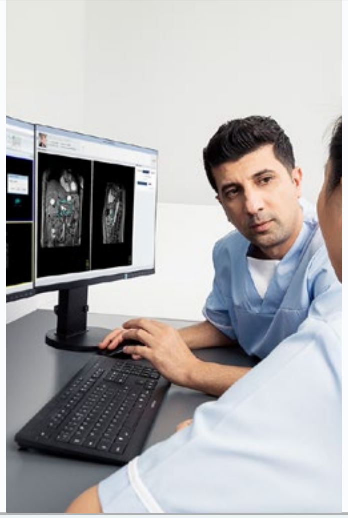
Availability of care
+300 M people in underserved markets to get access via Elekta's installed base



- At end of 2022/23, additional 184 million people in underserved markets had gotten access via Elekta's installed linac base (baseline 2019/20)
- This corresponds to an additional installed base of 505 linacs since 2019/20

Elevation of care
Online adaptive treatments are driven by Elekta Unity as the MR-Linac can adapt the treatment plan in real time to changing tumor and surrounding tissue anatomy.

100 percent of Unity treatments are adapted, of which around 60 percent are adapt to shape and around 40 percent adapt to position. More than 50 percent of Unity treatments are stereotactic body radiotherapy (hypofractionation).



Participation of care
Through the Kaiku app, patients can interact with their clinicians, who get access to the patients and their symptom feedback and will react to the patients well-being, if necessary. A positive experience for the patient and efficient problem solving for the clinicians

For **sustainability targets** see Sustainability Notes in Financial Reporting on **page 74**.

Access to the best cancer care

Our 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. 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.

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, supporting the UN:s Sustainable Development Goals (SDGs) 3.4 to reduce premature mortality from cancer and other non-communicable diseases by one third by 2030.

The strategy is also a response to market trends and global drivers, arising within society in form of higher demand for cancer treatment, but also as solutions of how clinicians need to tackle these trends. More people get cancer and live with it as a chronic condition. The cancer centers and hospitals need to increase the productivity, through digitalization and technology advances or medical science, which also can tailor better targeted treatment for each patient. At the same time, there is a large structural difference in cancer care and availability between countries and regions. Radiotherapy is a cost-efficient treatment of cancer. Still there is a huge lack in capacity in many markets.

The strategy and its enablers

ACCESS 2025 (illustrated on **page 9**) is built around four main strategic pillars to drive sustainable profitable growth and create the next generation models for treatment, workflows and customer engagement.

Enablers

To support our strategic pillars, we have two internal enablers: People, and Resilience & Process Excellence. Building and continuously developing our people and teams as well as ensuring good cross-organizational collaboration are essential for the successful execution of our strategy. And Elekta's values act as a guideline for its employees' day-to-day work. To ensure long-term competitiveness we also need a continued focus on resilience and process excellence.

In a sustainable way

To build a sustainable future, it is necessary to take our environmental, social and governance responsibility. We are set out to reducing our emissions according to our science-based targets to align our operations with the Paris agreement. We drive access to healthcare and aim to maximize our positive social impact on society. We also have several programs running to secure sustainable sourcing and to create a safe and inclusive workplace. As the healthcare sector is particularly vulnerable to corruption, we have strong focus on business ethics and detailed guidelines on ethical business practices.

Purpose

To inspire hope for anyone dealing with cancer, be those patients, clinicians, or relatives.

Mission

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.

Vision

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

The strategy and its enablers

Higher survival rates

Increasing population

Lack of radiotherapy

We continue to invest in innovation, both in hardware and software, to keep driving precision radiation therapy forward and to develop new solutions that help customers elevate standards of cancer care.

Accelerate innovation with customer utilization in mind

Drive partner integration across the cancer care ecosystem

We believe that cancer care is best elevated by bringing together 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.

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

We want to be the preferred and most rusted partner to our customers throughout the lifecycle of our solutions. We continue developing our services, offering new business models to build stronger relationships with our customers.

Be the customer lifetime companion

Drive adoption across the globe

To make sure that patients really get access to the best cancer care, we will continue to drive market adoption. In emerging markets, initiatives focus on increasing the installed based. In mature markets the initiatives focus on increasing efficiency with new technology or utilization of available technology and decision-making support.

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

Personalized precision

Increased digitalization

Higher productivity

Drivers and trends within society

Drivers and trends from customers

Business model to foster innovations

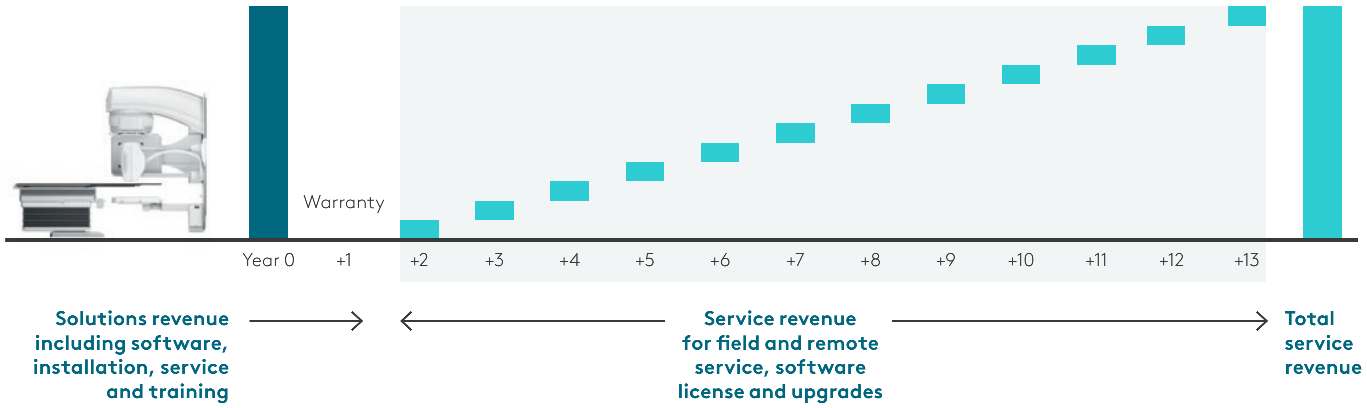
15%
of OIS software order are SaaS 2022/23

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 or solutions are paid upfront, whereas services are mainly paid periodically based on contracts, but also include occasional service assignments. Going forward, we expect more "Software or Solutions as a Service" to become a more common model, which implies more periodical fees instead of upfront payment. As this occurs, it will smoothen our revenue and cash flow more evenly over a longer period of time.

REVENUE STREAM



Creating responsible value throughout the value chain

Elekta's business provides an important part of cancer care around the globe. Elekta is a global organization with a wide range of stakeholders across society.

Collaborations help secure both clinicians' and patients' needs and drive innovations within radiotherapy, based on sustainable operations with high-quality supplier. The foundation for our long-term success is excellence and sustainability in all our processes throughout the value chain. We achieve this 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.

Elekta is a global organization with a wide range of stakeholders across society. Through providing innovative products and services, and through provision of education and training, we aim to drive access to cancer care for patients globally. We work in partnership with our customers and governments. Through interaction with academia in different ways we foster innovation and research to maximize social value. Elekta has a global workforce with manufacturing across Europe and Asia.

In our endeavor to drive access to healthcare, Elekta impacts the environment, economy, society and human rights in different ways. We aim to maximize our positive impact and mitigate any negative impact across our value chain. Read more about our impacts and sustainability materiality analysis on **page 75**.

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.

13%

of net sales in R&D investments

SOURCING AND MANUFACTURING

Secure 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. We are developing our Sustainable Sourcing Program to drive change in partnership with suppliers.

We target to engage

27.5%

of our suppliers by emissions for climate action, see **page 76**

AFTERMARKET & SERVICE

Providing excellence to customers and patients 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 increasing share of the support is conducted remotely.

120

countries with an installed base

MARKETING & SALES

Bringing innovations together with clinicians

With a strong local presence around the world, we are close to our customers. 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 financing solutions.

More than

4,500

employees globally

We contribute to a sustainable future

THE GLOBAL GOALS
For Sustainable Development

We are working to realize our vision of a world where everyone has access to the best cancer care. We aim to deliver on our strategy to drive maximum positive impact and create a sustainable future for society, while also working to minimize any negative impacts on the society, environment, people and human rights.

Our approach to sustainability is guided by Agenda 2030 and UN's SDGs. Elekta contributes to nine of the 17 SDGs.

In 2022/23, we updated our materiality assessment to establish how Elekta impacts the environment, society, people and human rights and which material topics Elekta should address. More information about the materiality assessment and sustainability governance, see **page 74**.

Today, there are large structural differences in cancer care. Low- and middle-income countries are generally underserved in terms of treatment capacity[1] while socioeconomically weaker groups have less access to treatment and worse outcomes[2] even in more mature markets.

Improving access is at the core of our business strategy, see **page 8**. The strategy covers innovation that improves outcomes for patients and enables more efficient delivery of treatments, service and predictive maintenance. In addition it covers initiatives that drive global adoption, such as working with governments to improve reimbursements, access to training and customer financing. While improving access is our most significant positive impact on society, we are mindful of our wider social and environmental impact and make efforts to ensure that we conduct our business ethically and responsibly. The aim of our sustainability agenda is to ensure that we build a sustainable business that can thrive over the long term in order to continue to drive positive social impact.

Guided by global standards and principles

Our sustainability agenda is guided by:
- the UN Global Compact and its ten 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.

Our ethical principles are presented in our Code of Conduct, see **elekta.com** which applies to everyone working for and on behalf of Elekta. The Code is supplemented by specific policies where needed. See **page 74** for more information on our sustainability governance and policies.

For more information on how Elekta contributes to the UN SDGs see **page 75**.

Why is our ESG work important?

E Environment

According to the Intergovernmental Panel on Climate Change (IPCC)[3], global warming's impact on people and ecosystems is already more severe than expected and every increment of warming will further intensify hazards. The healthcare sector is responsible for approximately 5% of global greenhouse gas emissions[4].

As a global company, we are determined to do our part and transform our business for a low carbon future.

S Social

Around 19 million people are diagnosed with cancer each year[5] and as the world population grows and ages, that number is expected to increase[6]. Expanding access to radiotherapy would save lives and bring economic benefits[7], but several factors are hindering it. These include insufficient physical and institutional infrastructure, such as underdeveloped general healthcare systems, low radiotherapy awareness, and underdeveloped or a complete lack of financing and compensation systems.

Our long-term ability to successfully improve healthcare access is contingent on us safeguarding the safety and human rights of people across our value chain: including patients, clinicians, and people in our supply chain, and to enable our employees to thrive.

G Governance

The healthcare sector is particularly vulnerable to corruption[8]. Corruption, anti-competitive behavior and other unethical business practices can be significant obstacles to sustainable development and have negative effects on innovation, customers and ultimately patients[9].

We are determined to conduct ethical business across our global operation in order to successfully contribute to driving access to healthcare.

Read about Elekta employees driving our sustainability agenda on elekta.com

[1–9] Sources, see **page 91**.

How are we addressing environmental impact?

As Elekta strives to maximize the social impact provided through our products and services, we work to minimize our environmental impact across our value chain. Our approach is defined in our Global Environmental Policy, see **elekta.com**.

By setting ambitious targets for reducing greenhouse gas emissions and waste, and driving circular initiatives, Elekta is committed to decoupling growth from environmental impacts. By aiming to reduce emissions per cancer treatment course, we drive more environmentally efficient cancer treatments.

Elekta uses environmentally-conscious design principles for the full product lifecycle and runs a take-back program of selected products. We engage across our value chain and aim to optimize packaging and logistics. At our own offices, we target zero waste to landfill and are transitioning to 100% renewable electricity.

Highlights of the year

- Our emissions reduction targets were validated by the Science Based Targets initiative, see **elekta.com**
- Environmental objectives have been included in the company's strategic planning process across all units

For detailed information see **page 79**.

In 2022/23, we installed 167 linacs in underserved markets to drive access to healthcare

How are we working with social impact?

Elekta drives access to cancer care in different ways in connection to our products and services. We build expertise and serve as a partner to decision makers across the world in building sustainable healthcare system. We also innovate to improve efficiency and utilization, train clinicians and strengthen our local presence. We are proud of the recently established Elekta Foundation, see **elektafoundation.com**.

We care for people across our value chain. Our approach to people is defined in our Global People & Human Rights Policy, see **elekta.com**. As an employer, we work to provide an inspiring, diverse, inclusive and safe place to work. We drive sustainable sourcing efforts and engage with suppliers to promote human rights and safe working conditions in our supply chain, and we work diligently to ensure the highest quality and safety standards of our products.

Highlights of the year

- Increased net installed base of linacs in underserved markets
- We have worked to keep radiotherapy running in Ukraine
- Elekta has hosted more than 34,000 clinician training sessions globally

For detailed information see **page 85**.

How are we addressing governance topics?

Elekta has a robust compliance program in place to detect, prevent and mitigate unlawful and unethical behavior in all our business activities. With most of our sales going through public tenders and our regular close interactions with healthcare professionals, we have developed detailed guidelines so that our conduct can be free from even the suggestion of improper influence. Our approach is defined in our global Anti-Bribery and Corruption Policy, see **elekta.com**.

Highlights of the year

- Delivered on our updated compliance strategy for better monitoring of current risks and requirements

For detailed information see **page 90**.

Expanding and elevating innovations

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

Solutions

Oncology Software

Brachy

Linac

Neuro

Service

Delivering high quality after-market services, generating recurring revenues

Oncology Software Solutions
Simplifying workflows

Oncology is a complex discipline where treatment plans need to be tailored to each patient, usually from a combination of radiotherapy, surgery and chemotherapy. To manage this complexity, software support is essential.

Elekta's software portfolio is now gathered under Elekta ONE™, where the aim is to simplify the software workflow to benefit patients. MOSAIQ® oncology information system has a large installed base and a data model that is specifically designed for multidisciplinary oncology care. It will be the backbone for all data, with innovation driven in four main categories.

The first is Workflow management, where our solutions allow clinicians to access all relevant information and to keep track of where patients are in the care pathway. The second is Treatment applications with planning, contouring, QA and similar solutions. The third is Real-world outcomes, that includes analytics for all oncology patient data and planning, patient-reported outcomes and the registry software. The fourth is the Integrated Console, which integrates with the device and streamlines in-room treatment delivery.

Some of the portfolio is available as cloud-based software-as-a-service (SaaS), which lowers the hurdle for some clinics to adopt our software solutions and ensure the latest updates.

Linac Solutions
Establishing a new standard of care

Elekta meets a broad range of customer needs by offering a complete range of linear accelerators (linacs) which are the versatile workhorses of radiotherapy departments and are used to treat a wide range of tumors. Recognizing that customers have different needs, Elekta's linac portfolio ranges from the premium to the performance and productivity category.

Elekta Unity, which is in the premium category, is the establishing of a new standard of care in radiotherapy. It is equipped with a diagnostics grade MRI whose superior and versatile imaging capabilities enable hypofractionation in sites previously considered more challenging, such as prostate, rectum, pancreas and liver. The imaging capabilities enable online plan adaptation that reflects the patient's anatomy as it changes over the course of therapy.

During the year, the Comprehensive Motion Management (CMM) package for Elekta Unity was launched. CMM represents a major milestone in the history of radiotherapy. It includes True Tracking that tracks

Linac Solusions, cont.

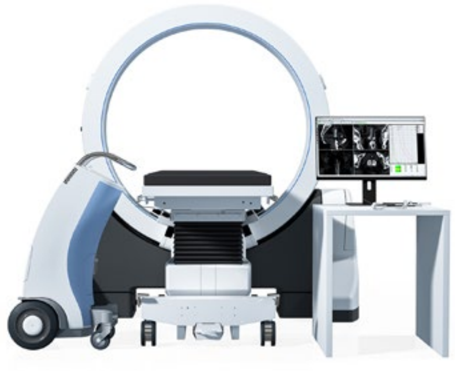
the 3D position of a target in real time and enables both automatic gating and the rapid steering of the beam to the new target position, for efficient restarts of treatments.

Clinical evidence supporting the value of treatments with Elekta Unity is building rapidly. There are now hundreds of published peer review articles evaluating Elekta Unity and numerous on-going clinical trials designed to demonstrate the superiority of treatments it enables.

In the premium category we also have Versa HD® cone beam CT linac. The state-of-the-art Agility multileaf collimator brings submillimeter accuracy that, together with advanced imaging capabilities, enable hypofractionation and other advanced treatment modalities, including SRS and SBRT, that fit into regular 15-minute time slots.

Harmony and Harmony Pro in the productivity category are the latest additions to the linac portfolio. With a strong focus on workflow enablement, they have a new in-room experience that can reduce the time-consuming patient set up process by half. Following successful introductions around the world, Harmony Pro had an ideal launch in China towards the end of 2022.

Brachy Solutions
Clinically-led market leadership



High-dose rate brachytherapy is a very precise form of interventional radiotherapy where a small radioactive source is temporarily introduced into the body. It is a clinically effective, and economical treatment option for a range of cancers including prostate, breast, skin and rectal cancer, and it is the standard of care for cervical cancer. Elekta is the clear market leader, serving around two thirds of the market.

We sustain our position through clinically-led innovation. The latest addition to our broad offering – that contains afterloaders, treatment planning software and a wide range of applicators – is Elekta Studio. It includes ImagingRing, a mobile wide-bore CT system, that enables a complete image-guided brachytherapy workflow in one room.

In-room imaging has very clear advantages. Not moving the patient to acquire images after the applicator has been inserted reduces displacement risk and saves time and stress for both patient and clinician. It also enables delivery of high-quality image-guided brachytherapy at a much lower cost.

As market leader, it is important to take responsibiity of growing the use of brachytherapy itself. That is why Elekta runs the BrachyAcademy, the world's largest educational resource for brachytherapy, and facilitator of peer-to-peer training for clinicians.

Neuro Solutions
Protecting the minds of patients

Leksell Gamma Knife® (LGK) is the most proven and well-documented stereotactic radio surgery device on the market. The latest version, Elekta Esprit, received regulatory approval in the EU and US during the year and, in February, the first patient received treatment.

LGK is a technically mature technology whose main advantage is the very sharp dose fall-off that ensures healthy tissue is spared, enabling it to target the most challenging intracranial tumors while protecting the mind and memory of patients. The installed base is around 360 and growing.

Clinics that invest in LGK find that they can increase the throughput of neuro patients while freeing up time on their traditional linacs. Esprit comes with features that further improve workflow and patient comfort.

LGK has its own treatment planning tool and can be enhanced with the treatment optimizer Leksell Gamma Knife Lightning. With Lightning, planning time is reduced by 80 percent, beam-on time by 50 percent while the overall plan quality is increased.

There are currently two immobilization options: frame and mask. The latest frame, Leksell Vantage, is a lightweight model that is more comfortable for the patient. It also improves workflow, for example by using disposable pins, eliminating the need for sterilization.

Services
AI-powered preventive maintenance

Services are integral to the value that Elekta provides for clinics and patients. The portfolio of services, branded Elekta Care, ranges from installation to ongoing and predictive maintenance, training, and technology updates. The newly launched Elekta Care 360 adds value-added services such as dosimetry and physics start-up services.

Our preventive maintenance relies on Elekta IntelliMax®. It collects and analyzes data from more than 23,000 connected Elekta products, including 80 percent of the installed base of linacs, using AI-based patented algorithms and detects issues before they impact any treatments. For every issue detected, an average of eight hours of clinical downtime can be avoided. Further patents were granted in 2022/23.

Digitalization continues to show value for customers. Our automated spare parts logistics and IntelliMax data from each site ensures that parts are available. And the new learning platform makes sure that we have certified service technicians that can perform maintenance. Despite continued supply challenges during the year, no customers suffered downtime due to logistics issues.

To ensure high service quality, we continue to invest in our leading remote support , where field service technicians are supported by remote specialists and IntelliMax-data. In 2022/23, two thirds of service cases were solved with remote support.

Geographical overview

The demand for cancer care is expected to increase as cancer incidence continues to rise all over the world. During the year, macroeconomic factors, such as increased interest rates, inflation and foreign exchange rate fluctuations had a negative impact on the investment appetite in some regions. Installations of radiotherapy equipment have grown faster than the previous year despite continued post-Covid supply chain disturbances.

Americas[1]	EMEA[1]	APAC[1]
28%	38%	34%

[1] Share of Elekta's total order intake 2022/23.

Americas

5% net sales growth

Market development 2022/23

Health systems across the Americas looked for investments in cancer care solutions that improve operational efficiency and increase differentiation, which further solidified Elekta's position as a comprehensive partner. Healthcare providers experienced economic challenges, variable profitability, increased consolidation, and trained personnel shortages. We addressed the gaps in our customers' staffing challenges by providing value-added support like commissioning and dosimetry support during the year. In Latin America, the private market was consolidating, but the need for patient access to oncology care continued and created growth opportunities for radiotherapy.

Market outlook

The demand for new advanced technology, such as adaptive image-guided treatments, motion management, and software, will continue to drive investments in radiotherapy. This to bring differentiation and productivity increases across the cancer care continuum in North America. The cancer care market is moving towards personalized therapeutics that heavily rely on software and device connectivity powered by AI technologies and other therapeutics (immunotherapies). As health systems move towards value-based care, hypofractionation is expected to increase due to improved patient experience, even though the previously planned changes to reimbursement are currently on hold. In the Latin American market, we expect good growth despite economic challenges and pricing sensitivity driven by the need for additional capacity in oncology care infrastructure. However, some new governments have not yet revealed their healthcare policy, which increases the uncertainty.

For development 2022/23 see page 22.

For market characteristics, see elekta.com

EMEA

3%
net sales growth

Market development 2022/23

The large tenders in Spain and Italy backed by the Europe's Beating Cancer Plan and EU funding drove good growth in the European market.

The market stability was impacted by the war in Ukraine, continuing to disrupt and cancer treatments in Ukraine, Russia, and Belarus. The rest of Europe was stable, and more activities were seen in Uzbekistan and Kazakhstan. The Levant countries of the Middle East have invested in high-tech solutions such as MR-Linac and LGK, whereas the Turkish market contracted because of economic instability and high inflation. However, Turkey continued investing in advanced precision radiotherapy like MR-Linac and Gamma Knife. Africa showed growth, primarily driven by West Africa.

Market outlook

The European market is expected to be less expansive in 2023/24 as the upcoming tenders are smaller. However, the focus on cancer care remaines strong, and more cancer patients and staffing challenges are driving greater need for services. In Western Europe, combining therapies in one treatment process, instead of sequentially, is now standard. Immunotherapy is more accepted but tailored to a smaller patient cohort due to clinical benefits and costs. Improved screening programs will result in higher radiotherapy treatment volume as this is preferred in early detection stages. The increased interest in radiotherapy in Eastern Europe is expected to grow the installed base in years to come.

The need for radiotherapy equipment in Africa is large, with high prospects of long-term growth though hampered by healthcare infrastructure and lack of personnel. In the Middle East, oil-rich countries are expected to expand their cancer care, with long-term expansion through public-private partnerships in the Saudi Arabian market.

APAC

5%
net sales growth

Market development 2022/23

At the beginning of the year, the Chinese market contracted. However, as Covid and local lockdowns eased, the market showed good growth again. This was boosted by the government's support with investments in high-quality medical devices, through e.g. subsidized loans. Equipment replacements in Japan drove its market expansion and the adoption of MR-Linac gained momentum. The Indian market continued to grow, as the public market developed with rising acceptance of radiotherapy procedures. The progress in APAC's mature markets has primarily been driven by public tenders and replacements. In selected emerging markets of APAC (Indonesia, Thailand, Vietnam), healthcare infrastructure such as awareness and advances in early diagnostics has improved and driven the expansion of the installed base.

Market outlook

The Chinese market is expected to show strong growth based on the large shortage of linacs and the government's project to develop high-quality public hospitals, including high-end diagnostic and radiotherapy treatment machines. The Chinese government also encourages the same development in enterprise-run hospitals. In Japan, the replacement cycle is expected to continue, which opens for greater opportunities. The rising prevalence of cancer in India, together with increased preference for minimally invasive treatment options, support market growth in the country going forward. This growth, is also driven by medical tourism and expected to continue both in the private and public markets. In mature Asian markets (Australia, Korea, Singapore), strong governmental initiatives within cancer care are expected to drive the market.

For development 2022/23 see **page 22**.

For market characteristics, see **elekta.com**

Financial reporting

Contents

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 2022/23, covering the period May 1, 2022 – April 30, 2023. 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 software 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 2022/23 Elekta had an installed base of approximately 7,150 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.

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 (Varian). Elekta is one of the largest suppliers of radiation therapy solutions and in emerging markets, Elekta is the largest supplier. To support customer's need across the cancer care ecosystem Elekta has deepened its partnership with the imaging player Royal Philips and set up a commercial partnership with the 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 across the globe

These pillars shall drive sustainable profitable growth and create the next generation treatment, 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.

In May, 2023, Elekta published a new outlook from 2022/23 to 2024/25. Elekta will target:

- Net sales CAGR of above 7 percent
- EBIT margin expansion

Fiscal year 2022/23

Order intake and order backlog

The uncertain macroeconomic and geopolitical environment had a negative impact on order intake. For the full year gross order intake continued on a high level, but decreased based on constant exchange rates by 1 percent and increased by 10 percent in SEK. The order backlog was SEK 43,332 M on April 30, 2023, compared with SEK 39,656 M on April 30, 2022. 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 1,876 M (negative 3,763).

On June 1, 2023, GenesisCare, one of Elekta's larger customers, filed for reorganization under Chapter 11 of the United States Bankruptcy Code, see Note 39. As per April 30, less than 5 percent of the order backlog related to GenesisCare. As a result of the filing, the risk in Elekta's order backlog has increased but the intention of GenesisCare is to restructure and continue to pursue cancer care. Elekta follows the development closely and cancel any orders that are not expected to materialize.

Geographic region: Americas

In Americas gross order intake increased by 2 percent to SEK 5,655 M (5,570), corresponding to a 13 percent decrease based on constant exchange rates. Order intake in North America was softer, whereas South and Latin America showed growth.

Net sales increased by 23 percent to SEK 5,239 M (4,254), corresponding to an increase of 5 percent based on constant exchange rates. Both Latin America and US had a positive development. Revenue from Solutions represented 44 percent (43) of the region's total net sales. The contribution margin in the region amounted to 40 percent (39).

For information about region Americas, see **page 17**.

Geographic region: EMEA

Gross order intake in EMEA increased by 7 percent to SEK 7,652 M (7,165), corresponding to a decrease by 1 percent based on constant exchange rates. The Middle-East and Africa had a negative order development, whereas order intake in Europe showed growth.

Net sales increased by 11 percent to SEK 5,907 M (5,321), corresponding to an increase of 3 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 59 percent (61) of the region's total net sales. The contribution margin in the region amounted to 34 percent (34).

For information about region EMEA, see **page 18**.

Geographic region: APAC

Gross order intake in APAC increased by 21 percent to SEK 6,837 M (5,628), corresponding to a 10 percent increase based on constant exchange rates. China was, together with India and Far East, a strong growth driver in the region.

Net sales increased by 15 percent to SEK 5,724 M (4,972), corresponding to an increase of 5 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 (73) of the region's total net sales. The contribution margin in the region amounted to 33 percent (31).

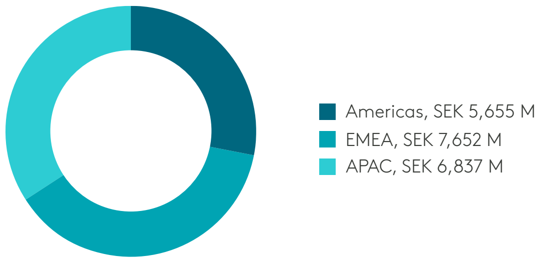
For information about region APAC, see **page 18**.

Net sales

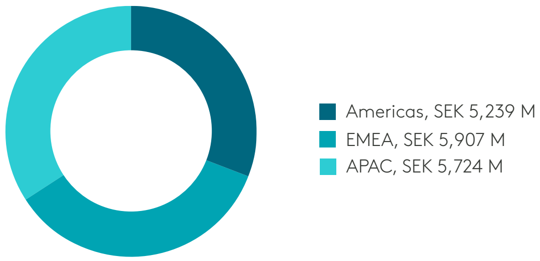
The installations were still impacted by challenges in the supply chain throughout the fiscal year, but with decreasing disturbances.

Net sales for the full year increased by 16 percent to SEK 16,869 M (14,548), equivalent to an increase of 4 percent based on constant exchange rates. Solutions and Service had similar growth rates of 15 and 17 percent in SEK. Based on constant exchange rates Solutions grew 3 percent and Service 6 percent. Geographically net sales increased in all three regions. For net sales in the regions see each section above.

Gross order intake



Net sales



The fiscal year 2022/23

- Gross order intake increased by 10 percent to SEK 20,143 M (18,364), corresponding to a 1 percent decrease in constant exchange rates
- Net sales increased by 16 percent to SEK 16,869 M (14,548), an increase of 4 percent in constant exchange rates
- Operating income (EBIT) was SEK 1,431 M (1,643), corresponding to an EBIT margin of 8.5 percent (11.3). Adjusted EBIT was 1,743 (1,643), corresponding to an EBIT margin of 10.3 percent (11.3)
- Net income for the year amounted to SEK 944 M (1,157)
- Earnings per share amounted to SEK 2.47 (3.02) before/after dilution. Adjusted earnings per share amounted to SEK 3.11 (3.02) before dilution and SEK 3.10 (3.02) after dilution
- Cash flow from operating activities amounted to SEK 1,964 M (1,858), representing an operational cash conversion of 76 percent (69)
- Cash flow after continuous investments amounted to SEK 400 M (450)
- The Board of Directors proposes to the AGM a dividend of SEK 2.40 (2.40) per share for 2022/23

4%

net sales growth based on constant exchange rates

Cost-reduction Initiative

In the beginning of 2022/23, Elekta accelerated the Resilience and Excellence Program by launching a Cost-reduction Initiative to reduce structural costs and enhance productivity across the organization. In 2022/23 the Initiative has reduced spending according to plan, amounting to around SEK 200 M. The measures taken included increasing productivity in operations and service, optimizing the innovation pipeline and leveraging the global product organization as well as efficiencies in selling and administration functions. During 2022/23 implementation costs related to the Initiative amounted to SEK 312 M, reported as items affecting comparability, see **page 98**.

Earnings

Gross margin was 37.6 percent (37.4). Gross margin excluding items affecting comparability attributable to the Cost-reduction Initiative (adjusted gross margin, see **page 99**) was 38.1 percent (37.4). The increase in gross margin compared to last year was mainly explained by the Cost-reduction Initiative and a positive impact from revenue growth and foreign exchange rates. At the same time inflation and supply chain challenges continued to put pressure on gross margin despite ease in supply chain disruption towards year-end.

EBITDA amounted to SEK 2,597 M (2,682).

Operating income (EBIT) decreased by 13 percent, corresponding to an EBIT margin of 8.5 percent (11.3). EBIT excluding items affecting comparability attributable to the Cost-reduction Initiative (adjusted EBIT, see **page 99**) increased by 6 percent and corresponded to an adjusted EBIT margin of 10.3 percent (11.3). The adjusted EBIT margin decreased despite a better gross margin due to higher operating expenses impacted by inflation. Adjusted selling expenses increased by 14 percent also driven by more travelling and marketing activities with additional in-person activities compared to previous year. Adjusted administration costs increased 9 percent also affected by more investments in digitalization. Adjusted expenses for research and development (adjusted R&D, see **page 99**) decreased by 1 percent with a continuous high focus on accelerated innovations. Including items affecting comparability selling expenses amounted to SEK 1,603 M, administrative expenses to SEK 1,398 M, and net R&D expenses to SEK 1,418 M. The effect from changes in exchange rates was SEK –434 M (155), including hedges.

Net financial items amounted to SEK –233 M (–142), of which SEK –37 M (–41) consisted of interest on lease liabilities under IFRS 16. Income after financial items amounted to SEK 1,198 M (1,501) and tax amounted to SEK –254 M (–345) representing a tax rate of 21 percent (23). Net income for the year amounted to SEK 944 M (1,157).

Earnings per share amounted to SEK 2.47 (3.02) before and after dilution. Adjusted earnings per share amounted to SEK 3.11 (3.02) before dilution and 3.10 (3.02) after dilution. Return on shareholders' equity amounted to 10 percent (14) and return on capital employed amounted to 10 percent (12).

Investments and depreciation

Continuous investments amounted to SEK 1,564 M (1,408). Investments in intangible assets increased and amounted to SEK 1,357 M (1,220), mainly related to R&D investments in the linac family, Unity and software. Investments in tangible assets amounted to SEK 207 M (188). Amortization of intangible assets and depreciation of tangible fixed assets amounted to a total of SEK 1,062 M (1,039).

Research and development

Elekta conducts R&D aiming at strengthening and enhancing its position as technology leader. Costs related to the R&D function amounted to SEK 1,418 M (1,372). Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 878 M (673), of which SEK 872 M (675) relates to the R&D function. Capitalization within the R&D function amounted to SEK 1,338 M (1,157) and amortization to SEK –466 M (–482). Projects in capitalization phases increased in line with accelerated investments in innovations and amortizations decreased as several projects were still in the developing phase.

Cash flow

Cash flow from operating activities increased by SEK 106 M to SEK 1,964 M (1,858). Operational cash conversion was 76 percent (69). The higher cash flow was mainly related to non-cash items and lower income tax. Cash flow after continuous investments decreased to SEK 400 M (450) mainly due to higher investments in intangible assets in accordance with the accelerated focus on innovation. For more information on the consolidated cash flow, see **page 35**.

Financial position

Cash and cash equivalents and short-term investments amounted to SEK 3,278 M (3,077) and interest-bearing liabilities excluding lease liabilities amounted to SEK 5,720 M (4,609). Thus, net debt amounted to SEK 2,442 M (1,532). Net debt in relation to EBITDA was 0.94 (0.57). The exchange rate effect from the translation of cash and cash equivalents amounted to SEK –18 M (183). The translation difference in interest-bearing liabilities amounted to SEK 53 M (78). Other comprehensive income was affected by exchange rate differences from translation of foreign operations amounting to SEK 628 M (758). For more information on the consolidated balance sheet, see **page 32**.

Employees

The average number of employees during the year was 4,587 (4,631). The number of employees on April 30, 2023 totaled 4,390 (4,751). Value added per average employee amounted to SEK 1,536 K (1,388).

Significant events during the year

MAY 2022 – APRIL 2023

Joint venture with Sinopharm, to increase adoption in China
In March 2023, Elekta signed a joint venture with China National Pharmaceutical Group Co., Ltd. (Sinopharm), to increase the adoption of radiation therapy in so-called lower-tier cities, where around 70 percent of the population resides. Through the joint venture, Elekta will improve access to over 1,000 medical institutions in small cities within Sinopharm Group's service network.

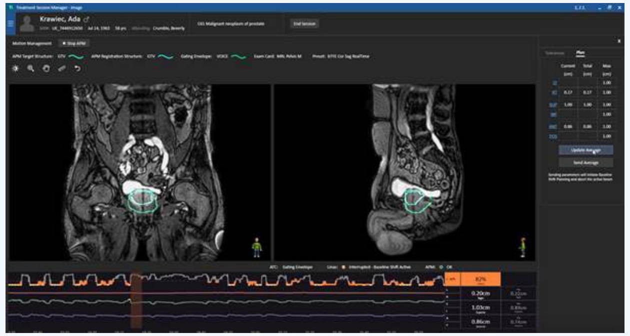
New radiosurgery system Elekta Esprit launched and receives CE mark and FDA clearance
In May 2022, Elekta launched the next-generation Gamma Knife, Elekta Esprit, that will enable personalized radiosurgery with submillimeter accuracy and treatment planning in less than 60 seconds. With a variety of innovations now available in a single platform, Esprit offers clinicians superior visualization, as well as remote accessibility and collaboration tools for the treatment team. In August 2022, Elekta Esprit received CE mark and in October 2022 FDA 510(k) clearance.

Elekta acquiring Thai distributor
In February 2023, Elekta signed an agreement to strengthen its position in Thailand by acquiring business assets from Premier Business Inter (PBI), the current solution and service distributor in Thailand. The acquisition is expected to close in the first quarter of fiscal year 2023/24.

Climate targets validated by SBTi
In February 2023, the Science Based Targets initiative (SBTi) validated Elekta's targets and commitment to reduce its greenhouse gas emissions.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Elekta Unity's motion management capabilities herald a new era in precision radiation therapy
In October 2022, Elekta Unity received CE mark for its Comprehensive Motion Management (CMM) with True Tracking and automatic gating functionalities. These support advanced motion management during delivery of radiation therapy to treat cancer. The features represent the next phase of Elekta Unity's CMM vision, which will drive efficiency and productivity and create opportunities for condensed treatment courses, fewer side effects, and improved outcomes for cancer patients. And in February 2023, Elekta Unity received FDA 510(k) clearance and CMM became available to clinicians in the U.S.



Elekta Care 360 launched
In October, 2022, Elekta announced Elekta Care 360, an expansion of Elekta Care's global portfolio of customer services aimed at enhancing customers' clinical operations. Elekta Care 360 increases Elekta's value-added services and strengthens the position as a lifetime companion. The solutions include, for example, dosimetry, consultancy, and physics start-up services.

Legal disputes

Elekta has no ongoing material legal disputes.

Significant events after year-end

On June 1, 2023, one of Elektas larger customers, GenesisCare, filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. During the restructuring, the Company intends to operate in the ordinary course without disruption to patient care as well as to explore separation of its U.S. business from its business in Australia, Spain and the UK, creating two platforms.

Elekta is closely following the process in order to understand the implications on Elekta's business.

Sustainability

Elekta presents sustainability information in the section Business overview and in Sustainability Notes. 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 74**.

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

Elekta continues to invest in new digital capabilities and has been focused on programmes of work to implementing new software systems to support internal and customer facing business processes. By building on cloud-first strategy Elekta can ensure that these new services can be quickly enabled to support the establishment of business operations in new markets. A new internal operational IT center has also been opened in India during the year to provide cost-effective IT support to all business activities around the world, but this facility will also be able to provide real-time support to Elekta's business expansion in Asia. The Elekta IT Operations are governed in accordance with industry standards, and a programs of ISO 27001 certification and re-certification is being followed.

Risks

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. To cater for the increasing regulatory requirements in the industry as well as environmental compliance, Elekta is directing resources and focus to comply with applicable international product safety standards and different regulatory requirements in applicable areas. 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. 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 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.

Whilst revenue growth has continued during the year, lingering Covid-19 impact, inflation and supply chain disturbances has impacted installations, cost and margin. To mitigate the effects a cost reduction program was initiated which improved Elekta's profitability. Elekta's operational, strategic, external and financial risks including the risk management process are described more in detail on **elekta.com**. Elekta's financial risks are described more in detail in **Note 2**.

Risk governance

Sound practices for risk management are an essential element of our culture, corporate governance, strategy development, and operational and financial management.

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 action of an individual will not result in disproportionate risk or missed opportunity for the entire company. 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, such as Finance, IT, Human Resources, Legal & Compliance and Regulatory Affairs & Quality provide guidance on governance, risk management and internal control. The risk management that are linked to strategic planning are handled by Elekta's Enterprise Risk Management (ERM) framework, which is a framework for reporting and reviewing risk assessments and mitigations, as well as follow up on identified risks.

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.

Risk universe

Elekta's risk universe is divided into four risk areas and 28 risk categories where impact, probability and risk preparedness are tracked and trended on a yearly basis. The risk areas are:

- **Operational risks** – directly attributable to business operations that Elekta largely can manage and prevent. They have a negative impact on our financial performance and reputation
- **Strategic risks** – that Elekta voluntarily assumes to generate superior returns from the strategy
- **External risks** – arising from events outside the company and beyond our influence or control
- **Financial risks** – mainly referring to Elekta's ability to manage its financial debt and financial leverage, such as financing risks and liquidity risks as well as market risks

For more detailed information about our risk universe, risk categories, risk factors and risk approach, see **elekta.com**.

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 installation 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. 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 17 M (25). 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 12 M (4).

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 1,130 M (1,118) inclusive of dividends from subsidiaries of SEK 1,107 M (1,101). Total assets amounted to SEK 11,209 M (9,543) of which shares in subsidiaries amounted to SEK 2,807 M (2,752) and receivables from subsidiaries amounted to SEK 6,398 M (4,759). Cash and cash equivalents and short-term investments at year-end amounted to SEK 1,876 M (1,863). Shareholders' equity amounted to SEK 2,585 M (2,368). Interest-bearing liabilities amounted to SEK 8,514 M (7,081), of which SEK 2,808 M (2,482) constituted liabilities to subsidiaries. The average number of employees during the year was 56 (57). The number of employees on April 30, 2023 was 56 (60). 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, 2023 was 383,568,409 divided between 14,980,769 A-shares and 368,587,640 B-shares. Elekta B-shares have been listed on Nasdaq Stockholm since 1994. 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, 2023, 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.

Market capitalization on April 30, 2023, was SEK 33,010 M (25,500), an increase of 29 percent during the fiscal year. Total trading in Elekta shares on Nasdaq Stockholm during the fiscal year 2022/23 amounted to 308.8 million shares (293.4), corresponding to 81 percent (76) of the total number of shares. For the largest known shareholders, see the chart to the right or elekta.com.

Dividend and proposal 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. For 2022/23, the Board of Directors proposes to the AGM a dividend of SEK 2.40 (2.40) per share. Total proposed dividend amounts to approximately SEK 917 M (917), which corresponds to 97 percent (79) 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 August 2023 and the remaining SEK 1.20 per share in March 2024. The proposed record dates are August 28, 2023, for the first payment and February 27, 2024, for the second payment. The Board of Directors intends to propose to the 2023 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.

Appropriation of profit

Amounts in SEK	April 30, 2023
Distributable shareholders' equity of the Parent Company	
Premium reserve	656,608,114
Retained earnings	405,662,720
Profit for the year	1,129,729,807
Total	**2,237,000,641**
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	1,320,001,153
Total	**2,237,000,641**

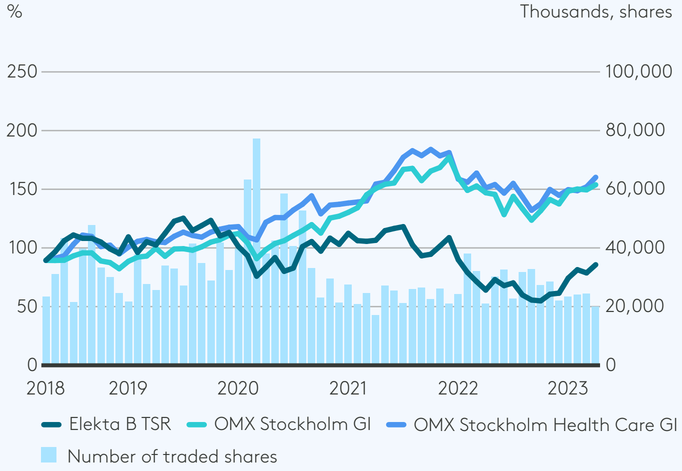
[1] The total amount distributed may change up until the record date depending on changes in the number of shares.

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 –2 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 33 percent (34), 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).

The total return of the Elekta share



Ten largest shareholders on April 30, 2023[1]

Name	Num. of shares	Percentage of Capital	Percentage of Votes
Fourth Swedish National Pension Fund	35,200,795	9.18%	6.79%
Laurent Leksell with company[2]	22,737,393	5.93%	30.39%
T. Rowe Price	17,584,257	4.58%	3.39%
Nordea Funds	16,948,856	4.42%	3.27%
Vanguard	12,688,711	3.31%	2.45%
SEB Funds	12,668,094	3.30%	2.44%
Schroders	11,762,641	3.07%	2.27%
Pictet Asset Management	10,901,098	2.84%	2.10%
Handelsbanken Funds	9,802,476	2.56%	1.89%
Didner & Gerge Funds	9,118,503	2.38%	1.76%
Others	255,235,195	58.43%	43.25%
Total	**368,587,640**	**100.00%**	**100.00%**

[1] Source: Modular Finance.
[2] Including company holdings.

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 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. 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 overperformance. 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 endeavors. 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

Guidelines for remuneration to executive management, cont.

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 66 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 equalization.

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 or on Elekta's website.

Consolidated income statement

SEK M	Note	2022/23	2021/22
Net sales	6	16,869	14,548
Cost of products sold		–10,520	–9,111
Gross income		**6,349**	**5,436**
Selling expenses		–1,603	–1,355
Administrative expenses		–1,398	–1,173
R&D expenses		–1,418	–1,372
Other operating income and expenses		–65	–48
Exchange rate differences		–434	155
Operating income	5–10	**1,431**	**1,643**
Income from participations in associated companies	12	1	5
Financial income	12	79	42
Financial expenses	12	–272	–159
Interest expenses lease liabilities	12	–38	–41
Exchange rate differences	12	–3	12
Income after financial items		**1,198**	**1,501**
Income tax	15	–254	–345
Net income		**944**	**1,157**
Net income attributable to:			
Parent Company shareholders		943	1,154
Non-controlling interests		1	3
Earnings per share:			
Before dilution, SEK	16	2.47	3.02
After dilution, SEK	16	2.47	3.02
Average number of shares:			
Before dilution, thousands		382,083	382,083
After dilution, thousands		382,367	382,083

Consolidated statement of comprehensive income

SEK M	Note	2022/23	2021/22
Net income		**944**	**1,157**
Other comprehensive income			
Items that will not be reclassified to the income statement:			
Remeasurements of defined benefit pension plans	29	7	27
Change in fair value of equity instruments	22	–14	–45
Tax	15	–9	2
Total items that will not be reclassified to the income statement, net of tax		**–16**	**–16**
Items that subsequently may be reclassified to the income statement:			
Revaluation of cash flow hedges	3	200	–448
Translation differences from foreign operations		628	758
Tax	15	–41	92
Total items that subsequently may be reclassified to the income statement, net of tax		**787**	**402**
Other comprehensive income, net of tax		**771**	**386**
Total comprehensive income		**1,715**	**1,543**
Comprehensive income attributable to:			
Parent Company shareholders		1,714	1,540
Non-controlling interests		1	3

Comments on the consolidated income statement

Net sales

Net sales increased 6 percent to SEK 16,869 M (14,548), corresponding to 4 percent increase based on constant exchange rates.

	Net sales, SEK M	Change, %[1]	Operating income, SEK M
Q1	3,327	3%	117
Q2	4,081	–5%	199
Q3	4,337	8%	331
Q4	5,125	5%	784
Full-year 2022/23	**16,869**	**4%**	**1,431**

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

Earnings

Gross margin was 37.6 percent (37.4). The increase in gross margin compared to previous year was explained by the Cost-reduction Initiative and a positive impact from revenue growth and foreign exchange rates EBITDA amounted to SEK 2,597 M (2,682).

Operating income decreased by 13 percent and amounted to SEK 1,431 M (1,643). The operating income decreased due to increased operating expenses impacted by inflation and included impairments of 103 M (–) mainly related to termination of right-of-use assets. Selling expenses increased 18% driven by more travelling and marketing activities with additional in-person activities. Administration costs increased 19% driven by more investments in digitalization. Research and development costs increased by 3 percent to SEK –1,418 M (–1,372) equal to 8 percent (9) of net sales. Capitalization of development costs and amortization of capitalized development costs amounted to net SEK 878 M (673), of which SEK 872 M (675) relates to the R&D function. Projects in capitalization phases increased in line with accelerated investments in innovations and amortizations decreased due to fewer projects being amortized. Capitalization within the R&D function amounted to 1,338 M (1,157) and amortization to SEK –466 M (–482).

Operating income included a negative effect from changes in exchange rates compared to last year. Operating margin was 8.5 percent (11.3).

The change in unrealized exchange rate effects from effective cash flow hedges amounted to SEK 200 M (–448) 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 –233 M (–142). Interest expenses was higher due to higher level of gross debt and as the average interest rate on the debt was higher.

Income after financial items amounted to SEK 1,198 M (1,501). Tax expense amounted to SEK –254 M (–345) or 21 percent (23). Net income amounted to SEK 944 M (1,157).

Result overview

SEK M	**2022/23**	2021/22
Operating income (EBIT)	**1,431**	**1,643**
Amortization of intangible assets:		
Capitalized development costs	467	493
Assets relating business combinations	134	123
Impairment intangible assets	11	–
EBITA	**2,052**	**2,259**
Depreciation	453	422
Impairment right-of-use assets and tangible assets	92	–
EBITDA	**2,597**	**2,682**

Consolidated balance sheet

SEK M	Note	April 30, 2023	April 30, 2022
ASSETS			
Non-current assets			
Intangible assets	17	11,722	10,262
Right-of-use assets	18	773	975
Tangible assets	19	980	954
Shares in associated companies	21	27	25
Other financial assets	3, 22	1,029	590
Deferred tax assets	15	703	616
Total non-current assets		**15,233**	**13,423**
Current assets			
Inventories	23	3,070	2,533
Accounts receivable	24	3,990	3,647
Accrued income	30	2,119	1,796
Current tax receivables	15	208	219
Derivative financial instruments	3	113	127
Other current receivables	25	1,597	1,481
Cash and cash equivalents	26	3,278	3,077
Total current assets		**14,375**	**12,880**
Total assets		**29,608**	**26,303**

SEK M	Note	April 30, 2023	April 30, 2022
EQUITY AND LIABILITIES			
Equity			
Parent Company shareholders:			
Share capital	27	192	192
Contributed funds		812	812
Reserves		1,813	1,025
Retained earnings		6,912	6,883
Parent Company shareholders, total		**9,729**	**8,913**
Non-controlling interests		4	3
Total equity		**9,733**	**8,916**
Non-current liabilities			
Interest-bearing liabilities	28	5,706	4,099
Deferred tax liabilities	15	473	549
Lease liabilities	28	712	841
Provisions	29	237	223
Other liabilities	3	41	120
Total non-current liabilities		**7,169**	**5,832**
Current liabilities			
Interest-bearing liabilities	28	14	510
Lease liabilities	28	236	245
Accounts payable	2, 3	1,809	1,352
Advances from customers	30	5,011	4,161
Prepaid income	30	2,565	2,342
Accrued expenses	31	1,994	1,893
Current tax liabilities	15	202	114
Provisions	29	189	149
Derivative financial instruments	3	196	361
Other current liabilities	32	490	429
Total current liabilities		**12,706**	**11,556**
Total equity and liabilities		**29,608**	**26,303**

For information about assets pledged and contingent liabilities see **Note 33** and **34** 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, 2023 and April 30, 2022 respectively are presented in the table on **page 39**.

Assets and capital employed

The Group's total assets increased by SEK 3,305 M to SEK 29,608 M (26,303). Fixed assets totaled SEK 12,702 M (11,216) of which goodwill amounted to SEK 6,937 M (6,499). Right-of-use assets amounted to SEK 773 M (975).

Current assets, excluding cash and cash equivalents and short-term investments, increased by SEK 1,293 M to SEK 11,096 M (9,803). Accounts receivable, accrued income and inventories increased by 15 percent (9). Inventory value in relation to net sales was 18 percent (17).

Cash and cash equivalents and short-term investments increased by SEK 202 M to SEK 3,278 M (3,077) at year-end, totaling 11 percent (12) 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 16,401 M (14,610).

Liabilities and shareholders' equity

Interest-free liabilities and provisions increased by SEK 1,514 M to SEK 13,207 M (11,693). Interest-bearing liabilities amounted to SEK 6,668 M (5,695), of which SEK 947 M (1,086) pertained to lease liabilities. Net debt amounted to SEK 2,442 M (1,532). Total equity was SEK 9,733 M (8,916). Return on shareholders' equity amounted to 10 percent (14) and return on capital employed amounted to 10 percent (12). Net debt/EBITDA ratio was 0.94 (0.57) and equity/assets ratio was 33 percent (34).

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 3,990 M (3,647) as per April 30, showing an increase of 9 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 810 M (397) as per April 30 and are included in "Other financial assets" in the balance sheet and specified as "Contractual receivables" in **Note 22**.

Customer advances represent projects for which invoiced amounts exceed revenue recognized. Advances from customers amounted to SEK 5,011 M (4,161) as per April 30, an increase of SEK 850 M.

Working capital

SEK M	**April 30, 2023**	April 30, 2022
Working capital assets		
Inventories	3,070	2,533
Accounts receivable	3,990	3,647
Accrued income	2,119	1,796
Other operating receivables	1,542	1,459
Sum working capital assets	**10,721**	**9,435**
Working capital liabilities		
Accounts payable	1,809	1,352
Advances from customers	5,011	4,161
Prepaid income	2,565	2,342
Accrued expenses	1,994	1,901
Short-term provisions	189	149
Other current liabilities	490	429
Sum working capital liabilities	**12,058**	**10,333**
Net working capital	**–1,338**	**–898**
Percent of net sales	–8%	–6%

Net working capital amounted to SEK– 1,338M (–890) at year-end, corresponding to –8 percent (–6) 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, 2021		**192**	**812**	**469**	**154**	**6,568**	**8,197**	**0**	**8,197**
Profit for the year		–	–	–	–	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[1]	–	–448	–	–448
Translation differences from foreign operations		–	–	758	–	–	758	0	758
Tax relating to components of other comprehensive income	15	–	–	–	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**
Opening balance May 1, 2022		**192**	**812**	**1,227**	**–201**	**6,883**	**8,913**	**3**	**8,916**
Profit for the year		–	–	–	–	943	943	1	944
Remeasurements of defined benefit pensions plans		–	–	–	–	7	7		7
Change in fair value of equity instruments		–	–	–	–	–14	–14		–14
Revaluation of cash flow hedges[1]		–	–	–	200[1]	–	200	–	200
Translation differences from foreign operations		–	–	628			628	0	628
Tax relating to components of other comprehensive income	15	–	–	–	–41	–9	–50	–	–50
Other comprehensive income		–	–	628	159	–16	771	0	771
Total comprehensive income		**–**	**–**	**628**	**159**	**927**	**1,714**	**1**	**1,715**
Dividend		–	–	–	–	–917	–917	–	–917
Incentive programs		–	–	–	–	19	19	–	19
Transactions with the shareholders, total		**–**	**–**	**–**	**–**	**–898**	**–898**	**–**	**–898**
Closing balance April 30, 2023		**192**	**812**	**1,855**	**–42**	**6,912**	**9,729**	**4**	**9,733**

[1] Of which transferred to the income statement in 2022/23: SEK –358 M (94).

Comments on changes in consolidated equity

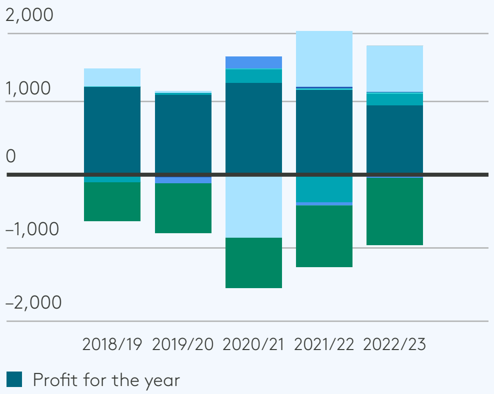
In 2022/23 Elekta paid a total dividend of SEK 917 M. The dividend payment has affected equity through a reduction of retained earnings.

The total number of shares in Elekta as of April 30, 2023, amounted to 383,568,409 of which 14,980,769 A-shares and 368,587,640 B-shares. See Note 27 for more information on share capital.

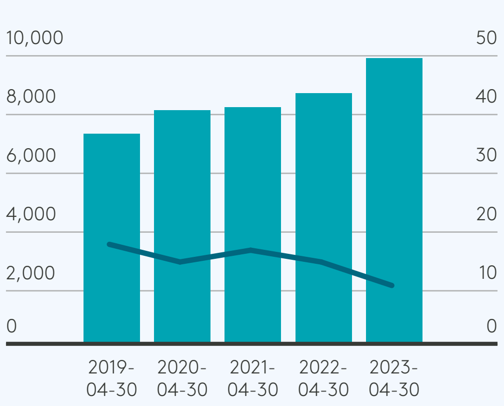
Total equity includes equity of foreign subsidiaries. Translation is performed at closing rate and the translation difference is reported in the translation reserve via other comprehensive income. The translation difference amounted to SEK 628 M (758) in 2022/23. Shareholders' equity in foreign currency 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 and the effects from the remeasurement of the Group's subsidiary in Turkey in accordance with IAS29 Financial reporting in Hyperinflationary Economies. The translation reserve amounted to SEK 1,855 M (1,227) 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 2022/23 the change in the hedge reserve was SEK 159 M (–355) after tax and the closing balance of the hedge reserve was SEK –42 M (–201).

Changes in consolidated equity



Consolidated equity and return



Consolidated cash flow statement

SEK M	Note	2022/23	2021/22
Operating activities			
Income after financial items		1,198	1,501
Non-cash items:			
Depreciation and amortization	8, 17, 18, 19	1,062	1,039
Impairment		103	–
Interest net	35	147	106
Other non-cash items	35	49	–211
Operating cash flow before interest and tax		**2,560**	**2,435**
Interest received		79	42
Interest paid		–235	–156
Income taxes paid	15	–290	–452
Operating cash flow		**2,114**	**1,869**
Change in inventories		–461	–97
Change in operating receivables		–969	–291
Change in operating liabilities		1,280	376
Change in working capital		**–150**	**–12**
Cash flow from operating activities		**1,964**	**1,858**
Investing activities			
Investments in intangible assets	17	–1,357	–1,220
Investments in tangible assets	19	–207	–188
Sale of fixed assets		0	0
Continuous investments		**–1,564**	**–1,408**
Cash flow after continuous investments		**400**	**450**
Business combinations	35, 37	–53	–175
Short-term investments	35	–	–69
Dividends associated companies	21	1	4
Cash flow from investing activities		**–1,615**	**–1,649**
Cash flow after investments		**349**	**209**
Financing activities			
Borrowings		1,556	1,505
Repayment of lease liabilities		–268	–228
Repayment of debt		–500	–2,163
Dividend		–917	–841
Cash flow from financing activities		**–129**	**–1,726**
Cash flow for the year		**220**	**–1,517**
Change in cash and cash equivalents during the year			
Cash and cash equivalents at the beginning of the year		**3,077**	**4,411**
Cash flow for the year		220	–1,517
Exchange rate differences		–18	183
Cash and cash equivalents at the end of the year		**3,278**	**3,077**

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 33.

The operating cash flow (cash flow from operating activities exclusive of change in working capital) amounted to SEK 2,114 M (1,869), an increase of SEK 245 M compared with the previous year.

Cash flow from operating activities increased to SEK 1,964 M (1,858).

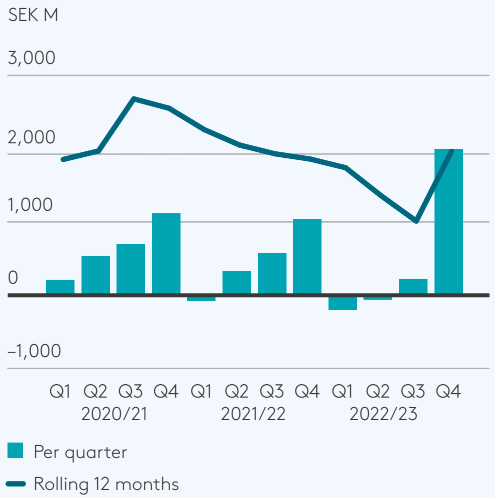
Cash flow from investing activities amounted to SEK –1,615 M (–1,649) including investments in intangible assets of SEK –1,357 M (–1,220).

Cash flow after continuous investments decreased by SEK 50 M to SEK 400 M (450).

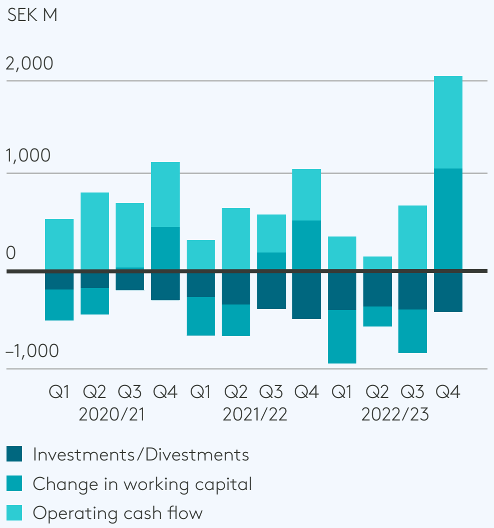
Cash flow after investments amounted to SEK 349 M (209), including payments relating to business combinations of SEK –53 M (–175).

Cash flow from financing activities amounted to SEK –129 M (–1,726).

Cash flow from operating activities



Specification of cash flow after continuous investments



Financial statements – Parent Company

Income statement – Parent Company

SEK M	Note	2022/23	2021/22
Administrative expenses		–5	–7
Other operating income and expenses		28	17
Operating income		**23**	**10**
Income from participations in Group companies	11	1,107	1,121
Interest income and similar items	13	302	138
Interest expenses and similar items	13	–262	–125
Result from participation in other companies		–14	–43
Exchange rate differences		–3	11
Income after financial items		**1,152**	**1,112**
Income tax	15	–22	6
Net income		**1,130**	**1,118**

Statement of comprehensive income – Parent Company

SEK M	2022/23	2021/22
Profit for the year	**1,130**	**1 ,118**
Other comprehensive income		
Other comprehensive income, net of tax	–	–
Total comprehensive income	**1,130**	**1 ,118**

Balance sheet – Parent Company

SEK M	Note	April 30, 2023	April 30, 2022
ASSETS			
Non-current assets			
Intangible assets	17	33	39
Shares in subsidiaries	20	2,807	2,752
Shares in associated companies	21	6	6
Receivables from subsidiaries		1,925	2,160
Other financial assets	22	23	38
Deferred tax assets	15	22	44
Total non-current assets		**4,816**	**5,039**
Current assets			
Receivables from subsidiaries		4,473	2,599
Other current receivables	25	43	42
Cash and cash equivalents	26	1,876	1,863
Total current assets		**6,392**	**4,504**
Total assets		**11,209**	**9,543**
EQUITY AND LIABILITIES			
Equity			
Share capital	27	192	192
Statutory reserve		156	156
Restricted equity		**348**	**348**
Premium reserve		657	657
Retained earnings		1,580	1,363
Unrestricted equity		**2,237**	**2,020**
Total equity		**2,585**	**2,368**
Long-term provisions	29	16	13
Long-term interest-bearing liabilities	28	5,706	4,099
Total long-term liabilities		**5,722**	**4,112**
Current liabilities			
Short-term interest-bearing liabilities	28	–	500
Short-term liabilities to subsidiaries	28	2,808	2,482
Short-term provisions	29	3	–
Other current liabilities	32	91	81
Total current liabilities		**2,902**	**3,063**
Total equity and liabilities		**11,209**	**9,543**

Cash flow statement – Parent Company

SEK M	Note	2022/23	2021/22
Operating activities			
Income after financial items		1,152	1,112
Interest net	35	–51	–24
Other non-cash items	35	18	–2
Interest received		302	138
Interest paid		–251	–114
Income taxes paid	15	–1	–11
Operating cash flow		**1,169**	**1,099**
Change in operating receivables		–1,761	–655
Change in operating liabilities		351	–1,433
Change in working capital		–1,410	–2,088
Cash flow from operating activities		**–241**	**–989**
Investing activities			
Shareholders' contributions paid	35	–55	–155
Change in long-term receivables		200	1,154
Cash flow from investing activities		**145**	**999**
Cash flow after investments		**–96**	**10**
Financing activities			
Borrowings		1,555	1,401
Repayment of debt		–500	–2,067
Dividend		–917	–841
Cash flow from financing activities		**138**	**–1,507**
Cash flow for the year		**42**	**–1,497**
Change in cash and cash equivalents during the year			
Cash and cash equivalents at the beginning of the year		**1,863**	**3,421**
Cash flow for the year		42	–1,497
Exchange rate differences		–29	–61
Cash and cash equivalents at the end of the year	26	**1,876**	**1,863**

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, 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**
Opening balance May 1, 2022	**192**	**156**	**657**	**1,363**	**2,368**
Profit for the year	–	–	–	1,130	1,130
Other comprehensive income	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**1,130**	**1,130**
Dividend	–	–	–	–917	–917
Incentive programs	–	–	–	4	4
Transactions with the shareholders, total	**–**	**–**	**–**	**–913**	**–913**
Closing balance April 30, 2023	**192**	**156**	**657**	**1,580**	**2,585**

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 6, 2023. 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 24, 2023. 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), 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

Financial statements have been prepared on a going concern and historical cost basis apart from financial assets and liabilities that are short-term investments, derivatives and contingent considerations, which are recognized at fair value.

New and changed accounting principles

Implementation of IAS 29 Financial Reporting in Hyperinflationary Economies

As of 2022/2023, Elekta has implemented IAS 29 Financial Reporting in Hyperinflationary Economies for the operations in Turkey. The non-monetary balance sheet items and the income statement of the subsidiary with TRY as functional currency, as well as consolidated goodwill that is consolidated into SEK from TRY, have been remeasured by applying the Turkish consumer price index with base period January 2003. The items in the financial statements subject to remeasurement are based on the historical cost approach. The effect from the remeasurement of the non-monetary balance sheet items and the income statement is part of the net monetary gain or loss recognized in the income statement as part of financial expenses. The remeasured financial statements have been translated to SEK at the closing rate on the balance sheet date. See **Note 14**.

New and revised IFRS applied from May 1, 2022

There are no new or revised standards and interpretations adopted as of May 1, 2022 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 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.

Note 1 Significant accounting principles, cont.

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 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, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Exchange rates

		Average rate		Closing rate	
Country	Currency	**2022/23**	2021/22	**April 30, 2023**	April 30, 2022
Australia	AUD	7.097	6.554	6.816	7.031
Canada	CAD	7.862	7.093	7.571	7.712
China	CNY	1.517	1.389	1.490	1.483
Euroland	EUR	10.884	10.250	11.347	10.349
United Kingdom	GBP	12.545	12.089	12.861	12.294
Hong Kong	HKD	1.333	1.143	1.313	1.254
Japan	JPY	0.077	0.078	0.076	0.075
USA	USD	10.447	8.902	10.303	9.839

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.

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 +/– SE 17 M (25), exclusive of hedging effects.

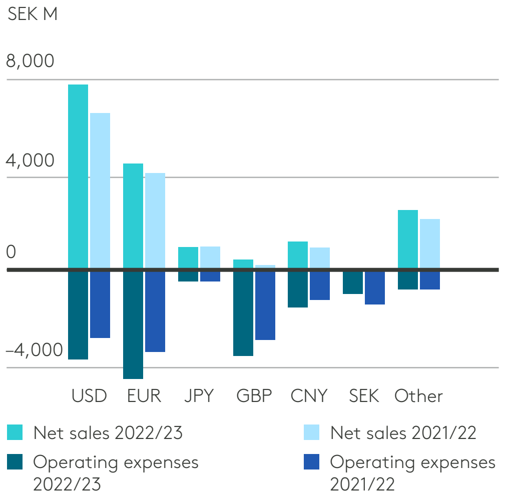
The table below shows the impact on net income from a 1 percent weakening of the Swedish krona (SEK) in relation to the major currencies.

Impact on operating income of a 1 percent weakening of SEK, SEK M

Currency	April 30, 2023	April 30, 2022
USD	39	36
EUR	–1	6
JPY	4	5
GBP	–31	–27
CNY	–4	–3
Other currencies	10	8

The Group's net sales and operating expenses by currency for 2022/23 are shown in the following diagram.

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.

Note 2 Financial risk management, cont.

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 +/– 12 M (4), excluding hedging effects. The impact on the result is mainly attributable to higher interest expense for loans at variable interest rate.

On April 30, 2023, interest-bearing liabilities amounted to SEK 6,668 M (5,695), of which SEK 948 M (1,086) pertained to lease liabilities. The average fixed interest term was 1.1 years (1.6) and the weighted average interest rate, taking interest rate derivatives into account, was 4.2 percent (1.5). See **Note 28** 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 21 M and the closing balance of expected credit loss reservation at the end of financial year 2022/23 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 2022/23 the provision for bad debts amounted to SEK 94 M. See **Note 24** 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, 2023, available cash and cash equivalents and short-term investments amounted to SEK 3,271 M (3,069), or 19 percent (21) of net sales. In addition, Elekta had SEK 2,270 M (2,070) in unutilized credit facilities.

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.

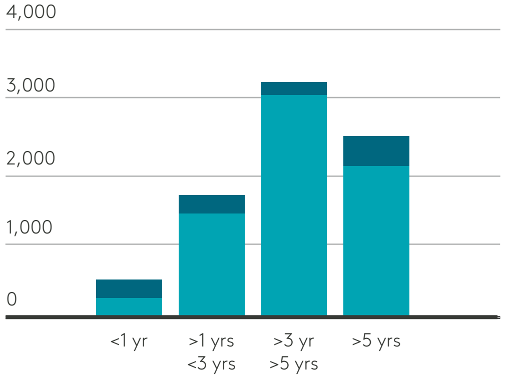
In order to maintain or adjust the capital structure, the Group can change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt.

Note 2 Financial risk management, cont.

Maturity analysis: financial liabilities

	April 30, 2023					April 30, 2022				
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 28)	262	1,416	3,030	2,061	6,769	615	1,274	2,921	363	5,172
Lease liabilities (Note 28)	258	256	179	411	1,103	260	331	154	464	1,209
Accounts payable	1,809	–	–	–	1,809	1,352	–	–	–	1,352
Derivative financial instruments – outflow, gross	8,239	1,668	–	–	9,907	7,727	2,185	–	–	9,912
Derivative financial instruments – inflow, gross	–8,161	–1,699	–	–	–9,860	–8,076	–2,131	–	–	–10,207
Other liabilities	490	34	–	–	523	429	42	–	–	471
Total	**2,897**	**1,675**	**3,209**	**2,472**	**10,252**	**2,307**	**1,701**	**3,075**	**827**	**7,909**

Maturity analysis: loans & lease liabilities



Net debt/EBITDA ratio

SEK M	Note	April 30, 2023	April 30, 2022
Interest-bearing liabilities	28	5,720	4,609
Cash and cash equivalents and short-term investments	25	–3,278	–3,077
Net debt		**2,442**	**1,532**
EBITDA		2,597	2,682
Net debt/EBITDA ratio		0.94	0.57

The net debt/EBITDA ratio was 0.94 compared to 0.57 for prior fiscal year. See **Note 28** for more information on interest-bearing liabilities and section Alternative Performance Measures on **page 97** 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 receivables 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 since a change in market rate of interest does not have a material effect on the market value.

Financial assets and liabilities are offset 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 financial assets, 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.

Note 3 Financial instruments, cont.

Equity instruments which are instrument that evidence 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 cost; 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 are recognized in the income statement. The category includes 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 **24** 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 are 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 classifies 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 investments 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 24** 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.

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

Elekta 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,

Note 3 Financial instruments, cont.

the method of recognizing the fair value gains or losses depends on the nature of the item being hedged.

The Company 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. Also, the Company 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:

- 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 to the right presents Elekta'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.

Financial instruments per category

		April 30, 2023		April 30, 2022	
SEK M	Note	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS					
Financial assets measured at fair value through the net income:					
Derivative financial instruments – non-hedging		10	10	16	16
Current investments classified as cash equivalents	26	3	3	3	3
Financial assets measured at amortized cost:					
Other financial assets	21	990	990	552	552
Accounts receivable	24	3,990	3,990	3,647	3,647
Other receivables	25	718	718	688	688
Cash and bank	26	3,278	3,278	3,074	3,074
Financial assets measured at fair value through other comprehensive income:					
Equity instruments	22	–	–	15	15
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging		141	141	135	135

		April 30, 2023		April 30, 2022	
SEK M	Note	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value through the net income:					
Derivative financial instruments – non-hedging		9	9	55	55
Other liabilities (contingent considerations)		21	21	32	32
Financial liabilities measured at amortized cost:					
Long-term interest-bearing liabilities	28	5,706	5,959	4,099	4,251
Short-term interest-bearing liabilities	28	14	15	510	504
Accounts payable		1,809	1,809	1,352	1,352
Other liabilities		30	30	34	34
Derivatives used for hedging purposes:					
Derivative financial instruments – hedging		194	194	384	384

Note 3 Financial instruments, cont.

Distribution by level when measured at fair value

	April 30, 2023				April 30, 2022			
SEK M	Level 1	Level 2	Level 3	Total	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	–	10	–	10	–	16	–	16
Current investments classified as cash equivalents	3	–	–	3	3	–	–	3
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	–	141	–	141	–	135	–	135
Financial assets measured at fair value through other comprehensive income:								
Equity instruments[1)]	–	–	–	–	–	–	15	15
Total financial assets	**3**	**151**	**–**	**154**	**3**	**151**	**15**	**168**
FINANCIAL LIABILITIES								
Financial liabilities at fair value through the net income:								
Derivative financial instruments – non-hedge accounting	–	9	–	9	–	55	–	55
Contingent considerations	–	–	21	21	–	–	32	32
Derivatives used for hedging purposes:								
Derivative financial instruments – hedge accounting	–	194	–	194	–	384	–	384
Total financial liabilities	**–**	**203**	**21**	**224**	**–**	**439**	**32**	**471**

The table above shows how Elekta'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 is 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 is 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 input 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	2022/23	2021/22
Opening balance May 1	–18	–120
Business combinations	–13	–18
Payments	20	43
Reversals	4	65
Reclassifications	–	15
Revaluations	–19	–
Translation differences	5	–2
Closing balance April 30	**–21**	**–18**

Outstanding derivative financial instruments

The Company'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.

Note 3 Financial instruments, cont.

Derivatives outstanding

	April 30, 2023				April 30, 2022			
SEK M	Nominal	Asset	Liability	Hedge reserve after tax	Nominal	Asset	Liability	Hedge reserve after tax
Currency derivatives:								
Cash flow hedges	1 625	–	194	–39	2,756	135	384	–201
Non-hedge accounting	1 133	10	9	–	1,323	16	55	–
Currency derivatives, total	**2 758**	**10**	**203**	**–39**	**4,080**	**151**	**439**	**–201**

The table to the left presents detailed information regarding Elekta'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 –358 M (94) during the year, of which SEK –16 M (17) was related to the ineffective portion.

Cash flow hedges outstanding

		Q1 23/24		Q2 23/24		Q3 23/24		Q4 23/24		24/25	
Currencies	Currency	Amount	Exchange rate	Amount	Exchange rate	Amount	Exchange rate	Amount	Exchange rate	Amount	Exchange rate
GBP/SEK	GBP	25	12.017	30	11.730	15	12.319	28	12.267	33	12.250
USD/SEK	USD	–45	9.258	–57	9.424	–34	9.725	–85	9.945	–71	10.331
JPY/SEK	JPY	–450	0.080	–825	0.080	–400	0.081	–800	0.082	–1 450	0.085

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 2023, will be accounted for in the income statement in the periods when the hedged transactions will affect the income statement. The estimated future effects from outstanding cash flow hedges are presented in the table to the left.

Outstanding cash flow hedges' estimated effect on the income statement

	2023/24				2025/26			
SEK M	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Expected result from cash flow hedges	–29	–32	–14	–9	10	13	3	5

Note 3 Financial instruments, cont.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities set off only consist of derivative financial instruments.

	2022/2023					2021/2022				
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	–7	144	151	–	151	–4	146
Financial liabilities	203	–	203	–9	194	439	–	439	–293	146

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 24**
- calculation of deferred taxes, see **Note 15**
- impairment testing of goodwill, see **Note 17**
- capitalization and amortization of intangible assets, see **Note 17**
- calculation of provisions, see **Note 29**
- valuation of leases, see **Note 18**

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 Committee. 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 17** for information on goodwill per region.
For information regarding tangible assets per country see **Note 19**.

Note 5 Segment reporting, cont.

Segment reporting

	Americas		EMEA		APAC		Other/Group-wide[1]		Group total	
SEK M	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23**	2021/22	**2022/23**	2021/22
Net sales[3]	5,239	4,254	5,907	5,321	5,724	4,972	–	–	16,869	14,548
Operating expenses	–3,224	–2,606	–3,926	–3,486	–3,831	–3,409	–	–	–10,981	–9,501
Contribution margin	**2,015**	**1,648**	**1,981**	**1,835**	**1,893**	**1,563**	**–**	**–**	**5,888**	**5,047**
Contribution margin, %	38%	39%	34%	34%	33%	31%				
Global costs	–	–	–	–	–	–	–4,457	–3,403	–4,457	–3,403
Operating income	**2,015**	**1,648**	**1,981**	**1,835**	**1,893**	**1,563**	**–4,457**	**–3,403**	**1,431**	**1,643**
Income from participations in associated companies	–	–	–		–		1	5	1	5
Financial income	–	–	–		–		79	42	79	42
Financial expenses	–	–	–		–		–310	–200	–310	–200
Exchange rate differences	–	–	–		–		–3	12	–3	12
Income after financial items	**2,015**	**1,648**	**1,981**	**1,835**	**1,893**	**1,563**	**–4,690**	**–3,545**	**1,198**	**1,501**
Income tax	–	–	–	–	–	–	–254	–345	–254	–345
Net income	**2,015**	**1,648**	**1,981**	**1,835**	**1,893**	**1,563**	**–4,944**	**–3,890**	**944**	**1,157**
Net sales per product type										
Solutions[2]	2,323	1,819	3,502	3,221	4,155	3,612	–	–	9,981	8,652
Service	2,915	2,435	2,405	2,100	1,569	1,360	–	–	6,889	5,896
Total	**5,239**	**4,254**	**5,907**	**5,321**	**5,724**	**4,972**	**–**	**–**	**16,869**	**14,548**
Depreciation/Amortization	–449	–352	–515	–597	–99	–89	–	–	–1,062	–1,039
Impairments	–35	–	–1	–	–7	–	–61	–	–103	–
Investments	9	416	765	909	790	83	–	–	1,564	1,408

[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 15,385 M (13,348) 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 software 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.

Note 6 Net sales, cont.

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 possesion 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.

Net sales for the year amounted to SEK 16,869 M (14,548). Accrued income amounted to SEK 2,119 M (1,796). Accounts receivable amounted to SEK 3,990 M (3,647). For more information on accounts receivable see **Note 24**.

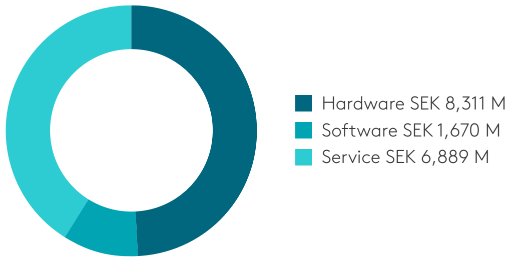
Net sales per country is based on sales to customers in the respective country. There is no individual customers representing more than 10 percent of net sales.

Net sales by country

SEK M	2022/23	%	2021/22	%
Sweden	75	0,4	38	0.3
USA	3,919	23.2	3,228	22.2
China	2,713	16.1	2,314	15.9
Japan	924	5.5	953	6.5
Italy	766	4.5	594	4.1
Germany	739	4.4	741	5.1
India	573	3.4	482	3.3
Spain	516	3.1	260	1.8
France	437	2.6	487	3.3
Canada	423	2.5	452	3.1
United Kingdom	420	2.5	449	3.1
Mexico	386	2.3	152	1.0
Australia	325	1.9	344	2.4
Other countries	4,655	27.6	4 053	27.9
Total	**16,869**	**100**	**14,548**	**100.0**

Net sales per product type and timing of revenue recognition

SEK M		2022/23	2021/22
Hardware	Point in time	8,311	7,100
Software	Point in time	1,670	1,552
Service (incl. software)	Over time	6,889	5,896
Total		**16,869**	**14,548**



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 obligation are 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. Market-based share programs (LTI 2020/23, LTI 2021/24 and LTI 2022/25) 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	2022/23	2021/22	2022/23	2021/22
Salaries and remunerations:				
Board and Managing directors	135	125	28	27
Other employees	4,285	3,858	73	67
Total salaries and other remunerations	**4,420**	**3,983**	**101**	**94**
Social security costs:				
Pension costs	336	294	15	15
Other social security costs	547	488	33	30
Total social security costs	**883**	**782**	**49**	**45**
Total salaries, other remuneration and social security costs	**5,302**	**4,766**	**150**	**139**

Bonuses included in the above salaries and other remunerations paid to the Boards and the Managing directors of subsidiaries amounted to SEK 43 M (30), and SEK 9 M (12) in the Parent Company. Total pension costs amounted to SEK 336 M (294) of which SEK 27 M (23) concern defined benefit pension plans. Pension costs in the Parent Company amounted to a total of SEK 15 M (15) and the full amount related to defined contribution pension plans. For further information regarding the defined benefit pension plans see **Note 29**.

Remuneration to the Board of Directors

The AGM resolved the adoption of fees to the Board of Directors totaling SEK 7,120 K (6,015), of which SEK 7,120 K (6,015) were paid. The fees were distributed in accordance with the table below.

Fees for the Board of Directors

	April 30, 2023			April 30, 2022		
SEK Thousands	Regular remuneration	Remuneration compensation committee	Remuneration audit committee	Regular remuneration	Remuneration compensation committee	Remuneration audit committee
Chairman:						
Laurent Leksell	1,500	140	–	1,410	135	–
Members:						
Cecilia Wikström	645	95	–	605	90	–
Wolfgang Reim	645	95	–	605	90	–
Jan Secher	645	–	170	605	–	160
Birgitta Stymne Göransson	645	–	265	605	–	250
Johan Malmqvist	645	–	170	605	–	160
Caroline Leksell Cooke	645	–	170	605	90	–
Kelly Londy	645	–	–	–	–	–
Total	**6,015**	**330**	**775**	**5,040**	**405**	**570**

Note 7 Salaries, other remuneration and social security costs, cont.

Remuneration to Executive Management

The guidelines for remuneration to the executive management, adopted by the AGM in 2020, are presented on page 28. The Executive Management for 2022/23 was comprised of a total of 15 people, of whom 5 are located in Sweden and the other 10 in the Netherlands, the UK, the US, Turkey, Germany and China. The tables below display remunerations and other benefits to the Executive Management in 2022/23 and 2021/22 respectively.

Remuneration and other benefits to Executive Management during the year 2022/23

SEK Thousands	Fixed remuneration	Variable remuneration	Share-based compensation	Other benefits	Pension costs	**Total**
President and CEO	7,403	4,995	3,727	94	2,129	**18,348**
Other senior executives resident in Sweden (4)	12,490	5,128	889	351	3,081	**21,940**
Other senior executives resident abroad (10)	34,798	12,840	13,704	3,040	4,124	**68,506**
Total senior executives	**54,691**	**22,963**	**18,320**	**3,486**	**9,334**	**108,794**

Remuneration and other benefits to Executive Management during the year 2021/22

SEK Thousands	Fixed remuneration	Variable remuneration	Share-based compensation	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**

Variable remuneration pertains to the bonus for the 2022/23 and 2021/22 fiscal years respectively, partly paid quarterly during each fiscal year and partly paid in the year after.

Share based payment

As per April 30, 2023, Elekta has three outstanding share programs. The share program performance share plan LTI 2019/22, which was outstanding as per April 30, 2022, has expired during the year.

The total number of shares that may be allotted under the share programs is 1,444,160 (1,146,332) 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 20 M (19) and social security amounted to SEK 5 M (2). For more information see page 28.

Share programs

The AGM has for a number of years resolved to adopt share programs called performance share plans. Performance share plan LTI 2019/22, resolved by the AGM in 2018, expired during the year. For information on the program see the Annual Report 2021/22 on **elekta.com**. Outstanding share programs as per April 30 2023 were performance share plan, LTI 2020/23, LTI 2021/24 and LTI 2022/25. The performance share plans cover approximately 25 (LTI 2020/23), 29 (LTI 2021/24) and 20 (LTI 2022/25) 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 2020/21 for performance share plan LTI 2021/23, at the beginning of fiscal year 2021/22 for performance plan LTI 2021/24 and at the beginning of fiscal year 2022/23 for performance plan LTI 2022/25. 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.

Note 7 Salaries, other remuneration and social security costs, cont.

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, 2023 (LTI 2020/23), September 16, 2024 (LTI 2021/24), and September 16, 2025 (LTI 2022/25) 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, 2023, there were no material obligations to settle in any other way than through shares.

Share program

	2019/22[1]	2020/23[1]	2021/24[1]	2022/25[1]
Originally designated number of shares	410,307	510,622	483,189	721,034
Share price used for calculation of theoretical value SEK	64	65	53	32
Theoretical value at time of issue, SEK	26,259,648	33,190,430	25,652,504	23,073,088
Allotment of shares	2022–09–16	2023–09–16	2024–09–16	2025–09–16
Number of shares as of April 30, 2022	263,615	424,000	458,717	–
Granted during the year	–	–	–	721,034
Cancelled/Expired during the year	–263,615	–77,121	–62,786	–19,684
Released during the year	–	–	–	–
Number of shares as of April 30, 2023	**–**	**346,879**	**395,931**	**701,350**

[1] 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 2022/23	Group 2021/22
Cost of products sold	105	101
Selling expenses	185	161
Administrative expenses	259	245
R&D expenses	513	532
Total	**1 062**	**1,039**

Write-down of tangible assets amounted to SEK 115 M (0) and intangible assets to SEK 11 M (0).

Note 9 Remunerations to auditors

SEK M	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
Group auditor (EY)				
Audit engagements	17	11	7	5
Audit-related services	2	0	3	–
Tax consultancy	0	0	–	–
Other services	–	1	–	0
Total Group auditor	**19**	**13**	**10**	**5**
Other auditors				
Audit engagements	1	0	–	–
Audit-related services	0	1	–	–
Tax consultancy	8	9	2	1
Other services	1	0	0	–
Total other auditors	**10**	**11**	**2**	**1**
Total	**28**	**23**	**12**	**6**

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 15,438 M (12,904). Below, operating expenses are broken down by nature:

	Group	
SEK M	**2022/23**	2021/22
Products, materials and consumables	7,079	6,119
Personnel costs	5,522	5,018
Depreciation and amortization (Notes 16, 17 and 18)	1,062	1,039
Other expenses	1,775	728
Total	**15,438**	**12,904**

Note 11 Income from participations in Group companies

	Parent Company	
SEK M	**2022/23**	2021/22
Dividends from subsidiaries	1,107	1,101
Group Contribution	–	20
Other	–	–
Total	**1,107**	**1,121**

Note 12 Net financial items

	Group	
SEK M	**2022/23**	2021/22
Income from participations in associated companies	**1**	**5**
Interest income, external	78	42
Other financial income	1	0
Financial income	**79**	**42**
Interest expenses, other external loans	–188	–107
Interest expenses, lease liabilities	–38	–41
Other financial expenses[1]	–84	–53
Financial expenses	**–310**	**–200**
Exchange rate differences on financial instruments	–3	12
Net financial items	**–233**	**–142**

[1] Other financial expenses mainly consist of bank charges.

Note 13 Interest income, interest expense and similar items

	Parent Company	
SEK M	**2022/23**	2021/22
Interest income from subsidiaries	268	125
Interest income, external	34	13
Interest income and similar items	**302**	**138**
Interest expenses to subsidiaries	–69	–11
Interest expenses, other external loans	–182	–103
Other financial expenses	–11	–11
Interest expenses and similar items	**–262**	**–125**

Note 14 Remeasurement for hyperinflation

In 2022/23 Elektas' operations in Turkey is accounted for according to IAS 29, Financial reporting in Hyperinflationary economies. The index used by Elekta for the remeasurement of the financial statements is the consumer price index with base period January 2003. The impact on the consolidated statement of income from IAS 29 is illustrated below.

	Group		Parent Company	
Exchange rate and index	**2022/23**	2021/22	**2022/23**	2021/22
Exchange rate and index	0.53	–	–	–
Index	1,300.04	–	–	–

	Group		Parent Company	
Net monetary loss recognized in the consolidated statement of income, SEK M	**2022/23**	2021/22	**2022/23**	2021/22
Net monetary loss, Turkey	–17	–	–	–

	Group		Parent Company	
Remeasurement impact recognized in Other comprehensive income, SEK M	**2022/23**	2021/22	**2022/23**	2021/22
Remeasurement	41	–	–	–

Note 15 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

Note 15 Taxes, cont.

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 ssets depends on future taxable profits.

Income taxes

Deferred taxes amounted to a net receivable of SEK 230 M (67), whereof assets SEK 703 M (616) and liabilities SEK 473 M (549).

	Group		Parent Company	
SEK M	**2022/23**	2021/22	**2022/23**	2021/22
Current taxes	–475	–402	–	–11
Deferred taxes	221	57	–22	17
Total	**–254**	**–345**	**–22**	**6**

Note 15 Taxess, cont.

	Group			
	2022/23		2021/22	
SEK M	**SEK M**	**%**	SEK M	%
Income after financial items	1,198	–	1,501	–
Swedish corporate income tax rate	–247	–20.6	–309	–20.6
Difference between corporate tax rate in Sweden and other countries	–56	–4.7	–71	–4.7
Taxes related to prior years	11	0.9	–10	–0.7
Non-taxable income	66	5.5	62	4.1
Non-deductible expenses	–8	–0.7	–12	–0.8
Effect of tax rate changes	8	0.6	30	2.0
Tax losses carried forward without corresponding increase in deferred taxes	–34	–2.9	–48	–3.2
Utilization of previously unrecognized tax losses	5	0.4	15	1.0
Other	2	0.2	–2	–0.1
Effective tax rate	**–254**	**–21.2**	**–345**	**–23.0**

Deferred tax assets (+)/liabilities (–), net

SEK M	Group, net	Parent Company, net
Opening balance May 1, 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**
Business combination	–5	–
Reclassifications	15	–
Adjustment for prior years	–18	–9
Change in tax legislations	8	–
Deferred taxes for the year	232	–13
Deferred taxes charged in other comprehensive income	–50	–
Translation differences	–20	–
Closing balance April 30, 2023	**230**	**22**

The Group has tax loss carry forwards of approximately SEK 611 M (508) 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. The majority of tax loss carry forwards pertain to UK, Finland and Canada.

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, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022
Loss carry-forwards	401	310	–	–	401	310
Untaxed reserves	–	–	0	0	0	0
Intangible assets	1	0	–870	–821	–869	–821
Tangible fixed assets	37	35	–68	–68	–31	–33
Right of use assets	21	22	–	–	21	22
Financial assets/liabilities	39	83	0	0	39	83
Provisions	71	69	–19	–35	52	34
Accrued expenses	68	61	–2	–	66	61
Other assets	485	397	–23	–36	462	361
Other liabilities	95	54	–6	–4	89	51
Deferred tax assets/tax liabilities	**1,218**	**1,031**	**–988**	**–964**	**230**	**67**
Offsetting	–515	–415	515	415	–	–
Net deferred tax assets/tax liabilities	**703**	**616**	**–473**	**–549**	**230**	**67**

Current tax, net (liability –/receivable +)

	Group		Parent Company	
SEK M	**2022/23**	2021/22	**2022/23**	2021/22
Opening balance, May 1	104	29	17	17
Business combination	–	1	–	–
Reclassifications	79	32	–	–
Adjustment for prior years	36	–31	0	–11
Current tax for the year	–511	–370	–	–
Paid taxes	290	452	1	11
Divestments	–	–	–	–
Translation differences	7	–7	–	–
Closing balance, April 30	**6**	**104**	**19**	**17**

Tax relating to components of other comprehensive income

	Group		Parent Company	
SEK M	**2022/23**	2021/22	**2022/23**	2021/22
Revaluation of defined benefit pension plans	0	–7	–	–
Revaluation of cash-flow hedges	–41	92	–	–
Net gain/loss on equity instruments designated at fair value	–9	9	–	–
Total	**–50**	**94**	**–**	**–**

Note 16 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.

	2022/23	2021/22
Net income attributable to Parent Company shareholders (SEK M)	943	1,154
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)	2.47	3.02

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.

	2022/23	2021/22
Net income attributable to Parent Company shareholders (SEK M)	943	1,154
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	284	–
Weighted average number before dilution (thousands)	**382,367**	**382,083**
Earnings per share before dilution (SEK)	2.47	3.02

Note 17 Intangible assets

Accounting principles

Intangible assets contain goodwill, capitalized development costs, customer contracts, customer relationships, technology, patents, and licenses. Amortization of intangible assets is reported in the income statement and allocated to functions as applicable.

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if impairment indicators are identified.

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.

Customer relations and other intangible assets

Intangible assets also include customer relationships, customer contracts and technology acquired through business combinations, patents, and licenses. These assets are recognized when acquired at the amount of their purchase cost including any directly attributable cost and are amortized on a straight-line basis over their estimated useful life. For patents, the amortization period matches the length of the patent.

Amortization periods:

Capitalized development cost	3–5 years
Technology	5–11 years
Customer relationships and contracts	5–20 year

Impairment

The carrying amount of an intangible 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 is the higher of the value in use of the asset and the value that would be received if the asset was sold to a third party less selling costs. 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 tested for impairment annually, and when there are indicators which suggest that the carrying amount may not be recoverable. The impairment test is performed at the level of cash-generating units (CGUs) which represent the Group's operating segments. For the impairment test, the carrying amount of the goodwill is allocated to the CGUs and is compared to their recoverable amount. The recoverable amount is the higher of the CGU fair value less costs to sell and its value in use. An impairment loss is recognized when the carrying amount exceeds the recoverable amount. Impairment losses on goodwill are not reversed.

All impairment losses, and any reversals of the same, are recognized in the income statement.

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. Any adjustments of the assumptions made could have an effect on the carrying amount of

Note 17 Intangible assets, cont.

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.

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 1 345 M (1,166) for the year whereof capitalization of development costs within R&D represented SEK 1 338 M (1,157).

Goodwill

The allocation of the carrying amount of goodwill to CGUs is shown in the following table.

	Group						Parent Company	
SEK M	Goodwill	Capitalized development costs	Customer relationships	Technology	Patents, Licenses	Total Group	Other intangible assets	Total Parent Company
Accumulated acquisition value May 1, 2022	6,499	7,716	1,721	706	393	17,035	91	91
Business combinations	2	7	29	–	–	38	–	–
Purchases/capitalization	–	1,345	–	–	12	1,357	–	–
Sold/scrapped	–	–1	–	–	–	–1	–	–
Translation differences	436	345	179	47	16	1,023	–	–
Accumulated acquisition value April 30, 2023	**6,937**	**9,412**	**1,929**	**753**	**421**	**19,452**	**91**	**91**
Accumulated amortization & impairment May 1, 2022	–	–4,899	–1,008	–542	–324	–6,773	–52	–52
Sold/Scrapped	–	1	–	–	–	1	–	–
Amortization for the year	–	–467	–114	–19	–11	–610	–6	–6
Impairment for the year	–	–11	–	–	–	–11	–	–
Translation differences	–	–203	–88	–33	–14	–337	–	–
Accumulated amortization & impairment April 30, 2023	**–**	**–5,579**	**–1,209**	**–594**	**–348**	**–7,730**	**–58**	**–58**
Carrying amount April 30, 2023	**6,937**	**3,833**	**720**	**159**	**73**	**11,722**	**33**	**33**
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**

Goodwill by segment

SEK M	April 30, 2023	April 30, 2022
North and South America	2,184	1,836
Europe, Middle East and Africa	2,394	2,427
Asia Pacific	2,359	2,236
Total	**6,937**	**6,499**

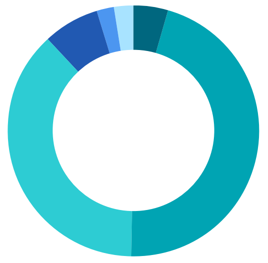
The value in use for each unit is derived from discounted cash flows, based on estimated future cash flows. The estimates are based on the financial budget for the next fiscal year as determined by the Executive Management, and expected future development up to five years. Assumptions regarding sales 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 pretax 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.

The group performed its annual impairment test in April 2023. The 2023 (2022) test showed that there is no need for 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 lead to any impairment indicators.

Purchases/capitalization per country



Note 18 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

As of April 30, 2023 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, 2022	1,384	176	**1,560**
Additions[1]	17	63	**81**
Terminations	–17	–47	**–64**
Translation differences	53	12	**66**
Accumulated acquisition value April 30, 2023	**1,438**	**205**	**1,643**
Opening balance accumulated depreciation May 1, 2022	–503	–82	**–585**
Depreciation for the year	–193	–50	**–242**
Impairments for the year	–84	0	–84
Terminations	20	40	**59**
Translation differences	–10	–6	**–16**
Accumulated depreciation April 30, 2023	**–770**	**–98**	**–868**
Carrying amount April 30, 2022	**667**	**106**	**773**
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**

[1] Additions includes new lease contracts, index-adjustments and remeasurements.

For maturity analysis of lease liabilities see **Note 2**.

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.

Amounts recognized in the income statement

SEK M	2022/23	2021/22
Depreciation for the year	242	229
Interest expense (included in finance cost)	38	41
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	1	1
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in administrative expenses)	2	5
Total	**282**	**276**

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 2022/23 was SEK 291 M (267).

Leasing fees paid by the Parent Company during the year amounted to SEK 304 K. Future leasing fees due for payment within one year amount to SEK 312 K, after 1 year but within 5 years to SEK 624 K.

During the year impairments have been made of 84 M (–) relating to termination of office leases. Impairments are recorded as Administration and R&D expenses in the consolidated income statement.

The operating lease contracts are mainly contracts for premises where the business is conducted.

Note 19 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 10 years. The residual value of assets and their useful economic lives are reviewed annually and adjusted prospectively, if required.

Tangible assets

SEK M	Machinery etc for production	Equipment, tools and installations	Buildings	Total
Accumulated acquisition value May 1, 2022	423	1,987	250	2,660
Purchases	42	161	4	207
Sale/disposals	–1	–104	–2	–107
Reclassifications	5	–15	9	–1
Translation differences	9	86	11	107
Accumulated acquisition value April 30, 2023	**478**	**2,115**	**272**	**2,866**
Accumulated depreciation and impairment May 1, 2022	–294	–1,292	–119	–1,706
Sale/disposals	2	103	–	105
Impairment	–	–8	–	–8
Depreciation for the year	–41	–157	–12	–210
Translation differences	–6	–58	–4	–68
Accumulated depreciation and impairment April 30, 2023	**–339**	**–1,411**	**–135**	**–1,886**
Carrying amount April 30, 2023	**139**	**704**	**137**	**980**
Accumulated acquisition value May 1, 2021	396	1,727	228	2,376
Business combinations	–	1	–	1
Purchases	21	143	3	188
Sold/scrapped	–16	–63	0	–80
Translation differences	20	127	18	175
Accumulated acquisition value April 30, 2022	**423**	**1,934**	**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	–13	–192
Translation differences	–13	–88	–8	–110
Accumulated depreciation and impairment April 30, 2022	**–294**	**–1,289**	**–119**	**–1,706**
Carrying amount April 30, 2022	**129**	**645**	**130**	**954**

Tangible assets by country

SEK M	2022/23	2021/22
Sweden	75	65
United Kingdom	404	413
China	138	150
Netherlands	154	131
India	118	67
USA	51	76
Other countries	40	52
Total	**980**	**954**

Note 20 Shares in subsidiaries

	Parent Company	
SEK M	**2022/23**	2021/22
Opening balance May 1	2,752	2,590
Investments	–	7
Shareholder contributions	55	155
Closing balance April 30	**2,807**	**2,752**

				April 30, 2023		April 30, 2022	
Company	Corp. id. no.	Domicile	No. of shares	Interest,%	Carrying amount, SEK M	Interest, %	Carrying amount, SEK M
Elekta Instrument AB	556492-0949	Stockholm, Sweden	1,000,000	100.0	50	100.0	50
Leksell Institute AB	556942-6314	Stockholm, Sweden	50,000	100.0	0	100.0	0
Elekta Solutions AB	559157-5286	Stockholm, Sweden	50,000	100.0	200	100.0	200
Global Medical Investments GMI AB	556786-4375	Stockholm, Sweden	32,100,000	100.0	7	100.0	7
Elekta KK	65 820	Tokyo, Japan	2,000	100.0	36	100.0	36
Elekta Holding Limited	2699176	Crawley, England	22,810,695	100.0	494	100.0	494
Elekta Holdings US Inc.	58-1876545	Norcross, USA	6,020	100.0	432	100.0	432
Elekta Ltd.	R889657862	Montreal, Canada	1	100.0	229	100.0	229
Elekta Asia Ltd	502 493	Hong Kong, S.A.R.	81,022,160	100.0	13	100.0	13
Elekta Instrument (Shanghai) Ltd	310115764250077	Shanghai, China	1	100.0	50	100.0	50
Elekta BMEI (Beijing) Medical Equipment Co., Ltd.	91110114400615135X	Beijing, China	1	100.0	230	100.0	230
Elekta China Investment Co., Ltd	91310115MA1K47TB2R	Shanghai, China	1	100.0	135	100.0	135
Elekta Pty Limited	ACN 109 006 966	Sydney, Australia	1	100.0	1	100.0	1
Elekta Medical System India Private Limited	U33112DL2005PTC139794	New Delhi, India	10,000	99.0	31	99.0	31
Elekta SA	B 414 404 913	Paris, France	2,493	100.0	4	100.0	4
Elekta Medical SA	A-818 867 31	Madrid, Spain	10,000	100.0	3	100.0	3
Elekta GmbH	HRB 63500	Hamburg, Germany	1	100.0	0	100.0	0
Elekta GmbH	FN 166018w	Innsbruck, Austria	1	100.0	3	100.0	3
Elekta Hellas EPE	998 569 196	Atens, Greece	600	100.0	0	100.0	0
Elekta S.A./N.V.	HRB 613 484	Zaventem, Belgium	250	100.0	1	100.0	1
Elekta BV	17 097 384	Best, The Netherlands	40	100.0	0	100.0	0
Elekta S.p.A.	02723670960	Agrate Brianza (MI), Italy	500,000	100.0	66	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	100.0	73
Elekta (Pty) Ltd	2000/018814/07	Pretoria, South Africa	1	100.0	0	100.0	0
Elekta Pte Ltd	20090927AZ	Singapore, Singapore	10,000	100.0	12	100.0	0
Elekta Limited, South Korea	1311111-0259	Seongnam-si, South Korea	473,879	100.0	16	100.0	16
Elekta Services S.R.O	292 80 095	Brno, Chech Republic	1	100.0	0	100.0	0
Elekta Medikal Sistemler Ticaret A.S.	196757	Istanbul, Turkey	87,900,000	100.0	87	100.0	87
Elekta Medical SA de CV	EME140919G49	Mexiko City, Mexico	50	100.0	57	100.0	57
Elekta sp.Z.O.O	KRS 0000538192	Warsaw, Poland	2,000	100.0	104	100.0	104
Elekta Company Limited	106810452	Hanoi, Vietnam	1	100.0	2	100.0	2
Elekta Business Services sp.Z.O.O	KRS 000567549	Warsaw, Poland	1	100.0	1	100.0	1
Elekta SARL Algeria	16236978051	Dely Ibrahim, Algeria	1	100.0	0	100.0	0
Elekta LLC	1167746799637	Moscow, Russian federation	1	100.0	11	100.0	11
RRTS Unipessoal LDA	514185155	Lisbon, Portugal	1	100.0	13	100.0	13
Elekta General Trading LLC	158410	Cairo, Egypt	310,000	50.0	14	50.0	14
Kaiku Health Oy	2505458-2	Helsinki, Finland	716,944	100.0	414	100.0	381
Elekta Medical Systems SRL	J40/9054/2021	Bucharest, Romania	20	100.0	1	100.0	1
Elekta Philippines Inc	2021110032534-01	Makati City, Philippines	250,000	100.0	5	100.0	5
PT Elekta Medical Solutions	1281002451394	Jakarta, Indonesia	2,500	49.0	12	49.0	2
Elekta s.r.o.	54527538	Bratislava, Slovakia	1	100.0	0	–	–
Total					**2,807**		**2,752**

Note 21 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.

Shares in associated companies

	Group		Parent Company	
SEK M	**April 30, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022
Opening balance May 1	25	27	6	13
Investments[1)]	–	–	–	–
Participations in income of associated companies (Note 12)	2	5	–	–
Dividends	–1	–4	–	–
Adjustment for prior years	–1	–	–	–
Reclassification	–	–7	–	–7
Translation differences	1	4	–	–
Closing balance April 30	**27**	**25**	**6**	**6**

1) Previous year, of which SEK 7 M relates to loan conversion to associated company.

Note 22 Other financial assets

	Group		Parent Company	
SEK M	**April 30, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022
Participations in other companies	–	15	–	14
Derivative financial instruments	38	24	–	–
Loan receivables	12	12	–	–
Contractual receivables	931	500	–	–
Other non-current receivables	47	40	23	23
Total	**1 028**	**590**	**23**	**38**

Participations in other companies

	Group		Parent Company	
SEK M	**April 30, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022
Opening balance May 1	15	60	14	58
Revaluation through other comprehensive income	0	–2	–	–
Divestments & write-downs	–15	–43	–14	–43
Closing balance April 30	**–**	**15**	**–**	**14**

The table above presents detailed information regarding the Group's participations in other companies.

Note 23 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, 2023**	April 30, 2022
Components	379	290
Work in progress	84	95
Finished goods	2,607	2,147
Total	**3,070**	**2,533**

Write-down of inventories during the year amounted to SEK 103 M (59). In the income statement this is reported as cost of product sold . No material inventory is carried at net realisable value.

Note 24 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 3,990 M (3,647) including expected credit losses of SEK 94 M (98). See **Note 2** for further information regarding the credit risk in accounts receivable. See **Note 3** for accounting principles. 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, 2023, the general provision is SEK 54 M and the specific provision amounted to SEK 40 M. Final write-off of a receivable is done when

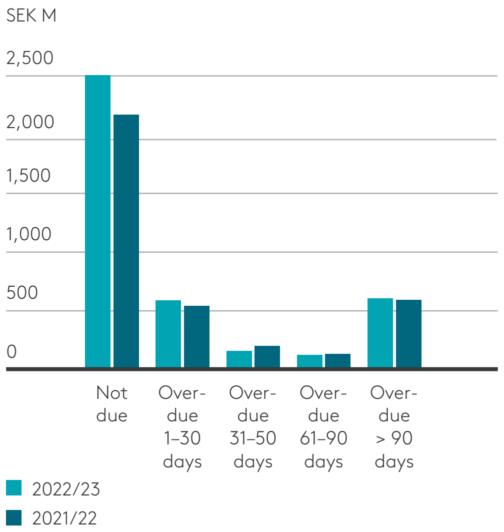
Note 24 Accounts receivable and contract assets, cont.

no further actions are taken to collect on the receivable and the probability of collection is deemed to be unlikely.

The contract asset relates to unbilled work in progress and are considered to have the same risk characteristics as non-due 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 2,119 M (1,796) including expected credit losses of SEK 16 M (16).

On June 1, 2023 one of Elekta's larger customers filed for reorganization under Chapter 11 of the United States Bankruptcy Code, whereby the credit risk is deemed to have increased for receivables related to this customer, see Note 39. Elekta has continued to receive ongoing payments from the customer after the balance sheet date. A new assessment of the bad debt provision based on the higher risk and losses realized to date indicates that the bad debt provision recorded as per April 30, 2023 cover the additional exposure. Due to the inherent uncertainty with the estimate the final outcome of the provision could be different than assumed in the calculation.



Credit risk analysis of accounts receivable

	Group					
	April 30, 2023			April 30, 2022		
SEK M	Gross	Provision	Total	Gross	Provision	Total
Not due	2,508	–2	2,506	2,173	–5	2,168
Overdue 1–30 days	592	–1	591	547	–1	546
Overdue 31–60 days	162	–1	161	205	–1	203
Overdue 61–90 days	130	–3	127	139	–3	136
Overdue > 90 days	692	–87	605	682	–88	594
Total accounts receivables, net	**4,084**	**–94**	**3,990**	**3,745**	**–98**	**3,647**

Provision for bad debt accounts receivable

	Group	
SEK M	**2022/23**	2021/22
Opening balance May 1	–98	–146
Acquired companies	–	1
Provisions	–83	–91
Reversals	50	84
Realized loss	41	67
Translation differences	–4	–13
Closing balance April 30	**–94**	**–98**

Provision for bad debt contract assets

	Group	
SEK M	**2022/23**	2021/22
Opening balance May 1	–16	–1
Provisions	–1	–16
Reversals	1	1
Closing balance April 30	**–16**	**–16**

Note 25 Other current receivables

	Group	
SEK M	**April 30, 2023**	April 30, 2022
Prepayments to suppliers	147	84
Other receivables[1)]	718	688
Prepaid expenses	732	709
Total	**1,597**	**1,481**

[1)] Mainly value added tax.

	Parent Company	
SEK M	**April 30, 2023**	April 30, 2022
Derivative financial instruments (Note 2)	7	14
Current tax assets	19	17
Other receivables	8	3
Prepaid expenses	9	8
Total	**43**	**42**

Note 26 Cash and cash equivalents and short-term investments

Cash and cash equivalents and short term investments only contains investments that readily 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, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022
Current investments classified as cash equivalents[1)]	914	561	914	561
Cash and bank	2,364	2,516	962	1,302
Total	**3,278**	**3,077**	**1,876**	**1,863**

[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 3,278 M (3,077) which is cash and cash equivalents and short-term investments reduced by bank balances included in assets pledged. See **Note 33**.

Note 27 Equity

Number of shares in Elekta AB (publ)	A-shares	B-shares	Total	Share capital
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	
Number of shares May 1, 2022	14,980,769	368,587,640	383,568,409	191,784,205
Number of shares April 30, 2023	**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 1,320,001,153
Total non-restricted equity of the Parent Company	**SEK 2,237,000,641**

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 917 M, corresponding to SEK 2.40 per share. At the AGM on August 24, 2023, a dividend of SEK 2.40 per share for the year 2022/23 – a total sum of approximately SEK 917 M will be proposed. The average number of shares during the year, rounded to the nearest thousand, before dilution was 382,083 thousand (382,083) and 382,367 thousand (382,083) after dilution. The dilution effect relates to the share programs awarded to employees and occurs when certain performance targets are met. The number of repurchased shares on April 30, 2023, totaled 1,485,289 B-shares (1,485,289).

For more information on the Elekta share, see **page 27**.

Note 28 Interest-bearing liabilities

SEK M	Group April 30, 2023	Group April 30, 2022	Parent Company April 30, 2023	Parent Company April 30, 2022
Bond loan	2,495	2,995	2,496	2,995
Liabilities to credit institutions	3,225	1,614	3,210	1,604
Liabilities to subsidiaries	–	–	2,808	2,482
Lease liabilities	947	1,086	–	–
Total	**6,668**	**5,695**	**8,514**	**7,081**
Maturity term structure, external loans				
<1 year	14	510	–	500
>1 year–<3 years	999	999	999	999
>3 years–<5 years	2 803	2 751	2 803	2 751
>5 years	1 904	349	1 904	349
Total	**5 720**	**4 609**	**5 706**	**4 599**

Specification by currency

Currency	Original currency M April 30, 2023	Original currency M April 30, 2022	SEK M April 30, 2023	SEK M April 30, 2022
Swedish kronor, SEK M	3,985	3,495	3,985	3,495
British Pound, GBP M	90	1	1,155	10
EU euro, EUR M	50	90	565	1,104
US dollars, USD M	1	–	15	–
Total			**5,720**	**4,609**

Note 29 Provisions

Accounting principles

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.

Restructuring provision

Restructuring provisions are recognized only when the Group has a constructive obligation, which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

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 etc.

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. Provisions for defined benefit plans are based on actuarial valuations which rely on key assumptions including discount rate, future salary increase and inflation. Total provisions amounted to SEK 426 M (372).

Provisions

	Group		Parent Company	
SEK M	**April 30, 2023**	April 30, 2022	**April 30, 2023**	April 30, 2022
Restructuring reserve	23	4	3	–
Warranty provisions	107	105	–	–
Other provisions	59	39	–	–
Short-term provisions	**189**	**149**	**3**	**–**
Provision for pensions	137	131	–	–
Other provisions	100	92	16	13
Long-term provisions	**237**	**223**	**16**	**13**

Pension plans

The majority of Elekta's pension plans are defined contribution plans but there are also defined benefit pension plans for certain employees in a few countries; mainly Japan, Netherlands, Italy and Germany. Total pension costs for the Group amounted to SEK 336 M (294) of which SEK 30 M (25) relate to defined benefit pension plans, see Note 7.

Pension costs, defined benefit pension plans

	Group	
SEK M	**April 30, 2023**	April 30, 2022
Current service cost	–26	–24
Interest cost on obligation	–7	–4
Interest income	4	2
Past service costs and gains/losses on settlements	0	1
Actuarial loss/gain	7	27
Total cost of defined benefit pension plans before tax	**–22**	**2**
whereof reported in:		
the income statement	–29	–25
other comprehensive income	7	27

Defined benefit pension plans

	Group	
SEK M	**April 30, 2023**	April 30, 2022
Defined benefit obligation, funded plans	162	157
Fair value of plan assets	–128	–138
Provision for pensions, funded plans	**34**	**19**
Defined benefit obligation, unfunded plans	103	103
Provision for pensions, unfunded plans	**103**	**103**
Pension provision for defined benefit plans, net	**137**	**123**

Note 29 Provisions, cont.

Movement in provision for pensions

	April 30, 2023			April 30, 2022		
SEK M	**Present value of obligation**	**Fair value of plan assets**	**Net**	Present value of obligation	Fair value of plan assets	Net
Opening balance	**272**	**–141**	**131**	**310**	**–158**	**152**
Current service cost	25	1	26	22	2	24
Past service costs and gains/losses on settlements	–	–	0	–1	–	–1
Interest expenses/income	7	–4	3	4	–2	2
	304	**–144**	**160**	**335**	**–158**	**177**
Actuarial gains/losses attributable to:						
Return on plan assets	–	38	38	–	36	36
Changes in financial assumptions	–54	–	–54	–56	–	–56
Changes in demographic assumptions	2	–	2	–	–	–
Experience assumptions	7	–	7	–6	–	–6
Contributions by employers	–	–13	–13	–	–17	–17
Contributions by employees	2	–2	0	1	–1	–
Benefit payments	–14	5	–9	–7	2	–5
Exchange rate differences	18	–12	7	4	–3	1
Closing balance	**265**	**–128**	**137**	**272**	**–141**	**131**

Plan assets in %

	Group	
SEK M	**April 30, 2023**	April 30, 2022
Assets held by insurance company	95%	93%
Other	5%	7%
	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, Elekta considers AA-rated corporate bonds indexes consistent with the currencies of the plans and matching the duration of the pension obligations.

Key assumptions used in the valuation of the pension liability (weighted average)

	Group	
	April 30, 2023	April 30, 2022
Discount rate used, %	3.5	2.0
Future salary increase, %	2.7	1.8
Inflation, %	2.4	2.1

Sensitivity analysis of the most important assumptions affecting the recognized pension liability

Group	**April 30, 2023**	April 30, 2022
Discount rate +0.5%	–6.6	–7,9
Discount rate –0.5%	9.1	9,2
Salary increase rate +0.5%	3.2	1,8
Salary increase rate –0.5%	–1.5	–1,7
Inflation, +0,5%	3.1	1,9
Inflation, –0,5%	–1.4	–2,1

The sensitivity analyses are based on estimated reasonable changes in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

Note 29 Provisions, cont.

Movement in provisions

	Group			Parent Company	
SEK M	Restructuring reserve	Warranty provisions	Other provisions	Restructuring reserve	Other provisions
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**
Opening balance May 1, 2022	**4**	**105**	**132**	**–**	**13**
Provisions	80	142	87	14	3
Reversals	–14	–93	–37	–	–
Provisions utilized during the year	–48	–51	–24	–11	–
Translation differences	1	4	1	–	–
Closing balance April 30, 2023	**23**	**107**	**159**	**3**	**16**

Note 30 Customer contract related balances and order backlog

	Group	
SEK M	**April 30, 2023**	April 30, 2022
Contract assets		
Income not invoiced	2,135	1,812
Doubtful income not invoiced	–16	–16
Total	**2,119**	**1,796**
Contract liabilities		
Advances from customer	5,011	4,161
Prepaid service income	2,286	2,114
Other prepaid income	278	228
Total	**7,576**	**6,503**

Revenue recognized in the period

	Group	
SEK M	**2022/23**	2021/22
Revenue recognized in the year relating to the opening balance of the contract liability balance	4,553	4,417

Order backlog was SEK 43,332 M, compared to SEK 39,656 M on April 30, 2022. Order backlog is converted at closing exchange rates which resulted in a positive translation difference of SEK 1,876 M. According to current delivery plans, current order backlog is expected to be recognized as follows: approximately 35 percent in 2023/24, 30 percent in 2024/25 and 35 percent thereafter.

Note 31 Accrued expenses

	Group	
SEK M	**April 30, 2023**	April 30, 2022
Reserve for additional project costs	651	644
Accrued commission costs	42	50
Accrued vacation pay	265	256
Accrued social costs	71	94
Accrued interest expenses	0	10
Accrued bonus costs	387	360
Accrued expenses GRNI[1]	114	90
Other items	464	389
Total	**1,994**	**1,893**

[1] Includes liabilities for goods received where the related invoice has not yet been received.

Note 32 Other current liabilities

	Group	
SEK M	**April 30, 2023**	April 30, 2022
Value added tax	369	318
Personnel taxes	44	28
Other personnel related liabilities	10	8
Contingent consideration	16	24
Other items	51	51
Total	**490**	**429**

	Parent Company	
SEK M	**April 30, 2023**	April 30, 2022
Accounts payable	17	4
Accrued expenses (see below)	61	41
Derivative financial instruments	9	34
Other liabilities	4	2
Total	**91**	**81**
Accrued expenses		
Accrued vacation pay liability	10	7
Accrued social costs	4	3
Accrued interest expenses	0	9
Other items	47	22
Total	**61**	**41**

Note 33 Assets pledged

SEK M	Group April 30, 2023	Group April 30, 2022
Bank balances	8	8
Total	**8**	**8**

Collateral pledged for contingent liabilities.

Note 34 Contingent liabilities

SEK M	Group April 30, 2023	Group April 30, 2022	Parent Company April 30, 2023	Parent Company April 30, 2022
Guarantees	1,667	1,562	676	767
Total	**1,667**	**1,562**	**676**	**767**

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 35 Cash flow statement

SEK M	Group 2022/23	Group 2021/22	Parent Company 2022/23	Parent Company 2021/22
Interest net				
Interest income	–79	–42	–302	–138
Interest expenses	226	148	251	114
Total	**147**	**106**	**–51**	**–24**
Other non-cash items				
Participations in net income of associated companies, after tax	–1	–5	–	–
Revaluation of participations in other companies	–	–	15	43
Cost of incentive programs	20	17	7	5
Anticipated group contributions	–	–	–	–20
Unrealized exchange rate effects	2	–183	9	1
Other items	28	–41	–13	–31
Total	**49**	**–211**	**18**	**–2**
Business combinations				
Purchase price	–33	–152	–	–
Contingent considerations	–20	–42	–	–
Unpaid part of purchase price	–	18	–	–
Total	**–53**	**–175**	**–**	**–**
Other investing activities				
Shareholders' contributions paid	–	–	–55	–155
Dividends from associated companies	1	4	–	–
Investments in short term investments	–	–69	–	–
Total	**1**	**–65**	**–55**	**–155**

More information on business combinations is presented in **Note 37**.

Note 35 Cash flow statement, cont.

Changes in net liabilities related to financing activities 2022/23

			Non-cash changes		
SEK M	Opening balance	Cash flow	Other	Foreign exchange movements	Closing balance
Bond loans	2,993	–500	3	–	2,496
Leases liabilities	1,086	–268	84	46	947
Liabilities to credit institutes	1,603	1,552	–	53	3,208
Other	9	4	–	–	14
Total	**5,692**	**788**	**87**	**99**	**6,666**

Changes in net liabilities related to financing activities 2021/22

			Non-cash changes		
SEK M	Opening balance	Cash flow	Other	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 36 Related party transactions

Transactions between Elekta AB and its subsidiaries are shown in **Notes 11, 12, 13** and **28**. These transactions are eliminated upon consolidation. Sales to associated companies amounted to SEK 15 M (22) and costs amounted to SEK 1 M (9), receivables from associated companies amounted to SEK 27 M (31) and liabilities amounted to SEK 1 M (–).

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 37 Business combinations

2022/23

During 2022/23 Elekta has made some minor acquisitions to a total preliminary fixed acquisition price of approximately SEK 33 M.

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 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.

Note 38 Average number of employees

	Men		Women		Total	
	2022/23	2021/22	**2022/23**	2021/22	**2022/23**	2021/22
Parent Company	26	23	30	34	56	57
Subsidiaries:						
Sweden	164	177	109	105	273	282
USA	559	626	299	297	858	924
Great Britain	583	619	220	202	802	822
China	505	520	216	210	721	730
Poland	96	177	140	57	236	234
The Netherlands	177	92	59	129	236	222
Japan	121	92	22	17	143	109
India	121	106	10	22	131	128
Germany	94	118	18	10	111	128
Finland	74	75	31	27	105	102
Italy	72	63	19	19	91	82
Canada	64	62	27	15	91	77
France	61	61	16	21	77	82
Australia	53	47	20	16	73	63
Brazil	56	44	15	11	71	55
Turkey	55	38	16	13	71	51
Spain	44	54	18	21	62	75
Hong Kong	34	75	12	27	46	102
Mexico	34	34	9	8	43	42
Singapore	21	26	13	2	34	28
South Korea	24	20	4	13	28	33
Egypt	22	15	2	3	24	18
South Afrika	15	15	6	8	21	23
Austria	14	3	5	2	19	5
Belgium	15	12	2	5	17	17
Indonesia	15	2	2	0	17	2
Russia	9	13	7	2	16	15
Portugal	12	13	3	2	15	15
Czech Republic	10	12	5	3	15	15
Vietnam	13	6	2	5	15	11
Greece	12	11	2	3	14	14
Romania	8	8	4	3	12	11
Philippines	10	8	0	1	10	9
Algeria	8	15	1	3	9	18
New Zealand (branch)	7	5	2	2	9	7
Switzerland (branch)	7	22	2	0	9	22
Serbia	3	3	2	0	5	3
Total average number of employees	**3,216**	**3,312**	**1,370**	**1,319**	**4,587**	**4,631**

Specification men/women among Board of Directors and executive management

During the financial year, the Board of Directors of Elekta AB consisted of 50 percent (57) men. The Executive Committee consisted of 92 percent (86) men.

Note 39 Significant events after the reporting period

On June 1, 2023, one of Elektas larger customers, Genesis Care, filed voluntary petitions for reorganisation under Chapter 11 of the United States Bankruptcy Code. During the restructuring, the Company intends to operate in the ordinary course without disruption to patient care as well as to explore separation of its U.S. business from its business in Australia, Spain and the UK, creating two platforms.

Elekta is closely following the process in order to understand the implications on Elekta's business.

Signatures of the Board

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 95**, reporting on EU taxonomy for sustainable activities in accordance with the EU Taxonomy Regulation (EU 2020/852), see **page 81**, and the Sustainability Report in accordance with the Global reporting Initiative, GRI, see the GRI Index on **page 92**.

Stockholm July 6, 2023

Laurent Leksell
Chairman of the board

Caroline Leksell Cooke
Member of the board

Kelly Londy
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 7, 2023
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 of the original auditors' report in Swedish.

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 2022-05-01 – 2023-04-30. The annual accounts and consolidated accounts of the company are included on **pages 19–69** 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 2023 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 2023 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. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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 stand-alone 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 our audit addressed this key audit matter

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 addressed this key audit matter
Goodwill amounts to SEK 6 937 million as of April 30, 2023 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 17**, the calculations of utilization values assume that important assumptions are made regarding, among other things, growth rates, gross margin and discount rates. **Note 17** 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; • Mapping and 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 1–18**. The other information also includes the remuneration report on **pages 120–121** and were obtained before the date of this auditor's report. 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 skepticism 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 Elekta AB (publ) for the year 2022-05-01 – 2023-04-30 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 skepticism 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 opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the 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 (publ) for the financial year 2022-05-01 – 2023-04-30.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report 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 (publ) 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 validation that the Esef report has been prepared in a valid XHTML format 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 consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB was appointed auditor of Elekta AB (publ) by the general meeting of the shareholders on the 25 August 2022 and has been the company's auditor since the 22 August 2019.

Stockholm 7 July, 2023

Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Signature on original auditors' report in Swedish[1)]

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.

Sustainability governance and materiality

Assessment of Elekta's main impacts on society, environment, people and human rights sets the direction for our sustainability work. Structured governance enables us to drive progress on our targets.

Sustainability governance

Sustainability is an integral part of Elekta's business strategy ACCESS 2025. With clear strategic anchoring, and by incorporating our sustainability program 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 the CEO reports to the Board on major issues.

The Board's Compensation and Sustainability Committee oversees quarterly Elekta's environmental and social work, and is educated on sustainability through quarterly meetings and reports from the Sustainability function. Matters pertinent to business ethics and compliance are overseen by Elekta's Audit Committee. For more information, see **page 109**.

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

Since January 2022, the corporate sustainability program is developed and coordinated by the Group Sustainability Director reporting to the VP Strategy, Sustainability and Transformation. The Sustainability function was previously a part of the Compliance function.

During 2022/23, Group Sustainability has continued to expand on its organizational structure with assigned sustainability leads across all business lines and selected functions. Strategic integration has increased during the year with environmental sustainability being a formal part of the company's strategic planning process.

Elekta is governed via a management system based on our Code of Conduct and our global policies, see **elekta.com**.

Materiality

Elekta's sustainability agenda is guided by Agenda 2030 and the UN Sustainable Development Goals (SDGs). Our approach to sustainability is about focusing where it matters the most and addressing our most material topics. These are identified by assessing actual and potential impacts on the economy, environment and people, including impacts on human rights across our value chain, and they constitute the foundation on which topics we address and report on. We actively engage with stakeholders across the value chain to understand our impacts.

Materiality assessment process and stakeholder engagement

Elekta's materiality assessment conducted in 2022/23 has focused on understanding Elekta's actual and potential impacts on the economy, environment and people including impacts on human rights across our value chain and has been conducted guided by the process outlined by Global Reporting Initiative, GRI 2021:

Step 1: Understand the organization's context
Step 2: Identify actual and potential impacts
Step 3: Assess the significance of the impacts
Step 4: Prioritize the most significant impacts for reporting

In the materiality assessment, Elekta reviewed its business activities and relationships, its sustainability context, and its main stakeholders across the value chain, see **page 11**. Elekta also analyzed a range of sources to create a long list of assessed actual and potential impacts. The sources include, for example, Elekta's earlier materiality assessments, the UN SDGs, applicable legislations, reporting standards (GRI and ESRS), ESG rating questionnaires, three separate surveys shared with investors/equity analysts, employees, and customers, supplier ESG engagement materials, information from industry associations/memberships, customer interaction documentation, and peer review of sustainability reporting. In addition, the Sustainability function has engaged in internal discussions and projects, as well as external stakeholder meetings including investors/analysts and a human rights expert to assess impacts across our value chain.

The significance of each of the impacts on the long list was assessed qualitatively in dialogue with stakeholders. Elekta acknowledges that the significance of impacts depends on several factors and that the assessment has been done on a general level.

Elekta has prioritized material topics with help from representatives in key stakeholder groups internally and based on the above analysis. A cross-functional steering committee has overseen the prioritization of topics, which has also been approved by the Board's Compensation and Sustainability Committee.

Elekta concludes that its material topics, presented on **page 75**, remain the same as in last year's annual report, with the exception of Energy, which is added. For some topics, including for example, Biodiversity, further assessment is needed to determine materiality and Elekta intends to conduct such assessment. For a full GRI content index, see **page 92**.

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:

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

Elekta's material topics and our contribution to the UN SDGs

Area of impact		Material topic	Impact on: Suppliers	Elekta	Customers	People & society	Climate & nature	Contribution to SDGs
E Environment		Energy and emissions	●	●	●	●	●	9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action
		Materials efficiency	●	●	●	●	●	
		Waste		●	●	●	●	
		Environmental compliance	●	●	●	●	●	
		Supplier environmental assessment	●	●	●	●	●	
S Social	Access to healthcare	Access to healthcare		●	●	●		3 Good health and well-being; 4 Quality education; 5 Gender equality; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 17 Partnerships for the goals
		Innovation and R&D	●	●	●	●	●	
	People in our value chain	Employment and engagement		●		●		
		Occupational health and safety		●		●		
		Training and education		●	●	●		
		Diversity and equal opportunity	●	●	●	●		
		Non-discrimination	●	●	●	●		
		Customer health and safety		●	●	●		
		Customer privacy		●	●	●		
		Supplier social assessment	●	●	●	●		
G Governance		Anti-corruption	●	●	●	●		12 Responsible consumption and production; 16 Peace, justice and strong institutions
		Anti-competitive behavior	●	●	●	●		
		Trade compliance (previously Export control and safe trading)	●	●	●	●		

Sustainability targets and progress

E

Highlights 2022/23

Reduction in greenhouse gas emissions from scope 1 and 2

-9.2%

Proportion of electricity from renewable sources

67%

Targets: Environment

	Targets	Progress 2022/23	Next steps / Target update
Emissions and energy	SBT[1] 1: Reduce scope 1 and 2 emissions by 46.2% by end of 2031/32 (base year 2021/22[2]).	On track. Emissions in scope 1 and 2 decreased by 9.2% during the year.	Target retained.
	SBT 2: Transition to 100% renewable electricity by end of calendar year 2030.	On track. Increased to 67% during the year (from 61% in 2021/22).	Target retained.
	SBT 3: Reduce emissions from use of sold products and end-of-life treatment of sold products by 55% by end of 2031/32 (base year 2021/22).	On track. Decreased by 18% during the year.	Target retained.
	SBT 4: Engage selected suppliers to have science-based targets by fiscal year 2026/27. The targeted selection corresponds to 27.5 percent of supply chain emissions.	On track. 10% of suppliers by emissions have set science-based targets or equivalent.	Target retained.
Materials efficiency and waste	Increase number of components in the components take-back program.	Achieved. Increased from 22 to 37. Further information on page 80.	Continue to review opportunities for circularity.
	Circularity strategy and initiatives to be expanded in 2022/23.	Partly achieved. Cross-functional collaboration established to further evaluate circularity opportunities.	Continued cross-functional collaboration during 2023/24.
	Send zero waste to landfill by 2024/25 from our four main sites (UK, Netherlands, Sweden, China) and improve data quality at remaining sites.	On track. Three out of four completed. Collection of waste data has been expanded from four to 13 sites. Further information on page 80.	Target retained.
	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.	On track. Disposal guidelines refined for key product areas.	Continue to develop customer disposal guidelines to promote value chain climate action.

1) Science-based targets; Elekta has four targets referred to as SBT 1-4.
2) Re-baselined, with updated calculation method, see page 79.

Sustainability data, cont.

S

Targets: Social

	Targets	Progress 2022/23	Next steps / Target update
Access to healthcare	Increase the installed base by 825 linacs in underserved markets by April 30, 2025, compared to April 30, 2020.	On track. 167 linacs installed in underserved markets during 2022/23. Total accumulated number of linacs added from baseline: 505 linacs. Further information on **page 85 and page 7**.	Target retained.
Own workforce	Increase eNPS (employer net promoter score) to 34 by 2024/25.	Not on track. eNPS 12. Decrease across indices in 2022/23 due to cost reduction initiative. Further information on **page 86**.	Target retained.
	Reduce voluntary attrition rate to 7% by 2023/24.	Not on track. Voluntary attrition at 9%. Attrition outcome re-defined to exclude severance package exits.	Updated target: Reduce voluntary attrition to 7.5% by 2023/24.
	Improve overall employee experience based on results from individual employee and team discussions, comprehensive or pulse surveys and other dialogue forums.	Not achieved. Decrease across indices in 2022/23 due to cost reduction initiative. Further information on **page 86**.	Target retained.
	Increase the female/underrepresented gender representation in critical business positions to 30% by 2022/23.	Not achieved. 27% in business critical positions. Further information on **page 87**.	Target of 30% retained for 2023/24.
	Implement, assess and review gender pay gap reviews in our larger sites globally in a meaningful way.	On track. Further information on **page 87**.	Target retained.
	Revise diversity ambition and develop our goals during 2022/23.	On track. Diversity & Inclusion strategy in finalization.	Diversity & Inclusion strategy including ambition to be included in Annual Report 2023/24.
	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.	Achieved. Health surveillance programs implemented for manufacturing sites in the UK and China. Accident reporting aligned.	Continue to refine implemented processes.
	Expand the People & Human Rights Policy see, **elekta.com**, to include psychological work environment by 2022/23.	Achieved.	No new target set.
Supply chain	Goals within the Sustainable Sourcing Program (SSP) are in formulation and will be aligned with new and upcoming international standards.	SSP further developed during 2022/23 with focus on ESG risk assessment and supplier engagement for science-based targets. Further information on **page 89**.	Continue to expand ESG supplier assessment process in the SSP. (Target for supplier engagement for climate action, see **page 76**).
	Offer sustainability risk awareness training with focus on upcoming legislation relating to the supply chain to relevant employee groups.	In 2022/23, selected procurement employees (around 20 people) attended ESG sessions (legislation, human rights, supplier engagement for science-based targets), around 25 hours per individual.	Continued expansion of ESG training for relevant employees.
	All suppliers of products with tungsten used smelters should be validated by the Responsible Minerals 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.	Achieved.	Maintain level of conformance and improve data quality on supplier processes.

G

Targets: Governance

Targets	Progress 2022/23	Next steps/Target update
Develop a compliance-focused risk assessment strategy by 2022/23, to be used to prioritize activities and allocate resources.	Achieved. Compliance-focused risk assessment strategy developed.	Results from risk assessment will be used during 2023/24 to prioritize risk areas.
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.	On track. New digital compliance training deployed to all employees at Elekta supported by senior management.	Rollout of new hire on-boarding training, annual re-fresher training and customer facing training planned in 2023/24.
Complete monitoring activities for the second target group of the third-party monitoring program by 2022/23.	Achieved.	Next steps of the monitoring program to be established in 2023/24.
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.	On track. Elekta Integrity Line campaign launched in all regions in 2022/23. Integrity survey was moved to 2023/24 to ensure most recent topics are addressed.	Continue to promote a culture of business ethics during 2023/24 by developing the Compliance Ambassador program. The goal is to have ambassadors in all regions.

Read about Elekta employees driving our sustainability targets at elekta.com

Note E Environment

Introduction and management of material topics

Elekta aims to minimize its environmental impacts. Our main guiding document is the Global Environment Policy, which is based on international standards, see **elekta.com**.

A team with representatives from all business lines and selected business functions, leads the environmental agenda based on the environmental policy and group-wide environmental targets, see **page 76**. During 2022/23, all units included detailed environmental objectives in the strategic planning process.

Energy and emissions

Greenhouse gas emissions caused by Elekta, directly or indirectly across the value chain, impact the environment. Climate change has far-reaching effects on the environment, society, people and human rights. Elekta is committed to reducing its emissions according to the Paris Agreement to limit our environmental impact.

Energy consumed in Elekta's own operations is limited. The majority of Elekta's emissions arise in the use phase of our products, in our supply chain and in logistics. For detailed information, see Calculation methodology (Energy and emissions).

In 2023, Elekta's emission reduction targets were validated by the Science Based Targets initiative. For targets, see **page 76**.

Elekta works continuously with improving the quality of its emissions data and has during 2022/23 further improved data quality especially in relation to product power consumption. The process has resulted in an exercise to realign the baseline and updated information has been submitted to the SBTi.

For scope 1, we have improved our data during the year through improved tracking of SF6 use during manufacturing (see Calculation methodology Energy and emissions). We have also developed a global car policy to support our green car fleet transition.

For scope 2, our data has been improved by including more offices by activity data. Planning for transitioning to 100% renewable electricity has been initiated. From this year, Elekta have begun to report energy consumption in our own operations.

Most of Elekta's emissions arise in Scope 3, where we have set two science-based targets adressing product use phase and supply chain respectively. The first target covers the use and end-of-life processing of our products and is measured by emissions per radiotherapy cancer treatment course[1]. By tracking emissions per cancer treatment course, Elekta promotes more environmentally efficient solutions to treating cancer. The second target focuses on our work to drive change throughout the value chain by engaging with suppliers to set science-based targets, which is a part of Elekta's expanded supply chain engagement efforts during 2022/23, see **page 89**.

Within logistics, we continue to improve the granularity of emissions data, enabling improved logistics insights and optimized processes. Examples of improvements are better shipping container utilization, reducing the number of sea shipments per year, and continuing to shift from airfreight to sea freight transport mode.

Energy consumption within the organization

	2022/23
Energy consumed (kWh)	37,490,058
Energy intensity: Energy consumed (kWh)/net sales (SEK M)	2,222

Greenhouse gas emissions (across value chain)

tCO_2e	2022/23	2021/22[2]	2021/22
Scope 1: Direct emissions	**4,442**	**5,722**	**4,405**
Scope 2: Indirect emissions, market based	**3,347**	**2,859**	**2,859**
Scope 2: Indirect emissions, location based	*4,744*	*6,206*	*6,206*
Scope 3: Other indirect emissions	**500,240**	**569,098**	**826,756**
Purchased goods and services (cat. 1)[3]	261,793	291,584	290,697
Fuel- and energy-related activities (cat. 3)	2,618	2,212	2,212
Upstream transportation and distribution (cat. 4)	17,485	17,422	16,863
Waste generated in operations (cat. 5)	42	0	888
Business travel (cat. 6)	14,852	9,810	9,651
Employee commuting (cat. 7)	5,159	4,648	3,733
Processing of sold products (cat. 10)[2]	N/A	N/A	96,712
Use of sold products (cat. 11)	198,291	243,221	405,801
EoL treatment of sold products (cat. 12)	198	200	199
Total emissions, scope 1–3	**508,029**	**577,679**	**834,020**
Emission intensity:			
Total emissions (tCO_2e)/net sales (SEK M)	30	40	N/A
Total emissions (tCO_2e)/employees	112	120	N/A

Calculation methodology (Energy and emissions): Elekta's CO_2e base year is 2021/22. Elekta follows the Greenhouse Gas (GHG)-Protocol Corporate Accounting and Reporting Standard and reports greenhouse gas as carbon dioxide equivalents (CO_2e). Product-related calculation are estimated based on the number of ordered units in the period. Elekta has chosen the operational control approach to define organizational boundary: Elekta does not offset emissions. Calculations were carried out with support from a third-party provider. For detailed information, see **elekta.com**.

Read about Elekta employees driving our sustainability agenda at elekta.com

Materials efficiency and waste

Elekta sources materials and components for its production. Sustainable consumption and production is high on the global agenda for creating a sustainable future through SDG 12. Elekta is committed to promoting sustainable management of materials across our value chain, from what we source to how our products are handled at end-of-life to minimize negative environmental impact.

We aim to deliver eco-designed products where the full product lifecycle footprint is taken into consideration. Design choices are made with meaningful requirements regarding energy usage, material selection and volume, modularity that increases upgradability, as well as repairability and serviceability. Software upgrades also support extension of product life. At product end-of-life, Elekta promotes sustainable management of materials and has, during 2022/23, updated customer disposal manuals in BL Brachy to support customers' disposal processes.

1) A treatment course is a full radiotherapy treatment for an individual, which may include multiple treatment sessions.

2) Re-baselined, with updated calculation method, see Calculation methodology (Energy and emissions).

3) Including scope 3 category 2 capital goods.

Environment, cont.

A sustainability team in our product organization analyzes the environmental impact of our linacs to identify parts suitable for take-back. We have, during 2022/23, expanded the number of components for refurbishment at end-of-life for our products.

Take back of components for refurbishment

	2022/23	2021/22	2020/21
No of components for take-back	37	22	21

Materials

(weight in tons)	**2022/23**	2021/22
Non-renewable materials	4,309	4,141
Renewable materials	1,100	1,142
Total	**5,409**	**5,283**

Calculation methodology (Materials): 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. For detailed information, see **elekta.com**.

Waste

Elekta is committed to limiting packaging waste. Efforts include on-going redesign of single use products packaging in BL Brachy from double pouch to single pouch to significantly reduce waste. Another example is the return and reuse of Leksell Gamma Knife shipping containers, and redesigning packaging to optimize logistics.

Eliminating landfill is a priority for Elekta, as is responsible management of hazardous and nonhazardous waste. Our largest manufacturing site, which is in the UK, and our two major offices in Europe (in the Netherlands and Sweden) send zero waste to landfill. Our waste data collection has expanded in 2022/23 to cover a total of 13 sites, compared to four sites in 2021/22. Elekta has reported waste according to GRI 306 Waste 2020 since 2021/22.

Waste generated 2022/23

(weight in tons)	**Total, generated waste**	Diverted from disposal	Directed to disposal
Hazardous	28.60	28.55	0.05
Non-hazardous	542.17	411.89	130.28
Total	**570.77**	**440.44**	**130.33**

Waste diverted from disposal 2022/23

(weight in tons)	Onsite	Offsite	**Total**
Hazardous waste			
Preparation for reuse	0	0	0
Recycling	0	28.55	28.55
Other recovery operations	0	0	0
Total, hazardous waste	**0**	**28.55**	**28.55**
Non-hazardous waste			
Preparation for reuse	0	0	0
Recycling	0	411.89	411.89
Other recovery operations	0	0	0
Total, non-hazardous waste	**0**	**411.89**	**411.89**
Total waste diverted from disposal	**0**	**440.44**	**440.44**

Waste directed to disposal 2022/23

(weight in tons)	Onsite	Offsite	**Total**
Hazardous waste			
Incineration (with energy recovery)	0	0.05	0.05
Incineration (without energy recovery)	0	0	0
Landfilling	0	0	0
Other disposal operations	0	0	0
Total, hazardous waste	**0**	**0.05**	**0.05**
Non-hazardous waste			
Incineration (with energy recovery)	0	87.08	87.08
Incineration (without energy recovery)	0	43.20	43.20
Landfilling	0	0	0
Other disposal operations	0	0	0
Total, non-hazardous waste	**0**	**130.28**	**130.28**
Total waste directed to disposal	**0**	**130.33**	**130.33**

Calculation methodology (Waste): Waste data includes data from Elekta's sites in Veenendaal (NL), Stockholm (SE), Crawley (UK), Beijing, Shanghai, Hong Kong (CN), Istanbul (TR), Tokyo (JP), Montreal (CN), Henderson, Sunnyvale, St Charles (US) and Helsinki (FI). Data is mainly actual and based on information provided by the waste disposal contractor at each site. For detailed information, see **elekta.com**.

Environmental compliance

Elekta's global operations require adherence to regional and local environmental legislations to limit environmental impact.

Elekta's manufacturing sites have local environmental management systems that are certified with ISO 14001 or similar. Environmental compliance is managed by Elekta's business lines. During 2022/23, Elekta has worked to increase synergies between the business lines by forming a group-wide forum for collaboration.

During 2022/23, Elekta has not been subject to any significant fines or non monetary sanctions for noncompliance with environmental laws.

Fines for environmental non-compliance

	2022/23	2021/22	2020/21
Number of fines	0	0	0

Key environmental compliance risks are found in the supply chain and involve suppliers specializing in complex manufacturing processes. Suppliers are required to operate in accordance with applicable environmental legislation and employ suitable management systems. Our Supplier Code of Conduct asks suppliers to take the same level of responsibility for their environmental impact as Elekta.

Elekta has, in 2022/23, expanded on supplier engagement and assessment to deeper understand environmental impacts of the Elekta supply chain as part of the development of our Sustainable Sourcing Program. Further information on **page 89**.

EU Taxonomy reporting 2022/23

The EU Taxonomy Regulation (the Taxonomy) is a classification system for sustainable economic activities, with the purpose 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 analysis of economic activities is done in relation to the European Union's six environment objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems.

Activities covered by the Taxonomy are called taxonomy-eligible activities. For these activities, the delegated acts complementing the Taxonomy define performance criteria for the environmental objectives, as well as minimum safeguards for the protection of human rights and labor law. An activity is considered taxonomy-aligned if it contributes substantially to one or several of the objectives, without causing significant harm to the other objectives, and also meets the defined minimum safeguards.

Taxonomy eligibility

A cross-functional working group at Elekta has analyzed the Group's activities, based on NACE codes (Nomenclature of Economic Activities) and in-depth knowledge of the Group, to identify activities and financial transactions which relate to the share of taxonomy-eligible turnover, capital expenditure and operational expenditure.

Turnover

Elekta's turnover (also called net sales) amounted to SEK 16,869 million in 2022/23 (see **Note 6**). No portion of the turnover is attributable to activities covered by the delegated acts. Elekta's main activity, the manufacturing of medical technology, is not currently taxonomy-eligible under the first two environmental objectives.

Capital expenditure (CapEx)

In 2022/23 Elekta's capital expenditure, as defined in the Taxonomy, corresponded to SEK 1,683 million, of which 1.4 percent has been considered taxonomy eligible. The denominator includes additions to Intangible assets, Right of use assets and Tangible assets (see **Notes 17**, **18**, and **19**). Taxonomy-eligible capital expenditure relates to facility upgrades (taxonomy categories 7.3, 7.4 and 7.6), and long-term leasing of hybrid and electric cars and electric bikes (taxonomy categories 6.4 and 6.5).

Operating expenditure (OpEx)

Elekta's operating expenditure[1] of SEK 571 million in 2022/23, covers direct capitalized costs that relate to research and development, building renovation measures, short-term lease of vehicles, maintenance and repair and other direct expenditures relating to the day-today servicing of property, plant and equipment. 0.1 percent of this operating expenditure is considered taxonomy-eligible and primarily includes facility maintenance and upgrades (taxonomy categories 7.3 and 7.4) and short-term leasing of hybrid and electric cars (taxonomy category 6.5).

Taxonomy alignment

To enhance the Group's taxonomy reporting, Elekta is closely following the developments relating to the Taxonomy, its delegated acts, and guidance issued.

For fiscal year 2022/23, an analysis has been done to determine Elekta's alignment to the criteria of the taxonomy-eligible activities. In order to be taxonomy-aligned, the identified activities must contribute to at least one of the environmental objectives by meeting the technical screening criteria outlined for the specific activity. In addition, the activity shall do no significant harm to the other environmental objectives, and must comply with the minimum safeguards.

In analysis of its small share of taxonomy-eligible activities, Elekta identifies a small proportion as taxonomy-aligned. The taxonomy-aligned activities refer to leasing of electric bicycles, installation of charging stations for electric vehicles, and installation of solar panels in Elekta's facilities (taxonomy categories 6.4, 7.4 and 7.6).

For its other taxonomy-eligible activities, Elekta concludes that more detailed information is needed about the individual activities to guarantee that the technical screening criteria are met. For example, when it comes to leased vehicles, Elekta currently has limited insight into materials recyclability, type of vehicle tires used and waste management, and acknowledges more information is needed to ensure technical screening criteria are met. Hence, for these taxonomy-eligible activities, Elekta deems them to be not taxonomy-aligned.

The minimum safeguard criteria focus on human rights, corruption, competition and tax, and stipulates that a company should have robust processes and compliance controls in place, and that there are no breaches or violations.

Elekta assesses that, for the taxonomy-aligned activities, the company complies broadly with the minimum safeguards of the Taxonomy: Elekta has relevant policies in place, see **page 74** and the Governance section **page 90**, and also supply chain processes including Supplier Code of Conduct, see **page 89**. Elekta acknowledges however that further developing its policies and procedures is beneficial to ensure all of the minimum safeguards are met across Elekta's whole value chain.

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

EU Taxonomy, cont.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022/23

Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria: Climate change mitigation (5)	Substantial contribution criteria: Climate change adaptation (6)	Substantial contribution criteria: Water and marine resources (7)	Substantial contribution criteria: Circular economy (8)	Substantial contribution criteria: Pollution (9)	Substantial contribution criteria: Biodiversity and eco systems (10)	Criteria regarding DNSH: Climate change mitigation (11)	Criteria regarding DNSH: Climate change adaptation (12)	Criteria regarding DNSH: Water and marine resources (13)	Criteria regarding DNSH: Circular economy (14)	Criteria regarding DNSH: Pollution (15)	Criteria regarding DNSH: Biodiversity and eco systems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of turnover, year 2022/23 (18)	Taxonomy aligned proportion of turnover, year 2021/22 (19)	Category (enabling or transitional activity) (20,21)
		SEK M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%	N/A	
A.2 Taxonomy-Eligible but not environmentally sustainable activities																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																
Total (A.1 + A.2 = A)		**0**	**0%**														**0%**	**N/A**	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**16,869**	**100%**																
Total (A+B)		**16,869**	**100%**																

EU Taxonomy, cont.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022/23

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and eco systems (10)	Criteria regarding DNSH: Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and eco systems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of CapEx, year 2022/23 (18)	Taxonomy aligned proportion of CapEx, year 2021/22 (19)	Category (enabling or transitional activity) (20,21)
		SEK M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	6.4	0.18	0.01%	100%	0%	N/A	N/A	N/A	N/A		Y	N/A	Y	N/A	N/A	Y	0.01%	N/A	N/A
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.03	0.00%	100%	0%	N/A	N/A	N/A	N/A		Y	N/A	N/A	N/A	N/A	Y	0.00%	N/A	E
Installation, maintenance and repair of renewable energy technologies	7.6	0.01	0.00%	100%	0%	N/A	N/A	N/A	N/A		Y	N/A	N/A	N/A	N/A	Y	0.00%	N/A	E
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.22**	**0.01%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**0.01%**	**N/A**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	14.65	0.87%																
Installation, maintenance and repair of energy efficiency equipment	7.3	9.29	0.55%																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**23.94**	**1.42%**																
Total (A.1 + A.2 = A)		**24.17**	**1.44%**														**0.01%**	**N/A**	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**1,659.83**	**98.56%**																
Total (A+B)		**1,683**	**100%**																

EU Taxonomy, cont.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022/23

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and eco systems (10)	Criteria regarding DNSH: Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and eco systems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx, year 2022/23 (18)	Taxonomy aligned proportion of OpEx, year 2021/22 (19)	Category (enabling or transitional activity) (20,21)
		SEK M	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E/T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	0.14	0.03%	100%	0%	N/A	N/A	N/A	N/A		Y	N/A	N/A	N/A	N/A	Y	0.03%	N/A	E
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.14**	**0.03%**	**100%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**								**0.03%**	**N/A**	
A.2 Taxonomy-Eligible but not environmentally sustainable activities																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.19	0.03%																
Installation, maintenance and repair of energy efficiency equipment	7.3	0.24	0.04%																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.42**	**0.07%**																
Total (A.1 + A.2 = A)		**0.56**	**0.10%**														**0.03%**	**N/A**	

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
OpEx of Taxonomy-non-eligible activities (B)		**570.44**	**99.90%**
Total (A+B)		**571**	**100%**

Note S Social

Introduction and management of material topics: Access to healthcare

Access to healthcare, in particular radiotherapy, lies at the heart of our ACCESS 2025 business strategy and purpose. Elekta makes a positive impact on people and society by improving cancer care access globally. By expanding our reach in underserved low- and middle-income markets, we aim to contribute to closing the treatment access gap. Ensuring more individuals have access to cancer care constitutes a significant contribution to society, economy and human rights.

To support this effort, we issued a sustainability linked bond in 2021 with a KPI linked to closing the access gap through installations of linacs in underserved markets. The ambition is to install 825 linear accelerators by end of 2024/25 from a 2019/20 baseline. During 2022/23, Elekta installed 167 linacs in underserved markets. For further information, see **pages 7 and 77**.

Innovation and R&D

Elekta invests in R&D to develop cutting edge radiotherapy solutions and software that enable hospitals and clinics to both increase throughput and treat more indications. Our offering includes patient preventive maintenance that avoids unnecessary clinical downtime to drive access. Read about our innovation efforts on **page 14**.

Policy and partnerships

Elekta's Global Policy and Patient Access department formed in 2022 provides expertise and serves as a partner to policy makers in different countries in building sustainable healthcare systems with focus on cancer and radiotherapy.

The department manages partnerships with organizations such as IAEA, Global Health Catalyst, Global Coalition for Radiotherapy, and ESTRO Cancer Foundation. Elekta supports organizations that raise awareness around radiotherapy with in-kind resources, funds and clinical experts.

In 2022/23, Elekta has directly or via partners engaged with governments in Africa, the Middle East and Eastern Europe (incl. Ukraine) and supported them in shaping cancer treatment policies to enable increased access to radiotherapy. The Swedish government provides impactful support in facilitating dialogues around healthcare and cancer across the world. Some examples are the visits of the Swedish Royal family and delegations to several countries this year (Jordan, Kenya) with cancer care as one of the topics on the agenda, but also regular support from the Swedish embassy in numerous countries. In addition, the creation of the Elekta Foundation has served to reinforce our commitment to raising awareness about cancer and the importance of early detection.

The Elekta Foundation

In 2022, Elekta extended its sustainability agenda by establishing the Elekta Foundation with the mission to improve access to cancer care in underserved countries.
The Foundation addresses three focus areas:

- Expand education to close knowledge gaps in radiotherapy
- Increase awareness and prevention in cervical cancer
- Strengthen cancer care infrastructure through new tools and models

Since its inauguration, the Elekta Foundation has set out to tackle inequities in cancer care and started by focusing on cervical cancer in Rwanda. It developed a women-centered model including prevention, screening and treatment. In less than four months, 20,000 women were tested for HPV and more than 600 women were treated for pre-cancerous lesions in Rwanda. For more information, see **elektafoundation.com.**

Training

Trained radiotherapy professionals are in short supply globally, especially in low- and middle-income countries. Education and training are essential to increase access and Elekta contributes through three broad categories, of which one of them was in the year 2022/23 transferred into management by Elekta Foundation and is hence excluded from Elekta's reporting.

Trainings provided

Categories of trainings provided – and participation	2022/23
Targeted education and training to optimize adoption of our products and solutions	
People trained in instructor-led sessions	17,544
Registered users in Elekta's Learning Management system for self-study	4,457
Peer-to-peer training through learning partnerships with customers and initiatives such as the BrachyAcademy	
Training sessions	12,678

Local presence

By expanding our direct presence and increasing the number of local technical experts (service engineers), we drive access by avoiding clinical downtime. One geographical focus area is Southeast Asia and in 2022/23, we also have strengthened our organization in Egypt.

Elekta has focused on keeping cancer care running while the war rages in Ukraine. Our service organization has given our customers its full support and highest priority and we have managed to do the planned installations during the year. We have also engaged with the Radiotherapy Crisis Task Force set up by the Global Coalition for Radiotherapy. Examples of measures taken include enabling moving of treatment plans to machines in other countries so that patients who have fled the war can receive treatment as well as supporting the WHO regularly with data on the radiotherapy treatment situation on the ground in Ukraine.

Customer financing

By partnering with third-party financiers, such as leasing companies or export credit agencies, we enable financing solutions and other payment models that make modern radiotherapy technology more affordable for clinics. We are also continuing to develop our interactions with international development banks and other sources of funding from both public and private parties to support the realization of radiotherapy treatment.

Social, cont.

Introduction and management of material topics:
People across our value chain:
Our workforce

Elekta's employees are instrumental to the success of Elekta in executing our business strategy and purpose, and form a central part of our strategy, see page 9.

With a team of around 4,500 employees globally, Elekta impacts people and societies globally. Identified employee risks include occupational health and safety (OHS) as well as discrimination. Elekta's approach to our workforce sets out to address these. Elekta's People & Human Rights policy, see **elekta.com**, is based on international standards for human and labor rights and aims to promote a culture of diversity, inclusion, equity and belonging, to ensure the highest OHS standards. In addition, Elekta's global People Agenda aims to enable our employees to successfully execute our business strategy. The agenda is based on:

- Driving capability development to ensure delivery of ACCESS 2025, with systematic talent management that ensures a future talent pool and culture of development
- Strengthening our culture to secure a sustainable delivery of our strategy
- Continued improvement of the Diversity, Equity, Inclusion and Belonging agenda
- Proactively driving organizational effectiveness and efficiency

Employee engagement and development

Passionate and engaged employees enables Elekta to successfully drive our strategy of access to health care.

Comprehensive employee engagement surveys are conducted yearly. The last survey was conducted in March 2023. The annual survey from early 2023 is complemented with monthly pulse engagement surveys across the organization.

Elekta has seen a drop in eNPS in 2022/23, mainly driven by the restructuring program during the year, which reduced the number of employees broadly across the organization.

eNPS (Employee Net Promoter Score)

	2022/23	2021/22	2020/21
eNPS	12	28	23

Employee development is core to Elekta's strategy, as our success depends of the innovation and creativity of our workforce. Individual 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 plans. All employees received performance and career development reviews during the year.

Continuous competence and leadership development are priorities for Elekta. We have development training for all employees and global leadership development programs for both managers and project leaders. The content and delivery methods are reviewed regularly to ensure alignment with our strategy and the demands of employees and leaders, and specifically in relation to well-being, diversity, equity and inclusion. Local development programs are offered in addition to the global programs.

Elekta's employees

Elekta has global workforce of 4,540 (4,826) employees. Elekta occasionally 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 and refers to end-of-year employee data.

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

2022/23	Permanent contract	Temporary contract	Total
Women	1,181	160	1,341
Men	2,752	307	3,059
Non-binary	1	0	1
Non-categorized	126	13	139
Total	**4,060**	**480**	**4,540**

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**

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

2022/23	Permanent contract	Temporary contract	Total
Europe	2,124	51	2,175
North America	894	9	903
China	315	401	716
Middle East, Africa and India	291	2	293
Asia Pacific	191	2	193
Japan	129	7	136
South America	116	8	124
Total	**4,060**	**480**	**4,540**

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

Social, cont.

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

	2022/23		
	Full-time	Part-time	Total
Women	1,275	66	1,341
Men	2,986	73	3,059
Non-binary	1	0	1
Non-categorized	132	7	139
Total	**4,394**	**146**	**4,540**

	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	**4,696**	**130**	**4,826**

Diversity and inclusion

As a global employer, Elekta's acknowledges the importance of building a culture of diversity, equity, inclusion and belonging in order to attract and retain engaged employees to drive our business purpose. Diversity and inclusion are identified among the UN SDGs as fundaments for the global community in creating a sustainable future, as it has far-reaching effects on innovation, risk management and creativity in society and the economy. From a human rights perspective, it is central to allow each individual equal opportunities and to not tolerate any form of discrimination.

For Elekta, a culture of diversity, equity, inclusion and belonging is instrumental to growing our business. Everyone at Elekta should be given equal opportunity, regardless of gender, age, sexual orientation, ethnicity, nationality, religion or any other potential basis for discrimination, as outlined in Elekta's People & Human Rights policy.

Gender diversity is a focus area for Elekta. We are working to ensure female representation in our recruiting processes, and that candidates for new roles are evaluated fairly, that new hires with high potential for managerial roles are identified and that the gender distribution in our leadership programs is balanced. We assess gender pay gaps for comparable roles internally. The assessments are conducted locally and are based on local regulations and legal requirements.

Our target for gender diversity was to increase the under represented gender (female) in senior leadership and business-critical positions to 30 percent by 2022/23. We reached 27 percent overall and 29 percent excluding the executive management (EM) team. This is not satisfactory, and initiatives have been taken at the executive management level to address this. We are also reviewing processes and policies, putting more emphasis on values and culture in leadership training, as well as supporting and having closer contacts with the Diversity, Equity, Inclusion and Belonging committees (see below). Gender diversity will continue to be a significant focus area in 2023/24.

Elekta also promotes a geographically and culturally diverse workforce. Examples include the Diversity, Equity, Inclusion and Belonging Committee with a Women's Initiative and Next Generation affinity group in the region Americas and the Diversity, Inclusion and Belonging group in the UK. The groups aim to improve Elekta as a work place, for example by creating networks and learning opportunities for minority groups and women and providing awareness training about unconscious bias.

Read about Elekta employees driving our sustainability agenda at elekta.com

Diversity of governance bodies and employees in regards to gender, %

	2022/23		2021/22	
	Men	Women	Men	Women
Board of Directors	50.0	50.0	57.2	42.8
Executive Management	90.9	9.1	85.7	14.3
All employees[1]	67.4	29.5	61.0	29.0

[1] Approximately 3% of employees are not categorized.

Diversity of governance bodies and employees in regards to age, %

	2022/23			
	<31 years	31–50 years	>50	No age recorded
Board of Directors	0	12.5	87.5	0
Executive Management	0	36.4	63.6	0
All employees	10.2	61.6	25.2	3.0

	2021/22			
	<31 years	31–50 years	>50	No age recorded
Board of Directors	0	14.2	85.8	0
Executive Management	0	50.0	50.0	0
All employees	11.0	61.6	24.4	3.0

Gender pay gaps 2022/23

Location	Gender Pay Gap
The Netherlands	10%
United Kingdom	7%
United States	2%
Sweden	0%
China	0%

Calculation methodology (Gender pay gaps): 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.

Occupational health and safety (OHS) and non-discrimination

Elekta works to ensure the health, both physical and psychological, and safety of our employees. Discrimination, harassment or bullying poses health risks for employees and contractor partners and are not tolerated in any form. During the year, there have been three incidents of discrimination, of which all have been investigated and resolved without further actions. Reported incidents are reviewed by the local HR function and by an independent party.

Social, cont.

Incidents of discrimination

	2022/23	2021/22	2020/21
Discrimination incidents	3, all resolved	9, all resolved	7, all resolved

Our manufacturing sites have local OHS management systems that have been developed to comply with local legal requirements. All procedures cover both employees and contractors 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 employees. Workplace accidents are followed up by collecting data from production sites involving manual manufacturing work. In 2022/23, Elekta recorded zero incidents of lost-time cases. Elekta's UK site has continued the reporting of all "near misses" which expedites corrective actions to avoid future accidents and lost time incidents.

Workplace incidents of lost time

	2022/23	2021/22	2020/21
Workplace incidents of lost time[1]	0	4	15

[1] Manufacturing sites in UK and China .

OHS risks 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.

Risk assessments are in place for all workplace activities. Specially trained OHS managers also complete walk-around audits 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.

Work-related hazards and hazardous situations are reported, either to the closest manager 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.

Training in health and safety is provided to workers according to role-specific needs 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 are to receive all necessary training and to be equipped with the right personal protective equipment and tools before starting work.

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

Elekta partners with non occupational healthcare providers as part of the compensation system at many sites. Other sites offer annual medical exams. We also encourage employee well-being and health through webinars and sponsor company sports associations, team well-being events and health awareness campaigns.

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.

	2022/23	2021/22
With collective bargain agreements[1]	702	608
Percent of all employees	15.5%	12.6%

[1] Brazil, Germany, Austria, France, Greece, Italy, Finland and the Netherlands.

Introduction and management of material topics: People across our value chain: Customer/patient health and safety

Quality and safety in all products and offerings are a top priority for Elekta to ensure patient safety at all times. The aim 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. Our 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 according to ISO 13485. Requirements in national regulations are implemented as applicable in concerned procedures, such as the requirement of reporting 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.

Introduction and management of material topics: People across our value chain: Customer privacy and integrity

Data privacy is managed by Elekta's Global Data Privacy organization. The organization uses 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 2022/23, the organization investigated 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 noncompliance with data privacy laws and no privacy-related cases were reported through the Elekta Integrity line during 2022/23. For more information about the Elekta Integrity Line, see page 90.

Social, cont.

Introduction and management approach:
People across our value chain:
Supply chain social assessments

Elekta sources materials and components from suppliers across the world. Through its interactions, Elekta contributes to job creation locally but acknowledges that it may also have impacts on people and human rights in the supply chain and actively works to mitigate any negative impact.

Elekta is committed to respecting human rights as outlined in our People & Human Rights Policy, see **elekta.com**, and our Code of Conduct, see **elekta.com**. Elekta applies a Supplier Code of Conduct, see **elekta.com**, which puts detailed human and labor rights requirements on our suppliers. The Supplier Code is based on internationally established human rights enshrined in the International Bill of Human Rights, as well as fundamental rights at work and international labor standards enshrined in the Core Conventions of the International Labour Organization (ILO). It also covers sourcing of conflict minerals, business ethics, and environmental protection and requires our suppliers to demand the same of their suppliers.

Most of our suppliers of direct materials do not operate in countries with known human rights issues. Such impacts may be located further upstream in our supply chain, where there may be risks regarding excessive overtime, lack of freedom of association, forced labor or wages below the living wage.

Supply chain expenditure, 2022/23

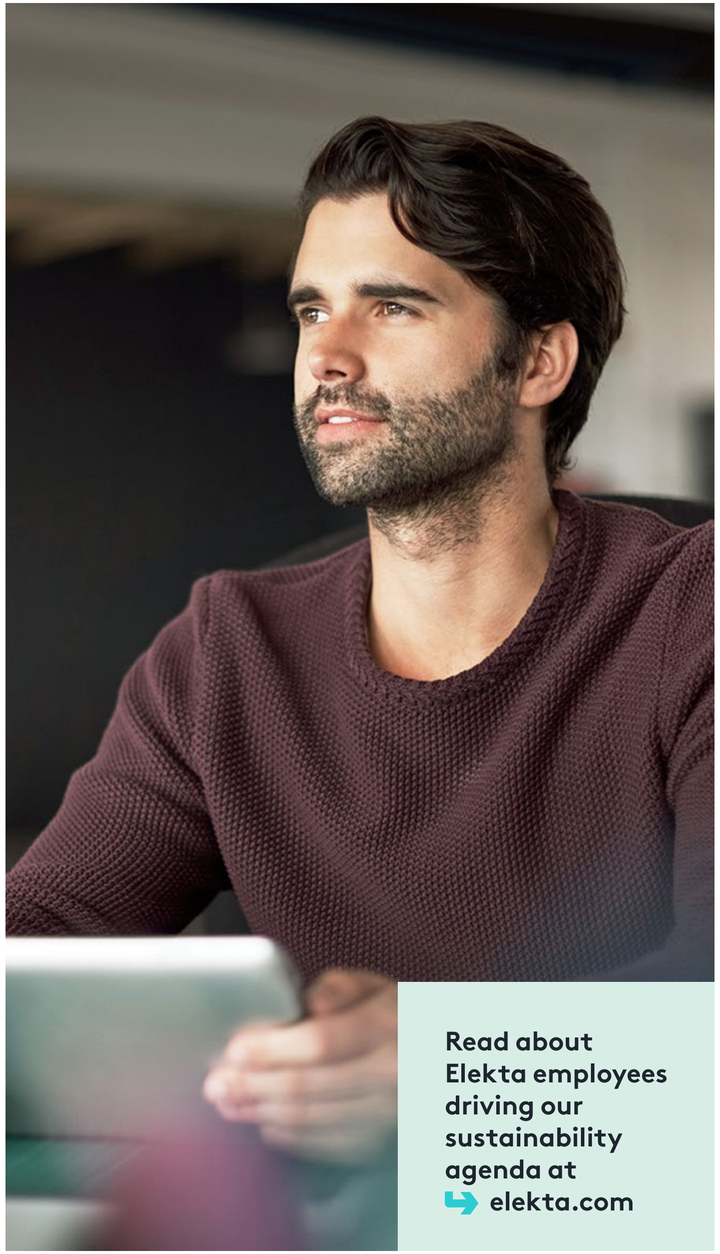
Some of our products contain minerals such as cobalt and tungsten, which are often mined in high-risk or conflict-affected areas where there might be modern slavery-like working conditions connected to their extraction. We are members of the Responsible Minerals Initiative and are working with them to trace the sources of minerals in our products, ensuring the minerals are extracted under verified working conditions. In 2022/23, all suppliers of products with tungsten used smelters validated by the Responsible Minerals 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.

Elekta's Sustainable Sourcing Program (SSP), covering both direct and indirect suppliers and all business lines, is an ESG due diligence and assessment program. The program covers a range of sustainability requirements and aims to identify and mitigate any nonconformances with Elekta's Supplier Code of Conduct, and to expand Elekta's understanding of supply chain ESG impacts. SSP is managed by the Sustainable Sourcing Forum which includes procurement directors and Compliance representatives.

Elekta categorizes procurement activities into either direct or indirect sourcing. In 2022/23, direct procurement performed 31 supplier ESG assessments in the SSP. The assessment process does not constitute a full audit. During the assessments, 16 observations were made. Elekta has reported the findings to the suppliers and requested corrective action. None of the findings we classified as high risk. No supplier commercial contracts have been terminated, and we continue to engage with the suppliers to build collaboration across the supply chain. (In Elekta's traditional supplier audit process, ESG questions are occasionally covered and not accounted for in this reporting.)

Elekta acknowledges increasing requirements on due diligence and reducing negative impacts across the value chain, and is aiming to further develop its processes across its supply chain. During 2022/23, Elekta has progressed in understanding impacts of supply chain by engaging with our supplier base to gain understanding of ESG programs, further developing its Sustainable Sourcing Program, and set a supplier engagement target to motivate suppliers to set their own science-based targets, see **page 76**, to drive climate action in the supply chain.

The supplier engagement process is one of continuous improvement and Elekta acknowledges that all suppliers are at different maturity levels. Elekta's approach is to establish an environment of openness, collaboration and transparency.



Read about Elekta employees driving our sustainability agenda at elekta.com

Note G Governance

Introduction and management approach: Anti-corruption, competition and trade compliance

In Elekta's ambition to drive access to healthcare worldwide, we are committed to making it a top priority to combat corruption and other unethical business behavior, which can be detrimental to sustainable development of societies, the economy and human rights.

We implement effective compliance and integrity programs with emphasis on values and behavior, and our work is anchored in our Global Anti-Bribery and Corruption Policy, see **elekta.com**.

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 eight-point compliance program, focusing on high-risk legal areas in 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. The compliance strategy and compliance program were updated during 2022/23 to better address current risks and requirements with an added focus on trade compliance due to geopolitical challenges throughout the year.

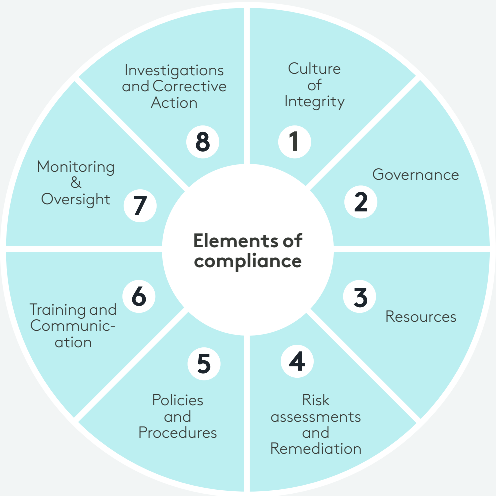
PROGRESS

Elekta has not had any significant instances of noncompliance with laws and regulations during 2022/23.

There were no confirmed incidents of corruption, and no legal actions for anti-competitive behavior, anti-trust, and/or monopoly practices.

In 2022/23, 27 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.

Elekta's compliance program



1. Culture of Integrity

The responsibility for implementing an effective compliance program ultimately rests with the Board of Directors. At least four times a year, the EVP & General Counsel reports to the Board's Audit Committee, in the capacity of head of the company's Compliance function, 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 102**.

Since the building of a compliance culture starts at the top, the CEO and the entire 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 and 3. Governance and Resources

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 areas: anti-bribery and corruption; competition law; and trade compliance. These resources include regional Compliance Officers, and a Global Trade Compliance Officer.

4. Risk assessments and Remediation

Our Compliance program is continuously developed and improved based on findings from 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 include a comprehensive risk identification process that covers the typical risk categories of country-, sector-, transaction-, business opportunity- and business partner risks.

5. Policies and Procedures

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

The Code of Conduct is available in 12 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 fiscal year 2020/21. Since then, the focus has been on further updating policies as well as creating processes that align with the updated Code and policies.

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 more detailed local guidelines.

6. Training and Communication

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 that are relevant for day-to-day decision-making.

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

New employees are introduced to the Code of Conduct and Compliance requirements during their introduction program.

7. Monitoring & Oversight

The effectiveness of the compliance program is ensured through continuous monitoring and risk assessments that make sure our policies and procedures are adequate to mitigate potential compliance risks and globally adhered to.

Internal adherence is ensured through the inclusion of relevant compliance-specific questions in the Internal Controls Framework and systematic monitoring of compliance processes. Findings are used to improve both local and global programs.

8. Investigations and Corrective Action

We aim to create a culture where everyone feels free and safe to raise compliance-related issues. 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 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. Root cause assessments are part of the 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.

Read about Elekta employees driving our sustainability agenda at elekta.com

Governance, cont.

Elekta's approach to tax

Elekta approach to taxes is determined by our tax strategy, which is aligned with the overall business strategy and by the company's general approach to corporate governance and risk management.

The purpose is to ensure that Elekta complies with its legal obligation to pay the correct amount of tax due in relation to its business activities and model. We will not engage in any tax planning that may harm Elekta's business operations, reputation, or stakeholders. As a group taking its corporate social responsibility seriously, we will consequently operate within the letter as well as the spirit of the law.

As with the tax strategy our tax objectives are aligned with Elekta's overall business objectives. This alignment is achieved by analyzing the business objectives from a tax perspective. The result of this analysis is what determines our key tax objectives; Managing tax compliance, Managing and optimizing the effective tax rate, Managing tax risk through good tax governance, and Engaging with tax authorities in an open and transparent way. The Elekta's tax affairs are managed to consider our wider corporate responsibility, reputation, and to retain high standards of governance, ethics, and values. In order to ensure that the tax objectives are achieved, we have implemented a tax governance model which is centered around our Group Tax Policy.

The tax risk management procedures outlined in our Group Tax Policy are based on a tax risk evaluation process which includes engaging with Elekta's internal and external stakeholders to analyze their demands and the effect these have on our tax objectives. This enables Elekta to define and apply a tax control framework that identifies our key tax risks, what triggers them, the risk mitigating activities, and the roles and responsibilities of the individuals affected.

The Group Tax Policy applies to all Group companies, and focuses on management of corporation tax, which includes all taxes based on the company's taxable result, Transfer Pricing, and indirect taxes such as VAT/Sales Tax/GST. For the Head of Tax to have oversight of out of scope taxes, a separate policy exists to identify and share information concerning these issues. Moreover, external tax advisors are consulted on a recurring basis in order for the Head of Tax to be apprised of regulatory developments relating to taxes.

Elekta's group tax function is also responsible for initiating the monitoring and validation processes through which all group companies' adherence to the Group Tax Policy is ensured and evaluated.

Sustainability report source references

1) Yap et al 2016; Journal of Global Oncology; Global access to radiotherapy: Have we made progress during the past decade?; https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5497622/
2) For example Redondo-Sánchez et al 2022; Cancers; Socio-economic inequalities in lung cancer outcomes: an overview of systematic reviews; https://www.mdpi.com/2072-6694/14/2/398, and Karanth et al 2019; JNCI Cancer Spectrum; Race, socioeconomic status, and health-care access disparities in ovarian cancer treatment and mortality: systematic review and meta-analysis; https://academic.oup.com/jncics/article/3/4/pkz084/5584201?login=false
3) Intergovernmental Panel on Climate Change 2023; https://www.ipcc.ch/report/sixth-assessment-report-cycle/
4) Watts et al 2021; The Lancet; The 2020 report of The Lancet Countdown on health and climate change: responding to converging crises; https://www.thelancet.com/article/S0140-6736(20)32290-X/fulltext
5) GLOBOCAN 2020, https://gco.iarc.fr/today/home
6) Sung et al 2021; CA: A cancer journal for clinicians; Global cancer statistics 2020: GLOBOSCAN estimates of incidence and mortality worldwide for 36 cancers in 185 countries; https://acsjournals.onlinelibrary.wiley.com/doi/full/10.3322/caac.21660
7) Atun et al 2015; Lancet Oncology; Expanding global access to radiotherapy; https://pubmed.ncbi.nlm.nih.gov/26419354/
8) U4 Anti-Corruption Resource Centre 2020; https://www.u4.no/publications/health-sector-corruption
9) For example, Hanf et al 2011; PLOS ONE; Corruption Kills: Estimating the Global Impact of Corruption on Children Deaths; https://www.researchgate.net/publication/51786695_Corruption_Kills_Estimating_the_Global_Impact_of_Corruption_on_Children_Deaths; or Glynn 2022; Front Public Health; Corruption in the health sector: A problem in need of a systems-thinking approach; https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9449116/

GRI content index

Statement of use

Elekta has reported in accordance with the GRI Standards for the period 1 May 2022 – 30 April 2023.

			Omission		
GRI Standard/Other source	Disclosure	Location	Requirement(s) omitted	Reason	Explanation
GRI 1: FOUNDATION 2021					
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	21			
	2-2 Entities included in the organization's sustainability reporting	95			
	2-3 Reporting period, frequency and contact point	95			
	2-4 Restatements of information	95			
	2-5 External assurance	95			
	2-6 Activities, value chain and other business relationships	10–11			
	2-7 Employees	86–87	Non-guaranteed hours employees	Not applicable	The share of these employees is negligible in relation to total employees.
	2-8 Workers who are not employees		Workers who are not employees	Information unavailable/ incomplete	Elekta does not have information on other workers than the ones employed by the Group.
	2-9 Governance structure and composition	104–118			
	2-10 Nomination and selection of the highest governance body	106			
	2-11 Chair of the highest governance body	115			
	2-12 Role of the highest governance body in overseeing the management of impacts	74, 107–108			
	2-13 Delegation of responsibility for managing impacts	74			
	2-14 Role of the highest governance body in sustainability reporting	74, 107–108			
	2-15 Conflicts of interest	107			
	2-16 Communication of critical concerns	90			
	2-17 Collective knowledge of the highest governance body	74			
	2-18 Evaluation of the performance of the highest governance body	106-107, 111			
	2-19 Remuneration policies	28-29, 109, 120-121			
	2-20 Process to determine remuneration	109, 120-121			
	2-21 Annual total compensation ratio	50–52, 120			
	2-22 Statement on sustainable development strategy	6			
	2-23 Policy commitments	12, 79, 85, 88, 89, 90, 91			
	2-24 Embedding policy commitments	74, 90			
	2-25 Processes to remediate negative impacts	74, 90			
	2-26 Mechanisms for seeking advice and raising concerns	90			
	2-27 Compliance with laws and regulations	90			
	2-28 Membership associations	74			
	2-29 Approach to stakeholder engagement	74			
	2-30 Collective bargaining agreements	88			

GRI content index, cont.

GRI Standard/Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	74			
	3-2 List of material topics	75			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 90			
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	90			
Anti-competitive behavior					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 90			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	90			
Trade compliance					
GRI 3: Material Topics 2021	3-3 Management of material topics	90–91			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 79–80			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	80			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 79			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	79			
	302-3 Energy intensity	79			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 79			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	79			
	305-2 Energy indirect (Scope 2) GHG emissions	79			
	305-3 Other indirect (Scope 3) GHG emissions	79			
	305-4 GHG emissions intensity	79			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 79–80			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	80			
	306-2 Management of significant waste-related impacts	80			
	306-3 Waste generated	80			
	306-4 Waste diverted from disposal	80			
	306-5 Waste directed to disposal	80			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 80			
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	80, 89			
Access to health care					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 85			
Innovation and R&D					
GRI 3: Material Topics 2021	3-3 Management of material topics	14-16, 74, 85			

GRI content index, cont.

GRI Standard/Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 86–88			
Company specific disclosure	Employee engagement and eNPS	86			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 86–88			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	88			
	403-2 Hazard identification, risk assessment, and incident investigation	88			
	403-3 Occupational health services	88			
	403-4 Worker participation, consultation, and communication on occupational health and safety	88			
	403-5 Worker training on occupational health and safety	88			
	403-6 Promotion of worker health	88			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	88			
Company specific disclosure	Number of recorded incidents	88			
Company specific disclosure	Number of lost time cases	88			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 86			
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	86			
	404-3 Percentage of employees receiving regular performance and career development reviews	86			
Diversity and inclusion					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 87			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	87			
	405-2 Ratio of basic salary and remuneration of women to men	87			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 87-88			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	87-88			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 89			
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	89			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 88			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	13, 74, 88			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	88			

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 2022-05-01 – 2023-04-30 on **pages 12–13 and 74–95** 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, 7 July 2023

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.

About the sustainability report

This sustainability report covers the fiscal year 2022/23 (May 1, 2022 – April 30, 2023). Elekta publishes a sustainability report annually. Last year's report was published on July 8, 2022. No restatements have been done during the year.

The report covers all Elekta's fully-owned subsidiaries. See **Note 20** for details about Elekta's subsidiaries.

This report has been prepared in accordance with GRI Standards 2021.

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	10–11
Environmental matters	12–13, 76, 79–80
Social matters and employees	12–13, 77, 85–88
Human rights	12–13, 89
Anti-corruption	12–13, 90
Sustainability risks	26
EU taxonomy reporting	81–84
Auditor's report	95

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. Key figures and other APM:s used by Elekta are defined on **page 96**. See below for comments on how APM:s are used by Elekta and, when applicable, reconciliations to the IFRS financial statements.

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.

Net order intake

Up until 2015/16 Elekta reported net order intake. The difference between gross and net order intake are backlog adjustments and currency effects.

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.

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 present growth based on constant exchange rates reconciled to the total growth reported in accordance with IFRS.

Change gross order intake

	Americas		EMEA		APAC		Total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
2022/23 vs 2021/22								
Change based on constant exchange rates	–13	–741	–1	–70	10	570	–1	–241
Currency effects	15	826	8	556	11	638	11	2,021
Reported change	**2**	**85**	**7**	**486**	**21**	**1,209**	**10**	**1,780**
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**

Change net sales

	Americas		EMEA		APAC		Total	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
2022/23 vs 2021/22								
Change based on constant exchange rates	5	228	3	147	5	263	4	639
Currency effects	18	756	8	439	10	489	12	1,683
Reported change	**23**	**984**	**11**	**586**	**15**	**752**	**16**	**2,322**
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**

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	2018/19	2019/20	2020/21	2021/22	2022/23
Operating income/EBIT	1,696	1,657	1,906	1,643	1,431
Amortization intangible assets:					
Capitalized development costs	664	746	685	493	467
Assets relating business combinations	117	119	118	123	143
Depreciation fixed assets	162	410	401	422	453
Nedskrivningar	–	–	–	–	103
EBITDA	**2,639**	**2,931**	**3,110**	**2,682**	**2,596**

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

Operating income or EBIT (earnings before interest and taxes) 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, 2019	April 30, 2020	April 30, 2021	April 30, 2022	April 30, 2023
Total assets	24,064	28,411	24,844	26,303	29,608
Deferred tax liabilities	–587	–545	–515	–549	–473
Long term provisions	–188	–235	–224	–215	–237
Other long-term liabilities	–55	–73	–71	–120	–41
Accounts payable	–1,427	–1,025	–1,016	–1,352	–1,809
Advances from customers	–4,883	–4,103	–3,759	–4,161	–5,011
Prepaid income	–2,170	–2,226	–2,082	–2,342	–2,565
Accrued expenses	–1,661	–1,703	–1,837	–1,901	–1,994
Current tax liabilities	–166	–246	–137	–114	–202
Short-term provisions	–188	–179	–174	–149	–189
Derivative financial instruments	–94	–105	–35	–361	–196
Other current liabilities	–308	–501	–559	–429	–490
Capital employed	**12,337**	**17,472**	**14,435**	**14,610**	**16,401**

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	2018/19	2019/20	2020/21	2021/22	2022/23
Income after financial items	1,580	1,454	1,630	1,501	1,198
Financial expenses	186	266	295	200	310
Income after financial items plus financial expenses	**1,766**	**1,720**	**1,924**	**1,702**	**1,508**
Average capital employed (last five quarters)	12,010	14,247	15,735	14,638	15,180
Return on capital employed, %	15	12	12	12	10

Return on shareholders' equity

Return on shareholders' equity measures the return generated on shareholders' capital invested in the company.

SEK M	2018/19	2019/20	2020/21	2021/22	2022/23
Net income	1,198	1,084	1,253	1,154	943
Average shareholders' equity excluding non-controlling interests (last five quarters)	7,167	7,967	8,069	8,515	9,295
Return on shareholders' equity, %	17	14	16	14	10

Interest cover ratio

The interest coverage ratio shows how much result that is available to pay interest on outstanding debt.

SEK M	2018/19	2019/20	2020/21	2021/22	2022/23
EBITDA	2,639	2,931	3,110	2,682	2,596
Interest expenses	156	163	192	107	188
Interest cover ratio, multiple	16.9	18.0	16.2	25.1	13,8

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	2018/19	2019/20	2020/21	2021/22	2022/23
Cash flow from operating activities	1,621	1,014	2,551	1,858	1,964
EBITDA	2,639	2,931	3,110	2,682	2,596
Operational cash conversion, %	61	35	82	69	76

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 33.

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	2018/19	2019/20	2020/21	2021/22	2022/23
Accounts receivable	3,455	3,379	3,281	3,647	3,990
Accrued income	1,401	1,526	1,772	1,796	2,119
Advances from customers	–4,883	–4,103	–3,759	–4,161	–5,011
Prepaid income	–2,170	–2,226	–2,082	–2,342	–2,565
Net receivable from customers	**–2,198**	**–1,424**	**–789**	**–1,060**	**–1,467**
Net sales	13,555	14,601	13,763	14,548	16,869
Number of days	365	365	365	365	365
Net sales per day	37	40	38	40	46
Days sales outstanding DSO)	–59	–36	–21	–27	–32

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	2018/19	2019/20	2020/21	2021/22	2022/23
Long-term interest-bearing liabilities	3,558	7,101	3,043	4,099	5,706
Short-term interest-bearing liabilities	1,000	1,001	2,141	510	14
Cash and cash equivalents and short-term investments	–4,119	–6,470	–4,411	–3,077	–3,278
Net debt	**439**	**1,632**	**774**	**1,532**	**2,442**
EBITDA	2,639	2,931	3,110	2,682	2,596
Net debt/EBITDA ratio, multiple	0.17	0.56	0.25	0.57	0.94

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	2018/19	2019/20	2020/21	2021/22	2022/23
Shareholders' equity	7,779	8,113	8,197	8,916	9,733
Total assets	24,064	28,411	24,844	26,303	29,608
Equity/assets ratio, %	32	29	33	34	33

Change of expenses

	Selling expenses		Administrative expenses		R&D expenses		Change expenses	
	%	SEK M	%	SEK M	%	SEK M	%	SEK M
May–Apr 2022/23 vs. May–Apr 2021/22								
Items affecting comparability	4	53	10	122	5	65	6	241
Change based on constant exchange rates	6	85	1	10	–9	–123	–1	–28
Currency effects	8	110	8	93	8	104	8	306
Reported change	**18**	**248**	**19**	**225**	**3**	**46**	**13**	**519**
May–Apr 2021/22 vs. May–Apr 2020/21								
Items affecting comparability	0	0	0	0	0	0	0	0
Change based on constant exchange rates	18	200	5	55	–10	–147	3	108
Currency effects	1	11	3	32	2	33	2	76
Reported change	**19**	**212**	**8**	**87**	**–8**	**–114**	**5**	**184**

Adjusted gross margin

SEK M	2022/23	2021/22
Net sales	16,869	14,548
Cost of products sold	–10,520	–9,111
Gross income	6,349	5,436
Items affecting comparability	71	0
Adjusted gross income	**6,420**	**5,436**
Adjusted gross margin (Adjusted gross income/Net sales)	**38%**	**37%**

Adjusted R&D expenditure of net sales

SEK M	2022/23	2021/22
R&D expenditure	–1,418	–1,372
R&D items affecting comparability	49	0
R&D capitalization	–1,338	–1,157
R&D amortization	466	482
Adjusted R&D Expenditure	**–2,241**	**–2,047**
Net Sales	16,869	14,548
Adjusted R&D Expenditure of net sales	**13%**	**14%**

Items affecting comparability

SEK M	Americas	EMEA	APAC	Other/Group-wide	Group total
Full-year 2022/23					
Personnel related cost	43	19	10	126	198
Impairment	35	1	7	61	103
Other cost	0	0	0	11	11
Total	**78**	**20**	**17**	**198**	**312**

Adjusted EBIT

SEK M	Americas	EMEA	APAC	Other/Group-wide	Group total
Full-year 2022/23					
Operating Income (EBIT)	2,015	1,981	1,893	–4,457	1,431
Items affecting comparability	78	20	17	198	312
Adjusted EBIT	**2,092**	**2,000**	**1,910**	**–4,259**	**1,743**

Five-year review and key figures

Income statement

SEK M	2018/19	2019/20	2020/21	2021/22	**2022/23**
Net sales	**13,555**	**14,601**	**13,763**	**14,548**	**16,869**
Operating expenses excl. amortization and depreciation	–10,916	–11,670	–10,653	–11,866	–14,364
Depreciation	–162	–410	–401	–422	–452
EBITA	**2,477**	**2,521**	**2,709**	**2,259**	**2,052**
Amortization	–781	–865	–803	–616	–610
EBIT/Operating result	**1,696**	**1,657**	**1,906**	**1,643**	**1,431**
Financial net	–116	–203	–277	–142	–233
Profit before tax	**1,580**	**1,454**	**1,630**	**1,501**	**1,198**
Taxes	–382	–370	–377	–345	–254
Profit for the year	**1,198**	**1,084**	**1,253**	**1,157**	**944**
Attributable to:					
Parent Company shareholders	1,198	1,084	1,254	1,154	943
Non-controlling interests	0	0	–1	3	1

Cash flow

SEK M	2018/19	2019/20	2020/21	2021/22	**2022/23**
Operating cash flow	2,256	2,526	2,660	1,869	2,114
Changes in working capital	–636	–1,512	–109	–12	–150
Cash flow from operating activities	**1,621**	**1,014**	**2,551**	**1,858**	**1,964**
Continuous investments	–658	–761	–845	–1,408	–1,564
Cash flow after continuous investments	**962**	**252**	**1,706**	**450**	**400**
Short-term investments	38	–26	60	–69	0
Acquisition of operations	–54	–511	172	–171	–51
Cash flow from investing activities	**–674**	**–1,298**	**–613**	**–1,649**	**–1,615**
Cash flow after investments	**946**	**–284**	**1,938**	**209**	**349**
Cash flow from financing activities	–1,473	2,624	–3,605	–1,726	–129
Cash flow for the year	**–527**	**2,339**	**–1,667**	**–1,517**	**220**

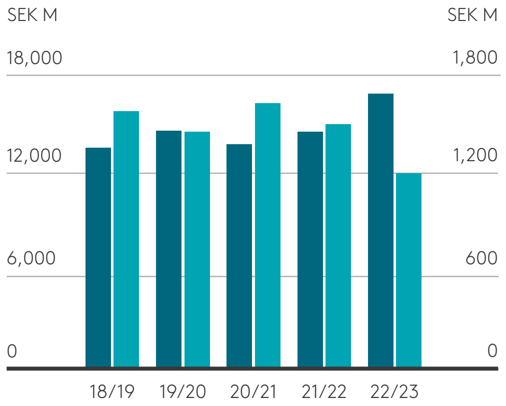
Balance sheet

SEK M	April 30, 2019	April 30, 2020	April 30, 2021	April 30, 2022	**April 30, 2023**
Intangible assets	9,301	9,469	8,779	10,262	11,722
Right-of-use assets	–	1,156	953	975	773
Tangible assets	957	968	897	954	980
Financial assets	508	748	533	615	1,055
Deferred tax assets	402	504	436	616	703
Inventories	2,634	2,748	2,283	2,533	3,070
Receivables	6,144	6,348	6,554	7,271	8,027
Short-term investments	45	62	–	–	–
Cash and cash equivalents	4,073	6,407	4,411	3,077	3,278
Total assets	**24,064**	**28,411**	**24,844**	**26,303**	**29,608**
Shareholders' equity	7,779	8,113	8,197	8,916	9,733
Interest-bearing liabilities	4,558	8,102	5,185	4,609	5,720
Lease liabilities	–	1,256	1,054	1,086	948
Non interest-bearing liabilities	11,727	10,940	10,408	11,692	13,207
Total shareholders' equity and liabilities	**24,064**	**28,411**	**24,844**	**26,303**	**29,608**

Key figures

	2018/19	2019/20	2020/21	2021/22	**2022/23**
Financial key figures					
Gross order intake, SEK M	16,796	17,735	17,411	18,364	20,143
Order backlog, SEK M	32,003	34,689	33,293	39,656	43,332
Operating margin, %	13	11	14	11	9
Profit margin, %	12	10	12	10	7
Shareholders' equity, SEK M	7,779	8,113	8,197	8,916	9,733
Capital employed, SEK M	12,337	17,472	14,435	14,610	16,401
Net debt, SEK M	439	1,632	774	1,532	2,442
Equity/Assets ratio, %	32	29	33	34	33
Net debt/EBITDA ratio, multiple	0.17	0.56	0.25	0.57	1
Interest cover ratio, multiple	16.9	18.0	16.2	25.1	9.7
Return on shareholders' equity, %	17	14	16	14	10
Return on capital employed, %	15	12	12	12	10
Investments in tangible and intangible assets, SEK M	660	761	845	1,408	–1,564
Depreciation and amortization, SEK M	–943	–1,275	–1,204	–1,039	–1,062
Operational cash conversion, %	61	35	82	69	76
Average number of employees	3,798	4,117	4,194	4,631	4,587
Sustainability key figures					
Net added number of linacs in underserved markets	N/A	N/A	163	175	167
Greenhouse gas emissions (scope 1), tCO$_2$e	N/A	N/A	N/A	5,722	4,442
Greenhouse gas emissions (scope 2), tCO$_2$e	N/A	N/A	N/A	2,859	3,347
Greenhouse gas emissions (scope 3), tCO$_2$e	N/A	N/A	N/A	569,098	500,240
Total greenhouse gas emissions (scope 1–3), tCO$_2$e	N/A	N/A	N/A	577,679	508,029
Energy consumption within the organisation, kWh	N/A	N/A	N/A	N/A	37,490,058
Proportion of electricity from renewable sources, %	N/A	N/A	N/A	61	67

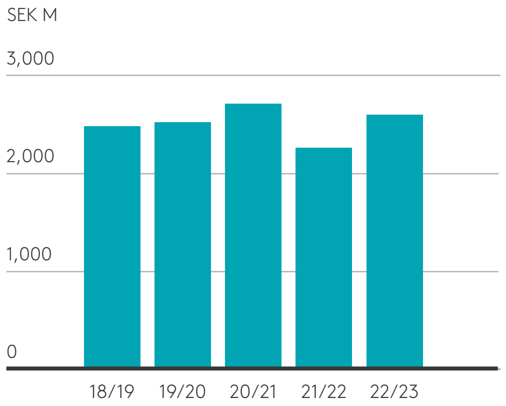
Net sales and income after financial items



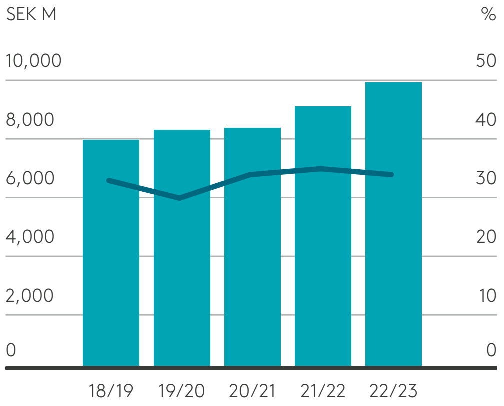
Net sales (Left axis)

Income after financial items (Right axis)

Operating income (EBIT)



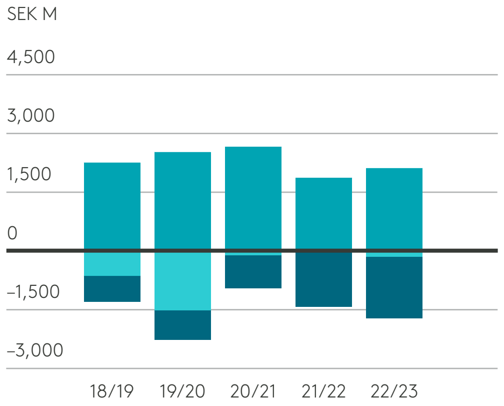
Equity and equity/assets ratio



Equity

Equity/assets ratio

Cash flow after continuous investments



Operating flow

Change in working capital

Continuous investments

Corporate governance

Chairman's comment

The integration of imaging and diagnostics in radiation therapy is becoming increasingly important to ensure precision, reduce complications and enhance patient safety. Elekta was a pioneer in image integration, being the first to integrate CT in radiation therapy, neuro and brachytherapy solutions and, most recently, integrating MRI into the delivery of radiation therapy. We expect this trend will continue and have therefore deepening our strategic partnerships to be able to provide the best-of-breed solutions across the cancer care continuum.

The havoc that Covid brought on healthcare still lingers, resulting in delayed cancer diagnoses and treatments. This adds to the already growing global cancer burden where demographics contribute to increased cancer incidence and prevalence. To manage this burden, an expansion of treatment capacity, improved treatment efficiency, and reduction of costs are needed.

This was the background for the Board's decision in 2019 to launch our largest R&D investment program in Elekta's 50-year history. It has three prongs. The first is to continue Elekta's tradition of pioneering advances in treatment quality by improving clinical results and increasing patient safety. The second is to increase the efficiency in cancer care by streamlining treatment processes and clinical pathways including automation throughout the course of treatment through machine learning and AI. The third is to reduce treatment times and costs as well as providing more cost-efficient solutions. The program also includes an expansion of our extensive service and support business and geographical footprint. The Board is monitoring the program, which will greatly strengthen Elekta's competitiveness, growth, and profitability going forward.

Throughout the fiscal year, the Board has had a strong focus on risk management, in relation to both geopolitical developments such as growing protectionism and the war in Ukraine, as well as de-risking our supply chains. Elekta's profitability has suffered due to the turbulence of the last few years. We have met inflation and higher supply costs with price increases and cost reductions, among other actions.

Elekta has a powerful sustainability agenda concerning environmental, social and governance issues. The Board's Compensation and sustainability committee oversees and governs our sustainability programs and priorities. We are fortunate to be in a position where growing also means increasing our positive social sustainability impact.

The Elekta Foundation has an important role in this effort to help build the infrastructure for early detection, treatment, and training, as well as to set up cancer care programs in the most underserved markets. Cervical cancer in sub-Saharan Africa has been identified as an important disease to address initially, as it is the most frequent cancer associated with very high mortality in many low-income countries. During this past year, the Foundation has successfully worked on a pilot project in Rwanda where more than 20,000 women have been tested and a few thousand subsequently diagnosed and treated. Elekta drives and supports the program, which will now be expanded within Rwanda and launched in other African countries.

We will continue to drive our growth strategy forward. After the turbulent years of Covid and post-Covid challenges and disruptions, the Board's focus and priority now is to drive shareholder value and support management to deliver profitable growth while continuing to strengthen Elekta's resilience.

Laurent Leksell
Chairman of the Board

Corporate Governance Report 2022/23

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 2022/23 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.

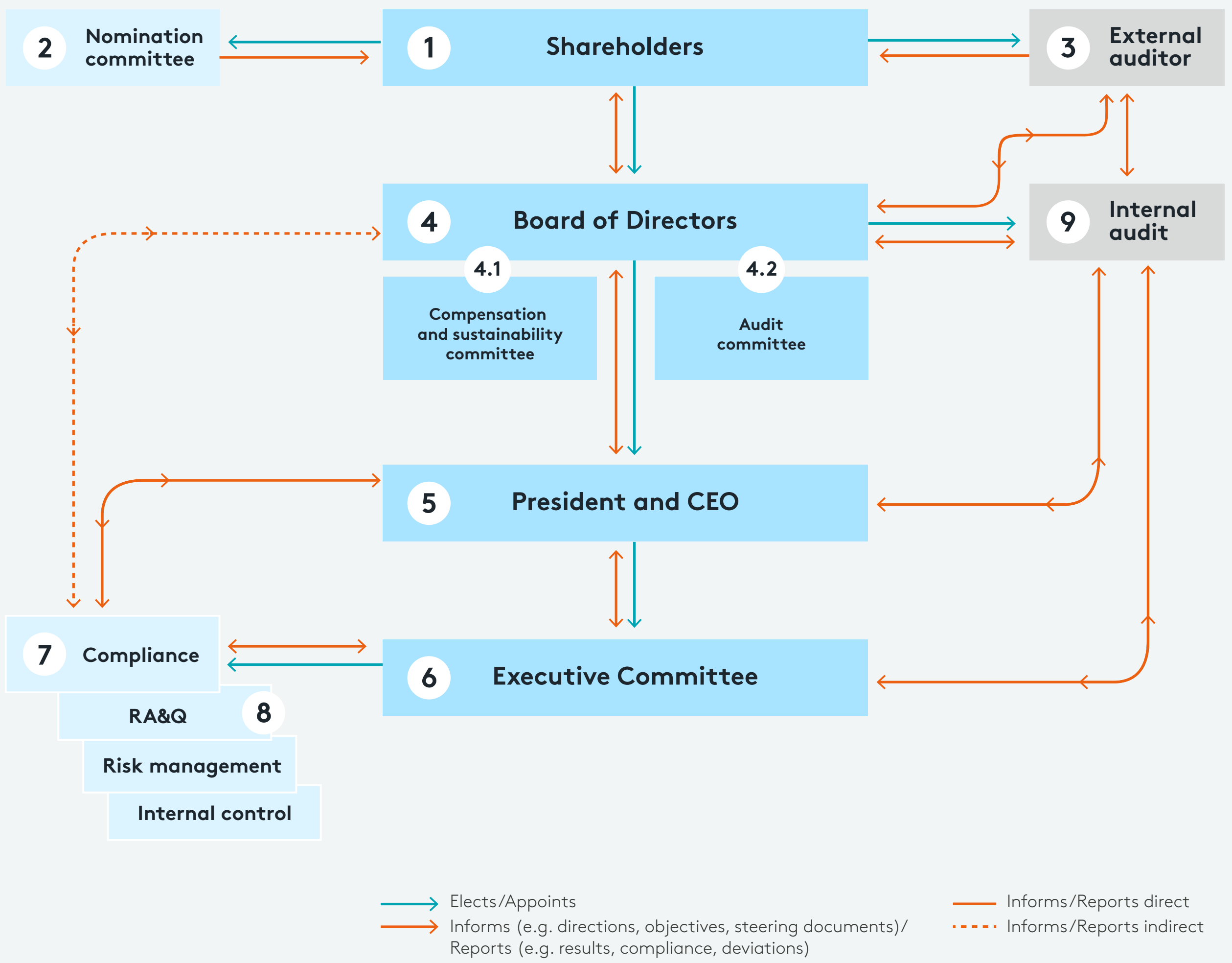
Elekta's structure for corporate governance

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

Elekta has implemented and complied with the Swedish corporate governance code (the Code)[2] with one exception during the fiscal year of 2022/23. 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, 2023



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, 2023, 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, 2023, holdings representing 30.4 percent of the votes.

Read more about the share, the shareholders and Elekta's dividend policy on **page 27**.

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, see **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 27**.

AGM 2022

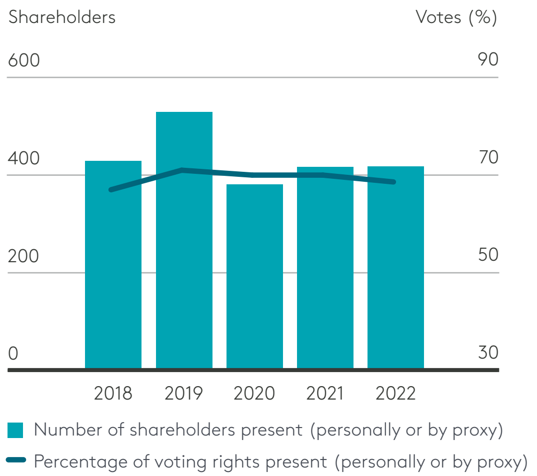
The AGM 2022 was held on August 25, 2022 through advance voting. 418 shareholders voted in advance, either personally or by proxy, corresponding to approximately 68,6 percent of the votes in the Company. The main resolution items of the AGM 2022 are set out in the column to the right.

Further information regarding the AGM 2022, including the minutes, is available at **elekta.com**. No other general meetings of shareholders were held during the fiscal year 2022/23.

AGM 2023

The AGM 2023 will be held on August 24, 2023. More information regarding this AGM is found on **page 122**.

Shareholders' presence at AGMs



The main resolution items of the AGM 2022:

- A dividend payment of SEK 2.40 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 2021/22 fiscal year
- Adoption of fees to the Board totaling SEK 6,015,000 (5,040,000), of which SEK 1,500,000 (1,410,000) to the Chairman of the Board and SEK 645,000 (605,000) to each of the other external members of the Board, as well as remuneration for board committee work of SEK 140,000 (135,000) to the chairman of the compensation and sustainability committee and SEK 95,000 (90,000) to each of the other members of the committee, and SEK 265,000 (250,000) to the chairman of the audit committee and SEK 170,000 (160,000) 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 well as election of Kelly Londy as members of the Board. Laurent Leksell was re-elected as Chairman or the Board
- Re-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 2022, to be offered to Executive Committee and certain key employees
- Authority for the Board for acquisition and transfer of own shares

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 2023 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 2023

- Laurent Leksell (chairman) – represents his own and related parties' holdings and is also the Chairman of the Board
- Henrik Didner – Didner & Gerge Funds
- Patrik Jönsson – SEB Funds
- Filippa Gerstädt – Nordea Funds
- Thomas Wuolikainen – the Fourth Swedish National Pension Fund

Preparation for the AGM 2023

The nomination committee held five meetings prior to the AGM 2023. 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 2022/23 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 2023 are presented in the notice convening the AGM 2023. A reasoned statement explaining the nomination committee's proposal for the Board's composition is posted on Elekta's website, see **elekta.com** in connection with the issuance of the notice of the AGM 2023.

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 2022 re-elected Ernst & Young AB (EY) as external auditor with Rickard Andersson as auditor in charge. EY has been the external auditor of Elekta AB since the AGM 2019.

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 2022/23 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 70**.

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 2022/23 fiscal year adhered to the guidelines established and comprised mainly of other audit-related services.

The fees to the external auditor for the 2022/23 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 eight members, which are presented on **page 115**. There are neither deputy board members nor employee representatives on the Board. The EVP Group Functions & General Counsel (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 Committee. In addition, at least two of the directors, who are independent of Elekta AB and the Executive Committee, shall also be independent of major shareholders. The composition of the Board meets the independence requirements as six of the eight members of the board have been deemed independent in relation to Elekta AB, the Executive Committee and major shareholders. These six members are Kelly Londy, Johan Malmquist, Wolfgang Reim, Jan Secher, Birgitta Stymne Göransson and Cecilia Wikström.

The independence of each board member is shown on **page 115**. Remuneration to the Board is set out in **Note 7** and on **page 115**.

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 2022/23, the Board held seven 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 can also be held through telephone and video conferences. Representatives from the Executive Committee 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 115**.

The work of the board of directors including some important agenda items in 2022/23

2022	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	2023	JANUARY	FEBRUARY	MARCH	APRIL

Board meeting (May)
- Adoption of year-end and Q4 report 2021/22
- Meeting with auditor and review of external audit report for the full year
- Report from the audit committee and the compensation and sustainability committee

Board meeting (July)
- Adoption of annual report 2021/22 (including all reports therein)
- Adoption of notice and final proposals to the AGM
- Review and approval of budget for fiscal year 2022/23 incl. financial targets

Two board meetings (August)
- Inaugural board meeting
- Adoption of working instructions for board, committees and CEO
- Adoption of interim report Q1 2022/23
- Report from the audit committee and the compensation and sustainability committee
- Review of the Company's customer satisfaction

Board meeting (September)
- Review of ACCESS 2025 and other strategic initiatives
- Approval of EMTN-program

Board meeting (November)
- Adoption of interim report Q2 2022/23
- Meeting with auditor and review of mid-term audit report
- Report from the audit committee and the compensation and sustainability committee

Board meeting (February)
- Adoption of interim report Q3 2022/23
- Report from the audit committee and the compensation and sustainability committee
- Review of long-term financial plan

Examples of the Board's focus areas:

1. Cost-reduction Initiative

The Board continued to focus on the adaptation to the new macroeconomic environment with high inflation and global supply chain issues. To mitigate these effects and defend the long-term sustainable performance, Elekta's Resilience & Excellence Program was accelerated with an additional Cost-reduction Initiative. Throughout the year the Initiative has increased productivity in business line and the service organization operations, optimized the innovation pipeline and driven efficiencies in the selling and administration functions.

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 provide good return on the investments through innovations that will drive Elekta's future growth and improve profitability.

3. Science-based sustainability targets

During the fiscal year, Elekta has elevated its ambition within environmental sustainability by setting and achieving validation of our science-based emissions reduction targets to align the operations with the Paris Agreement. In addition to scope 1 and 2 the Board of Directors has signed up for two objectives within scope 3. One involves reduced emission through the use of, and the end-of-life treatment of Elekta's products. The other objective by engaging selected suppliers to have science-based sustainability targets.

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 Committee. In relation to sustainability, 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 EVP & Chief People Officer, the VP Compensation & Benefits, the Group Sustainability Director as well as the VP Group Strategy, Sustainability & Transformation attend the committee's meetings. The General Counsel serves as secretary for the committee.

The compensation and sustainability committee

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

Work during the year

During the fiscal year 2022/23, the compensation and sustainability committee held four meetings. At these meetings, the committee has, inter alia, reviewed the remuneration of the Executive Committee, prepared a proposal for a new long-term incentive program for 2023/24 for Executive Committee 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 and reviewing management succession plans for senior management levels and other Group-critical positions as well as setting plans to strengthen diversity in Elekta. 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 115**.

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 external auditor. Furthermore, the committee provides proposal to Elekta AB's nomination committee concerning the appointment of the external auditor for the following mandate period.

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. One of the deputy general counsels serves as secretary for the committee.

The audit committee

- Birgitta Stymne Göransson (chairman)
- Johan Malmquist
- Jan Secher
- Caroline Leksell Cooke

Work during the year

During the fiscal year 2022/23, the audit committee held five meetings. During such meetings, the committee has reviewed the year-end report and annual report for the fiscal year 2021/22 as well as interim reports for 2022/23. 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 115**.

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 Committee and makes decisions in consultation with the members of the Executive Committee.

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 Committee on **page 117**.

Remuneration to the President and CEO is described in **Note 7**. The guidelines for remuneration to the Executive Committee, adopted by the AGM 2020, are presented on **page 28** and the Remuneration Report 2022/23 is on **page 120**.

6 Executive Committee

Appointment and responsibility

The President and CEO appoints the members of the Executive Committee. The President and CEO is responsible for and leads the work and meetings of the Executive Committee. The Executive Committee 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 Committee is provided on **page 117**. As of April 30, 2023, Elekta's Executive Committee (then called Executive Management) comprised the President and CEO, the CFO, two Solutions presidents, four region EVPs as well as the heads of Product, Global Services and Group Functions.

Remuneration to the Executive Committee is described in **Note 7**. The guidelines for remuneration to Executive Committee, adopted by the AGM 2020, are presented on **page 28**.

Work during the year

The Executive Committee meets on a regular basis, both in person at the Group's various offices and facilities as well as through telephone and video conferences.

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 department is responsible for ensuring that Elekta is operating in accordance with applicable laws, regulations, and industry ethical standards. Some of the key responsibilities of the department include:

- Developing and implementing compliance policies and procedures that are in line with applicable laws and regulations
- Monitoring and assessing compliance risks and identifying areas where the company may be at risk of non-compliance
- Conducting internal investigations to identify potential compliance violations
- Developing and delivering training programs to educate employees on compliance policies and procedures

The compliance department plays a critical role in promoting a culture of ethical and legal behavior within Elekta and protecting the Company from compliance and reputational risks.

A representative of the compliance department 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 department is headed by the General Counsel.

Work during the year

During the year, one of the focus areas has been communication and employee training through an updated training and awareness program. This includes an automated Code of Conduct training which is assigned to all employees through Elekta's new learning management system and continued compliance focused communications from the President and CEO as well as the Executive Committee.

More information about the compliance function, the compliance and business ethics program as well as the activities during the year is provided on **page 90**.

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

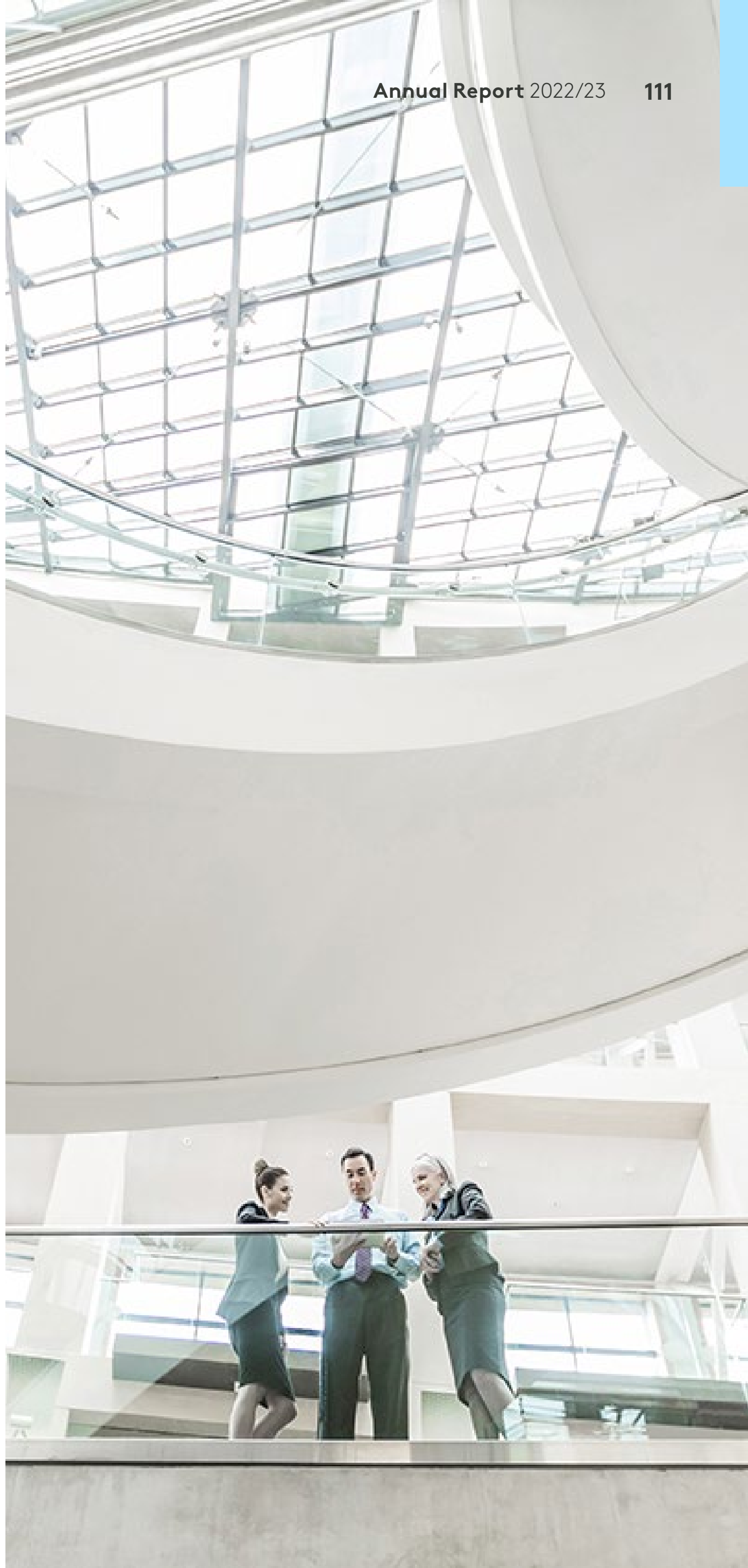
Responsibility

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 included 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 Committee, 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.



Report on risk management and internal control over financial reporting

≥3 years

strategic perspective

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.

Risk assessment is carried out continuously throughout the year 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 identified risks for not achieving 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 of policies 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 inform the audit committee who in turn informs the Board of the results of the monitoring. 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
- Capital market days arranged to inform the capital market about strategic changes or in depth information when needed

See information, including reports, press releases and presentations, on **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 other four components of risk management and internal control are present and functioning: control environment, risk assessment, control activities and information and communication.

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 as well as identification of additional local risks over financial reporting
- 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.

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 a efficient and effective control over 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 Committee, 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 represents the first level of defense within the 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 Committee 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.

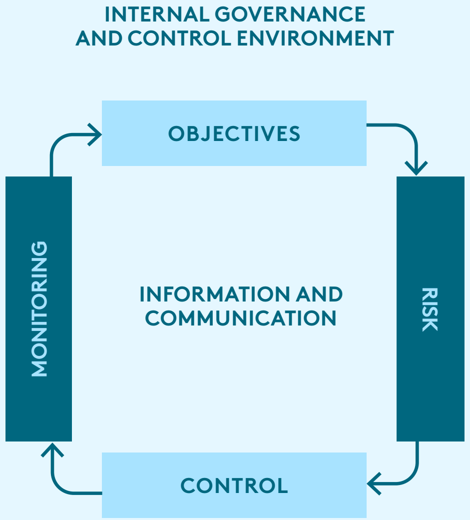
The second level of defense within the control environment lays within the support functions such as finance, IT, HR, compliance, regulatory affairs and quality as well as legal and designated roles in the internal control framework that support and monitor the first level of controls.

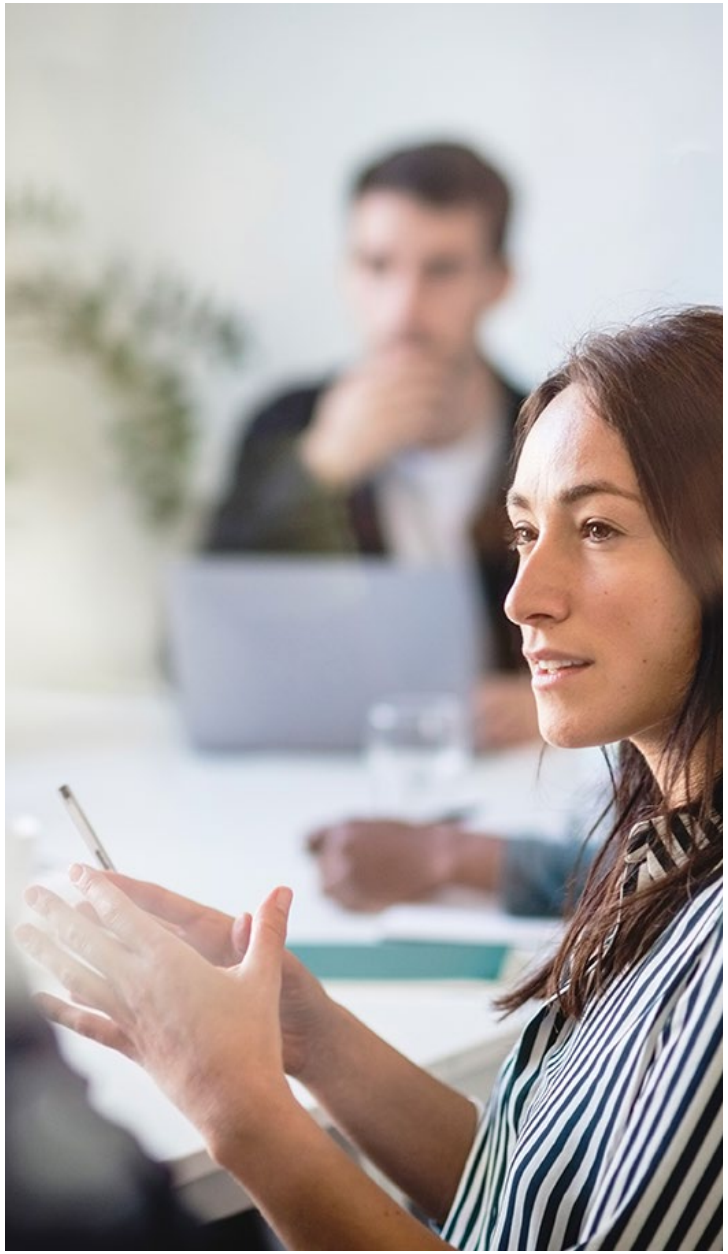
The third and final level of defense within the control environment is the internal audit function that provides independent and objective audits, assurance and advisory support to the management on governance, preparation of decisions, risk management and internal control.

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 112**. A description of how other risks are being managed can be found on **elekta.com**.

Risk management and internal control





Activities performed in the fiscal year 2022/23

During the fiscal year 2022/23, 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 2023/24

During the fiscal year 2023/24, 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.

Laurent Leksell

First elected: 1972
Board chairman · Chairman of the compensation and sustainability committee
Attendance: 7/7 · 4/4
Total fees (SEK): 1,500,000 · 140,000
Year of birth: 1952
Education: MBA and PhD in Economics, Stockholm School of Economics
Independence:
Other board assignments: Board chairman: Leksell Social Ventures, Bonit Goup 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.

Caroline Leksell Cooke

First elected: 2017
Member of the board
Member of the audit committee
Attendance: 7/7 · 5/5
Total fees (SEK): 645,000 · 170,000
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.
Holdings[1]**:** 182,308 B-shares
Principal work experience: Extensive experience in the areas of digital strategy, communication and technology. Previously responsible for major international business in the role as industry manager at Google. Now MD for Impala Collective Ltd an advisory and consultancy for software commercialization.

Kelly Londy

First elected: 2022
Member of the board
Attendance: 4/4
Total Fees (SEK): 645,000
Year of birth: 1966
Education: BBA, Clearly University, Michigan
Independence:
Other board assignments: CMR Surgical Ltd, Cambridge, UK, Non-Executive Director and Chairman Renumeration & Sustainability Committee
Holdings[1]**:** 3,000 B-shares
Principle work experience: Extensive experience in Healthcare with leadership and board roles. Currently CEO Nuvo Group and previous roles as CEO and Board Executive Director of Lumicell and CEO and Board Executive Director of Innoblative Designs. Among other roles, she has held senior management positions at Accuray, GE Healthcare and Philips Healthcare.

Johan Malmquist

First elected: 2015
Member of the board
Member of the audit committee
Attendance: 7/7 · 5/5
Total fees (SEK): 645,000 · 170,000
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.

1) Own and closely related parties' holdings in Elekta AB as per April 30, 2023. For current holdings, see **elekta.com**

Wolfgang Reim

First elected: 2011
Member of the board, Member of the compensation and sustainability committee
Attendance: 7/7, 4/4
Total fees (SEK): 645,000, 95,000
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: LAP GmbH
Holdings[1]**:** 25,680 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).

Jan Secher

First elected: 2010
Member of the board
Member of the audit committee
Attendance: 5/7, 5/5
Total fees (SEK): 645,000, 170,000
Year of birth: 1957
Education: MSc in Industrial Engineering and Management, Linköping University
Independence: ■
Other board assignments: Board chairman: Peak Management AG and Agilyx ASA. 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).

Birgitta Stymne Göransson

First elected: 2005
Member of the board
Chairman of the audit committee
Attendance: 7/7, 5/5
Total fees (SEK): 645,000, 265,000
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 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.

Cecilia Wikström

First elected: 2018
Member of the board, Member of the compensation and sustainability committee
Attendance: 7/7, 4/4
Total fees (SEK): 645,000, 95,000
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]**:** 7,500 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 committee and **independent** of the major shareholders.

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

1) Own and closely related parties' holdings in Elekta AB as per April 30, 2023. For current holdings, see elekta.com

Gustaf Salford

President and CEO
Employed since: 2009
Holdings[1]**:** 59,000 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.

Tobias Hägglöv

CFO
Employed since: 2022
Holdings[1]**:** 10,005 B-shares
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.

Jonas Bolander

Executive Vice President Group Functions & General Counsel
Employed since: 2001
Holdings[1]: 23,500 B-shares
Year of birth: 1966
Education: Master of Laws, Stockholm University.

Anna Conneryd Lundgren

Executive Vice President & Chief People Officer
Employed since: 2020
Holdings[1]: –
Year of birth: 1985
Education: MSc in Business Administration, Stockholm School of Economics; Master in International Management, CEMS

[1] Own and closely related parties' holdings in Elekta AB as per April 30, 2023. For current holdings, see **elekta.com**

Habib Nehme

Chief Commercial Officer

Employed since: 2018
Holdings[1]**:** 5,000 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.

Maurits Wolleswinkel

President, Linac & Software Solutions

Employed since: 2011
Holdings[1]**:** 36,716 B-shares
Year of birth: 1971
Education: MSc in Mechanical Engineering, Delft University of Technology; MSc in General Management, Nyenrode Business Universiteit in Breukelen.

As of April 30, 2023 the Executive Committee (then called Executive Management) consisted of Lionel Hadjadjeba (President Linac Solutions), Bridie Norman (Acting EVP Global Services), Ardie Ermers (EVP Region Europe), Carlos Castilleja (EVP Region Americas), Anming Gong (EVP Region China) in addition to the current Executive Committee members presented herein. Anna Conneryd Lundgren (EVP & Chief People Officer) was at that time not in the Executive Management team.

John Lapré

President Brachy & Neuro Solutions

Employed since: 2011
Holdings[1]**:** 28,325 B-shares
Year of birth: 1964
Education: MSc in Human Nutrition and Physiology, and PhD in Toxicology, Wageningen University & Research.

[1] Own and closely related parties' holdings in Elekta AB as per April 30, 2023. For current holdings, see **elekta.com**

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 2022-05-01 – 2023-04-30 on **pages 104–111** 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, 7 July 2023

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 2022/23

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 2022/23. 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, see **elekta.com** at the time of the AGM 2023.

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 104**. 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 115** in the annual report for 2022/23.

Key events and key figures in 2022/23

On **page 5**, the President and CEO summarizes the fiscal year 2022/23 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, see **elekta.com** at the time for the AGM 2023 together with other AGM material.

No remuneration has been reclaimed during the fiscal year.

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 2022/23 (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)	7,403	2,129	94	4,995	3,727	18,348	52%	48%

[1] One-year incentives (STI 2022/23 and other bonus) earned in 2022/23.
[2] Multi-year incentive cost allocated in 2022/23. For actual vested reward2022/23, see table multi-year variable remuneration (LTI 2019/22) below.

Performance of the President and CEO in 2022/23

One-year variable remuneration (STI 2022/23)

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: 7,323 Cap for maximum payout: 13,730 Performance outcome[2]: 9,356
	Group net sales from Service	25%	Threshold for payout: 5,221 Cap for maximum payout: 9,790 Performance outcome[2]: 6,475
	Group operating income (EBIT)[3]	25%	Threshold for payout: 1,688 Cap for maximum payout: 3,165 Performance outcome: 1,743
	Group cash flow[4]	25%	Threshold for payout: 720 Cap for maximum payout: 1,350 Performance outcome: 400

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 currency rates.
3) Operating Income (EBIT) excluding items affecting comparability.
4) After continuous investments.

Multi-year variable (LTI 2019/22)

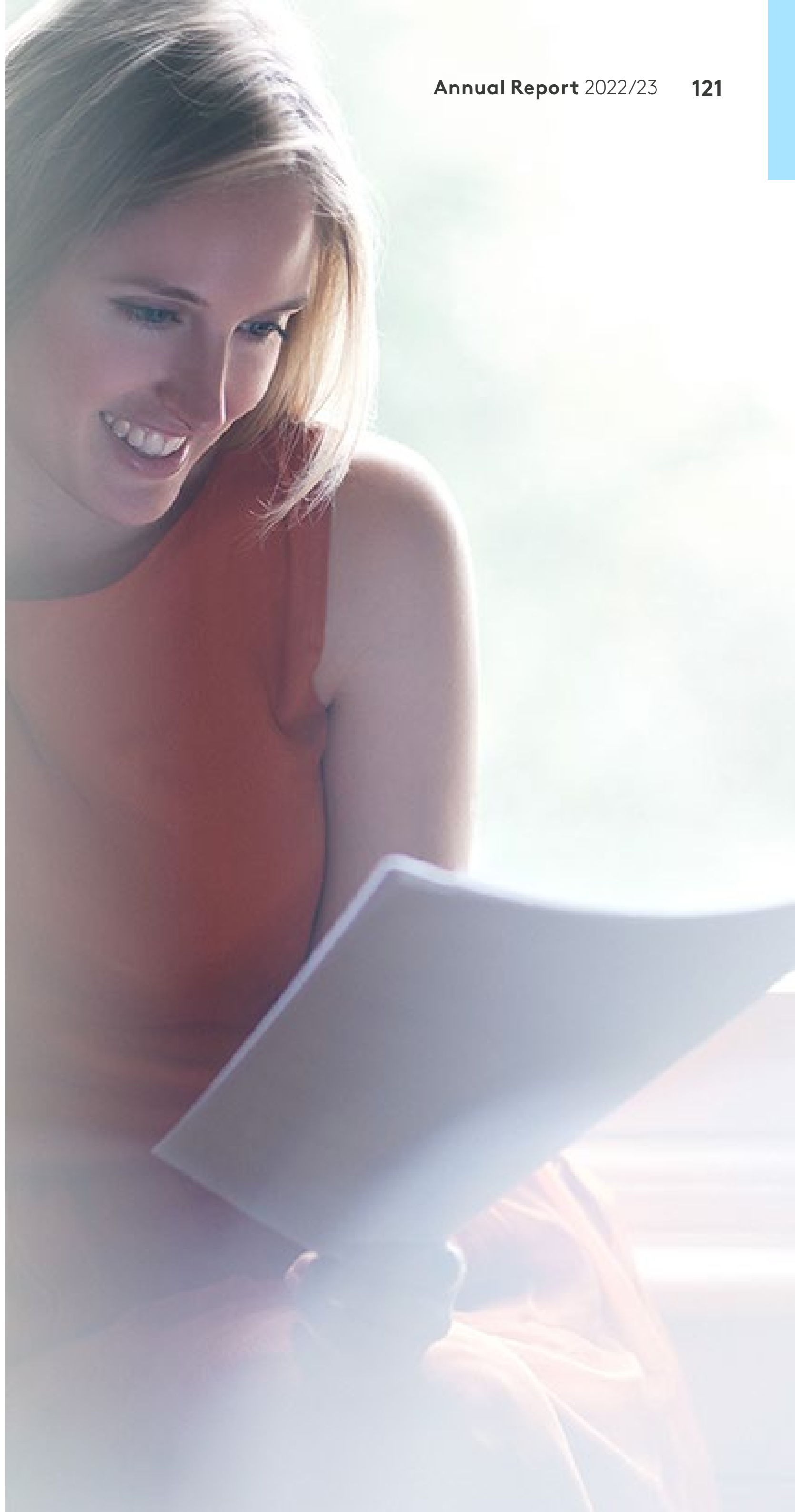
Name (position)	Performance criteria	Relative weighting of performance criteria	Measured performance and Remuneration outcome
Gustaf Salford (President and CEO)	Total shareholder return (TSR) development compared to OMXS30 share index[1]	100%	Threshold for payout: +0.1% Cap for maximum payout: ≥15% Performance outcome: Below +0,1%

1) Performance share plan LTI 2019/22 described in detail under share programs in Note 7 in the Annual Report 2022/23.

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

	2022/23	Change	2021/22	Change	2020/21	Change	2019/2020
Total remuneration for President and CEO position	18,348	8%	16 932	12%	13,680	–9%	15,027
Group operating income (EBIT)[2]	1,743,158	4%	1,678,296	–12%	1,906,000	15%	1,657,000
Average remuneration on full time equivalent basis employees[3] in Sweden	751	–3%	773	–9%	852	4%	821

1) Fixed and variable remuneration earned during each fiscal year.
2) Operating Income (EBIT) excluding items affecting comparability.
3) Excluding members of the Executive Committee.



Annual General Meeting (AGM) 2023

The AGM of Elekta AB (publ) will be held at 2:00 p.m. on Thursday August 24, 2023 at Moderna Museet in Stockholm. Registration begins at 1:30 p.m.

Shareholders who wish to exercise their voting rights at the AGM shall be registered in the register of shareholders, kept by Euroclear Sweden AB, on Wednesday August 16, 2023, and notify Elekta of their intention to participate no later than Friday August 18, 2023. This should either be submitted in writing to:

Elekta AB (publ)
"Annual general meeting"
c/o Euroclear Sweden AB
Box 191
101 23 Stockholm
Sweden

or by phone to +46 8-402 92 80,
or on Elekta's website, see **elekta.com**
or by e-mail to GeneralMeetingService@euroclear.com

Shareholders may also exercise their voting rights by postal voting. For further instructions about postal voting see the Notice of the Annual General Meeting that will be published no later than four weeks prior to the AGM.

Shareholders whose shares are registered in the names of nominees must temporarily re-register the shares in their own names in the register of shareholders in order to participate in the Meeting. Such re-registration, so called voting right registration, must be completed no later than on Friday, August 18, 2023, which means that shareholders well in advance prior to this date must instruct the nominee to carry out such action.

Shareholders who wish to submit questions in advance may send them to Elekta AB (publ), Att. Head of Investor Relations, P.O. Box 7593, 103 93 Stockholm, or by e-mail to cecilia.ketels@elekta.com.

AGM 2023

Record date to participate	Aug 16, 2023
Last day to register participation	Aug 18, 2023
Final day of trading in Elekta shares including the right to the dividend	Aug 24, 2023
AGM	Aug 24, 2023
Record date for first payment of dividends	Aug 28, 2023
First payment date for dividends	Aug 31, 2023
Record date for second payment of dividends	Feb 27, 2024
Second payment date for dividends	Mar 1, 2024

Financial calendar

Interim report, Q1, May–Jul 2023/24	Aug 24, 2023
Annual General Meeting	Aug 24, 2023
Interim report, Q2, May–Oct 2023/24	Nov 30, 2023
Interim report, Q3, May–Jan 2023/24	Feb 29, 2024
Year-end report, Q4, 2023/24	Jun 5, 2024

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 25**. 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.

 Production: Elekta's Investor Relations and Finance Team, in cooperation with Solberg and Henricsson Design. Photos: Getty Images, Adobe Stock, Shutterstock, Magnus Fond, Jesper Koefoed and Maarten ter Mors.

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