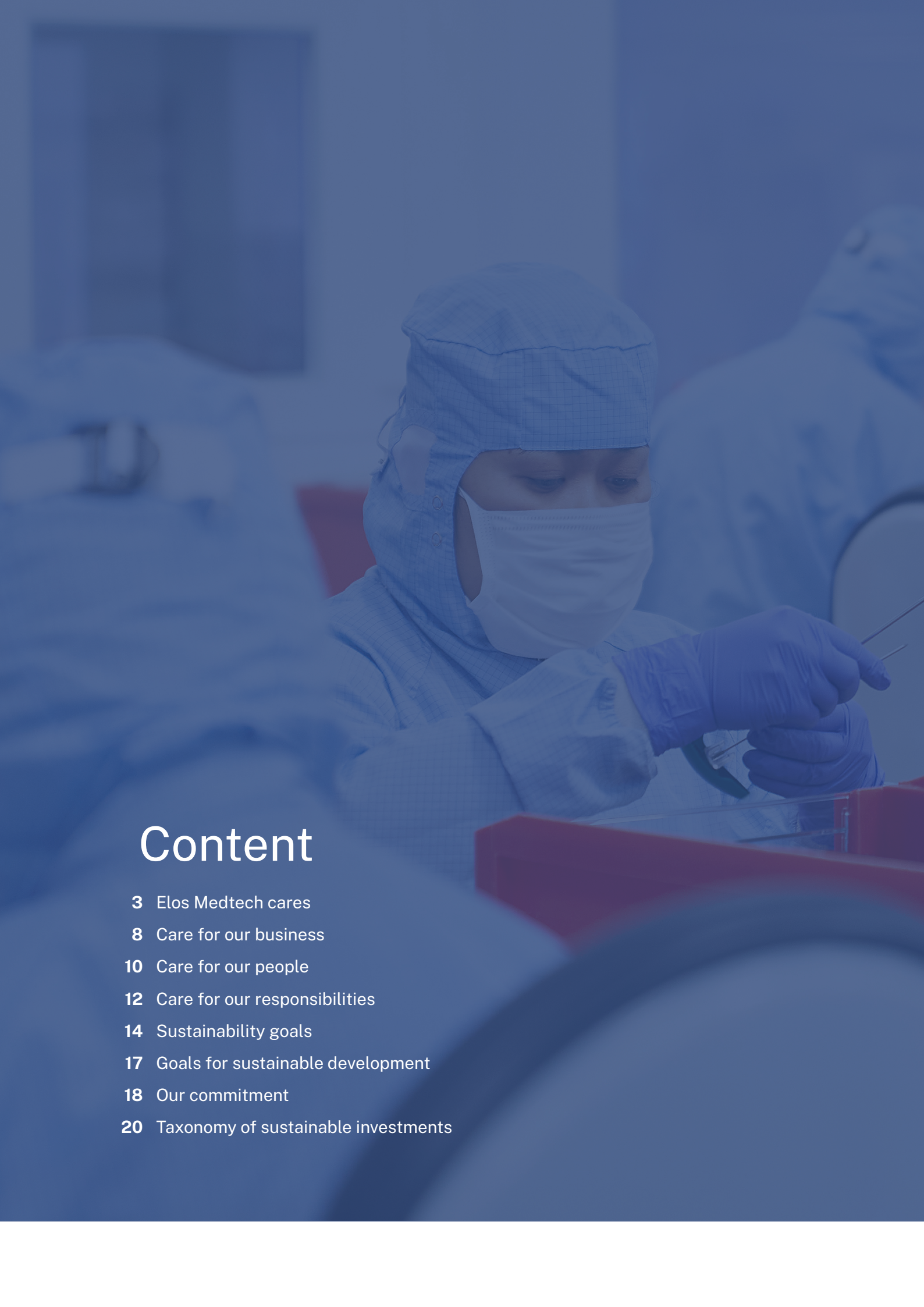


SUSTAINABILITY REPORT 2024



*Reimagining Partnerships
to Enhance Lives*



A person wearing a blue surgical gown, a white face mask, and a blue surgical cap is working in a laboratory or clinical setting. They are holding a small, clear, rectangular object, possibly a sample or a piece of equipment, with their gloved hands. The background is blurred, showing other people in similar attire. The entire image has a blue tint.

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Elos Medtech cares

Elos Medtech employs 1,500 people in four business units – Dental, Orthopedics, Advanced Surgical and Precision - and the divisions Medical Polymer Solutions, Sterile Packaging Solutions and Medical Value Solutions. We are a powerhouse in medical devices and one of the top 10 CDMO companies in the world.

We provide local service with a global reach. Since our acquisition of the Klingel Group in 2023, we operate from 13 sites in six countries; China, Denmark, Germany, Sweden, Switzerland and the US.

Elos Medtech's specialized business areas offer expertise, while our collective knowledge ensures access to the latest innovations. Our extensive portfolio includes implants and instruments for dental and orthopedic surgery; advanced precision molding tools; high-precision components and instruments for robot-assisted and augmented reality; and full-service provider for validation, sterile packaging and logistics of medical implants, instruments and consumables.

At the core of our operations lies an unwavering commitment to putting the customer at the heart of what we do. This is exemplified by our holistic approach from design to delivery, ensuring quality remains uncompromised.

With a profound awareness of the millions of patients worldwide who rely on our products, we go the extra mile by fostering enduring partnerships rather than settling for transactional arrangements.



We Are What We Do

At Elos Medtech, sustainability is a core part of our identity and long-term strategy.

Guided by our vision — to be pioneers in next-generation sustainable Medtech solutions that delight our customers, advance our people, and enhance the lives of patients worldwide — we are committed to making a meaningful difference across our industry and in the lives of those we serve.

Our sustainability efforts are driven by a set of guiding principles, outlined in what we call our care areas. These principles shape our sustainability management activities and align our operations with the broader interests of our stakeholders, communities, and the world at large.





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At Elos Medtech, we apply our extensive expertise to form partnerships in medical device manufacturing. Guided by our core values and Code of Conduct, we adhere to high standards of ethical, transparent, and responsible behavior. This ensures sustainable operations with integrity.

Sustainability, ethics, and trustworthiness are central to our business. Our employees' commitment and responsibility contribute significantly to our success and provide a competitive advantage. We aim to offer a safe workplace, emphasizing our four core values: Passionate, Trustworthy, Result-Oriented, and Together. These values unify us across our global sites and guide our efforts towards sustainability.

Over the past year, we have integrated sustainability into our operations by using recycled materials, improving energy efficiency, and reducing carbon emissions. These initiatives align with our mission to enhance patient outcomes while minimizing environmental impact. We are also partnering with organizations to drive innovation and improve sustainability throughout our product lifecycle.

Moving forward, we will continue to focus on reducing waste, enhancing energy efficiency, and evolving our products to meet healthcare needs. Sustainability is integral to our identity. Through our tagline, Reimagining Partnerships to Enhance Lives, we will collaborate with partners and stakeholders to create lasting positive impacts.

I would like to take this opportunity to express my sincere gratitude to our customers, partners, shareholders, and all Elos Medtech employees for their continued support.

Stefano Alfonsi,
CEO and President of Elos Medtech

Sustainability at Elos Medtech

At Elos Medtech, we aim for continuous improvement in everything we do.

This report marks an important milestone as our first unified sustainability report following a significant acquisition which expanded our organization to 13 global sites. As we integrate our teams, values, and ways of working, this year serves as a baseline for our sustainability journey as a combined company. Looking ahead, we are committed to advancing our ESG efforts across all locations, building a stronger, more aligned program that drives continuous improvement and meaningful global impact.

In 2024 we have granulated our investigations even further to identify the correct level of Scop 1, 2 & 3 emissions and included the 8 new sites in the data collection. We will continue to work on refining and further improving the data basis. Preparations will also be made

this year for the double materiality assessment in order to be ready to report in 2027 in accordance with the CSRD guidelines for the 2026 financial year.

Since 2018, we have added the external and more quantifiable measures referred to as ESG, Environmental, Social and Governance. Through ESG we have improved our data collection, analysis and reporting. We can also see an improvement in the way we set objectives and make progress. In 2024, CSR and ESG are the two main pillars of our Sustainability Platform.

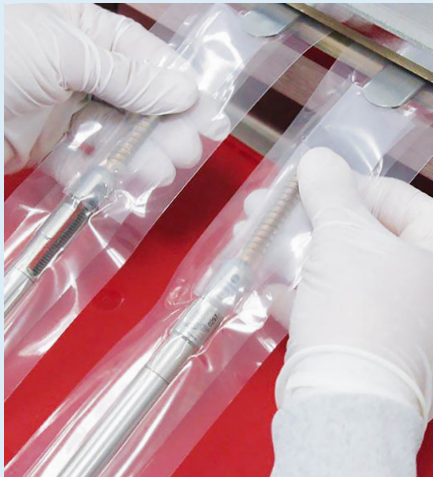
ESG	CSR	Sustainability
Quantitative	Qualitative	Qualitative and quantitative
Externally regulated	Self-regulated	Both self-and externally regulated
Directly related to business valuation	Not directly related to business valuation	Often related to business valuation
Implemented through measurable goals and audits	Implemented through corporate culture, values and brand management	Implemented through a combination of CSR and ESG

Sustainable Packaging

In Rosenheim, at our Sterile Packaging Solutions site, Elos Medtech has partnered with Medipack, a supplier that uses post-industrial recycled material, for our blister packaging. This collaboration allows us to reduce waste by reusing materials that would otherwise be discarded. We only use FSC-labeled cardboard for our boxes, ensuring that the paper products come from responsibly managed forests. Combined with our use of Medipack's blisters made from post-industrial recycled material, we are committed to offering packaging solutions that are as sustainable as possible.

We are also reducing our environmental footprint by minimizing the size of our packaging. Smaller packaging not only decreases the amount of material used but also the volume required for transportation, sterilization and storage. This approach directly cuts down on waste and energy consumption across the supply chain.

Finally, our packaging solutions are designed with a high shelf life — up to seven years. This durability ensures that repacking, which often leads to additional waste and energy use, is rarely necessary.



Care areas

At Elos Medtech, we have identified three critical success factors that form the foundation of our sustainability agenda. These focus areas not only reflect where our business has the greatest impact but also where we can most effectively contribute to improving outcomes and quality of life for millions. Within each area, we have established clear goals to ensure continuous improvement and long-term value creation.

Care for our business

Our focus is on delivering medical device and services of the right quality, at the right time and at the right price. We aim to be a first-class partner and offer our customers innovative, sustainable, and efficient solutions.

Read more on page 8



Care for our responsibilities

We operate in many places around the world and our employees represent a diversity of cultures and backgrounds. We strive to make a positive contribution to the communities in which we operate and aim to minimize our environmental impact.

Read more on page 12



Care for our people

Our employees are our greatest asset, and committed employees go that extra mile, are more creative, and learn faster. Therefore, it is important for us to provide all employees with a safe work environment that encourages personal and professional development.

Read more on page 10



Care for our business

Elos Medtech combines a century of expertise with a commitment to forming long-lasting partnerships that enhance lives through innovation in medical device manufacturing.

At Elos Medtech, customer satisfaction is a cornerstone of our long-term success and a key focus of our sustainability efforts. Our business model is built on close, collaborative, and enduring relationships with our customers — relationships that go beyond transactions to become strategic partnerships.

Customer satisfaction

We are committed to listening to our customers, understanding their needs, and delivering solutions that exceed expectations. Our most recent customer surveys highlight three consistently recognized strengths: superior product quality, exceptional people, and unmatched technical expertise. Our products rank at the high end of the market, and our teams are known for their dedication, responsiveness, and deep technical knowledge.

While we're proud of positive feedback from our customers, we also take seriously the opportunities for improvement they've shared. Listening — and acting — on this input is key to strengthening our partnerships. Survey insights are translated into focused action plans and supported by cross-functional teams. Whether it's enhancing responsiveness, communication, or service delivery, we're taking clear steps to elevate customer experience.

Continuous improvement is at the heart of how we operate so that we remain a trusted, high-performing partner in a rapidly evolving industry landscape.

Product quality

Product quality remains one of the most recognized and appreciated aspects of our offering. It is central to our reputation and critical to our customers' trust in us as a reliable, long-term partner. At Elos Medtech, quality is not just about meeting standards — it's about delivering peace of mind. Our products consistently perform to the highest standards, and our operational stability makes us a dependable part of our customers' supply chains.

Our deep technical expertise and precision in specialized applications are key contributors to our strong customer relationships. We add value with product development capabilities, deep regulatory competencies and by integrating design-for-manufacturing principles, which enable smoother transitions into series production, reduce development time, and accelerate time-to-market.

Equally important is our ability to respond quickly to changes and find practical solutions — traits our customers highly value. Whether through agile support, custom development, or proactive collaboration, we continuously demonstrate our commitment to helping our customers succeed.

Plastic Recycling

At our Medical Polymer Solutions site in Skara, Sweden, we recycle 100% of the waste from our most frequent raw plastic material. During manufacturing we receive a large ingot that is punched into smaller parts in-line. When the machines are plundered, this scrap is collected in octabins. When 20 octabins have been filled, they are collected by a partner who then regranulates it all into new plastic raw material. In 2024, the total amount of scrap of this particular material landed at 30,000 kg.



Sustainable investments

Our goal in 2024 was to allocate at least five percent of our investment to initiatives that reduce our environmental impact. By having a clear goal, we want to create awareness of our environmental impact in connection with decisions. This type of investment must have a clear purpose, such as to reduce use of energy and water, or to reduce carbon dioxide emissions.

The pre-study regarding solar panels, described in last year's sustainability report, was completed and resulted in a decision to

go ahead and put solar panels on our site in Skara. More sites will come after that. In general, many of our investments can be considered sustainable as they contribute to improved resource efficiency.

In 2024, we continued to invest in our production sites, for example the oil heating system at the Muntelier site was decommissioned and connected to the district heating network. Further investments were made in LED lighting at several locations. Charging stations for electric cars were installed at the Muntelier and Yverdon sites. The 5% goal was reached for 2024.



Elos Medtech as a CDMO

CDMO is short for Contract Development and Manufacturing Organization. As the name suggests, it is an organization that provides development and manufacturing services.

Full-service CDMOs take responsibility for all steps throughout the development and manufacturing process: from concept, design for manufacturing, and development, to regulatory, prototyping, and testing, and through validation, manufacturing, and delivery.

A CDMO does not only handle the outsourced manufacturing of medical devices, it also handles all the innovation and development work that occurs prior to manufacturing.

Care for our people

The commitment and determination of our employees are crucial to giving us a competitive advantage. We aim to offer an attractive and safe workplace. Our corporate culture is based on four strong core values: Passionate, Trustworthy, Result-Oriented, and Together. These values guide us in our day-to-day business and create unity across our global sites.

A healthy and safe workplace

Our employees are entitled to a healthy and safe workplace. Our goal is to be accident-free, meaning no accidents leading to absence from work. Nevertheless, injuries do occur, and the most common causes are related to heavy lifting, repetitive work, handling of machines, and slip-and-fall accidents. To promote and maintain the highest degree of physical, mental, and social well-being, our employees have access to occupational healthcare or health and wellness insurance.

*Passionate
Trustworthy
Results-Oriented
Together*

Employee influence

All our employees shall have good opportunities to grow and develop, regardless of gender and cultural background. Personal development plans are reviewed annually, and results are linked to individual goals to ensure career development. On average, each employee undergoes approximately 10 hours of task-specific training per year and takes part in internal and external courses.

New mist busters in Memphis

To improve the work environment further, an exchange program has been initiated in Memphis to replace the old oil mist collectors (mist busters) with new more effective ones. The goal is to end the replacement program in the beginning of 2024 and this was completed with 8 new mist busters installed. In addition to that, a pre-study has been performed and a project initiated to replace the old HVAC system. Again, this was completed with 4 new HVAC's installed. These two actions combined will improve the air quality and overall working environment in our Memphis facility.

We never compromise on quality

At Elos Medtech, our promise is never to compromise on quality. We have worked hard from the very beginning to become best-in-class in regulatory and quality compliance. Over the years, we have established quality management processes and documentation procedures to ensure compliance with adequate regulatory requirements.

We work with a quality mindset every day and are fully committed to:

- Focusing on patient safety in decisions and work processes.
- Ensuring high product quality through dedication to critical details.
- Knowing and following all relevant laws, rules, regulations, and procedures.

Nils Kristensen, QA/RA Manager at Elos Medtech Timmersdala



Celebrating Women in Science

Elos Medtech actively works towards attracting students to pursue careers in technology and engineering through close cooperation with other members and engagement initiatives. The company is also determined to break down gender barriers in the tech world for young women aspiring to careers in science, technology, engineering, and mathematics (STEM).

Care for our responsibilities

The third care area is about sustainability, ethics and trustworthiness. Our employees' commitment and willingness to take responsibility are essential to the success of our business.

Reduced Energy
intensity with

11%

Our production technology includes polymer injection molding and various types of metal processing, such as grinding, turning, and milling. From a lifecycle perspective, most of our production has a very limited environmental impact. Our ambition is to constantly identify areas for improvement, define goals, and act on them.

Energy and water

Elos Medtech AB has acquired the Klingel Medical Metal group by end of 2023 as described in the beginning of the report.

This takeover of the Klingel Medical Metal group results in a new starting point for the collection of ESG data. With the introduction of these 8 new sites, to add to the previous reporting of 5 sites, a direct comparison to previous reports is no longer possible. Elos had set itself the ambitious goal of extending data collection to the new Klingel Group sites as early as 2024 in order to have a good starting point for future analyses and to plan improvement projects. The ESG data will continue to be collected and analyzed on the "Position Green" platform. The details of this evaluation are shown on pages 28-30.

We are pleased to report that this objective was achieved and this year's report includes data from all 13 sites and thus create a new basis for future comparisons. Reducing the climate impact of the business remains a long-term commitment.

Systematic data collection enables us to identify targeted improvement measures. Electricity consumption accounts for the largest energy consumption by far. In 2023, the Klingel Group sites still purchased a large proportion of their electricity from non-renewable sources. In 2024, all electricity contracts were adjusted and only electricity from renewable energy sources was purchased, which is associated with higher costs. As a result, the share of renewable energy sources increased from 50% in 2023 to 65%.

Total water consumption has roughly doubled as a result of the takeover of the Klingel Group. All sites are connected to municipal treatment plants via the sewage system. A small part of the process water is contaminated by metal residues and oil. This is treated as

contaminated waste and disposed of by certified waste service providers. At several sites, the process water is treated internally before it is discharged into the sewage system. The quality of the treated process water is regularly tested and monitored by the local authorities and complies with all legal requirements.

In China, the wastewater equipment has reduced the consumption of water used to rinse the tanks of the ST line as the water can be reused several times. All core raw materials, metals and plastics are sorted for recycling. Examples of other recycled, non-hazardous waste include cardboard, paper, wood, and plastic. We work continuously to improve our internal solutions for recycling supporting production materials such as oil and water. We have engaged certified service providers for suitable disposal, incineration, landfill, and recycling services.

A further investment was made at the site in Muntelier to reduce Scope 1 emissions by decommissioning the oil heating system and connecting to the town's district heating network (wood chip heating), making it CO2 neutral since October 2024.

At the site in Yverdon, the entire roof area has been leased to a regional electricity provider and equipped with solar panels. The electricity from the solar panels is consumed directly on site or fed into the grid and sold by the electricity provider in the event of overproduction.

The energy intensity (energy consumption in relation to sales) was reduced by 11% compared to 2023, even when all sites are included.

GHG reporting

The majority of Elos Medtech's greenhouse gas emissions originate from the energy used to run our production sites and the transportation of material. We collect data on electricity used, district heating, transportation of raw material and finished goods, employee travel etc. to identify more efficient and sustainable solutions. Greenhouse gas intensity is measured yearly. In geographical areas

where we can not directly influence the source of energy, off-set certificates are purchased. In 2024, we continued to offset our carbon footprint from 2023 by means of CO2 removal certificates.

During 2024, the purchased certificates offset around 100 percent of our CO2 footprint in those areas 2023. Similar certificates for 2024 will be purchased retroactively in 2025.

Compliance

Our employees undergo regular compliance training regarding medical devices and environmental management. Employees are encouraged to report all suspected compliance failures regarding values, policies, and business ethics to their line manager, local management team, or our secure and independent whistleblower function. Our quality management systems comply with standards

and regulations for medical devices. All our sites are inspected yearly by an external inspection body, or notified body, for compliance with applicable standards.

Community involvement

We are increasing our community involvement by offering apprenticeships and participating in student fairs. The goal is to generate interest in our industry and to inspire students to apply for jobs with us after graduating. In Denmark, we have been running apprenticeship programs for many years, and both our sites in Skara and Timmersdala collaborate with universities.

These type of collaboration makes it easier for Elos Medtech to attract apprentices, while also making training in automation technology and precision technology much more interesting.

Position Green

Position Green is a platform developed to support the work of collecting and analyzing sustainability data. 2024 was the fourth year of using the Position Green platform for collecting and analyzing our ESG data. The support from the SW and the expertise available at PG has also contributed to the more precise reporting.

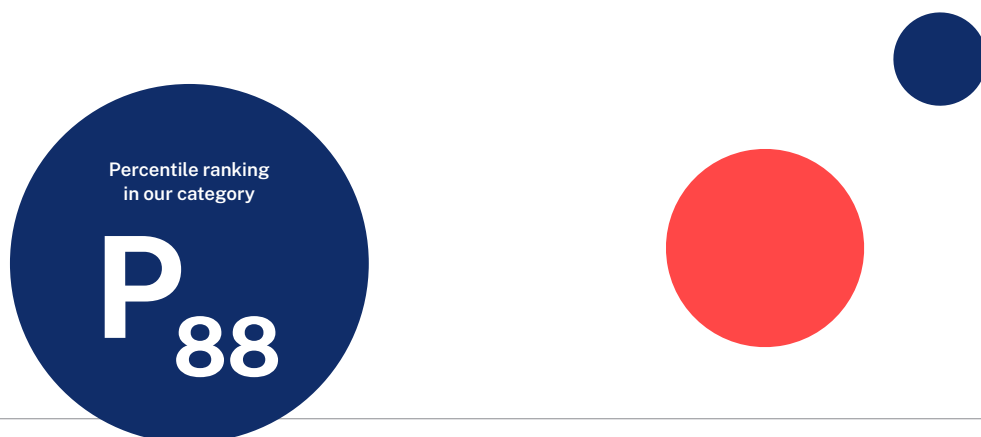


Solar panels

In July 2024, we expanded our investment in solar energy by installing 706 solar panels on our facility in Skara, Sweden. With a yearly maximum capacity of 300,000 kWh, these panels are already making an impact. In just six months last year, they generated 110,009 kWh of clean energy - helping to reduce our reliance on non-renewable sources.

Sustainability goals

We take a long-term approach to economic, social, and environmental responsibility for how our operations impact our stakeholders, and we define annual sustainability targets to ensure that there is continual improvement in these areas.



Silver medal after EcoVadis's assessment

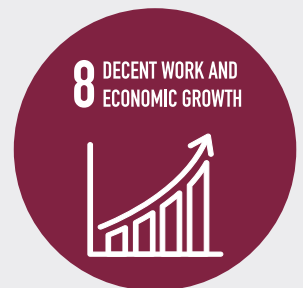
For three consecutive years Elos Medtech have been awarded a Silver rating from EcoVadis. We can celebrate an improvement in all rated areas and are now very close to the next step, the gold rating. The next objective is to include the new sites of the Klingel group in the next assessment and maintain the good rating.

During several years, we have focused on how Elos Medtech can improve in caring for our people, business, and responsibilities, along with minimizing our environmental impact by developing action plans to improve our sustainability performance. Among other tools, we have used EcoVadis to measure our sustainability efforts. We have set a goal to improve our EcoVadis rating every year.

Sustainability goals 2024

	ESG	2024
Invest in Projects that will lower over all CO ₂ emissions in area of Site	E	✓
Buy certificates to offset CO ₂ in China	E	✓
More efficient energy usage –Benefit from Energy Mapping in Sweden	E	✓
Reduce scrap to 2,5% in group	E	✓
Communicate ESG Policy internally and externally –Set a footprint in SoMe	E	✓
Report actions performed to prevent work related injuries to Management Review	S	✓
All employees shall be treated with respect, zero tolerance against discrimination	S	✓
At least 5% of investments aimed to decrease environmental footprint	G	✓
Zero tolerance against bribes and corruption	S	✓
Investigate if we can remove all Scope 1 from Elos	E	✓





Goals for sustainable development

Several years ago, Elos Medtech identified overall goals that include environmental responsibility, social responsibility and business benefit. During 2021, 2022, 2023, and 2024, these goals have been linked to the UN's global goals for sustainable development and the outcome during the business year.

Within the framework of Agenda 2030, in 2017 the UN presented global goals for sustainable development. From the 17 goals, which set a clear and useful framework for meeting global challenges and has had a major impact in society, Elos Medtech has identified eight goals below. This is where we see a connection to our business and within which we will continue to work to achieve the goals specified.



Connection between Elos Medtech's prioritized ESG and UN's global goals

3	Good Health and Wellbeing	Development and manufacturing of medical devices and IVD equipment
5	Gender Equality	50/50% on all positions
6	Clean Water and Sanitation	Investments in wastewater equipment
7	Affordable and Clean Energy	Source renewable and invest in solar panels
8	Decent Work and Economic Growth	Continuous improvement in our production facilities
10	Reduced Inequalities	Provide equal opportunities
12	Responsible Consumption and Production	Continuous reduction of waste, scrap etc.
13	Climate Action	More effective usage of energy

Our commitment

As part of our ESG Policy, we have made a commitment within a number of areas which are clearly connected to our Code of Conduct and our Ways of working which supports and summarizes our beliefs, both as a company and as individuals employed by Elos Medtech.

Human rights

Elos Medtech shall respect the human rights of workers and treat employees with dignity and respect.

Child labor

Elos Medtech shall not recruit or employ child labor. The minimum age of workers shall be 15 years, or the minimum age set by the national laws in the country of operation, whichever is higher. Young workers, i.e., those above the minimum age and below the age of 18, may not be employed for hazardous work or work alone no matter what labor laws says.



Elos Medtech shall respect the human rights of workers and treat employees with dignity and respect.



Freedom of association and collective bargaining

Elos Medtech shall respect the rights of employees established in local law to join or not join labor unions, seek representation, and join worker organizations.

Workers shall be able to bargain collectively, and worker representatives shall not be discriminated against.

Freedom of communication

Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

Where the right to freedom of association and collective bargaining is restricted by law, we encourage our partners to facilitate the development of parallel means of free association and bargaining such as worker representatives or works councils.

Non-discrimination

Elos Medtech and all its employees shall not discriminate on the grounds of race, caste, national origin, religion, age, disability, gender, marital status, pregnancy, sexual orientation, union membership or political affiliation, or engage in any other form of discrimination.

Treatment of employees

Elos Medtech shall treat its employees with respect and dignity and shall not subject them to any kind of cruel, inhuman, or degrading punishment, physical, verbal or sexual abuse, or threat of abuse or harassment.

A motivation and employee satisfaction survey will be performed on a regular basis.

Wages and benefits

Elos Medtech will pay its employees a fair and market-based wage required by law or the prevailing industry standard in the country concerned, and shall provide all legally mandated benefits, such as medical insurance, social insurance, and pensions, in full and on time.

Working hours and holiday

Elos Medtech shall not breach local regulations on working hours and shall remunerate overtime in accordance with local laws and regulations as a minimum. Employees, including those on temporary contracts, shall not be required to work more than 60 hours a week, including overtime, on a regular basis (or the maximum legal working hours if this is less than 60). If required, overtime shall generally be voluntary but in special cases it may be mandatory, in which case it must be communicated to the employee. Overtime shall be remunerated at a higher rate than the hourly rate or according to local countries regulations.

Employees shall be entitled to at least one day off in every seven-day period and shall receive paid annual leave and holidays in accordance with local laws.

Wage deductions as a disciplinary measure shall not be permitted, nor shall any wage deductions that are not stipulated by national law be permitted without the express permission of the worker concerned. All disciplinary measures shall be recorded.

Health and safety

Elos Medtech shall provide its employees with a safe, healthy, and hygienic workplace. We will:

- Implement effective programs and systems for ensuring the safety of workers by minimizing work-related accidents and illnesses, and provide efficiently protection against exposure to chemical, biological or physical hazards in the working environment.
- Identify and assess emergency situations, implement emergency plans and response procedures in the workplace and provide sufficient fire exits, escape routes and firefighting equipment
- Provide regular health & safety training for employees.
- Provide hygienic toilet facilities and unlimited access to drinking water in the workplace.
- Continuously improve safety performance by setting targets, initiating action plans, and undertaking necessary improvements identified by internal or external assessments.

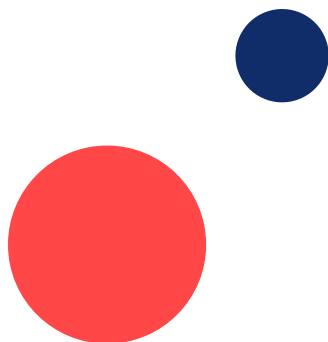
Freely chosen employment

Elos Medtech shall not use forced or involuntary labor (e.g., forced, bonded, indentured or involuntary prison labor). Employers shall not retain workers' identity papers or hold deposits from workers.

Workers shall have a copy of the written employment contract setting out the terms and conditions of their employment.

The environment

Elos Medtech shall ensure that its operations minimize adverse impacts on the environment.



Taxonomy of sustainable activities

The taxonomy for sustainable activities is one of the measures in the EU action plan for financing sustainable growth. It provides the opportunity to identify and compare investments that are necessary to reach a sustainable economy. It will form the basis for future standards and labelling of sustainable financial products. Companies with more than 500 employees must report turnover, capital investments, and operational costs in accordance with the taxonomy.

The following applies according to the taxonomy:

- **Contribute to environmental goals.** To be sustainable according to the regulation, the business must significantly contribute to at least one of the six environmental objectives listed in the taxonomy. Companies can contribute through internal measures or by offering products that make it easier for an interested party to contribute to one of the environmental objectives.
- **Do not oppose environmental objectives.** The fulfilment of one or more of the environmental objectives in the taxonomy may not counteract the other environmental objectives.
- **Comply with basic principles and norms.** This refers to conventions and guidelines regarding, for example, the working environment and human rights.
- **Connect to technical screening criteria.** Currently, the criteria are set for economic activities in sectors with the highest contribution to CO₂ emissions and thus are most significant for delivering climate change adaptation and mitigation. These sectors include, for example, energy, forestry, and transportation.

As a medical device company, there are currently no criteria for our sector that can be applied to Elos Medtech Group's activities or products. However, it is important to highlight that the taxonomy is still under development and will continue to evolve over time.

The 6 taxonomy 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

A portrait of a woman with long, straight blonde hair, smiling at the camera. She is wearing a white collared shirt under a dark blazer. The background is a blurred medical or laboratory setting with various equipment and lights.

“

Elos Medtech shall ensure that its operations minimize adverse impacts on the environment

Stakeholder dialogue

By participating in stakeholder dialogues, Elos Medtech aims to create value for its stakeholders.

Elos Medtech engages in dialogue with its stakeholders to develop the business and create value for our stakeholders. The purpose is to build long-term relationships, obtain a better understanding of what is important to our stakeholders, and continuously improve our sustainability efforts.

Elos Medtech engages in continuous dialogue with key stakeholders to balance and optimize different interests, expectations, and wishes. Our most important stakeholders are employees, customers, the Board of Directors and owners, suppliers, authorities, society at large, and schools and universities (future employees).

Stakeholder group	Dialogue	Stakeholder expectations
Employees	Workplace meetings General meeting Employee surveys Performance evaluations Safe workplace coordinating councils (SAM) Management meetings business risk analysis, SWOT	Skills development (training) Customer satisfaction Environmental commitment Leadership – strategy (strategic platform) Ethics and compliance
Board of Directors and owners	Board meetings Employee surveys – interviews Annual General Meeting Assessment of business risk	Sustainability reporting – environmental commitment Strategic platform Policies – Code of Conduct Ethics and compliance Human rights Long-term profitability Customer satisfaction (sustainable customer solutions)
Customers	Business Review Conferences – trade fairs Customer surveys Audits	Product quality and safety Compliance – quality management Business continuity plan Supplier management Product performance and quality Market presence
Suppliers	Audits Questionnaire on qualifications	Business continuity plan Environmental commitment
Society at large	Local initiatives – study visits Authorities and Notified Bodies	Human rights Investments for sustainable solutions Environmental commitment Regulatory commitment
Schools, universities – future employees	Meetings Networking Study visits – talks University lecturers on local apprenticeships	Sponsorship of local training programs Career opportunities Diversity Sustainability reporting

Materiality analysis

By conducting a materiality analysis, Elos Medtech has defined its most important sustainability issues.

Elos Medtech has a comprehensive materiality analysis to define our most important sustainability aspects, and this analysis is revised annually. The materiality analysis is based on conclusions from external and internal dialogues, external trends, Elos Medtech's strategy, SWOT analyses, evaluations of risks and opportunities, and sustainability frameworks such as the Global Reporting Initiative and the UN Global Compact.

The materiality analysis comprises eleven significant aspects that are presented below, together with an illustration that shows where in our value chain the impact is made. For each aspect, key performance indicators have been defined that are followed up regularly and used as a basis for information about the company's sustainability management activities.

	Suppliers	Elos Medtech	Customers and consumers
Care for our business			
Customer satisfaction		●	●
Product performance and quality	●	●	●
Investments in sustainable solutions	Can be influenced – for example, waste management service providers	●	
Care for our people			
Empower people to make a difference		●	
Safe and healthy workplace		●	
Promote best practices and diversity, including human rights	●	●	
Care for our responsibilities			
Ethics and compliance	●	●	●
Energy management		●	
Emissions of greenhouse gases	●	●	
Water management	●	●	
Waste management	●	●	

Risks and risk management

Risks and risk management

Elos Medtech is one of the leading development and production partners for medical devices and components with a focus on digital dentistry, orthopedic implants, surgical instruments, Robotic Assisted surgery, consumable components, and semiconductor components. Risks are a natural part of business and entrepreneurship. Some of the company's identified risks can be influenced by the company, while others are beyond its control. Through effective risk management, the company works preventively to minimize the occurrence of risks and to reduce negative effects if identified risks should occur.

Risk management process

Elos Medtech's risk management program is an essential part of the strategic planning. The goal of the risk management program is to have a proactive and structured strategy to manage negative outcomes and identify potential risks. Elos Medtech's Board of Directors decides on the Group's strategic direction following recommendations from the company's management. Responsibility for the long-term and overall management of risks follows the company's delegation procedure, from the Board of Directors to the CEO and from the CEO to business area directors and factory managers. This means that most of Elos Medtech's operational risks are managed at the local level.

Evaluation of current risks and potential control measures is carried out on an ongoing basis to ensure that risks are managed in an appropriate manner should they occur. The management of these areas is covered by established procedures, in business reviews and in management team meetings. Identified risks are classified according to probability that they will occur and consequences for Elos Medtech as a company. Decided measures are followed and evaluated within the framework of Elos Medtech's internal control. Due to the uncertainty that prevails in the world, the risk management activities have been intensified both at Group level and locally.

The Group's risks are divided into five categories:

	Definitions	Management
Long term		
Strategic risks	Affects the Group's ability to create value in the long term.	The strategic risks are managed through strategies and strategic plans presented by Group Management and adopted by the Board of Directors.

Short term

Operational risks	Risks that can affect the Group's ability to increase value and are important for day-to-day operations.	Operational risks are managed in tactical and operational business decisions at all levels and by all employees.
Regulatory risks	Risks that may affect the Group's ability to protect value from threats to the Group's financial and organizational position and reputation	Compliance risks are managed in tactical and operational business decisions at all levels and by all employees.
Sustainability risks	Risks that may affect the Group's ability to comply with the requirements for sustainable operations, social responsibility and human rights.	Sustainability risks are managed through general risk analysis, including control measures in the areas of the environment, employees, human rights and corruption.
Financial risks	Risk that may affect the Group's ability to increase and protect its value. Managing these risks can increase and protect the financial position of the company.	Financial risks are managed in tactical and operational business decisions that comply with the Group's set financial policies and framework.

The Group works continuously with risk management, follow-up and reporting of these. In order to broaden the Group's understanding of important risks and necessary measures, the risks are grouped from a materiality point of view. The above summary shows a selection of Elos Medtech's most important risks and the Group's approach to these. The Group may of course also be affected by other changes in the operating environment.

Strategic risks

For a global group, it is important to manage the political, economic and societal trends to ensure the group's ability to create value in the short and long term.

Political uncertainty

The Group is active in a number of countries around the world and political and economic instability may affect the Group's ability to develop, manufacture and sell the Group's products. A trend towards a more protectionist world, changed trade policy, government regu-

lations and tariffs in various parts of the world can affect the Group both in terms of sales of products as well as purchases of raw materials. Introduction of/threats of tariffs and the wars between Russia and Ukraine and Israel and Palestine are two clear examples of the increased uncertainty of the world. There can be no assurance that these, or other factors related to our multinational operations, will not materially affect our competitiveness, financial result and financial position; can affect the Group both in terms of the purchase of raw materials as well as the sale of products. The Russia's war with Ukraine has affected the entire Western world, resulting in a more unstable price situation for metals, oil and gas, as Russia is a major exporter on the world market. For the Group, it is important to ensure continued production for its customers and the Group is acting proactively to ensure the supply of raw materials for each production unit.

Competition

There is fierce competition in the medical technology industry and its subcontractors. There are several global competitors to Elos Medtech. Competitors include both contract manufacturers and medical technology companies with their own production. Some of the Group's competitors are multinational companies with significantly larger financial resources. Elos Medtech tries to maintain the competitiveness needed by offering products and services with a high value content. Together with customers, continuous work is underway to develop and streamline the development, quality, production and distribution processes within the Group.

Ability to manage growth

The Group's goals for growth in a capital-intensive industry place great demands on the Board of Directors and management and operational and financial capacity. The industry's development towards an increasingly strong rate of consolidation may also have consequences for Elos Medtech's ability to follow this development trend given the Group's financial position. As staff and operations grow, Elos Medtech needs to implement effective planning, manufacturing and management processes in order to successfully execute the Group's business plan and ensure financial stability even in expansive phases through good liquidity planning and clear communication with relevant stakeholders.

Pandemics and other worldwide disasters can lead to disruptions in the global economy where Elos Medtech operates. This could have a negative impact on the demand for Elos Medtech's products and services and, due to the nature of the disaster, also lead to production stop due to a shortage of input goods and/or workforce. Taken together, this leads to negative effects on Elos Medtech's operations, financial performance and liquidity.

Operational risker

The management of tactical and operational business decisions is important for achieving high customer satisfaction, being an attractive employer and achieving good profitability. Operational risks can affect the Group's ability to increase value, which means that knowledge of these is important for daily operations.

Customer dependence

The Group's revenue is generated largely from a limited number of customers. These customers are global and in most cases use contract manufacturers such as Elos Medtech as a complement to own manufacturing. This means that the loss of a major customer could have a significant negative impact on the Group's sales and profitability. There is also a risk that existing customers will start their own manufacturing to a greater extent. To minimize this risk, Elos Medtech is constantly expanding the number of customers to reduce customer concentration risk. Elos Medtech continuously works with customers to improve both Elos Medtech's and the customer's competitiveness. Elos Medtech places great emphasis on market research and customer follow-ups to ensure knowledge of customer needs.

Production capacity

Elos Medtech conducts operations at facilities in Sweden, Denmark, Switzerland, Germany, China and the United States with a focus on selected segments within the global medical device market. Increased demand is positive from an overall Group perspective, but can lead to capacity constraints at an individual plant. Demand for Elos Medtech's products depend, among other things, on the Group's ability to manufacture products in accordance with regulatory requirements and in a cost-effective manner that meets the customer's needs. In addition, the Group is dependent on raw materials and input materials, as well as machinery, energy and water supply for an efficient manufacturing process.

To meet the customer's wishes, the company continuously invests in existing and new production lines in order to ensure delivery capacity and quality in the event of increased demand. Furthermore, work has been initiated to ensure the possibility of production of a product at more than one plant in order to meet the customer's geographical wishes, risk management and ensure production capacity in the event of growth.

Interruption of the manufacturing process

Damage to production equipment as a result of, for example, power outages, fire, earthquakes or sabotage can have a negative impact, both in terms of direct property damage and interruption of operations. Indirect influences such as strikes or pandemics can also have a negative impact on production. Such damage may impede the Group's ability to fulfil its delivery obligations to the customers and, in the long term, get the customer to reconsider their choice of supplier. Elos Medtech works continuously to identify production risks and to implement appropriate measures to prevent identified risks and to reduce their effect on the Group as a whole. The Group also has insurance coverage against business interruptions, including earthquakes and property damage.

Key people and employees

Employees and other stakeholder expectations change over time. If Elos Medtech is unable to meet these expectations, there is a risk that the Group will not succeed in recruiting or retaining key personnel and competent employees to the extent desired. Elos Medtech is dependent on a number of key people, including a number of people with specialist skills such as operators for manufacturing machines, for continued positive growth.

In order to retain employees, the Group works annually with employee surveys aimed at increasing dialogue, which makes it possible to capture employees' voices and strengthen engagement. Elos Medtech and its employees can also via the group's HR system, in a simple way, spread internal information throughout the organization. Furthermore, Elos Medtech works with a joint on-boarding concept. The concept includes, among other things, the company's Code of Conduct, which includes the company's common values and commitments to both employees and other stakeholders. It is in line with the Group's sustainable business ambitions, regulatory requirements and promotes mutual respect and trust within Elos Medtech. The need for competence development is determined at the annual development discussions. Recruitment takes place both internally and externally to encourage internal mobility. The company works with targeted efforts to strengthen Elos Medtech as a brand and thus attract young workers and critical skills.

Market risk and pricing

Elos Medtech's sales are affected by the willingness to invest and demand from the Group's customers, who are mostly international medical technology companies, but also industrial companies.

The willingness of customers to invest is affected by, among other things, the economic situation and political decisions. As Elos Medtech is a contract manufacturer, the Group's sales may be affected by strategic changes in customers such as inbound and outsourcing manufacturing. There is also a risk among Elos Medtech's customers regarding delays in registrations of new medical technology products as well as product recalls, which may affect Elos Medtech's sales.

The pricing of the Group's production capacity could be adversely affected in the event of, for example, a general economic downturn. An economic downturn could affect buyers of health care, such as government agencies, insurance companies and hospitals, and result in a deterioration in the willingness to pay for medical devices. In some countries, the pricing of medical devices is determined at the government level, which can make it difficult to predict the final market price of a product in a particular market.

In addition, the pricing of medical devices is determined at the level of the authorities, which can make it difficult to predict the final market price of a product in a given market. This, in turn, can put pressure on Elos Medtech's ability to get the desired price for a certain product.

To reduce the risk of negative price developments, Elos Medtech works with personnel and capacity changes as well as continuously improving production processes. Elos Medtech works continuously with its customers to understand the impact of market developments and to identify activities to ensure satisfactory sales and financial development for the Group.

Proprietary developed products

Elos's registered products may pose risks due to clinical performance or customer preferences, which can impact the company's financial performance.

To address these risks effectively, it is crucial to establish stringent quality control processes and conduct comprehensive clinical evaluations to ensure product reliability and compliance with standards. Additionally, gaining a deeper understanding of customer preferences through detailed market research can help refine product offerings and strengthen the company's position in the market.

IT security

The Group's operations are dependent on a well-functioning IT environment. The Group currently has a decentralized IT environment where each activity is sensitive to disruptions, for example to downtime in essential business systems. The Group faces the challenge of supporting its diversified and aging digital technologies and implementing the necessary changes. This is to be able to meet the group's higher and more sophisticated needs. In addition, there is a risk of external attacks on the IT environment through viruses, intrusions or information theft. Measures have been taken to minimize any effects of a downtime, such as efficient and safe management of back-up and by actively working to isolate each production unit to ensure operation in the event of external threats. Dedicated activities has been undertaken to continuously focus on the Group's IT security holistically. The Group works continuously to update processes and technology to handle external attacks on the IT environment as well as analyses of existing and new risks and threats.

Regulatory risks

In Elos Medtech's business operations, the Group is obliged to comply with a number of laws and regulations. The risk of non-compliance with these regulations may affect the ability to protect value from threats to the Group's reputation and financial position.

Regulatory requirements of medical devices

The Group's operations are regulated by a number of different standards and regulations. These provide guidelines and set requirements for the companies' ability to measure and be prepared to verify compliance with the relevant authorities. Examples of these are ISO 13485, FDA regulations and MDR (Medical Device Regulations) and MDD (Medical Device Directive). Elos Medtech's inability to comply with laws and standards and deliver high-quality products could lead to legal or regulatory penalties and damage customer confidence in Elos Medtech's brand and harm the Group's sales and results.

To ensure that the Group complies with the applicable laws and requirements, follow-up and audits are carried out regularly within the Group, both in relation to production to the medical technology customers as well as to the industrial customers. Audits are carried out by accredited third-party organisations. In many cases, the operations are also followed up by the larger customers, who check compliance with standards and their own requirements.

Launching new medical devices on the European market is a complex process, and adapting to the MDR's regulations can be resource-intensive for both customers and Elos Medtech. To comply with the MDR, all medical devices must be appropriately classified and all technical documentation and proof of conformity must be available.

Elos Medtech seeks to minimize the risk of non-compliance with the regulations by establishing quality management processes and documentation procedures to ensure compliance with adequate regulatory requirements. Also to plan for changes in regulations well in advance.

Product liability

The Group is subject to product liability and warranty claims in cases where the Group's products prove to be defective or otherwise do not meet the requirements set. Elos Medtech performs continuous internal and external audits to ensure that it lives up to the regulatory requirements that exist and that it complies with the group's internal requirements for quality follow-up. No significant claims for damages regarding product liability have occurred. In addition, an annual insurance review is conducted to ensure that the Group has commercial insurance coverage for its operations. Intangible assets

Elos Medtech holds patents and patent applications divided into approximately twelve patent families. Elos Medtech's continued success in its own products is to varying degrees dependent on patent protection, trademarks and other intellectual property rights. There is a risk that new manufacturing methods or products will be developed by other actors that may result in the Group's intellectual property rights being replaced or circumvented. Furthermore, there is a risk that other players could infringe the Group's intellectual property rights or that Elos Medtech may make or allegedly infringe intellectual property rights held by third parties. Disputes regarding intellectual property rights are often time-consuming and costly which could have a negative impact on Elos Medtech's business, results and financial position. To reduce the risk of patent litigation, the Group works with external patent lawyers in the development of new products to ensure "freedom to operate".

Sustainability risks

For Elos Medtech, risk analysis, including control measures in the areas of the environment, employees, human rights and corruption, is important to ensure that the Group conducts business in a responsible manner. Sustainability and business ethics are integrated into Elos Medtech's business model. Based on the materiality assessment, Elos Medtech has concluded that there are four areas that have the greatest sustainability risks linked to the business:

Environment

Elos Medtech's environmental risks are related to material selection, material consumption/disposal of raw materials, generation of wastewater, energy consumption and greenhouse gas emissions from transport. All devices comply with current environmental protection legislation. Environmental risks are considered in all the Group's business decisions, from new product design and development, to manufacturing and distribution. The Environmental Impact Assessment has been completed and identified.

Collaborator

Risks to the health and safety of employees are primarily related to the work environment at Elos Medtech's units. The Group's preventive health and safety measures are implemented through a systematic approach. Risks and causes of incidents and accidents are identified, and appropriate measures are taken through technical improvements and training. There are formal safety committees in all operating units, which include all employees. Regular safety inspections and training in safety and fire prevention measures are carried out at all units. Motivated and competent employees are a crucial factor for Elos Medtech to achieve the goals and Elos Medtech therefore considers this a risk. The Group regularly organizes training and annual employee evaluations to unlock the potential of our employees.

Human rights

The risk of human rights violations in Group companies may damage both the Group's reputation and its business operations. All activities have been evaluated in terms of human impact reporting rights, taking into account policies, procedures and outcomes. Regular business reviews are conducted with each unit of the CEO and CFO physically visiting the units several times a year and overseeing procedures, ensuring that aspects of human rights and outcomes are followed up accordingly.

Social aspects

The risk linked to social aspects varies between the units, as well as the underlying factors. Internal audits of financial issues (salaries, employee benefits, etc.), as well as social issues (working conditions, crisis preparedness, etc.) are implemented at regular intervals.

Diversity is an important competitive advantage in the global environment in which the Group operates. Elos Medtech's goal is to establish a business with extensive expertise and experience, which creates an organization that develops the company towards its strategic goals. Elos Medtech's Code of Conduct describes how diversity is managed.

Anti-corruption

There are no known cases of corruption or bribery in 2023. Evaluations of risks related to corruption and anti-competitive behavior are carried out every year. The risk assessment carried out in 2023 did not reveal any material risks linked to corruption or anti-competitive behaviour. Therefore, Elos Medtech assesses that corruption does not currently constitute a material sustainability aspect. Elos Medtech's complete sustainability report is published on the company's website.

Financial risks

For Elos Medtech, monitoring and controlling the Group's financial risks are important for operational activities and from a compliance perspective. Group-wide guidelines and policies, which are updated twice a year, form the basis for the Group's management of these risks.

Care for our business

As described in the introduction on page 12, the data shown for 2024 can no longer be directly compared with previous years because data collection has been extended to the 8 new locations of the Klingel Group.

MA 1 Customer satisfaction

- Recent customer surveys highlight three consistently recognized strengths: superior product quality, exceptional people, and unmatched technical expertise.
- Our products rank at the high end of the market, and our teams are known for their dedication, responsiveness, and deep technical knowledge.
- With continuous improvement is at the heart of how we operate, survey insights are translated into focused action plans and supported by cross-functional teams.

MA 2 Product performance & quality

Proprietary products	2023	2024
% of sales of proprietary products	20	8
Number of serious incidents	2023	2024
	0	0

MA 3 Investments in sustainable solutions

Investment objective	2023	2024
% of investment budget allocated to sustainability projects	5	5

Outcome investments	2023	2024
% of investment budget allocated to sustainability projects	5	5

MA = Material aspect

Care for our people

MA 4 Employment

Average number of employees	2023	2024
China	126	179
Denmark	185	156
Germany	203	539
Sweden	131	126
Switzerland		396
USA		197
Group total	645	1,593

Gender distribution	Women		Men	
	2023	2024	2023	2024
Board of Directors	17%	20%	83%	80%
Senior management	43%	60%	57%	40%
Local management	31%	37%	69%	63%
New employees	28%	39%	72%	61%
Group total	40%	42%	60%	58%

Staff turnover	2023	2024
Number of new hires during the year	65	269
Number of terminations during the year	129	241
Staff turnover	20	15

MA 5 Employee influence

	2023	2024
% of employees who have participated in company-wide training initiatives	44	83
% of employees who have had regular performance reviews	85	72

MA 6 Health and safety at work

The most common causes of injury

2023	2024
Repetitive work	Handling of tools and machines
Handling of tools and machines	Accidents (slipping, tripping, falling etc.)
Lifting of heavy machinery	Other

Absence and illness	2023	2024
Number of days of absence due to injury	15	447
% of sick leave	2.27	3.92

MA 7 Diversity and equal treatment

	2023	2024
% of Chinese management team with domestic background	100	100

Employees' length of employment	2023	2024
<5 years	357	789
6–10 years	128	393
11–15 years	73	196
>15 years	93	221

Care for our responsibilities

MA 8 Ethics & compliance

	2023	2024
% of employees who have taken part in compliance training activities	100	100
Number of days with customer audits	19	61

To ensure that we continue to act as a trustworthy and honest company, we emphasize our Ethics & Compliance Helpline, where misconduct and violations of our Code of Conduct and business ethics can be reported. We encourage our employees to report any suspected violations, of or non-compliance to, Our Way and our business ethics.

MA 9 Environmental standards

Certificate

Subsidiary	Certificate
Elos Medtech Pinol	ISO 13485, ISO 13485 CMDCAS, ISO 9001, ISO 14001, MDSAP
Elos Medtech Timmersdala	ISO 13485, ISO 14001
Elos Medtech Skara	ISO 13485, ISO 14001
Elos Medtech Tianjin	ISO 13485, ISO 14001
Elos Medtech Onyx	ISO 13485
Elos Medtech Muntelier	ISO 13485
Elos Medtech Yverdon	ISO 13485
Elos Medtech Hölstein	ISO 13485
Elos Medtech Matzingen	ISO 13485
Elos Medtech Pforzheim	ISO 13485
Elos Medtech Dauchingen	ISO 13485
Elos Medtech Rosenheim	ISO 13485

MA 10 Energy and water

Main activities for energy use

2023	2024
Leak search	Solar panels
Production equipment	District heating
Lighting	E-charging stations
Ventilation	LED projects
Cleanroom	Renovation of buildings

Energy*

	2023	2024
% of energy use from renewable sources	50	65
Total energy use (GJ)	94,860	239,237
Energy intensity (GJ/SEK million in sales)	98	87

Water

	2023	2024
Total water use (m³)	18,900	47,692

MA 11 Greenhouse gases

	2023	2024
CO ₂ equivalent greenhouse gas emissions (tons)	8,639	13,185
Including CO ₂ removal certificates in China (tons)	5,900	2,425
Greenhouse gas intensity (tons/SEKm in sales)	8.9	4.04

MA 12 Waste management

	2023	2024
Waste (tons)	332	658
Recycled waste (tons)	117	512
% of recycled waste**	35	78

About the sustainability report

This is Elos Medtech's sustainability report. It has been prepared in accordance with the stipulations in the Swedish Annual Accounts Act referring to sustainability reporting. This sustainability report also references GRI 103: Management Approach 2016. In conjunction with the GRI Standard, we have applied the ISO 26000 guid-

ance standard which provides a practical set of tools to measure and report on our social responsibility issues and practices. ISO 26000 offers guidance and recommendations on how to structure, evaluate, and improve social responsibility, including stakeholder relationships, and community impacts.

Gothenburg, June 2 2025

Magnus René
Chairman of the Board

Winfried Schaller
Board Director

Lovisa Lander
Board Director

Birker B Bahnsen
Board Director

Alexander Cicetti
Board Director

Stefano Alfonsi
Board Director and CEO

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders of Elos Medtech AB corporate identity number 556021-9650

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2024 on and that it has been prepared in accordance with the Annual Accounts Act, in accordance with the wording that applied prior to 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sus-

tainability report. This means that our examination of the statutory sustainability report 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 opinion.

Opinion

A statutory sustainability report has been prepared.

Gothenburg

the date shown in our electronic signature

Ernst & Young AB

Andreas Mast
Authorized Public Accountant

