

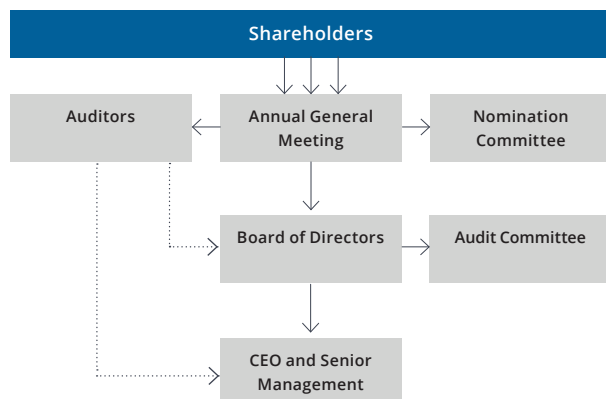
# Corporate governance report

Elos Medtech AB (publ.), Organization no.: 556021-9650

Elos Medtech AB is a Swedish limited company, based in Gothenburg, whose class B shares are listed on NASDAQ Stockholm AB, Mid Cap.

Elos Medtech's corporate governance is based on Swedish legislation and the listing agreement with NASDAQ Stockholm AB. The governance of Elos Medtech takes place via the General Meeting of shareholders, the Board of Directors, and the CEO in accordance with the Swedish Companies Act, the company's Articles of Association, and the formal work plan of the Board of Directors. The current Articles of Association can be found on Elos Medtech's website. Elos Medtech applies the Swedish Corporate Governance Code.

The term corporate governance usually refers to the rules and structure that are built up to govern and manage a limited company in an efficient and controlled manner. Governance and control of Elos Medtech is divided between shareholders at the Annual General Meeting, the Board of Directors, and the CEO, and is regulated in legislation (including the Companies Act), the company's Articles of Association, Nasdaq Stockholm's rules for issuers, and the Swedish Corporate Governance Code. In addition to legal control and governance principles, Elos Medtech is also affected by a number of internal control documents such as the formal work plan for the CEO and Board of Directors and the Code of Conduct, as well as internal policies and guidelines.



## Shareholders

At year-end 2022, Elos Medtech AB's share capital amounted to SEK 50.4 million. The share capital is divided into class A and class B shares. Except that the class A shares are eligible for one vote and the B share to one tenth of a vote, there is no difference in the different series of shares in the company. The class B shares are listed on NASDAQ Stockholm AB, while the stronger voting class A share is not listed.

The total share capital is represented by 8,068,000 shares, of which 1,099,740 are class A shares and 6,968,260 are class B shares. In 2022, no class A shares were converted into class B shares.

The number of shareholders on December 31, 2022 was 3,249 (2,951). The five largest shareholders hold shares corresponding

to 94.4 percent of the capital and 97.6 percent of the voting rights. More detailed information about the share and ownership structure can be found on pages 2-3 of the annual report.

The shareholders exercise influence at the General Meeting of shareholders, which is Elos Medtech's highest decision-making body. The General Meeting decides on the Articles of Association, and at the Annual General Meeting (AGM), which is the ordinary annual meeting of shareholders, the shareholders elect the Board of Directors, the Chairman of the Board, and the auditor, and decide on their fees. In addition, the AGM passes resolutions regarding the adoption of the income statement and the balance sheet, the appropriation of the company's profit and the discharge from liability to the company for Board members and the CEO. The AGM also passes resolutions regarding the appointment of the Nomination Committee and its work, and the principles for the remuneration of and terms of employment for the CEO and other senior executives.

## Annual General Meeting

Elos Medtech's 2022 Annual General Meeting was held on May 3. The Board decided that Elos Medtech AB's AGM would be held without the physical presence of shareholders, proxies and outsiders, and that shareholders would have the opportunity to exercise their right to vote only by postal voting before the AGM. This in accordance with the Act on Temporary Exceptions to facilitate the implementation of general meetings of companies and associations which entered into force March 1, 2022. Two shareholders chose to vote in advance. These shareholders together represented approximately 73.4 percent of the total number of voting rights.

The minutes of the AGM were presented on the company's website on May 3. The material from the AGM, such as the convening notice, minutes, and information about the Nomination Committee, can be found on the company's website.

Elos Medtech's 2022 Annual General Meeting will be held on May 3, 2023. For those shareholders who wish, postal voting will be possible.

## Nomination Committee

The Nomination Committee represents the company's shareholders and nominates Board members, the Chairman of the Board, and the auditor, and submits a proposal on their remuneration. In addition, the Nomination Committee shall submit proposals regarding tasks and principles for the Nomination Committee.

## Nomination Committee for the Annual General Meeting 2023

At the 2022 AGM, it was resolved that the Nomination Committee would consist of at least three and at most five members. In addition, the Chairman of the Board is a co-opted member. The Chairman of the Board shall invite the three largest shareholders in the company by voting rights as of the end of the month of August in addition to the largest shareholder in terms of share

capital to appoint members to the Nomination Committee. If a member is appointed by a certain owner, the name of the owner shall be indicated. A Nomination Committee member shall consider carefully whether or not there is a conflict of interest before accepting the assignment. No remuneration shall be paid to the members of the Nomination Committee.

The composition of the Nomination Committee for the 2023 AGM was announced on October 14 and consists of Lovisa Lander, appointed by EM Intressenter AB (TA Associates), Thomas Öster, appointed by the Öster family, Kent Molin, appointed by the Molin family, Jonas Fridh, appointed by Bank Julius Baer & Co Ltd. The Chairman of the Board, Magnus René, was a co-opted member of the Nomination Committee. The Chairman of the Nomination Committee, appointed by the Nomination Committee, is Lovisa Lander.

The Nomination Committee has assessed and evaluated the Board's competence and composition, including the background and experience of the Board members in relation to the company's strategy and development plans.

The Nomination Committee has held four meetings before the 2023 AGM. The Nomination Committee's proposal is presented in the convening notice of the 2023 AGM and is also available on the company's website.

### Board of Directors

The Board of Directors bears the overall responsibility for the organization, administration, and management of the Elos Medtech Group's operations in accordance with the company's and shareholders' interests. The Board of Directors decides on the Group's overall objectives, strategies and policies and acquisitions, divestments and investments according to the current authorization and decision procedures for investments and development projects.

Other duties of the Board include:

- Establishing requisite guidelines for the company's conduct in society with the aim of ensuring its long-term value creation capacity.
- Ensuring that there are effective systems for follow-up and control of the company's operations and the risks associated with the company's operations.
- Ensuring that there is a satisfactory control of the company's compliance with laws and other rules that apply to the company's operations and the company's compliance with internal guidelines.

The Board is appointed at the AGM by the shareholders with a term of office from the AGM until the end of the next AGM. According to Elos Medtech's Articles of Association, the Board shall consist of a minimum of three and a maximum of ten members.

### Chairman of the Board

Elos Medtech's Chairman of the Board was Lovisa Lander until 2022 AGM. In accordance with the Nomination Committee's proposal, Stefano Alfonsi was elected as the new Chairman of the Board May 3, 2022. As Stefano Alfonsi was appointed CEO and President on September 5, the Board appointed Magnus René as the new Chairman of the Board. Stefano Alfonsi remains a Board member of Elos Medtech AB.

The Chairman of the Board organizes and directs the work of the Board, ensures that the Board continuously deepens its

knowledge of the company, communicates views from the owners, and supports the CEO. The Chairman is responsible for ensuring that the Board receives the necessary documentation to be able to maintain a high quality in discussions and decisions. The Chairman shall also verify the effective implementation of the decisions of the Board.

### The Board's formal work plan

In accordance with the provisions of the Swedish Companies Act, the Board establishes a formal work plan for its work every year including instructions regarding the division of duties within the Board, the division of responsibilities between the Board and the CEO and financial reporting to the Board.

### Evaluation of the Board of Directors and CEO

The Chairman of the Board is responsible for evaluating the work within the Board to the management. This is an annual process that focuses on the continued improvement of the Board's work. This year's evaluation of the Board has been done in survey form and the results have been presented to the Nomination Committee by the Chairman of the Board. The Nomination Committee has evaluated the current Board's experience and diversity, which has been presented to the Board. The Chairman is involved in the evaluation of the CEO and other senior executives.

### Composition of the Board

For most of the 2022 financial year, Elos Medtech's Board of Directors consisted of five members. At the 2022 AGM, Lovisa Lander, Stefano Alfonsi, Birker Bahnsen and Alexander Cicetti were re-elected to the Board. Magnus René was elected as a new Board member. Stefano Alfonsi was elected as Chairman of the Board.

At an extra board meeting September 5, the Board of Directors appointed Magnus René as the new Chairman of the Board for the period until the end of the next Annual General Meeting. This was when Stefano Alfonsi assumed as President and CEO. Stefano Alfonsi remains as a Board member.

A presentation of each member can be found in the annual report on page 51 and on the company's website.

### The work of the Board of Directors in 2022

During the year, in addition to the statutory meeting, the Board held seven ordinary and six extra meetings, as well as one meeting per capsulam. The vast majority of extra meetings are a consequence of changes regarding the President and CEO and Chairman of the Board or meetings in conjunction with the refinancing of the company. Four of the meetings were held in conjunction with the approval of the year-end report and the interim reports. At the meetings, fixed items were processed for each board meeting, such as state of business per business area, profit development, investments, financing and organization. In addition, issues concerning strategy, budget, and the auditor's report from the review of the year-end report and interim report. Five of the meetings could be held physically while the other meetings were held through Teams or Per Capsulam. The Board continuously monitors the strategy implemented in the business by the company's management. This includes the business-oriented organization that is divided into business areas with designated heads of each business area. During the year, the Board evaluated and approved the management's proposal for

clarification of the existing organization and acquisition strategy.

#### **The Board's committee work**

The Board has chosen not to establish an Audit Committee, these issues have been handled by the entire Board of Directors under the direction of the Chairman and with the preparation of the CFO. In addition to the extra Board meetings during the year when refinancing of the business was decided, three meetings where issues of Audit Committee character were presented. The Audit Committee's work consists of dealing with issues concerning accounting, financing, internal control, risk management and insurance cover.

The Board has chosen not to set up a remuneration committee, but these issues have been handled by the entire Board under the Chair's leadership and following preparation by the Chair.

The following information can be found on the company's website:

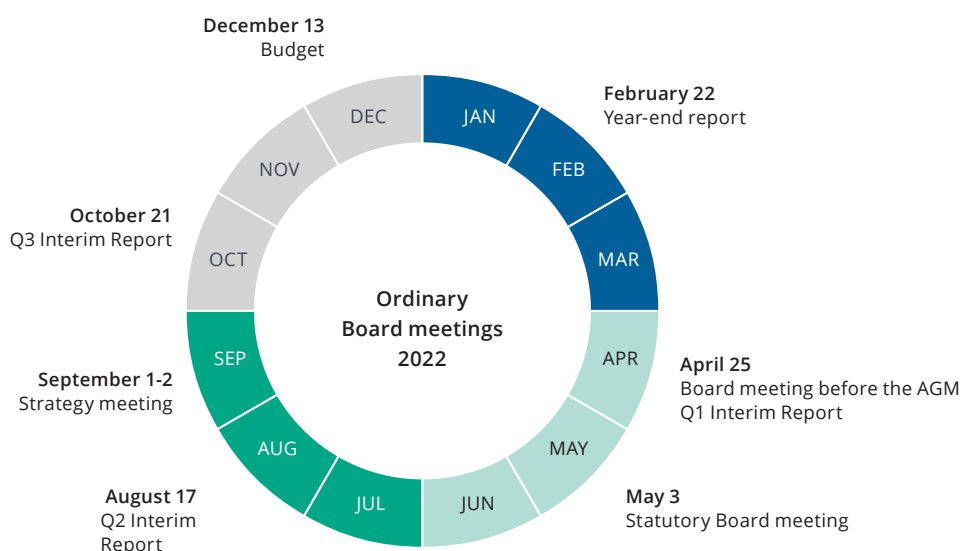
- Articles of Association
- Information on the Nomination Committee

- Information on the policies for the remuneration of senior executives
- Information about the 2023 Annual General Meeting
- Code of Conduct and Sustainability Responsibility

#### **CEO and other senior executives**

The Board of Directors appoints the CEO and issues the terms of reference for the CEO. The division of responsibilities between the Board and CEO are specified in the terms of reference. The CEO is tasked with executing the decisions of the Board and is in charge of day-to-day administration and operations. The CEO is also tasked with ensuring compliance with objectives, policies and strategic plans which the Board has adopted for the company. He or she is required to keep the Chairman of the Board updated on the company's performance and to present, in preparation for Board meetings, such information in his or her reporting as may be required to enable the Board to fulfill its duties and responsibilities. The reporting to the Board is based on the company's adopted reporting plan, financial planning, and instructions issued by the Board.

The company's senior management team consists of the CEO,



Board Member	Elected	Attendance out of total number of Board meetings	Independent of the company	Independent of major shareholders
Lovisa Lander (Chairman 22 Dec 2021 - 3 May 2022)	2021	15/15	Yes	No
Birker Bahnsen	2021	13/15	Yes	No
Alexander Cicetti	2021	15/15	Yes	No
Stefano Alfonsi (Chairman 3 May 2022 - 5 Sep 2022) *	2021	15/15	No	Yes
Magnus René (Chairman from 5 Sep 2022)	2022	10/15	Yes	Yes

Additional information for each of the Board members and for the CEO can be found on the company's website and in the annual report on pages 51–52.

\*Remain as a Board member

CFO, two Business Unit Managers and the CPO, who are members of the company's administrative, management, and control bodies. For a more detailed presentation, including the information about the CEO specified in Section 10.2 of the Code, see page 52.

#### **Remuneration of senior executives**

At the 2022 Annual General Meeting, guidelines were adopted for remuneration and other conditions of employment for senior management and other senior executives who report to the CEO. In addition, information on these guidelines is available in the annual accounts on pages 5–6 and in Note 2.

Before the 2023 Annual General Meeting, no changes are proposed in the principles for remuneration and other terms of employment for senior management and other executives who report directly to the CEO.

#### **Internal control of financial reporting**

The Board is responsible for internal control pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code. The section below describes how the internal control insofar as concerns financial reporting is organized. The company's financial reporting follows the laws and rules that apply to companies listed on the Stockholm Stock Exchange and the local rules that apply in each country where operations are conducted. Besides external rules and recommendations, there are internal instructions, directions and systems, as well as an internal role and responsibility distribution that is intended to provide good internal control in the financial reporting.

#### **Control environment**

The basis for internal control is the overall control environment consisting of an organizational structure, instructions, policies such as authorization, decision-making and financial policies, reporting, and guidelines on responsibilities and authority. The Board as an Audit Committee, which is viewed as a drafting body for matters relating to the company's financial reporting, risk management and related areas. The results of the Board's committee work in the form of observations, recommendations and proposals for decisions and measures are minuted at the ordinary Board meetings.

Insofar as they refer to financial reporting, Elos Medtech's material and governing documents in the form of policies, guidelines and manuals are kept up to date and communicated to the companies in the Group via relevant channels.

#### **Risk management**

The company's risk management in respect of financial reporting is aimed at identifying and assessing significant risks affecting the financial reporting of the Group's companies and business areas. The identified risks are managed through control structures and monitoring based on assessments of outcomes against adopted objectives or in relation to established standards, for example on measurement of goodwill, inventories and other material assets. Financial reporting takes place in a Group-wide reporting system that has predefined templates and built-in control functions. The Board is updated continuously on the company's financial risks.

#### **Control activities**

The internal control is ensured through both automatic controls in, for example, IT-based systems that manage permissions and authorization rights, as well as manual controls in the form of, for example, reconciliations and inventories. The continuous and detailed financial analyses of results and follow-up against budget and forecasts during the year can also be seen as a complement to other controls and provide an overall confirmation of the quality of the reporting. The CEO and CFO also hold regular meetings with the Business Units and/or the management teams of the Group's subsidiaries.

#### **Monitoring of financial information**

The Board submits and is responsible for the company's financial reports. The CEO and CFO inform the Board on a monthly basis on the company's progress, results, and financial position. The Board continuously evaluates the financial information provided by management and receives the auditor's report regarding observations made.

#### **Internal audit**

The Board is responsible for the company having good internal controls, which in addition to the financial reporting, also include reporting prepared pursuant to law, applicable reporting standards and other requirements for listed companies. The Board follows up the company's assessment of internal control, including through contacts with the company's auditors. The Board annually evaluates the need for a special audit function (internal auditor), but taking into account the Group's size, the Board has chosen not to have a separate internal auditor at present. Instead, the work of monitoring all internal control is managed by the accounting function via the head office.

#### **External auditor**

At the 2022 AGM, KPMG were reappointed as the audit firm until the end of the 2023 AGM with authorized public accountant Johan Kratz as the auditor in charge.

The elected auditor participates at the AGM and then describes the audit work and observations made. In the case of advance voting, this is done by submitting an auditor's report and auditor's opinion regarding remuneration to senior executives.

#### **Deviations from the Code for Corporate Governance and other regulations**

According to item 4.5 of the Code, at least two of the Board members who are independent in relation to the company and company management shall also be independent in relation to the company's major shareholders. As of Stefano Alfonsi was appointed to President and CEO on September 5 2022, he can no longer be seen as independent of the company and company management and the company has from this date only one Board member who is to be considered independent in accordance with the company code. Due to the company's ownership structure and the strong competence in the Board of Directors, the Board has chosen not to appoint a new Board member before the 2023 AGM, but the main owners' and the Nomination Committee's intention is for the Board of Directors appointed at the 2023 AGM to meet the requirements of item 4.5 of the Code.

Due to changes in the company's management, the company

has during the year applied for and received an exemption regarding the number of Board members resident outside the EEA area. The company has also been granted an indefinite dispensation regarding Stefano Alfonsi's function as CEO as he resides outside the EEA area.

In the past year, no violations of the regulations of the stock exchange where the company's shares are listed for trade or of generally accepted stock market practices occurred as per a decision of the disciplinary committee of the stock exchange or a ruling of the Swedish Securities Council.

#### **External information and communication**

All communications must be made in accordance with the listing agreement for listed companies in Sweden. The financial information is designed to give shareholders and other stakeholders a comprehensive and clear picture of the company, its operations, strategy and financial performance. The Group's

annual report and interim reports are approved by the Board of Directors. All financial reports are published on the company's website at the same time as they are distributed to the media and Nasdaq Stockholm.

The company's information disclosure is regulated in an information policy which states that financial information may only be disclosed by the President and by the Group's CFO. The company observes two-week 'quiet periods' prior to the publication of annual or interim reports. In case of a leak of price-sensitive information or in connection with special events that could affect the valuation of the company, the company is required to inform Nasdaq Stockholm and then issue a press release containing the information concerned.

The Board of Directors and the CEO affirm that the annual report has been prepared in accordance with generally accepted accounting policies, gives a true and fair view of the Parent Company's financial position and performance, and that the Directors' Report gives a fair overview of the development of the Parent Company's operations, financial position and performance and, additionally, describes the significant risks and uncertainty factors faced by the Parent Company. The Board and CEO also con-

firm that the consolidated financial report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as these have been adopted by the EU and gives a true picture of the Group's position and profit and that the Directors' Report for the Group gives a true summary of the development of the Group's activities, position and profit and describes material risks and uncertainties facing the Group.

Gothenburg, April 12, 2023

Magnus René  
Chairman of the Board

Birker Bahnsen  
Board Member

Alexander Cicetti  
Board Member

Lovisa Lander  
Board Member

Stefano Alfonsi  
CEO and Board Member

Our auditor's report was presented on April 12, 2023  
KPMG

Johan Kratz  
Authorized Public Accountant

# Auditor's report

To the general meeting of the shareholders of Elos Medtech AB (publ),  
corporate identity number 556021-9650

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Elos Medtech AB for the year 2022, except for the corporate governance statement on pages [42-46]. The annual accounts and consolidated accounts of the company are included on pages [4-41] 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 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages [42-46]. 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 statement of comprehensive income

and statement of financial position for the group.

Our opinions in this report on the 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.

### Revenue

See disclosure 3 and 5 and accounting principles on pages 22-25 in the annual account and consolidated accounts for detailed information and description of the matter.

#### Description of key audit matter

Revenue for 2022 for the Group and the parent company amounted to 888,5 MSEK and 29,6 MSEK respectively.

Revenue for the Group refers to agreements with customers concerning delivery of goods.

Revenue from the sale of goods is recognized in the income statement when the material risks and benefits associated with ownership of the products have been transferred to the purchaser. Hereby is considered any uncertainty concerning payment, associated cost, risk of returns or if the seller retains a commitment to the ongoing management that is usually associated with ownership.

Terms associated with delivery of goods, and the elements of judgment and estimates that thereby are included in the recognition of revenue, makes this a key audit matter in our audit. The risk is that these revenues might be over- or understated and that every adjustment of the value will have a direct impact on the profit and loss for the year.

#### Response in the audit

We have taken part of the current terms of agreement to assess the group's recognition of revenue from the sale of goods.

We have tested controls aimed at cut-off of revenue. We have also assessed the timing of recognition of revenue from the sale of goods based on when the goods have been delivered and the terms associated with delivery through testing samples of transactions before and after the balance sheet date.

We have also assessed the content in the disclosures regarding revenue included in the consolidated financial statements.



### 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 [1-3] and [51-55]. 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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

### 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 professi-

onal judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

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

### Auditor's audit of the administration and the proposed appropriations of 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 Elos Medtech AB for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

#### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined 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 Elos Medtech AB for year 2022.

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 Elos Medtech AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the 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 accounts 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 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 the 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.

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages [42-46] has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

KPMG AB, Box 11908, 404 39, Göteborg, was appointed auditor of Elos Medtech AB (publ.) by the general meeting of the shareholders on the DD MM 201X. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2019.

Gothenburg, 12 April, 2023

KPMG AB

Johan Kratz  
Authorized Public Accountant