Elekta R&D Update
22 January 2015, Utrecht
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
<th>Presenter</th>
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</thead>
<tbody>
<tr>
<td>11.00</td>
<td>R&amp;D Update</td>
<td>Niklas Savander&lt;br&gt;&lt;em&gt;President and CEO&lt;/em&gt;</td>
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<tr>
<td>11.15</td>
<td>Atlantic Positioning</td>
<td>Dee Mathieson,&lt;br&gt;&lt;em&gt;SVP Oncology Business Line Management&lt;/em&gt;</td>
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<tr>
<td>11.30</td>
<td>Atlantic Update</td>
<td>Kevin Brown&lt;br&gt;&lt;em&gt;Head of Scientific and Medical Affairs&lt;/em&gt;</td>
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<tr>
<td>11.40</td>
<td>Q&amp;A</td>
<td>All speakers</td>
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<tr>
<td>12.00</td>
<td>Informal Q&amp;A</td>
<td>Professor Marco van Vulpen&lt;br&gt;&lt;em&gt;Head of Radiation Oncology&lt;/em&gt;</td>
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<td>Professor Jan Lagendijk&lt;br&gt;&lt;em&gt;Head of Radiation Oncology Physics&lt;/em&gt;</td>
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<td>Professor Bas Raaymakers&lt;br&gt;&lt;em&gt;Experimental Clinical Physics&lt;/em&gt;</td>
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<td>12.50</td>
<td>Atlantic tour</td>
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Strategic choices

- Emerging markets
- Product innovation
- Software
Strategic agenda for growth

- Innovation
- Leadership
- Commercial Transformation
- Grow the Pie
- Lifecycle Management
- Customers
- Patients
The Future in Radiation Therapy
Elekta Atlantic

Innovation is in our DNA

1949
Stereotaxy
Leksell Stereotactic frame

1968
Radiosurgery
Leksell Gamma Knife®

1985
First digital controlled linac

2003
Image Guided Radiation Therapy
Elekta Synergy®

2006
Integrated oncology software solutions

2008
VMAT
Volumetric Modulated Arc Therapy

2013
Electronic brachytherapy for skin cancer
Esteya®
R&D key programs and spend

Fiscal year 2014/15

Main Elekta R&D programs:

• Atlantic
• Information Guided Cancer Care
• Next generation Gamma Knife
• Vision 2020 for Brachytherapy

![Diagram showing R&D spend categories: Oncology 42%, Brachytherapy 35%, Neuroscience 14%, Software 9%]
R&D investments for future growth

- 2013/14: step change in R&D investments
  - MRI-guided radiation therapy system
- Expected to grow more in line with sales going forward
- Return to R&D level of around 8% from 2018
Atlantic launch and price

<table>
<thead>
<tr>
<th>Planning</th>
<th>Ambition</th>
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<tr>
<td>Consortium orders – research systems</td>
<td>8</td>
</tr>
<tr>
<td>Regulatory approvals - CE Mark, 510(k)</td>
<td>During 2017</td>
</tr>
<tr>
<td>Launch and taking commercial orders</td>
<td>2017</td>
</tr>
<tr>
<td>First deliveries of commercial orders</td>
<td>2018</td>
</tr>
<tr>
<td>Total orders and deliveries during ramp up phase (until 2019)</td>
<td>75</td>
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<tr>
<td>Average price</td>
<td>± 4 times Versa HD</td>
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Market expectations

- Most top RT centers in the world are interested
- Over 100 hospitals have asked for bunker specifications
- Atlantic to be expected standard of care within 10 years
- High potential to Grow the Pie
Collaboration enables Elekta innovation success

- Unique 12 year research collaboration with UMCU regarding Atlantic
- Philips as MRI technology partner
- Strong engagement with members of Atlantic consortium
Atlantic positioning

Dee Mathieson
Senior Vice President, Oncology Business Line Management

Utrecht, 22 January 2015
The Future of Cancer Care

**Today’s RT:**
IGRT with VMAT is Standard of Care

**Atlantic**
- Increased Accuracy AND Precision
- Real-Time Adaption (motion, shape, biology)

**Tomorrow’s RT:**
- Better outcomes
- Lower costs
- Potential for new indications
Pioneering

Partnership

International

Visionary

Leading

To discover and enhance new technologies that focus on improving and prolonging peoples lives.
Introduction & Ramp-up

- 2017: 8 Research Systems
- 2018: 1st Commercial orders (subject to RA clearance in markets)
- 2019: 1st Commercial deliveries

>75 orders
Milestones to market

- **2002**: Red journal article
- **2009**: Bench System
- **2012**: Development Started with Research Consortium
- **2017**: Clinical Pilots Installation
- **2018**: Non-Clinical Pilots Installation
- **2018**: 1st Commercial orders subject to RA clearance in markets

**FAST TRACK**

**Imminent**

**1st installations of the Commercial Release**
Strong interest and potential

- Most of the leading RT centres worldwide have expressed interest
- The early adopters are willing to invest up front and partner with us to demonstrate the Clinical & Economic value of Atlantic
- Key opinion leaders share a consensus that Atlantic will deliver superior Clinical Value at lower costs
- Treatment room comparable to linac room
Atlantic sets the bar

Through the Elekta-Philips partnership, Atlantic will deliver the full potential of MRgRT that requires best of both worlds:

- Image quality & performance of high-field MRI
- Beam accuracy of modern delivery technology
- **Real-time** Adaptive S/W solution

- Low Field magnet (e.g. 0.3T) vs. high-field magnet (e.g. 1.5T):
  - Image Quality degraded by a factor 5
  - Imaging Speed degraded by a factor 25

- Australian and Canadian systems are built to be novel research platforms
Radiation Therapy Landscape

Ability to place dose accurately

Excellent

Good

Moderate

ATLANTIC

Large breadth of Applications (Mainstream)

Limited breadth of Applications (Niche)

Ability to shape dose

Image guidance is critical for accurate treatment

*CT: Computed Tomography
*VMAT: Volumetric Modulated Arc Therapy
Alignment with Strategic Agenda

Grow the Pie

Cancer Care Spending
USD 188 bn

Halo Effect

Chemotherapy
Radiation therapy
Surgery
Immunotherapy
Stem Cell transplant

Innovation leadership
Atlantic Update

Kevin Brown
Head of Scientific and Medical Affairs
Utrecht, 22 January 2015
Previously we have shown the experimental system at Utrecht, the Netherlands

First generation high field MRI-guided radiation therapy system is now under test
Progress in MRI-guided radiation therapy

Demonstrated

- 1.5 T MRI imaging quality for both 3D and 2D Cine
- Image quality not affected by:
  - Radiation
  - Presence of Linac Gantry at any angle
- Linac fully operational simultaneous with MRI
- Small effect of Gantry speed on image quality observed

Demonstrated

- 1.5 T MRI imaging quality for both 3D and 2D Cine
- Image quality not affected by:
  - Radiation
  - Presence of Linac Gantry at any angle
- Linac fully operational simultaneous with MRI
- Image quality within specification at all of Gantry speeds
First generation high field MRI-guided radiation therapy system

Example volunteer images

High resolution (0.7mm x 0.7mm x 1mm), 3D acquisition with exquisite image quality in all planes

High frame rate, multi-planar acquisition for motion monitoring

Images courtesy of Philips
Elekta Atlantic consortium established

The consortium aims to:

- Demonstrate improved patient outcomes for existing radiation therapy indications
- Extend radiation therapy with new treatment techniques and be able to treat more indications

Each consortium member will have a MR linac for:

- Identifying clinical benefits and techniques
- Resolving clinical and technical challenges to implement these techniques
- Conducting clinical research to demonstrate the clinical value of the techniques
Leading consortium members

About 100 people spread all over the world
Including the Elekta and Philips project teams we reach about 200-300 people
Relative strengths of MRI and CBCT

- **Tissue contrast**
  - High
  - Low

- **Target motion/Position uncertainty**
  - High
  - Low

- **Areas**
  - Isolated Lung
  - Cranium
  - Breast
  - Central Lung
  - Prostate
  - Brain
  - Spine (cord)
  - Pancreas
  - Kidney
  - Cervix
  - Rectum
  - Brain
  - Spine (cord)

MRI and CBCT are compared in terms of tissue contrast and target motion/position uncertainty.
Image and detect the target in real time

- Localization results for Kidney
- Alternating axial, coronal and sagittal slices
- Acquired and processed in 200 ms
ICR demonstrate feasibility of dynamic target tracking using Elekta Agility as a test platform

- Fast leaf motion including integrated Dynamic Leaf guides
- Fast dynamic orthogonal jaws
  - Seamlessly manages target motion orthogonal to leaf travel
- Exceptionally Low latency
  - Less than 100 ms
- Excellent dynamic accuracy
  - RMS Error typically 1mm
- Negligible residual dose error*
  - Test of 8 typical clinical motions
  - No detectable error at 2mm/2%
  - Less than 2% of points at 1mm/1%

*Keall unpublished

Atlantic room is comparable to a Linac room
Recent progress

• Testing at UMCU continues
  – Successfully reproduced all the proof of concept tests on commercial grade system
  – All performance specs have been met or exceeded

• Feasibility of following moving targets with the MLC in real time demonstrated
  – Done without any surrogates and combined with clear images that make correct system operation evident