Annual Report 2025

surgicalscience

Surgical Science's purpose is to empower all healthcare professionals to reach their full potential in order to improve healthcare outcomes and save lives.

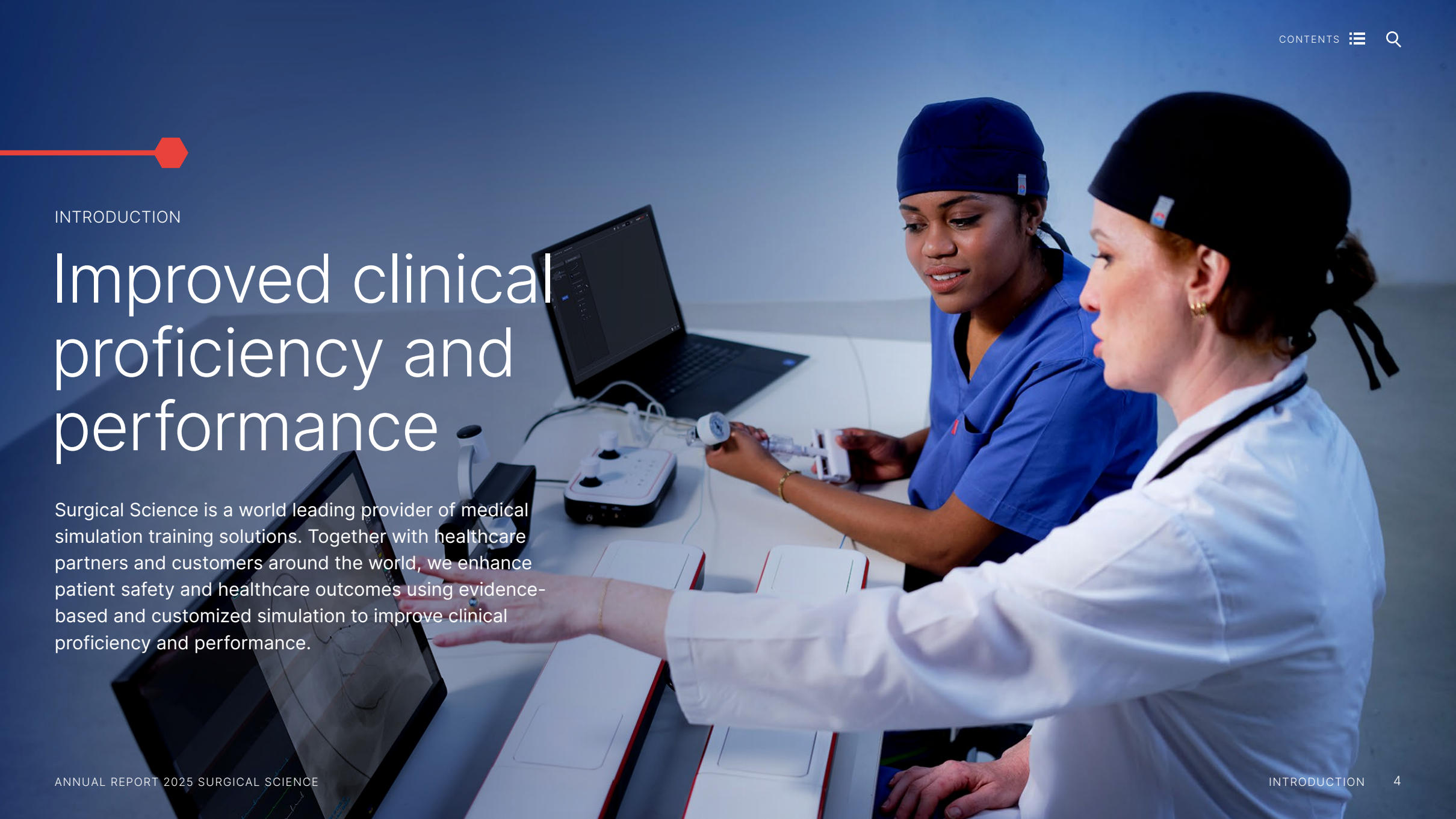
Contents

Throughout the annual report, the corresponding value for the preceding year is given in parentheses, unless otherwise stated.

INTRODUCTION

Improved clinical proficiency and performance

Surgical Science is a world leading provider of medical simulation training solutions. Together with healthcare partners and customers around the world, we enhance patient safety and healthcare outcomes using evidence-based and customized simulation to improve clinical proficiency and performance.



Surgical Science in brief

Surgical Science is a global leader in evidence-based medical simulation. The company's virtual reality simulators and customized training solutions enable surgeons and healthcare professionals to practice and improve their skills outside the operating room - enhancing patient safety and clinical outcomes. Also, Surgical Science partners with medical device and robotics companies to integrate tailor-made simulation technology into their devices, helping them accelerate innovation and gain a competitive edge.

Surgical Science has approximately 310 employees. The company is headquartered in Gothenburg, Sweden, and has operations in Tel Aviv, Israel; Stockholm, Sweden; Cleveland, US; and Cardiff, UK. Through sales offices in these countries and in Shenzhen in China, as well as a global network of distributors, Surgical Science maintains a presence in most markets. Shares in Surgical Science Sweden AB (publ) are traded on Nasdaq First North Growth Market, Stockholm, Sweden. Certified Adviser is DNB Carnegie Investment Bank AB.

Sales 2025

SEK 992 million

Employees

313

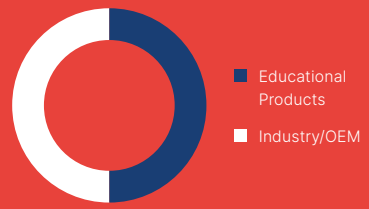
Founded

1999

Market presence in

>90 countries

Sales by business area



>12,000 simulators delivered

>160 simulated procedures

>450 validation studies

~30 products in the portfolio

Business areas

Surgical Science's offices

Two decades of growth in line with the rapid development of the market

Surgical Science was founded in 1999. Thanks to close collaboration with the healthcare sector and academia, combined with strategic acquisitions, the company has grown into a leading provider with one of the market's most comprehensive product portfolios of evidence-based medical simulators and software solutions, which help to improve clinical performance.

1995–2015

Research and development commences

- Establish surgical simulation as a global standard in medical training.
- Expand the customer base from academic institutions to healthcare organizations worldwide.
- Demonstrate good scalability and comprehensive validation to support simulation training.

2016–2017

Continued development of the technology platform

- Establish the Industry/OEM business area and begin licensing the company's proprietary simulation technology to leading medical device and robotic surgery companies.
- Listing on the Nasdaq First North Growth Market in Stockholm as part of efforts to finance faster expansion.

2018–2025

Growth through acquisitions and consolidation

- Acquisitions of SenseGraphics, Mimic Technologies, Simbionix, and Intelligent Ultrasound. Consolidation into the world's largest and leading company in medical simulation.
- Establish a leading position in robotic surgery and through partnerships with medical device companies.
- Expansion of the geographic presence in North America, Europe, and Asia.

2026–

Strengthened position as market leader

Financial targets

Annual sales growth:

10–15%

Organic growth in existing and new market segments.

Adjusted EBIT margin:

>15%

Balanced revenue streams from multiple segments.

The year in brief

Mixed performance over the year
The year got off to a strong start, however sales slowed in the second quarter due to weaker performance in key markets and adverse currency effects. During the second half of the year, performance gradually improved. Full-year sales totaled SEK 992.3 (884.1) million.

Contract won in Southeast Asia
On February 4, it was announced that Surgical Science had won a contract worth approximately SEK 52 million to deliver products to the defense ministry of a Southeast Asian country.

Acquisition of Intelligent Ultrasound
On February 18, it was announced that the acquisition of Intelligent Ultrasound had come into effect. The company is consolidated into Surgical Science as of the effective date.

Re-election of Board members and change of Chair
The annual general meeting on May 15 resolved to re-elect the board members Roland Bengtsson, Jan Bengtsson, Thomas Eklund, Henrik Falconer, Elisabeth Hansson, Åsa Bredin and Gisli Hennermark in accordance with the nomination committee's proposal. Gisli Hennermark was elected as the new chair of the board, succeeding Roland Bengtsson.

Launch of RobotiX Express
RobotiX Express, the company's latest advanced simulator in a portable format, was launched during the second quarter and received a very positive market response.

Organization
A key focus area during the year was to integrate Intelligent Ultrasound and its employees into the organization and include them in the company's policies and processes. Collaboration between production and sales has also been strengthened to streamline operations and improve delivery capacity.

Sustainability
During the year, Surgical Science continued to develop its sustainability reporting in accordance with the Swedish Annual Accounts Act and inspired by the European Sustainability Reporting Standards (ESRS) as well as EFRAG's voluntary sustainability standard for small and medium-sized enterprises (VSME). For more information, see pages 43–62.

Intuitive cancels the MoU and reverts to existing agreements
On November 25, Surgical Science announced that the memorandum of understanding with Intuitive, signed on January 15, 2025, did not materialize into a signed agreement. Surgical Science estimates that this will have a negative impact on the company's license revenues of SEK 60–90 million for 2026, compared to 2025. However, the development collaboration with Intuitive continues in full force under the terms of existing agreements and payment model.

New strategy and financial targets
On December 8, Surgical Science announced new financial targets. Growth shall amount to 10–15% annually, with an adjusted EBIT of at least 15%. Profitability and some growth is expected for 2026, but not at the levels targeted. The targets are estimated to be met in 2027. The company also intends to initiate the process of moving the listing from First North Growth Market to the Nasdaq Main Market. On the same day, a Capital Markets Day was held where the updated strategy was presented. For more information, see pages 24–26.

Key figures 2025

Sales and growth

992
Sales, SEK million

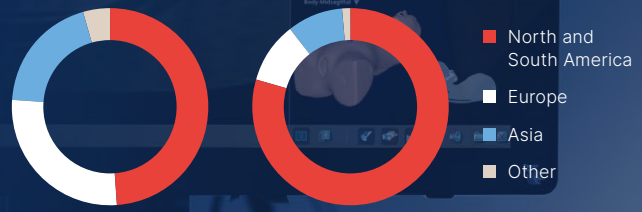
12%
Sales growth

Profitability

10%
EBIT*

17%
EBIT**

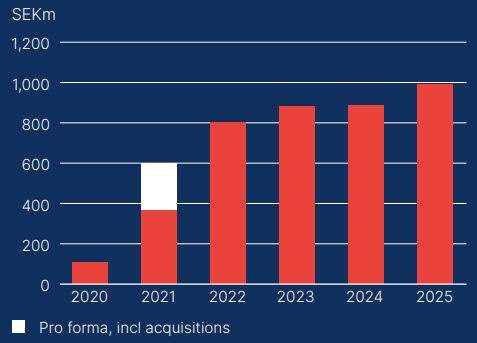
Sales by geographical area in 2025



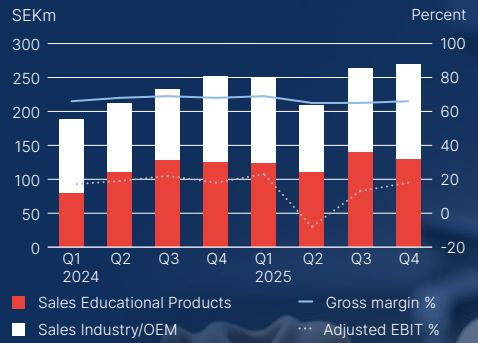
Educational Products

Industry/OEM

Annual sales



Sales and margins



Key figures

	2025	2024
Sales, SEK million	992.3	884.1
Operating profit (EBIT), SEK million	68.9	144.3
Operating profit (EBIT)*, SEK million	99.5	144.3
Adjusted EBIT, SEK million	91.8	168.7
Adjusted EBIT margin, %	9.3	19.1
Adjusted EBIT margin*, %	12.3	19.1
Profit after financial items, SEK million	100.1	158.1
Net profit, SEK million	66.8	131.6
Number of employees at end of year	313	274
Equity/assets ratio, %	91.1	88.1
Earnings per share, SEK	1.31	2.58
Equity per share, SEK	83.74	94.63
Share price on the balance sheet date, SEK	32.50	155.90
Market value on balance sheet date, SEK million	1,658.4	7,955.0

* Excluding acquisition and restructuring costs. ** Excluding currency effects, acquisition, and restructuring costs.

For definitions, see page 70.

A MESSAGE FROM THE CEO

Strong position in a growing market

In 2025, Surgical Science continued to strengthen its position as a global market leader in medical simulation. In a dynamic market, we took important strategic steps to broaden our offering, strengthen our organization, and lay the groundwork for long-term value creation.

Our mission is clear: to improve patient safety by making advanced medical simulation an integral part of the training of physicians and other healthcare professionals. As healthcare becomes increasingly technologically advanced, the need for effective and scalable training solutions grows. Surgical Science is well positioned to capitalize on this trend thanks to our technology, global presence, and long-term partnerships with both hospitals and leading medical device companies.

Steady growth despite a challenging market

In 2025, the group's net sales amounted to SEK 992 million, representing a 12% increase compared with the previous year. At the same time, profit has been impacted by acquisition and integration costs related to the acquisition of Intelligent Ultrasound, as well as significant currency effects.

Over the past year, we have pursued several initiatives to boost profitability and improve operational efficiency. These measures are important steps in our efforts to build a more scalable business and a stronger profitability profile over time.

Strategic progress and an expanded offering
A key milestone during the year was the integration of Intelligent Ultrasound, which was acquired in early 2025. With this acquisition, Surgical Science now holds a leading position in ultrasound simulation – a field with significant growth potential. The integration has progressed as planned and is strengthening both our product portfolio and our global market position.

During the year, we also presented an updated strategy for the company along with new financial targets. The targets imply that we should achieve annual revenue growth of 10–15% and an adjusted EBIT margin of over 15%.

This strategy involves continuing to strengthen our positions in established segments while developing new areas where simulation still has low penetration. An additional aim is to improve the profitability of our simulator business in the Educational Products and Industry segments.

Strong growth in Industry segment
Performance in our two business areas was mixed during the year. The Educational Products segment was affected by a more restrictive budgetary climate among several customers in the university and hospital sectors, although demand stabilized during the year and performance in Europe was strong.

The Industry segment, on the other hand, continued to perform very well. We collaborate with many of the world's leading robotic surgery and medical device companies and are seeing a growing number of development projects and partnerships in this field. Simulation is becoming an increasingly important component of these companies' training and commercialization strategies.

Robotic surgery is one of the most dynamic fields in the medical device sector. The number of robot-assisted procedures continues to rise, and several new systems are being introduced to the market. During the year, Surgical Science's largest customer, Intuitive, announced that it would change the way our software is bundled with its robots, offering it as an optional component for Intuitive's dV5 surgical systems. Although this will have a negative financial impact on Surgical Science in the short term, we believe that Surgical Science will continue to play a central role in the development of training solutions for robotic surgery, thereby enabling the safe and effective training of the next generation of surgeons.

Innovation drives market development
Innovation is a central component in our strategy. During the year, we launched RobotiX Express, a portable simulator platform that makes advanced robotic surgery training more accessible. This type of innovation helps lower the barrier to entry for simulation and thereby expand the market.

We are seeing a clear trend in which digitalization, software, and data are playing an increasingly important role in medical education. Surgical Science is well-positioned in this trend and is continuing to invest in technology that strengthens our competitiveness and our customer offering.

Solid foundation for continued value creation
The long-term drivers of medical simulation are very strong. Healthcare is becoming increasingly technologically advanced, training requirements are increasing, and simulation is increasingly established as a standard in medical training. At the same time, simulation still accounts for a relatively small proportion of the overall healthcare training market, meaning there is significant growth potential.

> "Surgical Science is well-positioned in a market with great potential and is well-equipped for continued growth and to create long-term value."

Surgical Science is therefore well-positioned in a market with great potential. With a strong market position, a broad product portfolio, and a clear strategy, we are well-positioned for continued growth and to create long-term value.

I would like to extend my heartfelt thanks to our employees around the world for your dedication and hard work throughout the year. I would also like to thank our customers and shareholders for your continued trust.

Together, we are continuing to shape the future of medical training and helping to make healthcare safer worldwide.

Gothenburg, April 2026

Tom Englund, CEO

THE BUSINESS

Two business areas with major synergies

Surgical Science has the market's widest product portfolio of simulators for training in medical procedures and examinations.

Educational Products

Proprietary brand medical simulators – hardware and software for generic training of psycho-motor skills, instrument handling and training for a large number of procedures and examinations, prior to entering the clinical environment. Support and service.

Industry/OEM

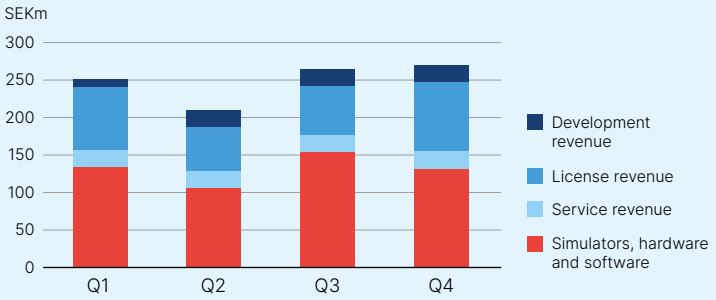
Software consisting of simulation software for product-specific training of surgeons in robot-assisted surgery and other digitalized medical instruments. In addition, simulators for medical device companies. These are often sold under the customer's brand, with Surgical Science retaining all rights to the software.

EMERGENCY MEDICINE | GASTROENTEROLOGY | LAPAROSCOPY | OBSTETRICS & GYNECOLOGY | ORTHOPEDICS | PULMONOLOGY

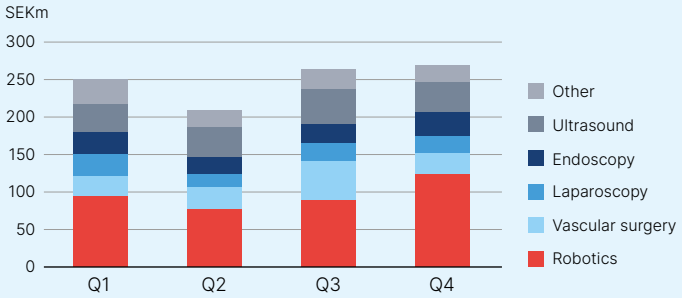
ROBOTIC SURGERY | ULTRASOUND | UROLOGY | VASCULAR SURGERY | OTHER

The synergies between the different business areas and the development projects make Surgical Science's business model scalable. The credibility that the company has generated in the academic community is an important success factor for sales to medical device companies.

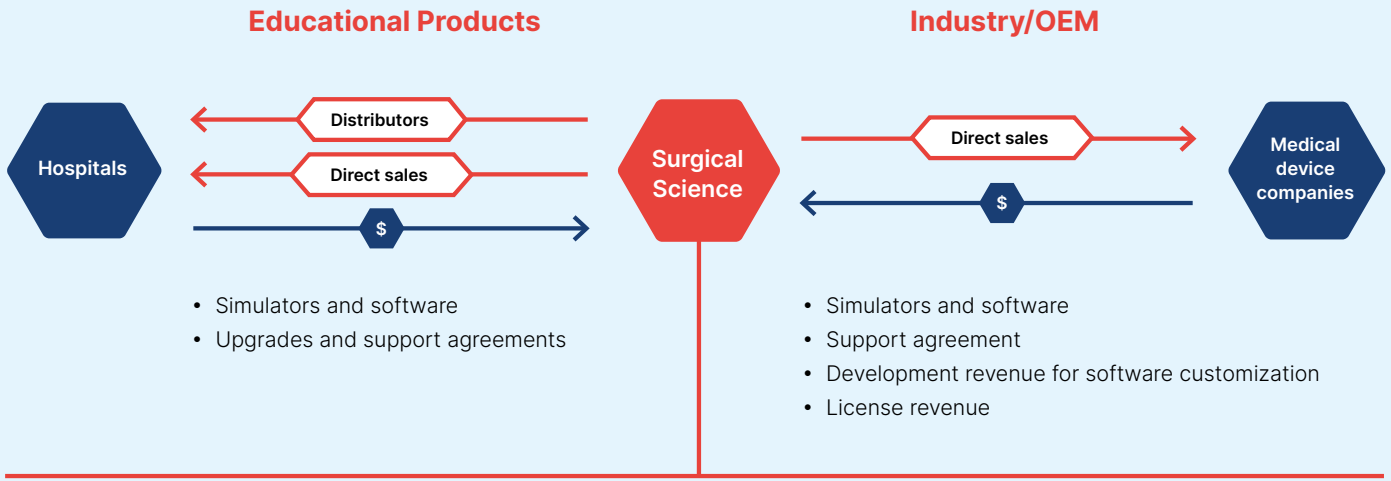
Sales in 2025 by revenue stream



Sales in 2025 by product group



Sales channels and revenue streams



COMMON INTELLECTUAL PROPERTY RIGHTS

More than 25 years of expertise in medical simulation.

SCALABILITY AND EFFICIENCY

Shared development, service and support organization, as well as a cloud platform.

KNOWLEDGE EXCHANGE

Between industry and the academic community.

Customers and offer

Customers within Educational Products mainly comprise university hospitals, followed by other hospitals and training centers. University hospitals often have a simulator center where students and healthcare professionals can train before meeting real patients. Surgical Science sells turnkey products under its own brand, which comprises a hardware platform and software modules. The systems are sold with basic training programs, as well as supplementary training for specific areas.

In Industry/OEM, Surgical Science offers software solutions to medical device companies requiring medical simulation for educational and marketing purposes, as well as for product development. Interest in using simulation in product development increases as product development time and costs decrease. Furthermore, many medical device companies have business models where earnings correlate with the extent to which the product is used. Medical simulation then becomes an important tool for training the end user of the product and thereby increases its use.

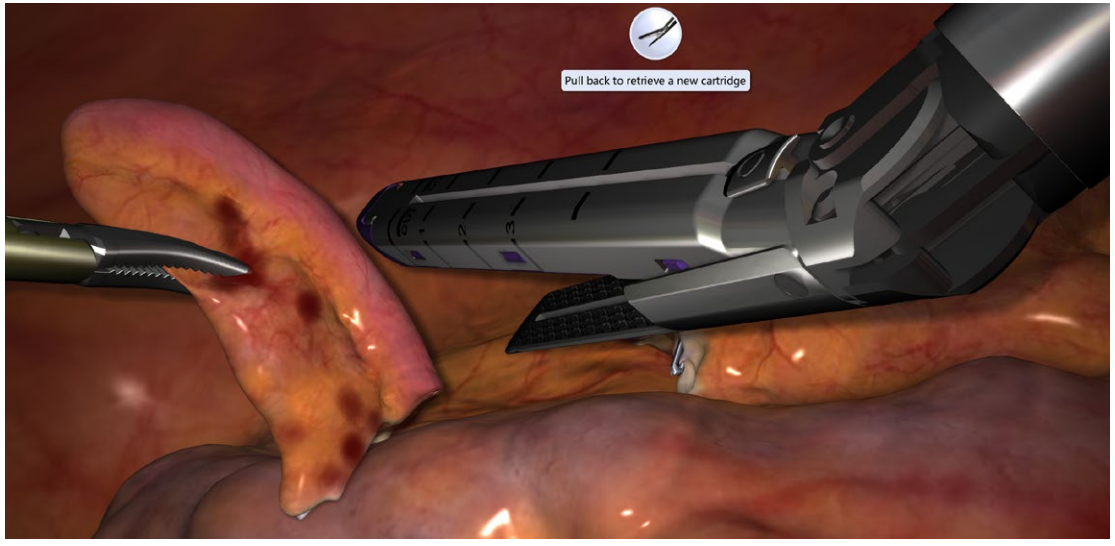
Purchase, assembly, and distribution

Surgical Science's proprietary simulators consist of hardware and software. The hardware components are purchased from subcontractors, with final assembly and installation of the software taking place in-house. Currently, assembly takes place in Israel, Sweden and, to a lesser extent, the US. Assembly has also taken place in the UK since February 2025.

Products are delivered from the assembly unit to customers all over the world. A number of different freight suppliers are hired to ensure delivery security and delivery precision for all of the company's customers.

Product development

The software used in Surgical Science's simulation tools consists primarily of proprietary software owned by the company. A marginal portion has been licensed to the company. The software has been further developed and refined over a period of more than 25 years in collaboration with surgeons and other specialists who continually test new functions to ensure realism. Surgical Science continually undertakes to develop new simulation modules for further interventions and examinations and to improve the functionality of existing modules. An important part of product development is the development of training programs that measure physicians' proficiency. In collaboration with the profession, certification courses have been developed in which the user must attain a certain level to pass.



Competitors

Several companies provide products for medical simulation, a few of which are given here. Elevate Healthcare is a company that provides training and simulator systems in the areas of orthopedics, ultrasound, and vascular surgery. Virtamed is a Swiss company that competes in the areas of orthopedics, urology and laparoscopy. In the area of vascular surgery, Surgical Science also competes with Swedish company Mentice.

None of the competitors operating in the same markets as Surgical Science has the wide range of products that Surgical Science can offer.

> Surgical Science is constantly working to develop new simulation modules

Competition in the market for the technical training of surgeons and other medical staff also comes from other types of training, such as simpler box training, practice on animals or human cadavers and training on patients under the supervision of a mentor/fully qualified physician.

Educational Products business area

Within its Educational Products business area, Surgical Science develops, assembles, and sells virtual reality simulators for the assessment, training, and certification of surgeons and other medical specialists.

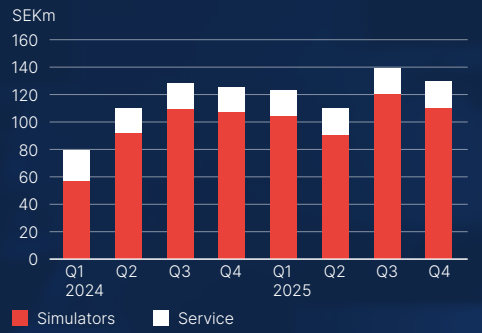
With the company's products, training can be given in basic proficiency, as well as in complete procedures and examinations with varying degrees of complexity, before procedures are performed on patients. The simulators are used by hospitals and educational institutions in fields such as general surgery, vascular surgery, laparoscopy, endoscopy, urology, orthopedics, ultrasound, robotic surgery, and emergency medicine.

Several simulators are available in most areas, along with a library of software procedures, allowing customers to customize the content as needed. The company is constantly developing both its hardware and software, and a more detailed overview of its product range is available on the company's website. In addition, the broad product range facilitates a global service function with excellent customer support. Customer satisfaction is monitored on an ongoing basis, and in 2025 the Net Promoter Score (NPS) stood at 92 (93).

The products have undergone a large number of validation studies showing that skills acquired through simulator training can be transferred to the operating room. In comparative studies involving surgeons in training, simulator training has demonstrated clear benefits in the form of shorter operating times and fewer surgical errors – two parameters that are critical to healthcare*.

* Example: Effect of virtual reality training on laparoscopic surgery, Christian Rifberg Larsen MD et al., British Medical Journal 2009

Sales Educational Products

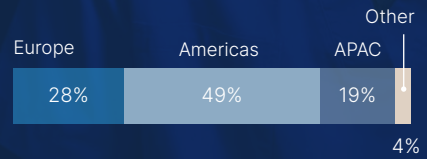


Sales in Educational Products consist of own simulators with associated software, as well as service and upgrade costs for these.

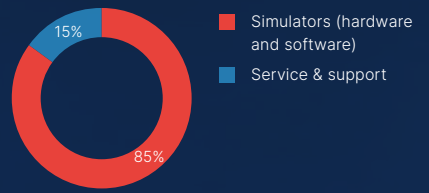
Sales 2025

SEK 502 million

Sales by region



Sales by revenue stream



Key segments

Minimally invasive surgery
Ultrasound
Emergency medicine

Industry/OEM business area

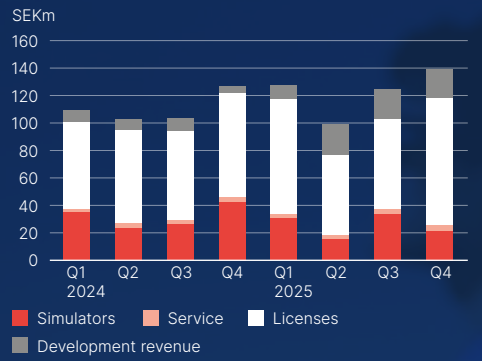
Within the Industry/OEM business area, Surgical Science collaborates with medical device companies by integrating its simulation software and technical platform with the customers' own products.

The focus of the Industry/OEM business area is on industrial partnerships in which medical device companies can use Surgical Science's software to provide simulation of their products to support sales and implementation on-site with the customer, as well as for internal training, evaluation, and certification.

Simulation is becoming increasingly important for accelerating end-users' understanding of new technologies and serves as a key sales support tool for highlighting a product's unique features, which is driving the demand for simulators. Surgical Science's portable concept – which makes it possible to bring the simulation solution directly to the end user and quickly demonstrate it – is generating significant interest in the market. The need for training is particularly evident when developing and introducing new products and methods. Within the business area, robotic surgery is Surgical Science's primary focus, with an emphasis on simulating soft tissue in the torso. The company also holds intellectual property rights in other areas where simulation in the robotics area may become relevant.

In addition to robotic surgery, 'Medical Device Simulation' is a key segment within the business area. Collaborations with medical device companies are key in both areas, and as medical devices are increasingly digital, this is improving opportunities to simulate them using Surgical Science's proprietary hardware platforms. For example, a significant portion of the company's vascular surgery simulators are currently sold to a number of medical device companies through various forms of collaboration.

Sales in Industry/OEM

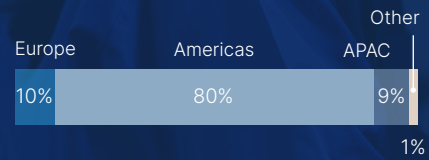


The largest share of revenues comprises license revenues, mainly from robotic surgery companies. Due to the purchasing pattern among customers who have only recently started selling their products in the market, these revenues can vary quite a lot between quarters.

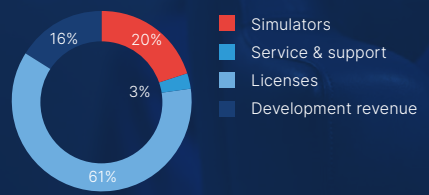
Sales 2025

SEK 491 million

Sales by region



Sales by revenue stream



Key segments

Robotic surgery

Medical device simulation

Revenue model

Surgical Science reports on four revenue streams. These have different margins and the distribution between them subsequently affects the company's total gross margin.

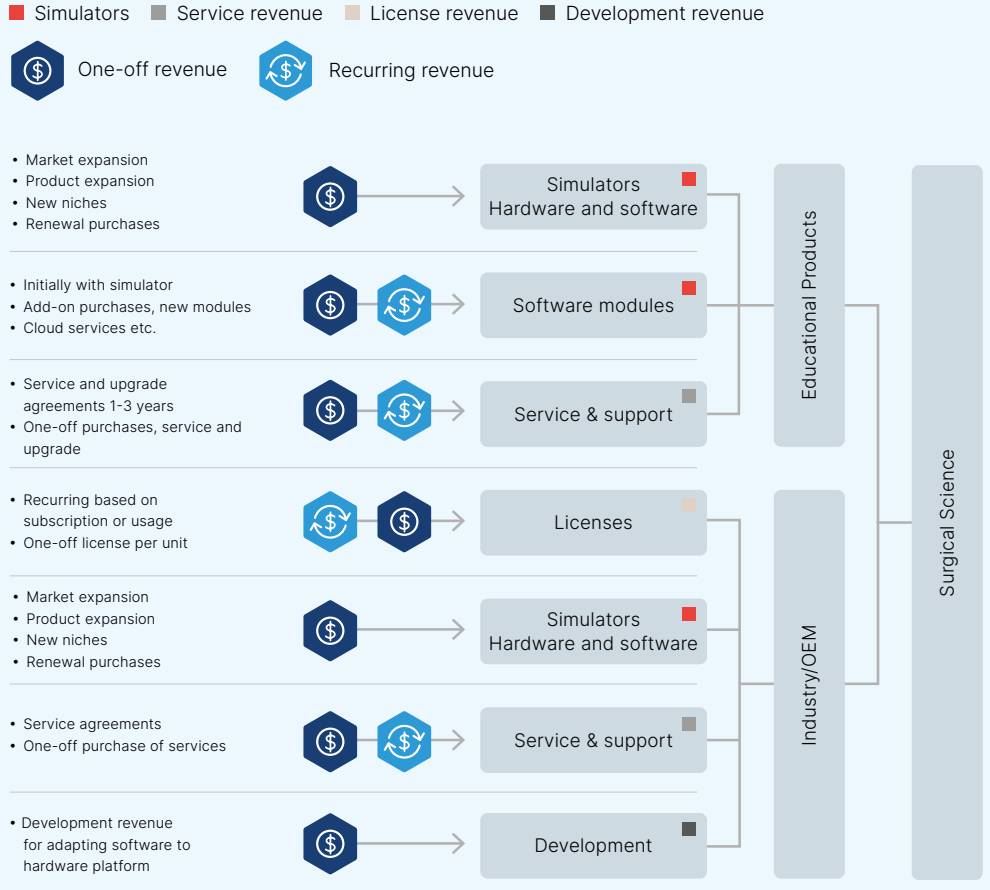
Educational Products

In Educational Products, Surgical Science reports two revenue streams: Simulators (hardware and software) and Service & Support. In most cases, the simulator is purchased with a one-time payment being made for the hardware and the existing version of the software. In terms of software, Surgical Science has a 'library' of advanced software modules that can be purchased for each type of hardware platform. Customers can choose to initially purchase a certain number of modules and then buy additional software modules at a later time and add these to the simulator. New modules are also constantly being developed, meaning that there are opportunities for additional sales to existing customers.

Additional software purchases are illustrated in the model on the right as 'Software modules'. This includes a small amount of recurring revenue, related to subscriptions to Surgical Science's cloud solution MentorLearn. The reporting of revenue streams includes 'Software modules' in Simulators.

In addition to the investment in the simulator, the hospital has the option to sign a service and upgrade agreement that gives customers access to software upgrades, which are released on a regular basis. This provides Surgical Science with recurring revenue from its installed base of simulators. If the customer chooses not to sign this type of agreement, Surgical Science instead provides a quote for any support services requested.

Deep dive into Surgical Science's revenue model



Eye surgery simulator, with software developed for HelpMeSee

Within Educational Products, purchases are largely managed through procurement processes

In many of the countries where Surgical Science operates, the purchase of the company's products and services in this area is governed by tenders. In countries such as the US, the hospital market is largely made up of private operators and such investments are more often made with the help of various types of donations or specific grants.

Surgical Science's sales within the Educational Products business area can fluctuate between quarters, with the fourth quarter of the year having usually been the strongest. This is because many major hospitals use the calendar year as their budget year and hold off on purchases until they can see what funds remain in the budget toward the end of the year. In recent years, this effect has not been significant. In the US, this effect is not found to the same extent as in countries that are more heavily reliant on public funding.

Surgical Science offers its customers the possibility to rent some of its products. However, procurement methods and rental habits differ in different markets. In many countries such as China, this payment model has not taken hold, while it is somewhat more widely used in the US market. For Surgical Science as a whole, rental income from simulators remains insignificant and is therefore not reported separately.

Industry/OEM

Within Industry/OEM, Surgical Science reports four revenue streams: Simulators (hardware and software), Service & Support, License revenue, and Development revenue.

Within this field, activities can be further divided into 'Robotic Surgery' and 'Medical Device Simulation'.

Robotic Surgery currently has two revenue streams – development revenue and license revenue. Surgical Science receives development revenue for the adaptation and development of its software to the robotics company's robot console/hardware. This development initially occurs in connection with the development of the robotics company's platform, but then also on an ongoing basis as new indications for the robot emerge (see also pages 36–37). When the medical device company then offers the simulation to its customers, Surgical Science receives license revenue. License revenues may be charged per unit or on a recurring basis, linked

to the installed base or use of the software, for example. Revenue varies depending on the scope of the simulation offered. Whether simulation is included in the purchase of a product or constitutes a supplement may also vary depending on the strategy chosen by the manufacturer of the surgical robot. Surgical Science retains the full copyright to its software.

At present, deliveries in Robotic Surgery consist exclusively of software for Surgical Science. With the launch of RobotiX Express (see page 31), Surgical Science is lowering the barrier to entry and increasing access to training independent of the robot console. RobotiX Express will be sold as a generic platform within Educational Products, but can also be customized for the company's various customers in robotic surgery to provide them with a portable and powerful platform for training and marketing. This allows Surgical Science to add even greater value for its customers and become even more closely integrated with them.

The Medical Device Simulation business has three revenue streams – simulators (hardware and software), development revenue, and service & support. Simulators refer to the sale of Surgical Science's proprietary simulators to OEM customers, mainly within the vascular area. Sales consist of projects that usually include a number of simulators where adaptations for product-specific training of, for example, an OEM company's specific instrument are included. Development revenue is received for the adaptation. Service revenue for the installed base, which is mainly linked to longer agreements with specific customers where Surgical Science takes care of the shipping and servicing of these simulators for the OEM company, is also included in the sales figures.

Medical Device Simulation has been a focus area since the establishment of a new strategy for this area at the end of 2022 and the expansion of the sales force, with a clear focus on offering several different products to the major key customers. Revenues are diversified between different customers and projects and, in several cases, Surgical Science's product development team has been able to combine products such as inter-ventional ultrasound with new solutions to suit the customers' needs. Revenue from this area can vary from quarter to quarter as projects have longer lead times and involve both development and products.

Margins

The different revenue streams have different margins and, consequently, their share of total sales affects Surgical Science's gross margin. License revenues have the highest margin. Surgical Science applies a functionally arranged income statement in which the gross margin also includes the salaries of employees working with assembly, quality control and support, in addition to direct materials and spare parts. In addition, the salaries of development department employees working on development revenue-generating projects are included. Shared costs, such as premises and IT, are distributed in accordance with an allocation template for all the different functions.

Factors affecting Surgical Science's gross margin include:

- Share of license revenue, where a greater share has a positive impact on the gross margin.
- Product mix for proprietary simulators. Surgical Science has a very broad product offering in Educational Products, which is a competitive advantage in, for example, broader procurement processes. The volumes for some of the products are therefore small, which usually means a lower gross margin.
- Average price for proprietary simulators. This largely depends on the number of software modules sold together with the hardware, where more software means a higher price and a higher margin.

The different revenue streams have different margins

- Share of direct sales in Educational Products, where a greater share has a positive impact on the gross margin. Within Educational Products, sales are conducted both through distributors and directly to end customers by the company's own sales team. The largest market for direct sales is the US.

Surgical Science does not report gross margin by revenue stream.

MARKET AND STRATEGY

For better and more efficient care

Simulation is no longer an option in healthcare – it is a necessity. As pioneers in this field, Surgical Science aims to make simulation an integral and natural part of clinical training and preparation for various types of medical procedures. The company's strategy reflects this conviction and is designed to create long-term value through a clear focus, scalability, and successful execution.

The global healthcare training market is large and expected to continue to grow as a result of increased demands for efficiency and higher quality in healthcare.

Value-driving factors

Aging populations

An aging population and a growing proportion of patients with chronic diseases are leading to an increase in the number of surgeries performed. This, in turn, increases the need for more and better-trained healthcare personnel. At the same time, healthcare systems are facing increasing pressure to improve treatment outcomes and manage costs. Preventable complications and surgical errors can cause serious harm to patients and result in significant costs for healthcare providers and society as a whole, further underscoring the value of investments that improve the quality of education and enhance patient safety.

Underlying growth in the market for medical simulation is favorable. The largest market for medical simulation is the US, followed by Europe and Asia. Over the next few years, growth is expected to be strongest in countries where driving forces include economic development, an increased focus on patient safety, and a large population, such as India.

Increased complexity of care

As surgical practices shift from open surgery to minimally invasive techniques, such as laparoscopy and robot-assisted surgery, the demands and complexity of providing care are increasing. These methods are associated with clinical

benefits, such as shorter rehabilitation times, shorter hospital stays, and reduced scarring, which in turn translate into lower healthcare costs. At the same time, they place higher demands on skills and involve longer learning curves, which increases the need for validated medical simulator training.

This increased complexity is further exacerbated by the introduction of new technologies and workflows. Regulatory bodies are increasingly requiring mandatory simulator training as a condition for approving new technologies (such as surgical robots), while validated scientific studies help to support the certification and evaluation of physicians. The market for robot-assisted surgery is expected to grow quicker than other parts of the market. According to estimates, only slightly more than 5% of the procedures that are possible with current robotic technology are currently being performed as such.*

Shortage of healthcare workers

Healthcare providers face significant challenges due to increased demand for qualified healthcare personnel, while there are limited opportunities for traditional training in clinical settings. This increases the need to train healthcare personnel more effectively without compromising on quality. Simulation enables more effective learning, which shortens training times and reduces the need for supervision and valuable time in the operating room.

> Surgical Science is continuing to expand its product offerings to cater for customer needs in environments with increasing training and certification requirements

* Source: Medtronic. (2021). Robotic-assisted surgery opens new frontiers.

Challenges in surgery

Surgeons with lower levels of competence have been shown to have[1]

3x higher rate of complications compared to higher skilled surgeons

5x higher mortality rates among their patients compared to higher skilled surgeons

Learning new medical techniques is time-consuming, even for experienced surgeons[2]

~50 practice cases are neccessary for a surgeon to be able to work safely with new technology

2x higher risk of corrective surgery when surgeons are new to a procedure

Benefits of simulation

Simulation training offers several benefits[3]

- Training without patients, which reduces the risk of errors during the first surgeries
- Opportunity to develop comprehensive technical proficiency before the first surgery
- More effective learning that shortens the duration of training
- Skills-based training instead of volume-based training – tailored to individual needs
- Provides the opportunity for standardized and objective feedback
- Cost-effective – reduces the need for supervision and saves valuable time in the operating room

Surgeons who undergo simulation training, compared to those who undergo traditional training, are[4]

29% faster when performing their first procedures

5x less likely to make mistakes

9x more effective in making surgical decisions

1. Birkmeyer John D. et al. "Surgical skill and complication rates after a bariatric surgery" The New England Journal of Medicine vol. 369, 15 (2013): 1434-42. doi:10.1056/NEJMsa1300625. 2. Sarpong et al. (2020). What is the Learning Curve for New Technologies in Total Joint Arthroplasty? A Review. 3. Brown et al. (2020). VR appendicectomy learning curve trajectory. J lapendo adv surg tech; Agha R.A, Fowler, A.J. (2015). The role and validity of surgical simulation. Int Surg. 4. Agha RA, Fowler AJ. The role and validity of surgical simulation. Int Surg. 2015

Surgical Science's North Star

The strategy is based on the idea that simulation will become a central part of healthcare going forward. With a long-term perspective, guided by the purpose and vision, the strategy outlines how Surgical Science will create value for customers and patients through disciplined execution and targeted investments in expertise and capacity.

Purpose

Unlock the full potential of every medical professional, to improve healthcare outcomes and save lives.

Vision

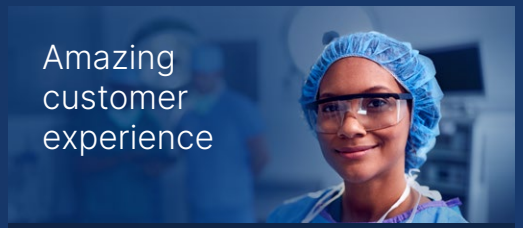
A world where all medical professionals have been trained and objectively certified in a safe and lifelike simulated environment.

Strategic pillars

- Amazing customer experience
- Insights drive performance
- Authenticity and clinical accuracy
- Simulation is core to medical training

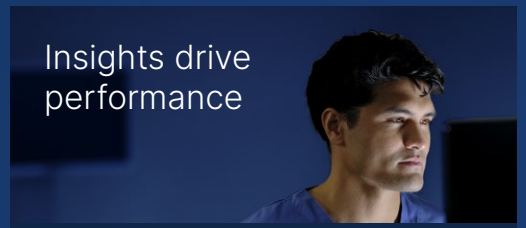
Strategic pillars

Four strategic pillars have been established in order to clearly guide the work toward delivering on Surgical Science's vision and purpose. These pillars form a common foundation for how the company is creating value for its customers and building long-term success. The development of products, services, and value delivery in line with these pillars strengthens customer value and the conditions for long-term growth.



Amazing customer experience

Surgical Science aims to build long-term partnerships by delivering significant value and a seamless customer experience. With a responsive and reliable approach, every interaction with a customer is designed to foster lasting relationships.

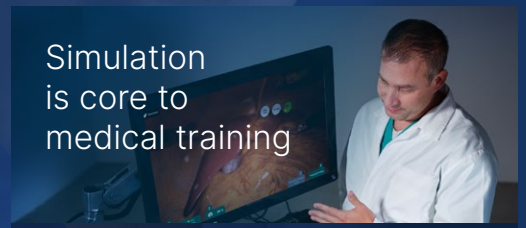


Insights drive performance

When simulation data is translated into actionable insights, it lays the groundwork for continuous performance improvement in healthcare. Just as elite athletes use data to hone their skills, healthcare professionals can train more effectively and perform at a consistently high level. To realize this potential, a shift is needed in surgical training from a limited training window early in one's career to lifelong learning, made possible by advanced simulation.

Authenticity and clinical accuracy

Developing hyper-realistic simulation experiences enhances clinical preparedness and produces measurable results in everyday clinical practice. Healthcare professionals will be better equipped to provide safer and more effective patient care.



Simulation is core to medical training

Collaboration with leading opinion-shapers and medical associations is essential for simulation to become an integral part of ongoing medical education and training. By collaborating with the broader healthcare ecosystem, simulation can evolve from being a supplementary tool to becoming an integral part of professional development and continuous learning.

Strategic objectives

Six long-term strategic objectives have been established to guide the operational and commercial priorities in the company's efforts to achieve its North Star:

1. Deliver world-leading products and increase sales and recurring revenue
2. Ensure successful customer relationships and increase the use of simulation
3. Drive ecosystem engagement and make simulation a standard practice
4. Build strong positions in new business segments to drive long-term value creation
5. Maximize efficiency and scalability across the organization
6. Build a great company powered by exceptional people

Surgical Science is entering its next phase of growth with a clear strategic direction, a solid operational foundation, and a focused commitment to advancing medical education through simulation. The objective is to contribute to safer care, better treatment outcomes, and sustainable value for all stakeholders.

The company's strategic objectives are supported by a number of priority initiatives that guide implementation throughout the organization and ensure progress toward long-term value creation for customers, patients, and shareholders.

Financial targets

Growth shall amount to 10-15% annually with an adjusted EBIT margin of at least 15%. Profitability and some growth is expected for 2026, but not at the levels targeted. The targets are expected to be achieved by 2027.

The targets are based on organic growth. Acquisitions will continue to be an important part of Surgical Science's strategy going forward and, in addition to this plan, may contribute to further growth. With a strong cash position and no outstanding financial loans, the company believes it has borrowing capacity for future acquisitions. At the same time, capital should be used efficiently, with a balance sheet that allows for both acquisitions and potential returns of capital to shareholders.

Adjusted EBIT is calculated as EBIT excluding amortization and impairment on surplus values related to acquisitions.

Annual sales growth

10–15%

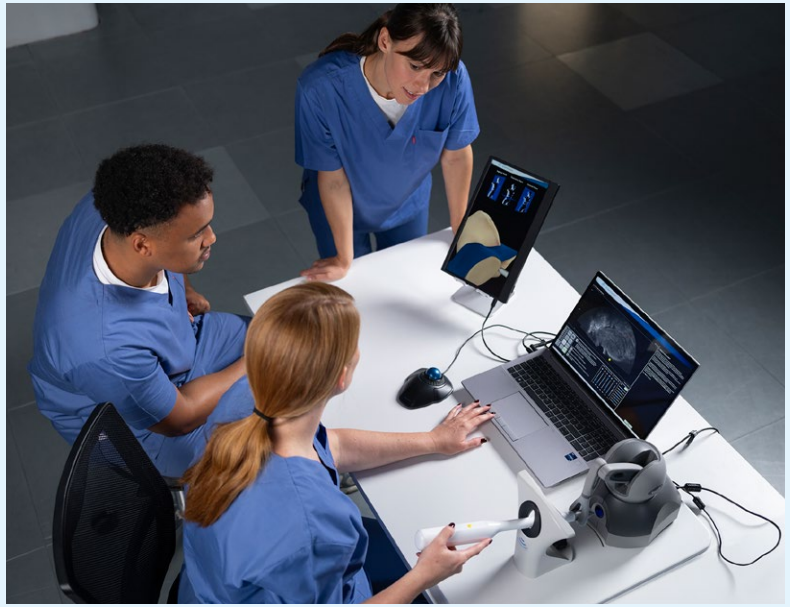
Adjusted EBIT margin

>15%

Objectives for 2025

Surgical Science's overall objectives for 2025 and their fulfillment:

Target		Target fulfillment
1	Ensure successful integration of Intelligent Ultrasound and safeguard planned synergies.	✓
2	Establish broader partnerships and increase the number of customers in the Medical Device Simulation segment of Industry/OEM.	✓
3	Grow organic sales in Educational Products by 10–15%.	✗
4	Continue to expand the product portfolio through further product launches.	✓
5	Improve gross margin in Educational Products, including Intelligent Ultrasound, by streamlining the product portfolio and increasing average selling price.	✓
6	Ensure a high level of employee commitment by continuing to build and maintain the culture and the company's core values.	✓
7	Improve internal efficiency and the level of automation to respond more quickly and cost-effectively to increased customer demand and to handle more customers and business.	✓
8	Be prepared to make further acquisitions when the time is right.	✓



A key focus area this year has been integrating Intelligent Ultrasound and its employees into Surgical Science. Cost synergies have exceeded expectations, while the full impact of revenue synergies has not yet been realized.

SIMULATION AREAS

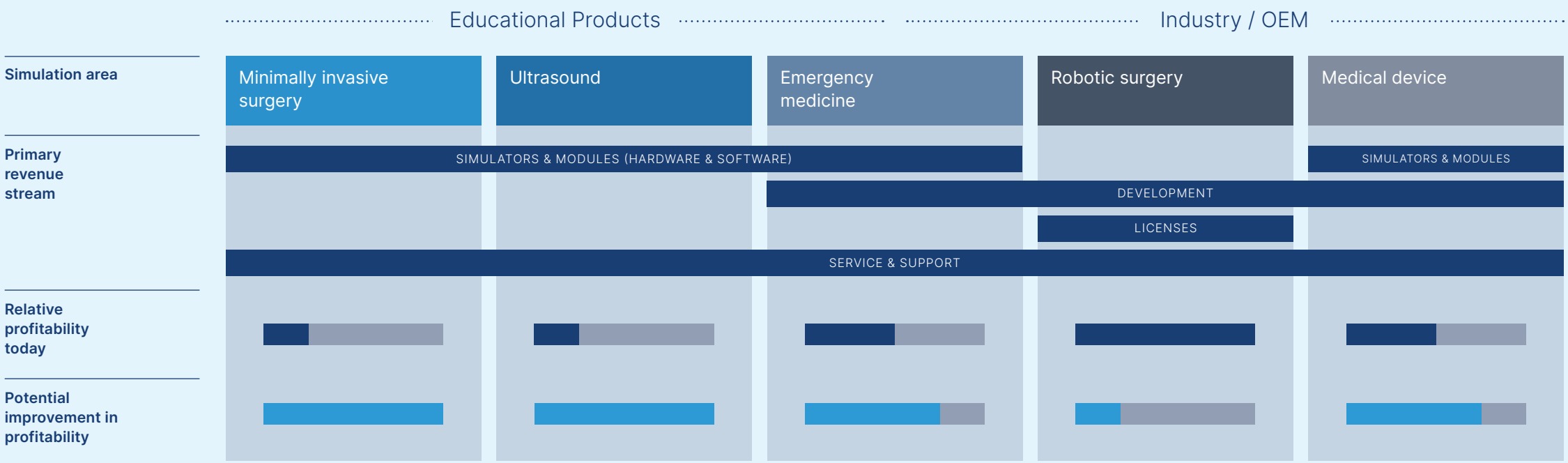
Leading position in two business areas

Surgical Science is positioning itself for continued expansion through two complementary business areas: Educational Products and Industry/OEM. By focusing on the priority segments of minimally invasive surgery, ultrasound, emergency medicine, robotic surgery, and medical device, the company is laying a solid foundation for scalable, long-term growth.

Five priority areas for simulation

By establishing leading positions in two main business areas – Educational Products and Industry/OEM – Surgical Science is creating a balanced and synergistic growth platform. Within each business area, the company is focusing on a number of key simulation areas – minimally invasive surgery, ultrasound, emergency medicine, robotic surgery, and medical device.

The aim with the company's new strategy is to build an even stronger foundation with these five business segments and to target a significantly larger overall market than before. The strategy includes a strong focus on improving profitability and driving sales growth in segments outside of robotic surgery. The improvement in profitability in these areas, combined with a continued focus on the robotics segment, is expected to drive strong value growth for the entire company.



For illustrative purposes – potential for improvement relative to each segment's current profitability, not in relation to one another.

Simulation area

Minimally invasive surgery

Customer category

Universities, hospitals, and training centers that train physicians in minimally invasive surgery

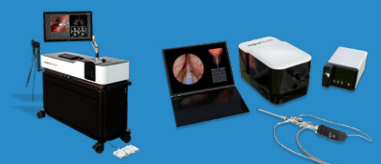
Approximate percentage of sales

30–50 %

Product types

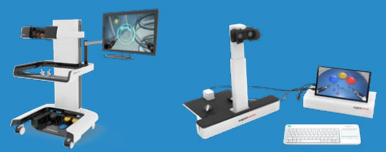
LAPAROSCOPY

ENDOSCOPY



ENDOVASCULAR SURGERY

ROBOTIC SURGERY



Surgical Science has long held a leading position in simulation for minimally invasive surgery, which is also the company's largest single source of revenue. These solutions provide healthcare professionals with a safe and realistic training environment in which to practice and refine their skills in complex laparoscopic, endoscopic, and other minimally invasive procedures.

Of an estimated 1.1 million surgeons worldwide[1], only a small proportion have undergone formal simulation training in minimally invasive surgery[2]. At the same time, a growing number of hospitals and medical residency programs are requiring simulation-based training prior to clinical practice.

Future growth is expected to be driven largely by high-potential sub-segments, such as robotic surgery and endovascular procedures, while revenue from laparoscopic and endoscopic solutions is expected to be sustained through targeted product updates as the market becomes more saturated.

1. World Health Organization. (n.d). Safe and affordable surgery: Annex (WPRO Regional Committee, Seventy-first session; RC71/7).
2. Park, A., Kavic, S. M., Lee, T.H., & Heniford, B. T. (2007). Minimally invasive surgery: The evolution of fellowship.

Minimally invasive surgery

Launch of RobotiX Express: a break-through in accessible robotic surgery training

Surgical Science has launched RobotiX Express, a training platform for robotic surgery that sets a new standard for accessibility, portability, and quality in medical simulation. The solution supports the company's strategy of making high-quality simulation training available earlier and to more people, without taking up valuable time in the operating room.

Robotic surgery is a rapidly growing surgical technique, driven by benefits such as increased precision and shorter recovery times for patients. At the same time, access to training remains a key challenge, as traditional training is often tied to the operating room environment and the clinical robot console, which limits opportunities for early exposure and ongoing training.

RobotiX Express was developed to address this challenge regarding accessibility. The system offers a professional-level robotic surgery simulation experience in a compact and portable format that fits into a custom-designed carrying case. This reduces the need for dedicated simulation facilities and hospitals, allowing medical schools and training providers to bring advanced training directly to users wherever they are.

RobotiX Express is designed to:

- lower the barrier to training by enabling people to exercise as needed in non-clinical settings, such as offices, break rooms, or fitness facilities.
- offer a cost-effective alternative to traditional robot simulators, thereby making high-quality training accessible also to organizations with more limited investment resources.
- increase surgical capacity by allowing operating rooms to remain fully dedicated to patient care while surgeons simultaneously develop basic proficiency in robotic surgery.

As a result, training programs can accelerate skills development, minimize disruption to surgical scheduling, and maximize the return on investment in training.

A plug-and-play solution for training

RobotiX Express is supplied as a plug-and-play unit with integrated, custom-designed controls, foot pedals, and an ergonomic workstation featuring a built-in 3D display. The system offers realistic kinematics and precise feedback on hand movements, closely mimicking the conditions in the operating room.

The solution can be supplemented with access to the MentorLearn Cloud platform, which enables centralized training data, performance tracking, and scalable implementation across multiple devices, operations, and regions.

> "The objective with RobotiX Express is to democratize robotic surgery training"
>
> Tom Englund, CEO

1. Brylkov, M. (2025, March 18). Hospital adoption of surgical robotics in 2025: Key drivers & challenges. iData Research

Simulation area

Ultrasound

Customer category

Universities, hospitals, and training centers that train healthcare professionals and sonographers in ultrasound

Approximate percentage of sales

15–20 %

Product types

POINT-OF-CARE ULTRASOUND (POCUS)

ULTRASOUND-GUIDED NEEDLE PLACEMENT

OBSTETRICS AND GYNECOLOGY

The ultrasound segment was strengthened by the acquisition of Intelligent Ultrasound and currently accounts for 15–20% of Surgical Science's revenue. These training solutions provide clinicians and sonographers with the proficiency and resources needed for ultrasound examinations, scanning protocols, and diagnostic use.

The market for ultrasound simulation is projected to grow at an average of around 13% per year between 2021 and 2030*, driven by the increased use of point-of-care ultrasound (POCUS), stricter requirements for ultrasound-related expertise in healthcare, broader adoption among new user groups, and a growing focus on applications such as women's health and image-guided procedures.

With the acquisition of Intelligent Ultrasound, Surgical Science has established itself as the leading provider of ultrasound simulation. A broader product portfolio and an expanded customer base provide a solid foundation for sustainable, long-term growth.

* Source: Global Ultrasound Intelligence. (2023). Ultrasound market intelligence report. M Intelligence.

Ultrasound

Integration of Intelligent Ultrasound

The acquisition of Intelligent Ultrasound unites two industry leaders with a shared ambition to increase access to high-quality simulation solutions and improve training outcomes in healthcare.

Ultrasound is a well-established diagnostic imaging method that is often highlighted as safe, fast, and cost-effective, but which remains significantly underutilized globally. Despite well-documented clinical benefits, a large proportion of the world's estimated 50 million healthcare workers lack access to ultrasound equipment, and an even smaller proportion have received the training required to use the technology effectively. The combination of limited access and insufficient training thus poses a significant challenge both in terms of building capacity and improving patient outcomes on a global scale.

Stronger together

The group has expanded its product portfolio by combining Intelligent Ultrasound's ultrasound simulation offerings with Surgical Science's global distribution capabilities and broader medical simulation platforms. The comprehensive offering supports training in a variety of clinical settings and for different professional groups, with solutions designed to be scalable and clinically relevant.

More innovation. More influence.

The acquisition strengthens the group's position in medical simulation. The focus is on continued innovation, increased accessibility, and improved training outcomes, with the objective of providing healthcare providers with better conditions for safe and effective training.

"With Intelligent Ultrasound and Surgical Science combined, we have an unmatched depth and technology, providing our customers with a wider range of solutions with increased value. We are looking forward to developing our ultrasound offering and are excited about the future of ultrasound simulation."
- Kathryn Jenner, Senior Director Product Management, Surgical Science

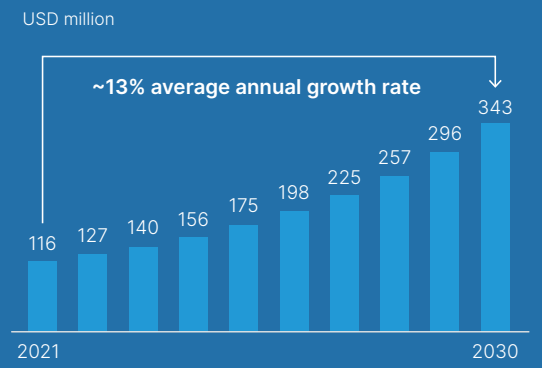
Future prospects

Through the acquisition of Intelligent Ultrasound, Surgical Science sees growth opportunities for ultrasound simulation in four key areas

Industry/OEM	Opportunity to offer more ultrasound simulation solutions to OEM customers
Pharmaceutical companies	Opportunity to provide ultrasound-guided drug injections
Emergency medicine	Opportunity to offer ultrasound for simulators in emergency medicine, a rapidly growing market segment
Point-of-care	Opportunity to expand in the rapidly growing point-of-care ultrasound segment – a portable ultrasound device for rapid diagnosis at the patient's bedside

Ultrasound simulation is expected to grow at a compound annual growth rate of around 13% between 2021 and 2030*

* Global Ultrasound Intelligence Copyrights 2023



Simulation area

Emergency medicine

Customer category

Emergency medical services, defense organizations, hospitals, and other training institutions for first responders

Approximate percentage of sales

< 5 %

Product types

EMERGENCY MEDICINE

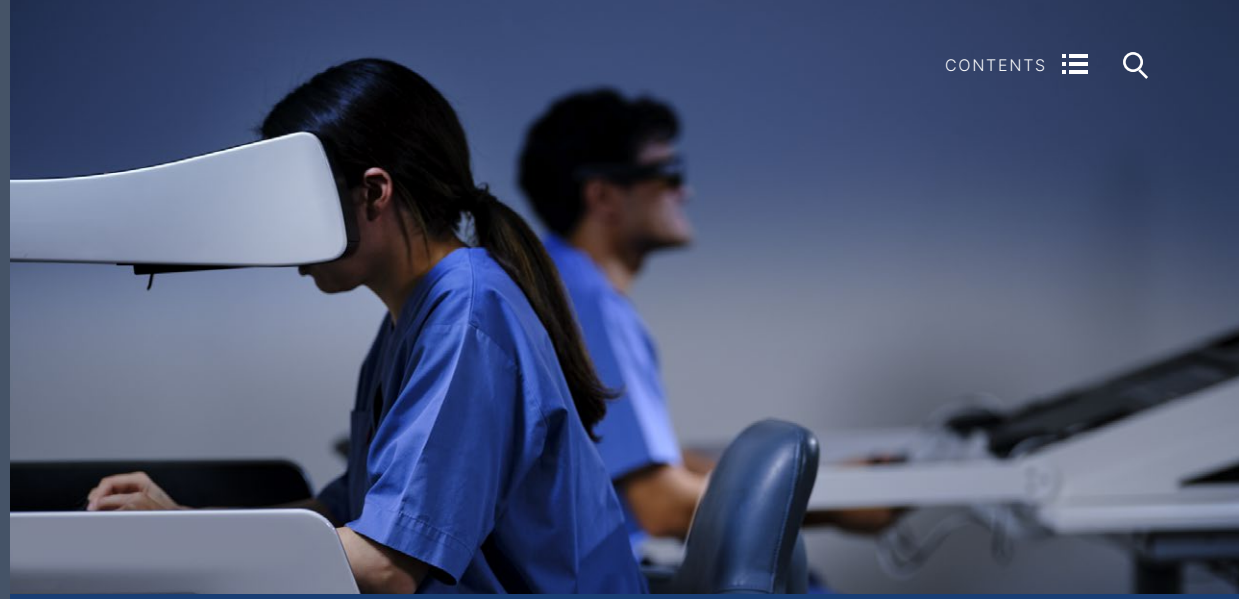



Emergency medicine is a growing field for training first responders and defense personnel in trauma protocols and decision-making in critical situations. The training takes place in virtual environments designed to simulate real-world conditions. The order to supply products to a defense ministry in Southeast Asia highlights the segment's significant potential and could serve as a catalyst for similar projects.

The global increase in defense spending, including significantly higher budgets in several EU countries, is expected to support long-term demand. There is also a clear need in the civilian sector, where large and growing groups within emergency medical services point to a recurring need for training. To expand the efforts into more non-military applications and training markets, the successful commercialization of the EmergeX Mentor™ product is key.

Simulation area

Robotic surgery



Customer category

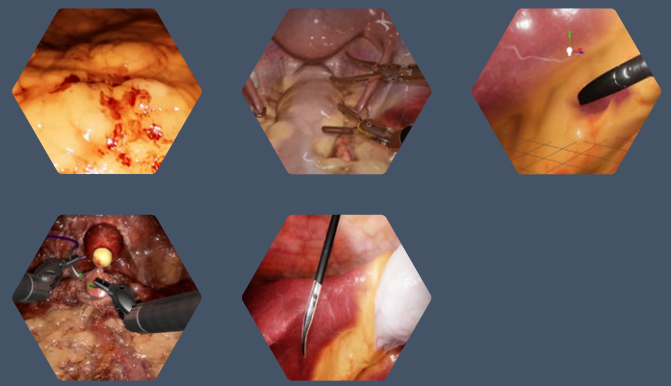
Robotic surgery companies focused on surgical proficiency and safe system implementation

Approximate percentage of sales

25–30%

Product types

CUSTOMIZED HARDWARE AND SOFTWARE



Robot-assisted surgery involves the surgeon controlling a robot via a control console, where hand movements are converted into precise instrument movements, even remotely. This method is primarily used in laparoscopic surgery and offers greater precision and maneuverability, increased safety, improved ergonomics, and the ability to perform more advanced procedures than traditional keyhole surgery.

Robotic surgery is the company's second-largest simulation area and accounts for 25–30% of total sales, with revenue coming from development projects and software licenses. The number of companies in the field of robotic surgery is estimated to be a few hundred, depending on how the field is defined*. There are 20 to 30 major players specializing in robotic surgery for soft tissue.

Robotic surgery is expected to continue growing, driven by the clinical and economic benefits associated with minimally invasive procedures, as well as increased competition among system suppliers. As robotic surgery becomes a more established part of operating room workflows, there is also a growing need for training solutions that support the implementation of these systems and the effective onboarding of surgeons.

At the same time, it is believed that competition will increasingly revolve around software functionality and service content. Robotics companies are placing increasing emphasis on software-driven differentiation and the continuous delivery of value to users as strategically important tools. This is driving demand for simulation that is updated on an ongoing basis, thus creating the conditions for Surgical Science to increase its share of recurring revenue over time.

* Source: Tracxn. (n.d.). Startups in Surgical Robots: Market landscape & trends (About).

Robotic surgery

Surgical Science's single most important customer group is robotic surgery companies. The customer journey for these is 'perpetual', with an expectation of an increase in recurring revenue over time.

Phases with different types of revenue

Development phase

With most of Surgical Science's customers in the field of robotic surgery, collaboration starts early on, during the development phase of the robot. In this phase, Surgical Science receives development revenue for the adaptation and development of its software to the robotics company's robot console/hardware. This phase can last between a couple of months up to a couple of years depending on the scope of simulation software to be provided for the robot. Surgical Science always retains the full copyright to its software.

Regulatory phase

A surgical robot is classified as a medical device and requires the necessary approvals before it can be used for commercial purposes, such as from the US Food and Drug Administration (FDA). Surgical Science's products and services are not classified as medical devices and therefore do not require this type of authorization. Simulation is also not part of the robotics company's approval, but it can play an important role in the approval process to demonstrate to the regulatory authorities how the robot is to be used in a patient-safe way.

During this phase, Surgical Science receives no revenue from the robotics company.

Start of the commercial phase

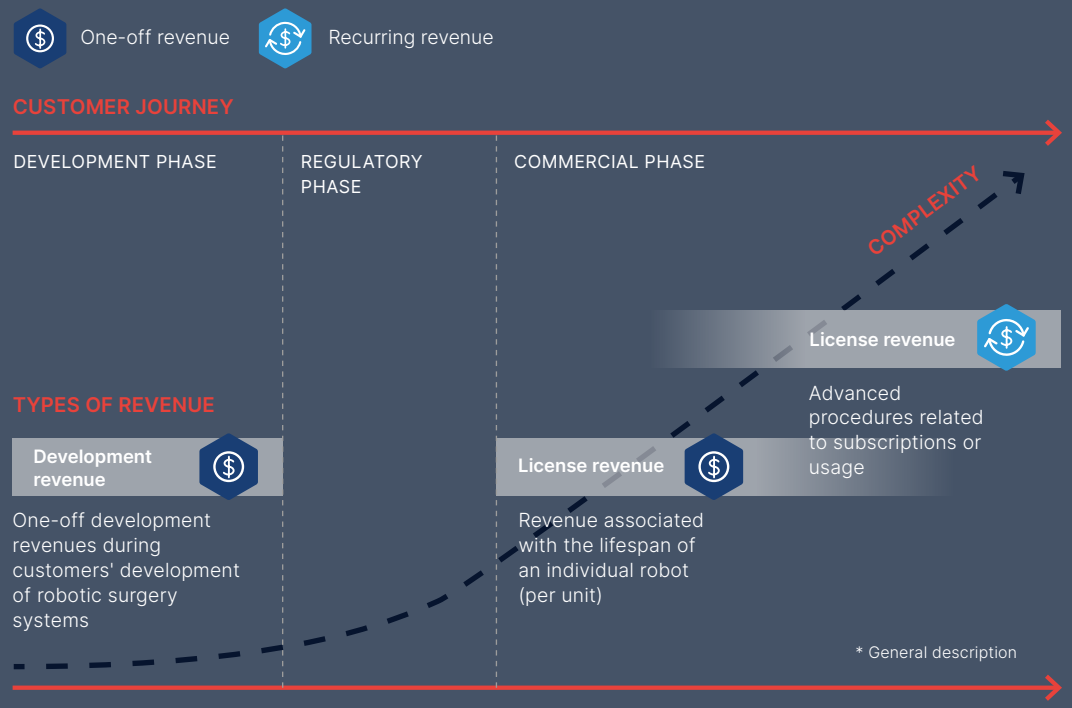
When the robotics company then offers the simulation to its customers, Surgical Science receives license revenue. License revenues may be charged per unit or on a recurring basis, linked to the installed base or use of the software, for example. Revenue varies depending on the scope of the simulation offered.

Whether simulation is included in the purchase of a product or constitutes a supplement may also vary depending on the strategy chosen by the manufacturer of the surgical robot.

Developing a new surgical robot is a huge project that requires a lot of resources, both in terms of time and money. For companies in the process of developing their first generation, their primary focus is generally on bringing a clinically patient-safe system to market in order to start generating revenue.

For Surgical Science, this means that it is usually more 'basic simulation' that is delivered at the beginning, i.e. exercises more focused on hand-eye coordination in terms of using the robot's camera, moving the instruments, etc. In general, for this initial commercial phase, with more basic

Deep dive into Surgical Science's customer journey with robotic surgery companies*

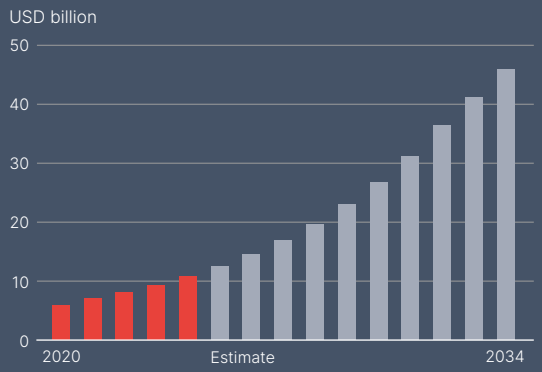


Robotic surgery

exercises, Surgical Science's revenues consist more of one-off revenues linked to the serial number of an individual robot, that is to say, to the lifetime of that specific robot.

Continuation of the commercial phase
As the robot becomes established on the market, the robotics company will also need to be able to provide simulation of the procedures themselves for its customers. For Surgical Science, this means a move towards providing increasingly advanced simulation. In addition, during the initial phase, the robotics company generally focuses on obtaining approval for a limited number of indications/types of procedures. As these become established, new instruments can be developed for new indications. For Surgical Science, this means a 'perpetual' need for new simulations for these new instruments and for new types of procedures.

The robotic surgery market is expected to grow at a compound annual growth rate of 15.6% between 2024 and 2034[1]



80+ **companies developing equipment for robotic surgery[2]**

16+ **million procedures performed using the da Vinci robotic platform[3]**

~5% **of surgeons use current robotic technology[4]**

1. Precedence Research: Surgical Robotics Market Size, Share, and Trends 2024 to 2034. 2. Roger Smith, PhD, MBA. 3. Intuitive Surgical JP Morgan healthcare Conference 2024. 4. Medtronic. (2021). Robotic-assisted surgery opens new frontiers.

In general, Surgical Science sees that simulation of more advanced procedures has and will have a different revenue model tied more to the installed base or usage of the software. The customer journey during the continuation of the commercial phase is therefore expected to include an increasing share of recurring revenues for Surgical Science.

Different platforms require more training
It is important to note that all surgical robots that are currently available or that are about to enter the market are different. This means that a surgeon cannot train on one type of robot and then immediately switch to using another platform. The functions are different and training on each specific platform is required. As more types of robots come onto the market, hospitals find themselves in a situation where the same surgeon may need to use several different platforms. With this, Surgical Science sees the need for training increasing further. In addition to the initial training to learn how to handle the specific robot, the surgeon will most likely also need to 'warm up' on the specific platform between procedures.

Variation in license revenue
Surgical Science's license revenue continues to fluctuate, which the company believes will even out over time as more customers come to the market with their robots and Surgical Science thus receives license revenue of a recurring nature from more customers. Customers who have just started selling the products from which Surgical Science earns license revenue buy the licenses in packages, which means that sales vary more between quarters. Surgical Science's revenues are not linked to the use of the licenses for these customers, but the revenue is generated directly when the order is delivered. Only Intuitive currently reports ongoing usage, which means that Surgical Science's revenues are linked to the number of licenses used during the given period.

Every customer journey is different
The above is a general description of how Surgical Science sees and perceives robotics companies' customer journeys and is thus not a description that is applicable to all. Most of Surgical Science's customers have yet to bring their robotic platform to market and are either in the development or regulatory phase. A few have reached the initial commercial phase, while only Intuitive is in an established commercial phase, or 'continuation phase'.

Robotic surgery

More and more companies are launching their surgical robot solutions on the market

Company	HQ	Robot platform	No. installed systems	Approval status			
				USA	EU	China	Other
Intuitive		dV5, Xi, SP and others	>10,000	✓	✓	✓	✓
Medtronic		Hugo™ RAS	Not publicly disclosed	✓	✓	✗	✓
J&J		Ottava™	Not publicly disclosed	› IDE approved	✗	✗	✗
Asensus		Senhance®	Not publicly disclosed	✓	✓	✗	✓
Distalmotion		Dexter®	Not publicly disclosed	✓	✓	✗	✗
Medicaroid		hinotori™	~100	✗	›	✗	✓
CMR Surgical		Versius®	>150	✓	✓	✓	✓
Ronovo		Carina™	Not publicly disclosed	✗	✗	✓	✗
Microport		Toumai®	>100	› IDE approved	✓	✓	✓
Cornerstone		Sentire®	Not publicly disclosed	✗	›	✓	✓

✓ Approved for commercial use › Pending approval ✗ Not publicly disclosed

Based on publicly available information.

The market for surgical robots is currently dominated by the American company Intuitive and its da Vinci system. Several of Intuitive's key patents expired in 2017, opening up the market to other players and intensifying competition from companies such as Medtronic, Johnson & Johnson, CMR Surgical, and Medicaroid. Chinese companies are developing rapidly and narrowing the gap with systems from other economically developed countries. Despite strong growth, only a small proportion of the procedures that can be performed using robotic technology are currently carried out as such, indicating significant untapped potential. Surgical Science supplies all major players in the industry and has a total of about 15 customers. The market for robot-assisted surgery is expected to grow rapidly in the coming years, as systems become more advanced and provide surgeons with more AI-based decision support.

Robotic surgery

The European Society of Gynaecological Endoscopy (ESGE) and Surgical Science are collaborating to develop new standards for robotic surgery training.

Background

The GESEA program (Gyneacological Endoscopic Surgical Education and Assessment) is a structured training program in gynecological endoscopy. The program provides training and certification in both the theoretical knowledge and practical proficiency required before full surgical proficiency is achieved, and constitutes the official Diploma program of the European Society for Gyneacological Endoscopy (ESGE).

ESGE has introduced certification in robotic surgery, in which clear performance objectives are linked to simulator-based training. The aim is to ensure that participants achieve a safe and reliable level of proficiency before working in a clinical setting.

Robotic surgery becoming increasingly important

The GESEA diploma was introduced eight years ago and is structured around three key components. First, the participant completes an online training course that covers the necessary theoretical knowledge. This is followed by the certification of psychomotor proficiency. The final section consists of an expert assessment of surgical competence. The diploma is awarded only once all three components have been successfully completed.

ESGE has introduced certification in robotic surgery, in which clear performance objectives are linked to simulator-based training.

Since the GESEA program was launched, thousands of surgeons have completed the training, which is now regarded as an established mark of quality in surgical education. As robot-assisted surgery has taken on an increasingly

Robotic surgery

prominent role, the ESGE has updated its program and introduced a specific robot certification that must be completed before the GESEA diploma is awarded.

In close collaboration with several partners, including Surgical Science, the study tracked participants' performance in five selected basic tasks on multiple occasions. Implementation was measured against clearly defined requirements for time, safety, and quality.

The study included 25 experienced surgeons and 25 novices, with each participant performing several trials per task. A total of almost 4,000 sessions were recorded using Surgical Science's simulation software, generating a comprehensive dataset. A key requirement was that the group of novices had very limited or no prior experience with the proficiency in question. This made it possible to reliably map the learning curve.

The new certification was launched at the ESGE Annual Congress in Marseille in October 2024.

Building on scientific research

The new certification differs in several key ways from the certification process for more established surgical proficiency, such as laparoscopy, where techniques such as suturing are often tested using simulation exercises in so-called box trainers or on live animal models.

Professor Benoit Rabischong, head of ESGE's education and research activities, and Anders Melander, Senior Director of Medical Affairs at Surgical Science, discuss the benefits of the new certification. They also describe how this collaboration can serve as a model for how simulation can be successfully integrated into surgical training.

"Robotics lends itself very well to simulation as the technology is a lot closer to the live surgical environment," Professor Rabischong explains. "The instruments, the console, and the overall experience are very similar to how it feels in the theater. That's what's important about this training program, it's a scientific assessment of both motor skills and surgical competency using scientific data – that's what's interesting to us."

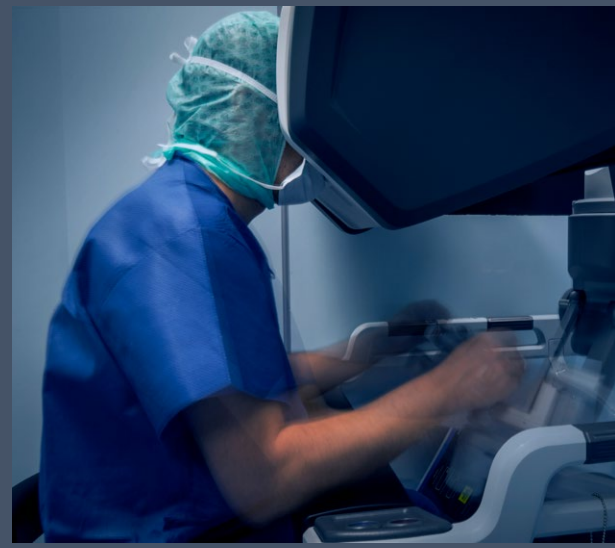
"This is not just trial and error, it is about scientific research going into the program," Anders agrees. "That's what ESGE needs in order to be able to include robotic surgery simulation in its Diploma. I think there is an understanding from the experts on how much training it takes for surgeons to gain proficiency, but we also need to have accurate benchmarks that are scientifically proven to show a trainee is ready for the live environment – because, ultimately, patient lives are at stake."

A mutually beneficial relationship

Both parties emphasize the value of close collaboration between the surgical community and the companies that are developing simulation solutions.

"We hope this kind of collaboration with a prestigious European organization like ESGE can pave the way for wider acceptance of simulation as the gold standard for medical training across all disciplines in every country," says Anders.

"For the best education solutions, we need the best and most realistic simulators," Professor Rabsichong says. "And for MedTech companies, they cannot do the studies or the development work they need without the support of the surgeons and the educators' expertise. It's a win-win relationship."



> "We need also need to have accurate benchmarks that are scientifically proven."
>
> Anders Melander, Senior Director, Medical Affairs at Surgical Science

Simulation area

Medical device

Customer category

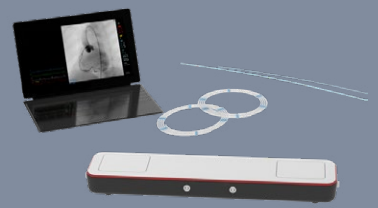
Medical device companies that regularly launch new complex instruments and technologies

Approximate percentage of sales

15–20 %

Product types

CUSTOMIZED HARDWARE AND SOFTWARE

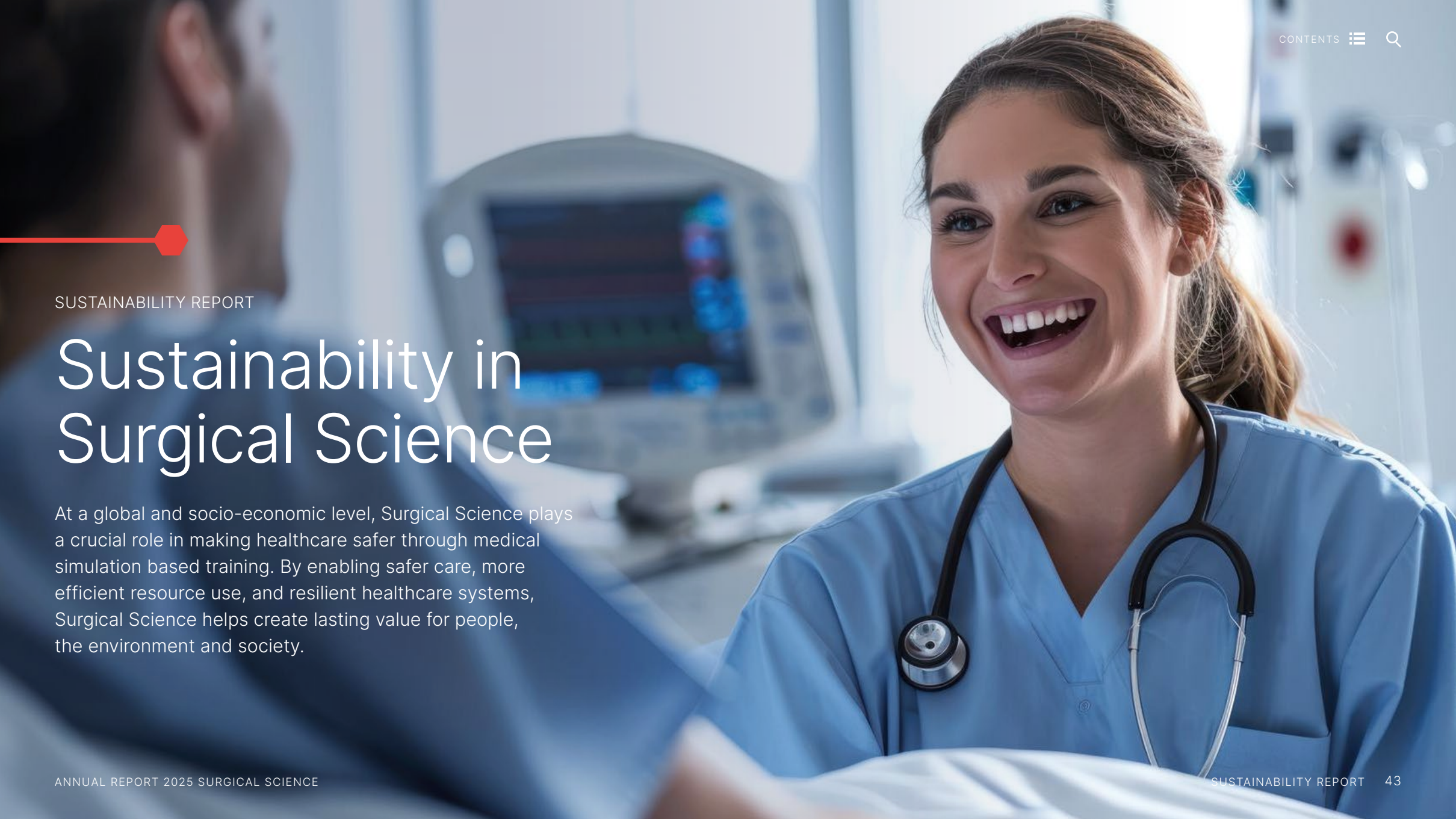


Medical device simulation is Surgical Science's fastest-growing area. The customer base consists primarily of large, global manufacturers of medical devices. Simulation is used to support customer training in the safe installation and use of equipment, as well as to demonstrate product functionality in commercial settings.

Demand is driven by the increasing technical complexity of products, longer and steeper learning curves, and the accelerating pace of new product launches. In addition, sustainability initiatives are contributing to a gradual shift away from educational methods that use cadavers and animals.

Endovascular procedures are a priority growth area, supported by a large and growing market where global penetration remains low. Surgical Science's offerings in this field provide training that ranges from basic proficiency to advanced procedures and are used globally by hospitals, training centers, medical associations, and the medical device industry. Demand is driven primarily by applications in endovascular and cardiovascular procedures.

Training on Surgical Science's simulators is an effective way to ensure practical skills and thereby improve patient safety.



SUSTAINABILITY REPORT

Sustainability in Surgical Science

At a global and socio-economic level, Surgical Science plays a crucial role in making healthcare safer through medical simulation based training. By enabling safer care, more efficient resource use, and resilient healthcare systems, Surgical Science helps create lasting value for people, the environment and society.

Sustainability management

Sustainability permeates every function and component of the business. Ultimately, it is the board's responsibility to establish appropriate and effective risk management systems and the Audit Committee serves as the guiding body for sustainability-related issues.

The Sustainability Report for 2025 has been prepared in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen, ÅRL) and draws inspiration from the European Sustainability Reporting Standards ("ESRS") as well as EFRAG's Voluntary Sustainability Reporting Standard for SMEs ("VSME") and the aspects that are material that have been identified through the Double Materiality Assessment ("DMA").

The table on page 46 fulfils the disclosure requirements of the ÅRL, which requires companies to report on their approach to environmental impact, social conditions, personnel, human rights, and anti-corruption. It provides a summary of Surgical Science's position across each required area, with references to the pages in this report where each topic is covered in full. The table should be read alongside the detailed Environment, Social, and Governance sections in this report, which set out the company's policies, actions, and performance data in depth.

Following the European Commission's Omnibus 'stop-the-clock' directive decision, which delayed the application of CSRD Wave 2 by two years, this report represents an interim step towards full alignment with the CSRD and ESRS frameworks, which Surgical Science continues to closely monitor. The Surgical Science board is responsible for the statutory sustainability report and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

The Sustainability Report has been subject to limited assurance by KPMG Sweden, whose statement can be found on page 117.

CEO statement

"Surgical Science's core business is contributing to making the broader healthcare system more sustainable, by reducing patient errors, improving patient outcomes and increasing healthcare efficiency. By growing our reach and customer base, we can increase this positive impact.

2025 was a year of foundation-building for sustainability practices at Surgical Science. The company completed its first Double Materiality Assessment, calculated its Scope 1 and 2 emissions for the first time and laid the foundations of a stronger policy framework to ensure that sustainability principles are embedded in how the company operates, sources and conducts itself. We are at the beginning of this journey, and I am committed to ensuring that each year brings greater transparency, more targets and demonstrable progress."

Tom Englund, CEO

Sustainability strategy overview

Sustainability purpose	Unlock the full potential of every medical professional, to improve healthcare outcomes and save lives			
Sustainability vision	Create a world where all medical professionals have been trained and objectively certified in a safe and lifelike simulated environment			
ESG ambition	To be a responsible and sustainable business			
	Environment	**Social**		**Governance**
Sustainability ambitions	**Climate change**	**People and patient outcomes**	**Responsible employer**	**Business integrity**
	• Low impact, energy efficient and durable products • Sustainable packaging • Reduce environmental footprint • Reduce waste • Use sustainable energy sources • Increase energy efficiency	• Reduce preventable medical errors through better clinician competency • Enhance healthcare quality • Build resilient healthcare systems and improve long term population health	• Prioritise well-being, safety, engagement and development • Inclusive culture and equal opportunities • A culture of strong business ethics across the whole value chain • Safe working conditions	• Strive for high ethical standards • Perform business with integrity and honesty • Set minimum standards and ethical principles through the Code of Conduct and other policies
Material topics The sustainability issues identified through the Double Materiality Assessment as most significant to the business, stakeholders, people and the environment.	• Climate change mitigation • Circular economy	• Product quality and safety • Patient safety and healthcare outcomes	• Working conditions • Equal treatment and opportunities for all • Privacy	• Corporate culture • Whistleblower protection • Supplier relationships • Corruption and bribery
Link to strategic pillar	**Insights drive performance** • Using ESG and climate data to make informed decision-making and continuous improvement **Authenticity and clinical accuracy** • Hyper-realism of products reducing need for cadavers/synthetic consumables • Sustainability in product design choices	**Amazing customer experience** • Sustainability in customer support and product lifecycle • Supporting the customer to make more sustainable decisions – supporting circular economy principles **Authenticity and clinical accuracy** • Hyper-realistic simulation reducing reliance on live patients for training, improving patient safety outcomes **Simulation is core to medical training**	**Insights drive performance** • Annual eNPS results and people data used to drive targeted improvements in engagement and working conditions • Diversity and inclusion metrics monitored to track progress and to develop DEI policy framework • Annual Performance Management Process data used to drive individual development and strenghten shared culture	**Insights drive performance** • Double Materiality Assessment outcomes shaping governance structure and policy priorities • Whistleblower data used to monitor and strengthen business conduct
UN sustainable goals				

All underpinned by the core company values of **Respect, Curiosity, and Perseverance** guiding how the company collaborates, innovates and stays accountable

General disclosures – Swedish Annual Accounts Act

The table below provides a summary of Surgical Science's position across each required ÅRL area, with references to the pages in this report where each topic is covered in full. The table should be read alongside the detailed Environment, Social, and Governance sections in this report, which set out the company's policies, actions, risks and data in more depth.

ARL area	Outcomes and 2025 highlights	Page reference
Material topics	In 2025 Surgical Science concluded the DMA in accordance with CSRD and ESRS	48
Environment	Scope 1 and 2 emissions calculated	51
	Low carbon intensity in assembly and distribution of products	
	Renewable energy sources used where possible	
	Recyclable or reusable packaging	
	Local purchasing policies	
	Waste management directive compliance	
	Sustainable travel policies	
Social conditions	Commitment to safe and healthy working environments	53
	Health and safety policies across all sites	
	Hybrid and flexible working where role permits	
Personnel	HR strategy focused on attracting, retaining and developing talent	53
	Annual Performance Management Process (PMP) for all employees	
	Annual eNPS survey measuring engagement	
	Leadership development programme for all managers	
	Share warrants programme and employee referral scheme in place globally	
	Company intranet in development; expected launch Q2 2026	

ARL area	Outcomes and 2025 highlights	Page reference
Human rights	Code of Conduct combats all forms of discrimination and promotes inclusion and equal treatment	61
	Zero tolerance for discrimination, bullying or harassment	
	Continued work for increased diversity, equality and inclusion across the business	
	Modern slavery and human rights policy in development	
	Supplier Code of Conduct policy in development	
Anti-corruption	Code of Conduct sets out anti-corruption principles	61
	Anti-corruption and bribery policy in development	
	Zero corruption incidents reported for third consecutive year	
	Whistleblower function	
Business model	Business model	17
	Value chain	47
Risks	Risks for each area are set out in the Environment, Social, and Governance sections	51, 53, 61

Value chain

Sustainability impacts, risks and opportunities originate throughout the value chain. Surgical Science's value chain connects electronics and component suppliers through purchasing, R&D and assembly activities to the healthcare institutions, medical device companies and end users who depend on Surgical Science products.

The illustration sets out the material sustainability impacts and risks generated at each stage of the value chain, as well as the positive contributions the company aims to deliver. It is not exhaustive. Each material topic – including the policies, strategic direction and actions in place – is addressed in detail in the Environment, Social and Governance sections of this report.

Upstream	Own operations	Downstream
Key stakeholders		
Raw material suppliers	Surgical Science employees	Customers
Electronics/component manufacturers		Freight and logistics companies
Freight and logistics companies		End users
		Local community
• Production of raw materials • Production of hardware components • Production of other goods and services that Surgical Science purchase • Inbound logistics	• Purchasing • R&D • Assembly • Product management • Service and support • Sales and marketing • Administration	• Outbound logistics • Distribution • Use of products and services • End-of-life disposal
Impacts and risks		
⊖ Carbon emissions, labor practices, resource depletion, waste	⊖ Non-renewable energy use, e-waste, data privacy	⊖ Improper end-of-life disposal, resource overuse
⊕ Sustainable sourcing	⊕ Efficient assembly, inclusive workplace, renewable energy	⊕ Improved patient outcomes, training efficiency
! Supply chain disruptions, regulatory non-compliance	! Climate change, cybersecurity, operational inefficiencies, health and safety	! Misuse of technology, reputational risks

⊖ Negative ⊕ Positive ! Risks

Double materiality assessment

In 2025, as part of the CSRD compliance project prior to the Omnibus 'stop-the-clock' directive, the company completed the extensive DMA to serve as a guideline for the development of sustainability framework and the foundation for the identification of the most important sustainability topics across Surgical Science and its value chain.

The DMA process consisted of a number of stages, including:

- Due diligence preparation to identify potentially material topics, utilising the ESRS topics defined in the CSRD.
- Surveys, workshops, and interviews assessing the financial and sustainability impacts on the company, people, and environment, considering both risks and opportunities. The assessment involved internal and external stakeholders, including employees, suppliers, customers, subject matter experts and investors. The broad range of stakeholders brought a depth of expertise and a relevant mix of experiences on financial and sustainability topics.
- Defining the key material impacts (positive and negative), along with opportunities and risks, prioritising efforts based on assessment outcomes and adhering to relevant ESRS standards for transparent disclosure.

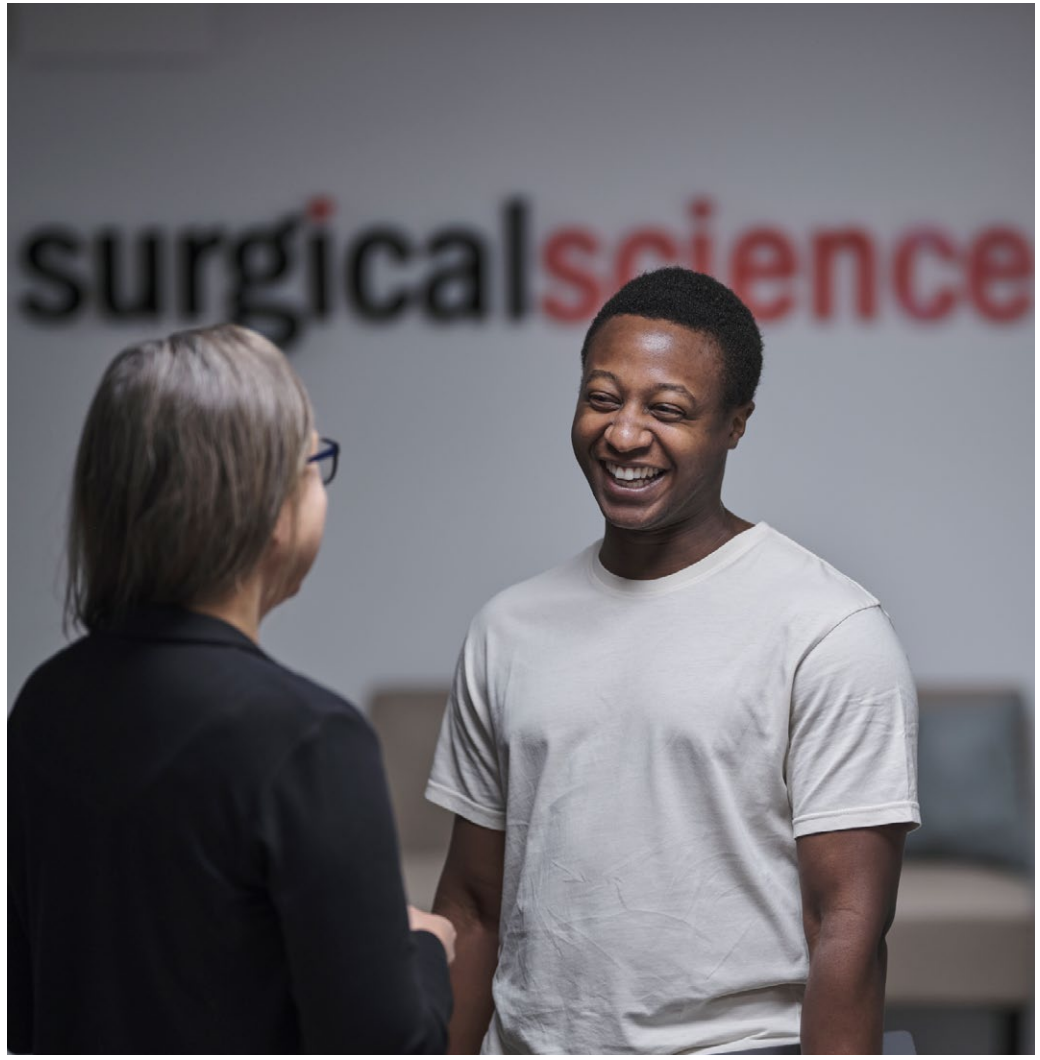
A DMA looks at sustainability from two perspectives:

- Impact materiality – how activities affect people and the environment
- Financial materiality – how sustainability issues may affect the business or financial performance

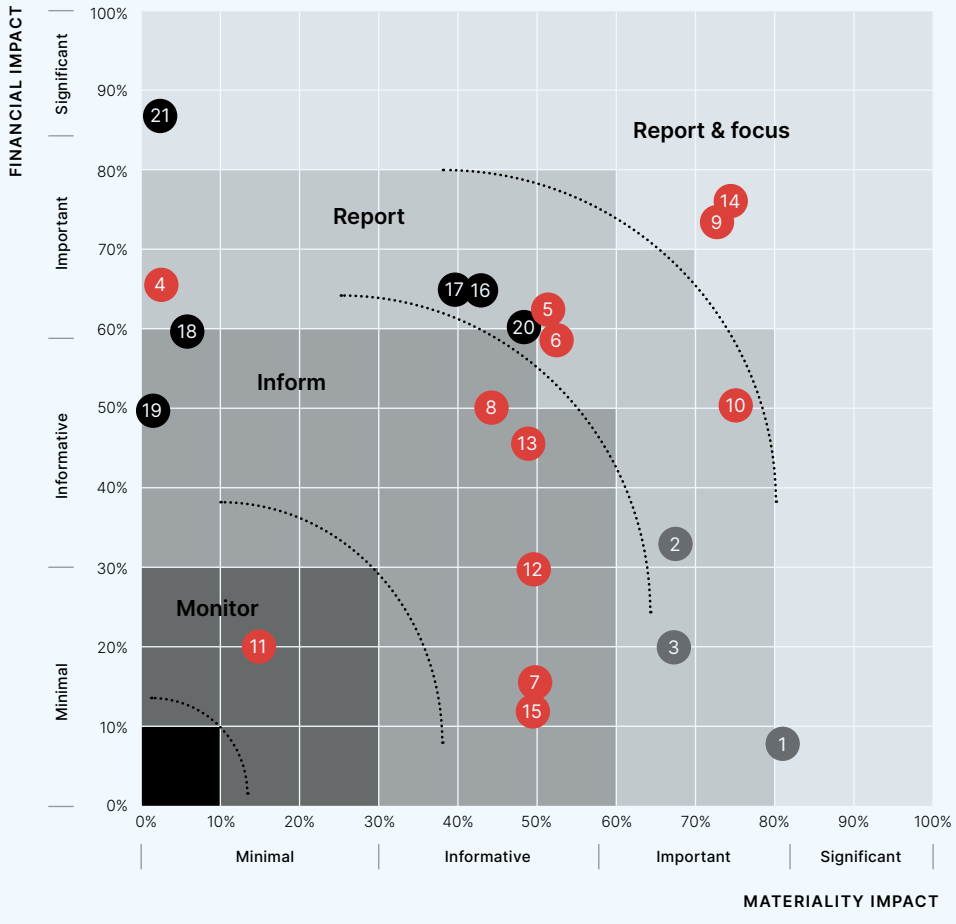
The topics are then mapped into the matrix, defined under the ESG pillars.

The double materiality assessment stages

1	2	3	4
Understand the sustainability context	Identify impacts, risks, and opportunities (IROs)	Assess the significance of IROs	Prioritize IROs



Double materiality assessment outcome



	IRO		Topic
Environment	E1 Climate change	1	Climate change mitigation and energy
	E5 Circular economy	2	Resource use
		3	Waste
Social	S1 Own workforce	4	Employee commitment
		5	Training and skills development
		6	Leadership and leadership development
		7	Safe and healthy working conditions
		8	Working conditions
	S4 Consumers and end users	9	Innovation and technology
		10	Product quality
		11	Product safety
		12	Labor rights in the value chain
		13	Human rights in the value chain
		14	Patient safety and healthcare outcomes
		15	Improve access to healthcare and health equity
Governance	G1 Business conduct	16	Corporate culture and values
		17	Business ethics including anti-corruption
		18	Corporate governance
		19	Transparency of reporting
		20	Responsible value chain management
		21	Financial strength

Material impacts, risks and opportunities (”IROs”)

The table below shows the material topics identified from the DMA, their impacts across the value chain, and the time horizons over which they are expected to occur.

			Value chain impact			Time horizon		
IROs	**ESRS material topics**	**Link to DMA topic**	**Upstream**	**Own operations**	**Downstream**	**Short term**	**Medium term**	**Long term**
Climate change (E1)	Climate change mitigation	1	✓	✓	✓		✓	✓
	Energy	1	✓	✓	✓		✓	✓
Circular economy (E5)	Resource inflows	2	✓	✓				
	Resource outflows	2		✓		✓	✓	✓
	Waste	3	✓	✓	✓	✓	✓	✓
Own workforce (S1)	Working conditions	7 8	✓	✓		✓		
	Equal treatment and opportunities for all	4 5 6		✓		✓		
	Other work-related rights - privacy	4 5 6		✓		✓		
Consumers and end users (S4)	Product quality and safety	10 11			✓	✓	✓	
	Patient safety and healthcare outcomes	14			✓	✓	✓	✓
Business conduct (G1)	Corporate culture	16		✓			✓	✓
	Supplier relationships	20	✓	✓		✓	✓	✓
	Corruption and bribery	17	✓	✓	✓	✓	✓	
	Whistleblower protection	19		✓		✓	✓	

Environment

Climate change

Surgical Science acknowledges its responsibility for addressing environmental challenges both within its own operations and throughout the entire value chain and is committed to setting ambitious and measurable reduction targets.

Material impacts

Carbon emissions are produced at most stages of the Surgical Science value chain, with the majority of emissions estimated to arise from Scope 3 upstream and downstream operations through the production of its raw materials, inbound and outbound transportation of goods as well as business travel and energy consumption. In 2025, efforts have been focused on calculating Scope 1 and 2 emissions. This first step establishes the foundation for robust data collection, from which climate impact reduction targets can be set.

Surgical Science has a long-term ambition to align with net-zero expectations, subject to further data development and target setting.

Principal risks

- Scope 3 emissions have not yet been quantified which likely represent majority of total carbon footprint
- Fossil fuel-based energy represent the majority of energy mix used across the business
- Plastic components generate end-of-life waste risk if they are not properly disposed of
- Supply chain disruptions and regulatory non-compliance risk if environmental standards are not met by suppliers

Energy consumption

Energy use within Surgical Science comes from the purchase of electricity, heating and cooling for office and assembly facilities. Climate impact is largely driven by fossil fuel-based energy, which Surgical Science is striving to reduce by increasing the share of renewable energy in the energy mix where possible.

Environmental metrics

Energy consumption

	2025			2024		
	Renewable	Non-renewable	Total	Renewable	Non-renewable	Total
Electricity (kWh)	209,123	383,218	592,341	105,374	399,469	504,843
Fuels (gas, kWh)	10,927	131,518	142,445	-	101,027	101,027
Total (kWh)	**220,050**	**514,736**	**734,786**	**105,374**	**500,496**	**605,870**
Fuels (diesel, litres)	-	2,782	2,782	-	-	-
Fuels (petrol, litres)	-	103,167	103,167	-	101,088	101,088
Total	**-**	**105,949**	**105,949**	-	**101,088**	**101,088**

Scope 1 and 2 Emissions

	2025	2024
Carbon dioxide emissions (tonnes CO_2)		
Scope 1		
Vehicle fleet	249.03	237.05
Scope 2		
Purchased electricity for own use	175.89	163.15
Purchased heating, steam and cooling for own use	25.83	18.31
Total Scope 1 and 2 emissions	**450.74**	**418.51**

Although quantification of Scope 3 greenhouse gas emissions has not yet been completed, the DMA has identified several categories expected to represent significant sources of indirect energy consumption and associated emissions, including:

- Raw material purchases involving air and sea freight
- Use of outbound air freight to ship products to customers globally
- Business travel - air travel remains a necessary part of maintaining customer relationships and supporting operations across markets.

Climate change mitigation

Surgical Science is actively working on product development and operational improvements to minimise the carbon footprint where possible.

Initiatives include:

- Use of local suppliers to minimise inbound transportation
- Increased use of web-based demonstrations and training
- Switching to green energy suppliers
- Sustainable packaging
  - Biodegradable packaging protection
  - Reusable boxes and crates
  - Recycled pallets

Setting measurable targets for waste reduction, recycling rates, and packaging sustainability is a priority going forward.

Circular Economy

Material impacts

Resource use and waste generation present both challenges and opportunities in balancing operational efficiency with environmental responsibility. The extensive use of materials, plastics, and other resources can contribute to environmental degradation and resource depletion. As a manufacturer of capital goods, Surgical Science is also inherently energy- and resource-intensive, which contributes to emissions. Assembly sites in Israel, USA, Sweden and UK produce waste, a portion of which is recycled and the remainder sent to landfill, in compliance with local environmental management systems. Electrical waste is disposed of in accordance with the Waste of Electrical and Electronic Equipment Directive ("WEEE"). Plastic is an indispensable material in Surgical Science's products, given its role in ensuring the durability and clinical accuracy of simulation hardware. The company recognises the end-of-life challenge this presents and is actively reviewing options to work with customers on sustainable disposal guidance and to improve recyclability of packaging materials.

Principal risks

- Plastic components in simulation hardware generate significant end-of-life waste if customers lack guidance on sustainable disposal options
- Assembly site waste currently partly directed to landfill; absence of quantitative waste data makes it difficult to set or monitor reduction targets

Opportunity

Surgical Science recognises that the transition to a circular economy is essential to minimising its environmental impact, and that meaningful progress requires measurement as well as intention. In 2025, the company began formalising its approach to waste and resource data collection to support more structured reporting in future periods. By optimising material use, reducing waste and enhancing product lifecycle efficiency, Surgical Science strives to create value while preserving natural resources.

Product circularity is a material topic that impacts many processes and requires forward-thinking, innovative solutions and proactive collaboration with suppliers and customers.

As the company's understanding of its waste profile develops, opportunities to set appropriate reduction targets will be explored in future reporting periods.

> Surgical Science is actively working on product development and operational improvements to minimise the carbon footprint where possible

Social

Own workforce

General information

Surgical Science actively seeks to be an attractive workplace and sets targets to ensure a high degree of employee engagement and a good work environment. Employees are one of Surgical Science's most important assets for the company's competitiveness and profitability. Their well-being, safety, engagement and development are fundamental to the company's success.

A global organization

Surgical Science's headquarters are located in Gothenburg, Sweden. The company also has operations in Tel Aviv, Stockholm, Cleveland, and since February 2025, in Cardiff. Software development and sales personnel are also based in a number of other countries, including Germany and China. The organization consists of various functions that collaborate and drive operations globally. The company strives for an organization characterised by competence, entrepreneurial spirit, goal-orientation and swift decision-making. During 2025, Surgical Science's headcount increased by 22% (5%) from an average of 256 to 312, through the acquisition of Intelligent Ultrasound and new hires hires in several functions. The total number of employees at the end of 2025 was 313 (274).

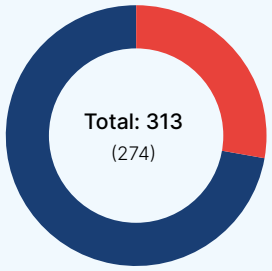
Employee composition

The graphs to the right presents the composition of Surgical Science's employees per country and per function.

Corporate culture and values

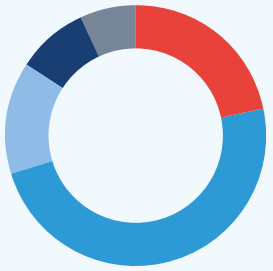
At the heart of Surgical Science's business is its people and how the company acts. Building a strong and shared corporate culture is of great importance, as it fosters high employee engagement and enables the continued delivery of high-quality, innovative products that contribute to improved patient safety. Surgical Science has articulated its core values through three value words: "Respect, Curiosity and Perseverance", which reflect the company's culture. The values and the stories behind what they mean for the company are set out in full in Surgical Science's Book of Values, available on the company's website. The values guide employees in their day-to-day work and in long-term planning. Adherence to the value words is evaluated for each individual as part of an annual Performance Management Process (PMP), where goals, performance and development are reviewed. The values are also integrated into other key processes, such as recruitment and strategic planning.

Employees 2025 (2024)



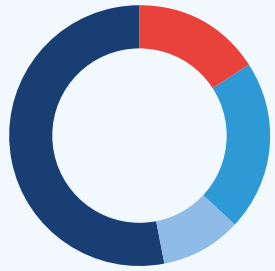
Female 87 (75)
Male 226 (199)

Distribution of employees by country in 2025 (2024)



Sweden 68 (64)
Israel 152 (138)
USA 44 (54)
UK 28 (1)
Others 21 (17)

Employees by function 2025 (2024)



Production 16% (16)
Sales and marketing 21% (19)
Administration 10% (10)
R&D 53% (55)

Principal risks

- There is significant competition for software and engineering talent in the global labor market
- Integration of acquired Cardiff workforce (Intelligent Ultrasound) into shared culture
- Maintaining engagement and retention during a period of organizational growth

Code of Conduct

Surgical Sciences' Code of Conduct forms the foundation for how the company views and addresses matters related to business ethics, the working environment, environmental considerations, and human rights. The Code of Conduct contains key principles and guidelines

for decision-making in day-to-day operations and consists of two parts: the workplace environment and how the company conducts business in an ethical and proper manner. Its purpose is to establish standards and clarify the behaviors expected of employees and partners, as well as to communicate to customers and other stakeholders the principles that govern the company's operations. Surgical Sciences reviews the Code of Conduct on an ongoing basis.

The Code of Conduct is available in its entirety on Surgical Sciences' website and has been distributed to all employees. Through the HR system, employees confirm by signature that they have read, understood, and will comply with the Code of Conduct. The Code is also included in the onboarding process for new employees.

Employee engagement

As a knowledge-intensive company, employee competence is one of Surgical Science's most important assets. The company strives to be a sustainable employer where engagement and well-being are the focus. The company's activities have a clear societal mission through improved patient safety, which facilitates both recruitment and employee retention. During the year, the company has further developed its employer brand to ensure access to the right competencies in a global labor market.

This work has included defining and packaging Surgical Science's employee value proposition, as well as developing guidelines for internal and external communication. This includes collaboration with universities and colleges, participation in career fairs and industry events, and an active presence on digital channels. Internally, the company prioritises a working environment that supports engagement and development. This involves investment in competence and leadership development, supported by programmes and global role descriptions.

Surgical Science offers a number of incentives to increase engagement. The share warrants programmes increase participation in the company's development and facilitate both recruitment and retention of key competencies. Another incentive implemented globally is Surgical Science's referral programme, through which employees who recommend candidates receive compensation upon a completed recruitment.

Engagement Survey

Surgical Science measures employee engagement annually through a global employee survey based on eNPS (Employee Net Promoter Score). The survey provides insight into how the company is perceived as an employer and identifies the factors that most influence engagement and satisfaction.

The response rate for the 2025 employee survey was 71% (78%). Results are presented annually to employees at group and functional level. Actions are taken at both functional and group level, and specific action plans are developed for areas with lower results in order to increase employee satisfaction. Implementation is monitored on an ongoing basis. The company aims to improve its eNPS score year-on-year as it continues to invest in its employee value proposition, working environment, and development programmes.

Engagement channels

Surgical Science maintains several channels for employees to raise concerns, provide feedback and stay informed. At least quarterly, company-wide meetings are held where all employees have the opportunity to participate. The implementation of a company intranet continued during the year, which is expected to launch in 2026. In addition, the annual PMP cycle provides a structured channel for individual feedback between managers and employees. Employees may also raise concerns through the whistleblower function (see Governance section).

HR system

Surgical Science's HR system provides a comprehensive overview of the organization and contains information including resource planning, roles, competencies, training, annual leave planning and completed development and remuneration reviews. In 2025, the implementation of a new recruitment system was completed. The system streamlines the process from advertising to employment, provides better support to recruiting managers and improves the candidate experience. It also enables a more dynamic career page and increased internal transparency regarding open positions, promoting internal mobility.

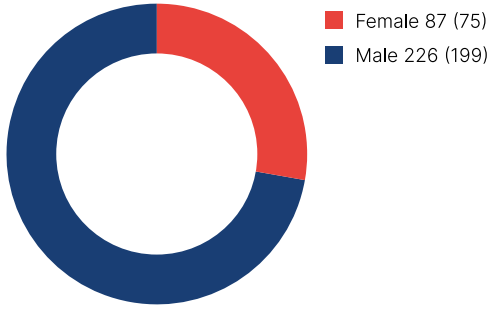
The global Recruitment Council has continued its work during the year. The Council conducts needs analyses ahead of new recruitments and internal transfers to ensure that resource allocation is aligned with the company's strategic competence requirements. During the year, work started on developing global and more detailed job descriptions to support career development and create clear expectations for employees.

> As a knowledge-intensive company, employee competence is one of Surgical Science's most important assets

Equal treatment and opportunities for all

Surgical Science is a global organization where language skills and cultural understanding are important success factors. All employees should be able to work and develop without risk of discrimination or harassment. The company views different experiences, backgrounds and perspectives as a strength. Diversity in areas including age, gender, gender identity or expression, ethnicity, physical ability, religion or belief, sexual orientation, and different ways of thinking and working is central to understanding customer needs and reaching the company's full potential. Surgical Science does not accept discrimination, bullying or harassment. Employees are encouraged to report behaviour that contravenes these principles. The Code of Conduct serves as practical guidance and supports an inclusive and respectful working environment.

> Surgical Science is a global organization where language skills and cultural understanding are important success factor



Gender diversity

The gender split is influenced significantly by the composition of the workforce across different geographies and functions. In particular, a substantial proportion of Surgical Science's employees perform software development roles, a sector in which male representation is structurally high across the industry as a whole.

Diversity, equality and inclusion policy

Surgical Science is working towards the implementation of a separate Diversity, equality and inclusion ("DEI") policy which will apply to all employees, directors and contractors, covering all aspects of the employment relationship including recruitment, training, career development, pay, performance evaluation and promotion. The policy is expected to be structured around three pillars: diversity (valuing individual differences in background, culture, gender, age, ethnicity, nationality, religion, sexual orientation, gender identity or expression, disability and thinking styles); equity (fair treatment and equal access to opportunities, with decisions based on merit and capability); and inclusion (fostering a culture where every voice is heard and respected, consistent with the values of Respect, Curiosity and Perseverance). While primarily an internal policy, its non-discrimination principles set the standard that Surgical Science expects of its suppliers and partners.

Gender pay gap

Surgical Science strives to offer competitive, market-aligned remuneration across all locations. Gender pay gap data collation is required in Sweden but the company currently does not report a gender pay gap metric in the annual report for the group as a whole. The company intends to evaluate the feasibility of doing so in future reporting periods if required.

Working conditions

Surgical Science's overarching objective is to create a good working environment and to work systematically and preventively to avoid occupational injuries and accidents. The company strives to create meaningful and developmental work tasks where employees themselves participate in shaping their own work situation and take part in change and development work in the workplace.

Working conditions should provide opportunities for variety, collaboration and social interaction. All employees should feel valued and respected through being treated with consideration and respect both by management and colleagues. Surgical Science believes that the company is strengthened and broadened when diverse perspectives and experiences are represented. To provide space for recovery and work-life balance, Surgical Science offers, where work permits, hybrid and flexible working arrangements, in accordance with local guidelines in each country.

Material impacts

The DMA identified safe and healthy working conditions as a material topic for Surgical Science's own workforce, with relevance primarily within own operations.

The key material impacts identified are:

- Surgical Science's commitment to a safe, flexible and engaging work environment has a direct positive impact on employee wellbeing, productivity and retention, and contributes to the company's ability to attract and develop talent in a competitive global labor market
- Hybrid and flexible working arrangements, where role permits, support work-life balance and reduce commuting-related stress and emissions

- Assembly roles carry inherent physical health and safety risks that, if inadequately managed, could result in workplace injuries or ill-health
- A geographically distributed workforce across four countries with different regulatory frameworks creates complexity in maintaining consistent standards of working conditions.

Principal risks

Failure to maintain safe working conditions could result in employee harm, regulatory sanctions, reputational damage and loss of talent. The physical nature of assembly operations at sites in Sweden, Israel, the USA and the UK means that health and safety risk management is an ongoing operational requirement.

Health and safety

Each site has a health and safety policy with compliance monitored in accordance with local legislation in each country of operation. Occupational risks are identified through site-level risk assessments. Assembly roles are subject to specific operational safety protocols given the physical nature of the work. In 2025, no recordable workplace accidents were reported.

Training and skills development

The HR strategy focuses on attracting and retaining talent, developing leaders and building a shared culture.

Performance management

The annual Performance Management Process (PMP) is the primary mechanism through which Surgical Science identifies individual development needs and translates them into action. The PMP cycle covers goal-setting at the start of the year, a structured mid-year review, and a year-end assessment covering performance, development and values alignment. Adherence to the company's core values of Respect, Curiosity and Perseverance is evaluated as an integral part of this process, reinforcing the expectation that how employees work is as important as what they achieve.

Leadership development

The leadership development program is aimed at all managers and defines what is expected of a manager and how the manager can contribute to a shared culture throughout the company as well as improved business performance. All managers at Surgical Science participate in this training. The program was expanded in 2025 to include new focus areas, which will be rolled out in 2026. In particular, the upcoming training will emphasize what it means to be a leader at Surgical Science,

> Surgical Science is committed to caring for not only its own employees, but also workers throughout its value chain

clearly articulating the expectations placed on leaders across the organization. It will also strengthen core capabilities in accountability and communication, ensuring that managers are equipped to lead with clarity, responsibility, and alignment to the company's values. By investing in leadership excellence, Surgical Science reinforces its commitment to building a resilient culture and driving sustainable business performance.

Onboarding and integration

Surgical Science's onboarding programme is designed to equip new employees with the knowledge and tools they need to contribute effectively from the outset. The programme covers the company's values and Book of Values, the Code of Conduct, role-specific introduction and introductions to key systems and processes. Completion of the Code of Conduct acknowledgement forms a mandatory part of onboarding for all new starters.

In February 2025, Surgical Science welcomed the team from Intelligent Ultrasound following the acquisition. A structured integration and onboarding programme was delivered for the Cardiff team with a dedicated integration working group from all key functions. The integration of new colleagues through acquisition underlines the importance of a well-structured onboarding experience as a vehicle for cultural cohesion as well as operational effectiveness.

The new recruitment system implemented in 2025 streamlines the transition from candidate to employee, improves the quality of support available to recruiting managers and creates a more dynamic and transparent internal career page – supporting both the candidate experience and internal mobility.

Workers in the value chain

Surgical Science is committed to caring for not only its own employees, but also workers throughout its value chain. The company recognises that its operations and purchasing decisions can have direct and indirect impacts on the working conditions, safety and rights of people employed by its suppliers and business partners. Ensuring that appropriate processes are in place to identify, prevent and mitigate negative impacts on value chain workers is a core part of Surgical Science's approach to responsible business conduct.

Value chain overview

Surgical Science's upstream value chain comprises direct suppliers who mainly manufacture products within electronics, plastics and mechanical components, as well as providers of consumables and packaging materials. The company's products are partly capital goods – medical simulation systems – which are assembled at sites in Gothenburg, Seattle and Tel Aviv, with Cardiff added in 2025 following the acquisition of Intelligent Ultrasound (now Surgical Science UK). Downstream, products are distributed via freight and logistics partners to hospitals, medical schools and training centres globally. The key groups of value chain workers who may be affected by Surgical Science's activities include workers at electronics and component manufacturers, workers in plastics and raw material production, freight and logistics workers (both inbound and outbound), and workers who may be engaged at customer sites during installation and training.

Material impacts

The DMA identified working conditions in the value chain as a material topic from an impact perspective, with relevance primarily in the upstream part of the value chain.

The key material potential impacts identified are:

- Poor working conditions, inadequate health and safety standards, or violations of labor rights at supplier sites, particularly in electronics component manufacturing where supply chains can be complex and multi-tiered
- Excessive working hours, inadequate wages, or restrictions on freedom of association among workers in lower tiers of the supply chain
- Through its use of locally based suppliers, Surgical Science supports employment in regions with generally strong labor protections and regulatory oversight

Principal risks

Non-compliance by suppliers with applicable labor laws or Surgical Science's own standards could result in supply chain disruptions, regulatory non-compliance and reputational damage. These risks are greater in electronics and component manufacturing, where multi-tiered supply chains can obscure conditions in lower tiers and where Surgical Science's direct leverage over sub-suppliers is limited. Currently visibility into supplier labor practices relies primarily on geographic risk proxies rather than direct assessment.

Opportunities

The policy framework under development will position Surgical Science to engage suppliers more systematically on labor standards, reduce supply chain risk, and meet the growing expectations of customers and investors on responsible sourcing. The company's use of locally based suppliers already provides a degree of natural risk mitigation that will be built upon as the formal framework matures.

Policies relating to workers in the value chain

Currently there are no separate policies in place relating to workers in the value chain. The company's approach is grounded in the Code of Conduct and its preference for locally based suppliers with generally strong labor protections and regulatory oversight. In 2026, Surgical Science intends to formalise this into a structured policy framework comprising a Modern Slavery and Human Rights policy and a Supplier Code of Conduct. These policies will build on the Code of Conduct and are aligned with the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the ILO Core Conventions, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UK Modern Slavery Act (2015), and the EU Whistleblowing Directive. Once in place, they will provide a basis for structured supplier obligations, ongoing monitoring and engagement, and more transparent reporting.

Modern slavery and human rights policy

In 2026, Surgical Science expects to implement a Modern Slavery and Human Rights policy. The policy will cover the key areas expected of a policy aligned with internationally recognised human rights frameworks, including the company's position on forced and bonded labor, child labor, freedom of association, working hours, remuneration, equality of treatment, health and safety, and disciplinary standards. The policy will set out the expectation that business partners, suppliers, distributors and service providers respect and adhere to its principles.

The prevention, detection and reporting of modern slavery in any part of the business or supply chain will be the responsibility of all those working for or under the control of Surgical Science. The full policy will be published on the company's website upon implementation.

Supplier Code of Conduct policy

Surgical Science is developing a standalone Supplier Code of Conduct to set out minimum standards covering safe and healthy working conditions, fair wages and working hours, freedom of association, prevention of forced labor and child labor, non-discrimination, environmental responsibility, and anti-corruption. Once introduced, suppliers will be expected to acknowledge and commit to the Supplier Code of Conduct as a condition of doing business with Surgical Science.

Consumers and End Users

Surgical Science's core commitment is to create a world where all medical professionals are trained and objectively certified in a safe and lifelike simulated environment.

Product quality and patient safety

Product quality plays a direct role in developing the competency and confidence of medical professionals including surgeons, medical students and other practitioners. The quality of a simulation system determines the quality of the training it delivers. Surgeons, medical students and other practitioners develop competency and confidence by practising on systems that faithfully replicate real anatomical conditions and clinical decision points – meaning that any compromise in product quality directly compromises the training outcome, and by extension the safety of patients treated by those practitioners. Using simulators has a positive impact on the end-user because it allows them to practice complex procedures in a safe, controlled environment without the pressure of real-life consequences. This helps them refine their skills

> Product quality plays a direct role in developing the competency and confidence of medical professionals

in a controlled environment before performing these skills on actual patients. Simulation allows for repeated practice, enabling trainees to gain confidence and proficiency, especially in procedures that are rare or difficult.

Product quality is reviewed on an ongoing basis through engagement with end users, clinical advisory relationships and academic partnerships, ensuring that simulation content remains aligned with current clinical practice and training needs.

The case for simulation-based medical training is well established. Research consistently demonstrates that simulator-trained practitioners achieve higher levels of procedural proficiency, make fewer errors, and reach clinical competency faster than those trained through traditional apprenticeship models alone. For complex minimally invasive procedures – including laparoscopic, robotic and endoscopic surgery – simulation training has been shown to translate directly into improved patient outcomes in the operating environment. Surgical Science's products are designed and validated against this evidence base, ensuring that training on its systems produces measurable, transferable competency rather than familiarity with a particular device. Product development is informed by an active network of clinical and academic partnerships with hospitals, medical schools and research institutions globally. These relationships serve a dual purpose: they provide the clinical intelligence needed to ensure that simulation content reflects current surgical techniques and evolving training standards, and they generate the independent evidence that supports the adoption of simulation training by healthcare institutions making procurement and curriculum decisions. Surgical Science's objective assessment and certification capabilities are a particularly significant clinical contribution. By enabling healthcare institutions to evaluate practitioner competency against standardised, reproducible benchmarks – rather than relying on subjective supervisor assessment – the company provides a more rigorous basis for determining when a practitioner is ready to operate independently. This reduces variability in practitioner readiness and gives institutions greater confidence in patient safety at the point of transition from training to practice.

> Product development is informed by an active network of clinical and academic partnerships with hospitals, medical schools and research institutions globally

Surgical Science's sustainability vision – to create a world where all medical professionals have been trained and objectively certified in a safe and lifelike simulated environment – contains an implicit equity commitment. The word "all" is significant: it acknowledges that the benefits of simulation-based training are not yet universally accessible, and that geography, institutional resource and economic development continue to shape which practitioners have access to high-quality training tools. This matters for patient safety at a global level, as healthcare systems in lower- and middle-income countries often face the greatest shortages of trained surgical and clinical staff while simultaneously having the most constrained access to the simulation infrastructure that could help address those shortages – meaning the skills gap that simulation is designed to close is most acute precisely where access is most limited. Surgical Science recognises this tension and its relevance to the company's stated purpose. While the current commercial model is primarily focused on established healthcare markets, the company is committed to exploring how its products and expertise can be made more accessible over time, and to developing its approach to healthcare access as a more explicit strategic priority.

This commitment connects directly to the UN Sustainable Development Goals that underpin the company's sustainability framework – in particular SDG 3 (Good Health and Well-being), which includes targets for universal access to safe surgical and clinical care, and SDG 10 (Reduced Inequalities), which recognises that improvements in healthcare outcomes must extend across geographies and income levels to be meaningful at a global scale.

Material impacts

The DMA identified product quality and safety, and patient safety and healthcare outcomes, as material topics assessed primarily in the downstream part of the value chain over short and medium-term horizons.

The key material impacts identified are:

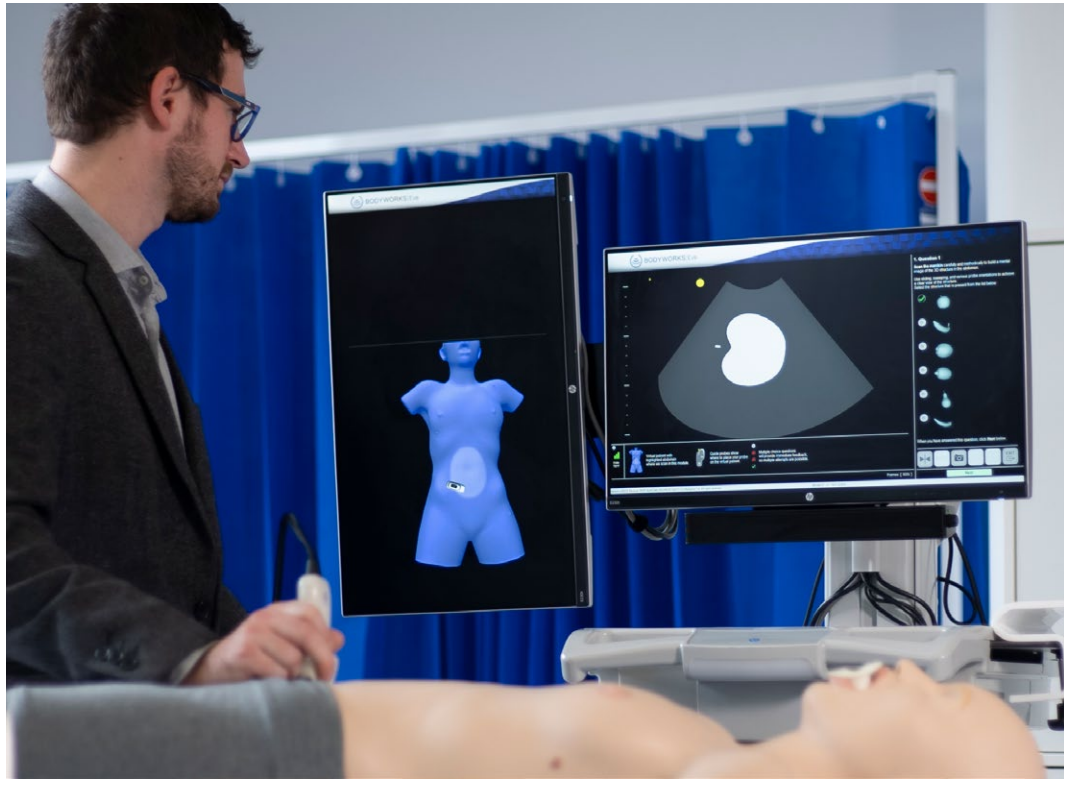
- High-quality, clinically accurate simulation training directly improves the competency of medical professionals, reducing the incidence of preventable errors and improving patient outcomes
- Simulation-based training reduces reliance on live patients for procedural practice, improving the experience and safety of patients involved in training contexts
- Objective, standardised competency assessment through simulation provides healthcare institutions with greater confidence in the readiness of practitioners
- If product quality standards are not maintained, simulators that do not accurately replicate clinical conditions could contribute to skill gaps rather than closing them

Risks and opportunities

From a risk perspective, any failure of product quality or clinical accuracy – whether through manufacturing defects, inadequate validation or outdated clinical content – could result in reputational damage, regulatory action and, most seriously, indirect harm to patients treated by inadequately trained practitioners. These risks are managed through the company's quality checks, ongoing clinical engagement and product validation processes.

The growing global recognition of simulation as an essential component of medical training creates significant opportunity for Surgical Science. Healthcare systems facing workforce shortages, increasing procedural complexity and rising patient safety standards represent a structural long-term demand for the company's products and services - demand that Surgical Science is uniquely positioned to address through its combination of clinical accuracy, objective assessment capability and global distribution reach.

The growing global recognition of simulation as an essential component of medical training creates significant opportunity for Surgical Science



Governance

Business Conduct

Sound corporate culture

Surgical Science is proactively committed to high ethical standards and operate the business with integrity and honesty. This creates a positive impact on society, builds trust among customers and stakeholders, and contributes to long term sustainability and success.

Conducting business with integrity is important to Surgical Science and is reflected in the way it connect with employees, end users, customers, third parties and other stakeholders. The business strives to act responsibly and is committed to operating in accordance with the laws in the countries of operations and the minimum standards set in the Code of Conduct and Book of Values.

The Code of Conduct sets out the principles and guidelines for decision making in day-to-day operations in both the work environment and in the conduct of business ethically and appropriately. The Code of Conduct is made available to all employees on the website and also in the HR system. All employees are required to electronically declare in the HR system that they have read, understood and comply with the Code.

Corruption, misconduct, or deficiencies in business conduct – whether in own operations or among suppliers and partners – can damage Surgical Science's reputation with customers, current and potential employees, suppliers, partners and the external environment. Breaches of laws and other regulations may also result in a negative financial performance due to the imposition of fines.

A sound corporate culture forms the foundation for corporate social responsibility and ethical conduct. Surgical Science's corporate culture is based on the core values set out in its Book of Values of Respect, Curiosity and Perseverance.

Anti-corruption and bribery

Surgical Science has zero tolerance for corruption in its business and does not accept or solicit bribes, favors, or gifts in any form, regardless of their method or purpose. The company advocates free and fair trade and adheres to ethical standards. Surgical Science undertakes to comply with applicable anti-corruption and anti-bribery regulations in all countries where the company operates. No employee may offer, solicit, or accept any gift (in any form) or personal benefit that may influence their business-related decisions, actions, or transactions or that contravenes applicable laws or customary business practices.

Surgical Science has in place a whistleblower function to identify and measure potential cases of corruption. In 2025, as in the previous two years, no cases of suspected corruption have been recorded.

In 2026 the company expects to implement a standalone Anti-corruption and bribery policy. This new global policy will serve as a method and tool for ensuring that Surgical Science has adequate procedures in place, aimed at preventing the company from taking part in any corrupt business practices, including how to approach gifts and benefits, conflicts of interest and fair competition. All employees, internal consultants and board members within Surgical Science will be expected to comply with the policy.

Whistleblower reporting

Surgical Science is committed to maintaining a culture where everyone feels safe and empowered to report suspected breaches of the Code of Conduct. The whistleblower function is an external channel that enables anonymous reporting of misconduct. The function is accessible via Surgical Science's website and complies with EU legislative requirements and the GDPR with regard to reporting and follow-up. During 2025, 0 (0) reports were received.

> Surgical Science is committed to maintaining a culture where everyone feels safe and empowered to report suspected breaches of the Code of Conduct

Surgical Science's operations lead to improved sustainability within society, as medical simulation improves patient safety and control over healthcare costs as resource waste is reduced.

Shareholder information

Surgical Science as an investment

1

Improved patient safety and better healthcare outcomes

Healthcare is becoming increasingly complex, placing greater demands on clinical expertise and safety. Surgical Science enables training in advanced procedures in a safe, realistic, and data-driven environment before they are performed on patients.

Simulation improves clinical performance, reduces the risk of medical errors, and enables standardized, measurable, and scalable training.

This helps to reduce medical errors, leads to better clinical decisions, and improves patient outcomes, while also increasing the efficiency of healthcare. Consequently, simulation becomes a central component of future medical education and patient care.

2

Structural growth driven by systemic changes in medical training

Global healthcare is facing a structural shift driven by:

- An aging global population leading to more patients
- Increased treatment complexity
- A growing shortage of qualified healthcare workers.

At the same time, the adoption of advanced medical devices is accelerating, which increases the need for effective and ongoing training.

Simulation enables scalable, cost-effective, and data-driven training and currently accounts for a small portion of the medical training market, with significant potential to become the standard in both educational and clinical training.

3

Global market leader with competitive advantages in a global ecosystem

Surgical Science is the world leader in advanced medical simulation, with a global installed base and partnerships with leading medical device companies and university hospitals.

The company's customers include several of the world's leading medical device companies, including the leading companies in robotic surgery, as well as leading university hospitals worldwide.

By combining advanced simulation technology, clinical expertise, and a global infrastructure, the company is building an integrated ecosystem that supports the entire customer journey from training to clinical use. This creates high barriers to entry and a unique position in the market.

4

Scalable platform with recurring revenue and operational leverage

Surgical Science combines hardware, software, and digital training solutions into a single integrated platform. Shared technologies, reusable software, and a growing installed base enable efficient development and distribution.

The business model generates both initial system sales and growing recurring revenue from licenses, updates, and services.

This creates significant operational leverage and lays the groundwork for continued growth and improved profitability.

The share

Surgical Science's shares are listed on Nasdaq First North Growth Market. The shares have been listed since June 19, 2017, under the ticker SUS. First North Growth Market is an alternative trading platform run by an organization within the Nasdaq Stockholm Group. Companies in the First North Growth Market are not subject to the same rules as companies in the regulated main market. Instead, they follow a less comprehensive set of rules and regulations that are tailored to smaller growth companies. All companies with shares sold and bought on First North Growth Market have a certified adviser who verifies compliance with the rules. Surgical Science has Carnegie Investment Bank AB (publ) as the company's certified adviser.

Share structure

The share capital in Surgical Science Sweden AB (publ) amounted to SEK 2,551,312 (2,551,312) on December 31, 2025, divided between 51,026,236 (51,026,236) shares with a quota value of SEK 0.05 (0.05) each.

All shares have equal voting rights and have an equal right to a share in Surgical Science's assets and profit. The number of outstanding warrants on December 31, 2025, was 944,500 (771,500), meaning that the number of shares on full exercise of the warrants would be 51,970,736 (51,797,736).

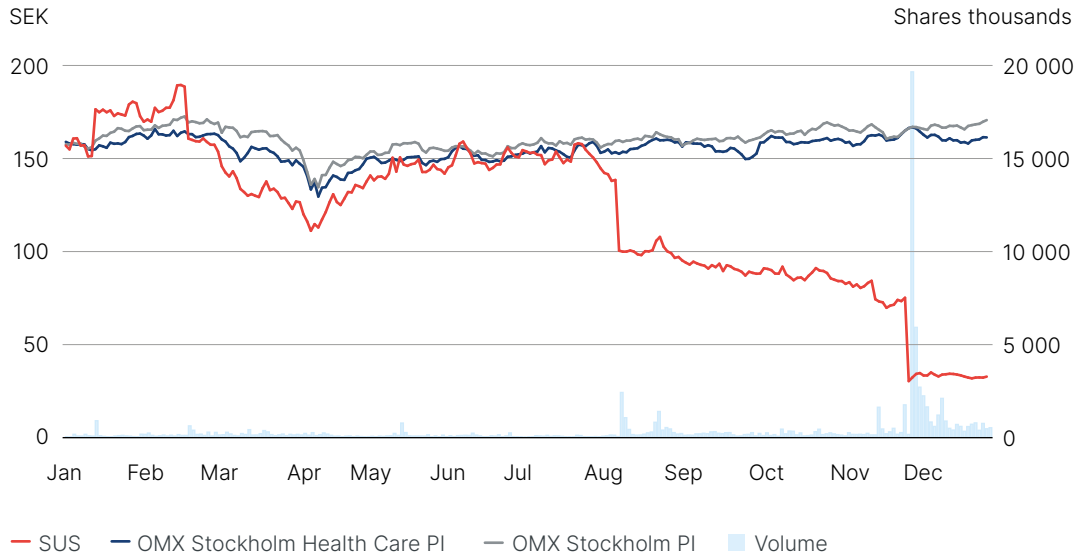
Share price trend and turnover

On December 31, 2025, the last price paid per share was SEK 32.50 (155.90), meaning a decrease of 79% since the end of the preceding year (decrease 15%) and an increase of 364% (increase 2,127%) since the listing on June 19, 2017, when the issue price adjusted for the split 2020 was SEK 7.00. Nasdaq Stockholm's OMXSPI index increased by 10% during the year (increase 6%). At the end of 2025, Surgical Science's market value amounted to SEK 1,658.4 (7,955.0) million, based on the latest price paid.

The highest price during the year was SEK 192.40 (196.90), which was listed on February 18 (January 11). The lowest price during the year was SEK 24.00 (111.80), which was listed on November 26 (September 5).

The number of Surgical Science shares traded on Nasdaq First North Growth Market during the year amounted to 87,005,589 (27,504,404) for a value of SEK 6,289.5 (3,872.1) million. The total number of trades amounted to 383,174 (250,388). The number of shares traded corresponds to 171% (54%) of the number of shares outstanding at the end of the year.

Share price trend and turnover 2025



Ownership structure

At the end of the year, there were 8,799 (8,229) shareholders in Surgical Science. Of these, 89% (94%) held 1,000 shares or fewer. The ten largest shareholders accounted for 59% (61%) of the shares. The proportion of ownership registered at addresses outside Sweden was approximately 22% (30%).

Surgical Science's ten largest shareholders

Shareholder	Number of shares	Shares and votes, %
Marknadspotential AB	7,138,371	14.0
Semelin Kapitalförvaltning AB	5,992,338	11.7
Handelsbanken Fonder	4,486,577	8.8
Fjärde AP-fonden	2,600,000	5.1
Andra AP-fonden	2,414,057	4.7
SEB Fonder	2,051,738	4.0
TIN Fonder	1,997,839	3.9
Avanza Pension	1,880,145	3.7
Nordnet Pensionsförsäkring	906,548	1.8
La Financière de l'Echiquier	820,665	1.6
Other shareholders	20,737,958	40.7
Total	51,026,236	100.0

Source: Euroclear Sweden's share register as at December 31, 2025.

Shareholder statistics

Size class	Number of shares	Number of shareholders	Shares and votes, %
1 – 500	756,182	7,100	1.5
501 – 1,000	578,670	742	1.1
1,001 – 5,000	1,624,719	729	3.2
5,001 – 50,000	2,554,488	174	5.0
50,001 – 200,000	2,595,524	26	5.1
200,001 –	36,501,681	28	71.5
Anonymous ownership	6,415,482		12.6
Total	51,026,236	8,799	100.0

Source: Euroclear Sweden's share register as at December 31, 2025.

Dividend policy and dividends

The dividend policy was adopted by the board of Surgical Science in connection with the interim report for the third quarter of 2019.

In the short term (1-3 years), no dividend is planned. In the medium term (3-5 years), Surgical Science's board and CEO intend to annually propose a dividend, or other equivalent form of distribution, corresponding on average over time to 30% of the year's net profit after tax. On determining a proposed dividend or equivalent, the company's future profits, financial position, capital requirements and other positions will be taken into account. For the 2025 financial year, the board and CEO propose that no dividend be paid, corresponding to SEK 0.00 per share.

Warrants program

2022_25

Surgical Science's annual general meeting on May 12, 2022 resolved to establish an incentive program for company employees. Each warrant entitled the holder to subscribe for one share in the company for SEK 175.70 during the period June 10 to July 10, 2025. The company subsidized the warrants program so that participants received warrants as a benefit. Participants were required to pay tax on this benefit, with the premium being calculated at SEK 28.74 per warrant.

During the subscription period, the company's average share price was below the set exercise price, which meant that no options were exercised. All 200,000 warrants thus expired without value. As a result, both the number of shares and the share capital remained unchanged, and there was no dilution of existing shareholders' ownership interests or voting rights.

2023_26

Surgical Science's annual general meeting on May 17, 2023 resolved to establish an incentive program for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 294.70 during the period June 15 to July 15, 2026. The premium has been calculated at SEK 36.43 per warrant.

2024_27

Surgical Science's annual general meeting on May 16, 2024 resolved to establish two incentive programs for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 170.50 during the period June 14 to July 14, 2027. The premium has been calculated at SEK 33.31 per warrant.

2025_28
Surgical Science's annual general meeting on May 15, 2025 resolved to establish two incentive programs for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 173.90 during the period June 14 to July 14, 2028. The premium has been calculated at SEK 36.42 per warrant.

Incentive program costs
For 2025, the program burdened profit by SEK 8.3 million, of which SEK 0.8 million pertains to social security contributions on the Swedish participants' premiums for program 2025_28, which were provided free of charge. The remaining portion of the cost, SEK 7.5 million, is attributable to the calculation under IFRS 2 and is amortized over the term of each program. In total, the four programs have burdened profit to the tune of SEK 22.9 million.

Based on the actual number of outstanding options at that time, fully exercised, the incentive program will increase Surgical Science's share capital by SEK 47,225 (38,575) and the number of shares by 944,500 (771,500), corresponding to the dilution of the total number of shares and votes by about 1.8% (1.5%).

Most of the company's employees are employed outside Sweden, in the US, Israel, and the UK. For tax reasons, these employees are contractually entitled to subscribe for shares (Non-Qualified Stock Options) rather than warrants. In accordance with generally accepted practices in these markets, participants receive these shares free of charge.

Taxable value and current information

Real-time share data can be obtained at www.surgicalscience.com. Press releases, interim reports and annual reports are also available on the website, as well as an opportunity to subscribe to these by e-mail.

Persons discharging managerial responsibilities

Persons discharging managerial responsibilities (PDMRs), as well as their closely related parties, must, in accordance with the EU Market Abuse Regulation, notify the issuer and the Swedish Financial Supervisory Authority (Finansinspektionen) (threshold value of EUR 20,000 per calendar year) of any transaction conducted on their own behalf with regard to shares and other financial instruments issued by that issuer. The board members, CEO, and CFO are considered to be PDMRs in Surgical Science.

Analysts

The following analysts publish ongoing analyses of Surgical Science:

- Danske Bank
- Pareto Securities
- Redeye
- DNB Carnegie
- Berenberg

On the company's website, under Investors/Presentations, there are a number of filmed presentations and recordings from telephone conferences, including telephone conferences from the open presentations on the results that the company holds every quarter.

Data per share

	2025	2024
Average number of shares	51,026,236	51,026,236
Average number of shares*	51,026,236	51,026,236
Number of shares at end of year	51,026,236	51,026,236
Number of shares at end of year*	51,026,236	51,026,236
Equity per share, SEK	83.74	94.63
Equity per share,* SEK	83.74	94.63
Earnings per share, SEK	1.31	2.58
Earnings per share,* SEK	1.31	2.58

* After dilution. An option program involves diluting the average number of shares in the event that the discounted present value of the exercise price in the middle of the exercise period or remaining exercise period is less than the average share price for the period. With regard to the number of shares at the end of the period, an option program entails dilution in the event that the discounted present value of the exercise price in the middle of the exercise period or remaining exercise period falls below the share price on the balance sheet date.

Financial report

Consolidated income statements by quarter

SEK thousands	Oct–Dec 2025	Jul–Sep 2025	Apr–Jun 2025	Jan–Mar 2025	Oct–Dec 2024	Jul–Sep 2024	Apr–Jun 2024	Jan–Mar 2024
Net sales	268,854	263,641	209,157	250,691	251,549	231,828	212,466	188,243
Cost of goods sold	-90,601	-93,211	-72,763	-78,092	-81,474	-70,816	-68,982	-64,918
Gross profit	**178,253**	**170,430**	**136,394**	**172,599**	**170,076**	**161,012**	**143,484**	**123,325**
Sales costs	-46,981	-56,466	-57,783	-53,122	-49,898	-42,617	-42,290	-40,456
Administration costs	-24,517	-20,484	-23,493	-43,752	-22,338	-18,040	-20,998	-15,744
Research and development costs	-59,753	-55,027	-52,123	-55,206	-51,656	-50,575	-48,841	-45,039
Other operating income and costs	-6,860	-11,204	-25,440	3,419	-7,056	-3,995	2,075	3,890
Operating profit	**40,142**	**27,249**	**-22,446**	**23,938**	**39,128**	**45,786**	**33,430**	**25,976**
Financial income and costs	2,353	2,900	3,728	22,273	295	7,239	4,376	1,862
Profit after financial items	**42,495**	**30,148**	**-18,718**	**46,211**	**39,423**	**53,025**	**37,806**	**27,838**
Taxes	-9,240	-9,746	-1,359	-12,974	-3,159	-10,002	-9,238	-4,046
Net profit	**33,255**	**20,402**	**-20,077**	**33,237**	**36,264**	**43,023**	**28,568**	**23,792**
Attributable to								
Parent company shareholders	33,255	20,402	-20,077	33,237	36,264	43,023	28,568	23,792
Earnings per share, SEK	0.65	0.40	-0.39	0.65	0.71	0.84	0.56	0.47
Earnings per share, SEK*	0.65	0.40	-0.39	0.65	0.71	0.84	0.56	0.47
Average shares outstanding	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Average shares outstanding*	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Shares outstanding at end of period	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236
Shares outstanding at end of period*	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236	51,026,236

* After dilution. See pages 66-67 for information regarding warrant programs.

Key figures and definitions

Group	2025	2024	2023	2022	2021
Net sales (SEK million)	992.3	884.1	882.9	802.5	366.8
Net sales growth, %	12.2	0.1	10.0	118.8	250.0
Adjusted EBIT (SEK million)	91.8	168.7	213.6	186.0	68.7
Adjusted EBIT margin, %	9.3	19.1	24.2	23.2	18.7
EBITDA (SEK million)	152.3	204.8	244.8	214.1	90.0
EBITDA margin, %	15.3	23.2	27.7	26.7	24.5
Operating profit (SEK million)	68.9	144.3	189.2	162.5	56.5
Operating margin, %	6.9	16.3	21.4	20.3	15.4
Profit margin, %	6.7	14.9	26.5	23.4	23.5
Balance sheet total (SEK million)	4,691.4	5,479.7	4,702.7	4,649.6	3,978.1
Equity/assets ratio, %	91.1	88.1	92.4	91.1	90.1
Number of shares at end of year	51,026,236	51,026,236	51,026,236	50,801,236	50,801,236
Number of shares at end of year*	51,026,236	51,026,236	51,044,111	50,910,759	51,010,413
Average number of shares	51,026,236	51,026,236	50,929,361	50,801,236	42,488,247
Average number of shares*	51,026,236	51,026,236	50,940,778	50,913,936	42,669,282
Number of warrants outstanding	944,500	771,500	460,000	425,000	300,000
Maximum dilution, %	1.8	1.5	0.9	0.8	0.6
Earnings per share (SEK)	1.31	2.58	4.59	3.70	2.03
Earnings per share* (SEK)	1.31	2.58	4.59	3.69	2.02
Equity per share (SEK)	83.74	94.63	85.16	83.39	70.57
Dividend per share (SEK)	0.00**	0.00	0.00	0.00	0.00
Average number of employees	309	256	249	227	121

* After dilution. See Note 19 for information regarding warrant programs.
** Proposal by the board to the 2026 annual general meeting.

Definitions

Surgical Science believes that the key figures reported facilitate an understanding of the company's financial trends.

EBITDA margin
Operating profit less depreciation, amortization, and impairment of tangible and intangible assets as a percentage of net sales. Over time, this key figure conveys a deeper understanding of the company's profitability.

Equity per share
Reported equity divided by the number of shares outstanding at the end of the period. The key figure gives an idea of how much capital per share is attributable to shareholders.

Average number of shares
The weighted average number of shares outstanding during the year.

Average number of shares after dilution
The weighted average number of shares outstanding during the year, adjusted for any dilution effect from warrants.

Adjusted EBIT margin
Operating profit less amortization and impairment of surplus values related to acquisitions as a percentage of net sales. Over time, this key figure conveys a deeper understanding of the company's profitability.

Average number of employees
The number of employees recalculated as full-time positions per month divided by the number of months in the period.

Net sales growth
Percentage change in net sales between two periods. This key figure conveys a view of the sales trend between periods.

Earnings per share
Profit for the year in relation to the weighted average of the number of shares during the year.

Earnings per share after dilution
Earnings after tax per share adjusted for any dilution effect from warrants.

Operating margin
Operating profit as a percentage of net sales. This key figure provides a picture of the company's earnings trend over time.

Operating profit
Profit before financial items and tax. This key figure shows the operating profit regardless of the financing structure and tax rate.

Equity/assets ratio
Equity as a percentage of total assets. This key figure conveys a view of the extent to which the total assets have been financed by the owners.

Dividend per share
Dividend for the year divided by the number of shares outstanding on the date of payment of the dividend. Provides a picture of the value per share transferred to shareholders.

Profit margin
Net profit as a percentage of net sales. This key figure provides a picture of the company's earnings trend over time.

Administration report

The board and CEO of Surgical Science Sweden AB (publ) corp. reg. no. 556544-8783, hereby present the annual report and consolidated financial statements for the 2025 financial year. The statutory sustainability report according to Chapter 6, Section 12 of the Annual Accounts Act (ÅRL) can be found on pages 43-62.

Operations

Surgical Science was founded in 1999 and works with simulation technologies. The foundation of the company is its proprietary software and hardware for simulating interactions between instruments and anatomy. Based on its proprietary technology, Surgical Science develops and sells turnkey simulation systems used to train surgeons and other medical specialists. The operations are conducted within the framework of the Educational Products business area. Since 2017, Surgical Science has also worked with simulation solutions for medical device companies that develop surgical instruments for clinical applications (such as robot-assisted surgery) – this work is conducted within the Industry/OEM business area. In 2019, Surgical Science acquired the company SenseGraphics, which had worked with medical simulation sales to medical device companies for many years. In early 2021, the US-based company Mimic Technologies was acquired. It had operations in both Educational Products and Industry/OEM and had operated in the field of robotic surgery for almost 20 years. The acquisition of Simbionix, which primarily operates in Tel Aviv, Israel was completed in August 2021. Simbionix was founded in 1998 and was involved in simulation for training surgeons and other medical specialists in a wide range of areas.

The acquisition of Intelligent Ultrasound (now Surgical Science UK, but Intelligent Ultrasound will still be used in the Administration report) in the UK was completed on February 18, 2025. Through this acquisition, Surgical Science further strengthens its simulation product portfolio, expands its offering within the ultrasound application area, and establishes a direct presence in the UK market.

At the end of the year, there were 313 (274) employees, of whom 87 (75) were women and 226 (199) were men. Of these, 68 (64) were employed in Sweden, 152 (138) in Israel, 44 (54) in the US, 29 (1) in the UK and the remaining 21 (17) mainly in Germany and China. For more information on employees, see Note 3.

Purpose and vision

Surgical Science's purpose is to empower all healthcare professionals to reach their full potential in order to improve healthcare outcomes and save lives. The company's vision is a world where all medical professionals have been trained and objectively certified in a safe and lifelike simulated environment.

Significant events during the year

Mixed performance over the year

The year got off to a strong start, however sales slowed in the second quarter due to weaker performance in key markets and adverse currency effects. During the second half of the year, performance gradually improved. Full-year sales totaled SEK 992.3 (884.1) million.

Contract won in Southeast Asia

On February 4, it was announced that Surgical Science had won a contract worth approximately SEK 52 million to deliver products to the defense ministry of a Southeast Asian country.

Acquisition of Intelligent Ultrasound

On February 18, it was announced that the acquisition of Intelligent Ultrasound had come into effect. The company is consolidated into Surgical Science as of the effective date.

Re-election of Board members and change of Chair

The annual general meeting on May 15 resolved to re-elect the board members Roland Bengtsson, Jan Bengtsson, Thomas Eklund, Henrik Falconer, Elisabeth Hansson, Åsa Bredin and Gisli Hennermark in accordance with the nomination committee's proposal. Gisli Hennermark was elected as the new chair of the board, succeeding Roland Bengtsson.

Launch of RobotiX Express
RobotiX Express, the company's latest advanced simulator in a portable format, was launched during the second quarter and received a very positive market response.

Organization
A key focus area during the year was to integrate Intelligent Ultrasound and its employees into the organization and include them in the company's policies and processes. Collaboration between production and sales has also been strengthened to streamline operations and improve delivery capacity.

Sustainability
During the year, Surgical Science continued to develop its sustainability reporting in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen) and inspired by the European Sustainability Reporting Standards as well as EFRAG's voluntary sustainability standard for small and medium-sized enterprises. For more information, see pages 43-62.

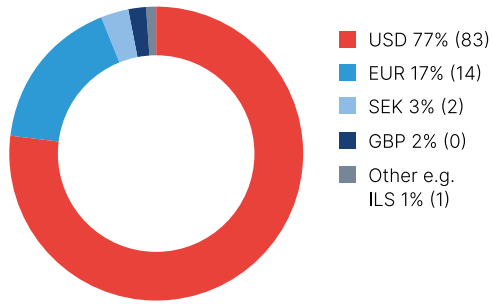
Intuitive cancels the MoU and reverts to existing agreements
On November 25, Surgical Science announced that the Memorandum of Understanding with Intuitive, signed on January 15, 2025, did not materialize into a signed agreement. Surgical Science estimates that this will have a negative impact on the company's license revenues of SEK 60–90 million in 2026, compared to 2025. However, the development collaboration with Intuitive continues in full force under the terms of existing agreements and payment model.

New strategy and financial targets
On December 8, Surgical Science announced new financial targets. Growth shall amount to 10–15% annually, with an adjusted EBIT of at least 15%. Profitability and some growth is expected for 2026, but not at the levels targeted. The targets are estimated to be met in 2027. The company also intends to initiate the process of moving the listing from First North Growth Market to the Nasdaq Main Market. On the same day, a Capital Markets Day was held where the updated strategy was presented. For more information, see pages 24–26.

Financial comments
Investments
Gross investments in the group's tangible fixed assets during the year amounted to SEK 11.7 (6.1) million (excluding new IFRS 16 lease assets). Gross investments in intangible fixed assets amounted to SEK 37.7 (41.4) million, of which SEK 34.6 (38.3) million is attributable to capitalized development costs.

Net sales
Net sales for 2025 amounted to SEK 992.3 (884.1) million, an increase of 12% compared with the preceding year. Calculated in local currencies, sales increased by 19%. Surgical Science's revenue for 2025 (2024) had the following approximate distribution in different currencies:

Distribution of currencies – Revenue



Net sales for Intelligent Ultrasound are included in sales for the period from February 18, 2025, amounting to SEK 75.3 million. For the period January 1 to February 17, Intelligent Ultrasound's sales amounted to SEK 4.9 million, meaning that total sales for 2025 amounted to SEK 80.2 (115.8) million. All sales are attributable to the Educational Products business area and the ultrasound product group. For comparable units, sales increased by 4%.

Of the sales for the year, SEK 501.5 (442.5) million consisted of sales within the Educational Products business area, an increase of 13%. Sales within the Industry/OEM business area amounted to SEK 490.8 (441.6) million, an increase of 11%.

Educational Products
Simulator sales in Educational Products amounted to SEK 424.0 (364.3) million, an increase of 16%. Service and support revenue amounted to SEK 77.6 (78.2) million, a decrease of less than 1%.

In general, sales vary between different countries and periods within Educational Products – when a major procurement is completed in one country, it is quite natural for there to be lower sales in that market in subsequent periods. The global economic climate for hospitals and training centers remains strained, prolonging the time it takes to convert quotes into orders. Surgical Science has a very high level of activity and a key priority is to develop and optimize existing sales channels to ensure the product portfolio has the best global reach.

Industry/OEM
Sales of simulators to medical device companies, mainly in the vascular area, declined by 21% and amounted to SEK 100.5 (126.7) million. Development revenue, which includes revenue from robot projects, as well as from the adaptation or development of software linked to the sale

of simulators, was higher (SEK 76.2 million compared to SEK 31.1 million for 2024). Development revenue, which will generate simulator and license revenue at a later stage, vary significantly more between periods than the corresponding sales within Educational Products. Sales consist of projects that usually include a number of simulators where adaptations for product-specific training of, for example, an OEM company's specific instrument are included.

The largest source of revenue consisted of license revenues deriving from a number of customers. License revenues increased by 11% and amounted to SEK 300.6 (271.7) million, which is 30% (31) of the company's total revenue. The customers who have just started selling products from which Surgical Science earns license revenue buy these licenses in packages. This means that sales initially vary over periods.

Service revenue for the installed base, which is mainly linked to longer agreements with specific customers where Surgical Science takes care of the shipping and servicing of these simulators for the OEM company (currently primarily in the US), amounted in 2025 to SEK 13.5 (12.1) million.

For revenues by segment, see Note 2.

Costs and results

The cost of goods sold amounted to SEK 334.7 (286.2) million corresponding to a gross margin of 66% (68). License revenue made up a slightly lower share of total sales than in the preceding year, which had a negative effect on the margin. Currency effects and the fact that Intelligent Ultrasound has a lower gross margin on its products also had a negative impact on the margin. Price increases have had a positive impact on margins.

Surgical Science applies a functionally arranged income statement in which the gross margin also includes the salaries of employees working with production, quality control and support, in addition to direct materials and spare parts. Furthermore, the salaries of development department employees who have worked on development revenue-generating projects are included. Shared costs, such as premises and IT, are distributed in accordance with an allocation template for all the different functions.

Sales costs amounted to SEK 214.4 (175.3) million, corresponding to 22% (20) of sales. SEK 5.3 million relates to restructuring costs attributable to the acquisition of Intelligent Ultrasound. Excluding these costs, sales costs amounted to SEK 209.1 million, corresponding to 21% of sales. Sales costs include the amortization of surplus values classified as customer contracts in connection with acquisitions, see also amortization below.

Administration costs amounted to SEK 112.2 (77.1) million corresponding to 11% (9) of sales. These costs include Surgical Science's acquisition costs of SEK 22.6 million related to Intelligent Ultrasound which consist mainly of legal advice in the complicated process of acquiring a listed company in the UK through a court process. Excluding these costs, administration costs amounted to SEK 89.6 million, corresponding to 9% of sales.

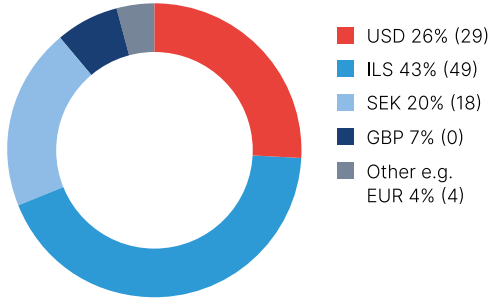
Research and development costs amounted to SEK 222.1 (196.1) million, corresponding to 22% (22) of sales. During the year, development costs of SEK 36.8 (38.3) million were capitalized as an intangible asset. The costs include restructuring costs of SEK 2.7 million related to the termination of development personnel in Seattle in the fourth quarter. Research and development costs include the amortization of surplus values classified as technology in connection with acquisitions, see also below under amortization.

Outstanding warrants programs were charged against other operating costs for 2025 in the amount of SEK 7.5 (7.9) million. See Note 19.

Other items under "Other operating income and operating costs" are mainly attributable to the revaluation of operating assets and operating liabilities in a foreign currency, amounting to SEK -37.7 (0.1) million. 2025 also includes non-recurring income (GBP 0.4 million or SEK 5.8 million) in Intelligent Ultrasound, for a replacement program of older products. The cost of these is found on the same line (GBP -0.2 million or SEK -2.9 million).

Surgical Science's costs for 2025 (2024) had the following approximate distribution in different currencies:

Distribution of currencies – Costs



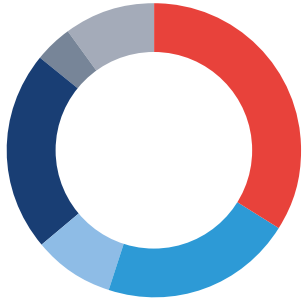
Operating profit for 2025 amounted to SEK 68.9 (144.3) million, corresponding to an operating margin of 7% (16). Adjusted for acquisition and restructuring costs, operating profit amounted to SEK 99.5 million, corresponding to a margin of

10%. Operating result consolidated for Intelligent Ultrasound is GBP -1.9 million or SEK -23.7 million. The company's total operating result for the year, including result before the acquisition on February 18, was GBP -4.1 million or SEK -53.4 million. Operating result for the period before the acquisition includes Intelligent Ultrasound's costs for advisors in connection with the acquisition, amounting to GBP 1.2 million or SEK 16.4 million.

Operating profit, with revenues and costs restated using the previous year's exchange rates and adjusted for acquisition costs and restructuring costs related to Intelligent Ultrasound and Seattle, amounted to approximately SEK 177 million, or 17%.

With regard to the surplus value in the group attributable to the acquisition of Intelligent Ultrasound, amounting to SEK 16.6 million, no allocation has been made to amortizable assets and, consequently, no amortization is made on such surplus values.

Costs/margin as a percentage of sales



- Cost of goods sold 34% (32)
- Sales costs 21% (20)
- Administration costs 9% (9)
- Research and development costs 22% (22)
- Other operating income/costs 4% (1)
- Operating margin 10% (16)

Depreciation and amortization burdened profit by SEK 83.4 (60.5) million in total. Depreciation and amortization burdened the cost of goods sold by SEK 2.6 (2.0) million, sales costs by SEK 21.2 (19.1) million, administration costs by SEK 28.9 (19.7) million, and research and development costs by SEK 30.7 (19.7) million. Sales costs include amortization of SEK 15.2 (16.0) million on those parts of the company's acquisitions that are classified as customer contracts, while research and development costs include amortization of SEK 7.7 (8.3) million on those parts of the company's acquisitions that are classified as technology.

Depreciation attributable to the application of IFRS 16 amounts to SEK 26.2 (16.0) million, this being included in its entirety under administration costs.

Adjusted EBIT amounted to SEK 91.8 million. Adjusted for acquisition and restructuring costs, adjusted EBIT amounted to SEK 122.4 (168.7) million, corresponding to a margin of 12% (19).

EBITDA amounted to SEK 152.3 million. Adjusted for acquisition and restructuring costs, EBITDA amounted to SEK 182.9 (204.8) million, corresponding to a margin of 18% (23).

Net financial items amounted to SEK 31.3 (13.8) million and consisted of interest income on bank balances of SEK 15.4 (23.6) million, interest costs on short-term loans of SEK -2.5 (-4.8) million, currency effects from a short-term loan in connection with the acquisition of Intelligent Ultrasound and the revaluation of intra-group loans of SEK 22.0 (-4.2) million, and the effect of IFRS 16 of SEK -3.7 (-0.8) million.

Net profit for 2025 amounted to SEK 66.8 (131.6) million. The tax expense for the year of SEK 33.3 (26.4) million consists of estimated tax on profit for the year and a change in deferred tax assets. This year's tax expense includes US taxes attributable to the previous year and taxes that are not linked to taxable income. Combined with the effect of the loss in Intelligent Ultrasound, this means that the effective tax rate increased. Profit includes acquisition costs of SEK 22.6 million for Intelligent Ultrasound, which are not tax deductible.

For 2025, there are tax-loss carry-forwards in the US attributable to Mimic Technologies, and in the UK attributable to Intelligent Ulltrasound.

Cash flow

For 2025, cash flow from operating activities amounted to SEK 79.8 million, compared with SEK 137.2 million for 2024. Cash flow from changes in working capital amounted to SEK -61.7 (-65.9) million. Inventory has increased. Accounts receivable remain unchanged, while accrued income has increased. Short-term liabilities also increased.

Cash flow from investing activities amounted to SEK -134.3 (-47.5) million. SEK -84.9 million is attributable to the acquisition of Intelligent Ultrasound. The remaining part consists mainly of investments in development related to the company's software. During the second part of the year, SEK 4.7 million was invested in the company's ongoing construction of new production facilities in Tel Aviv, which are expected to be commissioned in the second quarter of 2026.

Cash flow from financing activities amounted to SEK -259.7 (227.7) million, where SEK -24.3 (-2.2) million was attributable to changes in lease liabilities in accordance with IFRS 16. In connection with the offer to acquire Intelligent Ultrasound in December 2024, a short-term loan of GBP 17 million was taken out. This was repaid during the first quarter, which negatively impacted cash flow from financing activities by SEK 235.4 million.

Net cash flow for the year, including currency effects in liquid assets, was SEK -351.7 (333.8) million.

Impact of US tariffs

For 2025, Surgical Science's total sales (for both business areas) of simulators to the US were approximately SEK 220 million. These sales are directly affected by tariffs. With a 15% tariff level, Surgical Science estimates the impact to be around SEK 15 million per year. During the second half of 2025, these costs have been added to the price of the products.

Financial position

At December 31, 2025, the group's cash and cash equivalents amounted to SEK 616.4 million, equity to SEK 4,273.1 million, and the equity/assets ratio was 91%. As at December 31, 2024, the group's cash and cash equivalents amounted to SEK 968.2 million, equity to SEK 4,828.6 million, and the equity/assets ratio was 88%. As at December 31, 2025, equity per share amounted to SEK 83.74 (94.63).

Parent company

The parent company, Surgical Science Sweden AB, holds shares in subsidiaries and the portion of Surgical Sciences' operations that are conducted in Sweden. Several group-wide functions are also organized within the parent company. Due to internal transactions between the various group companies, it is not possible to draw general conclusions from the parent company's figures regarding sales and operating costs.

In the first quarter, dividend of GBP 37 million was received from Intelligent Ultrasound, as the company was acquired with a large cash reserve. In the fourth quarter, shares in subsidiaries were impaired by SEK 569.2 million to reflect the lower equity in Intelligent Ultrasound as a result of this. Both items are included in the parent company's net financial items. The impairment has no effect on the group.

In the third quarter, USD 10 million was received in dividend from the US subsidiary Surgical Science North America. The amount is included in net financial items. During the fourth quarter, a merger took place between the parent company and the former subsidiary SenseGraphics AB.

A consequence of this is that the previous group adjustment items relating to the acquisition of SenseGraphics – customer contracts and goodwill – are now included in the parent company's balance sheet.

Research and development

The software that Surgical Science uses in its simulation tools has mainly been developed in-house and is owned by the company; a marginal part of the software has been provided to the company on license. The software has been further developed and refined over a period of 25 years in collaboration with physicians who continuously test the system and new functions to ensure realism. Surgical Science works continuously to develop new simulation modules for further medical interventions and to improve the functionality of existing modules. An important part of product development is the development of training programs that measure physicians' skills. In collaboration with physicians, certification courses have been developed on which the user must attain a certain level to pass.

Seasonal effects

Surgical Science's sales within the Educational Products business area can fluctuate between quarters, with the fourth quarter of the year having usually been the strongest. This is because many major hospitals use the calendar year as their budget year and hold off on purchases until they can see what funds remain in the budget towards the end of the year. In recent years, this effect has not been significant. In the US, this effect is not found to the same extent as in countries that are more heavily reliant on public funding.

In the Industry/OEM business area, there is no significant seasonal effect, as clinical products such as those used in robotic surgery, are less influenced by whether there is any budget remaining at the end of the year.

Significant risks and uncertainty factors

The principle risks associated with Surgical Science's operations and industry include:

IP – Intellectual property (IP) is central to Surgical Science's business and the company takes measures to protect it wherever possible. This protection consists primarily of patents and protection of the source code. The company holds several patents, but its most valuable asset is its physics engine – the underlying source code that enables physically realistic interaction between tissue, organs, and instruments in real time.

In the case of cooperation with medical device customers, no rights to the company's background IP are granted. Delivery to customers is always in the form of binary code, never in the form of source code. If the company's source code were to become public or accessible to competitors, it could have serious negative consequences for the business.

IT security risk – Surgical Science is reliant on IT systems and is therefore exposed to an evolving cyber threat landscape, including the risk of unauthorized access, cyber-attacks and data breaches. To mitigate these risks, Surgical Science applies continuous monitoring and vulnerability reduction measures, and strengthens employee awareness and controls in cooperation with external partners.

Market risk – Surgical Science's sales are affected by customers' willingness to invest. Within the Educational Products business area, customers are mainly university hospitals and training centers and, within Industry/OEM, customers are mainly larger medical device companies, which in turn sell to the healthcare sector.

The willingness to invest in healthcare is affected by a number of factors including political decisions and trends in the field. A decline in willingness to invest in the healthcare sector can make it difficult for Surgical Science to sell its products and services. However, the company operates in technologically advanced areas of healthcare, such as keyhole surgery and robotic surgery, where particularly robotic surgery is growing rapidly and is expected to continue to do so.

Competitors and technical development
Surgical Science operates in a competitive market, in which several companies are active in medical simulation. There is a risk that competitors will react and respond more quickly to specific customer needs, gain market shares from Surgical Science, or develop products that customers prefer. The market for medical simulation is highly influenced by technological development. Delays in the company's development processes or an inability to adapt to technological development may result in reduced competitiveness or lost business opportunities.

Competition in the technical training of doctors also comes in the form of alternative training methods, such as simple box training, cadaver training, and training in the operating room under the supervision of an experienced surgeon.

Industrial collaborations – Within the Industry/OEM business area, Surgical Science works with major medical device companies in industrial collaborations, where the company licenses its software to industrial players, mainly in robot-assisted surgery. Surgical Science's license revenues depend largely on partner companies' sales. There is a risk that such collaborations may not generate the expected increase in sales, which could have a negative impact on the company's operations and financial position.

Personnel – Surgical Science is dependent on qualified personnel in various positions. The company's ability to retain current employees and recruit new skills is crucial to its continued development. There is a risk that Surgical Science will not succeed in attracting or retaining individuals who have been, or who could be, of importance to the company. The departure of key individuals or difficulties in recruiting qualified staff could have an adverse effect on the company's operations, results and financial position.

Acquisitions – Surgical Science's growth strategy includes both organic growth and growth through acquisitions. Acquisition-related risks are mainly linked to the integration process, such as challenges in integrating new staff and customer relationships into the company's existing operations, as well as difficulties in incorporating acquired technology, products, and knowledge. Such factors may result in expected synergies not being realized to the extent expected.

Acquisitions of companies with similar or complementary activities pose additional risks. For example, ongoing development projects may not live up to expectations. There is also a risk that patents, technology, products, and know-how do not have the protection they should reasonably have. The acquired business may also underperform and not generate the sales growth that formed the basis for the purchase price. If the revenues from the acquisition do not meet expectations, Surgical Science may have to record an impairment loss on goodwill, which would have a negative impact on the company's profit and financial position.

Access to capital – Surgical Science may need external financing in the future to enable growth through acquisitions. Financing may take the form of borrowing and/or new share issues. There is a risk that the company may not be able to secure financing on favorable terms or that credit facilities are unavailable.

The capital market is affected by general macroeconomic factors such as changes in interest rates and inflation, which may affect Surgical Science's ability to access finance. The company has financed previous acquisitions through directed new share issues. If additional capital is raised through a new share issue, existing shareholders who do not participate or

receive an allocation may have their shareholding diluted.

Geopolitical risks – Surgical Science operates in several locations worldwide, exposing the company to both domestic and global events, which can pose risks. For example, changes in customs rules or trade barriers can increase costs and affect supply chains.

To mitigate these risks, the company is taking proactive measures, such as diversifying production and adapting supply chains.

Trade policy is currently an area of uncertainty. Surgical Science continuously monitors and evaluates the situation to minimize any potential negative impact.

Outlook

Surgical Science's strategy is to have two separate business areas. The focus of Educational Products is on customers in education and training, who use the company's proprietary simulators to increase patient safety through effective, generic training, the results of which can be measured objectively. Customers have validated the simulators over many years by way of clinical studies. The other business area, Industry/OEM, primarily makes use of Surgical Science's software resources, which enable medical device companies to integrate product-specific simulation into their clinical products. This makes it possible to generate a return on Surgical Science's development work, which has been ongoing for more than 25 years. The company perceives the strongest future growth to be in this area. In robotic surgery, the principal business model involves a development fee for customization/integration with the customer's products and then a software license for each unit or based on the installed base or on usage. Surgical Science retains full copyright over its product.

Underlying growth in the market for medical simulation is favorable. The largest market for medical simulation is the US, followed by Europe and Asia. Over the next few years, growth is expected to be strongest in countries where driving forces include economic development, an increased focus on patient safety, and a large population, such as China and India. The market for robot-assisted surgery is expected to grow quicker than other parts of the market.

The overall objectives for Surgical Science 2025 were to:

- Ensure successful integration of Intelligent Ultrasound and safeguard planned synergies.
- Establish broader partnerships and increase the number of customers in the Medical Device Simulation segment of Industry/OEM.
- Grow organic sales in Educational Products by 10 to 15%.
- Continue to expand the product portfolio through further product launches.
- Improve gross margin in Educational Products, including Intelligent Ultrasound, by streamlining the product portfolio and increasing average selling price.
- Ensure a high level of employee commitment by continuing to build and maintain the culture and the company's core values.
- Improve internal efficiency and the level of automation to respond more quickly and cost-effectively to increased customer demand and to handle more customers and business.
- Be prepared to make further acquisitions when the time is right.

Surgical Science has an organization where a sizable portion of its employees are global leaders in software development for medical simulation. This gives the company the capacity to work with the development of the core technology for future simulation, with on-time delivery of adaptations of simulation software to customers in Industry/OEM, and to continue to launch new applications for its proprietary products within Educational Products. To remain the world leader in realistic real-time simulations of medical procedures, improving the core technology is critical, and Surgical Science is continuing to invest in this area.

Corporate governance

Surgical Science is a Swedish public limited company governed by the annual general meeting of shareholders, the board, the CEO and other senior executives of the company. The company complies with current rules and regulations in accordance with the Swedish Companies Act, the Articles of Association and the board's rules of procedure.

The Swedish Code of Corporate Governance complements the Swedish Companies Act and is part of the relatively comprehensive self-regulation of corporate governance in Sweden. The Code is applicable to all Swedish companies listed on Nasdaq Stockholm (or other regulated markets). Surgical Science's share is traded on the Nasdaq First North Growth Market, which is a multilateral trading platform and not a regulated market. Accordingly, Surgical Science is not obliged to adhere to the Code, nor has it undertaken voluntarily to do so.

General meeting of shareholders

Surgical Science's highest decision-making body is the general meeting. The annual general meeting is held within six months from the end of the financial year. Notice of a general meeting shall be issued by advertisement in the Swedish Official Gazette (Post- och Inrikes Tidningar), as well as on the company's website. The publication of a notice of a general meeting shall also be advertised in Swedish financial daily Dagens Industri. Notice of an annual general meeting shall be issued at the earliest six weeks and at the latest four weeks prior to the meeting. All shareholders included in the printout of the share register and who have notified the company of their participation in time, are entitled to attend the meeting and to vote. Shareholders unable to attend in person may be represented by a proxy.

Annual general meeting 2025

The annual general meeting of Surgical Science was held on May 15, 2025. The meeting re-elected ordinary board members Roland Bengtsson, Gisli Hennermark, Jan Bengtsson, Thomas Eklund, Henrik Falconer, Elisabeth Hansson and Åsa Bredin. Gisli Hennermark was elected as the chair of the board. The annual general meeting approved total board fees of SEK 1,800,000 for the period until the next annual general meeting. The chair of the board, Gisli Hennermark is to receive SEK 600,000 and the other six board members SEK 200,000 each.

The annual general meeting also approved a fee of SEK 85,000 for the chair of the audit committee, SEK 45,000 for each of the other members of the audit committee, SEK 60,000 for the chair of the remuneration committee, and SEK 30,000 for each of the other members of the remuneration committee.

The meeting also resolved to approve the board's proposal to establish a long-term incentive program for group employees. The program encompassed 370,000 warrants, corresponding to a dilution of 0.73%. For more information, see Note 19. The meeting also resolved to approve the board's proposal to establish a long-term incentive program for senior executives in Sweden. The program encompassed 32,000 warrants, corresponding to a dilution of 0.06%. For more information, see Note 19.

The board was authorized, for the period up until the next annual general meeting, to determine, on one or more occasions, to implement new share issues corresponding to a maximum of 10% of the company's share capital.

The board's proposal for the disposal of the profit for the year was approved. No dividend was paid for the 2024 financial year.

Annual general meeting 2026

The annual general meeting of Surgical Science AB (publ) will be held on May 21, 2026.

Shareholders wishing to participate in the proceedings of the annual general meeting must be entered in the share register maintained by Euroclear Sweden on May 12, 2026 and shall notify the company of their intention to participate at the annual general meeting no later than May 15, 2026, or to cast their vote in advance, by May 15, 2026 at the latest.

Shareholders wishing to have a matter considered by the meeting may request this in writing from the board. Such requests for matters to be addressed shall be submitted to Surgical Science AB (publ), FAO: Chair of the board, Drakegatan 7A, SE-412 50 Gothenburg, Sweden and must be received by the board no later than seven weeks prior to the meeting and, in all instances, sufficiently early that the matter, if necessary, can be included in the notice convening the meeting.

Nomination committee

The following members have been appointed to Surgical Sciences' Nomination Committee for the 2026 Annual General Meeting:

Åsa Hedin, appointed by Marknadspotential AB
Anna Sundberg, appointed by Handelsbanken Fonder
Erik Sprinchorn, appointed by TIN Fonder

The Chairman of the Board, Gisli Hennermark, shall be co-opted to the Nomination Committee except when the Nomination Committee considers the matter of the Chairman of the Board.

The appointments have been made in accordance with the instructions regarding principles for the appointment of the company's Nomination Committee established at the Annual General Meeting of Surgical Science on May 16, 2024. The shareholders that have appointed the members of the Nomination Committee represented in aggregate approximately 26% of all shares in the company as of August 31, 2025.

The Nomination Committee shall prepare and submit proposals to the Annual General Meeting regarding: (i) election of Chairman of the Meeting, (ii) election of board members, (iii) election of Chairman of the Board, (iv) resolution on board remuneration with the division between the

chairman and other members of the board, (v) resolution on remuneration for the members of the Remuneration and Audit Committee (if applicable), (vi) election of auditors, (vii) resolution on remuneration of auditors, and (viii) to the extent deemed necessary, resolution on amendments in current rules for the Nomination Committee.

Group

Surgical Science's head office is located in Gothenburg, Sweden. Surgical Science Sweden AB is the parent company and the group has subsidiaries and staff in Sweden, Israel, the US and the UK. Sales and development staff are also located in other countries, primarily China and Germany.

Proposed appropriation of profits

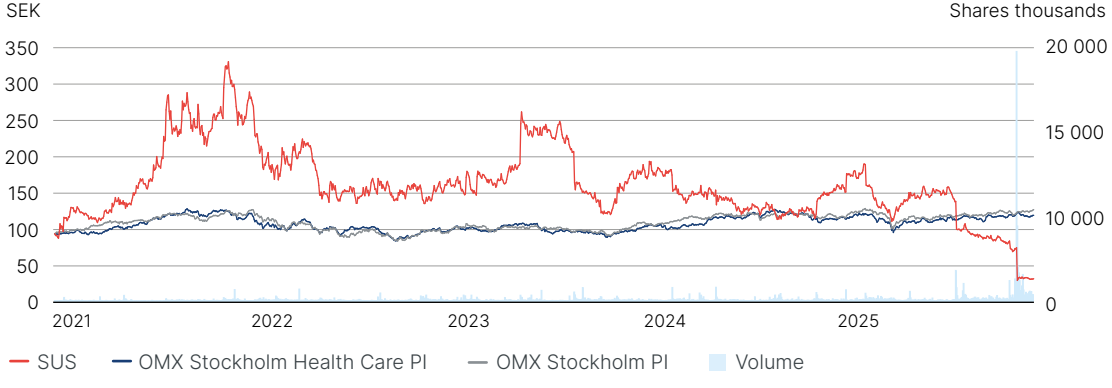
The board and CEO propose that the available funds of SEK 3,454,801,224 be allocated as follows:

To be carried forward: SEK 3,454,801,224

The financial statements were approved for issuance by the parent company's board on April 15, 2026.

Regarding the company's earnings and position in other regards, reference is made to the subsequent income statements and balance sheets.

Share price trend and turnover 5 years



Consolidated income statements

SEK thousands	Note	2025	2024
Net sales	2	992,344	884,087
Cost of goods sold		-334,668	-286,189
Gross profit		**657,676**	**597,897**
Sales costs		-214,352	-175,260
Administration costs		-112,246	-77,119
Research and development costs		-222,109	-196,110
Other operating income and costs		-40,086	-5,087
Operating profit	3, 4, 5, 6, 9, 10	**68,883**	**144,320**
Financial income	7	40,369	25,288
Financial costs	7	-9,114	-11,515
Profit after financial items		**100,137**	**158,093**
Taxes	8	-33,319	-26,446
Profit for the year		**66,818**	**131,646**
Profit for the year attributable to:			
Parent company shareholders		66,818	131,646
Earnings per share, SEK	19	1.31	2.58
Earnings per share, SEK*	19	1.31	2.58

* After dilution. See Note 19 for information regarding warrant programs.

Consolidated statement of income and other comprehensive income

SEK thousands	Note	2025	2024
Profit for the year		**66,818**	**131,646**
Other comprehensive income			
Items that have been or that may be reclassified to the income statement for the year			
Translation differences for the year on translation of foreign operations	8	-629,888	344,546
Other comprehensive income for the year	18	**-629,888**	**344,546**
Comprehensive income for the year		**-563,070**	**476,192**
Comprehensive income for the year attributable to:			
Parent company shareholders		-563,070	476,192

Consolidated statement of financial position

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
ASSETS	22, 23		
Fixed assets			
Intangible fixed assets	9		
Capitalized expenditure for development work		135,976	98,457
Patents, trademarks, and concessions		51,150	61,759
Customer contracts		70,734	92,445
Technology		40,483	57,055
Goodwill		3,077,234	3,615,848
Other intangible assets		2,557	2,189
Tangible fixed assets	10		
Equipment		106,346	101,534
Financial fixed assets			
Deferred tax assets	8	13,581	16,331
Other financial fixed assets		8,618	8,049
Total non-current assets		**3,506,680**	**4,053,666**
Current assets			
Inventories	13	205,974	179,583
Current receivables			
Accounts receivable	15	136,976	136,702
Current tax asset		55,086	23,627
Other receivables		16,185	20,025
Prepaid expenses and accrued income	16	154,040	97,914
Cash and cash equivalents	17	616,425	968,155
Total current assets		**1,184,686**	**1,426,007**
TOTAL ASSETS		**4,691,366**	**5,479,673**

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
EQUITY	18, 19		
Share capital		2,551	2,551
Other capital contributions		3,398,121	3,398,121
Provisions		166,155	788,557
Profit and loss carried forward, incl. profit for the year		706,227	639,409
TOTAL EQUITY		**4,273,054**	**4,828,639**
LIABILITIES	22, 23		
Non-current liabilities			
Deferred tax liability	8	33,448	43,548
Other non-current liabilities	20	92,101	94,765
Total non-current liabilities		**125,549**	**138,313**
Current liabilities			
Accounts payable		36,247	58,449
Current tax liability		49,664	51,436
Other current liabilities		53,866	277,891
Accrued expenses and deferred income	21	152,986	124,946
Total current liabilities		**292,763**	**512,722**
TOTAL LIABILITIES		**418,312**	**651,035**
TOTAL EQUITY AND LIABILITIES		**4,691,366**	**5,479,673**

Consolidated changes in equity

	Attributable to parent company shareholders				
SEK thousands	Share capital	Other capital contributions	Provisions	Profit carried forward, incl. profit for the year	**Total equity**
Opening balance January 1, 2024	**2,551**	**3,398,121**	**436,777**	**507,763**	**4,345,212**
Profit for the year				131,646	131,646
Other comprehensive income for the year			344,546		344,546
Warrants program IFRS 2			7,235		7,235
Closing balance December 31, 2024	**2,551**	**3,398,121**	**788,557**	**639,409**	**4,828,639**
Opening balance January 1, 2025	**2,551**	**3,398,121**	**788,557**	**639,409**	**4,828,639**
Profit for the year				66,818	66,818
Other comprehensive income for the year			-629,888		-629,888
Warrants program IFRS 2			7,486		7,486
Closing balance December 31, 2025	**2,551**	**3,398,121**	**166,155**	**706,227**	**4,273,054**

Consolidated cash flow statements

SEK thousands	Note	2025	2024
Operating activities			
Profit before financial items		68,883	144,320
Adjustments for non-cash items:			
Exchange rate differences		29,515	7,197
Depreciation/amortization		83,371	60,514
Interest paid/received		9,226	18,768
Tax paid		-49,500	-27,686
Cash flow from operating activities before changes in working capital		**141,495**	**203,113**
Changes in working capital			
Increase (-)/decrease (+) in inventories		-16,392	-11,556
Increase (-)/decrease (+) in operating receivables		-87,612	-20,238
Increase (+)/decrease (-) in operating liabilities		42,306	-34,094
Cash flow from changes in working capital		**-61,698**	**-65,888**
Cash flow from operating activities		**79,795**	**137,225**
Investing activities			
Investment in tangible fixed assets		-11,677	-6,104
Investment in intangible fixed assets		-37,660	-41,426
Investment in business	11	-84,914	–
Cash flow from investing activities		**-134,251**	**-47,530**
Financing activities			
Change in non-current liabilities		48	-5,525
Change in liabilities to credit institutions		-235,407	235,408
Change in lease liabilities		-24,316	-2,230
Cash flow from financing activities		**-259,675**	**227,653**
Cash flow for the year		**-314,131**	**317,348**
Cash and cash equivalents at the beginning of the year		968,155	634,366
Exchange-rate difference in cash and cash equivalents		-37,599	16,441
Cash and cash equivalents at year-end	17	**616,425**	**968,155**

Parent company income statements

SEK thousands	Note	2025	2024
Net sales		381,109	126,574
Cost of goods sold		-185,285	-55,459
Gross profit		**195,824**	**71,115**
Sales costs		-28,388	-18,915
Administration costs		-48,578	-21,441
Research and development costs		-30,704	-28,960
Other operating income and costs		-15,609	-5,257
Operating profit	3, 4, 6, 9, 10	**72,546**	**-3,457**
Profit from financial items			
Interest income and similar income statement items	7	34,025	19,793
Income from participations in group companies	7	582,715	–
Impairment of shares in subsidiaries	7	-569,226	–
Interest expense and similar income statement items	7	-4,614	-11,993
Profit after financial items		**115,446**	**4,343**
Appropriations (group contributions)		-2	63,557
Tax on profit for the year	8	-26,529	-14,437
Profit for the year		**88,914**	**53,464**

Because the parent company has no items to report under Other comprehensive income, no statement of comprehensive income has been prepared.

Parent company balance sheets

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
ASSETS	22, 23		
Fixed assets			
Intangible fixed assets	9		
Capitalized expenditure for development work		29,916	30,664
Customer contracts		15,337	–
Goodwill		89,405	–
Other intangible fixed assets		1,396	1,075
Tangible fixed assets	10		
Equipment		976	1,687
Financial fixed assets			
Investments in group companies	12	2,870,253	3,131,505
Total non-current assets		**3,007,284**	**3,164,931**
Current assets			
Inventories	13	16,090	6,659
Current receivables			
Accounts receivable	15	24,868	27,761
Receivables from group companies	14	47,524	71,845
Other receivables		15,988	1,940
Prepaid expenses and accrued income	16	89,919	14,089
Cash and bank position	17	548,076	659,075
Total current assets		**742,465**	**781,370**
TOTAL ASSETS		**3,749,749**	**3,946,300**

SEK thousands	Note	Dec 31, 2025	Dec 31, 2024
EQUITY	18, 19		
Restricted equity			
Share capital		2,551	2,551
Share premium reserve		41,095	41,095
Development expenditure fund		29,916	30,664
Unrestricted equity	26		
Share premium reserve		3,336,592	3,336,592
Profit brought forward		29,296	103,395
Profit for the year		88,914	53,464
TOTAL EQUITY		**3,528,364**	**3,567,761**
LIABILITIES	22, 23		
Non-current liabilities	20	3,159	–
Current provisions	24	–	–
Current liabilities			
Liabilities to credit institutions		1,625	235,408
Accounts payable		3,289	7,954
Liabilities to group companies	14	115,823	78,112
Tax liability		20,963	23,922
Other current liabilities		10,576	8,178
Accrued expenses and deferred income	21	65,950	24,965
Total current liabilities		**218,226**	**378,539**
TOTAL LIABILITIES		**221,385**	**378,539**
TOTAL EQUITY AND LIABILITIES		**3,749,749**	**3,946,300**

Statement of changes in parent company's equity

	Restricted equity			Unrestricted equity			
SEK thousands	Share capital	Share premium reserve	Development expenditure fund	Share premium reserve	Profit brought forward	Profit for the year	**Total equity**
Opening balance, January 1, 2024	**2,551**	**41,095**	**26,697**	**3,336,592**	**25,970**	**73,770**	**3,506,675**
Disposal of profit brought forward					73,770	-73,770	–
Development expenditure fund			3,967		-3,967		–
Warrants program IFRS 2					7,235		7,235
Merger of subsidiaries					387		387
Profit for the year						53,464	53,464
Closing balance, December 31, 2024	**2,551**	**41,095**	**30,664**	**3,336,592**	**103,395**	**53,464**	**3,567,761**
Opening balance, January 1, 2025	**2,551**	**41,095**	**30,664**	**3,336,592**	**103,395**	**53,464**	**3,567,761**
Disposal of profit brought forward					53,464	-53,464	–
Development expenditure fund			-748		748		–
Warrants program IFRS 2					7,486		7,486
Merger of subsidiaries					-135,797		-135,797
Profit for the year						88,914	88,914
Closing balance, December 31, 2025	**2,551**	**41,095**	**29,916**	**3,336,592**	**29,296**	**88,914**	**3,528,364**

Parent company cash flow statements

SEK thousands	Note	2025	2024
Operating activities			
Profit before financial items		72,546	-3,457
Adjustments for non-cash items:			
Exchange rate differences		30,036	6,005
Depreciation/amortization		41,682	8,935
Interest paid/received		6,861	14,476
Tax paid		-30,273	-341
Cash flow from operating activities before changes in working capital		**120,852**	**25,619**
Changes in working capital			
Increase (-)/decrease (+) in inventories		-9,431	2,019
Increase (-)/decrease (+) in operating receivables		-43,998	16,055
Increase (+)/decrease (-) in operating liabilities		12,230	4,752
Cash flow from changes in working capital		**-41,199**	**22,826**
Cash flow from operating activities		**79,653**	**48,444**
Investing activities			
Investment in tangible fixed assets		-56	-161
Investment in intangible fixed assets		-8,648	-11,844
Merger of subsidiary		103,799	1,998
Investment in subsidiary	11	-633,054	–
Cash flow from investing activities		**-537,959**	**-10,007**
Financing activities			
Change in liabilities to credit institutions		-235,408	235,408
Group contributions		–	52,959
Dividends received		582,715	–
Cash flow from financing activities		**347,307**	**288,367**
Cash flow for the year		**-110,999**	**326,804**
Cash and cash equivalents at the beginning of the year		659,075	331,041
Exchange-rate difference in cash and cash equivalents		–	1,230
Cash and cash equivalents at year-end	17	**548,076**	**659,075**

Notes to the financial statements

Notes to the 2025 financial statements for the Surgical Science group and its parent company, Surgical Science Sweden AB (publ), corporate identity number 556544-8783, with registered offices at Drakegatan 7A, SE-412 50 Gothenburg, Sweden. The parent company's shares are registered on Nasdaq First North Growth Market in Stockholm.

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Note 1. Accounting and valuation principles

Compliance with standards and legislation
The consolidated accounts have been prepared in accordance with the IFRS reporting standards issued by the International Accounting Standards Board (IASB) as adopted by the EU. Furthermore, the Financial and Sustainability Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for groups has been applied.

The parent company's annual report has been prepared in accordance with the Annual Accounts Act (1995:1554) and applying the Financial and Sustainability Reporting Board's recommendation RFR 2 "Accounting for Legal Entities". Accordingly, the measurement and disclosure rules under IFRS reporting standards are applied including the deviations detailed under "parent company accounting principles".

Basis of valuation applied in the preparation of the financial statements
Assets and liabilities are recognized at cost, except for certain financial assets and liabilities, which are reported at fair value.

Functional currency and presentation currency
The parent company's functional currency is the Swedish krona, SEK, which is also the reporting currency for the parent company and group. This means that the financial statements are presented in SEK. All amounts are rounded off to the nearest SEK thousand unless otherwise stated.

Assumptions applied in preparing the parent company's financial statements and the consolidated financial statements
Preparing reports in accordance with IFRS reporting standards requires the use of some important estimates for accounting purposes. Furthermore, the management is required to make certain judgements about the application of the group's accounting principles. The areas involving substantial estimation – complex areas or areas in which assumptions and estimates are of material significance for the consolidated accounts – are stated in Note 29.

Amended accounting principles due to new or amended IFRS standards
No new or amended standards that came into effect on January 1, 2025 have had any impact on these financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements* replaces IAS 1 and is effective for annual periods beginning on or after 1 January 2027, with 2026 as the comparative year. The Group will apply the standard from 1 January 2027. The principal impact on the Group's consolidated financial statements is a restructuring of the income statement into three defined categories: operating, investing and financing activities. Financial income and financial expenses, previously presented on a net basis, will be reported as separate line items. Interest income and gains on financial assets are classified under investing activities, while finance costs (including lease interest) are presented under financing activities. Two new subtotals are introduced: profit before financing and income taxes, and profit before income taxes.The Group presents Adjusted EBIT as a management-defined performance measure, reconciled directly from the IFRS subtotal operating profit by adding back amortization of acquisition-related intangible assets (customer contracts and technology). A new note disclosure will disaggregate operating expenses by nature into depreciation, amortization, impairment, inventory impairment and employee expenses.

The adoption of IFRS 18 affects presentation and disclosure only and has no impact on recognition, measurement or the Group's reported profit.

Other adopted updates and amendments coming into effect as at January 1, 2026 or later will have no material effect on future financial reports.

Consolidation principles
The consolidated financial statements include the parent company, Surgical Science Sweden AB (publ), and the subsidiaries that are under a controlling influence of the parent company. All subsidiaries are wholly owned.

Subsidiaries are recognized in accordance with the acquisition method.

Foreign currencies
The functional currency is the currency in the primary economic environments where the companies within the group conduct their operations. The companies included in the group are the parent company and its subsidiaries. The parent company's functional currency and reporting currency is the Swedish krona. The group's reporting currency is the Swedish krona.

Assets and liabilities in foreign operations, including goodwill and other fair value adjustments on consolidation, are translated to SEK at the rate in effect on the balance sheet date. . Revenue and expenses in foreign operations are translated to SEK at the average rate. Translation differences that arise through currency translations are recognized directly in other comprehensive income. The amount is recognized separately as a translation reserve in equity.

The following exchange rates have been applied in the financial statements:

	Average exchange rate		Exchange rate on balance sheet date	
Currency	2025	2024	Dec 31, 2025	Dec 31, 2024
EUR	10.9042	11.4322	10.8180	11.4865
USD	9.8191	10.5614	9.2013	10.9982
GBP	12.9216	-	12.4174	-
ILS	2.8467	2.8541	3.1840	3.0132

Source: Sveriges Riksbank

Sales

Surgical Science sells various products and services for the simulation of evidence-based medical training.

The products include both hardware and software and are usually sold packaged with support/service agreements applicable for varying periods, usually 1-3 years. Product sales are recognized as revenue on the transfer of control to the customer, normally in connection with the delivery of both the hardware and software. Installation revenue is recognized on completion – in the ensuing month at the latest. Support/service agreements are invoiced in advance and recognized as revenue across the term of the service contract or as the consulting work is carried out.

Revenues derive partly from development work performed in implementing the company's software on various industrial customers' hardware platforms or other initial adaptation of software for these customers, and partly from license revenues associated with the use of this software. The development work is recognized as revenue as the work is performed. License revenues are recognized as revenue once the company's customers have reported their usage, which occurs at least once each quarter or on invoicing.

Uninvoiced service and consulting services are reported as accrued income (contract receivables), while service and consulting services that have been invoiced but have yet to be performed are reported as prepaid income (contract liabilities) in the balance sheet.

A customer contract may include hardware and software, installation, training and a service agreement extending over several years. The vast majority of sales, however, comprise products and services clearly representing separate performance commitments.

Surgical Science also offers customers leases extending predominantly from three months to one year in duration. These are invoiced in advance and recognized as revenue in line with the terms of the contracts.

Approximately 13% (14) of Surgical Sciences' sales in 2025 were paid in advance. Additionally, a 30-day credit period is generally applied.

Segment reporting

Identifying reportable segments begins with how reports are submitted to the internal reporting structure and how these are followed up by the highest executive decision-maker. The group has identified the group's CEO as its highest executive decision-maker. In the internal reporting to the CEO, in part, business areas and, in part, geographical segments are applied, with revenues being broken down between Europe, North and South America, Asia, and Other, as well as by revenue stream, with revenues being further broken down between simulators, development revenues and license revenues, as well as service and support revenue. See Note 2 for further information.

Government subsidies

Government subsidies are reported when the company has met the terms associated with those subsidies and it can be safely determined that the subsidies will be received. Paid grants are recognized in the balance sheet as prepaid income and recognized as revenue in the period when the cost the grant relates to is recognized. Government subsidies are reported in relation to the hours worked on relevant projects for the development department.

Leasing

Lessees

Leases for premises and equipment are recognized in the balance sheet as current assets with corresponding lease liabilities, entailing an obligation to pay future lease fees associated with the right-of-use assets. Each lease payment is divided between amortization of the liability and financial cost. The financial cost is allocated over the lease term so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognized in that period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's period of use and the term of the lease. The lease payments are discounted by the implicit interest rate if that rate can easily be determined, or otherwise by the incremental borrowing rate.

Lease payments for short-term leases and leases of low-value assets are expensed on a straight-line basis in the income statement. Short-term leases are leases of 12 months or less. The company defines low-value leases as contracts for which the cost is less than SEK 50 thousand.

Financial income and costs

Financial income and costs consist of interest income on bank balances and receivables and interest-bearing securities, interest costs on loans, dividend income, exchange rate differences, realized and unrealized gains on financial investments, and derivatives used in financial operations.

Income taxes
Income taxes are recognized in the income statement and consist of current tax and deferred tax. When the underlying transaction is recognized in other comprehensive income, the related tax effect is also recognized in other comprehensive income. Current tax is the tax to be paid or received for the current year, applying the tax rates that have been set as of the closing day. Adjustments are made for current taxes attributable to previous periods. Deferred tax is calculated according to the balance sheet method based on temporary differences. Temporary differences constitute the difference between the carrying amount of assets and liabilities and their value for tax purposes. Deferred tax assets from deductible temporary differences and tax loss carry forwards are only recognized to the extent it is likely that they will be utilised. The value of deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

Financial instruments
Surgical Science only holds financial assets measured at amortized cost and, on the asset side, these comprise accounts receivable, other receivables and other non-current holdings of securities. Liabilities include accounts payable and other liabilities measured at amortized costs, as well as currency derivatives and liabilities for contingent purchase considerations measured at fair value.

Accounts receivable and other receivables
Receivables of this kind are recognized at amortized cost. Receivables of short maturity have been recognized at their nominal value without discounting in accordance with the amortized cost method. If the anticipated maturity is longer than 12 months, they constitute non-current receivables, and if it is shorter they constitute other receivables. Accounts receivable are initially reported at fair value and subsequently at amortized cost. Where the expected maturity of an account receivable is short, its value is recognized at the nominal amount, with no discounting. Deductions are made for doubtful receivables, which are assessed individually. Amortization of accounts receivable is reported in operating costs. Historically, Surgical Science's bad debt losses have been low.

Cash and cash equivalents
Cash and cash equivalents comprise cash, immediately accessible bank balances, as well as any other money market instruments with original maturities of less than three months.

Accounts payable
Accounts payable are initially recognized at fair value and subsequently at amortized cost by applying the effective interest rate method.

Intangible fixed assets
The items reported in the consolidated statement of financial position are goodwill, customer contracts, technology, capitalized costs for product development, patents, trademarks and concessions.

Goodwill
Goodwill represents the difference between the cost of a business acquisition and the consolidated value of the acquired assets, assumed liabilities and contingent liabilities. Goodwill is measured at cost less any accumulated impairment. Goodwill is allocated to cash-generating units and is not amortized but tested annually, or as necessary, for impairment.

Customer contracts
In the statement of financial position, acquired customer contracts in connection with business acquisitions are recognized at cost less accumulated depreciation and amortization, and impairment.

Technology
In the statement of financial position, technology is recognized at cost less accumulated amortization and impairment.

Capitalized expenditure for development work
Research expenditure is expensed in the period in which it is incurred. In the group, development expenditure is reported as an intangible asset, to the extent that the asset is deemed able to generate future economic benefits and then only provided that completing the asset is technically and financially feasible, that the intention is, and the conditions exist for the asset to be used in the operations or sold, with it being possible to calculate the value reliably. In the statement of financial position, capitalized development expenditure is recognized at cost less accumulated amortization and impairment.

Patents
In the statement of financial position, patents are recognized at cost less accumulated amortization and impairment.

Trademarks
In the statement of financial position, trademarks are recognized at cost less accumulated amortization and impairment.

Concessions
In the statement of financial position, concessions are recognized at cost less accumulated amortization and impairment.

Additional expenditure
Additional expenditures for an intangible fixed asset are added to the cost only if they increase the future economic benefits, exceeding the original assessment, and the expenditures can be

calculated reliably. All other expenditures are expensed when they arise.

Amortization

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets, unless their useful lives are indeterminate. Goodwill, as well as the Simbionix brand, which are assumed to have indeterminate useful lives, are tested annually for impairment or as soon as any indications suggest that the relevant asset may have decreased in value in accordance with IFRS. Amortizable intangible assets are amortized from the date they are available for use.

The estimated useful lives are:

Capitalized expenditure for development work	5 years
Patents, trademarks, and concessions	5 years
Customer contracts and technology	10 years

Tangible fixed assets

All property, plant and equipment are reported at cost with deductions for depreciation. The cost includes expenditure that is directly attributable to the acquisition of an asset. Additional costs are added to the asset's carrying amount or reported as a separate asset (depending on which is deemed more appropriate) only when it is probable that the future economic advantages associated with the asset will benefit the group and the asset's value can be reliably measured. All other forms of repairs and maintenance are expensed in the income statement in the period in which they are incurred.

Depreciation

The depreciation of property, plant and equipment according to plan is based on predetermined useful lives. Depreciation is recognized on a straight-line basis over the estimated useful life of the assets. The estimated useful lives are:

Equipment	5 years

Each asset's residual value and useful life are assessed annually.

On each balance sheet date, the residual values and useful lives of the assets are tested and, if necessary, adjusted. Where exceeding the estimated recoverable amount, an asset's carrying amount is immediately written down to the estimated recoverable amount. The gain or loss arising on the sale or disposal of an asset comprises the difference between the sales price and the carrying amount, less direct sales costs. This is reported either under Other operating income or Other operating costs, as relevant.

Inventories

Inventories are recognized at the lower of acquisition cost and net realizable value. Cost is calculated in accordance with weighted average prices. For semi-finished and finished products manufactured in-house, cost comprises direct production costs and a reasonable share of indirect production costs based on normal capacity.

Impairment

In connection with each reporting date, any indications of declining value among the group's assets are assessed. Goodwill and other intangible assets not amortized on an ongoing basis are tested annually for impairment, or more frequently if there are indications that assets may have decreased in value. If this is the case, the group assesses the asset's recoverable amount. The recoverable amount is the fair value of the asset less sales costs, or its value in use, whichever is higher. Value in use refers to the present value of all inflows and outflows attributable to the asset over the period in which it is expected to be utilized in the operations, plus the present value of the net realizable value at the end of the asset's useful life.

Where the estimated recoverable amount is less than the carrying amount, the asset's recoverable amount is impaired. Previous impairment is reversed when the assumptions have changed that were applied to determine the asset's recoverable amount when it was written down, meaning that impairment is no longer deemed necessary. Reversals of previous impairment are tested individually and reported in the income statement. Goodwill impairment cannot be reversed in a subsequent period.

Earnings per share

The calculation of earnings per share is based on the profit for the year for the group which is attributable to the parent company's shareholders and on the weighted average number of outstanding shares during the year before and after dilution. When calculating diluted earnings per share (i.e. earnings per share after dilution), the net result and the average number of shares are adjusted to take account of the effects of potential ordinary shares, which derive from options issued to employees.

Pensions

The group has both defined-contribution and defined-benefit pension plans. The premiums for the defined-contribution pension plans are expensed on an ongoing basis without any commitments to pay additional fees. Costs are charged against consolidated earnings as the benefits are vested. The company's net obligation regarding defined-benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in exchange for their services during current and

previous periods. This benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. See Note 3 for further information.

Equity
Transaction costs that can be directly attributed to the issue of new ordinary shares or options are recognized, net after tax, in equity as a deduction from the issue proceeds.

Warrants program
There are four outstanding warrant programs aimed at the company's employees. The company subsidizes the warrants programs so that participants receive warrants as a benefit. These warrants programs will require payment of social security contributions and costs in accordance with the accounting rules in IFRS 2. A description of the warrant programs can be found under Note 19.

Parent company accounting principles
The parent company has prepared its financial statements in accordance with the Annual Accounts Act (1995:1554) and the Financial and Sustainability Reporting Board's recommendation RFR 2 "Accounting for Legal Entities". The statements issued by the Financial and Sustainability Reporting Board relating to listed companies have also been applied. RFR 2 entails the parent company, in the annual report for the legal entity, being required to apply all EU-approved IFRS accounting standards and statements as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and taking into account the connection between reporting and taxation. Recommendations indicate the exceptions and the supplements to be made to the IFRS.

The differences between the accounting principles applied by the group and those applied by the parent company are as follows. The parent company's accounting principles, as stated, have been applied consistently to all periods presented in the parent company's financial statements. The principles are unchanged compared with the previous year.

Classification and presentation formats
The parent company uses the term "balance sheet" which is prepared according to the Annual Accounts Act's schedule, while the group uses the term "consolidated statement of financial position" which is based on IAS 1 Presentation of financial statements. Compared with the consolidated accounts, the differences in the parent company's income statement and balance sheet mainly involve shareholders' equity.

Internally generated intangible fixed assets
The parent company capitalizes costs for internally generated assets. A transfer is made from non-restricted shareholders' equity, corresponding to the amount capitalized over the year, to a development expenditure fund within restricted shareholders' equity. Reversals from the fund to non-restricted shareholders' equity are made in amounts corresponding to the reported amortization and impairment.

Subsidiaries
Participations in subsidiaries are reported in accordance with the cost method. This means that transaction costs are included in the carrying amounts for holdings in subsidiaries. In the consolidated accounts, transaction costs attributable to subsidiaries are charged directly against profit when they are incurred. The value of a subsidiary is tested when there is an indication of a decline in value.

Where a wholly-owned subsidiary is merged into the parent company through a statutory absorption merger in accordance with Chapter 23 of the Swedish Companies Act, the transaction is accounted for using the fusion method. Under this method, the merger is treated as having taken effect on the first day of the financial year in which the legal merger completes, regardless of the legal effective date of the merger. Assets with finite useful lives that are absorbed through a merger, including goodwill and acquisition-related intangible assets previously recognized as group-level adjustments, are carried at their carrying amounts as at the first day of the financial year and are amortised over their remaining useful lives on the same basis as applied prior to the merger. In the parent company financial statements, goodwill absorbed through a merger is amortised on a straight-line basis over its assessed useful life in accordance with the Swedish Annual Accounts Act and RFR 2, which differs from the treatment applied in the consolidated financial statements where goodwill is not amortised but is tested annually for impairment in accordance with IAS 36.

Financial assets and liabilities
With regard to the connection between accounting and taxation, Surgical Science has, in accordance with RFR 2, chosen not to apply IFRS 9 but instead applies a cost-based method in accordance with the Annual Accounts Act.

Group contributions
Group contributions have been reported in accordance with the alternative rule in RFR 2. Group contributions are reported as appropriations.

Leased assets
In accordance with the exemption provided in RFR 2, the parent company does not apply IFRS 16. Lease fees, including raised initial fees but excluding fees for insurance and maintenance services, are expensed on a straight-line basis over the lease term.

Note 2. Operating segments

By business area and revenue stream

	2025	2024
Educational Products	**501,542**	**442,496**
- Simulators, hardware and software	423,986	364,345
- Service and support revenue	77,557	78,151
Industry/OEM	**490,802**	**441,591**
- Simulators, hardware and software	100,479	126,716
- Service and support revenue	13,508	12,095
- License revenue	300,576	271,657
- Development revenue	76,239	31,123
Net sales	**992,344**	**884,087**

By business area and geographic area

	2025	2024
Educational Products	**501,542**	**442,496**
- Europe	136,547	92,900
- North and South America	245,934	207,011
- Asia	97,439	111,149
- Other	21,622	31,436
Industry/OEM	**490,802**	**441,591**
- Europe	49,151	59,893
- North and South America	390,931	355,988
- Asia	44,674	21,140
- Other	6,046	4,570
Net sales	**992,344**	**884,087**

By product group

	2025	2024
Robotics	382,925	336,593
Vascular surgery	135,864	153,946
Laparoscopy	92,322	124,494
Endoscopy	110,281	112,345
Ultrasound	163,403	89,201
Other	107,549	67,507
Net sales	**992,344**	**884,087**

The group's operations are divided into operating segments on the basis of the parts of the operations that the company's highest executive decision-makers monitor (referred to as the "management approach" or company management perspective).

The group's operations are organized in such a way that group management monitors sales divided as stated above. As group management determines the distribution of resources based on this division, they constitute the group's operating segments.

In 2025, the group had one customer that accounted for more than 10% of consolidated total sales. This customer is recognized in the North and South America segment within Industry/OEM. In 2024, the group had one customer that accounted for more than 10% of consolidated total sales. This customer was recognized in the North and South America segment within Industry/OEM.

Note 3. Employees, employee benefit expenses, and remuneration to the board

Average number of employees

	Total		Of whom men	
	2025	2024	2025	2024
Parent company, Sweden*	76	50	56	36
Subsidiaries:				
UK	32	–	17	–
Sweden*	–	17	–	13
Israel	150	136	113	102
USA	54	53	37	37
Total	**312**	**256**	**223**	**188**

* includes the employees of SenseGraphics

Proportion of women in senior positions

	2025	2024
Board of directors	29%	29%
Management team	40%	25%

Wages and salaries, other remuneration, and social security expenses

	Salaries, wages and remuneration		Social security expenses	
	2025	2024	2025	2024
Parent company	62,951	47,737	24,775	21,354
– of which, pension costs	(–)	(–)	(7,833)	(6,912)
Subsidiaries	241,330	212,424	44,618	37,711
– of which, pension costs	(–)	(–)	(25,849)	(21,306)
Total	**304,281**	**260,161**	**69,393**	**59,065**
– of which, pension costs	**(–)**	**(-)**	**(33,682)**	**(28,218)**

Of the group's pension costs, SEK 588 (1,293) thousand pertains to the board and CEO, of which SEK 588 (1,293) thousand pertains to the CEO.

Salaries and remunerations allocated by country and between board members/the CEO and other employees

	Board/CEO		Other employees	
	2025	2024	2025	2024
Parent company, Sweden	5,384	8,244	57,567	39,493
Subsidiaries:				
UK	–	–	32,849	–
Sweden	–	–	–	12,508
Israel	–	–	133,091	123,264
USA	–	–	75,390	76,651
Total	**5,384**	**8,244**	**298,897**	**251,916**
– of which bonuses and similar	**(855)**	**(2,265)**	**(3,012)**	**(2,888)**

Board

Board fees amounting to SEK 1,845 thousand were paid over the year, in accordance with the resolution by the 2024 annual general meeting.

At the annual general meeting on May 15, 2025, it was resolved that board fees totaling SEK 1,800 thousand should be paid in the period until the ensuing annual general meeting. SEK 600 thousand is to be paid to the chair of the board, Gisli Hennermark, and SEK 200 thousand to each of the other six board members. The annual general meeting also approved a fee of SEK 85 thousand for the chair of the audit committee, SEK 45 thousand for each of the other members of the audit committee, SEK 60 thousand for the chair of the remuneration committee, and SEK 30 thousand for each of the other members of the remuneration committee.

CEO

During the 2025 financial year, remuneration, including holiday pay, totaling SEK 4,174 (1,671) thousand was paid to CEO Tom Englund, of which SEK 855 (285) thousand comprised variable remuneration.

Premiums for customary occupational pensions in accordance with ITP have been paid. In the event of termination by the company, a notice period of 12 months applies for the CEO. In the event of resignation by the CEO, a notice period of 6 months applies. The CEO's terms of employment are set out in an agreement between the company and the CEO.

Note 3. Employees, employee benefit expenses, and remuneration to the board (cont.)

Other senior executives

During the 2025 financial year, salaries of SEK 12,881 (22,697) thousand including holiday pay, were expensed to senior executives in the group's management team of 4 (7) people, excluding the CEO, of which SEK 1,750 (2,888) thousand consisted of bonuses. These are based on the outcome of various parameters in comparison with established targets. Premiums for customary occupational pensions have been paid. In the event of termination by the company, a notice period of 3-12 months applies for other senior executives. In the event of resignation by a senior executive, a notice period of 3-6 months applies. No loans have been provided to senior executives.

Defined-contribution pension plans

In Sweden, the group has defined-contribution pension plans for employees, which are paid for in full by the company. In the UK, USA and Israel, defined-contribution plans are provided that are to some extent paid for by the subsidiary and that are partly covered by fees paid by the employees. Payments for these plans are made on an ongoing basis in accordance with the rules of each plan.

	Group		Parent company	
	2025	2024	2025	2024
Costs for defined-contribution pension plans	33,682	28,218	7,833	6,912

Defined-benefit pension plans

Under the Israeli Severance Pay Law (1963), employees in Israel with at least one year of service are entitled to severance pay equal to one month's most recent salary per year of service. For employees not covered by Section 14 of the Severance Pay Law, the company retains an obligation linked to final salary that exceeds the amounts deposited in external funds on the employee's behalf. This component is accounted for as a defined benefit plan under IAS 19 Employee Benefits. For employees covered by Section 14 arrangements, the obligation is limited to the deposits made and is accounted for as a defined contribution plan.

Note 4. Auditors' fees and expense allowances

	Group		Parent company	
	2025	2024	2025	2024
KPMG				
Audit assignment	1,182	945	665	430
Audit-related services	70	–	–	–
Tax services	389	603	150	424
Other services	58	551	58	551
	1,699	**2,099**	**873**	**1,405**
OTHER				
Audit assignment	683	–	–	–
Tax services	1,426	824	–	–
Other services	8	67	–	–
	2,117	**891**	**–**	**–**
Total	**3,816**	**2,990**	**873**	**1,405**

KPMG has been the company's auditor since the 2019 annual general meeting. Audit assignment refers to the inspection of the annual accounts and accounting records and of the administration by the board and CEO and to other tasks that the company's auditors consider necessary, as well as to the provision of advice or other assistance brought about by observations during such inspection or the carrying out of such tasks. Advice on tax issues is recognized separately. Any other work is recognized as other services.

Note 5. Operating costs by nature

	Group	
	2025	2024
Raw materials and consumables	-226,035	-209,966
Capitalized work	34,605	38,334
Personnel expenses	-398,030	-341,171
Depreciation/amortization and impairment	-83,371	-60,514
Other external expenses	-210,544	-161,362
Total	**-883,375**	**-734,679**

Note 6. Leasing

The group rents office premises in the following locations:

	Lease valid until
Gothenburg, Sweden	May 31, 2028
Stockholm, Sweden	Jun 30, 2028
Shenzhen, China	Mar 31, 2026
Caerphilly, United Kingdom	Jul 31, 2028
Cardiff, United Kingdom	Sep 15, 2030
Alpharetta, USA	Sep 30, 2028
Seattle, USA	Oct 31, 2027
Cleveland, USA	Dec 31, 2029
Tel Aviv, Israel	Apr 30, 2029

Rent charges are CPI-linked and vary with the market as a whole. Variable charges are invoiced 1:1 retrospectively following annual reconciliation. The leases that have been entered into do not entail any restrictions. Where any remodeling and/or extension work is paid for by the group, an individual examination is made as to whether the costs should be recognized in the balance sheet or whether they should be expensed in their entirety. In other respects, the group has signed leases for certain office equipment.

Note 6. Leasing (cont.)

The following amounts related to leases are recognized in the income statement:

	2025	2024
Depreciation of right-of-use assets		
– Properties	-25,595	-16,032
– Vehicles	-659	–
Interest expense, lease liabilities	-3,652	-751
Lease costs for current leases and leases of low-value assets	-8,623	-287
Total	**-38,530**	**-17,070**

The following amounts related to leases are recognized in the balance sheet:

	Dec 31, 2025	Dec 31, 2024
Right-of-use assets		
Properties	139,668	106,138
Vehicles	1,539	–
Total	**141,207**	**106,138**

	Dec 31, 2025	Dec 31, 2024
Accumulated depreciation/amortization		
Properties	-64,765	-27,846
Vehicles	-658	–
Total	**-65,423**	**-27,846**

	Dec 31, 2025	Dec 31, 2024
Lease liabilities		
Short-term	22,468	18,640
Long-term	56,397	56,939
Total	**78,865**	**75,579**

The maturity analysis for the lease liabilities is presented in Note 22.

Cash flow information, leases:

	2025	2024
Amortization of lease liabilities	25,595	16,032
Interest expense, lease liabilities	3,652	751
Lease costs for current leases and leases of low-value assets	8,623	287
Total	**37,870**	**17,070**

Agreed future minimum lease fees for non-cancelable contracts are distributed as follows:

	Parent company	
	2025	2024
Within one year	3,459	3,765
Within two to five years	2,822	3,601
Later than five years	–	–
Total	**6,280**	**7,366**

Expensed fees for operating leases amount to the following:

	Parent company	
	2025	2024
Minimum lease fees	3,991	4,134
Total lease costs	**3,991**	**4,134**

Note 6. Leasing (cont.)

The group lets a number of VR simulators in accordance with operational leases.
The future non-cancelable lease payments are as follows:

	Group		Parent company	
	2025	2024	2025	2024
Within one year	643	681	643	681
Between one and five years	–	–	–	–
Later than five years	–	–	–	–
Total	**643**	**681**	**643**	**681**

Lease revenue for the year from operational leases amounts to SEK 840 (733) thousand in the group and SEK 643 (681) thousand in the parent company.

Note 7. Net financial income/cost

	Group		Parent company	
	2025	2024	2025	2024
Exchange gains	22,551	1,330	22,551	1,330
Interest income and other financial income	17,818	23,958	11,474	18,463
Dividends received from group companies	–	–	582,715	–
Financial income	**40,369**	**25,288**	**616,740**	**19,793**

	Group		Parent company	
	2025	2024	2025	2024
Exchange losses	-2,831	-5,558	–	-5,558
Change in value of derivatives	–	-277	–	-277
Impairment of holdings in subsidiaries	–	–	-569,226	–
Interest expenses and other financial expenses	-6,283	-5,680	-4,614	-6,158
Financial costs	**-9,114**	**-11,515**	**-573,840**	**-11,993**

Note 8. Taxes

Recognized in the statement of income and other comprehensive income, and in the income statement respectively.

	Group		Parent company	
	2025	2024	2025	2024
Current tax expense				
Tax expense for the year	-33,845	-28,702	-27,432	-14,437
Total current tax expense	**-33,845**	**-28,702**	**-27,432**	**-14,437**
Deferred tax				
Amortization of surplus values	4,723	5,013	903	–
Change in untaxed reserves	-1,198	692	–	–
Change in tax-loss carry-forwards	–	–	–	–
Other temporary differences	-2,999	-3,449	–	–
Total deferred tax	**526**	**2,256**	**903**	**–**
Total reported tax cost	**-33,319**	**-26,446**	**-26,529**	**-14,437**

	Group		Parent company	
	2025	2024	2025	2024
Reconciliation of effective tax rate				
Profit before tax	100,137	158,093	115,443	67,900
Tax according to current tax rate for the parent company, 20.6% (20.6)	-20,628	-32,567	-23,781	-13,987
Effects of foreign tax rates	3,659	11,859	–	–
Utilized unrecognised tax losses	408	-1,419	–	–
Deductible costs, not in income statement	–	4,127	–	–
Non-deductible expenses	-5,867	-2,165	-2,748	-450
Unrecognised portion of loss carry forwards	-5,441	–	–	–
Tax attributable to previous years	-2,176	-6,237	–	–
Other temporary differences	-3,274	-44	–	–
Total tax cost	**-33,319**	**-26,446**	**-26,529**	**-14,437**

Note 8. Taxes (cont.)

Tax attributable to other comprehensive income:

	Group					
	2025			2024		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Translation differences for the year on translation of foreign operations	-629,888	–	-629,888	344,546	–	344,546
Other comprehensive income	**-629,888**	**–**	**-629,888**	**344,546**	**–**	**344,546**

Recognized in the statement of financial position and balance sheet, respectively:

	Group		Parent company	
	2025	2024	2025	2024
Deferred tax assets				
Deferred tax relating to capitalized tax-loss carry-forwards	10,638	12,716	–	–
Lease liabilities	13,968	15,569	–	–
Deferred tax, other	2,943	3,615	–	–
Total deferred tax assets	**27,549**	**31,900**	**–**	**–**
Recognized deferred tax assets and liabilities	-13,968	-15,569	–	–
Total deferred tax assets, net	**13,581**	**16,331**	**–**	**–**

Deferred tax assets pertaining to capitalized tax-loss carry-forwards pertain to the USA and are included in the statement of financial position as the company's established budget and forecasts assume that the company will report future taxable surpluses in the foreseeable future. There is no time limit for these tax-loss carry-forwards. Tax-loss carry-forwards in the subsidiary Mimic Technologies, Inc. amount to USD 6.0 million as per the 2024 tax assessment (2023: 6.0). In the subsidiary Surgical Science Ltd (formerly Simbionix Ltd), there are no tax-loss carry-forwards remaining as per the 2024 tax assessment (2023: nil). In Surgical Science UK Limited, there are unused tax losses of GBP 10.6 million as at 31 December 2025 which are currently not being recognized due to uncertainty of when these losses will be utilised.

	Group		Parent company	
	2025	2024	2025	2024
Deferred tax liability				
Deferred tax attributable to surplus value on acquisitions	32,767	43,544	–	–
Right-of-use assets, leasing	14,026	16,129	–	–
Other	681	4	–	–
Total deferred tax liabilities	**47,473**	**59,677**	**–**	**–**
Recognized deferred tax assets and liabilities	-14,025	-16,129	–	–
Total deferred tax liabilities, net	**33,448**	**43,548**	**–**	**–**

Note 9. Intangible fixed assets

	Group		Parent company	
	2025	2024	2025	2024
Capitalized development expenditure				
Opening cost	217,986	173,315	141,702	130,016
Acquisitions through business combinations	27,898	–	6,098	–
Capitalized costs for the year	34,604	40,018	8,038	11,686
Translation differences	-3,301	4,652	–	–
Closing accumulated cost	**277,187**	**217,986**	**155,838**	**141,702**
Opening amortization	-119,529	-107,786	-111,038	-103,319
Amortization for the year	-21,857	-10,831	-10,685	-7,719
Acquisitions through business combinations	–	–	-4,199	–
Translation differences	174	-912	–	–
Closing accumulated amortization	**-141,211**	**-119,529**	**-125,923**	**-111,038**
Closing carrying amount	**135,976**	**98,457**	**29,916**	**30,664**
Other intangible assets				
Opening cost	3,688	2,283	1,441	1,283
Capitalized costs for the year	3,056	1,408	610	158
Translation differences	-3,409	-3	–	–
Closing accumulated cost	**3,336**	**3,688**	**2,051**	**1,441**
Opening amortization	-1,499	-324	-366	-107
Amortization for the year	-586	-534	-288	-259
Translation differences	1,307	-641	–	–
Closing accumulated amortization	**-778**	**-1,499**	**-654**	**-366**
Closing carrying amount	**2,557**	**2,189**	**1,397**	**1,075**

	Group		Parent company	
	2025	2024	2025	2024
Patents, trademarks, and concessions				
Opening cost	74,138	72,645	10,588	10,588
Capitalized costs for the year	–	–	–	–
Translation differences	978	1,494	–	–
Closing accumulated cost	**75,116**	**74,139**	**10,588**	**10,588**
Opening amortization	-12,381	-15,123	-10,588	-10,588
Amortization for the year	-554	-1,194	–	–
Translation differences	-11,032	3,937	–	–
Closing accumulated amortization	**-23,966**	**-12,380**	**-10,588**	**-10,588**
Closing carrying amount	**51,150**	**61,759**	**–**	**–**
Customer contracts				
Opening cost	153,173	153,581	–	–
Acquisitions through business combinations	–	–	43,820	–
Translation differences	5,448	-408	–	–
Closing accumulated cost	**158,621**	**153,173**	**43,820**	**–**
Opening amortization	-60,727	-52,022	–	–
Acquisitions through business combinations	–	–	-24,101	–
Amortization for the year	-15,193	-16,010	-4,382	–
Translation differences	-11,966	7,305	–	–
Closing accumulated amortization	**-87,886**	**-60,727**	**-28,483**	**–**
Closing carrying amount	**70,734**	**92,445**	**15,337**	**–**

Note 9. Intangible fixed assets (cont.)

	Group		Parent company	
	2025	2024	2025	2024
Technology				
Opening cost	81,477	81,477	–	–
Closing accumulated cost	**81,477**	**81,477**	**–**	**–**
Opening amortization	-24,422	-21,472	–	–
Amortization for the year	-7,737	-8,322	–	–
Translation differences	-8,835	5,372	–	–
Closing accumulated amortization	**-40,994**	**-24,422**	**–**	**–**
Closing carrying amount	**40,483**	**57,055**	**–**	**–**
Goodwill				
Opening cost	3,615,848	3,328,683	–	–
Acquisitions through business combinations	–	–	255,442	–
Acquisition of subsidiaries	16,592	–	–	–
Translation differences	-555,206	287,165	–	–
Closing accumulated cost	**3,077,234**	**3,615,848**	**255,442**	**–**
Opening amortization	–	–	–	–
Acquisitions through business combinations	–	–	-140,493	–
Amortization for the year	–	–	-25,544	–
Closing accumulated amortization	**–**	**–**	**-166,037**	**–**
Closing carrying amount	**3,077,234**	**3,615,848**	**89,405**	**–**

In the income statement, amortization has been distributed according to function as follows:

	Group		Parent company	
	2025	2024	2025	2024
Cost of goods sold	–	–	–	–
Sales costs	-15,372	-16,190	4,561	-180
Administration costs	-960	-1,549	25,653	-79
Research and development costs	-29,594	-19,153	10,685	-7,719
Total amortization	**-45,927**	**-36,892**	**40,899**	**-7,979**

The group's goodwill is attributable to the acquisitions of subsidiaries Surgical Science UK Holdings Limited, SenseGraphics AB, Mimic Technologies, Inc and Surgical Science North America and their operations.

Goodwill has been tested for impairment based on value-in-use calculations for each cash-generating unit, using discounted cash flow projections covering a five-year forecast period. The first year is based on the company's budget, while years two through five are based on strategic plans and updated financial targets.

Revenue growth is projected to be lower in the near term before accelerating as new partnerships contribute revenue and the group's product portfolio continues to broaden. Over the five-year forecast period, projected revenue growth corresponds to a compound annual growth rate of approximately 14–15%. Cash flows beyond the five-year projection period have been extrapolated using a terminal growth rate of 1%. The forecast cash flows have been calculated at their present value applying a discount rate of 12.6% (13.1) before tax. The most important variables in the forecast are growth, gross margin, sales costs and investments. The calculation is based on a continued favorable gross margin and the need for investment has been judged as relatively low. Working capital has been assumed to change in proportion to sales and the debt/equity ratio is judged as remaining unchanged as growth is assumed to take place within the framework of existing operations and using the group's own funds. The recoverable amount for each cash-generating unit exceeds its carrying amount. Management believes that no reasonable changes in key variables and assumptions will lead to the units' recoverable amount being lower than the reported values.

Sensitivity analysis of the key assumptions used in the goodwill impairment test model has been carried out on the discount rate, growth and margin assumptions. Although it was concluded that no impairment was required, the headroom has decreased compared with the previous year which means that the assessment is more sensitive to changes in assumptions and reasonable changes in key assumptions may to a greater extent affect the outcome of the test.

Note 10. Tangible fixed assets

	Group		Parent company	
	2025	2024	2025	2024
Equipment				
Opening cost	186,656	132,670	7,435	7,274
Acquisitions through business combinations	11,285	–	657	–
Acquisitions for the year	35,159	6,104	56	161
Sales and disposals	-786	–	–	–
Reclassifications	39,168	40,340	–	–
Exchange rate differences	5,154	7,542	–	–
Closing accumulated cost	**276,635**	**186,656**	**8,145**	**7,435**
Opening depreciation	-85,122	-56,050	-5,747	-4,790
Acquisitions through business combinations	–	–	-641	–
Depreciation for the year	-37,444	-23,623	-783	-958
Reclassifications	-39,168	–	–	–
Sales and disposals	–	–	–	–
Exchange rate differences	-8,556	-5,449	–	–
Closing accumulated depreciation	**-170,289**	**-85,122**	**-7,169**	**-5,747**
Closing carrying amount	**106,346**	**101,534**	**976**	**1,687**

In the income statement, depreciation has been distributed according to function as follows:

	Group		Parent company	
	2025	2024	2025	2024
Cost of goods sold	-2,603	-1,968	–	-8
Sales costs	-5,801	-2,950	-110	-280
Administration costs	-27,980	-18,122	-609	-593
Research and development costs	-1,060	-583	-64	-77
Total depreciation	**-37,444**	**-23,623**	**-783**	**-958**

Note 11. Acquisition of business

On December 19, 2024, Surgical Science announced a recommended offer to acquire 100 percent of the issued share capital of Intelligent Ultrasound Group plc (IU), a UK-based ultrasound simulation company listed on the Alternative Investment Market of the London Stock Exchange. The acquisition, which was completed on February 18, 2025, amounted to approximately SEK 630 million on a fully diluted basis, corresponding to a value of approximately SEK 65 million on a cash and debt-free basis. The valuation implies a sales multiple (2023) of approximately 0.5 times Intelligent Ultrasound's sales.

Rationale for the acquisition

- Strategic portfolio enhancement: Intelligent Ultrasound offers proprietary ultrasound simulation solutions for several medical fields that complement Surgical Science's offering in this area.
- Innovation-led expansion: Intelligent Ultrasound will become part of Surgical Science's development organization, providing volumetric ultrasound technology.
- Larger commercial footprint in the UK and US: Direct sales are established in the UK market, while the commercial footprint in the US is expanded.
- Economies of scale: With increased scale, Surgical Science can generate greater customer value by effectively leveraging shared functions and sales channels.
- Attractive price: Following the sale of its AI business to GE Healthcare, Surgical Science is acquiring Intelligent Ultrasound at a sales multiple of approximately 0.5, more than doubling the company's sales in ultrasound in 2024.

The purchase consideration, the fair value of the acquired net assets and goodwill are as follows:

SEK thousand	
Cash payment	610,449
Fair value of acquired net assets	-593,857
Total goodwill	**16,592**

Goodwill is attributable to the acquired workforce and synergies in the form of cost savings that do not meet the criteria for separate recognition.

Note 11. Acquisition of business (cont.)

The purchase consideration amounted to GBP 45.2 million/SEK 610 million after full dilution on a cash and debt-free basis. There is no conditional purchase consideration.

The assets and liabilities recognized as a result of the acquisition are shown below:

Carrying amount of identifiable assets and liabilities at the time of acquisition

SEK thousand	Recognized value in Intelligent Ultrasound as at February 18, 2025	Fair value adjustment	Fair value reported in the group
Intangible fixed assets	27,898	–	27,898
Tangible fixed assets	11,285	–	11,285
Non-current receivables	820	–	820
Inventories	22,399	–	22,399
Current receivables	24,122	–	24,122
Prepaid expenses and accrued income	40,412	–	40,412
Cash and cash equivalents	525,535	–	525,535
Non-interest-bearing liabilities	-9,030	–	-9,030
Accounts payable	-13,312	–	-13,312
Other current liabilities	-27,214	–	-27,214
Prepaid income and accrued expenses	-9,058	–	-9,058
Net identifiable assets and liabilities	**593,857**	**–**	**593,857**

Acquisition costs

Acquisition-related costs of SEK 22.6 million are included in the group's administration costs in the income statement and in operating activities in the cash flow statement.

In the parent company, these costs have been reported as an increase in shares in subsidiaries.

Financing

The acquisition was financed with the company's own funds. A short-term loan of GBP 17 million (SEK 235.4 million as at December 31, 2024) was taken out in connection with the acquisition, which was repaid during the first quarter of 2025. In connection with this, dividend of GBP 37 million has been paid from IU to the parent company Surgical Science Sweden AB.

Cash flow impact

The net cash outflow recognized in the consolidated cash flow statement in respect of the acquisition of Intelligent Ultrasound of SEK 84.9 million is the gross purchase consideration of SEK 610.4 million less the cash acquired of SEK 525.5 million.

Revenue and contributions after the acquisition

For the period February 18 to December 31, IU contributed revenue of SEK 75.3 million and a net result of SEK -18.7 million to the group. The result includes restructuring costs of SEK 5.3 million.

Had the acquisition taken place on January 1, 2025, management estimates that the contribution to the group's revenue for 2025 would have amounted to SEK 80.2 million and the contribution to the group's result after tax for the same period would have amounted to SEK -33.1 million (excluding acquisition-related costs of GBP 1.2 million or SEK 16.4 million recognized in the period prior to the acquisition of IU).

Efficiency improvements

At the time of the acquisition, Surgical Science estimated that the efficiency gains that could be achieved would result in annual cost savings of between GBP 1.5 and 2.0 million (then corresponding to between SEK 20.3 and 27.0 million). Intelligent Ultrasound had sales of GBP 8.6 million in 2024 with an operating result of GBP -2.7 million. The number of employees was 48. To date, annual cost savings of approximately GBP 2.5 million have been achieved relative to the cost structure that existed in the company at the time of acquisition. The savings primarily stem from lower costs related to the company's previous IPO and staffing reductions, mainly in the sales organization. These cost savings began to take effect during the second quarter. Restructuring costs of SEK 3.9 million (GBP 0.3 million) were recognized in the first quarter. During the third quarter, an additional SEK 1.5 million (GBP 0.1 million) was added, bringing total restructuring costs for the year to SEK 5.3 million (GBP 0.4 million).

Note 12. Investments in group companies

	Parent company	
	2025	2024
Opening carrying value	3,131,505	3,133,116
Merger of subsidiaries	-325,080	-1,613
Acquisition of subsidiaries	633,054	–
Impairment losses	-569,226	–
Closing carrying value	**2,870,253**	**3,131,505**

The merger of SenseGraphics AB into Surgical Science Sweden AB was completed on November 21, 2025.

The acquisition of Intelligent Ultrasound Group plc (renamed Surgical Science UK Holdings Limited) completed on February 18, 2025. Following a post-acquisition dividend paid to the parent company of 489.1 SEK million, the carrying amount of the investment was subsequently tested for impairment and written down to its recoverable amount.

Companies owned by Surgical Science Sweden AB (publ):

				Book value	
Company	Corp. ID no.	Registered office	Share in %	Dec 31, 2025	Dec 31, 2024
Surgical Science UK Holdings Limited	09028611	Cardiff, United Kingdom	100	63,828	–
SenseGraphics AB	556659-3512	Gothenburg, Sweden	100	–	325,080
Mimic Technologies, Inc.	91-2117439	Seattle, USA	100	132,448	132,448
Surgical Science North America	02-0530940	Beachwood, USA	100	2,673,927	2,673,927
- Surgical Science Ltd*	51 251814 3	Airport City, Israel	100		
Surgical Science Incentive AB	559107-8448	Gothenburg, Sweden	100	50	50
Total				**2,870,253**	**3,131,505**

* Formerly Simbionix Ltd. Renamed Surgical Science Ltd on December 15, 2025.

Note 13. Inventories

	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Raw materials and consumables	189,958	160,812	8,516	5,823
Finished goods and goods for resale	16,016	18,771	7,574	836
Total	**205,974**	**179,583**	**16,090**	**6,659**

Note 14. Receivables and liabilities from group companies

	Parent company	
	Dec 31, 2025	Dec 31, 2024
Receivables from		
Surgical Science North America	3,206	1,371
Surgical Science Ltd.	43,371	6,910
Surgical Science UK Limited	947	–
SenseGraphics AB	–	63,564
Total	**47,524**	**71,845**

	Parent company	
	Dec 31, 2025	Dec 31, 2024
Liabilities to		
Mimic Technologies, Inc.	15,624	20,473
Surgical Science North America	42,575	51,344
Surgical Science Ltd.	56,769	3,914
Surgical Science UK Limited	853	–
Surgical Science Incentive AB	2	7
SenseGraphics AB	–	2,374
Total	**115,823**	**78,112**

Note 15. Accounts receivable

Accounts receivables are recognized after taking bad debt losses for the year into account. No bad debt losses (–) were established as having been incurred in the parent company in 2025. Provisioned bad debt losses in the parent company amounted to SEK -(47) thousand. In the group, provisioned bad debt losses amounted to SEK 4,393 (4,691) thousand. Established bad debt losses amounted to SEK 460 (1,627) thousand.

	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Accounts receivable	136,976	136,702	24,868	27,761
Age structure accounts receivable				
Not due	88,592	96,909	22,488	25,190
Due 0-30 days	24,753	5,334	1,689	628
Due 31-90 days	20,265	20,401	691	1,886
Due 91-180 days	2,644	6,822	–	–
Due >180 days	722	7,236	–	57
Total	**136,976**	**136,702**	**24,868**	**27,761**

Note 16. Prepaid expenses and accrued income

	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Rent and other property costs	1,773	1,967	1,696	1,218
Prepaid insurance	1,721	1,892	945	1,216
Other prepaid costs	16,249	16,266	2,519	5,101
Accrued interest	–	3,984	–	3,984
Accrued income	134,297	73,805	84,759	2,570
Total	**154,040**	**97,914**	**89,919**	**14,089**

Note 17. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents comprise the following sub-components:

	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Cash and bank balances	616,425	968,155	548,076	659,075

No current investments were made (–).

The group does not have an overdraft facility (–).

Note 18. Equity

Share capital

There is only one class of shares, all shares carry the same rights and have a quota value of SEK 0.05 (0.05) per share. As at December 31, 2025, the registered share capital amounted to SEK 2,551,312 (2,551,312).

	Dec 31, 2025	Dec 31, 2024
Opening number of shares	51,026,236	51,026,236
Closing number of shares	**51,026,236**	**51,026,236**

Other capital contributions

Refers to shareholders' equity contributed by shareholders.

Provisions

Provisions comprise translation reserves including all exchange rate differences arising in translating the financial reports from operations abroad that have prepared their own financial statements in a currency other than the one that the group's financial reports are presented in.

Accumulated exchange rate differences in shareholders' equity

	Group	
	2025	2024
Opening balance	775,087	430,539
Exchange rate difference for the year in foreign subsidiaries, net after tax	-629,888	344,548
Total	**145,199**	**775,087**

The disclosure requirement in accordance with Chapter 5, Section 14 of the Annual Accounts Act regarding the specification of changes in shareholders' equity compared with the previous year's balance sheet is stated in the statement of changes in shareholders' equity.

Profit brought forward

Profit brought forward includes profits earned in the parent company and its subsidiaries.

Restricted funds

Restricted funds in the parent company may not be reduced through dividends.

Share premium reserve

Funds in the share premium reserve from before 2006 are classified as restricted shareholders' equity.

Development expenditure fund

The capitalized amount with regard to development costs generated in-house is to be transferred from unrestricted shareholders' equity to a development expenditure fund in restricted shareholders' equity. The fund is depleted as capitalized costs are amortized or impaired. This is handled similarly to a revaluation fund.

Unrestricted equity

Together with profit for the year, profit brought forward in the parent company (that is, the share premium reserve), profit brought forward from previous years and profit for the year after deductions for dividends paid, constitute unrestricted shareholders' equity, that is, the amount available for dividends to shareholders.

No dividend was paid for the 2024 financial year, nor is it proposed that any be paid for the 2025 financial year.

Note 19. Earnings per share

Calculations have been made in accordance with IAS 33 Earnings per share. Earnings per share are based on consolidated profit for the year attributable to the parent company's shareholders divided by the weighted average number of shares outstanding during the year.

Earnings per share	2025	2024
Consolidated profit for the year, SEK thousand	66,818	131,646
Weighted average number of shares outstanding, before dilution	51,026,236	51,026,236
Dilution effect of warrants programs	–	–
Weighted average number of shares outstanding, after dilution	51,026,236	51,026,236
Earnings per share before dilution, SEK	1.31	2.58
Earnings per share after dilution, SEK	1.31	2.58

Warrants programs

Warrants 2022_25

Surgical Science's annual general meeting on May 12, 2022 resolved to establish an incentive program for company employees. Each warrant entitled the holder to subscribe for one share in the company for SEK 175.70 during the period June 10 to July 10, 2025. The company subsidized the warrants program so that participants received warrants as a benefit. Participants were required to pay tax on this benefit, with the premium being calculated at SEK 28.74 per warrant.

During the subscription period, the company's average share price was below the set exercise price, which meant that no options were exercised. All 200,000 warrants thus expired without value. As a result, both the number of shares and the share capital remained unchanged, and there was no dilution of existing shareholders' ownership interests or voting rights.

Incentive program costs

For 2025, the program has impacted profits negatively by SEK 0.7 million (1.4). The amount comprises the IFRS 2 cost attributable to Israel and the US and was distributed across the term of the program until July 2025. Cumulatively, the program has impacted profits negatively by SEK 5.6 million.

Warrants 2023_26

Surgical Science's annual general meeting on May 17, 2023 resolved to establish an incentive program for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 294.70 during the period June 15 to July 15, 2026. The company subsidizes the warrants program so that participants receive warrants as a benefit. Participants are required to pay tax on this benefit, with the premium being calculated at SEK 36.43 per warrant.

During the current period, the average share price for the period, the closing price on the balance sheet date, and the average share price for the rolling 12-month period were all below the exercise price for the warrant program, whereby the program did not entail any dilution effect. Fully exercised, the incentive program will increase Surgical Science's share capital by SEK 13,000 and the number of shares by 260,000, corresponding to the dilution of the total number of shares and votes by about 0.5%.

Incentive program costs

For 2025, the program has impacted profits negatively by SEK 1.0 (2.5) million. The amount comprises the IFRS 2 cost attributable to Israel and the US and is distributed across the term of the program until July 2026. Cumulatively, the program has impacted profits negatively by SEK 6.7 million.

Warrants 2024_27

Surgical Science's annual general meeting on May 16, 2024 resolved to establish two incentive programs for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 170.50 during the period June 14 to July 14, 2027. The company subsidizes the warrants program so that participants receive warrants as a benefit. Participants are required to pay tax on this benefit, with the premium being calculated at SEK 33.31 per warrant.

During the current period, the average share price for the period, the closing price on the balance sheet date, and the average share price for the rolling 12-month period were all below the exercise price for the warrant programs, whereby the programs did not entail any dilution effect. Fully exercised, the incentive programs will increase Surgical Science's share capital by SEK 16,400 and the number of shares by 328,000, corresponding to the dilution of the total number of shares and votes by about 0.6%.

Note 19. Earnings per share (cont.)

Incentive program costs

For 2025, the programs have impacted profits negatively by SEK 1.7 (4.0) million. The amount comprises the IFRS 2 cost attributable to Israel and the US and is distributed across the term of the programs until July 2027. Cumulatively, the programs have impacted profits negatively by SEK 5.7 million.

Warrants 2025_28

Surgical Science's annual general meeting on May 15, 2025 resolved to establish two incentive programs for company employees. Each warrant entitles the holder to subscribe for one share in the company for SEK 173.90 during the period June 14 to July 14, 2028. The company subsidizes the warrants programs so that participants receive warrants as a benefit. Participants are required to pay tax on this benefit, with the premium being calculated at SEK 36.42 per warrant.

Fully exercised, the two incentive programs will increase Surgical Science's share capital by SEK 20,100 and the number of shares by 402,000, corresponding to the dilution of the total number of shares and votes by about 0.8%. As at the balance sheet date of December 31, 2025, the warrants programs entailed no dilution.

Incentive program costs

For 2025, the programs have impacted profits negatively by SEK 4.9 (-) million, of which SEK 0.8 million pertains to social security contributions on the Swedish participants' premiums, which were provided free of charge. The remainder of the cost, SEK 4.1 million, is attributable to the calculation of IFRS 2. The amount comprises the entire IFRS 2 cost for the Swedish portion of the programs, the remainder is attributable to Israel, the US, and the UK and is distributed across the term of the programs until July 2028.

Programs 2023_26, 2024_27 and 2025_2028

The board is authorized to adjust the programs in response to organizational changes and to specific rules or market conditions in other countries. Most of the company's employees are employed outside Sweden, in the US, UK and in Israel. For tax reasons, these employees are contractually entitled to subscribe for shares (Non-Qualified Stock Options) rather than warrants. In accordance with generally accepted practices in these markets, participants receive these shares free of charge.

Note 20. Non-current liabilities

	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Lease liabilities	56,397	56,939	–	–
Prepaid income	15,267	19,469	–	–
Other non-current liabilities	20,437	18,357	–	–
Total	**92,101**	**94,765**	**–**	**–**

All non-current liabilities have maturities 1-5 years from the balance-sheet date. All other non-current liabilities are non-interest-bearing in both the group and the parent company.

Note 21. Accrued expenses and deferred income

	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Personnel-related items	22,960	29,956	14,545	15,326
Other accrued expenses	63,354	28,159	46,859	5,203
Prepaid income	66,672	66,831	4,546	4,436
Total	**152,986**	**124,946**	**65,950**	**24,965**

Note 22. Financial instruments and financial risk management

Through its operations, the group is exposed to various types of financial risks. Financial risks refer to fluctuations in the company's earnings and cash flow as a result of changes in exchange rates, interest rates, refinancing and credit risks.

Capital risk
The group's goal for the capital structure is to secure the group's capacity to continue operating so that it can continue to generate returns for shareholders and benefit for other stakeholders as well as establishing an optimal capital structure to keep the costs of capital down. In order to maintain or adjust the capital structure, the group may make changes in dividends to shareholders, repay capital to shareholders, issue new shares or sell/buy assets.

Surgical Science's board takes the view that the company should maintain a strong capital base to enable a continued high pace of growth, both organically and through acquisitions. The objective is for the group to be able to meet its financial commitments during both upswings and downswings, without significant unforeseen costs and without risking the group's reputation. Liquidity risks are managed centrally for the entire group by the finance department.

Finance policy
Surgical Science maintains a group policy for its financial operations, which defines financial risks and states how the company is to manage these risks. The policy also states which reports are to be prepared.

Terms and conditions
Surgical Science currently has no credit frameworks (–). In connection with the offer to acquire Intelligent Ultrasound, Surgical Science took out a short-term loan of GBP 17 million (SEK 235.4 million) as at December 31, 2024, which was repaid in 2025 after completion of the acquisition. The interest costs recognized for the year refer to interest on the short-term loan, default interest on accounts payable, and interest costs on tax accounts.

Currency derivatives
Surgical Science has no currency derivative recognized at December 31, 2025 (SEK -276 thousand which was valued at fair value).

Credit risk
The group's financial assets are recognized at SEK 892.1 (1,119.9) million, of which SEK 616.4 (968.2) million relates to cash and cash equivalents. The group has traditionally experienced low credit losses. The risk is limited by means of creditworthiness checks and advance payments by new customers, as well as through close customer follow-up in collaboration between the finance and marketing functions. Furthermore, an individual assessment was made of accounts receivable regarding payment capacity and creditworthiness as per the balance sheet date.

Currency risks
Currency risk is the risk of fluctuations in the value of a financial instrument due to changes in exchange rates.

This risk is related to changes in expected and contracted payment flows (transaction exposure) and to the revaluation of foreign subsidiaries' assets and liabilities in foreign currency (translation exposure). The company is affected by variations in exchange rates. The objective is to minimize the impact of these changes where practicable. Changes in USD and EUR have the greatest impact on the group. Calculated in local currencies, sales increased by 19%. In percentage terms, Surgical Science's revenues are distributed between the stated currencies roughly as follows: USD 77% (83), EUR 17% (14), SEK 3% (2), GBP 2% (0), other (e.g. ILS) 1% (1).

In percentage terms, costs are distributed between the stated currencies roughly as follows: USD 26% (29), ILS 43% (49), SEK 20% (18), GBP 7% (0), other (e.g. EUR) 4% (4). As far as possible, the outflow is matched against the inflow in the relevant currency.

Note 22. Financial instruments and financial risk management (cont.)

Maturity structure of financial liabilities

	Within 1 year	2 years	3 years	4 years	>4 years	Total
Dec 31, 2024						
Accounts payable	58,449	–	–	–	–	**58,449**
Lease liabilities	18,640	17,643	15,218	12,798	11,280	**75,579**
Other liabilities	276	–	–	–	–	**276**
Dec 31, 2025						
Accounts payable	36,247	–	–	–	–	**36,247**
Lease liabilities	22,468	22,829	20,555	10,483	2,529	**78,865**
Other liabilities	93,422	–	–	–	1,073	**94,495**

Note 23. Fair value and carrying amount of financial assets and liabilities

	Financial assets			
	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Assets in the balance sheet				
Loan and contract receivables	275,667	151,768	157,152	99,649
Cash and cash equivalents	616,425	968,155	548,076	659,075
Total	**892,092**	**1,119,923**	**705,228**	**758,724**

	Financial liabilities			
	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Liabilities in the balance sheet				
Accounts payable	36,247	58,449	63,577	20,307
Other liabilities	173,361	372,988	115,585	318,650
Total	**209,608**	**431,437**	**179,162**	**338,957**

There are also accrued income and accrued costs, which are classified as financial assets and financial liabilities, respectively. See Notes 16 and 21.

Group

Financial assets and liabilities are measured at amortized cost. The carrying amounts of SEK 892.1 (1,119.9) million and SEK 209.6 (431.4) million respectively are considered reasonable approximations of the fair value of the group's assets and liabilities in the balance sheet. No hedge accounting has been arranged for the currency components included in the above amounts.

Parent company

Financial assets and liabilities are measured at amortized cost. The carrying amounts of SEK 705.2 (758.7) million and SEK 179.2 (339.0) million are considered reasonable approximations of the fair value of the parent company's assets and liabilities in the balance sheet. No hedge accounting has been arranged for the currency components included in the above amounts.

Note 24. Provisions

	Parent company	
	2025	2024
Opening current provisions	–	–
Change in current provisions	–	–
Closing current provisions	**–**	**–**

Note 25. Pledged assets and contingent liabilities

	Group		Parent company	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Floating charges	18,457	18,566	12,600	12,600
Contingent liabilities	10,094	12,898	–	–
Total	**28,551**	**31,464**	**12,600**	**12,600**

Of the floating charges above, as at December 31, 2025 and December 31, 2024, SEK 10,000 thousand is held in the group's own custody.

Note 26. Disposal of the company's profit

Proposal for appropriation of company's profits

SEK	2025
Share premium reserve	3,336,591,947
Profit brought forward	29,294,818
Profit for the year	88,914,459
Profit at the disposal of the annual general meeting	**3,454,801,224**
To be carried forward	**3,454,801,224**

Note 27. Transactions with related parties

Related-party relationships
The parent company has a related party relationship with its subsidiaries (see Note 12). Of the parent company's total income and purchases, respectively, SEK 78,333 (82,061) thousand pertains to income from the subsidiaries and SEK 275,895 (48,218) thousand pertains to purchases by the subsidiaries.

Internal pricing between the group's companies is set based on the "arm's length" principle (i.e. between parties that are independent of each other, well-informed and with an interest in the transaction).

Transactions with key persons in executive positions
In addition to his board fees, board member Thomas Eklund received consulting fees of SEK 248 (248) thousand for his work on the company's strategies in 2025. The cost has been recognized under administration costs.

Other remuneration is included in the note "Employees, personnel costs and board fees". See Note 3.

Note 28. Events after the balance sheet date

No significant events have occurred after the period close.

Note 29. Critical assessments and estimates

Recovery of the value of development costs

The Group has invested considerable amounts in research and development. The recognition of development expenditures as an asset in the statement of financial position requires an assumption that the product is expected to be technically and commercially usable in the future and that future economic benefits are likely. There are no indications of impairment as at December 31, 2025. The projects that have been capitalized can with reasonable certainty be assumed to generate revenue-generating products in the near future. For further information, see Note 1 Accounting principles.

Impairment testing of goodwill

In the calculation of cash-generating units' recovery value to determine whether there is a need for impairment of goodwill, assumptions have been made with regards to the calculation of value in use, based on discounted cash flow projections. A significant deviation in the conditions could necessitate impairment of goodwill. When calculating the recoverable amount of cash-generating units for assessing any need for impairment of goodwill, several assumptions about future conditions and estimates of parameters have been made. An account of these can be found in Note 9.

Certification

The board and CEO provide assurance that the annual accounts have been prepared in accordance with generally accepted accounting standards in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and consolidated accounts present fairly the financial position of the parent company and the group and its performance. The administration report for the parent company and group respectively provides a fair overview of the development of the parent company's and group's operations, position, and performance, and describes material risks and uncertainties faced by the parent company and the companies that make up the group.

The annual report and consolidated financial statements were approved for issue by the board and CEO on April 15, 2026. The consolidated statement of income and other comprehensive income, the consolidated balance sheet, and the parent company income statement and balance sheet are subject to approval by the annual general meeting of May 21, 2026.

The annual report has been completed and approved and signed by all on April 15, 2026

Tom Englund
Chief Executive Officer

Thomas Eklund
Board member

Jan Bengtsson
Board member

Elisabeth Hansson
Board member

Åsa Bredin
Board member

Henrik Falconer
Board member

Roland Bengtsson
Board member

Gisli Hennermark
Chair

Our audit report was submitted on April 15, 2026

KPMG AB

Daniel Haglund
Authorized public accountant

Auditor's Report

To the general meeting of the shareholders of Surgical Science Sweden AB (publ), corp. id 556544-8783.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Surgical Science Sweden AB (publ) for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 68-113 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 2025 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 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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.

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

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 1-67 and 118-124. 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 Accounting Standards 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 professional 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.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Report on other legal and regulatory requirements

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 Surgical Science Sweden AB (publ) for the year 2025 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.

Gothenburg, April 15, 2026
KPMG AB

Daniel Haglund
Authorized Public Accountant

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in Surgical Science Sweden AB (publ), corporate identity number 556544-8783

Engagement and responsibility
It is the board of directors who is responsible for the sustainability report for the year 2025 on pages 43-62 and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

The scope of the examination
Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability 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, April 15, 2026
KPMG AB

Daniel Haglund
Authorized Public Accountant

Board

Gisli Hennermark
Chair of the board

Roland Bengtsson

Thomas Eklund

Elisabeth Hansson

Henrik Falconer

Jan Bengtsson

Åsa Bredin

Gisli Hennermark

Chair of the board

Born in 1972. Master, Business Administration, Stockholm School of Economics. CEO Surgical Science from 2015 to 2024. Member since 2024, chair of the board since 2025.

Other assignments: Chair of the board of SyntheticMR AB. Board member of Panasari AB and Espansari AB.

Shareholding in Surgical Science: 322,200 shares through companies and 20,000 options.

Independent in relation to Surgical Science Sweden AB and its management / major shareholders:
No / Yes

Roland Bengtsson

Born in 1955. MSc, University of Gothenburg. Board member since 2005, chair of the board from 2011 to 2015 and 2017 to 2025.

Other assignments: Board member of Semelin Kapitalförvaltning AB and a number of small privately owned companies.

Shareholding in Surgical Science: 5,992,338 shares through companies.

Independent in relation to Surgical Science Sweden AB and its management / major shareholders:
Yes / No

Thomas Eklund

Born in 1967. Master, Business Administration, Stockholm School of Economics. Member since 2017.

Other assignments: Board member of Swedencare AB, Boule Diagnostics AB, Devyser AB, and ADDvise Group AB.

Shareholding in Surgical Science: 399,170 shares.

Independent in relation to Surgical Science Sweden AB and its management / major shareholders:
Yes / Yes

Elisabeth Hansson

Born in 1975. Master, Business Administration, Stockholm School of Economics. Member since 2021.

Other assignments: CFO SJ AB.

Shareholding in Surgical Science: 1,300 shares.

Independent in relation to Surgical Science Sweden AB and its management / major shareholders:
Yes / Yes

Henrik Falconer

Born in 1973. Medical degree at Karolinska Institutet, Doctor's degree in Obstetrics and Gynecology 2008, Associate Professor in Obstetrics and Gynecology 2015. Member since 2021.

Other assignments: President of the Society of European Robotic Gynecological Surgery (SERGS). Chief Physician and Head of the Gynecological Cancer Section, Karolinska University Hospital. Head of Robot Gynecological Surgery since 2013.

Shareholding in Surgical Science: 1,000 shares.

Independent in relation to Surgical Science Sweden AB and its management / major shareholders:
Yes / Yes

Jan Bengtsson

Born in 1944. Technology licentiate, Chalmers University of Technology and Business Administration, University of Gothenburg. Board member since 2005, chair of the board from 2005 to 2011.

Other assignments: Chair of the boards of Rosenblad Design AB, Rosenblad Design group Inc. and Marknadspotential AB. Board member of Arctic Engineering Holding AB.

Shareholding in Surgical Science: 7,138,371 shares through companies.

Independent in relation to Surgical Science Sweden AB and its management / major shareholders:
Yes / No

Åsa Bredin

Born in 1972. Master's degree in computer science from Lund University. Member since 2023.

Other assignments: Chief Product Officer at Mentimeter, Advisor at Homepal AB and Advisor at Dashy Studios. Former Head of Mojang Studios.

Shareholding in Surgical Science: 350 shares.

Independent in relation to Surgical Science Sweden AB and its management / major shareholders:
Yes / Yes

Senior executives

Tom Englund
Chief Executive Officer

Anna Ahlberg
Chief Financial Officer

Ariel Ben Moshe
Chief R&D Officer

Inbal Mazor
Chief Product & Marketing Officer

Niclas M Olsson
Chief Revenue Officer

Linus Bergqvist
Chief Operating Officer

Tom Englund
Chief Executive Officer

Born in 1976. M.Sc, Industrial Engineering and Management from Linköping University. CEO since 2024, employed in 2024.

Other assignments: Board member of Secfuel AB.

Shareholding in Surgical Science: 44,630 shares and 20,000 options.

Anna Ahlberg
Chief Financial Officer

Born in 1970. M.Sc, Business Administration and Economics, Gothenburg School of Economics and Commercial Law. CFO since 2018, employed since 2018.

Other assignments: Board member of Medistim ASA.

Shareholding in Surgical Science: 27,000 shares and 18,000 options.

Ariel Ben Moshe
Chief R&D Officer

Born in 1979. Computer Science, Technion Israel. Chief R&D Officer since 2025, employed by Simbionix in 2010.

Other assignments: –

Shareholding in Surgical Science: 12,362 shares and 10,000 options.

Inbal Mazor
Chief Product & Marketing Officer

Born in 1969. B.Sc, Life Science, Tel Aviv University and MBA Marketing, Bar-Ilan University. Executive VP Product & Marketing 2021-2024, Chief Product & Marketing Officer since 2025, employed by Simbionix in 2000.

Other assignments: –

Shareholding in Surgical Science: 18,543 shares and 18,000 options.

Niclas M Olsson
Chief Revenue Officer

Born in 1966. Computer Science, Lund University. Executive VP Industry/OEM 2022-2024, Chief Revenue Officer since 2025, employed in 2022.

Other assignments: –

Shareholding in Surgical Science: 500 shares and 18,000 options.

Linus Bergqvist
Chief Operating Officer

Born in 1986. B.Sc., Business Administration, Entrepreneurship and Small Business Operations. Stockholm School of Economics Executive Management Program. Operations and Supply Chain Management, KTH Executive School. COO since 2026, employed in 2026.

Other assignments: –

Shareholding in Surgical Science: 0 shares.

Shareholding including holdings of spouse, children not yet of legal age and closely related companies.

Shareholder information

Annual general meeting 2026

The annual general meeting of Surgical Science AB (publ) will be held on May 21, 2026. For more information, see www.surgicalscience.com.

Distribution of the annual report

Surgical Science's annual report is available in Swedish and English. The annual report can be downloaded from www.surgicalscience.com and printed copies will be sent to shareholders who so requests and who state their postal address.

Reports 2026

Interim report January–March:
Wednesday, May 20

Interim report January–June:
Wednesday, August 19

Interim report January–September:
Thursday, November 12

Investor relations

Anna Ahlberg, CFO
Phone: +46 70 855 38 35
anna.ahlberg@surgicalscience.com

Auditors

KPMG AB has been the company's auditor since the 2019 annual general meeting, with Daniel Haglund as principal auditor. Daniel Haglund, born 1974, is an Authorized Public Accountant and a member of FAR, the sector association for auditors in Sweden.

KPMG
Vikingsgatan 3
PO Box 11908
SE-404 39 Gothenburg
Phone: +46 31 61 48 00

Certified Adviser

The company's Certified Adviser is DNB Carnegie Investment Bank AB (publ)
Phone: +46 85 88 68 570
certifiedadviser@dnbcarnegie.se

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This is a translation of the Swedish version of the annual report. When in doubt, the Swedish wording prevails.

surgicalscience