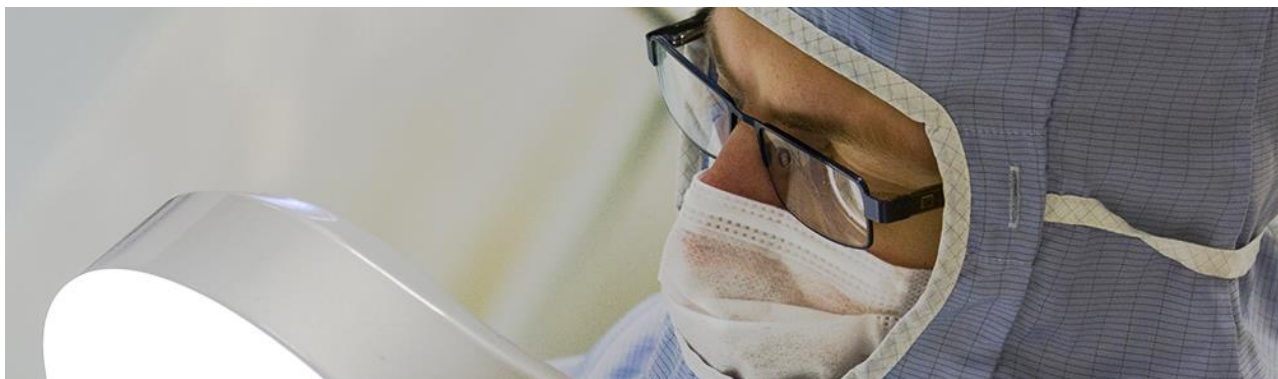


## Interim report, 1 January–30 September 2015



- **23 April** marked the conclusion of the acquisition of the North American company Onyx Medical LLC, based in Memphis, TN, in the US. The company is a leading supplier within the orthopaedic area Trauma & Extremities.

- **Net sales** increased to SEK 367.7 M (274.7), a rise of 26.6%\*. Onyx Medical accounted for the greater part of the increase in sales. However, sales were negatively impacted by a temporary deceleration for the unit in Tianjin with a significant decline in our sales to Novo Nordisk.

- **Order bookings** amounted to SEK 325.4 M (301.4), up 2.3%\*. Onyx Medical made a positive contribution to order bookings at the same time as there was a decline noted due to a change in order patterns combined with weaker demand in the Medical Devices market segment.

- **Operating profit**, adjusted for non-recurring items, totalled SEK 34.8 M (24.5). Onyx Medical made a positive contribution to profit, while the lower sales at the unit in Tianjin reduced profit. Operating profit, including non-recurring items corresponding to SEK 5.5 M (0), amounted to SEK 29.3 M (24.5).

- **Profit after net financial items** totalled SEK 23.8 M (22.8). Net financial items were positively impacted by exchange-rate differences of SEK 0.1 M (1.9).

- **Profit after tax** amounted to SEK 16.7 M (18.8), corresponding to SEK 2.76 (3.11) per share.

- **Cash flow** after investments was a negative SEK 148.9 M (pos: 33.1), of which corporate acquisitions accounted for a negative SEK 160.4 M.

\* Adjusted for exchange-rate fluctuations.

“Sales of our own products continued to grow strongly.” Read CEO Johannes Lind-Widestam’s comments on p. 2.

	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct-Sep 2014/15	Jan-Dec 2014
Order bookings, SEK M	102,5	95,9	325,4	301,4	442,1	418,1
Net sales, SEK M	123,1	84,9	367,7	274,7	473,9	380,9
Growth, %*	38,6	-0,2	26,6	-1,3	21,2	0,7
EBITDA, SEK M	21,0	15,5	64,3	50,1	82,0	67,8
EBITDA, %	17,1	18,3	17,5	18,2	17,3	17,8
Operating profit, SEK M	8,0	7,1	29,3	24,5	37,9	33,1
Operating margin, %	6,5	8,4	8,0	8,9	8,0	8,7
Profit after financial items, SEK M	5,2	7,8	23,8	22,8	32,8	31,8
Profit after tax, continuing operations, SEK M	3,5	7,6	16,7	18,8	21,3	23,4
Profit after tax, discontinued operations, SEK M	-	-	-	97,1	-3,7	93,4
Profit after tax, total, SEK M	3,5	7,6	16,7	115,9	17,6	116,8
Profit after tax per share, continuing operations, SEK	0:58	1:26	2:76	3:11	3:52	3:87

\* Adjusted for exchange-rate fluctuations.

**President and CEO, Johannes Lind-Widestam, comments:**

"A generally satisfactory level of growth was noted for the third quarter of 2015 in the global market in which Elos Medtech operates. However, a slight fall-off in demand was noted in new markets, such as China.

Three of four market segments demonstrated continued stable growth during the year. Sales for the Dental Implant Systems market segment grew by 8%, Trauma & Spine by 232% – primarily due to the acquisition of Onyx Medical – and Diagnostics by 38%. Sales of our own products continued to increase strongly; the increase to date this year is 56%.

For the fourth market segment, Medical Devices, a decline in sales of 8% was reported. Our deliveries decreased significantly during the third quarter to our largest customer, Novo Nordisk, which we indicated in previous report. Our assessment is that the lower pace of delivery for Medical Devices will also adversely affect our sales in the fourth quarter. Then be expected to return to normal business volumes.

Among the positive events during the quarter, I also would like to mention that the expansion of Microplast's site in Skara, Sweden, which will double its capacity, proceeded according to plan. The new site will be ready towards the end of this year. In parallel, we are noting a steady increase in order bookings, which serves as confirmation of our expansion plans. It is also pleasing that the integration of Onyx Medical has been successful and that the strong trend for Elos Medtech's own products persisted in the third quarter, now accounting for 10% of the Group's total sales."



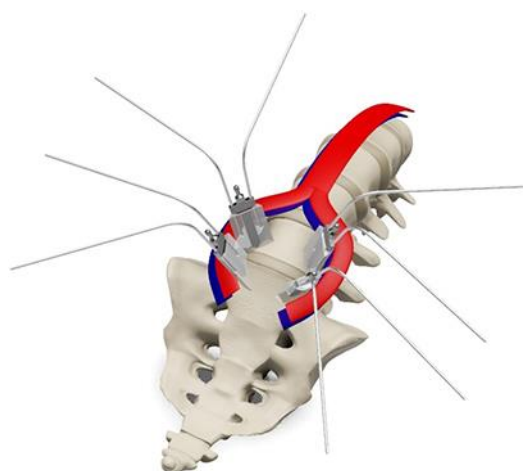
Johannes Lind-Widestam  
President and CEO

The section on Elos Medtech's new Spine product is a separate information and are not part of the official interim report Jan- Sep 2015.

**Innovative product development within Spine**

Elos Medtech has in cooperation with Doctor Pavel Neumann, surgeon at Sahlgrenska University Hospital in Gothenburg, Sweden, developed an innovative instrument in spine surgery. Development focus has been minimal invasive surgery (MIS) which is an increasing trend within the area.

In September an EC certificate for CE mark of Elos Retractor™ system was received which allows us to successively introduce the instrument to active companies within the Spine market. The Elos Retractor™ is specially designed for use in anterior minimal invasive lumbar spine surgery and enables a safe and easy retraction by providing an increased visibility and access to the surgical area.



## Operations in general

Following the divestment of the Metrology business area during the second quarter of 2014, the Group's operations are totally focused on the Medical Technology business area and, as a result, are reported as a single operating segment as of 1 January 2015. Operations are conducted at facilities in Sweden, Denmark, China and the US. The company changed its registered name to Elos Medtech AB during the second quarter. The company is one of Europe's leading partners in the development and production of medical technology products and components, such as dental and orthopaedic implants and instruments. Customers consist primarily of internationally active medical technology companies in the market segments of Dental Implant Systems (formerly named Dental), Diagnostics, Medical Devices and Trauma & Spine (formerly named Orthopaedics).

Programmes aimed at future development and expansions are continuing. The aim is to strengthen the global structure and, thus, the market position in current market segments. To ensure continuing organic growth, it is crucial that efficiency-enhancement and automation programmes are pursued further, and that greater efforts are made to develop quality work. There will also be a continuing focus on developing support-related services, as well as a continuing build-up of sales resources. Effective cost control is necessary in parallel with these efforts.

One stage of this expansion is growth through acquisitions that complement the existing structure, which has partially realised through the acquisition of the North American company Onyx Medical LLC. The acquisition was concluded in the second quarter and is included in the consolidated financial statements as of 23 April. The company is based in Memphis, TN, in the US, and is a leading supplier within the orthopaedic area Trauma & Extremities. The company has about 120 employees and had sales of approximately SEK 135 M during 2014. The acquisition has strengthened the Group's market position within Trauma & Extremities and, combined with current operations, will serve as a platform for the Group's development in North America. The acquisition contributed sales of SEK 40.9 M in the third quarter, while the accumulated contribution since the date of acquisition was SEK 72.5 M. If the acquisition had taken place at the beginning of the year, the sales contribution would have been SEK 120.4 M. In terms

of earnings, the acquisition exceeded expected levels and has made a significant contribution to consolidated profit. This is partially due to the launch activities of certain customers in the first six months of the year. Refer to Note 1 for a preliminary description of the acquisition.

## Sales

### July-September 2015

Consolidated net sales during the third quarter rose to SEK 123.1 M (84.9). Adjusted for changes in exchange-rates, the increase was 38.6%. Onyx Medical accounted for the largest share of the increase in sales. However, sales were negatively impacted by a temporary deceleration in sales to Novo Nordisk. Order bookings for the quarter amounted to SEK 102.5 M (95.9) which, adjusted for exchange-rate fluctuations, represents an increase of 3.0%. Onyx Medical made a positive contribution to order bookings at the same time as there was a decline noted due to weaker demand in the Medical Devices market segment and a change in order patterns among several customers.

### January-September 2015

Consolidated net sales for the period rose to SEK 367.7 M (274.7). Adjusted for changes in exchange-rates, the increase was 26.6%. Onyx Medical accounted for the largest share of the increase in sales. However, sales were negatively impacted by a temporary deceleration in sales to Novo Nordisk. Order bookings for the period amounted to SEK 325.4 M (301.4) which, adjusted for changes in exchange-rates, represents an increase of 2.3%. Onyx Medical made a positive contribution to the accumulated order bookings at the same time as there was a decline noted due to weaker demand in the Medical Devices market segment and a change in order patterns among several customers.

The demand trend remains generally positive. Although a temporary decline was noted in the Medical Devices market segment, other market segments displayed favourable growth. The decline in the Medical Devices market segment is an effect of temporary lower sales to Novo Nordisk. In the Diagnostics market segment, the company's major customers are performing according to plan and new business is being implemented progressively. The weak trend in the third quarter for the Diagnostics market segment is a result

Net sales by market segment	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
SEK M	2015	2014	2015	2014	2014/15	2014
Dental Implant Systems	34,6	29,2	113,5	102,7	152,2	141,4
Diagnostics	4,5	4,8	18,7	13,6	24,2	19,1
Medical Devices	33,6	40,0	127,6	125,9	175,5	173,8
Trauma & Spine	50,4	10,9	107,9	32,5	122,0	46,6
<b>Total net sales</b>	<b>123,1</b>	<b>84,9</b>	<b>367,7</b>	<b>274,7</b>	<b>473,9</b>	<b>380,9</b>

of the large volumes delivered in the second quarter. However, the underlying trend is in line with the rate of increase on an annualised basis. In the Trauma & Spine market segment, the acquisition of Onyx Medical was the main contributing factor behind the company's strong performance. Other customers in this market segment developed as expected. The Dental Implant Systems market segment continued to display stable growth and a high level of activity.

The Group's strategy is to develop our own products that complement our customers' product range, such as various types of instruments. This product range is being developed continuously and new products have already been and will be introduced during 2015. Growth during the period amounted to about 56%. Our own products accounted for about 10% (8) of consolidated net sales.

## Earnings

### July-September 2015

Operating profit during the third quarter was SEK 8.0 M (7.1), corresponding to an operating margin of 6.5% (8.4). The lower sales from the operation in Tianjin had a significant negative impact on earnings, at the same time as Onyx Medical made a positive contribution. Consolidated net financial items were adversely impacted by translation differences corresponding to an expense of SEK 0.2 M (income: 1.8) and amounted to an expense of SEK 2.8 M (income: 0.7). Profit after financial items totalled SEK 5.2 M (7.8). Profit after tax for continuing operations amounted to SEK 3.5 M (7.6), corresponding to SEK 0.58 (1.26) per share. The Group's comprehensive income totalled SEK 6.9 M (6.2). Comprehensive earnings per share were SEK 1.14 (1.02).

### January-September 2015

Operating profit during the period was SEK 29.3 M (24.5), corresponding to an operating margin of 8.0% (8.9). Profit for the period was charged with non-recurring expenses of SEK 4.4 M (0) in conjunction with acquisitions, as well as twofold CEO expenses of SEK 1.1 M (0), which have now been concluded. Adjusted for these items, the operating margin was 9.5% (8.9). Onyx Medical made a positive contribution to underlying earnings, which were also impacted by a positive volume trend. However, the lower level of

activity at the Tianjin operation reduced earnings. The Group's net financial items were positively affected by translation differences corresponding to SEK 0.1 M (1.9) and amounted to an expense of SEK 5.5 M (expense: 1.7). Profit after financial items totalled SEK 23.8 M (22.8). Profit after tax for continuing operations amounted to SEK 16.7 M (18.8), corresponding to SEK 2.76 (3.11) per share. The Group's comprehensive income amounted to SEK 13.3 M (113.6\*). Comprehensive earnings per share were SEK 2.20 (18.78\*).

\* Comparative figures for 2014 include earnings from discontinued operations.

## Investments

Group investments in buildings, land, machinery and equipment amounted to SEK 58.5 M (16.4) and primarily pertained to increased machinery capacity to meet higher demand, the initiation of the expansion of Microplast's facilities and, to a certain extent, replacement investments. In addition, SEK 1.5 M (1.1) was invested in capitalised development costs and SEK 1.2 M (2.1) in other intangible fixed assets. Furthermore, the acquisition of Onyx Medical resulted in investments of SEK 267.8 M in goodwill, other intangible assets, buildings, machinery and equipment.

## Financial position and liquidity

Total consolidated assets rose during the period to SEK 852.1 M (607.7). This increase in total assets was primarily due to the acquisition of Onyx Medical.

The Group's shareholders' equity totalled SEK 333.7 M (338.6). Shareholders' equity per share was SEK 55.16 (55.96). Risk-bearing equity for the period amounted to SEK 355.6 M (359.8), corresponding to 41.7% (59.2) of total capital. The Group's equity/assets ratio was 39.2% (55.7).

The Group's cash flow from operating activities was SEK 41.7 M (44.9). Cash flow after investments and sales of fixed assets amounted to a negative SEK 148.9 M (pos: 33.1), of which corporate acquisitions accounted for a negative SEK 160.4 M.

The Group's net borrowing increased during the period to SEK 324.7 M (58.0) as a result of the acquisition of Onyx Medical.

The Group's cash and cash equivalents, including unutilised overdraft facilities, totalled SEK 93.5 M (182.7).

Earnings	Jul-Sep 2015	Jul-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct-Sep 2014/15	Jan-Dec 2014
EBITDA, SEK M	21,0	15,5	64,3	50,1	82,0	67,8
EBITDA, %	17,1	18,3	17,5	18,2	17,3	17,8
EBIT, SEK M	8,0	7,1	29,3	24,5	37,9	33,1
EBIT, %	6,5	8,4	8,0	8,9	8,0	8,7
Profit after financial items, SEK M	5,2	7,8	23,8	22,8	32,8	31,8
Profit after tax, continuing operations, SEK M	3,5	7,6	16,7	18,8	21,3	23,4

### Personnel

At the end of the quarter, the Group had 506 full-time employees, compared with 387 at year-end.

### Forecast for 2015

The conditions for stable growth during 2015 are deemed satisfactory, with the exception of the Medical Devices market segment.

#### *Previous forecast*

The conditions for stable growth during 2015 are deemed satisfactory.

### Discontinued operations

The subsidiary Elos Fixturlaser, which comprised the Metrology business area, was divested as of 30 June 2014. The sale generated a capital gain of SEK 88.2 M and a cash injection of SEK 125.3 M before divestment costs for the Group. The supplementary purchase consideration, calculated at SEK 1.3 M, was settled during the first quarter of 2015.

Earnings for Elos Fixturlaser for the first six months of 2014 are included in this interim report. Earnings from the discontinued operations have been excluded from all income and cost items in the income statement and are recognised as net profit, after tax, in the item "Profit from discontinued operations".

### Parent Company

In addition to central management issues, the Parent Company provides Group-wide support activities, such as market support, quality management, finance and financial control.

The Parent Company's net sales amounted to SEK 12.1 M (8.7). Profit after financial items totalled SEK 4.2 M (106.7). Profit includes intra-Group dividends of SEK 9.9 M (7.2). The Parent Company's comprehensive income amounted to SEK 5.0 M (101.7). The percentage of risk-bearing capital was 70.7% (92.8). The equity/assets ratio was 70.1% (92.4). The Parent Company's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 34.5 M (145.4).

### Significant risks and uncertainties

The Group's significant risks and uncertainties include business risks associated with customers and suppliers, and other external factors, such as risks related to the prices of input goods. Financial risks also arise in conjunction with changes in exchange and interest rates. A detailed description of the Group's risks and uncertainties, and how they are managed, is presented in the Board of Directors' Report in the 2014 Annual Report.

### Related-party transactions

The company had no on-going transactions with related parties during the reporting period.

### Segment reporting

Following the divestment of the Metrology business area during 2014, the Group's operations comprise a single business segment: developing, producing and selling medical technology products, components and services. Accordingly, effective 1 January 2015, the consolidated statement of comprehensive income and statement of financial position pertain in all respects to one business segment.

### Accounting policies

The consolidated financial statements for 2015, similar to the year-end accounts for 2014, were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and with the Swedish Annual Accounts Act. The Parent Company's accounts were prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Reporting for Legal Entities, issued by the Swedish Financial Reporting Board.

This interim report was prepared in accordance with IAS 34. The term IFRS in this document includes application of both IAS and IFRS standards, as well as interpretations of these standards as published by the IASB's Standards Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group applies the same accounting policies as those described in the 2014 Annual Report.

During the year, the Group has analysed the management of currency risks, resulting in an amendment to the Group policy. As of the third quarter, the Group will no longer hedge its net assets in foreign currencies. On review, the hedging activities were deemed not to have any material impact on the Group's financial position.

New or revised recommendations with application from 2015 are not considered to have any significant impact on the financial statements.

### Changes in estimates and assessments

Changed interest levels have resulted in the use of a new assumption in the calculation of pension liabilities in accordance with IAS 19R. The new interest-rate assumption of 2.5% (3.0) has resulted in an actuarial loss of SEK 2.6 M on earnings for the period, including tax, which has been recognised in other comprehensive income.

### Audit review

This interim report has been reviewed by the company's auditor.



---

## Financial information

Year-end report 2015 – publish day 25 February 2016.  
Annual Report 2015 – publish in March/April 2016.  
Interim report Jan-Mar 2016 – publish day 26 April 2016.  
Interim report Jan-Jun 2016 – publish day 24 August 2016.  
Interim report Jan-Sep 2016 – publish day 26 October 2016.

Annual General Meeting for 2015 will be at 26 April 2016.

Lidköping, 23 October 2015

Elos Medtech AB (publ)

Johannes Lind-Widestam  
President and CEO

## Press and analyst conference

Due to the publication of the interim report, a press and analyst conference will be held on Friday 23 October at 12:00 a.m. (CET) at Remium's premises on Kungsgatan 12-14 in Stockholm, Sweden. The report will be presented and commented in Swedish by President and CEO Johannes Lind-Widestam. Information in English will be available on Elos Medtech's website shortly after the presentation via the link [http://elosmedtech.com/investor-relations/\\_presentations-and-images/](http://elosmedtech.com/investor-relations/_presentations-and-images/). A brief interview in Swedish with Johannes Lind-Widestam will be available later during the day via the link <http://www.introduce.se/foretag/elos/> on Remium's website.

## For further information, contact:

Johannes Lind-Widestam, President and CEO,  
+46 70 541 72 22  
[johannes.lind-widestam@elosmedtech.com](mailto:johannes.lind-widestam@elosmedtech.com)

Ulrica Ehn, CFO, +46 510 48 43 67, +46 70 272 11 61  
[ulrica.ehn@elosmedtech.com](mailto:ulrica.ehn@elosmedtech.com)

## Report of Review of Interim Financial Information

### Introduction

We have reviewed the condensed interim financial information (interim report) of Elos Medtech AB (publ) as of 30 September 2015 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Göteborg, 23 October 2015  
Öhrlings PricewaterhouseCoopers AB  
Bror Frid  
Authorized Public Accountant

*The information in this interim report is such that Elos Medtech AB (publ) is obligated to publish in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.*

*The information was issued for publication on 23 October 2015, at 8:00 a.m. (CET).*

## Consolidated income statement and statement of comprehensive income

SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
Income statement	2015	2014	2015	2014	2014/15	2014
Net sales	123,1	84,9	367,7	274,7	473,9	380,9
Cost of goods sold	-90,5	-60,6	-260,2	-197,4	-336,0	-273,2
<b>Gross profit</b>	<b>32,6</b>	<b>24,3</b>	<b>107,5</b>	<b>77,3</b>	<b>137,9</b>	<b>107,7</b>
Selling expenses	-6,0	-4,6	-19,5	-15,0	-25,6	-21,1
Administration expenses	-15,3	-10,9	-49,7	-31,6	-62,2	-44,1
Development expenses	-3,3	-1,9	-9,6	-6,8	-12,7	-9,9
Other operating income/expenses	0,0	0,2	0,6	0,6	0,5	0,5
<b>Operating profit</b>	<b>8,0</b>	<b>7,1</b>	<b>29,3</b>	<b>24,5</b>	<b>37,9</b>	<b>33,1</b>
Financial income	0,2	0,4	0,4	0,8	0,7	1,1
Financial expenses	-2,8	-1,5	-6,0	-4,4	-7,3	-5,7
Exchange-rate differences	-0,2	1,8	0,1	1,9	1,5	3,3
<b>Profit after net financial items</b>	<b>5,2</b>	<b>7,8</b>	<b>23,8</b>	<b>22,8</b>	<b>32,8</b>	<b>31,8</b>
Income taxes	-1,7	-0,2	-7,1	-4,0	-11,5	-8,4
<b>Net profit for the year from continuing operations</b>	<b>3,5</b>	<b>7,6</b>	<b>16,7</b>	<b>18,8</b>	<b>21,3</b>	<b>23,4</b>
Profit from discontinued operations, operations	-	-	-	5,2	-	5,2
Profit from discontinued operations, sales transaction	-	-	-	91,9	-3,7	88,2
<b>Profit from discontinued operations, total</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>97,1</b>	<b>-3,7</b>	<b>93,4</b>
<b>Net profit after taxes</b>	<b>3,5</b>	<b>7,6</b>	<b>16,7</b>	<b>115,9</b>	<b>17,6</b>	<b>116,8</b>
Profit attributable to:						
Parent company shareholders	3,5	7,6	16,7	115,9	17,6	116,8
<b>Statement of comprehensive income</b>						
<b>Net profit after taxes</b>	<b>3,5</b>	<b>7,6</b>	<b>16,7</b>	<b>115,9</b>	<b>17,6</b>	<b>116,8</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to the income statement</b>						
Actuarial gains and losses	-	-4,9	-3,4	-5,8	-3,3	-5,7
Taxes	-	1,1	0,8	1,3	0,1	0,6
	<b>0,0</b>	<b>-3,8</b>	<b>-2,6</b>	<b>-4,5</b>	<b>-3,2</b>	<b>-5,1</b>
<b>Items that may be reclassified to the income statement</b>						
Translation differences	3,4	4,5	0,0	8,4	8,5	16,9
Translation of hedging of net investments	0,0	-2,2	-0,7	-7,0	-6,5	-12,8
Taxes	0,0	0,1	-0,1	0,8	1,2	2,1
	<b>3,4</b>	<b>2,4</b>	<b>-0,8</b>	<b>2,2</b>	<b>3,2</b>	<b>6,2</b>
<b>Other comprehensive income, net</b>	<b>3,4</b>	<b>-1,4</b>	<b>-3,4</b>	<b>-2,3</b>	<b>0,0</b>	<b>1,1</b>
<b>Comprehensive income for the period</b>	<b>6,9</b>	<b>6,2</b>	<b>13,3</b>	<b>113,6</b>	<b>17,6</b>	<b>117,9</b>
Comprehensive income for the period attributable to:						
Parent company shareholders	6,9	6,2	13,3	113,6	17,6	117,9
EBITDA	17,1%	18,3%	17,5%	18,2%	17,3%	17,8%
EBIT	6,5%	8,4%	8,0%	8,9%	8,0%	8,7%
Depreciation charged against earnings, continuing operations	13,0	8,4	35,0	25,6	44,1	34,7
Earnings per share (SEK), continuing operations *	0:58	1:26	2:76	3:11	3:52	3:87
Earnings per share (SEK), discontinued operations *	-	-	-	16:05	-0:61	15:43
Earnings per share (SEK), total *	0:58	1:26	2:76	19:15	2:91	19:30
Number of shares (thousands) *	6 051	6 051	6 051	6 051	6 051	6 051
Number of shares end of period (thousands)	6 051	6 051	6 051	6 051	6 051	6 051

\*Attrib. to parent company shareholders' share of net profit after taxes. Dilution does not exist since convertibles issued 2011-07-01 did not lead to conversion at exp. date of 2014-06-30.

## Condensed consolidated balance sheet

SEK M	30 Sep	30 Sep	31 Dec
Balance sheet	2015	2014	2014
<b>Assets</b>			
Intangible fixed assets	234,5	65,0	68,5
Tangible fixed assets	359,0	214,7	230,1
Financial fixed assets	5,2	4,6	5,9
Other current assets	228,9	174,1	177,7
Cash and bank balances	24,5	136,6	125,5
<b>Total assets</b>	<b>852,1</b>	<b>595,0</b>	<b>607,7</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	333,7	334,3	338,6
Long-term liabilities	340,0	156,6	162,7
Current liabilities	178,4	104,1	106,4
<b>Total shareholders' equity and liabilities</b>	<b>852,1</b>	<b>595,0</b>	<b>607,7</b>

## Key figures

	Jan-Sep	Jan-Sep	Jan-Dec
	2015	2014 *	2014 *
Return on operating capital			
from continuing operations	%	9,6	8,9
Return on shareholders' equity	%	6,6	54,5
Share of risk-bearing capital	%	41,7	59,7
Equity/assets ratio	%	39,2	56,2
Net debt	SEK M	324,7	37,0
Investments continuing operations excluding acquisition	SEK M	61,2	19,6
Number of employees in continuing operations		447	380
Shareholders' equity per share	SEK	55:16	55:25
Dividends	SEK	-	-
			3:00

\* Comparative figures are unchanged from previous reports where otherwise indicated.

## Changes in shareholders' equity

SEK M	30 Sep	31 Dec
	2015	2014
Opening balance	338,6	232,8
Dividends	-18,2	-12,1
Comprehensive income for the period	13,3	117,9
<b>Closing balance, shareholders' equity</b>	<b>333,7</b>	<b>338,6</b>



## Consolidated cash flow statement

SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Okt-Sep	Jan-Dec
Cash flow	2015	2014	2015	2014	2014/15	2014
Profit after net financial items	5,2	7,8	23,8	22,8	32,8	31,8
Reversal of depreciation	13,0	8,4	35,0	25,6	44,1	34,7
Adjustment items	-2,9	-0,6	3,0	6,1	2,7	5,8
Income tax paid	-1,1	1,9	-11,1	-2,5	-19,4	-10,8
Change in working capital	-5,7	-7,1	-9,0	-7,1	-8,1	-6,2
<b>Cash flow from operations</b>	<b>8,5</b>	<b>10,4</b>	<b>41,7</b>	<b>44,9</b>	<b>52,1</b>	<b>55,3</b>
Investments in fixed assets	-11,7	-5,6	-30,3	-12,0	-42,2	-23,9
Acquisition of company	-	-	-160,4	-	-160,4	-
Sales of fixed assets	0,0	0,2	0,1	0,2	0,1	0,2
<b>Balance after investments in fixed assets</b>	<b>-3,2</b>	<b>5,0</b>	<b>-148,9</b>	<b>33,1</b>	<b>-150,4</b>	<b>31,6</b>
Change of bank overdraft facility	-3,4	-2,4	3,5	-12,5	4,6	-11,4
New long-term loans	8,8	3,3	94,4	15,9	99,0	20,5
Amortization of long-term loans	-13,0	-7,8	-30,1	-32,0	-39,4	-41,3
Realized financial exchange- rate differences	-	-	-2,8	-1,3	-10,3	-8,8
Dividends	-	-	-18,2	-12,1	-18,2	-12,1
<b>Cash flow for the period from continuing operations</b>	<b>-10,8</b>	<b>-1,9</b>	<b>-102,1</b>	<b>-8,9</b>	<b>-114,7</b>	<b>-21,5</b>
Cash flow from discontinued operations	-	59,3	-	119,6	0,5	120,1
<b>Cash flow for the period</b>	<b>-10,8</b>	<b>57,4</b>	<b>-102,1</b>	<b>110,7</b>	<b>-114,2</b>	<b>98,6</b>
Liquid funds at beginning of the year	35,2	77,8	125,5	31,2	136,6	31,2
Liquid funds in discontinued operations	-	-	-	-6,8	-	-6,8
Exchanges- rate differences in liquid funds	0,1	1,4	1,1	1,5	2,1	2,5
<b>Liquid funds at end of the period</b>	<b>24,5</b>	<b>136,6</b>	<b>24,5</b>	<b>136,6</b>	<b>24,5</b>	<b>125,5</b>

## Quarterly figures - Group continuing operations

SEK M	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly figures	2015	2015	2015	2014	2014	2014	2014	2013	2013	2013	2013
Net sales	123,1	139,1	105,5	106,2	84,9	101,3	88,5	96,5	82,7	98,2	90,7
Cost of goods sold	-90,5	-95,5	-74,2	-75,8	-60,6	-71,3	-65,5	-69,5	-62,7	-73,2	-67,4
<b>Gross profit</b>	<b>32,6</b>	<b>43,6</b>	<b>31,3</b>	<b>30,4</b>	<b>24,3</b>	<b>30,0</b>	<b>23,0</b>	<b>27,0</b>	<b>20,0</b>	<b>25,0</b>	<b>23,3</b>
Selling, adm. and dev. exp.	-24,6	-28,2	-26	-21,7	-17,4	-19,2	-16,8	-18,2	-15,4	-18,3	-16,5
Other operating items	0,0	0,2	0,4	-0,1	0,1	0,3	0,2	0,6	-1,2	0,8	0,1
<b>Operating profit</b>	<b>8,0</b>	<b>15,6</b>	<b>5,7</b>	<b>8,6</b>	<b>7,0</b>	<b>11,1</b>	<b>6,4</b>	<b>9,4</b>	<b>3,4</b>	<b>7,5</b>	<b>6,9</b>
Net financial items	-2,6	-1,9	-1	-1	-1,1	-1	-1,5	-1,5	-1,4	-1,6	-1,7
Exchange- rate differences	-0,2	-2,7	2,9	1,4	1,8	0,7	-0,6	0,4	-1,3	1,5	-0,2
<b>Profit after net financial items</b>	<b>5,2</b>	<b>11,0</b>	<b>7,6</b>	<b>9,0</b>	<b>7,7</b>	<b>10,8</b>	<b>4,3</b>	<b>8,3</b>	<b>0,7</b>	<b>7,4</b>	<b>5,0</b>
Income taxes	-1,7	-3,4	-2	-4,4	-0,1	-2,8	-1,1	-2	-0,1	-0,9	-1,5
<b>Net profit after taxes continuing operations</b>	<b>3,5</b>	<b>7,6</b>	<b>5,6</b>	<b>4,6</b>	<b>7,6</b>	<b>8,0</b>	<b>3,2</b>	<b>6,3</b>	<b>0,6</b>	<b>6,5</b>	<b>3,5</b>

## Parent company income statement and statements of comprehensive income

SEK M	Jul- Sep	Jul- Sep	Jan- Sep	Jan- Sep	Oct- Sep	Jan- Dec
Income statement	2015	2014	2015	2014	2014/15	2014
Net sales	4,3	2,4	12,1	8,7	14,5	11,1
Cost of goods sold	-	-	-	-	-	-
<b>Gross profit</b>	<b>4,3</b>	<b>2,4</b>	<b>12,1</b>	<b>8,7</b>	<b>14,5</b>	<b>11,1</b>
Selling expenses	-1,6	-0,8	-5,2	-2,8	-6,0	-3,6
Administration expenses	-3,7	-3,4	-13,4	-10,7	-17,5	-14,8
Other operating income/expenses	0,0	-0,1	-0,1	-0,1	-0,1	-0,1
<b>Operating profit</b>	<b>-1,0</b>	<b>-1,9</b>	<b>-6,6</b>	<b>-4,9</b>	<b>-9,1</b>	<b>-7,4</b>
Result from participations in group company	-	-	9,9	7,2	21,2	18,5
Result from the sell of shares in group company	-	-	-	103,9	-5,6	98,3
Financial income	1,6	0,5	3,1	1,1	3,5	1,5
Financial expenses	-0,6	-0,1	-1,1	-0,6	-1,2	-0,7
Exchange- rate differences	0,3	-	-1,1	-	-1,1	-
<b>Profit after net financial items</b>	<b>0,3</b>	<b>-1,5</b>	<b>4,2</b>	<b>106,7</b>	<b>7,7</b>	<b>110,2</b>
Appropriations	-	-	-	-	-0,5	-0,5
Income taxes	-0,1	0,9	1,3	0,7	-0,6	-1,2
<b>Net profit/loss after taxes</b>	<b>0,2</b>	<b>-0,6</b>	<b>5,5</b>	<b>107,4</b>	<b>6,6</b>	<b>108,5</b>
<b>Statements of comprehensive income</b>						
<b>Net profit/loss after taxes</b>	<b>0,2</b>	<b>-0,6</b>	<b>5,5</b>	<b>107,4</b>	<b>6,6</b>	<b>108,5</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified to the income statement</b>						
Translation of hedging of net investments	-	-2,2	-0,7	-7,0	-6,5	-12,8
Tax	-	0,5	0,2	1,3	1,7	2,8
<b>Other comprehensive income, net</b>	<b>0,0</b>	<b>-1,7</b>	<b>-0,5</b>	<b>-5,7</b>	<b>-4,8</b>	<b>-10,0</b>
<b>Comprehensive income for the period</b>	<b>0,2</b>	<b>-2,3</b>	<b>5,0</b>	<b>101,7</b>	<b>1,8</b>	<b>98,5</b>

## Condensed parent company balance sheet

SEK M	30 Sept	30 Sept	31 Dec
Balance sheet	2015	2014	2014
<b>Assets</b>			
Intangible fixed assets	3,9	5,3	4,9
Tangible fixed assets	0,1	0,1	0,1
Financial fixed assets	343,9	172,4	173,2
Other current assets	19,6	13,2	10,0
Cash and bank balances	0,7	116,8	105,4
<b>Total assets</b>	<b>368,2</b>	<b>307,8</b>	<b>293,6</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	254,1	270,4	267,3
Untaxed reserves	5,2	4,7	5,2
Provisions	4,5	4,6	4,5
Long- term liabilities	62,9	1,3	0,9
Current liabilities	41,5	26,8	15,7
<b>Total shareholders' equity and liabilities</b>	<b>368,2</b>	<b>307,8</b>	<b>293,6</b>

## Note 1 Acquisition analysis (preliminary)

Currency rate at time of acquisition has been used

### Acquisition of Onyx Medical LLC

#### Description of the acquisition

23 April 2015 marked the completion of the acquisition of Onyx Medical LLC by Elos Medtech U.S Holdings Inc., a newly established subsidiary of Elos Medtech AB. As of 23 April 2015, controlling influence was attained and, thus, the company is included in the Elos Medtech consolidated financial statements. The acquisition is reported in line with the purchase method, whereby the entire purchase consideration is allocated among acquired assets and assumed liabilities. These assets and liabilities are determined at fair value pursuant to the application of generally accepted principles.

The consideration after deduction of the net loan debt amounted to SEK 164.9 M, plus a contingent consideration based on the business trend in 2015 and 2016, estimated to amount to SEK 77.2 M. The amount of the contingent consideration is limited. The consideration has been financed through liquid assets and loan.

Transaction costs for the acquisition are estimated at SEK 6.4 M, of which SEK 2.0 M was included in operating costs for the fourth quarter of 2014, and SEK 4.4 M is included in operating costs for 2015. The transaction costs are recognised in the item "Administration costs" in the consolidated income statement.

For the period after the acquisition date and for the remainder of the year, the acquisition is expected to contribute sales of approximately SEK 110 M and will, after consol-

idated depreciation/amortisation and interest, have a significant positive effect on earnings per share during 2015. This positive impact is expected to continue into 2016 and subsequent years. The acquisition contributed sales of SEK 40.9 M in the third quarter, while the accumulated contribution since the date of acquisition was SEK 72.5 M. If the acquisition had been taken place at the beginning of the year, the sales contribution would have been SEK 120.4 M. In terms of earnings, the acquisition exceeded expected levels and has made a significant contribution to consolidated profits. This is partly due to the launch activities of certain customers in the first six month of the year.

#### Description of the company

Onyx Medical LLC is based in Memphis, TN, US, and is a leading supplier within the orthopaedic area Trauma & Extremities. The company has some 120 employees and reported sales of approximately SEK 135 M in 2014. The previous management will continue to lead the company after the acquisition, and will also be part of Elos Medtech's management organisation. The company's customers consist of global medical technology companies. The company has a production facility of about 5,400 square metres, fitted modern equipment and automated production processes, and can manage future expansion. Operations are certified in line with the requirements imposed by the medical technology market.

The acquisition strengthens Elos Medtech's market position within Trauma & Extremities and, combined with existing operations, will function as a platform for the Group's development in North America. Following the acquisition, Elos Medtech now has a presence in Asia, Europe and North America and, with its current operations, will be better positioned with increasing potential to serve the global market.

### Acquisition value, goodwill and cash-flow effects (preliminary)

#### Acquisition value, SEK M

- consideration paid in cash	164,9
- estimated contingent consideration	77,2
<b>Total consideration</b>	<b>242,1</b>
Total fair value of acquired assets and liabilities	-82,6
<b>Goodwill</b>	<b>159,5</b>

#### Cash-flow effects, SEK M

Purchase consideration paid in cash	- 164,9
Cash and cash equivalents acquired	4,5
<b>Effect on the Group's cash and cash equivalents</b>	<b>- 160,4</b>

Goodwill that arose in conjunction with the acquisition consists mainly of strategic benefits and synergies, which are primarily expected to be attained within markets, sales and quality. According to US tax regulations, goodwill is deductible for tax purposes over a period of 15 years.

#### Net assets, SEK M

	Balance sheet on the acquisition date	Adjustment to fair value	Fair value
Intangible assets	-	12,5	12,5
Fixed assets	93,2	9,5	102,7
Inventories	11,9	11,1	23,0
Receivables	14,8	-	14,8
Cash and cash equivalents	4,5	-	4,5
Interest-bearing liabilities	-65,7	-	-65,7
Other liabilities	-9,2	-	-9,2
<b>Total acquired net assets</b>	<b>49,5</b>	<b>33,1</b>	<b>82,6</b>

[www.elosmedtech.com](http://www.elosmedtech.com) • [info@elosmedtech.com](mailto:info@elosmedtech.com)

Elos Medtech AB (publ) • Nya Stadens Torg 10 • 531 31 Lidköping • Sweden

Telephone +46 510 48 43 60 • Reg. no. 556021-9650