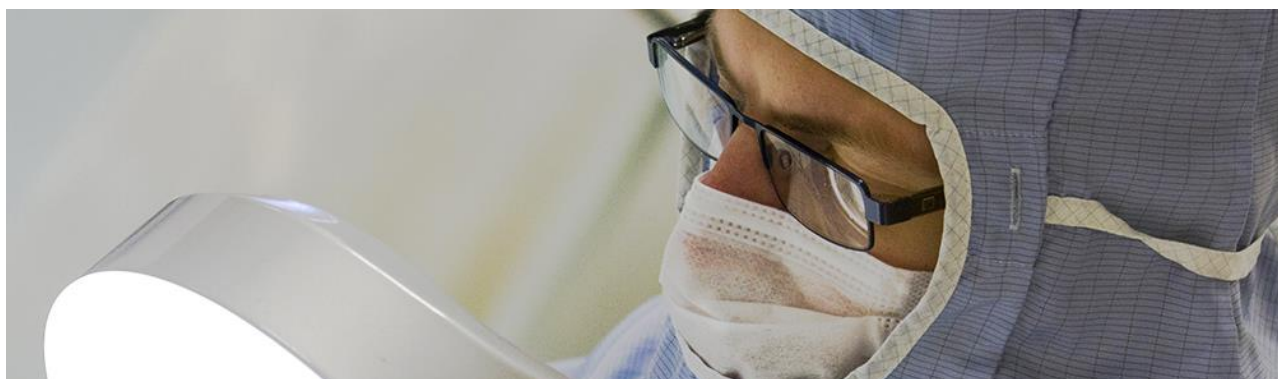


## Interim report, 1 January – 30 June 2016



### Sales growth and improved operating profit

- **Net sales** for the first half of the year increased to SEK 292.0 M (244.6), which adjusted for exchange-rate fluctuations corresponds to an increase of 20.2%, of which organic growth was 1.1%.
- **Operating profit** totalled SEK 28.0 M (19.4, adjusted for non-recurring items of 26.4).
- **Profit after net financial items** totalled SEK 21.3 M (16.7). Net financial items were negatively impacted by exchange-rate differences of SEK 0.2 M (pos: 0.3).
- **Profit after tax** amounted to SEK 15.1 M (11.3), corresponding to SEK 2.49 (1.87) per share.
- **Cash flow** from operating activities was SEK 44.6 M (33.1) and, after investments, amounted to SEK 23.2 M (-169.1).
- **A new President and CEO** of Elos Medtech was recruited during the period - Jan Wahlström assumed operational responsibility on 1 July 2016.

	Apr- Jun 2016	Apr- Jun** 2015	Jan- Jun 2016	Jan- Jun** 2015	Jul- Jun 2015/16	Jan- Dec 2015
Net sales, SEK M	151,6	139,1	292,0	244,6	551,1	503,7
Growth, %*	10,1	29,9	20,2	21,4	25,2	26,4
EBITDA, SEK M	29,4	26,5	54,8	41,8	92,3	79,3
EBITDA, %	19,4	19,1	18,8	17,1	16,7	15,7
Operating profit, SEK M	16,0	13,7	28,0	19,4	39,1	30,5
Operating margin, %	10,6	9,8	9,6	7,9	7,1	6,1
Profit after financial items, SEK M	14,5	9,1	21,3	16,7	27,1	22,5
Profit after tax, SEK M	10,2	5,7	15,1	11,3	19,9	16,1
Profit after tax per share, SEK	1:69	0:94	2:49	1:87	3:29	2:66

\* Adjusted for exchange-rate fluctuations.

\*\*Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 1,9 M.

### CEO, Jan Wahlström, comments

“Following a slightly cautious start to the beginning of 2016, Elos Medtech's sales and result strengthened in the second quarter. Net sales increased with 10,1% (4,0% organic growth) and profit margin in the quarter was 10,6% (9,8). Growth in the second quarter was healthy with slight variations between different geographic markets and segments. China, Denmark and North America reported the best performances, while other core markets also noted growth. A positive trend was that weak demand in Asia from the second half of 2015 transitioned to positive growth.

Overall, it can be said that three of the Group's market segments reported satisfactory growth in the first six months of the year – Dental Implant Systems, Trauma & Spine and Diagnostics – whereas Medical Devices reported a marginal decline.

Activity in the Dental Implant Systems market segment strengthened markedly in the second quarter of the year and sales increased by slightly more than 23% year-on-year. For the first six months of 2016, the sales increase was slightly more than 9% compared with the first half of 2015. This favourable trend was due to the increase in activities in contract services, the continued strong performance of the Group's own products in the segment and the previous investments in sales and marketing activities generating positive results. New distribution agreements were signed within Europe during the period



The Trauma & Spine market segment reported a marginal yet stable sales increase of almost 6% for the second quarter compared with the year-earlier period. Work in the quarter mainly focused on retaining the high pace of integration between Onyx Medical that was acquired in April 2015 and other parts of the Group.

The Medical Devices market segment was stable, but sales for the first half of the year fell by slightly more than 3% year-on-year, primarily due to the previously announced declines in the first quarter. Sales rose slightly during the second quarter.

Sales in the Diagnostics market segment rose by slightly more than 20% in the first six months of the year compared with the year-earlier period due to the positive performance in Microplast's products.

The favourable trend from the start of 2016 for the operations in Tianjin, China continued with a recovery to more satisfactory levels.

During the period, Microplast completed the extension of the production facility in Skara, Sweden, and a significant portion of the Group's investments in the first half of the year, SEK 21.4 M, pertained to construction and machinery. The extension followed a set plan and it is gratifying that we noted a high inflow of new customers during the same period. Other investments by the Group included mainly major machinery investments in Gørløse in Denmark in the first quarter.

In summary, the Group's total sales for the first six-month period amounted to SEK 292.0 M and growth was 20.2%, most of which was due to the fact that Onyx was not included for all of 2015. The operating margin followed the upward trend reaching 9.6% for the first half of the year, up from 5.4% in the first quarter. The operating margin for the second quarter was 10.6% (9.8). Cash flow from operating activities also strengthened to SEK 44.6 M (33.1).

Elos Medtech's future ambitions remain firm. Our competitiveness will continue to increase based on active product development, additional streamlining of production and high intensity in sales and marketing activities.

Jan Wahlström  
President and CEO

This feature about Elos Medtech Microplast AB is separate information and is not part of the official interim report for Jan-Jun 2016.

## Elos Medtech Microplast – a specialist partner for the global medical technology industry

Elos Medtech Microplast's operations focus on the development and manufacturing of advanced plastic details for products including hearing aids, pacemakers, consumables for clinical tests in the diagnostics area, neurosurgical and cardiac surgical products, and dental and surgical products. Manufacturing mostly takes place in clean rooms. Details and assembled products are delivered to customers after sterilisation.

Elos Medtech Microplast works with all types of plastics but specialises in high-performance plastics, such as PEEK, POM and PVDF. These plastics can replace metals and meet the extremely high requirements for chemical resistance, high temperatures and high pressures.



### Operations in general

The Group's operations are conducted at facilities in Sweden, Denmark, China and the US. 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, Diagnostics, Medical Devices and Trauma & Spine.

Continued growth and expansion is the focus for the Group going forward. The ambition is to continue to implement global processes, Group-wide quality systems and certifications. The Group is working systematically to implement a higher degree of automated flow and measurements, and to utilise shifts better in an attempt to use the machines more effectively. The Group's strategy is to develop its own products that complement our customers' product ranges, such as various types of instruments. The range of these products is developing continuously and new products are introduced progressively. The organisation devoted to the sale of our own products was reinforced at the beginning of the year through the recruitment of five new employees. The investment is expected to gradually have an impact through closer collaboration with strategic customers that contribute to continued high sales growth.

In addition to investments in our own products, the Group continues to strengthen relationships with the company's key accounts within the four market segments. One stage of this expansion is growth through acquisitions that complement the existing structure, which has been partially realised through the acquisition of the North American company Onyx Medical LLC, that was concluded in the second quarter of 2015. Expansion through acquisition will continue to be part of the strategy when opportunity permits.

From 1 July, the Group has a new President and CEO, Jan Wahlström.

### Sales

#### April-Juni 2016

Consolidated net sales during the quarter rose to SEK 151.6 M (139.1). Adjusted for changes in exchange rates, the increase was 10.1%, of which the organic increase was 4.0%. The increase was primarily due to healthy sales in the operations in Denmark, China and the US, although the Swedish operations also reported satisfactory sales.

#### January-June 2016

Consolidated net sales for the first six months of the year rose to SEK 292.0 M (244.6). Adjusted for changes in exchange rates, the increase was 20.2%, of which the organic increase was 1.1%. Onyx Medical continued to account for the greater part of the increase in sales. The trend for the other units has been mixed, with positive growth for the Swedish and Danish units and a slight decline for operations in China.

The demand trend remained generally positive. The Dental Implant Systems market segment, which reported a weak start to the year, subsequently displayed a favourable performance. The trend for own products in the first half of the year shows growth of about 17%. Own products accounted for 9,2 (9,4) of consolidated net sales. In the Diagnostics market segment, the company's major customers continued to perform according to plan and new business is being implemented progressively. In the Trauma & Spine market segment, the acquisition of Onyx Medical was the main contributing factor behind the strong performance. Customers in this market segment performed on par with expectations.

Net sales by market segment	Apr- Jun	Apr- Jun	Jan- Jun	Jan- Jun	Jul- Jun	Jan- Dec
SEK M	2016	2015	2016	2015	2015/16	2015
Dental Implant Systems	50,0	40,6	86,1	78,9	163,1	153,7
Diagnostics	8,8	7,9	17,0	14,2	24,5	23,6
Medical Devices	43,7	43,9	89,0	94,0	168,5	168,7
Trauma & Spine	49,1	46,7	99,9	57,5	160,1	157,7
<b>Total net sales</b>	<b>151,6</b>	<b>139,1</b>	<b>292,0</b>	<b>244,6</b>	<b>516,2</b>	<b>503,7</b>

## Earnings

### April-June 2016

Operating profit during the second quarter was SEK 16.0 M (13,7), corresponding to an operating margin of 10.6% (9,8). Onyx Medical continued to report strong earnings, and the Danish operations also made a robust contribution to quarterly earnings. The year-earlier profit was charged with non-recurring expenses of SEK 0.7 M in conjunction with acquisitions, non-recurring expenses of SEK 1.5 M for changes in inventory associated with acquisitions as well as twofold CEO expenses of SEK 0.3 M. Consolidated net financial items were positively affected by translation differences corresponding to SEK 1.5 M (-2.7) and amounted to SEK -1.5 M (-4.6). Profit after financial items totalled SEK 14.5 M (9.1). Profit after tax amounted to SEK 10.2 M (5.7), corresponding to SEK 1.69 (0.94) per share. The Group's comprehensive income was SEK 15.6 M (-1.1). Comprehensive earnings per share were SEK 2.57 (-0.18).

### January-June 2016

Operating profit during the first six months of the year was SEK 28.0 M (19,4), corresponding to an operating margin of 9.6% (7,9). Following the cautious start to the year, the operations reported an overall improvement in the six-month period. The main reason for the improvement was the healthy sales performance in the Danish and US operations, which continued to report strong earnings. The year-earlier profit was charged with non-recurring expenses of SEK 4.4 M in conjunction with acquisitions, non-recurring expenses of SEK 1.5 M for changes in inventory associated with acquisitions as well as twofold CEO expenses of SEK 1.1 M. Consolidated net financial items were adversely impacted by translation differences corresponding to SEK -0.2 M (0.3) and amounted to SEK -6.7 M (-2.7). Profit after financial items totalled SEK 21.3 M (16.7). Profit after tax amounted to SEK 15.1 M (11.3), corresponding to SEK 2.49 (1.87) per share. The Group's comprehensive income was SEK 18.9 M (4.5). Comprehensive earnings per share were SEK 3.12 (0.74).

## Investments

Group investments in buildings, land, machinery and equipment in the first half of the year amounted to SEK 18.8 M (39.8) and primarily pertained to increased machinery capacity and the expansion of Microplast's property. In addition, SEK 0.5 M (1.5) was invested in capitalised development costs and SEK 2.1 M (0.6) in other intangible fixed assets.

## Financial position and liquidity

Consolidated assets declined to SEK 878.9 M (881.6) in the first half of the year. The Group's shareholders' equity totalled SEK 343.4 M (330.5). Shareholders' equity per share was SEK 56.76 (54.63). Risk-bearing equity at the end of the quarter was SEK 369.5 M (353.4), corresponding to 42.0% (40.0) of total capital. The Group's equity/assets ratio was 39.0% (37.5).

The Group's cash flow from operating activities during the six-month period was SEK 24.1 M (21.0). Cash flow after investments and sales of non-current assets amounted to SEK 16.2 M (-155.8). Cash flow after investments in the preceding year was strongly impacted by the acquisition of a company. The six-month period's cash flow was impacted by payment of the additional purchase consideration of SEK 77.6 M.

The Group's net borrowing declined during the first half of the year to SEK 417.6 M (427.3). The Group's cash and cash equivalents, including unutilised overdraft facilities, totalled SEK 74.4 M (111.6).

## Personnel

At the end of the period, the Group had 517 full-time employees, compared with 505 at year-end.

## Forecast 2016

The Group's position in its selected market segments constitutes a foundation for continued growth.

Earnings	Apr- Jun	Apr- Jun*	Jan- Jun	Jan- Jun*	Jul- Jun	Jan- Dec
	2016	2015	2016	2015	2015/16	2015
EBITDA, SEK M	29,4	26,5	54,8	41,8	92,3	79,3
EBITDA, %	19,4	19,1	18,8	17,1	16,7	15,7
EBIT, SEK M	16,0	13,7	28,0	19,4	39,1	30,5
EBIT, %	10,6	9,8	9,6	7,9	7,1	6,1
Profit after financial items, SEK M	14,5	9,1	21,3	16,7	27,1	22,5
Profit after tax, SEK M	10,2	5,7	15,1	11,3	19,9	16,1

\*Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 19 M.

### 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 9.7 M (7.8). Profit after financial items totalled SEK 8.7 M (3.8). Profit includes an intra-Group dividend of SEK 12.5 M (9.9). The Parent Company's comprehensive income amounted to SEK 9.3 M (4.7). The percentage of risk-bearing capital was 67.8% (73.5). The equity/assets ratio was 67.9% (73.4). The Parent Company's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 43.8 M (34.2).

### 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 2015 Annual Report.

### Events after the closing date

The Group has a new President and CEO from 1 July.

### Related-party transactions

The company engaged in transactions with senior executives during the reporting period. These transactions comprise partial payment of the additional purchase consideration in the amount of SEK 77.6 M for the acquisition of Onyx Medical LLC.

### Segment reporting

The Group has only one operating segment, which comprises the development, production and sale of medical technology products, components and services. The operations are managed, developed and marketed as a single unit, namely Elos Medtech. Accordingly, 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 2016, similar to the year-end accounts for 2015, 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 interim information on pages 1-12 forms an integral part of this financial statement. 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 2015 Annual Report. New or revised recommendations with application from 2016 are not considered to have any significant impact on the financial statements.

The European Securities and Markets Authority's (ESMA) Guidelines on Alternative Performance Measures are applied from 3 July 2016 and entail disclosure requirements for financial measures that are not defined in accordance with IFRS.

### Audit review

This interim report has not been reviewed by the company's auditor.

The Board of Directors and President hereby provide their assurance that this interim report presents an accurate overview of the company's and Group's operations, financial position and earnings, and describes the significant risks and uncertainties facing the company and the companies included in the Group.

Elos Medtech AB (publ)  
Lidköping 24 August 2016

Stig-Arne Blom  
Chairman of the Board

Agneta Bengtsson Runmarker  
Board member

Anders Birgersson  
Board member

Jeppe Magnusson  
Board member

Yvonne Mårtensson  
Board member

Mats Nilsson  
Board member

Thomas Öster  
Board member

Jan Wahlström  
President and CEO

## Consolidated income statement and statement of comprehensive income

SEK M	Apr-Jun	Apr-Jun **	Jan-Jun	Jan-Jun **	Jul-Jun	Jan-Dec
Income statement	2016	2015	2016	2015	2015/16	2015
Net sales	151,6	139,1	292,0	244,6	551,1	503,7
Cost of goods sold	- 106,2	- 97,0	- 206,9	- 171,2	- 403,3	- 367,6
<b>Gross profit</b>	<b>45,4</b>	<b>42,1</b>	<b>85,1</b>	<b>73,4</b>	<b>147,8</b>	<b>136,1</b>
Selling expenses	- 9,3	- 7,9	- 17,3	- 13,9	- 33,4	- 30,0
Administration expenses	- 16,6	- 17,2	- 32,4	- 34,4	- 61,2	- 63,2
Development expenses	- 3,7	- 3,5	- 7,4	- 6,3	- 15,0	- 13,9
Other operating income/expenses	0,2	0,2	0,0	0,6	0,9	1,5
<b>Operating profit</b>	<b>16,0</b>	<b>13,7</b>	<b>28,0</b>	<b>19,4</b>	<b>39,1</b>	<b>30,5</b>
Financial income	0,1	0,1	0,1	0,2	0,3	0,4
Financial expenses	- 3,1	- 2,0	- 6,6	- 3,2	- 11,4	- 8,0
Exchange-rate differences	1,5	- 2,7	- 0,2	0,3	- 0,9	- 0,4
<b>Profit after net financial items</b>	<b>14,5</b>	<b>9,1</b>	<b>21,3</b>	<b>16,7</b>	<b>27,1</b>	<b>22,5</b>
Income taxes	- 4,3	- 3,4	- 6,2	- 5,4	- 7,2	- 6,4
<b>Net profit after taxes</b>	<b>10,2</b>	<b>5,7</b>	<b>15,1</b>	<b>11,3</b>	<b>19,9</b>	<b>16,1</b>
<b>Profit attributable to:</b>						
Parent company shareholders	10,2	5,7	15,1	11,3	19,9	16,1
<b>Statement of comprehensive income</b>						
<b>Net profit after taxes</b>	<b>10,2</b>	<b>5,7</b>	<b>15,1</b>	<b>11,3</b>	<b>19,9</b>	<b>16,1</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to the income statement</b>						
Actuarial gains and losses	-	- 3,4	-	- 3,4	3,8	0,4
Taxes	-	0,8	-	0,8	- 0,9	- 0,1
	0,0	- 2,6	0,0	- 2,6	2,9	0,3
<b>Items that may be reclassified to the income statement</b>						
Translation differences	6,4	- 7,0	4,7	- 3,4	2,5	- 5,6
Translation of hedging of net investments	- 1,2	3,3	- 1,2	- 0,7	- 1,2	- 0,7
Taxes	0,2	- 0,5	0,3	- 0,1	0,4	0,0
	5,4	- 4,2	3,8	- 4,2	1,7	- 6,3
<b>Other comprehensive income, net</b>	<b>5,4</b>	<b>- 6,8</b>	<b>3,8</b>	<b>- 6,8</b>	<b>4,6</b>	<b>- 6,0</b>
<b>Comprehensive income for the period</b>	<b>15,6</b>	<b>- 1,1</b>	<b>18,9</b>	<b>4,5</b>	<b>24,5</b>	<b>10,1</b>
<b>Comprehensive income for the period attributable to:</b>						
Parent company shareholders	15,6	- 1,1	18,9	4,5	24,5	10,1
EBITDA	19,4%	19,1%	18,8%	17,1%	16,7%	15,7%
EBIT	10,6%	9,8%	9,6%	7,9%	7,1%	6,1%
Depreciation charged against earnings	13,4	12,8	26,8	22,4	53,2	48,8
Earnings per share (SEK) *	1,69	0,94	2,49	1,87	3,29	2,66
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

\*Attributable to parent company shareholders' share of net profit after taxes.

\*\*Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 19 M.

### Condensed consolidated balance sheet

SEK M	30 Jun 2016	30 Jun * 2015	31 Dec 2015
<b>Balance sheet</b>			
<b>Assets</b>			
Intangible fixed assets	278,8	231,1	275,7
Tangible fixed assets	356,4	348,7	356,7
Financial fixed assets	5,2	4,4	4,5
Other current assets	220,5	225,2	204,2
Cash and bank balances	18,0	35,2	40,5
<b>Total assets</b>	<b>878,9</b>	<b>844,6</b>	<b>881,6</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	343,4	324,9	330,5
Long-term liabilities	291,5	363,2	331,2
Current liabilities	244,0	156,5	219,9
<b>Total shareholders' equity and liabilities</b>	<b>878,9</b>	<b>844,6</b>	<b>881,6</b>

\*Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 19 M.

### Key figures

		Jan-Jun 2016	Jan-Jun ** 2015	Jan-Dec 2015
Return on operating capital	%	7,5	7,0	5,3
Return on shareholders' equity	%	8,9	6,8	4,8
Share of risk-bearing capital	%	42,0	40,8	40,0
Equity/assets ratio	%	39,0	38,5	37,5
Net debt *	SEK M	417,6	387,6	427,3
Investments excluding acquisition	SEK M	21,4	41,9	75,8
Number of employees		511	455	471
Shareholders' equity per share	SEK	56:76	53:70	54:63
Dividends	SEK	-	-	1:00

\* Net debt includes non interest-bearing financial liabilities.

\*\*Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 19 M.

### Changes in shareholders equity

SEK M	30 Jun 2016	31 Dec 2015
Opening balance	330,5	338,6
Dividends	-6,0	-18,2
Comprehensive income for the period	18,9	10,1
<b>Closing balance, shareholders' equity</b>	<b>343,4</b>	<b>330,5</b>



### Consolidated cash flow statement

SEK M	Apr-Jun	Apr-Jun *	Jan-Jun	Jan-Jun *	Jul-Jun	Jan-Dec
Cash flow	2016	2015	2016	2015	2015/16	2015
Profit after net financial items	14,5	9,1	21,3	16,7	27,1	22,5
Reversal of depreciation	13,4	12,7	26,8	22,4	53,2	48,8
Adjustment items	-3,6	4,7	-2,6	5,8	-4,3	4,1
Income tax paid/repaid	1,6	-5,7	1,5	-10,0	-1,5	-13,0
Change in working capital	-1,8	0,2	-2,4	-1,8	-1,4	-0,8
<b>Cash flow from operations</b>	<b>24,1</b>	<b>21,0</b>	<b>44,6</b>	<b>33,1</b>	<b>73,1</b>	<b>61,6</b>
Investments in fixed assets	-7,9	-16,4	-21,4	-41,9	-55,3	-75,8
Acquisition of company	-	-160,4	-	-160,4	0,0	-160,4
Sales of fixed assets	-	0,0	-	0,1	0,0	0,1
<b>Balance after investments in fixed assets</b>	<b>16,2</b>	<b>-155,8</b>	<b>23,2</b>	<b>-169,1</b>	<b>17,8</b>	<b>-174,5</b>
Change of bank overdraft facility	-33,1	0,5	21,7	6,9	18,8	4,0
New loans	39,8	87,2	48,4	108,9	88,9	149,4
Amortization of loans	-12,2	-5,6	-32,2	-17,0	-60,2	-45,0
Amortization of additional purchase consideration	-39,4	-	-77,6	-	-77,6	-
Realized financial exchange- rate differences	-	-2,8	-	-2,8	0,0	-2,8
Dividends	-6,0	-18,2	-6,0	-18,2	-6,0	-18,2
<b>Cash flow for the period</b>	<b>-34,7</b>	<b>-94,7</b>	<b>-22,5</b>	<b>-91,3</b>	<b>-18,3</b>	<b>-87,1</b>
Cash flow from discontinued operations	-	-	-	-	1,3	1,3
<b>Cash flow for the period, total</b>	<b>-34,7</b>	<b>-94,7</b>	<b>-22,5</b>	<b>-91,3</b>	<b>-17,0</b>	<b>-85,8</b>
Liquid funds at beginning of the year	51,4	130,8	40,5	125,5	35,2	125,5
Exchanges- rate differences in liquid funds	1,3	-0,9	0,0	1,0	-0,2	0,8
<b>Liquid funds at end of the period</b>	<b>18,0</b>	<b>35,2</b>	<b>18,0</b>	<b>35,2</b>	<b>18,0</b>	<b>40,5</b>

\*Due to the effects of the final acquisition analysis, Q2 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 19 M.

### Quarterly figures - Group

SEK M	Q 2	Q 1	Q 4	Q 3 *	Q 2 *	Q 1	Q 4	Q 3	Q 2 **	Q 1 **
Quarterly figures	2016	2016	2015	2015	2015	2015	2014	2014	2014	2014
Net sales	151,6	140,4	136,0	123,1	139,1	105,5	106,2	84,9	101,3	88,5
Cost of goods sold	-106,2	-100,8	-104,4	-92,0	-97,0	-74,2	-75,8	-60,6	-71,3	-65,5
<b>Gross profit</b>	<b>45,4</b>	<b>39,6</b>	<b>31,6</b>	<b>31,1</b>	<b>42,1</b>	<b>31,3</b>	<b>30,4</b>	<b>24,3</b>	<b>30,0</b>	<b>23,0</b>
Selling, adm. and dev. exp.	-29,6	-27,4	-27,5	-25,0	-28,6	-26,0	-21,7	-17,4	-19,2	-16,8
Other operating items	0,2	-0,2	0,9	0,0	0,2	0,4	-0,1	0,1	0,3	0,2
<b>Operating profit</b>	<b>16,0</b>	<b>12,0</b>	<b>5,0</b>	<b>6,1</b>	<b>13,7</b>	<b>5,7</b>	<b>8,6</b>	<b>7,0</b>	<b>11,1</b>	<b>6,4</b>
Net financial items	-3,0	-3,5	-2,0	-2,7	-1,9	-1,0	-1,0	-1,1	-1,0	-1,5
Exchange- rate differences	1,5	-1,7	-0,5	-0,1	-2,7	2,9	1,4	1,8	0,7	-0,6
<b>Profit after net financial items</b>	<b>14,5</b>	<b>6,8</b>	<b>2,5</b>	<b>3,3</b>	<b>9,1</b>	<b>7,6</b>	<b>9,0</b>	<b>7,7</b>	<b>10,8</b>	<b>4,3</b>
Income taxes	-4,3	-1,9	0,7	-1,7	-3,4	-2,0	-4,4	-0,1	-2,8	-1,1
<b>Net profit after taxes continuing operations</b>	<b>10,2</b>	<b>4,9</b>	<b>3,2</b>	<b>1,6</b>	<b>5,7</b>	<b>5,6</b>	<b>4,6</b>	<b>7,6</b>	<b>8,0</b>	<b>3,2</b>

\* Due to the effects of the final acquisition analysis, accumulated outcome for the second and third quarters 2015 have been adjusted with higher costs of about SEK 19 M each.

\*\* Quarter 1 and 2 2014 refer to continuing operations.

Parent company income statement and statements of comprehensive income

SEK M	Apr- Jun 2016	Apr- Jun 2015	Jan- Jun 2016	Jan- Jun 2015	Jul- Jun 2015/16	Jan- Dec 2015
<b>Income statement</b>						
Net sales	5,2	4,1	9,7	7,8	17,6	15,7
Cost of goods sold	-	-	-	-	-	-
<b>Gross profit</b>	<b>5,2</b>	<b>4,1</b>	<b>9,7</b>	<b>7,8</b>	<b>17,6</b>	<b>15,7</b>
Selling expenses	-2,9	-2,0	-4,8	-3,7	-8,2	-7,1
Administration expenses	-5,1	-4,7	-9,4	-9,7	-17,1	-17,4
Other operating income/expenses	-0,0	-0,1	0,0	-0,1	-0,1	-0,2
<b>Operating profit</b>	<b>-2,8</b>	<b>-2,7</b>	<b>-4,5</b>	<b>-5,7</b>	<b>-7,8</b>	<b>-9,0</b>
Result from participations in group company	-	-	12,5	9,9	23,0	20,4
Financial income	2,1	1,3	3,7	1,5	7,0	4,8
Financial expenses	-1,0	-0,5	-2,0	-0,5	-3,2	-1,7
Exchange- rate differences	0,5	-1,3	-1,0	-1,4	-0,7	-1,1
<b>Profit after net financial items</b>	<b>-1,2</b>	<b>-3,2</b>	<b>8,7</b>	<b>3,8</b>	<b>18,3</b>	<b>13,4</b>
Appropriations	-	-	-	-	-0,1	-0,1
Income taxes	0,1	0,8	0,6	1,4	-1,9	-1,1
<b>Net profit/loss after taxes</b>	<b>-1,1</b>	<b>-2,4</b>	<b>9,3</b>	<b>5,2</b>	<b>16,3</b>	<b>12,2</b>
<b>Statements of comprehensive income</b>						
<b>Net profit/loss after taxes</b>	<b>-1,1</b>	<b>-2,4</b>	<b>9,3</b>	<b>5,2</b>	<b>16,3</b>	<b>12,2</b>
<b>Other comprehensive income</b>						
<b>Items that may be reclassified to the income statement</b>						
Translation of hedging of net investments	-	3,3	-	-0,7	0,0	-0,7
Tax	-	-0,7	-	0,2	0,0	0,2
<b>Other comprehensive income, net</b>	<b>0,0</b>	<b>2,6</b>	<b>0,0</b>	<b>-0,5</b>	<b>0,0</b>	<b>-0,5</b>
<b>Comprehensive income for the period</b>	<b>-1,1</b>	<b>0,2</b>	<b>9,3</b>	<b>4,7</b>	<b>16,3</b>	<b>11,7</b>

Condensed parent company balance sheet

SEK M	30 Jun 2016	30 Jun 2015	31 Dec 2015
<b>Balance sheet</b>			
<b>Assets</b>			
Intangible fixed assets	3,6	4,1	3,8
Tangible fixed assets	0,5	0,1	0,1
Financial fixed assets	373,0	342,0	342,2
Other current assets	14,0	20,2	13,8
Cash and bank balances	3,8	0,9	1,1
<b>Total assets</b>	<b>394,9</b>	<b>367,3</b>	<b>361,0</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	264,1	253,8	260,8
Untaxed reserves	5,3	5,2	5,3
Provisions	4,5	4,5	4,5
Long-term liabilities	84,8	65,9	58,5
Current liabilities	36,2	37,9	31,9
<b>Total shareholders' equity and liabilities</b>	<b>394,9</b>	<b>367,3</b>	<b>361,0</b>

## Reconciliation alternative performance measures

SEK M	Apr-Jun 2016	Apr-Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jul-Jun 2015/16	Jan-Dec 2015
<b>Net sales adjusted for exchange-rate fluctuations</b>						
Net sales	151,6	139,1	292,0	244,6	551,1	503,7
Net sales comparative period previous year	139,1	101,3	244,6	189,8	435,7	380,9
<b>Net sales, change</b>	<b>12,5</b>	<b>37,8</b>	<b>47,4</b>	<b>54,8</b>	<b>115,4</b>	<b>122,8</b>
Changes in exchange rates	1,5	-7,5	1,9	-14,2	-5,4	-22,1
<b>Exchange-rate adjusted net sales</b>	<b>153,1</b>	<b>131,6</b>	<b>293,9</b>	<b>230,4</b>	<b>545,7</b>	<b>481,6</b>
<b>Change, %</b>	<b>10,1</b>	<b>29,9</b>	<b>20,2</b>	<b>21,4</b>	<b>25,2</b>	<b>26,4</b>
<b>Organic growth</b>						
Net sales from acquired businesses	8,5	31,5	46,7	31,5	124,6	109,4
Adjusted net sales from acquisition effects	144,6	100,1	247,2	198,9	421,1	372,2
<b>Organic growth, %</b>	<b>4,0</b>	<b>-1,2</b>	<b>1,1</b>	<b>4,8</b>	<b>-3,4</b>	<b>-2,3</b>

SEK M	Apr-Jun 2016	Apr-Jun * 2015	Jan-Jun 2016	Jan-Jun * 2015	Jul-Jun 2015/16	Jan-Dec 2015
<b>Operating profit before non-recurring items</b>						
Reported operating profit	16,0	13,7	28,0	19,4	39,1	30,5
Acquisition related expenses	-	0,7	-	4,4	-	4,4
Expenses in inventory due to acquisitions analysis	-	1,5	-	1,5	1,2	2,7
Twofold CEO expenses	-	0,3	-	1,1	-	1,1
<b>Operating profit before non-recurring items</b>	<b>16,0</b>	<b>16,2</b>	<b>28,0</b>	<b>26,4</b>	<b>40,3</b>	<b>38,7</b>

\*Due to the effects of the final acquisition analysis, the second quarter & cum. outcome for the second quarter 2015 have been adjusted with a cost increase of about SEK 19 M.

SEK M	Apr-Jun 2016	Apr-Jun * 2015	Jan-Jun 2016	Jan-Jun * 2015	Jul-Jun 2015/16	Jan-Dec 2015
<b>EBITDA</b>						
Reported operating profit	16,0	13,7	28,0	19,4	39,1	30,5
Depreciation and amortisation	13,4	12,8	26,8	22,4	53,2	48,8
<b>EBITDA</b>	<b>29,4</b>	<b>26,5</b>	<b>54,8</b>	<b>41,8</b>	<b>92,3</b>	<b>79,3</b>

\*Due to the effects of the final acquisition analysis, the second quarter & cum. outcome for the second quarter 2015 have been adjusted with a cost increase of about SEK 19 M.

SEK M	30 Jun 2016	30 Jun 2015*	31 Dec 2015
<b>Risk-bearing equity</b>			
Equity	343,4	324,9	330,5
Deferred tax liability	26,1	19,6	22,9
<b>Risk-bearing equity</b>	<b>369,5</b>	<b>344,5</b>	<b>353,4</b>

\*Due to the effects of the final acquisition analysis, the second quarter & cum. outcome for the second quarter 2015 have been adjusted with a cost increase of about SEK 19 M.

SEK M	30 Jun 2016	30 Jun 2015*	31 Dec 2015
<b>Net debt</b>			
Non-current interest-bearing provisions for pensions	29,1	30,8	28,0
Non-current interest-bearing liabilities	236,4	238,7	241,2
Current other interest-bearing liabilities	130,2	79,1	82,8
Other non-current liabilities	39,9	74,2	115,8
<b>Total liabilities</b>	<b>435,6</b>	<b>422,8</b>	<b>467,8</b>
Cash and bank balances	-18,0	-35,2	-40,5
<b>Total assets</b>	<b>-18,0</b>	<b>-35,2</b>	<b>-40,5</b>
<b>Net debt</b>	<b>417,6</b>	<b>387,6</b>	<b>427,3</b>

SEK M	30 Jun 2016	30 Jun 2015*	31 Dec 2015
<b>Cash and cash equivalents incl. unutilised overdraft facilities</b>			
Cash and bank balances	18,0	35,2	40,5
Used overdraft facilities	-42,5	-24,1	-21,4
Granted overdraft facilities	98,9	72,7	92,5
<b>Cash and cash equivalents incl. unutilised overdraft facilities</b>	<b>74,4</b>	<b>83,8</b>	<b>111,6</b>

#### Definitions of alternative performance measures

Alternative performance measures are financial measures of historical or future financial performance, financial position, or cash flows that are not defined in the applicable financial reporting framework, IFRS. These performance measures are considered to comprise important supplementary performance measures for the Group's earnings and financial position and the aim is to create enhanced understanding of the operations. The alternative performance measures presented in this interim report should not be regarded as replacements for terms and concepts under IFRS, but instead be seen as a supplement. These performance measures do not need to be comparable with similar performance measures of other companies. Reconciliation data for certain of these performance measures is stated on page 11 in this report.

#### Sales adjusted for changes in exchange rates

Change in net sales adjusted for changes in exchange rates compared with the year-earlier period.

#### Organic growth

Change in net sales adjusted for sales from acquired and divested operations compared with the year-earlier period.

#### Non-recurring items

Items that are not included in the normal business transactions and when amounts total significant sums and thus have an impact on earnings and performance measures.

#### Operating profit before non-recurring items

Profit before financial income and expenses and taxes adjusted for non-recurring items.

#### Operating profit (EBIT)

Profit before financial income and expenses and taxes.

#### Operating margin, %

Operating profit in relation to the operations' net sales.

#### EBITDA

Operating profit before depreciation/amortisation and impairment

#### EBITDA, %

Operating profit before depreciation/amortisation and impairment in relation to the operation's net sales.

#### Risk-bearing equity

Total recognised shareholders' equity, any minority interests and deferred tax liability.

#### Net debt

Interest-bearing financial liabilities, non-interest-bearing financial liabilities and provisions for pensions less cash and cash equivalents.

#### Cash and cash equivalents including unutilised overdraft facilities

Cash and bank balances less utilised overdraft facilities plus granted overdraft facilities.

#### Financial Information

Interim report Jan–Sep 2016 - publish day 26 October 2016.

The year-end report 2016 - publish day 24 February 2017.

Annual Report 2016 - publish day in March/April 2017.

#### Press and analyst conference

Due to the publication of the interim report, a press and analyst conference will be held on Friday 26 August at 8:00 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 Jan Wahlström. 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/>. A brief interview in Swedish with Jan Wahlström will be available later during the day via the link <http://www.introduce.se/foretag/elos/> on Remium's website.

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Elos Medtech AB is a Swedish limited liability company, whose Series B share is listed on the Nasdaq Stockholm Small Cap. Corporate governance at Elos Medtech is based on Swedish legislation and the listing agreement with Nasdaq Stockholm AB.