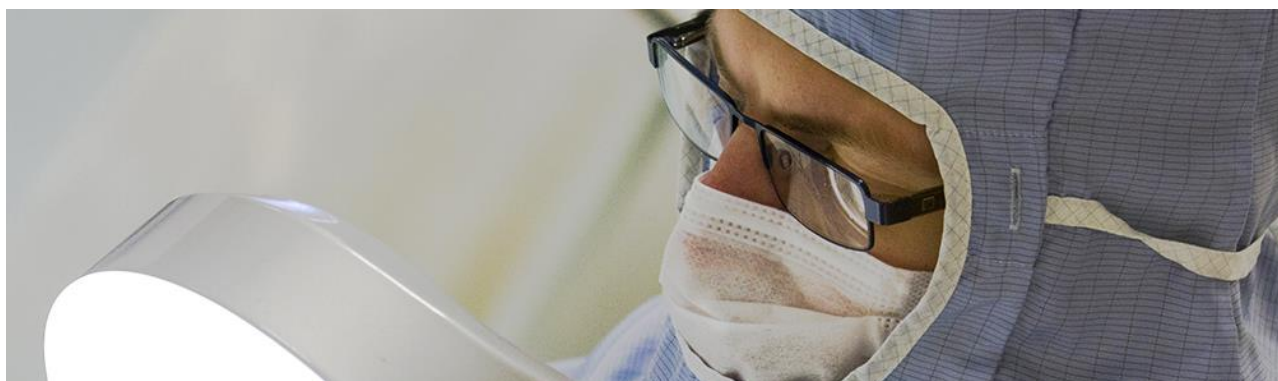


## Interim report, 1 January – 30 September 2016



### Continued improved earnings and strong cash flow

- **Net sales** increased to SEK 418.7 M (367.7) which, adjusted for exchange-rate fluctuations, corresponds to a rise of 14.7%, of which organic growth was 2.1%.
- **Operating profit** improved to SEK 39.7 M (25.5, adjusted for non-recurring items of 34.0).
- **Profit after net financial items** totalled SEK 32.1 M (20.0). Net financial items were positively affected by exchange-rate differences of SEK 1.1 M (0.1).
- **Profit after tax** amounted to SEK 23.5 M (12.9), corresponding to SEK 3.88 (2.13) per share.
- **Cash flow** from operating activities improved to SEK 73.3 M (41.7). Cash flow after investments amounted to SEK 53.7 M (neg: 148.9).

	Jul-Sep 2016	Jul-Sep** 2015	Jan-Sep 2016	Jan-Sep** 2015	Oct-Sep 2015/16	Jan-Dec 2015
Net sales, SEK M	126,7	123,1	418,7	367,7	554,7	503,7
Growth, %*	3,7	38,6	14,7	26,6	16,9	26,4
EBITDA, SEK M	25,4	19,5	80,2	61,3	98,2	79,3
EBITDA, %	20,0	15,8	19,2	16,7	17,7	15,7
Operating profit, SEK M	11,7	6,1	39,7	25,5	44,7	30,5
Operating margin, %	9,2	5,0	9,5	6,9	8,1	6,1
Profit after financial items, SEK M	10,8	3,3	32,1	20,0	34,6	22,5
Profit after tax, SEK M	8,5	1,6	23,5	12,9	26,7	16,1
Profit after tax per share, SEK	1:39	0:26	3:88	2:13	4:41	2:66

\* Adjusted for exchange-rate fluctuations.

\*\*Due to effects of the final acquisition analysis, Q3 & cum. outcome at June 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 resp.

### CEO, Jan Wahlström, comments

"The market scenario for Elos Medtech remained strong during the third quarter of the year and sales rose by 14.7% (2.1% in organic growth) in the period January–September 2016, in comparison with the corresponding period of 2015. The operating margin was 9.5% (6.9).

It is gratifying that all segments are showing positive figures. Geographically, we note a distinct increase in demand in Asia and the Nordic region. This, in combination with internally implemented structural measures and investments, has generated favourable results during the current year, with operating profit rising by 55.7% to SEK 39.7 M (adjusted for non-recurring items in the year-earlier period, the rise was 14.7%). Cash flow from operating activities strengthened further to SEK 73.3 M (41.7).

In the Dental Implant Systems market segment, Elos Medtech additionally strengthened its market-leading position in Europe. Growth of 9.8% was noted during the first nine months of 2016. Activity in contract services remained strong in the third quarter. In the field of own products, the favourable trend continued through the launch of new products (Hybrid Base in Digital Dentistry) and new distribution agreements, thus enabling more sales channels.



The trend in the Trauma & Spine market segment slackened somewhat during the third quarter of 2016. Sales amounted to SEK 142.3 M (107.9) on a nine-month basis and sales for the third quarter was SEK 42.3 M (50.5). A contract customer of Onyx in the US has moved a product to its own manufacturing, which leads to decreased delivery volumes. The capacity freed up in production is now being filled gradually with new assignments and the current plan is that production will return to full capacity a bit into 2017. The underlying market trend in the Trauma & Spine area remains strong.

During the third quarter, a reversal of trend was noted in the Medical Devices market segment, where a slightly more than 3% sales decline in the first half of the year turned into a total increase of 3.4% for the first nine months of the year. Sales from the operation in Tianjin, China, made a strong contribution to this rise.

The favourable trend in the Diagnostics market segment continued during the third quarter and a total sales increase of 17.2% was reported for the first nine months of the year. Sales to the existing customer base were good, at the same time as we are continuing to attract new customers.

Investments during the third quarter totalled SEK 2.8 M, compared with total investments of SEK 21.4 M in the first half of the year. The outcome of these investments, which mainly related to extension, rebuilding and new building of capacity at Microplast and new capacity in Gørløse in Denmark, was satisfactory, resulting in increased delivery volumes.

Overall, it can be said that Elos Medtech has entered a healthy phase of development, very much due to previously approved and implemented investments. Meanwhile, we see a stable market, which is expected to be sustained in the immediate future. With generally strong profitability throughout the Group and reduced borrowing, it can be concluded that Elos Medtech is on the right track. "

Jan Wahlström  
President and CEO

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This feature about Elos Accurate® is separate information and is not part of the official interim report for Jan-Sep 2016.

## Elos Medtech's new product innovation within Elos Accurate®

Elos Medtech has developed a series of new prosthetic products named Elos Accurate®. The products simplify the digital workflow for dentists and dental laboratories. In September a new prosthetic product was launched, Elos Accurate® API® Bridge, which is a new digital implant bridge-concept for a digital workflow. The concept is evolved from the Cresco® system which Elos Medtech has sold the last years.

Elos Accurate® API® Bridge is a further development of the Elos Medtech's product for single implant constructions, launched a year ago. The well-known API® package (= All Parts Included) ensures the dental laboratory to have all the components needed for the implant construction when working in a digital workflow. The main feature with one of the new components in the package, Hybrid Base for bridges, is the flexibility. This allows the implant bridge among other things to have angled screw channels. A new screwdriver, regardless of implant system, is also included in the concept and was launched in September.

Elos Accurate® API® Bridge is available for all major implant systems and is approved for the European markets.



### 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 2016, the Group has a new President and CEO, Jan Wahlström.

### Sales

#### July-September 2016

Consolidated net sales during the third quarter amounted to SEK 126.7 M (123.1). Adjusted for changes in exchange rates, the increase was 3.7%. The improvement derived primarily

from increased sales from the operations in China and a healthy trend in the Dental Implant Systems market segment.

#### January-September 2016

Consolidated net sales for the period rose to SEK 418.7 M (367.7). Adjusted for changes in exchange rates, the increase was 14.7%, of which the organic increase was 2.1%. North America and the Nordic region continued to account for the greater part of the increase in sales. As of the third quarter, sales in Asia have also had a positive impact.

The demand trend remained generally positive. The Dental Implant Systems market segment, which reported a weak start to the year, has since displayed favourable performance during the second and third quarter. The trend for own products during the period shows growth of about 15%. Own products now account for 9.7% (9.7) of consolidated net sales. In the Diagnostics market segment, the company's key accounts 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 underlying the strong performance. During the third quarter, accumulated sales in the Medical Devices market segment showed a turnaround from negative to positive growth.

### Earnings

#### July-September 2016

Operating profit in the third quarter was SEK 11.7 M (6.1), corresponding to an operating margin of 9.2% (5.0). The improved earnings derived primarily from the operations in China and Denmark. The year-earlier profit was charged with non-recurring expenses of SEK 1.5 M for changes in inventory associated with acquisition. Consolidated net financial items were positively affected by translation differences corresponding to SEK 1.3 M (neg: 0.2) and amounted to an expense of SEK 0.9 M (expense: 2.8). Profit after financial items totalled SEK 10.8 M (3.3). Profit after tax amounted to SEK 8.5 M (1.6), corresponding to SEK 1.39 (0.26) per share. Consolidated comprehensive income was SEK 11.7 M (5.0). Comprehensive earnings per share were SEK 1.93 (0.83).

Net sales by market segment	Jul- Sep	Jul- Sep	Jul- Sep	Jul- Sep	Oct- Sep	Jan- Dec
SEK M	2016	2015	2016	2015	2015/16	2015
Dental Implant Systems	38,7	34,6	124,8	113,5	165,0	153,7
Diagnostics	4,9	4,5	21,9	18,7	26,8	23,6
Medical Devices	40,7	33,6	129,7	127,6	170,8	168,7
Trauma & Spine	42,4	50,4	142,3	107,9	192,1	157,7
<b>Total net sales</b>	<b>126,7</b>	<b>123,1</b>	<b>418,7</b>	<b>367,7</b>	<b>554,7</b>	<b>503,7</b>

### January-September 2016

Operating profit in the period was SEK 39.7 M (25.5), corresponding to an operating margin of 9.5% (6.9). Following the cautious start to the year, the operations reported an overall improvement in the period. The operation in Tianjin had a particularly positive impact on operating profit, as a result of both increased sales and more efficient cost streamlining. The US operation continues to show a stable earnings trend. The year-earlier profit was charged with non-recurring expenses of SEK 4.4 M resulting from acquisition, non-recurring expenses of SEK 3.0 M for changes in inventory connected to acquisition and twofold CEO expenses of SEK 1.1 M. Consolidated net financial items were positively affected by translation differences of SEK 1.1 M (0.1) and amounted to an expense of SEK 7.6 M (expense: 5.5). Profit after financial items was SEK 32.1 M (20.0). Profit after tax amounted to SEK 23.5 M (12.9), corresponding to SEK 3.88 (2.13) per share. Consolidated comprehensive income was SEK 30.6 M (9.5). Comprehensive earnings per share were SEK 5.06 (1.57).

### Investments

Group investments during the period amounted to SEK 24.2 million, of which investments in the third quarter accounted for SEK 2.8 million. Investments in buildings, land, machinery and equipment amounted to SEK 20.9 M (58.5) and primarily pertained to increased machinery capacity and the expansion of Microplast's property. Investments in capitalised development costs amounted to SEK 1.7 M (1.5) and investments in other intangible fixed assets to SEK 1.6 M (1.2).

### Financial position and liquidity

Total consolidated assets decreased during the period to SEK 877.2 M (881.6). The Group's shareholders' equity amounted to SEK 355.1 M (330.5). Shareholders' equity per share was SEK 58.69 (54.63). Risk-bearing equity at the end of the period amounted to SEK 381.7 M (353.4), corresponding to 43.5% (40.0) of total capital. The Group's equity/assets ratio was 40.5% (37.5).

The Group's cash flow from operating activities was SEK 73.3 M (41.7). Cash flow after investments and sales of non-current assets amounted to SEK 53.7 M (neg: 148.9). In the

year-earlier period, cash flow after investments was strongly impacted by the acquisition of a company. The current period's cash flow was impacted by payment of an additional purchase consideration of SEK 77.6 M.

The Group's net borrowing decreased during the period to SEK 394.0 M (427.3). The Group's cash and cash equivalents, including unutilised overdraft facilities, totalled SEK 93.5 M (111.6).

### Personnel

At the end of the period, the Group had 505 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.

### 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 14.8 M (12.1). Profit after financial items totalled SEK 10.6 M (4.2). Profit includes an intra-Group dividend of SEK 12.5 M (9.9). The Parent Company's comprehensive income amounted to SEK 10.8 M (5.0). The percentage of risk-bearing equity was 67.5% (73.5). The equity/assets ratio was 67.5% (73.4). The Parent Company's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 43.9 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.

Earnings	Jul-Sep	Jul-Sep*	Jan-Sep	Jan-Sep*	Oct-Sep	Jan-Dec
	2016	2015	2016	2015	2015/16	2015
EBITDA, SEK M	25,4	19,5	80,2	61,3	98,2	79,3
EBITDA, %	20,0	15,8	19,2	16,7	17,7	15,7
EBIT, SEK M	11,7	6,1	39,7	25,5	44,7	30,5
EBIT, %	9,2	5,0	9,5	6,9	8,1	6,1
Profit after financial items, SEK M	10,8	3,3	32,1	20,0	34,6	22,5
Profit after tax, SEK M	8,5	1,6	23,5	12,9	26,7	16,1

\*Due to 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 and 3,8 resp.

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### 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 been reviewed by the company's auditors.

Lidköping, 26 October 2016

Elos Medtech AB (publ)

Jan Wahlström  
President and CEO

### Auditors' report of the review of the financial interim information in summary

#### Introduction

We have conducted a review of the financial information in summary (interim report) for Elos Medtech as of 30 September 2016 and the nine month period that ended on that date. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

#### Focus and scope of the review

We have conducted our review in accordance with the Standard on Review Engagements ISRE 2410, Review of Interim Financial Information 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 has a different direction and is substantially more limited in scope than an audit conducted in accordance with Swedish GAAP and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### Opinion

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

Göteborg, 26 October 2016

Öhrlings PricewaterhouseCoopers AB

Bror Frid  
Authorised Public Accountant

## Consolidated income statement and statement of comprehensive income

SEK M	Jul-Sep	Jul-Sep **	Jan-Sep	Jan-Sep **	Oct-Sep	Jan-Dec
Income statement	2016	2015	2016	2015	2015/16	2015
Net sales	126,7	123,1	418,7	367,7	554,7	503,7
Cost of goods sold	-90,1	-92,0	-297,0	-263,2	-401,4	-367,6
<b>Gross profit</b>	<b>36,6</b>	<b>31,1</b>	<b>121,7</b>	<b>104,5</b>	<b>153,3</b>	<b>136,1</b>
Selling expenses	-9,0	-6,4	-26,3	-20,3	-36,0	-30,0
Administration expenses	-14,5	-15,3	-46,9	-49,7	-60,4	-63,2
Development expenses	-3,5	-3,3	-10,9	-9,6	-15,2	-13,9
Other operating income/expenses	2,1	0,0	2,1	0,6	3,0	1,5
<b>Operating profit</b>	<b>11,7</b>	<b>6,1</b>	<b>39,7</b>	<b>25,5</b>	<b>44,7</b>	<b>30,5</b>
Financial income	0,0	0,2	0,1	0,4	0,1	0,4
Financial expenses	-2,2	-2,8	-8,8	-6,0	-10,8	-8,0
Exchange-rate differences	1,3	-0,2	1,1	0,1	0,6	-0,4
<b>Profit after net financial items</b>	<b>10,8</b>	<b>3,3</b>	<b>32,1</b>	<b>20,0</b>	<b>34,6</b>	<b>22,5</b>
Income taxes	-2,3	-1,7	-8,6	-7,1	-7,9	-6,4
<b>Net profit after taxes</b>	<b>8,5</b>	<b>1,6</b>	<b>23,5</b>	<b>12,9</b>	<b>26,7</b>	<b>16,1</b>
<b>Profit attributable to:</b>						
Parent company shareholders	8,5	1,6	23,5	12,9	26,7	16,1
<b>Statement of comprehensive income</b>						
<b>Net profit after taxes</b>	<b>8,5</b>	<b>1,6</b>	<b>23,5</b>	<b>12,9</b>	<b>26,7</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	-3,0	-	-3,0	-3,4	0,8	0,4
Taxes	0,7	-	0,7	0,8	-0,2	-0,1
	-2,3	0,0	-2,3	-2,6	0,6	0,3
<b>Items that may be reclassified to the income statement</b>						
Translation differences	5,9	3,4	9,4	0,0	3,8	-5,6
Translation of hedging of net investments	-	-	-	-0,7	-	-0,7
Taxes	-0,4	0,0	0,0	-0,1	0,1	0,0
	5,5	3,4	9,4	-0,8	3,9	-6,3
<b>Other comprehensive income, net</b>	<b>3,2</b>	<b>3,4</b>	<b>7,1</b>	<b>-3,4</b>	<b>4,5</b>	<b>-6,0</b>
<b>Comprehensive income for the period</b>	<b>11,7</b>	<b>5,0</b>	<b>30,6</b>	<b>9,5</b>	<b>31,2</b>	<b>10,1</b>
<b>Comprehensive income for the period attributable to:</b>						
Parent company shareholders	11,7	5,0	30,6	9,5	31,2	10,1
EBITDA	20,0%	15,8%	19,2%	16,7%	17,7%	15,7%
EBIT	9,2%	5,0%	9,5%	6,9%	8,1%	6,1%
Depreciation charged against earnings	13,7	13,4	40,5	35,8	53,5	48,8
Earnings per share (SEK) *	1,39	0,26	3,88	2,13	4,41	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 1,9 M and 3,8 M resp.

## Condensed consolidated balance sheet

SEK M	30 Sep 2016	30 Sep * 2015	31 Dec 2015
<b>Balance sheet</b>			
<b>Assets</b>			
Intangible fixed assets	279,5	233,7	275,7
Tangible fixed assets	351,0	359,0	356,7
Financial fixed assets	5,7	5,2	4,5
Other current assets	208,9	225,9	204,2
Cash and bank balances	32,1	24,5	40,5
<b>Total assets</b>	<b>877,2</b>	<b>848,3</b>	<b>881,6</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	355,1	329,9	330,5
Long-term liabilities	291,4	340,0	331,2
Current liabilities	230,7	178,4	219,9
<b>Total shareholders' equity and liabilities</b>	<b>877,2</b>	<b>848,3</b>	<b>881,6</b>

\*Due to the effects of the final acquisition analysis, Q3 & cum. outcome at September 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 M

## Key figures

		Jan-Sep 2016	Jan-Sep ** 2015	Jan-Dec 2015
Return on operating capital	%	7,1	8,7	5,3
Return on shareholders' equity	%	9,2	5,2	4,8
Share of risk-bearing capital	%	43,5	41,5	40,0
Equity/assets ratio	%	40,5	38,9	37,5
Net debt *	SEK M	394,0	400,2	427,3
Investments excluding acquisition	SEK M	24,2	61,2	75,8
Number of employees		505	447	471
Shareholders' equity per share	SEK	58:69	54:54	54:63
Dividends	SEK	-	-	1:00

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

\*\* Due to the effects of the final acquisition analysis, Q3 & cum. outcome at September 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 M

## Changes in shareholders equity

SEK M	30 Sep 2016	31 Dec 2015
Opening balance	330,5	338,6
Dividends	-6,0	-18,2
Comprehensive income for the period	30,6	10,1
<b>Closing balance, shareholders' equity</b>	<b>355,1</b>	<b>330,5</b>



### Consolidated cash flow statement

SEK M	Jul-Sep	Jul-Sep *	Jan-Sep	Jan-Sep *	Oct-Sep	Jan-Dec
Cash flow	2016	2015	2016	2015	2015/16	2015
Profit after net financial items	10,8	3,3	32,1	20,0	34,6	22,5
Reversal of depreciation	13,7	13,4	40,5	35,8	53,5	48,8
Adjustment items	-1,8	-2,9	-4,4	3,0	-3,3	4,1
Income tax paid/repaid	-0,1	-1,1	1,4	-11,1	-0,5	-13,0
Change in working capital	6,2	-4,2	3,7	-6,0	8,9	-0,8
<b>Cash flow from operations</b>	<b>28,8</b>	<b>8,5</b>	<b>73,3</b>	<b>41,7</b>	<b>93,2</b>	<b>61,6</b>
Investments in fixed assets	-2,8	-11,7	-24,2	-30,3	-69,7	-75,8
Acquisition of company	-	-	-	-160,4	0,0	-160,4
Sales of fixed assets	4,6	0,0	4,6	0,1	4,6	0,1
<b>Balance after investments in fixed assets</b>	<b>30,6</b>	<b>-3,2</b>	<b>53,7</b>	<b>-148,9</b>	<b>28,1</b>	<b>-174,5</b>
Change of bank overdraft facility	-3,4	-3,4	18,3	3,5	18,8	4,0
New loans	0,8	8,8	49,3	94,4	104,3	149,4
Amortization of loans	-14,4	-13,0	-46,6	-30,1	-61,5	-45,0
Amortization of additional purchase consideration	-	-	-77,6	-	-77,6	-
Realized financial exchange- rate differences	-	-	-	-2,8	-	-2,8
Dividends	-	-	-6,0	-18,2	-6,0	-18,2
<b>Cash flow for the period</b>	<b>13,6</b>	<b>-10,8</b>	<b>-8,9</b>	<b>-102,1</b>	<b>6,1</b>	<b>-87,1</b>
Cash flow from discontinued operations	-	-	-	-	1,3	1,3
<b>Cash flow for the period, total</b>	<b>13,6</b>	<b>-10,8</b>	<b>-8,9</b>	<b>-102,1</b>	<b>7,4</b>	<b>-85,8</b>
Liquid funds at beginning of the year	18,0	35,2	40,5	125,5	24,5	125,5
Exchanges- rate differences in liquid funds	0,5	0,1	0,5	1,1	0,2	0,8
<b>Liquid funds at end of the period</b>	<b>32,1</b>	<b>24,5</b>	<b>32,1</b>	<b>24,5</b>	<b>32,1</b>	<b>40,5</b>

\*Due to the effects of the final acquisition analysis, Q3 & cum. outcome at September 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 M resp.

### Quarterly figures - Group

SEK M	Q3	Q2	Q1	Q4	Q3 *	Q2 *	Q1	Q4	Q3	Q2 **	Q1 **
Quarterly figures	2016	2016	2016	2015	2015	2015	2015	2014	2014	2014	2014
Net sales	126,7	151,6	140,4	136,0	123,1	139,1	105,5	106,2	84,9	101,3	88,5
Cost of goods sold	-90,1	-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>36,6</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.	-27,0	-29,6	-27,4	-27,5	-25,0	-28,6	-26,0	-21,7	-17,4	-19,2	-16,8
Other operating items	2,1	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>11,7</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	-2,2	-3,0	-3,5	-2,0	-2,7	-1,9	-1,0	-1,0	-1,1	-1,0	-1,5
Exchange- rate differences	1,3	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>10,8</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	-2,3	-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>8,5</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, Q3 & cum. outcome at September 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 M resp.

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

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	2016	2015	2016	2015	2015/16	2015
Net sales	5,2	4,3	14,8	12,1	18,4	15,7
Cost of goods sold	-	-	-	-	-	-
<b>Gross profit</b>	<b>5,2</b>	<b>4,3</b>	<b>14,8</b>	<b>12,1</b>	<b>18,4</b>	<b>15,7</b>
Selling expenses	-2,8	-1,6	-7,6	-5,2	-9,5	-7,1
Administration expenses	-4,4	-3,7	-13,7	-13,4	-17,7	-17,4
Other operating income/expenses	0,0	0,0	0,1	-0,1	0,0	-0,2
<b>Operating profit</b>	<b>-2,0</b>	<b>-1,0</b>	<b>-6,4</b>	<b>-6,6</b>	<b>-8,8</b>	<b>-9,0</b>
Result from participations in group company	-	-	12,5	9,9	23,0	20,4
Financial income	2,1	1,6	5,8	3,1	7,5	4,8
Financial expenses	-0,8	-0,6	-2,9	-1,1	-3,5	-1,7
Exchange- rate differences	2,6	0,3	1,6	-1,1	1,6	-1,1
<b>Profit after net financial items</b>	<b>1,9</b>	<b>0,3</b>	<b>10,6</b>	<b>4,2</b>	<b>19,8</b>	<b>13,4</b>
Appropriations	-	-	-	-	-0,1	-0,1
Income taxes	-0,5	-0,1	0,2	1,3	-2,2	-1,1
<b>Net profit/loss after taxes</b>	<b>1,4</b>	<b>0,2</b>	<b>10,8</b>	<b>5,5</b>	<b>17,5</b>	<b>12,2</b>
<b>Statements of comprehensive income</b>						
<b>Net profit/loss after taxes</b>	<b>1,4</b>	<b>0,2</b>	<b>10,8</b>	<b>5,5</b>	<b>17,5</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	-	-	-	-0,7	0,0	-0,7
Tax	-	-	-	0,2	0,0	0,2
<b>Other comprehensive income, net</b>	<b>0,0</b>	<b>0,0</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>1,4</b>	<b>0,2</b>	<b>10,8</b>	<b>5,0</b>	<b>17,5</b>	<b>11,7</b>

Condensed parent company balance sheet

SEK M	30 Sep	30 Sep	31 Dec
Balance sheet	2016	2015	2015
<b>Assets</b>			
Intangible fixed assets	3,3	3,9	3,8
Tangible fixed assets	0,5	0,1	0,1
Financial fixed assets	374,7	343,9	342,2
Other current assets	11,9	19,6	13,8
Cash and bank balances	9,2	0,7	1,1
<b>Total assets</b>	<b>399,6</b>	<b>368,2</b>	<b>361,0</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	265,5	254,1	260,8
Untaxed reserves	5,3	5,2	5,3
Provisions	4,5	4,5	4,5
Long- term liabilities	86,2	62,9	58,5
Current liabilities	38,1	41,5	31,9
<b>Total shareholders' equity and liabilities</b>	<b>399,6</b>	<b>368,2</b>	<b>361,0</b>

## Reconciliation alternative performance measures

SEK M	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Oct-Sep 2015/16	Jan-Dec 2015
<b>Net sales adjusted for exchange-rate fluctuations</b>						
Net sales	126,7	123,1	418,7	367,7	554,7	503,7
Net sales comparative period previous year	123,1	84,9	367,7	274,7	473,9	380,9
<b>Net sales, change</b>	<b>3,6</b>	<b>38,2</b>	<b>51,0</b>	<b>93,0</b>	<b>80,8</b>	<b>122,8</b>
Changes in exchange rates	0,9	-5,4	2,9	-20,0	-0,8	-22,1
<b>Exchange- rate adjusted net sales</b>	<b>127,6</b>	<b>117,7</b>	<b>421,6</b>	<b>347,7</b>	<b>553,9</b>	<b>481,6</b>
<b>Change, %</b>	<b>3,7</b>	<b>38,6</b>	<b>14,7</b>	<b>26,6</b>	<b>16,9</b>	<b>26,4</b>
<b>Organic growth</b>						
Net sales from acquired businesses	-	40,9	46,0	72,4	83,0	109,4
Adjusted net sales from acquisition effects	127,6	76,8	375,6	275,3	470,9	372,2
<b>Organic growth, %</b>	<b>3,7</b>	<b>-9,5</b>	<b>2,1</b>	<b>0,2</b>	<b>-0,6</b>	<b>-2,3</b>

SEK M	Jul-Sep 2016	Jul-Sep * 2015	Jan-Sep 2016	Jan-Sep * 2015	Oct-Sep 2015/16	Jan-Dec 2015
<b>Operating profit before non-recurring items</b>						
Reported operating profit	11,7	6,1	39,7	25,5	44,7	30,5
Acquisition related expenses	-	-	-	4,4	-	4,4
Expenses in inventory due to acquisitions analysis	-	1,5	-	3,0	-0,3	2,7
Twofold CEO expenses	-	-	-	1,1	-	1,1
<b>Operating profit before non- recurring items</b>	<b>11,7</b>	<b>7,6</b>	<b>39,7</b>	<b>34,0</b>	<b>44,4</b>	<b>38,7</b>

\*Due to the effects of the final acquisition analysis, Q3 & cum. outcome at September 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 M resp.

SEK M	Jul-Sep 2016	Jul-Sep * 2015	Jan-Sep 2016	Jan-Sep * 2015	Oct-Sep 2015/16	Jan-Dec 2015
<b>EBITDA</b>						
Reported operating profit	11,7	6,1	39,7	25,5	44,7	30,5
Depreciation and amortisation	13,7	13,4	40,5	35,8	53,5	48,8
<b>EBITDA</b>	<b>25,4</b>	<b>19,5</b>	<b>80,2</b>	<b>61,3</b>	<b>98,2</b>	<b>79,3</b>

\*Due to the effects of the final acquisition analysis, Q3 & cum. outcome at September 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 M resp.

SEK M	30 Sep 2016	30 Sep 2015*	31 Dec 2015
<b>Risk-bearing equity</b>			
Equity	355,1	329,9	330,5
Deferred tax liability	26,6	21,9	22,9
<b>Risk-bearing equity</b>	<b>381,7</b>	<b>351,8</b>	<b>353,4</b>

\*Due to the effects of the final acquisition analysis, Q3 & cum. outcome at September 2015 have been adjusted with a cost increase of about SEK 1,9 M and 3,8 M resp.

SEK M	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>Net debt</b>			
Non- current interest- bearing provisions for pensions	32,2	31,2	28,0
Non- current interest- bearing liabilities	232,5	237,1	241,2
Current other interest- bearing liabilities	120,8	80,9	82,8
Other non- current liabilities	40,6	75,5	115,8
<b>Total liabilities</b>	<b>426,1</b>	<b>424,7</b>	<b>467,8</b>
Cash and bank balances	-32,1	-24,5	-40,5
<b>Net debt</b>	<b>394,0</b>	<b>400,2</b>	<b>427,3</b>

SEK M	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>Cash and cash equivalents incl. unutilised overdraft facilities</b>			
Cash and bank balances	32,1	24,5	40,5
Used overdraft facilities	-38,7	-20,4	-21,4
Granted overdraft facilities	100,1	89,4	92,5
<b>Cash and cash equivalents incl. unutilised overdraft facilities</b>	<b>93,5</b>	<b>93,5</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

Year-end report 2016 - publish day 24 February 2017.

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

Interim report Jan-Mar 2017 - publish day 26 April 2017.

Interim report Jan-June 2017 - publish day 25 August 2017.

Interim report Jan-Sep 2017 - publish day 27 October 2017.

Annual General Meeting for 2016 will be held on 26 April 2017.

### Press and analyst conference

Due to the publication of the interim report, a press and analyst conference will be held on Friday 28 October at 12:00 noon (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-medtech/> on Remium's website.

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