



Interim report, 1 January–31 March 2015

- 23 April marked the conclusion of the acquisition of the North American company, Onyx Medical LLC, based in Memphis, TN, US. The company is a leading supplier to the Trauma & Extremities segment in the Orthopaedics area.
- Net sales increased and totalled SEK 105.5 M (88.5), a rise of 11.7%*. Order bookings amounted to SEK 96.1 M (115.4), down 21.6%*.
- Operating profit totalled SEK 5.7 M (6.3). Earnings for the quarter were adversely affected by non-recurring expenses of SEK 4.5 M (0). Adjusted for these items, operating profit amounted to SEK 10.2 M, with the year-on-year improvement mainly due to a positive volume trend.
- Profit after net financial items totalled SEK 7.6 M (4.3). Net financial items were positively impacted by exchange-rate gains of SEK 2.9 M (losses: 0.5).
- Profit after tax for continuing operations amounted to SEK 5.6 M (3.2), corresponding to SEK 0.93 (0.53) per share.
- Cash flow after investments totalled SEK 6.2 M (3.0).

* Adjusted for exchange-rate fluctuations during the year.

President and CEO, Johannes Lind-Widestam, comments:

"During the first quarter, we were able to transform the robust order bookings during 2014 into deliveries. Sales rose 11.7%, adjusted for exchange-rate differences. The underlying operating profit, adjusted for non-recurring items, amounted to SEK 10.2 M and has continued to move in a positive direction, with a year-on-year improvement of some 60%. Order bookings for the quarter were lower than in the year-earlier period. The decline was due to a combination of intense order bookings during Q1-2014, plus a reduction in lead times to customers. Customers place orders for delivery with shorter lead times. The underlying order trend remains positive.

The acquisition of Onyx provides a platform in the North American market, which we have aimed at, and will significantly raise our market share in the Trauma and Spine area. The acquisition will have a directly positive impact on the Group's earnings per share on an annual basis, as well as on other key data."

	Jan-Mar 2015	Jan-Mar 2014	Apr-Mar 2014/15	Jan-Dec 2014
Order bookings, SEK M	96.1	115.4	398.8	418.1
Net sales, SEK M	105.5	88.5	397.9	380.9
Growth,%*	11.7	-4.5	4.5	0.7
EBITDA, SEK M	15.3	15.0	68.1	67.8
EBITDA, %	14.5	17.0	17.1	17.8
Operating profit, SEK M	5.7	6.3	32.5	33.1
Operating margin, %	5.4	7.1	8.2	8.7
Profit after financial items, SEK M	7.6	4.3	35.1	31.8
Profit after tax, continuing operations, SEK M	5.6	3.2	25.8	23.4
Profit after tax, discontinued operations, SEK M	-	3.1	90.3	93.4
Profit after tax, total, SEK M	5.6	6.3	116.1	116.8
Profit after tax per share, continuing operations, SEK	0.93	0.53	4.27	3.87

* Adjusted for exchange-rate fluctuations for the year.

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, it is reported as a single operating segment as of 1 January 2015. Operations are conducted at facilities in Sweden, Denmark and China. The company is marketed as Elos Medtech and 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 expansion 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 programs are pursued further, and that greater efforts are made to develop quality work. There will also be a continuing focus on developing service-related services, as well as a continuing build-up of sales resources. Effective cost control is necessary in parallel with these efforts. The next stage in the expansion is growth through acquisitions that complement the existing structure. This is now being realised through the acquisition of Onyx Medical, which was finalised during April.

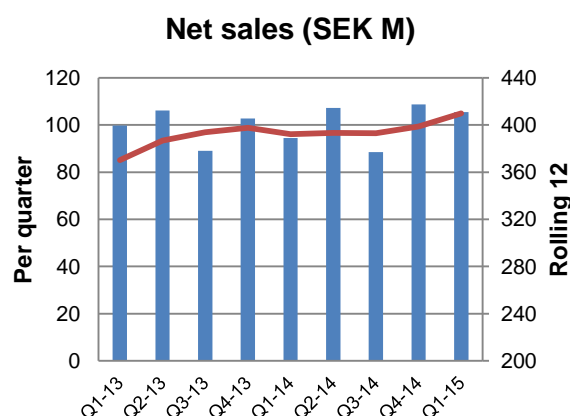
Sales

Consolidated net sales during the quarter increased to SEK 105.5 M (88.5). Adjusted for exchange-rate fluctuations, the increase was 11.7%. Order bookings during the quarter totalled SEK 96.1 M which adjusted for exchange-rate fluctuations, represents a decline of 21.6%.

The demand trend remains generally positive for most of the Group's market segments, driven primarily by the economic trend in the U.S. Sales increased in all market segments as a result of a combination of market growth and an increase in market shares among several customers. Consolidation continues among strategic customers, resulting in a higher number of requests for tenders. The assessment is that the geographic expansion in North America, which became possible in connection with the acquisition of Onyx, will raise the attractiveness of the Group.

The Group's strategy is to develop proprietary products that complement our customers' product range, such as various types of instruments. This product range is being developed continuously and new products will be introduced during 2015. Growth during the quarter amounted to about 116%. Proprietary products accounted for about 13% (7) of consolidated net sales during the quarter.

Net sales by market segment SEK M	Jan-Mar 2015	Jan-Mar 2014	Apr-Mar 2014/15	Jan-Dec 2014
Dental Implant Systems	38.3	35.5	144.2	141.4
Diagnostics	6.3	5.1	20.3	19.1
Medical Devices	50.1	39.1	184.8	173.8
Trauma & Spine	10.8	8.8	48.6	46.6
Total net sales	105.5	88.5	397.9	380.9



Earnings

Operating profit during the quarter was SEK 5.7 M (6.3), corresponding to an operating margin of 5.4% (7.1). Profit for the quarter was charged with non-recurring expenses of SEK 3.7 M (0) in conjunction with acquisitions along with twofold CEO expenses of SEK 0.8 M (0) during the first quarter. Adjusted for these items, the operating margin was 9.7% (7.1). The underlying profit was improved primarily through a positive volume trend. Consolidated net financial items were positively affected by translation differences corresponding to SEK 2.9 M (expense: 0.5) and amounted to SEK 1.9 M (expense: 2.0). Profit after financial items totalled SEK 7.6 M (4.3). Profit after tax for continuing operations amounted to SEK 5.6 M (3.2), corresponding to SEK 0.93 (0.53) per share. The Group's comprehensive income amounted to SEK 5.6 M (4.8). Comprehensive earnings per share were SEK 0.93 (0.79).

Earnings	Jan-Mar 2015	Jan-Mar 2014	Apr-Mar 2014/15	Jan-Dec 2014
EBITDA, SEK M	15.3	15.0	68.1	67.8
EBITDA, %	14.5	17.0	17.1	17.8
EBIT, SEK M	5.7	6.3	32.5	33.1
EBIT, %	5.4	7.1	8.2	8.7
Profit after financial items, SEK M	7.6	4.3	35.1	31.8
Profit after tax, continuing operations, SEK M	5.6	3.2	25.8	23.4

Investments

Group investments in buildings, land, machinery and equipment amounted to SEK 24.0 M (2.8) and primarily pertained to increased machinery capacity to meet higher demand and to a certain extent replacement investments. In addition, SEK 1.0 M (0.3) was invested in capitalised development costs and SEK 0.5 M (0.9) in other intangible fixed assets.

Financial position and liquidity

Total consolidated assets rose during the quarter to SEK 642.9 M (607.7). The increase in assets was primarily due to exchange-rate fluctuations.

The Group's shareholders' equity amounted to SEK 344.2 M (338.6). Shareholders' equity per share was SEK 56.89 (55.96). Risk-bearing equity at the end of the period was SEK 364.5 M (359.8), corresponding to 56.7% (59.2) of total capital. The Group's equity/assets ratio was 53.6% (55.7).

The Group's cash flow from operating activities amounted to SEK 12.1 M (7.0). Cash flow after investments and sales of fixed assets totalled SEK 6.2 M (3.0).

The Group's net borrowing increased during the period to SEK 71.5 M (58.0).

The Group's cash and cash equivalents, including unutilised overdraft facilities, totalled SEK 179.9 M (182.7).

Personnel

At the end of the period, the Group had 389 full-time employees compared with 387 at year-end.

Events after the end of the reporting period

On 23 April 2015, the acquisition of the North American company, Onyx Medical LLC, was finalised. The company is based in Memphis, TN, US, and is a leading supplier to the Trauma & Extremities segment in the Orthopaedic area. The company had about 120 employees and sales of some SEK 140 M during 2014. The acquisition strengthens the Group's market position in the Trauma & Extremities segment and, combined with current operations, will function as a platform for the Group's development in North America. Refer to Note 1 for a preliminary description of the acquisition.

Forecast for 2015

The conditions for stable growth during 2015 are deemed as satisfactory.

Divested 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. The supplementary purchase consideration, calculated to SEK 1.3 M, was settled during the first quarter of 2015.

Earnings for Elos Fixturlaser for the first quarter 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 recognized 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 3.7 M (3.4). Profit after financial items totalled SEK 7.0 M (loss: 1.0). Profit includes Group-wide dividends of SEK 9.9 M (0). The Parent Company's comprehensive income amounted to SEK 4.5 M (loss: 1.2). The percentage of risk-bearing capital was 91.2% (92.8). The equity/assets ratio was 90.9% (92.4). The Parent Company's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 148.6 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 has 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: producing, developing 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, have been 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 have been 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 has been 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. New or revised recommendations with application from 2015 are not considered to have any significant impact on the financial statements.

Audit review

This interim report is unaudited.

Financial information 2015

The interim report for January–June 2015 will be published on 21 August 2015.

The interim report for January–September 2015 will be published on 23 October 2015.

The year-end report for 2015 will be published in February 2016.

The Annual Report for 2015 will be published in March/April 2016.

Press and analyst conference

Due to the publication of the interim report, a press and analyst conference will be held on Tuesday 28 April at 2:30 p.m. (CET) at Remium's premises on Kungsgatan 12-14 in Stockholm, Sweden. The report will be presented and commented on in Swedish by President and CEO Johannes Lind-Widestam. Information in English will be available on Elos website shortly after the presentation via the link <http://elosmedtech.com/investor-relations/presentations-and-images/>. A brief interview in Swedish with Johannes Lind-Widestam will be available later during the afternoon via the link <http://www.introduce.se/foretag/elos/> on Remium's website.

Lidköping, 27 April 2015

Elos AB (publ)

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The information in this interim report is such that Elos 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 April 27, 2015, at 1 p.m. (CET).

**CONSOLIDATED INCOME STATEMENT
AND STATEMENT OF COMPREHENSIVE INCOME**

SEK M	Jan-Mar 2015	Jan-Mar 2014	Apr-Mar 2014/15	Jan-Dec 2014
INCOME STATEMENT				
Net sales	105,5	88,5	397,9	380,9
Cost of goods sold	-74,2	-65,5	-281,9	-273,2
Gross profit	31,3	23,0	116,0	107,7
Selling expenses	-6,0	-4,8	-22,3	-21,1
Administration expenses	-17,2	-9,9	-51,4	-44,1
Development expenses	-2,8	-2,2	-10,5	-9,9
Other operating income/expenses	0,4	0,2	0,7	0,5
Operating profit	5,7	6,3	32,5	33,1
Financial income	0,2	0,1	1,2	1,1
Financial expenses	-1,2	-1,6	-5,3	-5,7
Exchange-rate differences	2,9	-0,5	6,7	3,3
Profit after net financial items	7,6	4,3	35,1	31,8
Income taxes	-2,0	-1,1	-9,3	-8,4
Net profit for the year from continuing operations	5,6	3,2	25,8	23,4
Profit from discontinued operations, operations	-	3,1	2,1	5,2
Profit from discontinued operations, sales transaction	-	-	88,2	88,2
Profit from discontinued operations, total	0,0	3,1	90,3	93,4
Net profit after taxes	5,6	6,3	116,1	116,8
Profit attributable to:				
Parent company shareholders	5,6	6,3	116,1	116,8
STATEMENTS OF COMPREHENSIVE INCOME				
Net profit after taxes	5,6	6,3	116,1	116,8
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial gains and losses	-	-	-5,7	-5,7
Taxes	-	-	0,6	0,6
	0,0	0,0	-5,1	-5,1
Items that may be reclassified to the income statement				
Translation differences	3,6	-0,7	21,2	16,9
Translation of hedging of net investments	-4,0	-1,0	-15,8	-12,8
Taxes	0,4	0,2	2,3	2,1
	0,0	-1,5	7,7	6,2
Other comprehensive income, net	0,0	-1,5	2,6	1,1
Comprehensive income for the period	5,6	4,8	118,7	117,9
Comprehensive income for the period attributable to:				
Parent company shareholders	5,6	4,8	118,7	117,9
EBITDA	14,5%	17,0%	17,1%	17,8%
EBIT	5,4%	7,1%	8,2%	8,7%
Depreciation charged against earnings, continuing operations	9,6	8,7	35,6	34,7
Earnings per share (SEK), continuing operations *	0:93	0:53	4:26	3:87
Earnings per share (SEK), discontinued operations *	-	0:51	14:92	15:43
Earnings per share (SEK), total *	0:93	1:04	19:19	19:30
Number of shares (thousands) *	6 051	6 051	6 051	6 051
Number of shares end of period (thousands)	6 051	6 051	6 051	6 051

* Attributable to parent company shareholders' share of net profit after taxes. Dilution does not exist since convertibles issued 1 July 2011 did not lead to conversion at expiring date of 30 June 2014.

CONDENSED CONSOLIDATED BALANCE SHEET

SEK M	31 Mar 2015	31 Mar 2014	31 Dec 2014
Assets			
Intangible fixed assets	68,0	82,2	68,5
Tangible fixed assets	249,0	211,9	230,1
Financial fixed assets	7,4	4,6	5,9
Other current assets	187,7	204,0	177,7
Cash and bank balances	130,8	28,2	125,5
Total assets	642,9	530,9	607,7
Shareholders' equity and liabilities			
Shareholders' equity	344,2	237,6	338,6
Long-term liabilities	170,9	171,8	162,7
Current liabilities	127,8	121,5	106,4
Total shareholders' equity and liabilities	642,9	530,9	607,7
Pledged assets	166,9	162,9	158,7
Contingent liabilities	0,3	0,4	0,3

KEY FIGURES

		Jan-Mar 2015	Jan-Mar 2014 *	Jan-Dec 2014 *
Return on operating capital				
from continuing operations	%	5,7	7,0	8,2
Return on shareholders' equity	%	6,6	10,7	40,9
Share of risk-bearing capital	%	56,7	49,6	59,2
Equity/assets ratio	%	53,6	44,8	55,7
Net debt	SEK M	71,5	167,6	58,0
Investments excluding shares				
continuing operations	SEK M	25,5	4,0	41,0
Number of employees				
in continuing operations		388	372	378
Shareholders' equity per share	SEK	56:89	39:27	55:96
Dividends (2014 proposal, SEK 2 + 1)	SEK	-	-	3:00

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

CHANGES IN SHAREHOLDERS' EQUITY

SEK M	31 Mar 2015	31 Dec 2014
Opening balance	338,6	232,8
Dividends	-	-12,1
Comprehensive income for the period	5,6	117,9
Closing balance, shareholders' equity	344,2	338,6

CONSOLIDATED CASH FLOW STATEMENT

SEK M	Jan-Mar 2015	Jan-Mar 2014	Apr-Mar 2014/15	Jan-Dec 2014
Profit after net financial items	7,6	4,3	35,1	31,8
Reversal of depreciation	9,6	8,7	35,6	34,7
Adjustment items	1,2	0,0	7,0	5,8
Income tax paid	-4,3	-1,7	-13,4	-10,8
Change in working capital	-2,0	-4,3	-3,9	-6,2
Cash flow from operations	12,1	7,0	60,4	55,3
Investments in fixed assets	-6,0	-4,0	-25,9	-23,9
Sales of fixed assets	0,1	-	0,3	0,2
Balance after investments in fixed assets	6,2	3,0	34,8	31,6
Change of bank overdraft facility	6,4	3,3	-8,3	-11,4
New long-term loans	2,2	11,3	11,4	20,5
Amortization of long-term loans	-11,4	-5,1	-47,6	-41,3
Realized financial exchange-rate differences	-	-	-8,8	-8,8
Dividends	-	-	-12,1	-12,1
Cash flow for the period from continuing operations	3,4	12,5	-30,6	-21,5
Cash flow from discontinued operations	-	-10,5	130,6	120,1
Cash flow for the period	3,4	2,0	100,0	98,6
Liquid funds at beginning of the year	125,5	31,2	28,2	31,2
Liquid funds in discontinued operations	-	-4,8	-2,0	-6,8
Exchanges-rate differences in liquid funds	1,9	-0,2	4,6	2,5
Liquid funds at end of the period	130,8	28,2	130,8	125,5

QUARTERLY FIGURES - GROUP CONTINUING OPERATIONS

SEK M	Q 1 2015	Q 4 2014	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013
Net sales	105,5	106,2	84,9	101,3	88,5	96,5	82,7	98,2	90,7
Cost of goods sold	-74,2	-75,8	-60,6	-71,3	-65,5	-69,5	-62,7	-73,2	-67,4
Gross profit	31,3	30,4	24,3	30,0	23,0	27,0	20,0	25,0	23,3
Selling, adm. & developm.expens.	-26,0	-21,7	-17,4	-19,2	-16,8	-18,2	-15,4	-18,3	-16,5
Other operating items	0,4	-0,1	0,1	0,3	0,2	0,6	-1,2	0,8	0,1
Operating profit	5,7	8,6	7,0	11,1	6,4	9,4	3,4	7,5	6,9
Net financial items	-1,0	-1,0	-1,1	-1,0	-1,5	-1,5	-1,4	-1,6	-1,7
Exchange-rate differences	2,9	1,4	1,8	0,7	-0,6	0,4	-1,3	1,5	-0,2
Profit after net financial items	7,6	9,0	7,7	10,8	4,3	8,3	0,7	7,4	5,0
Income taxes	-2,0	-4,4	-0,1	-2,8	-1,1	-2,0	-0,1	-0,9	-1,5
Net profit after taxes continuing operations	5,6	4,6	7,6	8,0	3,2	6,3	0,6	6,5	3,5

**PARENT COMPANY INCOME STATEMENT AND
STATEMENTS OF COMPREHENSIVE INCOME**

SEK M	Jan-Mar 2015	Jan-Mar 2014	Apr-Mar 2014/15	Jan-Dec 2014
INCOME STATEMENT				
Net sales	3,7	3,4	11,4	11,1
Cost of goods sold	-	-	-	-
Gross profit	3,7	3,4	11,4	11,1
Selling expenses	-1,7	-0,7	-4,6	-3,6
Administration expenses	-5,0	-3,7	-16,1	-14,8
Other operating income/expenses	0,0	0,0	-0,1	-0,1
Operating profit	-3,0	-1,0	-9,4	-7,4
Result from participations in group companies	9,9	-	28,4	18,5
Result from the sell of shares in group companies	-	-	98,3	98,3
Financial income	0,2	0,2	1,5	1,5
Financial expenses	-0,1	-0,2	-0,6	-0,7
Profit after net financial items	7,0	-1,0	118,2	110,2
Appropriations	-	-	-0,5	-0,5
Income taxes	0,6	0,2	-0,8	-1,2
Net profit after taxes	7,6	-0,8	116,9	108,5

STATEMENTS OF COMPREHENSIVE INCOME

Net profit after taxes	7,6	-0,8	116,9	108,5
Other comprehensive income				
Items that may be reclassified to the income statement				
Translation of hedging of net investments	-4,0	-0,5	-16,3	-12,8
Tax	0,9	0,1	3,6	2,8
Other comprehensive income, net	-3,1	-0,4	-12,7	-10,0
Comprehensive income for the period	4,5	-1,2	104,2	98,5

CONDENSED PARENT COMPANY BALANCE SHEET

SEK M	31 Mar 2015	31 Mar 2014	31 Dec 2014
Assets			
Intangible fixed assets	4,5	5,7	4,9
Tangible fixed assets	0,1	0,2	0,1
Financial fixed assets	174,3	189,1	173,2
Other current assets	16,1	11,9	10,0
Cash and bank balances	108,6	16,6	105,4
Total assets	303,6	223,5	293,6
Shareholders' equity and liabilities			
Shareholders' equity	271,8	179,6	267,3
Untaxed reserves	5,2	4,7	5,2
Provisions	4,5	4,6	4,5
Long-term liabilities	0,4	2,4	0,9
Current liabilities	21,7	32,2	15,7
Total shareholders' equity and liabilities	303,6	223,5	293,6
Pledged assets	2,0	2,0	2,0
Contingent liabilities	27,7	30,2	27,9

Note 1 Acquisition analysis (preliminary)

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 AB. As of 23 April 2015, controlling influence was attained and, thus, the company is included in the Elos 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 166 M, plus a contingent consideration based on the business trend in 2015 and 2016, estimated to amount to SEK 78 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 6.1 M, of which SEK 2.0 M was included in operating costs for the fourth quarter of 2014, SEK 3.7 M is included in operating costs for the first quarter of 2015 and SEK 0,4 M is expected as expense in the second quarter of 2015. The transaction costs are recognised in the item "Administration costs" in the consolidated income statement.

After the acquisition date and for the remainder of the year, the acquisition is expected to contribute sales of approximately SEK 100 M, with an EBIT of about 12-14%. After consolidated depreciation/amortisation and interest, the acquisition will generate a positive effect on earnings per share during 2015, and is expected to continue to have a positive impact during 2016 and subsequently.

Description of the company

Onyx Medical LLC is based in Memphis, TN, US, and is a leading supplier to the Trauma and Extremities segment in the orthopaedic area. The company has some 120 employees and reported sales of approximately SEK 150 M in 2014. The previous management will continue to lead the company after the acquisition, and will also be part of Elos' 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' market position in the Trauma & Extremities segment and, combined with existing operations, will function as a platform for the Group's development in North America. Following the acquisition, Elos 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

Purchase consideration

- consideration paid in cash	166,4
- estimated contingent consideration	77,6
Total consideration	244,0
Total fair value of acquired assets and liabilities	-87,8

Goodwill **156,2**

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	0,0	12,6	12,6
Fixed assets	94,3	9,5	103,8
Inventories	11,5	11,2	22,7
Receivables	17,0		17,0
Cash and cash equivalents	5,9		5,9
Interest-bearing liabilities	-66,2		-66,2
Other liabilities	-10,7	2,7	-8,0
Total acquired net assets	51,8	36,0	87,8

Cash-flow effects, SEK M

Purchase consideration paid in cash	-166,4
Cash and cash equivalents in acquired subsidiary	5,9
Effect on the Group's cash and cash equivalents	-160,5