

Q4

ELOS 
MEDTECH

Year-end report for the period 1 January to 31 December, 2017

Higher sales in several market segments

January-December

- **Net sales** for the financial year increased to SEK 577.9 (552.0) million, which corresponds to growth of 4.3 % after currency adjustments.
- **Operating profit** amounted to SEK 42.7 (42.7) million.
- **Profit after net financial items** amounted to SEK 26.4 (37.9) million. There was a negative impact of -7.2 (5.4) million on net financial items from exchange differences.
- **Profit after tax** amounted to SEK 22.6 (26.4) million, corresponding to SEK 3.74 (4.37) per share.
- **Cash flow from operating activities** was SEK 62.1 (98.3) million, and amounted to SEK 24.5 (68.9) million after investments.

+11.7 %

Growth in Q4, adjusted for
currency fluctuations, of 11.3 %

+4.7 %

Growth for the year adjusted for
currency fluctuations, of 4.3 %

Subsequent events

- **On 19 February 2018, the Board of Directors** made an authorized decision (granted at the extraordinary general meeting on 15 December) to approve a preferential rights issue of SEK 104.9 million before issue costs. The proceeds from the issue will be used for investments to increase production capacity.
- **Against the background of the new share issue**, the Board of Directors proposes that no dividend be paid for the financial year 2017.

Key performance indicators	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2017	2016	2017	2016
Net sales, SEK m	148.9	133.3	577.9	552.0
Growth, % *, **	11.3	-2.3	4.3	10.1
EBITDA, SEK m	18.5	17.1	94.0	97.3
EBITDA, %	12.4	12.8	16.3	17.6
EBIT, SEK m	6.6	3.0	42.7	42.7
EBIT, %	4.4	2.2	7.4	7.7
Profit after financial items, SEK m	5.7	5.8	26.4	37.9
Profit after tax, SEK m	7.5	2.9	22.6	26.4
Earnings (after tax) per share, SEK	1.24	0.49	3.74	4.37

* Adjusted for currency fluctuations

** Growth of 10.1 % in 2016 was affected by the acquisition of Onyx in April 2015.

Comments from Jan Wahlström, CEO



The positive trend of 2017 has continued. Growth accelerated throughout the entire year. In the fourth quarter, net sales increased by 12 percent to SEK 149 (133) million. For the full year, the company achieved its highest sales to date of SEK 578 (552) million, with growth of 4.7 percent. The figures are evidence of the growth trend that Elos Medtech has established. Our strategy has made a profound impact throughout the entire Group. It

strengthens our conviction that the time is right to increase the pace in our growth journey, facilitated by the proposed new share issue.

In the last quarter, we experienced double-digit growth in all of our business areas except Orthopedics. Performance in the quarter was enhanced thanks to seasonal variations (deliveries made prior to year-end). Our growth engine is still Dental Implant Systems, but above all, the investments we are making are based on the steady growth that we have had throughout the entire group.

Profitability more than doubled for the quarter from SEK 3.0 to 6.6 million. We are satisfied with our growth in sales, but profitability is still lagging slightly behind. Operating profit for the full year amounted to SEK 42.7 (42.7) million, which corresponds to 7 percent. This is attributable to having added many new products and now, we are working to adjust our manufacturing process, which means that we have longer set-up times and more rejections, at least initially. However, we expect that our internal improvement program, EMOPEX, will enable us to achieve positive effects on earnings sometime in 2018.

The results of Dental Implant Systems have been strong throughout the entire year. Sales during the last quarter amounted to 54.3 (46.3) million and growth was 18 percent. It means that we are growing at a much quicker pace than the market. New opportunities are arising due to the underlying growth trend in the market along with industry-wide consolidation. As part of our more aggressive strategy, we recently appointed Sören Olesen as Dental Business Director for our global strategy and offering. Our own products have received a positive reception on the market. During the fourth quarter, we introduced more platforms for products within Elos Accurate® in Europe and the launch has been positively received by our customers. We expect that this will start impacting sales during the first half of 2018.

Already last quarter, we could see that sales for Orthopedics had recovered and they are back at the same level as in 2016. The integration of Onyx has fortified our offering in the global orthopedics market. Consolidation is occurring in this market as well. Many of the major companies are trying to reduce their number of suppliers to instead work with just a few strategically selected partners who can offer a higher level of expertise across a wider spectrum. Jodie Gilmore, CEO of Onyx Medical, was appointed Orthopedic Business Director, with responsibility for our strategy and offering in Orthopedics. This is another key component of our more aggressive strategy for the future.

In Diagnostics, our investments to increase capacity have resulted in a new production line for one of our key customers. In this area, there are a lot of exciting things going on with regard to process development and we are continuing to strengthen our offering via our efficient plastic factory in Skara.

Sales have also regained momentum in the Hearing Device & Vibrations business area. Sales in this area were relatively slow at the beginning of the year, but they steadily picked up as key customers steadily sent more business our way.

As regards Other Medical Areas, we are running a project aimed at obtaining greater benefits from synergies that exist within the Group, since we manufacture the products at different units.

At the end of November, we communicated our optimism about the future business opportunities we anticipate for Elos Medtech by speeding up the pace of investments in Dental Implant Systems and Orthopedics. Based on that, the Board obtained authorization from the company's owners to execute a new share issue during the first quarter of 2018. It will inject capital for making additional investments that we feel are necessary.

Elos Medtech has established a platform for growth and expansion in 2018 and the years that follow. We have world-class expertise in medical devices as a development and manufacturing partner. Elos Medtech has a responsive, goal-oriented organization and the capacity for meeting our customers' requirements and demand. That is our strategic advantage and a key component in creating new business opportunities both short and long term.

Jan Wahlström
President and CEO

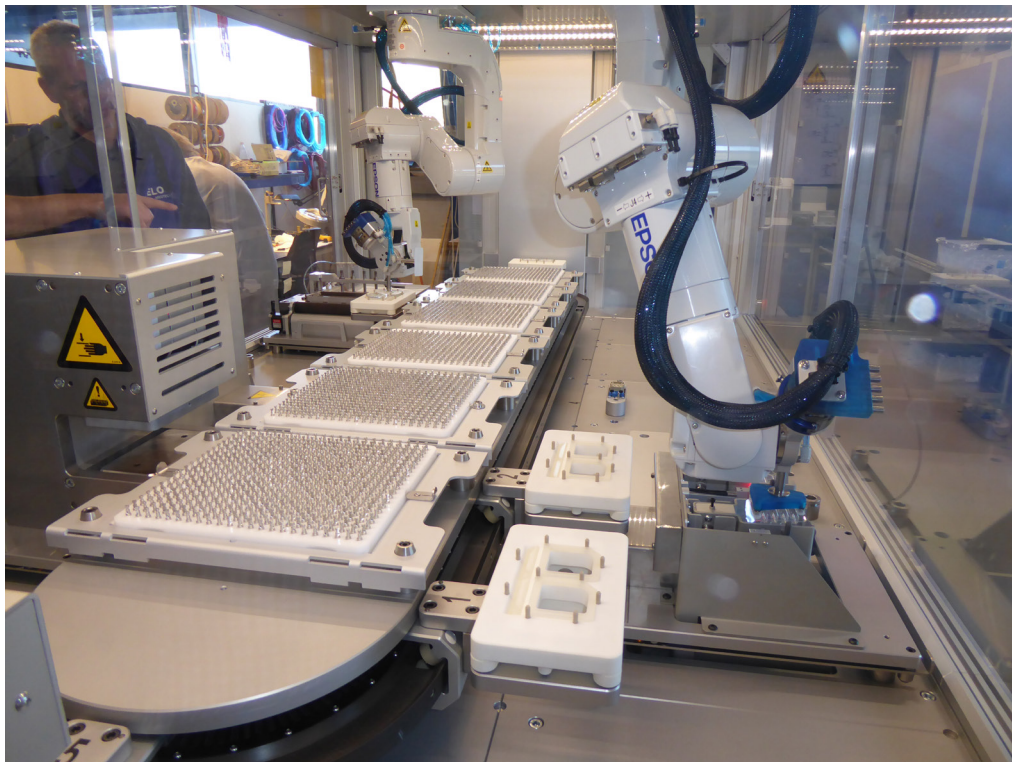
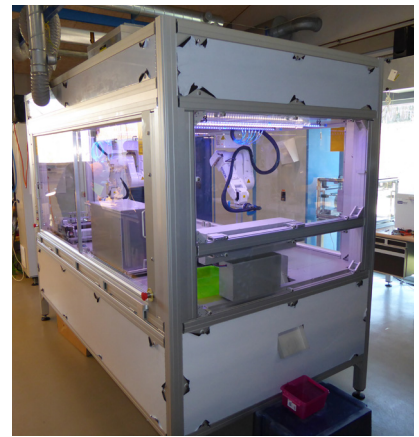
More efficient packing line

Our commitment at Elos Medtech is to continuously improve our processes and develop new innovative technology solutions throughout the Group. We strive to be a proactive supplier and partner that can constantly innovate the development and manufacturing of medical devices. Quite simply, it is a fundamental component of our reputation as a credible and attractive partner.

The Elos Medtech Pinol development team has recently been working to improve and streamline the packaging flow of components packed in blister packs with separate cavities. Our starting point was to develop a new, flexible packing line based on standardized modules thereby optimizing both costs and time, while increasing product quality.

Towards the end of 2017, we proudly introduced a new automated packaging line for components packed in blister packs in a clean environment. The packaging line has been developed by applying our knowledge and experience in automation and modular systems with standard workbenches for tools, robots and machines.

The first step in the automated packaging line is to establish the parameters, which is done by scanning the working order, which then triggers the process of checking and setting up the production system. Inside the production cell the correct temperature is regulated and that correct components are prepared for the standard fixtures. By automating the packaging line for components, we reduce the risk of errors through 100% monitoring and control. In addition to that, the process becomes both safer and quicker. The first products delivered through this new automated packing line are to a customer working with Dental Implant Systems.



General information about the business

The business

The Group has operations at facilities in Sweden, Denmark, China and USA. The company is one of Europe's leading partners for developing and manufacturing medical devices and components such as dental and orthopedic implants and instruments. Our customers are primarily medical device companies operating on a global scale in the following market segments: Dental Implant Systems, Diagnostics, Hearing Device & Vibration, Orthopedics and Other Medical Areas.

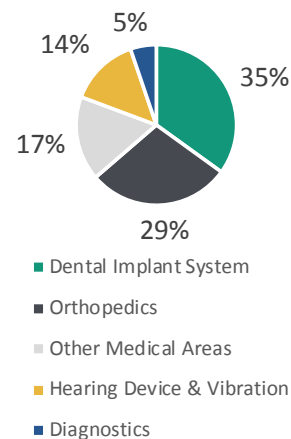
The Parent Company is focused on key management issues and it also provide Group-wide support in marketing, manufacturing, quality management, financing and financial control.

Subsequent events

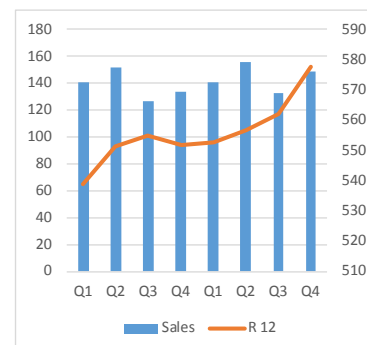
On 19 February 2018, the Board of Directors made an authorized decision (granted at the extraordinary general meeting on 15 December) to approve a rights issue of SEK 104.9 million before issue costs. The proceeds from the rights issue will be used to make investments that increase production capacity in the company's primary segments, Dental Implant Systems and Orthopedics.

- Registered shareholders in Elos Medtech as of 28 February 2018 have preferential rights to subscribe for new shares in the rights issue, whereby three (3) existing A or B shares entitle the holder to subscribe for one (1) new Series B share.
- The rights issue is expected to generate SEK 104.9 in cash before issue costs, which are expected to amount to approximately SEK 4.5 million.
- The subscription price is SEK 52 per share.
- The subscription period is 5-19 March 2018.
- Trade in subscription rights will occur during the period 5-15 March 2018.

Markets in 2017



Quarterly sales compared to last year



Net sales for each market segment SEK m	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Dental Implant Systems	54.3	46.3	202.0	171.1
Diagnostics	8.6	7.8	30.2	29.7
Hearing Device & Vibration	21.5	18.9	81.4	80.1
Orthopedics	40.1	39.9	166.0	182.2
Other Medical Areas	24.4	20.4	98.3	88.9
Total net sales	148.9	133.3	577.9	552.0

Earnings	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
EBITDA, SEK m	18.5	17.1	94.0	97.3
EBITDA, %	12.4	12.8	16.3	17.6
EBIT, SEK m	6.6	3.0	42.7	42.7
EBIT, %	4.4	2.2	7.4	7.7
Profit after financial items, SEK m	5.7	5.8	26.4	37.9
Profit after tax, SEK m	7.5	2.9	22.6	26.4

The rights issue is being executed to finance (equity in combination with bank financing) investments that will increase production capacity in the company's main segments, Dental Implant Systems and Orthopedics.

A number of major owners in Elos Medtech, who together hold A and B shares corresponding to approximately 64 percent of the shares and 86 percent of the votes in the company, have announced their intention to exercise their subscription rights in the rights issue and thus subscribe for new shares corresponding to their respective holdings in the company

For full information about the rights issue, please read the press release issued on 2018-02-19 and Elos Medtech's issue prospectus, which will be published prior to the start of the subscription period.

Segment reporting

All of the Group's operations are in one segment, which consists of developing, manufacturing and selling medical devices. The business is managed, developed and marketed as a single unit, i.e. Elos Medtech. The Consolidated Statement of Comprehensive Income and the Statement of Financial Position are thus entirely derived from one operating segment.

Sales October-December 2017

The Group's net sales during the quarter increased to SEK 148.9 (133.3) million. The overall increase of 11.7 % compared to last year is attributable to all markets: Dental Implant Systems (+17 %), Diagnostics (+10 %), Hearing Device & Vibration (+14 %), Other Medical Areas (+20 %) and Orthopedics (+0 %).

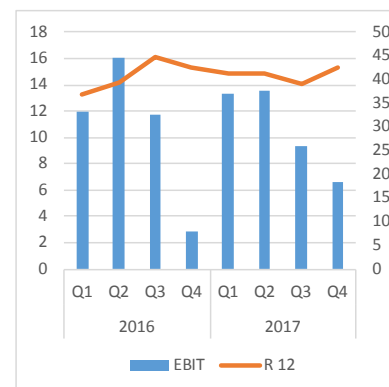
Sales January-December 2017

The Group's net sales for the financial year increased and amounted to SEK 577.9 (552.0) million. The majority of the increase in sales is attributable to sales in the Dental Implant Systems and Other Medical Areas business areas. In the fourth quarter, Orthopedics had positive growth compared to the same period last year. The positive deviation for Orthopedics is particularly noteworthy, given that growth was -12 % for the first nine months of the year.

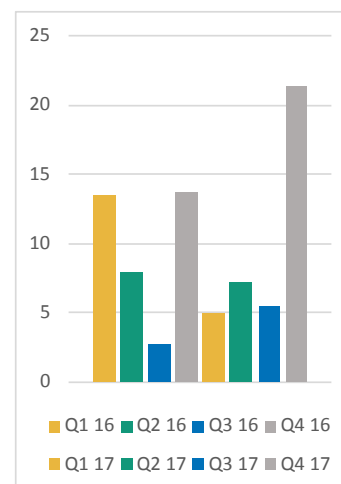
Diagnostics managed to reverse the negative trend of the first quarter and it reported positive growth throughout the remainder of the financial year. Hearing Device & Vibration has recovered during the third and fourth quarters, thereby reversing the negative trend for the first six months of the year and achieving 2 % growth for the full year 2017. There is positive growth in demand in all of the company's market segments. Growth during 2017 for development of own products was 6.7 percent.

The company's own products now account for 9.6 (9.2) percent of the Group's net sales.

Earnings trend EBIT 2017



Investments





Earnings October-December 2017

Operating profit for the fourth quarter amounted to SEK 6.6 (3.0) million, corresponding to an operating margin of 4.4 (2.2) percent. The Group's net financial items were positively affected by exchange rate differences corresponding to SEK 1.2 (4.3) million and amounted to SEK -0.9 (2.8) million. Profit after financial items amounted to SEK 5.7 (5.8) million. Profit after tax amounted to SEK 7.5 (2.9) million, which corresponds to SEK 1.24 (0.49) per share. The Group's comprehensive income amounted to SEK 12.3 (10.3) million.

Earnings January-December 2017

Operating profit for the fourth quarter amounted to SEK 42.7 (42.7) million, corresponding to an operating margin of 7.4 (7.7) percent. The Group's net financial items were positively affected by translation differences corresponding to SEK -7.7 (13.8) million and amounted to SEK -16.3 (-4.8) million. Profit after financial items amounted to SEK 26.4 (37.9) million. Profit after tax amounted to SEK 22.6 (26.4) million, which corresponds to SEK 3.74 (4.37) per share. The Group's comprehensive income amounted to SEK 10.1 (40.9) million.

Investments

During the period, the Group investments in buildings, land, machinery, equipment, capitalized development costs and other property, plant and equipment amounted to SEK 37.6 (34.6) million and the purpose was primarily to increase machine capacity.

Financial position and liquidity

The Group's balance sheet total declined during the period and amounted to SEK 847.5 (887.7) million. The Group's equity amounted to SEK 369.0 (366.8) million. Equity per share amounted to SEK 60.98 (60.63). At the end of the quarter, own risk capital amounted to SEK 399.8 (396.9) million, which corresponds to 47.2 (44.7) percent of total capital. The Group's equity ratio was 43.5 (41.3) percent.

The Group's cash flow from operating activities during the financial year amounted to SEK 62.1 (98.3) million. Cash flow after investments and divestiture of fixed assets amounted to SEK 24.5 (68.9) million. Cash flow during the year was affected by payment of an additional purchase price equal to SEK 31.1 million.

The Group's net debt decreased during the period and amounted to SEK 358.6 (384.8) million. The Group's cash and cash equivalents amounted to SEK 32.9 (99.6) million.

The Board of Directors for Elos Medtech has concluded that the existing working capital is adequate for meeting the company's needs during the next 12-month period. The company intends to make investments aimed at increasing its production capacity in order to meet the growth and expansion opportunities that it anticipates during the coming years. The Board of Directors has thus made an authorized decision (from the extraordinary general meeting on 15 December 2017) to approve a rights issue of approximately SEK 104.9 million before issue costs. As of December 31, 2017, the company's liquid funds, consisting of cash and bank balances, including unutilized bank overdraft facility, amounted to SEK 32.9 million. Given the planned investment payments, at the time when the prospectus was issued, the existing working capital is deemed adequate for running the business according to plan through July 2018.

The company has assessed that its working capital shortfall for the next twelve-month period would amount to approximately SEK 61 million were it not to inject capital through the rights issue. A fully subscribed rights issue will generate SEK 100.4 million in capital for the company (net issue costs of SEK 4.5 million), which the company has concluded is adequate for meeting its working capital needs during the next 12-month period.

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A number of major owners of both A and B shares have announced their intention to exercise their subscription rights and thus subscribe for new shares corresponding to their respective holdings in the company, which means that they intend to subscribe for 63.5 percent of the rights issue. These statements of intent are not binding and accordingly, they are not secured via bank guarantees, reserved funds, pledges or similar arrangements.

In the event that the rights issue is not fully subscribed, the company will examine alternative financing possibilities, such as additional fundraising, grants or financing together with one or more partners. Or, it will operate at a slower pace than planned, until additional capital can be obtained. In the event that the rights issue is not fully subscribed, the focus will be on the activities deemed absolutely necessary to preserve the value that has been created in the company.

Employees

The Group's average number of employees in 2017 was 527 compared to 509 in the previous year.

Outlook for 2018

The global market for medical devices is growing in several of our business areas and we anticipate good opportunities for growth.

Parent Company

The Parent Company's net sales amounted to SEK 25.0 (20.1) million. Profit after financial items amounted to SEK 6.7 (19.9) million. Intra-Group dividends of SEK 16.9 (21.3) million is included in earnings. The Parent Company's comprehensive income amounted to SEK 3.4 (17.6) million. The share of own risk capital amounted to 66.6 (65.3) percent. The equity ratio was 66.2 (65.0) percent. The Parent Company's cash and cash equivalents amounted to SEK 0.8 (17.1) million.

Significant risks and uncertainties

The Group's significant risks and uncertainties include the business risks associated with customers and suppliers and other external factors, such as the price risks for input goods. The Group also faces financial risks associated with changes in exchange rates and interest rates. A detailed description of the Group's risks and uncertainties, along with how it manages them, is provided in the Report of the Board of Directors contained in the 2016 Annual Report.

Onyx Medical LLC ("Onyx"), which is a US subsidiary of Elos Medtech has become the subject of a lawsuit. The plaintiffs specify a number of claims in the writ of summons. However, no amounts have been specified for the damages that are being claimed. Elos Medtech considers the lawsuit to be unfounded and will contest all of the claims in their entirety.

Related party transactions

During the reporting period, the company had a transaction with senior executives. The transaction was payment of SEK 31.1 million for a portion of the additional purchase price associated with the acquisition of Onyx Medical LLC. Remaining earnout is SEK 10.0 million to be paid in 2018.

Accounting policies

The consolidated financial statements for 2017 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The same applied to the company's preparation of its annual financial statements for 2016. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities.

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This year-end report has been prepared in accordance with IAS 34. The information on pages 1-13 is an integral part of this financial report. The term "IFRS" used in this document refers to the application of both IAS and IFRS as well as interpretations of these standards published by the IASB Standards Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

As of the third quarter, the Parent Company's promissory note receivable against the subsidiary company, Elos Medtech Holdings Inc., has been classified as an additional investment in the subsidiary. As of the third quarter, the translation difference on this receivable is reported in other comprehensive income.

The Group uses the same accounting policies, just as they have been described in the 2016 Annual Report. New or amended recommendations that entered into force as of 2017 have not had any significant impact on the financial statements. As of 1 January 2018, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are applied. IFRS 9 specifies how an entity should classify, measure and report its financial assets and financial liabilities

The Group's analysis has concluded that neither the implementation of IFRS 9 nor IFRS 15 will have a significant impact on the Group's financial statements. According, there will not be any transitional effects resulting from the implementation of these accounting standards.

ESMA's (European Securities and Markets Authority) guidelines on "Alternative Performance Measures" apply as of 3 July 2016 and entail disclosure requirements for financial measures that are not defined in IFRS.

Examination by the auditors

This year-end report has not been examined by the company's auditors.

The Board of Directors and CEO certify that the year-end report provides a fair overview of the company's and the Group's operations, position and earnings and it describes the significant risks and uncertainties faced by the company and companies belonging to the Group.

Elos Medtech AB (publ)

Gothenburg, 19 February 2018

Yvonne Mårtensson
Chairman of the Board

Agneta Bengtsson Runmarker
Board Member

Anders Birgersson
Board Member

Jeppe Magnusson
Board Member

Mats Nilsson
Board Member

Jon Risfelt
Board Member

Thomas Öster
Board Member

Jan Wahlström
President and CEO

Christian Bergaust
Group CFO

Consolidated Income Statement and Summary Statement of Comprehensive Income

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Income Statement	2017	2016	2017	2016
Net sales	148.9	133.3	577.9	552.0
Cost of goods sold	-112.4	-97.9	-415.4	-394.9
Gross profit	36.5	35.4	162.5	157.1
Selling expenses	-9.2	-9.9	-37.9	-36.2
Administrative expenses	-17.0	-18.1	-68.1	-65.0
Development costs	-2.9	-4.4	-13.8	-15.3
Other operating income/expenses	-0.8	0.0	0.0	2.1
Operating profit	6.6	3.0	42.7	42.7
Financial income	0.1	0.1	0.2	0.2
Financial expenses	-2.2	-1.6	-9.3	-10.4
Exchange differences	1.2	4.3	-7.2	5.4
Profit after financial items	5.7	5.8	26.4	37.9
Taxes	1.8	-2.9	-3.8	-11.5
Profit after tax	7.5	2.9	22.6	26.4
Profit attributable to:				
Parent Company shareholders	7.5	2.9	22.6	26.4
Statement of comprehensive income				
Profit after tax	7.5	2.9	22.6	26.4
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gains and losses	-3.6	3.9	-6.6	0.9
Tax	0.7	-0.9	1.4	-0.2
	-2.9	3.0	-5.2	0.7
Items that may be reclassified to profit or loss				
Translation differences for the period	7.9	4.4	-7.7	13.8
Tax	-0.2	0.0	0.4	0.0
	7.7	4.4	-7.3	13.8
Other comprehensive income, net	4.8	7.3	-12.5	14.5
Comprehensive income	12.3	10.3	10.1	40.9
Comprehensive income attributable to:				
Parent Company shareholders	12.3	10.3	10.1	40.9
EBITDA	12.4 %	12.8 %	16.3 %	17.6 %
EBIT	4.4 %	2.2 %	7.4 %	7.7 %
Depreciation/amortization charged to earnings	11.9	14.1	51.3	54.6
Earnings (after tax) per share, SEK *	1.24	0.49	3.74	4.37
Average number of shares (thousands)	6,051	6,051	6,051	6,051
Number of shares (thousands) at the end of the period	6,051	6,051	6,051	6,051

* Attributable to Parent Company shareholders' share of profit after tax.

Consolidated statement of financial position, in summary

SEK m		
Balance sheet	2017-12-31	2016-12-31
Assets		
Intangible assets	267.0	289.9
Property, plant and equipment	334.6	354.3
Financial assets	7.7	5.1
Other current assets	228.6	199.8
Cash and bank balances	9.6	38.5
Total assets	847.5	887.7
Equity and liabilities		
Equity	369.0	366.8
Non-current liabilities	273.4	282.2
Current liabilities	205.1	238.6
Total equity and liabilities	847.5	887.7

Key performance indicators

		Jan-Dec 2017	Jan-Dec 2016
Return on operating capital	%	5.8	5.7
Return on equity	%	6.1	7.6
Share of own risk capital	%	47.2	44.7
Solvency	%	43.5	41.3
Net debt *	SEK m	358.6	384.8
Investments, not including acquisitions	SEK m	37.6	34.6
Average number of employees		527	509
Equity per share	SEK	60.98	60.63
Dividends	SEK	0.00	1.30

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

Summary statement of changes in equity

SEK m	2017-12-31	2016-12-31
Opening Balance	366.8	330.5
New share issue/redemption of warrants	-0.1	1.4
Dividends	-7.9	-6.1
Total comprehensive income	10.1	40.9
Closing equity	369.0	366.8

Quarterly results for the Group

SEK m	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Quarterly results	2017	2017	2017	2017	2016	2016	2016	2016
Net sales	148.9	132.5	155.6	140.9	133.3	126.7	151.6	140.4
Cost of goods sold	-112.4	-97.1	-108.3	-97.6	-97.9	-90.1	-106.2	-100.8
Gross profit	36.5	35.4	47.3	43.3	35.4	36.6	45.4	39.6
Sales, admin and development costs	-29.1	-26.9	-33.6	-30.2	-32.4	-27.0	--29.6	-27.4
Other operating items	-0.8	0.8	-0.2	0.2	0.0	2.1	0.2	-0.2
Operating profit	6.6	9.3	13.5	13.3	3.0	11.7	16.0	12.0
Net financial items	-2.1	-2.4	-1.9	-2.3	-1.5	-2.2	-3.0	-3.5
Exchange differences	1.2	-1.7	-5.7	-1.4	4.3	1.3	1.5	-1.7
Profit after financial items	5.7	5.2	5.9	9.6	5.8	10.8	14.5	6.8
Taxes	1.8	-2.2	-1.0	-2.4	-2.9	-2.3	-4.3	-1.9
Profit after tax	7.5	3.0	4.9	7.2	2.9	8.5	10.2	4.9

Consolidated statement of cash flows, in summary

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Cash flow	2017	2016	2017	2016
Profit after net financial items	5.7	5.8	26.4	37.9
Reversed depreciation/amortization	11.9	14.1	51.3	54.6
Adjustment entries	-0.5	4.3	7.0	-0.1
Tax paid	0.0	-2.8	-2.2	-1.4
Change in working capital	2.1	3.5	-20.4	7.2
Cash flow from operating activities	19.2	25.0	62.1	98.3
Investments in fixed assets	-19.9	-10.4	-37.6	-34.6
Sale of fixed assets	0.0	0.6	0.0	5.2
Remaining after investments in fixed assets	-0.7	15.2	24.5	68.9
Issue of warrants	-0.1	1.4	-0.1	1.4
Change in bank overdraft facility	-18.7	0.6	9.6	18.9
Borrowings	15.4	2.9	18.9	116.0
Amortization of loans	-8.3	-14.1	-73.8	-202.1
Dividends	0.0	-0.1	-7.9	-6.1
Cash flow for the period	-12.4	6.1	-28.8	-2.9
Cash flow for the period, in total	-12.4	6.1	-28.8	-2.9
Cash and cash equivalents at the beginning of the period	21.7	32.1	38.5	40.5
Exchange difference in cash and cash equivalents	0.3	0.4	-0.1	0.9
Cash and cash equivalents at the end of the period	9.6	38.5	9.6	38.5

Parent Company Income Statement and Summary Statement of Comprehensive Income

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Income Statement	2017	2016	2017	2016
Net sales	7.7	5.3	25.0	20.1
Cost of goods sold	0.0	0.0	0.0	0.0
Gross profit	7.7	5.3	25.0	20.1
Selling expenses	-0.8	-3.3	-10.4	-10.9
Administrative expenses	-8.1	-6.6	-24.0	-20.3
Other operating income/expenses	0.1	0.0	0.1	0.1
Operating profit	-1.1	-4.5	-9.3	-10.9
Profit from participations in Group companies	16.9	8.8	16.9	21.3
Financial income	2.9	2.2	9.7	8.0
Financial expenses	-0.8	-1.0	-3.9	-3.9
Exchange differences	1.3	3.8	-6.7	5.4
Profit after financial items	19.2	9.3	6.7	19.9
Appropriations	-1.8	-0.5	-1.8	-0.5
Taxes	-3.9	-2.0	-1.5	-1.8
Profit after tax	13.5	6.8	3.4	17.6
Statement of comprehensive income				
Profit after tax	13.5	6.8	3.4	17.6
Other comprehensive income				
Items that may be reclassified to profit or loss				
Tax	0.0	0.0	0.0	0.0
Other comprehensive income, net	0.0	0.0	0.0	0.0
Comprehensive income	13.5	6.8	3.4	17.6

Parent Company Balance Sheet, in summary

SEK m	2017-12-31	2016-12-31
Balance sheet		
Assets		
Intangible assets	3.7	3.3
Property, plant and equipment	0.8	0.5
Financial assets	385.4	382.0
Other current assets	24.8	25.0
Cash and bank balances	0.8	17.1
Total assets	415.5	428.0
Equity and liabilities		
Equity	269.2	273.8
Untaxed reserves	7.5	5.8
Provisions	4.9	4.3
Non-current liabilities	52.4	79.6
Current liabilities	81.5	64.4
Total equity and liabilities	415.5	428.0

Reconciliation basis for Alternative Performance Measures

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Organic growth	2017	2016	2017	2016
Reported net sales	148.9	133.3	577.9	552.0
Net sales compared to the same period last year	133.3	136.0	552.0	503.7
Change in net sales	15.6	-2.7	25.9	48.3
Growth, %	11.7	-2.0	4.7	9.6
Net sales from acquired operations	0.0	0.0	0.0	46.8
Adjusted net sales from acquisition effects	148.9	133.3	577.9	505.2
Organic growth, %	11.7	-2.0	4.7	0.3
Sales adjusted for currency fluctuations				
Currency fluctuations	0.5	0.4	1.9	-2.2
Net sales adjusted for currency fluctuations	133.8	136.4	553.9	501.5
Change, %	11.3	-2.3	4.3	10.1

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating profit before non-recurring items	2017	2016	2017	2016
Reported operating profit	6.6	3.0	42.7	42.7
Non-recurring items	0.0	0.0	0.0	0.0
Operating profit before non-recurring items	6.6	3.0	42.7	42.7

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
EBITDA	2017	2016	2017	2016
Reported operating profit	6.6	3.0	42.7	42.7
Depreciation/amortization and impairment	11.9	14.1	51.3	54.6
EBITDA	18.5	17.1	94.0	97.3

SEK m	2017-12-31	2016-12-31
Own risk capital		
Equity	369.0	366.8
Deferred tax liability	30.8	30.13
Own risk capital	399.8	396.9

SEK m	2017-12-31	2016-12-31
Net debt		
Non-current interest-bearing provisions for pensions	36.9	28.8
Non-current interest-bearing liabilities	205.8	223.3
Current interest-bearing liabilities	125.5	128.4
Non-interest-bearing financial liabilities	0.0	42.8
Total liabilities	368.2	423.3
Cash and cash equivalents	-9.6	-38.5
Net debt	358.6	384.8

SEK m	2017-12-31	2016-12-31
Cash and cash equivalents including unutilized bank overdraft facility		
Cash and cash equivalents	9.6	38.5
Utilized bank overdraft facility	-48.9	-40.3
Bank overdraft facilities granted	72.2	101.4
Cash and cash equivalents including unutilized bank overdraft facility	32.9	99.6

Definitions of Alternative Performance Measures

Alternative Performance Measures are financial measures of the company's earnings trend, financial position and cash flow that are not defined in IFRS. These key performance indicators are intended to serve as important supplementary performance indicators of the Group's earnings and position and the purpose is to provide a better understanding of the business. Alternative Performance Measures that are presented in the interim reports should not be regarded as a replacement to terms and concepts in accordance with IFRS. They are instead intended as a supplement. These key performance indicators do not need to be comparable with similar performance indicators used by other companies. The reconciliation basis for calculating some of these performance indicators is provided on page 13 of this report.

Sales adjusted for currency fluctuations

Change in net sales adjusted for exchange differences compared to the same period last year.

Organic growth

Change in net sales adjusted for sales from acquired and divested operations compared to the same period last year.

Non-recurring items

Items that are not considered to be ordinary business transactions and where the amount has a significant impact on earnings and key performance indicators.

Operating profit before non-recurring items

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

Operating profit (EBIT)

Profit before financial income and expenses and taxes.

Operating margin, %

Operating profit as a percentage of the net sales from operations.

EBITDA

Operating profit before depreciation/amortization and impairment.

EBITDA, %

Operating profit before depreciation/amortization and impairment as a percentage of the net sales from operations.

Operating capital

The total of intangible assets, property, plant and equipment and current assets (not including any tax receivables) less interest-bearing liabilities (not including any tax liabilities and deferred tax).

Return on operating capital

Operating profit as a percentage of average operating capital.

Return on equity

Profit for the year as a percentage of average equity.

Own risk capital

The total of the reported amount of 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 unutilized bank overdraft facility

Cash and bank balances plus the amount of granted overdraft facility less the amount of utilized bank overdraft facility.

Financial information

The 2017 Annual Report will be published in April 2018.

The interim report for January-March 2018 will be published on 24 April 2018.

The interim report for April-June 2018 will be published on 19 July 2018.

The interim report for July-September 2018 will be published on 25 October 2018.

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Elos Medtech AB (publ) is a Swedish limited liability company, whose B shares are listed on Small Cap, NASDAQ Stockholm AB. Elos Medtech's corporate governance is based on Swedish legislation and the listing agreement with NASDAQ Stockholm AB.

Future-oriented information

Future-oriented information in this report is based on management's expectations at the time of the report. Although the Board of Directors and management feel that these expectations are reasonable, it is no guarantee that the expectations are, or will prove to be, correct. Consequently, future outcomes may vary significantly compared to the future-oriented information due to such things as changes in the market conditions for the Group's services or changes in the overall situation concerning the economy, market and competition, changes in legal requirements and other policy measures as well as fluctuations in exchange rates. The company does not undertake to update or correct any future-oriented information except as stipulated by law.

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