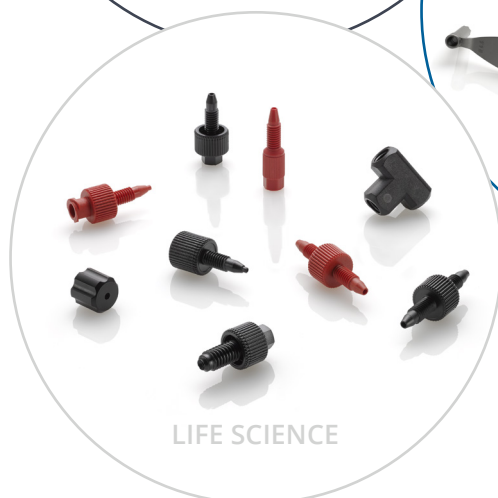


Q3 2019

INTERIM REPORT

SEK 157.1 million
Consolidated net sales increased to SEK 157.1 (154.1) million in the third quarter of 2019

SEK 14.2 million
The Group's operating profit increased to SEK 14.2 (11.8) million in the third quarter of 2019



Q3 2019 INTERIM REPORT

INCREASED PROFITABILITY THROUGH EFFICIENCIES

July - September 2019

- Net sales for the third quarter increased to SEK 157.1 (154.1) million, which corresponds to organic growth of 1.9 percent. Taking into account currency conversions, growth was negative, -1.3 percent.
- The operating profit was SEK 14.2 (11.8) million. Our operating margin for the third quarter of 2019 was 9.0 percent, up from 7.7 percent in the same period in 2018.
- The profit after financial items was SEK 11.4 (7.7) million. Net financial items, which were not affected by exchange rate differences during the period (-0.9), were SEK -2.8 (-4.1) million.
- Profit after tax amounted to SEK 9.0 (6.4) million, which corresponds to SEK 1.12 (0.79) per share.
- Cash flow from operating activities was SEK 30.6 (18.4) million, and amounted to SEK 1.8 (-7.6) million after investments.

January - September 2019

- Net sales for the first nine months of the year increased to SEK 531.1 (475.8) million, which corresponds to organic growth of 11.6 percent. Taking into account currency conversions, growth was 7.1 percent.
- The operating profit for the first nine months of the year was SEK 51.2 (27.9) million, representing and operating margin of 9.6 (5.9) percent.
- The profit after financial items was SEK 40.6 (22.5) million. Net financial items were negatively affected by exchange rate differences of SEK -1.5 (2.3) million and amounted to SEK -10.6 (-5.4) million.
- Profit after tax amounted to SEK 30.9 (16.9) million, which corresponds to SEK 3.83 (2.09) per share.
- Cash flow from operating activities was SEK 87.7 (46.7) million, and amounted to SEK 0 (-11.6) million after investments.

| Key performance indicators | Jul-Sep 2019 | Jul-Sep 2018 | Jan-Sep 2019 | Jan-Sep 2018 | Oct-Sep 2018/19 | Jan-Dec 2018 |
|---|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|
| Net sales, SEK million | 157.1 | 154.1 | 531.1 | 475.8 | 700.0 | 644.7 |
| Growth,% | 1.9 | 16.3 | 11.6 | 10.9 | 12.1 | 11.6 |
| EBITDA, SEK million* | 29.3 | 25.1 | 96.0 | 66.6 | 124.7 | 95.3 |
| EBITDA, %* | 18.7 | 16.3 | 18.1 | 14.0 | 17.8 | 14.8 |
| EBIT, SEK million* | 14.2 | 11.8 | 51.2 | 27.9 | 62.2 | 38.9 |
| EBIT, %* | 9.0 | 7.7 | 9.6 | 5.9 | 8.9 | 6.0 |
| Profit after financial items, SEK million | 11.4 | 7.7 | 40.6 | 22.5 | 46.6 | 28.5 |
| Profit after tax, SEK million | 9.0 | 6.4 | 30.9 | 16.9 | 34.9 | 20.9 |
| Earnings per share before and after dilution, SEK | 1.12 | 0.79 | 3.83 | 2.09 | 4.33 | 2.76 |

* EBITDA for the third quarter of 2019 was affected by the adoption of IFRS 16, as depreciation of right-of-use assets and the finance charge on the lease liability are excluded from the performance measure. For the comparative year the corresponding operating lease payments were included in EBITDA, which means that the two years are not fully comparable. The effect of depreciation of right-of-use assets and finance charges in accordance with IFRS 16 for the third quarter of 2019 is approximately SEK 1.1 million, which thus increases EBITDA for the period by the same amount. The effect on the operating profit is positive, plus SEK 0.2 million.

Quarterly growth
+1.9%
After currency conversions the
growth rate was -1.3 percent.

COMMENTS ON Q3 FROM JAN WAHLSTRÖM, CEO



The fifth quarter in a row with increased profitability. Our strategic decision to adapt the organization with a focus on cost awareness and implement improvements in production has had a direct impact on earnings, which increased from SEK 12 million to SEK 14 million. During the period we noted a tendency among customers to reduce their inventories, which meant that growth was slightly lower. We will continue to place a strong emphasis on efficiencies in order to prepare for potential changes in the trading environment and the economy.

Orthopedics remains the main driver of growth and has tremendous development potential. The robotic surgery trend is strong and Elos Medtech has recently initiated a new project in this area. The expansion of our site in Memphis has now been completed, which means that production will reach full capacity earlier than expected. We are proud to have been able to report profitable growth during the period of construction.

Dental had the strongest growth during the period, driven mainly by our contract manufacturing businesses. We have continued to develop proprietary products with a strong focus on digital dentistry. As planned, we have continued to register proprietary dental products for the US market.

The decline in sales in Life Science during the quarter was due to the phasing-out of Bruel&Kjaer. This is in line with our strategy and previous communication. The polymer business in the business area is growing steadily. Market demand for our contract manufacturing services is strong. To meet this demand, we have both expanded our existing production capacity and decided to add additional production space by expanding our Skara site. Planning permission has been received and soon the first sod will be turned.

Having delivered another quarter of growth, our focus remains on improving profitability.

DENTAL

With an increase of 17 percent, Dental achieved a very strong quarterly result driven mainly by our major customers. Elos Accurate® and a digital workflow remain the key focus areas. Together with our customers we are now looking at future research projects aimed at developing new products in partnership. During the period we also registered a patent for a new drill system and implemented efficiencies through new machines with the aim of increasing profitability.

ORTHOPEDICS

There is still considerable development potential in Orthopedics despite slightly lower growth this quarter. Following the completion of our site in Memphis and the validation of several new machines for new customer projects, we are now able to go into full operation. In line with our specialization goals, a new robotic surgery project with a new product line was initiated during the period.

LIFE SCIENCE

Market demand for polymer products remains high and the expansion of our Skara site will double the existing production space. Our contract manufacturing business has continued to grow and we are now exploring the possibility of adding new machining processes to become a more complete supplier for our customers. The decline for the period was expected and is directly related to the strategic phasing-out of Bruel&Kjaer.

THIS IS ELOS MEDTECH

General information about the business

Elos Medtech specializes in medical technology and has extensive expertise in development and design, along with contract manufacturing of medical devices. Customers are primarily global medical technology companies. Operations are conducted at facilities in Sweden, Denmark, China and the US with Group-wide functions for strategic marketing and IT support, production and quality management, risk management, financing and financial control in Gothenburg. The Group runs operations in the following three business areas: Dental, Orthopedics and Life Science.

Vision

To transform medical technology and improve quality of life across the globe.

Mission

In collaboration with our customers, we provide sustainable, innovative products and solutions for the global medical technology market. Our aim is to set up profitable, long-term partnerships and we strive for excellence in everything we do, for the purpose of helping people all over the world lead healthier, more active lives.

Targets

Elos Medtech's long-term financial targets are: an average annual growth rate of more than 10 percent, average operating margin (EBIT) of over 13 percent and for proprietary products to account for at least 13 percent.

Value-creating business model

Elos Medtech's business model is based on extensive experience and expertise that it has acquired in the development and contract manufacturing of medical devices and components. Customers are offered quality, expertise and innovation in a partner-based overall solution – Complete Performance™. The cornerstones of Elos Medtech's value creation are higher efficiency, improved profitability and high-quality products in partnership with its customers.

Strategy

Elos Medtech's strategy is based on a sharper focus on selected market segments and in both metals and polymer. The strategy also includes a higher level of specialization and expertise in design, development, manufacturing and logistics with the highest quality assurance. With a stronger offering, it will be easier to achieve the strategic targets of more distinct positioning and continued growth.

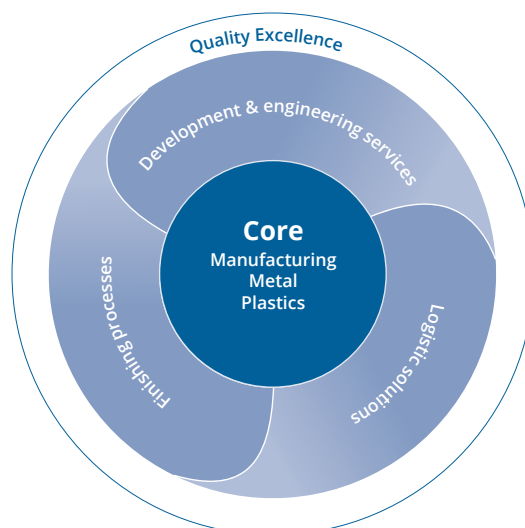
Sustainable focus

Elos Medtech has a sustainable focus and responsibility that extends beyond just delivering high-quality products. The company applies a long-term approach to economic, social and environmental responsibility for how its operations impact its stakeholders. Elos Medtech has specified certain strategic targets to ensure that there is continual improvement in these areas. For more information, please see: elosmedtech.com/whoweare/sustainability.

VISION • MISSION • VALUE-BASED CULTURE • SUSTAINABLE FOCUS

Business areas:

Dental
Orthopedics
Life Science



Life Science comprises:

Diagnostics
Hearing Device & Vibration
Other Medical Areas

VALUE CREATION FOR THE COMPANY AND OUR STAKEHOLDERS

THE GROUP'S PERFORMANCE

Net sales July-September 2019

Consolidated net sales for the period increased to SEK 157.1 (154.1) million. The increase of 1.9 percent on the third quarter of last year is attributable to the business areas Dental (+17%) and Orthopedics (+13%) while Life Science posted a negative growth rate (-21%). Proprietary product development saw negative growth in the third quarter, -10.7 percent. Proprietary products accounted for 9 (10.3) percent of consolidated net sales for the period. Taking into account currency conversions, growth was negative, -1.3 percent.

Net sales January-September 2019

Consolidated net sales for the first nine months of the year increased to SEK 531.1 (475.8) million. The increase of 11.6 percent compared with the year-before period is attributable to all of the business areas: Dental (+9%), Orthopedics (+22%) and Life Science (+5%). Sales of proprietary products grew 11.1 per cent. Proprietary products now account for 10.1 (10.4) percent of consolidated net sales.

Earnings July-September 2019

The operating profit for the third quarter was SEK 14.2 (11.8) million, corresponding to an operating margin of 9.0 (7.7) percent. Consolidated net financial items, which were not been affected by exchange rate differences during the period (-0.9), were SEK -2.8 (-4.1) million. The loss after financial items was SEK -11.4 (7.7) million. Profit after tax amounted to SEK 9.0 (6.4) million, which corresponds to SEK 1.12 (0.79) per share.

Earnings January-September 2019

The operating profit for the first nine months of the year was SEK 51.2 (27.9) million, corresponding to an operating margin of 9.6 (5.9) percent. The Group's net financial items were negatively affected by exchange rate differences of SEK -1.5 (2.3) million and amounted to SEK -10.6 (-5.4) million. The profit after financial items was SEK 40.6 (22.5) million. Profit after tax amounted to SEK 30.9 (16.9) million, which corresponds to SEK 3.83 (2.09) per share. Taking into account currency conversions, growth was 7.1 percent.

Investments

The Group's investments in buildings, land, machinery, equipment, capitalized development costs and other property, plant and equipment in the third quarter totaled SEK 30.2 (26.0) million and refer mainly to expanded machine capacity and investments in doubling the production space at our factory in Memphis.

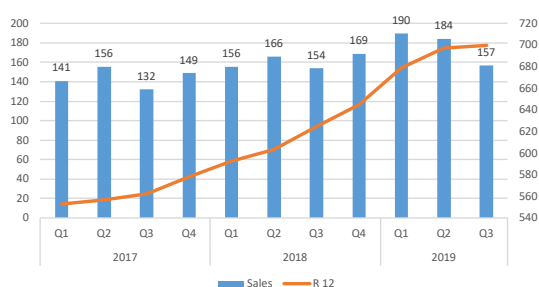
Financial position and liquidity

Consolidated total assets increased during the period to SEK 1,079.6 (960.7) million. The Group's equity amounted to SEK 551.6 (503.8) million. Equity per share, calculated on 8,068,000 shares, amounted to SEK 68.37 (62.44). At the end of the year, own risk capital amounted to SEK 577.9 (533.4) million, which corresponds to 53.5 (55.5) percent of total capital. The Group's equity ratio was 51.1 (52.4) percent.

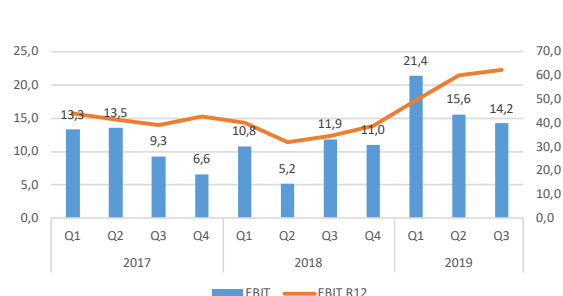
The Group's cash flow from operating activities during the quarter amounted to SEK 30.6 (18.4) million. Cash flow after investments and divestiture of fixed assets amounted to SEK 1.8 (-7.6) million.

The Group's net debt increased during the period and amounted to SEK 344.5 (287.5) million. Cash and cash equivalents including unutilized bank overdraft facility amounted to SEK 126.4 (114.9) million.

Net sales, SEK million



Operating profit, SEK million



Segment reporting

The Board of Directors and management have decided to organize the business into three business areas: Dental, Orthopedics and Life Science. It has also been decided to introduce segment reporting based on this business area structure.

Historical comparative figures for net sales are presented. Quality-assured historical earnings data is not available, and no presentation of comparable data at earnings level is therefore made.

Personnel

The average number of employees in the Group in the first nine months of the year was 575, up from 562 in the previous year.

Events during the quarter

The expansion of the site in Memphis has been completed and will be inaugurated in mid-October. Simultaneously we are also launching a new robotic surgery project together with a customer. In Dental we registered a new patent for a drill system.

Events after the quarter

Our polymer business has continued to perform well and in October we took the decision to increase production capacity by expanding our site in Skara. The initial investment includes SEK 40 million.

Net sales by segment

| SEK million | Jul-Sep 2019 | Jul-Sep 2018 | Growth Jul-Sep 2019 | Jan-Sep 2019 | Jan-Sep 2018 | Growth Jan-Sep 2019 | Oct-Sep 2018/19 | Jan-Dec 2018 |
|------------------------|-----------------|-----------------|---------------------------|-----------------|-----------------|---------------------------|--------------------|-----------------|
| Dental | 54.1 | 46.1 | 17.4% | 170.1 | 155.8 | 9.2% | 221.0 | 206.7 |
| Orthopedics | 58.1 | 51.3 | 13.3% | 178.4 | 145.7 | 22.4% | 232.7 | 200.0 |
| Life Science | 44.9 | 56.7 | -20.8% | 182.6 | 174.3 | 4.8% | 246.3 | 238.0 |
| Total net sales | 157.1 | 154.1 | 1.9% | 531.1 | 475.8 | 11.6% | 700.0 | 644.7 |

There are no sales between the business areas.

| Key performance indicators | EBITDA SEK mil- lion Jul-Sep 2019 | EBITDA % Jul-Sep 2019 | EBITDA SEK mil- lion Jan-Sep 2019 | EBITDA % Jan-Sep 2019 | EBIT SEK mil- lion Jul-Sep 2019 | EBIT % Jul-Sep 2019 | EBIT SEK mil- lion Jan-Sep 2019 | EBIT % Jan-Sep 2019 |
|---------------------------------------|---|--------------------------------|---|--------------------------------|---|------------------------------|---|------------------------------|
| Dental | 10.8 | 20.0% | 32.4 | 19.1% | 5.9 | 11.0% | 17.7 | 10.4% |
| Orthopedics | 10.3 | 17.8% | 31.5 | 17.7% | 4.8 | 8.3% | 15.5 | 8.7% |
| Life Science | 9.7 | 21.6% | 36.9 | 20.2% | 5.0 | 11.1% | 22.9 | 12.5% |
| Unallocated Group income and expenses | -1.5 | | -4.8 | | -1.5 | | -4.8 | |
| Total | 29.3 | 18.7% | 96.0 | 18.1% | 14.2 | 9.0% | 51.2 | 9.6% |

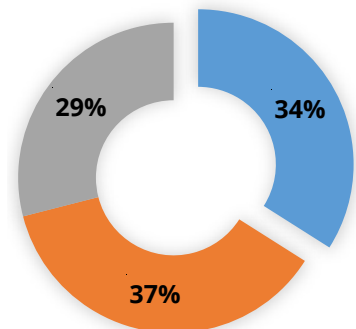
OUR THREE BUSINESS AREAS



DENTAL

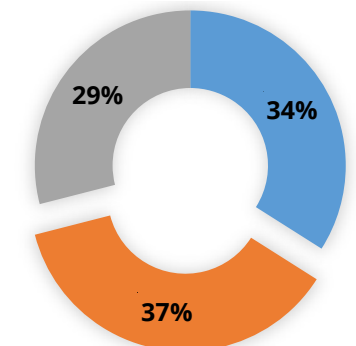
Elos Medtech is a qualified partner to globally leading dental companies. Our offer covers design, development, serial production and global distribution. We are specialized in dental implants.

The offer also includes proprietary products in digital dental care and instruments, either on an OEM basis or under our own brand, Elos Accurate®.



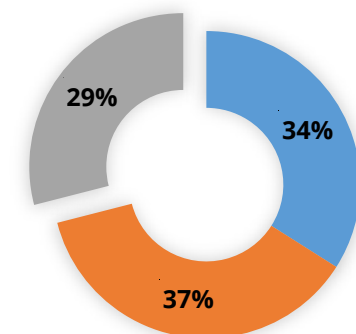
ORTHOPEDICS

Elos Medtech is a focused partner for everything from design and prototypes to serial production and global distribution. We have opted to specialize in the following markets: spine, trauma and reconstruction. We collaborate with the world's leading orthopedic companies.



LIFE SCIENCE

Elos Medtech is a specialized global partner for injection molding of high-tech polymer and cutting techniques for primarily steel and brass. We also offer tool design and combination products made from polymer and aluminum, for example. The markets we focus on our diagnostics, hearing aids, diabetes, cardiovascular and neurosurgery.



BUSINESS AREA DENTAL



NET SALES **SEK 54.1 million**

EBITDA **SEK 10.8 million (20.0%)**

EBIT **SEK 5.9 million (11.0%)**

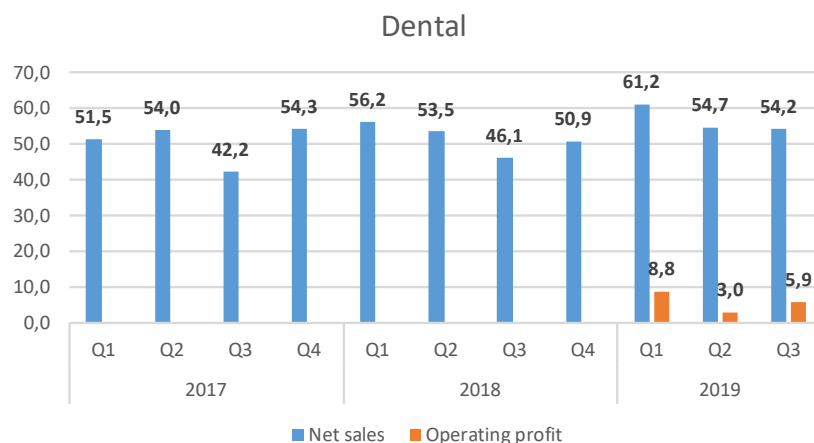
Organic growth

+17%

Important events in the business area during the quarter

- The business area saw strong growth during the period, driven mainly by contract manufacturing.
- Sales of proprietary products was weak, totaling SEK 14.2 (15.9) million. Although we have seen continued good growth in the digital products, Elos Accurate®.
- Together with a new partner, we are engaged in joint development projects.
- Patents for a new dental drill system have been approved and registered by the US Patent and Trademark Office and the European Patent Office. The patent covers a drill system used for implant surgery that consists of a drill, a guide sleeve that guides the drill during surgery and a drill stop.

Net sales and operating profit (SEK million)



BUSINESS AREA ORTHOPEDICS



NET SALES **SEK 58.1 million**

EBITDA **SEK 10.3 million (17.8%)**

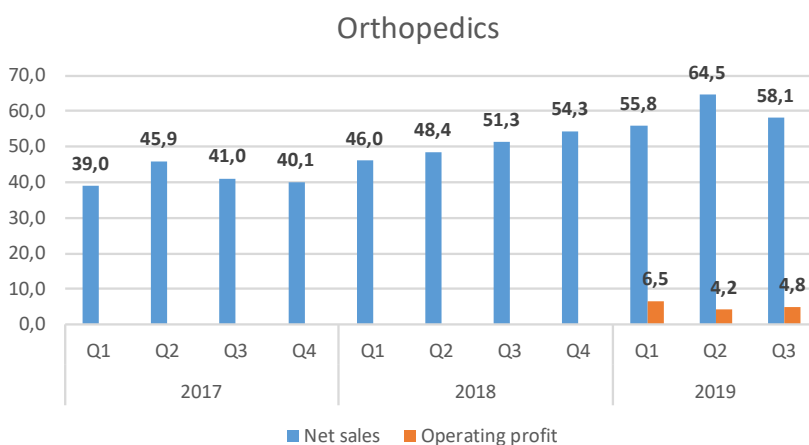
EBIT **SEK 4.8 million (8.3%)**

Organic growth
+13%

Important events in the business area during the quarter

- The expansion of our Memphis site has been completed and new machines for several new customer projects are currently being validated. The official inauguration took place on 16 October.
- In robotic surgery a new project with a new product line has been initiated.
- At our site in Sweden new machinery has been commissioned and we have continued our drive to improve processes and update product flows to increase efficiency and profitability.

Net sales and operating profit (SEK million)



BUSINESS AREA LIFE SCIENCE



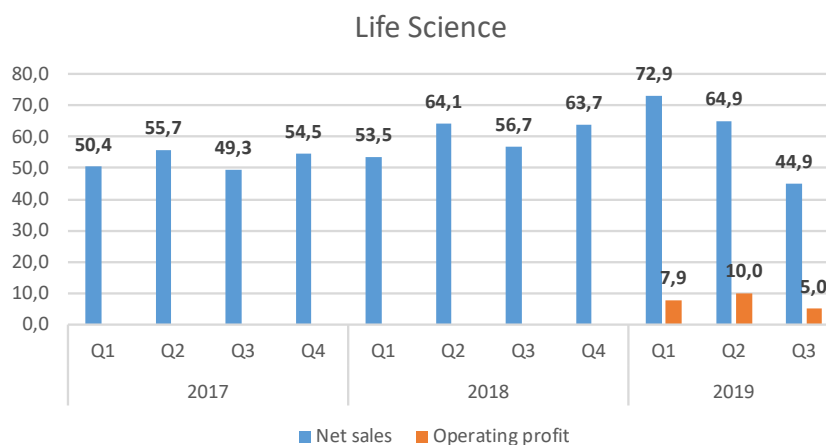
| | |
|-----------|-------------------------|
| NET SALES | SEK 44.9 million |
| EBITDA | SEK 9.7 million (21.6%) |
| EBIT | SEK 5.0 million (11.1%) |

Organic growth
-21%

Important events in the business area during the quarter

- The decline for the period was expected and is directly related to the strategic phasing-out of Bruel&Kjaer.
- Further production capacity in the polymer business has been installed for our existing production and for new projects.
- Planning permission has been granted for a 2,400 m² expansion of our Skara site. The expansion comprises a doubling of the existing production space, a warehouse, materials management and offices.

Net sales and operating profit (SEK million)



OTHER INFORMATION

Parent company

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

The parent company's net sales in the third quarter amounted to SEK 4.6 (6.2) million. The profit after financial items was SEK 5.2 (-1.7) million. The parent company's profit after tax was SEK 4.0 (-1.4) million. The share of own risk capital amounted to 78.7 (80.7) percent. The equity ratio was 78.4 (80.3) percent.

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 Directors' Report and in Note 1 and Note 42 in the 2018 Annual Report.

Onyx Medical LLC ("Onyx"), which is a US subsidiary of Elos Medtech has become the subject of a lawsuit. The lawsuit does not specify the amount of claimed damages. Elos Medtech considers the lawsuit to be unfounded and will contest the lawsuit in its entirety.

Outlook

The company does not make forecasts.

Related party transactions

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

Accounting policies

The consolidated financial statements for 2019 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 2018. The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Accounting for Legal Entities. This interim report has been prepared in accordance with IAS 34. The information on pages 1-19 is an integral part of this financial report.

Elos Medtech applies the guidelines issued by ESMA (European Securities and Markets Authority) on APMs (Alternative Performance Measures). These key figures are not defined or specified in IFRS but provide complementary information to investors and other stakeholders on the company's performance.

The definition of each APM is presented at the end of the interim report. For the reconciliation of each APM against the most reconcilable line item in the financial statements, see page 19.

IFRS 16 transition disclosures

The Group uses the same accounting policies, just as they have been described in the 2018 Annual Report, except for what is stated below.

IFRS 16 Leases entered into force on 1 January 2019. The Standard removes the division of leasing agreements into either operational or financial leasing for the lessee, as required by IAS 17, and instead introduces a common model for accounting for all leasing. In this model the lessee shall report (a) assets and liabilities for all leasing agreements where the leasing period exceeds 12 months, with the exception of assets of low value, and (b) depreciation of the leased assets separate from the leasing interest expense in the income statement.

Elos Medtech does not apply the standard retroactively, which means that the 2018 financial statements have not been restated. For rental agreements, the company has applied the marginal lending rate as the discount rate, taking into consideration the duration of the lease agreement. For the transition, the simplified approach has been applied, which means that the value of right-of-use asset equals the lease liability. The exception, whereby short-term leases and assets with a low value are not reported, has also been applied.

When applying IFRS16, the component of lease payments, which were previously included in operating expenses in the consolidated income statement, has been transferred to depreciation and the interest component is included in financial expenses. Initially, the standard has had an effect on how the Group reports its operating leases, increasing total assets and resulting in certain changes to KPIs. As a result of the adoption of IFRS 16, additional right-of-use assets and related additional lease liabilities of approximately SEK 20 million have been included in the opening balance as at 1 January 2019.

New accounting policies for leases from 2019

The Group as lessee

The Group's leases mainly comprise right-of-use assets relating to premises and equipment. The leases are recognized as right-of-use assets with corresponding lease liabilities on the day when the leased asset is available for use by the Group. Exceptions are made for short-term leases and leases for which the underlying asset has a low value.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease term is the non-cancellable period together with any further terms for which the lessee has the option to extend the lease, when it is reasonably certain that the lessee will exercise the option, and terms for which the lessee has the option of cancelling the lease, when it is reasonably certain that the lessee will not exercise the option.

The Group's lease liabilities are recognized at the present value of the Group's fixed payments (including in-substance fixed payments). Purchase options are included in the fees when it is reasonably certain that these will be exercised to acquire the underlying asset.

Payments of penalties for terminating the lease are included if the lease term reflects the lessee exercising an option to terminate the lease. Lease payments are discounted using the interest rate implicit in the lease if this rate can be readily determined; if not, the Group's incremental borrowing rate is used.

The Group's right-of-use assets are recognized at cost and initially include the present value of the lease liability, adjusted for lease payments paid at or before the commencement date as well as initial direct costs. Restoration costs are included in the asset if a corresponding provision for restoration costs is identified. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Examination by the auditors

This report has been examined by the company's auditors.

Gothenburg, 24 October 2019

Elos Medtech AB (publ)

The Board of Directors

Auditor's report on the review of condensed interim financial information

Elos Medtech AB (publ) corp. ID no. 556021-9650

Introduction

We have reviewed the condensed interim financial information (interim report) of Elos Medtech AB (publ) as at 30 September 2019 and for the nine-month period ended on this date. Responsibility for preparing this interim report in accordance with IAS 34 and the Annual Accounts Act rests with the Board of Directors and Chief Executive Officer. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We have performed our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review involves posing questions, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and significantly narrower scope than a full audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures performed in a review do not enable us to obtain a degree of certainty that would make us aware of all important circumstances that would have been identified if an audit had been conducted. The conclusion based on a review therefore does not have the same certainty as a conclusion based on an audit.

Conclusion

Based on our review, we have not discovered any circumstances that would give us reason to consider that the interim financial statement has not, in all material respects, been prepared, in respect of the Group, in accordance with IAS 34 and the Annual Accounts Act and, in respect of the parent company, in accordance with the Annual Accounts Act.

Gothenburg, 24 October 2019

KPMG AB

Johan Kratz
Authorized Public Accountant

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

| SEK million | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | Oct-Sep | Jan-Dec |
|---|-------------|-------------|--------------|--------------|--------------|--------------|
| Income statement | 2019 | 2018 | 2019 | 2018 | 2018/19 | 2018 |
| Net sales | 157.1 | 154.1 | 531.1 | 475.8 | 700.0 | 644.7 |
| Cost of goods sold | -109.3 | -110.3 | -367.2 | -345.4 | -488.1 | -466.3 |
| Gross profit | 47.8 | 43.8 | 163.9 | 130.4 | 211.9 | 178.4 |
| Selling expenses | -9.2 | -9.5 | -30.1 | -30.2 | -40.1 | -40.2 |
| Administrative expenses | -21.9 | -19.4 | -72.0 | -61.3 | -91.3 | -80.6 |
| Development costs | -3.2 | -3.8 | -12.9 | -11.2 | -21.0 | -19.3 |
| Other operating income/expenses | 0.7 | 0.7 | 2.3 | 0.2 | 2.7 | 0.6 |
| Operating profit | 14.2 | 11.8 | 51.2 | 27.9 | 62.2 | 38.9 |
| Financial income | - | 0.1 | - | 0.1 | - | 0.1 |
| Financial expenses | -2.8 | -3.3 | -9.1 | -7.8 | -12.3 | -11.0 |
| Exchange differences | - | -0.9 | -1.5 | 2.3 | -3.3 | 0.5 |
| Profit after financial items | 11.4 | 7.7 | 40.6 | 22.5 | 46.6 | 28.5 |
| Taxes | -2.4 | -1.3 | -9.7 | -5.6 | -11.7 | -7.6 |
| Profit after tax | 9.0 | 6.4 | 30.9 | 16.9 | 34.9 | 20.9 |
| Profit attributable to: | | | | | | |
| Parent company shareholders | 9.0 | 6.4 | 30.9 | 16.9 | 34.9 | 20.9 |
| Statement of comprehensive income | | | | | | |
| Profit after tax | 9.0 | 6.4 | 30.9 | 16.9 | 34.9 | 20.9 |
| Other comprehensive income | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | |
| Actuarial gains and losses | -9.2 | -2.8 | -9.2 | -2.8 | -11.5 | -5.1 |
| Tax | 2.0 | 0.6 | 2.0 | 0.6 | 2.5 | 1.1 |
| | -7.2 | -2.2 | -7.2 | -2.2 | -9.0 | -4.0 |
| Items that may be reclassified to profit or loss | | | | | | |
| Translation differences for the period | 16.4 | -7.1 | 29.7 | 20.3 | 32.3 | 22.9 |
| Tax | -1.5 | 0.3 | -2.3 | -1.5 | -2.6 | -1.8 |
| | 14.9 | -6.8 | 27.4 | 18.8 | 29.7 | 21.1 |
| Other comprehensive income, net | 7.7 | -9.0 | 20.2 | 16.6 | 20.7 | 17.1 |
| Comprehensive income | 16.7 | -2.6 | 51.1 | 33.5 | 55.6 | 38.0 |
| Comprehensive income attributable to: | | | | | | |
| Parent company shareholders | 16.7 | -2.6 | 51.1 | 33.5 | 55.6 | 38.0 |
| EBITDA, % | 18.7% | 16.3% | 18.1% | 14.0% | 17.8% | 14.8% |
| EBIT, % | 9.0% | 7.7% | 9.6% | 5.9% | 8.9% | 6.0% |
| Depreciation/amortization charged to earnings | 15.1 | 13.3 | 44.8 | 38.7 | 62.5 | 56.4 |
| Earnings per share before and after dilution, SEK * | 1.12 | 0.79 | 3.83 | 2.09 | 4.33 | 2.76 |
| Average number of shares (thousands) | 8,068 | 8,068 | 8,068 | 7,440 | 8,068 | 7,598 |
| Number of shares (thousands) at the end of the period | 8,068 | 8,068 | 8,068 | 8,068 | 8,068 | 8,068 |

* Attributable to parent company shareholders' share of profit after tax.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IN SUMMARY

SEK million

| Balance sheet | 30 Sep 2019 | 30 Sep 2018 | 31 Dec 2018 |
|-------------------------------------|----------------|--------------|--------------|
| Assets | | | |
| Intangible assets | 296.6 | 281.2 | 278.5 |
| Property, plant and equipment | 459.4 | 368.4 | 374.0 |
| Financial fixed assets | 2.6 | 8.5 | 2.4 |
| Other current assets | 263.3 | 260.7 | 253.4 |
| Cash and bank balances | 57.7 | 41.9 | 49.0 |
| Total assets | 1,079.6 | 960.7 | 957.3 |
| Equity and liabilities | | | |
| Equity | 551.6 | 503.8 | 508.5 |
| Non-current liabilities | 358.0 | 281.0 | 294.0 |
| Current liabilities | 170.0 | 175.9 | 154.8 |
| Total equity and liabilities | 1,079.6 | 960.7 | 957.3 |

SUMMARY STATEMENT OF CHANGES IN EQUITY

| SEK million | 30 Sep 2019 | 30 Sep 2018 | 31 Dec 2018 |
|----------------------------|--------------|--------------|--------------|
| Opening balance | 508.5 | 369.0 | 369.0 |
| New issue | - | 101.5 | 101.7 |
| Redemption of warrants | -0.2 | -0.2 | -0.2 |
| Effect of changed tax rate | 0.3 | - | - |
| Dividend | -8.1 | - | - |
| Total comprehensive income | 51.1 | 33.5 | 38.0 |
| Closing equity | 551.6 | 503.8 | 508.5 |

KEY PERFORMANCE INDICATORS GROUP

| | | Jan-Sep 2019 | Jan-Sep 2018 | Jan-Dec 2018 |
|---|-------------|--------------|--------------|--------------|
| Return on operating capital | % | 6.0 | 4.9 | 5.1 |
| Return on equity | % | 7.8 | 5.2 | 4.8 |
| Share of own risk capital | % | 53.5 | 55.5 | 56.0 |
| Solvency | % | 51.1 | 52.4 | 53.1 |
| Net debt | SEK million | 344.5 | 287.5 | 287.4 |
| Investments excl. acquisitions and lease assets | SEK million | 89.1 | 58.3 | 79.9 |
| Average number of employees | | 575 | 562 | 572 |
| Equity per share | SEK | 68.37 | 62.44 | 63.02 |
| Dividend | SEK | 0:00 | 0.00 | 1:00 |

KEY PERFORMANCE INDICATORS BY SEGMENT

| SEK million Net sales by segment | | | Growth | | | | Growth | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|
| | Jul-Sep 2019 | Jul-Sep 2018 | Jul-Sep 2019 | Jan-Sep 2019 | Jan-Sep 2018 | Jan-Sep 2019 | Oct-Sep 2018/19 | Jan-Dec 2018 |
| Dental | 54.1 | 46.1 | 17.4% | 170.1 | 155.8 | 9.2% | 221.0 | 206.7 |
| Orthopedics | 58.1 | 51.3 | 13.3% | 178.4 | 145.7 | 22.4% | 232.7 | 200.0 |
| Life Science | 44.9 | 56.7 | -20.8% | 182.6 | 174.3 | 4.8% | 246.3 | 238.0 |
| Total net sales | 157.1 | 154.1 | 1.9% | 531.1 | 475.8 | 11.6% | 700.0 | 644.7 |

There are no sales between the business areas

| SEK million Key performance indicators | EBITDA Jul-Sep 2019 | EBITDA, % Jul-Sep 2019 | EBITDA Jan-Sep 2019 | EBITDA, % Jan-Sep 2019 | EBIT Jul-Sep 2019 | EBIT, % Jul-Sep 2019 | EBIT Jan-Sep 2019 | EBIT, % Jan-Sep 2019 |
|---|---------------------------|------------------------------|---------------------------|------------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
| | | | | | | | | |
| Dental | 10.8 | 20.0% | 32.4 | 19.1% | 5.9 | 11.0% | 17.7 | 10.4% |
| Orthopedics | 10.3 | 17.8% | 31.5 | 17.7% | 4.8 | 8.3% | 15.5 | 8.7% |
| Life Science | 9.7 | 21.6% | 36.9 | 20.2% | 5.0 | 11.1% | 22.9 | 12.5% |
| Unallocated Group income and expenses | -1.5 | | -4.8 | | -1.5 | | -4.8 | |
| Total | 29.3 | 18.7% | 96.0 | 18.1% | 14.2 | 9.0% | 51.2 | 9.6% |

QUARTERLY RESULTS FOR THE GROUP

| SEK million Quarterly results | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 | Q1 2018 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 157.1 | 184.1 | 189.9 | 168.9 | 154.1 | 166.0 | 155.7 |
| Cost of goods sold | -109.3 | -128.0 | -129.9 | -120.9 | -110.3 | -123.3 | -111.8 |
| Gross profit | 47.8 | 56.1 | 60.0 | 48.0 | 43.8 | 42.7 | 43.9 |
| Sales, admin and development costs | -34.3 | -41.1 | -39.6 | -37.4 | -32.7 | -36.8 | -33.2 |
| Other operating items | 0.7 | 0.6 | 1.0 | 0.4 | 0.7 | -0.7 | 0.2 |
| Operating profit | 14.2 | 15.6 | 21.4 | 11.0 | 11.8 | 5.2 | 10.9 |
| Net financial items | -2.8 | -3.1 | -3.2 | -3.2 | -3.2 | -2.4 | -2.1 |
| Exchange differences | - | -3.9 | 2.4 | -1.8 | -0.9 | 2.4 | 0.8 |
| Profit after financial items | 11.4 | 8.6 | 20.6 | 6.0 | 7.7 | 5.2 | 9.6 |
| Taxes | -2.4 | -2.0 | -5.3 | -2.0 | -1.3 | -1.8 | -2.5 |
| Profit after tax | 9.0 | 6.6 | 15.3 | 4.0 | 6.4 | 3.4 | 7.1 |

CONSOLIDATED STATEMENT OF CASH FLOWS, IN SUMMARY

| SEK million | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | Oct-Sep | Jan-Dec |
|---|-------------|-------------|-------------|--------------|--------------|--------------|
| Cash flow | 2019 | 2018 | 2019 | 2018 | 2018/19 | 2018 |
| Profit after net financial items | 11.4 | 7.7 | 40.6 | 22.5 | 46.6 | 28.5 |
| Reversal of depreciation and impairments | 15.1 | 13.3 | 44.8 | 38.7 | 62.5 | 56.4 |
| Non-cash items | -1.5 | 1.9 | 1.7 | -0.8 | 5.4 | 2.9 |
| Tax paid | -0.7 | 2.1 | -5.4 | -1.0 | -16.2 | -11.8 |
| Change in working capital | 6.3 | -6.6 | 6.0 | -12.7 | 8.8 | -9.9 |
| Cash flow from operating activities | 30.6 | 18.4 | 87.7 | 46.7 | 107.1 | 66.1 |
| Investments in fixed assets | -30.2 | -26.0 | -89.1 | -58.3 | -110.7 | -79.9 |
| Sale of fixed assets | 1.4 | - | 1.4 | - | 1.4 | - |
| Operating cash flow | 1.8 | -7.6 | 0.0 | -11.6 | -2.2 | -13.8 |
| New share issue/redemption of warrants | -0.1 | -0.1 | -0.3 | 101.3 | -0.2 | 101.4 |
| Change in bank overdraft facility | -0.1 | 4.9 | -9.7 | -41.9 | -8.2 | -40.4 |
| Loans raised | 40.7 | 31.9 | 88.4 | 45.1 | 97.6 | 54.3 |
| Repayment of loans | -37.4 | -33.6 | -63.1 | -60.4 | -64.9 | -62.2 |
| Dividend | - | - | -8.1 | - | -8.1 | - |
| Cash flow for the period | 4.9 | -4.5 | 7.2 | 32.5 | 14.0 | 39.3 |
| Cash flow for the period, in total | 4.9 | -4.5 | 7.2 | 32.5 | 14.0 | 39.3 |
| Cash and cash equivalents at the beginning of the period | 51.8 | 47.0 | 49.0 | 9.6 | 41.9 | 9.6 |
| Exchange difference in cash and cash equivalents | 1.0 | -0.6 | 1.5 | -0.2 | 1.8 | 0.1 |
| Cash and cash equivalents at the end of the period | 57.7 | 41.9 | 57.7 | 41.9 | 57.7 | 49.0 |

CONDENSED PARENT COMPANY INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

| SEK million | Jul-Sep | Jul-Sep | Jan-Sep | Jan-Sep | Oct-Sep | Jan-Dec |
|-------------------------------------|-------------|-------------|--------------|-------------|--------------|--------------|
| Income statement | 2019 | 2018 | 2019 | 2018 | 2018/19 | 2018 |
| Net sales | 4.6 | 6.2 | 13.7 | 18.4 | 19.9 | 24.6 |
| Cost of goods sold | -0.2 | - | -0.5 | - | -0.5 | - |
| Gross profit | 4.4 | 6.2 | 13.2 | 18.4 | 19.4 | 24.6 |
| Selling expenses | -1.9 | -2.6 | -5.6 | -8.1 | -8.6 | -11.1 |
| Administrative expenses | -6.8 | -6.2 | -22.9 | -20.3 | -28.9 | -26.3 |
| Other operating income/expenses | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Operating profit | -4.2 | -2.5 | -15.2 | -9.9 | -18.0 | -12.7 |
| Financial income | 2.5 | 3.2 | 7.4 | 8.5 | 10.6 | 11.7 |
| Financial expenses | -0.8 | -1.2 | -3.0 | -2.8 | -4.3 | -4.1 |
| Exchange differences | 7.7 | -1.2 | 11.9 | 8.1 | 13.4 | 9.6 |
| Profit after financial items | 5.2 | -1.7 | 1.1 | 3.9 | 1.7 | 4.5 |
| Appropriations | - | - | - | - | 0.4 | 0.4 |
| Taxes | -1.2 | 0.3 | -0.4 | -1.0 | -0.8 | -1.4 |
| Profit after tax | 4.0 | -1.4 | 0.7 | 2.9 | 1.3 | 3.5 |

* Profit after tax is the same as comprehensive income for the year.

CONDENSED PARENT COMPANY BALANCE SHEET

| SEK m | 30 Sep 2019 | 30 Sep 2018 | 31 Dec 2018 |
|-------------------------------------|--------------|--------------|--------------|
| Balance sheet | | | |
| Assets | | | |
| Intangible assets | 2.8 | 4.2 | 3.8 |
| Property, plant and equipment | 0.5 | 0.7 | 0.7 |
| Financial fixed assets | 415.5 | 416.2 | 417.3 |
| Other current assets | 33.2 | 22.5 | 13.5 |
| Cash and bank balances | 23.0 | 28.7 | 34.3 |
| Total assets | 475.0 | 472.3 | 469.6 |
| Equity and liabilities | | | |
| Equity | 366.7 | 373.5 | 374.3 |
| Untaxed reserves | 7.2 | 7.5 | 7.2 |
| Provisions | 6.1 | 5.3 | 5.5 |
| Non-current liabilities | 46.2 | 42.5 | 51.4 |
| Current liabilities | 48.8 | 43.5 | 31.2 |
| Total equity and liabilities | 475.0 | 472.3 | 469.6 |

RECONCILIATION BASIS FOR ALTERNATIVE PERFORMANCE MEASURES

| SEK million | Jul-Sep 2019 | Jul-Sep 2018 | Jan-Sep 2019 | Jan-Sep 2018 | Oct-Sep 2018/19 | Jan-Dec 2018 |
|--|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|
| Organic growth | | | | | | |
| Reported net sales | 157.1 | 154.1 | 531.1 | 475.8 | 700.0 | 644.7 |
| Net sales compared to the same period last year | 154.1 | 132.5 | 475.8 | 429.0 | 624.7 | 577.9 |
| Change in net sales | 3.0 | 21.6 | 55.3 | 46.8 | 75.3 | 66.8 |
| Growth,% | 1.9 | 16.3 | 11.6 | 10.9 | 12.1 | 11.6 |
| Net sales from acquired operations | - | - | - | - | - | - |
| Adjusted net sales from acquisition effects | 157.1 | 154.1 | 531.1 | 475.8 | 700.0 | 644.7 |
| Organic growth,% | 1.9 | 16.3 | 11.6 | 10.9 | 12.1 | 11.6 |
| Net sales adjusted for currency fluctuations | | | | | | |
| Currency fluctuations | 5.1 | 9.1 | 20.2 | 12.1 | 27.1 | 19.0 |
| Currency-adjusted net sales of the same period last year | 159.2 | 141.6 | 496.0 | 441.1 | 651.8 | 596.9 |
| Change,% | -1.3 | 8.9 | 7.1 | 7.9 | 7.4 | 8.0 |

| | Jul-Sep 2019 | Jul-Sep 2018 | Jan-Sep 2019 | Jan-Sep 2018 | Oct-Sep 2018/19 | Jan-Dec 2018 |
|--|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|
| EBITDA | | | | | | |
| Reported operating profit | 14.2 | 11.8 | 51.2 | 27.9 | 62.2 | 38.9 |
| Depreciation/amortization and impairment | 15.1 | 13.3 | 44.8 | 38.7 | 62.5 | 56.4 |
| EBITDA | 29.3 | 25.1 | 96.0 | 66.6 | 124.7 | 95.3 |

The Board of Directors and management have decided to remove comparative figures for non-recurring items in the Reconciliation Basis for Alternative Performance Measures report.

| Own risk capital | 30 Sep 2019 | 30 Sep 2018 | 31 Dec 2018 |
|-------------------------|--------------------|--------------------|--------------------|
| Equity | 551.6 | 503.8 | 508.5 |
| Deferred tax liability | 26.3 | 29.6 | 27.3 |
| Own risk capital | 577.9 | 533.4 | 535.8 |

| Net debt | 30 Sep 2019 | 30 Sep 2018 | 31 Dec 2018 |
|--|--------------------|--------------------|--------------------|
| Non-current interest-bearing provisions for pensions | 56.2 | 41.6 | 44.7 |
| Non-current interest-bearing liabilities | 275.5 | 209.9 | 222.1 |
| Current interest-bearing liabilities | 70.5 | 77.9 | 69.6 |
| Total liabilities | 402.2 | 329.4 | 336.4 |
| Cash and cash equivalents | -57.7 | -41.9 | -49.0 |
| Net debt | 344.5 | 287.5 | 287.4 |

| Cash and cash equivalents including unutilized bank overdraft facility and framework agreements | 30 Sep 2019 | 30 Sep 2018 | 31 Dec 2018 |
|--|--------------------|--------------------|--------------------|
| Cash and cash equivalents | 57.7 | 41.9 | 49.0 |
| Utilized bank overdraft facility | - | -7.9 | -9.4 |
| Bank overdraft facilities granted and framework agreements | 68.7 | 80.9 | 67.5 |
| Cash and cash equivalents including unutilized bank overdraft facility and framework agreements | 126.4 | 114.9 | 107.1 |

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 performance measures are intended to serve as important supplementary performance measures 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 performance measures do not need to be comparable with similar performance measures used by other companies. The reconciliation basis for calculating some of these performance measures is provided on page 18 of this report.

Sales adjusted for currency fluctuations

Change in net sales adjusted for changes in exchange rates attributable to translation of subsidiaries compared with 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.

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.

Own risk capital

The total of the reported amount of equity, any minority interests and deferred tax liability.

Net debt

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.

Nomination Committee

In accordance with decision at Elos Medtech's AGM on April 23, 2019, the three largest shareholders in terms of the number of votes and the two major equity shareholders at the month end of August 2019 appointed the following persons to be included in Elos Medtech's Nomination Committee ahead of the AGM 2020: Thomas Öster, appointed by the family Öster, Ulf Runmarker, appointed by the family Runmarker, Bo Nilsson, appointed by the family Nilsson, Bengt Belfrage, appointed by Nordea Fonder and Ulf Hedlundh, appointed by Svolder AB. Chairman of the Nomination Committee is Bengt Belfrage, appointed by the Nomination Committee. The chairman of the board Yvonne Mårtensson is adjunct to the Nomination Committee.

Shareholders who would like to submit proposals to the Elos Medtech Nomination Committee can send an email to valberedning@elosmedtech.com with the headline "To the Nomination Committee" or by mail to Elos Medtech AB, Torsgatan 5B, 411 04 Göteborg, marked "To Nomination Committee", at the latest 13 January 2020.

Financial information

The Year-End Report 2019 will be published on 18 February 2020. The Annual Report 2019 will be published in April 2020.

Interim Report Jan - March 2020 will be published on 5 May 2020. Interim Report Jan - June 2020 will be published on 12 August 2020.

Interim Report Jan - Sep 2020 will be published on 20 October 2020.

The Year-End Report 2020 will be published on 24 February 2021.

The Annual General Meeting for 2020 will be held on 21 April 2020.

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Publication

This information in this report is information that Elos Medtech AB (publ) is required to publish under the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted (by the contact person specified above) for publication on 24 October 2019 at 14:00 (CET).

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.

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