

Elos Medtech investing to meet increased demand in robotic surgery

The Board of Directors of Elos Medtech has today decided to approve investments in Elos Medtech's Orthopedics business area to meet increased customer demand in 2021 and ensure long-term growth in line with the company's strategic business plan.

The increased demand that is now seen in Orthopedics is in robotic-assisted surgery, an area of the market where Elos Medtech is well established with several strategic customers. Robotic surgery continues to develop, even during the current pandemic, and is considered a growth engine in the orthopedic market. Within a few years, the company expects about half of the sales within Orthopedics will be products for robotic surgery. Already in 2021, increased annual sales of approximately SEK 100 million are expected. This requires investments in machinery, personnel, and other equipment, primarily in the US site, of approximately SEK 70 million over a three-year period.

In recent years, Elos Medtech has developed a strong product offering in orthopedics through specialization and investments in the company's core competencies. During the previous year, the expansion of Elos Medtech's site in Memphis, USA, was completed as part of the Group's strategic growth plan. Focused investments and dedicated work have contributed to an increased interest from leading global orthopedic companies to develop and expand their collaboration with Elos Medtech.

"We are very pleased that our customers are showing great interest in the focused work and investments we have previously made in Orthopedics. We now have multi-year forecasts that confirm our investments in orthopedics. This significant demand is a major step towards achieving our long-term goals for growth and profitability," says Jan Wahlström, President and CEO.

"We are gaining sales within robotic-assisted surgery thanks to our demonstrated expertise in this key market, our long-term specialization in selected products and close working partnerships with our strategic customers. It is very exciting to see this market trend continue to develop and drive significant revenue growth in the near term" says Jodie Gilmore, Global Business Director Orthopedics.

Elos Medtech is a leading development and production partner for medical devices and components, with a focus on dental and orthopedic implants and instruments. The company operates from facilities in Sweden, Denmark, China and the U.S. The customer base comprises international medical technology companies.

Elos Medtech has more than 500 employees and a turnover of SEK 689 million in 2019. Elos Medtech has been listed on NASDAQ Stockholm AB since 1989. Elos Medtech's B share is categorized as a Health Care company on the Small Cap list.

Gothenburg, November 2, 2020

Elos Medtech AB (publ)

For further information, contact:

Jan Wahlström, CEO, +46 70 212 18 89, jan.wahlstrom@elosmedtech.com

Jodie Gilmore, Global Business Director Orthopedics, +1 901 323 6699, jodie.gilmore@elosmedtech.com

This information is such as Elos Medtech AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above on November 2, 2020, at 12:30 (CET).

For additional information about the Elos Medtech Group, visit www.elosmedtech.com