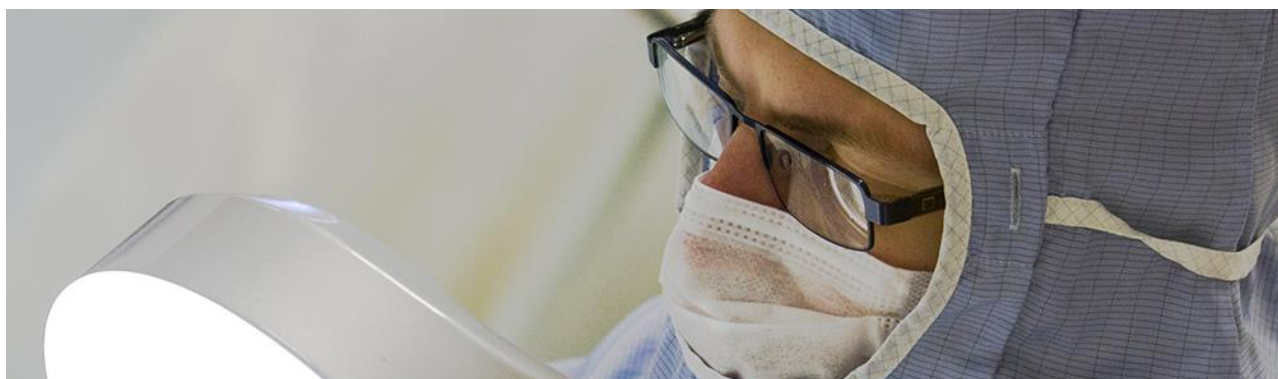


Year-end report, 1 January – 31 December 2015



- **Net sales** amounted to SEK 503.7 M (380.9), up 26.4%, of which organic growth accounted for minus 1.1%*. The unit in Tianjin had a negative impact on growth and the remaining units contributed with a positive growth of 4.9%*.
- **Order bookings** were SEK 472.6 M (418.1), up 8.0%*. Onyx Medical continued to contribute positively to order bookings. The lower demand in Tianjin had a negative impact on the year, this unit's current workload indicates a return to normal levels.
- **Operating profit**, prior non-recurring items, totalled SEK 38.7 M (36.5). The strong trend for Onyx Medical continued. As feared, the slowdown at the unit in Tianjin had a negative impact on profit. Operating profit after non-recurring items corresponding to SEK 8.2 M (3.4), was SEK 30.5 M (33.1).

* Adjusted for exchange-rate fluctuations.

- **Profit after net financial items** was SEK 22.5 M (31.8). Net financial items were negatively impacted by exchange-rate differences of SEK 0.4 M (pos: 3.3).
- **Profit after tax** was SEK 16.1 M (23.4), or SEK 2.66 (3.87) per share.
- **Cash flow** after investments was a negative SEK 144.9 M (pos: 31.6), of which corporate acquisitions accounted for a negative SEK 160.4 M.
- **The Board of Directors** proposes payment of a dividend of SEK 1.00 per share.
- **The acquisition** of the North American company Onyx Medical LLC, based in Memphis, TN, in the US, was finalised on 23 April 2015. Onyx is an important strategic acquisition and operations have contributed strongly to the earnings for the year.

"During 2015, Elos Medtech's growth significantly outperformed the market in three of its four market segments". Read CEO's comments on page 2.

	Okt-Dec 2015	Okt-Dec 2014	Jan-Dec** 2015	Jan-Dec 2014
Order bookings, SEK M	147,2	116,7	472,6	418,1
Net sales, SEK M	136,0	106,2	503,7	380,9
Growth, %*	25,7	6,5	26,4	0,7
EBITDA, SEK M	18,0	17,7	79,3	67,8
EBITDA, %	13,7	16,7	15,7	17,8
Operating profit, SEK M	5,0	8,6	30,5	33,1
Operating margin, %	3,7	8,1	6,1	8,7
Profit after financial items, SEK M	2,5	9,0	22,5	31,8
Profit after tax, continuing operations, SEK M	3,2	4,6	16,1	23,4
Profit after tax, discontinued operations, SEK M	-	-3,7	-	93,4
Profit after tax, total, SEK M	3,2	0,9	16,1	116,8
Profit after tax per share, continuing operations, SEK	0:53	0:76	2:66	3:87

* Adjusted for exchange-rate fluctuations. ** Due to effects of the final acquisition analysis, the accumulated outcome for September has been adjusted with a cost increase of SEK 3.8 M.

President and CEO, Johannes Lind-Widestam, comments:

"Global demand for medical technology products was favourable during 2015. Demand rose steadily, with the exception of some emerging markets, for which certain stagnation was noticeable.

In three of the Group's market segments, a continued stable business trend was noted compared with 2014, and growth in these markets was significantly faster than the market as a whole. Sales in the Dental Implant Systems market segment grew by 6.7%, Trauma & Spine by 238% – mainly due to the acquisition of Onyx Medical – and Diagnostics by 23.8%. Sales of our own products, primarily in market segment Dental Implant Systems, showed strong growth.

For the Group's fourth market segment – Medical Devices – sales declined 10.7% in 2015. The decline was solely an effect of lower-than-planned deliveries in the second half of the year to Novo Nordisk in Tianjin, China. During the early part of 2016, however, the production workload in China returned to normal volumes and it is our expectation that the current situation will be consolidated during the

rest of the year.

We continue to take a positive view of the expansion occurring at Microplast in Skara. The move to the newly built part of the production facility started at year-end. Formal inauguration will occur in connection with the Annual General Meeting in April. The positive trend of increased order bookings and higher production activity was strengthened in the fourth quarter and continued into 2016.

Onyx Medical had a very positive business trend and its growth reached 18% on an annual basis. Integration work has proceeded as planned and it is gratifying that Onyx's customers in North America have already started to place orders with our other production units.

Growth for Elos Medtech's own products was 37% during the year and accounted for 9% of the Group's total sales. During 2015, we broadened our product offering within the Accurate range, which has been well received by the market. To manage continued rapid expansion of own products, we have continued to strengthen our sales organisation."



Johannes Lind-Widestam
President and CEO

This feature about Elos Medtech's Elos Accurate® is separate information and is not part of the official year-end report Jan-Dec 2015.

Elos Medtech broadens Elos Accurate® product range

Elos Medtech's digital dental products are called Elos Accurate. The Elos Accurate range focuses on CAD/CAM technology for dental implants and features a number of innovative product solutions that simplify the work flow for digital dental products, such as scan bodies, model analogues and libraries for both dentists and the dental laboratory. Elos Accurate is an open product solution, which means that it is compatible with the various implant systems on the market. The increased demand for aesthetic and individually adapted prosthetic treatment solutions is driving the global trend towards more efficient and flexible digital work flows.

During the autumn, Elos Medtech launched a new product in the Accurate family in Europe, Elos Hybrid Base, which is a prosthetic implant solution for individual teeth and bridges. The product reduces complexity for the user and thus simplifies the digital work flow.



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 are, as a result, reported as a single operating segment as of 1 January 2015. Operations are conducted at facilities in Sweden, Denmark, China and the US. In the second quarter, the company's registered name was changed to Elos Medtech AB. The company is one of Europe's leading partners in the development and production of medical technology products and components, such as dental and orthopaedic implants and instruments. Customers consist primarily of internationally active medical technology companies in the market segments of Dental Implant Systems, Diagnostics, Medical Devices and Trauma & Spine.

Programmes aimed at future development and expansions 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 programmes are pursued further, and that greater efforts are made to develop quality work. There will also be a continuing focus on developing support-related services, as well as a continuing build-up of sales resources. Effective cost control is necessary in parallel with these efforts.

One stage of this expansion is growth through acquisitions that complement the existing structure, which has been partially realised through the acquisition of the North American company Onyx Medical LLC. This acquisition was finalised in the second quarter and is consolidated as of 23 April. The company is based in Memphis, TN, USA, and is a leading supplier in the Trauma & Extremities segment. The company has about 125 employees and had sales of approximately SEK 134 M in 2014. The acquisition strengthens the Group's market position within Trauma & Extremities and, combined with current operations, will serve as a platform for the Group's development in North America. After the acquisition date, the acquisition contributed sales of SEK 109.4 M for 2015 and operating profit of SEK 18.2 M after impact of consolidated surplus values. If the acquisition had taken place at the beginning of the year, it would have contributed sales of SEK 157.8 M and operating profit of SEK 26.6 M after impact of consolidated surplus values. Planned amortisation of the surplus value of intangible

assets (excluding goodwill) and depreciation of buildings amounted to SEK 3.0 M. In addition, a non-recurring cost of SEK 2.7 M arose for changes in inventory. In terms of earnings, the acquisition has made a significant contribution to consolidated profit and is continuing to perform strongly and has a positive outlook for 2016. See Note 1 for a final description of the acquisition.

Sales

October-December 2015

Consolidated net sales during the fourth quarter rose to SEK 136.0 M (106.2). Adjusted for changes in exchange rates, the increase was 25.7%. Onyx Medical accounted for the largest share of the increase in sales. The temporary decline we had anticipated for sale to Novo Nordisk was realised. Order bookings for the quarter amounted to SEK 147.2 M (116.7) which, adjusted for exchange-rate fluctuations, represents an increase of 22.9%. Onyx Medical made a positive contribution to order bookings at the same time as order bookings for the unit in Tianjin in the Medical Devices market segment have returned to more normal levels.

January-December 2015

The Group's net sales during the year increased to SEK 503.7 M (380.9). Adjusted for changes in exchange rates, the increase was 26.4%. Onyx Medical accounted for the greater part of the increase in sales. However, sales were adversely impacted by a temporary decline in sales to Novo Nordisk during the second half of the year, resulting in negative growth of 25.4% adjusted for changes in exchange rates. The trend for other units was mixed, with positive growth of 4.9%, adjusted for changes in exchange rates. Order bookings during the year amounted to SEK 472.6 M (418.1), corresponding to an increase of 8.0% adjusted for changes in exchange rates. Onyx Medical continued to make a positive contribution to order bookings. The lower demand at the unit in Tianjin had a negative impact on the year, this unit's current workload indicates a return to normal levels.

The demand trend remained generally positive, although a temporary decline in the Medical Devices in China was noticeable, while other market segments showed healthy growth. In the Diagnostics market segment, the company's major cus-

Net sales by market segment	Okt-Dec	Okt-Dec	Jan-Dec	Jan-Dec
SEK M	2015	2014	2015	2014
Dental Implant Systems	40,2	38,7	153,7	141,4
Diagnostics	4,9	5,5	23,6	19,1
Medical Devices	41,1	47,9	168,7	173,8
Trauma & Spine	49,8	14,1	157,7	46,6
Total net sales	136,0	106,2	503,7	380,9

tomers are performing according to plan and new business is being implemented progressively. In the Trauma & Spine market segment, the strong trend was mainly attributable to Onyx Medical. Other customers in this segment developed as expected. The Dental Implant Systems market segment continued to display stable growth and a high level of activity.

The Group's strategy is to develop own products that complement our customers' product range, such as various types of instruments. The range of these products is developed continuously and new products are introduced on an ongoing basis. During the year, the first own product in the Trauma & Spine market segment, Elos Retraktor™, was introduced. Growth during the year amounted to about 37%. Own products now account for SEK 46.8 M (33.2) of consolidated net sales.

Earnings - October-December 2015

Operating profit in the fourth quarter amounted to SEK 5.0 M (8.6), corresponding to an operating margin of 3.7% (8.1). Onyx Medical continued to make a positive contribution to earnings, at the same time as lower sales at the unit in Tianjin continued to have a negative impact. Consolidated net financial items were adversely impacted by translation differences corresponding to an expense of SEK 0.5 M (income: 1.4) and amounted to an expense of SEK 2.5 M (income: 0.4). Profit after financial items totalled SEK 2.5 M (9.0). Profit after tax for continuing operations amounted to SEK 3.2 M (4.6), corresponding to SEK 0.53 (0.76) per share. The Group's comprehensive income amounted to SEK 0.6 M (4.3). Comprehensive earnings per share were SEK 0.10 (0.71).

Earnings - January-December 2015

Operating profit during the year amounted to SEK 30.5 M (33.1), corresponding to an operating margin of 6.1% (8.7). Profit for the year was charged with non-recurring expenses, of which SEK 4.4 M (2.0) pertained to acquisitions, SEK 1.1 M (0) to double CEO costs and, in the preceding year, also costs for introducing the Cresco™ system (1.4), which has now been finalised. In addition, non-recurring costs of SEK 2.7 M have been expensed resulting from the final acquisition analysis.

Adjusted for these items, the operating margin was 7.7% (9.6). Onyx Medical continued to make a positive contribution to underlying earnings, at the same time as investments in own products and market integration had a negative impact. As feared, the lower operational activity in Tianjin continued to have a negative impact on profit. Consolidated net financial items were adversely impacted by translation differences corresponding to an expense of SEK 0.4 M (income: 3.3) and amounted to an expense of SEK 8.0 M (expense: 1.3). Profit after financial items totalled SEK 22.5 M (31.8). Profit after tax for continuing operations was SEK 16.1 M (23.4), or SEK 2.76 (3.11) per share. The Group's comprehensive income was SEK 10.1 M (117.9*). Comprehensive income per share amounted to SEK 1.67 (19.48*).

* Comparative figures for 2014 include earnings from discontinued operations.

Investments

The Group's investment in buildings, land, machinery and equipment amounted to SEK 71.8 M (35.1) and pertained primarily to expanded machine capacity to meet the higher demand and, to some extent, to replacement investments and expansion of Microplast's property. In addition, SEK 2.0 M (1.3) was invested in capitalised development expenditure and SEK 2.0 M (4.6) in other intangible fixed assets. Furthermore, the acquisition of Onyx Medical resulted in investments of SEK 311.6 M in goodwill, other intangible assets, buildings, machinery and equipment.

Financial position and liquidity

Total consolidated assets for the year increased to SEK 881.6 M (607.7). The increase in total assets derived from the acquisition of Onyx Medical.

The Group's shareholders' equity totalled SEK 330.5 M (338.6). Shareholders' equity per share was SEK 56.89 (55.96). Risk-bearing equity at year-end totalled SEK 353.4 M (359.8), or 40.0% (59.2) of the total capital. The Group's equity/assets ratio was 37.5% (55.7).

The Group's cash flow from operating activities was SEK 61.6 M (55.3). Cash flow after investments and sales of non-current assets was a negative SEK 144.9 M (31.6), on which

Earnings	Okt-Dec	Okt-Dec	Jan-Dec *	Jan-Dec
	2015	2014	2015	2014
EBITDA, SEK M	18,0	17,7	79,3	67,8
EBITDA, %	13,7	16,7	15,7	17,8
EBIT, SEK M	5,0	8,6	30,5	33,1
EBIT, %	3,7	8,1	6,1	8,7
Profit after financial items, SEK M	2,5	9,0	22,5	31,8
Profit after tax, continuing operations, SEK M	3,2	4,6	16,1	23,4

* Due to effects of the final acquisition analysis, the accumulated outcome for September has been adjusted to reflect a cost increase of SEK 3.8 M.

company acquisitions had a negative impact of SEK 160.4 M (0.0).

The Group's net borrowing increased during the year to SEK 427.3 M (58.0), due to the acquisition of Onyx Medical. The sale of Elos Fixturlaser had a substantial impact on net borrowing in 2014.

The Group's cash and cash equivalents, including unutilised overdraft facilities, totalled SEK 111.6 M (182.7).

Personnel

At the end of the year, the Group had 505 full-time employees, compared with 387 full-time employees at the preceding year-end.

Forecast 2016

The Group's position in its selected market segments constitutes a foundation for continued growth.

Discontinued operations

The subsidiary Elos Fixturlaser, which comprised the Metrology business area, was divested as of 30 June 2014. The sale provided the Group with a capital gain of SEK 88.2 M, and a cash injection of SEK 125.3 M before divestment costs. The additional purchase consideration of SEK 1.3 M was settled during the first quarter of 2015.

Earnings for Elos Fixturlaser for the first six months of 2014 are included in this year-end report. Earnings from the discontinued operations have been excluded from all income and cost items in the income statement and are recognised 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 15.7 M (11.1). Profit after financial items totalled SEK 13.4 M (110.2). Profit includes an intra-Group dividend of SEK 9.9 M (7.2) and Group contributions of SEK 10.5 M (11.3). The Parent Company's comprehensive income amounted to SEK 11.7 M (98.5). The percentage of risk-bearing capital was 73.5% (92.8). The equity/assets ratio was 73.4% (92.4). The Parent Company's cash and cash equivalents, including unutilised overdraft facilities, amounted to SEK 34.2 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

During the year, the company engaged in transactions with senior executives. These transactions comprise interest-free debt that has arisen due to the additional purchase consideration for the acquisition of Onyx Medical LLC, in a total amount of SEK 115.8 M.

Segment reporting

Following the divestment of the Metrology business area in 2014, the Group has only one operating segment, which comprises the development, production and sale of medical devices, components and services. The operations are managed, developed and marketed as a single unit, namely Elos Medtech. Accordingly, the consolidated statement of comprehensive income and statement of financial position relate in their entirety to one business segment as of 1 January 2015.

Accounting policies

The consolidated financial statements for 2015, similar to the year-end accounts for 2014, were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with the Swedish Annual Accounts Act. The Parent Company's accounts 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.

During the year, the Group analysed its management of currency risks, which resulted in a change in the way this is managed by the Group. As of the third quarter, forward contracts and currency hedges (NDFs) are no longer used to hedge the Group's net assets in foreign currency. As a result, it was concluded that this method of hedging had no material impact on the Group's financial position. A new hedging relationship in the form of loans in foreign currency is now used as a hedging instrument for USD-denominated net assets.

New or revised recommendations with application from 2015 are not considered to have any significant impact on the financial statements.

Changes in estimates and assessments

Changed interest rates have resulted in the use of a new assumption for calculating pension liabilities in accordance with IAS 19, compared with 30 September 2015, when a rate of 2.5% was used. At 31 December 2015, the new interest-rate assumption of 3.0% (3.0) resulted in an actuarial gain including tax of SEK 2.9 M during the fourth quarter; this had a positive impact on full-year profit of SEK 0.3 M, which has been recognised in other comprehensive income.

Nomination Committee

At the 2015 Annual General Meeting (AGM), it was resolved that the Nomination Committee is to comprise a minimum of four and a maximum of six members, of whom one is to be the Chairman of the Board. Other members are to be appointed by those shareholders who, at the end of the month of August, are the three largest shareholders in terms of voting rights in the company, as well as by the party who, in addition to the aforementioned, is the largest shareholder. Should one shareholder decline to elect a member, the right to elect a member will transfer to the next shareholder in line in terms of voting rights. The Chairman of the Nomination Committee is to represent the largest shareholder in terms of voting rights in the Nomination Committee unless the Nomination Committee unanimously decides to elect someone else. When appointing the Nomination Committee, the rules of Items 2.2, 2.3 and 2.4 of the Swedish Code of Corporate Governance (the Code) are to be observed, which entail, inter alia, that no member of company management may be a member of the Nomination Committee, that Board members are not to constitute a majority of the Committee and that no more than one constituent Board member of the Committee may be dependent in relation to any of the company's major shareholders. Prior to the 2016 AGM, the Nomination Committee's task is to submit proposals for the election of the Chairman of the AGM, the number of Board members and auditors, fees to be paid to Board members and remuneration for committee work, as well as fees for auditors, the election of Board members, proposal for Chairman of the Board and election of auditors.

Prior to the 2016 AGM, the Nomination Committee comprises Bo Nilsson, Ulf Runmarker and Thomas Öster representing the three largest shareholders, Stig-Arne Blom (Chairman of the Board) and Bengt Belfrage representing other shareholders. The Chairman of the Nomination Committee appointed by the Nomination Committee is Bengt Belfrage.

Audit review

This year-end report has not been reviewed by the company's auditor.

Annual General Meeting

The Annual General Meeting will be held in Lidköping on 26 April 2016.

Financial Information

Annual Report 2015 - publish in March/April 2016.

Interim report Jan-Mar 2016 - publish day 26 April 2016.

Interim report Jan-Jun 2016 - publish day 24 August 2016.

Interim report Jan-Sep 2016 - publish day 26 October 2016.

Press and analyst conference

Due to the publication of the year-end report, a press and analyst conference will be held on Thursday, 25 February at 12.00 a.m. (CET) at Remium's premises on Kungsgatan 12-14 in Stockholm, Sweden. The report will be presented and commented in Swedish by President and CEO Johannes Lind-Widestam. Information in English will be available on Elos Medtech's website shortly after the presentation via the link <http://elosmedtech.com/investor-relations/presentations-and-images/>. A brief interview in Swedish with Johannes Lind-Widestam will be available later during the day via the link <http://www.introduce.se/foretag/elos/> on Remium's website.

Lidköping, 25 February 2016

Elos Medtech AB (publ)

Board of Directors

For further information, contact:

Johannes Lind-Widestam, President and CEO,

+46 70 541 72 22

johannes.lind-widestam@elosmedtech.com

Ulrica Ehn, CFO, +46 510 48 43 67, +46 70 272 11 61

ulrica.ehn@elosmedtech.com

The information in this year-end report is such that Elos Medtech AB (publ) is required to disclose in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was issued for publication on 25 February 2016 at 08:00 a.m. (CET).

Consolidated income statement and statement of comprehensive income

SEK M	Okt-Dec	Okt-Dec	Jan-Dec *	Jan-Dec
Income statement	2015	2014	2015	2014
Net sales	136,0	106,2	503,7	380,9
Cost of goods sold	-104,4	-75,8	-367,6	-273,2
Gross profit	31,6	30,4	136,1	107,7
Selling expenses	-9,7	-6,1	-30,0	-21,1
Administration expenses	-13,5	-12,5	-63,2	-44,1
Development expenses	-4,3	-3,1	-13,9	-9,9
Other operating income/expenses	0,9	-0,1	1,5	0,5
Operating profit	5,0	8,6	30,5	33,1
Financial income	0,0	0,3	0,4	1,1
Financial expenses	-2,0	-1,3	-8,0	-5,7
Exchange-rate differences	-0,5	1,4	-0,4	3,3
Profit after net financial items	2,5	9,0	22,5	31,8
Income taxes	0,7	-4,4	-6,4	-8,4
Net profit for the year from continuing operations	3,2	4,6	16,1	23,4
Profit from discontinued operations, operations	-	-	-	5,2
Profit from discontinued operations, sales transaction	-	-3,7	-	88,2
Profit from discontinued operations, total	0,0	-3,7	0,0	93,4
Net profit after taxes	3,2	0,9	16,1	116,8
Profit attributable to:				
Parent company shareholders	3,2	0,9	16,1	116,8
Statement of comprehensive income				
Net profit after taxes	3,2	0,9	16,1	116,8
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial gains and losses	3,8	0,1	0,4	-5,7
Taxes	-0,9	-0,7	-0,1	0,6
	2,9	-0,6	0,3	-5,1
Items that may be reclassified to the income statement				
Translation differences	-5,6	8,5	-5,6	16,9
Translation of hedging of net investments	0,0	-5,8	-0,7	-12,8
Taxes	0,1	1,3	0,0	2,1
	-5,5	4,0	-6,3	6,2
Other comprehensive income, net	-2,6	3,4	-6,0	1,1
Comprehensive income for the period	0,6	4,3	10,1	117,9
Comprehensive income for the period attributable to:				
Parent company shareholders	0,6	4,3	10,1	117,9
EBITDA	13,2%	16,7%	15,7%	17,8%
EBIT	3,7%	8,1%	6,1%	8,7%
Depreciation charged against earnings, continuing operations	13,0	9,1	48,8	34,7
Earnings per share (SEK), continuing operations **	0:53	0:76	2:66	3:87
Earnings per share (SEK), discontinued operations **	-	-0:61	-	15:43
Earnings per share (SEK), total **	0:53	0:15	2:66	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

* Due to the effects of the final acquisition analysis, accumulated outcome for september has been adjusted with higher costs of about SEK 3.8 M.

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

Condensed consolidated balance sheet

SEK M	31 Dec 2015	31 Dec 2014
Balance sheet		
Assets		
Intangible fixed assets	275,7	68,5
Tangible fixed assets	356,7	230,1
Financial fixed assets	4,5	5,9
Other current assets	204,2	177,7
Cash and bank balances	40,5	125,5
Total assets	881,6	607,7
Shareholders' equity and liabilities		
Shareholders' equity	330,5	338,6
Long-term liabilities	331,2	162,7
Current liabilities	219,9	106,4
Total shareholders' equity and liabilities	881,6	607,7

Key figures

		Jan-Dec 2015	Jan-Dec 2014 *
Return on operating capital			
from continuing operations	%	5,3	8,2
Return on shareholders' equity	%	4,8	40,9
Share of risk-bearing capital	%	40,0	59,2
Equity/assets ratio	%	37,5	55,7
Net debt **	SEK M	427,3	58,0
Investments continuing operations excluding acquisition	SEK M	75,8	41,0
Number of employees in continuing operations		471	378
Shareholders' equity per share	SEK	54.63	55.96
Dividends (proposal 2015, SEK 1.00)	SEK	1.00	3.00 ***

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

*** The dividend for 2014 included SEK 1 per share as a special dividend.

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

Changes in shareholders' equity

SEK M	31 Dec 2015	31 Dec 2014
Opening balance	338,6	232,8
Dividends	- 18,2	-12,1
Comprehensive income for the period	10,1	117,9
Closing balance, shareholders' equity	330,5	338,6

Consolidated cash flow statement

SEK M	Okt-Dec	Okt-Dec	Jan-Dec *	Jan-Dec
Cash flow	2015	2014	2015	2014
Profit after net financial items	2,5	9,0	22,5	31,8
Reversal of depreciation	13,0	9,1	48,8	34,7
Adjustment items	1,1	-0,3	4,1	5,8
Income tax paid	-1,9	-8,3	-13,0	-10,8
Change in working capital	6,5	0,9	-0,8	-6,2
Cash flow from operations	21,2	10,4	61,6	55,3
Investments in fixed assets	-15,9	-11,9	-46,2	-23,9
Acquisition of company	-	-	-160,4	-
Sales of fixed assets	-	0,0	0,1	0,2
Balance after investments in fixed assets	5,3	-1,5	-144,9	31,6
Change of bank overdraft facility	0,5	1,1	4,0	-11,4
New long-term loans	25,4	4,6	119,8	20,5
Amortization of long-term loans	-14,9	-9,3	-45,0	-41,3
Realized financial exchange-rate differences	-	-7,5	-2,8	-8,8
Dividends	-	-	-18,2	-12,1
Cash flow for the period from continuing operations	16,3	-12,6	-87,1	-21,5
Cash flow from discontinued operations	-	0,5	1,3	120,1
Cash flow for the period	16,3	-12,1	-85,8	98,6
Liquid funds at beginning of the year	24,5	136,6	125,5	31,2
Liquid funds in discontinued operations	-	-	-	-6,8
Exchanges-rate differences in liquid funds	-0,3	1,0	0,8	2,5
Liquid funds at end of the period	40,5	125,5	40,5	125,5

* Due to the effects of the final acquisition analysis, accumulated outcome for september has been adjusted with higher costs of about SEK 3.8 M.

Quarterly figures - Group continuing operations

SEK M	Q4	Q3 *	Q2 *	Q1	Q4	Q3	Q2	Q1
Quarterly figures	2015	2015	2015	2015	2014	2014	2014	2014
Net sales	136,0	123,1	139,1	105,5	106,2	84,9	101,3	88,5
Cost of goods sold	-104,4	-92,0	-97,0	-74,2	-75,8	-60,6	-71,3	-65,5
Gross profit	31,6	31,1	42,1	31,3	30,4	24,3	30,0	23,0
Selling, adm. and dev. exp.	-27,5	-25,0	-28,6	-26,0	-21,7	-17,4	-19,2	-16,8
Other operating items	0,9	0,0	0,2	0,4	-0,1	0,1	0,3	0,2
Operating profit	5,0	6,1	13,7	5,7	8,6	7,0	11,1	6,4
Net financial items	-2,0	-2,7	-1,9	-1,0	-1,0	-1,1	-1,0	-1,5
Exchange-rate differences	-0,5	-0,1	-2,7	2,9	1,4	1,8	0,7	-0,6
Profit after net financial items	2,5	3,3	9,1	7,6	9,0	7,7	10,8	4,3
Income taxes	0,7	-1,7	-3,4	-2,0	-4,4	-0,1	-2,8	-1,1
Net profit after taxes continuing operations	3,2	1,6	5,7	5,6	4,6	7,6	8,0	3,2

* Due to the effects of the final acquisition analysis, accumulated outcome for the second and third quarters have been adjusted with higher costs of about SEK 19 M each.

Parent company income statement and statements of comprehensive income

SEK M	Okt- Dec	Okt- Dec	Jan- Dec	Jan- Dec
Income statement	2015	2014	2015	2014
Net sales	3,6	2,4	15,7	11,1
Cost of goods sold	-	-	-	-
Gross profit	3,6	2,4	15,7	11,1
Selling expenses	-1,9	-0,8	-7,1	-3,6
Administration expenses	-4,0	-4,1	-17,4	-14,8
Other operating income/expenses	-0,1	0,0	-0,2	-0,1
Operating profit	-2,4	-2,5	-9,0	-7,4
Result from participations in group company	10,5	11,3	20,4	18,5
Result from the sell of shares in group company	-	-5,6	-	98,3
Financial income	1,7	0,4	4,8	1,5
Financial expenses	-0,6	-0,1	-1,7	-0,7
Exchange- rate differences	0,0	-	-1,1	-
Profit after net financial items	9,2	3,5	13,4	110,2
Appropriations	-0,1	-0,5	-0,1	-0,5
Income taxes	-2,4	-1,9	-1,1	-1,2
Net profit/loss after taxes	6,7	1,1	12,2	108,5
Statements of comprehensive income				
Net profit/loss after taxes	6,7	1,1	12,2	108,5
Other comprehensive income				
Items that may be reclassified to the income statement				
Translation of hedging of net investments	-	-5,8	-0,7	-12,8
Tax	-	1,6	0,2	2,8
Other comprehensive income, net	0,0	-4,2	-0,5	-10,0
Comprehensive income for the period	6,7	-3,1	11,7	98,5

Condensed parent company balance sheet

SEK M	31 Dec	31 Dec
Balance sheet	2015	2014
Assets		
Intangible fixed assets	3,8	4,9
Tangible fixed assets	0,1	0,1
Financial fixed assets	342,2	173,2
Other current assets	13,8	10,0
Cash and bank balances	1,1	105,4
Total assets	361,0	293,6
Shareholders' equity and liabilities		
Shareholders' equity	260,8	267,3
Untaxed reserves	5,3	5,2
Provisions	4,5	4,5
Long- term liabilities	58,5	0,9
Current liabilities	31,9	15,7
Total shareholders' equity and liabilities	361,0	293,6

Note 1, Description of the acquisition

Acquisition of Onyx Medical LLC

Description of business combination

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 Medtech AB. As of 23 April 2015, controlling influence was attained and the company is thus included in the consolidated financial statements. The acquisition is reported in line with the purchase method, whereby the entire purchase consideration is distributed among acquired assets and liabilities. These assets and liabilities are measured at fair value pursuant to the application of generally accepted principles.

The purchase consideration less the net debt of the acquired business was SEK 164.9 M plus a contingent consideration. The amount of the contingent consideration is limited. Transaction expenses for the acquisition were included in the amount of SEK 6.4 M, of which SEK 2.0 M was included in operating expenses in the fourth quarter 2014, and SEK 4.4 M was included in operating expenses during 2015. Transaction expenses are recognised on the line administrative expenses in the consolidated income statement. Compared with the preliminary acquisition analysis, the final acquisition analysis has given rise to remeasurement of primarily intangible assets, such as customer relationships and goodwill, which has led to an increase totalling SEK 40.5 M. This has also entailed remeasurement of the contingent consideration, resulting in an increase of SEK 40.5 M to a maximum amount.

Goodwill arising from the acquisition mainly comprises strategic benefits and synergism, which is particularly expected to be achieved in the areas of marketing, sales and quality. According to US tax regulations, goodwill is deductible for tax purposes over a period of 15 years.

After the acquisition date, the acquisition contributed sales of SEK 109.4 M for 2015 and operating profit of SEK 18.2 M after impact of consolidated surplus values. If the acquisition had taken place at the beginning of the year, it would have contributed sales of SEK 157.8 M and operating profit of SEK 26.6 M after impact of consolidated surplus values. Planned amortisation of the surplus value of intangible assets (excluding goodwill) and depreciation of buildings has occurred in an amount of SEK 3.0 M. An additional impact was from non-recurring costs for inventory changes of SEK 2.7 M.

Description of the company

Onyx Medical LLC is based in Memphis, TN, USA, and is a leading supplier in the orthopaedic area of Trauma & Extremities. The company has some 125 employees and reported sales of approximately SEK 134 M in 2014. Following the acquisition, the previous management continues to run the company and is also part of Elos Medtech's management organisation. The company's customers consist of global medical technology companies. The company has a production facility of about 5,400 square metres, with 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 Medtech's market position within Trauma & Extremities and, in combination with existing operations, will serve as a platform for the Group's development in North America. After the acquisition, Elos Medtech has a presence in Asia, Europe and North America and, combined with existing operations, will be better positioned and have increased potential to serve the global market.

Acquisition value, goodwill and cash-flow effects

Currency rate at time of acquisition has been used

Acquisition value, SEK M

- consideration paid in cash	164,9
- estimated contingent consideration	118,8
Total consideration	283,7
Total fair value of acquired assets and liabilities	-86,5
Goodwill	197,2

Cash-flow effects, SEK M

Purchase consideration paid in cash	- 164,9
Cash and cash equivalents acquired	4,5
Effect on the Group's cash and cash equivalents	- 160,4

Net assets, SEK M

	Balance sheet on the acquisition date	Adjustment to fair value	Fair value
Intangible assets	-	20,8	20,8
Fixed assets	93,2	9,5	102,7
Inventories	11,9	6,7	18,6
Receivables	14,8	-	14,8
Cash and cash equivalents	4,5	-	4,5
Interest-bearing liabilities	-65,7	-	-65,7
Other liabilities	-9,2	-	-9,2
Total acquired net assets	49,5	37,0	86,5

