

Q2 2021

INTERIM REPORT

SEK 181.0 million

The Group's net sales increased to SEK 181.0 (118.3) million in the second quarter of 2021

SEK 26.5 million

The Group's operating profit increased to SEK 26.5 (14.9) million in the second quarter of 2021



Q2 2021 INTERIM REPORT

A STRONG QUARTER WITH CONTINUED GROWTH

April - June 2021

- Net sales for the second quarter amounted to SEK 181.0 (118.3) million, an increase of 53 percent compared with the same period last year. Net sales in local currencies increased by 63 percent.
- Operating profit amounted to SEK 26.5 (14.9) million, corresponding to an operating margin of 14.7 (12.6) percent. In the second quarter of last year government grant and subsidies due to Covid-19 had a positive impact of SEK 38.9 million on operating profit.
- Earnings after net financial items amounted to SEK 22.8 (9.1) million. Exchange rate differences and revaluation of interest rate swaps had a negative impact on net financial items of SEK -0.9 (-2.6) million and SEK -0.4 (-0.1) million, respectively, resulting in a net financial loss of SEK -3.7 (-5.8) million.
- Earnings after tax amounted to SEK 18.4 (6.9) million.
- Cash flow from operating activities was SEK 34.3 (50.2) million, amounting to SEK 24.0 (34.2) million after investments.
- Earnings per share amounted to SEK 2.28 (0.87).

January - June 2021

- Net sales for the first half of the year amounted to SEK 352.2 (277.2) million, an increase of 27 percent compared with the same period last year. Net sales in local currencies increased by 35 percent.
- The operating profit for the first half of the year was SEK 51.6 (26.8) million, corresponding to an operating margin of 14.7 (9.7) percent. In the previous year operating profit was positively affected by SEK 39.6 million in government grant and subsidies due to Covid-19.
- Earnings after net financial items amounted to SEK 50.0 (15.7) million. Exchange rate differences and revaluation of interest rate swaps had a positive impact on net financial items of SEK 1.9 (-0.4) million and SEK 1.7 (-4.4) million, respectively, resulting in a net financial loss of SEK -1.6 (-11.1) million.
- Earnings after tax amounted to SEK 38.4 (12.3) million.
- Cash flow from operating activities was SEK 58.7 (59.2) million, amounting to SEK 12.6 (37.0) million after investments.
- Earnings per share amounted to SEK 4.76 (1.53).

Key performance indicators	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jul-Jun 2020/21	Jan-Dec 2020
Net sales, SEK million	181.0	118.3	352.2	277.2	655.0	580.0
Growth, %	53.0	-35.7	27.1	-25.9	10.5	-15.9
Operating profit before depreciation and amortization (EBITDA), SEK million	39.7	30.4	78.1	58.3	143.4	123.6
Operating profit before depreciation and amortization (EBITDA), %	21.9	25.7	22.2	21.0	21.9	21.3
Operating profit (EBIT), SEK million	26.5	14.9	51.6	26.8	88.4	63.6
Operating profit (EBIT), %	14.7	12.6	14.7	9.7	13.5	11.0
Profit after financial items, SEK million	22.8	9.1	50.0	15.7	77.5	43.2
Undiluted and diluted earnings per share, SEK	2.28	0.87	4.76	1.53	7.71	4.47
Cash flow from operating activities, SEK million	34.3	50.2	58.7	59.2	125.0	125.5
Net debt, SEK million			250.8	298.5		248.4

Quarterly growth

53%

In local currencies, growth
was 63%.

CEO JAN WAHLSTRÖM COMMENTS ON Q2

Elos Medtech has maintained the positive trend from the beginning of the year, reporting growth of 6 percent compared with the first quarter and 53 percent compared with the coronavirus-hit second quarter of 2020. The gross margin also remained stable during the quarter.

Dental grew by 12 percent compared with the previous quarter. We have a good position, with an established product range. During the quarter we also launched additional products in the Elos Accurate® family that were well received by the market. This gives dental implant professionals a wider range of options and thus expands the area of use for our hybrid base.

Orthopedics had a strong second quarter. Thanks to our product mix as well as efficiencies and low staffing levels we have increased our margins in the business area. All machines at our Memphis site were validated in the spring and we are now well equipped to further expand production. However, due to the strong demand we are seeing for robotic-assisted surgery products our organization is currently undersized. We are therefore working hard to recruit staff to the site with the current challenge that workers with this skills profile are in strong demand in the US. This situation has resulted in strong short-term results but we expect recruitment to be a long-term challenge.

In Life Science our profitability has remained stable and we proceed to make continuous improvements in production. In June our new production hall in Skara was classified as a cleanroom. The move has gone very well with no disruptions for our customers and we are now ready to start production in the third quarter.

Our focused efforts in Operational Excellence with margin improvement measures have produced clear results. A higher degree of automation has streamlined flows and improved quality, contributing to increased profitability. Growth has gone more or less hand in hand with profitability, although earnings were down slightly on the first quarter. In all business areas we have experienced certain problems with the delivery of raw materials as well as an increase in the prices of steel and plastics. This is something that we are actively monitoring and addressing, as it could have an impact on our earnings in the long run.

Our medical technology business gives us a stable foundation on which to stand, as we have a direct positive impact on people's lives. We are also aware that the ongoing pandemic could spring a surprise on the world market and therefore maintain preparedness for handling any setbacks.

On July 7 TA Associates announced that it controls 73.1 percent of the shares of Elos Medtech. I welcome TA Associates as the company's new majority owner and would like to take this opportunity to thank all our shareholders, many of whom have held their shares since the company's IPO in 1989. Over the past three decades, we have worked together as a listed company to streamline, acquire and build a strong global corporate group. The key to our success has been a strong local foothold with motivated, skilled and not least loyal employees. We have consistently had a clear strategy to develop our offering and grow more than the market, which we continue to work with.



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 advance quality of life worldwide.

Mission

In partnership with our customers, we provide sustainable and innovative products and supply solutions for the global medical device market. Building profitable, long-term partnerships and striving for excellence in everything we do, our goal is to help people to live rich, active and fulfilling 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. Through a stronger offering, we will reach our strategic goals of clearer positioning and continued growth.

Sustainable focus

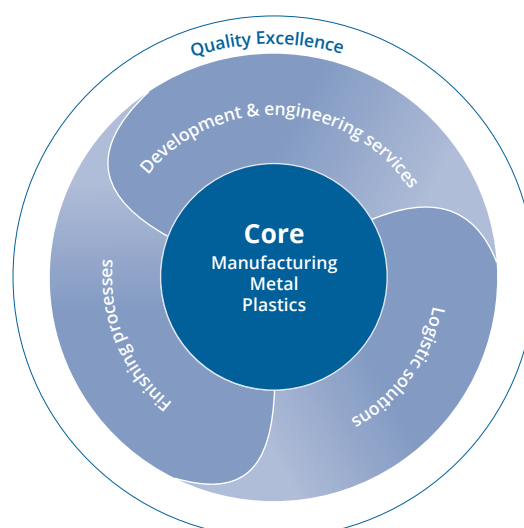
Elos Medtech has a sustainable focus and responsibility that extends beyond just delivering high-quality products. The company applies a long-term approach to economic, social and environmental responsibility for how its operations impact its stakeholders. Elos Medtech has specified certain strategic 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

Development during the quarter

Total net sales for the second quarter amounted to SEK 181.0 million, an increase of 53.0 percent compared with the same quarter last year. In local currencies, growth was 63.0 percent. The same quarter in 2020 was strongly affected by the ongoing pandemic, mainly in Dental, and this is reflected in the comparative figures.

The increase compared with the previous year relates to two of the three business areas. Dental has maintained the same strong trend as in the first quarter and grew 173.9 percent compared with second quarter of last year. Proprietary products increased by 118.9 percent, accounting for 14.5 percent of consolidated net sales in the quarter. Orthopedics also grew strongly compared with the same quarter in 2020, with an increase of 41.8 percent, driven by growing demand for robotic-assisted surgery products. In Life Science, however, growth was slightly negative, at -0.8 percent compared with the second quarter of last year. The decrease was mainly due to lower sales of hearing implant products, which for Elos Medtech were affected somewhat later than other products by the pandemic in 2020.

Total overheads increased by 55 percent compared with the same quarter last year. From April 2020 around 200 people were working on a short-term basis at our Timmersdala and Görlöse sites. Excluding government grant payments the increase was 18 percent, which is partly attributable to increased personnel and marketing costs, primarily in Dental, and partly attributable to costs incurred in connection with the public bid for the company. Depreciation and amortization charged to earnings totaled approximately SEK 13.2 million, which is lower than last year, mainly because a major investment in machinery has now been fully depreciated and partly due to a currency translation effect of SEK 0.8 million.

The operating profit for the quarter was strong with a margin of 14.7 percent. Earnings increased from SEK 14.9 million in the sec-

ond quarter to SEK 26.5 million. In the previous year the operating profit included SEK 38.9 million in government grants.

Due to the special situation that existed last year, the quarterly changes does not reflect the Group's commercial performance. Elos Medtech started the current year on a strong note and has maintained the same strong pace of growth into the second quarter, growing by 5.7 percent between the first and second quarters, with all three business areas contributing.

Net sales April-June 2021

Consolidated net sales for the quarter increased to SEK 181.0 (118.3) million. The 53.0 percent increase in total net sales resulted from a 173.9 percent increase in Dental, a 41.8 percent increase in Orthopedics and a 0.8 percent decrease in Life Science. Sales of proprietary products in the Dental business area grew 118.9 percent and accounted for 14.5 (10.1) percent of total consolidated net sales. Net sales in local currencies increased by 63.0 percent.

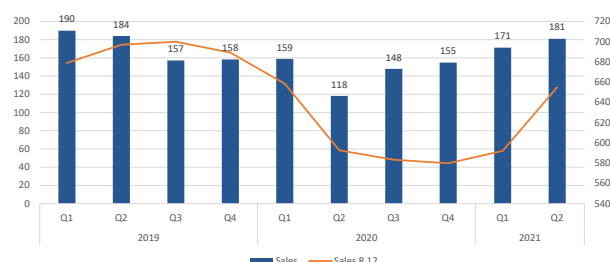
Net sales January-June 2021

Consolidated net sales in the first six months increased to SEK 352.2 million from SEK 277.2 million in the same period last year. The 27.1 percent increase resulted from growth in all business areas: 46.8 percent in Dental, 33.2 percent in Orthopedics and 2.3 percent in Life Science. Proprietary products grew 47.3 percent and accounted for 14.3 (12.3) percent of total consolidated net sales. Net sales in local currencies increased by 35.0 percent.

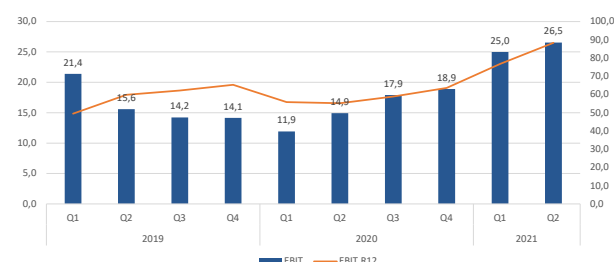
Earnings April-June 2021

The operating profit for the second quarter amounted to SEK 26.5 (14.9) million, corresponding to an operating margin of 14.7 (12.6) percent. In the previous year earnings were positively affected by SEK 38.9 million with respect to received government grant. Earnings after financial items amounted to SEK 22.8 (9.1) million and earnings after tax amounted to SEK 18.4 (6.9) million.

Net sales, SEK million



Operating profit, SEK million



Net financial items April-June 2021

Net financial items amounted to SEK -3.7 (-5.8) million. Interest expenses for the quarter, including interest on lease liabilities in accordance with IFRS 16, totaled SEK -2.5 (-3.2) million. Exchange rate differences and the revaluation of interest rate swaps both had a negative impact on consolidated net financial items, of SEK -0.9 (-2.6) million and SEK -0.4 (-0.1) million, respectively.

Earnings per share April-June 2021

Undiluted and diluted earnings per share for the quarter amounted to SEK 2.28 (0.87).

Earnings January-June 2021

The operating profit for the first half of the year amounted to SEK 51.6 (26.8) million, corresponding to an operating margin of 14.7 (9.7) percent. In the previous year earnings were positively affected by SEK 39.6 million with respect to received government grant. Earnings after financial items amounted to SEK 50.0 (15.7) million and earnings after tax amounted to SEK 38.4 (12.3) million.

Net financial items January-June 2021

Net financial items amounted to SEK -1.6 (-11.1) million. Interest expenses for the period, including interest on lease liabilities in accordance with IFRS 16, totaled SEK -5.0 (-6.4) million. Consolidated net financial items were positively affected by exchange rate differences of SEK 1.9 (-0.4) million and a revaluation of an interest rate swap of SEK 1.7 (-4.4) million.

Earnings per share January-June 2021

Earnings per share for the period January-June were SEK 4.76 (1.53).

Financial position and liquidity

Consolidated total assets increased during the period to SEK 1,076.4 (1,046.6) million. Equity increased by SEK 40.9 million over the period with translation of foreign subsidiaries accounting for SEK 13.2 million of the increase. In May dividends of SEK 12.1 million were paid to the shareholders. In total, equity amounted to SEK 581.2 (553.3) million. At the end of the period risk-bearing capital was SEK 605.0 (575.4) million, which corresponds to 56.2 (55.0) percent of total capital. The Group's equity ratio was 54.0 (52.9) percent.

Consolidated net debt decreased during the period, amounting to SEK 250.8 (298.5) million. Consolidated cash and cash equivalents including an unutilized bank overdraft facility amounted to SEK 161.3 (135.1) million.

Investments

The Group's investments during the second quarter amounted to SEK 10.3 (16.9) million and refer mainly to the expansion of the Skara site. Total investments for the year amounted to SEK 46.2 million and refer mainly to the expansion of the Skara site and investments in machinery at Memphis.

Cash flow

The Group's cash flow from operating activities during the quarter amounted to SEK 34.3 (50.2) million, driven mainly by strong earnings. Changes in working capital were slightly negative, at SEK -0.6 (22.7) million. Cash flow from investing activities in the quarter amounted to SEK -10.3 (-16) million and refers mainly to continued investments in the construction of the production hall in Skara. New borrowings during the quarter totaled SEK 21.1 (11.5) million while repayments on existing borrowings were made in the amount of SEK -14.9 (-24.8) million. Dividends to the shareholders decreased cash flow by SEK 12.1 million. Total cash flow for the quarter was SEK 18.1 (20.9) million.

Consolidated cash flow from operating activities for the first six months was SEK 58.7 (59.2) million and total cash flow for the period was SEK 3.0 (12.3) million, which meant that the Group's cash and cash equivalents amounted to SEK 94.1 (67.0) at the end of the period.

Personnel

The average number of employees in the Group in the second quarter was 528, an increase of 2.1 percent from 517 in the previous year.

The average number of employees in the Group in the first half of the year was 530, an increase of 0.6 percent from 527 in the previous year.

At the end of the period the number of employees in the Group was 520.

Events after the end of the quarter

On July 7 TA Associates decided to fulfill its offer to the shareholders of Elos Medtech AB and thus become the new majority owner. The completion of the bid will result in further transaction costs, which will have a significant impact on earnings for the third quarter.

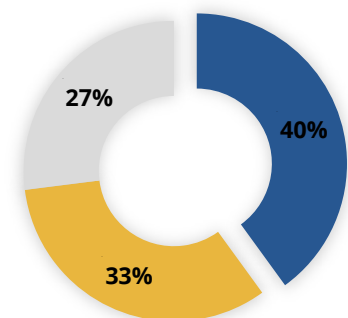
OUR THREE BUSINESS AREAS



DENTAL

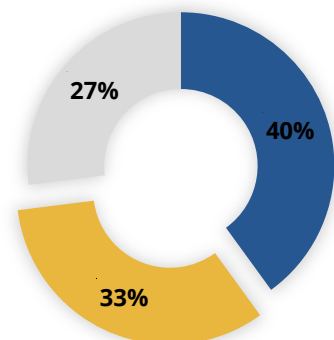
Elos Medtech is a qualified partner to globally leading dental companies. Our offer covers design, development, serial production and global distribution. We are specialized in dental implants. The offer also includes proprietary products in digital dental care and instruments, either on an OEM basis or under our own brand, Elos Accurate®.

NET SALES



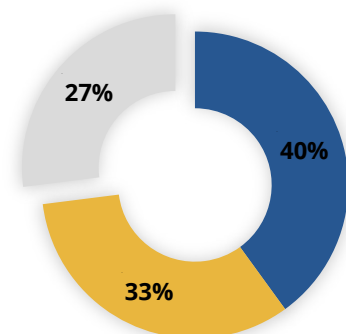
ORTHOPEDICS

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 OVERVIEW

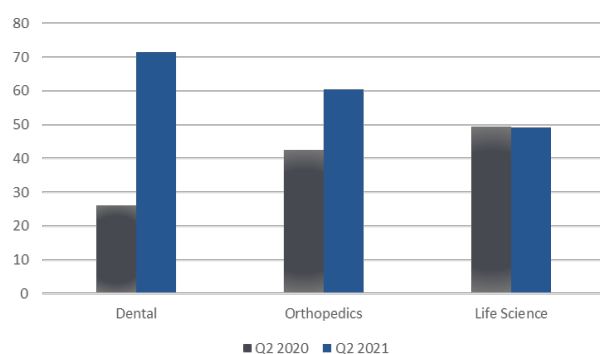
SEK million			Growth			Growth		
Net sales by business area	Apr-Jun 2021	Apr-Jun 2020	Apr-Jun 2021	Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jul-Jun 2020/21	Jan-Dec 2020
Dental	71.5	26.1	173.9%	135.2	92.1	46.8%	255.5	212.4
Orthopedics	60.4	42.6	41.8%	119.1	89.4	33.2%	209.2	179.5
Life Science	49.1	49.5	-0.8%	97.9	95.7	2.3%	190.3	188.1
Total net sales	181.0	118.3	53.0%	352.2	277.2	27.1%	655.0	580.0

There are no sales between the business areas.

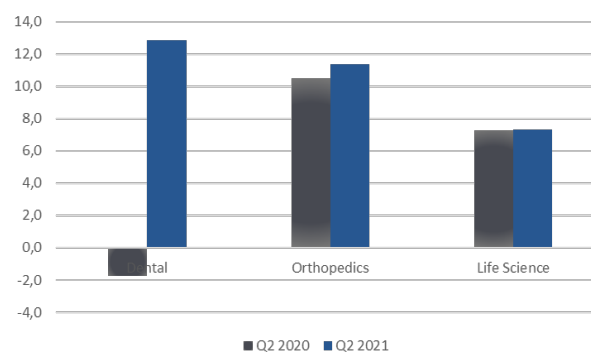
SEK million		Operating marg.		Operating marg.		Operating marg.		Operating marg.		
Operating profit by business area	Apr-Jun	Apr-Jun	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
	2021	2021	2020	2020	2021	2021	2020	2020	2020/21	2020
Dental	12.8	17.9%	-1.7	-6.7%	24.5	18.1%	2.6	2.8%	40.1	18.2
Orthopedics	11.4	18.9%	10.5	24.6%	17.5	14.7%	10.7	11.9%	27.8	21.0
Life Science	7.3	14.9%	7.3	14.7%	15.8	16.1%	15.5	16.2%	29.6	29.3
Unallocated Group expenses	-5.0		-1.1		-6.2		-1.9		-9.2	-4.9
Total operating profit	26.5	14.7%	14.9	12.6%	51.6	14.7%	26.8	9.7%	88.3	63.6

There are no sales between the business areas.

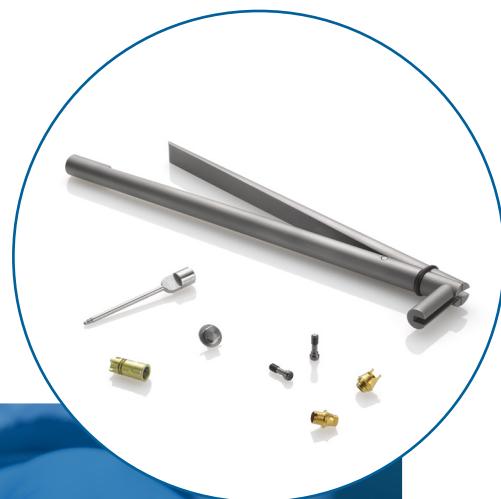
Net sales by business area (SEK million)



Operating profit by business area (SEK million)



BUSINESS AREA DENTAL



NET SALES SEK 71.5 million

EBITDA SEK 17.3 million (24.2%)

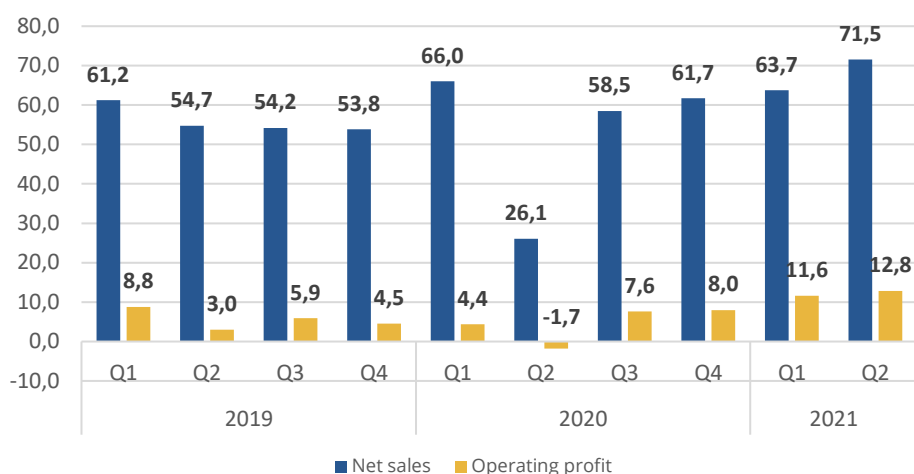
EBIT SEK 12.8 million (17.9%)

Growth
174%

Key events in the business area during the quarter

- Net sales increased by SEK 8 million compared with the first quarter of 2021, to SEK 71.5 million. Sales have been strong in the last three quarters. We achieved new total sales levels in Dental excluding the negative impact of the pandemic in the second quarter of last year.
- Profitability has remained stable, with an operating profit of SEK 13 million. A focus on continuous improvements in process automation and standardization of production.
- Net sales of proprietary products continued to increase, growing by SEK 2 million quarter on quarter, to SEK 26.3 million. Sales are driven by our proprietary products, especially our digital dentistry product portfolio, Elos Accurate®.
- A successful global launch of a digital dentistry product and the Elos Accurate portfolio. The current Elos Accurate Hybrid Base family has been expanded with two new product variants that have been well received in the market.
- Establishment of in-house sales resources in the US and China. This means that Elos Medtech Dental now has a physical presence on three continents.

Net sales and operating profit (SEK million)



BUSINESS AREA ORTHOPEDICS



NET SALES SEK 60.4 million

EBITDA SEK 15.8 million (26.2%)

EBIT SEK 11.4 million (18.9%)

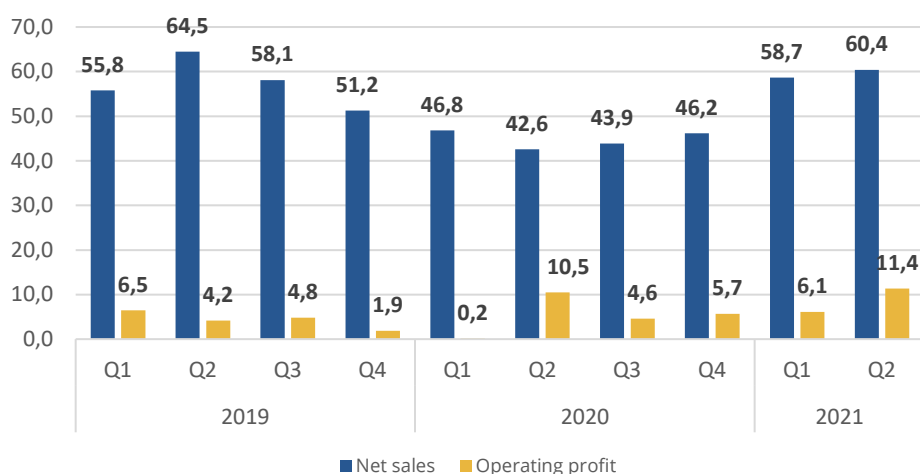
Growth

42%

Key events in the business area during the quarter

- Net sales increased to SEK 60.4 million compared with the previous quarter.
- The high quarterly growth rate, 42 percent, was driven by growing demand for robotic-assisted surgery products and a recovery in demand for disposable products, although the low net sales in the comparative quarter in 2020 were due to the pandemic.
- A strong improvement in profitability and an operating profit of SEK 11 million were mainly due to the product mix in both Memphis and Timmersdala as well as low staffing levels. Improvements were made to a number of processes, resulting in increased output. These measures added to the improvement in profitability for the quarter.
- Elos Medtech's Memphis site had a continued high level of activity and a focus on recruitment. All new machines have been validated and have been taken into operation to meet the growing demand for robotic-assisted surgery products.
- Continued work on new customer orders and the relocation of global projects during the quarter.

Net sales and operating profit (SEK million)



BUSINESS AREA LIFE SCIENCE



NET SALES	SEK 49.1 million
EBITDA	SEK 11.6 million (23.6%)
EBIT	SEK 7.3 million (14.9%)

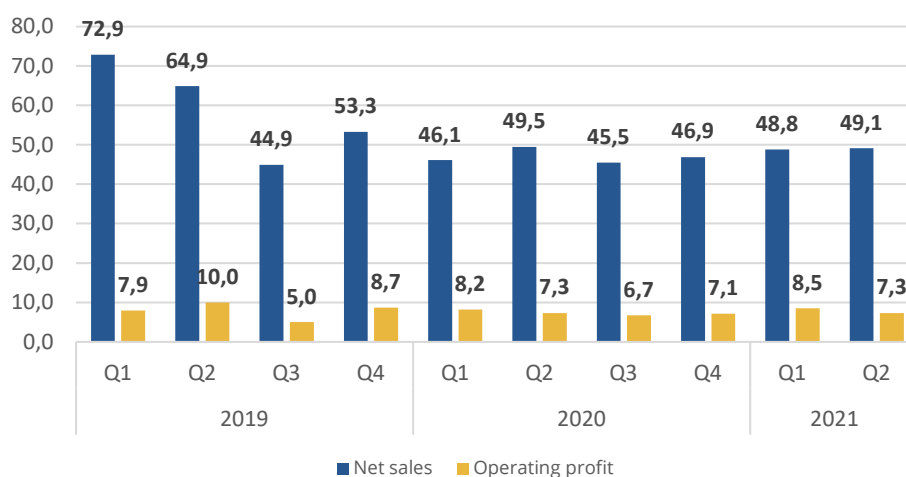
Growth

-1%

Key events in the business area during the quarter

- Net sales were in line with the previous quarter, at SEK 49.1 million. The business in Skara grows and sales in China is stable. The demand from hearing implant customers is still slightly lower.
- Over several quarters the business area's sales have been stable with minor fluctuations. The quarterly fluctuations are generally due to currency effects and the distribution of major product batches to polymer customers.
- The business area reported earnings of SEK 7.3 million. Continued focused efforts to implement improvements in production, e.g. automation.
- In the polymer business new tools have been approved by the customer. Tests of new products introduced in the last six months have been running at a high pace and machinery has been moved into the new production hall.
- The new production hall at Skara has been classified as an ISO Class 8 cleanroom. The physical opening is scheduled for the fall provided that pandemic-related restrictions on visitors are eased.
- The business area continues to focus on ensuring the supply of raw materials to minimize the risk of disruptions to production.

Net sales and operating profit (SEK million)



OTHER INFORMATION

Accounting policies

This interim report for the Group has been prepared in accordance with IAS 34 Interim Reporting and the relevant provisions in the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim Report. The same accounting principles and bases of calculation as applied in the most recent annual report have been used for the Group and the Parent Company.

In addition to in the financial statements, disclosures in accordance with IAS 34.16A are also presented in parts of the interim-report.

Segment reporting

The internal financial follow-up by business area is adapted to the Group's different customer segments and uses operating profit as a measure to assess segment performance. Directly attributable items and items that can reasonably be allocated by segment have been included in the segment's operating profit.

Unallocated Group items mainly refer to note-related costs.

Government grants

Government grants are recognized in the income statement in the same period as for the costs they are intended to offset. Furthermore, there should be reasonable certainty that the contributions will be received and any conditions for the contributions will be met in order for these to be recognized in the income statement. The contributions received are recognized in the income statement as a cost reduction of the items covered by the support.

Financial instruments at fair value

For its property loans in the US, the Group swaps its variable interest rate for a fixed rate through interest rate swaps. These interest rate swaps are recognized at fair value via the income statement. Unrealized gains and losses arising from fluctuations in the fair values of the financial instruments are recognized in net financial items in the consolidated income statement. For interest rate swaps, fair value is determined based on market prices. If such prices are not available, fair value is determined by discounting the difference between the contractual interest rate and the interest rate that can be obtained at the balance sheet date for the remaining contract term. Any premiums paid for the swap contract are recognized as interest over the term of the contract. As Elos Medtech intends to hold these derivatives to maturity, mark-to-market accounting of the derivatives over time will not affect earnings or cash flow.

Fair value measurement of interest rate derivatives had a negative impact on quarterly earnings of SEK -0.4 (-0.1) million and for the period a positive impact of SEK 1.7 (-4.4) million.

Significant risks and uncertainties

The Group's principal risks and uncertainties include operational and financial risks. Among operational risks, Elos Medtech is primarily affected by risks associated with customers and markets, but also other external factors such as price risks for materials and supplies. The Group also faces financial risks associated with changes in exchange rates and credit. A detailed description of the Group's risks and uncertainties, along with how these are being managed, can be found in the Directors' Report and in Notes 42 and 44 in the 2020 Annual Report.

Reported government grants by function	April-June 2021	April-June 2020	Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Cost of goods sold	-	29.4	-	30.1	35.0
Selling expenses	-	2.1	-	2.2	2.2
Administrative expenses	-	3.9	-	3.9	4.3
Development costs	-	1.9	-	1.9	1.9
Financial expenses	-	1.6	-	1.6	1.6
Total government grants received	-	38.9	-	39.6	45.0

Covid-19 has led to a major disruption in economies worldwide, which has affected several of the markets in which Elos Medtech operates. The spread of the virus in waves and the vaccination rate remain difficult to assess and it is therefore not possible to predict for how long the pandemic will continue to affect the company. The impact on the Group in the first half of 2021 was minor.

Elos Medtech sees an increased need for production staff with technical expertise to ensure that it is able to meet market demand going forward. In some of our markets we see a gap between demand and our existing pool of skilled workers, which could have a negative impact on growth.

No additional risks have been identified that may affect the Group's financial results and position as of June 30, 2021.

Related party transactions

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

Parent Company

In addition to the administration of central management issues, the parent company also provide Group-wide support in IT and marketing, quality management, risk management, financing and financial control.

The Parent Company's net sales during the second quarter amounted to SEK 6.5 (2.7) million. Profit after financial items amounted to SEK 9.4 (1.0) million, where SEK -3.9 (-11.7) million constitutes exchange rate differences mainly related to the translation of loans to subsidiaries. The Parent Company's profit after

tax was SEK 11.3 (3.5) million. The percentage of risk-bearing capital was 82.1 (83.7) percent. The equity ratio was 81.7 (83.4) percent.

Future-oriented information

The company does not make forecasts.

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.

Examination by the auditors

This report has not been subject to a review by the company's auditors.

The Board of Directors and CEO certify that this half-yearly report provides a true and fair view of the company's and the Group's operations, financial position and performance and describes the significant risks and uncertainties faced by the company and companies belonging to the Group.

Gothenburg, July 16, 2021
Elos Medtech AB (publ)

Yvonne Mårtensson
Chairman of the Board

Anders Birgersson
Board Member

Claes Hansson
Board Member

Jeppe Magnusson
Board Member

Jon Risfelt
Board Member

Hanna Ernestam Wilkman
Board Member

Jan Wahlström
President and CEO

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK million		Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jul-Jun 2020/21	Jan-Dec 2020
Income statement							
Net sales		181.0	118.3	352.2	277.2	655.0	580.0
Cost of goods sold		-115.6	-78.3	-227.6	-189.1	-430.7	-392.2
Gross profit		65.4	40.0	124.6	88.1	224.3	187.8
Selling expenses		-9.6	-5.1	-17.8	-15.0	-31.6	-28.8
Administrative expenses		-25.4	-16.9	-46.5	-39.0	-87.7	-80.2
Development costs		-4.2	-2.8	-8.6	-8.0	-16.1	-15.5
Other operating income/expenses		0.3	-0.3	-0.1	0.7	-0.5	0.3
Operating profit		26.5	14.9	51.6	26.8	88.4	63.6
Financial income		0.0	0.1	3.9	0.1	4.1	0.3
Financial expenses		-3.7	-5.9	-5.5	-11.2	-15.0	-20.7
Profit after financial items		22.8	9.1	50.0	15.7	77.5	43.2
Tax expense		-4.4	-2.2	-11.6	-3.4	-15.4	-7.2
Profit after tax		18.4	6.9	38.4	12.3	62.1	36.0
Attributable to Parent Company shareholders		18.4	6.9	38.4	12.3	62.1	36.0
Undiluted and diluted earnings per share, SEK*		2.28	0.87	4.76	1.53	7.71	4.47
* Attributable to Parent Company shareholders' share of profit after tax.							
Statement of comprehensive income							
Profit after tax		18.4	6.9	38.4	12.3	62.1	36.0
Other comprehensive income							
Items that will not be reclassified to profit or loss							
Actuarial gains and losses		2.9	-	2.9	-	2.8	-0.1
Tax		-0.6	-	-0.6	-	-0.9	-0.3
		2.3	-	2.3	-	1.9	-0.4
Items that may be reclassified to profit or loss							
Translation differences for the period		-8.4	-32.7	13.2	1.1	-26.0	-38.9
Tax		0.7	2.2	-1.0	0.0	2.4	3.4
		-7.7	-30.5	12.2	1.1	-23.5	-35.5
Other comprehensive income, net		-5.5	-30.5	14.5	1.1	-21.7	-35.9
Comprehensive income for the year		12.9	-23.6	52.9	13.4	40.5	0.1
Attributable to Parent Company shareholders		12.9	-23.6	52.9	13.4	40.5	0.1
Operating profit before depreciation and amortization (EBITDA)							
	%	21.9	25.7	22.2	21.0	21.9	21.3
Operating profit (EBIT)							
	%	14.7	12.6	14.7	9.7	13.5	11.0
Depreciation and amortization charged to earnings							
	SEK million	13.2	15.5	26.5	31.5	55.0	60.0

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million

Balance sheet

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Assets			
Intangible assets	260.3	283.0	253.8
Property, plant and equipment	442.1	436.2	412.2
Financial fixed assets	1.5	2.0	1.4
Current assets	278.3	258.4	246.1
Cash and cash equivalents	94.1	67.0	88.5
Total assets	1,076.4	1,046.6	1,002.0
Equity and liabilities			
Equity	581.2	553.3	540.3
Non-current liabilities	316.5	323.6	305.3
Current liabilities	178.6	169.7	156.4
Total equity and liabilities	1,076.4	1,046.6	1,002.0

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

SEK million

Cash flow

	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jul-Jun 2020/21	Jan-Dec 2020
Profit after financial items	22.8	9.1	50.0	15.7	77.5	43.2
Reversal of depreciation, amortization and impairment	13.2	15.5	26.5	31.5	55.0	60.0
Adjustment for non-cash items	1.4	2.5	-1.2	4.5	5.5	11.3
Tax paid	-2.5	0.4	-5.7	-2.0	-14.3	-10.6
Changes in working capital	-0.6	22.7	-10.9	9.5	1.2	21.6
Cash flow from operating activities	34.3	50.2	58.7	59.2	125.0	125.5
Investments in fixed assets	-10.3	-16.0	-46.2	-22.3	-80.4	-56.5
Sale of fixed assets	0.0	-	0.1	0.1	0.2	0.2
Cash flow from investing activities	-10.3	-16.0	-46.1	-22.2	-80.2	-56.3
Operating cash flow	24.0	34.2	12.6	37.0	44.8	69.2
Change in overdraft facilities	0.0	0.0	0.0	-0.9	0.1	-0.8
Borrowings	21.1	11.5	30.2	16.8	56.3	42.9
Repayment of borrowings	-14.9	-24.8	-27.7	-40.6	-60.5	-73.4
Dividend to the shareholders	-12.1	-	-12.1	-	-12.1	-
Cash flow from financing activities	-5.9	-13.3	-9.6	-24.7	-16.2	-31.3
Cash flow for the period	18.1	20.9	3.0	12.3	28.6	37.9
Cash and cash equivalents at the beginning of the period	76.7	48.4	88.5	55.2	67.0	55.2
Exchange rate difference in cash and cash equivalents	-0.7	-2.3	2.7	-0.5	-1.5	-4.7
Cash and cash equivalents at the end of the period	94.1	67.0	94.1	67.0	94.1	88.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Opening balance	540.3	539.9	539.9
Total comprehensive income	52.9	13.4	0.1
Effect of changed tax rate	-	-	0.3
Dividend	-12.1	-	-
Closing equity	581.2	553.3	540.3

KEY PERFORMANCE INDICATORS, GROUP

		Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Return on operating capital	%	10.5	6.3	7.6
Return on equity *	%	11.0	5.3	6.7
Share of risk-bearing capital	%	56.2	55.0	55.9
Equity ratio	%	54.0	52.9	53.9
Net debt/EBITDA *	times	1.7	2.5	2.0
Investments, not including acquisitions	SEK million	10.3	22.3	56.5
Average number of employees	number	530	527	522

* R12

DATA PER SHARE

		Jan-Jun 2021	Jan-Jun 2020	Jan-Dec 2020
Undiluted and diluted earnings per share, SEK*	SEK million	2.28	0.87	4.47
Average number of shares	thousands	8,068.0	8,068.0	8,068.0
Number of shares at the end of the period	thousands	8,068.0	8,068.0	8,068.0
Equity per share	SEK	72.0	68.6	67.0
Share price at the end of the period	SEK	215.0	66.6	108.0
Dividend	SEK	-	-	1.50

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

BUSINESS AREA INFORMATION

SEK million Net sales by business area	Growth			Jan-Jun 2021	Jan-Jun 2020	Jan-Jun 2021	Jul-Jun 2020/21	Jan-Dec 2020
	Apr-Jun 2021	Apr-Jun 2020	Apr-Jun 2021					
Dental	71.5	26.1	173.9%	135.2	92.1	46.8%	255.5	212.4
Orthopedics	60.4	42.6	41.8%	119.1	89.4	33.2%	209.2	179.5
Life Science	49.1	49.5	-0.8%	97.9	95.7	2.3%	190.3	188.1
Total net sales	181.0	118.3	53.0%	352.2	277.2	27.1%	655.0	580.0

There are no sales between the business areas.

SEK million EBITDA by business area	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jul-Jun 2020/21	Jan-Dec 2020
Dental	17.3	3.2	33.6	12.1	58.4	36.9
Orthopedics	15.8	17.1	26.5	23.5	46.1	43.1
Life Science	11.6	11.2	24.3	24.7	48.1	48.5
Unallocated Group expenses	-5.0	-1.1	-6.2	-1.9	-9.2	-4.9
Total profit before depreciation and amortization	39.7	30.4	78.2	58.4	143.4	123.6
Depreciation and amortization by business area						
Dental	-4.5	-5.0	-9.1	-9.4	-18.4	-18.7
Orthopedics	-4.4	-6.6	-9.0	-12.9	-18.2	-22.1
Life Science	-4.3	-3.9	-8.5	-9.3	-18.4	-19.2
Total depreciation and amortization	-13.2	-15.5	-26.6	-31.5	-55.0	-60.0
Operating profit by business area						
Dental	12.8	-1.7	24.5	2.6	40.1	18.2
Orthopedics	11.4	10.5	17.5	10.7	27.8	21.0
Life Science	7.3	7.3	15.8	15.5	29.6	29.3
Unallocated Group expenses	-5.0	-1.1	-6.2	-1.9	-9.2	-4.9
Total operating profit	26.5	14.9	51.6	26.8	88.3	63.6

QUARTERLY RESULTS FOR THE GROUP

SEK million Quarterly results	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net sales	181.0	171.2	154.8	147.9	118.3	158.9	158.3	157.1	184.1
Cost of goods sold	-115.6	-112.0	-102.6	-100.4	-78.3	-110.8	-108.8	-109.3	-128.0
Gross profit	65.4	59.2	52.2	47.5	40.0	48.1	49.5	47.8	56.1
Sales, admin and development costs	-39.2	-33.8	-32.2	-30.3	-24.8	-37.2	-35.5	-34.3	-41.1
Other operating income and expenses	0.3	-0.4	-1.1	0.7	-0.3	1.0	0.1	0.7	0.6
Operating profit	26.5	25.0	18.9	17.9	14.9	11.9	14.1	14.2	15.6
Financial income	0.0	4.9	-	-	0.1	2.2	2.3	-	-
Financial expenses	-3.7	-2.8	-5.6	-3.7	-5.9	-7.5	-6.4	-2.8	-7.0
Profit after financial items	22.8	27.1	13.3	14.2	9.1	6.6	10.0	11.4	8.6
Tax expense	-4.4	-7.1	-2.2	-1.6	-2.2	-1.2	-2.4	-2.4	-2.0
Profit after tax	18.4	20.0	11.1	12.6	6.9	5.4	7.6	9.0	6.6

PARENT COMPANY INCOME STATEMENT

SEK million	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Income statement	2021	2020	2021	2020	2020/21	2020
Net sales	6.5	2.7	13.0	9.0	23.9	19.9
Selling expenses	-2.2	-1.6	-4.4	-3.5	-7.7	-6.8
Administrative expenses	-10.8	-5.1	-17.5	-10.8	-29.0	-22.3
Other operating income/expenses	-	-	-0.1	0.2	-0.1	0.0
Operating profit	-6.5	-4.0	-9.0	-5.1	-12.9	-9.2
Income from investments in Group companies	19.0	16.9	19.0	16.9	39.4	37.3
Interest income, Group companies	1.1	2.0	2.2	4.1	5.9	7.8
Other interest income and similar income	-	-	6.0	0.3	6.0	0.3
Other interest expense and similar charges	-4.2	-13.9	-0.9	-3.3	-22.4	-24.8
Profit after financial items	9.4	1.0	17.3	12.9	16.0	11.4
Appropriations	-	-	-	-	1.6	1.6
Tax on profit for the year	1.9	2.5	0.2	-0.1	0.8	0.5
Profit after tax	11.3	3.5	17.5	12.8	18.4	13.5

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

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Balance sheet			
Assets			
Intangible assets	4.0	3.7	3.9
Property, plant and equipment	0.3	0.4	0.3
Financial fixed assets	403.6	399.4	397.1
Current assets	35.9	35.6	54.9
Cash and cash equivalents	38.1	27.0	23.9
Total assets	481.9	466.1	480.1
Equity and liabilities			
Equity	390.4	384.2	385.0
Untaxed reserves	4.1	5.8	4.1
Provisions for pensions	7.9	7.0	7.3
Non-current liabilities	21.5	35.3	25.8
Current liabilities	58.0	33.8	57.9
Total equity and liabilities	481.9	466.1	480.1

RECONCILIATION BASIS FOR ALTERNATIVE PERFORMANCE MEASURES

The interim report presents certain financial performance measures of earnings trend, financial position and cash flow that are not defined in accordance with IFRS. These performance measures are intended to serve as important supplementary performance indicators of the Group's performance and financial position and the purpose is to provide a better understanding of the business. Elos Medtech's definitions of these measures may differ from other companies' definitions of the same concepts. The alternative performance measures 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.

Calculations of non-IFRS performance measures that are not mentioned elsewhere in the interim report are presented below.

For complete information regarding the calculation and reasons for using alternative performance measures, please see:

www.elosmedtech.com.

SEK million	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jul-Jun 2020/21	Jan-Dec 2020
Growth						
Reported net sales	181.0	118.3	352.2	277.2	655.0	580.0
Net sales for the same period last year	118.3	184.1	277.2	374.0	592.6	689.4
Change in net sales	62.7	-65.8	75.0	-96.8	62.4	-109.4
Growth, %	53.0	-35.7	27.1	-25.9	10.5	-15.9
Net sales adjusted for currency translation						
Exchange rate changes	-7.2	1.2	-16.0	5.9	-32.6	-10.7
Net sales for the same period last year adjusted for currency translation	111.1	185.3	261.2	379.9	560.0	678.7
Growth adjusted for currency translation, %	62.9	-36.2	34.8	-27.0	17.0	-14.5
EBITDA	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jul-Jun 2020/21	Jan-Dec 2020
Reported operating profit	26.5	14.9	51.6	26.8	88.4	63.6
Depreciation/amortization	13.2	15.5	26.5	31.5	55.0	60.0
EBITDA	39.7	30.4	78.1	58.3	143.4	123.6
Risk-bearing capital				30 Jun 2021	30 Jun 2020	31 Dec 2020
Equity				581.2	553.3	540.3
Deferred tax liability				23.8	22.1	19.7
Risk-bearing capital				605.0	575.4	560.0
Net debt				30 Jun 2021	30 Jun 2020	31 Dec 2020
Non-current interest-bearing provisions for pensions				62.4	60.6	63.5
Non-current interest-bearing liabilities				230.3	241.0	222.1
Current interest-bearing liabilities				52.2	63.9	51.3
Total liabilities				344.9	365.5	336.9
Cash and cash equivalents				-94.1	-67.0	-88.5
Net debt				250.8	298.5	248.4
Liquidity reserve				30 Jun 2021	30 Jun 2020	31 Dec 2020
Cash and cash equivalents				94.1	67.0	88.5
Bank overdraft facilities granted				67.2	68.1	67.0
Liquidity reserve				161.3	135.1	155.5
Earnings after tax per share	Apr-Jun 2021	Apr-Jun 2020	Jan-Jun 2021	Jan-Jun 2020	Jul-Jun 2020/21	Jan-Dec 2020
Profit after tax for the period, SEK thousands	18,383	6,960	38,443	12,300	62,170	36,032
Average number of shares in thousands	8,068.0	8,068.0	8,068.0	8,068.0	8,068.0	8,068.0
Earnings after tax per share	2.28	0.87	4.76	1.53	7.71	4.47

Financial calendar

Activity	Date
Interim Report January-September	October 20
Year-end Report 2021	February 24, 2022

Publication

The information in this report is information that Elos Medtech AB (publ) is required to publish under the EU Market Abuse Regulation. The information was submitted (by the contact person specified below) for publication on July 16 at 08:00 a.m. (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.

This is a translation of the Swedish version of the Interim report January to June. When in doubt, the Swedish wording prevails.

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For questions about the report, please contact:



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