

# Q4 2021

## YEAR-END REPORT

**SEK 184.2** million

The Group's net sales increased to SEK 184.2 (154.8) million in the fourth quarter of 2021

**SEK 25.3** million

The Group's operating profit increased to SEK 25.3 (18.9) million in the fourth quarter of 2021



# Q4 2021 YEAR-END REPORT

## October - December 2021

- Net sales for the fourth quarter amounted to SEK 184.2 (154.8) million, an increase of 19.0 percent compared to the same quarter last year. Net sales in local currencies increased by 17.7 percent.
- Operating profit was SEK 25.3 (18.9) million, corresponding to an operating margin of 13.7 (12.2) percent.
- Profit after financial items amounted to SEK 24.8 (13.3) million. Net financial items were positively affected by exchange rate differences of SEK 1.2 (-3.5) million and totaled SEK -0.5 (-5.6) million.
- Profit after tax amounted to SEK 19.5 (11.1) million.
- Cash flow from operating activities was SEK 33.4 (24.5) million, amounting to SEK 5.5 (0.1) million after investments.
- Earnings per share amounted to SEK 2.42 (1.38).

## January - December 2021

- Net sales for the year amounted to SEK 723.6 (580.0) million, an increase of 24.8 percent compared to the previous year. Net sales in local currencies increased by 28.2 percent.
- Operating profit for the year was SEK 101.1 (63.6) million, corresponding to an operating margin of 14.0 (11.0) percent.
- Operating profit includes a charge of SEK 15.6 million related to transaction costs in connection with the completion of the offer from new majority owner.
- Profit after financial items amounted to SEK 98.0 (43.2) million. Net financial items were positively affected by exchange rate differences of SEK 4.2 (-5.2) million and amounted to SEK -3.1 (-20.4) million.
- Profit after tax amounted to SEK 75.6 (36.0) million.
- Cash flow from operating activities was SEK 105.0 (125.6) million, amounting to SEK 19.6 (69.3) million after investments.
- Earnings per share amounted to SEK 9.37 (4.47).

## Dividend

- The Board of Directors proposes that no dividend be paid for the 2021 financial year and that retained earnings be carried forward.

| Key performance indicators  | Oct-Dec<br>2021 | Oct-Dec<br>2020 | Jan-Dec<br>2021 | Jan-Dec<br>2020 |
|---|-----------------|-----------------|-----------------|-----------------|
| Net sales, SEK million  | 184.2           | 154.8           | 723.6           | 580.0           |
| Growth, %   | 19.0            | -2.2            | 24.8            | -15.9           |
| Operating profit before depreciation and amortization (EBITDA), SEK million | 39.6            | 32.9            | 156.6           | 123.6           |
| Operating profit before depreciation and amortization (EBITDA), %           | 21.5            | 21.3            | 21.6            | 21.3            |
| Operating profit (EBIT), SEK million  | 25.3            | 18.9            | 101.1           | 63.6            |
| Operating profit (EBIT), %  | 13.7            | 12.2            | 14.0            | 11.0            |
| Profit after financial items, SEK million                                   | 24.8            | 13.3            | 98.0            | 43.2            |
| Undiluted and diluted earnings per share, SEK                               | 2.42            | 1.38            | 9.37            | 4.47            |
| Cash flow from operating activities, SEK million                            | 33.4            | 24.5            | 105.0           | 125.6           |
| Net debt, SEK million   |                 |                 | 261.3           | 248.4           |

# CEO JAN WAHLSTRÖM COMMENTS ON Q4

In the fourth quarter, the Group's sales growth was 19 percent. We achieved this in a period when the pandemic was still rampant in society and challenged us and our customers in various ways. Profitability for the quarter is above our long-term target of 13 percent. Earnings were influenced by a positive product mix during the quarter and a lean organization with focus on continuous improvements.

We saw new challenges in the latter part of the year. The dynamics in the entire American labor market are particularly challenging, both in terms of recruiting and retaining staff. We have full focus on this situation, both locally and from the Group. We see this as one of our most important priorities in 2022 and therefore we are now adding a reinforcement through the recruitment of an HR Director for the Group from the first quarter to support investments in personnel. The pandemic has also meant a relatively high sickness absence in all of our operations and we have noted increased costs in the supply chain, for example. Of course, we continue to monitor the global development.

We have increased our investment pace within production and our work within automation and improved efficiency continues. Our focus is to ensure that we meet our customers' growth needs and to provide even better service to our customers.

I am proud of the journey we have made during the past several years and the results we achieved in 2021. The foundation of our success is all our committed and dedicated employees to whom I would like to express my great appreciation. With a strong and good majority shareholder, a competent and motivated organization and a growing market, the company has a strong platform to continue to build on.



# 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

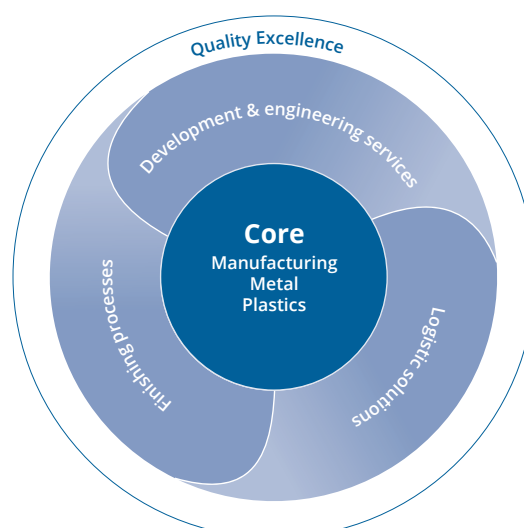
Elos Medtech has a sustainable focus and responsibility that extends beyond just delivering high-quality products. The company applies a long-term approach to economic, social and environmental responsibility for how its operations impact its stakeholders. Elos Medtech has specified certain strategic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

[elosmedtech.com/whoweare/sustainability](https://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 October-December 2021

The Group's net sales for the quarter increased to SEK 184.2 (154.8) million. The increase of 19.0 percent compared with the fourth quarter of the previous year is attributable to all of the business areas: Dental 12.3 percent, Orthopedics 17.7 percent and Life Science 28.8 percent. Sales of proprietary products in the Dental business area grew 39.3 percent and accounted for 16.9 (14.5) percent of total consolidated net sales. Net sales in local currencies increased by 17.7 percent.

## Net sales January-December 2021

The Group's net sales for the year increased to SEK 723.6 (580.0) million. The change of 24.8 percent compared with the previous year is attributable to all of business areas: Dental 29.8 percent, Orthopedics 31.6 percent and Life Science 12.4 percent. The development of proprietary products showed a positive growth of 41.4 (12.7) percent and accounted for 15.2 (13.4) percent of total consolidated net sales. Net sales in local currencies increased by 28.2 percent.

## Earnings October-December 2021

The operating profit for the fourth quarter was SEK 25.3 (18.9) million, corresponding to an operating margin of 13.7 (12.2) percent. The Group show increased costs in administration with SEK 4 million attributable to strategic review. Other operating income includes SEK 2.0 million related to repayment of AGS premiums for 2004-2008. The Group's net financial items were positively affected in the quarter by exchange rate differences of SEK 1.2 (-3.5) million and a revaluation of interest rate swap of SEK 0.6 (0.7) million. Net financial items amounted to SEK -0.5 (-5.6) million. Earnings after financial items amounted to SEK 24.8 (13.3) million and earnings after tax amounted to SEK 19.5 (11.1) million.

## Earnings January-December 2021

Operating profit for the year was SEK 101.1 (63.6) million, corresponding to an operating margin of 14.0 (11.0) percent. The Group show increased costs in administration with SEK 19.6 million attributable to costs in connection with the completion of the offer from new majority owner and strategic review. Other operating income includes SEK 2.0 million related to repayment of AGS premiums for 2004-2008. The Group's net financial items were positively affected by exchange rate differences of SEK 4.2 (-5.2) million and a revaluation of interest rate swap of SEK 2.7 (-3.3) million. Net financial items amounted to SEK -3.1 (-20.4) million. Earnings after financial items amounted to SEK 98.0 (43.2) million and earnings after tax amounted to SEK 75.6 (36.0) million.

## Earnings per share

Fourth-quarter earnings per share both before and after dilution were SEK 2.42 (1.38) per share. Earnings per share for the year were SEK 9.37 (4.47).

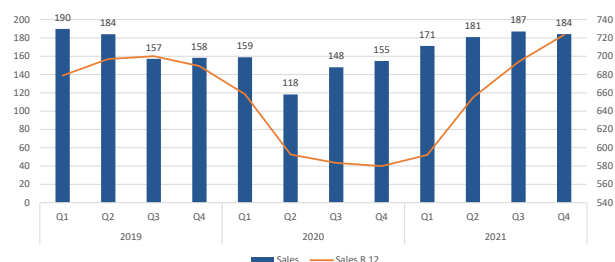
## Investments

The Group's investments in the fourth quarter amounted to SEK 27.9 (24.3) million and mainly relate to machinery investments for several of the Group's sites. For the full year, the Group's investments amounted to SEK 85.5 (56.5) million.

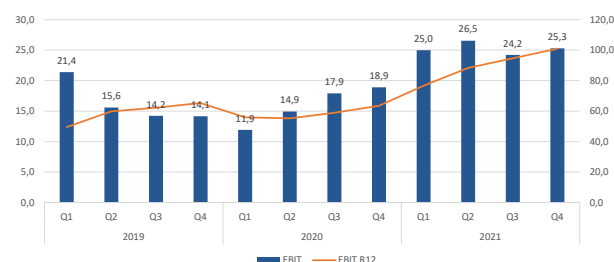
## Financial position and liquidity

The Group's total assets increased during the period to SEK 1,126.4 (1,002.0) million. Equity increased by SEK 94.1 million over the period with translation of foreign subsidiaries accounting for SEK 36.4 million of the increase. Total equity amounted to SEK 634.4 (540.3) million. Equity per share, calculated on 8,068,000 shares, amounted to SEK 78.64 (66.97). At the end of the year, risk-bearing capital was SEK 663.3 (560.0) million, which corresponds to 58.9 (55.9) percent of total capital. The Group's equity ratio was 56.3 (53.9) percent.

Net sales, SEK million



Operating profit, SEK million



**Cash flow**

The Group's cash flow from operating activities during the quarter amounted to SEK 33.4 (24.5) million. Operating cash flow amounted to SEK 5.5 (0.1) million. Total cash flow from operating activities for the year amounted to SEK 105.0 (125.6) million and operating cash flow amounted to SEK 19.6 (69.3) million. The Group's net debt increased during the period, to SEK 261.3 (248.4) million. The Group's cash and cash equivalents including an unutilized bank overdraft facility amounted to SEK 162.6 (155.5) million.

**Personnel**

The average number of employees in the Group during the fourth quarter was 553 compared to 523 for the previous year, which is an increase of 5.7 percent. At the end of the period, the number of employees in the Group was 562 (525).

**Extraordinary General Meeting**

The company held an Extraordinary General Meeting on December 22, where a new Board of Directors was elected. The new Board consists of Lovisa Lander, Birker B. Bahnsen, Alexander Cicetti and Stefano Alfonsi. Lovisa Lander is the Chairman of the Board.

**Events after the end of the quarter**

On January 12, the market was informed that the President and CEO, Jan Wahlström, decided to leave Elos Medtech AB. Jan will remain in his current position during his period of notice or until another alternative solution is in place.

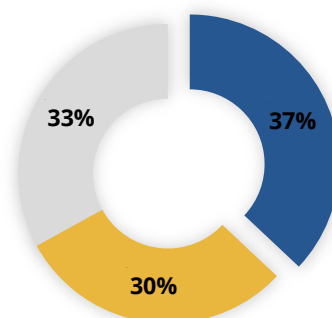
# OUR THREE BUSINESS AREAS



## DENTAL

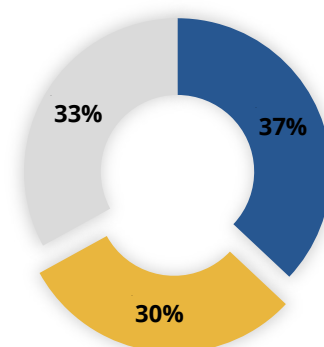
Elos Medtech is a qualified partner to globally leading dental companies. Our offer covers design, development, serial production and global distribution. We are specialized in dental implants. The offer also includes proprietary products in digital dental care and instruments, either on an OEM basis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

## NET SALES



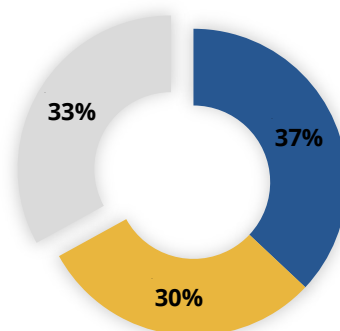
## ORTHOPEDICS

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.

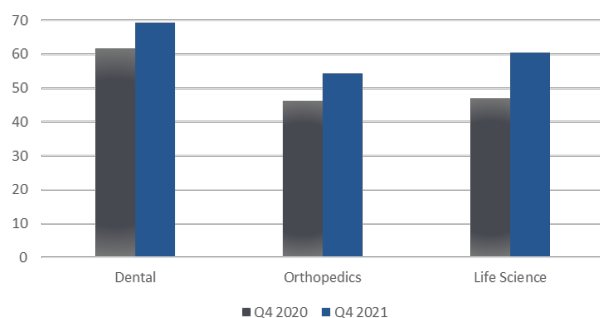


## LIFE SCIENCE

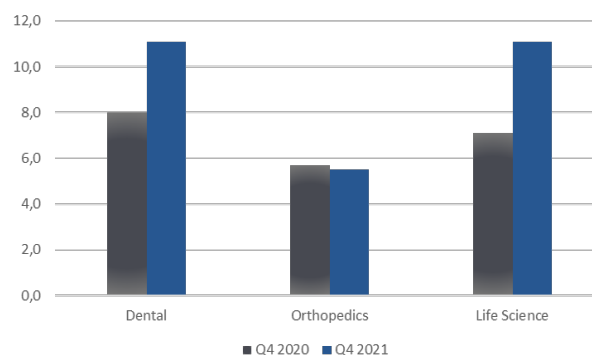
Elos Medtech is a specialized global partner for injection molding of high-tech polymer and cutting techniques for primarily steel and brass. We also offer tool design and combination products made from polymer and aluminum, for example. The markets we focus on our diagnostics, hearing aids, diabetes,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



Net sales by business area (SEK million)



Operating profit by business area (SEK million)



# OTHER INFORMATION

## Accounting policies

This interim report 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. For the Group and the Parent Company, the same accounting principles and calculation bases have been applied as in the most recent annual report.

In addition to 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 per 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 expenses refer mainly to note-related costs and transaction costs in connection with the completion of the offer from the new majority owner, as well as costs attributable to the strategic review.

## Financial instruments valued 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 positive impact of SEK 0.6 (0.7) million on quarterly earnings and a positive impact of SEK 2.7 (-3.3) million on earnings for the year.

## 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.

| Reported government grants by function  | Oct-Dec 2021 | Oct-Dec 2020 | Jan-Dec 2021 | Jan-Dec 2020 |
|---|--------------|--------------|--------------|--------------|
| Cost of goods sold                      | -            | 1.0          | -            | 35.0         |
| Selling expenses                        | -            | -            | -            | 2.2          |
| Administrative expenses                 | -            | -            | -            | 4.3          |
| Development costs                       | -            | -            | -            | 1.9          |
| Financial expenses                      | -            | -            | -            | 1.6          |
| <b>Total government grants received</b> | <b>-</b>     | <b>1.0</b>   | <b>-</b>     | <b>45.0</b>  |

## 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 risks. A detailed description of the Group's risks and uncertainty factors, as well as how these are being managed, can be found in the Directors' Report and in Notes 42 and 44 in the 2020 Annual Report.

Covid-19 has had a major impact on economies worldwide, which has affected several of the markets in which Elos Medtech operates. The spread of the virus took off again in the fourth quarter with higher sick leave than usual due to current quarantine rules in each country, which led to some disruptions in production. The varying demand and imbalances in the supply of raw materials, transports and electricity in the global market have had a certain negative impact on Elos Medtech's costs and this impact could become even more pronounced going forward. There is also a risk that this imbalance may lead to supply disruptions to our customers.

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 the company's markets, there is currently a gap between demand and the 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 position and performance as of December 31, 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 in the fourth quarter amounted to SEK 4.8 (4.7) million. Profit after financial items amounted to SEK 22.4 (3.6) million, of which SEK 4.8 (-14.4) million refers to exchange rate differences mainly related to the translation of loans to subsidiaries. The Parent Company reported a profit after tax of SEK 16.2 (3.9) million.

The Parent Company's net sales for the year were SEK 24.3 (19.9) million. Profit after financial items amounted to SEK 32.9 (11.4) million, of which SEK 16.2 (-21.1) million refers to exchange rate differences mainly related to the translation of loans to subsidiaries. The Parent Company reported a profit after tax of SEK 27.6 (13.5) million. The percentage of risk-bearing capital was 80.6 (81.0) percent. The equity ratio was 80.3 (80.9) 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.

#### **Proposed appropriation of retained earnings**

According to the dividend policy of Elos Medtech AB (publ), the dividend shall be based on the Group's earnings performance, taking into account future development potential and financial position. The long-term goal is for the dividend to amount to 30-50 percent of the profit after tax. To cater future investments the Board proposes that no dividend be paid for 2021.

#### **Examination by the auditors**

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

Gothenburg, February 24, 2022

Elos Medtech AB (publ)

The Board of Directors

# CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

| SEK million  |             | Oct-Dec     | Oct-Dec      | Jan-Dec      | Jan-Dec      |
|--|-------------|-------------|--------------|--------------|--------------|
| Income statement   |             | 2021        | 2020         | 2021         | 2020         |
| Net sales  |             | 184.2       | 154.8        | 723.6        | 580.0        |
| Cost of goods sold   |             | -121.4      | -102.6       | -468.1       | -392.2       |
| <b>Gross profit</b>  |             | <b>62.8</b> | <b>52.2</b>  | <b>255.5</b> | <b>187.8</b> |
| Selling expenses   |             | -9.6        | -7.8         | -35.6        | -28.8        |
| Administrative expenses  |             | -25.2       | -21.1        | -103.1       | -80.2        |
| Development costs  |             | -5.1        | -3.3         | -17.7        | -15.5        |
| Other operating income/expenses                                |             | 2.4         | -1.1         | 2            | 0.3          |
| <b>Operating profit</b>  |             | <b>25.3</b> | <b>18.9</b>  | <b>101.1</b> | <b>63.6</b>  |
| Financial income   |             | 2.2         | 0.0          | 7.8          | 0.3          |
| Financial expenses   |             | -2.7        | -5.6         | -10.9        | -20.7        |
| <b>Profit after financial items</b>                            |             | <b>24.8</b> | <b>13.3</b>  | <b>98.0</b>  | <b>43.2</b>  |
| Tax expense  |             | -5.2        | -2.2         | -22.4        | -7.2         |
| <b>Profit after tax</b>  |             | <b>19.5</b> | <b>11.1</b>  | <b>75.6</b>  | <b>36.0</b>  |
| Attributable to Parent Company shareholders                    |             | 19.5        | 11.1         | 75.6         | 36.0         |
| Undiluted and diluted earnings per share, SEK*                 |             | 2.42        | 1.38         | 9.37         | 4.47         |
| <b>Statement of comprehensive income</b>                       |             |             |              |              |              |
| <b>Profit after tax</b>  |             | <b>19.5</b> | <b>11.1</b>  | <b>75.6</b>  | <b>36.0</b>  |
| <b>Other comprehensive income</b>                              |             |             |              |              |              |
| <b>Items that will not be reclassified to profit or loss</b>   |             |             |              |              |              |
| Actuarial gains and losses                                     |             | -6.4        | 2.9          | -3.5         | -0.1         |
| Tax  |             | 1.3         | -0.9         | 0.7          | -0.3         |
|  |             | -5.1        | 2.0          | -2.8         | -0.4         |
| <b>Items that may be reclassified to profit or loss</b>        |             |             |              |              |              |
| Translation differences for the period                         |             | 11.3        | -32.5        | 36.4         | -38.9        |
| Tax  |             | -0.8        | 2.3          | -2.7         | 3.4          |
|  |             | 10.5        | -30.2        | 33.7         | -35.5        |
| <b>Other comprehensive income, net</b>                         |             | <b>5.5</b>  | <b>-28.2</b> | <b>30.9</b>  | <b>-35.9</b> |
| <b>Comprehensive income for the year</b>                       |             | <b>25.0</b> | <b>-17.1</b> | <b>106.5</b> | <b>0.1</b>   |
| Parent Company shareholders                                    |             | 25.0        | 17.1         | 106.5        | 0.1          |
| Operating profit before depreciation and amortization (EBITDA) | %           | 21.5%       | 21.3%        | 21.6%        | 21.3%        |
| Operating profit (EBIT)  | %           | 13.7%       | 12.2%        | 14.0%        | 11.0%        |
| Depreciation and amortization charged to earnings              | SEK million | 14.3        | 14.0         | 55.5         | 60.0         |

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

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million

## Balance sheet

|                                     | 31 Dec 2021    | 31 Dec 2020    |
|-------------------------------------|----------------|----------------|
| <b>Assets</b>                       |                |                |
| Intangible assets                   | 272.3          | 253.8          |
| Property, plant and equipment       | 469.5          | 412.2          |
| Financial fixed assets              | 1.4            | 1.4            |
| Current assets                      | 288.1          | 246.1          |
| Cash and cash equivalents           | 95.1           | 88.5           |
| <b>Total assets</b>                 | <b>1,126.4</b> | <b>1,002.0</b> |
| <b>Equity and liabilities</b>       |                |                |
| Equity                              | 634.4          | 540.3          |
| Non-current liabilities             | 316.6          | 305.3          |
| Current liabilities                 | 175.4          | 156.4          |
| <b>Total equity and liabilities</b> | <b>1,126.4</b> | <b>1,002.0</b> |

# CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

SEK million

## Cash flow

|   | Oct-Dec 2021 | Oct-Dec 2020 | Jan-Dec 2021 | Jan-Dec 2020 |
|---|--------------|--------------|--------------|--------------|
| Profit after net financial items                          | 24.8         | 13.3         | 98.0         | 43.2         |
| Reversal of depreciation and amortization                 | 14.3         | 14.0         | 55.5         | 60.0         |
| Adjustment for non-cash items                             | 1.2          | 2.4          | -2.1         | 10.9         |
| Tax paid  | -10.8        | -3.8         | -18.2        | -10.1        |
| Changes in working capital                                | 3.9          | -1.4         | -28.2        | 21.6         |
| <b>Cash flow from operating activities</b>                | <b>33.4</b>  | <b>24.5</b>  | <b>105.0</b> | <b>125.6</b> |
| Investments in fixed assets                               | -27.9        | -24.3        | -85.5        | -56.5        |
| Sale of fixed assets                                      | 0.0          | -0.1         | 0.1          | 0.2          |
| <b>Cash flow from investing activities</b>                | <b>-27.9</b> | <b>-24.4</b> | <b>-85.4</b> | <b>-56.3</b> |
| <b>Operating cash flow</b>                                | <b>5.5</b>   | <b>0.1</b>   | <b>19.6</b>  | <b>69.3</b>  |
| Change in bank overdraft facility                         | -            | 0.1          | -            | -0.8         |
| Borrowings  | 12.5         | 19.1         | 60.9         | 42.9         |
| Repayment of borrowings                                   | -25.6        | -22.9        | -67.8        | -73.4        |
| Dividend to shareholders                                  | -            | -            | -12.1        | -            |
| <b>Cash flow from financing activities</b>                | <b>-13.1</b> | <b>-3.7</b>  | <b>-19.0</b> | <b>-31.3</b> |
| <b>Cash flow for the period</b>                           | <b>-7.6</b>  | <b>-3.6</b>  | <b>0.5</b>   | <b>38.0</b>  |
| Cash and cash equivalents at the beginning of the period  | 101.5        | 96.3         | 88.5         | 55.2         |
| Exchange rate difference in cash and cash equivalents     | 1.2          | -4.2         | 6.1          | -4.7         |
| <b>Cash and cash equivalents at the end of the period</b> | <b>95.1</b>  | <b>88.5</b>  | <b>95.1</b>  | <b>88.5</b>  |

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| SEK million                | 31 Dec 2021  | 31 Dec 2020  |
|----------------------------|--------------|--------------|
| Opening balance            | 540.3        | 539.9        |
| Total comprehensive income | 106.2        | 0.1          |
| Effect of changed tax rate | -            | 0.3          |
| Dividend                   | -12.1        |              |
| <b>Closing equity</b>      | <b>634.4</b> | <b>540.3</b> |

## KEY PERFORMANCE INDICATORS, GROUP

|   |             | Jan-Dec 2021 | Jan-Dec 2020 |
|---|-------------|--------------|--------------|
| Return on operating capital             | %           | 12.0         | 7.6          |
| Return on equity                        | %           | 12.9         | 6.7          |
| Share of risk-bearing capital           | %           | 58.9         | 55.9         |
| Equity ratio                            | %           | 56.3         | 53.9         |
| Net debt/EBITDA                         | times       | 1.7          | 2.0          |
| Investments, not including acquisitions | SEK million | 85.5         | 56.5         |
| Average number of employees             | number      | 535          | 522          |

## DATA PER SHARE

|  |             | Jan-Dec 2021 | Jan-Dec 2020 |
|--|-------------|--------------|--------------|
| Undiluted and diluted earnings per share, SEK* | SEK million | 9.37         | 4.47         |
| Average number of shares                       | thousands   | 8,068.0      | 8,068.0      |
| Number of shares at the end of the period      | thousands   | 8,068.0      | 8,068.0      |
| Equity per share                               | SEK         | 78.6         | 67.0         |
| Share price at the end of the period           | SEK         | 274.0        | 108.0        |
| Dividend**                                     | SEK         | -            | 1.50         |

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

\*\* The Board of Directors proposes that no dividend be paid for the 2021 financial year

# BUSINESS AREA INFORMATION

| SEK million                |              |              | Growth       |              |              | Growth       |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net sales by business area | Oct-Dec 2021 | Oct-Dec 2020 | Oct-Dec 2021 | Jan-Dec 2021 | Jan-Dec 2020 | Jan-Dec 2021 |
| Dental                     | 69.3         | 61.7         | 12.3%        | 275.8        | 212.4        | 29.8%        |
| Orthopedics                | 54.4         | 46.2         | 17.7%        | 236.3        | 179.5        | 31.6%        |
| Life Science               | 60.4         | 46.9         | 28.8%        | 211.4        | 188.1        | 12.4%        |
| <b>Total net sales</b>     | <b>184.2</b> | <b>154.8</b> | <b>18.9%</b> | <b>723.6</b> | <b>580.0</b> | <b>24.8%</b> |

The value of sales between business area is minor.

| SEK million  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
| EBITDA by business area                                  | Oct-Dec 2021 | Oct-Dec 2020 | Jan-Dec 2021 | Jan-Dec 2020 |
| Dental   | 15.2         | 12.9         | 67.8         | 36.9         |
| Orthopedics  | 10.4         | 9.5          | 53.2         | 43.1         |
| Life Science   | 16.2         | 12.4         | 56.7         | 48.5         |
| Unallocated Group expenses                               | -2.4         | -1.9         | -21.3        | -4.9         |
| <b>Total profit before depreciation and amortization</b> | <b>39.4</b>  | <b>32.9</b>  | <b>156.5</b> | <b>123.6</b> |
| <b>Depreciation and amortization by business area</b>    |              |              |              |              |
| Dental   | -4.0         | -4.9         | -17.6        | -18.7        |
| Orthopedics  | -4.8         | -3.8         | -19.1        | -22.1        |
| Life Science   | -5.1         | -5.3         | -18.5        | -19.2        |
| <b>Total depreciation and amortization</b>               | <b>-14.0</b> | <b>-14.0</b> | <b>-55.5</b> | <b>-60.0</b> |
| <b>Operating profit by business area</b>                 |              |              |              |              |
| Dental   | 11.1         | 8.0          | 50.2         | 18.2         |
| Orthopedics  | 5.5          | 5.7          | 34.1         | 21.0         |
| Life Science   | 11.1         | 7.1          | 38.2         | 29.3         |
| Unallocated Group expenses                               | -2.4         | -1.9         | -21.3        | -4.9         |
| <b>Total operating profit</b>                            | <b>25.3</b>  | <b>18.9</b>  | <b>101.1</b> | <b>63.6</b>  |

# QUARTERLY RESULTS FOR THE GROUP

| SEK million                         | Q4 2021      | Q3 2021      | Q2 2021      | Q1 2021      | Q4 2020      | Q3 2020      | Q2 2020      | Q1 2020      | Q4 2019      | Q3 2019      |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Quarterly results                   |              |              |              |              |              |              |              |              |              |              |
| <b>Net sales</b>                    | <b>184.2</b> | <b>187.2</b> | <b>181.0</b> | <b>171.2</b> | <b>154.8</b> | <b>147.9</b> | <b>118.3</b> | <b>158.9</b> | <b>158.3</b> | <b>157.1</b> |
| Cost of goods sold                  | -121.4       | -119.1       | -115.6       | -112.0       | -102.6       | -100.4       | -78.3        | -110.8       | -108.8       | -109.3       |
| <b>Gross profit</b>                 | <b>62.8</b>  | <b>68.1</b>  | <b>65.4</b>  | <b>59.2</b>  | <b>52.2</b>  | <b>47.5</b>  | <b>40.0</b>  | <b>48.1</b>  | <b>49.5</b>  | <b>47.8</b>  |
| Sales, admin and development costs  | -39.9        | -43.6        | -39.2        | -33.8        | -32.2        | -30.3        | -24.8        | -37.2        | -35.5        | -34.3        |
| Other operating income and expenses | 2.4          | -0.3         | 0.3          | -0.4         | -1.1         | 0.7          | -0.3         | 1.0          | 0.1          | 0.7          |
| <b>Operating profit</b>             | <b>25.3</b>  | <b>24.2</b>  | <b>26.5</b>  | <b>25.0</b>  | <b>18.9</b>  | <b>17.9</b>  | <b>14.9</b>  | <b>11.9</b>  | <b>14.1</b>  | <b>14.2</b>  |
| Financial income                    | 2.2          | 1.8          | -            | 4.9          | -            | -            | 0.1          | 2.2          | 2.3          | -            |
| Financial expenses                  | -2.7         | -2.7         | -3.7         | -2.8         | -5.6         | -3.7         | -5.9         | -7.5         | -6.4         | -2.8         |
| <b>Profit after financial items</b> | <b>24.8</b>  | <b>23.3</b>  | <b>22.8</b>  | <b>27.1</b>  | <b>13.3</b>  | <b>14.2</b>  | <b>9.1</b>   | <b>6.6</b>   | <b>10.0</b>  | <b>11.4</b>  |
| Tax expense                         | -5.2         | -5.7         | -4.4         | -7.1         | -2.2         | -1.6         | -2.2         | -1.2         | -2.4         | -2.4         |
| <b>Profit after tax</b>             | <b>19.5</b>  | <b>17.6</b>  | <b>18.4</b>  | <b>20.0</b>  | <b>11.1</b>  | <b>12.6</b>  | <b>6.9</b>   | <b>5.4</b>   | <b>7.6</b>   | <b>9.0</b>   |

# PARENT COMPANY INCOME STATEMENT

| SEK million                                | Oct-Dec     | Oct-Dec     | Jan-Dec      | Jan-Dec     |
|--|-------------|-------------|--------------|-------------|
| Income statement                           | 2021        | 2020        | 2021         | 2020        |
| <b>Net sales</b>                           | <b>4.8</b>  | <b>4.7</b>  | <b>24.3</b>  | <b>19.9</b> |
| Selling expenses                           | -2.1        | -2.0        | -8.0         | -7.0        |
| Administrative expenses                    | -11.1       | -6.4        | -46.6        | -22.3       |
| Other operating income/expenses            | -           | -0.1        | -0.1         | 0.2         |
| <b>Operating profit</b>                    | <b>-8.4</b> | <b>-3.8</b> | <b>-30.4</b> | <b>-9.2</b> |
| Income from investments in Group companies | 25.0        | 20.4        | 44.0         | 37.3        |
| Interest income, Group companies           | 1.2         | 1.8         | 4.5          | 7.8         |
| Other interest income and similar income   | 4.8         | 0.3         | 16.2         | 0.3         |
| Other interest expense and similar charges | -0.2        | -15.1       | -1.4         | -24.8       |
| <b>Profit after financial items</b>        | <b>22.4</b> | <b>3.6</b>  | <b>32.9</b>  | <b>11.4</b> |
| Appropriations                             | -2.0        | 1.6         | -2.8         | 1.6         |
| Tax on profit for the year                 | -4.2        | -1.3        | -2.5         | 0.5         |
| <b>Profit after tax</b>                    | <b>16.2</b> | <b>3.9</b>  | <b>27.6</b>  | <b>13.5</b> |

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

# CONDENSED PARENT COMPANY BALANCE SHEET

| SEK million                         | 31 Dec 2021  | 31 Dec 2020  |
|-------------------------------------|--------------|--------------|
| Balance sheet                       |              |              |
| <b>Assets</b>                       |              |              |
| Intangible assets                   | 3.3          | 3.9          |
| Property, plant and equipment       | 0.2          | 0.3          |
| Financial fixed assets              | 412.8        | 397.1        |
| Current assets                      | 62.5         | 54.9         |
| Cash and cash equivalents           | 26.9         | 23.9         |
| <b>Total assets</b>                 | <b>505.7</b> | <b>480.1</b> |
| <b>Equity and liabilities</b>       |              |              |
| Equity                              | 400.5        | 385.0        |
| Untaxed reserves                    | 7.0          | 4.1          |
| Provisions for pensions             | 8.5          | 7.3          |
| Non-current liabilities             | 17.2         | 25.8         |
| Current liabilities                 | 72.5         | 57.9         |
| <b>Total equity and liabilities</b> | <b>505.7</b> | <b>480.1</b> |

# RECONCILIATION BASIS FOR ALTERNATIVE PERFORMANCE MEASURE

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](http://www.elosmedtech.com).

| SEK million                             | Oct-Dec     | Oct-Dec     | Jan-Dec      | Jan-Dec       |
|---|-------------|-------------|--------------|---------------|
| Growth                                  | 2021        | 2020        | 2021         | 2020          |
| Reported net sales                      | 184.2       | 154.8       | 723.6        | 580.0         |
| Net sales for the same period last year | 154.8       | 158.3       | 580.0        | 689.4         |
| <b>Change in net sales</b>              | <b>29.4</b> | <b>-3.5</b> | <b>143.6</b> | <b>-109.4</b> |
| <b>Growth, %</b>                        | <b>19.0</b> | <b>-2.2</b> | <b>24.8</b>  | <b>-15.9</b>  |

## Net sales adjusted for exchange rate changes

|  |             |            |             |              |
|--|-------------|------------|-------------|--------------|
| Exchange rate changes  | 1.7         | -7.6       | -15.0       | -10.7        |
| Net sales compared with the corresponding period in the previous year adjusted for exchange rate changes | 156.5       | 150.7      | 565.0       | 678.7        |
| <b>Growth adjusted for exchange rate changes, %</b>  | <b>17.7</b> | <b>2.7</b> | <b>28.2</b> | <b>-14.5</b> |

|                           | Oct-Dec     | Oct-Dec     | Jan-Dec      | Jan-Dec      |
|---------------------------|-------------|-------------|--------------|--------------|
| EBITDA                    | 2021        | 2020        | 2021         | 2020         |
| Reported operating profit | 25.3        | 18.9        | 101.1        | 63.6         |
| Depreciation/amortization | 14.3        | 14.0        | 55.5         | 60.0         |
| <b>EBITDA</b>             | <b>39.6</b> | <b>32.9</b> | <b>156.6</b> | <b>123.6</b> |

| Risk-bearing capital        | Dec. 31, 2021 | 31 Dec 2020  |
|-----------------------------|---------------|--------------|
| Equity                      | 634.4         | 540.3        |
| Deferred tax liability      | 28.9          | 19.7         |
| <b>Risk-bearing capital</b> | <b>663.3</b>  | <b>560.0</b> |

| Net debt   | Dec. 31, 2021 | 31 Dec 2020  |
|--|---------------|--------------|
| Non-current interest-bearing provisions for pensions | 69.9          | 63.5         |
| Non-current interest-bearing liabilities             | 217.2         | 222.1        |
| Current interest-bearing liabilities                 | 69.3          | 51.3         |
| <b>Total liabilities</b>                             | <b>356.4</b>  | <b>336.9</b> |
| Cash and cash equivalents                            | -95.1         | -88.5        |
| <b>Net debt</b>                                      | <b>261.3</b>  | <b>248.4</b> |

| Liquidity reserve                 | Dec. 31, 2021 | 31 Dec 2020  |
|-----------------------------------|---------------|--------------|
| Cash and cash equivalents         | 95.1          | 88.5         |
| Utilized bank overdraft facility  | -             | -            |
| Bank overdraft facilities granted | 67.5          | 67.0         |
| <b>Liquidity reserve</b>          | <b>162.6</b>  | <b>155.5</b> |

|  | Oct-Dec     | Oct-Dec     | Jan-Dec     | Jan-Dec     |
|--|-------------|-------------|-------------|-------------|
| Earnings after tax per share                   | 2021        | 2020        | 2021        | 2020        |
| Profit after tax for the period, SEK thousands | 19,546      | 11,109      | 75,590      | 36,032      |
| Average number of shares (thousands)           | 8,068.0     | 8,068.0     | 8,068.0     | 8,068.0     |
| <b>Earnings after tax per share</b>            | <b>2.42</b> | <b>1.38</b> | <b>9.37</b> | <b>4.47</b> |

## Financial calendar

| Activity                              | Date              |
|---------------------------------------|-------------------|
| Annual Report 2021                    | April 12, 2022    |
| Interim report January-March 2022     | April 26, 2022    |
| Interim report January-June 2022      | August 18, 2022   |
| Interim report January-September 2022 | October 21, 2022  |
| Year-end report 2022                  | February 23, 2023 |

## Annual General Meeting 2022

The Annual General Meeting 2022 will be held on May 3, 2022. Further information will be released in the notice convening the Annual General Meeting.

## Annual Report and Sustainability Report 2021

Elos Medtech's Annual Report and Sustainability Report for 2021 are expected to be available on April 12, 2022, when these will be published on the company's website [www.elosmedtech.com](http://www.elosmedtech.com).

## Publication

This information is information that Elos Medtech AB (publ) is required to publish under the EU Market Abuse Regulation. The information was submitted for publication through the contact person specified below on February 24, at 08:00 a.m. (CET).

Elos Medtech AB (publ) is a Swedish limited liability company, whose B shares are listed on Mid 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 Year-End Report 2021. When in doubt, the Swedish wording prevails.

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