

Q3 2023

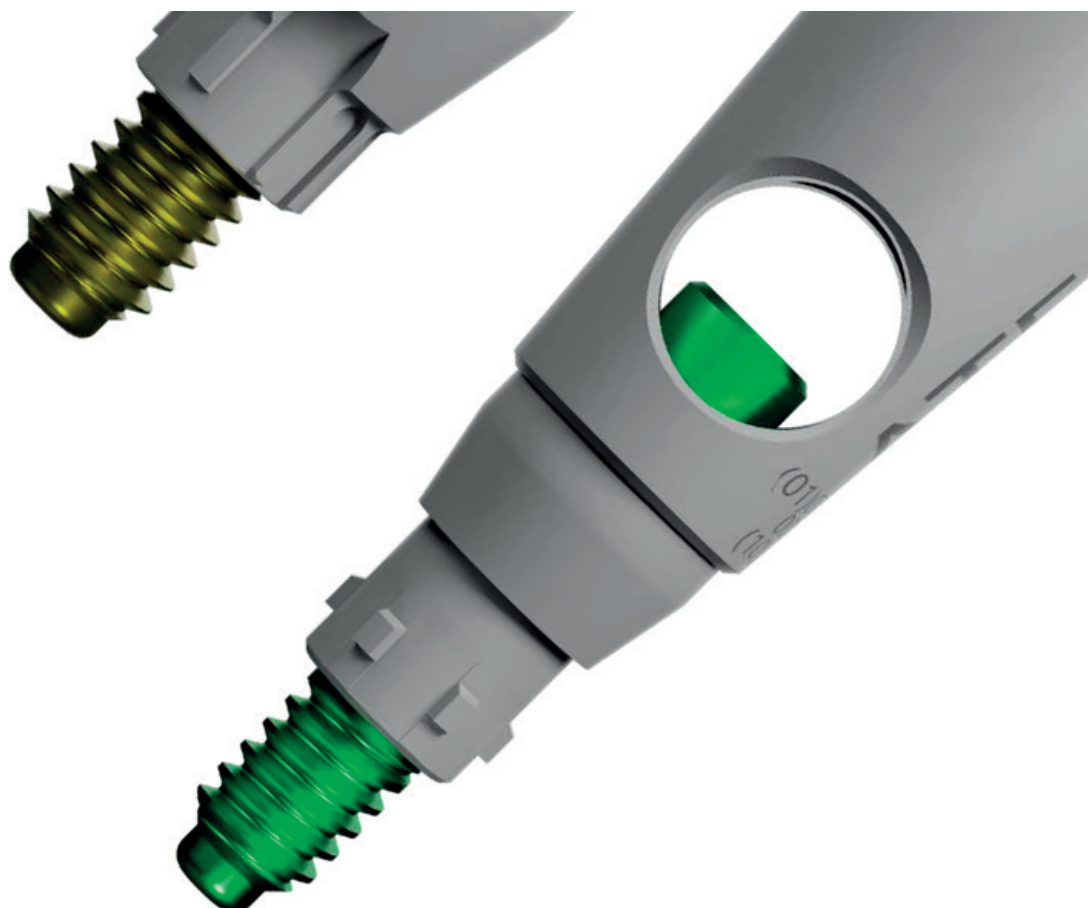
INTERIM REPORT

SEK 251.2 million

The Group's net sales increased to SEK 251.2 (231.5) million in the third quarter of 2023

SEK 31.7 million

The Group's operating profit decreased to SEK 31.7 (37.7) million in the third quarter of 2023



CEO COMMENTS ON Q3

During the quarter the Company announced exciting news with the signing of the acquisition of the Klingel Group. The combination of Elos MedTech and Klingel represents a significant milestone for both companies. We believe that this acquisition would strengthen our position in the CDMO landscape, and I would like to take this opportunity to thank each and every member of the Klingel and Elos Medtech teams for all their hard work and dedication to date. The final closing of the transaction is planned to take place during Q4, 2023. Today also the prospectus is published which will explain in great details the rationale and the value creation of this acquisition.

Net sales in the quarter rose to SEK 251 million and the growth for the quarter landed at 8.5 percent, which is lower than previous quarters for the year, mainly due to a weak quarter for our Orthopedic business. The exchange rates contributed positively to the growth, giving an underlying growth of 4.3 percent. Due to transaction costs in relation to the ongoing acquisition of the Klingel, operating profit was below last year and amounted to SEK 31.7 million. Adjusted for transaction costs operating profit amounted to SEK 38.2 million compared to 37.7 for the corresponding quarter last year.

Net sales for Orthopedics business were broadly flat in local currency on prior year's quarter. This was mainly due to production adjustments due to the increased volume. Since January 2021 until September 2023 the Orthopedics business grew 38% in local currency. EBITDA for the quarter still grew on prior year, thanks to lower overhead leverage. Dental business continues the strong trend with a growth in local currency of 8.2 percent. Our own proprietary products are driving the growth, with 9.7 percent. The CDMO business showed a growth of 6,6 percent for the quarter. For the Life Science business area, the quarter showed a growth of 6.0 percent in local currency. The lower performance in the quarter is the result of certain customers compensating for inventory build-up earlier in the year, due to the extension of the Medical Device Regulation-deadline.

Our investment in production capacity and capability continues. In particular, the expansion in China and the new production site, is requiring significant investments. The first wave of machines for the planned growth have already arrived and are being installed. In the third quarter we invested almost as much as we did for the first half of the year. Also, the normal expansion and maintenance of our other sites continues. This allows the company to meet expected, future customer demand.

In September we had a pre-launch of our Elos ScanBody22™ at DS World in Las Vegas. ScanBody 22 is the first phase in the new Digital SMART Flow system. It offers an accurate scanning thanks to its new AccuScan® coating and is probably the most accurate scan body on the market. The ScanBody22 features a unique 'window' that keeps the screw in place and can be safely re-used for multiple scanings.

At Elos Medtech, our sustainability strategy is part of our overall strategy and mission. Now we have taken a big step further by becoming an active partner in the UN Global Compact. This is the world's largest corporate sustainability initiative supporting more than 17,000 companies to do business responsibly by aligning their strategies and operations with ten principles on human rights, labor, environment, and anti-corruption, as well as 17 Sustainable Development Goals. Out of the seventeen, we have identified eight goals where we see a clear connection to our business, such as Affordable and Clean Energy, Reduced Inequalities and Responsible Consumption and Production. We see this as an important part of our commitment to contributing to more sustainable development within medical technology.

Stefano Alfonsi
President and Chief Executive Officer



Q3 2023 INTERIM REPORT

July – September 2023

- Net sales for the third quarter amounted to **SEK 251.2** (231.5) **million**, an increase of 8.5 percent compared to the same quarter last year. Net sales in local currencies increased by **4.3 percent**.
- Operating profit amounted to **SEK 31.7** (37.7) **million**, corresponding to an operating margin of **12.6** (16.3) **percent**.
- Profit after net financial items amounted to **SEK 30.9** (29.0) **million**. Net financial items were positively affected by exchange rate differences of SEK 7.5 (-5.3) million and totaled SEK -0.8 (-8.7) million.
- Cash flow from operating activities was **SEK 29.0** (55.3) **million**, and SEK -25.1 (25.6) million after investments.
- Earnings per share amounted to **SEK 2.68** (2.71).

January – September 2023

- Net sales for the first nine months of the year amounted to **SEK 788.2** (659.1) **million**, an increase of 19.6 percent compared to the same period last year. Net sales in local currencies increased by **13.7 percent**.
- Operating profit amounted to **SEK 106.2** (104.7) **million**, corresponding to an operating margin of **13.5** (15.9) **percent**.
- Profit after net financial items amounted to **SEK 75.4** (97.6) **million**. Net financial items were negatively affected by exchange rate differences of SEK 5.7 (-0.9) million and totaled SEK -30.8 (-7.1) million.
- Cash flow from operating activities was **SEK 76.7** (89.9) **million**, and SEK -40.9 (1.7) million after investments.
- Earnings per share amounted to **SEK 6.75** (9.24).

Key performance indicators	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct-Sep 2022/23	Jan-Dec 2022
Net sales, SEK million	251.2	231.5	788.2	659.1	1 017.6	888.5
Growth, %	8.5	23.7	19.6	22.2	20.7	22.8
Operating profit before depreciation and amortization (EBITDA), SEK million	49.5	54.6	158.4	152.9	194.6	189.1
Operating profit before depreciation and amortization (EBITDA), %	19.7	23.6	20.1	23.3	19.1	21.3
Operating profit (EBIT), SEK million	31.7	37.7	106.2	104.7	123.9	122.4
Operating profit (EBIT), %	12.6	16.3	13.5	15.9	12.2	13.8
Profit after financial items, SEK million	30.9	29.0	75.4	97.6	76.8	99.1
Profit after tax, SEK million	21.6	21.9	54.5	74.6	54.9	75.1
Undiluted and diluted profit per share, SEK	2.68	2.71	6.75	9.24	6.81	9.30
Cash flow from operating activities, SEK million	29.0	55.3	76.7	89.9	95.1	108.3
Net debt, SEK million			334.9	271.0		277.5

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, HR, quality management, risk management, financing and financial control. The Group runs operations in the following three business areas: Dental, Orthopedics and Life Science. In 2023 Elos Medtech celebrates its 100th anniversary, a testament of commitment and customers focus.

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.



Financial 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.

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

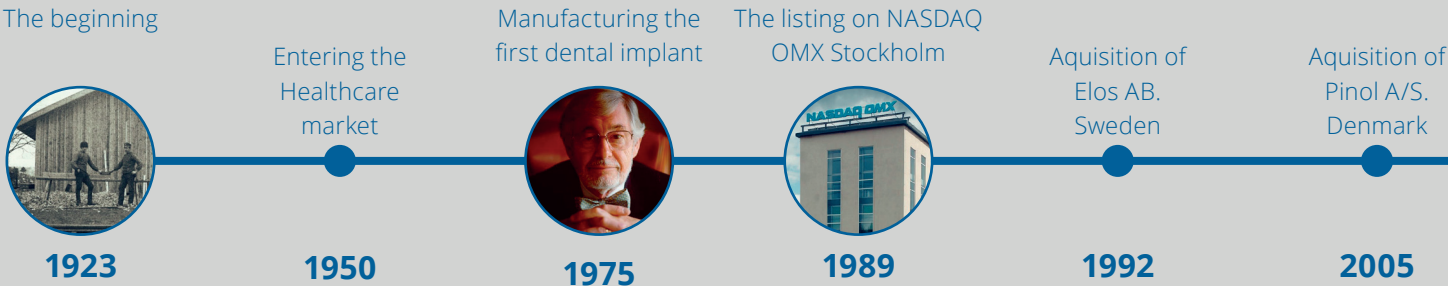
Elos Medtech's strategy is based on a sharper focus on selected market segments and in both metals and polymer. The strategy also includes a higher level of specialization and expertise in design, development, manufacturing and logistics with the highest quality assurance. Through a stronger offering, 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.

A Century of Partnership and Innovation



OUR THREE BUSINESS AREAS



DENTAL

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



ORTHOPEDICS

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



LIFE SCIENCE

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

Elos AB Group enters the Chinese market



2009

Elos Medtech rebranding

2010

Aquisition of Microplast AB, Sweden

2011

Aquisition of Onyx Medical Corporation, USA



2015

100 years. and we're just getting started...

2023

THE GROUP'S PERFORMANCE

Net sales July - September 2023

The Group's net sales for the quarter increased to SEK 251.2 (231.5) million. The increase of 8.5 percent compared with the third quarter of last year is attributable to all business areas, Dental 17.9 percent, Orthopedics 2.3 percent, and Life Science 6.7 percent. Net sales in local currencies increased by 4.3 percent.

All business areas have, also this quarter, been positively affected by currency translation. For Business area Dental the organic growth in local currency amounted to 8.2 percent where proprietary products continues to develop strongly and growth in local currency amounted to 9.7 percent. Sales of proprietary products in Dental accounted for 18.7 (16.7) percent of totaled consolidated net sales. The net sales for Business area Orthopedics were unchanged in local currency. During the quarter the Orthopedics business suffered production discrepancies due to the volume growth from the last several months. The Life Science business area showed growth of 6.0 percent in local currency. The increased growth rate in business area Life Science was driven by both injection molding of medical polymer products and manufactured metal components.

Net sales January - September 2023

The Group's net sales for the first nine months of the year increased to SEK 788.2 (659.1) million. The increase of 19.6 percent compared with the same period last year is attributable to all business areas, Dental 13.9 percent, Orthopedics 21.5 percent, and Life Science 24.3 percent. Sales of proprietary products in Dental business increased by 14.2 percent and accounted for 17.7 (17.1) percent of totaled consolidated net sales. Net sales in local currencies increased by 13.7 percent.

Earnings July - September 2023

The operating profit for the third quarter amounted to SEK 31.7 (37.7) million, corresponding to an operating margin of 12.6 (16.3) percent. We see some recovery in the gross profit margin from a somewhat lower level during the second quarter. The gross profit margin was positively affected in the quarter by one percentage point due to received electricity subsidies for the production sites in Sweden. The Group's administration costs have been negatively affected by transaction cost in connection with the ongoing acquisition of Klingel of SEK 6.5 million and higher recruitment costs than normal with about SEK 1 million. Interest costs for the quarter amounted to SEK -8.7 (-5.7) million, which is higher than for the same period last year, mainly due to a higher variable interest rate. The Group's net financial items were positively affected by exchange rate differences of SEK 7.5 (-5.3) million and a revaluation of interest rate swap, which had a positive impact of SEK 0.9 (2.1) million. Net financial items amounted to SEK -0.8 (-8.7) million. Earnings after financial items amounted to SEK 30.9 (29.0) million and earnings after tax amounted to SEK 21.6 (21.9) million.

Earnings January-September 2023

The operating profit for the first nine months of the year amounted to SEK 106.2 (104.7) million, corresponding to an operating margin of 13.5 (15.9) percent. During the period, electricity subsidies were received for the production sites in Sweden of SEK 2.3 million, which has affected the operating profit positively. The Group's administration costs have been negatively affected by costs in connection with strategic initiatives and related costs with the ongoing acquisition of Klingel for a total of SEK 13.6 million. Interest costs for the period amounted to SEK -24.2 (-12.6) million. The Group's net financial items were negatively affected by exchange rate differences of SEK 5.7 (-0.9) million and a revaluation of interest rate swap, which had a positive impact of SEK 1.0 (6.1) million. Net financial items amounted to SEK -30.8 (-7.1) million. Earnings after financial items amounted to SEK 75.4 (97.6) million and earnings after tax amounted to SEK 54.5 (74.7) million.

Investments

The Group's investments in the third quarter amounted to SEK 54.1 (29.7) million and mainly relate to investments in machinery for the sites in Tianjin, Gorlose and Memphis.

In total for the first nine months of the year investments amounted to SEK 118.1 (88.2) million.

Financial position and liquidity

Consolidated total assets increased during the period to SEK 1,560.2 (1,475.7) million. Equity decreased by SEK 10.2 million. Currency impact in equity consisted of translation of foreign subsidiaries of SEK 11.8 million and market valuation of currency hedging instruments linked to the acquisition of Klingel Holding GmbH accounted to SEK -81.4 million. Both items have been reported via Other comprehensive income. Total equity amounted to SEK 788.2 (814.0) million. Equity per share, calculated on 8,068,000 shares, amounted to SEK 97.69 (100.89). At the end of the year, risk-bearing capital was SEK 843.7 (855.4) million, which corresponds to 54.1 (58.0) percent of total capital. The Group's equity ratio was 50.5 (55.2) percent.

Cash flow

The Group's cash flow from operating activities for the quarter amounted to SEK 29.0 (55.3) million. The negative development from working capital was a contributing factor. For the previous year's corresponding quarter the working capital development was positive. Investments for the quarter amounted to SEK 54.1 million compared to SEK 29.7 million previous year. Operating cash flow amounted to SEK -25.1 (25.6) million.

The Group's cash flow from operating activities was in the first nine months of the year amounted to SEK 76.7 (89.9) million. Operating cash flow amounted to SEK -40.9 (1.7) million.

The Group's net debt increased during the period, to SEK 334.9 (271.0) million. The Group's cash and cash equivalents amounted to SEK 117.3 (188.0) million.

Personnel

The average number of employees in the Group during the third quarter was 653 compared to 647 in the previous year, which is an increase of 1.0 percent. The average number of employees in the Group during the first nine months of the year was 658 compared to 614 in the previous year, which is an increase of 7.1 percent. At the end of the period, the number of employees in the Group was 653 (652).

Per share data

Undiluted and diluted earnings per share in the quarter amounted to SEK 2.68 (2.71). Undiluted and diluted earnings per share for the first nine months of the year amounted to SEK 6.75 (9.24).

At the end of the quarter, the share price was SEK 213, which corresponds to a market capitalization of SEK 1,484 million, compared with a share price of SEK 246 and market capitalization of SEK 1,714 million on December 31, 2022. The market capitalization is calculated based on the B-shares listed on Nasdaq Stockholm.

Events during the first quarter

No events to report during the first quarter.

Events during the second quarter

Business Area Life Science: On April 14 Elos Medtech signed an amendment to an existing agreement with a global healthcare customer active in the fields of diabetes and other chronic diseases, to provide an additional CNY 90 million in annual production output by the end of 2025. The additional volume will be made by the production site in Tianjin for the Chinese market. Elos Medtech has committed to invest approximately CNY 50 million in production equipment during a two-year period to increase the output capacity to meet future demand for the Chinese market.

At the Annual General Meeting on May 3, it was resolved on a minority dividend of SEK 1 per share, totalling SEK 8,068,000. Furthermore, it was resolved that a special examiner would be appointed by the Swedish Companies Registration Office to review reporting and communication with minority shareholders, corporate governance and how the rights of minority shareholders are treated by the company, as well as review of the accounts from a minority shareholder's perspective. The Swedish Companies Registration Office appointed a special examiner on May 29 and the examination will take place after the summer.

The AGM resolved to re-elect current five board members and new-elect Winfried Schaller. Winfried Schaller is independent in relation to the company and the company's major shareholders.

Discharge from liability for board members and CEO was tabled at the AGM and was resumed during the continued general meeting on June 28. The continued general meeting resolved to

discharge Stefano Alfonsi, Magnus René, Jan Wahlström and Jodie Gilmore from liability for the financial year 2022. A majority of the votes cast voted for discharge from liability, while shareholders representing 13.17 percent of all shares in the company voted against discharge from liability for Lovisa Lander, Birker B. Bahnsen and Alexander Cicetti for financial year 2022.

Events during the third quarter

On July 28, Elos Medtech announced that it had entered into an agreement to acquire Klingel Holding GmbH. Klingel, a leading contract development and manufacturing organization (CDMO) with headquarters in Germany, will strengthen Elos Medtech's position by providing additional R&D capabilities and new technical expertise. Furthermore, the acquisition will add new global customers in the DACH region. The purchase price corresponds to a company value of EUR 370 million. Completion of the transaction is subject to approval of the extraordinary general meeting, which was obtained on September 15, customary regulatory approvals, which were obtained on October 2, and a rights issue to finance the acquisition. The rights issue will be fully guaranteed through an underwriting and guarantee commitment from TA Associates, through EM Intressenter AB, Elos Medtech's main owner. Closing of the transaction is expected to take place during the fourth quarter of 2023.

On September 15 an extraordinary general meeting was held. The general meeting resolved, in accordance with the board of directors' proposal to amend the articles of association to increase the limits for minimum and maximum share capital and to approve to increase the Company's share capital through an issue of new shares with preferential rights to existing shareholders. This prospectus will be published October 19. According to the final terms set by the board of directors, as announced on 12 August 2023, each share in the Company held on the record date for participation in the rights issue, 17 October 2023, entitles to one subscription right and two subscription rights entitles to subscription for five new shares. The subscription price has been set to SEK 215 per share, which entails issue proceeds of up to approximately SEK 4,337 million before deduction of transaction costs.

Events after the end of the quarter

On October 13, the company invited to an extraordinary general meeting, to be held November 13, to resolve on the proposal from the minority shareholders to appoint a special examiner. The examination theme shall be to investigate whether the board of directors and the management have acted in accordance with law and the articles of association in connection with the Company's acquisition of Klingel Holding GmbH and the subsequent rights issue in the Company, including if minority shareholders in the Company have been unlawfully disadvantaged in favor of the majority shareholder in connection therewith.

OTHER INFORMATION

Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Reporting and the relevant provisions of the Annual Accounts Act. The interim report of 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 for the year ended December 31, 2022, and should be read in conjunction with that annual report. There are no amendments of IFRS during 2023 that are estimated to have a material impact on the result and financial position of the Company.

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 various 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 not attributable to other segments.

Financial instruments at fair value

For the 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 on quarterly earnings of SEK 0.9 (2.1) million, and a positive impact on the first nine months of the year of SEK 1.0 (6.1) million.

During the period, the Group entered into a Deal contingent forward arrangements to secure that the settlement from the proposed rights issue covers the purchase price for Klingel Holding GmbH. The hedging arrangement comprises of a currency hedge and a currency swap where the final hedged rate is determined depending on which day Elos Medtech finalizes into the acquisition and exchange SEK to EUR.

As per September 30, the hedging arrangements have been reported to fair value through Other comprehensive income. If the acquisition of Klingel Holding GmbH is not completed, the instruments expire free of charge. Valuation of the hedging arrangements at fair value has negatively affected the quarter's and period's total profit with SEK 81.4 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 risks. A detailed description of the Group's risks and uncertainties, as well as how these are being managed, is provided in the Directors' Report and in Notes 41 and 43 in the 2022 Annual Report.

Related party transactions

There have been no related party transactions during the first half of the year which have significantly affected the company's financial position and results. Compensation for consultancy services have been given to a member of the Board of SEK 196 thousand in the quarter and SEK 425 thousand for the period.

Parent Company

Elos Medtech AB's operations are focused on managing, developing and coordinating the Group. The assets in the Parent Company consist primarily of shares in subsidiaries.

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

The Parent Company's net sales in the third quarter amounted to SEK 9.0 (7.5) million. Profit after financial items amounted to SEK 5.5 (26.5) million, of which SEK 4.1 (31.2) million refers to exchange rate differences mainly related to the translation effect of USD loans to subsidiaries and net translation effect of internal and external loans in EUR. The Parent Company reported a profit after tax of SEK 4.2 (21.0) million.

The percentage of risk-bearing capital was 46.3 (55.3) percent. The equity ratio was 46.1 (55.1) percent. The change is mainly due to hedge accounting which increases the balance sheet with SEK 102.6 million.

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 been subjected to a review by the company's auditors

Gothenburg, October 19, 2023

Elos Medtech AB (publ)

The Board of Directors

Review report

To the Board of Directors of Elos Medtech AB (publ)

Corp. id. 556021-9650

Introduction

We have reviewed the condensed interim financial information (interim report) of Elos Medtech AB (publ) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Gothenburg, October 19, 2023

KPMG AB

Johan Kratz

Authorized Public Accountant

This is a translation from the Swedish original.

CONDENSED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jul-Sep 2022	Oct-Sep 2022/23	Jan-Dec 2022
Income statement						
Net sales	251.2	231.5	788.2	659.1	1 017.6	888.5
Cost of goods sold	-161.6	-147.0	-513.6	-415.1	-676.6	-578.1
Gross profit	89.6	84.5	274.6	243.9	341.0	310.4
Selling expenses	-13.5	-11.8	-41.9	-35.6	-53.9	-47.6
Administrative expenses	-40.6	-29.9	-111.8	-87.8	-142.3	-118.3
Development costs	-4.0	-6.1	-15.4	-18.6	-21.2	-24.4
Other operating income/expenses	0.2	1.1	0.7	2.7	0.4	2.4
Operating profit	31.7	37.7	106.2	104.7	123.9	122.4
Financial income	9.2	2.3	11.1	11.2	11.8	11.9
Financial expenses	-10.0	-11.0	-41.9	-18.3	-58.9	-35.2
Profit after financial items	30.9	29.0	75.4	97.6	76.8	99.1
Tax expense	-9.3	-7.2	-20.9	-23.1	-21.9	-24.1
Profit after tax	21.6	21.9	54.5	74.6	54.9	75.1
Attributable to Parent Company shareholders	21.6	21.9	54.5	74.6	54.9	75.1
Undiluted and diluted earnings per share, SEK*	2.68	2.71	6.75	9.24	6.81	9.30
* Attributable to Parent Company shareholders' share of profit after tax.						
Statement of comprehensive income						
Profit after tax	21.6	21.9	54.5	74.6	54.9	75.1
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains and losses	2.2	4.8	2.2	11.2	17.8	26.8
Tax	-0.4	-1.0	-0.4	-2.3	-3.6	-5.5
	1.7	3.8	1.7	8.9	14.1	21.3
Items that may be reclassified to profit or loss						
Translation differences for the period	-9.1	57.0	26.0	107.7	-7.3	74.4
Hedge accounting, currency conversion	-102.6	-	-102.6	-	-102.6	-
Tax	21.2	-7.5	18.2	-11.7	23.2	-6.7
	-90.5	49.5	-58.4	96.0	-86.7	67.7
Other comprehensive income. net	-88.8	53.4	-56.7	105.0	-72.7	89.0
Comprehensive income for the year	-67.2	75.3	-2.1	179.6	-17.6	164.1
Attributable to Parent Company shareholders	-67.2	75.3	-2.1	179.6	-17.6	164.1
Operating profit before depreciation and amortization (EBITDA)	% 19.7	23.6	20.1	23.3	19.1	21.3
Operating profit (EBIT)	% 12.6	16.3	13.5	15.9	12.2	13.8
Depreciation and amortization charged to earnings	17.8	16.9	52.2	48.2	70.7	66.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million

Balance sheet

	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets			
Intangible assets	323.5	323.9	309.6
Property, plant and equipment	637.4	567.1	562.4
Financial fixed assets	21.4	0.5	0.1
Current assets	460.6	396.1	382.1
Cash and cash equivalents	117.3	188.0	168.7
Total assets	1 560.2	1 475.7	1 422.9
Equity and liabilities			
Equity	788.2	814.0	798.5
Non-current liabilities	482.2	476.5	469.0
Current liabilities	289.8	185.2	155.4
Total equity and liabilities	1 560.2	1 475.7	1 422.9

CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct-Sep 2022/23	Jan-Dec 2022
Cash flow						
Profit after net financial items	30.9	29.0	75.4	97.6	76.8	99.1
Reversal of depreciation and amortization	17.8	16.9	52.2	48.2	70.7	66.7
Adjustment for non-cash items	-8.9	5.7	5.8	-1.8	16.2	8.6
Tax paid	0.7	-1.4	-13.2	-7.9	-16.8	-11.5
Changes in working capital	-11.5	5.0	-43.5	-46.3	-51.8	-54.6
Cash flow from operating activities	29.0	55.3	76.7	89.9	95.1	108.3
Investments in fixed assets	-54.1	-29.7	-118.1	-88.2	-147.1	-117.2
Sale of fixed assets	-	-	0.5	-	0.5	-
Cash flow from investing activities	-54.1	-29.7	-117.6	-88.2	-146.6	-117.2
Operating cash flow	-25.1	25.6	-40.9	1.7	-51.5	-9.0
Borrowings	7.3	0.6	12.5	340.4	15.7	343.6
Repayment of borrowings	-5.5	-5.5	-17.8	-264.2	-23.2	-269.6
Dividend to shareholders	-	-	-8.1	-	-8.1	-
Cash flow from financing activities	1.8	-4.9	-13.4	76.2	-15.6	74.0
Cash flow for the period	-23.3	20.7	-54.3	78.0	-67.3	65.0
Cash and cash equivalents at the beginning of the period	141.5	160.0	168.7	95.1	188.0	95.1
Exchange rate difference in cash and cash equivalents	-0.9	7.3	2.9	14.9	-3.3	8.5
Cash and cash equivalents at the end of the period	117.3	188.0	117.3	188.0	117.3	168.7

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	30 Sep 2023	30 Sep 2022	31 Dec 2022
Opening balance	798.5	634.4	634.4
Total comprehensive income	-2.1	179.6	164.1
Dividend	-8.1	-	-
Closing equity	788.2	814.0	798.5

KEY PERFORMANCE INDICATORS, GROUP

		Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Return on operating capital*	%	11.0	13.2	12.4
Return on equity*	%	6.8	13.1	10.5
Share of risk-bearing capital	%	54.1	58.0	59.4
Equity ratio	%	50.5	55.2	56.1
Net debt/EBITDA*	times	1.7	1.4	1.5
Investments, not including acquisitions	SEK million	118.1	88.2	117.2
Average number of employees	number	658	614	626

* R12

DATA PER SHARE

		Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Undiluted and diluted earnings per share, SEK*		6.75	9.24	9.30
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
Of which listed on Nasdaq Stockholm	thousands	6 968.3	6 968.3	6 968.3
Equity per share	SEK	97.7	100.9	99.0
Share price at the end of the period	SEK	213.0	238.0	246.0
Dividend	SEK	8,068,000	-	-

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

BUSINESS AREA INFORMATION

SEK million			Growth				Growth	
Net sales by business area	Jul-Sep 2023	Jul-Sep 2022	Jul-Sep 2023	Jan-Sep 2023	Jan-Sep 2022	Jan-Sep 2023	Oct-Sep 2022/23	Jan-Dec 2022
Dental	87.4	74.1	17.9%	264.0	231.7	13.9%	334.4	302.1
Orthopedics	96.8	94.6	2.3%	297.3	244.8	21.5%	391.2	338.7
Life Science	67.0	62.8	6.7%	226.9	182.6	24.3%	292.1	247.8
Total net sales	251.2	231.5	8.5%	788.2	659.1	19.6%	1 017.6	888.5

The value of sales between business areas is minor.

SEK million								
EBITDA by business area	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct-Sep 2022/23	Jan-Dec 2022		
Dental	21.1	17.1	62.9	60.8	75.7	73.6		
Orthopedics	19.7	18.2	50.1	41.0	62.3	53.2		
Life Science	18.2	21.1	57.6	55.2	70.3	67.9		
Unallocated Group expenses	-9.3	-1.7	-12.2	-4.1	-13.9	-5.8		
Total profit before depreciation and amortization	49.5	54.6	158.4	152.9	194.8	189.1		
Depreciation and amortization by business area								
Dental	-5.9	-5.0	-16.2	-14.6	-21.3	-19.7		
Orthopedics	-7.8	-7.0	-22.9	-19.2	-31.1	-27.4		
Life Science	-4.3	-4.9	-13.1	-14.3	-18.3	-19.5		
Total depreciation and amortization	-17.8	-16.9	-52.2	-48.2	-70.7	-66.7		
Operating profit by business area								
Dental	15.2	12.2	46.7	46.3	54.4	54.0		
Orthopedics	11.9	11.3	27.2	21.9	31.2	25.8		
Life Science	13.9	16.1	44.5	40.8	52.0	48.4		
Unallocated Group expenses	-9.3	-1.7	-12.2	-4.1	-13.9	-5.8		
Total operating profit	31.7	37.7	106.2	104.7	123.9	122.4		

QUARTERLY RESULTS FOR THE GROUP

SEK million	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Quarterly results								
Net sales	251.2	269.8	267.2	229.5	231.5	233.1	194.5	184.2
Cost of goods sold	-161.6	-178.8	-173.2	-163.0	-147.0	-147.2	-120.9	-121.4
Gross profit	89.6	91.0	94.0	66.5	84.5	85.9	73.5	62.8
Sales, admin and development costs	-58.1	-61.3	-49.8	-48.5	-47.8	-49.6	-44.4	-39.9
Other operating income and expenses	0.2	0.4	0.2	-0.4	1.1	1.5	0.2	2.4
Operating profit	31.7	30.1	44.4	17.6	37.7	37.8	29.2	25.3
Financial income	9.2	1.2	0.7	0.7	2.3	5.3	3.6	2.2
Financial expenses	-10.0	-17.6	-14.3	-17.0	-11.0	-4.2	-3.0	-2.7
Profit after financial items	30.9	13.7	30.8	1.4	29.0	38.8	29.8	24.8
Tax expense	-9.3	-4.3	-7.3	-1.0	-7.2	-9.1	-6.8	-5.2
Profit after tax	21.6	9.4	23.5	0.4	21.9	29.7	23.0	19.6

PARENT COMPANY INCOME STATEMENT

SEK million Income statement	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct-Sep 2022/23	Jan-Dec 2022
Net sales	9.0	7.5	26.0	22.0	33.6	29.6
Selling expenses	-0.5	-2.2	-4.2	-6.4	-5.5	-7.7
Administrative expenses	-11.2	-10.2	-43.7	-31.3	-56.0	-43.6
Other operating income/expenses	-	-	-0.1	0.2	-0.3	-
Operating profit	-2.7	-4.9	-22.0	-15.5	-28.2	-21.7
Income from investments in Group companies	-	-	16.4	19.4	16.4	19.4
Interest income. Group companies	9.1	4.7	25.8	8.8	31.1	14.1
Other interest income and similar income	31.5	31.2	66.6	55.8	66.7	55.9
Other interest expense and similar charges	-32.4	-4.5	-80.9	-9.1	-120.0	-48.2
Profit after financial items	5.5	26.5	5.9	59.4	-34.0	19.5
Appropriations	-	-	-	-	-0.3	-0.3
Tax on profit for the year	-1.3	-5.6	1.9	-8.7	10.2	-0.4
Profit after tax	4.2	21.0	7.8	50.8	-24.2	18.8

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

CONDENSED PARENT COMPANY BALANCE SHEET

SEK million Balance sheet	30 Sep 2023	30 Sep 2022	31 Dec 2022
Assets			
Intangible assets	2.2	2.7	2.5
Property, plant and equipment	0.2	0.2	0.2
Financial fixed assets	676.4	700.5	677.1
Current assets	175.1	52.3	50.3
Cash and cash equivalents	66.3	72.5	63.2
Total assets	920.2	828.2	793.3
Equity and liabilities			
Equity	419.0	451.3	419.3
Untaxed reserves	7.2	7.0	7.2
Provisions for pensions	13.7	10.7	11.1
Non-current liabilities	323.9	307.7	313.7
Current liabilities	156.4	51.5	42.0
Total equity and liabilities	920.2	828.2	793.3

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.

SEK million	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct-Sep 2022/23	Jan-Dec 2022
Growth						
Reported net sales	251.2	231.5	788.2	659.1	1017.6	888.5
Net sales for the same period last year	231.5	187.2	659.1	539.4	843.3	723.6
Change in net sales	19.7	44.3	129.1	119.7	174.3	164.9
Growth, %	8.5	23.7	19.6	22.2	20.7	22.8
Net sales adjusted for exchange rate changes						
Exchange rate changes	9.3	18.8	34.3	42.0	51.8	59.5
Net sales for the corresponding period last year adjusted for exchange rate changes	240.8	206.0	693.4	581.4	895.1	783.1
Growth adjusted for exchange rate changes, %	4.3	12.4	13.7	13.4	13.7	13.5
EBITDA	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Oct-Sep 2022/23	Jan-Dec 2022
Reported operating profit	31.7	37.7	106.2	104.7	123.9	122.4
Depreciation/amortization	17.8	16.9	52.2	48.2	70.7	66.7
EBITDA	49.5	54.6	158.4	152.9	194.6	189.1
Risk-bearing capital				30 Sep 2023	30 Sep 2022	31 Dec 2022
Equity				788.2	814.0	798.5
Deferred tax liability				55.5	41.4	46.3
Risk-bearing capital				843.7	855.4	844.8
Net debt				30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current interest-bearing provisions for pensions				45.1	60.3	45.8
Non-current interest-bearing liabilities				381.4	374.7	376.9
Current interest-bearing liabilities				25.7	24.0	23.5
Total liabilities				452.2	459.0	446.2
Cash and cash equivalents				-117.3	-188.0	-168.7
Net debt				334.9	271.0	277.5
Liquidity reserve				30 Sep 2023	30 Sep 2022	31 Dec 2022
Cash and cash equivalents				117.3	188.0	168.7
Revolving Credit facility				114.9	-	111.3
Liquidity reserve				232.2	188.0	280.0

Financial calendar

<u>Activity</u>	<u>Date</u>
Year-End Report 2023	February 29, 2024
Interim Report January-March 2024	May 16, 2024
Annual Report 2023	June 2024
Interim Report January-June 2024	August 29, 2024
Interim Report January-September 2024	October 31, 2024
Year-End Report 2024	February 28, 2025

The Annual General Meeting 2024 will be held June 18, 2024.

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 by the above contact person on October 19 at 8:00 a.m. (CEST).

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 company's listing agreement with NASDAQ Stockholm AB.

This is a translation of the Swedish version of the Q3 Interim report 2023. When in doubt, the Swedish wording prevails.

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