Annual and Sustainability Report

2021

Net sales
SEK 566 m 2021
SEK 471m 2020

Operating profit
SEK 196m 2021
SEK 143m 2020

EBITDA-margin
35 % 2021
30 % 2020

CELLAVISION

Another successful year

2021 was successful in many ways for CellaVision. The Group's sales amounted to SEK 566 million, representing an organic growth of 24 percent. Profit before tax was SEK 158 million (112). During the year, satisfatory growth was seen for sales of both large instruments and CellaVision® DC-1 (DC-1). In addition, EMEA also reported strong sales of reagents during the year.

In the second half of 2021, CellaVision outlined an updated strategic direction with the aim to establish growth opportunities in both the short and long term for CellaVision. The accelerating pace of digitalization worldwide and the ongoing demographic shift towards an ageing population with an increasing need for healthcare are megatrends that will continue to be strong drivers for CellaVision. It is in this dynamic landscape that CellaVision sees a number of opportunities to develop and broaden its operations over the next years. Read more about CellaVision's updated strategy on pages 9-10.

CELLAVISION

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Financial summary 2021

CellaVision's sales increased in 2021 by 20 percent to SEK 566 million (471). Adjusted for negative currency effects of 4 percent, this corresponds to an organic increase of 24 percent compared to the corresponding year in 2020.

The COVID-19 pandemic has had a continued negative impact on CellaVision's sales operations, but the effect of the pandemic has decreased gradually during the year. During the last six months of 2021, particularly Asia have had new or maintained restrictions which has slowed the recovery in the region. In APAC, sales were on par with the previous year in 2020 at SEK 103 million (103). In the Americas, sales increased to SEK 210 million (152), corresponding to a growth of 38 percent. In EMEA, sales increased to SEK 252 million (216), corresponding to growth of 17 percent.

CellaVision's operating expenses were SEK 230 million (203), which corresponds to a 13 percent increase. The difference between 2021 and the previous year is mainly explained by reduced costs in 2020 due to lower activity related to the COVID-19 pandemic. During the year, market conditions and sales improved, which has allowed CellaVision to resume activities that were previously postponed due to the pandemic. A major part of the increase also refers to acceleration of activities in research and development which is in line with long-term product development goals.

The gross margin increased to 69 percent (66) despite negative currency effects. The increase is mainly due to an improved product mix where software has increased. EBITDA increased during 2021 to SEK 196 million (143) and the EBITDA margin increased to 35 percent (30). The improved margin compared to the previous year is explained by an improved gross profit and CellaVision's scalable business model.

Investments for the year amounted to SEK 84 million (35). Of the year's investment, SEK 32 million is attributable to the acquisition of exclusive rights to a patent portfolio containing a new microscopy technology, Fourier Ptychographic Microscopy, from Clearbridge BioPhotonics. Another major part of the investment of the year is related to capitalized development costs and tangible fixed assets.

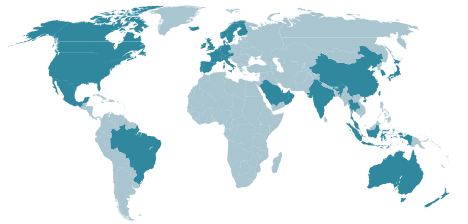
Cash flow from operating activities increased during 2021 to SEK 160 million (71). The increase is mainly related to an improved result after tax. Total cash flow increased during 2021 to SEK 27 million (1).

The proposed dividend for the year amounts to SEK 48 million (18).

KEY FIGURES

SEK millions	2021	2020	2019	2018	2017
Net sales	566	471	462	365	309
Gross profit	392	313	337	271	223
EBITDA	196	143	147	118	99
Profit before tax	158	112	129	112	90
Cash flow	27	1	-67	14	22
Number of employees	200	177	177	117	99

NET SALES GROWTH PER REGION

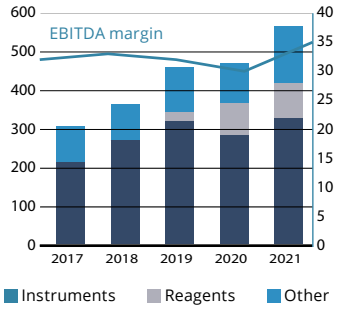


Americas 38%

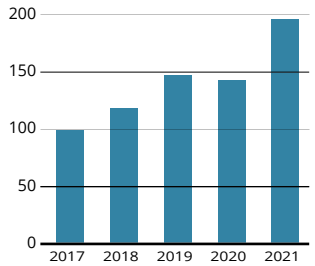
EMEA 17%

APAC 0%

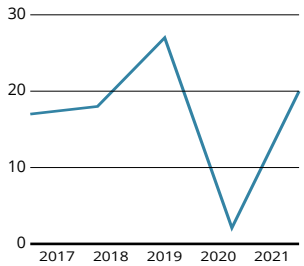
NET SALES, SEKM
EBITDA MARGIN, %



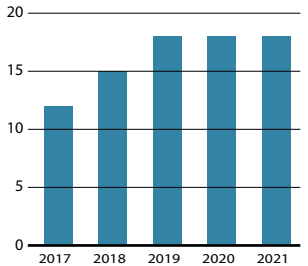
EBITDA, SEKM



NET SALES GROWTH, %



NUMBER OF MARKET SUPPORT ORGANIZATIONS BY YEAR END



CEO's comments

2021 was successful in many ways. Group sales increased to SEK 566 million (471). Adjusted for negative currency effects of 4 percent, this corresponds to an organic growth of 24 percent. Cash flow from operating activities was SEK 160 million (71) for the full year and the Group's total cash flow was SEK 27 million (1). During the year satisfactory growth was seen for sales of both large instruments and the CellaVision® DC-1 (DC-1). In addition, EMEA also reported strong sales of reagents during the year. During the second half of 2021, we outlined an ambitious strategy which will create short- and long-term growth opportunities for CellaVision.

The year in brief

In the Americas sales grew by 38 percent to 210 million (152) after a very strong close to the year. EMEA reported growth of 17 percent for the full year, with sales of SEK 252 million (216). In APAC sales for the full year were on par with 2020, at SEK 103 million (103).

Positive development for the CellaVision DC-1 in 2021

After a challenging 2020, market conditions improved in 2021, which made it possible for us to intensify marketing of the CellaVision DC-1 in several geographical regions and different types of hospital settings. As a result, there was increased interest in product demonstrations and considerable growth in sales of the DC-1. Sales of new products tend to be somewhat volatile between quarters and regions, but for the full year of 2021 the number of units sold grew by 56 percent. We see sound potential for sales growth in the coming years and we are working actively to educate market participants about the fantastic opportunities the CellaVision DC-1 offers, for stand-alone laboratories as well as for laboratories connected in larger networks.

Stable growth in sales of reagents in EMEA, continued activity in APAC and the Americas

CellaVision's sales of reagents in 2021 showed stable growth in the EMEA region, where our network of partners has increasing success in sales of hematology reagents. As part of our strategy to increase sales of reagents globally, we are currently expanding manufacturing capacity at our facility in France. The new facility is expected to be operational in the first half of 2023 and will be key for our growth ambitions in APAC and the Americas. Our work to globalize the company's reagent offering is currently centered on Asia, where we see sound potential for winning market share. In the Americas we see an opportunity to penetrate the market with our high-quality methanol-free RAL reagent (MCDh), which offers unique advantages for the users' health and safety, compared with the industry's traditional offering.

Reduced impact of the COVID-19 pandemic, uncertainty about development of the war in Ukraine

The progress of the COVID-19 pandemic has repeatedly taken the world by surprise in its unpredictability. In 2021 the impact of the pandemic on CellaVision decreased gradually and a growing number of countries returned to a more normal situation, especially in Europe and the Americas. At the time of writing, developments look positive and CellaVision continues to raise its ambitions in marketing and innovation.

On February 24, 2022 Russia's invasion of Ukraine began. The invasion was followed by international condemnation and far-reaching sanctions. CellaVision is gravely concerned about the rapidly deteriorating situation in Ukraine and has decided to suspend all its sales activities in Russia for the foreseeable future. The company has no sales in Ukraine and the Russian market has contributed to very little of the company's total earnings. To help provide humanitarian aid to Ukraine, CellaVision is donating to Save the Children as well as matching the donations made by employees.

Acquisition of an exciting technology

Throughout the pandemic, CellaVision has continued to invest in innovation. In the second quarter of 2021 we acquired the exclusive rights to a patent portfolio containing a new microscopy technology, Fourier Ptychographic Microscopy, from Clearbridge BioPhotonics. The acquisition gives us access to and control over an interesting technology of the future. We believe it may enable us to collect large amounts of information at high speed, forming the foundation for improved clinical laboratory analysis and workflow improvements. A pre-study of the underlying technology has been initiated, and we are enthusiastic about the opportunity of being able to use future applications of this technology.

Updated strategy – focus on long-term growth

In the second half of 2021 we outlined an updated strategic direction for the future growth trajectory of CellaVision. The strategy process involved the entire CellaVision management team and the Board of Directors. Our strategic ambition is to continue to strengthen our market position within digital cell morphology while exploring new areas of growth. We intend to maximize our core competences that support large laboratories around the world, while accelerating the growth opportunities we have in CellaVision DC-1 and our line of reagents. We see possibilities to further expand our competitive position by building an integrated eco-system for digital cell morphology for stand-alone laboratories as well as across entire laboratory networks. CellaVision will leverage its core capabilities and strong market position to deliver additional solutions and new high-quality reagents that collectively ensure efficiency and diagnostic certainty. We intend to serve additional clinical needs and optimize the workflow for existing customers while expanding the use of digital cell morphology to an even broader customer base. This direction will be the foundation for the upcoming years and will be operationalized in our plans for 2022 and beyond.

For a more detailed presentation of our strategy, see pages 9-10.

An exciting first year at CellaVision with many important initiatives

It has been a very exciting first year for me as the CEO of CellaVision, and I want to thank our employees and our stakeholders for a warm and inspiring welcome. Throughout the year we have recruited two new executive management members: Nina Wallander, Vice President Human Resources and Urban Strindlöv, Vice President Global Sales.

During the year we also introduced structured efforts to strengthen CellaVision's sustainability work based on the materiality analysis that was conducted in the second half of 2021. We are looking forward to progress this work by drawing up concrete action plans for the highest prioritized areas in 2022. We will also continue striving to have a positive impact across multiple dimensions on our employees, shareholders, customers, patients and society at large.

Simon Østergaard,
President and CEO

This is CellaVision

CellaVision was formed in 1994 in Lund by the entrepreneur Christer Fåhraeus to develop an analyzer for automizing blood analysis. In 2001 the first analyzer was sold in Europe. Since 2001 CellaVision has continually improved its product offer and expanded sales to an increasing number of markets, establishing digital blood analysis as a global standard. In 2019, the product range was supplemented by the acquisition of the French company RAL Diagnostics, that today is fully integrated in CellaVision.

Vision

CellaVision's vision is to replace manual microscopes in the world's medical laboratories through digitization and automation of microscopy workflows for both the human and veterinary segments. The company's methods contribute to improved patient diagnostics, streamlined workflows and reduced healthcare costs.

Mission

CellaVision offers products in sample preparation, which primarily consist of reagents, as well as digital solutions for medical microscopy that replace microscopes with instruments based on high-speed robotics, digital imaging and artificial intelligence. CellaVision's solutions contribute to more effective workflows and improved diagnostics with higher quality in laboratory medicine at a lower cost.

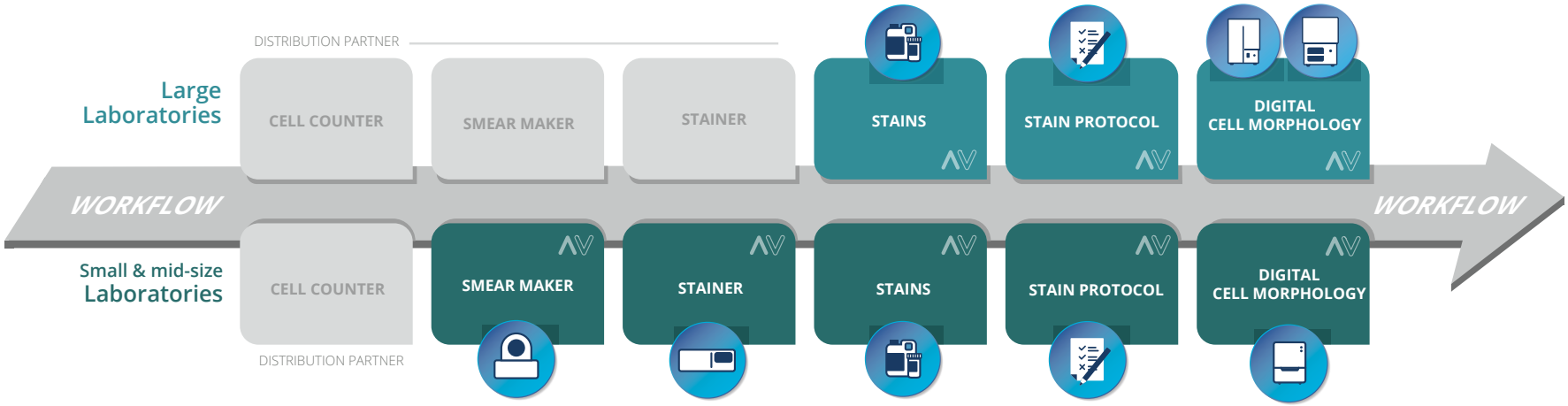
Corporate culture focusing on the end customer

CellaVision's core values are ***Customer in Focus***, ***Initiative and Responsibility*** and ***Simplicity and Quality***. The corporate culture is characterized by understanding of the company's customers, quality awareness and ability to take action with responsibility. Along with objectives, vision and guidelines, these core values lay the foundation for the daily work and form a profitable corporate culture.

Customer comes first Customers' perceived relation to us as a supplier influences all parts of the company. Consequently, their needs drive everything we do, from product development to delivery, service and relations. Our knowledge of our customers gives us the power to innovate and produce solutions that improve their operations.

Initiative and responsibility Good ideas, competence and independent work with responsibility are required to drive CellaVision's business forward. All CellaVision employees have the task of continually develop their areas of work to the extent necessary to achieve the company's objectives.

Simplicity and quality CellaVision strive to maintain a high level of quality in everything we do, an ambition that permeates the entire business. Meanwhile, it implies an aspiration towards renewal and development, using smart and simple solutions.



The hematology laboratory workflow

CellaVision offers products and solutions that enable an efficient process for routine analysis of blood for hematology laboratories all over the world. The product offer consists of sample preparation, instruments, applications and software. The solutions provided by CellaVision enable laboratories to automate, standardize and digitalize their workflow.

Blood analysis plays a central role in offering high-quality healthcare. Complete blood count is one of the world's most common diagnostic tools. CellaVision's objective is to provide laboratory staff with the best solutions to handle differential blood counts of blood cells. By providing instruments and reagents that, when used together with CellaVision's digital systems and software, ensures superior quality of the in-depth blood analysis.

Routine analysis of blood

It is estimated that about four billion tests are carried out around the world every year. In about 15 percent of cases, the cell counter indicates a need for more in-depth microscopic examination of the blood cells with a differential blood count

Microscopic blood cell differentials can also be used to determine if an ongoing treatment is having the intended effect. In essence, blood analysis and other supplementary tests form the basis for making diagnosis and prescribing treatment for the patient.

Manual microscopy has many weaknesses

Before a microscopic examination can be started a smear of a drop of blood must be transferred to a slide, which is then stained. Smearing and staining carried out manually are difficult to standardize. Achieving a good smear is a skill that takes a long time to learn.

Differential blood cell counts using a microscope is a technique that has not changed in the past hundred years. The biomedical analyst forms a general opinion of the stained smear and identifies an optimum area for further analysis.

The area for in-depth analysis is examined systematically to discover and morphologically assess 100 - 200 white blood cells. The process is time-consuming, and the result depends on the skill and experience of the biomedical analyst. When further medical assessment is needed the blood smear is transported to another laboratory, which affects the response time considerably.

Automated digital cell morphology (DCM)

Through digital image analysis and artificial intelligence CellaVision has redefined the process of performing differential blood counts and conducting an in-depth analysis to provide diagnostic certainty for patients. The company's innovative solutions enable standardized and faster analysis than conventional manual microscopy.

CellaVision's system pre-classifies the cells, whereby the result is shown digitally on a screen. The pre-classification is reviewed and assured by a biomedical analyst who makes necessary adjustments if necessary. Taking advantage of the digital platform, the results can quickly and simply be shared with colleagues and morphology experts in other places.

CellaVision delivers unique solutions for digital cell morphology

The vision behind CellaVision's products and solutions is simple. CellaVision wants to replace a hundred-year old manual method with automated, digital and intelligent solutions. CellaVision offers scalable solutions adapted to the customer's needs regarding analysis capacity, analysis type, sample preparation solutions, centralization of data and monitoring of workflow. Using analyzers, software and reagents from CellaVision laboratories can standardize and improve the efficiency and quality of their work.

Sample preparation

Sample preparation is an important part of a qualitative analysis. For high-volume routine analysis, CellaVision offers a portfolio of reagents which ensures that blood smears are optimally prepared for reading by DCM. For low-volume routine analysis, sample preparation exerts a greater challenge, as the steps often rely on manual methods. CellaVision offers a semi-automatic package solution, consisting of the RAL Smearbox, RAL Stainbox and the CellaVision DC-1 together with reagents and a staining protocol specially adapted to the CellaVision DC-1. When used together, it ensures a qualitative result every time.

In addition to the conventional formulated staining solutions, the company offers a unique methanol-free product, RAL MCDh (Micro Chromatic Detection for hematology), with the additional benefit of being safer to handle in the laboratory.

CellaVision also offers RAL staining reagents in the areas of microbiology, pathology and cytology, that serve a stable customer base, and which can represent future market development.

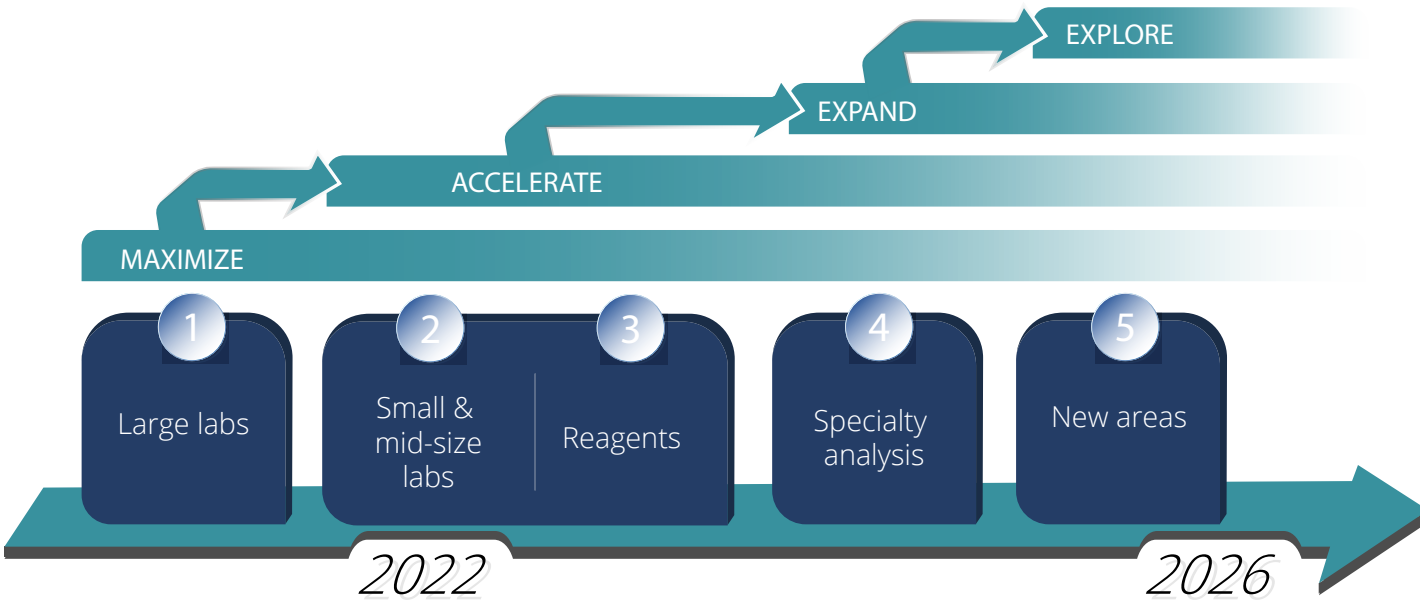
Routine analysis of blood

High-volume routine analysis is supported by CellaVision DM1200 and CellaVision DM9600 which are designed to automate, simplify and streamline the hematology workflow in large laboratories. Low-volume routine analysis is supported by CellaVision DC-1 which is designed to standardize and simplify differentiation of blood and body fluids with digital cell morphology in small and medium-sized laboratories. The systems use high speed robotics and digital image analysis technology to automatically localize and take high-quality images of cells.

Strategy 2022 - 2026

During the past five years, CellaVision has had a very positive development with sales accelerating from 309 million SEK in 2017 to 566 million in 2021, corresponding to an average annual growth rate of 16 percent. CellaVision's strategy for the coming years aims to build an even stronger company.

The accelerating pace of digitalization worldwide and the ongoing demographic shift towards an ageing population with an increasing need of healthcare are megatrends that will continue to be strong drivers for CellaVision. It is in this dynamic landscape that CellaVision sees a number of opportunities to develop and broaden its operations over the next years through building an ecosystem for laboratories.



CELLAVISION'S FIVE STRATEGIC PILLARS

1. Continued good growth in the routine analysis segment at large laboratories
2. Continued adoption of CellaVision DC-1 for routine analysis at small and medium-sized laboratories
3. Continued adoption of reagents on a global scale
4. Establish a growth driver in the market for specialty analysis
5. Establish solutions in new areas of analysis by leveraging core capabilities

Pillar 1

Maximize
sales to large laboratories

Large laboratories remain a prioritized area for CellaVision. Over the next five years, there will be ample opportunity to continue to develop this market segment further through an expansive agenda, through the emerging replacement market that will grow in importance each year as well as increased penetration through new sales.

CellaVision has built a strong business through refining the process of differentiating blood cells with innovative solutions, enabling standardized and faster analysis. Growth in this market segment will be sustained through innovations that further improve workflow, quality, and network solutions. CellaVision already runs a number of development projects aimed at strengthening today's products and offering new analyses.

By leveraging sample preparation, high-speed robotics, digital imaging and artificial intelligence, the company's ambition is to continue to set the new standards in large laboratories. Further development of the next generation solution for large laboratories exerts a key focus area for CellaVision, in order to offer an increasingly efficient process for routine analysis of blood.

ANNUAL MARKET POTENTIAL
SEK ~2 BILLION

Pillars 2 and 3

Accelerate
sales of CellaVision® DC-1 and reagents

The two areas that offer the greatest opportunities for strong growth over the next five years are the sale of CellaVision DC-1 to small and medium-sized laboratories and worldwide sale of CellaVision's reagents.

Intensified marketing of CellaVision DC-1
The sale of CellaVision DC-1 will be driven by the product's unique value proposition, which is developed for both independent laboratories and laboratories that are part of larger digital networks. The goal for the next five years is to establish a large installed base across all regions. Being able to offer a complete solution for blood smearing, staining and digital cell morphology will accelerate the growth in small and medium-sized laboratories.

Global leadership for CellaVision's reagents
CellaVision's reagent offering improves the quality of sample preparation and digital imaging, which is of great significance for the final results of blood analysis. The sale of reagents will be driven by clinical evidence of the product range's great benefits and intense marketing efforts with the aim of establishing global leadership in both routine and specialty analyses. The competitiveness of the product line will be built around analytical and diagnostic certainty.

CellaVision will, step by step, globalize this offering by establishing a production and distribution structure with global capacity and in parallel develop the cooperation with the Group's strategic partners to maximize sales of reagents in connection with new installations.

ANNUAL MARKET POTENTIAL
SEK ~2 BILLION

Pillar 4

Expand
into speciality analysis

In order to establish the conditions for strong growth from 2026 onwards, CellaVision will over the next five years work to expand the business to include specialty analyses in the hematology field.

Specialty analyses
There is a great need to also automate specialized microscopy analyses in the hematology laboratory. These analyses typically have low reproducibility, lengthy sample preparation, are time consuming and need special expertise. CellaVision will address this niche in the market by launching new applications in combination with special reagents for these analyses which today is done manually (e.g. bone marrow). The ambition is to fully replace the manual microscope and thereby establish a new market segment that contributes to the company's competitiveness and growth. Since these are relatively low volume analyses, CellaVision DC-1 may become an excellent platform in this market segment. Additionally, the full digitization of specialty analysis for detection of less frequent diseases will enable large laboratories to supplement their existing solutions with a dedicated instrument for specialty analysis to avoid disrupting the high-volume workflow processing peripheral blood samples.

ANNUAL MARKET POTENTIAL
SEK ~1 BILLION

Pillar 5

Explore
new and profitable areas

During the strategy period , CellaVision intends to further strenthen its technology platforms in order to develop attractive offerings in new areas of analysis.

Expansion to new areas of analysis
To successfully expand CellaVision into new areas of analysis, the company will build on a combination of today's technology platforms and the Fourier Ptychographic microscopy (FPM) technology acquired in 2021. FPM has the great advantage of creating high-resolution images with low-magnification optics, providing great advantages over conventional digital microscopy through high-speed scanning. CellaVision sees attractive opportunities in new analytical spaces through leveraging core capabilities and enhancing the innovation agenda with new strategic partnerships.

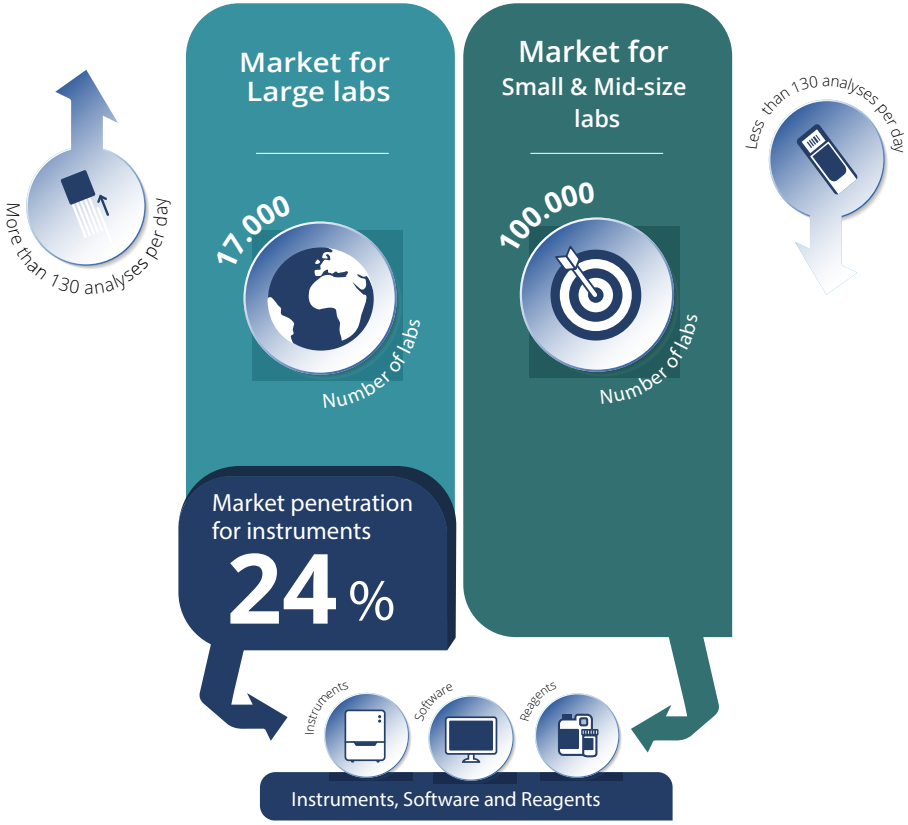
CellaVision's market segments

The main market for CellaVision is human diagnostics within hematology, but the company also operates within veterinary diagnostics.

CellaVision is the global market leader in digital microscopy with a large installed base. The market both for human and veterinary diagnostics is divided into two segments based on the volume of blood analysis performed.

Large laboratories

Laboratories that analyze more than 130 blood samples daily are classified as large laboratories. The size of the human diagnostics market is estimated to be 17,000 laboratories, for which CellaVision provides instruments, software and reagents. The primary target market for CellaVision's offerings for veterinary diagnostics is large reference laboratories in North America and Europe. The market segment for large laboratories represents the majority of the company's sales, with a market penetration of instruments of 24 percent at the close of 2021.



Small and medium-sized laboratories

Laboratories that analyze fewer than 130 blood samples daily are classified as small and medium-sized laboratories. The company is yet at a relatively early stage of creating a presence in this market segment with high expectations of future long-term growth. Being able to offer a complete solution for blood smears, staining and digital cell morphology will support accelerated growth in this segment. The estimated number of laboratories in this segment is 100,000.

Market size

CellaVision's annual market potential is estimated to be about SEK 5 billion. These 5 billion consist of instruments for high-volume routine analysis of SEK 2 billion, instruments for low-volume routine analysis of SEK 1 billion, reagents for sample preparation of SEK 1 billion and solutions for specialty analysis of SEK 1 billion.

CellaVision's business model

CellaVision's business model combines focus on the core operations innovation and market support activities with strong partnerships in manufacturing and sales. Development of hardware and software, manufacturing of reagents and local market support occurs in house, while manufacturing of instruments and sales are done by selected partners.

CellaVision has three sources of revenue, sales of hardware, software and reagents. Hardware and software are largely capital goods but also include a small proportion of recurring revenue through service components and oils while reagents are recurring consumer goods. In 2021, hardware accounted for 58 percent of total sales, reagents accounted for 26 percent and software and other accounted for 26 percent.

Through CellaVision's indirect business model, the company has been able to accomplish rapid geographical expansion combined with good cost control which has resulted in a positive development of the profitability. The company currently has distribution agreements with all relevant medical technology companies in the world, while local market support is provided by CellaVision's own organizations. Market support has expanded rapidly in recent years and at the close of 2021 CellaVision had 17 local organizations with direct presence in more than 40 countries.

Organization

CellaVision's organization is based on clear areas of responsibility and cohesive communication with the company's market partners and end-customers. The organization consists of four central functions: two product divisions responsible for defined parts of the product range, a marketing organization and a sales organization.

Global sales organization

CellaVision's global sales organization is responsible for building up the company's organization for local market support and for developing collaboration with global and regional market partners, which is an important part of the indirect business model used by CellaVision.

Global organization for marketing

All marketing is handled by a global organization. The organization's responsibilities include the CellaVision Academy (a digital training platform for market partners and end customers), production of marketing material and trade fairs.

Two product divisions

CellaVision has two product divisions: Devices & Software and Reagents. The Devices & Software Division is based in Lund and is responsible for the company's range of hardware, software and applications. The Reagents Division is based in Bordeaux, France and is responsible for the company's range of reagents and associated products.

Responsibility for each division covers research and development, sourcing, manufacturing, quality assurance and regulatory affairs, customer service, logistics and product management.

Corporate functions

CellaVision's corporate functions consist of President/CEO, Finance & IT, HR, Corporate Communications and Business Development

Continued focus on innovation

CellaVision conducts intensive development work to increase its products' functionality and to broaden its product offer to new, interesting markets and market segments. The work also includes developing new applications for existing products and CellaVision invests considerable resources to being at the forefront of research and development. In 2021 the equivalent of 18 percent of sales was invested in innovation.

The extensive development work takes place in the company's two divisions: Devices & Software and Reagents. The Devices & Software Division is responsible for developing system software, hardware and applications, while the Reagents Division focuses on developing the sample preparation offer. The quality of sample preparation is important for optimal functioning of CellaVision's systems and there is a great need for standardized solutions.

The number of employees in R&D at the turn of the year 2021/2022 was 69 people.

Innovation in the Devices & Software Division

The Software and Devices Division has overall responsibility for developing CellaVision's system and associated software. The development work is conducted by independent teams that are responsible for defined parts of the company's products.

During parts of 2021 resources from research and development were re-allocated to mitigate the effects of the global shortage of components by validating alternative sources for key components. The effects on other projects were, however, limited and the issues have been resolved without any delivery disruptions.

Environmental considerations are integrated into the Division's development model, focusing on compliance with standards and regulations such as ISO 14001:2015, REACH, RoHS and 3TG. CellaVision's solutions also contribute to increased digitization, which is positive from an environmental perspective, through limited transport and the opportunity to work remotely. In 2021, business travels have largely been replaced with digital meetings.

Innovation in the Reagents Division

The Reagents Division is responsible for development and adaptation of CellaVision's reagents. Different parts of the world use different protocols for blood sample preparation. The Reagents Division already previously held a very strong position in the European market, with reagents that are adapted to the protocols in that market. In 2021 CellaVision continued the systematic work to broaden sales of reagents to more geographies, not least the markets in Asia. Development capacity was also strengthened in 2021, partly through an expansion of the laboratory section in France by 200 square meters.

In 2021 the Division focused on developing global sample preparation protocols in hematology and initiated the development of reagents for specialty analyses. The Division's efforts in the environmental area are reflected for example through a focus on the health of laboratory staff in terms of choice of materials and, as far as possible, choice of local suppliers to limit transportation.

Patent portfolio

Over the years, CellaVision has built up unique technological knowledge that forms the basis of the company's product development. In 2021 the exclusive patent rights for Fourier Ptychographic microscopy (FPM) was acquired. FPM has the great advantage of creating high-resolution images with low-magnification optics, providing great advantages over conventional digital microscopy through high-speed scanning.

The Group's patent portfolio at the end of the period, grants rights to 25 patented inventions and 109 granted patents.

Successful management of disruptions in the supply chain

The global supply shortages of semiconductor chips impacted CellaVision during parts of 2021. However, the disruptions in the supply chain could be handled rapidly while retaining delivery capacity throughout the year.

Devices & Software Division

The Devices & Software Division is responsible for production and logistics of CellaVision's systems for digital morphology. In 2021 the focus was on evaluation, testing and approval of alternative components to respond to disruptions in the supply chain, continued cost reduction and digitization and automation of manual processes.

The COVID-19 pandemic meant continued uncertainties in 2021 concerning both demand and supply of material and components. The Division therefore increased the number of suppliers to secure access to components and optimize quality and cost, which enabled production to be maintained without any significant disruptions throughout the entire year, despite periods with a difficult supply situation.

CellaVision attaches great value to supplying systems, single-use products, and spare parts in accordance with customers' wishes. The service level to customers was more than 97 percent in 2021, despite the challenges posed by the pandemic. Fluctuations in needs are carefully handled to optimize logistics and production flows. The basis for optimization lies in good knowledge of customer needs through sound forecasts and close cooperation with the finance department and suppliers.

Reagents Division

The Reagents Division manufactures a dozen strategic substances and produces more than 100 different solutions.

The stages of production include different types of reactors, filtering systems and automated and half-automated packing systems. The production at the Division's facilities in France is designed to meet extremely high requirements in terms of safety for both employees and the physical buildings.

At the beginning of 2021 the COVID-19 pandemic meant continued uncertainty and impact on the division's supply chain in the form of shortages of materials. Despite these challenges, production could be maintained without significant impact on delivery times.

As part of CellaVision's strategy of increasing international sales of reagents, expansion of the company's manufacturing capacity at the facility in France was initiated in 2021.

Market 2021

Despite periods of continued impact of the COVID-19 pandemic, marketing activities in 2021 could gradually return to more normal levels in large parts of the world, which resulted, among other things, in a very strong close to the year in the Americas. For the full year, CellaVision's organic sales growth was 24 percent.

Market

For the full year 2021 CellaVision's sales were SEK 566 million (471), corresponding to organic sales growth of 24 percent. During the year market conditions gradually improved as COVID-19 related shutdowns were discontinued and restrictions lifted. The exception to this positive trend was seen in parts of APAC, where China and other countries faced a more challenging situation.

The CellaVision instruments, large and small, had positive sales growth during the year. The company's reagents, which have been part of CellaVision's offer since the acquisition of RAL Diagnostics in autumn 2019, reported sound growth in EMEA. Meanwhile, there has been intensive marketing, mainly in APAC, but also in the Americas, to in the long term establish high sales of reagents in these regions as well.

Development by market area

Parts of APAC continued to be adversely affected by the COVID-19 pandemic, while the Americas and EMEA reported robust growth. In the Americas sales grew by 38 percent after a very strong fourth quarter, with growth of 94 percent. For EMEA sales growth was 17 percent after stable development throughout 2021. In APAC there were continued challenges in the wake of the COVID-19 pandemic. The greatest negative impact was seen in China, but countries such as Australia, Japan, Korea, Singapore and Thailand reported positive growth during the year. The Americas is an important region for CellaVision and the region's strong development in 2021 had a significantly positive effect on CellaVision's full-year profit. The underlying demand for digital morphology continues to be strong in all regions, which indicates that sales will recover as the effects of the pandemic continues to subside.

Geographical expansion

CellaVision's organizations for market support are working intensively together with CellaVision's distributors to convert customers from manual to digital solutions. As part of CellaVision's measures in response to COVID-19, the company has not established any more organizations for market support in 2021. At year-end CellaVision had 17 local organizations that together offer market support in more than 40 countries.

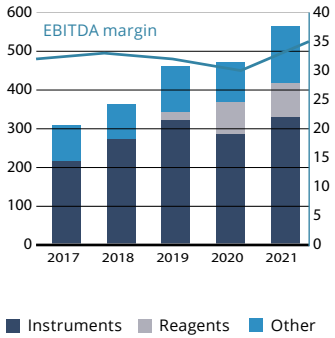
Launch of the CellaVision DC-1

The continued launch of the CellaVision DC-1 was adversely affected in parts of 2021 by the COVID-19 pandemic. Sales of a completely new product system require physical product demonstrations, which was not possible during periods of 2021. Despite periodically challenging conditions, sales of the CellaVision DC-1 developed positively during the year and the number of units sold increased by 56 percent. In terms of individual quarters and individual regions, sales continue to be volatile. Over the full year the CellaVision DC-1 reported good growth since the launch in 2019 despite the challenges entailed by COVID-19.

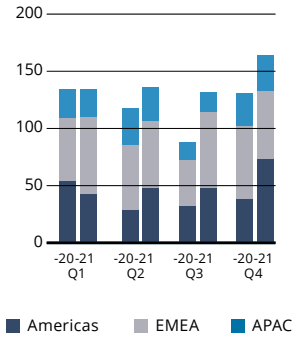
CellaVision's reagents

In 2019 RAL Diagnostics was acquired, whose reagents product line has historically held a strong position in EMEA, but with a limited presence in the Americas and APAC markets, where CellaVision holds a strong position. Consequently, there is a sound basis for successful sales expansion of the company's RAL products globally through CellaVision's market support organization. In 2021 sales of reagents developed very positively in EMEA, with growth of 13 percent in local currency for hematology reagents and single-digit growth for reagents for adjacent application areas. In APAC CellaVision continued its long-term work of establishing conditions for good sales growth in coming years. The company also considers that there are good long-term prospects of successfully launching the range of reagents in the Americas.

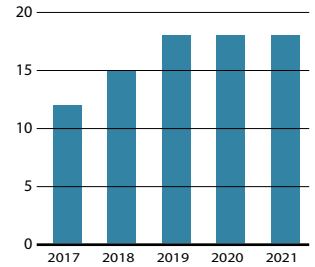
NET SALES, SEKm
EBITDA MARGIN, %



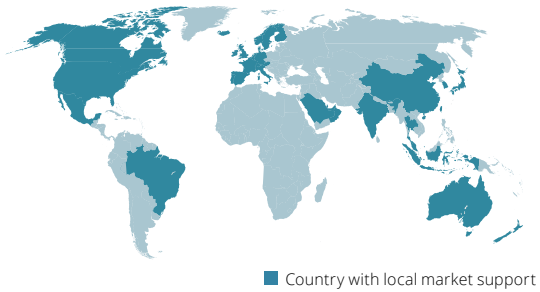
NET SALES PER QUARTER AND GEOGRAFIC REGION 2020-2021, SEKm



NUMBER OF MARKET SUPPORT ORGANIZATIONS BY YEAR END



MARKET SUPPORT ORGANIZATIONS BY YEAR END



With 17 organizations for local marked support CellaVision has direct presence in more then 40 countries.

Americas

After a troublesome 2020, with the COVID-19 pandemic leading to a very difficult market situation, in 2021 a return to more normal conditions was seen, with the possibility of holding trade fairs, symposiums, seminars, product demonstrations and evaluations. Thanks to the high level of activity, sales returned with strong growth in the three last quarters of the year. Total sales were SEK 210 million (152) for 2021.

Market for large systems

In 2021 CellaVision continued to work closely with the company's partners. The focus has been on the important replacement market, among other things. In 2021 a large number of old CellaVision DM96-systems were replaced with today's modern CellaVision DM9600 series. After the successful work of 2021, only a few DM96 systems remain in the American market. Sales of the Sysmex DI-60 increased during all quarters of the year. All in all, developments in 2021 indicate that the market has returned to a more normal situation and more predictable sales cycles.

Launch of the CellaVision DC-1

The CellaVision DC-1, which was developed for small and medium sized laboratories, was approved for sale by the FDA in the fourth quarter of 2020. The difficult pandemic situation in late 2020 and early 2021 implied challenges to the launch of a completely new product. Most of the launch activities, such as training the company's partners' sales organizations, took place in virtual format. Together with CellaVision's partners, digital symposiums were also held for customers and the initial reception of the CellaVision DC-1 has been very good.

Preparations for launching reagents

In 2021 CellaVision worked together with its partners in the Americas to prepare the launch of the company's range of reagents. The work includes contract discussions, market plans and product evaluations. The new range of reagents that are not methanol-based will constitute a major competitive advantage when they are launched in 2022.

Important activities in 2021

In June 2021 CellaVision participated in a small regional trade fair and in September the AACC (American Association for Clinical Chemistry), held its first major Meeting and Expo since the outbreak of the pandemic. The number of visitors was low compared with previous years, which shows that the market conditions are still very different from those before the pandemic. The fact that the event was held at all points to a willingness to return to normal, which is very encouraging.

Net sales, SEKm
210 (152)

Share of Group sales
37%

Growth
38%

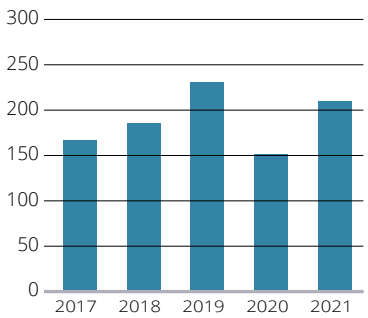
Number of employees
10 (12)

Thrilled to see the team together again for the first time since the beginning of the pandemic

"We were thrilled that for the first time since the beginning of the pandemic, the annual AACC exhibition in Atlanta, GA could take place this year. We had many customers come to the booth asking for information on the new DC-1 as well as our networking solutions for sharing patient samples remotely. It was fantastic to have our team together and to see many of our partners and customers in person again."

Ken Childs, CellaVision, Director-Americas

Net sales 2017-2021, SEKm



EMEA

EMEA reported strong sales growth in 2021 with sales of SEK 252 million (216), which made 2021 the best year ever for the region. Growth, which was 17 percent, was achieved through a combination of strong sales of both instruments and reagents. The positive growth was achieved despite the continued impact of the COVID-19 pandemic during parts of the year, with several cancelled trade fairs and limited opportunities for physical meetings.

Strategic focus on expanding sales to more countries in the region

In recent years CellaVision has established organizations for local market support in several countries within EMEA. In 2021 this resulted in installations of analyzers in more than 30 countries in the region, of which four were entirely new markets for CellaVision.

In 2021 the successful training of CellaVision's organizations for local market support continued to further reinforce their knowledge of the company's range of reagents, which, after the acquisition of RAL in 2019, form an integrated and central part of CellaVision's offer. Together with CellaVision's strengthening position in several markets in the region, this means that sales of reagents in the region were the strongest ever for the full year.

In 2021 the focus on expansion mainly laid on establishing sales structures for the reagents product line, both for CellaVision's large system and the new smaller CellaVision DC-1 system.

Highlights of 2021

There were several highlights in 2021. At the start of the year the large order from England that CellaVision and its partner had been working on for two and a half years was delivered and installed. The installation includes both CellaVision's large system and the smaller CellaVision DC-1 system.

In the Spanish Balearic Island group an integrated CellaVision DM1200 system was installed at the largest publicly owned laboratory in Palma de Mallorca and the CellaVision DC-1 at satellite laboratories on the nearby islands of Ibiza and Menorca, as well as another three CellaVision DC-1 at various places on Mallorca.

France continues to be the region's largest market, but after strong development in recent years Germany is not far behind.

Sales of CellaVisions reagents developed positively on most markets during the year, with growth in all 15 of the region's largest markets.

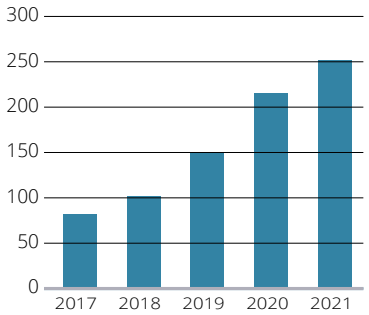
Net sales, SEKm
252 (216)

Share of Group sales
45%

Growth
17%

Number of employees
179 (153)

Net sales 2020-2021, SEKm



CellaVision DM1200 assisting the scientific workforce

In 2019, the Hematology laboratory at University Hospital Crosshouse in Ayrshire, Scotland had the CellaVision DM1200 installed.

A committed microscopist with almost 40 years' experience of reporting cell morphology in peripheral blood smears, Owen Jones, Senior Biomedical Scientist and Training Officer viewed any machine-based attempts to identify and classify blood cells with scepticism:

"There were just too many variables involved in the examination of blood for such an instrument to provide useful information. I was also suspicious that introduction of such an instrument could lead to the downgrading of the profession and persuade some employers that highly trained biomedical scientists were no longer required for this role.

How wrong I was. With familiarity came the understanding that it could be used as an adjunct to the work of the scientist, not a replacement. By screening stained blood smears identified as suspicious by automated cell counters, the numbers of patient samples that required microscopy could be reduced so assisting, not replacing, the scientific workforce.

Since then, I have shared my experience to fellow professionals, advising on ways of incorporating the analyser into the workstream and providing examples of where the DM1200 has been of value in our laboratory in the detection of blood cell anomalies. In addition to its role in assisting the screening of patients' blood, it is of tremendous value in the training of biomedical scientists in cell morphology and the assessment of competence in this complicated area of laboratory medicine", says Owen Jones, Senior Biomedical Scientist and Training Officer at University Hospital Crosshouse, Scotland.

APAC

APAC was the region that was most affected by the COVID-19 pandemic, with restrictions in most countries, making effective marketing activities more challenging. All in all, this resulted in sales on par with the previous year SEK 103 million (103). During the year the region accounted for 18 percent of CellaVision's total sales.

Japan reported very strong growth during the year, partly driven by a large after-market and an increasingly effective local organization for market support. The trend was also positive in Australia, Korea, Singapore and Thailand. China saw a COVID-19 related sales decrease during the year, but the underlying demand is estimated to still be at a high level.

Strategic initiatives

During the year CellaVision continued to focus on increasing market share for the company's larger systems for digital morphology. Many markets in the region are immature and require long-term work with a large element of product demonstrations to increase awareness of the advantages of digital solutions that CellaVision provides.

With the exception of China, the CellaVision DC-1 has been approved for sale in all the company's markets in APAC and the product has had a positive reception, not least in Australia, India and Indonesia. In 2021 systematic work was carried out together with CellaVision's distributors and selected laboratories to identify where and in what context sales potential is greatest. Market approval for the CellaVision DC-1 in China is expected in 2023.

APAC is a key region for sales of the company's reagents to countries outside Europe. During the year CellaVision has worked to create the conditions for establishing a high level of reagent sales in APAC. The work has included national evaluations and product registrations, as well as drawing up detailed plans for market launches in the different countries of the region.

Geographical expansion

CellaVision is represented by its own organizations for local market support in six of the region's markets. Due to the COVID-19-pandemic, further expansion has been postponed, but the long-term strategy of expanding operations to new markets in South East Asia remains unchanged.

Net sales, SEKm
103 (103)

Share of Group salesg
18%

Growth
0%

Number of employees
11 (12)

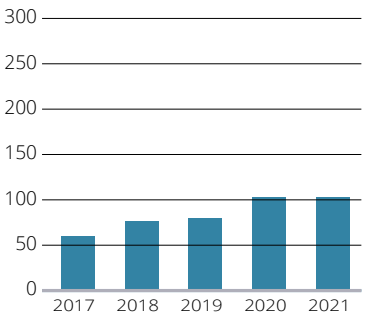
The quality of results with Digital Cell Morphology

Ramathibodi Hospital is one of the earliest adopters for the DCM system by CellaVision in Thailand. Dr. Karan Paisooksantivatana, Director of Hematology Laboratory, has started to explore DCM technology with the CellaVision DM9600 since 2015 to complete the missing automation gap in the hematology workflow. "We find the DCM systems fit right to our direction of laboratory automation and auto-verification."

Being one of the leading medical schools in the region, the hematology laboratory at Ramathibodi Hospital pays particular attention on the quality of results. "It becomes clear from the evaluation study that blood differential results are more consistent with the implementation of DCM." The hospital now has four systems (DI-60 and DM9600) across two laboratories.

During COVID-19 surge, the laboratory installed CellaVision Server Software to combine results from different systems into a single database. This implementation provides a more streamlined slide review process, allowing for delegation of tasks efficiently with limited number of staff. "We have never before experienced such flexibility with staff management and ease of operation.", says Dr.Karan Paisooksantivatana, Director of Hematology Laboratory at Mahidol University, Bangkok, Thailand.

Net sales 2020-2021, SEKm



The CellaVision share

CellaVision's share has been listed on Nasdaq Stockholm, Mid Cap since 2018. Before that the share was listed on Small Cap from May 2010. At the close of 2021 the market value was SEK 7,756 million and the number of shareholders was 8,030. The Board of Directors proposes to the Annual General Meeting a dividend of SEK 2.00 per share.

Price trend and share trading

The price of the CellaVision share increased during the year by 5.9 percent, from SEK 307.0 at the start of the year to SEK 325.2 at year-end. In the same period the index increased by 34.0 percent (Nasdaq Stockholm PI). The highest price paid during the year was SEK 503.5 (August 13, 2021), and the lowest was SEK 283.6 (Febuary 11, 2021). The company's market value at year-end was SEK 7,756 million (7,322). In 2021 a total of 5.5 million shares (13.0) were traded for a value of SEK 1,946 million (3,776).

Share structure

Share capital in CellaVision AB at the close of 2021 amounted to SEK 3,577,732, distributed among 23,851,547 shares. The quotient value per share is SEK 0.15. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote for the full number of shares owned and represented. All shares confer an equal right to share in the company's assets and profits.

Ownership structure

The number of shareholders at year-end was 8,030 (9,094), which is a decrease of about over 13 percent during the year. Of these, three shareholders, William Demant Invest A/S, State Street Bank and Trust Co and Grenlunden AB have direct and indirect holdings representing at least 10 percent of the votes. The ten largest shareholders controlled 65.6 percent of the company's shares on the balance sheet date. Swedish ownership was 47.6 percent of the votes. The total Swedish institutional ownership was 28.0 percent. The Board of Directors and the management together owned, privately and through companies, about 9.7 percent of the shares.

Dividend

In 2021, a dividend of SEK 0.75 per share was paid. The Board of Directors proposes to the Annual General Meeting 2022 that a dividend of SEK 2.00 per share be paid for 2021, which corresponds to 35 percent of net profit. The dividend means an increase from the previous year and in line with the company's dividend policy states that the dividend shall correspond to 30 to 50 percent of the net profit, taking into account the company's capital structure, acquisition needs and long-term financing needs.

Analyses

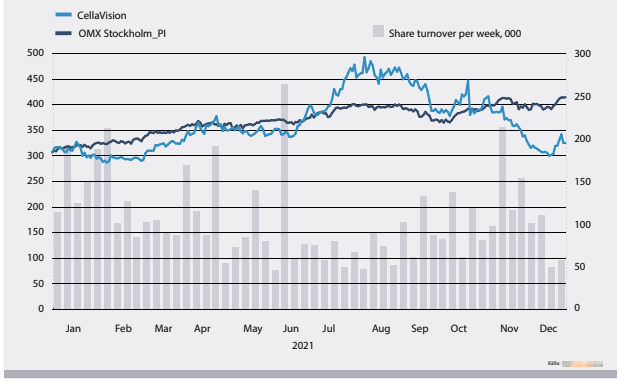
During the year analyses of CellaVision have been made by:

Carnegie (ulrik.trattner@carnegie.se)
Pareto Securities (Christian.Lee@paretosec.com)
Redeye (mats.hyttinge@redeye.se, filip.einarsson@redeye.se)
Berenberg (Carl-Oscar.Bredengen@berenberg.com)

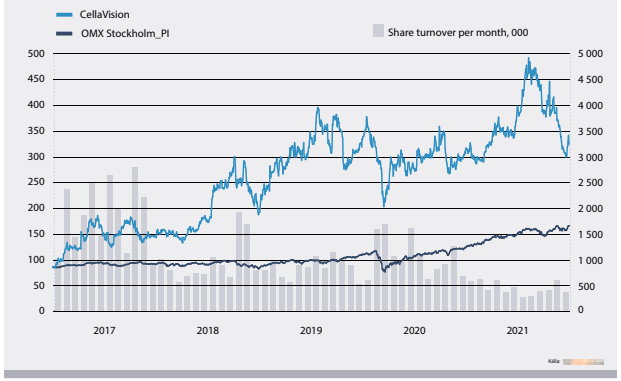
OWNER STRUCTURE 31/12/21

Size	#Shareholders	%
1–500	7,220	87.5
501–1,000	452	5.6
1,001–5,000	389	4.8
5,001–10,000	58	0.7
10,001–15,000	25	0.3
15,001– 20,000	20	0.2
20,001–	64	0.8
Total	**8,030**	**100**

SHARE PERFORMANCE AND TURNOVER 2021



SHARE PERFORMANCE AND TURNOVER 2017-2021



CELLAVISIONS 10 LARGEST OWNERS PER 31/12/21

Shareholders	Shares	Ownership %
William Demant Invest A/S	4,752,999	19.9
State Street Bank and Trust Co	2,769,607	11.6
Grenlunden CeVi AB	2,391,000	10.0
Christer Fåhraeus m bolag	2,292,016	9.6
SEB Investment Management	1,334,109	5.6
Cacies Bank, Luxembourg Branch	979,438	4.1
The Northern Trust Company	722,885	3.0
AMF Försäkring & Fonder	569,784	2.4
CBLDN-400 Series Funds-Client AC	384,071	1.6
JP Morgan Chase Bank	375,770	1.6

Annual General Meeting, dividend and calendar

Annual General Meeting
CellaVision's Annual General Meeting will be held on May 11, 2022 at 15.00 CEST at Mobilvägen 12 in Lund.

The full notice to attend is available at:
www.cellavision.com/agm

Participation
Shareholders who wish to attend the AGM must be listed in the share register kept by Euroclear Sweden AB as of May 5, 2022, and must have given notice of their intention to attend by mail to:

CellaVision AB (publ)
c/o Fredersen Advokatbyrå
Lästmakargatan 18
SE 111 44 Stockholm

or by email to:

cellavision@fredersen.se

The notification must include name, personal or corporate identity number, and the daytime telephone number. If applicable, the number of assistants (maximum two) must also be stated. If shareholders intend to be represented by a proxy, authorization and other authorization documents should be attached to the notification.

Nominee registered holdings
For entitlement to participate in the AGM shareholders with nominee-registered holdings must apply for temporary re-registration of the shares in their own name with Euroclear Sweden AB. Registration must have been effected at the latest by May 5, 2022 and should be requested in good time before that date.

Dividend
The Board of Directors proposes to the 2022 Annual General Meeting that a dividend of SEK 2.00 per share be distributed for the 2021 financial year.

Financial calendar
- Interim report Q1, May 10
- Interim report Q2, July 20
- Interim report Q3, October 26
- Year-end bulletin 2022, February 7, 2023

Subscribe
Financial information and other relevant company information is published on the company's website. To subscribe and have access to the information automatically via email, register at:
www.cellavision.com/agm.

Adele Horn
Corporate Communications and Investor Relations
adele.horn@cellavision.com

Sustainability report

In 2021, CellaVision has continued to develop the company towards a more sustainable business in terms of environmental responsibility and social impact. CellaVision's goal is that the business should always be managed in a responsible manner with continuous improvements in sustainability work with a focus on measures in the areas where the company has the greatest impact.

CellaVision's sustainability work

CellaVision's unique solutions contribute to the improved health of people worldwide. Through digitization and automation of blood analysis, treatment of seriously illness can be initiated more quickly, which saves lives. With streamlining of the workflow in the laboratories, CellaVision contributes to better health care at a lower cost while digitalization increases the availability of better healthcare. Altogether, the company has a positive effect on the benefit to society and contributes to improved health globally.

Activities

CellaVision develops and sells products in sample preparation, including reagents and sample preparation equipment, and digital solutions for blood and body fluids analysis. CellaVision replaces manual microscopes with instruments based on digital image analysis technology and artificial intelligence. The solutions contribute to more efficient workflows and higher quality in laboratory medicine, which leads to a better diagnostic basis and ultimately better care at a lower cost. The company's digital solutions enable healthcare providers to initiate treatment for seriously ill patients more quickly as workflows are streamlined.

Business model

CellaVision has its head quarter in Sweden and local organizations for market support in a total of 17 countries, with a direct presence in more than 40 countries. The company's supply chain comprises third-party manufacturers located in Sweden for CellaVision's instruments and the company has its own production of reagents in Martillac, France. The company's products are sold in collaboration with various selected, globally established partners and CellaVision continuously monitors their work and policies as regards key sustainability issues.

Environment, Social conditions, Personnel and Human Rights and Corruption

Working together with CellaVision should imply a stamp of quality for customers, partners and employees. CellaVision's Code of Conduct describes values and guidelines for how the company's employees are to behave in various business situations. The Code is based on the UN Universal Declaration of Human Rights and together with CellaVision's core values and policies constitutes the foundation of how the company works. The fundamental principles of the Code of Conduct are justice, honesty and legal compliance. CellaVision's sustainability work, which is reported in the coming pages, includes Environment, Social Conditions, Personnel and Human Rights and work to prevent Corruption.

Agenda 2030

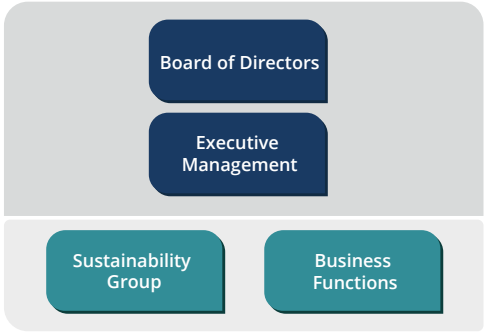
The UN Agenda 2030 with 17 global Sustainable Development Goals is a framework to meet the world's challenges and opportunities. CellaVision's business contributes primarily to goal three: Good health and well-being. In addition, the company contributes to goal four; Quality education, goal five; Gender equality, goal eight; Decent work and economic growth and goal nine; Sustainable industry, innovations and infrastructure. CellaVisions also contributes through various initiatives to achieve goal ten; Reducing inequality and, goal eleven; Sustainable cities and communities.

AGENDA 2030

CellaVision has analyzed its operations in relation to the 17 goals according to Agenda 2030. The company's contribution to a sustainable future, sustainable entrepreneurship and sustainable societies includes, among other things, the following goals under agenda 2030:

3 Good health and well-being: Good health is a fundamental prerequisite for people's ability to reach their full potential and to contribute to the development of society
5 Gender equality: Gender equality between women and men is a prerequisite for sustainable and peaceful development. Gender equality is about a fair distribution of power, influence and resources.
8 Decent working conditions and economic growth: By creating good conditions for innovation and entrepreneurship as well as ensuring decent working conditions for all, sustainable economic growth that includes the whole of society benefits.
9 Sustainable industry, innovations and infrastructure: A functioning and stable infrastructure is the basis for all successful societies. Innovation and technological progress are the key to finding sustainable solutions to both economic and environmental challenges.

SUSTAINABILITY ORGANIZATION



Development in 2021

During the year CellaVision continued to develop the company towards more sustainable enterprise with regards to environmental responsibility and social impact. CellaVision's objective is that the business is always run responsibly, with continual improvements in sustainability work.

CellaVision's sustainability focus lies on measures in areas where the company's impact is greatest and includes insights and conclusions from the materiality analysis carried out in autumn 2021. The UN Sustainable Development Goals and the Global Reporting Initiative (GRI) standards served as important starting points when carrying out the materiality analysis. For CellaVision, open dialogue with the company's key stakeholders is crucial to successfully identify concerns, global trends and market expectations. The work on the materiality analysis involved external and internal stakeholders, including customers, investors, the company's major suppliers, employees and the Board of Directors.

Responses were analyzed from surveys formulated from the material topics identified to gain evidence on the materiality of sustainability topics. In total, 125 responses were collected and weighted based on stakeholder category and the number of answers collected from each category. In the validation phase, the company's executive management team was involved in analyzing the results and discussions regarding the relative importance of sustainability topics considering CellaVision's positive or negative impacts today and in the near future. The company's view on materiality during this process was further refined, resulting in separation of some sustainability topics and consolidation of others, offering clarity for CellaVision's sustainability strategy going forward.

CellaVision's sustainability materiality assessment is in essence based on the positive and negative impacts from the company's operations on environmental, social and governance issues (ESG) along the value chain. The outcome of the materiality analysis has implied that in the longer term CellaVision will concentrate the company's sustainability work as follows

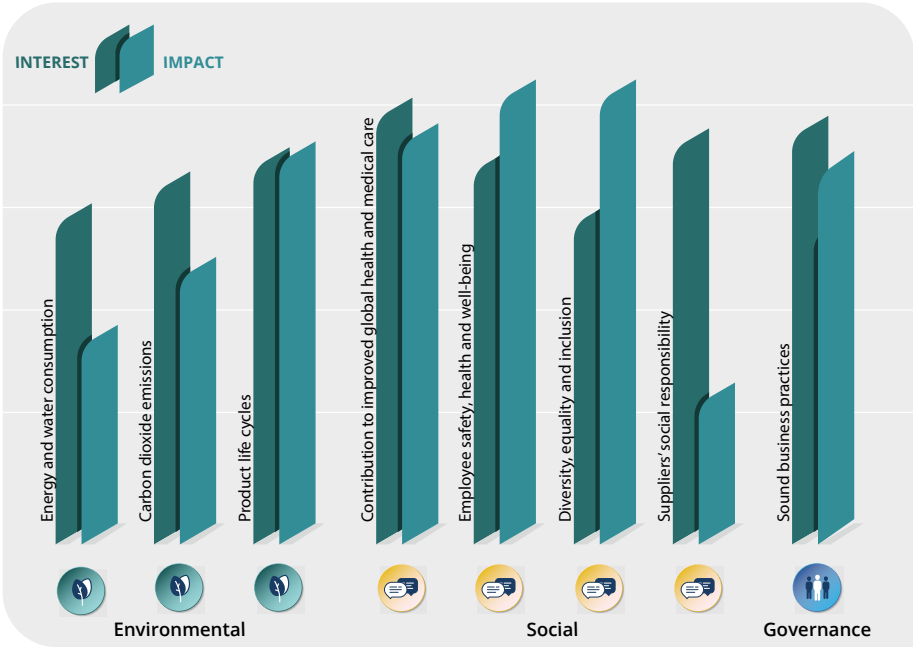
Environmental impact
- Product life cycles
- Carbon dioxide emissions
- Energy and water consumption

Social responsibility
- Contribution to improved global health and medical care
- Employee safety, health and well-being
- Diversity, equality and inclusion
- Suppliers' social responsibility

Business ethics
- Sound business practices

In 2022, CellaVision's primary focus areas will be product life cycles for the Devices & Software division and certification according to environmental standards for the Reagents division.

OUTCOME OF MATERIALITY ANALYSIS 2021



Active and objectives-based environmental work

CellaVision's business ranges from product development to manufacture and sale. The company's environmental management system covers all operations. Since CellaVision is primarily an office-based company with limited own manufacturing, the company has limited environmental impact, though CellaVision endeavors to minimize negative environmental impact where applicable.

CellaVision has been working with environmental issues in accordance with the international standard ISO 14001 since late 2013. In brief, the certification means that the company's environmental work must be well organized, lead to continuous improvements, that applicable laws and regulations are complied with and internal environmental audits are carried out regularly. CellaVision, thus conducts active and goal-oriented environmental work in the selection of suppliers and resources in product development. The company does not conduct any notifiable operations in accordance with the Environmental Code in Sweden.

Devices & Software Division

The Devices & Software Division conducts its operations at CellaVision's facility in Lund.

The property manager of the premises used by the Division achieved its climate goal in 2020, to be climate neutral, partly through purchasing certificates based on Gold Standard. In 2021 the operative work of achieving climate neutrality has continued, for example through investment in a 2,500 square meter solar cell installation expected to generate 247,000 kWh annually.

In 2020 a sustainability group was established, tasked with evaluating and proposing improvements to the Division's environmental work. In 2021 the sustainability group initiated a lifecycle analysis focusing on the CellaVision DC-1 instrument. The analysis is intended to include raw materials, procedures, transport, retail, use and waste. In 2020 a project was also initiated aimed at strengthening ongoing work on compliance with environmental directives and regulations such as REACH, RoHS and Conflict Minerals.

In 2013 the Division was certified under the environmental standard ISO14001:2015, which means, among other things, that the Division's environmental work is audited every year. This year's audit resulted in two non-conformances. The non-conformances were related to the measurability of the environmental objectives and an update of the internal audit program. An action plan has been prepared and is followed up. Furthermore, the audit showed an improvement in the environmental management system's performance, partly through having replaced plastic packaging for immersion oil and reduced CO2 emissions from air travel, which decreased from 153,000 kg to 49,900 kg, and from car travel, 94,600 kg to 57, 000 kg. The decrease is largely due to the pandemic, but a summary has been compiled to see how to use the lessons learned to prevent an increase to previous levels.

Environmental objectives 2021

CellaVision has four environmental goals for the company's head office: Reduce environmental impact caused by 1) purchases of goods and services, 2) business-related travel, 3) training-related travel and 4) reduce environmental impact from waste.

Manufacturing with selected partner

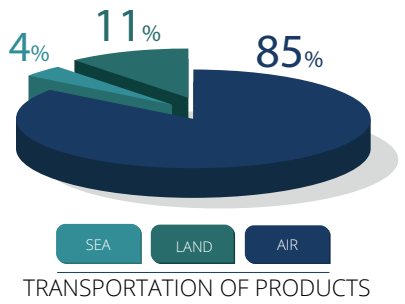
The Devices & Software Division does not manufacture its instruments at its own facilities but works together with a ISO 14001 certified partner that is responsible for assembly and quality assurance. The Division also has suppliers of central components such as microscopes and software. The company selects and evaluates suppliers based on their capacity to supply goods and services that meet CellaVision's quality and environmental requirements, including quality and environmental management system and other specific quality assurance requirements. In addition, a lifecycle perspective is always taken into consideration when choosing suppliers. Audits can be conducted by CellaVision's staff trained in supplier audit and/or by an assigned consultant. In addition, regulatory authorities should be allowed to conduct audits of the suppliers. When selecting, suppliers with certified environmental management systems are preferred. Suppliers are also required to comply with the requirements of the REACH Regulation and the RoHS Directive.

Reagents Division

The Reagents Division was established as a result of the acquisition of RAL Diagnostics in autumn 2019. The Division conducts its operations at CellaVision's facility in Bordeaux in France. The Division complies with local legislation on the environment, health and safety, has an environmental management system based on ISO14001. In the autumn of 2021, a process was initiated aimed at certifying the facilities in Bordeaux according to ISO14001:2015. In 2021 work was also started on increasing manufacturing capacity at the production facility in Bordeaux, where environmental impact has been taken into account in the planning.

Logistics

The ambition is to transport products in as environmentally friendly way as possible. For transport to customers in the Americas and APAC this means that as far as possible the Division will use sea transport, but use air transport in cases where customers so require. In 2021, express freight for smaller volumes has been used to a greater extent, which has resulted in 85 percent of shipments by air, 4 percent by sea and 11 percent by land.



TRANSPORTATION OF PRODUCTS

Climate compensation for carbon emissions

Since the company applies an indirect business model, it is the company's various distribution partners that decide on shipping alternatives for the company's products, which is why these are not compensated for by CellaVision. However, CellaVision recommends its distribution partners to always choose the shipping option with the least environmental impact.

Carbon emissions caused by CellaVision's operations are mainly from business trips by air. The company conducts an annual survey to obtain information about travelers. For 2021, 123 employees out of 200 answered the survey, which is why the company chose to calculate an average of carbon dioxide emissions per employee and then compensate for all the company's 200 employees. Due to the COVID-19 pandemic, the

company's travel decreased sharply in 2021 and thus also the compensation for the company's carbon dioxide emissions. The company's total carbon dioxide emissions for the year amounted to 196 tons, meaning a compensation of SEK 22,064 (34,500). To compensate for emissions, CellaVision decided in 2021, like in previous years, to support a Clean Development Mechanism (CDM) project, which is a central part of the implementation of the Kyoto Protocol. The CDM project scheme has well-developed control mechanisms with independent authorized auditors that report directly to the UN. CellaVision supports a wind power project that meets the environmental movement's "Gold Standard" quality label, which means that the project contributes to sustainable development in a broader perspective. In autumn 2021 CellaVision's car policy was also updated. The new policy means that in future the company will not allow petrol or diesel driven company cars.

Risks

Environmental Management Systems in the Reagents Division

Continued investments in the production facility are required to ensure a good level of environmental work with an environmental certification according to ISA14001: 2015 so that this does not constitute a risk for the company.

Third party manufacturer of instruments

In the event of an increased number of third-party manufacturers, CellaVision must ensure that the requirements for being a partner are met in the environmental area. To ensure compliance, CellaVision should therefore also carry out environmental audits.

Employees, social conditions and human rights

CellaVision's strong corporate culture is an important factor behind the company's successes. The core values – Customer in focus, Initiative and responsibility, and Simplicity and quality – guide our employees in their daily work. Along with objectives, vision and guidelines they constitute CellaVision's corporate culture and form the basis of how work is carried out, the quality delivered and open and respectful treatment of customers, partners, investors and employees.

Responsible employer

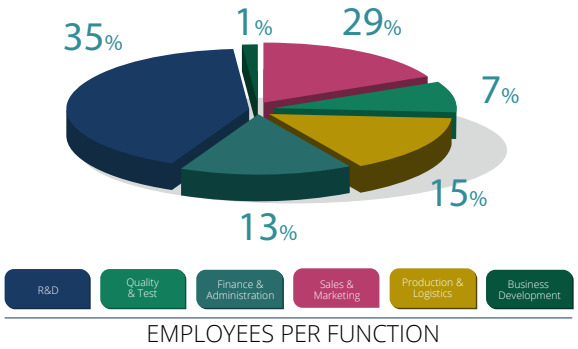
CellaVision has a decentralized and flexible organizational structure, characterized by competence, entrepreneurship, management by objectives and short decision lines. CellaVision's ambition is to offer a secure, stimulating and fulfilling workplace with opportunities to contribute skills and commitment to the company's continued development. The company believes that an even gender distribution enhances competence and creates dynamic in working groups, which is positive both for the work climate and for the company's long-term competitiveness. When recruiting, the company's ambition is to meet as many women as men. In 2021 a total of 34 new employees were recruited to CellaVision. Of the 34 new employees, 14 were women and 20 were men. At year-end the total number of women was 83 (69), equivalent to 41 (39) percent of the workforce. The number of employees at year end was 200 (177) and staff turnover was 9 percent. The company's management and Board are still uneven in gender distribution. In the management team, 1 out of 7 members was a woman, and in the Board of Directors, 2 out of 9 members were women.

The company wants all its employees to feel affinity and pride in being part of CellaVision and aims to retain and promote a healthy work environment with a low sickness absence. CellaVision systematically follows up and investigates repeated cases of short-term absence to identify signals of ill health at the workplace at an early stage. Sick leave 1–13 days was 2.7 percent (2.4).

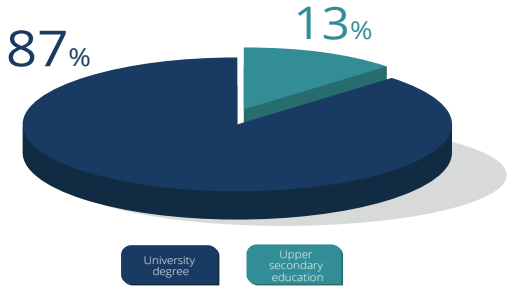
CellaVision has an occupational injuries insurance that applies both at work and on the way to and from work. In 2021 CellaVision globally had 12 reported incidents and 11 reported accidents. None of the accidents were regarded as serious. The company investigates all accidents in accordance with applicable regulations and takes preventive measures to avoid similar accidents in the future.

Work environment, talent, performance and targets

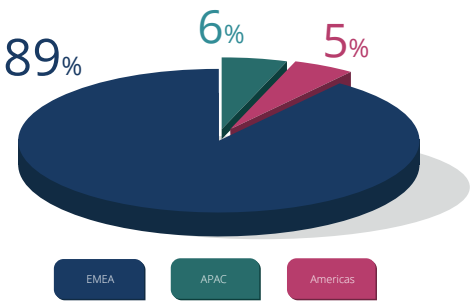
All employees have annual appraisals and target discussions with their line manager. The purpose of the target discussions is to create the conditions for the company's employees to develop and be stimulated to achieve positive work input, which contributes to increased productivity, efficiency and profitability. Individual development plans are linked to the targets to ensure continual competency development. CellaVision



EMPLOYEES PER FUNCTION



EDUCATIONAL LEVEL



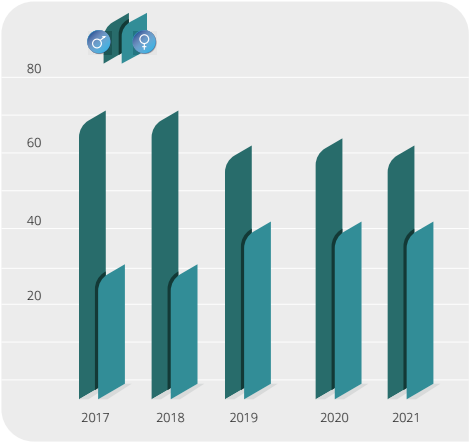
EMPLOYEES PER REGION

conducts an annual employee survey and quarterly measurements of the employee Net Promoter Score (eNPS). The results show pervading strong commitment, strong faith in the future and great confidence in colleagues. The survey, together with performance reviews, form the basis of how CellaVision is to work to retain and improve the work environment, employees' well-being, performance and commitment. For 2021, eNPS was 38 with a 59 procent response rate.

Attractive employer, recruitment and digitization

In 2021 CellaVision continued the work of building its brand as an attractive employer by means of a number of targeted initiatives, mainly in relation to universities and other higher education institutions. The company's geographical location, with many attractive employers in engineering professions in the region, means that the company has had to develop its strategy to attract the right skills. In 2021 CellaVision was once again the main sponsor for Lund Technical University's F-Guild. Due to the COVID-19 pandemic all activities were conducted digitally. The company also offers various extra work opportunities and participates in networks and mentor programs. Altogether, the initiatives have had a positive effect on recruitment, as well as on linking the right competencies to the company in the long term. Further, the company has continued to digitalize HR processes in both recruitment and management of talent and performance to create transparency and efficiency.

DISTRIBUTION OF GENDER, %



Effects of the COVID-19 pandemic on staff

In 2021 CellaVision continued the work started in 2020 to enable rapid management of situations linked to the COVID-19 pandemic. In periods of 2021 this meant a greater element of working from home and digital meetings.

Social conditions and human rights

With regards to social conditions and human rights, the company has established that the most important areas for the company's operations are linked to personnel and to the company's products that contribute to better care and health for patients as well as laboratory personnel, but also to the global economy. In 2021 CellaVision again donated to the non-profit organization Hand in Hand, whose work with entrepreneurship effectively contributes to the UN Goal 1: No poverty.

CellaVision products

CellaVision manufactures and sells products aimed at healthcare. The company's products make better healthcare available through improved diagnosis, which has a decisive effect on health and well-being globally. Furthermore, the company's products have an effect on the overall economy as the company's instruments reduce healthcare costs. In these respects, the company is a direct contributor to the UN's goals of Good Health and Well-being.

Good employment conditions

CellaVision's personnel are employed in the parent company in Lund, Sweden, the subsidiary in Martillac, France, as well as in the company's other subsidiaries and via Business Sweden. The staff employed at the parent company in Lund and the subsidiary in Martillac amount to 200 employees. In total 86 percent of the company's staff are covered by collective agreements that regulate employment conditions and working conditions at workplaces. For other employees, the company ensures the working environment and working conditions through its collaboration with Business Sweden. All employees of CellaVison have employment agreements in accordance with applicable local laws and regulations. Furthermore, the company has an established framework with a code of conduct based on the UN's human rights as a complement to local laws and regulations.

Supply chain

CellaVision manufactures via third-party manufacturers in Sweden and on its own account in Martillac, France. Working conditions at the third-party manufacturer in Sweden are regulated by collective agreement, which covers the terms of employment at the workplace. The same applies to CellaVision's own manufacturing in Martillac in France, which is also covered by collective agreements with local trade union cooperation to regulate terms of employment. If CellaVision decides on further third-party manufacturing or another third-party manufacturer the company must guarantee established terms of employment and compliance by the new manufacturer.

Sales

The company conducts sales activities via global partners that are mostly public companies with their own sustainability work, which also includes terms and conditions of employment, taking into account human rights and working conditions.

Risks

Uneven gender distribution in senior positions

The company still has an uneven gender distribution in the board and management. The risk is that the company is not perceived as an equal, attractive employer and thus may have difficulty attracting skills.

Local working conditions at the distributor level

As the company expands its relationships with new local distribution partners, the company cannot rely on these distribution partners meeting the requirements for good employment conditions locally. The company must therefore continuously check how new and smaller distribution partners meet the requirements.

Code of Conduct and anti-corruption

Legal compliance forms the basis of CellaVision's actions in all areas in which the company operates. The scope covers many areas, and the work is led by employees with expertise and knowledge within the company. CellaVision's Code of Conduct is an authoritative document that, in addition to a number of policy documents, regulates how the company's employees are to act beyond the local legislation at global level.

Compliance with legislation

The company's Code of Conduct describes for example how the company is to compete fairly, based on the merits of our products and services, and not participate in or pro-

mote any corrupt activity. The Code of Conduct describes anti-corruption specifically and that employees may not offer customers, potential customers, suppliers, consultants, governments, agencies of governments, or any representative of such entities, any rewards of benefits in violation of applicable laws or established business practices, in order to obtain or retain business. These compliance principles were implemented at CellaVision some years ago and the company conducts annual training to ensure that all employees understand and comply with these principles. The company has established a number of policies and guidelines, as well as offering ongoing advisory services and support to assure compliance. Moreover, a number of reviews and audits, both internal and external, are conducted to identify irregularities and systematize the work of improvement.

Monitoring compliance

Compliance with the Code of Conduct is largely an issue of leadership and of having well-established procedures, processes and functions to prevent deviation. The Code of Conduct describes the whistle-blower function, which encourages all employees to report suspected violations to their managers or other representatives of the leadership. If it is not feasible or possible to report to a superior, or if it is not taken seriously, it is possible to escalate the suspected violations to the Board of Directors or ultimately to CellaVision's Board Chair, and, where the law permits, to remain anonymous. CellaVision does not tolerate reprisals against any person who in good faith presents complaints or suspicions of violation of the Code of Conduct. In 2021, no cases were reported to management according to the whistle-blower function in the Code of Conduct, nor did any cases related to corruption come to the management's knowledge during the financial year.

Risks associated with corruption and non-compliance with competition law

Risks of corruption are primarily linked to operations of CellaVision's business partners (distributors and third-party manufacturers), for which the company may be held liable, as well as behaviors of employees in relation to public officials and other customer representatives. The overall risk level is also influenced by the fact that CellaVision conducts business activities in many markets considered to be high-risk in terms of corruption.

Potential risks of non-compliance with competition law (for example price collusion, market sharing, illegal exchange of information, abuse of a dominant position) are primarily linked to employee behavior when they interact with competitors' external stakeholders in various situations. Violations of anti-corruption and competition legislation may entail serious negative consequences for business operations, including reputational damage to the company, fines or imprisonment for employees. CellaVision may also be affected by claims brought by individuals or businesses impacted by alleged non-compliance.

Risk management and anti-corruption

Corruption-related risks are managed through a number of different activities to reduce the risks of corruption, including reviews of partners from a corruption perspective. This is done to ensure that the company selects the right partners to prevent corruption in connection with the sale of products and services. Moreover, CellaVision's business model enables natural constraints on the establishment of corruption. As the company's sales are via the company's head office to various partners, the payment flows can be controlled effectively. Further, the company has established administrative support in local markets through cooperation with Business Sweden, which handles local administration of salaries and other payments to the company's employees. All payment flows are checked and approved centrally, which significantly reduces the risk of corruption.

As regards employees and sub-contractors, the Code of Conduct makes it clear that CellaVision's employees and sub-contractors may not participate in or promote corruption. The Code of Conduct also states that CellaVision competes on the basis of the advantages of its products and services and does not take measures that are illegal under competition law, for example illegal collusion with competitors. In addition, regular anti-corruption training is provided in connection with the annual training in the Code of Conduct. In 2021, 149 of the company's 200 employees, 75 percent, completed the online training in the Code of Conduct.

The auditor's opinion on the statutory sustainability report

TO THE ANNUAL GENERAL MEETING OF CELLAVISION AB (PUBL), CORPORATE IDENTITY NUMBER 556500-0998

Assignments and division of responsibilities

The Board is responsible for the sustainability report for the year 2021-01-01 – 2021-12-31 on pages 23-29 and for the fact that it has been prepared in accordance with the Annual Accounts Act.

The focus and scope of the review

Our review has taken place in accordance with FAR's recommendation RevR 12 Auditor's opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope compared with the focus and scope of an audit in accordance with International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with a sufficient basis for our statement.

Statement

A sustainability report has been prepared.

Malmö, April 7 2022

Deloitte AB

Jeanette Roosberg
Authorized public accountant

Annual report

Administration report

The Board of Directors and the President of CellaVision AB (publ), corporate identity number 556500- 0998, hereby submit the annual accounts and consolidated accounts for the financial year January 1, 2021 to December 31, 2021. Figures in parentheses refer to the previous year. All amounts are in millions of Swedish kronor (SEKm) unless otherwise stated. The corporate governance report is part of the administration report.

Activities

CellaVision develops and sells products in sample preparation and digital solutions for blood and body fluids analysis. The company replaces manual microscopes with instruments based on digital image analysis technology and artificial intelligence. The solutions contribute to more effective workflows and higher quality in laboratory medicine. CellaVision applies an indirect business model which means the company's customers consist of medical device companies that supply hospital laboratories with equipment. Thus, the end customers are hospital laboratories and commercial laboratories. CellaVision also sells to the considerably smaller veterinary market. The product offer consists of products for sample preparation and systems for digital microscopy in hematology, consisting of reagents, instruments and supplementary software and peripheral equipment. Since 2019, RAL Diagnostics has been part of the Group and provides products and solutions for standardized laboratory diagnostics and improved performance for cellular image processing. RAL Diagnostics is based in Bordeaux, France, constituting a complete facility including a production plant producing reagents.

Sales

CellaVision's products are sold globally via suppliers of blood analysis equipment. CellaVision's own market office supports the respective partners' marketing. The revenues mainly come from sales of instruments equipped with software and products for sample preparation. Other software, spare parts, consumables and service account for a minor but increasing part of the company's total sales.

Product development

CellaVision continually conducts development projects in the morphology field to strengthen its customer offer. The Group primarily uses its internal resources to develop, but the strategy also includes development through cooperation with partners.

In 2021, a new updated version of CellaVision® Proficiency Software was released to the market. In the new release, the appearance of the software has been modernized and the functionality has been improved. The release has been well received and user statistics show that CellaVision Proficiency Software is used on a daily basis by hundreds of laboratories, universities and external organizations with high quality demands around the world.

During the year, an update of CellaVision's veterinary software was also implemented. The updated software version is adapted for CellaVision DC-1, which is a cost-effective solution for digital morphology that meets the needs of small and medium-sized hematology laboratories in both the human and veterinary segments. The instrument can be used both independently and as part of large networks.

During the second quarter of the year, CellaVision completed the acquisition of exclusive rights to a patent portfolio containing a new microscopy technology, Fourier Ptychographic Microscopy (FPM). The technology is a method for creating high-magnification images with low-magnification optics, which enables large image areas to be collected with high resolution and higher speed than with conventional digital microscopy. In connection with the acquisition, a long-term research effort to further develop and adapt the technology to CellaVision's needs was initiated.

Feasibility studies based on a combination of CellaVision's core technology platforms and FPM, have shown progress and high-resolution images have been constructed. The research team will be expanded with additional resources in the upcoming year. Together with partners, the team is to develop future automated microscopes with applications both in hematology and in adjacent areas.

In 2021, resources from research and development have been assigned to contribute to mitigate the effects of the global component shortage through validating second sourcing of key components. The impact on other projects has been limited and all issues during the year have been resolved without delivery disruptions. CellaVision monitors the situation and continues to work proactively to counteract the effects of the global component shortage.

CellaVision devotes considerable resources to being at the forefront of research and development. In 2021 the equivalent of 18 (16) percent of sales was invested in the company's innovation activities. CellaVision is organized in a divisional structure with development departments within both the Reagent division and the Devices & Software division, but different responsibilities for developing products in their respective areas.

Patents

In 2021 CellaVision was granted three new patents on a previously patented focus algorithm. Using the algorithm, the distance to perfect focus can be calculated from a single image, which enables faster focus than conventional methods. Patents have during the year been granted in the UK, France and Germany.

CellaVision's patent portfolio at the end of the year, grants rights to 25 (18) patented inventions and 109 (76) granted patents. Most of the company's patents are in the technology fields of image analysis as well as precision mechanics, reagents and sample preparation.

Product supply and manufacture

Manufacture of CellaVision's instruments is carried out by contract manufacturers. The company does not have its own manufacturing or assembly in terms of instruments, but owns a production plant with production of reagents in Bordeaux, France.

Legal structure

CellaVision is a Group consisting of the parent company CellaVision AB and the six wholly-owned subsidiaries RAL Diagnostics (Bordeaux, France), CellaVision Inc. (Durham, USA), CellaVision Canada Inc. (Toronto, Canada), CellaVision Japan K.K. (Yokohama, Japan), CellaVision International AB. In addition, this includes Clearbridge BioPhotonics Pte.Ltd (Singapore) which was acquired during the second quarter of the year

with the aim to acquire the exclusive rights to a unique patent portfolio. The intention is for the rights to be transferred to the parent company and thereafter liquidation of the company.

Apart from RAL Diagnostics that covers a complete production facility, producing reagents, the function of the subsidiaries is primarily market support to partners in the regional markets. For markets where there is no local invoicing CellaVision has decided to employ staff through Business Sweden and in that way can operate on these markets without establishing subsidiaries.

Employees
The number of employees of the Group, restated as full-time positions, was 200 (177) at the year-end. Of these, 117 (108) were men and 83 (69) women. There is more information under the heading "Employees" in the sustainability section on pages 27-28.

Competition
In the healthcare sector manual microscopy is the most common method for blood and body fluid analysis. The market for digital microscopy is continually growing. Commercial competition in digital microscopy is limited to a few products and companies. Competition in sample preparation and reagents consists of several competing companies and the market can be regarded as mature, unlike the digital microscopy market.

Environment
CellaVision's manufacture and sale of products is in collaboration with selected, globally established partners and CellaVision continually follows up their work and policies regarding central sustainability issues. During the year CellaVision continued to develop the company towards more sustainable enterprise as regards environmental responsibility, human rights and social impact. The company's products contribute to improve people's health on a global level and CellaVision's goal is for the business to always be managed responsibly with continuous improvements in sustainability work. Furthermore, the company climate compensates for its total travel (previously this was only done for employees in Sweden). The company's activities are not subject to licensing or reporting under Chapter 9, Section 6 of the Environmental Code (1998:808). More information can be found in the sustainability report on pages 25-27.

Significant events during the year
- Simon Østergaard took on his role as Chief Executive Officer and President of CellaVision in March 2021. Magnus Blixt who was Acting President and CEO until Simon Østergaard took office, returned to his regular role as CFO.
- A new updated version of CellaVision Proficiency Software was released to the market. In the new release, the appearance of the software was modernized and the functionality was improved. The release has been well received.
- Sören Mellstig left the Board of Directors at the Annual General Meeting 2021. Board members Christer Fåhraeus, Åsa Hedin, Anna Malm Bernsten, Niklas Prager, Jürgen Riedl, Mikael Worning and Stefan Wolf were re-elected. Mikael Worning was elected Chair of the Board.
- CellaVision acquired the exclusive rights to a patent portfolio containing a new microscopy technology, Fourier Ptychographic Microscopy, from Clearbridge BioPhotonics. The acquisition gave CellaVision access to and control over an interesting future technology. The total acquisition expense amounted to SEK 32 million.
- In the third quarter, CellaVision has gave notice of termination of the distribution agreement with Mindray Medical International Co., Ltd. The agreement was terminated in February 2022.
- During the fourth quarter, work began on expanding production capacity at the Group's facilities in France.
- CellaVision's line of reagents reached commercialization phase in Singapore and New Zealand during the last quarter of the year.
- During the last quarter of the year, CellaVision's updated strategy for 2022 and onwards was also launched.

The Group's financial development
Sales, performance and investments

CellaVision's operations may experience fluctuations in sales between individual quarters and between different geographical regions. Since sales in international markets are mainly in USD and EUR, the company's sales and earnings are also impacted by changes in these currencies.

Net sales for the Group increased by 20 percent to SEK 566 million (471) for 2021. Adjusted for negative currency effects of 4 percent, this corresponds to an organic increase of 24 percent compared to the full year 2020, see table under alternative key figures on pages 81-82. The gross margin increased to 69 percent (66) despite negative currency effects. The increase is mainly due to a change in product mix where software has increased. The Group's EBITDA for the year amounted to SEK 196 million (143). The total operating expenses for the year increased by 13 percent to SEK 230 million (203). The difference between 2021 and the previous year is mainly explained by reduced costs for sales, marketing, product development and an increased cost awareness related to the COVID-19 pandemic. Cash flow from operating activities increased during 2021 to SEK 160 million (71). The increase is mainly related to an improved result after tax. The improved earnings resulted in an increase in earnings per share to SEK 5.25 (3.75). Total cash flow increased during 2021 to SEK 27 million (1).

Total expenditure for research and development amounted to SEK 103 million (77), corresponding to 18 percent (16) of sales. Capitalized expenditure for development projects during the year was SEK 39 million (26), corresponding to 7 percent (5) of sales. Investments in other intangible assets amounted to SEK 32 million and is attributable to the acquisition of exclusive rights to a patent portfolio containing a new microscopy technology, Fourier Ptychographic Microscopy, from Clearbridge BioPhotonics. Investments in property, plant and equipment amounted to SEK 14 million (8).

Sales development in the geographical markets

In the Americas sales were SEK 210 million (152), corresponding to an increase of 38 percent. Sales in EMEA were SEK 252 million (216), corresponding to an increase of 17 percent. Sales in Asia and the Pacific came in on par with the previous year at SEK 103 million (103).

Liquidity and cash flow

The funds at the disposal of the Group at the end of the year were SEK 130 million (102). The year's cash flow from operating activities was SEK 160 million (71). Total cash flow for the year was SEK 27 million (1).

Parent company
Parent company sales were SEK 457 million (372). Profit before tax was SEK 119 million (100). The parent company's investments in property, plant and equipment amounted to SEK 1 million (1) and cash flow for the year was SEK 45 million (-1). In other respects, please refer to the information for the Group.

Risks and risk management
External risks such as changes in exchange rates and reduced demand due to increased competition or deterioration in the investment climate constitute factors of uncertainty but not material risks to CellaVision's operations. CellaVision is exposed to exchange rate fluctuations through its international operations and structure. The exposure mainly arises through costs in Swedish kronor against income in US dollars and euros. For a more detailed description of the operational, financial and

external risks and uncertainties facing CellaVision, please refer to the risk analysis in Note A2.

Risks such as environmental damage, climate change or negative publicity due to events concerning business ethics also constitute factors of uncertainty but not material risks. CellaVision is primarily an office-based company with limited in-house production and therefore limited environmental impact. However, the company works actively to minimize negative environmental impact where applicable. The company's operations do not involve significant exposure to extreme weather conditions. All invoicing takes place centrally which limits the risk of corruption in the local markets. Regular risk assessments are also made to identify new risks within sustainable development. For more information on risks related to sustainability, see pages 24-28.

Outlook for 2022

CellaVision has five strategic pillars – large laboratories, small and medium-sized laboratories, reagents, specialty analysis and new areas – that together aim to ensure the company achieves its financial targets of average organic growth of 15 percent over an economic cycle and an EBITDA margin exceeding 30 percent.

CellaVision is affected by several external factors. During the year, the global component shortage affected the company through an internal resource redistribution. Delivery capacity has remained intact during 2021, but the company follows the development and takes further measures if necessary.

Despite periods of continued impact from the COVID-19 pandemic, the world situation in 2021 has begun to normalize. The pandemic has drastically clarified the great potential and benefits of digitalization, which in the long run could have positive effects on CellaVision's operations as the company's solutions make it possible for healthcare professionals such as pathologists and biomedical analysts to work remotely.

As the effects of the pandemic subside, the Group resumes paused projects and geographical expansion plans. As part of CellaVision's long-term strategic focus, the Group plans to further increase its marketing and innovation ambitions in 2022.

On February 24, 2022 the Russia's invasion of Ukraine began. The invasion was followed by international condemnation and far-reaching sanctions. CellaVision has no sales in Ukraine and has decided to suspend all its sales activities in Russia for the foreseeable future. The Russian market has contributed to an insignificant amount of the company's total earnings.

Proposed distribution of profit

The company's dividend policy is that the dividend is to correspond to 30 to 50 percent of net earnings, taking into account the company's capital structure, acquisition requirements and long-term financing requirements. The Board of Directors proposes to the 2022 Annual General Meeting that a dividend of SEK 2.00 per share be distributed for the 2021 financial year, which corresponds to 35 percent of net profit.

Statement by the Board of Directors on the proposed dividend

In assessing the size of the dividend, the Board of Directors has taken into account the Group's investment needs, consolidation needs and financial position in other respects, as well as the Group's ability to develop in the future while retaining financial strength and maintaining sound freedom of action. Following the proposed dividend, the Group's equity ratio and liquidity are reassuring and means that all the Group's companies can fulfill their commitments in the short and long term. The proposed dividend can thus be defended taking into account the precautionary rule stated in the Swedish Companies Act (2005: 551), Chapter 17, Section 3, Paragraphs 2-3.

Appropriation of profits (SEK)

The following are at disposal of the AGM

Profit brough forward	328,230,881
Net profit/loss of the year	94,483,988
Total	**422,714,869**

The Board of Directors proposes that disposable earnings to be made available to the Annual General Meeting as follows (the amounts are in SEK):

Dividend to shareholders SEK 2.00 per share	47,703,094
On new account is transferred	375,011,775
Total	**422,714,869**

Risks and risk management

CellaVision is exposed to a number of risks, which may impact the Group's development to a greater or lesser extent. The risks are measured mainly in terms of the extent to which they affect CellaVision's ability to achieve goals set. Several of the risks may have either a negative or a positive impact on the company.

A good example of this is the currency risk that CellaVision is exposed to. Favorable development of the currencies that CellaVision trades in, primarily USD and EUR, impacts sales and earnings positively. Conversely, negative development of the currencies has a dampening effect on the company's financial key figures.

CellaVision's global position, with sales in large parts of the world, in itself implies some risk reduction, since companies in different parts of the world, at least to some extent, exist under different cyclical conditions. CellaVision currently has global agreements with its distributors, meaning that sales are made in many parts of the world. Apart from this, CellaVision has established 17 organizations for market support covering more than 40 countries.

CellaVision has a reagent production facility, RAL Diagnostics in Martillac, outside Bordeuax in France. Investments are made in maintenance and equipment to ensure high efficiency as well as high quality in its own production of reagents and to meet EHS requirements. The company regularly monitors production bottlenecks to ensure long-term production and quality.

CellaVision's Board decides on the Group's strategic focus. The responsibility for the long-term and overall management of risks of a strategic nature follows the company's delegation scheme, from Board of Directors to President/CEO. All invoicing to CellaVision's sales and distribution partners is from the head office in Lund, which limits the risk of corruption in the local markets.

Financial risks are managed in accordance with the Group's financial policy, as adopted by the Board of CellaVision. The risks are identified and monitored on a continuous basis to ensure compliance with these guidelines.

The diagrams and texts below give a picture of the assessment made by CellaVision of the various risks the Group is exposed to and how they are offset. For risks related to sustainability see page 33.

FINANCIAL RISKS

Currency risk	Counteracting factors
Exchange rate fluctuations may have a negative impact on the Company's earnings when income from sales and costs of production and purchasing are in different currencies (transaction risk). There may also be a negative impact on the Company's earnings on translation of foreign subsidiaries' earnings to SEK and on the Company's equity when foreign subsidiaries' net assets are translated into SEK (translation risk).	The Company's financial policy, adopted by the Board, includes guidelines for dealing with financial risks in the Company. The transaction risk is limited in the short term in that the Company applies forward cover to currency flows. The translation risks are limited by the fact that the subsidiaries' balance sheet totals are not significant.

Interest rate risk	Counteracting factors
Interest rate risk refers to how changes in market interest rates impact cash flow and earnings as well as the value of financial instruments.	Monitoring of capital structure and interest costs in relation to profitability.

Financing and liquidity risk	Counteracting factors
Financing risk refers to the risk that refinancing of loans due will be more difficult and that the Company has insufficient liquidity to meet its payment obligations.	The financing risk is currently low as the company has strong operating cash flow, good liquidity and a low loan-to-value ratio.

OPERATIONAL RISKS

Product development risk	Counteracting factors
CellaVision's sustained earnings and competitiveness depends on the ability to develop new and innovative products and solutions for which there is demand from customers.	Investments in product development in accordance with the Company's strategy. Regular monitoring of HW and SW roadmaps.

Technical risk	Counteracting factors
Through improved machine learning applications, artificial intelligence (AI) has undergone rapid development in recent years and advanced algorithms are generally available.	In recent years the Company has accumulated skills in the latest machine learning applications and these are used as a natural part of development work.

Distribution risk	Counteracting factors
CellaVision sells via distributors and is dependent in the long term on the distributors' ability to sell the Company's products.	Development of an indirect sales model in accordance with the Company's strategy.

Supply chain risks	Counteracting factors
The Company is dependent on the effectiveness and quality of third party manufacturers for production of analyzers and spare parts. Production of analyzers and spare parts is dependent on access to critical components.	CellaVision has considerable knowledge of production and quality control of the Company's products, which reduces dependency on third-party manufacturers. CellaVision monitors availability of critical components in general and of LTB in particular.

Production risk	Counteracting factors
The Company is dependent on the effectiveness and quality of in house production of reagents. Production of reagents is dependent on an efficient production facility and compliance with regulations for EHS.	CellaVision invests in maintenace and equipent for the production environment. The Company regularly monitors production bottle necks to ensure a long-term output and quality. The company cooperates with union representatives and local authorities to ensure compliance with EHS regulations.

Human capital risk	Counteracting factors
CellaVision is dependent on access to competent engineers to ensure innovation and technological leadership in products and services.	CellaVision offers commercial terms and works with "employer branding". The Company forges links with higher education institutions and students for participation in project work.

Regulatory risks	Counteracting factors
Approval is required for sales in each respective market. The approval may be withdrawn if the Company does not meet applicable quality requirements. Delays in approval of new products entail income losses.	The Company regularly evaluates the resources available to maintain quality requirements and effectiveness in "regulatory affairs".

Risk of bad debt losses	Counteracting factors
Credit losses have a negative impact on the Company's earning capacity.	Credit risk is minimized in that the Company has a small number of large customers with long-term business relations. The business model is simple and the products maintain good quality, which minimizes the risk of disputes.

Risk of corruption and fraud	Counteracting factors
The Company may suffer financial loss and reputational damage if employees act unethically.	The Company communicates internal rules clearly to all employees to prevent corruption and fraud. The "Code of conduct" is signed annually by all employees and new recruits

Risk with acquisition	Counteracting factors
Acquisitions may entail unforeseen costs and increased business risk.	The Company has developed procedures for analysis, implementation, monitoring and integration of acquisitions, including due diligence.

Risk associated with IT systems	Counteracting factors
CellaVision has identified three areas of risk associated with IT systems:	
Operational security – availability of IT systems and data	Operation of the central IT environment is outsourced to a third-party supplier that ensures high operational security and data security.
Data security – risk of loss of data	CellaVision has procedures for data access and authorizations that ensure compliance with data integrity requirements.
Protection from breaches – by employees and external parties	Continuous updating of IT security protection and IT security awareness training of personnel.

Product liability risks	Counteracting factors
CellaVision can incur costs for rectifying faults in products supplied. Claims for damages may arise if the company's products do not meet applicable quality requirements.	CellaVision limits product liability risks by following procedures for quality assurance and by carrying out extensive tests of the Company's products.

EXTERNAL RISKS

Competition risk	**Counteracting factors**
CellaVision holds a dominant position in the market for digital image processing in hematology. The main competition is still from the manual microscope. CellaVision's earning capacity may decrease if the company is exposed to competition in the field of digital image analysis.	CellaVision invests in product development to meet customers' needs for new innovative products and technical solutions. This is one of the most important conditions for the Company's future competitiveness.
Risk of litigation and patent infringement	**Counteracting factors**
This risk applies to the costs the Company may incur as a consequence of bringing legal action, costs in connection with settlement and costs for damages awarded.	Existing patents are monitored in connection with product development to avoid involuntary patent infringement.
Political risks	**Counteracting factors**
Political decisions can affect demand both positively and negatively.	The majority of CellaVision's sales are in countries where the risk of political decisions that drastically change market conditions is assessed to be relatively low.
Extensive pandemic	**Counteracting factors**
A worldwide pandemic can result in limited access to hospitals and laboratories, this can result in reduced sales.	The company's financial risks are reduced in the short term by reducing costs and adjusting cash flow. The work can continue by enable the staff to work digitally remotely. There is no long-term risk for the company due to CellaVisions product technology since the need for the products does not decrease with a pandemic.

Five year summary

Income statement, Amounts in SEK thousands	2021	2020	2019	2018	2017
Revenues	565,552	471,443	461,772	364,812	309,312
Cost of goods sold	-173,250	-158,402	-125,038	-93,946	-86,092
Gross profit	392,303	313,041	336,734	270,866	223,220
Selling expenses	-102,246	-100,549	-102,348	-82,362	-69,977
Administrative expenses	-63,077	-50,966	-51,394	-37,644	-35,565
Research and development costs	-64,248	-51,253	-56,417	-39,253	-26,786
Operating profit/loss	162,733	110,273	126,575	111,607	90,892
Profit/loss from financial items	-4,436	1,955	2,645	490	-549
Tax	-32,958	-22,748	-30,048	-23,408	-20,620
Net profit/loss for the year	125,339	89,480	99,172	88,688	69,723

Balance sheet, Amounts in SEK thousands	2021	2020	2019	2018	2017
Assets					
Intangible assets	358,160	300,883	299,668	67,818	53,731
Tangible fixed assets	80,326	47,428	54,494	6,815	4,814
Financial assets	22,007	21,648	22,295	3,579	2,617
Current assets	364,719	298,066	265,251	294,570	239,435
Total assets	825,212	668,025	641,709	372,782	300,597
Equity and liabilities					
Shareholders' equity	543,280	429,617	348,373	290,375	240,851
Non-current liabilities	147,432	134,263	167,472	10,517	8,620
Current liabilities	134,500	104,145	125,863	71,890	51,126
Total equity and liabilities	825,212	668,025	641,709	372,782	300,597

As of 2019, the balance sheet total has increased with rights of use assets and short- and long-term lease liabilities. The right of use assets are reported as tangible fixed assets, while the leasing liabilities are reported as long-term debt, interest-bearing and short-term debt are reported as interest-bearing.

Five year summary, cont'd

Equity, SEK '000	**543,280**	**429,617**	**348,373**	**290,375**	**240,851**
Operating Capital, SEK '000	529,846	438,672	418,094	117,739	83,688
Liabilities to credit institutions, SEK '000	136,655	132,778	173,693	0	0
Net investments, SEK '000	84,339	33,593	18,314	22,895	29,101
Cash flow for the year, SEK '000	26,903	948	-67,326	14,434	22,428
Net debt/equity ratio	0.01	0.07	0.20	-0.58	-0.64
Equity-assets ratio, %	66	64	54	78	80
Return on equity, %	26	23	31	33	31
Return on operating capital, %	34	25	47	111	117
Average number of employees	201	182	125	106	92
Additional employees through acquisition	0	0	41	0	0
Number of employees at close of period	200	177	177	117	99

Data per share	**2021**	**2020**	**2019**	**2018**	**2017**
Net result before and after dilution, SEK	5.25	3.75	4.16	3.72	2.92
Equity before dilution, SEK	22.78	18.01	14.61	12.17	10.10
Equity after dilution, SEK	22.78	18.01	14.61	12.17	10.10
Average weighted number of shares before dilution, thousands	23,852	23,852	23,852	23,852	23,852
Average weighted number of shares after dilution, thousands	23,852	23,852	23,852	23,852	23,852
Number of shares at end of period before dilution	23,852	23,852	23,852	23,852	23,852
Number of shares at end of period after dilution	23,852	23,852	23,852	23,852	23,852

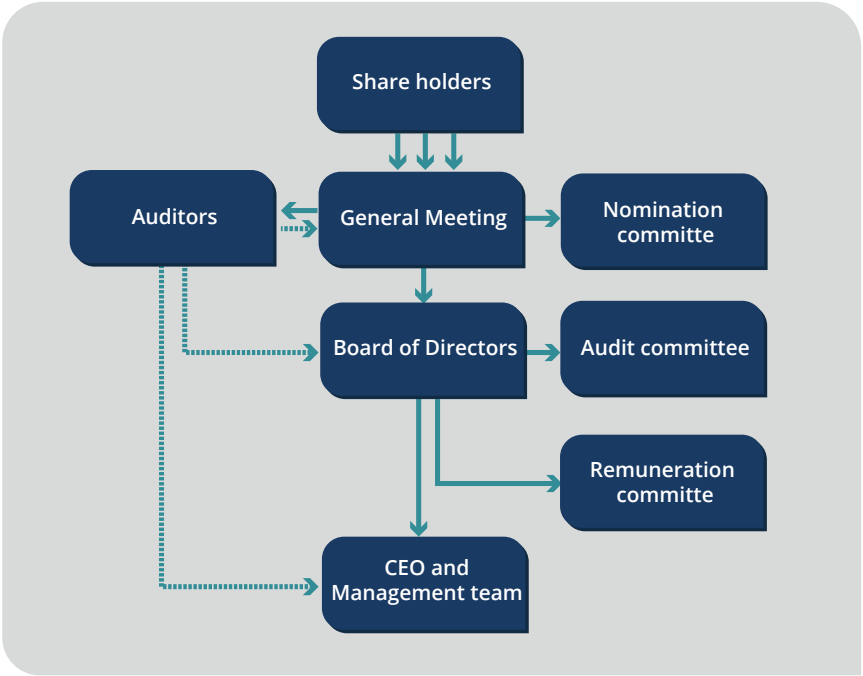
Corporate governance

CellaVision is a Swedish public limited liability company with its registered office in Lund. Apart from the parent company, the Group consists of five wholly-owned subsidiaries in Sweden, the USA, Canada, Japan, France and Singapore, as well as offices for local market support in the USA, Canada, Brazil, China, Japan, South Korea, Australia, Sweden, United Arab Emirates, France, Germany, the United Kingdom, Mexico, India, Thailand, Spain and Italy. The company's share is listed on NASDAQ Stockholm. CellaVision applies the Swedish Code of Corporate Governance (the Code) since its shares were admitted to trading in May 2010 and reports no deviations from the Code for 2021.

The term corporate governance normally refers to the rules and structure built up to govern and direct a limited liability company in an effective and controlled manner. Governance and control of CellaVision is divided between the shareholders at the Annual General Meeting, the Board of Directors and the President/CEO, and is regulated in legislation (including the Companies Act), the Articles of Association, the Nasdaq Stockholm rule book for issuers and the Swedish Code of Corporate Governance. The code is available at www.bolagsstyrning.se.

In addition to legal control and governance principles, CellaVision is also influenced by several internal policy documents, including instructions and rules of procedure for the President/CEO and Board of Directors, as well as internal policies and guidelines.

OVERALL GOVERNANCE STRUCTURE FOR CELLAVISION



Shareholders

The share capital on December 31, 2021 was SEK 3,577,732 distributed among 23,851,547 shares. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote for the full number of shares owned and represented by her or him without limit to the voting right. All shares confer an equal right to share in the company's assets and profits. CellaVision had 8,030 (9,094) shareholders on the closing date. Of these, three shareholders have direct and indirect holdings constituting at least 10 percent of the votes and capital: William Demant Invest A/S, State Street Bank and Grenlunden AB. No shares are held by the company itself. For further information about the CellaVision share and shareholders please refer to page 21 and CellaVision's website.

Articles of Association

The Articles of Association of CellaVision stipulate that the company shall develop, market and sell products in sample preparation and systems for automated digital microscopy, specializing in software applications for the medical market. The registered office of the Board is in Lund and the company's financial year is a calendar year. In other respects the Articles of Association contains provisions concerning the number of shares, number of board members and auditor and the Annual General Meeting. The Articles of Association contain no separate provisions concerning the appointment or removal of Members of the Board or concerning amendments to the Articles of Association. The complete Articles of Association can be downloaded from www.cellavision.se.

General Meeting of Shareholders

Shareholders exercise their influence over CellaVision at the General Meeting of Shareholders, which is the highest decision-making body in CellaVision. The General Meeting is called at least once a year and among other things passes resolutions on the treatment of the company's and Group's balance sheet and income statement including the appropriation of the company's profits, discharge from liability of the Board of Directors and President/CEO, election of the Board of Directors and auditor, fees to the Board of Directors and auditor and appointment of the Nomination Committee. Amendments to the Articles of Association require a resolution by the General

Meeting of Shareholders. To participate in the General Meeting the shareholder must be entered under his or her own name in the register of shareholders at least five business days before the Meeting and notify the intention to attend to the company at the latest on the date specified in the notice to attend. At the General Meeting the shareholder must in normal cases attend either in person or via a representative. In light of the extraordinary situation that the COVID-19 pandemic entailed, the 2021 AGM was conducted through advance voting (postal voting) in accordance with temporary legislation.

The Annual General Meeting is held in Lund during the first half of every year. In connection with the third interim report CellaVision's shareholders are informed of the time and place of the Annual General Meeting and of their right to bring a matter before the Meeting. A notice to attend the Annual General Meeting is published no earlier than six and no later than four weeks before the Meeting. An extraordinary general meeting may be held if the Board of Directors considers it necessary or if the company's auditors or shareholders holding at least 10 percent of the shares so requests.

Annual General Meeting 2021

CellaVision's Annual General Meeting was held on Thursday, April 29, 2021. Due to the COVID-19 pandemic, the meeting was conducted only by postal voting without physical participation. The postal votes represented 66 percent (39) of the total votes. Essentially, the following resolutions were passed:

- The parent company and consolidated income statements and balance sheets were adopted. It was further resolved to distribute SEK 0.75 per share for the 2020 financial year.
- Discharge from liability of the members of the Board of Directors and the President.
- Mikael Worning, Christer Fåhraeus, Åsa Hedin, Anna Malm Bernsten, Niklas Prager, Jürgen Riedl and Stefan Wolf were re-elected as board members. Mikael Worning was re-elected as Chair of the Board. Re-election of Deloitte AB as auditor.
- Fee to the Board of Directors, presented in the table on page 41 and in Note B6 of the annual report.
- Principles for the Nomination Committee.
- Remuneration report for 2020.
- Change in the Articles of Association.

The minutes of the Annual General Meeting were presented on the website within a week of the Meeting. Material from the Meeting, such as the notice to attend, the minutes and information on the Nomination Committee is available on CellaVision's website. The full resolutions of the Meeting as above are available from the Company at the address Mobilvägen 12 in Lund and will be sent to any shareholder who so requests.

Nomination Committee

The main task of the Nomination Committee is to propose to the Annual General Meeting the composition of the Board of Directors, which is then decided by the Annual General Meeting. The work of the Nomination Committee starts by studying the evaluation of the work of the Board of Directors commissioned by the Board of Directors. The work of the Nomination Committee is characterized by transparency and discussion to achieve a well-balanced Board. The Nomination Committee then nominates members to the Board for the next term of office and submits proposals for remuneration to the Board of Directors and auditors and, where applicable, also for election of auditor.

Nomination Committee for the Annual General Meeting in 2022

In accordance with a resolution of the 2021 Annual General Meeting, CellaVision's Nomination Committee ahead of the 2022 Annual General Meeting shall consist of one representative of each of the four largest shareholders in terms of voting rights at the end of July 2021. The Chair of the Board convenes the first meeting of the Nomination Committee and is co-opted to the meetings of the Nomination Committee. The composition of the Nomination Committee was announced on October 22 in connection with the interim report for January-September 2021. The members of the Nomination Committee and the shareholders who appointed them is presented in the table below. The chair of the Nomination Committee ahead of the 2022 Annual General Meeting is Christer Fåhraeus.

In 2021 the Nomination Committee held six meetings as well as a number of email and telephone contacts. The Nomination Committee proposals are presented, in addition to the press release, in the notice to attend the 2022 Annual General Meeting and are also available on the company's website together with an explanatory statement concerning the proposed Board of Directors.

The Nomination Committee has applied Rule 4.1 in the Swedish Code of Corporate Governance as a policy, which sets the principles for diversity on the Board. All nominations of board members are based on merit, the main purpose being to maintain and improve the board's overall efficiency. It is CellaVision's goal to have a fair, equal and balanced representation of different genders and other diversifying factors on the board as a collective. Furthermore, the board members appointed by the general meeting as a group must present diversity and breadth in terms of opinions, qualifications and experience.

Name/Representing	Voting share (31/12 2021)
Mikael Worning, styrelseordf. adjungerad.	
Nicklas Hansen, William Demant Invest A/S	19.93 %
Joel Eklund, Grenlunden CEVI AB	10.02 %
Christer Fåhraeus, Christer Fåhraeusand comp.	9.61 %
Daniel Klint, SEB Investment Management	6.55 %
Total	**46.11 %**

The assessment is that the board as a whole possesses the necessary knowledge and experience of the social and business conditions that prevail where the company's main operations are conducted, and that it exhibits sufficient diversity and breadth in terms of characteristics and competence. The gender distribution of the board is still uneven. A balance between the interest in continuity and the interest in an even gender distribution leads the Nomination Committee to the conclusion that an equalization of the gender distribution in the Board must take place over time.

Board of Directors

The Board of Directors and ultimately the President/CEO administers the affairs of the company on behalf of the shareholders. The Board of Directors appoints the President/CEO, who is responsible for the day-to-day management of the company. The division of duties and responsibilities between the Board of Directors and the President/CEO is clarified in the Board's Rules of Procedure and the Instructions to the President/CEO.

The Board of Directors is appointed by the shareholders at the Annual General Meeting with a term of office up to and including the next Annual General Meeting. The Board of Directors manages the company on behalf of the owners by establishing goals and strategy, evaluating the operative management and ensuring that there is an effective system for follow-up and control of the established goals. It is also the responsibility of the Board to ensure that the company's information provision is correct, relevant and reliable.

The Board of Directors forms a quorum when more than half of its members are present. Under CellaVision's Articles of Association the Board of Directors must consist of a minimum of three and a maximum of nine members with a maximum of two alternates. The Board holds an inaugural meeting directly after the Annual General Meeting.

Chair of the Board
CellaVision's Board of Directors has been chaired since 2021 by Mikael Worning. The Chair of the Board is appointed by the Annual General Meeting. The Chair of the Board organizes and leads the work of the Board, ensures that the Board regularly develops its knowledge of the company, communicates shareholders' views to the Board and is a support to the President/CEO. The Chair of the Board and the President/CEO prepare proposed agendas for the Board meetings. It is the responsibility of the Chair of the Board to verify that the Board's decisions are effectively implemented and that the work of the Board is evaluated annually and that the Nomination Committee is informed of the results of this evaluation.

The Board's Rules of Procedure
The Board of Directors adopts rules of procedure for its work annually. The current rules of procedure were adopted on April 29, 2021. In addition to that, the Rules of Procedure are revised as necessary. The Rules of Procedure include a description of the responsibilities and duties of the Board, the duties of the Chair of the Board, audit issues and specify the reports and financial information that the Board must receive before each ordinary Board meeting.

Evaluation of the work of the Board
Under the leadership of the Chair, the Board conducts an annual evaluation of its work. The evaluation refers to forms of work and work climate, emphasis of the Board's work and access to and need for special competence in the Board. The evaluation is used as an aid for developing the work of the Board. In accordance with the Swedish Code of Corporate Governance, relevant parts of the results are made available to the Nomination Committee.

Composition of the Board of Directors in 2021
In 2021 the Board of Directors consisted of nine members, of which two were employee representatives, with no alternates. At the 2021 Annual General Meeting Mikael Worning, Christer Fåhraeus, Åsa Hedin, Anna Malm Bernsten, Niklas Prager, Jürgen Riedl and Stefan Wolf were re-elected as Board Members. Mikael Worning was elected as Chair of the Board. In 2020, the Board was expanded with two Board Members appointed by the unions, Gunnar B Hansen and Markus Jonasson Kristoffersson were re-elected as Board Members appointed by the unions.

The members of the Board have great experience and competence in medicine and technology as well as business and international operations. The composition of the Board complies with the requirements of the Code regarding independent members. The information that is to be provided under point 10.2 of the Code concerning members of the Board can be found on page 45.

Attendance and renumeration of the Board 2021

Name	Independent of the company	Independent of major shareholder	Audit Committee 2101-2104	Audit Committee 2104-2112	Remuneration Committee 2101-2104	Remuneration Committee 2104-2112	Board fees, SEK t	Attendance at Board meetings
Sören Mellstig*	Yes	Yes	Member		Chairman		280	3/3
Christer Fåhraeus	Yes	No			Member	Member	245	9/9
Mikael Worning**	Yes	Yes		Member		Chairman	505	9/9
Anna Malm Bernsten	Yes	Yes	Member	Member			245	9/9
Niklas Prager	Yes	Yes	Chairman	Chairman			265	9/9
Åsa Hedin	Yes	Yes			Member	Member	245	9/9
Jürgen Riedl	Yes	Yes					225	8/9
Stefan Wolf	Yes	Yes					225	7/9
Gunnar Hansen***	Yes	Yes					-	9/9
Markus Jonasson Kristoffersson***	Yes	Yes					-	8/9
Total							**2 235**	

*Sören Mellstig was Chairman of the Board until the Annual General Meeting on april 29, 2021.**Mikael Worning was elected Chairman of the Board at the Annual General Meeting on april 29, 2021. *** Non-paid employee representative. A more detailed presentation of the Board members can be found on page 45 and on the company's website www.cellavision.se

Work of the Board in 2021
In 2020 CellaVision's Board of Directors held a total of nine minuted meetings, all of which were conducted as a combination of physical and digital. Four of the meetings were held in connection with the approval of the year-end bulletin and the interim reports. On occasions when any member has been prevented from attending the Chair of the Board has obtained views concerning the decision in advance. Important questions during the year included recruitment of a new President and CEO, strategy, market assessments and significant risks.

The company's President/CEO and CFO participate regularly in the Board meetings. Other senior executives participate in the Board meetings as necessary. The company's auditor participated in the February Board meeting when the year-end bulletin was approved and in the October Board meeting.

Audit Committee
Risks concerning CellaVision's financial reporting are monitored and evaluated by the Board's Audit Committee, whose main task is to support the Board in quality assurance of the financial reporting. The Audit Committee has no decision-making authority, it prepares and reports matters to the Board as a whole.

The Audit Committee consists of three members who are all independent in relation to the company and its management as well as being independent in relation to the company's major shareholders: Mikael Worning, Anna Malm Bernsten and Niklas Prager, where Niklas Prager chairs the Committee. During the year the Committee met twice. Questions dealt with are mainly internal control in the subsidiaries, risks, audit planning and governance and follow-up of operations. The company's auditor and CFO participate regularly at the Audit Committee meetings.

Remuneration Committee
The Board of Directors also has a Remuneration Committee, whose main task is to propose principles for remuneration and other conditions of employment for the President/CEO and other senior management in the Group. Ahead of each Annual General Meeting the Committee submits its proposals, in accordance with Chapter 8, Section 51 of the Swedish Companies Act.

In 2021 the Remuneration Committee consisted of members of the Board Mikael Worning, Christer Fåhraeus and Åsa Hedin,

who are all independent of the company and the company management. Mikael Worning chairs the Committee. During the year the Committee held three minuted meetings, and conducted several telephone and email contacts. In addition to guidelines and principles of remuneration to the President/CEO and other senior management during the year the Committee discussed the company's incentive program for the President/CEO, management and other staff.

President/CEO and Executive Group Management

The President/CEO is appointed by and receives instructions from the Board of Directors. CellaVision's President and Chief Executive Officer Simon Østergaard who was appointed March 21, 2021 and for the time before Magnus Blixt as Acting President and CEO; was responsible for the day-to-day management of the company as well as strategic and operative issues, in accordance with the Board's guidelines and directions. The current Instruction to the President/CEO was adopted by the Board on April 29, 2021. The President/CEO prepares information and decision-making data for the Board meetings and is presenter at the meetings. The Board of Directors continuously evaluates the work of the President/CEO through monitoring against goals set. Once a year a formal evaluation is made, which is discussed with the President/CEO.

Composition of the management in 2021

The President/CEO has appointed a management team to be responsible for various parts of CellaVision's business. At the end of the year, the Executive Group Management consisted of six people besides the President/CEO:

- Chief Financial Officer (CFO)
- VP Business Development
- VP Human Resources
- VP Global Marketing
- VP Devices & Software
- VP Reagents

Apart from VP Reagents, all the members of the Executive Group Management are at the company's head office in Lund, Sweden. The Executive Group Management holds minuted meetings at which operative issues are discussed. The Executive Group Management draws up a business plan annually, which is adopted by the Board. A more detailed presentation of the President/CEO and the management team can be found on page 46. The information on the President/CEO stipulated in item 10.2 of the Code can also be found there.

Board meetings 2021

December 2
Budget and business plan

October 21
Innovation & Interim report

September 2
Customer and strategy follow-up

July 19
Interim report

February 3
People & Year-end bulletin
Audit report

April 27
Interim report

April 29
Board meeting prior to AGM

April 29
Inaugural meeting

June 14
Strategy

Auditor

The administration of the Board of Directors and the President/CEO and financial reporting is examined by the external auditor elected by the Annual General Meeting. The auditor is proposed by the Nomination Committee and elected by the Meeting for one year. At the 2021 Annual General Meeting Deloitte was re-elected as auditor up to and including the 2022 Annual General Meeting.

The auditor in charge is authorized public accountant Jeanette Roosberg. The task of the auditor is to audit CellaVision's annual accounts, accounting records and the administration by the Board of Directors and President/CEO on behalf of the shareholders. Besides the annual audit, the auditor reviews at least one interim report per year. Remuneration to the auditor is payable in accordance with the approved invoice. For amounts please see Note B7.

Remuneration

Salaries, remuneration and other benefits to the Board of Directors, President/CEO and other senior management are reported in Note B6 in the annual report. Remuneration to the Board of Directors can also be followed in the table on page 41.

Guidelines for remuneration to senior management in 2021

The Annual General Meeting 2021 resolved to approve the Board's proposal with guidelines for remuneration to senior executives in CellaVision AB as follows: "The company is to offer commercially based total remuneration that enables the recruitment and retention of senior management. The remuneration to company management is to consist of fixed salary, benefits in kind, variable remuneration and pension. Fixed salary plus variable salary together constitute the individual's target salary.

The fixed salary is to take account of the individual's areas of responsibility and experience and be reviewed annually. The

distribution between the fixed salary and variable remuneration must be in proportion to the responsibility and authority of the person holding the position. The variable remuneration must always be subject to predetermined limits and be linked to predetermined and measurable performance criteria. The variable remuneration to the President/CEO must be based on individual targets established by the Board. These targets shall be linked to the company's overall targets including earnings, sales and/or cash flow. For other senior management variable remuneration is to be based on equivalent targets and targets within their own area of responsibility.

Pension conditions must be commercial in relation to market conditions applicable to others holding equivalent positions and must be based on defined contribution plan solutions. The retirement age is to be 65 years. Severance pay for a member of the management can be payable in an amount equivalent to a maximum of 12 months' salary. The total of the fixed salary during the period of notice and severance pay may not exceed an amount equivalent to two years' fixed salary for the member of management. No separate board fee is payable to a member of management holding a position as member or alternate in a group company board of directors.

The Board of Directors may deviate from these guidelines if there are special grounds for this in an individual case.

Long-term incentive program for senior management
CellaVision currently has two long-term programs from the years 2019 and 2021.

The company has an ongoing program from 2019. The program ended on December 31, 2021 and payment will be made in 2022. The outcome is estimated at SEK 1.0 million (excluding social security contributions) based on six senior executives that are included in the program.

Furthermore, the company has an incentive program for senior management from 2021. In the event of a maximum outcome, the company's costs for the incentive program, which runs from January 1, 2021 to December 31, 2023, would amount to SEK 1.4 million (excluding social costs), based on an unchanged salary level and that six senior executives participate in the incentive program.

Principles for long-term incentive program for senior management
According to the AGM resolution from 2021 regarding the principles for a long-term incentive program for senior management, the outcome of the program depends on how the annual average growth of the company's earnings per share develops. Maximum remuneration is paid if the annual average growth of the company's earnings per share over a period of three years starting on January 1, year one and ending on December 31, year three amounts to at least 15 percent annually.

The costs for any future incentive program are calculated according to the same principles as the incentive program which runs from January 1, 2021 to December 31, 2023. To take part in the outcome of an incentive program, the senior executive must be employed by the company as of December 31, year three. Any payment will be made in the fourth year (for example, if the incentive program runs from January 1, 2021 to December 31, 2023, then any payment will be made in 2024).

The decision means that the company, given that the profitability and sales targets set by the Board at the beginning of the year have been achieved, allocates 30 percent of yearly salary for the CEO, 2 monthly salary for VP Global Sales and 3 monthly salaries for other senior executives participating in the incentive program during the period.

Staff incentive program
The Board approved an incentive program for staff in 2020 that ran from January 1, 2021 to December 31, 2021. Eligible staff were those who were not senior management, or covered by other incentive programs and who consequently were not eligible for the incentive program for senior management resolved by the 2021 Annual General Meeting.

The decision meant that the employee receive 0.5 of a monthly salary in the case of maximum outcome. The size of the share depended on the company's performance and sales in 2021. To participate in the incentive program the employee had to have been employed for at least six months in 2021 and be employed on December 31, 2021. For the 2021 program, the threshold values in the established profitability and sales targets were reached to 41 percent. Thus, the bonus program for staff entailed a cost of SEK 2.1 million for the year.

Proposed guidelines for remuneration to senior management in 2022

The Board of Directors proposes the following guidelines for remuneration to senior management in 2022, as in last year's proposal: "The company is to offer commercially based total remuneration that enables the recruitment and retention of senior management. The remuneration to company management is to consist of fixed salary, benefits in kind, variable remuneration and pension. Fixed salary plus variable salary together constitutes the individual's target salary.

The fixed salary is to take account of the individual's areas of responsibility and experience and be reviewed annually. The distribution between the fixed salary and variable remuneration must be in proportion to the responsibility and authority of the person holding the position. The variable remuneration must always be subject to predetermined limits and be linked to predetermined and measurable performance criteria. The variable remuneration to the President/CEO must be based on individual targets established by the Board. These targets shall be linked to the company's overall targets including earnings, sales and/or cash flow. For other senior management variable remuneration is to be based on equivalent targets and targets within their own area of responsibility.

Pension conditions must be commercial in relation to market conditions applicable to others holding equivalent positions and must be based on defined contribution plan solutions. The retirement age is to be 65 years.

Severance pay for a member of the management can be payable in an amount equivalent to a maximum of 12 months' salary. The total of the fixed salary during the period of notice and severance pay may not exceed an amount equivalent to two years' fixed salary for the member of management. No separate board fee is payable to a member of management holding a position as member or alternate in a group company board of directors.

The Board of Directors may deviate from these guidelines if there are special grounds for this in an individual case.

The Board's report on internal controls and risk management referring to financial reporting

This report on internal control referring to financial reporting is submitted by the Board of CellaVision and has been drawn up in accordance with the Swedish Code of Corporate Governance.

Background
Under the Companies Act and the Swedish Code of Corporate Governance the Board is responsible for internal control.

Control environment
The basis of internal control is the overall control environment. A good control environment builds on an organization with clear decision lines where responsibility and authority are

clearly defined. In CellaVision there are policies, guidelines and process descriptions for the different parts of the business flow from transaction management to bookkeeping and preparing external reports.

In the company's financial and accounting manual, Administrative Guidelines, which is updated annually, these process descriptions are presented in all essentials.

Risk assessment
The Board and Audit Committee are responsible for identifying and managing all material financial risks and risks of misstatements in the external reporting. The Audit Committee evaluates the risk management requirements annually and draws up written principles both for overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk and investment of surplus liquidity. These principles are then adopted by the Board.

Control activities
The main purpose of control activities is to prevent and discover errors as soon as possible in order to rectify any deficiencies. Procedures and activities have been designed to discover and deal with the most material risks related to financial reporting. Group companies are followed up by the CEO and CFO through regular reports and personal meetings with the management of the respective subsidiary. The Board receives monthly reports in which the CEO and CFO give an account of the past period regarding the Group's and each respective business area's results and financial position. The work on monthly closings and annual accounts is well-defined and reporting is in accordance with standardized reporting templates including comments regarding all material income and balance sheet items. There are CFOs and controllers with functional responsibility for accounting, reporting and analysis at both parent company and subsidiaries. In this way the company's financial reports are checked several times, which reduces the risk of error.

At present neither the size of the company nor its risk exposure warrants a separate internal audit function. The Board assesses that with the procedures in place for follow-up and control there is currently no necessity for this.

Information and communication
CellaVision's procedures and systems for provision of information are aimed at supplying the market with relevant, reliable, correct and current information about the company's development and financial position. The Board has adopted an information policy that specifies what is to be communicated, by whom and in what way the information is to be published, to ensure that external information is correct and complete. Financial information is published regularly in the form of interim reports, annual report and press releases on price-sensitive news. The material is published in Swedish and English on the company's website.

Follow-up
Compliance and effectiveness of internal controls are followed up regularly. The company's financial situation and strategy regarding its financial position is dealt with at each Board meeting, when the Board receives detailed monthly reports regarding the financial position and development of operations. Each interim report is analyzed by the Audit Committee, discussed with the CFO and then approved by the Board before publication.

Activities in 2021
CellaVision works constantly to minimize risks by removing superfluous manual steps from the company's processes. As part of refining the Group's financial and economic processes, internal improvement work has been ongoing in 2021 through, among other things, strengthening the parent company's finance department with a new role for finance and administration which reports to the company's CFO. A special focus area in 2021 has been to adapt the inventory valuation model at the plant in Bordeaux, which has meant increased precision in the Group's valuation of inventories. Furthermore, efforts have been directed at initiating the implementation of a business intelligence tool, already existing in the parent company for the finance department in the Reagents division.

Board of Directors & Auditors

MIKAEL WORNING
Elected 2020. Chairman of the Board since 2021
Year of birth: 1962
Other directorships: Chairman of the Board The Fertility Partnership Ltd and Tandlægen.dk – Holding A/S. Ordinary board member in 3Shape A/S. Former senior positions at Demant A/S, including President Demant Inc.
Education: Cand. Polit., Economics
Shares: 2,360

CHRISTER FÅHRAEUS
Founder and Member of the Board since 1994
Year of birth: 1965
Other directorships: President & CEO of EQL Pharma AB (publ). Chairman of the Board Bionamic AB. Board member Flatfrog Laboratories AB, Reccan AB, EQL Pharma AB (publ), Amniotics AB (publ) and Gasporox AB (publ). Founder of EQL Pharma AB and Flatfrog Laboratories AB amongst others.
Education: BSc Medicine, MSc Bioengineering, BSc Mathematics, PhD Neurophysiology, PhD Engineering (hc), Graduate from Swedish armed forces language school.
Shares: 2,292,016 (inc.comp).

ÅSA HEDIN
Member of the Board since 2015
Year of birth: 1962
Other directorships: Chairman of the Board Artificial Solutions AB and Tobii Dynavox AB. Member of the board Nolato AB, Industrifonden AB, Crad AB, Tobii AB and Biotage AB. Former senior positions at Elekta AB, Siemens Healthcare and Gambro.
Education: MSc Biophysics
Shares: –

ANNA MALM BERNSTEN
Member of the Board since 2010
Year of birth: 1961
Other directorships: Consulting activities in business development and management in own company; Bernsten Konsult AB. Formerly President and CEO of Carmeda AB and senior positions in Pharmacia & Upjohn and GE Healthcare Life Sciences among other things. Member of the Board Pågengruppen AB.
Education: M Sc. Chemical Engineering.
Shares: –

NIKLAS PRAGER
Member of the Board since 2014
Year of birth: 1970
Other directorships: Chariman of the Board Respiratorius AB. Former positions include CEO/President Medivir AB, Envirotainer AB, Qbtech AB and Pfizer AB.
Education: MSc Business Administration
Shares: 8,720

GUNNAR BRUN HANSEN
Board member appointed by the unions 2020
Year of birth: 1979
Employed in 2005. Current position, Director of Product Care.
Education: MSc Engineering Physics
Shares: -

STEFAN WOLF
Member of the since Board 2018
Year of birth: 1964
Other directorships: CEO of The Binding Site Group Ltd. Former experiences include CEO of Hemostasis, Hematology and Speciality Diagnostics at Siemens Healthineers and Division President of Clinical Diagnostic Division at Thermo Fisher Scientific.
Education: Biological Laboratory Science
Shares: -

JURGEN RIEDL
Member of the Board since 2018
Year of birth: 1977
Other directorships: Jürgen has a strong background in clinical laboratory work and is an internationally recognized expert in hematology. Jürgen has experience from several senior positions at Albert Schweitzer Hospital in Dordrecht, Beatrix Hospital in Gorinchem and Ikazia Hospital in Rotterdam in clinical chemistry and hematology. He is also involved in several start-up companies in laboratory diagnostics and medicine (Labonovum, Vitestro).
Education: Post-doc & PhD
Shares: -

MARKUS JONASSON KRISTOFFERSSON
Board member appointed by the unions 2020
Year of birth: 1980
Employed in 2018. Current position, Mechanical Engineer, Hardware department, Devices & Software division.
Education: MSc Mechanical Engineering
Shares: -

AUDITOR
The Annual General Meeting elects an auditor in CellaVision for one year's term of office. At the 2021 Annual General Meeting, Deloitte was re-elected as auditor until the 2022 Annual General Meeting.

Jeanette Roosberg
Authorized public accountant
Auditor in CellaVision since 2020

AUDIT COMMITTEE
In 2011, the Board established an audit committee. From 2021, the audit committee consists of the board members
Niklas Prager (Chariman)
Mikael Worning
Anna Malm Bernsten

REMUNERATION COMMITTEE
In 2011, the Board established a remuneration committee which currently consists of the Board members
Mikael Worning (Chariman)
Åsa Hedin
Christer Fåhraeus

Management

SIMON ØSTERGAARD
President and CEO.
Employed in 2021
Year of birth: 1971
Previous experience: More than 20 years of experience from bio tech, medical device and diagnostic industry in various senior positions at Agilent Technologies and Radiometer (Danaher) spanning the entire value chain from innovation to sales and marketing. He most recently held the position of Vice President and General Manager for the global pathology business at Agilent Technologies.
Education: MSc biochemical engineering, PhD biotechnology, MBA from MGSM, Sydney
Shares: 3,500

MAGNUS BLIXT
CFO.
Employed in 2013
Year of birth: 1966
Previous experience: Extensive experience of developing small and medium sized companies focusing on business performance and process improvements, within the SKF Group and Rotaform AB among others. He most recently held the position as Business Demand Manager at SKF AB.
Education: MSc Finance
Shares: 8,000

JEPPE BRANDSTRUP
VP Business Development
Employed in 2016
Year of birth: 1984
Previous experience: Many years of experience in business development and acquisitions in the life sciences industry. He most recently held the position as Senior Acquisition Manager at Novozymes in Copenhagen.
Education: M. Sc Finance.
Shares: 2,500

ADAM MORELL
VP Devices & Software Division
Employed: 2001-2003, 2006
Year of birth: 1976
Previous experience: Many years of experience as R&D Manager at CellaVision. Extensive expertise in the field of digital imaging and has been a co-inventor on several patents.
Education: Licentiate of Engineering, Mathematics, M.Sc. Engineering Physics, B.Sc. Medical Science, Medicine
Shares: –

NINA WALLANDER
VP Human Resources
Employed in 2021
Year of birth: 1974
Previous experience: Extensive experience of HR work in the Medical Device and Healthcare sector. Former positions include HR Director at Diaverum, among others. Nina has worked with a global focus on culture, process and leadership development. Most recently as HR Director at Arjo.
Education: M. Sc Human Resources
Shares: –

URBAN STRINDLÖV
VP Global Sales.
Employed in 2022
Year of birth: 1964
Previous experience: Extensive experience of business-to-business operations in various companies within the IT, infrastructure and life science sectors. He most recently held the position as Vice President Sales at BioGaia.
Education: Mechanical Engineering
Shares: -

JULIEN VEYSSY
VP Reagents Division
Employed in 2019 (2018 RAL Diagnostics)
Year of birth: 1983
Previous experience: More than 13 years of experience in the IVD-industry and specifically in the hematology market. Most recent position Marketing manager at Sysmex, EMEA.
Education: MBA Marketing
Shares: –

PETER WILSON
VP Global Marketing.
Employed in 2000
Year of birth: 1967
Previous experience: Many years experience of global launching of new technologies and new products. Former positions include Foss, among others. Peter Wilson was head of CellaVisions subsidiary in North America in the years 2012- 2015.
Education: M. Sc. Chemistry
Shares: 3,000

Income statement and consolidated statement of comprehensive income, Group

SEK thousands	Note	2021	2020
Net sales	B1	565,552	471,443
Cost of goods sold	B9	-173,250	-158,402
Gross profit		**392,303**	**313,041**
Selling expenses		-102,246	-100,549
Administrative expenses		-63,077	-50,966
Research and development expenditure		-64,248	-51,253
Operating profit/loss	B2, B4-B10, C1, C2	**162,733**	**110,273**
Profit/loss from financial items			
Interest income and other financial gains	B11	3,422	7,118
Interest expense and other financial losses	B12	-7,858	-5,163
Profit/loss before tax		**158,297**	**112,228**
Income tax	B13	-32,958	-22,748
Net profit for the year		**125,339**	**89,480**
Other comprehensive income:			
Components not to be reclassified to net profit:			
Effect on revaluation of pensions		369	-171
Tax effect on revaluation of pensions		-91	48
Sum of Components not to be reclassified to net profit:		**278**	**-123**
Components to be reclassified to net profit:			
a) Cash flow hedges			
Reclassified to operating profit		-1,388	4,034
Revaluation of financial assets		0	1,193
Tax effect on cash flow hedges		286	-1,117
b) Translation differences			
Exchange rate differences on translation of subsidiaries		7,037	-12,223
Total components to be reclassified to net profit:		**5,935**	**-8,112**
Total other comprehensive income		6,213	-8,236
Total comprehensive income for the year		**131,552**	**81,244**
Earnings per share, before and after dilution (SEK)		5.25	3.75
Number of shares in issue (thousands)		23,852	23,852
Average number of shares in issue (thousands)		23,852	23,852

Net profit for the year is in total attributable to the parent company's shareholders
Total comprehensive income for the year is in total attributable to the parent company's shareholders

Balance sheet, Group

SEK thousands	Note	12/31/2021	12/31/2020
ASSETS			
Non-current assets			
Capitalised expenditure for development	C1	126,275	94,269
Goodwill	C1	114,085	111,972
Trademarks, customer relationships and other intangible assets	C1	117,800	94,642
Land and buildings	C2	62,389	35,359
Plant and machinery	C2	9,293	4,591
Equipment, tools, fixtures and fittings	C2	8,644	7,477
Deferred tax assets	B13	0	0
Financial assets	C4	22,007	21,648
Total non-current assets		**460,493**	**369,959**
Current assets			
Inventories	C3	115,088	83,660
Current receivables			
Trade receivables	C6	89,736	71,030
Current tax receivables		4,395	11,698
Other receivables		20,076	23,479
Prepayments and accrued income	C7	5,140	5,937
Total current receivables		**119,346**	**112,144**
Cash and cash equivalents		130,286	102,262
Total current assets		**364,719**	**298,066**
TOTAL ASSETS		**825,212**	**668,025**

Balance sheet, Group

SEK thousands	Note	12/31/2021	12/31/2020
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	C8	3,578	3,578
Other contributed capital		10,800	10,800
Reserves		-8,383	-14,596
Accumulated profit/loss including profit for the year		537,285	429,835
Total equity attributable to the parent company's shareholders		**543,280**	**429,617**
Non-current liabilities			
Deferred tax liability	B13	47,951	43,377
Long-term debt, interest-bearing	C9	95,845	86,904
Other provisions	C10	3,636	3,982
Total non-current liabilities		**147,432**	**134,263**
Current liabilities			
Short-term debt, interest-bearing	C9	40,809	45,874
Trade payables		44,861	20,865
Warranty provisions	C10	2,450	1,875
Current tax liabilities		2,205	187
Other current liabilities		4,277	1,973
Accrued expenses and deferred income	C11	39,898	33,371
Total current liabilities		**134,500**	**104,145**
TOTAL EQUITY AND LIABILITIES		**825,212**	**668,025**

Cash flow statement, Group

SEK thousands	Note	2021	2020
Operating activities	A1		
Profit/loss before tax		158,297	112,228
Paid tax		-28,724	-20,931
Adjustments for non-cash items	C13	42,013	15,630
Cash flow from operating activities before changes in working capital		**171,587**	**106,926**
Change in inventories		-31,058	-29,752
Change in operating receivables		-9,843	-6,292
Change in operating liabilities		29,032	242
Cash flow from changes in working capital		**-11,870**	**-35,802**
Cash flow from operating activities		**159,717**	**71,124**
Investing activities			
Acquisitions		0	-1,269
Capitalisation of development expenditure	C1	-38,788	-25,524
Purchase/disposal of intangible assets	C1	-31,802	-64
Purchase/disposal of tangible fixed assets	C2	-13,716	-8,069
Acquisition of financial assets		-34	-33
Cash flow from investing activities		**-84,339**	**-34,959**
Financing activities			
Acquired loans	C9	20,705	3,041
Amortization of loans	C9	-40,298	-28,721
Amortization of leasing debts	C9	-10,994	-9,537
Dividend to shareholders		-17,889	0
Cash flow from financing activities		**-48,475**	**-35,218**
Cash flow for the year		**26,903**	**948**
Cash and cash equivalents (opening balance)		102,262	102,312
Exchange rate fluctuations in cash and cash equivalents		1,122	-998
Cash and cash equivalents (closing balance)		**130,286**	**102,262**
Supplementary disclosures, cash flow statement			
Interest received during the year	B11	60	416
Interest paid during the year	B12	-1,866	-2,546

Changes in equity, Group

SEK thousands	Share capital	Other contributed capital	Other reserves	Translation reserve	Hedging reserve	Retained earnings	Total shareholders' equity
Opening balance at 1 January 2020	3,578	10,800	-368	-2,908	-3,085	340,355	348,373
Comprehensive Income							
Net profit for the year						89,480	89,480
Other Comprehensive Income							
Revaluation of pensions after tax			-123				-123
Cash flow hedges, after tax					4,111		4,111
Exchange rate differences, after tax				-12,223			-12,223
Total Other Comprehensive Income			**-123**	**-12,223**	**4,111**	**0**	**-8,236**
Total Comprehensive Income			**-123**	**-12,223**	**4,111**	**89,480**	**81,244**
Dividend to Parent Company's shareholders						0	0
Closing Balance at 31 December 2020	**3,578**	**10,800**	**-491**	**-15,131**	**1,026**	**429,835**	**429,617**
Opening balance at 1 January 2021	3,578	10,800	-491	-15,131	1,026	429,835	429,617
Comprehensive Income							
Net profit for the year						125,339	125,339
Other Comprehensive Income							
Revaluation of pensions after tax			278				278
Cash flow hedges, after tax					-1,102		-1,102
Exchange rate differences, after tax				7,037			7,037
Total Other Comprehensive Income			**278**	**7,037**	**-1,102**	**0**	**6,213**
Total Comprehensive Income			**278**	**7,037**	**-1,102**	**125,339**	**131,552**
Dividend to Parent Company's shareholders						-17,889	-17,889
Closing Balance at 31 December 2021	**3,578**	**10,800**	**-213**	**-8,094**	**-76**	**537,285**	**543,280**

Income statement, Parent company

SEK thousands	Note	2021	2020
Net sales	B1, B3	457,280	372,387
Cost of goods sold	B9	-109,983	-90,677
Gross profit		**347,297**	**281,711**
Selling expenses		-76,521	-78,528
Administrative expenses		-51,745	-40,846
Research and development expenditure		-96,498	-72,057
Operating profit/loss	B3-B9, C1, C2	**122,533**	**90,279**
Profit/loss from financial items			
Interest income and other financial gains	B11	5,166	13,185
Interest expense and other financial losses	B12	-8,279	-3,406
Profit/loss before tax		**119,420**	**100,058**
Income tax	B13	-24,936	-20,097
Net profit for the year	C14	**94,484**	**79,962**
Statement of Comprehensive Income			
Net profit for the year		**94,484**	**79,962**
Other Comprehensive Income		0	0
Sum of Other Comprehensive Income		**0**	**0**
Total Comprehensive Income for the year		**94,484**	**79,962**

Balance Sheet, Parent Company

SEK thousands	Note	12/31/2021	12/31/2020
ASSETS			
Non-current assets			
Capitalised expenditure for development	C1	4,187	4,807
Other intangible assets	C1	1,110	900
Equipment	C2	4,066	5,138
Shares in subsidiaries	C5	278,647	259,361
Deferred tax assets	B13	552	668
Deposits	C4	3,662	3,653
Total non-current assets		**292,225**	**274,527**
Current assets			
Inventories	C3	83,752	56,009
Current receivables			
Trade receivables		68,199	55,176
Receivables from group companies		16,594	3,525
Current tax receivables		4,208	11,161
Other receivables		17,963	23,065
Prepayments and accrued income	C7	7,004	6,157
Total current receivables		**113,967**	**99,084**
Cash and cash equivalents		118,215	72,958
Total current assets		**315,934**	**228,051**
TOTAL ASSETS		**608,159**	**502,578**

Balance Sheet, Parent Company

SEK thousands	Note	12/31/2021	12/31/2020
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	C8	3,578	3,578
Statutory reserve		10,780	10,780
Non-restricted equity			
Profit brought forward		328,231	266,158
Net profit for the year		94,484	79,962
Total shareholders' equity		**437,073**	**360,477**
Non-current liabilities			
Long-term debt, interest-bearing	C9	51,305	62,935
Other provisions	C10	232	0
Total non-current liabilities		**51,537**	**62,935**
Current liabilities			
Short-term debt, interest-bearing	C9	26,317	22,886
Trade payables		37,260	16,075
Liabilities to group companies		20,728	12,260
Warranty provisions	C10	2,450	1,875
Current tax liabilities	B13	0	0
Other current liabilities		4,422	1,880
Accrued expenses and deferred income	C11	28,372	24,190
Total current liabilities		**119,549**	**79,165**
TOTAL EQUITY AND LIABILITIES		**608,159**	**502,578**

Cash flow statement, Parent company

SEK thousands	Note	2021	2020
Operating activities	A1		
Profit/loss before tax		119,420	100,058
Paid tax		-24,820	-17,086
Adjustments for non-cash items	C13	8,665	-10,684
Cash flow from operating activities before changes in working capital		**103,265**	**72,288**
Change in inventories		-27,743	-28,263
Change in operating receivables		-1,875	-11,056
Change in operating liabilities		32,196	-8,741
Cash flow from changes in working capital		**2,578**	**-48,059**
Cash flow from operating activities		**105,843**	**24,229**
Investing activities			
Acquisitions		-31,414	-1,269
Purchase/disposal of intangible assets	C1	-221	0
Acquisition of financial assets	C4	-8	-178
Purchase/disposal of tangible fixed assets	C2	-1,235	-1,206
Cash flow from investing activities		**-32,878**	**-2,653**
Financing activities			
Acquired loans	C9	15,000	0
Amortization of loans	C9	-24,817	-22,886
Dividend to shareholders		-17,889	0
Cash flow from financing activities		**-27,706**	**-22,886**
Cash flow for the year		45,259	-1,310
Cash and cash equivalents (opening balance)		72,958	75,214
Exchange rate fluctuations in cash		-2	-947
Cash and cash equivalents (closing balance)		**118,215**	**72,958**
Supplementary disclosures, cash flow statement			
Interest received during the year	B11	0	0
Interest paid during the year	B12	-675	-1,101

Changes in equity, Parent company

SEK thousands	Share capital	Other contributed capital	Retained earnings	Total shareholders' equity
Opening balance at 1 January 2020	3,578	10,780	266,158	280,516
Net profit for the year			79,962	79,962
Other Comprehensive Income				
Other Comprehensive Income			0	0
Total Other Comprehensive Income			**0**	**0**
Total Comprehensive Income			**79,962**	**79,962**
Dividend to Parent Company's shareholders			0	0
Closing Balance at 31 December 2020	**3,578**	**10,780**	**346,120**	**360,477**
Opening balance at 1 January 2021	3,578	10,780	346,120	360,477
Net profit for the year			94,484	94,484
Other Comprehensive Income				
Other Comprehensive Income			0	0
Total Other Comprehensive Income			**0**	**0**
Total Comprehensive Income			**94,484**	**94,484**
Dividend to Parent Company's shareholders			-17,889	-17,889
Closing Balance at 31 December 2021	**3,578**	**10,780**	**422,715**	**437,073**

Note A1. General information, accounting policies and valuation principles

ACCOUNTING POLICIES

CellaVision AB's consolidated accounts were prepared in accordance with the Annual Accounts Act (ÅRL), International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee approved for use within the EU. The Swedish Financial Reporting Board recommendation RFR 1 "Supplementary accounting rules for groups" has also been applied. The parent company's annual accounts were prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 "Accounting for legal entities". The consolidated and annual accounts are stated in SEK thousands and refer to the period January 1 - December 31 for income statement related items and December 31 for balance sheet related items. Assets and liabilities are recorded in accordance with the historical cost method with the exception of certain financial assets and liabilities recorded at fair value via the Group's statement of comprehensive income.

New and amended standards and interpretations in 20201

New and amended standards and improvements that came into force in 2021 have not had any impact on the Group's financial reporting for the financial year.

New and amended standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of new and amended standards which have not yet come into force. None of these have been applied prematurely and are not expected to have any material impact on the Group's financial reporting.

CONSOLIDATION PRINCIPLES

Consolidated accounts

CellaVision is a Swedish public limited liability company with its registered office in Lund at the address Mobilvägen 12. The consolidated accounts include the parent company CellaVision AB 556500–0998 and the wholly-owned subsidiaries CellaVision Inc., USA, CellaVision Canada Inc., CellaVision Japan K.K., CellaVision International AB, RAL Diagnostic SAS in France (RAL) and Clearbridge Biophotonics Pte. Ltd (CBBP) in Singapore.

CBBP was acquired on April 20, 2021 and has been included in the consolidated accounts since then. The consolidated accounts were prepared in accordance with the acquisition accounting method. This implies that consolidated subsidiaries' identifiable assets, liabilities and contingent liabilities are recognized at fair value at the time of acquisition. If the cost of acquisition exceeds net assets recorded as above, the difference constitutes goodwill. Internal invoicing and internal transactions within the Group are eliminated in the consolidated accounts.

Translation of foreign operations

The functional currency is determined for each foreign operation. The foreign subsidiaries which have a functional currency different from CellaVision's functional currency, which is Swedish kronor, are translated at the closing day rate for all balance sheet items and at the average rate for income statement items. The translation differences thereby arising are an effect partly of the net profit/loss being translated at different rates in the income statement and balance sheet respectively, and partly of the net assets being translated at a different rate at the end of the year than at the beginning of the year. Translation differences are reported in "Other comprehensive income". For other exchange rate differences please see under the heading "Exchange rate gains and losses".

Revenue recognition

CellaVision applies IFRS15 for revenue recognition. For sales of analyzers and/or software the revenue includes both the analyzer and/or the software. The entire revenue referring to the system, analyzer plus software, is recognized when the significant risks and rewards associated with the analyzer are transferred to the customer, which normally coincides with delivery to the customer. The same principles are applied for revenue recognition of reagents. For services to end consumers the revenue constitutes payment for servicing the analyzer. This revenue is accrued over the period of the service agreement. Revenue is accrued over the term of the contract in cases where fixed-term licenses are sold. This may refer to one occasion or run for a longer period of time. When upgrading software (new functions, technologies or applications) for end customers, the revenue constitutes payment for upgrading of software and is recognized in revenue at the time of delivery or distribution of license key. Provision for warranty reserve 12 months is made for all instruments sold.

Interest income is recognized on a time-proportion basis using the effective interest method. Effective interest is the interest rate that makes the present value of the total future cash flows during the interest rate fixing period equal to the carrying amount of the receivable.

Operating segments

An operating segment is a component of a company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the company's chief operating decision-maker, and for which discrete financial information is available. The company's reporting of operating segments is in line with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function that assesses the performance of the operating segments and decides on allocation of resources. The company's assessment is that the President and CEO is the chief operating decision maker. CellaVision's operations only comprise one operating segment; automated microscopy systems and reagents in the field of hematology, and therefore reference is made to the income statement and balance sheet regarding operating segment reporting. More information on segment reporting is provided in Note A6.

Expenditure on research and development

Research expenditure is expensed as it is incurred. Expenditure for development of future products is expensed up to and including the prototype stage. Expenditure thereafter and until commercialization is capitalized, to the extent it is probable that the product will be commercially viable. Expenditure for developing already existing applications and hardware platforms is expensed as it arises. In order to handle this effectively, the company applies a project accounting system in which all research and development expenditure is allocated to projects. Examples of such expenditure are:

- Goods and materials
- Consultant fees for conception and design
- Salaries and payroll overheads

Depreciation on equipment and computer equipment is not capitalized. Any borrowing costs for qualified assets for newly started projects are capitalized. As the company has not incurred any borrowing costs, none have been capitalized. The financial expenses reported in the Group are not attributable to development activities and their financing.

Exchange rate gains and losses

Realized and unrealized exchange rate differences attributable to operating costs and transactions are reported among other operating income or expenses. Exchange rate differences referring to short-term and long-term financial transactions are recorded as financial items.

Leases

CellaVision applies IFRS 16 as of January 1, 2019, meaning that the Group reports, with the exception of assets of lower value and short-term contracts of less than 12 months, all right of use assets and leasing liabilities in the balance sheet. The right of use assets are reported in the balance sheet under the heading Tangible fixed assets and is amortized on a straight-line basis over the shorter of the asset's expected useful life and the length of the leasing agreement. Leasing liabilities are reported under the headings Long-term financial liabilities or Short-term financial liabilities. The lease liability is valued at accrued acquisition value according to the effective interest method. Leasing fees attributable to the agreements that are not reported in the balance sheet are expensed in the income statement on a straight-line basis over the leasing period. The Group's leasing agreements refer mainly to premises, vehicles, computers and certain office equipment. For more information on leasing, see note B8.

Employee benefits
Employee benefits in the form of salaries, bonus, paid holiday, paid sick leave etc., are recognized as they are earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit pension plans. Only a small part of the Group's pensions are classified and recognized as defined benefit plans.

Defined contribution pension plans
A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligation to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits associated with the employees' service in the current or prior periods. The Group's payments for defined contribution pension plans are recognized as an expense in the income statement for the period they refer to.

Defined benefit pension plans
A defined benefit pension plan is a plan that defines an amount of pension benefit that an employee will receive on retirement, based on factors such as age, years of service and salary. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Regarding defined benefit plans, the liability is calculated using the "projected unit credit method" in a way that allocates the cost over the employee's working lifetime. The calculation is made by actuaries, who also revalue the pension plans' commitments. These commitments are measured at the present value of the expected future payments using a discount rate that corresponds to the interest rate on first-class corporate bonds or government bonds with a remaining maturity approximately equivalent to the commitments in question. Actuarial gains and losses as a result of experience adjustments and changes in actuarial assumptions are reported in other comprehensive income in the period in which they arise.

Part of the ITP plans in Sweden are financed through insurance premiums to Alecta. This is a defined benefit plan that covers several employers. As the Group has not had access to such information as will make it possible to report this plan as a defined benefit plan it is therefore reported as a defined contribution plan.

Other incentive programs
Long-term incentive program
The Group has a long-term incentive program for the company's senior executives based on the growth of earnings per share. Any compensation is paid in the year after the program closes. At the close of each reporting period the company reviews the fair value of the debt including provision for social security contributions. The change in the debt corresponding to the incremental amount at the close of each reporting period is recognized in the income statement. The following programs have been adopted and refer to:

Maturity	Refers to
• 2019–2021	Executive Group Management
• 2021–2023	Executive Group Management

Short-term incentive program
Apart from the long-term programs, the Group has a bonus program covering all employees in which any payment is made the year after the vesting period. At the close of each reporting period the company evaluates the debt including provision for social security contributions. The debt corresponding to the incremental amount at the close of each reporting period is recognized in the income statement.

Income taxes
Income tax recognized in revenue includes tax to be paid or received for the current year, adjustments of previous years' current tax and changes in deferred tax. The valuation of all tax liabilities/assets is at nominal amounts and is done in accordance with the tax regulations and tax rates that have been adopted. Deferred tax is estimated in accordance with the balance sheet method on all temporary differences existing between the reported and tax base values for assets and liabilities. Deferred tax assets referring to loss carry forwards or other future tax-related deductions are only reported to the extent that it is probable that they can be applied in the future.

Intangible assets
Intangible assets consist of capitalized expenditure for development, goodwill and trademarks, customer relations and other intangible assets.

Capitalized expenditure for development
Capitalized expenditure for development is recognized at cost of acquisition less accumulated amortization. Development expenditure recognized as an asset is amortized over the estimated useful life of five to ten years. CellaVision's products are replaced by new models at intervals of about five to ten years. Depreciation is started when the respective product is introduced into the market.

Goodwill
Goodwill is the part of the purchase price on acquisition of the shares of a subsidiary that exceeds the market value of the identifiable net assets less liabilities and reported contingent liabilities. The reported goodwill has an indefinite useful life, and therefore it is tested at least once a year to identify any impairment loss. Any impairment loss on goodwill is recognized in the income statement

Trademark, customer relations and other intangible assets
The trademark is recognized at cost of acquisition and has an indefinite useful life due to it is established for a long time ago and there are currently no known legal or competitive factors limiting the useful life. Trademark in the same way as goodwill is tested once a year for impairment loss. Customer relations are recognized at cost of acquisition less accumulated amortization. Amortization is proportionate over the expected useful life. Other intangible assets consist of licensed rights, acquired technology and internally generated technology. Amortization is proportionate over the expected useful life.

An intangible asset is removed from the statement of financial position on retirement or disposal or when no future economic benefit is expected from the use or retirement/disposal of the asset. The gain or loss arising when an intangible asset is removed from the statement of financial position, consisting of the difference between the net disposal proceeds and the asset's carrying amount, is recognized in the income statement when the asset is removed from the statement of financial position.

Property, plant and equipment
Property, plant and equipment, consisting of machinery, analyzers, equipment and computer equipment, is reported at cost of acquisition less accumulated depreciation.

The carrying amount of an item of property, plant and equipment is removed from the statement of financial position on retirement or disposal, or when no future economic benefit is expected from the use or retirement/sale of the asset. The gain or loss arising on retirement or disposal of the asset, consisting of the difference between any net disposal proceeds and its carrying amount, is recognized in the income statement in the period when the asset is removed from the statement of financial position.

Depreciation/amortization
Depreciation on right-of-use assets corresponds to the maturity of the leases. Depreciation for non-right-of-use assets is based on the assets' cost of acquisition and estimated useful life as follows:

- Development projects 5-10 years
- Technology 5 years
- Customer relations 14 years
- Licensed rights 10-13 years
- Analyzers 5 years
- Buildings and land improvements 5-30 years
- Plant and machinery 5 years
- Equipment, tools, fixtures and fittings 5 years
- Computer equipment 3 years

Impairment of property, plant and equipment and intangible assets
On each balance sheet date, the Group analyzes the carrying amounts for property, plant and equipment and intangible assets to establish whether there is any indication of value impairment. If this is the case, the asset's recoverable amount is calculated in order to establish the value of any impairment loss. Where it is not possible to calculate the recoverable amount for an individual asset, the Group calculates the recoverable amount for the cash generating unit to which the asset belongs.

Intangible assets with an indefinite useful life and intangible assets not yet ready for use must be tested for impairment annually, or when there is an indication of impairment.

The recoverable amount is the higher of fair value less selling costs and value in use. When calculating value in use estimated cash flows are discounted to present value using a discount rate before tax that reflects the current market assessment of the time value of money and the risks associated with the asset.

If the recoverable amount of an asset (or cash generating unit) is established as a lower value than the carrying amount, the carrying amount of the asset (or cash generating unit) is written down to the recoverable amount. An impairment loss must be recognized immediately in the income statement.

When an impairment loss is subsequently reversed, the carrying amount of the asset (cash generating unit) is increased to the revalued recoverable amount, but the increased carrying amount may not exceed the carrying amount that would have been determined if no impairment loss had been recorded for the asset (cash generating unit) in previous years. A reversal of an impairment loss is recognized immediately in the income statement.

Inventories
Inventories are recorded at the lower of cost of acquisition/ production according to the first-in, first-out method (FIFO) and net realizable value (lower of cost or market). The value of own production includes raw materials, direct labor, other direct costs and production-related costs. Inventories include raw materials, semi-finished products and finished products.

Statement of cash flows
The cash flow statement is prepared in accordance with the indirect method. Cash and bank balances are counted as cash and cash equivalents.

Classification of assets and liabilities
Non-current assets and liabilities consist in all essentials only of amounts expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and liabilities consist in all essentials only of amounts expected to be recovered or paid within twelve months of the balance sheet date.

Provisions
A provision is recognized when an obligation exists as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount. Warranty provisions are made for products sold. The warranty period is one year. Warranty costs are reported under "Cost of goods sold".

Related party transactions
For reporting any transactions with related parties please refer to Note B3.

Financial instruments
The Group's financial instruments mainly comprise trade receivables, cash and cash equivalents, Long-term interest-bearing debt, trade payables, other current liabilities and financial derivatives in the form of an option to buy a property and currency forwards.

A financial asset or financial liability is recognized on the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset or part of a financial asset is to be removed from the balance sheet when the contractual rights are realized, expire or when the company loses control over it. A financial liability or part of a financial liability is to be removed from the balance sheet when the obligation in the contract is discharged or otherwise cancelled.

Fair value of financial instruments
The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions traded on an active market is determined with reference to the quoted market price (level 1).
- The fair value of other financial assets and liabilities is determined in accordance with generally accepted valuation models based on data obtained from observable current market transactions (level 2).
- The fair value is determined on the basis of valuation models in which material inputs are based on non-observable data (level 3). The Group has no financial instruments classified at level 3.

For all financial assets and liabilities, the carrying amount is assessed to be a good approximation of its fair value, unless otherwise stated in subsequent notes.

Amortized cost
Amortized cost refers to the amount at which the asset or liability was initially recognized less principal repayments, plus or minus cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the initial carrying amount of the financial asset or financial liability.

Offset of financial assets and liabilities
Financial assets and liabilities are offset and recognized net in the balance sheet when there is a legally enforceable right to set off the recognized amounts and an intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Classification and measurement, IFRS 9
Financial assets are classified on the basis of the business model in which the asset is managed, and the nature of the cash flows generated by the asset. If the financial asset is held in the context of a business model aimed at collecting its contractual cash flows (hold to collect) and the agreed terms of the financial asset at certain times give rise to cash flows consisting solely of payments of principal and interest on the outstanding principal the asset is recognized at amortized cost.

If the objective of the business model is instead achieved by both collecting the contractual cash flows and selling financial assets (hold to collect and sell) and the agreed terms of the financial asset at certain times give rise to cash flows consisting solely of payments of principal and interest on the outstanding principal the asset is recognized at fair value via other comprehensive income.

All other business models (other) where the purpose is speculation, held for trading or where the cash flow characteristics rule out other business models, recognition is at fair value through the income statement.

Impairment, IFRS 9
The Group recognizes a loss allowance for expected credit losses on financial assets measured at amortized cost. As at every balance sheet date the Group recognizes the change in expected credit losses since initial recognition in income.

For all financial assets the Group measures the loss allowance in an amount equivalent to 12 months expected credit losses. For financial instruments for which there have been significant increases in credit risk since initial recognition, a provision is recognized based on credit losses for the entire life of the asset (the general model).

For trade receivables and contract assets there are simplifications that mean the Group recognizes expected credit losses for the remaining life of the asset (the simplified approach).

The Group defines default as the assessment that it is improbable that a counterparty will meet its commitments on the basis of indicators such as financial

difficulties and missed payments. The Group writes off a receivable when it is estimated that no possibilities exist for further cashflows.

Financial assets, IFRS 9
Cash and cash equivalents
Cash and cash equivalents include cash funds and bank balances and other short-term investments that can easily be converted to cash and that are subject to an insignificant risk of changes in value. For classification as cash and cash equivalents the original maturity may not exceed three months. Cash funds and bank balances are held within the hold to collect business model and thus measured at amortized cost. Since bank balances are payable on demand the amortized cost is equivalent to the nominal amount. Cash and cash equivalents are covered by the general model for impairment. For cash and cash equivalents the exemption for low credit risk is applied. An impairment reserve for credit risk in cash and cash equivalents is considered immaterial. Short-term investments are categorized as "Held for trade" and measured at fair value with value changes recognized in the income statement. At the close of 2021 the Group had no short-term investments.

Trade receivables
Trade receivables are held within the hold to collect business model and measured at amortized cost. However, the expected maturity of trade receivables is short and therefore the value has been recognized at the nominal amount without discounting. Trade receivables are covered by the simplified approach for impairment. The expected credit losses for trade receivables are calculated using the provision matrix based on earlier events, current circumstances and forecasts of future economic conditions and the time value of money if applicable.

Financial liabilities, IFRS 9
Trade payables
Trade payables are categorized as "Financial liabilities measured at amortized cost". However, the expected maturity of trade payables is short, and therefore the value has been recognized at the nominal amount without discounting.

Amounts owed to credit institutions
The total loans from credit institutions were SEK 136,655 thousand, of which SEK 46,837 thousand refers to liabilities attributable to leases under IFRS 16. The Group has a guaranteed credit facility of SEK 30,000 thousand, which is unused.

Derivative instruments and hedge accounting, IFRS 9
The currency forwards used for hedging future cash flows and forecast sales in foreign currency are recognized in the balance sheet at fair value, in accordance with level 2 above. The effective portion of the changes in value are reported in other comprehensive income until the hedged flow affects the income statement, when the hedging instrument's accumulated changes in value are recognized in the income statement, where they meet and match the effects on earnings of the hedged transaction. The ineffective portion of the value changes is recognized directly in the income statement.

PARENT COMPANY'S ACCOUNTING POLICIES
The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board Recommendation RFR 2 Accounting for legal entities. Application of RFR 2 means that the parent company as far as possible applies all the IFRS adopted by the EU within the framework of the Annual Accounts Act and the Act on Safeguarding Pension Obligations, taking into account the relationship between accounting and taxation. There is an exemption from application IFRS 16 in legal entities in RFR 2.

The differences between the accounting policies of the parent company and Group are described below:

Classification and formats
The parent company's income statement and balance sheet follow the format of the Annual Accounts Act schedules. The difference in relation to IAS 1 Presentation of Financial Statements applied when preparing the Group's financial statements mainly concerns reporting of equity and the existence of provisions under a separate heading.

Intangible assets
Before January 1, 2016 expenditure for product development was capitalized in the parent company, but as of January 2016 this is expensed in accordance with applicable accounting recommendations.

Leased assets
The Parent Company applies the exemption in RFR 2 on IFRS 16 for leased assets. Utilization rights and lease liabilities are not recognized in the balance sheet as these are recognized as a cost on a straight-line basis over the lease period.

Participations in group companies
Participations in group companies are recorded at cost of acquisition in the parent company's financial statements. Acquisition related costs for group companies that are recognized in the consolidated accounts, are included as part of the cost of acquisition of participations in group companies.

Amendments to RFR 2 and the Annual Accounts Act that have not yet come into force
Approved amendments to RFR 2 that have not yet come into force are not expected to have any material impact on the parent company's financial statements on initial application.

Note A2. Financial risk management

In its operations, the Group is exposed to various types of financial risk such as market risk, liquidity risk and credit risk. Market risk mainly consists of currency risk when interest rate risk is limited. The Board of Directors of the company is ultimately responsible for exposure, management and follow-up of the Group's financial risks.

CellaVision works continually to balance its capital and financing risk by means of timely establishment of sufficient credit facilities for the needs that can be foreseen, monitoring cash flows, and working to optimize working capital. The overall goal is to ensure a capital structure that supports long-term profitable growth. Given that the company's operations have good profitability, the company's financial position is satisfactory. In the view of the Board, the company's financing and capital structure does not prevent the company from meeting its commitments in the short and long term, nor from implementing necessary investments.

MARKET RISKS

Currency risk

Currency risk refers to the risk that fair value or future cash flows will fluctuate as a result of changed exchange rates. Exposure to currency risk mainly derives from payment flows in foreign currency, called transaction exposure, and from translation of balance sheet items in foreign currency as well as translation of foreign subsidiaries' income statements and balance sheets to the Group's presentation currency, which is Swedish kronor, called balance sheet exposure.

The Group operates internationally and is exposed to currency risk from various currency exposures, mainly in USD and EUR. The company's purchases are mainly in SEK and EUR. Sales are predominantly in USD and EUR. The Group uses currency forwards to hedge contracted inflows of foreign currency. Derivatives held for foreign currency hedging are valued at level 2, financial instruments where fair value is determined on the basis of valuation models based on other observable data for the asset or liability than listed prices included in level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Currency forwards are valued on the basis of observable information referring to exchange rates on the balance sheet date and market rates for remaining maturities. The amount referring to ineffectiveness of cash flow hedges recognized in the income statement is SEK 0 (0). In accordance with CellaVision's risk management strategy 0–70 per cent of currency exposure in net flows 12 months forward and a further 0–40 per cent for months 13–24 continuously hedges. Balance sheet exposure is not hedged.

Currency exchange rate fluctuations in euro and dollar is calculated to affect the groups revenue and operating profit according to the table below (SEKm):

Interest rate risk

		Euro			
		9.7	**10.0**	**10.3**	**10.6**
USD	**8.4**	533/142	544/149	554/155	565/162
	8.7	538/146	549/152	560/159	571/166
	9.0	544/150	555/156	566/163	576/169
	9.3	550/153	561/160	571/167	582/173

Interest rate risk is the risk that the value of financial instruments will vary due to changes in market interest and that the Group's interest expense will increase as a consequence of increased market rates. The Group's financial assets mainly consist of call option property and deposits provided. A low risk is considered to exist since the demand for properties in the area is high and the deposits provided are of less value. The Group has interest-bearing liabilities in the form of a bank loan denominated in EUR and SEK.

Interest rates

kSEK	**2021**	**12/31/2021**	**2020**	**12/31/2020**
	Impact on earnings	**Impact on equity**	**Impact on earnings**	**Impact on equity**
Financial expenses +1%	-713	-713	-871	-871
Financial expenses -1%	713	713	871	871
Financial income +1%	0	0	0	0
Financial income -1%	0	0	0	0
Revaluation effect +1%	0	0	0	-2
Revaluation effect -1%	0	0	0	-2

Interest rate risk refers to the risk that fair value or future cash flows fluctuate as a result of changed market interest rates. The Group is mainly exposed to interest rate risk through its loan financing. The loans run at variable interest rates, which means that the Group's future financial costs are affected by changes in market interest rates. The Group is also affected by changed market rates as a result of the derivative instruments held to hedge transaction exposure (see above). The fair value of forward contracts is immediately affected by changes in market interest rates, which in turn affects the Group's report on total profit.

According to the Group's financial policy, interest rate risk should not be hedged.

The sensitivity anslysis for interest rate risk shows the Group's sensitivity to an increase and a decrease of 1 percent of the market interest rate, respectively. Interest rate sensitivity is based on the effect on profit after tax of a change in market interest rates, both in terms of interest income and costs and unrealized value changes in derivatives.

Liquidity and financing risk

Prudence in management of liquidity risk entails holding sufficient liquid assets and realizable securities or agreed lines of credit to be able to fulfil obligations. CellaVision minimizes this risk by holding sufficient cash. At present the liquidity risk is deemed to be reasonably low, mainly due to the Group's liquidity. There is also an unused overdraft of SEK 30 million.

Maturity structure of the Group

Nominal amounts,	**0-12 months**		**1-5 years**	
kSEK	**2021**	**2020**	**2021**	**2020**
Liabilities to credit institutions	29,608	36,097	60,210	74,711
Financial leasing liabilities	11,202	9,777	35,635	12,193
Trade payables	44,861	20,865	0	0
Other liabilities	9,980	5,933	0	0
Total financial liabilities	**95,650**	**72,671**	**95,845**	**86,904**

Credit and counterparty risk

Credit risk refers to the risk that the counterparty in a transaction will cause loss to the Group by not fulfilling its contractual obligations. The Group's exposure to credit risk mainly refers to trade receivables and liquid funds. CellaVision collaborates with triple A distributors and established hematology companies. In the Nordic countries the customers are publicly funded hospitals. There is some concentration of credit risk relating to trade receivables but historically these customers have not had any payment difficulties.

The credit risk in liquid funds is limited because the Group's counterparties are banks with high credit rating.

The Group's and the parent company's maximum exposure to credit risk is assessed to correspond to book values of all financial assets.

Classification of financial instruments
Classification of financial assets and liabilities and their fair value is presented below. There have been no reclassifications between the valuation categories above during periods.

Fair value measurement of financial instruments
Financial liabilities measured at fair value in the balance sheet consist only of currency forwards and a bank loan denominated in EUR. As of December 31, 2021, there are no currency forwards. For other financial assets and financial liabilities the carrying amounts are assessed to be a good approximation of the fair values because the maturity and/or interest rate fixing is less than three months, which means that a discount based on current market conditions is not expected to have any material effect.

2021	Derivatives held for hedging	Interest bearing debts and trade receivables	Financial liabilities at accrued acquisition value	Total carrying value	Fair value
Trade receivables	0	89,736	0	89,736	89,736
Other receivables	0	20,076	0	20,076	20,076
Cash and cash equivalents	0	130,286	0	130,286	130,286
Total financial assets	**0**	**240,097**	**0**	**240,097**	**240,097**
Liabilities to credit institutions	0	0	89,818	89,818	89,818
Lease liability	0	0	46,837	46,837	46,837
Trade payables	0	0	44,861	44,861	44,861
Other liabilities	0	0	9,980	9,980	9,980
Total financial liabilities	**0**	**0**	**191,495**	**191,495**	**191,495**

2020	Derivatives held for hedging	Interest bearing debts and trade receivables	Financial liabilities at accrued acquisition value	Total carrying value	Fair value
Trade receivables	0	71,030	0	71,030	71,030
Other receivables	1,388	23,429	0	24,817	24,817
Cash and cash equivalents	0	102,262	0	102,262	102,262
Total financial assets	**1,388**	**196,721**	**0**	**198,109**	**198,109**
Liabilities to credit institutions	0	0	110,807	110,807	110,807
Lease liability	0	0	21,970	21,970	21,970
Trade payables	0	0	20,865	20,865	20,865
Other liabilities	0	0	5,933	5,933	5,933
Total financial liabilities	**0**	**0**	**159,575**	**159,575**	**159,575**

Financial assets and financial liabilities measured at fair value in the balance sheet are classified into one of three levels based on the information used to establish the fair value. The Group's hedging instruments are measured at fair value in accordance with Level 2 below. During the periods there have been no transfers between levels.

Level 1 – Quoted prices in an active market. The Group has no financial instruments measured at fair value at Level 1.

Level 2 - Financial instruments, where fair value is determined on the basis of valuation models based on other observable data for the asset or liability than quoted prices included in Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The Group's currency forwards are classified at Level 2 via the Group's statement of comprehensive income and recorded as other current liabilities in the Group's statement of financial position. However, as of December 31, 2021, there are no currency forwards.

Level 3 – Financial instruments where fair value is determined on the basis of valuation models in which material inputs are based on non-observable data. The Group has no financial instruments measured at fair value at Level 3.

Note A3. Important estimates and assumptions for accounting purposes

Establishment of reports and application of different accounting policies are often based on management's estimates or assumptions considered to be reasonable under the current circumstances. These assumptions and estimates are often based on experience but also on other factors, including expectations of future events. For CellaVision, the following areas are worth noting:

CAPITALIZED DEVELOPMENT EXPENDITURE
The recoverable amount of capitalized development costs is determined based on the estimated economic life and volume. This calculation is based on estimated future cash flow based on financial forecasts approved by management and reflects product lifecycles.

TRADEMARKS
The carrying value of a brand is contingent on future profitability of the products the brand refers to and the value is tested annually. If it has not been possible to test the impairment requirement for an individual brand, the recoverable amount has been calculated on the cash-generating unit to which the brand is allocated. Calculating the cash-generating unit's recoverable value for assessing possible impairment of the brand, several assumptions about future conditions and estimations of parameters are made.

GOODWILL
The carrying amount of goodwill is contingent on future profitability of the cash-generating unit to which goodwill is allocated and the value is tested annually. For the assessment of possible impairment of goodwill several assumptions about future conditions and estimates of parameters are made when calculating the recoverable amount of cash-generating units.

RESERVED AMOUNT FOR LONG-TERM INCENTIVE PROGRAM
Calculation of the reserved amount for long-term incentive programs depends on the development of earnings per share over the term of the incentive program.

IMPAIRMENT
The recoverable amount for the cash-generating units is determined based on value-in-use calculations. These calculations are based on estimated future cash flows based on financial budgets approved by the operational management for the coming year. Thereafter, estimates have been made covering a five-year period. Cash flows beyond the five-year period are calculated based on retained profitability and limited growth. The most important variables in calculating the value in use are operating margin, growth and the discount rate.

The operating margin has been forecast to reach the average for the most recent business cycle in five years. The transition from the current level to the level has been assumed to be linear. Customs duties have been considered in the company's assessments of capacity utilization. The forecast is in line with previous experience and external information sources.

Demand for products has historically followed the economic trend. Expected market growth is based on a transition from the current economic situation to the expected long-term growth. Current market share has been assumed for future periods. The forecast is in line with previous experience and external information sources.

The discount rate after tax has been determined using standard tools for calculating the return requirement on equity valued at market value and a weighted average of the return requirement for the company's total capital. The discount rate is based on the interest rate on the 10-year French government bond as of end of the financial year, market risk premium for France, beta and capital structure in line with a selected group of comparable listed companies and a specific risk premium.

Note A4. Capital structure

CellaVision defines managed assets as the sum of the Group's net debt and equity. At the end of 2021 managed assets were SEK 549,648 thousand (460,133).

The Group's objectives regarding capital structure are to secure the Group's ability to continue operations to generate returns for shareholders and benefits to other stakeholders and to ensure that the capital structure is optimal considering the cost of capital.

When managing the capital, the Group follows up on metrics such as sales growth and operating margin. The objective is to increase sales by an average of 15 percent per year with an EBITDA-margin exceeding 30 percent over a business cycle. In 2021 the company achieved sales growth of 20 percent (2) and the EBITDA-margin was 35 per cent (30).

CellaVision has a strong financial position that allows investment in product development as well as geographic market expansion. The dividend policy states that the dividend must correspond to 30-50 percent of net income, but always consider the Company's and the Group's financial position, capital structure, acquisitions and long-term financing needs.

Note A5. Operational risk factors

BUSINESS MODEL
CellaVision's strategy is to establish strategic alliances with global players in medical technology. CellaVision operates through distributors in all markets. This means that CellaVision's future expansion depends on successful distributors. The company mainly distributes its products through the primary hematology companies in the world; Sysmex, Beckman Coulter, Siemens Healthcare Diagnostics, Abbott, Horiba, Biospecifix and Boule. CellaVision is dependent on their successes in the field of hematology, where CellaVision's products are marketed. Even though CellaVision has well-functioning and extensive contractual relationships with its distributors, these partnerships can be terminated. There is no guarantee that the distributor will sign a new agreement with CellaVision. Discontinued cooperation with a major distributor could have a negative impact on CellaVision's sales and earnings. All contracts are non-exclusive and run for 2–3 years.

SUPPLY CHAIN
The company's strategy is to enter into strategic partnerships, in which the partners handle the manufacturing of the products. This means that CellaVision will be dependent on a number of suppliers of key components such as cameras, microscopes and control equipment as well as companies that manage the assembly and final inspection of the systems. The company has collaborated with a contract manufacturer since 2006 and has long-term cooperation and contracts with its most important subcontractors. Despite this, contracts can be terminated. There is no guarantee that the suppliers will subsequently decide to sign a new agreement with the company. Suspension of deliveries due to delivery problems of components, terminated contracts or discontinued cooperation with a subcontractor may have a negative impact on CellaVision's sales and earnings.

DEPENDENCE ON KEY PERSONNEL
CellaVision has a distinct high-tech specialization and is therefore dependent on being able to recruit and retain highly qualified employees.

COST SAVINGS IN HEALTH CARE
For economic and political reasons, measures are being taken to reduce costs in the health care sector in Western Europe and the US, for example. Ongoing changes and rationalization, despite CellaVision's efforts at developing cost-effective solutions, may have a negative impact on the company's future sales and earnings.

PRODUCT DEVELOPMENT
Continued development of existing and new products and solutions is of great importance to CellaVision. If the company's ability to develop products ceases, or if products cannot be introduced in accordance with established schedules, or if the market reception is worse than expected, this may result in a negative impact on CellaVision's sales and earnings.

COMPETITION
There is a risk that new competitors with a greater resource base in terms of skills and capital may establish themselves in CellaVision's market and offer better methods and more effective products than CellaVision. Increased competition could result in price pressure on CellaVision products. In order to counteract this, the company constantly monitors competition.

PRODUCT LIABILITY
Testing, marketing and selling medical devices and solutions entails a risk of claims for damages and there is no guarantee that claims for compensation linked to product liability will not be made against CellaVision. The company has extensive insurance coverage for such claims.

PATENTS AND RIGHTS
CellaVision conducts an active patent strategy to protect investments in core technology by applying for patents for new inventions. However, it cannot be guaranteed that current or future patent applications will lead to patents or that approved patents will offer sufficient protection against competitors. In addition, there is always a risk that disputes referring to patent infringement and other intellectual property rights may be started against or by CellaVision. The company has extensive insurance coverage for such claims.

LEGISLATION AND REGULATORY FRAMEWORK
Manufacturing, marketing and distribution of medical devices and equipment takes place on a regulated market where such bodies as the FDA (US Food and Drug Administration) and the EU have rules for clinical evaluation, approval and quality testing. CellaVision meets the current requirements in Europe and USA for CellaVision DM. If CellaVision's operations were to be subject to restrictions by government agencies or if the company did not receive necessary future official approval, it could have a negative impact on CellaVision commercially and financially.

Note A6. Information on operating segments

CellaVision's operations comprise only one segment; analyzers for microscopy systems and production of reagents in the field of hematology, and therefore reference is made to the consolidated statement of comprehensive income and financial statement regarding segment reporting. CellaVision sells analyzers in which software is included and reagents for sample preparation. The software does not function as stand-alone products and the reagents are sold to the same customer base as the instruments. Other sales such as spare parts, service etc. is each less than 10% of total sales. CellaVision has a centralized business model. Most of the business is linked to the parent company through global customer contracts. One subsidiary produces reagents and the role of the other subsidiaries is only of a marketing nature and their business is small and not a subject for cost allocation. Follow-up of sales by geographical region and product line is of interest to the company, but overheads and operating margin are monitored at the central level.

Note A7. Information on major customers

CellaVision's products are sold globally through partners, and in selected markets also through its own sales companies. CellaVision has three customers that each account for more than ten percent of the company's total sales. The largest customer with sales of SEK 144 (103) million and the others with sales of SEK 125 (120) million and SEK 81 (68) million, respectively.

Note A8. Employees

		2021		2020
Average number of employees	**Average number of employees**	**Of whom men**	**Average Number of employees**	**Of whom men**
Parent company, Sweden	143	93	126	82
Subsidiary, USA	5	3	7	4
Subsidiary, Canada	1	1	2	1
Subsidiary, Japan	3	3	2	2
Subsidiary, France	49	20	45	21
Total	**201**	**120**	**182**	**110**

		2021		2020
Number of women in senior management:	**Board of Directors**	**Other positions**	**Board of Directors**	**Other positions**
Parent company	2	1	2	1
Share of the total	22%	14%	20%	14%
Subsidiaries	0	0	0	0
Total	**2**	**1**	**2**	**1**

Note A9. Disputes in the Group

There are no disputes within the Group with third parties.

Note A10. Events after the balance sheet date

Chief Financial Officer (CFO) Magnus Blixt has previously announced that he will leave his position as CFO of CellaVision in November 2022. Magnus will not leave the company which means that he even after November 2022 will continue his position as CFO of CellaVision.

On February 24, 2022, Russia's invasion of Ukraine began. The invasion was followed by international condemnations and far-reaching sanctions. CellaVision is gravely concerned about the rapidly deteriorating situation in Ukraine and has decided to suspend all its sales activities in Russia for the foreseeable future. The company has no sales in Ukraine and the Russian market has contributed to an insignificant amount of the company's total earnings.

The Annual Report was adopted by the board on April 7th, 2022.

Note B1. Income by geographical area

2021	Instruments	Reagents	Group Software & Other	Instruments	Reagents	Parent company Software & Other
Sweden	0	0	313	0	0	313
EMEA	118,628	86,152	47,202	113242	0	40,266
Americas	123,834	1,968	84,078	125136	0	80,741
APAC	86,259	1,794	15,324	83894	0	13,687
Total	**328,721**	**89,915**	**146,917**	**322,272**	**0**	**135,008**

2020	Instruments	Reagents	Group Software & Other	Instruments	Reagents	Parent company Software & Other
Sweden	0	0	310	0	0	0
EMEA	97,678	79,869	38,268	94,247	0	32,462
Americas	93,911	2,133	55,831	94,813	0	52,635
APAC	92,869	2,575	7,999	91,374	0	6,856
Total	**284,458**	**84,578**	**102,407**	**280,435**	**0**	**91,953**

Sales at a given time in the Group were SEK 559,653 thousand (465,169) and revenues distributed over time were SEK 5,899 thousand (6,274). Revenues distributed over time refer to pre-paid service contracts. The value of accrued income attributable to revenue distributed over time amounted to SEK 3,006 thousand (3,174). Other refers to spare parts and consumables.

Note B2. Expenses classified by nature of expense

	2021	2020
Depreciation, amortization and impairment (Note B9, C1)	33,437	32,622
Costs for remuneration to employees (Note B4, B5, B6)	163,134	137,015
Changes in inventories of finished goods and work in progress	1,854	-444
Raw materials	136,062	121,150
Transport costs	7,126	7,630
Capitalized expenses	-38,788	-25,524
Premises costs	1,824	2,389
Travel expenses	5,003	4,966
External services	29,108	21,270
Other expenses	64,058	60,096
Total cost of goods sold, sales, administrative and R&D expenses	**402,819**	**361,170**

Note B3. Intra-Group and related party transactions

Of the parent company's invoicing, SEK 4,758 thousand (3,543) refers to subsidiaries. SEK 2,031 thousand (526) refers to instruments, SEK 1,914 thousand (2,508) refers to spare parts and SEK 813 thousand (510) refers to software. Invoicing from subsidiaries to parent company refers to market support and amounted to SEK 26,017 thousand (25,539) on market terms. For information on subsidiaries, see Note C5. The remuneration paid to senior executives is stated in Note B6. We have not had any related party transactions in 2021 other than those described above.

Note B4. Salaries and other remunerations, distributed

Salaries and other remuneration:	2021 Board, CEO	2021 Others	2020 Board, CEO	2020 Others
Parent company	8,080	67,650	4,255	56,105
Subsidiaries	0	38,924	0	34,297
Total	**8,080**	**106,574**	**4,255**	**90,402**

Note B5. Social security and pension costs

Social security and pension costs:	2021 Social security costs	2021 Of which pension costs	2020 Social security costs	2020 Of which pension costs
Parent company	35,530	12,698	29,888	11,955
Subsidiaries	12,950	114	12,470	753
Total	**48,480**	**12,812**	**42,358**	**12,708**

Pension obligation corresponds to 30 percent of base salary for the CEO. For other employees in Sweden the pension obligations of the defined benefit ITP 2 Plan for old-age and family pension (or family pension) are vested through insurance with Alecta. According to a statement by the Swedish Financial Reporting Board, UFR10 Classification of ITP Plans financed through insurance in Alecta, this is a defined benefit plan covering several employers. For the 2021 financial year the company has not had access to information that makes it possible to report its proportionate share of the plan obligations, plan assets and costs, which means that it is not possible to report the plan as a defined benefit plan. The ITP 2 pension plan, which is vested through insurance with Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit old-age and family pension is calculated individually and depends among other things on salary, accrued pension and expected remaining working life. Expected contributions in the next reporting period for ITP 2 insurance with Alecta amount to SEK 3.9 million (3.4).

The collective solvency level comprises the market value of Alecta's assets as a percentage of its insurance commitments calculated in accordance with Alecta's actuarial methods and assumptions, which do not comply with IAS 19. Normally the collective solvency level should be allowed to vary between 125 and 155 percent. If Alecta's collective solvency level falls short of 125 percent or exceeds 155 percent measures must be taken to allow the solvency level to return to its normal interval. If the solvency level is low, one measure could be to increase the agreed price for writing of new business and increasing existing benefits. If the solvency level is high one measure could be to introduce premium reductions. At the end of 2021 Alecta's surplus in the form of the collective solvency level was 172 percent (148).

There are defined benefit pensions in France and the liability recognized in the balance sheet for this is the present value of the defined benefit obligation on the balance sheet date less the fair value of plan assets. The calculations are made by actuaries, who also re-evaluate the pension plans' commitments. The debt amounts to SEK 3.4 million (4.0), where the majority of the debt falls due for payment in excess of 5 years and no part for the next 12 months.

Note B6. Remuneration to senior management

Salaries, remuneration and other benefits:	Fixed salary	Variable renumeration	Other benefits	2021 Pension
Board of Directors:				
Sören Mellstig	280	0	0	0
Mikael Worning	505	0	0	0
Christer Fåhraeus	245	0	0	0
Åsa Hedin	245	0	0	0
Anna Malm Bernsten	368	0	0	0
Niklas Prager	265	0	0	0
Jurgen Riedl	225	0	0	0
Stefan Wolf	225	0	0	0
CEO	5,073	522	128	541
Other senior management	7,690	1,472	451	3,164
Total	**15,120**	**1,994**	**578**	**3,705**

Salaries, remuneration and other benefits:	Fixed salary	Variable renumeration	Other benefits	2020 Pension
Board of Directors:				
Sören Mellstig	560	0	0	0
Mikael Worning	131	0	0	0
Christer Fåhraeus	245	0	0	0
Åsa Hedin	245	0	0	0
Anna Malm Bernsten	245	0	0	0
Niklas Prager	265	0	0	0
Jurgen Riedl	225	0	0	0
Stefan Wolf	225	0	0	0
CEO	2,818	-655	0	800
Other senior management	9,892	-1,937	638	3,482
Total	**14,851**	**-2,592**	**638**	**4,282**

In accordance with a resolution of the Annual General Meeting, remuneration is payable to the Board of Directors of SEK 1,850 thousand (2,075), of which SEK 500 thousand (500) to the Chairman of the Board and SEK 225 thousand (225) to each of the other board members. In addition, the boardmembers receive 40 KSEK (40) for being chariman and 20 KSEK (20) for participationg in the renumumeration or audit committee. No other remunerations have been paid. There are no agreements on pensions, severance pay or other benefits. During the year the Board of Directors comprised of 9 members (10) of which 2 employee representatives (0).

The President/Chief Executive Officer's period of notice is twelve months for termination by the company and six months for termination by the President/ Chief Executive Officer. For termination by the company, or by the President/Chief Executive Officer for material breach of contract by the company, the President/Chief Executive Officer is entitled to severance pay equivalent to twelve months' salary. No further severance pay is payable.

Note B6. Remuneration to senior management, cont'd

There is an incentive program for senior management consisting of a earnings per share related program and an annual individual program. The outcome is capped to 60 percent of yearly salary for the CEO whereof half goes into the annual individual program and the other half goes towards the program related to earnings per share where it can be doubled if the growth in earnings per share over a three-year period exceeds 15 percent per year. The CEO also has a guaranteed annual bonus of SEK 1,867 thousand, which falls due during the years 2022-2023. For other members of senior management, the outcome is capped at 5 months' salary whereof 40 percent goes into the annual individual program and 60 percent goes to the earnings per share related program where it can be doubled if the growth of earnings per share price over a three year period exceeds 15 percent per year. During the year, provisions for incentive programs for senior management was expensed by SEK 1 994 thousand (- 2,592). See also the description in the corporate governance report.

In 2021 the CEO was paid a fixed salary including remuneration for paid leave of SEK 5,073 thousand (2,818), plus benefits valued at SEK 128 thousand (0). The CEO has a guaranteed annual bonus of SEK 1,867 thousand that falls over the years 2022-2023, which is reported under the heading Salary. In addition to a fixed salary, variable remuneration of SEK 522 thousand (-655) was expensed. Other senior executives in the management group were during 2021 paid total fixed salaries of SEK 7,790 thousand (9,892) plus benefits mainly comprising car benefits valued at SEK 638 thousand (458). In addition to a fixed salary, a reservation for variable remuneration of 1,472 kSEK was expensed (-1,937). There were 6 (9) other members of senior management for part of the year. The Remuneration Committee prepares questions of remuneration and other conditions of employment for the company management. Decisions are made by the Board.

Note B7. Audit fees

	2021		2020	
Fees to the company's auditors, Deloitte	**Group**	**Parent company**	**Group**	**Parent company**
Audit	654	370	894	611
Addition to the audit engagement	0	0	0	0
Tax advisory	27	0	70	43
Other engagements	0	0	99	99
Total	**681**	**370**	**1,064**	**753**

The audit assignment includes review of the annual report and accounts, as well as administration of the board and the chief executive officer. The audit assignment also includes other tasks that is the responsibility of the company's auditor to perform, as well as advice or other assistance that is caused by obervations in such auditing or implementation of such other tasks.

Note B8. Leasing

	2021	2020
Amounts recognized in the income statement	**Group**	**Group**
Depreciation on right of use	10,601	9,537
Interest expenses for leasing liabilities	608	755
Costs attributable to short-term and leasing contracts of low value	2,535	3,236

As of December 31, 2021, the Group has obligations regarding short-term and leasing agreements of low value of SEK 2,282 thousand (2,913).

	2021	2020
Cash flow	**Group**	**Group**
Amortization of leasing liabilities	10,994	9,537
Interest expense leasing liabilities	608	755
Short-term leasing and low value leasing	2,535	3,236
Total cash flow	**14,137**	**13,529**

The weighted average marginal loan rate was 2 %.

The lease period for the Group's rental premises varies between 1-5 years. Extension of the lease at the end of the lease period may be at what the Group considers to be a fair market value rent. In some cases, the rent is index-adjusted according to the CPI and the majority of lease agreements are extended with existing terms unless the agreement has been terminated for change of terms. The leasing period for various office equipment varies between 1-3 years. The total of the year's expensed leasing fees for operating leases amounts to SEK 14,137 thousand (13,529) in the Group. The parent company's leasing fees for the year amounted to SEK 9,601 thousand (8,777).

Changes in the book value of right of use assets are presented in note C2.

The Group leases a number of assets, primarily buildings, machinery and cars. The average lease term is 3 years (3).

An estimated one quarter of the leases for buildings, machines and cars expired during the current financial year. The expired leases were replaced by new leases for the underlying assets. New acquisitions for the year amounted to SEK 36 million (3).

	2021	2020
Contracted future lease charges	**Group**	**Group**
- Within one year	13,602	7,552
- Later than one but within five years	37,731	11,013
- Later than within five years	0	0
Total	**51,333**	**18,565**

Note B9. Depreciation

	2021		2020	
	Group	Parent company	Group	Parent company
Intangible assets	17,759	631	17,589	2,099
Property, plant and equipment	15,678	2,307	14,449	2,101
Total	**33,437**	**2,938**	**32,038**	**4,200**

Note B9. Depreciation per function

	2021		2020	
	Group	Parent company	Group	Parent company
Cost of goods sold	14,900	619	16,318	2,099
Selling expenses	8,205	573	7,830	524
Administrative expenses	3,029	574	2,553	527
Research and development expenses	7,303	1,172	5,337	1,050
Total	**33,437**	**2,938**	**32,038**	**4,200**

Note B10. Exchange rate effects

	2021		2020	
	Group	Parent company	Group	Parent company
Exchange rate effects have been reported in the income statement as follows				
Exchange rate gain in operating profit	9,361	9,361	0	0
Exchange rate loss in operating profit	0	0	-13,341	-13,341
Total	**9,361**	**9,361**	**-13,341**	**-13,341**

Note B11. Interest income and other similar profit/loss items

	2021		2020	
	Group	Parent company	Group	Parent company
Interest income	60	0	416	0
Exchange differences, Group loan	3,362	5,166	6,702	13,185
Total	**3,422**	**5,166**	**7,118**	**13,185**

No part of the parent company's interest income/expenses is intra-group. All interest income is attributable to instruments that are reported at amortized cost.

Note B12. Interest expenses and other similar profit/loss items

	2021		2020	
	Group	Parent company	Group	Parent company
Interest expenses	1,866	675	2,546	1,101
Exchange differences, Group loan	5,992	7,604	2,617	2,305
Total	**7,858**	**8,279**	**5,163**	**3,406**

No part of the interest expense is directly attributable to development activities and their costs. All interest expenses refer to financial debts that are valued at acquisition value.

Note B13. Taxes

Tax on result for the year	2021 Group	2021 Parent company	2020 Group	2020 Parent company
Current tax	-28,688	-24,820	-17,880	-17,086
Deferred tax expenses	-4,269	-115	-4,868	-3,011
Total tax on result for the year	**-32,958**	**-24,936**	**-22,748**	**-20,097**
Deferred tax				
Utilization of tax losses	0	0	-1,611	0
Temporary differences:				
Provisions	-115	-559	-3,011	-3,011
Inventory	-5	0	-127	0
Capitalised expenditure for development	138	0	-3,636	0
Other immaterial assets	-4,785	0	1,659	0
Leasing	-18	0	86	0
Customer relationships	979	0	1,015	0
Other temporary differences	-463	0	757	0
Total deferred tax	**-4,269**	**-559**	**-4,868**	**-3,011**
Deferred tax asset/liability				
Temporary differences				
Provisions	2,114	552	2,196	668
Inventory	104	0	109	0
Capitalised expenditure for development	-24,278	0	-17,905	
Other immaterial assets	-3,990	0	-5,340	0
Leasing	315	0	333	0
Trademarks	-6,218	0	-6,103	0
Customer relationships	-11,606	0	-12,360	0
Other temporary differences	-4,392	0	-4,307	0
Total carrying amount for deferred tax liability/asset	**-47,951**	**552**	**-43,377**	**668**
Unrecognized deferred tax assets	0	0	22	0

Related to accumulated loss carry forward in Japan.

Reconciliation, taxation	2021 Group	2021 Parent company	2020 Group	2020 Parent company
Accounting profit/loss before tax	158,297	119,420	112,228	100,058
Tax at current tax rate	-32,609	-24,600	-24,017	-21,412
Tax effect of:				
-Effect of different tax rates in foreign subsidiaries	-210	0	-242	0
-Non taxable income	0	0	736	1,391
-Non-deductible expenses	-176	-135	-118	-54
-Utilization of tax loss defecits where deferred tax assets is not recognized	300	0	706	0
Total	**-32,694**	**-24,735**	**-22,935**	**-20,075**
Adjustments current year due to prior year current tax	-249	-201	-38	0
Changed tax rate on deferred tax asset	-15	0	225	-22
Reported tax expense for the year	**-32,958**	**-24,936**	**-22,748**	**-20,097**

Income tax amounts in other comprehensive income refers entirely to cash flow hedges.

Note C1. Intangible assets

		2021		2020
Capitalized expenditure for development	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	140,804	41,612	114,054	41,612
Capitalized during the year	38,788	0	25,524	0
Acquisiton of business	0	0	0	0
Reclassification	-31	0	1,226	0
Disposals	0	0	0	0
Closing accumulated cost of acquisition	**179,561**	**41,612**	**140,804**	**41,612**
Opening depreciation	-46,535	-36,805	-38,595	-34,706
Depreciation for the year	-6,751	-620	-7,940	-2,099
Closing accumulated depreciation	**-53,286**	**-37,425**	**-46,535**	**-36,805**
Closing carrying amount	**126,275**	**4,187**	**94,269**	**4,807**

		2021		2020
Goodwill	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	111,972	0	115,121	0
Acquisition during the year	0	0	0	0
Acquisiton of business	0	0	1,269	0
Translation difference	2,113	0	-4,418	0
Closing accumulated cost of acquisition	**114,085**	**0**	**111,972**	**0**
Closing carrying amount	**114,085**	**0**	**111,972**	**0**

		2021		2020
Trademarks, customer relationships and other intangible assets	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	106,441	900	111,592	900
Acquisition during the year	31,510	221	64	0
Acquisiton of business	0	0	0	0
Disposals	0	0	-584	0
Translation difference	2,939	0	-4,631	0
Closing accumulated cost of acquisition	**140,890**	**1,121**	**106,441**	**900**
Opening depreciation	-11,799	0	-2,504	0
Depreciation for the year	-11,008	-11	-9,648	0
Acquisiton of business	0	0	0	0
Translation difference	-283	0	353	0
Closing accumulated depreciation	**-23,090**	**-11**	**-11,799**	**0**
Closing carrying amount	**117,800**	**1,110**	**94,642**	**900**

Capitalized expenditure for development

Expenditure on research and development was SEK 103,036 thousand (76,777), which corresponds to 18 percent (16) of net sales. Of this expenditure SEK 38,788 thousand (25,524) has been capitalized and the remaining SEK 64,248 thousand (51,253) has been charged to the result for the year. The reported value of capitalized development costs not yet subject to depreciation amounts to SEK 70,388 thousand (33,320). The year's development work refers to development aimed at strengthening the product portfolio in relation to customers in the sub-field of hematology.

Goodwill

Goodwill attributable to the acquisition of RAL Diagnostics amounted to SEK 118.4 million at the time of acquisition. At the end of the period, the carrying amount of goodwill amounted to SEK 114.1 million (112.0) at the end of the period. There has been no write-down of goodwill during the financial year.

Trademarks, customer relationships and other intangible assets

The reported value of trademarks with an indefinite useful life amounted to SEK 24.9 million (24.4) at the end of the period and are attributable to the acquisition of RAL Diagnostics. There has been no write-down of brands during the financial year.

The closing reported value for customer relationships for the period amounts to SEK 46.4 million (49.4) and is attributable to the acquisition of RAL Diagnostics. Depreciation for the period has been done according to plan.
Other intangible assets mostly relate to exclusive rights to a patent portfolio SEK 30.9 milion (0) and acquired technology attributable to RAL Diagnostics SEK 14.7 million (20.8). The license rights relate to a new microscopy technology, Fourier Ptychographic Microscopy. Depreciation has taken place in accordance with the plan.

Impairment testing goodwill and treademarks

The company management has set budgeted gross margins based on its expectations of market developments. The weighted average rate of growth used is in line with forecasts in industry reports. The management's assessment is that no reasonable changes in the important assumptions will result in the estimated total recoverable value of the cash-generating unit being lower than the brand's total carrying value. Taking the above into account, the company management considers that no impairment loss exists.

The sensitivity analysis shows a certain margin between value in use and book value. The sensitivity analysis shows that an increase in the discount rate of 0.5 percentage points gives a margin between the value in use and the book value of 4 percent (6). A change in the operating margin by -1 percentage point gives a margin of 5 percent (7).

Used discount rate (WACC, Weighted Average Cost of Capital) amounts to 10.4 percent (12.8 percent before tax). Terminal growth rate of 2 percent has been used in the test and corresponds to a long-term assumption of real growth of 1 percent and inflation of 1 percent.

Note C2. Tangible fixed assets

Right of use assets		2021		2020
Land and buildings	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	35,114	0	33,953	0
Change of valuation principle	0	0	0	0
Year's acquisitions	11,530	0	1,359	0
Change of contract	22,831	0	0	0
Disposals/ retirements	0	0	0	0
Translation difference	79	0	-198	0
Closing accumulated cost of acquisition	**69,554**	**0**	**35,114**	**0**
Opening depreciation	-15,346	0	-7,086	0
Depreciation for the year	-9,041	0	-8,363	0
Change of contract	181	0	0	0
Reversal of acc. depreciation on disposals/retirements	0	0	0	0
Translation difference	-43	0	103	0
Closing accumulated depreciation	**-24,249**	**0**	**-15,346**	**0**
Closing carrying amount	**45,305**	**0**	**19,768**	**0**

Right of use assets		2021		2020
Plant and machinery	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	1,507	0	1,709	0
Change of valuation principle	0	0	0	0
Year's acquisitions	0	0	0	0
Change of contract	-547	0	0	0
Disposals/ retirements	0	0	0	0
Translation difference	24	0	-202	0
Closing accumulated cost of acquisition	**984**	**0**	**1,507**	**0**
Opening depreciation	-772	0	-126	0
Depreciation for the year	-462	0	-683	0
Change of contract	547	0	0	0
Reversal of acc. depreciation on disposals/retirements	0	0	0	0
Translation difference	-14	0	37	0
Closing accumulated depreciation	**-701**	**0**	**-772**	**0**
Closing carrying amount	**283**	**0**	**735**	**0**

Right of use assets		2021		2020
Equipment, tools, fixtures and fittings	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	2,871	0	1,399	0
Change of valuation principle	0	0	0	0
Year's acquisitions	1,565	0	1,789	0
Change of contract	-715	0	0	0
Disposals/ retirements	0	0	-190	0
Translation difference	38	0	-127	0
Closing accumulated cost of acquisition	**3,759**	**0**	**2,871**	**0**
Opening depreciation	-846	0	-325	0
Depreciation for the year	-1,098	0	-728	0
Change of contract	579	0	0	0
Reversal of acc. depreciation on disposals/retirements	0	0	190	0
Translation difference	-11	0	17	0
Closing accumulated depreciation	**-1,376**	**0**	**-846**	**0**
Closing carrying amount	**2,383**	**0**	**2,025**	**0**

Tangible fixed assets that are not right of use assets		2021		2020
Land and buildings	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	23,590	0	19,852	0
Year's acquisitions	2,314	0	1,067	0
Acquisiton of business	0	0	0	0
Disposals/ retirements	-107	0	0	0
Reclassification	0	0	3,828	0
Translation difference	462	0	-1,157	0
Closing accumulated cost of acquisition	**26,259**	**0**	**23,590**	**0**
Opening depreciation	-7,999	0	-5,428	0
Depreciation for the year	-1,017	0	-672	0
Acquisiton of business	0	0	0	0
Reversal of acc. depreciation on disposals/retirements	0	0	0	0
Reclassification	0	0	-2,503	0
Translation difference	-159	0	604	0
Closing accumulated depreciation	**-9,175**	**0**	**-7,999**	**0**
Closing carrying amount	**17,084**	**0**	**15,591**	**0**

Note C2. Tangible fixed assets, cont'd

Tangible fixed assets that are not right of use assets		2021		2020
Plant and machinery	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	14,060	2,612	15,109	1,982
Year's acquisitions	6,447	367	2,406	630
Acquisiton of business	0	0	0	0
Disposals/ retirements	0	0	0	0
Reclassification	0	0	-3,828	0
Translation difference	464	0	373	0
Closing accumulated cost of acquisition	**20,971**	**2,979**	**14,060**	**2,612**
Opening depreciation	-10,204	-1,594	-10,659	-1,519
Depreciation for the year	-1,386	-163	-1,705	-75
Acquisiton of business	0	0	0	0
Reversal of acc. depreciation on disposals/retirements	0	0	0	0
Reclassification	0	0	2,503	0
Translation difference	-371	0	-343	0
Closing accumulated depreciation	**-11,961**	**-1,757**	**-10,204**	**-1,594**
Closing carrying amount	**9,010**	**1,222**	**3,855**	**1,018**

Tangible fixed assets that are not right of use assets		2021		2020
Equipment, tools, fixtures and fittings	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	14,752	11,905	12,186	11,329
Year's acquisitions	3,342	867	1,853	576
Acquisiton of business	0	0	0	0
Disposals/ retirements	-776	0	0	0
Reclassification	109	0	1,306	0
Translation difference	68	0	-593	0
Closing accumulated cost of acquisition	**17,495**	**12,772**	**14,752**	**11,905**
Opening depreciation	-9,299	-7,785	-6,091	-5,758
Depreciation for the year	-2,674	-2,143	-2,298	-2,027
Acquisiton of business	0	0	0	0
Reversal of acc. depreciation on disposals/retirements	776	0	0	0
Reclassification	0	0	-1,306	0
Translation difference	-37	0	396	0
Closing accumulated depreciation	**-11,234**	**-9,928**	**-9,299**	**-7,785**
Closing carrying amount	**6,261**	**2,844**	**5,453**	**4,120**

Tangible fixed assets by geographical area based on the assets	2021	2020
physical location	**Group**	**Group**
EMEA	79,494	47,084
Americas	0	0
APAC	832	344
Total	**80,326**	**47,428**

Note C3. Inventories

	2021		2020	
Inventories	**Group**	**Parent company**	**Group**	**Parent company**
Raw materials and consumables	14,155	3,399	8,284	1,946
Finished goods	100,933	80,353	75,376	54,063
Total	**115,088**	**83,752**	**83,660**	**56,009**

Inventories recognized as an expense during the year amount to SEK 136,062 (121,150) thousand in the Group and SEK 101,507 (88,136) thousand in the parent company. Impairment loss on inventories during the year amounted to SEK -3,073 (374) thousand in the Group and SEK -3,561 (274) thousand in the parent company. The increase in impairment loss on inventories is largely attributable to write-downs of spare parts that are attributable to products that are no longer being supported. Of the inventory value, no part has been recognized at net sales value.

Note C4. Financial assets

	2021		2020	
Favorable contract real estate	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	17,244	0	17,925	0
Additional options	0	0	0	0
Translation differences for the year	325	0	-680	0
Closing carrying amount	**17,570**	**0**	**17,244**	**0**

Call option real estate refers to the difference between the right to acquire property at a fixed price and the market value.

	2021		2020	
Deposits	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	4,117	3,653	3,940	3,476
Recovered deposit	0	0	-9	0
Additional deposits	90	8	210	178
Translation differences for the year	8	0	-24	0
Closing carrying amount	**4,215**	**3,662**	**4,117**	**3,653**

	2021		2020	
Other financial assets	**Group**	**Parent company**	**Group**	**Parent company**
Opening cost of acquisition	286	0	430	0
Additional other financial assets	0	0	0	0
Divested asset	-69	0	-133	0
Translation differences for the year	5	0	-11	0
Closing carrying amount	**222**	**0**	**286**	**0**

	2021		2020	
	Group	**Parent company**	**Group**	**Parent company**
Total financial assets	**22,007**	**3,662**	**21,648**	**3,653**

Note C5. Shares and participations in subsidiaries

Company	**Corporate identity number**	**Registered office**	**Number of participations**	**Share of equity (%)**	**Book value**
CellaVision International AB	556573-4299	Lund, Sweden	1,000	100	100 kSEK
CellaVision Inc., Canada	1724445	Toronto, Canada	1,000	100	6 kSEK
CellaVision Inc., USA	06-1624895	Delaware, USA	10	100	1 SEK
CellaVision Japan K.K.	0104-01-074862	Yokohama, Japan	2,790	100	1 SEK
RAL Diagnostics SAS	449 261 403	Martilllac, France	901,515	100	259,255 kSEK

Note C6. Trade receivables

Trade receivables overdue but not written down:

	2021	**2020**
1–30 days overdue	2,644	1,665
31–60 days overdue	1,598	1,246
61–90 days overdue	494	233
91–120 days overdue	350	1,037
More than 121 days overdue	481	629
Total	**5,567**	**4,809**

As at December, 31 2021 trade receivables of SEK 5,567 thousand (4,809) were due for payment in the Group, but no impairment loss is identified. These trade receivables are for the most part related to a few partners. The company's assesment is that there are no significant credit risks for these partners who previously have not had any payment difficulties. The age analysis for the Group relating to these trade receivables is illustrated above. Of these receivables SEK 4,325 thousand were settled at the end of February 2022. Reserve for doubtful trade receivables have been calculated based on historical data. The calculation model is shown in the table below. The provision for doubtful trade receivables was SEK 0 thousand (0) as at December, 31 2021. There are no pledges as collateral for receivables.

Risk matrix						
All amount in ' 000 SEK	**1-30**	**31-60**	**61-90**	**91-120**	**>120**	**Total**
Aging accounts receivable	2,644	1,598	494	350	481	5,567
Percent at risk	0%	0%	0%	0%	3%	3%
Amount at risk	**0**	**0**	**0**	**0**	**14**	**14**

Note C7. Prepaid expenses and accrued income

	2021		2020	
	Group	Parent company	Group	Parent company
Office rent	71	2,669	0	2,011
Pension premiums	393	393	359	359
Insurance premiums	843	822	843	838
Market activity costs	504	441	251	251
License fees	2,036	2,036	2,000	2,000
Other	1,291	642	2,484	697
Total	**5,140**	**7,004**	**5,937**	**6,157**

Note C8. Share capital

The registered share capital in the parent company was distributed, as at December 31, 2021, among 23,851,547 shares with a quotient value of SEK 0.15 (0.15) each. The number of shares in issue is unchanged compared with the same period in the previous year. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote for the full number of shares owned and represented by her or him without limit to the voting right. All shares confer an equal right to share in the company's assets and profits. No shares are held by the company itself.

Note C9. Reconciliation of liabilities attributable to financing activities

The table below presents this year's change in the Group's liabilities linked to financing the business. The table includes current and non-current liabilities. The part that falls due for payment within: 1 year amounts to SEK 40,810 thousand (45,874), 1-5 years SEK 95,845 thousand (83,365).

Group	Liabilities to credit institutions	Lease liability	Factoring	Total
As of December 31, 2020	**101,215**	**21,970**	**9,592**	**132,778**
Cash items				
New loans	17,223	0	0	17,223
Amortization of loans	-30,527	0	0	-30,527
Amortization of leases	0	-10,994	0	-10,994
Change in factoring debt	0	0	-9,771	-9,771
Non-cash items				
Leases at the start of the year	0	35,792	0	35,792
Effect of changes in exchange rates	1,907	69	179	2,155
As of December 31, 2021	**89,818**	**46,837**	**0**	**136,656**

Note C9. Reconciliation of liabilities attributable to financing activities, cont'd

The table below presents this year's change in the Parent company's liabilities linked to financing the business. The table includes current and non-current liabilities. The part that falls due for payment within: 1 year amounts to SEK 26,317 thousand (22,886) and 1-5 years SEK 51,305 thousand (62,935). No part is due for payment exceeding 5 years.

Parent company	Liabilities to credit institutions	Lease liability	Factoring	Total
As of December 31, 2020	**85,821**	**0**	**0**	**85,821**
Cash items				
New loans	15,000	0	0	15,000
Amortization of loans	-24,817	0	0	-24,817
Amortization of leases	0	0	0	0
Change in factoring debt	0	0	0	0
Non-cash items				
Leases at the start of the year	0	0	0	0
Effect of changes in exchange rates	1,619	0	0	1,619
As of December 31, 2021	**77,623**	**0**	**0**	**77,623**

Note C10. Provisions, guarantees and bonuses

	2021		2020	
Long-term provisions	**Group**	**Parent company**	**Group**	**Parent company**
Opening amount	3,982	0	6,007	2,538
Allocated/dissolved during year	232	232	645	0
Acquisiton of business	0	0	0	0
Reclassified to short provision	0	0	0	0
Reversed provisions	-653	0	-2,538	-2,538
Translation difference	75	0	-132	0
Total	**3,636**	**232**	**3,982**	**0**
Provisions fall due for payment				
- Within one year	0	0	0	0
- Later than one but within five years	232	232	0	0
- Later than five years	3,404	0	3,982	0
Total	**3,636**	**232**	**3,982**	**0**

Note C10. Provisions, guarantees and bonuses, cont'd

	2021		2020	
Warranty provisions	**Group**	**Parent company**	**Group**	**Parent company**
Opening amount	1,875	1,875	1,903	1,903
Allocated during year	2,450	2,450	1,875	1,875
Reversed provisions	-430	-430	-1,203	-1,203
Utilized	-1,445	-1,445	-700	-700
Total	**2,450**	**2,450**	**1,875**	**1,875**
Provisions fall due for payment				
- Within one year	2,450	2,450	1,875	1,875
- Later than one but within five years	0	0	0	0
Total	**2,450**	**2,450**	**1,875**	**1,875**

Long-term provisions for the Parent Company as a whole consist of bonus reimbursement to the company's management. Provisions for pensions will also be added for the Group. The pension provision is based on actuarial calculations that are based on assumptions about discount rates, future salary increases and expected inflation.

Note C11. Accrued expenses and deferred income

	2021		2020	
	Group	**Parent company**	**Group**	**Parent company**
Holiday liability	14,889	9,994	13,444	9,078
Board fee	123	123	470	470
Social security contributions	11,135	9,307	9,745	7,686
Staff costs	2,926	1,519	1,496	984
Incentive program	5,742	3,792	1,858	1,039
Deferred income	3,006	3,006	3,174	3,174
Other	2,078	632	3,185	1,760
Total	**39,898**	**28,372**	**33,371**	**24,191**

Deferred income mainly consists of deferred software licenses from customers. Contract liabilities in the form of deferred income are reported until performance commitments are fulfilled or expires for the customer to use and are reported as income over time.

	2021		2020	
	Group	**Parent company**	**Group**	**Parent company**
Opening balance deferred income	3,174	3,174	3,360	3,207
Recognized revenue during the year	-3,174	-3,174	-3,360	-3,207
Debited during the year	3,006	3,006	3,174	3,174
Closing balance deferred income	**3,006**	**3,006**	**3,174**	**3,174**

Closing debt is expected to be recognized in 2022.

Note C12. Pledged assets and contingent liabilities

	2021		2020	
Pledged assets	**Group**	**Parent company**	**Group**	**Parent company**
Pledged liquid funds	1,200	1,200	1,200	1,200
Floating charge	28,223	12,500	27,932	12,500
Total	**29,423**	**13,700**	**29,132**	**13,700**
Contingent liabilities	None	None	None	None

Pledged liquid funds refer to bank guarantees.

Note C13. Non-cash items

Group	**2021**	**2020**
Depreciation	33,437	32,038
Change in accruals and provisions	6,452	-12,828
Unrealized price differences	2,124	-3,580
Total	**42,013**	**15,630**

Parent company	**2021**	**2020**
Depreciation	2,938	4,201
Change in accruals and provisions	4,141	-12,712
Unrealized price differences	1,587	-2,173
Total	**8,665**	**-10,684**

Note C14. Appropriation of company profits

	2021
	Parent company
The following profits are at disposal at the AGM	
Profit brought forward	328,231
Net profit/loss for the year	94,484
Total	**422,715**
The Board of Directors proposes the AGM the following	
Dividend to shareholders SEK 2.00 per share	47,703
To be carried forward	375,012
Total	**422,715**

Approval of the annual report

Approval of the annual report

The annual accounts and consolidated accounts were approved by the Board of Directors on April 7, 2022. The Group's statement of comprehensive income, statement of financial position and the parent company's income statement and balance sheet will be submitted to the Annual General Meeting for approval on May 11, 2022.

The Board of Directors and President/CEO hereby certify that the annual accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation, RFR 2 and give a true and fair view of the company's financial position and performance and that the administration report gives a fair review of the development of the company's business, financial position and performance and describes material risks and uncertainties to which the company is exposed.

The Board of Directors and President/CEO hereby certify that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 1, and give a true and fair view of the Group's financial position and performance and that the administration report for the Group gives a fair review of the development of the Group's business, financial position and performance and describes material risks and uncertainties to which the companies in the Group are exposed.

Annual General Meeting

The Annual General meeting will be held on May 11, 2022 at 15.00 at CellaVision's premises, Mobilvägen 12 in Lund.

Dividend per share

The Board of Directors proposes to the Annual General Meeting that a dividend of SEK 2.00 per share be distributed for 2021.

Lund, April 7, 2022

Mikael Worning
Chairman of the Board of Directors

Anna Malm Bernsten
Member of the Board

Stefan Wolf
Member of the Board

Markus Jonasson Kristoffersson
Member of the Board
Employee representative

Our audit report was submitted on April 7, 2022
Deloitte AB

Jeanette Roosberg
Authorized public accountant

Christer Fåhraeus
Member of the Board

Niklas Prager
Member of the Board

Simon Østergaard
President and CEO

Åsa Hedin
Member of the Board

Jürgen Riedl
Member of the Board

Gunnar Brun Hansen
Member of the Board
Employee representative

Auditor's report

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF CELLAVISION AB (PUBL) CORPORATE IDENTITY NUMBER 556500-0998

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of CellaVision AB (publ) for the financial year 2021-01-01 - 2021-12-31 except for the corporate governance report on pages 39-44. The annual accounts and consolidated accounts of the company are included on pages 31-77 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Identification and valuation of capitalized development expenditure

Description of the risk

- CellaVision reported in the balance sheet of 31 December 2021 capitalized development expenditures of 126 million SEK (94).
- Identification of research and development phase is essential to ensure these expenditures are activatable.
- The value of the assets is contingent on future returns on products related to development expenditure. The company makes impairment testing per product group.
- Incorrect assessment and assumptions can produce an effect on the Group's results and financial position.

For further information we refer to note A1 the Group's accounting policies, note A3 of critical accounting estimates and judgements and note C1 on capitalized development expenditure in the annual report.

Our audit procedures

- We have audited the company's capitalized expenditues to ensure that these comply with current accounting rules.
- We have audited the company's assumptions and methods used in the impairment test to ensure that assumptions are reasonable and that the procedures are applied consistently and with integrity in the model.

Valuation of goodwill and trademark with indefinitive useful life

Description of the risk

- CellaVision reported in the balance sheet of 31 December 2021 goodwill and trademark with indefinitive useful life of 139 million SEK (136). These refer to surplus values that have arisen in connection with acquisitions.
- The value of the reported assets depends on future returns and profitability in the cash-generating unit the assets refer to. The valuation is based on a number of assumptions such as estimated future cash flows, discount rates and growth.
- Incorrect assessment and assumptions can produce an effect on the Group's results and financial position.

For further information we refer to note A1 the Group's accounting policies, note A3 of critical accounting estimates and judgements and note C1 on intangible assets in the annual report.

Our audit procedures

- We have examined the company's prepared impairment test to ensure that the reported values of the assets are justiafable and that made assupmtions are resonable, that the routines are consistently applied and that integrity is included in the calculations made.
- We have reviewed the accuracy and completeness of the relevant notes in the financial statements.

When performing the audit procedures our valuation experts have been involved.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-29 and 81-85. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar This description forms part of the auditor´s report".

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of CellaVision AB (publ) for the financial year 2021-01-01 - 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor´s report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for CellaVision AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report #d518ebaf3d681968a3d359f-0c39970d7f294897bc0e288117f1fb4515575315c has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of CellaVision AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

DThe Board of Directors is responsible for that the corporate governance statement on pages 39-44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of CellaVision AB by the general meeting of the shareholders on the 2021-04-29 and has been the company's auditor since 1997-05-05. CellaVision AB has been an EU PIE since 2010.

Malmö April 7, 2022
Deloitte AB

Jeanette Roosberg
Authorized public accountant

Reconciliation tables KPIs, non-IFRS measures

The company presents certain financial measures in the annual report which are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. CellaVision's definitions of these measures may differ from other companies' definitions of the same terms.

These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the annual report are presented below. Reconciliation of these measures is shown in the tables below.

Net sales

KSEK	Jan-Dec 2021 (%)	Jan-Dec 2021 MSEK	Jan-Dec 2020 (%)	Jan-Dec 2020 MSEK
Last period		471,443		461,772
Organic growth	24%	120,307	-10%	-47,388
Currency effect	-5%	-26,737	-3%	-14,209
Structural growth	0%	539	15%	71,268
Current period	**20%**	**565,552**	**2%**	**471,443**

EBITDA

KSEK	Jan-Dec 2021	Jan-Dec 2020
Operating profit/loss	162,733	110,273
Depreciation	33,437	32,622
EBITDA	**196,170**	**142,895**

Gross margin

KSEK	Jan-Dec 2021	Jan-Dec 2020
Net sales	565,552	471,443
Gross profit	392,303	313,041
Gross margin	**69.4%**	**66.4%**

Operating margin

KSEK	Jan-Dec 2021	Jan-Dec 2020
Net sales	565,552	471,443
Operating profit/loss	162,733	110,273
Operating margin	**28.8%**	**23.4%**

Return on equity

KSEK	Jan-Dec 2021	Jan-Dec 2020
Profit/loss for the period	125,339	89,480
Average equity	486,449	388,995
Return on equity	26%	23%

Return on operating capital

KSEK	Jan-Dec 2021	Jan-Dec 2020
Operating profit/loss	162,733	110,273
Average operating capital	484,259	437,006
Return on operating capital	**34%**	**25%**

Equity-asset ratio

KSEK	Jan-Dec 2021	Jan-Dec 2020
Equity	543,280	429,617
Balance sheet total	825,212	668,025
Equity ratio	**65.8%**	**64.3%**

Net investments

KSEK	Jan-Dec 2021	Jan-Dec 2020
Tangible assets	14,632	8,069
Intangible assets	70,590	25,524
Disposals	-883	0
Net investments	**84,339**	**33,593**

Equity per share

KSEK	Jan-Dec 2021	Jan-Dec 2020
Equity	543,280	429,617
Number of shares	23,851,547	23,851,547
Equity per share	**22.78**	**18.01**

Net debt/equity ratio

KSEK	Jan-Dec 2021	Jan-Dec 2020
Liabilities to credit institutions, interest-bearing	136,655	132,778
Cash and bank	130,286	102,262
Equity	543,280	429,617
Net debt/equity ratio	**0.01**	**0.07**

Operating capital		
KSEK	**Jan-Dec 2021**	**Jan-Dec 2020**
Balance sheet total	825,212	668,025
Cash and bank	130,286	102,262
Other long-term receivables	22,007	21,648
Other current liabilities, not interest-bearing	4,277	1,973
Trade payables	44,861	20,865
Warranty provisions	2,450	1,875
Accrued expenses and deferred income	39,898	33,371
Other provisions	3,636	3,982
Defferred tax liability	47,951	43,377
Operating capital	529,846	438,672

EBITDA: Operating profit/loss before write-downs and depreciation.
Gross margin: Gross profit as a percentage of net sales for the period.
Gross profit: Net sales less cost of goods sold.
Shareholders' equity per share: Shareholders' equity attributable to Parent Company shareholders divided by the number of outstanding shares at the end of the period.
Operating margin (EBIT): Operating profit/loss (EBIT) as a percentage of net sales for the period.
Operating profit/loss (EBIT): Earnings before interest and tax.
Equity/assets ratio: Shareholders' equity including non-controlling interests as a percentage of balance sheet total.
Currency effect: Exchange rate effects on sales growth for the period.
Net investments: Tangible and intangible investments adjusted for disposals.
Net debt/equity ratio: Net debt, which is calculated as liabilities to credit institutions, interest-bearing less cash and bank at the end of the period, in relation to equity.
Return on equity: Profit/loss for the period in relation to average equity.
Return on operating capital: Operating profit/loss in relation to average operating capital.
Operating capital: Balance sheet total less cash and bank, financial assets, deferred tax assets and non-interest-bearing liabilities.

Glossary

Algorithm
A systematic procedure in mathematics and data processing that specifies in a finite number of steps how a calculation is performed or solves a given problem.

Anemia
Deficiency of red blood cells. Too low a count of hemoglobin, the blood's oxygen carrier, which is found in red blood cells.

Artificial intelligence/Artificial neural networks
Mathematical model that mimics the brain's method of learning.

Biomedical analyst
A licensed professional category working at laboratories and physiological units. Biomedical analysts specialized in laboratory medicine perform various types of laboratory analysis, such as of blood or tissue. The analysis is done for example to make a diagnosis, monitor the course of an illness or assess treatment.

Blood platelets
Colloquial term for thrombocytes. Their main purpose is to stop bleeding in the body's blood vessels by plugging open wounds that have arisen. If that does not stop the bleeding the thrombocytes activate blood coagulation.

Cerebrospinal fluid
Clear fluid that surrounds the brain and spinal cord.

Cell counter
When a hematological disease is suspected a complete blood count is the first test ordered by healthcare services. A complete blood count is routinely used to obtain an overall status of different cells in the blood. Most of the samples are analyzed using a cell counter. Samples showing any type of abnormality are sent on for further examination in CellaVision's analyzer, where the blood is smeared and stained on a microscope slide. Without access to CellaVision's analyzers, the sample is examined manually in a microscope.

Cytology
The science of cells. Examination mainly of liquid-based samples, such as from spinal fluid, lung fluid and synovial fluid, for the purpose of finding bacteria, cancer cells and blood cells. Perhaps the most frequent cytology test is a Pap smear test from the cervix, which is used to detect malignant or premalignant cell changes.

Digital Cell Morphology
The automation and digital imaging of cell morphology.

Food and Drug Administration (FDA)
The authority in the USA that regulates food and drugs.

Hematology
Means "the science of blood and its diseases" and is a medical specialty that researches and treats diseases of the blood and blood-forming organs.

In vitro
The branch of medical technology that refers to samples analyzed outside the body.

Clinical chemistry
Medical specialty with the task of producing, further developing and providing healthcare services with chemical analyses of blood or other bodily fluids, cell analyses and immunological analyses.

Leukemia/blood cancer
Leukemia is a general term for several cancer-like blood disorders in the blood-building bone marrow where the white blood cells change and multiply in an uncontrolled way in the bone marrow and blood.

Neural networks
Mathematical theory that mimics the brain's method of learning.

Pathology
The science of the cause and development of diseases, in particular with reference to structural changes in the morphological structure of cells, tissues and organs. Microscopic studies of tissue sections and biopsies, which can be paraffin-embedded or frozen. Examples of pathology analyses are biopsies of suspected breast cancer tissue.

Red blood cells (erythrocytes)
Have the task of carrying oxygen to the cells, and carbon dioxide from them to the lungs. Normally the most abundant cell type in the blood.

State Food and Drug Administration of the People´s Republic of China (SFDA)
The authority in China that regulates food and drugs.

White blood cells (leucocytes)
Their most important task is to defend the body against infections. In a healthy person there are normally five classes of white blood cells: neutrophils, eosinophils, basophils, monocytes and lymphocytes.

Financial definitions

Average number of employees
The number of employees at the end of each month, divided by twelve.

EBITDA
Measure of a company's overall financial performance before interest, taxes, depreciation and amortization.

Equity per share
Equity divided by the number of shares at the end of the year.

Equity per share after full dilution
Equity after dilution divided by the number of shares at year-end, as though full dilution had taken place.

Net investments
Investments in property, plant and equipment and intangible assets adjusted for disposals.

Earnings per share
Profit/loss divided by average weighted number of shares.

Earnings per share after full dilution
Profit/loss for the year divided by the average weighted number of shares plus the additional number for full dilution.

Equity-assets ratio
Equity as a percentage of the balance sheet total.

Net debt/equity ratio
Net loan liability in relation to equity. (Net loan liability is calculated as loan liability minus cash at the end of the period.)

Return on equity
Net earnings divided by average equity.

Return on operating capital
Profit/loss before financial income and financial expenses divided by average operating capital.

Interest coverage ratio
Operating profit plus interest income divided by interest expense.

Operating capital
Balance sheet total less cash and cash equivalents, financial assets, deferred tax assets and non-interest-bearing liabilities.

Cash flow for the year
Profit/loss after financial items plus amortization/depreciation and other non-cash items, less tax paid, adjusted for decrease/increase in working capital excluding cash and cash equivalents and less net investment in non-current assets, change in loans raised/repaid and dividend paid.

CellaVision in the world

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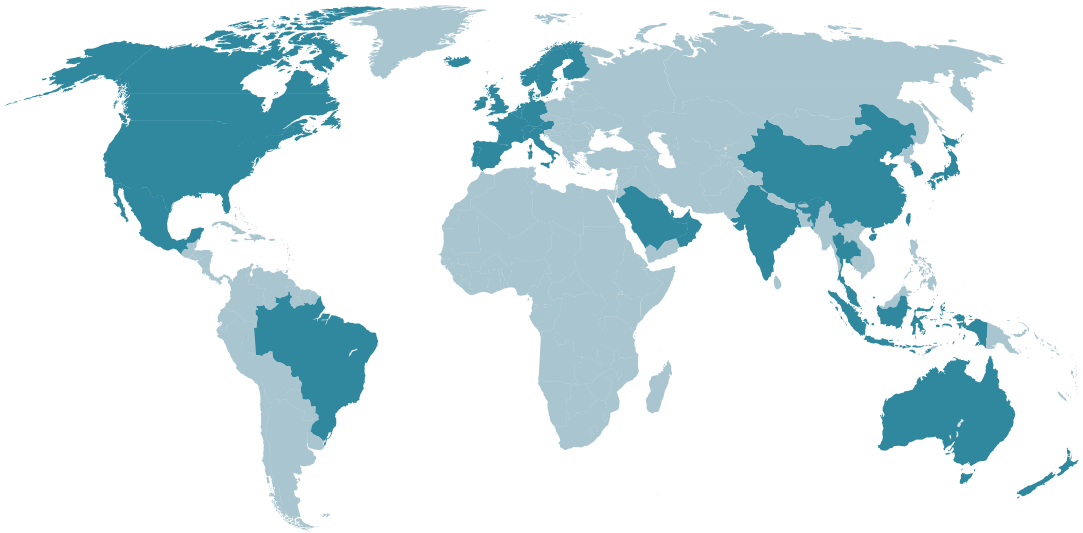

With 17 organizations for local marked support, CellaVision has direct presence in more then 40 countries.