

# Strong profitability and positive development in Europe

## Organic sales growth:

Q1, 2021: 7% (1)

## EBITDA margin:

Q1, 2021: 34% (31)

(MSEK)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net sales	134.0	134.4	471.4
Gross profit	93.0	92.3	313.0
EBITDA	46.2	41.2	142.9
EBITDA margin, %	34	31	30
Profit/loss before tax	35.6	25.5	112.2
Total cash flow	8.8	-5.2	0.9
Equity ratio, %	65	57	64

*"Despite the global pandemic the company has increased its strong profitability and generated a strong operating cashflow while not slowing down on R&D investments to keep strengthening the innovation pipeline."*

Simon Østergaard, President and CEO

## 1 January-31 March 2021

- Net sales were flat versus last year, SEK 134.0 million (134.4).
- Sales increased organically by 7% (+1), currency effect -7%
- EBITDA amounted to SEK 46.2 million (41.2).
- EBITDA margin amounted to 34% (31).
- Profit before tax amounted to SEK 35.6 million (25.5).
- Earnings per share before and after dilution were SEK 1.19 (0.85).
- Cash flow from operating activities amounted to SEK 26.2 million (15.4).

## Significant events after the period close

- CellaVision acquired the exclusive rights to a patent portfolio containing a new microscopy technology, Fourier Ptychographic Microscopy, from Clearbridge BioPhotonics. The acquisition gives CellaVision access to and control over an interesting future technology. The acquisition price amounted to a cash purchase price of SEK 28.7 million.

## CEO's comment



The COVID-19 pandemic continued to affect the CellaVision business in the first quarter of the year, but the impact varied greatly between our different regions. Sales for the Group amounted to SEK 134.0m (134.4), representing an organic growth of 7 percent. In Americas, the development was weak with negative growth of 23 percent, while we had a decline of 6 percent in APAC. EMEA had strong growth of 24 percent, resulting in the region's best quarter ever. The currency impact was negative by 7 percent in the quarter. EBITDA in the quarter amounted to SEK 46.2m (41.2), corresponding to an EBITDA margin of 34 percent (31). The Group's total cash flow for the quarter amounted to SEK 8.8m (-5.2).

### **Effects of the COVID-19 pandemic are expected to diminish as the year progresses**

The effect of COVID-19 in the hematology segment has been significant since the start of the pandemic. Travel and meeting restrictions have affected sales negatively, and the absence of physical meetings has also hampered the launch of CellaVision® DC-1 (DC1) as well as the introduction of the RAL portfolio of reagents to markets outside of EMEA.

However, in the fourth quarter of 2020, we started to receive more positive signals from the market, and with the progress of vaccination programs we expect to see a gradual improvement of market conditions throughout the year although the normalization is expected to vary across and within the different regions.

### **Well-equipped to accelerate the business**

CellaVision responded quickly to the COVID-19 pandemic and implemented several cost saving measures. This allowed us to continue to run our priority projects with undiminished activity and at the same time maintain a sound profitability.

During the pandemic, we have kept our organization intact, and we are now ready to accelerate our business activities when the markets begin to open up. Our solutions support the accelerated digitization trend caused by the ongoing pandemic, and we

see long-term growth opportunities for the DC-1 in satellite laboratories, and for RAL's reagents in markets outside of Europe.

### **Market development**

For the region as a whole, sales in the quarter amounted to SEK 41.8m (54.1). Our sales in Americas continued to be negatively impacted by the COVID-19 pandemic in the first quarter of 2021, and sales decreased by 23 percent compared to the first quarter of 2020, which was unaffected by the pandemic. The US vaccination program has progressed rapidly in the quarter, and it is now possible to visit customers to promote our solutions within digital morphology, however we still foresee a continued period of time where many customer interactions will take place virtually. The emerging possibility to meet with customers will also have a positive impact on the launch of the DC-1 and the introduction of the RAL portfolio of reagents. In Central and South America, the impact of the pandemic remains strong, but despite this we experienced multiple requests for our digital equipment, and we expect further growth in those areas.

Sales in EMEA grew by 24 percent to SEK 68.1m (54.7) and surpassed the fourth quarter of 2020, which until then was the strongest quarter. This positive development was especially distinct in our two main markets Germany and France, but strong numbers were recorded throughout the region. The expansion of CellaVision's market support organization combined with a strong performance of RAL products and the renewed activities of our distribution partners led to this record sales. The re-launch of the DC-1 in EMEA helps CellaVision to further strengthen its position within digital morphology as it will open new possibilities for connecting smaller laboratories with the main hospitals. By connecting the laboratories in networks, consultancy advice is enabled via the CellaVision® Remote Review Software. The most significant uncertainty in EMEA is what impact new lockdowns could have on future sales activities.

In APAC, sales decreased by 6 percent to SEK 24.1m (25.6). Our key markets continue to perform well although slightly lower

than last year. Australia, Korea and especially India continues to be affected by the COVID-19 pandemic and our field activities are limited in these markets. The launch of the RAL reagents with ongoing evaluations in different countries continued in the quarter. The launch of the DC-1 was negatively impacted by the COVID-19 pandemic, but positive comments received from the ongoing evaluations, display the value of smaller instruments for countries such as Indonesia, Australia, and India.

### **Geographical expansion temporarily on hold**

Since the start of the pandemic, further establishments of local market support organizations have been put on hold, but we have plans for new establishments that we will execute when the time is right. CellaVision currently has local market support organizations in 18 countries that deliver a direct presence in more than 40 countries.

### **Innovation**

Throughout the pandemic, CellaVision has continued to invest in its innovation activities. Our latest new product, the DC-1, is now cleared for sales in all of our markets except China, where

the initiated registration process is proceeding. During the first quarter of 2021, investments in R&D amounted to 18 percent of sales (16). Our investments in innovation are important to ensure that we are at the forefront of development and are equipped to meet future demands and challenges.

### **Acquisition of novel microscopy technology**

In the beginning of April, CellaVision acquired the exclusive rights to a novel microscopy technology from Clearbridge BioPhotonics. The technology provides a method for creating high-resolution images with low-magnification optics. This enables images of large areas to be acquired at high resolution with higher speed than using conventional digital microscopy. The technology has potential to be used to develop future automated microscopes, with applications in both hematology and adjacent areas. The acquisition is a long-term investment aiming to strengthen CellaVision's innovation opportunities and will have no material impact on sales or EBITDA in the near-term future. The acquired patent rights provide protection in CellaVision's key geographies for more than 12 years. The acquisition has a cash purchase price of SEK 28.7m.

I would like to end this text on a more personal note and reflect on my first impressions of CellaVision. First of all, I would like to thank everybody for the very warm welcome I have received from the entire team and our different partners and distributors. It is very inspiring to join CellaVision and its innovative and driven team. CellaVision has a very strong culture in innovation and performance, and when I look at the company's history, I see a string of good business decisions. Our mission is to build on the strong position we have established within hematology and continue to expand CellaVision's momentum via innovation and development, while also expanding our market position via continued adoption and extended use of our digital cell morphology solutions worldwide.

Lastly, I would like to thank our Chairman Sören Mellstig for his contributions during past five years in making CellaVision the company it is today. At the AGM April 29, Sören will leave the Board of Directors.

*Simon Østergaard,*  
President and CEO

# Effects of the COVID-19 pandemic

The outbreak of the COVID-19 pandemic has affected people and businesses around the world and has been a challenge since its outbreak. CellaVision closely monitors the development and effects of the pandemic and continues to adjust its operations accordingly. As the effects of the pandemic have not abated, the company continues to analyze its operations based on the continued effects of the pandemic in 2021.

## Effects on CellaVision's operations in the first quarter

The COVID-19 pandemic had a negative impact on CellaVision's operations, not least through a reduction in the number of blood tests in most markets, as healthcare resources were temporarily transferred to COVID-19 patients. In addition, CellaVision's instruments are installation products, meaning that physical access to hospitals and laboratories is a necessity, but currently a difficulty in many markets.

**Sales.** The ongoing COVID-19 pandemic had a negative impact on CellaVision's sales, mainly towards the end of the second half of 2020, but also in the first quarter of 2021. The possibilities of installing new systems were limited, which affected sales for both CellaVision and the company's various distribution partners. Reagent sales were also negatively affected, but to a far lesser extent than system sales. Limited sales activities during the quarter affected the company's sales accordingly.

**Production.** CellaVision suffered no material disruptions to its supply chain during the first quarter of 2021 and delivery capacity remained intact during the period.

**Profitability.** CellaVision's profitability was good in the first quarter and the EBITDA margin was 34 percent (31) for the period. The sound profitability is a result of a series of measures taken on the cost side.

## Expected future effects

The outlook for the first part of 2021 is difficult to assess, but the underlying demand for digital morphology in the regions is the same as before the pandemic and normalization in the coming months seems likely. The company sees no significant challenges concerning supply chain or production, and as soon as the vaccination program takes effect a normalization of sales to previous levels is expected. The company's sales cycles are long, which means that as sales activities were restricted in the later part of 2020, it will take a number of months after they are resumed, before full sales effect can be regained.

CellaVision has taken a number of measures to protect the company's operations and curb the spread of the virus. As the effects of the pandemic subside, the company sees the prospect of regaining sales and earnings.

**Unchanged need for CellaVision's solutions.** The underlying need for digital morphology is the same as before, as the treatment of patients with blood-related diseases such as leukemia, lymphoma and myeloma is a high priority. The company's assessment is that sales will normalize to post-COVID levels when the markets have opened.

**Further focus on digitization.** One effects of COVID-19 may be that the ongoing digitization will further accelerate. The pandemic has highlighted the opportunities of digitization, which could have positive effects on CellaVision's operations, as the company's solutions enable healthcare professionals such as pathologists and biomedical analysts to work remotely.

## Measures to nurture the company's cash flow and liquidity

CellaVision has an efficient, scalable indirect business model with distribution and manufacturing partners, which means that the company's fixed costs for sales and production are limited. Due to the uncertain long-term effects of the COVID-19 pandemic, and how far-reaching the economic impact will be, CellaVision has decided to put extra focus on nurturing the company's cash flow and liquidity. CellaVision has therefore implemented several carefully balanced activities to reduce costs, expenses, and payments. The activities have included a strict prioritization of projects and staffing. The company has not laid off any staff and has been restrictive with new recruitments.

## Measures to protect staff and limit the spread of infection

The COVID-19 outbreak posed a huge challenge to people's lives and health worldwide. In all parts of its operations CellaVision has implemented the COVID-19 related safety measures prescribed by the authorities. This has meant, for example, that the company has conducted its operations to a large extent in a virtual work environment, working from home and meeting digitally.

# Sales, earnings and investments

## Sales and exchange effects

Net sales for the Group's first quarter were on par with the corresponding period last year, SEK 134.0 million (134.4). CellaVision's sales often show fluctuations between different quarters for both individual regions and for the Group as a whole.

CellaVision invoices most of the sales in euros and US dollars, which means that exchange rate fluctuations have an impact on the company's sales and earnings. Adjusted for negative currency effects of 7 percent, sales organically increased by 7 percent compared to the corresponding quarter of 2020.

## Gross profit and gross margin

Gross profit increased by 1 percent to SEK 93.0 million (92.3) in the first quarter, corresponding to a gross margin of 69 percent (69).

The gross margin is mainly affected by the product mix, depreciation of capitalized development expenses and currency effects.

Depreciation on capitalized development expenses is recognized as cost of goods sold. Depreciation of capitalized development expenses decreased to SEK 2.0 million (2.7) in the first quarter. The lower depreciation is attributable to a couple of development projects that have been fully depreciated over the past 12 months.

The portion of amortization of surplus values for the acquisition of RAL that is recognized as cost of goods sold amounted to SEK 1.0 million (0.7) for the quarter.

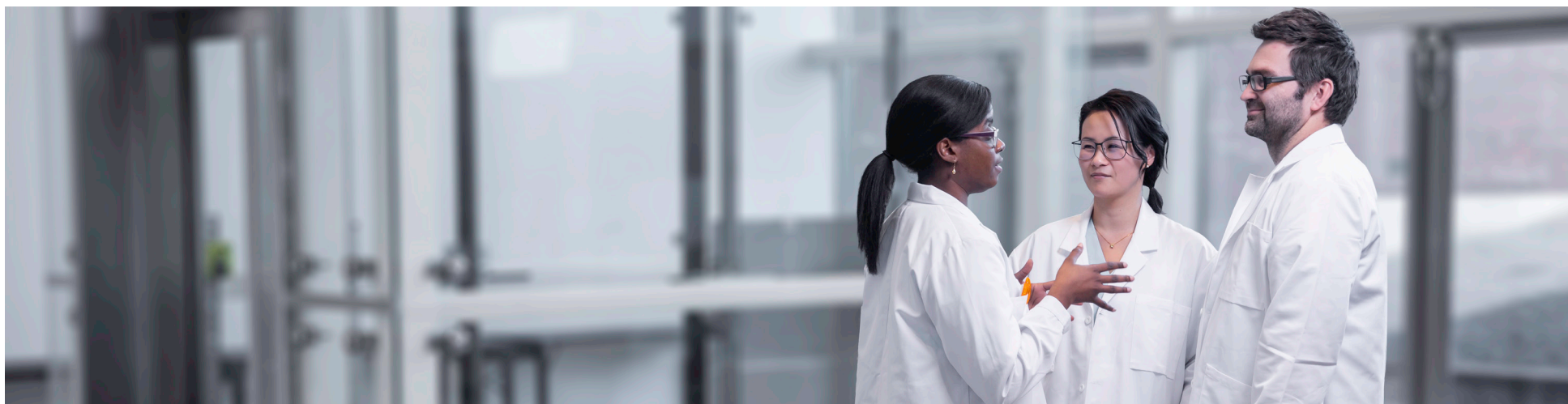
## Operating expenses

Operating expenses were reduced compared with the previous year and decreased by 7 percent to SEK 54.6 million (58.8) in the first quarter. The increased cost awareness that was introduced at the beginning of the previous year and which is attributable to the COVID-19 pandemic remains.

Maintaining a focus on priority projects and good cost control during the pandemic means that the company is well equipped in the future and can quickly accelerate when the world situation normalizes.

The Group continuously capitalizes expenses for product development. Capitalized expenses related to development projects increased by 34 percent during the quarter to SEK 8.5 million (6.4). Total research and development costs, before activation, amounted to SEK 23.9 million (21.1).

The majority of the capitalized expenses are related to application development, but also clinical trials that will form the basis for registration of CellaVision DC-1 in China.



### EBITDA and EBITDA-margin

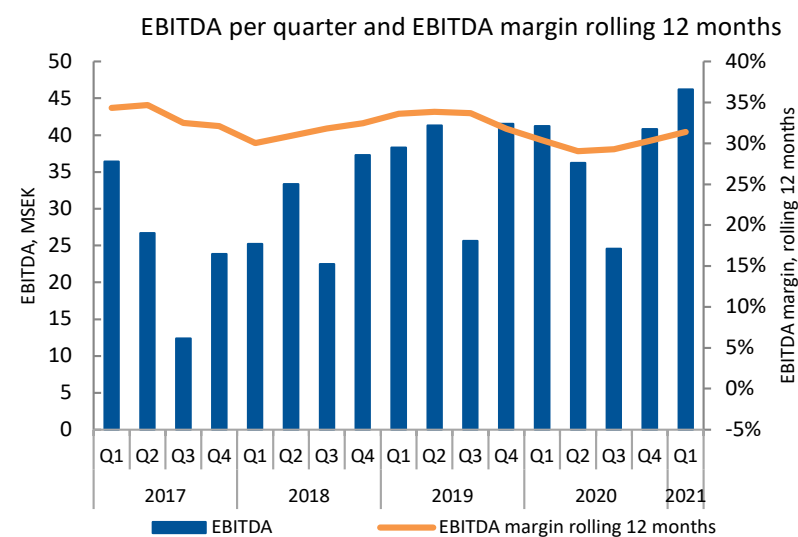
The quarter has the best EBITDA in CellaVision's history, SEK 46.2 million, an increase of 12 percent in comparison with the previous year (41.2). The EBITDA-margin for the quarter amounts to 34 percent (31) and is the strongest margin for a quarter displayed since the acquisition of RAL Diagnostics, autumn 2019. RAL's EBITDA-margin is lower than the Group's average.

### Net financial items

The Group's interest-bearing liabilities in the form of bank loans amounted to SEK 108.5 million (145.0). Interest expenses from bank loans amounted to SEK 0.3 million (0.5). In addition to interest expenses from bank loans, net financial income is attributable to foreign exchange gain/loss on acquisition loans included in Euro and intercompany assets and interest on leasing debt in accordance with IFRS 16.

### Cash flow

The Group's cash and cash equivalents at the end of the quarter amounted to SEK 112.8 million (99.3). The Group had a strong positive cash flow from operating activities, amounting to SEK 26.2 million (15.4) for the quarter. The total cash flow for the quarter was SEK 8.8 million (-5.2), despite a decrease in net debt. The strong result for the quarter is the reason behind the improved cash flow compared to last year.



# Development in the geographical markets

## Americas: SEK 41.8 million (54.1)

Sales decreased by 23 percent in the Americas, to SEK 41.8 million (54.1) compared to last year's corresponding period, in which COVID-19 still had no effect. The American COVID-19 vaccination program is now peaking with more than 35 percent of the population already vaccinated. The progress of the vaccination does not signify that the pandemic is over, but individual states are beginning to ease the restrictions. Digital morphology is a standard in North America, and a normalization of sales is expected as soon as hematology installations can be resumed. After months of virtual meetings, CellaVision is now able to visit customers which is a prerequisite for sales to recover.

In addition, the re-launch of the new product CellaVision® DC-1 (DC-1), which received clearance in the USA by the end of last year, and sales activities of the RAL portfolio has progressed according to plan. CellaVision's distribution partners have been fully trained during the lockdowns, and their feedback on the new products have been positive.

Central and South America remain strongly affected by the pandemic, but the company received multiple requests for CellaVision's digital equipment from these areas in the quarter.

## APAC: SEK 24.1 million (25.6)

Sales in APAC decreased by 6 percent to SEK 24.1 million (25.6). CellaVision's key markets in China, Japan and SEA continue to perform well although slightly lower than last year. Australia, Korea and especially India are affected by the COVID-19 restrictions and activities in the field are limited.

The launch of the RAL reagents progressed well and the feedback from the ongoing evaluations in the different countries has been positive. RAL's reagents have been registered in China and will be evaluated in the second quarter of 2021.

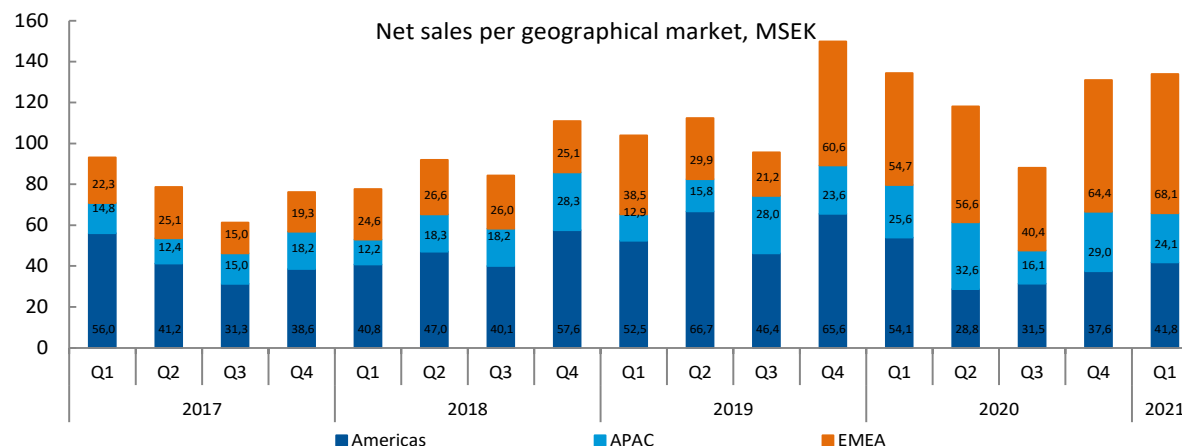
The launch of the DC-1 has been delayed across APAC due to the COVID-19 pandemic, but the positive reviews and comments received of the product illustrate the value of CellaVision's solutions in countries such as Indonesia, Australia and India.

## EMEA: SEK 68.1 million (54.7)

In EMEA, sales grew by 24 percent to SEK 68.1 million (54.7) and thereby surpassed the best-ever sales which was the last quarter of 2020. This positive development was especially visible in the two main markets, Germany and France. However, strong numbers were recorded all over the region and Benelux and Scandinavia in particular. The expansion of CellaVision's market support organization combined with the strong performance of RAL products and the renewed activities of the company's distribution partners led to the positive development.

The re-launch of the DC-1 will further strengthen the company's position in the field of digital morphology. It will open new opportunities for increased connectivity between small and mid-sized laboratories with main hospitals, allowing for consultancy advice with the remote review solution.

Uncertainties of possible new lockdowns in EMEA remain which can hamper sales activities in the region.



## Other information

### Research and development

CellaVision conducts a number of development projects to strengthen the offer to the company's customers. The work aims to further develop CellaVision's hardware platforms and to develop new applications for both new and old instruments.

During the quarter, a new updated version of CellaVision® Proficiency Software was released to the market. This web-based software is used to train laboratory staff and students. In the new release, the appearance of the software has been modernized and the functionality 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 quality organizations around the world.

For the period and year's expenses, see page 5, operating expenses.

At the end of the period, CellaVision's patent portfolio contained 16 patented inventions and 75 registered patents.

### Personnel

The number of employees in the Group, converted into full-time positions, was 180 (177) at the end of the quarter. Of the employees, 110 were men (107) and 70 were women (70).

### Dividend

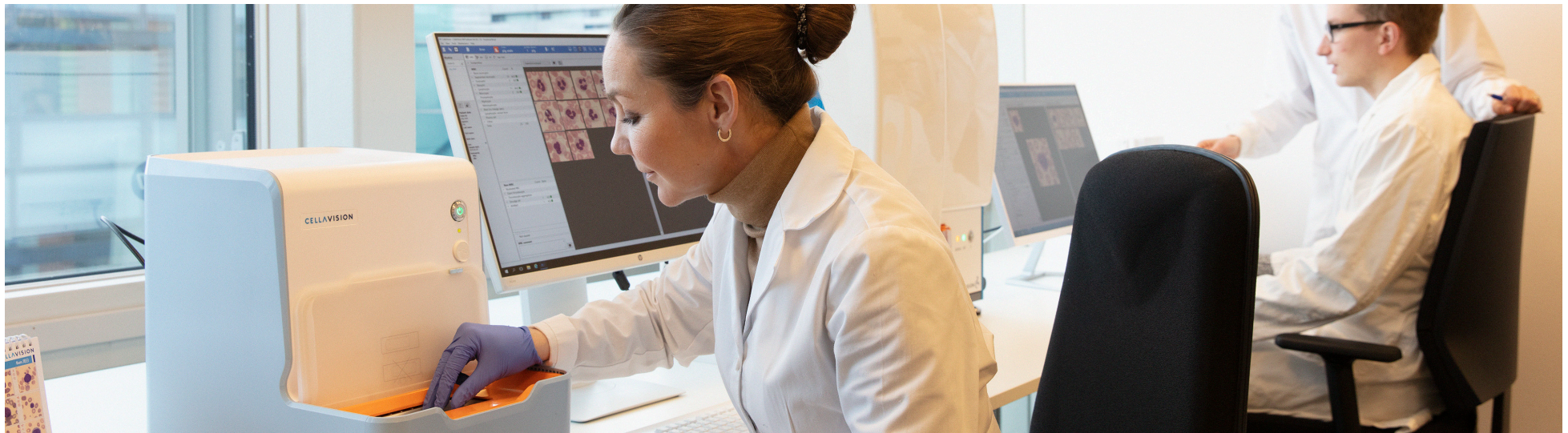
The company's dividend policy is that the dividend is to correspond to 30 to 50 percent of net earnings, taking into account the company's capital structure, acquisition requirements and long-term financing requirements. In light of the general uncertainty and the measures introduced to reduce the spread of COVID-19 and its impact on CellaVision, the company's Board of Directors decided to propose to the 2021 Annual General Meeting that a dividend of 0.75 per share (0.00) is to be paid for 2020. This equals 20 percent of net earnings.

### Information concerning risks and uncertainties

Reduced demand, currency fluctuations and production disruptions are uncertainties but not material risks. However, as mentioned earlier, this may be affected by COVID-19. For a more detailed description of the risks and uncertainties facing CellaVision, please refer to the risk analysis and Note A2 and A5 in the 2020 Annual and Sustainability Report.

### Review

The year-end bulletin has not been reviewed by the company's auditors.



# The Nomination Committee and the Annual General Meeting in 2021

## The Nomination Committee's summarized proposal to Board before the Annual General Meeting 2021

The Nomination Committee proposes to the Annual General Meeting, a re-election of Christer Fåhræus, Anna Malm Bernsten, Åsa Hedin, Niklas Prager, Stefan Wolf, Jürgen Riedl and Mikael Worning, where Mikael Worning is proposed as Chairman of the Board. Sören Mellstig has declined re-election. The Nomination Committee's proposal and reasoned opinion is available on the company's website, [www.cellavision.se](http://www.cellavision.se)

## Annual General Meeting 2021

In light of the extraordinary situation due to the COVID-19 pandemic, CellaVision's AGM will be conducted through advance voting (postal voting) in accordance with temporary legislation.

No meeting will be held that allows attendance in person or by proxy. CellaVision welcomes all shareholders to exercise their voting rights at the Annual General Meeting through advance voting as described in the notice to attend the Annual General Meeting.

Information about the decisions taken at the Annual General Meeting will be published on April 29, 2021, as soon as the outcome of the voting is compiled.

The full notice to attend is available at:  
<http://www.cellavision.com/sv/agm>

## Annual Report 2020

CellaVision's Annual and Sustainability Report has been available on the company's web page since April 8, 2021.

## Dividend

CellaVision's Board of Directors proposes to the Annual General Meeting a dividend of SEK 0.75 per share for 2020 (0.00).

# Declaration by the Board of Directors and President/CEO

The Board of Directors and the President/Chief Executive Officer certify that the interim report provides a true and fair view of the parent company's and the Group's business, financial position and performance and describes material risks and uncertainties to which the parent company and the companies in the group are exposed.

Lund, April 28, 2021

Sören Mellstig  
*Chairman of the Board*

Christer Fåhræus  
*Member of the Board*

Åsa Hedin  
*Member of the Board*

Gunnar Hansen  
*Member of the Board*  
*Employee representative*

Anna Malm Bernsten  
*Member of the Board*

Niklas Prager  
*Member of the Board*

Jürgen Riedl  
*Member of the Board*

Markus Jonasson Kristoffersson  
*Member of the Board*  
*Employee representative*

Stefan Wolf  
*Member of the Board*

Mikael Worning  
*Member of the Board*

Simon Østergaard  
*President/CEO*

*The Interim report has not been subject to review by the company's auditors*

## Consolidated Income Statement in Summary

Amounts in ' 000 SEK	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	133,954	134,430	471,443
Cost of goods sold	-40,969	-42,120	-158,402
<b>Gross profit</b>	<b>92,985</b>	<b>92,310</b>	<b>313,041</b>
Sales and marketing expenses	-24,523	-28,822	-100,549
Administration expenses	-14,668	-15,163	-50,966
R&D expenses	-15,384	-14,812	-51,253
<b>Operating profit</b>	<b>38,409</b>	<b>33,513</b>	<b>110,273</b>
Interest income and financial exchange rate gains	71	622	7,118
Interest expense and financial exchange rate losses	-2,852	-8,643	-5,163
<b>Profit/loss before tax</b>	<b>35,628</b>	<b>25,491</b>	<b>112,228</b>
Tax	-7,139	-5,214	-22,748
<b>Profit/loss for the period</b>	<b>28,490</b>	<b>20,277</b>	<b>89,480</b>
<b>Other comprehensive income:</b>			
Components not to be reclassified to net profit:			
Effect on revaluation of pensions	-79	-216	-171
Tax effect on revaluation of pensions	22	60	48
Sum of Components not to be reclassified to net profit:	-57	-156	-123
Components to be reclassified to net profit:			
<i>a) Financial assets at fair value</i>			
Reclassified to operating result	-1,388	1,847	4,034
Revaluation of financial assets	0	-4,968	1,193
Income tax relating to financial assets	286	666	-1,117
<i>b) Translation difference</i>			
Translation difference in the group	6,252	16,856	-12,223
Sum of Components to be reclassified to net profit:	5,150	14,401	-8,112
Sum of other comprehensive income:	5,093	14,246	-8,236
<b>Comprehensive result for the period</b>	<b>33,583</b>	<b>34,523</b>	<b>81,244</b>

## Per share data

Per share data	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Earnings per share, before and after dilution, SEK */	1.19	0.85	3.75
Equity per share, SEK	19.42	16.05	18.01
Number of shares outstanding	23,851,547	23,851,547	23,851,547
Average number of shares outstanding	23,851,547	23,851,547	23,851,547
Stock exchange rate, SEK	324.00	245.00	312.40
Dividend per share	0.00	0.00	0.00

\* Based on the profit/loss for the period divided by the average number of shares in issue

## Quarterly earnings trend

Amounts in ' 000 SEK	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net sales	133,954	130,990	87,977	118,046	134,430	149,834
Gross profit	92,985	85,836	57,025	77,870	92,310	99,859
Gross margin in %	69	66	65	66	69	67
Expenses	-54,575	-53,965	-40,415	-49,591	-58,797	-68,035
EBITDA	46,193	40,805	24,648	36,221	41,221	41,510
Net profit	28,490	28,603	13,348	27,252	20,277	24,385
Cash flow	8,807	9,242	-21,184	18,097	-5,209	-116,215

## Consolidated Balance Sheet in Summary

Amounts in ' 000 SEK	03/31/2021	03/31/2020	12/31/2020
<b>Assets</b>			
Intangible assets	309,525	315,959	300,883
Tangible assets	48,540	54,307	47,428
Deferred tax assets	0	0	-0
Financial assets	22,009	23,649	21,648
Inventory	83,342	66,585	83,660
Trade receivables	83,522	80,129	71,030
Other receivables	47,430	37,657	41,114
Cash and bank	112,832	99,305	102,262
<b>Total assets</b>	<b>707,200</b>	<b>677,591</b>	<b>668,025</b>
<b>Equity and liabilities</b>			
Equity	463,200	382,896	429,617
Deferred tax liability	44,596	40,892	43,377
Other provisions	4,076	5,812	3,982
Long-term debt, interest-bearing	81,371	119,841	86,904
Short-term debt, interest-bearing	48,849	52,192	45,874
Short-term debt, non interest-bearing	38,389	48,356	35,531
Trade payables	24,829	25,511	20,865
Warranty provisions	1,890	2,093	1,875
<b>Total equity and liabilities</b>	<b>707,200</b>	<b>677,591</b>	<b>668,025</b>

## Consolidated statement of changes in equity

Amounts in ' 000 SEK	03/31/2021	03/31/2020	12/31/2020
Balance at the beginning of the year	429,617	348,373	348,373
Dividend	0	0	0
Net profit for the year	28,490	20,277	89,480
Comprehensive result for the period	5,093	14,246	-8,236
<b>Balance at the end of the year</b>	<b>463,200</b>	<b>382,896</b>	<b>429,617</b>

## Cash Flow Analysis in Summary

Amounts in ' 000 SEK	Jan-Mar 2021	Ja-Mar 2020	Jan-Dec 2020
Result before taxes	35,628	25,491	112,228
Adjustment for items not included in cash flow	5,774	6,805	15,630
Taxes	-6,418	-4,153	-20,931
<b>Cash flow from operations before changes in working capital</b>	<b>34,984</b>	<b>28,143</b>	<b>106,926</b>
Changes in working capital	-8,764	-12,729	-35,802
<b>Cash flow from operations</b>	<b>26,221</b>	<b>15,413</b>	<b>71,124</b>
Acquisitions	0	-1,269	-1,269
Capitalization of development costs	-8,501	-6,355	-25,524
Acquisitions of intangible non-current assets	-31	-150	-64
Acquisitions of financial non-current assets	-18	-238	-33
Acquisitions of tangible non-current assets	-4,007	-1,580	-8,069
<b>Cash flow from investment activities</b>	<b>-12,558</b>	<b>-9,592</b>	<b>-34,959</b>
Acquired loans	4,530	309	3,041
Amortization of loans	-6,716	-9,077	-28,721
Amortization of leasing debts	-2,671	-2,262	-9,537
Dividend	0	0	0
<b>Cash flow from financing activities</b>	<b>-4,857</b>	<b>-11,030</b>	<b>-35,218</b>
<b>Total cash flow</b>	<b>8,807</b>	<b>-5,209</b>	<b>948</b>
Liquid funds at beginning of period	102,262	102,312	102,312
Exchange rate fluctuations in liquid funds	1,763	2,202	-998
Liquid funds at end of period	112,832	99,305	102,262

### Disclosures regarding interest expense:

Interest expenses amount to SEK 445 thousand whereof SEK 151 thousand is attributable to leasing in accordance with IFRS 16

## Income Statement - Parent Company

Amounts in ' 000 SEK	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Net sales	105,916	106,275	372,387
Cost of goods sold	-23,575	-25,127	-90,677
<b>Gross profit</b>	<b>82,341</b>	<b>81,149</b>	<b>281,711</b>
Sales and marketing expenses	-19,257	-23,156	-78,528
Administration expenses	-12,034	-11,829	-40,846
R&D expenses	-22,873	-20,030	-72,057
<b>Operating profit</b>	<b>28,178</b>	<b>26,134</b>	<b>90,279</b>
Interest income and financial exchange gains	47	622	13,185
Interest expense and financial exchange losses	-2,495	-8,165	-3,406
<b>Profit before income tax</b>	<b>25,730</b>	<b>18,591</b>	<b>100,058</b>
Taxes	-5,300	-3,979	-20,097
<b>Net profit</b>	<b>20,430</b>	<b>14,613</b>	<b>79,962</b>

### Statement of Comprehensive Income

Net profit for the period	20,430	14,613	79,962
Other comprehensive income	0	0	0
Sum of other comprehensive income	0	0	0
<b>Comprehensive profit for the period</b>	<b>20,430</b>	<b>14,613</b>	<b>79,962</b>

## Balance Sheet - Parent Company

Amounts in ' 000 SEK	03/31/2021	03/31/2020	12/31/2020
<b>Assets</b>			
Intangible assets	5,493	7,250	5,707
Tangible assets	5,010	6,011	5,138
Deferred tax assets	668	3,678	668
Financial assets	263,014	263,014	263,014
Inventory	56,291	34,100	56,009
Trade receivables	62,305	52,642	55,176
Receivables from group companies	4,154	6,274	3,525
Other receivables	43,899	35,772	40,383
Cash and bank	84,401	76,662	72,958
<b>Total assets</b>	<b>525,235</b>	<b>485,404</b>	<b>502,578</b>
<b>Equity and liabilities</b>			
Equity	380,907	295,128	360,477
Other provisions	15	2,127	0
Long-term debt, interest-bearing	58,354	88,444	62,935
Short-term debt, interest-bearing	23,342	25,270	22,886
Short-term debt, non interest-bearing	25,027	29,383	26,070
Trade payables	20,257	21,872	16,075
Liabilities to group companies	15,442	21,088	12,260
Warranty provisions	1,890	2,093	1,875
<b>Total equity and liabilities</b>	<b>525,235</b>	<b>485,404</b>	<b>502,578</b>

# Notes

## NOTE 1. ACCOUNTING POLICIES

### Accounting policies

The Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Nasdaq Stockholm Rule Book for Issuers. Disclosures in accordance with IAS 34 p. 16A appear not only in the financial statements and their accompanying notes but also in other parts of the interim report. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. The accounting policies and calculation methods applied are consistent with those described in the annual report for 2020.

## NOTE 2. SEGMENT REPORTING

CellaVision's operations only comprise one operating segment; automated microscopy systems in the field of hematology, and therefore reference is made to the income statement and balance sheet regarding operating segment reporting.

## NOTE 3. ALLOCATION OF SALES

	Jan-Mar 2021			Jan-Mar 2020		
	Instruments	Reagents	Other	Instruments	Reagents	Other
Americas	20,111	313	21,335	35,106	414	18,548
APAC	18,342	976	4,825	19,597	403	5,645
EMEA	33,498	21,671	12,885	19,431	21,615	13,671
<b>Total</b>	<b>71,951</b>	<b>22,960</b>	<b>39,044</b>	<b>74,134</b>	<b>22,432</b>	<b>37,864</b>

## NOTE 4. FINANCIAL INSTRUMENTS

Amounts in ' 000 SEK	03/31/2021		03/31/2020	
	Reported value	Fair value	Reported value	Fair value
Financial assets				
Derivative assets	0	0	0	0
Financial liabilities				
Derivative liabilities	0	0	-6,942	-6,942

Derivative assets are included in other current receivables in the statement of financial position and derivative liabilities are included in short-term debt. The derivatives refer to forward exchange contracts held for currency hedging.

The forward exchange contracts are valued in level 2 of the valuation hierarchy, financial instruments where fair value is determined based on valuation model based on other observable data for the asset or liability than quoted prices included in level 1, either directly (ie as price quotes) or indirectly (ie derived from price quotations). The currency forwards are valued on the basis of observable information regarding exchange rates prevailing on the balance sheet date and market interest rates for the remaining maturity.

For other financial assets and liabilities, the carrying amount is considered a reasonable approximation of fair value.

**NOTE 5. TANGIBLE FIXED ASSETS**

<b>Amounts in ' 000 SEK</b>	<b>03/31/2021</b>	<b>03/31/2020</b>
<b>Right of use assets</b>		
Land and buildings	19 011	25 163
Inventories	3 412	2 663
<b>Total right of use assets</b>	<b>22 422</b>	<b>27 826</b>
<b>Tangible fixed assets that are not right of use assets</b>		
Land and buildings	15 666	15 164
Inventories	10 452	11 317
<b>Total tangible fixed assets that are not right of use assets</b>	<b>26 118</b>	<b>26 481</b>
<b>Total tangible fixed assets</b>	<b>48 540</b>	<b>54 307</b>

The tangible fixed assets amounted to SEK 48.5 milion on the balance sheet date. The majority of the right of use assets consists of leases for office premises. For all leases for which the Group is lessee (which are not short term leases or low value assets), the Group recognizes a right of use asset and a corresponding lease liability.

When valuating the right of use asset, the acquisition method is used, i.e the right of use asset is calculated at acquisition cost, adjusted for any revaluation of the lease liability less depreciation.

The right of use asset is reported as a tangible fixed asset, while leasing liability is reported separately in the Group's statement of financial position as long-term debt, interest-bearing and short-term debt, interest-bearing.

## Reconciliation tables KPIs, non-IFRS measures

The company presents certain financial measures in the interim 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 interim report are presented below. Reconciliation of these measures is shown in the tables below.

### Key performance indicators not defined according to IFRS

**Currency effect.** Exchange rate effects on sales growth for the period.

**Equity/assets ratio.** Shareholders' equity including non-controlling interests as a percentage of total assets.

**Gross margin.** Gross profit as a percentage of net sales.

**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 (EBIT) as a percentage of net sales for the period.

**Operating profit (EBIT).** Earnings before interest and tax

### Net earnings per share

	Jan-Mar 2021	Jan-Mar 2020
Profit/loss for the period, KSEK	28 490	20 277
Number of shares	23 851 547	23 851 547
Net earnings per share	1,19	0,85

### Equity per share

	Jan-Mar 2021	Jan-Mar 2020
Equity, KSEK	463 200	382 896
Number of shares	23 851 547	23 851 547
Equity per share	19,42	16,05

### Equity-asset ratio

KSEK	Jan-Mar 2021	Jan-Mar 2020
Equity	463 200	382 896
Balance sheet total	707 200	677 591
Equity ratio	65%	57%

### Gross margin

KSEK	Jan-Mar 2021	Jan-Mar 2020
Net sales	133 954	134 430
Gross profit	92 985	92 310
Gross margin	69%	69%

## Reconciliation tables KPIs, non-IFRS measures, cont'd

### Operating margin

KSEK	Jan-Mar 2021	Jan-Mar 2020
Net sales	133 954	134 430
Operating profit	38 409	33 513
Operating margin	29%	25%

### EBITDA

KSEK	Jan-Mar 2021	Jan-Mar 2020
Operating profit	38 409	33 513
Depreciation	7 783	7 708
EBITDA	46 193	41 221

### Net sales

	Jan-Mar 2021 (%)	Jan-Mar 2021 KSEK	Jan-Mar 2020 (%)	Jan-Mar 2020 KSEK
Last period		134 430		103 891
Organic growth	6,9%	9 220	1%	756
Currency effect	-7,2%	-9 696	4%	4 156
Structural growth	0,0%	0	25%	25 627
Current period	-0,4%	133 954	29%	134 430

# This is CellaVision

## Vision

CellaVision's vision is to replace traditional microscopes in laboratories through global digitalization and automation of blood analysis for both the human and veterinary segments. The company's method contributes to improved patient diagnostics, streamlining and reduced healthcare costs.

## CellaVision delivers unique solutions for Digital Cell Morphology (DCM)

CellaVision offers products and solutions to hematology laboratories that enable an efficient process for routine analysis of blood. The product offer consists of stains, blood smearing and staining devices, analyzers, applications and software. The solutions from CellaVision enable laboratories to automate, standardize and digitalize their workflow.

Blood analysis plays an important and vital role in offering high-quality healthcare. Complete blood count is one of the world's most common diagnostic tests and is routinely used to obtain an overall status of the blood cells. The driving force and objective for CellaVision is to equip laboratory staff with the best

tools and solutions available on the market to handle differential blood counts of blood cells. This is the reasons behind the acquisition of RAL Diagnostics in 2019. RAL Diagnostics have strengthened CellaVision's position by providing instruments and reagents that, used together with CellaVision's digital analyzers and software, ensures a consistency for every blood analysis made.

## Offer to end customers

CellaVision offers products for sample preparation and digital solutions for medical microscopy in hematology. The end customers are hospital laboratories and commercial laboratories. CellaVision's unique concept replaces manual microscopes and improves the blood analysis process. In this way more patients can receive faster care of better quality while healthcare services can use their resources better.

## Strategic partnerships and distribution via suppliers of cell counters

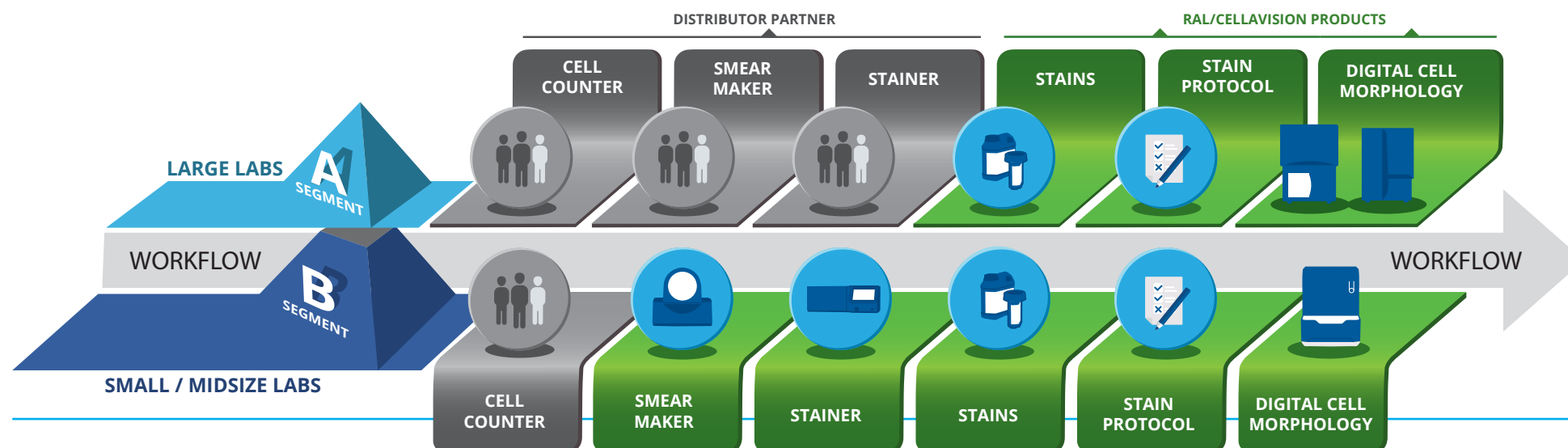
CellaVision collaborates with strategic partners in order to gain scalability in manufacturing and sales. CellaVision's solution

is the last step in a blood analysis process, in which the cell counter is central. Agreements with the foremost suppliers of cell counters are therefore strategically important so as to reach end customers in a cost effective way. CellaVision's partners have a broad range of products and global salesforces with local knowledge. CellaVision's own organization supports its partners in the sales process.

## Financial targets

Our objective is to create a global standard for digital microscopy in the sub-field hematology. The objective is broken down into important financial targets.

- Sales growth**  
 ≥15% Increase sales over an economic cycle by an average of at least 15 percent per year.
- EBITDA margin**  
 >20 % The operating margin is to exceed 20 percent over an economic cycle.



## Questions concerning the report can be addressed to:



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### Publication

This information constitutes information that CellaVision AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication at 8:20 a.m. CET on April 28, 2021.

CellaVision is listed on the Nasdaq Stockholm, Mid Cap list. The company is traded under the ticker symbol CEVI and ISIN code SE0000683484.

### Financial calendar

Activity	Date
Annual General Meeting	April 29
Interim Report January-June	July 20
Interim Report January-September	October 22
Year-end bulletin 2021	February 4, 2022

# CellaVision in the world

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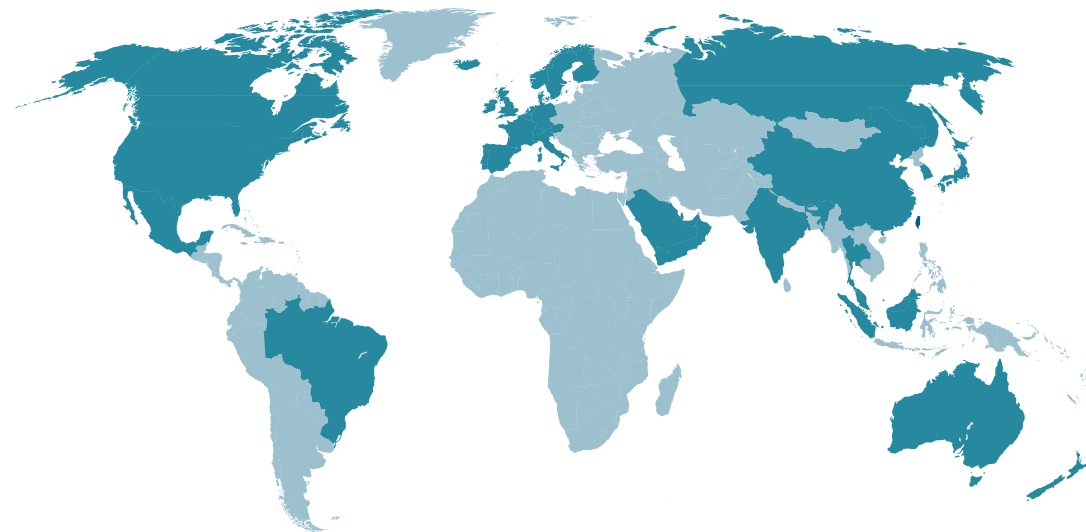
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With the 18 organizations for local market support CellaVision has direct presence in more than 40 countries.