



Continuous expansion into new markets

High rate of innovation for continued digitization of healthcare

Interim report January-September 2017

An in-between quarter though with stronger market presence as well as product sales approval in the USA

July 1–September 30, 2017

- Net sales decreased by 10 % to SEK 61.3 million (68.3)
- Organic growth was -11 % (-9).
- Operating profit decreased by 47.3 % to SEK 10.2 million (19.5).
- The operating margin decreased to 16.7% (28.5).
- Profit before tax decreased to SEK 9.9 million (19.8).
- Earnings per share decreased to SEK 0.32 (0.64).
- Cash flow decreased to SEK 5.6 million (7.4).

January 1–September 30, 2017

- Net sales increased by 21.3 per cent to SEK 233.2 million (192.3).
- Organic growth was 19.5 % (6.1).
- Operating profit increased by 31.8 % to SEK 69.2 million (52.5).
- The operating margin increased to 29.7% (27.3).
- Profit before tax decreased to SEK 68.6 million (55.0).
- Earnings per share increased to SEK 2.2 (1.76).
- Cash flow before dividend decreased to SEK 32.4 million (34.1).

Significant events after the period close

- CellaVision signed a distribution agreement with Boule Diagnostics prior to the launch in 2018 of product for small and medium-sized laboratories.

Net Sales, Q3
SEK 61.3 m (68.3)

Operating Profit, Q3
SEK 10.2 m (19.5)

Operating Margin, Q3
16.7% % (28.5)

Key Ratios

| (MSEK) | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 61.3 | 68.3 | 233.2 | 192.3 | 265.0 |
| Gross profit | 43.2 | 47.9 | 167.8 | 136.2 | 188.9 |
| EBITDA | 12.4 | 21.5 | 75.5 | 58.6 | 82.4 |
| Operating profit | 10.2 | 19.5 | 69.2 | 52.5 | 74.2 |
| Operating margin, % | 16.7 | 28.5 | 29.7 | 27.3 | 28.0 |
| Profit/loss before tax | 9.9 | 19.8 | 68.6 | 55.0 | 75.8 |
| Cash flow for the period | 5.6 | 7.4 | -3.4 | -1.6 | 25.8 |
| Equity ratio, % | 82.7 | 79.9 | 82.7 | 79.9 | 80.4 |

CEO's comments

After six quarters of good growth in the human healthcare segment CellaVision experienced negative sales growth in the third quarter of the year. CellaVision has an uneven order flow with variation between quarters. Accumulated growth for the first nine months was 21 percent and is in line with the previously communicated target of 15 percent annual growth over an economic cycle. Our assessment is that CellaVision's future development in the short and long term is unchanged positive.

For the quarter, sales decreased by ten percent to SEK 61.3 million (68.3) compared with the same period in the previous year, when sales growth was 50 percent in the human healthcare market. Exchange rate impact in the quarter was slightly positive; plus one percent. The operating profit was SEK 10.2 million (19.5), equivalent to an operating margin of 16.7 percent (28.5). The lower operating margin is mainly explained by a lower sales volume.

Market development

Sales in the Americas fell by about eleven percent compared with the same period in the previous year, which was a quarter that experienced growth of 30 percent in the human healthcare market. Apart from the strong comparative figures, the quarter's decrease is explained by some buildup of inventories in previous quarters by CellaVision's various distribution partners. However, the number of customer installations and CellaVision's end customer penetration continued to grow at a steady rate.

EMEA again reported a quarter with sound sales growth; about 23 percent. It is worth noting, however, that the comparative quarter in 2016 for EMEA was relatively weak.

Sales in APAC decreased by 28 percent in the third quarter of the year compared with the same period in the previous year. Despite the decrease compared with the corresponding quarter in 2016 the underlying trend is positive for the region as a whole. Sales in China continued to show strength, while other markets in the region saw a weaker quarter.

Geographical expansion: United Kingdom / Ireland

CellaVision is continuing to establish local organizations for market support in priority markets and establishment of the organization in the United Kingdom/Ireland during the quarter was part of this. This establishment means that CellaVision now has 12 local organizations for market support that gives the company a presence in a total of 25 countries. Establishing local organizations for market support is a key strategy for securing sustainable growth globally and CellaVision is planning for further establishments during the year.



The veterinary market

CellaVision is continuing its long-term marketing activities in the veterinary market, and in the previous quarter, a distribution agreement was signed with Sysmex in the Americas.

Distribution expansion prepares launch of new technology platform

Progress on the new technology platform is going according to plan, with considerable investments in research and development. Apart from this, there are production preparations and marketing activities ahead of the launch that is planned for the second half of 2018 for the markets that do not require FDA or equivalent certification based on clinical validation.

In preparation for the coming launch of the new technology platform, with analyzers for small and mid-size labs in both the human healthcare and veterinary markets, CellaVision entered into a global distribution agreement with Boule Diagnostics. The company is active in the segment for small and mid-size labs and thus an important partner for ensuring future access to digital morphology for this type of lab. Discussions are in progress with more distribution partners in this segment.

FDA clearance of the CellaVision® Advanced RBC Application

During the quarter was the CellaVision® Advanced RBC Application, a software application that speeds up and simplifies morphological assessment of red blood cells, was cleared by the US regulatory authority, the FDA. This makes the product commercially available in the USA and globally, since the application has already been approved and launched in CellaVision's other markets.

*Zlatko Rihter,
President and Chief Executive Officer*

Growth of 21% for the year's first nine months

A weaker quarter with 10% sales decrease

The Americas fell by 11%

EMEA reported sales growth of 23%

Underlying sound demand in China

Distribution agreement in place for new technology platform

Sales, performance and investments

July 1-September 30

Net sales for the Group in the third quarter were SEK 61.3 million (68.3), a decrease of 10 percent compared with the corresponding period in 2016. CellaVision's sales often fluctuate between different quarters, both for individual regions and for the Group as a whole.

CellaVision invoices more than 90 percent of its net sales in euro or US dollars, which means that exchange rate fluctuations have a major impact on the company's reported net sales and earnings. Adjusted for positive exchange rate effects of one percent, net sales decreased by 11 percent compared with the corresponding quarter in 2016.

The gross margin for the quarter was 70.4 percent (70.1), which is marginally lower than for the year's two first quarters. The somewhat lower gross margin is mainly explained by the product mix and the increase in amortization of intangible assets in relation to sales, due to a lower sales volume.

Total operating expenses for the third quarter were SEK 32.9 million (28.4). The increase is due to the expansion of the company's market presence and higher administrative expenses. However, as a percentage of sales during the first nine months of 2017, administration costs remain unchanged eleven percent (11).

CellaVision is running several development projects aimed at strengthening the company's product offer. Capitalized costs for development projects were SEK 5.0 million for the quarter (1.9). The main part of the capitalized costs are related to the new technology platform for analyzers for small and mid-size labs.

Operating profit for the quarter was SEK 10.2 million (19.5), with an operating margin of 16.7 percent (28.5). The lower operating margin is mainly explained by a lower sales volume and increased selling and administrative expenses.

CellaVision has no interest-bearing liabilities. Net financial income is mainly attributable to exchange rate gains/losses on intra-group transactions.

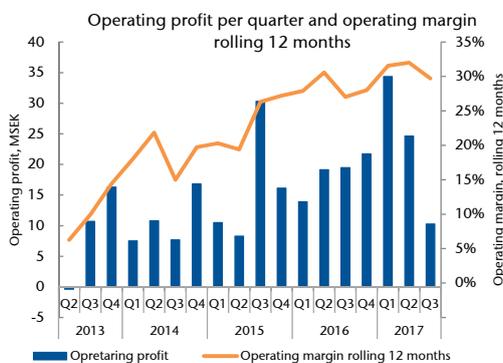
The Group's cash and cash equivalents at the close of the quarter increased to SEK 129.0 million (105.0). Total cash flow for the quarter was SEK 5.6 million (7.4). Trade receivables at the close of the quarter were temporarily high, but normalized after payment of large trade receivables after the close of the period.

Net sales decreased by 10 % to SEK 61.3 million (68.3)

Adjusted for exchange rate effects, organic revenue decreased by 11%

The operating margin for the quarter was 16.7% (28.5)

Total cash flow for the quarter was SEK 5.6 million (7.4).



Development in geographical markets

Americas: SEK 31.3 million (35.3)

Sales in the Americas decreased in the first quarter by eleven percent to SEK 31.3 million (35.3) compared with the human healthcare market performance in the same period of the previous year.

CellaVision's geographical expansion of the company's organizations for local market support continued during the quarter. After successful establishment of an organization for local market support in Brazil earlier in the year, work was started on establishing a corresponding organizations in other markets.

During the quarter, CellaVision participated in the AACC (American Association for Clinical Chemistry) Annual Scientific Meeting & Clinical Lab Expo in San Diego, where the company launched the CellaVision® Advanced RBC Application, which was cleared by the FDA at the time of opening of the Expo.

The CellaVision Advanced RBC Application will deliver a comprehensive pre-characterization of 21 different characteristics. Cells can be viewed in an overview image, or individually sorted by shape, size, color or inclusions. The latter is a completely new innovative way of looking at red blood morphology enabling an improved way of assessing the morphology of the red blood cells. Manual assessment of the red blood cell morphology is a subjective analysis with a high degree of variability. The interest in CellaVision's solutions was great, and the Advanced RBC Application in particular, attracted great interest from the company's customers.

EMEA: SEK 15.0 million (12.2)

Sales in EMEA increased in the quarter by 23 percent to SEK 15.0 million (12.2) compared with the same quarter in the previous year. The sales increase is mainly driven by countries in Western Europe, but the Middle East is also starting to pick up.

In line with the company's strategy for increased penetration in Western Europe that was initiated one and a half years ago, during the quarter CellaVision continued to concentrate on selected markets. An organization for local market support in the United Kingdom was also established during the quarter. CellaVision's organizations for local market support for the German-speaking countries and for France that were established earlier in 2017 are now fully operational.

APAC: SEK 15.0 million (20.9)

In APAC sales decreased by 28 percent to SEK 15.0 million (20.9) compared with the strong third quarter in the previous year. The underlying demand in China continues to be strong, while other markets in the region had somewhat weaker development.

The value of the company's local presence was again made apparent during the quarter, for example in South Korea, where CellaVision participated in the KSLH congress in Busan, the second largest town in the country.

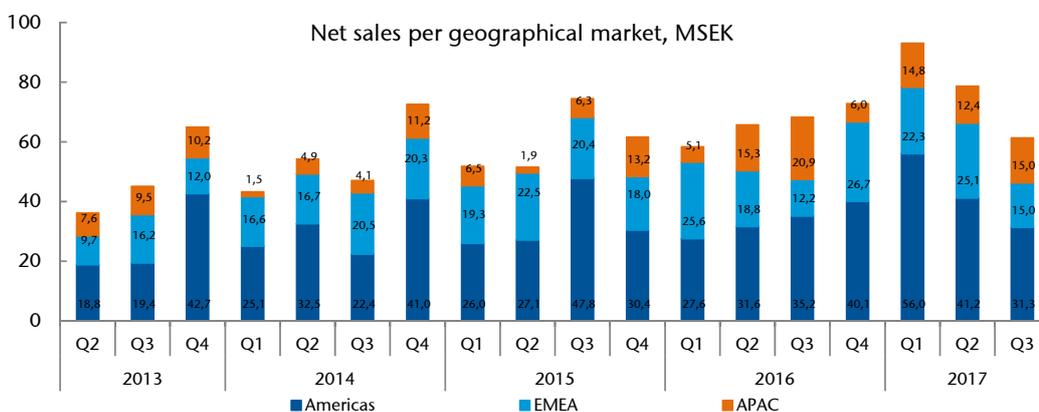
A number of marketing activities were undertaken in Japan during the quarter, including a presentation of the CellaVision® DM9600 analyzer to 120 laboratory technicians at the Osaka hematology congress, as well as training of salespeople at CellaVision's distributors. In China the activity level is high and interest continues to be strong. CellaVision exhibited and had a speaker at the National Laboratory Medical Conference in Hangzhou, China, with 2,100 participants.

Weaker in the Americas, with sales of SEK 31.3 million (35.3)

EMEA's sales were SEK 15.0 million (12.2).

APAC's sales decreased to SEK 15.0 million (20.9)

Underlying demand in China continues to be strong



Other information

Research and development

CellaVision is continually conducting a number of development projects, aimed at strengthening the offer to the company's customers in the field of hematology. A considerable part of the development resources are invested in the project to develop a technology platform for small and mid-size laboratories. Ahead of the coming launch of the new technology platform with analyzers for small and mid-size labs in both the human healthcare and veterinary markets, a new distribution partner, Boule Diagnostics, was attached to CellaVision. Apart from this, internal work continued on planning for the various markets ahead of the launch in the second half of 2018.

CellaVision works continually with respect to several different patent families and during the quarter CellaVision was awarded three new patents. Two of them, one in Australia and one in the USA, describe an image improvement method that was previously only patented in Sweden. The method uses advanced image processing operations to enable presentation of cell images in consistent and high quality color regardless of the form of lighting used.

The third patent was granted in the USA and describes how a robot transports a microscope slide with samples for analysis. The robot is unique in as far as it can make movements with a large stroke length without compromising on the requirement to make small movements with very high precision. The patent is significant as the invention is an essential part of CellaVision's existing product portfolio. CellaVision's patent portfolio now contains 23 patented inventions and 58 registered patents.

The Group continuously capitalizes expenditure on new development. Capitalized costs for development projects were SEK 5.0 million for the quarter (1.9).

Personnel

The number of employees of the Group, restated as full-time equivalents, was 95 (78) at the close of the period. Of these, 65 were men (55) and 30 women (23). The increase in staff compared to the same period last year, includes investments in market support and research and development.

Information concerning risks and uncertainties

Reduced demand and changes in exchange rates constitute uncertainties but not material risks. For a more detailed description of the risks and uncertainties facing CellaVision, please refer to the risk analysis in the Annual Report for 2016 note 2 and 5.

Seasonal variations

CellaVision has an unevenly distributed order flow over the year and the variation in order volumes in individual quarters may be great in the different geographical regions.

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. 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 2016. New standards and interpretations that came into force on January 1, 2017 have not had any impact on CellaVision's financial reporting for the interim report period.

In response to the introduction of IFRS 15, during the third quarter of 2017 CellaVision identified and reviewed all customer contracts to ensure that the company complies with requirements concerning reporting of revenue from contracts with customers. Common to the different contracts is that the future obligations included support, installation of analyzers, warranties, discounts and other obligations. For each obligation the company has estimated the associated annual cost to determine the need to recognize the revenues to a corresponding extent. The conclusion of the study is that the cost of future obligations is immaterial. Calculations will be presented in the interim report for 2017-Q4. In addition, the interim report 2017-Q4 will include information about effects from implementing IFRS 9 and IFRS 16.

Financial instruments

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 measured on the basis of observable information referring to exchange rates on the balance sheet date and market rates for remaining maturities. The value of currency forwards is recorded as Other receivables on the Group's balance sheet. The value of CellaVision's derivatives was SEK 3.4 million (-3.3) at September 30, 2017.

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.

Distributor agreement in place for the technology platform with planned launch in 2018.

Capitalized development costs for the quarter were SEK 5.0 million (1.9).

Number of employees 95 (78)

The Nomination Committee for the Annual General Meeting in 2018

In accordance with a resolution of the 2017 Annual General Meeting the Nomination Committee shall consist of the Chairman of the Board and one representative for each of the four largest shareholders in terms of voting rights at the end of September 2017.

Ahead of the 2018 Annual General Meeting the Nomination Committee consists of, Chairman of the Nomination Committee Christer Fåhraeus, (appointed by Christer Fåhraeus and companies), Bo Lundgren (appointed

by Swedbank Robur Funds), Caroline Sjösten (appointed by Skandia Liv), Joel Eklund (appointed by Fosielund Holding AB) and the Chairman of the Board Sören Mellstig.

Shareholders wishing to submit proposals to the Nomination Committee can send an email to ir@cellavision.com, or ordinary mail to: The Nomination Committee, CellaVision AB, Mobilvägen 12, 223 62 Lund.

Annual General Meeting 2018

CellaVision's Annual General Meeting in 2018 will be held in Lund at three o'clock CET, on May 4, 2018. Shareholders wishing to have matters considered at the Annual General Meeting can send a written request by email to bolagsstamma@cellavision.se or ordinary mail addressed to: The Board of Direc-

tors, CellaVision AB, Mobilvägen 12, 223 62 Lund. The request must have been received at the latest seven weeks before the Annual General Meeting in order to be included in the notice to attend and thus the agenda of the Annual General Meeting.

Statement

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, October 25 2017

Sören Mellstig
Chairman of the Board

Christer Fåhraeus
Member of the Board

Åsa Hedin
Member of the Board

Roger Johanson
Member of the Board

Torbjörn Kronander
Member of the Board

Anna Malm Bernsten
Member of the Board

Niklas Prager
Member of the Board

Zlatko Rihter
President/CEO

The information is such that CellaVision AB (publ) is obligated to disclose pursuant to the Swedish Securities Market Act and the Financial Instruments Trading Act.).

Consolidated Income Statement in Summary

| All amount in ' 000 SEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|---|---------------|---------------|----------------|----------------|----------------|
| Net sales | 61,348 | 68,304 | 233,182 | 192,277 | 265,038 |
| Cost of goods sold | -18,183 | -20,436 | -65,366 | -56,114 | -76,102 |
| Gross profit | 43,165 | 47,868 | 167,816 | 136,163 | 188,936 |
| Sales and marketing expenses | -16,882 | -14,562 | -51,633 | -41,610 | -56,859 |
| Administration expenses | -8,646 | -6,441 | -26,195 | -20,376 | -28,670 |
| R&D expenses | -7,390 | -7,408 | -20,772 | -21,657 | -29,239 |
| Operating profit | 10,247 | 19,457 | 69,216 | 52,520 | 74,168 |
| Interest income and financial exchange rate gains | 518 | 445 | 1,399 | 3,275 | 3,632 |
| Interest expense and financial exchange rate losses | -837 | -120 | -2,005 | -787 | -2,025 |
| Profit/loss before tax | 9,928 | 19,782 | 68,610 | 55,008 | 75,775 |
| Tax | -2,215 | -4,621 | -16,215 | -13,032 | -15,975 |
| Profit/loss for the period | 7,713 | 15,161 | 52,395 | 41,976 | 59,800 |

Other comprehensive income:

| | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|
| Components not to be reclassified to net profit: | 0 | 0 | 0 | 0 | 0 |
| Components to be reclassified to net profit: | | | | | |
| <i>a) Financial assets at fair value</i> | | | | | |
| Reclassified to operating result | 1,103 | 262 | 3,501 | 29 | -249 |
| Revaluation of financial assets | -1,062 | -1,449 | 2,602 | -3,533 | -2,721 |
| Income tax relating to financial assets | -9 | 269 | -1,343 | 777 | 653 |
| <i>b) Translation difference</i> | | | | | |
| Translation difference in the group | -200 | 12 | -1,103 | -555 | 951 |
| Sum of Components to be reclassified to net profit: | -168 | -906 | 3,657 | -3,282 | -1,366 |
| Sum of other comprehensive income: | -168 | -906 | 3,657 | -3,282 | -1,366 |
| Comprehensive result for the period | 7,545 | 14,255 | 56,052 | 38,694 | 58,434 |

| Per share data | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Earnings per share, SEK */ | 0.32 | 0.64 | 2.20 | 1.76 | 2.51 |
| Equity per share, SEK | 9.49 | 7.82 | 9.49 | 7.82 | 8.64 |
| Number of shares outstanding | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 |
| Average number of shares outstanding | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 |
| Stock exchange rate, SEK | 173.00 | 93.00 | 173.00 | 93.00 | 86.00 |
| Dividend per share | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |

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

Quarterly earnings trend

| All amount in ' 000 SEK | Q3 2017 | Q2 2017 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 |
|-------------------------|---------|---------|---------|---------|---------|---------|
| Net sales | 61,348 | 78,686 | 93,148 | 72,761 | 68,304 | 65,723 |
| Gross profit | 43,165 | 56,647 | 68,004 | 52,773 | 47,868 | 47,394 |
| Gross margin in % | 70.4 | 72.0 | 73.0 | 72.5 | 70.1 | 72.1 |
| Expenses | -32,918 | -32,020 | -33,662 | -31,125 | -28,411 | -28,253 |
| Operating profit | 10,247 | 24,627 | 34,342 | 21,648 | 19,457 | 19,141 |
| Net profit | 7,713 | 19,392 | 25,290 | 17,824 | 15,161 | 16,903 |
| Cash flow | 5,613 | -24,607 | 15,568 | 27,405 | 7,365 | -22,035 |

Consolidated Balance Sheet in Summary

| All amount in ' 000 SEK | 9/30/2017 | 9/30/2016 | 6/30/2017 | 12/31/2016 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Assets | | | | |
| Intangible assets | 47,875 | 30,407 | 44,607 | 34,724 |
| Tangible assets | 4,584 | 2,445 | 4,859 | 3,270 |
| Deferred tax assets | 0 | 0 | 0 | 0 |
| Financial assets | 2,616 | 1,859 | 2,240 | 2,025 |
| Inventory | 28,554 | 32,880 | 31,868 | 36,275 |
| Trade receivables | 51,786 | 48,139 | 47,029 | 33,238 |
| Other receivables | 15,922 | 12,571 | 12,138 | 14,459 |
| Cash and bank | 129,028 | 105,049 | 123,415 | 132,454 |
| Total assets | 280,365 | 233,350 | 266,156 | 256,445 |
| Equity and liabilities | | | | |
| Equity | 226,450 | 186,407 | 218,905 | 206,175 |
| Short term debt | 35,793 | 30,859 | 28,834 | 32,571 |
| Short term debt with interest | 0 | 0 | 0 | 0 |
| Trade payables | 16,712 | 14,851 | 16,938 | 16,451 |
| Other liabilities | 1,410 | 1,233 | 1,479 | 1,248 |
| Total equity and liabilities | 280,365 | 233,350 | 266,156 | 256,445 |

Consolidated statements of changes in equity

| All amount in ' 000 SEK | 9/30/2017 | 9/30/2016 | 6/30/2017 | 12/31/2016 |
|---------------------------------------|----------------|----------------|----------------|----------------|
| Balance at the beginning of the year | 206,175 | 183,518 | 206,175 | 183,518 |
| Dividend | -35,777 | -35,777 | -35,777 | -35,777 |
| Net profit for the year | 52,395 | 41,976 | 44,682 | 59,800 |
| Comprehensive result for the period | 3,657 | -3,310 | 3,825 | -1,366 |
| Balance at the end of the year | 226,450 | 186,407 | 218,905 | 206,175 |

Cash Flow Analysis in Summary

| All amount in ' 000 SEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|--|---------------|---------------|----------------|----------------|----------------|
| Result before taxes | 9,928 | 19,782 | 68,610 | 55,008 | 75,775 |
| Adjustment for items not included in cash flow | 8,050 | 6,853 | 7,460 | 4,839 | 7,322 |
| Taxes | -6,907 | 0 | -11,233 | 0 | -6,225 |
| Cash flow from operations before changes in working capital | 11,071 | 26,635 | 64,837 | 59,847 | 76,872 |
| Changes in working capital | 1,077 | -18,062 | -6,250 | -18,296 | -305 |
| Cash flow from operations | 12,148 | 8,573 | 58,587 | 41,551 | 76,567 |
| Capitalisation of development costs | -5,018 | -1,923 | -18,398 | -6,210 | -12,276 |
| Acquisitions in financial non-current assets | -1,415 | 692 | -5,511 | -642 | -830 |
| Acquisitions in tangible non-current assets | -127 | 23 | -2,327 | -568 | -1,925 |
| Cash flow from investment activities | -6,560 | -1,208 | -26,236 | -7,420 | -15,031 |
| New loans and instalments of dept | 25 | 0 | 0 | 0 | 0 |
| Dividend | 0 | 0 | -35,777 | -35,777 | -35,777 |
| Cash flow from financing activities | 25 | 0 | -35,777 | -35,777 | -35,777 |
| Total cash flow | 5,613 | 7,365 | -3,426 | -1,646 | 25,759 |
| Liquid funds at beginning of period | 123,415 | 97,684 | 132,454 | 106,695 | 106,695 |
| Liquid funds at end of period | 129,028 | 105,049 | 129,028 | 105,049 | 132,454 |

Income Statement - Parent Company

| All amount in '000SEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|--|---------------|---------------|----------------|----------------|----------------|
| Net sales | 59,790 | 66,310 | 229,460 | 186,837 | 254,395 |
| Cost of goods sold | -23,416 | -24,914 | -77,710 | -65,950 | -96,348 |
| Gross profit | 36,374 | 41,396 | 151,750 | 120,887 | 158,047 |
| Sales and marketing expenses | -10,868 | -7,917 | -29,658 | -21,878 | -30,708 |
| Administration expenses | -8,646 | -6,441 | -26,195 | -20,376 | -28,668 |
| R&D expenses | -12,408 | -9,331 | -39,170 | -27,797 | -41,445 |
| Operating profit | 4,452 | 17,707 | 56,727 | 50,836 | 57,226 |
| Interest income and financial exchange gains | 528 | 439 | 1,336 | 3,240 | 3,594 |
| Interest expense and financial exchange losses | -653 | -118 | -1,678 | -753 | -1,871 |
| Profit before income tax | 4,327 | 18,028 | 56,385 | 53,323 | 58,949 |
| Taxes | -951 | -4,197 | -12,404 | -11,731 | -12,733 |
| Net profit | 3,376 | 13,831 | 43,981 | 41,592 | 46,216 |

Statement of Comprehensive Income

| All amount in '000SEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|--|--------------|---------------|---------------|---------------|---------------|
| Net profit for the period | 3,376 | 13,831 | 43,981 | 41,592 | 46,216 |
| Other comprehensive income: | 0 | 0 | 0 | 0 | 0 |
| Sum of other comprehensive income: | 0 | 0 | 0 | 0 | 0 |
| Comprehensive profit for the period | 3,376 | 13,831 | 43,981 | 41,592 | 46,216 |

Balance Sheet - Parent Company

| All amount in '000SEK | 9/30/2017 | 9/30/2016 | 6/30/2017 | 12/31/2016 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Assets | | | | |
| Intangible assets | 17,270 | 24,267 | 19,019 | 22,518 |
| Tangible assets | 3,648 | 1,147 | 3,744 | 2,047 |
| Deferred tax assets | 1,248 | 0 | 1,248 | 1,248 |
| Financial assets | 2,629 | 1,864 | 2,253 | 2,035 |
| Inventory | 24,358 | 28,410 | 27,648 | 32,167 |
| Trade receivables | 49,230 | 43,840 | 43,606 | 25,894 |
| Receivables from group companies | 5,861 | 4,398 | 10,246 | 5,693 |
| Other receivables | 11,675 | 11,265 | 11,068 | 12,914 |
| Cash and bank | 117,431 | 97,220 | 110,411 | 123,924 |
| Total assets | 233,350 | 212,411 | 229,243 | 228,440 |
| Equity and liabilities | | | | |
| Equity | 185,611 | 172,786 | 182,237 | 177,410 |
| Short term debt | 24,447 | 22,869 | 22,210 | 22,241 |
| Short term debt with interest | 0 | 0 | 0 | 0 |
| Trade payables | 16,062 | 14,152 | 16,817 | 16,076 |
| Liabilities to group companies | 5,820 | 1,371 | 6,500 | 11,465 |
| Other liabilities | 1,410 | 1,233 | 1,479 | 1,248 |
| Total equity and liabilities | 233,350 | 212,411 | 229,243 | 228,440 |

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's definitions of the same terms. These financial mea-

asures 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.

Net earnings per share

| KSEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Profit/loss for the period | 7,713 | 15,161 | 52,395 | 41,976 | 59,800 |
| Number of shares | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 |
| Net earnings per share | 0.32 | 0.64 | 2.20 | 1.76 | 2.51 |

Equity per share

| KSEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| Equity | 226,450 | 186,407 | 226,450 | 186,407 | 206,175 |
| Number of shares | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 | 23,851,547 |
| Equity per share | 9.49 | 7.82 | 9.49 | 7.82 | 8.64 |

Equity-asset ratio

| KSEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|---------------------|--------------|--------------|--------------|--------------|--------------|
| Equity | 226,450 | 186,407 | 226,450 | 186,407 | 206,175 |
| Balance sheet total | 273,736 | 233,350 | 273,736 | 233,350 | 256,445 |
| Equity ratio | 82.7% | 79.9% | 82.7% | 79.9% | 80.4% |

Gross margin

| KSEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 61,348 | 68,304 | 233,182 | 192,277 | 265,038 |
| Gross profit | 43,165 | 47,868 | 167,816 | 136,163 | 188,936 |
| Gross margin | 70.4% | 70.1% | 72.0% | 70.8% | 71.3% |

Operating margin

| KSEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 61,348 | 68,304 | 233,182 | 192,277 | 265,038 |
| Operating profit | 10,247 | 19,457 | 69,216 | 52,520 | 74,168 |
| Operating margin | 16.7% | 28.5% | 29.7% | 27.3% | 28.0% |

EBITDA

| KSEK | Jul-Sep 2017 | Jul-Sep 2016 | Jan-Sep 2017 | Jan-Sep 2016 | Jan-Dec 2016 |
|------------------|--------------|--------------|--------------|--------------|--------------|
| Operating profit | 10,247 | 19,457 | 69,216 | 52,520 | 74,168 |
| Depreciation | 2,152 | 2,028 | 6,260 | 6,056 | 8,261 |
| EBITDA | 12,399 | 21,485 | 75,476 | 58,576 | 82,429 |

Net sales

| KSEK | Jul-Sep 2017 | Jul-Sep 2017 | Jul-Sep 2016 | Jul-Sep 2016 |
|-----------------|--------------|--------------|--------------|--------------|
| Last period | | 68,304 | | 74,529 |
| Organic growth | -11% | -7,707 | -9% | -6,970 |
| Currency effect | 1% | 751 | 1% | 745 |
| Current period | -10% | 61,348 | -8% | 68,304 |

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

Review Report

To the Board of Directors of CellaVision AB

Corporate identity number 556500-0998

Introduction

We have performed a review of the interim report for CellaVision AB (publ.) as per September 30, 2017 and the nine-month period ending on that date. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Emphasis and scope of the review

We conducted our review in accordance with the Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion that is expressed on the basis of a review does not give the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report does not, in all material respects, accord with IAS 34 and the Annual Accounts Act and, for the parent company, with the Annual Accounts Act.

Lund, October 25, 2017

Deloitte AB

Maria Ekelund

Authorized public accountant

This is CellaVision

Vision

Our vision is global digitization and automation of blood analyses for both the human and veterinary segments. Our method contributes to improved patient diagnostics, streamlining and reduced healthcare costs.

Business concept

CellaVision develops and sells digital solutions for medical microscopy. We replace manual microscopes with analyzers based on digital image analysis technology, artificial intelligence and IT. Our systems contribute to more effective workflows and higher quality in laboratory medicine.

CellaVision's core activities

CellaVision's core activities are digital image analysis of blood and other body fluids. Innovation is an important part of CellaVision's mission and its employees are the company's main resource. The company's coordinated competence transforms customers' needs into effective solutions for healthcare services.

CellaVision's employees have a high level of education and sound experience of the biomedical sector. Our employees' broad competence in product development, quality assurance, market establishment and market support is crucial to the company's development. The company has core technological expertise in image analysis, artificial intelligence and automated microscopy.

Company culture

CellaVision's corporate culture is characterized by understanding of the customer, quality awareness and ability to take action with responsibility, which is reflected in CellaVision's value-creating core values: Customer in focus, Initiative and Responsibility and Simplicity and Quality. Along with objectives, vision and guidelines, the core values inform the daily work and form a profitable corporate culture.



With CellaVision's system, the result from the automated differential analysis is clearly presented on the computer screen, checked and signed off by the laboratory technician. All steps in the analysis chain are digitally documented, stored, easily shared and fully searchable. That's what we call work flow.

Offer to end customers

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

Strategic partnerships

To achieve scalability in manufacture and sales CellaVision works with strategic partners.

Suppliers

CellaVision's analyzers are manufactured in Sweden on contract. The company has direct agreements with selected sub-contractors for key components.

Distribution via suppliers of cell counters

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 cost effectively. CellaVision 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 $\geq 15\%$**
Increase sales over an economic cycle by an average of at least 15 percent per year.
- **Operating 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

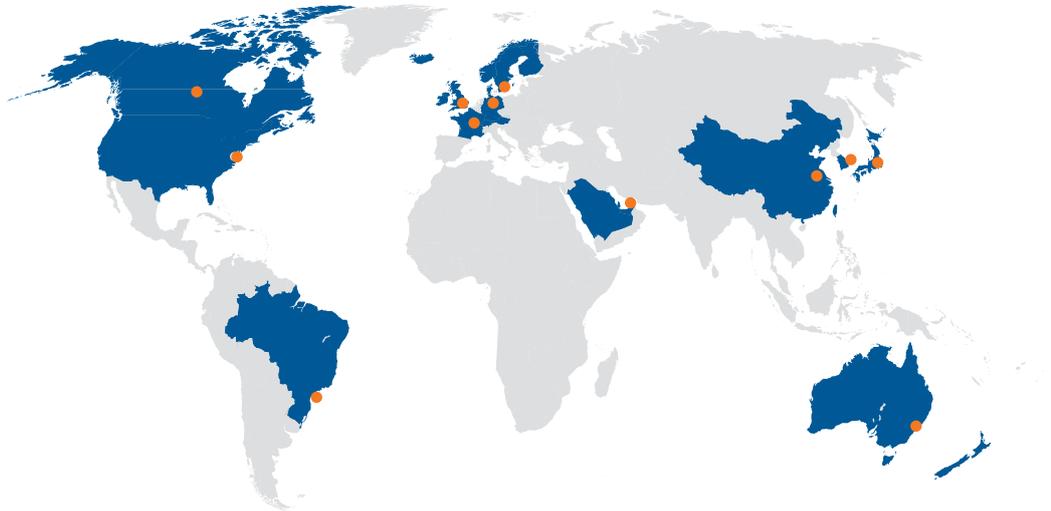
The information in this interim report is disclosed by CellaVision AB (publ) pursuant to the Securities Market Act and the Financial Instruments Trading Act. The information was released for public disclosure on October 25th, 2017 at 08.20.

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

Financial calendar

| Financial calendar | Datum |
|--------------------------|------------------|
| Year-end bulletin | February 9 |
| Interim report Jan-March | May 3 |
| Annual general meeting | May 4 |
| Interim report Jan-June | July 19 |
| Interim report Jan-Oct | October 23 |
| Year-end bulletin | February 7, 2019 |

CellaVision in the world



● CellaVision's subsidiaries and market support offices

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