

Interim report Jan-Sept 2018

Organic sales growth
Q3, 2018: 33%

Operating margin
Q3, 2018: 24.9% (16.7)
Jan-Sept, 2018: 29.9%

(MSEK)	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net sales	84.3	61.3	253.8	233.2	309.3
Gross profit	62.2	43.2	188.9	167.8	223.2
EBITDA	22.5	12.4	81.1	75.5	99.3
Operating profit	21.0	10.2	75.8	69.2	90.9
Operating margin, %	24.9	16.7	29.9	29.7	29.4
Profit/loss before tax	20.7	9.9	76.1	68.6	90.3
Total cash flow	22.2	5.6	10.1	-3.4	22.4
Equity ratio, %	78.7	82.7	78.7	82.7	80.1

Continued strong performance in all regions

July 1–September 30, 2018

- Net sales increased by 37 % to SEK 84.3 million (61.3).
- Organic growth increased to 33 % (-11).
- Operating profit increased to SEK 21.0 million (10.2).
- The operating margin increased to 24.9% (16.7).
- Profit before tax increased to SEK 20.7 million (9.9).
- Earnings per share before and after dilution increased to SEK 0.70 (0.32).
- Cash flow before dividend increased to SEK 22.2 million (5.6).

January 1–September 30, 2018

- Net sales increased by 9 % to SEK 253.8 million (233.2).
- Organic growth was 6% (19.5).
- Operating profit was SEK 75.8 million (69.2).
- The operating margin was 29.9% (29.7).
- Profit before tax was SEK 76.1 million (68.6).
- Earnings per share before and after dilution were SEK 2.48 (2.20).
- Cash flow before dividend was SEK 45.9 million (32.4).



CEO's comments



Third quarter

The third quarter of 2018 was another strong quarter for CellaVision with sales of SEK 84.3 million (61.3). Compared with the same period in 2017, sales increased organically by 33 percent, with growth in all our regions. Profitability progressed well in the quarter, with an operating profit of SEK 21.0 million (10.2), corresponding to an operating margin of 24.9 percent (16.7). The profitability trend is a result of CellaVision's effective indirect sales method that enables geographical expansion with continued sound cost control. Cash flow for the quarter strengthened to SEK 22.2 million (5.6). The increase is primarily a result of the higher invoicing volume.

Market development

The Americas had a strong quarter in which sales grew by 28 percent to 40.1 million (31.3). The number of installations for end customers continues to increase and market penetration is developing at a stable rate.

EMEA developed well in the third quarter, with growth in sales of 73 percent to 26.0 million (15.0). This is partly explained by weak comparative figures but is above all the result of CellaVision's consistent focus on market expansion in the region. In the past 18 months new organizations for local market support were established in the Middle East, France, Europe's German-speaking countries and the United Kingdom/Ireland. These organizations are now fully operational and make a positive contribution to development in the region.

APAC also developed well in the third quarter, with growth in sales of 22 percent to 18.2 million (15.0). Marketing activities continued at a high level in the key markets of Japan and China. During the quarter CellaVision's digital morphology also saw an important breakthrough in the Australian market after winning a public procurement contract in New South Wales. The procurement means that around sixty laboratories will install CellaVision's solution in the coming years to compare with only a few instruments on the entire Australian market historically.

Geographical expansion

Geographical expansion is crucial to CellaVision's growth. In 2018 we established our own organizations for local market support in Mexico and India, as well as establishing a local presence in the Chengdu area of China. In coming months, we will establish more organizations for South East Asia and the southern parts of Europe. CellaVision currently has 14 local organizations that together offer market support in more than 25 countries.

Distribution expansion

During the quarter CellaVision signed a supplementary agreement for small and mid-size laboratories with Sysmex. With this agreement in place we now have distribution agreements with the most relevant distribution partners for reaching small and mid-size laboratories globally.

Innovation

The development of our new technology platform, CellaVision® DC-1, for small and mid-size laboratories in both the human healthcare and veterinary markets, is going to plan. DC-1 is now undergoing external clinical studies at five European laboratories as a key part of future CE registration. DC-1 attracted great attention at its first external presentation at the AACCC Annual Scientific Meeting in Chicago in summer this year.

Geographical expansion and innovation are key strategies for CellaVision's future growth. We are continuing to add new geographical markets with their own local organization for market support, while putting major focus on innovation and product development. Our organization is constantly being strengthened and we are putting great energy into recruiting more leading-edge expertise to ensure our future innovative power and growth opportunities.

The CellaVision Story was published just recently. The book was written by CellaVision's very first customer, Per Simonsson, at Malmö General Hospital in 2001. A readable account story that I warmly recommend.

Zlatko Rihter, President and CEO

Sales, performance and investments

Sales and exchange rate effects

Net sales for the Group in the third quarter were SEK 84.3 million (61.3), an organic increase of 33 percent compared with the corresponding period in 2017. 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 four percent, net sales increased by 33 percent compared with the corresponding quarter in 2017.

Net sales for the Group during the first three quarters of the year amounted to SEK 253.8 million (233.2). Adjusted for positive currency effects of three percent, it corresponds to an organic increase of six percent compared with the corresponding period 2017.

Operating expenses

Total operating expenses in the third quarter increased to SEK 41.2 million (32.9). The increase is due to planned initiatives to broaden the product portfolio and increase market presence.

CellaVision is running several development projects aimed at strengthening the company's product offer. Total research and development costs increased to SEK 13.7 million (12.4), of which SEK 2.9 million (5.0) has been capitalized. The main part of the capitalized expenditures is related to the new technology platform for analyzers intended for small and mid-size laboratories. The project is in its final phase and therefore the capitalized development costs are lower than in the previous year.

Operating profit and operating margin

Operating profit for the quarter was SEK 21.0 million (10.2), with an operating margin of 24.9 percent (16.7). The improved performance is mainly due to increased sales volumes, but also improved gross margin.

Operating profit for the first three quarters of the year amounted to MSEK 75.8 (69.2) with an operating margin of 29.9 percent (29.7).

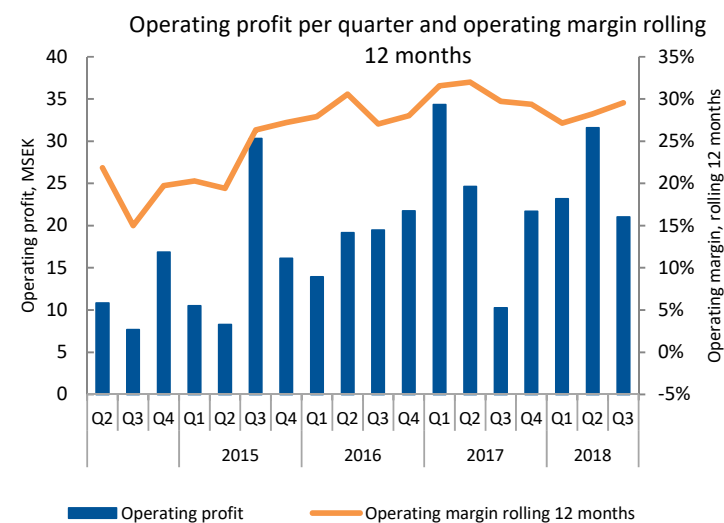
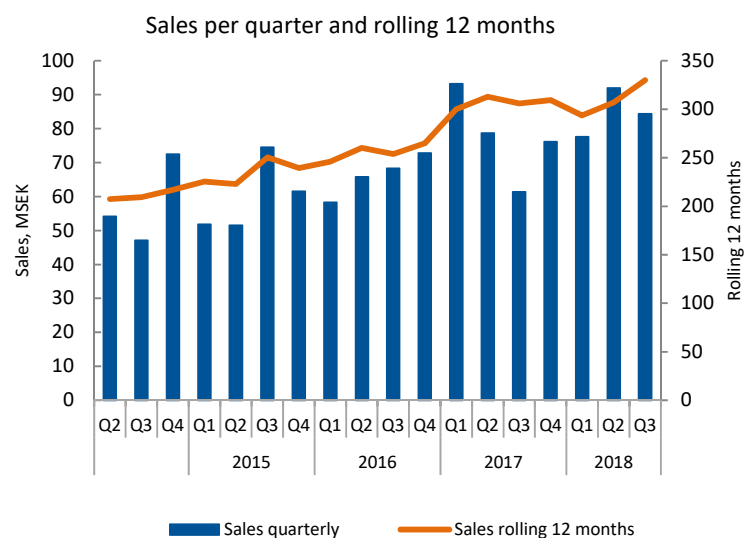
Net financial income

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

Cash flow

The Group's cash and cash equivalents at the close of the quarter amounted to SEK 164.4 million (129.0).

Total cash flow for the quarter was SEK 22.2 million (5.6). The strengthened cash flow is primarily driven by earnings growth.



Development in geographical markets

Americas: SEK 40.1 million (31.3)

Sales in the Americas increased in the quarter by 28 percent to SEK 40.1 million (31.3) compared with the relatively weak sales for the same period in the previous year. The American market continues to perform well, and the company is continuing to increase penetration further. In addition, there is increased interest in the company's products in Latin America, where Brazil in particular has got well under way.

The North American organization for market support is systematic and addressing the laboratories that have not yet converted to CellaVision's solution, in cooperation with the company's various distribution partners.

During the quarter CellaVision exhibited at the AACC meeting in Chicago, where the company presented for the first time the new analyzer for small and mid-size laboratories, DC-1. The product's size and computer capacity attracted great attention.

In Brazil CellaVision exhibited at the 52nd Brazilian Congress of Clinical Pathology in Florianopolis. The Congress was well-attended and the company's organization for market support was involved in most of the distributors' presentations.

APAC: SEK 18.2 million (15.0)

Sales in APAC increased by 22 percent to SEK 18.2 million (15.0), compared with the same period in the previous year. Sales in China and Japan went particularly well.

During the quarter more market support staff were recruited to assist the positive development and enable more effective penetration of the market in western China.

As usual, the quarter was characterized by a high level of activity in the region. In Japan CellaVision exhibited at the JSLH (Japanese Society Laboratory Hematology) Congress, where three end customers had presentations on digital morphology.

In Australia the company exhibited at the AACB AIMS meeting in Sydney. The DC-1, the new analyzer for small and mid-size laboratories, was presented there. Interest for CellaVision's value-creating solutions was great.

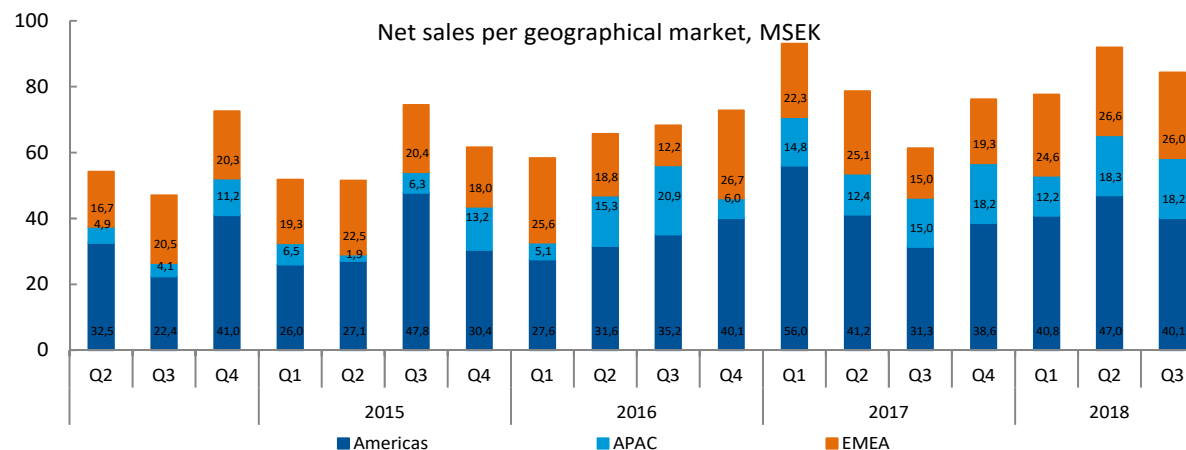
Further installations were completed at new laboratories in South Korea, including Heart Scare's Hospital in PyeongChang.

EMEA: SEK 26.0 million (15.0)

Sales in EMEA increased in the quarter by 73 percent to SEK 26.0 million (15.0) compared with the same period in the previous year. Western Europe has been the main contributor to growth in the region, which is largely due to CellaVision's consistent investments in local market support that are now starting to pay off. Investment in local market support follows the same pattern as the successful penetration strategy the company has been carrying out in North America for several years.

During the quarter CellaVision exhibited at the Congress of the DGKL (German Congress of Laboratory Medicine), including presenting the new analyzer, the DC-1, for small and mid-size laboratories, which attracted great interest. During the congress a well-known opinion-former in hematology presented CellaVision's concept for digital proficiency development of lab technicians.

During the quarter CellaVision signed a supplementary agreement for small and mid-size laboratories with Sysmex. This means that the company's distribution structure for the forthcoming product, DC-1, is in place ahead of its launch.



Other information

Research and development

CellaVision is conducting several development projects, aimed at strengthening the offer to the company's customers in the field of hematology. During the quarter clinical studies were started for the DC-1, which is a system for small and mid-size laboratories. The launch of the product is planned for the end of 2018 in markets that accept CE marking.

CellaVision works continually to develop its patent families and during the period CellaVision was awarded one new patent. The patent, granted in Japan, describes an already patented improved presentation of red blood cells in two different views. The invention allows the user to perform the analysis of the red blood corpuscles in a new, better and simpler way. At the close of the period CellaVision's patent portfolio contained 22 patented inventions and 61 registered patents.

The Group continuously capitalizes expenditure on new development. Capitalized expenditure for development projects decreased during the quarter to SEK 2.9 million (5.0). Total research and development costs, before capitalization, amounted to SEK 13.7 million (12.4).

Staff

The number of employees of the Group, restated as full-time equivalents, was 111 (95) at the close of the quarter. Of these, 74 were men (65) and 37 women (30).

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 and Notes 2 and 5 in the Annual Report for 2017.

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 2017, except for income now reported in accordance with IFRS15.

New standards applied as of January 1, 2018

As of January 1, 2018, CellaVision applies IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers.

IFRS 9 means changes in how financial assets are classified and measured, the introduction of an impairment model based on expected credit losses instead of incurred losses and changes in principles for hedge accounting, for example to simplify and increase consistency with companies' internal risk management strategies. Implementation of IFRS 9 has not had any impact on the Group's financial statements.

IFRS 15 introduces a new model for revenue recognition based on when control of a good or service is transferred to the customer. The new standard has replaced all previous standards, statements and interpretations relating to revenue recognition. In 2017 the Group completed its analysis regarding the effects of introducing IFRS 15 with the conclusion that implementation of the new standard will not have any material impact on the Group's financial statements.

As of January 1, 2019 CellaVision will apply IFRS 16 Leases. IFRS 16 means that the current classification into operating and finance leases will be replaced by a model in which assets and liabilities for all leases will be recognized in the balance sheet. CellaVision has lease contracts for office premises and lease

agreements for cars that will be recognized in the balance sheet as of January 1, 2019.

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 reported as short term debt on the Group's balance sheet. The value of CellaVision's derivatives was SEK -8.1 million (3.4) at September 30, 2018.

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.

New tax rates

In step one, the corporate tax decreased from 22 percent to 21.4 percent for the fiscal year beginning January 1, 2019 or later. In step two, the corporate tax rate is reduced to 20.6 percent from the fiscal year beginning January 1, 2021.

The company has assessed when temporary differences will be reversed and the effect on deferred tax liability and deferred tax asset. The temporary differences that are expected to be reversed in 2018 apply 22 percent to the company, those reversed or utilized in 2019 and 2020, the company applies 21.4 percent and others reversed or utilized from 2021 the company applies 20.6 percent.

The effects of the new tax rates have resulted in a reduction of deferred tax liabilities in the Group by 0.6 MSEK and in the parent company the effect has been negligible.

The Nomination Committee and the Annual General Meeting in 2019

The Nomination Committee for the Annual General Meeting in 2019

In accordance with a resolution of the 2018 Annual General Meeting the Nomination Committee shall consist of representatives of each of the four largest shareholders terms of voting rights at the end of September 2018. The Chairman of the Board, Sören Mellstig, convenes the Nomination Committee and may participate in the work as an adjunct.

Ahead of the Annual General Meeting in 2019, the Nomination Committee consists of: Christer Fåhraeus, (appointed by Christer Fåhraeus with Companies) Niclas Hansen (appointed by William Demant Invest A / S), Bo Lundgren (appointed by Swedbank Robur Funds) and Joel Eklund (appointed by Fosiellund Holding AB)

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 2019

CellaVision's Annual General Meeting in 2019 will be held in Lund at three o'clock CET, on May 8, 2019. 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 Directors, 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

Declaration by the board of directors and president and 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 23 October 2018

Sören Mellstig
Chairman of the Board

Christer Fåhraeus
Member of the Board

Åsa Hedin
Member of the Board

Torbjörn Kronander
Member of the Board

Anna Malm Bernsten
Member of the Board

Niklas Prager
Member of the Board

Jurgen Riedl
Member of the Board

Stefan Wolf
Member of the Board

Zlatko Rihter
President/CEO

Consolidated Income Statement in Summary

All amount in ' 000 SEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net sales	84,337	61,348	253,847	233,182	309,312
Cost of goods sold	-22,130	-18,183	-64,936	-65,366	-86,092
Gross profit	62,207	43,165	188,911	167,816	223,220
Sales and marketing expenses	-21,409	-16,882	-59,585	-51,633	-69,977
Administration expenses	-8,898	-8,646	-26,274	-26,195	-35,565
R&D expenses	-10,875	-7,390	-27,269	-20,772	-26,786
Operating profit	21,024	10,247	75,782	69,216	90,892
Interest income and financial exchange rate gains	-53	518	1,255	1,399	1,859
Interest expense and financial exchange rate losses	-253	-837	-921	-2,005	-2,408
Profit/loss before tax	20,719	9,928	76,117	68,610	90,343
Tax	-3,919	-2,215	-16,976	-16,215	-20,620
Profit/loss for the period	16,800	7,713	59,141	52,395	69,723
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	147	1,103	-417	3,501	3,240
Revaluation of financial assets	4,797	-1,062	-7,424	2,602	-751
Income tax relating to financial assets	-1,088	-9	1,725	-1,343	-549
<i>b) Translation difference</i>					
Translation difference in the group	196	-200	741	-1,103	-1,210
Sum of Components to be reclassified to net profit:	4,052	-168	-5,375	3,657	730
Sum of other comprehensive income:	4,052	-168	-5,375	3,657	730
Comprehensive result for the period	20,852	7,545	53,766	56,052	70,453

Per share data

Per share data	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Earnings per share, basic and diluted, SEK */	0,70	0,32	2,48	2,20	2,92
Equity per share, SEK	10,85	9,49	10,85	9,49	10,10
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	271,00	173,00	271,00	173,00	143,75
Dividend per share	0,00	0,00	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 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Net sales	84,337	91,899	77,611	76,130	61,348	78,686
Gross profit	62,207	68,981	57,723	55,404	43,165	56,647
Gross margin in %	73.8	75.1	74.4	72.8	70.4	72.0
Expenses	-41,182	-37,409	-34,537	-33,728	-32,918	-32,020
Operating profit	21,024	31,572	23,186	21,676	10,247	24,627
Net profit	16,800	23,321	19,020	17,328	7,713	19,392
Cash flow	22,223	-9,660	-2,415	25,518	5,613	-24,607

Consolidated Balance Sheet in Summary

All amount in ' 000 SEK	9/30/2018	9/30/2017	6/30/2018	12/31/2017
Assets				
Intangible assets	63,654	47,875	61,865	53,731
Tangible assets	4,376	4,584	4,350	4,814
Deferred tax assets	0	0	0	0
Financial assets	3,200	2,616	2,627	2,617
Inventory	27,508	28,554	32,576	28,754
Trade receivables	51,364	51,786	49,265	43,157
Other receivables	14,512	15,922	13,867	12,978
Cash and bank	164,422	129,028	142,822	154,546
Total assets	329,036	280,365	307,372	300,597
Equity and liabilities				
Equity	258,840	226,450	237,988	240,851
Deferred tax liability	7,357	6,171	6,376	6,219
Other provisions	3,090	0	2,826	2,401
Short term debt	38,568	29,622	38,726	28,208
Trade payables	19,642	16,712	20,088	21,490
Warranty provisions	1,539	1,410	1,368	1,428
Total equity and liabilities	329,036	280,365	307,372	300,597

Consolidated statements of changes in equity

All amount in ' 000 SEK	9/30/2018	9/30/2017	6/30/2018	12/31/2017
Balance at the beginning of the year	240,851	206,175	240,851	206,175
Dividend	-35,777	-35,777	-35,777	-35,777
Net profit for the year	59,141	52,395	42,341	69,723
Comprehensive result for the period	-5,375	3,657	-9,427	730
Balance at the end of the year	258,840	226,450	237,988	240,851

Cash Flow Analysis in Summary

All amount in ' 000 SEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Result before taxes	20,719	9,928	76,117	68,610	90,343
Adjustment for items not included in cash flow	7,770	8,075	12,060	7,460	9,122
Taxes	-5,003	-6,907	-16,853	-11,233	-14,176
Cash flow from operations before changes in working capital	23,487	11,096	71,325	64,837	85,289
Changes in working capital	2,590	1,077	-10,010	-6,250	2,609
Cash flow from operations	26,077	12,173	61,315	58,587	87,898
Capitalisation of development costs	-2,874	-5,018	-14,072	-18,398	-26,003
Aquisitions in financial non-current assets	-573	-1,415	-583	-5,511	-592
Aquisitions in tangible non-current assets	-407	-127	-735	-2,327	-3,098
Cash flow from investment activities	-3,854	-6,560	-15,390	-26,236	-29,693
New loans and instalments of dept	0	0	0	0	0
Dividend	-0	0	-35,777	-35,777	-35,777
Cash flow from financing activities	-0	0	-35,777	-35,777	-35,777
Total cash flow	22,223	5,613	10,148	-3,426	22,428
Liquid funds at beginning of period	142,822	123,415	154,546	132,454	132,454
Exchange rate fluctuations in liquid funds	-623	0	-272	0	-336
Liquid funds at end of period	164,422	129,028	164,422	129,028	154,546

Income Statement - Parent Company

All amount in ' 000 SEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net sales	84,786	59,790	249,420	229,460	302,975
Cost of goods sold	-28,837	-23,416	-77,484	-77,710	-108,230
Gross profit	55,949	36,374	171,936	151,750	194,745
Sales and marketing expenses	-14,672	-10,868	-39,623	-29,658	-41,730
Administration expenses	-8,898	-8,646	-26,274	-26,195	-35,563
R&D expenses	-13,747	-12,408	-41,274	-39,170	-52,789
Operating profit	18,633	4,452	64,766	56,727	64,663
Interest income and financial exchange gains	-57	528	1,245	1,336	1,784
Interest expense and financial exchange losses	-252	-653	-901	-1,678	-2,086
Profit before income tax	18,325	4,327	65,111	56,385	64,361
Taxes	-4,031	-951	-14,324	-12,404	-14,245
Net profit	14,294	3,376	50,787	43,981	50,116

Statement of Comprehensive Income

All amount in ' 000 SEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net profit for the period	14,294	3,376	50,787	43,981	50,116
Other comprehensive income:	0	0	0	0	0
Sum of other comprehensive income:	0	0	0	0	0
Comprehensive profit for the period	14,294	3,376	50,787	43,981	50,116

Balance Sheet - Parent Company

All amount in ' 000 SEK	9/30/2018	9/30/2017	6/30/2018	12/31/2017
Assets				
Intangible assets	11,373	17,270	12,457	15,521
Tangible assets	3,764	3,648	3,648	4,006
Deferred tax assets	2,078	1,248	2,078	2,078
Financial assets	3,205	2,629	2,629	2,629
Inventory	21,842	24,358	27,238	23,862
Trade receivables	48,350	49,230	38,772	38,689
Receivables from group companies	6,450	5,861	13,922	6,918
Other receivables	12,732	11,675	12,822	12,152
Cash and bank	153,495	117,431	129,951	145,398
Total assets	263,289	233,350	243,517	251,253
Equity and liabilities				
Equity	206,758	185,611	192,464	191,748
Other provisions	3,090	0	2,826	2,401
Short term debt	25,898	24,447	21,855	22,466
Trade payables	18,967	16,062	19,692	20,904
Liabilities to group companies	7,037	5,820	5,312	12,306
Warranty provisions	1,539	1,410	1,368	1,428
Total equity and liabilities	263,289	233,350	243,517	251,253

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

KSEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Profit/loss for the period	16,800	7,713	59,141	52,395	69,723
Number of shares	23,851,547	23,851,547	23,851,547	23,851,547	23,851,547
Net earnings per share	0.70	0.32	2.48	2.20	2.92

Equity per share

KSEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Equity	258,840	226,450	258,840	226,450	240,851
Number of shares	23,851,547	23,851,547	23,851,547	23,851,547	23,851,547
Equity per share	10.85	9.49	10.85	9.49	10.10

Equity-asset ratio

KSEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Equity	258,840	226,450	258,840	226,450	240,851
Balance sheet total	329,036	273,736	329,036	273,736	300,597
Equity ratio	78.7%	82.7%	78.7%	82.7%	80.1%

Gross margin

KSEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net sales	84,337	61,348	253,847	233,182	309,312
Gross profit	62,207	43,165	188,911	167,816	223,220
Gross margin	73.8%	70.4%	74.4%	72.0%	72.2%

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

Operating margin

KSEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Net sales	84,337	61,348	253,847	233,182	309,312
Operating profit	21,024	10,247	75,782	69,216	90,892
Operating margin	24.9%	16.7%	29.9%	29.7%	29.4%

EBITDA

KSEK	Jul-Sep 2018	Jul-Sep 2017	Jan-Sep 2018	Jan-Sep 2017	Jan-Dec 2017
Operating profit	21,024	10,247	75,782	69,216	90,892
Depreciation	1,466	2,152	5,322	6,260	8,450
EBITDA	22,490	12,399	81,104	75,476	99,342

Net sales

KSEK	Jul-Sep 2018 (%)	Jul-Sep 2018 MSEK	Jul-Sep 2017 (%)	Jul-Sep 2017 MSEK
Last period		61,348		68,304
Organic growth	33%	20,545	-11%	-7,707
Currency effect	4%	2,443	1%	751
Current period	37%	84,337	-10%	61,348

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, 2018 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 23, 2018

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, an important part of the health care sector.

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.

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

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

Suppliers & distribution via suppliers of cell counters

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

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
≥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



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.

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 and the Swedish Securities Markets Act. The information was submitted for publication at 8:20 a.m. CET on October 23, 2018.

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
Year-end bulletin 2018	7 February
Interim Report January-March	7 May
Annual General Meeting	8 May
Interim Report January-June	16 July
Interim Report January-September	23 October
Year-end bulletin 2018	5 February 2020

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