

Year-end bulletin Jan-Dec 2018

Net Sales

Q4, 2018: SEK 111.0 million, (76.1)

Organic sales growth

Q4, 2018: 44% (6)

Operating margin

Q4, 2018: 32.3% (28.5)

(MSEK)	Oct-Dec 2018	Oct-Dec 2017	Full year 2018	Full year 2017
Net sales	111.0	76.1	364.8	309.3
Gross profit	82.0	55.4	270.9	223.2
EBITDA	37.3	23.9	118.4	99.3
Operating profit	35.8	21.7	111.6	90.9
Operating margin, %	32.3	28.5	30.6	29.4
Profit/loss before tax	36.0	21.7	112.1	90.3
Total cash flow	4.3	25.5	14.4	22.4
Equity ratio, %	77.9	80.1	77.9	80.1

CellaVision's best quarter ever with strong growth

October 1 - December 31, 2018

- Net sales increased by 46% to SEK 111,0 million (76.1).
- Organic growth increased to 44% (6)
- Operating profit increased to SEK 35.8 million (21.7).
- The operating margin increased to 32.3% (28.5).
- Profit before tax increased to SEK 36.0 million (21.7).
- Earnings per share increased to SEK 1.24 (0.73).
- Cash flow for operating activities amounted to SEK 12.8 million (28.9).

January 1 - December 31, 2018

- Net sales increased by 18% to SEK 364.8 million (309.3).
- Organic growth was 15% (16).
- Operating profit increased to SEK 111.6 million (90.9).
- The operating margin increased to 30.6% (29.4).
- Profit before tax increased to SEK 112.1 million (90.3).
- Earnings per share increased to SEK 3.72 (2.92).
- Cash flow for operating activities amounted to SEK 74.1 million (87.9).
- The Board of Directors proposes a dividend of 1.50 SEK per share in 2018 (SEK 1.50).

Significant events after period close

- The CellaVision® DC1, for small and mid-sized laboratories, received CE-marking in February 2019 and is now commercially available.

CEO's comments

Fourth quarter – CellaVision's best quarter ever

The fourth quarter of 2018 was CellaVision's best quarter ever after strong growth in all regions and sales that for the first time in an individual quarter exceeded SEK 100 million. Sales were SEK 111 million (76.1), corresponding to organic growth of 44 percent. Profitability progressed well during the quarter, with an operating profit of SEK 35.8 million (21.7), corresponding to an operating margin of 32.3 percent (28.5). The profitability trend is a result of CellaVision's effective indirect sales model that enables ambitious geographical expansion with continued sound cost control. Exchange rate impact was low in the quarter, about two percent.

Full year 2018

Sales for 2018 amounted to SEK 364.8 million (309.3), corresponding to organic growth of 15 percent. The operating profit was SEK 111.6 million (90.9), equivalent to an operating margin of 30.6 percent (29.4). CellaVision has thus again delivered a year in line with our financial targets. All regions performed well. APAC had the strongest growth during the year, with 28 percent, closely followed by EMEA, which after a few weaker years, grew by 25 percent. The Americas, with the well-penetrated markets in the USA and Canada, grew by 11 percent.

Market development in the fourth quarter

The Americas again experienced a strong quarter, with sales growing by 49 percent to 57.6 million (38.6). The number of installations for end customers continues to increase and market penetration is developing at a stable rate. Our investment in our own organization for local market support in Brazil, which was established in mid-2017, is now starting to make a positive contribution to sales growth in the Americas.

EMEA had a stable fourth quarter, with sales growing by 30 percent to 25.1 million (19.3). This is a result of our 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 operative and we see how the rate of sales is increasing step by step.

APAC again experienced a strong quarter, with sales growing by 56 percent to 28.3 million (18.2). Marketing activities continued at a high level in the key markets of Japan and China.

Geographical expansion

Geographical expansion is crucial to CellaVision's growth. In 2018 we established our own organizations for local market support in Mexico, India and in South East Asia, based in Thailand, as well as extending the organization in China so that we now have a local presence in the Chengdu area as well. In early 2019 we will establish more organizations for local market support in Spain/Portugal and Italy. At the end of 2018 CellaVision had 15 local organizations that together offer market support in more than 30 countries.

Innovation

Development of our new technology platform, the CellaVision® DC-1 for small and mid-size laboratories, is now completed and the product was given CE marking in February 2019. We have carried out careful launch preparations and are now starting commercialization of this strategically important product. It is important to remember that 2019 will be a launch year. From initially low sales volumes we expect to see continual growth in sales of the CellaVision® DC-1 in coming years.

During the quarter we acquired a system for blood smears from the Swedish company Molek. This technology acquisition means that we will supplement our offer with blood sample preparation, which is an important component to ensure high quality in our systems' image analysis. The system, to be called CellaVision® Diffsmear, will be optimized in 2019 for use together with our analyzing systems.



Distribution expansion

During the year we signed agreements with all relevant distribution partners to reach small and mid-size laboratories globally and thus are well prepared for the launch of the CellaVision® DC-1.

Investments in continued growth

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 innovation and product development are gaining growing significance. Our organization is constantly being strengthened and we put great energy into recruiting leading-edge expertise to ensure our future innovative power, thus further strengthening our growth opportunities.

Zlatko Rihter,
President and CEO

Sales, performance and investments

Sales and exchange rate effects

Net sales for the Group in the fourth quarter were SEK 111.0 million (76.1), an organic increase of 44 per cent 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 per cent 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. During the quarter there was a positive exchange rate effect of two per cent.

Net sales for the Group for the full year 2018 amounted to SEK 364.8 million (309.3). Adjusted for positive exchange rate effects of three per cent, the organic growth corresponds to 15 per cent compared with the corresponding period in 2017.

For more information regarding the Group's net sales, see table on page 14.

Operating expenses

Total operating expenses in the third quarter increased to SEK 46.1 million (33.7). 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 16.4 million (13.6), of which SEK 4.4 million (7.6) has been capitalized. The main part of the capitalized expenditure 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.

Total operating expenses for the full year increased to SEK 159.9 million (132.3). Total research and development costs for the full year increased to SEK 57.7 million (52.8), of which SEK 18.4 million (26.0) was capitalized.

Operating profit and operating margin

Operating profit for the quarter was SEK 35.8 million (21.7), with an operating margin of 32.3 per cent (28.5). The improved performance is mainly due to increased sales volume, but the gross margin has also improved. CellaVision's indirect business model generates good leverage and the operational costs as a share of sales have decreased to 42% (44).

Operating profit for the full year 2018 was SEK 111.6 million (90.9), with an operating margin of 30.6 per cent (29.4).

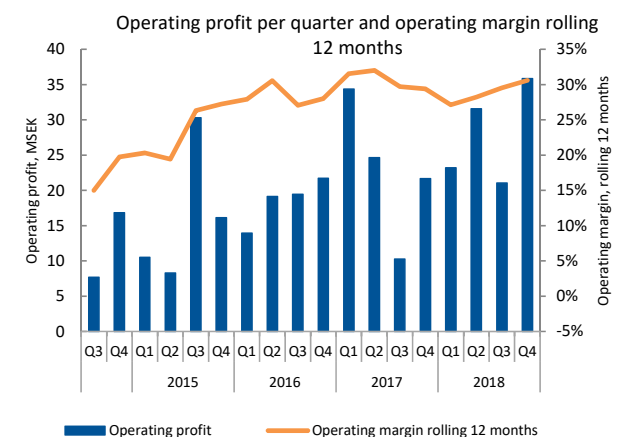
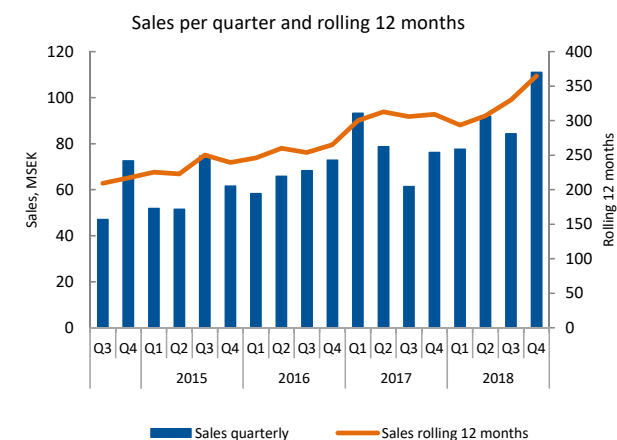
Net financial income

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 169.1 million (154.5).

Total cash flow for the quarter was SEK 4.3 million (25.5). The deterioration in cash flow is mainly driven by the company's high invoicing level in December, which led to increased trade receivables.



Development in geographical markets

Americas: SEK 57.6 million (38.6)

Sales in the Americas increased in the quarter by 49 per cent to SEK 57.6 million (38.6) compared with the same period in the previous year. Despite the fact that the North American market is well-penetrated, the company continues to report good growth. One of the reasons is that the age of the installed base increases replacement opportunities.

The organization for market support in the USA and Canada is systematically following the penetration strategy and addressing laboratories that have not yet converted to CellaVision's solution, in cooperation with the company's various distribution partners. During the quarter the percentage of analyzers delivered to Brazil increased and it is clear that the company's local presence in the country makes a difference.

The market in Mexico and other markets in South and Central America are in an early phase where the focus is on spreading the message and knowledge about digital morphology and its potential for attracting attention.

In Mexico CellaVision was present at the annual clinical pathology congress in Guadalajara and attracted great attention and interest among both end customers and distribution partners.

APAC: SEK 28.3 million (18.2)

Sales in APAC increased in the quarter by 56 per cent to SEK 28.3 million (18.2) compared with the same period in the previous year. It was above all sales in China that made a strong contribution.

During the quarter the "Morphology Class" seminar was held for the third year in a row in Xian, China with as many as 600 participants.

During the quarter the company established two market support organizations in South East Asia, based in Bangkok, Thailand and Mumbai, India. These establishments mean that it is now possible to take the first step in the penetration strategy, which includes spreading the message and knowledge about digital morphology and its potential for the company's target group.

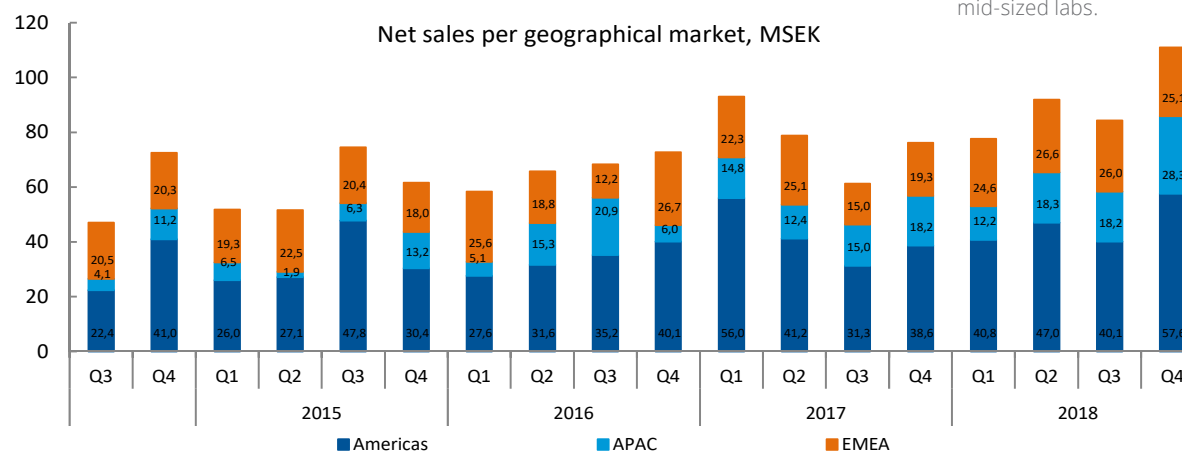
EMEA: SEK 25.1 million (19.3)

Sales in EMEA increased in the quarter by 30 per cent, to SEK 25.1 million (19.3) compared with the same period in the previous year. Western Europe in particular has contributed to growth in the region, but the Middle East also performed well in the last quarter of the year.

The company's consistent investment in local market support continues to give good results and CellaVision started establishment and recruitment in both Italy and the Iberian Peninsula, based in Madrid, during the quarter. The investment follows the same proven model as the successful penetration strategy the company has been carrying out for several years, both in the Americas and APAC.

The Leaders in Diagnostics 2018 event in London took place during the quarter and the company exhibited and met several decision-makers within the NHS in the United Kingdom.

During the quarter CellaVision conducted a Nordic User Symposium with about 140 participants at the company's premises in Lund. Several known international opinion formers gave lectures and the participants were given a preview of CellaVision's new product, the CellaVision® DC-1, which is aimed at small and mid-sized labs.



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 the clinical studies for the CellaVision® DC-1 were completed. The product was launched after the periods close in February 2019 at Medlab in Dubai and commercialization has now started.

During the quarter the company acquired a system for blood smears from the Swedish company Molek that it intends to develop further into a complementary solution for sample preparation. The value of the technology acquisition was SEK 0.9 million.

CellaVision works continually to develop its patent families and during the period CellaVision was awarded another new patent that describes an already patented improved presentation of red blood cells in two different views in the USA. 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 62 registered patents.

The Group continuously capitalizes expenditure on new development. Capitalized expenditure for development projects decreased during the quarter to SEK 4.4 million (7.6). Total research and development costs, before capitalization, amounted to SEK 16.4 million (13.6).

Staff

The number of employees of the Group, restated as full-time equivalents, was 117 (99) at the close of the quarter. Of these, 79 were men (67) and 38 women (32).

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, apart from income that is now reported in accordance with IFRS 15.

Dividend

CellaVision proposes to the Annual General Meeting a dividend of SEK 1.50 per share for 2019 (1.50). The company's dividend policy means that the dividend shall correspond to 30 to 50 percent of net earnings, but always take into account the Company's and the Group's financial position, capital structure, acquisition requirements and long-term financing requirements.

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 application of modified retroactive method. The conclusion of the study is that the implementation of the new standard does not have any significant effect on the Group's financial reports.

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. In the balance sheet a ROU asset and lease liability will be reported to the value of SEK 31.2 million. CellaVision will use the simplified transition method.

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 current assets/liabilities, on the Group's balance sheet. The value of CellaVision's derivatives was SEK -5.6 million (-0.2) at December 31, 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 stage one the corporate tax rate will be reduced from 22 per cent to 21.4 per cent for financial years starting on or after January 1, 2019. In stage two the corporate tax rate will be decreased to 20.6 per cent from the financial year starting on January 1, 2021.

The company has made an assessment of when temporary differences will be reversed and the effect on deferred tax liabilities and deferred tax assets. For the temporary differences that are expected to be reversed in 2019 and 2020 the company applies 21.4 percent, and for the others reversed or utilized from 2021 the company applies 20.6 percent. The effects of the new tax rates have meant a decrease in deferred tax liabilities in the Group of SEK 0.7 million and in the parent company the effect has been negligible.

Other information, continue

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.

Review

This report has not been reviewed by the company's auditors.

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. 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) Nicklas Hansen (appointed by William Demant Invest A / S),

Bo Lundgren (appointed by Swedbank Robur Funds) and Joel Eklund (appointed by Fosielund 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

Annual Report 2018

CellaVision's Annual Report for 2018 will be available on the Company's web page by the 17th of April 2019.

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 7 February 2019

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	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	110,965	76,130	364,812	309,312
Cost of goods sold	-29,010	-20,726	-93,946	-86,092
Gross profit	81,955	55,404	270,866	223,220
Sales and marketing expenses	-22,777	-18,344	-82,362	-69,977
Administration expenses	-11,370	-9,370	-37,644	-35,565
R&D expenses	-11,984	-6,014	-39,253	-26,786
Operating profit	35,824	21,676	111,607	90,892
Interest income and financial exchange rate gains	755	460	2,010	1,859
Interest expense and financial exchange rate losses	-600	-403	-1,520	-2,408
Profit/loss before tax	35,980	21,733	112,097	90,343
Tax	-6,432	-4,405	-23,408	-20,620
Profit/loss for the period	29,548	17,328	88,688	69,723
Other comprehensive income:				
Components not to be reclassified to net profit:	0	0	0	0
Components to be reclassified to net profit:				
<i>a) Financial assets at fair value</i>				
Reclassified to operating result	43	-261	-374	3,240
Revaluation of financial assets	2,477	-3,353	-4,947	-751
Income tax relating to financial assets	-588	794	1,137	-549
<i>b) Translation difference</i>				
Translation difference in the group	56	-107	797	-1,210
Sum of Components to be reclassified to net profit:	1,988	-2,927	-3,387	730
Sum of other comprehensive income:	1,988	-2,927	-3,387	730
Comprehensive result for the period	31,536	14,401	85,302	70,453

Per share data

Per share data	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Earnings per share, before and after dilution, SEK */	1.24	0.73	3.72	2.92
Equity per share, SEK	12.17	10.10	12.17	10.10
Number of shares outstanding	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
Stock exchange rate, SEK	191.50	143.75	191.50	143.75
Dividend per share	0.00	0.00	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	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Net sales	110,965	84,337	91,899	77,611	76,130	61,348
Gross profit	81,955	62,207	68,981	57,723	55,404	43,165
Gross margin in %	73.9	73.8	75.1	74.4	72.8	70.4
Expenses	-46,131	-41,182	-37,409	-34,537	-33,728	-32,918
Operating profit	35,824	21,024	31,572	23,186	21,676	10,247
Net profit	29,548	16,800	23,321	19,020	17,328	7,713
Cash flow	4,287	22,223	-9,660	-2,415	25,518	5,613

Consolidated Balance Sheet in Summary

All amount in ' 000 SEK	12/31/2018	12/31/2017
Assets		
Intangible assets	67,818	53,731
Tangible assets	6,815	4,814
Deferred tax assets	0	0
Financial assets	3,579	2,617
Inventory	34,454	28,754
Trade receivables	75,813	43,157
Other receivables	15,246	12,978
Cash and bank	169,057	154,546
Total assets	372,782	300,597
Equity and liabilities		
Equity	290,375	240,851
Deferred tax liability	8,059	6,219
Other provisions	2,458	2,401
Short term debt	43,385	28,208
Trade payables	26,753	21,490
Warranty provisions	1,752	1,428
Total equity and liabilities	372,782	300,597

Consolidated statements of changes in equity

All amount in ' 000 SEK	12/31/2018	12/31/2017
Balance at the beginning of the year	240,851	206,175
Dividend	-35,777	-35,777
Net profit for the year	88,688	69,723
Comprehensive result for the period	-3,387	730
Balance at the end of the year	290,375	240,851

Cash Flow Analysis in Summary

All amount in ' 000 SEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Result before taxes	35,980	21,733	112,097	90,343
Adjustment for items not included in cash flow	2,439	1,662	14,499	9,122
Taxes	778	-2,943	-16,075	-14,176
Cash flow from operations before changes in working capital	39,197	20,452	110,521	85,289
Changes in working capital	-26,442	8,423	-36,452	2,609
Cash flow from operations	12,754	28,875	74,069	87,898
Capitalisation of development costs	-5,247	-7,605	-19,319	-26,003
Aquisitions in financial non-current assets	-380	4,919	-962	-592
Aquisitions in tangible non-current assets	-2,841	-671	-3,576	-3,098
Cash flow from investment activities	-8,468	-3,357	-23,857	-29,693
New loans and instalments of dept	0	0	0	0
Dividend	0	0	-35,777	-35,777
Cash flow from financing activities	0	0	-35,777	-35,777
Total cash flow	4,287	25,518	14,434	22,428
Liquid funds at beginning of period	164,422	129,028	154,546	132,454
Exchange rate fluctuations in liquid funds	349	0	77	-336
Liquid funds at end of period	169,057	154,546	169,057	154,546

Income Statement - Parent Company

All amount in ' 000 SEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	108,929	73,515	358,349	302,975
Cost of goods sold	-40,851	-30,520	-118,335	-108,230
Gross profit	68,078	42,995	240,014	194,745
Sales and marketing expenses	-15,929	-12,071	-55,552	-41,730
Administration expenses	-11,299	-9,368	-37,573	-35,563
R&D expenses	-16,398	-13,619	-57,672	-52,789
Operating profit	24,451	7,937	89,217	64,663
Interest income and financial exchange gains	745	448	1,991	1,784
Interest expense and financial exchange losses	-584	-408	-1,485	-2,086
Profit before income tax	24,611	7,977	89,722	64,361
Taxes	-5,114	-1,841	-19,439	-14,245
Net profit	19,497	6,136	70,284	50,116

Statement of Comprehensive Income

All amount in ' 000 SEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net profit for the period	19,497	6,136	70,284	50,116
Other comprehensive income:	0	0	0	0
Sum of other comprehensive income:	0	0	0	0
Comprehensive profit for the period	19,497	6,136	70,284	50,116

Balance Sheet - Parent Company

All amount in ' 000 SEK	12/31/2018	12/31/2017
Assets		
Intangible assets	11,189	15,521
Tangible assets	6,310	4,006
Deferred tax assets	2,844	2,078
Financial assets	3,582	2,629
Inventory	28,848	23,862
Trade receivables	70,676	38,689
Receivables from group companies	5,067	6,918
Other receivables	12,960	12,152
Cash and bank	160,664	145,398
Total assets	302,140	251,253
Equity and liabilities		
Equity	226,255	191,748
Other provisions	2,458	2,401
Short term debt	32,386	22,466
Trade payables	26,161	20,904
Liabilities to group companies	13,129	12,306
Warranty provisions	1,752	1,428
Total equity and liabilities	302,140	251,253

Allocation of sales

All amount in ' 000 SEK	Oct-Dec 2018		Okt-Dec 2017	
	Instruments	Other	Instruments	Other
Americas	38,630	18,940	22,720	15,878
APAC	26,518	1,774	16,800	1,382
EMEA	18,110	6,993	13,700	5,650
Total	83,258	27,707	53,220	22,910

All amount in ' 000 SEK	Jan-Dec 2018		Jan-Dec 2017	
	Instruments	Other	Instruments	Other
Americas	123,410	62,102	100,583	66,694
APAC	70,473	6,579	55,106	5,167
EMEA	75,680	26,569	56,911	24,851
Total	269,563	95,250	212,600	96,712

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	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Profit/loss for the period	29,548	17,328	88,688	69,723
Number of shares	23,851,547	23,851,547	23,851,547	23,851,547
Net earnings per share	1.24	0.73	3.72	2.92

Equity per share

KSEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Equity	290,375	240,851	290,375	240,851
Number of shares	23,851,547	23,851,547	23,851,547	23,851,547
Equity per share	12.17	10.10	12.17	10.10

Equity-asset ratio

KSEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Equity	290,375	240,851	290,375	240,851
Balance sheet total	372,782	300,597	372,782	300,597
Equity ratio	77.9%	80.1%	77.9%	80.1%

Gross margin

KSEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	110,965	76,130	364,812	309,312
Gross profit	81,955	55,404	270,866	223,220
Gross margin	73.9%	72.8%	74.2%	72.2%

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

Operating margin

KSEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	110,965	76,130	364,812	309,312
Operating profit	35,824	21,676	111,607	90,892
Operating margin	32.3%	28.5%	30.6%	29.4%

EBITDA

KSEK	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating profit	35,824	21,676	111,607	90,892
Depreciation	1,485	2,192	6,807	8,450
EBITDA	37,309	23,868	118,414	99,342

Net sales

KSEK	Oct-Dec 2018 (%)	Oct-Dec 2018 MSEK	Oct-Dec 2017 (%)	Oct-Dec 2017 MSEK
Last period		76,130		72,761
Organic growth	44%	33,117	6%	4,002
Currency effect	2%	1,718	-1%	-633
Current period	46%	110,965	5%	76,130

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

CellaVision's analyzers are manufactured in Sweden by contract manufacturers. 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
≥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.

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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
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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