



Continuous expansion into new markets

High rate of innovation for continued digitization of healthcare

Interim report January-June 2017

Strong second quarter with growth and increased profitability

April 1–June 30, 2017

- Net sales increased by 20 % to SEK 78.7 million (65.7).
- Organic growth for the quarter was 16% (27).
- Operating profit increased by 29% to SEK 24.6 million (19.1).
- The operating margin was 31.3% (29.1).
- Pre-tax profit was SEK 24.2 million (21.0).
- Earnings per share was SEK 0.81 (0.71).
- Cash flow before dividend was SEK 11.2 million (13.7).

January 1– June 30, 2017

- Net sales increased by 39 % to SEK 171.8 million (124.0).
- Organic growth was 37 % (18).
- Operating profit increased by 78% to SEK 59.0 million (33.1).
- The operating margin was 34.3 % (26.7).
- Earnings per share was SEK 1.87 (1.12).
- Cash flow before dividend was SEK 26.7 million (26.8).

Net Sales, Q2
SEK 78,7 m (65.7)

Operating Profit, Q2
SEK 24.6 m (19.1)

Operating Margin, Q2
31.3 % (29.1)

Key Ratios

(MSEK)	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	78.7	65.7	171.8	124.0	265.0
Gross profit	56.6	47.4	124.7	88.3	188.9
EBITDA	26.7	21.2	63.1	37.1	82.4
Operating profit	24.6	19.1	59.0	33.1	74.2
Operating margin, %	31.3	29.1	34.3	26.7	28.0
Profit/loss before tax	24.2	21.0	58.7	35.2	75.8
Cash flow for the period	-24.6	-22.0	-9.0	-9.0	25.8

CEO's comments



Strong quarter with growth of 20 percent

CellaVision had a good second quarter in 2017, not least in view of the year's very strong first quarter. In the second quarter the Group's sales grew by 20 percent to SEK 78.7 million (65.7). Exchange rate impact was about four percent. The operating profit was SEK 24.6 million (19.1), corresponding to an operating margin of 31.3 percent (29.1). The performance is explained by CellaVision's indirect business model, which delivers rapidly growing profitability when sales volumes increase, in combination with sound cost control.

After two strong quarters in 2017 it is important to point out that we continue as before to expect that both sales and earnings may vary considerably between different quarters, both for individual regions and for the Group as a whole.

Market development

The year's second quarter was another strong quarter for the Americas. Sales grew by 30 percent to SEK 41.2 million (31.6). Development was good in both the USA and Canada, which are both mature markets where the majority of customers in the human healthcare market choose digital image analysis rather than traditional microscopy.

EMEA also reported a good second quarter, with sales amounting to SEK 25.1 million (18.8), corresponding to growth of 33 percent. The quarter's sound performance was mainly achieved through strong sales in Western Europe.

APAC also reported sound sales in the second quarter, amounting to SEK 12.4 million (15.3). Due to very strong comparative figures, growth for the quarter was negative, about 19 percent. It is worth noting that China again reported a strong quarter in terms of sales.

Geographical expansion

CellaVision is continuing its ambitious establishment of local organizations for market support in interesting markets. During the quarter new organizations were established in the German-speaking part of Europe and in Brazil. Through these establishments CellaVision now has a direct presence in eleven markets and is planning further establishments in the year's two last quarters. This is a key strategy for ensuring long-term global growth.

Veterinary market

CellaVision is continuing its long-term activities in the veterinary market. A distribution agreement was signed during the quarter with Sysmex in the Americas. The distribution agreement with Sysmex significantly strengthens CellaVision's presence, particularly in the North American veterinary market.

Innovation

Development of a new technology platform, aimed at broadening our offer to include small and mid-size laboratories in both human healthcare and the veterinary market, is going to plan. The project is now in an intensive phase with careful market preparations. The launch is planned for 2018 for markets that do not require FDA or equivalent certification based on clinical validation.

During the quarter CellaVision also filed a 510(k) submission for CellaVision® Advanced RBC Application to receive commercial approval in the USA. Advanced RBC Application, which is a software application that speeds up and simplifies the morphological assessment of red blood cells, has already been approved and successfully launched in CellaVision's other markets.

*Zlatko Rihter,
President and Chief Executive Officer*

The organic growth was 16%.

Operating profit increased by 29%.

America continues to develop strongly with sales growth of 30%.

Stable positive development in EMEA with growth in the quarter of 33%.

APAC's sales are mainly driven by sales in China.

CellaVision established local presence in the German-speaking part of Europe and in Brazil.

Sales, earnings and investment

April 1 - June 30

Net sales for the Group in the second quarter increased to SEK 78.7 million (65.7), an increase of 20 percent compared with the corresponding period in 2016. Growth was good, thanks to a strong sales trend in the Americas and EMEA.

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 currency effects of 4 percent, revenue increased by 16 percent compared with the corresponding quarter of 2016.

The gross margin was 72.0 percent (72.1) for the quarter. CellaVision often has major variations in gross margins between individual quarters, which is due to exchange rate fluctuations and product mix.

Total operating expenses in the fourth quarter were SEK 32.0 million (28.4). 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. Capitalized costs for development projects amounted to SEK 7.0 million (3.1) for the quarter.

Operating profit for the quarter was SEK 24.6 million (19.1), with an operating margin of 31.3 percent (29.1). The result improvement is a result of CellaVision's indirect business model that delivers rising profitability as sales volumes increase.

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 123.4 million (97.7).

The quarterly cash flow before dividend decreased to SEK 11.2 million (13.7). The decrease, despite increased profitability, is explained by increasing investments in the development of products for small and mid-sized laboratories.

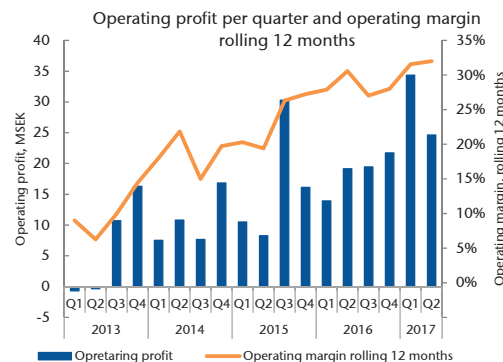
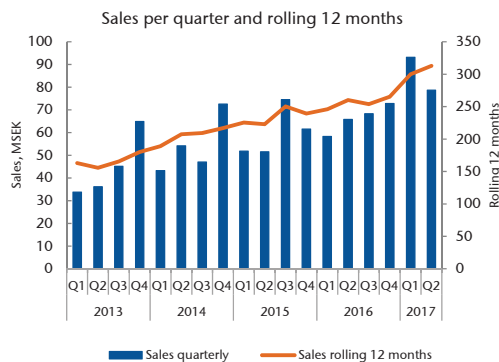
Total cash flow for the quarter amounted to MSEK -24.6 (-22.0). Total cash flow includes dividends to shareholders of SEK 35.8 million (35.8).

Net sales increased by 20% to MSEK 78.7 (65.7).

Adjusted for currency effects was the organic growth 16%.

Operating profit amounted to SEK 24.6 million (19.1).

Cash flow before dividend amounted to SEK 11.2 million (13.7).



Development in geographical markets

Americas SEK 41.2 million (31.6)

In the Americas sales increased in the quarter by 30 percent, to SEK 41.2 million (31.6). Growth is mainly from the USA and is solely related to the human healthcare market. The region continues to be successful in its penetration strategy and the replacement market is starting to pick up speed.

A new organization for market support was established in Brazil.

CellaVision also participated in a number of trade fairs and symposia in the USA and Canada, such as the hematology-focused ISLH International Symposium (International Society for Laboratory Hematology) that took place this year in Hawaii. Interest in CellaVision's solutions was great, not least from the customers from Asia.

During the quarter CellaVision also signed a distributor's agreement with Sysmex Americas for CellaVision's veterinary instruments.

EMEA SEK 25.1 million (18.8)

In EMEA sales increased in the quarter by 33 percent, to SEK 25.1 million (18.8), compared with the same quarter in the previous year. Western Europe was the main contributor to the growth of the region.

The company established local presence in the Middle East last year and the focus has been on creating customer insights for digital morphology during the year. During the quarter, the activities of the past year have resulted in CellaVision's first order from the region.

In France CellaVision's newly established organization took the next steps. The activity level is high and during the quarter CellaVision exhibited at the GFHC Congress (Groupe Francophone d'Hématologie Cellulaire) in Aix-en-Provence. GFHC is a association aimed at French hematologists, doctors, pharmacists, biologists active in hematology and more specifically in the field of morphology. The level of interest was high among existing users, as well as potential end customers and at the company's different distribution partners.

APAC SEK 12.4 million (15.3)

In APAC sales decreased by 19 percent to SEK 12.4 million (15.3) compared with the quarter in the previous year. China continues to report good sales, but South East Asia also contributed to the quarter's earnings, which were strong compared with other historical quarters.

During the quarter CellaVision carried out demonstrations of analyzers at end customers in the new markets of South Korea and Australia. In South Korea the company has been present for the past year and the market activities are going as planned. CellaVision's local presence in South Korea resulted in instrument sales during the quarter.

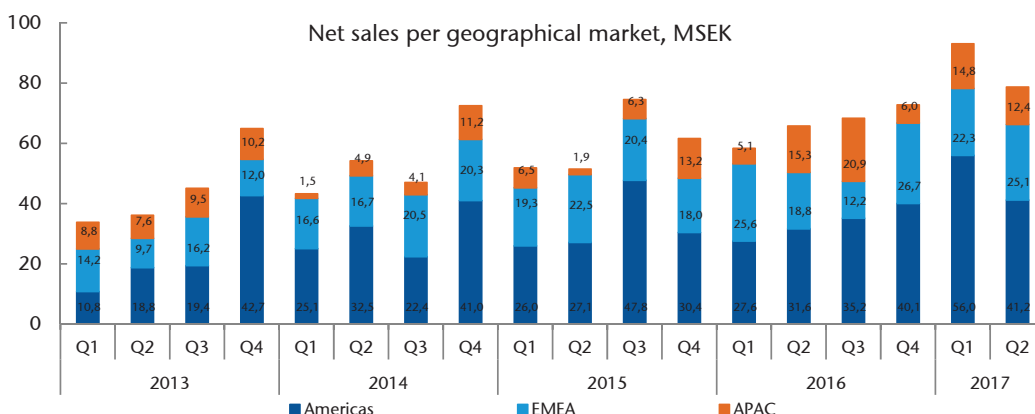
The company's strengthened organization in southern China is now fully operational and conducts meetings and training in the area. During the quarter CellaVision was a sponsor and exhibitor at the Indian Rim Pacific Congress in Singapore, attended by hematologists from all of Asia.

Americas increased sales by 30% to SEK 41.2 million (31.6).

Strong trend in EMEA with 33% growth to SEK 25.1 million (18.8).

China was the main driver in APAC during the quarter.

APAC delivered sales of SEK 12.4 million (15.3).



Other information

Innovation & Engineering

CellaVision is continually conducting a number of development projects, aimed at strengthening the offer to the company's customers in the field of hematology.

Major resources are still being invested in projects to develop a technology platform for small and mid-size laboratories. The work is going according to plan with the aim of launching in 2018.

The Group continuously capitalizes expenditure on new development. Capitalized cost for development projects was SEK 7.0 million (3.1) for the quarter. The development resources were mainly focused on the project to develop a product for small and medium-sized laboratories.

During the quarter CellaVision continued to conduct several patent cases regarding extended technical and geographical protection for already patented inventions. CellaVision's patent portfolio today consists of 23 patent families covering 55 registered patents. During the quarter, a patent family containing of three patents were expired. None of the patents affect CellaVision's current products and is historically also considered to be less important.

Personnel

The number of employees of the Group, restated as full-time equivalents, was 89 (78) at the close of the period. Of these, 61 were men (53) and 28 women (25).

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.

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.

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 net value of currency forwards is recorded as Other receivables on the Group's balance sheet. The net value of CellaVision's derivatives amounted to SEK 3.3 million (-2.1) at June 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.

Development resources were mainly focused on the project to develop a product for small and medium-sized laboratories.

Capitalized development costs were SEK 7.0 M (3.1) in the quarter.

Number of employees 89 (78)

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, July 18 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	78,686	65,723	171,834	123,973	265,038
Cost of goods sold	-22,039	-18,329	-47,183	-35,678	-76,102
Gross profit	56,647	47,394	124,651	88,295	188,936
Sales and marketing expenses	-17,023	-13,696	-34,751	-27,048	-56,859
Administration expenses	-8,632	-6,919	-17,549	-13,935	-28,670
R&D expenses	-6,365	-7,638	-13,382	-14,249	-29,239
Operating profit	24,627	19,141	58,969	33,063	74,168
Interest income and financial exchange rate gains	415	1,964	881	2,830	3,632
Interest expense and financial exchange rate losses	-889	-76	-1,168	-667	-2,025
Profit/loss before tax	24,153	21,029	58,682	35,226	75,775
Tax	-4,761	-4,126	-14,000	-8,411	-15,975
Profit/loss for the period	19,392	16,903	44,682	26,815	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	0	16	2,398	-233	-249
Revaluation of financial assets	3,502	-3,390	3,664	-2,084	-2,721
Income tax relating to financial assets	-771	740	-1,334	508	653
<i>b) Translation difference</i>					
Translation difference in the group	-431	-393	-903	-567	951
Sum of Components to be reclassified to net profit:	2,300	-3,027	3,825	-2,376	-1,366
Sum of other comprehensive income:	2,300	-3,027	3,825	-2,376	-1,366
Comprehensive result for the period	21,692	13,876	48,507	24,439	58,434

Per share data	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Earnings per share, SEK */	0.81	0.71	1.87	1.12	2.51
Equity per share, SEK	9.18	7.22	9.18	7.22	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	152.00	59.50	152.00	59.50	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	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net sales	78,686	93,148	72,761	68,304	65,723	58,250
Gross profit	56,647	68,004	52,773	47,868	47,394	40,901
Gross margin in %	72	73	73	70	72	70
Expenses	32,020	-33,662	-31,125	-28,411	-28,253	-26,979
Operating profit	24,627	34,342	21,648	19,457	19,141	13,922
Net profit	19,392	25,290	17,824	15,161	16,903	9,912
Cash flow	-24,607	15,568	27,405	7,365	-22,035	13,024

Consolidated Balance Sheet in Summary

All amount in ' 000 SEK	6/30/2017	6/30/2016	3/31/2017	12/31/2017
Assets				
Intangible assets	44,607	30,233	39,335	34,724
Tangible assets	4,859	2,702	4,236	3,270
Deferred tax assets	0	2,162	0	0
Financial assets	2,240	1,856	2,245	2,025
Inventory	31,868	30,937	31,462	36,275
Trade receivables	47,029	37,776	43,292	33,238
Other receivables	12,138	13,696	10,690	14,459
Cash and bank	123,415	97,684	148,022	132,454
Total assets	266,156	217,046	279,282	256,445
Equity and liabilities				
Equity	218,905	172,180	232,990	206,175
Short term debt	28,834	26,953	29,267	32,571
Short term debt with interest	0	0	0	0
Trade payables	16,938	16,698	15,588	16,451
Other liabilities	1,479	1,215	1,437	1,248
Total equity and liabilities	266,156	217,046	279,282	256,445

Consolidated statements of changes in equity

All amount in ' 000 SEK	6/30/2017	6/30/2016	3/31/2017	12/31/2017
Balance at the beginning of the year	232,990	194,081	206,175	183,518
Dividend	-35,777	-35,777	0	-35,777
Net profit for the year	19,392	16,903	25,290	59,800
Comprehensive result for the period	2,300	-3,027	1,525	-1,366
Balance at the end of the year	218,905	172,180	232,990	206,175

Cash Flow Analysis in Summary

All amount in ' 000 SEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Result before taxes	24,153	21,029	58,682	35,226	75,775
Adjustment for items not included in cash flow	2,008	-323	-590	-2,014	7,322
Taxes	-1,923	0	-4,326	0	-6,225
Cash flow from operations before changes in working capital	24,238	20,706	53,766	33,212	76,872
Changes in working capital	-2,926	-2,161	-7,327	-234	-305
Cash flow from operations	21,312	18,545	46,439	32,978	76,567
Capitalisation of development costs	-7,021	-3,108	-13,380	-4,287	-12,276
Acquisitions in financial non-current assets	-2,207	-1,191	-4,096	-1,334	-830
Acquisitions in tangible non-current assets	-914	-504	-2,200	-591	-1,925
Cash flow from investment activities	-10,142	-4,803	-19,676	-6,212	-15,031
New loans and instalments of dept	0	0	-25	0	0
Dividend	-35,777	-35,777	-35,777	-35,777	-35,777
Cash flow from financing activities	-35,777	-35,777	-35,802	-35,777	-35,777
Total cash flow	-24,607	-22,035	-9,039	-9,011	25,759
Liquid funds at beginning of period	148,022	119,719	132,454	106,695	106,695
Liquid funds at end of period	123,415	97,684	123,415	97,684	132,454

Income Statement - Parent Company

All amount in ' 000SEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	76,852	64,477	169,670	120,527	254,395
Cost of goods sold	-29,690	-24,417	-54,294	-41,036	-96,348
Gross profit	47,162	40,060	115,376	79,491	158,047
Sales and marketing expenses	-9,714	-7,596	-18,790	-13,961	-30,708
Administration expenses	-8,632	-6,919	-17,549	-13,935	-28,668
R&D expenses	-13,386	-10,746	-26,762	-18,466	-41,445
Operating profit	15,430	14,799	52,275	33,129	57,226
Interest income and financial exchange gains	400	1,948	808	2,801	3,594
Interest expense and financial exchange losses	-755	-57	-1,025	-635	-1,871
Impairment loss on intra-group receivables and shares in subsidiary	0	0	0	0	0
Profit before income tax	15,075	16,690	52,058	35,295	58,949
Taxes	-3,317	-3,441	-11,453	-7,534	-12,733
Net profit	11,758	13,249	40,605	27,761	46,216

Statement of Comprehensive Income

All amount in ' 000SEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net profit for the period	11,758	13,249	40,605	27,761	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	11,758	13,249	40,605	27,761	46,216

Balance Sheet - Parent Company

All amount in ' 000SEK	6/30/2017	6/30/2016	3/31/2017	12/31/2017
Assets				
Intangible assets	19,019	26,016	20,768	22,518
Tangible assets	3,744	1,349	3,067	2,047
Deferred tax assets	1,248	2,347	1,248	1,248
Financial assets	2,253	1,864	2,253	2,035
Inventory	27,648	27,007	27,260	32,167
Trade receivables	43,606	34,497	37,344	25,894
Receivables from group companies	10,246	2,409	7,683	5,693
Other receivables	11,068	11,506	9,374	12,914
Cash and bank	110,411	87,985	136,375	123,924
Total assets	229,243	194,980	245,372	228,440
Equity and liabilities				
Equity	182,237	158,954	206,257	177,410
Short term debt	22,210	18,507	20,199	22,241
Short term debt with interest	0	0	0	0
Trade payables	16,817	16,304	15,156	16,076
Liabilities to group companies	6,500	0	2,323	11,465
Other liabilities	1,479	1,215	1,437	1,248
Total equity and liabilities	229,243	194,980	245,372	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 measu-

res 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	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Profit/loss for the period	19,392	16,903	44,682	26,815	59,800
Number of shares	23,851,547	23,851,547	23,851,547	23,851,547	23,851,547
Net earnings per share	0.81	0.71	1.87	1.12	2.51

Equity per share

KSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Equity	218,905	172,180	218,905	172,180	206,175
Number of shares	23,851,547	23,851,547	23,851,547	23,851,547	23,851,547
Equity per share	9.18	7.22	9.18	7.22	8.64

Equity-asset ratio

KSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Equity	218,905	172,180	218,905	172,180	206,175
Balance sheet total	266,156	217,046	266,156	217,046	256,445
Equity ratio	82.2%	79.3%	82.2%	79.3%	80.4%

Gross margin

KSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	78,686	65,723	171,834	123,973	265,038
Gross profit	56,647	47,394	124,651	88,295	188,936
Gross margin	72.0%	72.1%	72.5%	71.2%	71.3%

Operating margin

KSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Net sales	78,686	65,723	171,834	123,973	265,038
Operating profit	24,627	19,141	58,969	33,063	74,168
Operating margin	31.3%	29.1%	34.3%	26.7%	28.0%

EBITDA

KSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Operating profit	24,627	19,141	58,969	33,063	74,168
Depreciation	2,043	2,030	4,109	4,028	8,261
EBITDA	26,670	21,171	63,078	37,091	82,429

Net sales

KSEK	Apr-Jun 2017	Apr-Jun 2017	Apr-Jun 2016	Apr-Jun 2016
Last period		65,723		51,486
Organic growth	16%	10,334	27%	13,723
Currency effect	4%	2,629	1%	515
Current period	20%	78,686	28%	65,723

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

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.

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.

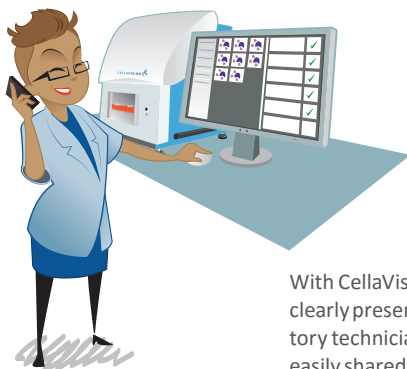
Distribution via suppliers of cell counters

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



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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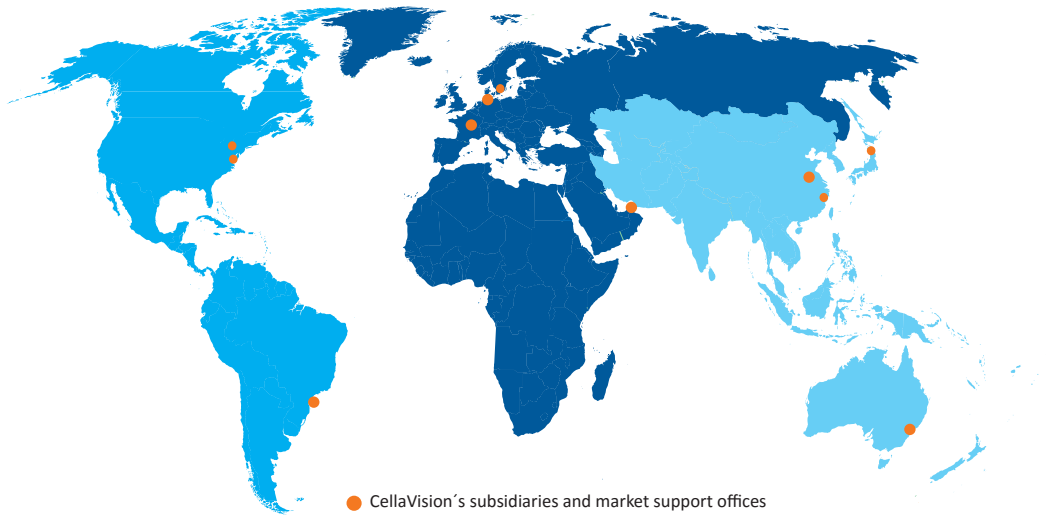
The information in this interim report is disclosed by CellaVision AB (publ) pursuant to the Securities Market Act and the Financial Instruments Trading Act. The information was released for public disclosure on July 18, 2017 at 08.20.

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

Activity	Date
Interim report Jan-Sept:	October 25
Year-end bulletin	February 9, 2018

CellaVision in the world



● CellaVision's subsidiaries and market support offices

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