

**Strong close to 2013**

**January 1 – December 31, 2013**

- Net sales increased by 6 % to 179.9 million (169.5).
- Operating profit increased by 25 % to SEK 25.9 million (20.7).
- Profit before tax increased to SEK 24.7 million (18.6).
- Earnings per share increased to SEK 0.79 (0.27)
- Cash and cash equivalents increased to SEK 57.9 million (46.2) at the end of the year.
- More sales channels in EMEA through agreements with Beckman Coulter and Abbott.
- A new product, DI-60, that has been integrated in our partner Sysmex automated line for blood analysis, made a positive contribution to sales in Q3 and Q4.
- Increased initiatives in China generated strong sales growth.
- The Board of Directors proposes an increased dividend to SEK 0.50 (0.40) per share for 2013.

Net sales

**+ 6 %**

Operating profit

**SEK 25.9 million**

Operating margin

**14.4 %**

**October 1 – December 31, 2013**

- Net sales increased by 29 % to SEK 64.9 million (50.4).
- Operating profit increased to SEK 16.3 million (6.8).
- Profit before tax increased to SEK 16.2 million (6.1).
- Earnings per share increased to SEK 0.54 (-0.13).
- Strong sales growth in North America.
- Continued sales growth in the Asia Pacific region.

Net sales (Q4)

**+ 29 %**

Operating profit (Q4)

**SEK 16.3 million**

**Comments by CellaVision's CEO Yvonne Mårtensson:**

"After an excellent finish to 2013 we achieved six per cent sales growth and an operating margin of more than 14 per cent for the full year, despite a weak first half year.

The historically strong fourth quarter exceeded our expectations with growth of 29 per cent compared with the same period in the previous year. The sales growth and the strong result can be explained by business brought forward from Q1 2014, our hard work during the year to support our partners in sales processes, and sound cost control at all stages. With an operating margin of more than 14 per cent for the full year, we are approaching our target of 15 per cent, while there is some way to go before we achieve the average sales growth target of 15 per cent per year.

Initiatives in Asia and the Pacific region have turned out well and sales in the region have almost trebled compared with the previous year. Sales in EMEA and North America recovered in the second half of the year, but were down six and ten per cent respectively for the full year. It is gratifying that the integrated CellaVision and Sysmex product, DI-60, was well received and has now generated sales from all three geographical markets.

In October a term sheet was signed with the Chinese distributor Mindray and an agreement is under discussion. In the year's closing quarter we also had the honor of receiving two Swedish industry awards; the LabTech Award and the PhotonicSweden Award. This is important confirmation of our competence in product development and successful global commercialization of our product idea.

We continue to strengthen our market position with our unique concept that replaces manual microscopes and improves the process of blood analysis. During the year we extended our global partnerships and the work of making CellaVision the natural choice for large laboratories is continuing. Interest in our concept is increasing and we have confidence in our ability to utilize the great potential for further market penetration that exists."

*Strong second half of the year*

### Key ratios

(SEK million)	Oct-Dec 2013	Oct-Dec 2012	Full year 2013	Full year 2012
Net sales	64.9	50.4	179.9	169.5
Gross profit or loss	39.8	31.7	112.6	110.1
Operating profit	16.3	6.8	25.9	20.7
Operating margin, %	25.1	13.5	14.4	12.2
Profit/loss before tax	16.2	6.1	24.7	18.6
Return on operating capital %	–	–	45	46
Cash flow for the period	15.3	-6.4	11.6	-10.6

### Sales, earnings and investment

#### January 1 – December 31, 2012

Net sales for the Group rose during 2013 to SEK 179.9 million (169.5), an increase of 6 % compared with the previous year. The gross margin for the year was 63 % (65). The cost of goods sold includes amortization of intangible assets of SEK 7.9 million (6.4).

The Group's operating profit for the year rose to SEK 25.9 million (20.7), an increase of 25 %. Total operating expenses for the year decreased to SEK 86.7 million (89.4).

Capitalized expenditure for development projects during the year was SEK 10.2 million (9.3).

Investments in property, plant and equipment during the year amounted to SEK 1.6 million (1.9).

#### October 1 – December 31

Net sales for the Group in the fourth quarter of 2013 were SEK 64.9 million (50.4), an increase of 29 per cent compared with the same period in 2012.

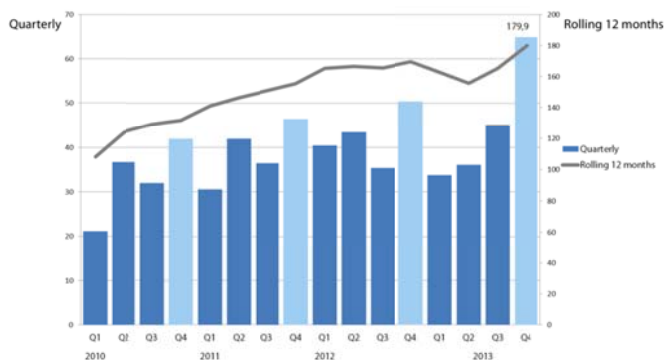
The gross margin for the quarter was 61 % (63). CellaVision usually has large gross margin variations from quarter to quarter. This is dependent on the share of sales via distributors or via CellaVision's own sales companies, the product mix and exchange rates.

The Group's operating profit for the fourth quarter increased to SEK 16.3 million (6.8), a result of increased sales and sound cost control. Total operating expenses for the quarter decreased to SEK 23.5 million (24.9).

CellaVision is conducting several development projects, aimed at strengthening the product portfolio in relation to customers in the field of hematology. Capitalized expenditure for development projects was SEK 2.9 million (2.7) for the quarter.

Investments in property, plant and equipment during the quarter amounted to SEK 0.5 million (0.7).

#### Sales per quarter and rolling 12 months (SEK million)



Net sales  
**SEK 179.9 million**

Net sales  
**SEK 64.9 million**

## Development in geographical markets

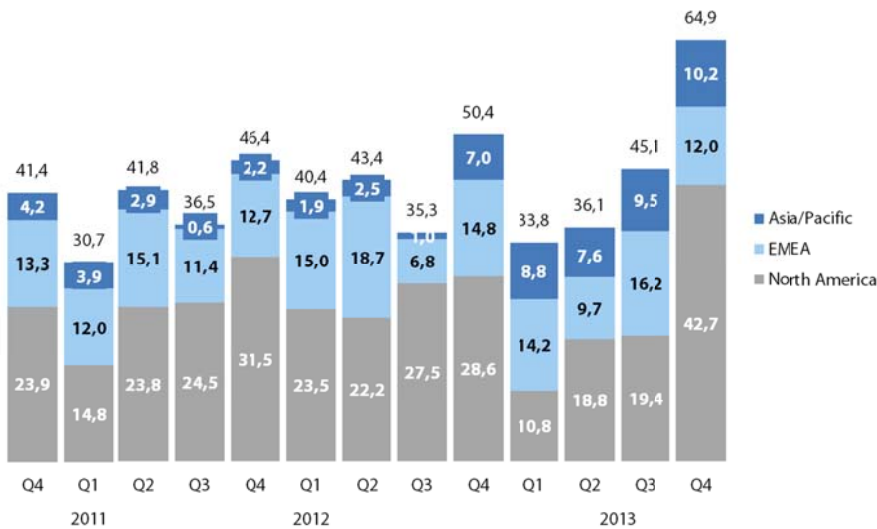
In 2013 North America accounted for the largest percentage of sales, 51 % (60), Europe accounted for 29 % (33), and Asia and the Pacific region for 20 % (7). During the year the Asia Pacific region reported stable sales growth, while North America and Europe had an unevenly distributed flow of orders. Increased efforts in China have resulted in more sales via the region's distributors and in Japan sales development was positive, mainly due to the new DI-60 product.

After a subdued start to the year, business in North America was strong in the fourth quarter and accounted for 66 % (57) of sales. Europe accounted for 18 % (29) and Asia and the Pacific region for 16 % (14) of sales.

Sales in international markets are mainly in USD and EUR, which means that the company's sales and results are impacted by changes in these currencies. The company hedges 50-75 per cent of planned currency flows to compensate for any foreign exchange fluctuations.

Like others in the medical devices industry selling capital equipment, CellaVision's inflow of orders is unevenly distributed over the year, depending on distributors' sales, inventory levels and contracted volumes. Consequently, the variation in order volume in individual quarters may be great in the different geographical markets.

### Net sales per geographical market, SEK million



### North America

In the fourth quarter market conditions in the USA improved and sales grew to 42.7, an increase of almost 50 % compared with 2012. In local currencies the increase was 53 %. The growth is partly attributable to sales of the new integrated DI-60 product in the USA.

For the full year 2013 sales in the region were SEK 91.7 million (101.8), a decrease of 10 %. In local currencies the decrease was 8 %.

CellaVision is experiencing a boost in the American market but has not yet seen a definite trend improvement. When uncertainties as to the effects of the on-going health care reform and financial austerity have subsided in the USA, the region should again have good prospects of stable development.

Interest in CellaVision's digital solutions for blood analysis is great among the North American laboratories and the company is continuing its close partner cooperation to increase market penetration. The new integrated product, DI-60, has had a good sales start through our partner Sysmex which is expected to further strengthen interest in digital image analysis.

*Strong fourth quarter in the US*

CellaVision's new web-based quality assurance software, CellaVision® Proficiency Software, also fills an important function in marketing CellaVision's digital solutions.

In the USA CellaVision collaborates with the four most prominent distributors of hematology analyzers. Together with Sysmex, Beckman Coulter and Siemens and support from our own company CellaVision Inc., CellaVision is highly visible in the market. By means of a co-marketing agreement, the company also works closely with the fourth largest player, Abbott.

In Canada, where CellaVision sells directly via its own organization, sales have been subdued during the year due to uncertainty about economic developments. Many investment decisions have been slowed down in 2010-2013, due to appreciable caution in Canadian health care funding.

As of January 1, 2014 direct sales in Canada will be supplemented by co-marketing agreements with Beckman Coulter. At the same time product registration of the DI-60 was completed with sales through Sysmex. All in all this will increase the market penetration of CellaVision's products in Canada.

### **Europe, the Middle East and Africa (EMEA)**

In 2013 sales in the region were just under the 2012 level in both SEK and local currencies. Sales were SEK 52.1 million (55.3), a decrease of 6 %.

In the fourth quarter sales in the region were SEK 12.0 million (14.8), a decrease of 19 % in both SEK and local currencies.

During the year investments in medical devices were affected by the generally tough economic climate in Europe and uncertainty about health care budgets and investment decisions. The weak economic situation was partly compensated by our partners' efforts in the region and Sysmex' market introduction of the new integrated DI-60 analyzer, which was particularly clear in the third quarter.

In Europe CellaVision's products are sold largely via procurements in which laboratories increasingly require that purchases of hematology analyzers and equipment for image analysis are made via one and the same supplier. In 2013 CellaVision increased its ability to offer its products in competitive tenders by signing agreements with another three distribution partners. CellaVision now sells its products in EMEA via the four most prominent suppliers of cell counters: Sysmex, Siemens, Beckman Coulter and Abbott.

A significant sale during the year was the license order for new CellaVision Proficiency Software to the quality organization Equalis. During the year the product was introduced into the organization's quality assurance program targeting all Sweden's hospital laboratories in Clinical Chemistry.

### **The Asia Pacific region**

During the year sales almost tripled in both SEK and local currencies. Sales were SEK 36.1 million (12.4).

Sales increased in the fourth quarter to SEK 10.2 million (7.0), an increase of more than 45 % in both SEK and local currencies. Growth is attributed to analyzer sales in China and Japan, which are CellaVision's priority markets in the region. CellaVision assesses that in the long term, above all these markets and countries in South East Asia have the potential for strong growth.

In China CellaVision's solution will be marketed to training and research hospitals with more than 500 beds. CellaVision's main focus is to support the work of the three distributors, Sysmex, Beckman Coulter and Vastec, in building awareness and acceptance for the company's products in the Chinese market. Determined market penetration has resulted in many sales during the year.

To increase market exposure of the company's products in China and other growth markets, CellaVision is currently evaluating the Chinese company Mindray as a potential distribution partner. Early in the fourth quarter a term sheet was signed between the companies.

*Strong sales channels and the new DI-60 partly compensated for the weak economic situation*

*Increased sales in China and Japan*

Sales of CellaVision's products have increased on the Japanese market and the company sees a potential in the DI-60 that is integrated into the Sysmex automated product line. The first major orders were delivered to Japan in the second half of the year. In parallel with Sysmex, CellaVision's own sales organization is continuing to address the market and increase interest in CellaVision's product offer, for example through presentations together with important opinion-formers.

## Research and development

CellaVision is conducting several development projects, aimed at strengthening the product portfolio in relation to customers in the sub-field of hematology.

At the start of the year CellaVision® Proficiency Software was introduced, a product for internal and external quality assurance of laboratory analyses. The product's target group is external quality bodies, training units and hospital laboratories. With the product bioanalysts can train and test their knowledge of assessing abnormal blood cells and gain access to valuable statistics. The program is web-based, which means it can be run from any computer at all without downloading software.

In July the new DI-60 was completed, which was developed for and together with our partner Sysmex. The product is adapted to the needs of large laboratories for an effective and standardized analysis process. By integrating CellaVision's image analysis technology with the Sysmex cell counter and sample preparation module, customers can be offered an automated product line without manual handling of samples during the analysis process. It was developed on CellaVision's latest hardware platform.

During the year new software was also being developed for more advanced analysis of red blood cells, to be launched in 2014.

CellaVision continuously capitalizes expenditure on new development. Capitalized expenditure for development projects during the year was SEK 10.2 million (9.3).

## Financing

The funds at the Group's disposal at the close of the year amounted to SEK 62.9 million (51.2), of which SEK 57.9 million (46.2) was cash and cash equivalents and SEK 5.0 million unutilized credit.

The year's cash flow from operating activities was SEK 27.3 million (11.5). Cash flow from operating activities for the fourth quarter was SEK 14.3 million (-1.8).

The total cash flow for the year was SEK 11.6 million (-10.6). The improvement on the previous year is mainly due to a strong operating profit and new loans. The cash flow includes the dividend of SEK 9.5 million distributed by the company in the second quarter.

## Parent company

Parent company sales during the year were SEK 166.8 million (161.9). The result before tax was SEK 2.2 million (15.5). Parent company sales for the fourth quarter amounted to SEK 61.4 million (51.6). The result before tax for the quarter was SEK -4.7 million (4.7). The parent company has recognized an impairment loss on receivables and shares in the Japanese subsidiary of SEK 14.5 million. The impairment loss is due to adapting the business model in Japan to the company's sales taking place to a greater extent via partners instead of directly through the subsidiary. This means that invoicing and business flows go via the parent company.

The parent company's investments in property, plant and equipment and intangible assets during the year amounted to SEK 10.8 million (10.7) and the cash flow was SEK 8.5 million (-6.6).

In other respects please refer to the information for the Group.

*Extended product portfolio*

*Unappropriated funds*

**SEK 62.9 million**

*Cash flow*

*for the year*

**SEK 11.6 million**

## Personnel

The number of employees of the Group, restated as full-time positions, was 69 (65) at the year-end. Of these, 41 (37) were men and 28 (27) women.

*Number of employees*

At the beginning of the year the management team was augmented with Karin Dahllöf as VP Sales and Marketing and Maria Morin as VP Human Resources. During the year Magnus Blixt was appointed as the company's Chief Financial Officer and Göran Granqvist as VP Quality with responsibility for the Group's quality strategies and regulatory work.

## Significant events after year-end

There are no significant events to report.

## Other information

### Group

On December 31, 2013 the Group consisted of the parent company and the wholly-owned subsidiaries CellaVision Inc. (USA), CellaVision Canada Inc. (Canada), CellaVision Japan K.K. (Japan) and CellaVision International AB.

### Dividend

The Board of Directors proposes to the Annual General Meeting an increased dividend to SEK 0.50 (0.40) per share for 2013.

CellaVision has decided not to announce a dividend policy for coming years since the company is undergoing strong growth and still requires operational investments. A decision on share dividend will instead be made from year to year, based on the company's development and capital requirements for financing the company's intended growth.

## Accounting policies

The consolidated accounts are prepared in accordance with International Financial Reporting Standards, IFRS. The interim report for the Group was prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and in accordance with the Stockholm Stock Exchange rules and regulations for companies listed on NASDAQ OMX Stockholm. The interim report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities. The interim report has been prepared in accordance with the accounting policies and valuation methods presented in the Annual Report for 2012, with the exception of the changes presented below.

### *IFRS 13 Fair value measurement*

The new International Financial Reporting Standard IFRS 13 applies to fair value measurement of both financial and non-financial items and replaces previous guidance contained in individual standards referring to fair value measurement. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the "exit price"). IFRS 13 has been applied prospectively from January 1, 2013. The application of IFRS 13 has not had any impact on the Group's results and financial position regarding the valuation of the Group's financial instruments.

IFRS 13 requires that several quantitative and qualitative disclosures should be presented in the financial statements in respect of fair value. As a result of these disclosure requirements in IFRS 13, IAS 34 Interim Financial Reporting was also updated.

### *IAS 1 Presentation of financial statements*

As of 2013, an amendment to IAS 1 has been introduced which involves regrouping items presented in other comprehensive income into items that will be reclassified to profit or loss



and items that will not be reclassified to profit or loss. CellaVision's application of the amendments to IAS 1 is presented in the Group statement of comprehensive income.

Other new standards and interpretations that came into force on January 1, 2013 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 valued on the basis of observable information referring to exchange rates on the balance sheet date and market rates for remaining maturities. The value of CellaVision's derivatives is SEK -0.2 million at December 31, 2013.

The carrying amount of financial instruments measured at amortized cost is consistent with fair value at December 31, 2013.

#### **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.

#### **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 and sensitivity analysis in the Annual Report for 2012.

#### **Review**

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

#### **Related party transactions**

In 2013 CellaVision had transactions with member of the Board Sven-Åke Henningson, who was the company's acting Chief Financial Officer on a consultant basis from September 2012 to May 2013. The transactions are priced on market terms and have not had any material impact on the company's financial position and performance. The transactions amounted to SEK 0.07 million. No other related party transactions have taken place with any legal or natural person.

#### **The Nomination Committee for the Annual General Meeting in 2014**

In accordance with a resolution of the 2013 Annual General Meeting the Nomination Committee shall consist of the Chairman of the Board and one representative of each of the four largest shareholders in terms of voting rights at the end of September 2013. For the 2014 Annual General Meeting the Nomination Committee consists of Lennart Hansson, Chairman (Stiftelsen Industrifonden), Aleksandar Zuza (Metallica Förvaltnings AB), Christer Fåhraeus (Christer Fåhraeus and companies), Caroline af Ugglas (Skandia) and Chairman of the Board Lars Gatenbeck.

Shareholders wishing to submit proposals to the Nomination Committee can send an email to [ir@cellavision.com](mailto:ir@cellavision.com), or to: The Nomination Committee, CellaVision AB, Ideon Science Park, SE 223 70 Lund

#### **Annual General Meeting 2014**

CellaVision's Annual General Meeting in 2014 will be held on May 7, 2014 at 16.00 at CellaVision AB, Scheelevägen 19 A, Ideon, in Lund, Sweden.

Shareholders wishing to have matters considered at the Annual General Meeting can send a written request by email to [bolagsstamma@cellavision.se](mailto:bolagsstamma@cellavision.se) or ordinary mail to: The Board of

Directors, CellaVision AB, Ideon Science Park, SE 223 70 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.

**Financial calendar**

Interim Report January - March:	May 6, 2014
Annual General Meeting 2014:	May 7, 2014
Interim report January – July:	July 18, 2014
Interim report January – September:	November 5, 2014
Year-end bulletin 2014:	February 12, 2015

The interim reports are available at [www.cellavision.com](http://www.cellavision.com). The annual report for 2013 will be available on CellaVision’s website in Week 16.

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, February 13, 2014

Lars Gatenbeck  
*Chairman of the Board*

Christer Fåhraeus  
*Member of the Board*

Sven-Åke Henningsson  
*Member of the Board*

Lars Henriksson  
*Member of the Board*

Roger Johanson  
*Member of the Board*

Torbjörn Kronander  
*Member of the Board*

Anna Malm Bernsten  
*Member of the Board*

Yvonne Mårtensson  
*President/CEO*

**Questions concerning the report can be addressed to:**

Yvonne Mårtensson, President/CEO, CellaVision AB  
Tel: +46 708 33 77 82. Email: [yvonne.martensson@cellavision.se](mailto:yvonne.martensson@cellavision.se)

Magnus Blixt, CFO, CellaVision AB  
Tel: +46 708 33 81 68. Email: [magnus.blixt@cellavision.se](mailto:magnus.blixt@cellavision.se)

**Publication**

The information in this interim report is disclosed by CellaVision AB (publ) pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was released for public disclosure on February 13, 2014 at 8.20.

**Address**

CellaVision AB, Ideon Science Park, SE 223 70 LUND, Corporate identity number: 556500-0998  
Web: [www.cellavision.com](http://www.cellavision.com) Blog: <http://blog.cellavision.com> App: CellAtlas

CellaVision is listed on the NASDAQ OMX Stockholm, Small Cap list. Ticker symbol CEVI and ISIN code SE0000683484.



**Consolidated Income Statement in Summary**

All amount in ' 000 SEK	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Net sales	64 885	50 405	179 851	169 512
Cost of goods sold	-25 100	-18 709	-67 225	-59 456
<b>Gross profit</b>	<b>39 785</b>	<b>31 696</b>	<b>112 626</b>	<b>110 056</b>
Sales and marketing expenses	-10 018	-11 531	-39 344	-38 859
Administration expenses	-8 153	-7 459	-26 653	-29 060
R&D expenses	-5 317	-5 892	-20 683	-21 435
<b>Operating result</b>	<b>16 297</b>	<b>6 814</b>	<b>25 946</b>	<b>20 702</b>
Interest income and financial exchange rate gains	221	53	594	225
Interest expense and financial exchange rate losses	-271	-736	-1 850	-2 376
<b>Result before income tax</b>	<b>16 247</b>	<b>6 131</b>	<b>24 690</b>	<b>18 551</b>
Tax	-3 416	-9 325	-5 758	-12 100
<b>Net result</b>	<b>12 831</b>	<b>-3 194</b>	<b>18 932</b>	<b>6 451</b>
<b>Other comprehensive income:</b>				
Components not to be reclassified to net profit:	-	-	-	-
Components to be reclassified to net profit:				
<u>a) Financial assets at fair value</u>				
Reclassified to operating result	-75	-26	-2 493	99
Revaluation of financial assets	-414	-1 509	-204	2 342
Income tax relating to financial assets	91	509	560	-537
<u>b) Translation difference</u>				
Translation difference in the group	123	112	350	31
Sum of Components to be reclassified to net profit:	-275	-914	-1 787	1 935
Sum of other comprehensive income:	-275	-914	-1 787	1 935
<b>Comprehensive result for the period</b>	<b>12 556</b>	<b>-4 108</b>	<b>17 145</b>	<b>8 386</b>
<b>Per share data</b>				
	<b>Okt-Dec 2013</b>	<b>Okt-Dec 2012</b>	<b>Jan-Dec 2013</b>	<b>Jan-Dec 2012</b>
Earnings per share, SEK */	0,54	-0,13	0,79	0,27
Equity per share, SEK	5,56	5,24	5,56	5,24
Equity ratio, %	70%	70%	70%	70%
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	15,40	14,70	15,40	14,70

\*/ In relation to net profit and average outstanding shares

**Quarterly Results**

All amount in ' 000 SEK	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net sales	64 885	45 076	36 095	33 795	50 405	35 332
Gross profit	39 785	27 465	23 398	21 978	31 696	22 591
Gross margin in %	61	61	65	65	63	64
Overhead cost	-23 488	-16 774	-23 755	-22 663	-24 882	-18 609
Operating result	16 297	10 691	-357	-685	6 814	3 982
Net result	12 831	7 913	-314	-1 498	-3 194	3 892
Cashflow	15 257	1 513	-11 420	6 296	-6 389	5 150

## Consolidated Balance Sheet in Summary

All amount in ' 000 SEK	2013-12-31	2012-12-31
<b>Assets</b>		
Intangible assets	26 466	24 152
Tangible assets	3 195	2 693
Deferred tax	33 078	37 994
Financial assets	83	91
Inventory	16 797	16 356
Trade receivables	43 338	40 632
Other receivables	7 734	10 402
Cash and bank	57 882	46 236
<b>Total assets</b>	<b>188 573</b>	<b>178 556</b>
<b>Equity and liabilities</b>		
Equity	132 516	124 912
Short term debt	22 990	20 802
Short term debt with interest	19 978	14 272
Trade payables	10 641	16 458
Other liabilities	2 448	2 112
<b>Total equity and liabilities</b>	<b>188 573</b>	<b>178 556</b>

## Consolidated statement of changes in equity

All amount in ' 000 SEK	2013-12-31	2012-12-31
Balance at the beginning of the year	124 912	126 067
Dividend	-9 541	-9 541
Net profit for the year	18 932	6 451
Comprehensive result for the period	-1 787	1 935
<b>Balance at the end of the year</b>	<b>132 516</b>	<b>124 912</b>

## Cash Flow Analysis in Summary in Summary

All amount in ' 000 SEK	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
<b>Result before taxes</b>	16 247	6 131	24 690	18 551
Adjustment for items not included in cash flow	10 051	3 532	13 309	7 668
Taxes	-842	-790	-842	-790
<b>Cash flow from operations before changes in working capital</b>	<b>25 456</b>	<b>8 873</b>	<b>37 157</b>	<b>25 429</b>
Changes in working capital	-11 140	-10 715	-9 885	-13 936
<b>Cash flow from operations</b>	<b>14 316</b>	<b>-1 842</b>	<b>27 272</b>	<b>11 493</b>
Capitalisation of development costs	-2 937	-2 724	-10 196	-9 256
Aquisitions in financial non-current assets	-5	10	0	23
Aquisitions in tangible non-current assets	-543	-703	-1 597	-1 854
<b>Cash flow from investment activities</b>	<b>-3 485</b>	<b>-3 417</b>	<b>-11 793</b>	<b>-11 087</b>
New loans and instalments of dept	4 426	-1 130	5 708	-1 447
Dividend	0	-	-9 541	-9 541
<b>Cash flow from financing activities</b>	<b>4 426</b>	<b>-1 130</b>	<b>-3 833</b>	<b>-10 988</b>
<b>Total cash flow</b>	<b>15 257</b>	<b>-6 389</b>	<b>11 646</b>	<b>-10 582</b>
Liquid funds at beginning of period	42 625	52 625	46 236	56 818
Liquid funds at end of period	57 882	46 236	57 882	46 236

**Income Statement - Parent Company**

All amount in ' 000 SEK	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Net sales	61 415	51 561	166 757	161 949
Cost of goods sold	-33 289	-27 593	-83 619	-78 322
<b>Gross profit</b>	<b>28 126</b>	<b>23 968</b>	<b>83 138</b>	<b>83 627</b>
Sales and marketing expenses	-5 786	-5 234	-18 293	-15 705
Administration expenses	-4 350	-7 459	-23 923	-29 060
R&D expenses	-8 000	-5 892	-22 766	-21 435
<b>Operating result</b>	<b>9 990</b>	<b>5 383</b>	<b>18 156</b>	<b>17 427</b>
Interest income and financial exchange rate gains	46	52	225	217
Interest expense and financial exchange rate losses	-212	-753	-1 684	-2 106
Write-down of receivables and shares in group companies	-14 546	-	-14 546	-
<b>Result before income tax</b>	<b>-4 722</b>	<b>4 682</b>	<b>2 151</b>	<b>15 538</b>
Tax	-2 616	-8 553	-4 128	-11 408
<b>Net result</b>	<b>-7 338</b>	<b>-3 871</b>	<b>-1 977</b>	<b>4 130</b>

**Statement of Comprehensive Income**

All amount in ' 000 SEK	Oct-Dec 2013	Oct-Dec 2012	Jan-Dec 2013	Jan-Dec 2012
Net result for the period	-7 338	-3 871	-1 977	4 130
Other comprehensive income:	-	-	-	-
Sum of other comprehensive income:	0	0	0	0
<b>Comprehensive result for the period</b>	<b>-7 338</b>	<b>-3 871</b>	<b>-1 977</b>	<b>4 130</b>

**Balance Sheet - Parent Company**

All amount in ' 000 SEK	2013-12-31	2012-12-31
<b>Assets</b>		
Intangible assets	26 466	24 152
Tangible assets	1 685	2 126
Deferred tax	32 963	37 092
Financial assets	106	9 852
Inventory	14 370	12 286
Trade receivables	39 593	31 840
Receivables from group companies	5 356	12 642
Other receivables	7 186	7 762
Cash and bank	50 785	42 301
<b>Total assets</b>	<b>178 510</b>	<b>180 053</b>
<b>Equity and liabilities</b>		
Equity	119 892	131 410
Short term debt	17 876	16 086
Short term debt with interest	19 978	14 272
Liabilities to group companies	7 905	-
Trade payables	10 412	16 173
Other liabilities	2 447	2 112
<b>Total equity and liabilities</b>	<b>178 510</b>	<b>180 053</b>

## This is CellaVision

CellaVision's customers are large and mid-sized hospital laboratories and commercial laboratories, mainly in Europe and North America. In most countries sales are via the hematology companies Sysmex and Beckman Coulter, and from 2013 also Siemens and Abbott. Products are sold directly in the Nordic countries and via subsidiaries in the US, Canada and Japan.

CellaVision's analyzers rationalize manual laboratory work and secure and support effective work flows and competency development within and between hospitals. In 2013 sales were SEK 179.9 million, corresponding to an increase of 6%. The target is for sales to continue to increase by at least 15% annually over an economic cycle.

### The products replace manual microscopy in laboratories for blood analyses

After taking the sample, most blood tests are first analyzed using cell counters. If the sample shows signs of disease it is examined further to enable it to be used as a basis for diagnosis. This analysis is carried out automatically by CellaVision's analyzer. Without CellaVision's analyzer it must be done manually in a microscope.

### What is driving growth?

The demand for CellaVision's products is strong and is due to increased efficiency and quality assurance requirements in the healthcare market, particularly in Europe and North America. Growing staff shortages in laboratory operations make CellaVision's automated products a highly interesting solution. The trend is for more hospitals to join together and collaborate in county council or hospital groups and seek tools to help them work more effectively and coordinate geographically spread services.

### Five foundations for growth

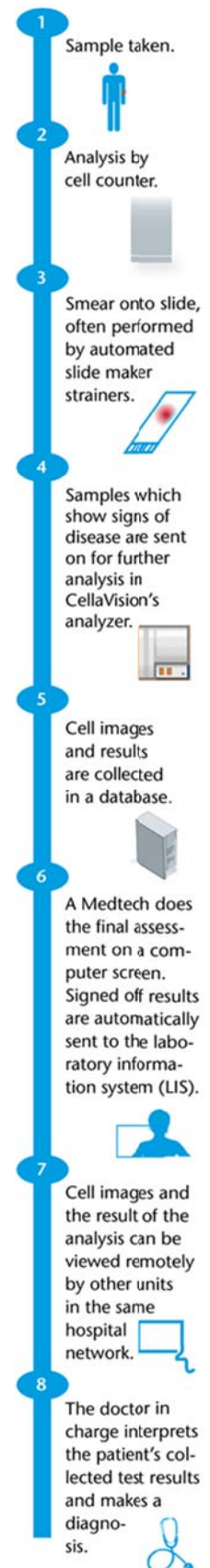
CellaVision's overall growth strategy is based on global expansion, partnership and product development. Growth takes place through focusing on customers and the market. Our goal is for our analytical method to be standard at clinical laboratories throughout the world.

*1. Customers.* We currently target clinical laboratories in hematology with a growing need for automation. These are mainly found in Europe, North America and selected markets in Asia, mainly Japan, China and South East Asia.

*2. Customer relations.* Customers' purchasing behavior and needs direct our business. Only through satisfied customers can CellaVision continue to grow and develop. We work close to partners and end customers to ensure that our products meet market requirements for quality, function and user-friendliness. In customer surveys in the last two years the average score for reliability and user-friendliness of the product has been just over four, on a scale from one to five.

*3. Sales channels.* CellaVision reaches a broad geographical market by cooperating with strong, strategic and complementary partners with a local presence. We sell our products through the largest hematology companies in the world; Sysmex, Beckman Coulter and Siemens, with a presence in more than 150 countries. Our own sales organizations in the Nordic area, the USA, Canada and Japan give continuous support and training to our partners during the sales process. We are constantly looking at new opportunities and forms of cooperation.

*4. Product development.* We will grow by broadening our product range for existing customer groups and by examining the possibility of commercializing new areas of analysis. We seek the best solution and preferably develop it ourselves, but the strategy also includes development through cooperation with partners. The emergence of competing companies in the market puts further demands on our future product development.



5. *Company culture.* Satisfied employees create the conditions for satisfied customers. It is important to us that our employees feel involved and motivated. Initiative and responsibility are important factors behind CellaVision's positive development. With leading-edge expertise in image analysis, artificial intelligence and automated microscopy, as well as a great quantity of IT knowledge, we can develop solutions that bring considerable gains to our customers.

#### **About CellaVision's geographical markets**

##### *North America*

North America is CellaVision's most important growth market. Automation has long been the most important driver for meeting greater effectiveness requirements in North American laboratories. The growing staff shortages that exist in laboratory operations in the western world are particularly evident in the USA and Canada. Laboratories are therefore seeking solutions that ensure effective and secure management of large and growing sample volumes. On top of the requirements for reduced labor costs and shorter response times, sample volumes are growing due to the ageing population. The distributors Sysmex America, Beckman Coulter and Siemens sell CellaVision's products in the USA in parallel with CellaVision's own sales organization. By means of a co-marketing agreement, we also work closely with the fourth largest player, Abbott. In Canada CellaVision sells directly to the end customer.

##### *Europe, the Middle East and Africa*

Europe is CellaVision's largest market in terms of the number of analyzers sold to date. The transition from manual microscopy to CellaVision's method has been in full swing for a couple of years in the European countries. The laboratories are seeking solutions that can increase productivity and offset the coming years' shortage of biomedical analysts. In Europe the distributors Sysmex, Siemens, Beckman Coulter and Abbott sell CellaVision's products. Marketing work has just started in the Middle East and Africa.

##### *The Asia Pacific region*

CellaVision products are also appreciated in Asia and the Pacific region for their time-saving and quality assurance potential. China, Japan and South East Asia are markets with long-term potential and demand is gradually starting to take off. In most markets CellaVision sells via the distributors Sysmex, Siemens and Beckman Coulter.

There are more than 20,000 hospitals in China. The target group for CellaVision's products consists of about 800 of China's largest hospitals. In 2012 CellaVision established a market office in China with two employees who support the region's distributors.

Japan is a market with important growth potential for CellaVision. Japanese health care is facing several challenges with funding problems as expenditure increases for an ageing population that at the same time demands better quality. Consequently, products that are well able to solve quality and efficiency problems are highly interesting to the Japanese health care sector. Since the start in 2008 CellaVision's subsidiaries have marketed the company's technology to the thousand or so major clinical laboratories in Japan. Since 2010 the distributor Sysmex also sells CellaVision's products.