

*»Through innovative solutions, we optimize the process of blood analysis so that more patients can get better and faster care, implying cost-effectiveness in health care«*

## World leader

CellaVision develops and sells digital solutions for medical microscopy in hematology and is now a world leader in this segment. CellaVision replaces manual microscopes with analyzers based on digital image analysis, artificial intelligence and IT. The solutions contribute both to more effective workflows and higher quality in laboratory medicine, an important part of the health care sector. *Read more on how we create value on page 4.*



## Sales since 2001

CellaVision was formed in 1994 in Lund by the entrepreneur Christer Fähræus to develop an analyzer for automatic blood analysis. In 2001 the first analyzer was sold in Europe. Christer Fähræus is one of the major shareholders and has also been a member of the Board since the company was founded.

*Read more about our Board of Directors and Management Team on pages 34–35.*



## Quality assurance and training partner

CellaVision offers a number of sophisticated tools for simple and instructive training in blood cell morphology, adapted for both laboratory staff and students. The CellaVision Proficiency Software and mobile app CellAtlas allow users interactively to continually test and improve their knowledge. *Read more on how our tools form the basis for improved test result quality on page 14.*

## High rate of innovation

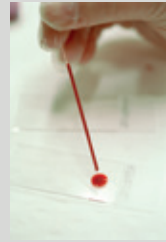
In 2014 the CellaVision® DM9600 was launched, a new analyzer for large laboratories, as well as a unique software application for advanced analysis of red blood cells, the CellaVision® Advanced RBC Application. Products for the veterinary market were also launched during the year. The CellaVision® DM9600 Vet and CellaVision® DM1200 Vet replace manual microscopes for blood analysis at veterinary laboratories. *Read more about CellaVision's products on page 14.*



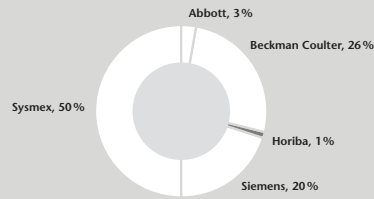
## Hematology

CellaVision's solutions are used in the field of hematology, which means the science of blood and its diseases. In healthcare hematology is a specialist area that researches and treats diseases of the blood and blood-forming organs. CellaVision operates in a sub-segment of the hematology market with great potential for continued growth.

*Read more about the market on pages 12–13.*



## Global partners



CellaVision's products are sold globally via the four foremost hematology companies in the world. Through strong partners CellaVision increases its visibility and its opportunities in the market.

*Read more about our partners on page 15.*

## Customer in focus

“Through automation, digital image processing and connectivity between laboratories we have improved the result throughout the analysis chain. Thus we can use our expertise in morphology in the best way, while promoting consistent reporting, effective workflow and cost efficiency.”

*Read more on how Teresa Di Francesco at the Hamilton Regional Laboratory Medicine Program in Canada uses CellaVision's solutions on page 8.*



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While every care has been taken in the translation of this annual report, readers are reminded that the original annual report, signed by the Board of Directors, is in Swedish.

## 2014 in brief

### Q1

- Strong growth in the first quarter, mainly due to increased sales in North America.
- The results were also characterized by a high percentage of software sales and good internal cost control.
- Two new patents were granted for the Asian market.

### Q2

- New products were introduced – CellaVision® DM9600 and CellaVision® Advanced RBC Application.
- A new technology platform was acquired to develop products for small and mid-size laboratories.
- The company announced that Yvonne Mårtensson will leave the post of President/CEO of CellaVision at the turn of the year 2014/2015.

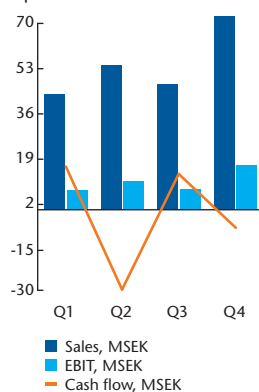
### Q3

- Sales start of two new products, the DM9600 and the Advanced RBC Application.
- Continued recovery in North America and Europe and a very sound gross margin.

### Q4

- Strongest quarter in CellaVision's history.
- CellaVision received its first major order in the veterinary market.
- Sysmex DI-60 and CellaVision® DM1200 approved by the CFDA to be sold in China.
- Zlatko Rihter appointed as new President/CEO of CellaVision.

Financial performance per quarter 2014



(MSEK)	2014	2013	2012	2011	2010
Net sales	216.9	179.9	169.5	155.4	131.6
Gross profit	145.1	112.6	110.1	101.4	87.6
Operating profit	42.8	25.9	20.7	17.8	13.9
Profit before tax	43.4	24.7	18.6	18.5	10.7
Cash flow	-6.0	11.6	-10.6	21.0	13.8
Number of employees	72	69	65	61	57

### CellaVision awarded prizes ...

CellaVision was awarded with The Bede Prize in June for developing innovation into useful and profitable products.

Yvonne Mårtensson won the Arthur D. Little Nordic Life Science Award 2014 for her outstanding contribution to Nordic Life Sciences.







## A strong year for CellaVision

Continued successful cooperation with global distributors and product launches that generated increased sales made 2014 the financially best year in CellaVision's history. We will continue to work in line with our strategies for growth, while we must challenge ourselves to develop CellaVision to the next level.

Medtech fulfils an important function in society by contributing to better patient care, improved effectiveness and cost reductions. CellaVision is a successful innovation company combining mechanics, IT and image analysis in a way that contributes exactly those things. We have an interesting starting position and it is inspiring to lead the work of honing our offer and broadening our operations further.

Our vision is to create a new standard for microscopy in hematology. We are convinced that with digital blood analysis instead of manual microscopy our customers can achieve greater patient benefit, more effective processes and lower costs. As confirmation that our offer creates great customer benefit, no customers who try CellaVision's technology want to change back to manual microscopy.

### Profitable growth

At the close of 2014 we had six straight quarters of growth behind us, which combined with good

cost control gave a very sound result for 2014. With growth of 21 percent for the full year in 2014 and an operating margin of 20 percent we exceeded our long-term financial targets, for which everyone at CellaVision deserves great praise. The Board has therefore also decided to propose an increased dividend of one krona per share (0.50).

### Important growth drivers

There are several factors behind the growth. During the year we continued to focus on close cooperation with our distributors, where we succeeded very well, for example with the recently launched DI-60 that was developed together with Sysmex. We have also increased our presence in Asia, primarily China, both through in-depth collaboration with old and new distributors, as well as through our own increased presence. Close cooperation with our important distributors will continue to be our core strategy.

During the year we also launched new applications, such as the CellaVision® Advanced RBC Application, where we can now classify 17 different red blood cells. Several approved registrations of our products in important markets, such as China, mean we are now able to make further sales. Sales of the new analyzer, the CellaVision® DM9600, accelerated towards the end of the year after a somewhat slow start and the old CellaVision® DM96 has now been

»Six straight quarters of growth behind us, which combined with good cost control gave a very sound result for 2014«

completely phased out. With the arrival of the new analyzers, CellaVision® DM9600, CellaVision® DM1200 and Sysmex DI-60, we have now opened up a replacement market and started to replace our first generation of instruments in laboratories around the world.

### Strong growth in EMEA and the Americas

From a geographical perspective, in 2014 we had strong sales growth in both the Americas, 32 percent and EMEA, 42 percent. Development in APAC (Asia and the Pacific region) did not live up to our hopes and fell by 40 percent. However, we see great potential in the region that overall is the fastest growing region in our industry. APAC will be our focus market in 2015, with the aim of further strengthening CellaVision's presence, above all in China.

### Scalable and cost effective business model

CellaVision's core activities are in digital image analysis of blood and other body fluids. Our capacity to be innovative is crucial, where success factors are our broad competence in product development, quality assurance, market entry and marketing support.

Another important success factor for CellaVision is assiduousness in all aspects of being cost effective. History shows that we have successfully driven growth without increasing operating expenses at the same rate and the aim is to continue along the same lines. This is made possible by a business model built up by a focused core organization supplemented by close cooperation with strategic partners. We have partners in world-leading market positions in hematology, where together we effectively address our end customers' needs and help them to achieve better and more reliable diagnoses, more effective processes and cost savings. Through our distributors we gain a global reach despite having a relatively small sales and marketing organization.

CellaVision has also contracted out production through cost-effective cooperation with the contract manufacturer Kitron. This gives us a business model consisting of a competent core supplemented by strategic partnerships with minor restrictions on capacity, which means that we can be flexible in both manufacturing and selling.

### Corporate social responsibility

Corporate social responsibility is natural for CellaVision. We are able to contribute to a more sustainable society both by taking responsibility for our impact and by developing products that make health care more effective.

2014 was a year with the environment in focus, as new environmental objectives were implemented and procedures improved to ensure that we do what we can to minimize, and in some cases reduce, our environmental impact. In addition, in 2014 the suppliers regarded as critical from an environmental perspective were evaluated.

In future we will increase our monitoring of subcontractors and continue to improve our solutions and working methods for the benefit of better health care, user friendliness and the environment.

### Interesting for the future

Apart from a very sound financial starting position there are other highlights of the year that are interesting to work on further. Our first veterinary contract has shown that our technology is also viable outside our core area. The veterinary segment is limited but we see opportunities for more business in coming years. We have potential to add major customer value by making minor adaptations to our offer on the basis of the veterinary market's needs.

During the year we also completed an initial pre-study after acquisition of a new technology platform. The pre-study was carried out together with Clear Lake Medical Foundation – from whom we acquired the platform – for the purpose of evaluating the possibility of extending the current product portfolio with an offer directed at smaller laboratories than are currently included in the target market. We will continue according to plan with an internal development project aimed at integrating the externally acquired technology with our own product platforms. Going forward we will also actively seek further application areas for our technology.

### Long-term focus

I would like to take the opportunity to thank Yvonne Mårtensson who, together with all the competent employees, built up CellaVision into what it is today. Our long-term strategy is to develop further what made 2014 successful. CellaVision's strategies for growth have led to improvements in financial key parameters and our ambition is to carry on working on the basis of organic growth of at least 15 percent and an operating margin of more than 15 percent.

CellaVision must focus on creating customer benefit with the ambition and curiosity to continually improve patient diagnoses, but also to be more effective, cut costs and remove sources of error in health care. I will do my utmost to hold in trust what has been achieved and also to ensure that we challenge ourselves to develop CellaVision to the next level. We have many challenges and opportunities left in our field and we must have the ambition to contribute in various ways to improving health care around the world.

»With the new instruments we have now opened up a replacement market and started to replace our first generation of instruments«

Lund, March 2015  
Zlatko Ribter, President and Chief Executive Officer

# CellaVision's value creation

CellaVision's scalable business model improves the processes for blood analysis, which enables more patients to receive better care with shorter waiting times – at less cost to the health care services.

## CellaVision creates value in hematology

CellaVision operates in the medical field of hematology, with core activities in digital image analysis of blood and other body fluids. Innovation is an important part and its employees are the company's main resource. The employees have a high level of education and solid experience of the biomedical industry, giving CellaVision an understanding of customers' needs. This broad competence in product development, quality assurance, market entry and market support is then crucial to the company's development.

## Corporate culture focusing on the end customer

CellaVision's corporate culture is characterized by understanding of the customer, quality awareness and ability to take action with responsibility, which is reflected in the company's 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.

## Offering digital image analysis to the end customer

CellaVision offers digital solutions for medical microscopy in hematology. The solutions consist of analyzers, software and consumables, which form a unique concept that 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 more cost effectively. The end customers are large and mid-size technologically mature laboratories with high capacity requirements.

## Strategic partnerships that give scalability

To achieve scalability in manufacture and sales CellaVision works with strategic partners. This results in a modern and effective business model with minor capacity restrictions and great flexibility at both the manufacturing and the selling stages.

»CellaVision's business model allows small capacity constraints and high flexibility«

## Vision

Our vision is to create a global standard for digital microscopy in the field of laboratory medicine. Our method provides the laboratory with competency and quality as well as freeing up time, which together imply cost-effectiveness and improved patient care.

## 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.

## Suppliers

CellaVision's analyzers are manufactured in Sweden on contract by Kitron. There are direct agreements with selected sub-contractors for key components.

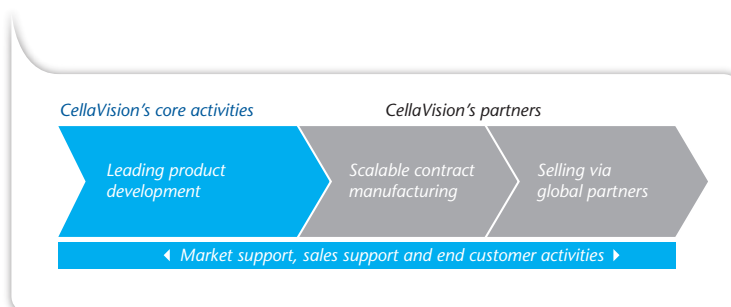
## Distribution via globally leading suppliers of cell counters

CellaVision's solution is the last step in a blood analysis process in which the cell counter is central. Equipment for the entire blood analysis process is often procured at one and the same time and therefore agreements with the foremost suppliers of cell counters are strategically important for reaching end customers cost effectively. CellaVision's partners are major players with broad product ranges and global sales organizations with local knowledge. CellaVision's own organization supports its partners in the sales process.

## Final analysis in the blood analysis process



- Long term market driving forces
- Health care cost efficiency
  - Consolidation of health care resources
  - Ageing population and increased prosperity



## CellaVision creates value

- For laboratories
- Faster and better care
  - Better utilization of resources
  - More effective tools for partnerships and quality assurance

For shareholders  
Possibility of increased market value and dividend



# Our objectives

Our objective is to create a global standard for digital microscopy in the sub-field of hematology, aiming in the long term to be a world leading supplier in several sub-fields of laboratory medicine. The objective breaks down into important financial and operational targets.



All objectives for 2014 were achieved

»Our objective is to create a global standard for digital microscopy in the sub-field of hematology«

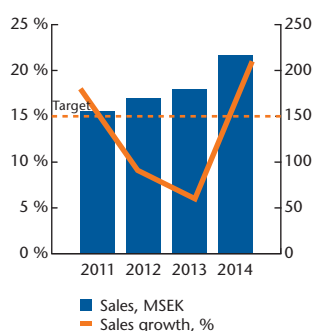
## Sales growth $\geq 15\%$

Increase sales over an economic cycle by an average of at least 15 percent per year.

### Outcome 2014

Sales growth was 21 percent for 2014 and since the target was set in 2010 average sales growth has been 15 percent. The outcome is mainly explained by increased market penetration due to successful product development and close cooperation with partners at the sales stage.

Achieving the target in the future as well requires continued global expansion in accordance with the strategy.



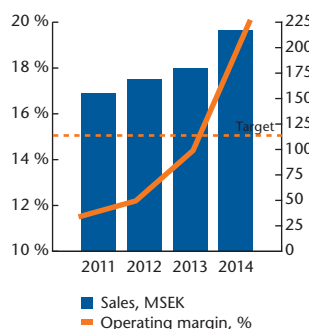
## Operating margin $> 15\%$

The operating margin is to exceed 15 percent.

### Outcome 2014

The operating margin was 20 percent for 2014. The improved margin is mainly explained by growth with continued sound cost control as well as the CellaVision scalable business model and positive exchange effects.

To ensure in the long term that the objective is met, continued expansion is required while retaining margins by using scalability in the business model.



## Satisfied customers 100%

Satisfied customers are a precondition for growth. The target is that all CellaVision's customers should give the product a total score of satisfied or better<sup>1</sup>.

### Outcome 2014

In the customer survey conducted at the end of 2014, 100 percent of those asked stated that they were "satisfied" or better with our products. This means we have achieved our target.

To achieve even higher customer satisfaction continued close cooperation with partners and end customers is required.



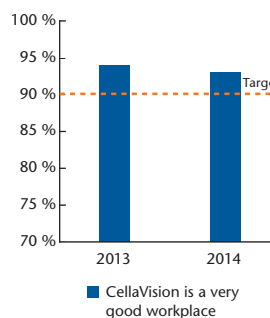
## Committed employees $\geq 90\%$

CellaVision's employees are the company's most important resource. The target is that at least 90 percent should agree with the statement "All in all, I would say that CellaVision is a very good workplace"<sup>2</sup>.

### Outcome 2014

In the employee survey for 2014, 93 percent of employees agreed with the statement "All in all, I would say that CellaVision is a very good workplace".

The employee survey, along with performance reviews, forms the basis of how CellaVision is to work to retain and improve employees' well-being, commitment and performance.



For source references, see page 56

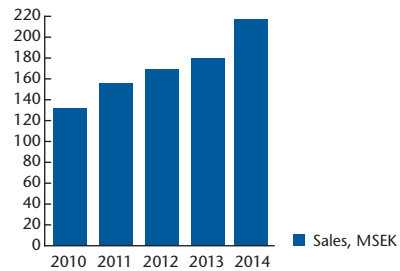




## Five strategies for growth

CellaVision’s overall growth strategy is based on global expansion, partnership and product development. Growth is through customer and market focus aimed at making CellaVision’s digital analysis method standard in hematology at clinical laboratories the world over.

*Here below are CellaVision’s strategies, with some examples of activities during the year and future focus.*



### Strategies

#### Global expansion



CellaVision is to focus on clinical hematology laboratories that are technologically mature and handle high volumes of samples, demanding high capacity. These laboratories are mainly found in existing markets, but we will also be open to utilizing opportunities in new geographical markets.

### Activities

– During the year work continued to increase penetration in both existing and new markets and one result of this is the completed registrations of the DM1200 and DI-60 in China. The registrations were made in the last quarter of 2014 and make it possible to sell these products in the country.

– In 2015 growth regions in APAC will we continue to be in focus, while CellaVision will turn to account the fact that the Americas market as well as markets in EMEA are again growing.



## Strategies

### Partnerships

CellaVision is to effectively reach the entire global market by collaborating with strong, global partners with a local presence. Our own sales organizations and market offices are to provide support and continuous training to partners during the sales process. We are also to be open to new opportunities and forms of collaboration.

## Activities

- During the year CellaVision's sales channels were broadened, mainly in Canada, through signing a co-marketing agreement with Siemens. In Europe, the Middle East and Africa CellaVision sells via all four major actors in the market and globally via three of the four major actors.
- During the year the possibility of adding further sales channels in China was evaluated. However, it was decided to focus on current partners and consequently discussions with the Chinese distributor Mindray were postponed. CellaVision has three partners in China: Sysmex, Beckman Coulter and Vastec.
- In 2014 CellaVision continued to conduct activities to promote more in-depth cooperation in training, service and marketing support.

2

### Product development

CellaVision is to grow through broadening its offer to its existing customer group. In parallel the company will investigate opportunities to commercialize new segments or areas of analysis. The product development strategy covers both own development and development in cooperation with the company's partners.

- Two new products were launched during the year; the CellaVision® DM9600 and CellaVision® Advanced RBC Application.
- In 2015 the technology and market study was completed. It was started at the time of acquiring a new technology platform in July 2014.
- Five new patents were registered in 2014 that were linked to CellaVision's product development.

3

### Close customer relations

CellaVision works closely with partners and end customers to ensure that the company's solutions meet market requirements for quality, function and user-friendliness. Only through satisfied customers can CellaVision continue to grow and develop.

- In 2014 a number of user meetings took place, arranged by CellaVision or in cooperation with the company's partners in Europe, China, Japan and North America.
- A morphology course was held in Sweden together with Skåne regional council for the purpose of training bioanalysts.
- CellaVision's annual customer survey in 2014 delivers important input for how our products can be developed and about the state of the market.

4

### Strong corporate culture

Job satisfaction and the commitment of CellaVision's employees are preconditions for creativity, development, profitability and low staff turnover. Our corporate culture is characterized by understanding of the customer and ability to take action with responsibility. We have a widespread spirit of willingness to participate and make improvements, which contributes to the company's positive development.

- CellaVision works continuously to create conditions for job satisfaction and commitment at the workplace.
- In 2014 four staff meetings were held focusing on work environment and ergonomics, employee development and employee survey, product information, client meetings and pension information.

5

*“CellaVision has helped transform and streamline our hematology workflow”*

The Hamilton Regional Laboratory Medicine Program (HRLMP) include five laboratory sites that serve six hospitals, including a large cancer centre, for a population of over 2.2 million people. As one of the largest integrated laboratory medicine programs in Canada they strive to produce the right results the first time on every sample they receive.

*“In 14 out of 300 patients the CellaVision analyzers detected malignant cells that were not found in our normal, manual review.”*

“We invested in CellaVision’s technology as it enabled us to create a streamlined and networked service for blood morphology connecting five laboratory sites. Before implementation, these sites had developed different methods for preparing blood smears and reporting differential results. When findings needed to be verified by an off-site Senior Technologist or Hematologist, inefficient processes and geographical barriers often resulted in prolonged turnaround times and reporting delays.

**Best use of limited expertise**

Today, using Digital Cell Morphology by CellaVision, blood slides are uniformly and consistently processed and loaded onto CellaVision analyzers at all laboratory sites, however, morphological review and reporting has been centralized and is now managed by a single dedicated laboratory. By leveraging automation, digital imaging and connectivity, we have improved our performance across the board, and can make the best use of limited morphology expertise while promoting consistent reporting, boosting workflow efficiency and managing cost.

**Shortened turnaround time and improved detection**

We review over 1,500 samples every day, and after implementing CellaVision, we have shortened turnaround times by 39 percent, down to three hours which is a great improvement. With this new technology, we are also seeing improved detection rates of blast cells compared to manual review.

We are now in the process of implementing CellaVision’s latest application, CellaVision® Advanced RBC Application, which we hope will further improve our capability in the area of erythrocyte morphology.”

*Teresa Di Francesco, Hematology Lab Manager  
Hamilton Regional Laboratory Medicine Program, Canada*

# Detecting diseases of the blood

Hematology, the science of blood and its diseases, is a medical specialty that researches and treats diseases of the blood and blood-forming organs.

## A routine analysis

When a hematological disease is suspected complete blood count is the first test ordered by healthcare services. Complete blood count is one of the world's most common diagnostic tests and is routinely used to obtain an overall status of different cells in the blood. Most blood samples can be analyzed with the help of cell counters, which are available at most hospital laboratories.

In some cases the blood sample requires more specialized assessment, a manual differential blood count. Experienced staff then examine the distribution and appearance of the blood cells, in other words the size, color, shape and content. This analysis is either done in a microscope or using CellaVision's system that contributes to faster care of better quality and cost effectiveness.

## Indicates diseases of the blood

The need for specialized analysis arises for example when a patient has immature or malignant cells in their blood. This may be the case in hematological disorders, such as anemia, low platelet count (thrombocytopenia), cancer of the blood (leukemia) and various tumor diseases that can affect both children and adults.

Analysis of blood cells in body fluids other than blood, such as cerebrospinal fluid, lung fluid and synovial fluid in CellaVision's system follows more or less the same procedure as for blood analysis but the volumes analyzed are considerably lower. The existence of cells or changes in cells in other bodily fluids may indicate infection, inflammation or cancer.

## Automated analysis chain

1

### Taking blood samples

Blood samples are taken at health centers or hospitals and sent for analysis to a clinical laboratory specializing in hematology and clinical chemistry.



2

### Analysis by cell counter

The main part of the samples can be analyzed using cell counters, which are available at clinical chemistry laboratories.



3

### In depth analysis in CellaVision's analyzer

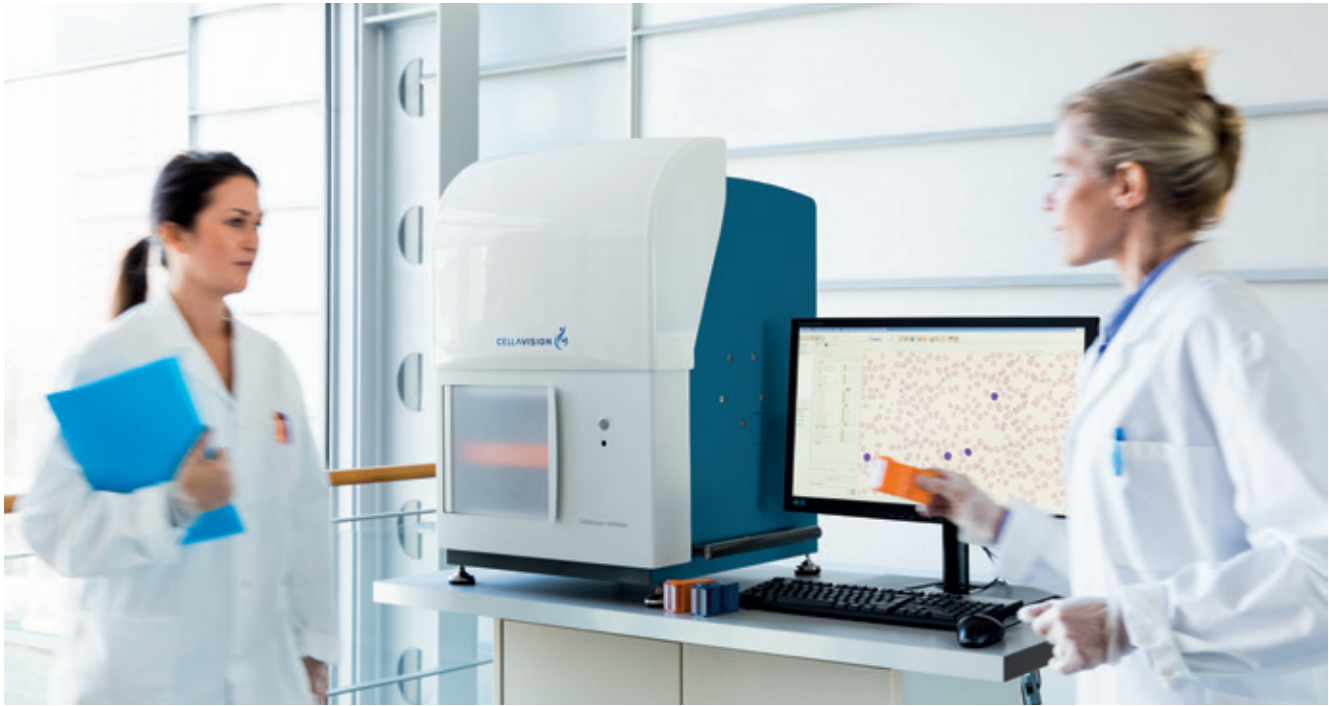
The need for a specialized analysis in CellaVision's analyzer arises when the patient has immature or malignant cells in their blood.

Read more about the differences between digital microscopy versus manual microscopy on page 10.



»An in-depth assessment of the blood sample means examination of the blood cell distribution and appearance, ie color, form and content. CellaVision system contributes to faster and more cost-effective care for better quality.«





## CellaVision's digital analysis method

### Manual method

Identifying area of analysis

In manual assessment the analyst navigates on the slide to find the right area of analysis and localize cells. Often a time-consuming method with a large individually based area of interpretation with work postures that may lead to repetitive strain injury to the neck, back and eyes.

### Analysis time is cut by half using the automated method ----->

Sample assessment

The quality of the test result depends on the education, experience and competence of the staff. The microscope normally only allows one user at a time, which makes discussions with colleagues more difficult. Training is done with the help of double headed microscopes or atlases of cell images.

### Quality of test results is higher using the automated method -->

Consulting experts

Samples that are difficult to evaluate sometimes require consultation with experts at other units. These samples are often sent by messenger, entailing long lead times that ultimately may mean delayed response times for the patients. A great challenge of manual microscopy is the difficulty of quality assurance of diagnoses.

### Response times are shorter using the automated method ----->

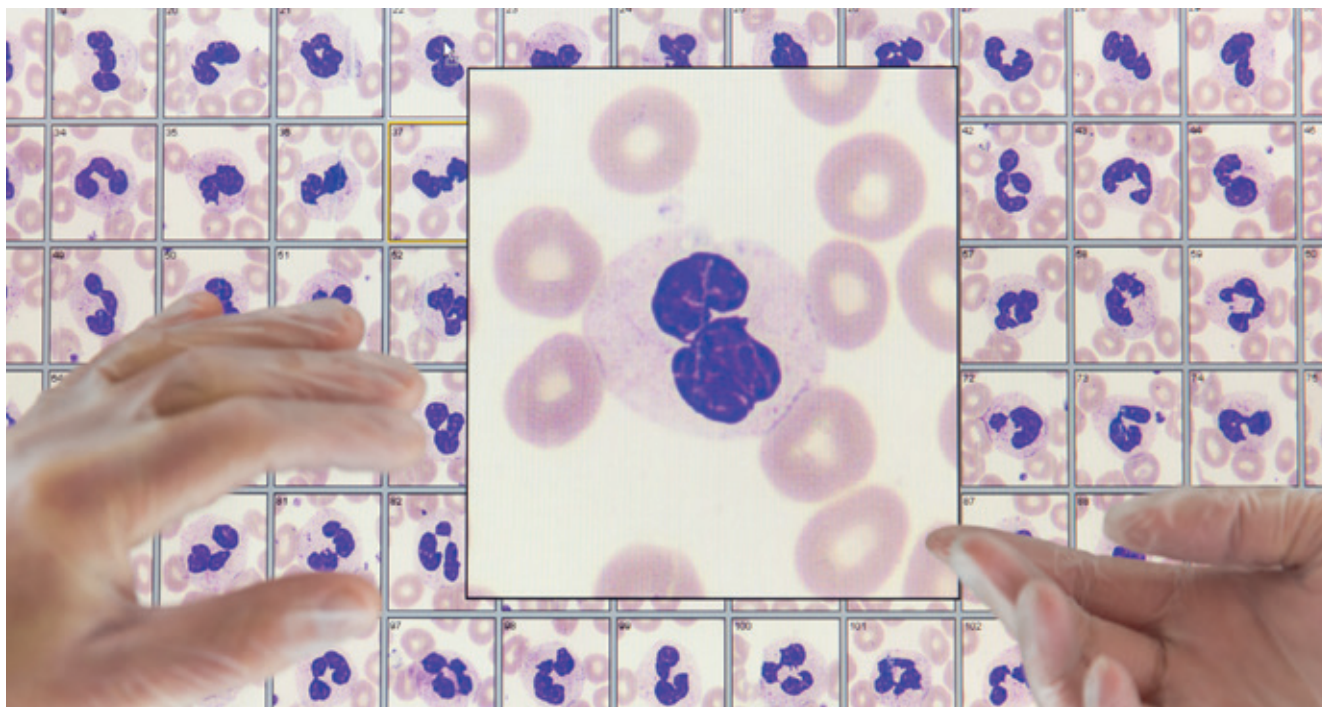
### CellaVision's automated method

CellaVision's analyzer identifies, takes digital pictures and classifies the cells. Automation frees time for staff and makes the workflow effective, contributing to cost savings. Studies show that analysis time can be cut by up to 50 percent. In addition there are considerable ergonomic gains from looking at images on a screen instead of sitting at a microscope.

The system suggests which classes the cells belong to. The cell images are magnified and shown directly on a screen, which facilitates the final sample assessment. CellaVision's method promotes cooperation and the transfer of competence between colleagues. Reference libraries and proficiency tests using digital cell images make training easier.

Digital cell images and test results can be examined regardless of time and place and facilitate consultation with experts at other units or hospitals. Remote review can cut response times from days to minutes, while access to more specialists can give a better quality of analysis. Digital archiving of cell images and analysis results makes it easy to follow patients over time.





## Patented technology behind the method

CellaVision's technology is unique, thanks to product development that has generated 52 patents over the years. CellaVision's long-term plan also includes investigating the possibility of applying the technique outside the hematology area.

### Unique innovation

Developing a reliable analyzer of the type offered by CellaVision is a major challenge. Success requires analyzers with high speed and image quality, technology for automatic classification of cells, precision mechanics and functions for integration of IT solutions. Successful innovation builds on science and technology, but also on development together with customers.

CellaVision has developed technology that is unique within autofocus and image analysis. In addition the company is the sole player to have commercialized its products globally and has thereby met the requirements imposed by the respective safety and quality authorities.

In July 2014 CellaVision acquired a technology platform. The intention is that it should lay the foundation for a future development project to create a value for money solution for small hospital laboratories. In the second half of 2014 a pre-study was completed on the basis of technical factors and market conditions related to the acquired platform. An internal development project is planned to start and continue in 2015.

### Simulates human senses

To some degree CellaVision's analyzers imitate the human senses. A neural network imitates the human brain's nerve system and its way of processing signals. The digital camera replaces the human eye's recording of information.

Inside CellaVision's analyzers an inbuilt micro-

scope, a digital camera, high-precision mechanics and advanced image analysis interact with patented autofocus systems and artificial neural networks. Using these functions the analyzer identifies, photographs and pre-classifies cells in blood and other body fluids.

The software contains advanced algorithms for digital image processing and cell identification. Neural networks recognize, distinguish and classify cells in that the advanced algorithms detect white blood cells and separate them from the rest of the image.

With the help of databases and communication software experts in hematology can make a final assessment of the classification outside the laboratory, by examining the digital images of the cells grouped on the screen, and produce a result.

### Growing patent portfolio

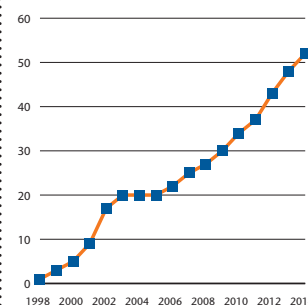
Since its formation, CellaVision has built up a technology platform that forms the basis of the company's product development. The technologies are protected against infringement with the help of a patent portfolio that today consists of a total of 23 patented inventions. These inventions have to date generated 52 patents, five of which were granted in 2014. Most of the patents are in the technology fields of image analysis and precision mechanics.

### Technology with several areas of application

Microscopic analyses are also carried out in a number of different sub-areas in laboratory medicine, such as tissue samples (pathology) and cell tests (cytology). The product range includes the CellaVision® Body Fluid Application software for analysis and grouping of nucleated cells in various body fluids, such as cerebrospinal fluid, lung fluid and synovial fluid. CellaVision's long-term strategy includes investigating the possibility of increasing the product offer outside the hematology area.

»CellaVisions neural networks recognize, distinguish and classify cells«

Accumulated number of patents



# CellaVision's market

CellaVision holds a strong position in the target market but there is great potential to take further market share. The main drivers of continued growth are the need for technology to increase effectiveness and reduce costs as well as providing higher competence.

## The hematology market

Analysis of complete blood count is now one of the world's most common tests at clinical laboratories and is carried out in both human and veterinary diagnostics. In all 3.8 billion human blood image analyses and other analyses are performed annually in cell counters. The value of the hematology market is estimated to be about SEK 19 billion.

The hematology market is relatively mature and characterized by large procurements and demand for increased effectiveness. Price, product innovations and integrated offers from one or more companies in partnership are important competitive factors. Customers' inclination to invest in laboratory equipment generally follows the macroeconomic trend. The market is growing annually on average by about 2 percent. Americas is the largest region followed by APAC region, which has overtaken the EMEA region in size in recent years. Read more about development in each region on pages 16–17.

## CellaVision's target market

The customer market mainly consists of large laboratories, mid-size laboratories and small laboratories. CellaVision's target market consists of large and mid-size technologically mature laboratories that handle large volumes of samples and have large capacity requirements. Regular large sample volumes are an important factor to make it cost effective for a laboratory to invest in a CellaVision system<sup>6</sup>.

## Market size

CellaVision operates in a sub-segment of the hematology market, which in turn is part of the in vitro diagnostics (IVD) market. Laboratories usually invest in CellaVision's products when they are replacing cell counters and the value of the global market for CellaVision products is estimated to be at least seven billion SEK to the point of distribution.

The laboratories carry out procurements of analyzers at intervals of about seven to ten years, which means that the average annual target market for CellaVision's products is about one billion SEK<sup>7</sup>. CellaVision's share of the target market has grown over the years and in 2014 was about 18 percent. Great potential remains for continued growth in the target market.

## Growth potential

Laboratories normally invest in CellaVision's products when they replace cell counters. Industry statistics show that the number of cell counters installed in mid-size and large laboratories globally is about 30,000 units<sup>x</sup>. About 15 percent of the samples analyzed in cell counters require further analysis, either in CellaVision's analyzer or in a manual microscope. CellaVision's customers have on average at least two cell counters and one CellaVision analyzer to handle their sample volumes. The potential target market is estimated to be about 15,000 analyzers; 5,000 in North and South America, 5,000 in EMEA and 5,000 in Asia and the Pacific region.

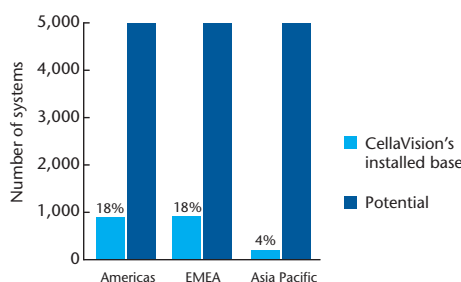
Since the company started selling analyzers CellaVision's share of the target market has grown over the years and in 2014 was about 12 percent of the target market, the main part of which as yet is in North America and EMEA. The greatest development potential is in Asia and the Pacific region.

Apart from further penetration of the target market, CellaVision sees an emerging replacement market as it is more than ten years since the first installations of CellaVision's analyzers. Laboratories that today use digital microscopy will continue to do so in future and replace old analyzers from CellaVision with new ones to an increasing extent.

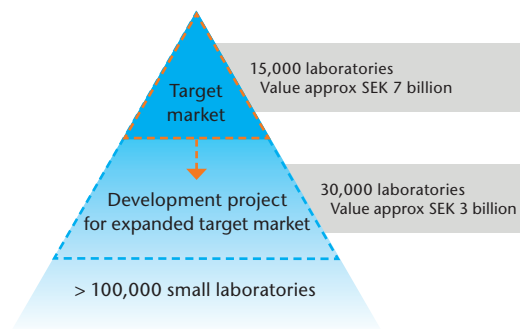
In June 2014 CellaVision acquired a technology platform that in the long term will make it possible to extend the company's product portfolio to cover products for smaller laboratories that are not included in CellaVision's present target market of 15,000 analyzers. In autumn a technology and market study was started to investigate the possibility of developing a value-for-money solution for small laboratories based on the acquired technology.

»CellaVision is about to create a new global standard for microscopy in hematology«

Accumulated share of potential global market, 15,000 systems



Fragmented market



## Competition

CellaVision's assessment is that manual microscopy constitutes 87 percent of the potential market. Thanks to new technical potential the interest in digital images, image analysis and IT based aids has increased substantially in health care in the 2000s. Digital microscopy is becoming established and gradually taking market share from the manual method. Few alternative methods in digital micros-

copy have been commercialized and with a twelve percent share of the target market CellaVision is the world leader. Our lead over competitors is apparent both in terms of technical solutions and the strong position CellaVision has established over ten years of sales. The target is for CellaVision's automated method to become a new global standard for microscopy in hematology.

»87 percent of CellaVision's potential market still use the manual microscope but digital microscopy is becoming established and gradually taking market share from the manual method«

## Market drives

### Short term market driving forces

- ▶ Growth in mature markets: Growth the last six quarters and CellaVision estimates that the key markets in North America have now turned.
- ▶ Launch of the CellaVision® DM1200 and Sysmex DI-60. Market approval in China with sales starting Q4 2014.
- ▶ Continued focus in APAC: sales increased in late 2014 in Asia, particularly in China. CellaVision believe in continued growth opportunities in the region.
- ▶ Replacement market: CellaVision see opportunities of increasing the replacement of early instruments with the DI-60 och CellaVision® DM9600.
- ▶ Software: CellaVision® Advanced RBC will be sold to both new and existing customers. The customer interest is high, but many laboratories will be evaluating the software before purchase. Sales are expected to increase during the 2015.
- ▶ Veterinary market: Sales to large commercial veterinary laboratories in North America started in 2014. Additional sales are dependent evaluations are being conducted during the 2015.

### Long term market driving forces

The global population is getting older and prosperity increasing. Every tenth person in the world today is over 60 years of age, a share that is expected to double by 2050<sup>8</sup>. This will require increased capacity and efficiency in health care.

#### 1 Ageing population and increased prosperity



The laboratory market is characterized by increased cost pressure and skills shortages, which means that users and suppliers will be required to be more effective and time-efficient<sup>9</sup>.

#### 2 Reduced health care resources

The market is continually driven towards consolidation in the form of increased cooperation and mergers between hospitals and laboratories<sup>10</sup>.



#### 3 Consolidation of health care resources

For source references, see page 56










»Approx. 90 percent of all installed digital image analysis instruments come from CellaVision«

## CellaVision's product offer


CellaVision mainly offers solutions for the healthcare market but also has products targeting the veterinary market. The offer comprises analyzers, software, consumables and service, which together constitute a solution that improves the effectiveness of the blood analysis process. When the laboratory has selected

analyzers based on performance needs they are loaded with software to enable the analysis of blood and other body fluids. The systems replace manual microscopes and create the conditions for an effective analysis process aimed at delivering high-quality patient care.


**Digital Cell Morphology by CellaVision:**

<p>Replace manual microscopy with an automated digital imaging system that saves time and releases skilled staff</p>	<p>Simplify morphological assessment using innovative applications that deliver better and more standardized results</p>	<p>Embrace networking and connectivity to enable collaboration, facilitate consultation and support flexible staffing</p>	<p>Promote quality by implementing effective tools for proficiency assessment and competency promotion</p>
 <p>CellaVision® DM1200</p>	 <p>CellaVision® Peripheral Blood Application</p>	 <p>CellaVision® Remote Review Software</p>	 <p>CellaVision® Proficiency Software</p>
 <p>CellaVision® DM9600</p>	 <p>CellaVision® Advanced RBC Application</p>	 <p>CellaVision® Image Capture System</p>	 <p>CellaVision® CellAtlas</p>
	 <p>CellaVision® Body Fluid Application</p>		

**Digital Cell Morphology by CellaVision - for the veterinary market**

 <p>CellaVision® DM1200 VET</p>	 <p>CellaVision® DM9600 VET</p>	 <p>CellaVision® Peripheral Blood Application VET</p>	 <p>CellaVision® Remote Review Software</p>
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**OEM partnership with Sysmex, DI-60 enables a fully integrated and automated analysis line for hematology**

<p>XN series from Sysmex is an integrated fully automated blood analysis line that processes blood from the test tube to ultimately generate a blood smear, stained and analyzed by CellaVision technology for digital microscopy</p>	 <p>Sysmex DI-60</p>
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## Strong distribution partners

To cost effectively reach out globally and enable the product offer to participate in large procurements CellaVision cooperates with strategic partners in sales and distribution. The company cooperates with the four foremost suppliers of hematology equipment. CellaVision gives its partners marketing support and in selected markets sales are made directly to end customers.

### Part of package offer

CellaVision's system, which is the final analysis in the blood analysis process, usually reaches end customers as part of a package offer from CellaVision's partners. Laboratories in Europe and North America usually invest in CellaVision's products when they are replacing other equipment for analysis, including cell counters.

Purchases are made largely via procurements in which laboratories, mainly in Europe, require deliveries to be made via one and the same supplier. Since CellaVision's partners are major actors with global sales organizations they can offer the breadth and service demanded by laboratories.

### Access to more salespeople

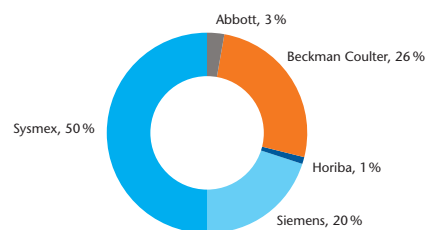
To increase visibility and opportunities in the global market CellaVision cooperates with four strong partners; Sysmex, Beckman Coulter, Siemens and Abbott. Agreements with each respective partner differ within the various geographical regions. For CellaVision, collaboration with partners means

cost-effective access to more salespeople and exposure to more laboratories. The sales process is extensive, requires repeated visits and takes from six to 24 months. CellaVision's partners reach out to a broad geographical market, have a close dialogue with the end user and have broad product offers for the entire analysis process, including their own cell counters. With CellaVision's products in their range they can also offer automation of the final stage of the analysis process.

### Own sales

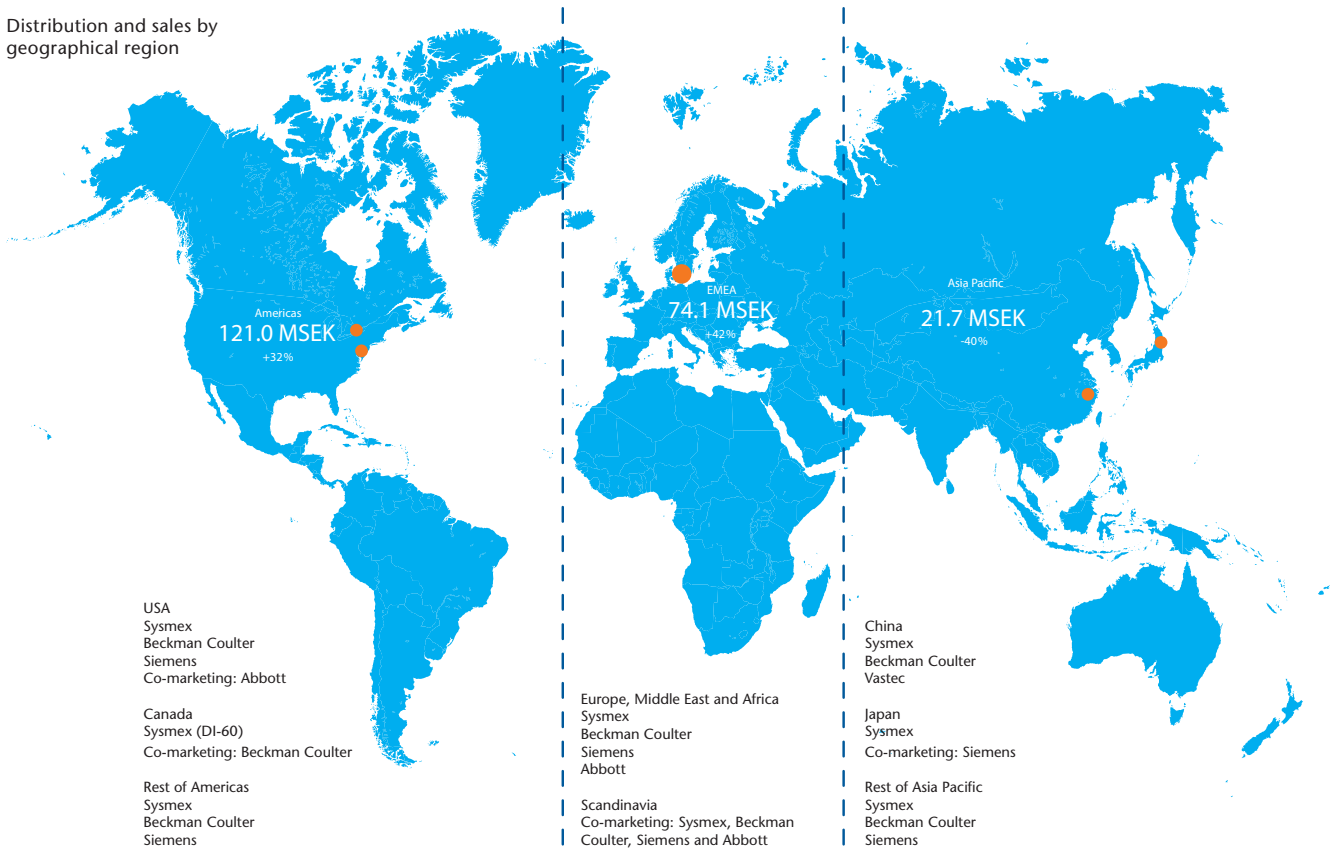
In parallel with the distributors CellaVision has its own staff in strategically important geographical markets. CellaVision primarily supplies marketing support to distributors but in some selected markets sales are also made directly to end customers. Customer communication and knowledge of the end users' situation are important areas for CellaVision's marketing and product development.

Leading suppliers of cell counters, based on installed base, for large laboratories<sup>14</sup>



»Agreements with the foremost suppliers of cell counters are strategically important for CellaVision, partly when designing its offer and partly to reach end customers cost effectively«

Distribution and sales by geographical region



● CellaVision’s sales and business support offices

## Global market focus

CellaVision reaches a global market through partners with sales throughout the world. With marketing support via five market offices and direct sales in Scandinavia, Canada and Japan, proximity to the end customer is retained.

### Americas

The improved sales climate at the end of 2013 has been sustained throughout 2014. Sales in the USA and Canada increased by 32 percent compared with 2013 (29 percent in local currencies).

In North America automation and consolidation are the most important tools for meeting demands for higher effectiveness and cost savings in health care. In the USA consolidation towards increasingly large hospital units has come a long way and the proportion of large commercial laboratories is higher than in other parts of the world. Another important factor affecting the sales climate positively is the appreciably growing staff shortage prevalent in laboratories in the USA and Canada.

The market is generally characterized by high requirements regarding capacity, service and support and technological maturity is high. This creates interest in CellaVision’s digital solutions that facilitate communication, cooperation and resource distribution. In 2014 this manifested itself in the form of strong sales of CellaVision’s software for remote access. In the present situation South America is regarded as a developing market with future pote

### The veterinary market

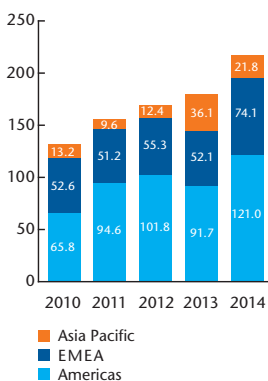
The volume of samples in the commercial veterinary market is also high and the need for an effective method of analysis great. Consequently the primary target group is a hundred or so large veterinary laboratories in the USA and Canada. In Europe and other geographical markets blood analyses in most cases have not been consolidated in reference laboratories but are instead performed at veterinary laboratories or hospital laboratories. One important driver is CellaVision’s software for remote access, CellaVision® Remote Review Software, which makes it possible for external units to access test results and cell images.

In the veterinary market CellaVision sells products directly to end customers and at the end of 2014 the company received its first major order for a veterinary medicine laboratory chain in the American market worth more than SEK 12 million. Since the veterinary market is still relatively small and characterized by few but large customers the order is of a non-recurring nature and further sales depend on evaluations that will be made in 2015.

### EMEA

Despite there being no dramatic improvement in the macroeconomic situation in Europe, sales in 2014 show stable growth in a number of markets. For the full year sales increased by 42 percent compared with 2013 (40 percent in local currencies). CellaVision has high market coverage in Europe and in mature mar-

Sales by geographical region, MSEK



kets such as the Nordics older CellaVision systems started to be replaced by later models during the year. In general the laboratory market in EMEA is not as consolidated as that of North America; it is more fragmented with large and mid-size laboratories with sample volumes not quite as large.

CellaVision's products are largely sold via public procurements in which laboratories are increasingly demanding that purchase of laboratory equipment is to be via one and the same supplier. The company's focus is therefore on always having analyzers and software from CellaVision included in partners' offers of hematology equipment in these procurements.

CellaVision is seeing continued strong sales of the Sysmex integrated system DI-60 and in the later part of the year sales of the company's new CellaVision® DM9600 analyzer took off.

After the launch in July the first European orders were received for the new CellaVision® Advanced RBC Application software. In the Middle East CellaVision is seeing increased activity via all its partners with Saudi Arabia as the largest market, but installations have also taken place in markets such as United Arab Emirates, Bahrain, Qatar and Kuwait. In Africa the company is in an early build-up phase of marketing through its partners.

## APAC

Market penetration is considerably lower in APAC compared to the matured markets in Americas and EMEA. At the same time growth in the hematology market is strongest in Asia. In 2014 no growth was measured in the region, and sales decreased by 40 percent, however this should be compared with the previous year of 2013 when sales almost tripled. CellaVision's assessment is that the weaker growth to a large extent can be explained by having to wait for approval for sales of CellaVision's new products. In the last quarter the Sysmex DI-60 and CellaVision® DM1200 were approved for sale in China, which contributed to the quarter's sales increase.

CellaVision's products are sold in Asia by Sysmex, Beckman Coulter, and Siemens and in China also by Vastec. Emerging markets in China and the Pacific region continue to have priority since they are expected to have potential for substantial growth in the long term. Continual efforts are being made to map more potential markets in the region and in 2015 CellaVision will investigate several important growth markets such as Australia, South Korea and Thailand. These markets have strong economies, health and medical care systems and infrastructure that make them well suited to CellaVision's products.

## China

China is the fastest growing market in the hematology segment. Growth is driven both by a growing, aging population and more resources going into healthcare as a consequence of urbanization, economic growth and a higher living standard<sup>16</sup>. At the same time China is a complex market of more than 20,000 hospitals and laboratories spread over

a large area with different provincial cultures<sup>17</sup>. The differences between various parts of the country are great and some laboratories are not sufficiently advanced to benefit from the advantages of CellaVision's products, for example due to low sample volumes or IT limitations. CellaVision concentrates mainly on "advanced China", that is the eastern parts and along the coast. The advantages of CellaVision's products in China are on the whole the same as in other markets; a focus on effectiveness and quality but also that the product is from Europe and at the forefront of digital technology. On the other hand it is more difficult to make a profit from investing in reduced costs for manual time, since pay levels are lower for laboratory staff in China. CellaVision is continuing to work close to partners to meet the needs of the largest hospitals with the CellaVision® DM96. In 2014 Sysmex received CFDA approval for the jointly developed DI-60, which helps Sysmex China to retain its market-leading position with large laboratories. The CellaVision CellaVision® DM1200 was also approved by the CFDA during the year. The launch of the CellaVision® DM1200 gives all partners the possibility of offering.

CellaVision's solutions to mid-size hospitals or the larger laboratories where financing is limited. The registration process for the CellaVision® DM9600, the replacement for the CellaVision® DM96, has been started and approval is expected at the end of 2015. In 2015 CellaVision is also planning to increase marketing support in the country for the purpose of enabling closer cooperation with partners and extending activities with end customers.

## Japan

Japan is a market with large growth potential for CellaVision and the target market is the 1,000 or so largest hospitals. In Japan there are also several large commercial laboratory chains, including the world's largest, needing technology that can secure the processing of large sample volumes.

Japanese health care is facing several challenges, mainly financing problems as expenditure increases for an ageing population that demands better quality. If the current population trend continues, almost half the population is expected to be over 60 years of age in 2050<sup>18</sup>. Consequently, products with a sound capacity to solve quality and efficiency problems are interesting for Japanese health care. At the same time, health care in the country has great faith in traditional methods and selling-in processes for new technology can therefore be long.

Sales in the Japanese market decreased somewhat compared with the 2013 level, both in SEK and local currencies. In the long term, however, CellaVision sees considerable potential in the DI-60 product, which is integrated in the Sysmex automated analysis chain. In parallel with Sysmex, CellaVision's own marketing support organization is continuing to address the market in close cooperation with distributors and important opinion leaders.

»In 2014 the key markets in Americas and EMEA recovered and showed strong sales growth«





## CellaVision's environmental work A first year of successes and lessons learned

The implementation of new environmental objectives, including environmental evaluation of suppliers and audit of the environmental management system made 2014 a year with the environment in focus.

CellaVision obtained environmental certification under ISO 14001 at the end of 2013. In 2014 the company continued to develop its environmental work with the aim of reducing CellaVision's total environmental impact. "We started to map how CellaVision impacts the environment. For areas defined as significant we created procedures to ensure that we do what we can to minimize environmental impact. To meet the objectives various working groups have been created and we have defined procedures to guide us in how to act," says Sara Eriksson Aili, environmental manager at CellaVision.

"CellaVision does not carry out any manufacturing of its own but imposes high requirements on sub-contractors and the manufacturer of the company's analyzers. To lift environmental matters to the next level in 2014 CellaVision evaluated the suppliers regarded as critical from an environmental perspective. Mapping how the suppliers work on environmental issues improves CellaVision's ability to influence. CellaVision's suppliers are proficient in the area and 60 percent of them are certified under an environmental management standard. CellaVision's analyzers are manufactured by a Swedish contract manufacturer, Kitron, that is certified under the ISO 14001 environmental management system.

In 2015 we will analyze how to take the next step towards integrating the environmental management system with our quality assurance system," says Sara Eriksson Aili.



# Corporate social responsibility

Corporate social responsibility is a given for CellaVision that endeavors to reduce the environmental burden, maintain high business ethics and contribute positively to the global community. All this based on clear guidelines, a code of ethics and objectives.

## Sustainability in the value chain

CellaVision has its head office in Sweden and market offices in North America, Japan and China. As regards manufacture and sale of products, CellaVision collaborates with globally established partners. The company has great confidence in the processes and policies of all these partners as regards human rights, environmental work and other sustainability issues.

## Development in 2014

During the year CellaVision continued its concentration on more sustainable enterprise as regards responsibility for the environment and social impact. CellaVision's ambition is to ensure that the business is run responsibly and that efforts are towards constant improvement. Formulation of clear objectives is an important part of this.

## Environmental work

Since the end of 2013 CellaVision has worked on environmental issues in accordance with the international ISO 14001 standard. In brief, certification requires the company's environmental work to be well-organized and lead to constant improvement.

Another important premise is compliance with current legislation and regulations and the performance of regular internal environmental audits. CellaVision does not conduct any activities notifiable under the Environmental Code. CellaVision's environmental policy is presented at [www.cellavision.se/sustainability](http://www.cellavision.se/sustainability)

CellaVision conducts active environmental work with objectives in the following priority areas with considerable environmental impact:

- Choice of suppliers
- Consumption of resources for product development

### Important advances to reduce environmental impact

In 2014 six environmental objectives were set for CellaVision in Lund for the purpose of reducing environmental impact and all of these were achieved. The six objectives included integrating an environmental impact perspective into product development, reducing the use of paper (-22.5 percent) and source separation of batteries and electronics as well as all other waste at the office.

### Climate compensation for carbon emissions

Carbon emissions caused by business travel, particularly by air, have a considerable environmental

impact. In view of this CellaVision climate compensates annually for its carbon emissions. In 2014 the company climate compensated by supporting a Development Mechanism (CDM) project that is part of the implementation of the Kyoto Protocol. The CDM project scheme has well-developed control mechanisms with independent authorized auditors that report to the UN. The CDM project that CellaVision decided to invest in is also eligible for the environmental movement's "Gold standard", which means that the project contributes to sustainable development in a wider perspective. CellaVision has decided to climate compensate for its carbon emissions in 2015 as well.

## Sustainable products

CellaVision's solutions make a positive contribution to society in that more patients can receive faster care at a lower cost to health care services. The products are safe, environmentally efficient and benefit the working environment at laboratories. To ensure sustainable design in 2014 the company started work on integrating the environmental impact perspective into its procedures for product development.

### Quality

CellaVision develops medical equipment in a highly regulated environment. The company is certified under the quality standard ISO 13485 and complies with the requirements of international legislation and product safety standards, such as IEC standards, the European Directive on in vitro diagnostics (IVD), American FDA quality system requirements and a number of national directives and laws. CellaVision is responsible for the products being safe for patients, users and technical service staff.

### Environment

CellaVision's digital technologies create conditions for a reduced environmental burden. The company's software for cooperation and quality assurance is an environmentally efficient alternative to the hospitals' sample and patient transportation in cars. For example, at a hospital operating in scattered geographical sites, samples that are difficult to assess are traditionally sent to an expert by courier. Using CellaVision Remote Review Software for remote access, the samples can instead be examined electronically via the hospital network, a method that is both effective and environmentally friendly. Using the web-based CellaVision Proficiency Software for quality assurance, laboratory staff are trained and their knowledge is tested over the internet. In comparison with a traditional test method with blood smears on microscope slides as practice slides, the software is simple to distribute and requires no transportation by post or courier.

»CellaVision contributes to society by helping more patients get faster care at a lower cost to the health-care system.«

»Working together with CellaVision should imply a stamp of quality for customers, partners and employees.«

*Work Environment*

Using CellaVision’s technology, laboratories can create a more attractive working environment. Interest in the occupation is weak among young people but the new technology creates interest and increases its attraction. In addition, the hunched up posture at the microscope is replaced by a considerably more ergonomic working posture, which reduces repetitive strain injuries, mainly in the neck, back and eyes.

**Business ethics and culture**

Working together with CellaVision should imply a stamp of quality for customers, partners and employees. CellaVision’s Code of Conduct describes values and guidelines for how the company’s employees behave in various business situations. The Code is based on the UN Universal Declaration of Human Rights and together with CellaVision’s core values and policies constitutes the foundation of how the company works. The fundamental principles of the Code of Conduct are justice, honesty and legal compliance. The Code covers all employees of the CellaVision Group and others who represent the company, for example members of the Board and consultants. In 2014 the company’s Code of Conduct was updated and all employees of the Group underwent training in what the Code covers and how it should be interpreted.

**Core values**

CellaVision’s strong corporate culture is an important factor behind the company’s successes. Core values guide employees’ conduct and decision-making in their day-to-day work. Together with objectives,

vision and guidelines they constitute the company’s corporate culture and form the basis of how work is carried out, the quality offered and how customers, partners, investors and employees are treated.

• *Customer in focus*

The customer’s perceived relation to us as supplier impacts all parts of the company. Consequently, customers’ needs drive all we do, from product development to delivery, service and relations. Our knowledge of the customers gives us the power of innovation to produce solutions that improve their operations.

• *Initiative and responsibility*

Ideas, competence and independent work with responsibility are required to drive CellaVision’s business forward. All employees of CellaVision have the task of continually developing their areas of work to the extent necessary to achieve the company’s objectives.

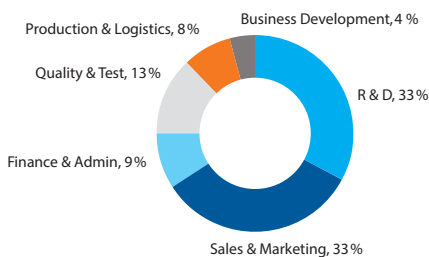
• *Simplicity and quality*

We strive to maintain a high and long-term level of quality in all we do, an ambition that permeates the entire business. At the same time it implies an aspiration towards renewal and development, in many cases using smart and simple solutions.

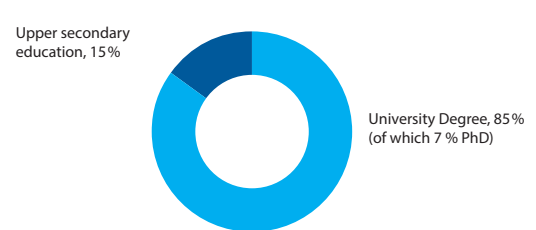
**Responsible employer**

The company has a decentralized and flexible organizational structure, which is characterized by competence, entrepreneurship, management by objectives

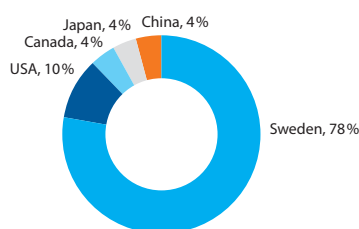
Employees per area of responsibility



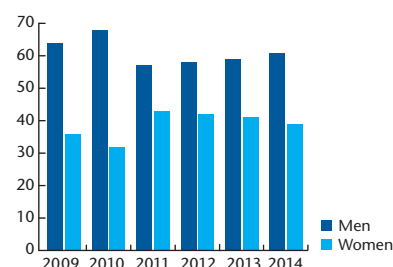
Employees’ level of education



Employees by country



Distribution between men and women, in percent



and short decision lines. As an employer CellaVision wants to offer a secure, stimulating and fulfilling workplace with opportunities for all employees to contribute to the company's development.

The company works continuously to create an even gender distribution in the organization. CellaVision believes that an even gender distribution enhances competence and creates a dynamic in working groups that in turn is positive for the work climate. When recruiting, one of the company's ambitions is to meet as many women as men. Of a total of five new employees during the year, two were women and three men. At year-end the total number of women was 28 (28), equivalent to 39 (41) percent of the workforce. The total number of employees at year-end was 72 (69). Staff turnover during the year was 5,5 percent (7,5) and sickness absence of 1–13 days was 1,5 percent (1,5).

In 2014 an equal treatment policy was drawn up as a complement to the company's gender equality plan for the purpose of strengthening the idea of equal treatment among all our employees. It involves treating all individuals equally with respect and dignity in accordance with our values. The work of gender equality and equal treatment is a continuous process in CellaVision.

All employees in the CellaVision Group have annual performance reviews and target discussions with their immediate manager. At these discussions individual targets are set in accordance with overall business goals, and target fulfillment is evaluated at the end of the year. Individual development plans are linked to the targets to ensure competency development and in that way the company guarantees continuous professional development for its employees with a clear link to the business.

Annual employee surveys follow up how employees perceive CellaVision as a workplace. In the employee survey for 2014, 93 (94) percent of employees at the head office and the subsidiaries agreed with the statement "All in all, I would say that CellaVision is a very good workplace". The employee survey, along with performance reviews, forms the basis of how CellaVision is to work to retain and improve employees' well-being, performance and commitment.

### Social commitment

CellaVision's social commitment focuses on the core areas of education and entrepreneurship. For the past six years CellaVision has supported the charitable organization Hand in Hand instead of giving Christmas presents to partners, customers and employees. Hand in Hand creates jobs for the poorest by educating women, so that they can start companies and thereby work themselves out of poverty under their own power. The money provides the women with training in entrepreneurship and teaching in reading, writing and math. The organization is currently active in India, southern and eastern Africa and Afghanistan. You can read more about the activities of Hand in Hand at [www.handinhand.nu](http://www.handinhand.nu).

CellaVision is proud that the company's contribution has helped about ninety women in India, Africa and Afghanistan to start their own companies, thus giving them the opportunity to work themselves out of prevailing poverty under their own power.



»CellaVision endeavors to offer a safe, stimulating and fulfilling workplace with opportunities for all employees to contribute to the company's development.«

# CellaVision share performance and ownership structure

Stockholm, Small Cap list since May 2010. The company's market value as at December 31, 2014 was SEK 937 million and the number of shareholders was 3,566. The Board of Directors proposes an increased dividend to SEK 1 per share.

## Share capital

Share capital in CellaVision AB as at December 31, 2014 amounted to SEK 3,577,732, distributed among 23,851,547 shares. The quotient value per share is SEK 0.15. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote for the full number of shares owned and represented. All shares confer an equal right to share in the company's assets and profits.

## Price trend and share trading

The price of the CellaVision share increased during the year by 155 percent, from SEK 15.40 at the start of the year to SEK 39.30 at year-end. During the same period index (OMX Stockholm PI) increased by 16 percent. The highest price paid during the year was SEK 39.30 (2014-12-30), and the lowest was SEK 16.30 kronor (2014-01-02). The company's market value at year end was SEK 937 million (367).

In 2014 a total of 26.4 million shares (7.3) were traded to the value of SEK 659 million.

## Shareholders

The number of shareholders at year-end was 3,566 which is an increase of 52 percent during the year. Three shareholders have direct and indirect holdings that represent more than ten percent of the votes: Stiftelsen Industrifonden (15.0%) and CellaVision's founder Christer Fähræus (10.1%). The ten largest shareholders controlled 48.1 percent of the company's shares on the balance sheet date. Swedish ownership was 68.5 percent of the votes. The total institutional

ownership in Sweden was 44.2 percent. The Board of Directors and the management together owned, privately and through companies, about 12 percent of the shares.

## Dividend

In 2014, CellaVision paid to its shareholders a dividend of SEK 0.50 per share.

The Board of Directors proposes that the Annual General Meeting 2015 approve a dividend of SEK 1 per share for 2014, an increase from 0.50 in 2013. CellaVision has decided not to announce a dividend policy for the coming year since the company is undergoing strong growth and still requires operational investments. A decision on share dividend will be made from year to year, based on the company's financial situation and working capital requirements to finance the company's growth ambitions.

## Employee option programs

The company did not have any stock option programs during the year 2014-12-31.

## Analyses

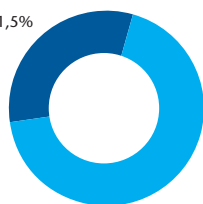
Analyses of CellaVision are made quarterly by Remium AB and Erik Penser Bankaktiebolag.

Christian Lee, Remium: [christian.lee@remium.com](mailto:christian.lee@remium.com)  
Johan Dahl, Penser: [johan.dahl@penser.se](mailto:johan.dahl@penser.se)

»The price of the CellaVision share increased during the year by 155 percent, from SEK 15.40 at the start of the year to SEK 39.30 at year-end.«

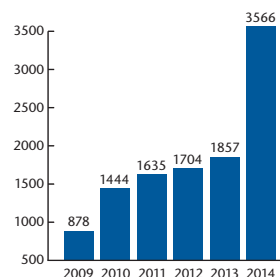
## Shareholder categories

Foreign owners, 31.5%

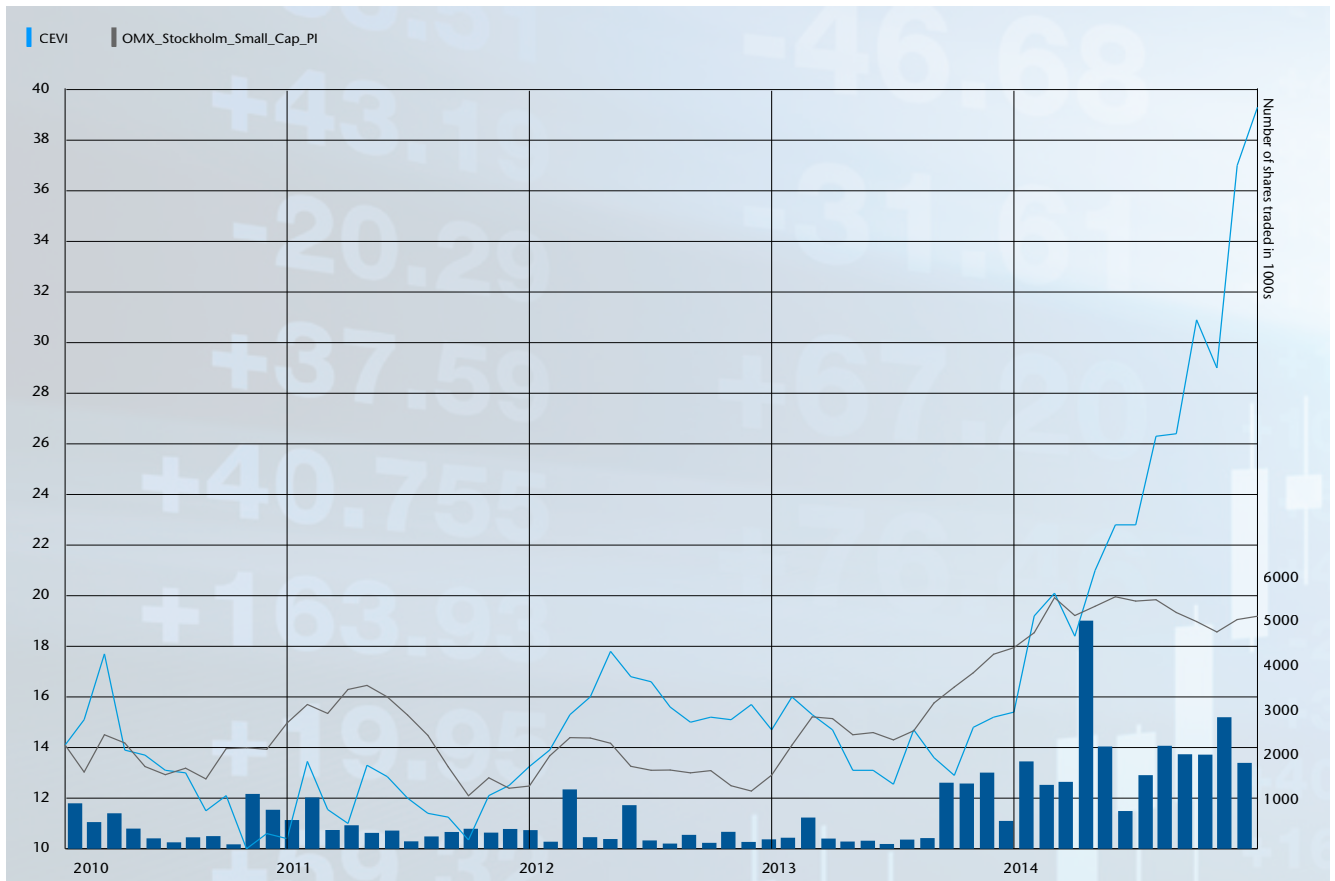


Swedish owners, 68.5%

Number of shareholders 2009–2014







Share performance from 2010

**The CEVI share**  
 Ticket symbol: CEVI  
 Sector: Health Care  
 ISIN code: SE0000683484

## CellaVision's ten largest owners (30/12/2014)

Shareholders	Number of shares	Ownership in %
Stiftelsen Industrifonden	3,587,257	15.0
Christer Fåhraeus m bolag	2,400,000	10.1
Försäkringsaktiebolaget Avanza Pension	1,340,044	5.6
Livförsäkringsbolaget Skandia	967,776	4.1
Nordnet Pensionsförsäkring AB	944,335	4.0
Grenspecialisten Förvaltning AB	587,867	2.5
Credit Agricole (Suisse) SA	473,710	2.0
Pfizer Health AB	429,611	2.5
Tredje AP-fonden	414,000	1.7
Friends provident Int.	325,601	1.4
Övriga	12,381,346	51.9
<b>Total</b>	<b>23,851,547</b>	<b>100</b>

## Shareholder spread

Shareholder spread	Number of shares	%
1-500	1,698	47.6
501-1 000	707	19.8
1 001-5 000	838	23.5
5 001-10 000	137	3.8
10 001-15 000	51	1.4
15 001- 20 000	26	0.7
20 001-	109	3.2
<b>Sum</b>	<b>3,566</b>	<b>100</b>

# Administration report

The Board of Directors and the President of CellaVision AB (publ), corporate identity number 556500-0998, hereby submit the annual accounts and consolidated accounts for the financial year January 1, 2014 to December 31, 2014. Figures in parentheses refer to the previous year. All amounts are in millions of Swedish kronor (SEKm) unless otherwise stated. The corporate governance report is part of the administration report.

## Business activities

CellaVision is a world-leading supplier of digital solutions for blood and body fluid analysis. The company replaces manual microscopes with analyzers based on digital image analysis technology, artificial intelligence and IT. The solutions contribute to more effective workflows and higher quality in laboratory medicine.

Customers are mainly large hospital laboratories and commercial laboratories in North America, Europe, China and Japan. Growing interest can be seen in the Middle East, countries of South East Asia and South America. The market is driven by the health care sector's streamlining and quality assurance requirements.

The product offer consists of systems for digital microscopy in the sub-field of hematology, consisting of analyzers and supplementary software and peripheral equipment.

### Healthcare market

CellaVision® DM9600  
CellaVision® DM1200  
DI-60\*

CellaVision® Advanced RBC Application  
CellaVision® Peripheral Blood Application  
CellaVision® Body Fluid Application  
CellaVision® Remote Review Software  
CellaVision® Remote Review Software Citrix Ready  
CellaVision® Proficiency Software  
CellaVision® Image Capture System  
CellAtlas® mobilapp

### Veterinary market

CellaVision® DM9600 Vet  
CellaVision® DM1200 Vet

CellaVision® Peripheral Blood Application Vet  
CellaVision® Remote Review Software Vet

\* Integrerad into Sysmex automated analysis line for blood, with sales via Sysmex.

## Sales

CellaVision's products are sold globally via the four foremost suppliers of blood analysis equipment: Sysmex, Beckman Coulter, Siemens and Abbott. CellaVision's own market office supports partners' marketing and sells directly in the Nordic area, North America and Japan. Revenues are mainly from sales

of analyzers. Software, spare parts, consumables and service account for a minor part of the company's total sales. In the commercial veterinary market in the USA the company received a major order in the last quarter of 2014. CellaVision sells directly to end customers in the veterinary market.

## Acquisitions

In 2014 a technology platform was acquired from an American company, Clear Lake Medical Foundation. The acquisition covered technology that can be developed into products for small laboratories that cannot be included in the present target market. The purchase price was USD 1 million, which was paid in 2014 in installments after targets were achieved.

## Product development

Product development and technical innovation are part of CellaVision's growth strategy. CellaVision conducts parallel development projects continuously to strengthen the offer to customers in the existing area of hematology. The company primarily carries out its own development, but the strategy also includes development through cooperation with partners.

In 2014 two new products were completed; one new analyzer, the CellaVision® DM9600 for large laboratories, which is a replacement analyzer for the CellaVision® DM96, and a software application for advanced analysis of red blood cells, the CellaVision® Advanced RBC Application. During the year a pre-study was also in progress, connected to the technology acquisition mentioned above, so as to be able to expand the company's product portfolio in the long term to include products for smaller laboratories that are not included in the present target market.

## Patents

CellaVision's innovations are protected by 23 (22) patented inventions, which at the close of the year had generated 52 (47) national patents. Most of the company's patents are in the technology fields of image analysis and precision mechanics.

## Product supply and manufacture

Manufacture of CellaVision's analyzers is carried out by a contract manufacturer, Kitron in Jönköping. All analyzers are transported to CellaVision in Lund for inspection and release before they are delivered to customers.

## Legal structure

CellaVision is a Group consisting of the parent company CellaVision AB and the wholly-owned subsidiaries CellaVision Inc. (Durham, USA), CellaVision Canada Inc. (Toronto, Canada), CellaVision Japan K.K. (Yokohama, Japan) and CellaVision International AB. In China there is a market office estab-

lished in cooperation with Business Sweden. The function of the subsidiaries is primarily market support to partners but some direct sales are made on selected markets.

### Employees

The number of employees of the Group, restated as full-time positions, was 72 (69) at the year-end. Of these, 44 (41) were men and 28 (28) women. More information can be found in the section on "Corporate social responsibility" on pages 18-21.

### Competition

In the health care sector manual microscopy is the most common method for blood and body fluid analysis. The market for digital microscopy is still immature but is constantly growing, with CellaVision as the world-leading supplier. The commercial competition is limited to a few products and companies, all with restrictions in market approval and sales.

### Environment

The company's activities are not subject to licensing or reporting under Chapter 9, Section 6 of the Environmental Code (1998:808). CellaVision's environmental work is described in the section on corporate social responsibility on pages 18-21.

### Significant events during the year

*CellaVision strengthened its product portfolio with two new products, the CellaVision® DM9600 and the CellaVision® Advanced RBC Application*

In April 2014 CellaVision expanded its product portfolio with two new products, the CellaVision® DM9600 and the CellaVision® Advanced RBC Application. The CellaVision® DM9600 is an analyzer for large laboratories, and a replacement analyzer for the CellaVision® DM96 and the CellaVision® Advanced RBC Application is a unique software application for advanced analysis of red blood cells.

From July 1 the CellaVision DM9600 will be commercially available in Europe and the USA, and the CellaVision Advanced RBC Application will be available in Europe. Both products are sold by the company's global distributor network. CellaVision has started the application processes required for sales approval on other markets. The market introduction took place at the International Symposium on Technological Innovations in Laboratory Hematology, ISLH 2014 in The Hague in the Netherlands on May 15-17, 2014.

*CellaVision announced the acquisition of a technology platform*

On June 23 CellaVision announced that the company had acquired a technology platform that will form the foundation for future development projects. The acquired technology was assessed to have the

potential to create a value for money solution for small hospital laboratories. The acquisition was from an American high-tech company, Clear Lake Medical Foundation. In autumn a technical pre-study was started in parallel with a marketing pre-study to evaluate the possibilities of expanding the company's product portfolio to include products for small laboratories that are not part of CellaVision's present target market.

### *The first order in the veterinary market*

On December 11 the company announced in a press release that CellaVision had received the first major order for a veterinary medicine laboratory chain in the American market. The order was for equipment for the customer's largest laboratories and was delivered before the end of 2014. The veterinary segment is assessed to be relatively limited, since the veterinary market is characterized by few but large customers and consequently the order is regarded as being of a non-recurring nature. The total order value was more than SEK 12 million.

### *Change of President/CEO*

In May the company published a press release to announce that CellaVision's President and Chief Executive Officer, Yvonne Mårtensson, would leave the company on December 31, 2014. The recruitment process to find her replacement was started and in November the company announced in a press release that Zlatko Rihter would take over the role of CellaVision's President and Chief Executive Officer from January 1, 2015.

### Financial performance

#### *Seasonal variations*

Like others in the medical devices industry selling capital equipment, CellaVision's inflow of orders is unevenly distributed over the year with historically a strong fourth quarter, depending on the distributors' sales, inventory levels and contracted volumes. Consequently, the variation in order volume in individual quarters may be substantial in the different geographical markets. In 2013 variations between quarters were significant mainly in the North American and EMEA markets.

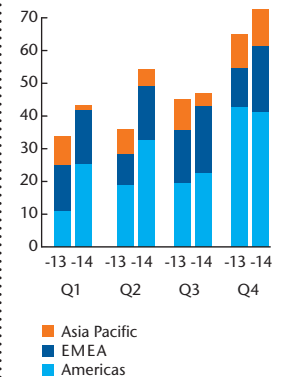
#### *Sales, earnings and investment*

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 50–90 percent of planned currency flows to compensate for any foreign exchange fluctuations. Net sales for the Group rose during 2014 to SEK 261.9 million (179.9), an increase of 21% compared with the previous year.

The gross margin for the year was 67% (63).

The Group's operating profit for the year rose to SEK

Sales per quarter and by geographical region 2013–2014, SEK million



42.8 million (25.9). Total operating expenses for the year decreased to SEK 102.3 million (86.7). The decrease is due to costs associated with the change of CEO and increasing provisions for the incentive programs. During 2014 CellaVision conducted several development projects, aimed at strengthening the product portfolio in relation to customers in the sub-field of hematology. Research and development costs were SEK 22.8 million (20.7), corresponding to 11% (12) of net sales and 22% (24) of the total operating expenses. Capitalized development costs during the year were SEK 12.3 million (10.2), corresponding to 6% (6) of net sales and 12% (12) of the total operating expenses. Investments in property, plant and equipment during the year amounted to SEK 1.2 million (1.6).

#### *Development in geographical markets*

In Americas sales were 121.1 MSEK (91.7), a decrease of 32% in SEK and 29% in local currencies. Sales in EMEA were 74.1 MSEK (52.1), an increase of 42% SEK and 40% local currencies. In the APAC region sales decreased to 21.7 MSEK (36.1), a decrease of 40% and -41% in local currencies.

#### **Financing**

The funds at the Group's disposal at the close of the year amounted to SEK 51.9 million (62.9). The year's cash flow from operating activities was SEK 39.8 million (27.3). The total cash flow for the year was SEK -6.0 million (11.6). The decline is mainly due to repayment of loans and high accounts receivable.

#### **Parent company**

Parent company sales during the year were SEK 207.0 million (166.8). The result before tax was SEK 42.2 million (2.2). The parent company's investments in property, plant and equipment and intangible assets during the year amounted to SEK 13.5 million (10.9) and the cash flow was SEK -9.8 million (8.5). The parent company has recognized an impairment loss on receivables in the Japanese subsidiary of SEK 1.7 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. In other respects please refer to the information for the Group.

#### **Risks and risk management**

Changes in exchange rates and reduced demand due to increased competition or a worsened investment climate constitute uncertainties but not material risks. CellaVision is exposed to exchange rate fluctuations through its international operations and structure. The exposure mainly arises through costs in Swedish kronor against income in US dollars and euros. In the short term the effect of currency movements is dampened by forward cover. For a more detailed description of the

risks and uncertainties facing CellaVision, please refer to the risk and sensitivity analysis in Note 3.

#### **Significant events after year-end**

There are no significant events to report.

#### **Outlook for 2015**

CellaVision's future growth will be driven by growing rationalization requirements in the health care sector. The underlying demand for CellaVision's products is continually increasing and the company has a strong position in the market through a unique product offer and broad sales channels. After a strong finish to 2014 CellaVision has confidence in the opportunities to utilize the great potential that exists for further market penetration in all geographical regions. Via profitable growth CellaVision is endeavoring to achieve its financial targets of increased sales over an economic cycle by an average of at least 15 percent per year and an operating margin to exceed 15 percent.

#### **Dividend**

The Board of Directors proposes that the Annual General Meeting 2015 approve a dividend of SEK 1 SEK (0.50) per share for 2014. CellaVision has decided not to announce a dividend policy for the coming year since the company is undergoing strong growth and still requires operational investments. A decision on share dividend will be made from year to year, based on the company's financial situation and working capital requirements to finance the company's growth ambitions.

#### **Statement by the Board of Directors on the proposed dividend**

In assessing the size of the dividend the Board of Directors has taken into account the Group's investment needs, consolidation needs and financial position in other respects, as well as the Group's ability to develop in the future while retaining financial strength and maintaining sound freedom of action.

After distribution of the proposed dividend, the Group's equity ratio and liquidity are satisfactory, which means all group companies can meet their commitments in both the short and long term. The proposed dividend can thus be justified under the provisions of Chapter 17, Section 3 of the Swedish Companies Act.

#### **Appropriation of profits (SEK)**

##### **The following profits are at the disposal of the AGM:**

Profit brought forward	93,608,495
Net profit/loss for the year	30,849,301
<b>Total</b>	<b>124,457,796</b>

##### **The Board of Directors proposes the following for the parent company:**

Dividend to shareholders SEK 1 per share	23,851,547
To be carried forward	100,606,249
<b>Total</b>	<b>124,457,796</b>



# Corporate governance report 2014

CellaVision is a Swedish public limited liability company with its registered office in Lund. Apart from the parent company, the Group consists of four wholly-owned subsidiaries in Sweden, the USA, Canada and Japan. The company's share is listed on the NASDAQ OMX Stockholm exchange. CellaVision applies the Swedish Code of Corporate Governance (the Code) since its shares were admitted to trading in 2010 and reports no deviations from the Code for 2014.

The term corporate governance normally refers to the rules and structure built up to govern and direct a limited liability company in an effective and controlled manner. Governance and control of CellaVision is divided between the shareholders at the Annual General Meeting, the Board of Directors and the President/CEO, and is regulated in legislation (including the Companies Act), the Articles of Association, the NASDAQ OMX Stockholm rule book for issuers and the Swedish Code of Corporate Governance.

The code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

In addition to legal control and governance principles CellaVision is also influenced by several internal policy documents, including instructions and rules

of procedure for the President/CEO and Board of Directors, as well as internal policies and guidelines.

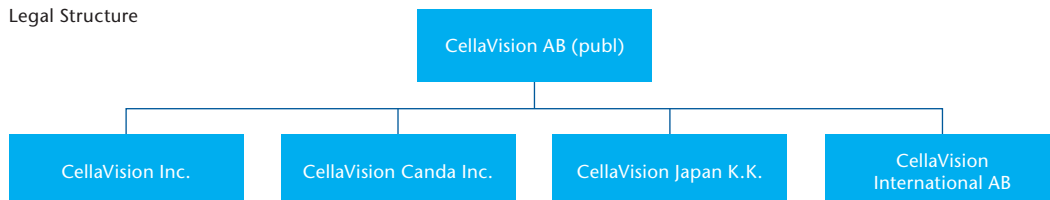
## Shareholding

The share capital on December 31, 2014 was SEK 3,577,732 distributed among 23,851,547 shares. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote the full number of shares owned and represented by her or him without limit to the voting right. All shares confer an equal right to share in the company's assets and profits. CellaVision had 3,566 (1,857) shareholders on the closing date. Of these, two shareholders have direct and indirect holdings constituting more than ten percent of the votes and capital: Stiftelsen Industrifonden (15.0 %) and Christer Fåhraeus directly and indirectly through family and company (10.1 %). No shares are held by the company itself. For further information about the CellaVision share and shareholders please refer to pages 22–23 and CellaVision's website.

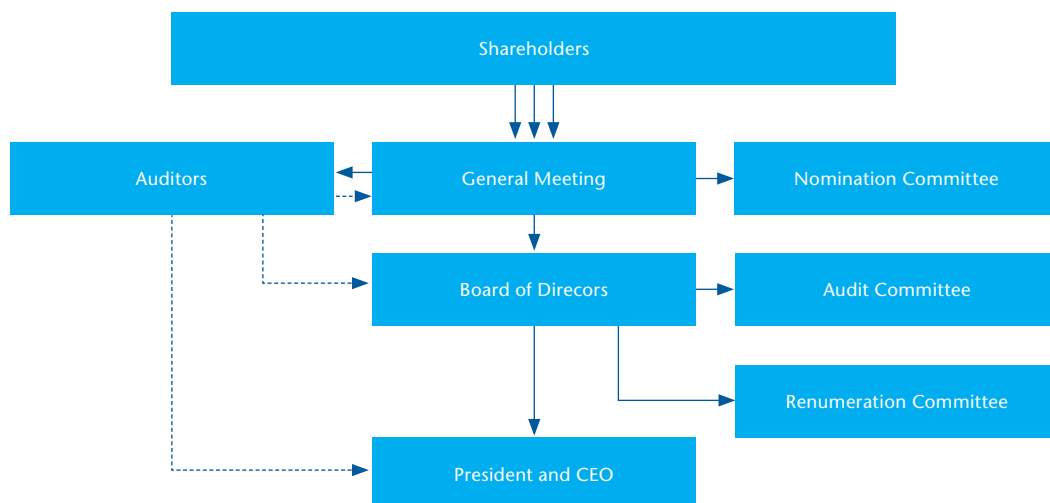
## Articles of Association

The Articles of Association of CellaVision stipulate that the company shall develop, market and sell products and systems for automated digital micros-

## Legal Structure



## Overall governance structure for CellaVision



CellaVision's operations are governed by a Board of Directors elected by the shareholders. This Board in turn exercises control over the company management. The administration of the Board of Directors and the President/CEO and financial reporting is examined by the external auditors elected by the Annual General Meeting.

copy, specializing in software applications for the medical market. The registered office of the company is in Lund and the company's financial year is a calendar year. In other respects the Articles of Association contains provisions concerning the number of shares, number of board members and auditor and the Annual General Meeting. The Articles of Association contain no separate provisions concerning the appointment or removal of members of the Board or concerning amendments to the Articles of Association. The complete Articles of Association can be downloaded from [www.cellavision.se](http://www.cellavision.se).

#### General Meeting of Shareholders

The highest decision-making body in CellaVision is the General Meeting, which is called at least once a year and among other things passes resolutions on the treatment of the company's balance sheet and income statement, discharge from liability of the Board of Directors and President/CEO, election of the Board of Directors and auditor, fees to the Board of Directors and auditor and appointment of the Nomination Committee. Amendments to the Articles of Association require a resolution by the General Meeting of Shareholders.

In order to participate in resolutions a shareholder must attend the Meeting, in person or via a representative, and be entered under his or her own name in the register of shareholders and give notice of attendance to the company.

The Annual General Meeting of CellaVision is held in Lund during the first half of every year. In connection with the third quarterly report CellaVision's shareholders are informed of the time and place of the Annual General Meeting and of their right to bring a matter before the Meeting. A notice to attend the Annual General Meeting is published no earlier than six and no later than four weeks before the Meeting.

An extraordinary general meeting may be held if the Board of Directors considers it necessary or if the company's auditors or shareholders holding at least 10 per cent of the shares so request.

#### Annual General Meeting 2014

CellaVision's Annual General Meeting was held on Wednesday, May 7, 2014 at CellaVision's premises at Ideon in Lund. The Meeting was attended by 21 (21) shareholders, in person or through representatives. They represented about 35 (45) percent of the total votes. The Board of Directors, Nomination Committee and auditor of the company were present at the Meeting. Essentially, the following resolutions were passed:

- The parent company and consolidated income statements and balance sheets were adopted. It was further resolved that a dividend of SEK 0.50 per share will be distributed for the 2013 financial year.
- Discharge from liability of the members of the Board of Directors and the President.
- Re-election of Lars Gatenbeck, Christer Fåhraeus, Torbjörn Kronander, Anna Malm Bernsten and

Roger Johanson as members of the Board and new election of Niklas Prager as member of the Board. Lars Gatenbeck was re-elected as Chairman of the Board of Directors. Re-election of Deloitte AB as auditor.

- Fee to the Board of Directors, presented in the table on page 31 and in Note 7.4 of the annual report.
- Guidelines for remuneration to senior management. A resolution was also passed concerning an incentive program for the company management.
- Principles for the Nomination Committee.

No authorizations for the Board of Directors to issue new shares or acquire own shares were resolved. The minutes of the Annual General Meeting were presented on the website within a week of the Meeting. Material from the Meeting, such as the notice to attend, the minutes and information on the Nomination Committee is available to read on CellaVision's website. The full resolutions of the Meeting as above are available from the Company at the address Ideon Science Park in Lund and will be sent to any shareholder who so requests.

#### The Nomination Committee

The main task of the Nomination Committee is to propose to the Annual General Meeting the composition of the Board of Directors, which is then decided by the Annual General Meeting.

The work of the Nomination Committee starts by studying the evaluation of the work of the Board of Directors commissioned by the Board of Directors. The work of the Nomination Committee is characterized by transparency and discussion to achieve a well-balanced Board. The Nomination Committee then nominates members to the Board for the next term of office and submits proposals for remuneration to the Board of Directors and auditors.

#### *The Nomination Committee for the Annual General Meeting in 2015*

According to a resolution of the Annual General Meeting in 2014, CellaVision's Nomination Committee for the 2015 Annual General Meeting is to 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 2014. In addition the Chairman of the Board Lars Gatenbeck also sits on the 2015 Nomination Committee. The composition of the Nomination Committee was announced on November 5 in connection with the interim report for January-September 2014. Because of changes in ownership after the end, the members of the Nomination Committee has changed in relation to the communication in the interim report. The members of the Nomination Committee and the shareholders who appointed them are presented in the table on the next page.

In 2014 the Nomination Committee held two meetings, as well as a number of email and telephone contacts. The Nomination Committee proposals are presented in the notice to attend the 2015

Annual General Meeting and are also available on the company's website together with an explanatory statement concerning the proposed Board.

The Nomination Committee for the Annual General Meeting 2015

Name/Representing	Vote
Christer Fåhraeus, Christer Fåhraeus med bolag	10,1%
Caroline af Ugglas Skandia Liv	4,1%
Martin Gren Grens specialisten AB	2,5%
<b>Total</b>	<b>16,7%</b>

### Board of Directors

The Board of Directors and ultimately the President/CEO administers the affairs of the company on behalf of the shareholders. The Board of Directors appoints the President/CEO, who is responsible for the day-to-day management of the company. The division of duties and responsibilities between the Board of Directors and the President/CEO is clarified in the Board's Rules of Procedure and the Instructions to the President/CEO. The Board of Directors is appointed by the shareholders at the Annual General Meeting with a term of office up to and including the next Annual General Meeting. The Board of Directors administers the company on behalf of the shareholders by establishing goals and strategy, evaluating the operative management and ensuring that there is an effective system for follow-up and control of the established goals. It is also the responsibility of the Board to ensure that the company's information provision is correct, relevant and reliable. The Board of Directors forms a quorum when more than half of its members are present. Under CellaVision's Articles of Association the Board of Directors must consist of a minimum of three and a maximum of nine members with a maximum of two alternates. The Board holds an inaugural meeting directly after the Annual General Meeting.

Attendance and remuneration to the Board in 2014

Name	Independence in relation to the company	Independence in relation to the company's major shareholders	Audit Committee	Remuneration Committee	Board fee, SEK thousands	Committee fee, SEK thousands	Total, SEK thousands	Attendance at Board meetings
Lars Gatenbeck	Yes	Yes	•	•	300	0	300	13/13
Christer Fåhraeus	Yes	No		•	150	20	170	12/13
Roger Johanson	Yes	Yes	•		150	20	170	13/13
Torbjörn Kronander	Yes	Yes			150		150	12/13
Anna Malm Bernsten	Yes	Yes		•	150	20	170	11/13
Niklas Prager	Yes	Yes	•		100	13	113	6/7
<b>Total</b>					<b>1,000</b>	<b>73</b>	<b>1,173</b>	

- Member of the board
- Chairman

A more detailed presentation of the members of the Board can be found on page 36 and on the company website, [www.cellavision.se](http://www.cellavision.se).

### Chairman of the Board

CellaVision's Board of Directors has been chaired since 2002 by Lars Gatenbeck. The Chairman of the Board is appointed by the Annual General Meeting. The Chairman of the Board organizes and leads the work of the Board, ensures that the Board regularly develops its knowledge of the company, communicates shareholders' views to the Board and is a support to the President/CEO. The Chairman of the Board and the President/CEO prepare proposed agendas for the Board meetings. It is the responsibility of the Chairman of the Board to verify that the Board's decisions are effectively implemented and that the work of the Board is evaluated annually and that the Nomination Committee is informed of the results of this evaluation.

### The Board's Rules of Procedure

The Board of Directors adopts rules of procedure for its work annually. The current rules of procedure were adopted on May 7, 2014. In addition to that, the Rules of Procedure are revised as necessary. The Rules of Procedure include a description of the responsibilities and duties of the Board, the duties of the Chairman of the Board, audit issues and specify the reports and financial information that the Board must receive before each ordinary Board meeting.

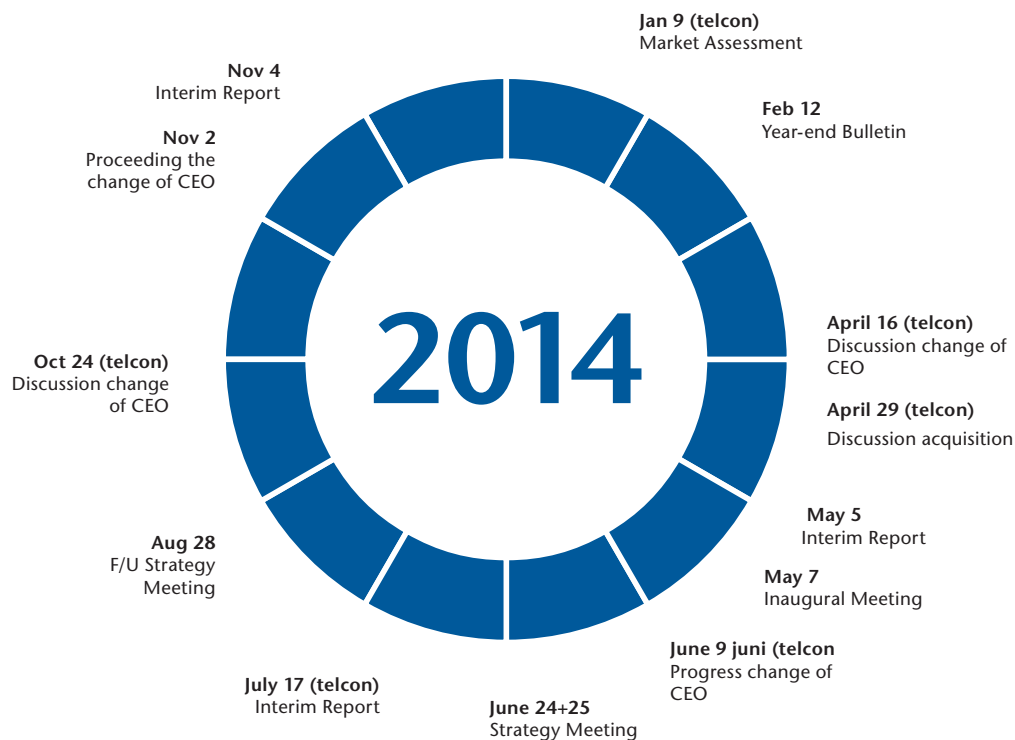
### Evaluation of the work of the Board

Under the leadership of the Chairman, the Board conducts an annual evaluation of its work. The evaluation refers to forms of work and work climate, emphasis of the Board's work and access to and need for special competence in the Board. The evaluation is used as an aid to developing the work of the Board. In accordance with the Swedish Code of Corporate Governance, relevant parts of the results are made available to the Nomination Committee.

### CellaVision's Board of Directors 2014

As of the 2011 Annual General Meeting the Board of Directors consisted of six members with no alternates.

## Board Meetings 2014



The 2014 Annual General Meeting re-elected Christer Fåhraeus, Lars Gatenbeck, Torbjörn Kronander, Anna Malm Bernsten and Roger Johanson as members of the Board and elected Niklas Prager as member of the Board. Lars Gatenbeck was re-elected as the Chairman of the Board. The members of the Board have great experience and competence in medicine and technology as well as business and international operations. The composition of the Board complies with the requirements of the Code regarding independent members. The information that is to be provided under point 10.2 of the Code concerning members of the Board can be found on page 34.

**Work of the Board in 2014**

In 2014 CellaVision's Board of Directors held a total of thirteen minuted meetings, eight of which by telephone. Four of the meetings were held in connection with the approval of the year-end bulletin and the interim reports. On occasions when any member has been prevented from attending the Chairman of the Board has obtained views concerning the decision in advance. Important questions during the year included strategy, market assessments and material risks. The company's President/CEO and CFO participate regularly in the Board meetings. Other senior executives participate in the Board meetings as necessary. The company's auditor participated in the February Board meeting, when the year-end bulletin was approved. Eddie Juhlin and Ann Källsand, Members of the Swedish Bar Association, from Fredersen Advokatbyrå, acted as secretary at four Board meetings and one Board meeting respectively during the year.

*Audit Committee*

Risks concerning CellaVision's financial reporting are monitored and evaluated by the Board's Audit Committee, whose main task is to support the Board in quality assurance of the financial reporting. The Audit Committee has no decision-making authority, it prepares and reports matters to the Board as a whole. The Audit Committee consists of three members who are all independent in relation to the company and its management as well as being independent in relation to the company's major shareholders: Lars Gatenbeck, Roger Johanson and Niklas Prager. Roger Johanson chairs the Committee. During the year the Committee met twice. Questions dealt with are mainly internal control in the subsidiaries, risks, audit planning and governance and follow-up of operations. The company's auditor and CFO participate regularly at the Audit Committee meetings.

*Remuneration Committee*

The Board of Directors also has a Remuneration Committee, whose main task is to propose principles for remuneration and other conditions of employment for the President/CEO and other senior management in the Group. Ahead of each Annual General Meeting the Committee submits its proposals, in accordance with Chapter 8, Section 51 of the Swedish Companies Act. In 2014 the Remuneration Committee consisted of members of the Board Lars Gatenbeck, Christer Fåhraeus and Anna Malm Bernsten, who are all independent of the company and the company management. Lars Gatenbeck and Anna Malm Bernsten are also independent in relation to the company's major shareholders. Lars Gatenbeck



chairs the Committee. During the year the Committee held three minuted meetings with full attendance, and had several telephone and email contacts. In addition to guidelines and principles of remuneration to the President/CEO and other senior management during the year the Committee discussed the company's incentive program for the President/CEO, management and other staff.

### President/CEO and Executive Group Management

The President/CEO is appointed by and receives instructions from the Board of Directors. CellaVision's President/CEO in 2014, Yvonne Mårtensson, was responsible for the day-to-day management of the company in accordance with the Board's guidelines and directions. The current Instruction to the President/CEO was adopted by the Board on May 7, 2014. The President/CEO prepares information and decision-making data for the Board meetings and is presenter at the meetings. The Board of Directors continuously evaluates the work of the President/CEO through monitoring against goals set. Once a year a formal evaluation is made, which is discussed with the President/CEO. Yvonne Mårtensson left her position as President and Chief Executive Officer of CellaVision on December 31, 2014. Zlatko Rihter took over from Yvonne Mårtensson as CellaVision's President and Chief Executive Officer on January 1, 2015.

#### *Composition of the management in 2014*

The President/CEO has appointed a management team to be responsible for various parts of CellaVision's business. In 2014 the Executive Group Management consisted of six people besides the President/CEO:

- Chief Financial Officer (CFO)
- Chief Operating Officer (COO)
- VP Business Development
- VP Human Resources & Corporate Communications
- VP Sales & Marketing
- VP Quality
- VP Engineering (from November 1, 2014)

All members of the Executive Group Management are at the company's head office in Lund, Sweden, apart from the VP Business Development who is at the subsidiary in the USA. The Executive Group Management holds minuted meetings at which operative issues are discussed. The Executive Group Management draws up a business plan annually, which is adopted by the Board. A more detailed presentation of the President/CEO and the management team can be found on page 35. The information on the President/CEO stipulated in item 10.2 of the Code can also be found there.

### Auditor

The administration of the Board of Directors and the President/CEO and financial reporting is examined by the external auditor elected by the Annual General

Meeting. The auditor is proposed by the Nomination Committee and elected by the Meeting for one year. At the 2014 Annual General Meeting Deloitte was re-elected as auditor up to and including the 2015 Annual General Meeting.

The auditor in charge is authorized public accountant Maria Ekelund. The task of the auditor is to audit CellaVision's annual accounts, accounting records and the administration by the Board of Directors and President/CEO on behalf of the shareholders. Besides the annual audit, the auditor reviews at least one interim report per year. Remuneration to the auditor is payable in accordance with the approved invoice. For amounts please see Note 8.

### Remuneration

Salaries, remuneration and other benefits to the Board of Directors, President/CEO and other senior management are reported in Note 7.4 in the annual report. Remuneration to the Board of Directors can also be followed in the table on page 29.

#### *Guidelines for remuneration to senior management in 2014*

The 2014 Annual General Meeting resolved to approve the Board's proposed guidelines for remuneration to senior management of CellaVision AB as follows:

"The company is to offer commercially based total remuneration that enables the recruitment and retention of senior management. The remuneration to company management is to consist of fixed salary, benefits in kind, variable remuneration and pension. Fixed salary plus variable salary together constitute the individual's target salary. The fixed salary is to take account of the individual's areas of responsibility and experience and be reviewed annually. The distribution between the fixed salary and variable remuneration must be in proportion to the responsibility and authority of the person holding the position. The variable remuneration must always be subject to predetermined limits and be linked to predetermined and measurable performance criteria. The variable remuneration to the President/CEO must be based on individual targets established by the Board. These targets shall be linked to the company's overall targets including earnings, sales and/or cash flow. For other senior management variable remuneration is to be based on equivalent targets and targets within their own area of responsibility. Pension conditions must be commercial in relation to market conditions applicable to others holding equivalent positions and must be based on defined contribution plan solutions. The retirement age is to be 65 years. Severance pay for a member of the management can be payable in an amount equivalent to a maximum of 12 months' salary. The total of the fixed salary during the period of notice and severance pay may not exceed an amount equivalent to two years' fixed salary for the member of management. No separate board fee is payable to a member of management holding a position as member or alternate in a group company board of directors.

The Board of Directors may deviate from these guidelines if there are special grounds for this in an individual case.”

#### *Incentive program for senior management*

The Annual General Meeting held on May 7, 2014 adopted the Board’s proposed share-price based incentive program for the company’s senior management to run up to and including December 31, 2016. The decision means a renewal of the incentive program previously used in the company for 2011-2013, 2012-2014 and 2013-2015. Those eligible are the CEO and members of the management team. The incentive program means that the company, provided profitability and sales targets set at the start of the year have been achieved, will set aside 2 monthly salaries for the CEO and 1.5 monthly salaries for other senior management participating in the incentive program in 2014.

The outcome depends on a comparison between the company’s average share price and the NASDAQ OMX Stockholm general index. For entitlement to remuneration the company’s average share price must exceed the general index by at least 30 percent in Q4 2016 compared with Q4 2014. Any payment will be made in 2017. A minimum increase of 30 percent in the share price in a period of comparison as above results in a bonus equivalent to 2 monthly salaries for the CEO and equivalent to 1.5 monthly salaries for other senior management. The outcome of the incentive program starting in 2014 is maximized to an amount equivalent to 4 monthly salaries for the CEO and an amount equivalent to 3 monthly salaries for other senior management participating in the incentive program. The maximum amount will be payable if the increase in the share price for the period in question is at least 100 percent. For the 2014-2016 program the costs to the company for maximum outcome are estimated to be SEK 2.2 million excluding social security contributions. Similar long-term share-based programs have been applied by the company previously, but only the 2013-2015 program achieved the index target set, entailing an estimated cost to the company in the case of maximum outcome of SEK 2.2 million (excluding social security contributions). Similar long-term share-related program has been applied to the company in the past but only program 2013-2015 achieved the established index target resulting in an estimated cost to the company at maximum payout of 1.7 million (excluding social security contributions). The calculation is based on the six senior executives participating in the program. In order to participate in the incentive program for the period 2014-2016, the member of senior management must have been employed for six months in 2014 and be employed on December 31, 2014 and his/her employment contract on the same date must not be under notice of termination. The Board of Directors determines the profitability and sales targets applicable to the program, the individual members of senior management in the group CEO and management team who are eligible

to participate in the program, and decide whether the conditions that confer the right to payment of bonus under the incentive program for an individual member of senior management have been met. In addition to the share related programs described above, the Board decided in 2014 on a short-term incentive program for senior executives which implied that some targets for operating profit and sales as well as some individual goals were achieved in 2014. This program will cost the company SEK 1.2 million plus social security charges.

#### *Incentive program for staff*

The share-price based incentive program of 2013-2015 for the company’s senior management is also eligible for staff.

The Board approved an incentive program for staff in 2014 that runs for the current year, January 1, 2014 to December 31, 2014. Eligible staff are those who are not senior management and who consequently are not eligible for the incentive scheme for senior management resolved by the 2014 Annual General Meeting. The decision means that the employee will receive 0.5 of a monthly salary in the case of maximum outcome. The size of the share depends on the company’s performance and sales in 2014. To participate in the incentive program the employee must have been employed for at least six months in 2014 and be employed on December 31, 2014. For the 2014 program the profitability and sales targets set were 92 percent achieved, entailing a cost to the company of SEK 1.2 million.

#### *Proposed guidelines for remuneration to senior management in 2014*

The Board of Directors proposes the following guidelines for remuneration to senior management in 2014, as in last year’s proposal:

“The company is to offer commercially based total remuneration that enables the recruitment and retention of senior management. The remuneration to company management is to consist of fixed salary, benefits in kind, variable remuneration and pension. Fixed salary plus variable salary together constitute the individual’s target salary.

The fixed salary is to take account of the individual’s areas of responsibility and experience and be reviewed annually. The distribution between the fixed salary and variable remuneration must be in proportion to the responsibility and authority of the person holding the position. The variable remuneration must always be subject to predetermined limits and be linked to predetermined and measurable performance criteria. The variable remuneration to the President/CEO must be based on individual targets established by the Board. These targets shall be linked to the company’s overall targets including earnings, sales and/or cash flow. For other senior management variable remuneration is to be based on equivalent targets and targets within their own area of responsibility. Pension conditions must be commercial in relation to market conditions applicable

to others holding equivalent positions and must be based on defined contribution plan solutions. The retirement age is to be 65 years. Severance pay for a member of the management can be payable in an amount equivalent to a maximum of 12 months' salary. The total of the fixed salary during the period of notice and severance pay may not exceed an amount equivalent to two years' fixed salary for the member of management. No separate board fee is payable to a member of management holding a position as member or alternate in a group company board of directors. The Board of Directors may deviate from these guidelines if there are special grounds for this in an individual case." The Board of Directors also proposes to the General Meeting that the incentive program for senior management that previously applied in CellaVision during the periods 2011-2013 and 2012-2014 and 2013-2015 be continued.

### **The Board's report on internal control and risk management referring to financial reporting**

This report on internal control referring to financial reporting is submitted by the Board of CellaVision and has been drawn up in accordance with the Swedish Code of Corporate Governance.

#### *Background*

Under the Companies Act and the Swedish Code of Corporate Governance the Board is responsible for internal control.

#### *Control environment*

The basis of internal control is the overall control environment. A good control environment builds on an organization with clear decision lines where responsibility and authority is clearly defined. In CellaVision there are policies, guidelines and process descriptions for the different parts of the business flow from transaction management to bookkeeping and preparing external reports. In the company's financial and accounting manual, Administrative Guidelines, which is updated annually, these process descriptions are presented in all essentials.

#### *Risk assessment*

The Board and Audit Committee are responsible for identifying and managing all material financial risks and risks of misstatements in the external reporting. The Audit Committee evaluates the risk management requirements annually and draws up written principles both for overall risk management and for specific areas, such as currency risk, interest rate risk, credit risk and investment of surplus liquidity. These principles are then adopted by the Board.

#### *Control activities*

The main purpose of control activities is to prevent and discover errors as soon as possible in order to rectify any deficiencies. Procedures and activities have been designed to discover and deal with the most material risks related to financial reporting. Group companies are followed up by the CEO and

CFO through regular reports and personal meetings with the management of the respective subsidiary. The Board receives monthly reports in which the CEO and CFO give an account of the past period regarding the Group's and each respective business area's results and financial position. The work on monthly closings and annual accounts is well-defined and reporting is in accordance with standardized reporting templates including comments regarding all material income and balance sheet items. There are CFOs and controllers with functional responsibility for accounting, reporting and analysis at both parent company and subsidiaries. In this way the company's financial reports are checked several times, which reduces the risk of error.

At present neither the size of the company nor its risk exposure warrant a separate internal audit function. The Board assesses that with the procedures in place for follow-up and control there is currently no necessity for this.

#### *Information and communication*

CellaVision's procedures and systems for provision of information are aimed at supplying the market with relevant, reliable, correct and current information about the company's development and financial position. The Board has adopted an information policy that specifies what is to be communicated, by whom and in what way the information is to be published, to ensure that external information is correct and complete. Financial information is published regularly in the form of interim reports, annual report and press releases on price-sensitive news. The material is published in Swedish and English on the company's website.

#### *Follow up*

Compliance and effectiveness of internal controls are followed up regularly. The company's financial situation and strategy regarding its financial position is dealt with at each Board meeting, when the Board receives detailed monthly reports regarding the financial position and development of operations. Each interim report is analyzed by the Audit Committee, discussed with the CFO and then approved by the Board before publication.

#### *Activities 2014*

CellaVision works constantly to minimize risks by removing superfluous manual steps from the company's processes. A special area of focus in 2014 was discontinuing the use of factoring, which means that the company changed to more effective administration in 2014. Discontinuing factoring also means a decrease in CellaVision's interest costs.

# Board of Directors and Auditors



## LARS GATENBECK

Elected 2000. Chairman since 2002.  
Year of birth: 1956.

### Other directorships

Chairman of Life Equity Group AB.  
Former positions include Director of Karolinska University Hospital and management positions within the pharmaceutical and biotechnology industry. Chairman of the Board of Life Equity Group Holding AB, Life Medical Sweden AB and Memira Holding AB. Member of the Board of Hristian Berners Tech Trade AB, Cancerföreningen and Stiftelsen Silviahemmet.

Senior Advisor i Econ Healthcare PTE Ltd Data Flow Group and Principal in Gustav V:s Jubileumsfond.

### Education

M.D., Ph.D.

### CellaVision shares

7,438.



## CHRISTER FÄHRÆUS

Founder of CellaVision. Member of the board since 1994.  
Year of birth: 1965.

### Other directorships

CellaVision's founder and CEO until June 1998. CEO of EQL Pharma AB. Former positions include CEO of Anoto Group AB and Agellis Group AB. Founder of Anoto Group AB, Precise Biometrics AB, Agellis Group AB and Flatfrog Laboratories AB among others.

Chairman of the Board of Agellis Group AB, Respiratorius AB and Flatfrog Laboratories AB.

Member of the Board of EQL Pharma AB, Lunds universitets innovationssystem AB, Fårö Capital AB, Karo Bio AB and Wranne Fähræus Design AB.

### Education

M.Sc. Bioengineering, B.Sc. Mathematics, Ph.D. (hc).

### CellaVision shares

2,400,000 (incl. companies).



## ROGER JOHANSON

Elected 2011.  
Year of birth: 1959.

### Other directorships

Head of Venture Capital & Direct Investments at Skandia Liv.

Former positions include CEO and President at Medicarb AB and management positions at DAKO A/S and Becton Dickinson AB.

Member of the Board of Diligentia AB and SVCA.

### Education

M.Sc. Chemical Engineering.

### CellaVision shares

3,000.



## TORBJÖRN KRONANDER

Elected 2007.  
Year of birth: 1957.

### Other directorships

President and CEO of Sectra AB. Founder of Sectras' medical division and cofounder of the research center, CMIV (Center for Medical Image science and Visualization) in Linköping.

Member of the Board of Sectra AB and Shannon AB.

### Education

Doctor of Technology, MBA.

### CellaVision shares

278,000.



## ANNA MALM BERNSTEN

Elected 2010.  
Year of birth: 1961.

### Other directorships

CEO of Bernsten Konsult AB. Former positions include President and CEO of Carmeda AB and management positions at Pharmacia & Upjohn and GE Healthcare Life Sciences.

Member of the Board of AB Fagerhult, Medivir AB, Nolato AB, NeuroVive Pharmaceutical AB, Birdstep ASA, Matrisen AB, Oatly AB and Cereal Base AB.

### Education

M.Sc. Chemical Engineering.

### CellaVision shares

–



## NIKLAS PRAGER

Elected 2014.  
Year of birth 1970

### Other directorships

President and CEO of Medivir AB.

Former position as CEO of Envirotainer AB, Qbtech AB and Pfizer AB.

Member of the Board of Qbtech AB and eGain International AB

### Education

MBA

### CellaVision shares

–

## AUDITOR

### MARIA EKELUND

Authorised Public Accountant, Deloitte AB.  
Auditor of CellaVision since 2013.



# Management



**ZLATKO RIHTER**  
President and CEO.  
Employed in 2015.  
Year of birth: 1970.

**Previous experience**

Has more than 17 years of experience from the medtech industry, holding leading positions at Gambro and Arjo-Huntleigh. His most recent position was as Executive Vice President at Origio A/S.

**Education**

M.Sc. Mechanical Engineering, Economics.

**CellaVision shares**  
70 000.



**MAGNUS BLIXT**  
CFO.  
Employed in 2013.  
Year of birth: 1966.

**Previous experience**

Has extensive experience of developing small and medium sized companies focusing on business performance and process improvements, within the SKF Group and Rotaform AB among others. He most recently held the position as Business Demand Manager at SKF AB.

**Education**

MBA.

**CellaVision shares**  
–



**STEFAN BENGTSSON**  
Chief Operating Officer (COO).  
Employed in 2011.  
Year of birth: 1953.

**Previous experience**

Has more than 20 years experience of growth companies in the medtech industry. His most recent position was CEO of Presona AB. Former leading positions in Gambro, Getinge and Pharmacia.

**Education**

M.Sc. Mechanical Engineering.

**CellaVision shares**  
–



**KARIN DAHLÖF**  
VP Sales and Marketing.  
Employed in 2013.  
Year of birth: 1959.

**Previous experience**

Has more than 20 years' experience of sales and marketing in the medtech industry, including positions at Chromogenix, Hemocue AB and Bonesupport AB. She most recently held a leading position at Vidacare BV in the Netherlands.

**Education**

Biomedical Laboratory Scientist. Diploma in Marketing Communications.

**CellaVision shares**  
5,800.



**GÖRAN GRANQVIST**  
VP Quality.  
Employed in 2013.  
Year of birth: 1965.

**Previous experience**

Has broad experience in quality work including positions at Gambro, the nuclear industry and the defense industry. His most recent position was Manager Quality Assurance & Validation at ÄF.

**Education**

Technical college graduate.

**CellaVision shares**  
–



**RON HAGNER**  
VP Sales & Business Development.  
Employed in 2001.  
Year of birth: 1954.

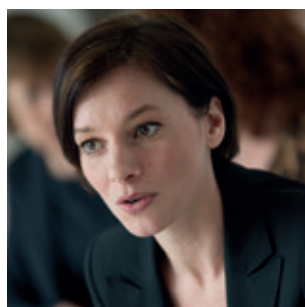
**Previous experience**

Many years' experience of the medtech industry, holding leading positions in sales and marketing with Bayer Diagnostics, Intelligent Medical Imaging and Triangle Biomedical Sciences.

**Education**

M.Sc. Medical Biology.

**CellaVision shares**  
1,000.



**MARIA MORIN**  
VP HR & Corporate Communications.  
Employed in 2009.  
Year of birth: 1974.

**Previous experience**

Has extensive experience from various positions and companies within the field of human resources. Her most recent position was at Gambro AB.

**Education**

B.Sc. Economics and Business Administration and B.Sc. Human Resources.

**CellaVision shares**  
–



**ADAM MORELL**  
VP Engineering.  
Employed in 2001-2003, 2006.  
Year of birth: 1976.

**Previous experience**

Has extensive experience of the development process and CellaVision's technology. Adam also has expertise in medical imaging and has been a co-inventor on several patents.

**Education**

M.Sc. Physics, Technology  
Licentiate Mathematics,  
B.Sc of Medicine

**CellaVision shares**  
–

# Consolidated statement of comprehensive income, Group

SEK thousands	Note	2014	2013
	1		
Net sales	4	216,916	179,851
Cost of goods sold	10	-71,814	-67,225
<b>Gross profit</b>		<b>145,102</b>	<b>112,626</b>
Selling expenses		-42,691	-39,344
Administrative expenses		-36,833	-26,653
Research and development expenditure		-22,765	-20,683
<b>Operating profit/loss</b>	<b>5,6,7,8,9,10,13,14</b>	<b>42,813</b>	<b>25,946</b>
<b>PROFIT/LOSS FROM FINANCIAL ITEMS</b>			
Interest income and other financial gains	11	1,090	594
Interest expense and other financial losses	11	-534	-1,850
<b>Profit/loss before tax</b>		<b>43,369</b>	<b>24,690</b>
Income tax	12	-11,904	-5,758
<b>Net profit for the year</b>		<b>31,465</b>	<b>18,932</b>
Other comprehensive income:			
Components not to be reclassified to net profit:			
		-	-
Components to be reclassified to net profit:			
<i>a) Cash flow hedges</i>			
Reclassified to operating profit		207	-2,493
Revaluation of financial assets		-3,726	-204
Tax effect on cash flow hedges		774	560
<i>b) Translation differences</i>			
Exchange rate differences on translation of subsidiaries		1,986	350
Total components to be reclassified to net profit:		-759	-1,787
Total other comprehensive income for the year		-759	-1,787
<b>Total comprehensive income for the year</b>		<b>30,706</b>	<b>17,145</b>
Earnings per share (SEK)		1.32	0.79
Earnings per share after dilution (SEK)		1.32	0.79
Number of shares in issue (thousands)		23,852	23,852
Average number of shares in issue (thousands)		23,852	23,852
Net profit for the year is in total attributable to the parent company's shareholders			
Total comprehensive income for the year is in total attributable to the parent company's shareholders			

# Consolidated statement of financial position, Group

SEK thousands	Note	2014	2013
<b>ASSETS</b>	<b>1</b>		
<b>Non-current assets</b>			
Capitalised expenditure for development	4.13	27,224	26,466
Equipment	4.14	3,203	3,195
Deferred tax assets	12	22,507	33,078
Other non-current receivables	4.15	208	83
<b>Total non-current assets</b>		<b>53,142</b>	<b>62,822</b>
<b>Current assets</b>			
<i>Inventories</i>			
Finished goods and goods for resale		25,129	16,797
<b>Total inventories</b>		<b>25,129</b>	<b>16,797</b>
<i>Current receivables</i>			
Trade receivables	17	60,531	43,338
Tax receivables		2,199	1,797
Other receivables		4,859	2,737
Accrued income and prepaid expenses	18	4,484	3,200
<b>Total current receivables</b>		<b>72,073</b>	<b>51,072</b>
Cash and cash equivalents	1	51,905	57,882
<b>Total current assets</b>		<b>149,107</b>	<b>125,751</b>
<b>TOTAL ASSETS</b>		<b>202,249</b>	<b>188,573</b>
<b>EQUITY AND LIABILITIES</b>	<b>1</b>		
<b>Shareholders' equity</b>			
Share capital	19	3,578	3,578
Other contributed capital		10,800	10,800
Reserves		566	566
Accumulated profit/loss including profit for the year		136,352	117,572
<b>Total equity attributable to the parent company's shareholders</b>		<b>151,296</b>	<b>132,516</b>
<b>Current liabilities</b>			
Current liabilities, non-interest-bearing		8,064	4,783
Liabilities to credit institutions, interest-bearing	20	-	19,978
Trade payables		12,297	10,641
Provisions	21	4,248	2,448
Accrued expenses and deferred income	22	26,344	18,207
<b>Total current liabilities</b>		<b>50,953</b>	<b>56,057</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>202,249</b>	<b>188,573</b>
Pledged assets	23	12,500	32,478
Contingent liabilities	23	None	None

# Consolidated statement of cash flows, Group

SEK thousands	Note	2014	2013
<b>Operating activities</b>	<b>1</b>		
Profit/loss before tax		43,369	24,690
Paid tax		-559	-842
Adjustments for non-cash items	24	18,942	13,309
<b>Cash flow from operating activities before changes in working capital</b>		<b>61,752</b>	<b>37,157</b>
Change in inventories		-8,121	-440
Change in operating receivables		-18,049	-4,016
Change in operating liabilities		4,202	-5,429
<b>Cash flow from changes in working capital</b>		<b>-21,968</b>	<b>-9,885</b>
<b>Cash flow from operating activities</b>		<b>39,784</b>	<b>27,272</b>
<b>Investing activities</b>			
Capitalisation of development expenditure and technology acquisition		-12,292	-10,196
Purchases of property, plant and equipment		-1,446	-1,597
Acquisition of non-current financial assets		-119	0
<b>Cash flow from investing activities</b>		<b>-13,857</b>	<b>-11,793</b>
<b>Financing activities</b>			
Loans repaid/raised		-19,978	5,708
Dividend		-11,926	-9,541
<b>Cash flow from financing activities</b>		<b>-31,904</b>	<b>-3,833</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-5,977</b>	<b>11,646</b>
Cash and cash equivalents (opening balance)		57,882	46,236
Cash and cash equivalents (closing balance)		51,905	57,882
Supplementary disclosures, cash flow statement			
Interest received during the year		328	196
Interest paid during the year		-534	-176
Exchange rate difference on cash and cash equivalents		1,003	-785



# Consolidated statement of changes in equity, Group

SEK thousands, Note 1	Other				Retained earnings	Total shareholders' equity
	Share capital	contributed capital	Translation reserve	Hedging reserve		
Opening balance at 1 January 2013	3,578	10,800	522	1,831	108,181	124,912
<b>Comprehensive Income</b>						
Net profit for the year					18,932	18,932
<b>Other Comprehensive Income</b>						
Cash flow hedges, after tax				-2,137		-2,137
Exchange rate differences, after tax			350			350
<b>Total Other Comprehensive Income</b>			<b>350</b>	<b>-2,137</b>		<b>-1,787</b>
<b>Total Comprehensive Income</b>			<b>350</b>	<b>-2,137</b>	<b>18,932</b>	<b>17,145</b>
Dividend to Parent Company's shareholders					-9,541	-9,541
<b>Closing Balance at 31 December 2013</b>	<b>3,578</b>	<b>10,800</b>	<b>872</b>	<b>-306</b>	<b>117,572</b>	<b>132,516</b>
Opening balance at 1 January 2014	3,578	10,800	872	-306	117,572	132,516
<b>Comprehensive Income</b>						
Net profit for the year					31,465	31,465
<b>Other Comprehensive Income</b>						
Cash flow hedges, after tax				-2,745		-2,745
Exchange rate differences, after tax			1,986			1,986
<b>Total Other Comprehensive Income</b>			<b>1,986</b>	<b>-2,745</b>		<b>-759</b>
<b>Total Comprehensive Income</b>			<b>1,986</b>	<b>-2,745</b>	<b>31,465</b>	<b>30,706</b>
Dividend to Parent Company's shareholders					-11,926	-11,926
<b>Closing Balance at 31 December 2014</b>	<b>3,578</b>	<b>10,800</b>	<b>2,858</b>	<b>-3,051</b>	<b>137,111</b>	<b>151,296</b>

# Income statements, Parent company

SEK thousands	Note	2014	2013
	1		
Net sales	4.6	207,041	166,757
Cost of goods sold	10	-81,184	-83,619
<b>Gross profit</b>		<b>125,857</b>	<b>83,138</b>
Selling expenses		-24,745	-17,646
Administrative expenses		-35,133	-26,653
Research and development expenditure		-22,765	-20,683
<b>Operating profit/loss</b>	<b>6,7,8,9,10,13,14</b>	<b>43,214</b>	<b>18,156</b>
PROFIT/LOSS FROM FINANCIAL ITEMS			
Impairment loss on shares in subsidiaries	11	-1,700	-14,546
Interest income and other financial gains	11	998	225
Interest expense and other financial losses	11	-355	-1,684
<b>Profit/loss before tax</b>		<b>42,157</b>	<b>2,151</b>
Income tax	12	-11,308	-4,128
<b>Net profit for the year</b>		<b>30,849</b>	<b>-1,977</b>
<b>Statement of Comprehensive Income</b>			
<b>Net profit for the year</b>		<b>30,849</b>	<b>-1,977</b>
Other comprehensive income:		-	-
<b>Sum of other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>30,849</b>	<b>-1,977</b>

# Balance sheets, Parent company

SEK thousands	Note	2014	2013
<b>ASSETS</b>	<b>1</b>		
<b>Non-current assets</b>			
Capitalised expenditure for development	13	27,224	26,466
Equipment	14	1,829	1,685
Shares in subsidiaries	16	106	106
Deferred tax assets	12	21,655	32,963
<b>Total non-current assets</b>		<b>50,814</b>	<b>61,220</b>
<b>Current assets</b>			
<i>Inventories</i>			
Finished goods and goods for resale		21,748	14,370
<b>Total inventories</b>		<b>21,748</b>	<b>14,370</b>
<i>Current receivables</i>			
Trade receivables	17	56,219	39,593
Receivables from group companies		9,241	3,820
Tax receivables		2,199	1,797
Other receivables		4,766	2,737
Accrued income and prepaid expenses	18	2,757	2,652
<b>Total current receivables</b>		<b>75,182</b>	<b>50,599</b>
Cash and cash equivalents	1	41,028	50,785
<b>Total current assets</b>		<b>137,958</b>	<b>115,754</b>
<b>TOTAL ASSETS</b>		<b>188,772</b>	<b>176,974</b>
<b>EQUITY AND LIABILITIES</b>	<b>1</b>		
<b>Shareholders' equity</b>			
<i>Restricted equity</i>			
Share capital	19	3,578	3,578
Statutory reserve		10,780	10,780
<i>Non-restricted equity</i>			
Profit brought forward		93,609	107,511
Net profit for the year		30,849	-1,977
<b>Total shareholders' equity</b>		<b>138,816</b>	<b>119,892</b>
<b>Current liabilities</b>			
Current liabilities, non-interest-bearing		4,020	3,656
Liabilities to credit institutions, interest-bearing	20	-	19,978
Trade payables		12,246	10,412
Liabilities to group companies		9,422	6,369
Provisions	21	4,248	2,448
Accrued expenses and deferred income	22	20,020	14,219
<b>Total current liabilities</b>		<b>49,956</b>	<b>57,082</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>188,772</b>	<b>176,974</b>
Pledged assets	23	12,500	32,478
Contingent liabilities	23	None	None

# Cash flow statement, Parent company

SEK thousands	Note	2014	2013
<b>Operating activities</b>	<b>1</b>		
Profit/loss before tax		42,157	2,151
Paid tax		-	-
Adjustments for non-cash items	24	21,112	26,403
<b>Cash flow from operating activities before changes in working capital</b>		<b>63,269</b>	<b>28,554</b>
Change in inventories		-7,378	-2,084
Change in operating receivables		-23,839	-4,390
Change in operating liabilities		3,551	1,097
<b>Cash flow from changes in working capital</b>		<b>-27,666</b>	<b>-5,377</b>
<b>Cash flow from operating activities</b>		<b>35,603</b>	<b>23,177</b>
<b>Investing activities</b>			
Capitalisation of development expenditure and technology acquisitions		-12,292	-10,196
Purchases of property, plant and equipment		-1,164	-662
<b>Cash flow from investing activities</b>		<b>-13,456</b>	<b>-10,858</b>
<b>Financing activities</b>			
Loans repaid/raised		-19,978	-9,541
Dividend		-11,926	5,706
<b>Cash flow from financing activities</b>		<b>-31,904</b>	<b>-3,835</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-9,757</b>	<b>8,484</b>
Cash and cash equivalents (opening balance)		50,785	42,301
Cash and cash equivalents (closing balance)		41,028	50,785
Supplementary disclosures, cash flow statement			
Interest received during the year		140	196
Interest paid during the year		-355	-176



# Statement of change in equity, Parent company

SEK thousands, Note 1	Share capital	Other contributed capital	Retained earnings	Total sharehold- ers' equity
Opening balance at 1 January 2013	3,578	10,780	117,052	131,410
Net profit for the year			-1,977	-1,977
<b>Other Comprehensive Income</b>				
Other Comprehensive Income			-	-
<b>Total Other Comprehensive Income</b>			<b>0</b>	<b>0</b>
<b>Total Comprehensive Income</b>			<b>-1,977</b>	<b>-1,977</b>
Dividend to Parent Company's shareholders			-9,541	-9,541
<b>Closing Balance at 31 December 2013</b>	<b>3,578</b>	<b>10,780</b>	<b>105,534</b>	<b>119,892</b>
Opening balance at 1 January 2014	3,578	10,780	105,534	119,892
Net profit for the year			30,849	30,849
<b>Other Comprehensive Income</b>				
Other Comprehensive Income			-	-
<b>Total Other Comprehensive Income</b>			<b>0</b>	<b>0</b>
<b>Total Comprehensive Income</b>			<b>30,849</b>	<b>30,849</b>
Dividend to Parent Company's shareholders			-11,925	-11,925
<b>Closing Balance at 31 December 2014</b>	<b>3,578</b>	<b>10,780</b>	<b>124,458</b>	<b>138,816</b>

# Notes

## Note 1. General information, accounting policies and valuation principles

### Accounting policies

CellaVision AB's consolidated accounts were prepared in accordance with the Annual Accounts Act (ÅRL), International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee approved for use within the EU. The Swedish Financial Reporting Board recommendation RFR 1 "Supplementary accounting rules for groups" has also been applied. The parent company annual accounts were prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 "Accounting for legal entities". The consolidated and annual accounts are stated in SEK thousands and refer to the period 1 January-31 December for income statement related items and December 31 for balance sheet-related items. Assets and liabilities are recorded in accordance with the historical cost method with the exception of certain financial assets recorded at fair value through profit or loss.

### New and amended standards and interpretations in 2014

New and amended standards and improvements that came into force in 2014 have not had any impact on the Group's financial reporting for the financial year. A number of new interpretations and amendments were also issued by IFRIC. These amendments and interpretations have not had any impact on the Group's financial reporting in 2014.

### New and amended standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of new and amended standards which have not yet come into force. None of these have been applied in advance. A description is given below of new and amended standards and interpretations that are considered to have an impact on the Group's financial reporting in the period they are applied for the first time. IFRS 15 Revenue from contracts with customers will come into force no earlier than financial years starting on January 1, 2017. Consequently no investigation has been made into its expected impact on the Group. IFRS 9 Financial instruments will come into force no earlier than financial years starting on January 1, 2018. Consequently no investigation has been made into its expected impact on the Group. The company management considers that other new and amended standards and interpretations, which have not yet come into force, will not have any material impact on the Group's financial reports in the period they are applied for the first time.

### Group accounting policies

#### Consolidated accounts

CellaVision AB is a Swedish public limited liability company with its registered office at Ideon Science Park in Lund. The consolidated accounts include the parent company CellaVision AB and the wholly owned subsidiaries CellaVision Inc., USA, CellaVision Canada Inc., CellaVision Japan K.K. and CellaVision International AB. The consolidated accounts were prepared in accordance with the acquisition accounting method. This means that consolidated subsidiaries' identifiable assets, liabilities and contingent liabilities are recognised at fair value at the time of acquisition. If the cost of acquisition exceeds net assets recorded as above, the difference constitutes goodwill. Internal invoicing and internal financial dealings within the Group are eliminated in the consolidated accounts.

#### Translation of foreign operations

The functional currency is determined for each foreign operation. The foreign subsidiaries which have a functional currency different from CellaVision's functional currency, which is Swedish kronor, are translated at the closing day rate for all balance sheet items and at the average rate for income statement items. The translation differences thereby arising are an effect partly of the net profit/loss being translated at different rates in the income statement and balance sheet respectively, and partly of the net assets being translated at a different rate at the end of the year than at the beginning of the year. Translation differences are reported in "Other comprehensive income". For other exchange rate differences please see under the heading "Exchange rate gains and losses".

#### Revenue recognition

For sales of instruments and/or software the revenue includes both the instrument and/or the software, and the possible right to future software updates. The entire revenue referring to the system, instrument plus updates, is recognised when the significant risks and rewards associated with the instrument are transferred to the customer, which normally coincides with delivery to the customer. For services to end consumers the revenue constitutes payment for servicing the instrument. This revenue is accrued over the period of the service agreement. This may refer to one occasion or run for a longer period of time. For software upgrades (new functions, technology or applications) to end consumers the revenue constitutes payment for software upgrades and is recognized at the time of delivery or distribution of a license key.

#### Expenditure on research and development

Research expenditure is expensed as it is incurred. Expenditure for development of future products is expensed up to and including the prototype stage. Expenditure thereafter and until commercialisation is capitalised, to the extent it is probable that the product will be commercially viable. Expenditure for developing already existing applications and hardware platforms is expensed as it arises. In order to handle this effectively, the company applies a project accounting system in which all research and development expenditure is allocated to projects. Examples of such expenditure are:

- Goods and materials
- Consultant fees for conception and design
- Salaries and payroll overheads

Depreciation on equipment and computer equipment is not capitalised. Financial year borrowing costs for qualified assets for newly started projects are capitalised. Since the company did not incur any borrowing costs no such costs have been capitalised. The financial costs undertaken by the company do not refer to development activities and their costs.

#### Exchange rate gains and losses

Realised and unrealised exchange rate differences attributable to operating costs and transactions are reported among other operating income or expenses. Exchange rate differences referring to short-term and long-term financial transactions are recorded as financial items.

#### Intangible assets

Intangible assets consist of capitalized expenditure for development that is recorded at cost of acquisition less accumulated amortization. Development expenditure recognized as an asset is amortized over the estimated useful life of five years. CellaVision's products are replaced by new models at intervals of about five years. Amortization is started on market introduction of the respective product.

#### Property, plant and equipment

Property, plant and equipment, consisting of instruments, equipment and computer equipment, is reported at cost of acquisition less accumulated depreciation.

#### Depreciation

Depreciation/amortization is based on the historical cost and estimated useful life of the assets:

- Development projects 5 years
- Instruments 5 years
- Equipment 5 years
- Computer equipment 3 years

The estimated useful life of analyzers and development work is consistent with the estimated product life cycle.

#### Leases

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset from the lessor to the lessee. Leases that are not finance leases are classified as operating leases. Assets held under a finance lease are recognized at the beginning of the lease term at their fair value or, if lower, at the present value of the minimum lease payments. The liability of the lessee in relation to the lessor is recognized in the balance sheet. Lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to periods over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group does not hold any finance leases as at the balance sheet date. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. The operating leases refer mainly to premises, vehicles, computers and some office equipment.

#### Receivables and liabilities

Receivables and liabilities in foreign currency have been translated at the closing day rate, at which time unrealized exchange rate effects are recognized in revenue. To the extent an external customer contract exists (as regards the parent company's sales to Group companies) all customer invoices in the parent company are covered by invoice factoring. These are reported as trade receivables (in the parent company also intragroup receivables). The loans received by the company in the respective invoicing currency are reported as liabilities translated at the closing day rate. These invoices have been provided as loan collateral and are reported under pledged assets. At the close of 2014 the Group had no pledged trade receivables.

**Inventories**

Inventories are recorded at the lower of cost according to the first-in, first-out method (FIFO) and net realizable value (lower of cost or market). The inventories contain finished products and input components for additional instruments. Material costs have been expensed during the year as Cost of goods sold in the amount of SEK 59.8 (57.8) million.

**Cash flow statement**

The cash flow statement is prepared in accordance with the indirect method. Cash and bank balances are counted as cash and cash equivalents.

**Pensions**

All employees of the Parent Company are covered by the ITP plan administered by Alecta, apart from staff employed before 1 May 1999. These employees are covered by "alternative ITP", where the employees themselves may choose the insurer. These have the same amounts at their disposal as though they had been part of the ITP plan. Employees with an income in excess of 10 price base amounts are offered "tenfold earners" solutions. This means that they can choose the insurer for a part of the ITP contribution. Both these solutions are classified and reported as defined contribution plans. The ITP plan administered by Alecta is a defined benefit pension plan. However, in accordance with a statement by the Swedish Financial Reporting Board (UFR 3), this plan is reported as a defined contribution plan as Alecta cannot produce sufficient information for reporting it as a defined benefit plan. For further information please refer to the note on employee benefits. The Group's American employees are covered by a 410K plan, which is a defined contribution plan. All pension commitments have been taken over by insurance companies and thus all pension plans are reported as defined contribution plans and pension premiums are recognized as expenses in the period in which the employees render the related services.

**Share-price related remuneration**

The Group has a share-price related incentive program in which settlement will be in cash. The outcome of the program is dependent on a comparison between the company's share price and the NASDAQ OMX general index over the duration of the program. Any remuneration will be paid in the year after the program expires. At the close of each reporting period the company will review the fair value of the liability including social security costs. A change in the liability equivalent to the earnings at the close of each reporting period will be reported in the income statement. The following programs have been approved and refer to:

Duration	Refers to
2012–2014	Executive Group Mgmt and other personnel
2013–2015	Executive Group Mgmt and other personnel
2014–2016	Executive Group Mgmt and other personnel

**Classification of assets and liabilities**

Non-current assets and liabilities consist in all essentials only of amounts expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and liabilities consist in all essentials only of amounts expected to be recovered or paid within twelve months of the balance sheet date.

**Provisions**

A provision is reported when an obligation exists as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount. Warranty provisions are made for products sold. The warranty period is one year. Warranty costs are reported under "Cost of goods sold".

**Income taxes**

Income tax recognized in revenue includes tax to be paid or received for the current year, adjustments of previous years' current tax and changes in deferred tax. The valuation of all tax liabilities/assets is at nominal amounts and is done in accordance with the tax regulations and tax rates that have been adopted. Deferred tax is estimated in accordance with the balance sheet method on all temporary differences existing between the reported and tax base values for assets and liabilities. Deferred tax assets referring to loss carry forwards or other future tax-related deductions are only reported to the extent that it is probable that they can be applied in the future.

**Impairment of non-financial assets**

If within the group there is an indication that the value of an asset is impaired, its recoverable amount is determined. The recoverable amount is defined as the higher of an asset's net realizable value and value in use. When establishing value in use, a calculation is made of the present value of expected future cash flows from the asset during its useful life (for capitalized development expenditure the estimated product life cycle is equal to the useful life). An impairment loss is recognized in the income statement when the carrying amount in the consolidated accounts exceeds the recoverable amount.

**Financial instruments**

A financial asset or financial liability is recognized on the balance sheet when the company becomes a party to the contractual provisions of the instrument. A financial asset or part of a financial asset is to be removed from the balance sheet when the contractual rights are realised, expire or when the company loses control over it. A financial liability or part of a financial liability is to be removed from the balance sheet when the obligation in the contract is discharged or otherwise cancelled.

On every balance sheet date the company evaluates whether there are objective indications that a financial asset or group of assets is impaired due to past events. Examples of such events are significant deterioration in the financial position of the counterparty or non-payment of amounts due.

Financial assets and financial liabilities that are not measured at fair value through profit or loss on subsequent recognition, are recognized at fair value on initial recognition, adding or subtracting transaction costs. Financial assets and financial liabilities that are not measured at fair value through profit or loss on subsequent recognition, are recognized at fair value on initial recognition. In subsequent recognition financial instruments are measured at amortized cost or fair value depending on the initial classification under IAS 39.

On initial recognition a financial asset or financial liability is classified in one of the following categories:

**Financial assets**

- Fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available for sale financial assets

**Financial liabilities**

- Fair value through profit or loss
- Other financial liabilities measured at amortized cost

**Fair value of financial instruments**

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of other financial assets and liabilities is determined in accordance with generally accepted valuation models based on data obtained from observable current market transactions (level 1).
- The fair value of other financial assets and liabilities is determined in accordance with generally accepted valuation models based on data obtained from observable current market transactions (level 2).

For all financial assets and liabilities the carrying amount is assessed to be a good approximation of its fair value, unless otherwise stated in subsequent notes.

**Amortized cost**

Amortized cost refers to the amount at which the asset or liability was initially recognized less principal repayments, plus or minus cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the initial carrying amount of the financial asset or financial liability.

**Offset of financial assets and liabilities**

Financial assets and liabilities are offset and recognized net in the balance sheet when there is a legally enforceable right to set off the recognized amounts and an intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

The Group's financial instruments mainly comprise trade receivables, cash and cash equivalents, trade payables, liabilities to credit institutions and financial derivatives in the form of currency forwards.

**Cash and cash equivalents**

Cash and cash equivalents include cash funds and bank balances and other short-term investments that can easily be converted to cash and that are subject to an insignificant risk of changes in value. For classification as cash and cash equivalents the original maturity may not exceed three months. Cash funds and bank balances are categorized as "Loans and receivables" which means measurement at amortized cost. Since bank balances are payable on demand the amortized cost is equivalent to the nominal amount. Short-term investments are categorized as "Held for trade" and measured at fair value with value changes recognized in the income statement. At the close of 2014 the Group had no short-term investments.

**Trade receivables**

Trade receivables are categorized as "Loans and receivables" which means measurement at amortized cost. However, the expected maturity of trade receivables is short and therefore the value has been recognized at the nominal amount without discounting. Deduction is made for doubtful receivables. Impairment of trade receivables is recognized under operating expenses.

# Notes

## Trade payables

Trade payables are categorized as "Other financial liabilities", which means measurement at amortized cost. However, the expected maturity of trade payables is short, and therefore the value has been recognized at the nominal amount without discounting.

## Liabilities to credit institutions

Liabilities to credit institutions last year referred to pledged customer invoices, which means that the Group reported a current liability to the credit institution. The invoices were pledged for up to 60 days. As the maturity is as short as 60 days the liability has been recognized at the nominal amount without discounting. At the close of 2014, the Group had no pledged trade receivables and no liabilities to credit institutions.

## Derivative financial instruments and hedge accounting

The currency forwards used for hedging future cash flows and forecast sales in foreign currency are recognized in the balance sheet at fair value, in accordance with level 2 above. The effective portion of the changes in value are reported in other comprehensive income until the hedged flow affects the income statement, when the hedging instrument's accumulated changes in value are recognized in the income statement, where they meet and match the effects on earnings of the hedged transaction. The ineffective portion of the value changes is recognized directly in the income statement.

## Fair value

An estimate of fair value (except for derivatives which are measured in the measurement level 2 above), based on discounted future cash flows, where a discount rate that reflects the counterparty's credit risk represents the most significant inputs, are not expected to provide any significant difference compared to the carrying value of financial assets and financial liabilities. For all financial assets and liabilities are therefore considered the carrying value might be a good approximation of the actual value. The financial resources of the Group and parent company all belongs to category trade receivables and loans receivable and derivatives. In the parent company derivatives are not included in the balance sheet and are thus not measured at fair value. The financial liabilities in the consolidated and parent company belongs to the category Other financial liabilities and derivatives. Derivatives are measured at fair value in the consolidated statement of comprehensive income at SEK -3,726 thousand (-204) and reported as other assets by a corresponding amount under the "current liabilities" in the consolidated statement of financial position. For specification for each category, see table below.

Financial assets	2014		2013	
	Group	Parent Company	Group	Parent Company
Non-current receivables	208	-	83	-
Trade receivables	60,531	56,219	43,338	43,413
Other receivables	7,058	16,206	4,534	4,534
Cash and cash equivalents	51,905	41,028	57,882	50,785
Derivatives	-	-	-	-
<b>Total</b>	<b>119,702</b>	<b>113,453</b>	<b>105,837</b>	<b>98,732</b>

Financial liabilities	2014		2013	
	Group	Parent Company	Group	Parent Company
Liabilities to credit institutions	-	-	19,978	19,978
Trade payables	12,297	12,246	10,641	10,412
Derivatives	3,753	-	234	-
Other liabilities	4,311	13,442	4,549	10,025
<b>Total</b>	<b>20,361</b>	<b>25,688</b>	<b>35,402</b>	<b>40,415</b>

Financial instruments have had impact on earnings through the fair value valuation of derivatives, which are recognized in other comprehensive income and interest expense reported in the income statement.

## Operating segments

An operating segment is a part of an entity that conducts business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker, and for which discrete financial information is available. The entity's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function, who is assessing the performance of the operating segments and allocating resources. The entity's assessment is that the group executive board is the chief operating decision-maker. CellaVision's business operations comprise one operating segment; automated microscopy systems in the field of hematology, and refers to the income statement and balance sheet for reporting of operating segments.

## Related party transactions

For reporting any transactions with related parties please refer to note Employee benefits and other related party transactions.

## Important accounting estimates and assumptions

Preparation of reports and application of various accounting policies are often based on the management's judgements or on assumptions and estimates considered to be reasonable under the circumstances. These assumptions and estimates are usually based on experience but also on other factors, including expectations of future events. The following two areas are worth noting for CellaVision:

## Capitalized development expenditure

The recoverable amount for capitalized development expenditure is determined on the basis of estimated economic life and volume. This calculation is based on estimated future cash flows using financial forecasts approved by the management and covering product life cycles.

## Tax loss carry forwards

The part of CellaVision's deferred tax asset referring to tax loss carry forwards that has been recognized as a financial asset during the year corresponds to the management's assessment of what can be utilized with reference to financial forecasts.

## Parent company's accounting policies

For a more detailed description of accounting policies, please refer to the section above "Group Accounting Policies". Only divergences in the parent company's policies compared with those of the Group are described below. There have been no amendments to RFR 2 Accounting for legal entities that have had an impact on the parent company's financial statements for 2014.

## Financial instruments

The parent company does not apply IAS 39 Financial instruments: Recognition and measurement. The parent company applies a method based on cost of acquisition in accordance with the Annual Accounts Act.

## Investments in subsidiaries

Investments in subsidiaries are recorded on the basis of cost of acquisition.

## Amendments to RFR 2 that have not yet come into force

Approved amendments to RFR 2 that have not yet come into force are not expected to have any material impact on the parent company's financial statements when they are first applied.

## Note 2. Capital structure

CellaVision defines managed assets as the sum of the Group's net debt and equity. At the end of 2014 managed assets were 99,391 thousand (94,612).

The Group's objectives regarding capital structure are to secure the Group's ability to continue operations to generate returns for shareholders and benefits to other stakeholders and to ensure that the capital structure is optimal considering the cost of capital.

When managing the capital, the Group follows up on metrics such as sales growth and operating margin. The objective is to increase sales by an average of 15% per year with an operating margin exceeding 15% over a business cycle. In 2014 the company achieved sales growth of 21 per cent (6) and the operating margin was 19.7 per cent (14.4).

To maintain a good capital structure the Group can, for example, raise new loans or amortise the existing loans, adjust the level of dividends paid to shareholders, repay capital to shareholders, buy back shares, issue new shares or sell assets.

## Note 3. Risks

### Financial risk factors

Through its operations, the Group is exposed to various financial risks such as currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group's overall risk management policy is to aim for minimum unfavourable impact on financial result and position.

### Interest rate risk

Interest rate risk is the risk that the value of financial instruments will vary due to changes in market interest and that the Group's interest expense will increase as a consequence of increased market rates. The Group's financial assets consist of



deposits. The assets' value is so insignificant that a very low risk is considered to exist. The Group has no interest-bearing liabilities. Calculated on the basis of financial interest-bearing liabilities as at December 31, 2014, a change of one percentage point in the market rate would affect the Group's earnings by SEK 0 thousand (200). The corresponding figure for the parent company is SEK 0 thousand (200).

#### *Currency risk*

The Group operates internationally and is exposed to currency risk from various currency exposures, mainly in USD and EUR. The company's purchases are in SEK. Sales are predominantly in USD and EUR. The currency risk arises through future business transactions, reported assets and liabilities and net investments in foreign operations. At present the net exposure in each respective currency is limited, as the Group uses currency forwards to hedge contracted inflows of foreign currency. 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 amount referring to ineffectiveness of cash flow hedges recognized in the income statement is SEK 0 (0). CellaVision continuously hedges 50–90 per cent of currency exposure in net flows 12 months forward and a further 0–50% for months 13–24. Calculated on the basis of the Group's currency mix in its sales, a change of ten percentage points in the currencies would have an impact of SEK 16 million (12) on the Group's earnings.

#### *Price risk*

The Group is not exposed to any price risk referring to shares classified as financial instruments at fair value through profit or loss or financial assets available for sale.

#### *Credit risk*

Credit risk is the risk that a party to a transaction with a financial instrument cannot fulfil its obligations. The maximum exposure for credit risks referring to financial assets as at December 31, 2014 was SEK 119,702 thousand (105,837) which corresponds to the amount of financial assets (see table below). However, at present the existing provision is deemed to be sufficient, see notes 15, 17.

#### *Credit risk Trade Receivables*

CellaVision collaborates with triple A distributors and established hematology companies. In the Nordic countries the customers are publicly funded hospitals. There is some concentration of credit risk relating to trade receivables but historically these customers have not had any payment difficulties. The percentage of receivables more than 121 days overdue was less than 0.5% of total trade receivables as at the balance sheet date, see note 17. There are no other financial assets due for payment.

#### *Credit risk Bank and Finance Companies*

The credit risk for cash and cash equivalents is limited as the Group's counterparties are banks with high credit ratings.

#### *Liquidity risk*

Prudence in management of liquidity risk entails holding sufficient liquid assets and realisable securities or agreed lines of credit to be able to fulfil obligations. CellaVision minimizes this risk by holding sufficient cash. At present the liquidity risk is deemed to be reasonably low, mainly due to the Group's liquidity. Liabilities to credit institutions and trade payables mature within three (3) months. Derivatives mature within 12 (12) months.

### **Operational risk factors**

#### *Distributors*

CellaVision's strategy is to establish strategic alliances with global players in medical technology. CellaVision operates through distributors in all markets except Canada. This means that CellaVision's future expansion depends on successful distributors. Since the beginning of 2013 the company mainly distributes its products through the four largest hematology companies in the world; Sysmex, Beckman Coulter, Siemens Healthcare Diagnostics and Abbott. CellaVision is dependent on their successes in the field of hematology, where CellaVision's products are marketed. Despite the fact that CellaVision has well-functioning and extensive contractual relationships with its distributors, these partnerships can be terminated. There is no guarantee that the distributor will sign a new agreement with CellaVision. Discontinued cooperation with a major distributor could have a negative impact on CellaVision's sales and earnings. All contracts are non-exclusive and run for 2–3 years.

#### *Suppliers*

The company's strategy is to enter into strategic partnerships, in which the partners handle the manufacturing of the products. This means that CellaVision will be dependent on a number of suppliers of key components such as cameras, microscopes and control equipment as well as companies that manage the assembly and final

inspection of the systems. The company has collaborated with contract manufacturer Kitron since 2006 and has long-term cooperation and contracts with its most important subcontractors. Despite this, contracts can be terminated. There is no guarantee that the suppliers will subsequently decide to sign a new agreement with the company. Suspension of deliveries due to terminated contracts or discontinued cooperation with a subcontractor may have a negative impact on CellaVision's sales and earnings.

#### *Dependence on key personnel*

CellaVision has a distinct high-tech specialisation and is therefore dependent on being able to recruit and retain highly-qualified employees.

#### *Cost savings in health care*

For economic and political reasons, measures are being taken to reduce costs in the health care sector in Western Europe and the US, for example. Ongoing changes and rationalisation, despite CellaVision's efforts at developing cost-effective solutions, may have a negative impact on the company's future sales and earnings.

#### *Product development*

Continued development of existing and new products and solutions is of great importance to CellaVision. If the company's ability to develop products ceases, or if products cannot be introduced in accordance with established schedules, or if the market reception is worse than expected, this may result in a negative impact on CellaVision's sales and earnings.

#### *Competition*

There is a risk that new competitors with a greater resource base in terms of skills and capital may establish themselves in CellaVision's market and offer better methods and more effective products than CellaVision. Increased competition could result in price pressure on CellaVision products. In order to counteract this, the company constantly monitors competition.

#### *Product liability*

Testing, marketing and selling medical devices and solutions entails a risk of claims for damages and there is no guarantee that claims for compensation linked to product liability will not be made against CellaVision. The company has extensive insurance coverage for such claims.

#### *Patents and rights*

CellaVision conducts an active patent strategy to protect investments in core technology by applying for patents for new inventions. However, it cannot be guaranteed that current or future patent applications will lead to patents or that approved patents will offer sufficient protection against competitors. In addition, there is always a risk that disputes referring to patent infringement and other intellectual property rights may be started against or by CellaVision. The company has extensive insurance coverage for such claims.

#### *Legislation and regulatory framework*

Manufacture, marketing and distribution of medical devices and equipment takes place on a regulated market where such bodies as the FDA (US Food and Drug Administration) and the EU have rules for clinical evaluation, approval and quality testing. CellaVision meets the current requirements in Europe and USA for CellaVision DM. If CellaVision's operations were to be subject to restrictions by government agencies or if the company did not receive necessary future official approval, it could have a negative impact on CellaVision commercially and financially.

## **Note 4. Information on operating segments and major customers and data presented by geographical area**

### **4.1 Information on operating segments**

CellaVision's operations comprise only one segment; analyzers for microscopy systems in the field of hematology, and therefore reference is made to the consolidated statement of comprehensive income and financial statement regarding segment reporting. CellaVision sells an analyzer in which software is included. The software and the tool CellaVision Image Capture System do not function as stand-alone products. Other sales such as spare parts, service etc. total less than 10% of total sales.

### **4.2 Information on major customers**

The products are sold globally via partners and in selected markets also via CellaVision's own sales companies. CellaVision has three customers that each account for more than ten per cent of the company's total sales. The largest customer with sales of SEK 49 million and the other two with sales of SEK 45 million and SEK 38 million.

# Notes

## 4.3 Income by geographical area

Group	2014	2013
Sweden	2,159	1,808
Europe	71,666	50,259
North America	97,830	91,672
Rest of the world	45,261	36,112
<b>Total <sup>1</sup></b>	<b>216,916</b>	<b>179,851</b>

Parent company	2014	2013
Sweden	2,159	1,808
Europe	70,982	50,479
North America	89,109	80,600
Rest of the world	44,791	33,870
<b>Total <sup>2</sup></b>	<b>207,041</b>	<b>166,757</b>

1) Of which SEK 211,454 thousand (173,714) refers to system sales (hardware and software) and SEK 5,462 thousand (6,137) refers to sales of services.

2) Of which SEK 205,056 thousand (164,682) refers to system sales (hardware and software) and SEK 1,985 thousand (2,075) refers to sales of services.

## 4.4 Non-current assets by geographical area

Group	2014	2013
Sweden	29,053	28,152
North America	1,218	1,284
Rest of the world	156	226
<b>Total</b>	<b>30,427</b>	<b>29,662</b>

## Note 5. Expenses classified by nature of expense

	2014	2013
Depreciation, amortisation and impairment (Note 10)	12,783	9,089
Costs for remuneration to employees (Note 7)	64,761	56,467
Changes in inventories of finished goods and work in progress	438	1,528
Raw materials	59,842	57,815
Transport costs	483	481
Capitalized expenses	-12,292	-10,196
Premises costs	5,257	4,634
Travel expenses	4,772	4,475
Other expenses	38,059	29,612
<b>Total cost of goods sold, selling, administrative and R&amp;D expenses</b>	<b>174,103</b>	<b>153,905</b>

## Note 6. Intra-Group transactions

SEK 7,226 thousand (10,234) of the parent company's invoicing refers to subsidiaries.

Invoicing from subsidiaries to the parent company amounted to SEK 11,184 thousand (18,237).

## Note 7. Employee benefits and other related party transactions

### 7.1 Employees

Average number of employees	2014		2013	
	Number employees	Of whom men	Number employees	Of whom men
Parent company, Sweden	55	34	55	33
Subsidiaries, USA	7	4	7	4
Subsidiaries, Canada	3	2	2	1
Subsidiaries, Japan	3	2	3	2
<b>Total</b>	<b>68</b>	<b>42</b>	<b>67</b>	<b>40</b>

Number of women in senior management:	2014		2013	
	Board of Directors	Other positions	Board of Directors	Other positions
Parent company	1	3	1	3
Subsidiaries	-	-	-	-
<b>Total</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>3</b>

## 7.2 Salaries and other remuneration, distributed

Salaries and other remuneration:	2014		2013	
	Board, CEO	Others	Board, CEO	Others
Parent company	5,353	29,765	3,380	26,421
Subsidiaries	-	12,128	-	10,760
<b>Total</b>	<b>5,353</b>	<b>41,893</b>	<b>3,380</b>	<b>37,181</b>

## 7.3 Social security and pension costs

Social security and pension costs:	2014		2013	
	Social security costs	Of which pension costs	Social security costs	Of which pension costs
Parent company	16,159	6,105	14,930	4,865
Subsidiaries	1,356	406	976	155
<b>Total</b>	<b>17,515</b>	<b>6,511</b>	<b>15,906</b>	<b>5,020</b>

## 7.4 Remuneration to senior management

Salaries, remuneration and other benefits:	2014		2013	
	Salary	Pension	Salary	Pension
Board of Directors:				
Lars Gatenbeck	300	-	300	-
Christer Fähræus	170	-	170	-
Lars Henriksson	50	-	170	-
Sven-Åke Henningsson	50	-	163	-
Roger Johanson	170	-	150	-
Torbjörn Kronander	150	-	170	-
Anna Malm Bernsten	170	-	157	-
Niklas Prager	113	-	-	-
CEO <sup>1</sup>	4,180	1,912	2,100	776
Other senior management	7,294	1,709	4,967	1,118
<b>Total</b>	<b>12,647</b>	<b>3,621</b>	<b>8,347</b>	<b>1,894</b>

1) CEO's salary and pension for 2014 include settlement costs related to replacement of the CEO.

In accordance with a resolution of the Annual General Meeting, remuneration is payable to the Board of Directors of SEK 1,073 thousand (1,280), of which SEK 300 thousand (300) to the Chairman of the Board and SEK 150 thousand (150) to each of the other board members. The board members who serve on the Board Committees receive a further SEK 20 thousand. No other fees have been paid. There are no agreements on pensions, severance pay or other benefits. During the year the Board of Directors comprised six members (7).

The President/Chief Executive Officer's period of notice is twelve months for termination by the company and six months for termination by the President/Chief Executive Officer. For termination by the company, or by the President/Chief Executive Officer for material breach of contract by the company, the President/Chief Executive Officer is entitled to severance pay equivalent to twelve months' salary. No further severance pay is payable.

There is an incentive program for senior management consisting of a long-term share-price related program and an annual individual program. The outcome is capped to 4 months' salary for the CEO. Half goes into the annual individual program and the other half goes to the share related program where it can be doubled if CellaVision's share price development exceeds the index by 100%. For other members of senior management the outcome is capped at 3 months' salary. Half goes into the annual individual program and the other half goes to the share related program where it can be doubled if CellaVision's share price development exceeds the index by 100%. During the year reservations related to incentive programs were made to the amount of SEK 919 thousand (900) for senior management. See also the description in the corporate governance report.

In 2014 the CEO was paid a fixed salary including remuneration for paid leave of SEK 3,756 thousand (1,825), plus benefits mainly comprising car benefit valued at SEK 45 thousand (47). In addition to a fixed salary, variable remuneration of SEK 379 thousand (250) was paid. Other senior executives in the management group were paid total fixed salaries of SEK 6,173 thousand (4,501) plus benefits mainly comprising car benefit valued at SEK 202 thousand (95). In addition to a fixed salary, variable remuneration of SEK 919 thousand (0) was paid.

There were five other members of senior management for part of the year. On December 31 there were six other members of senior management.

In 2014 CellaVision had no related party transactions.

The Remuneration Committee prepares questions of remuneration and other conditions of employment for the company management. Decisions are made by the Board.

### Pension obligations

For employees in Sweden the pension obligations of the defined benefit ITP 2 Plan for old-age and family pension (or family pension) are vested through insurance with Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 3 Classification of ITP Plans financed through insurance in Alecta, this is a defined benefit plan covering several employers. For the 2014 financial year the company has not had access to information that makes it possible to report its proportionate share of the plan obligations, plan assets and costs, which means that it is not possible to report the plan as a defined benefit plan. The ITP 2 pension plan, which is vested through insurance with Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit old-age and family pension is calculated individually and depends among other things on salary, accrued pension and expected remaining working life. Expected contributions in the next reporting period for ITP 2 insurance with Alecta amount to SEK 2.1 million (2014: 1.7 million).

The collective solvency level comprises the market value of Alecta's assets as a percentage of its insurance commitments calculated in accordance with Alecta's actuarial methods and assumptions, which do not comply with IAS 19. Normally the collective solvency level should be allowed to vary between 125 and 155 per cent. If Alecta's collective solvency level falls short of 125 per cent or exceeds 155 per cent measures must be taken to allow the solvency level to return to its normal interval. If the solvency level is low, one measure could be to increase the agreed price for writing of new business and increasing existing benefits. If the solvency level is high one measure could be to introduce premium reductions. At the end of 2014 Alecta's surplus in the form of the collective solvency level was 143 per cent (2013: 148 per cent).

### Note 8. Audit fees

Fees to the company's auditors, Deloitte AB	2014		2013	
	Group	Parent company	Group	Parent company
Audit	130	130	125	125
Addition to the audit engagement	90	90	80	80
Tax advisory	25	25	34	34
Other engagements	-	-	2	2
<b>Total</b>	<b>245</b>	<b>245</b>	<b>241</b>	<b>241</b>

### Note 9. Operational leases and rental contracts

Contracted future rental and lease charges	2014		2013	
	Group	Parent company	Group	Parent company
- Within one year	4,109	3,672	3,964	3,645
- Later than one but within five years	4,029	3,852	7,363	7,243
- Later than within five years	-	-	-	-
<b>Total</b>	<b>8,138</b>	<b>7,524</b>	<b>11,327</b>	<b>10,888</b>

Rental and lease payments for all operational leases and rental contracts during the year amounted to SEK 5,281 thousand (4,885).

The parent company's rental and lease payments for the year were SEK 4,435 thousand (4,068).

### Note 10. Depreciation distribution

#### 10.1 Group

	2014		2013	
	Intangible asset	Tangible asset	Intangible asset	Tangible asset
Cost of goods sold	11,534	-	7,882	-
Selling expenses	-	312	-	380
Administrative expenses	-	312	-	276
Research and development expenses	-	625	-	551
<b>Total</b>	<b>11,534</b>	<b>1,249</b>	<b>7,882</b>	<b>1,207</b>

#### 10.2 Parent company

	2014		2013	
	Intangible asset	Tangible asset	Intangible asset	Tangible asset
Cost of goods sold	11,534	-	7,882	-
Selling expenses	-	255	-	276
Administrative expenses	-	102	-	276
Research and development expenses	-	663	-	551
<b>Total</b>	<b>11,534</b>	<b>1,020</b>	<b>7,882</b>	<b>1,103</b>

### Note 11. Financial Items

#### 11.1 Impairment loss on intra-group receivables and shares in subsidiaries

The parent company has recognized an impairment loss on intra-group receivables and shares in the Japanese subsidiary of SEK 1.7 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.

	2014		2013	
	Group	Parent company	Group	Parent company
Impairment loss on intra-group receivables	-	1,700	-	4,800
Impairment loss on shares in subsidiary	-	-	-	9,746
<b>Total</b>	<b>0</b>	<b>1,700</b>	<b>0</b>	<b>14,546</b>

#### 11.2 Interest income and other similar profit/loss items

	2014		2013	
	Group	Parent company	Group	Parent company
Interest income	328	140	594	225
Exchange differences, Group loan	762	858	-	-
<b>Total</b>	<b>1,090</b>	<b>998</b>	<b>594</b>	<b>225</b>

#### 11.3 Interest expenses and other similar profit/loss items

	2014		2013	
	Group	Parent company	Group	Parent company
Interest expenses <sup>1</sup>	534	355	323	157
Exchange differences, Group loan	-	-	1,527	1,527
<b>Total</b>	<b>534</b>	<b>355</b>	<b>1,850</b>	<b>1,684</b>

<sup>1</sup>) No part of the interest costs are directly attributable to development activities and their costs.

No part of the parent company's interest income/expenses is intra-group.

# Notes

## Note 12. Taxes

	2014		2013	
	Group	Parent company	Group	Parent company
Tax on result for the year				
Current tax	-559	-	-842	-
Deferred tax expenses	-11,345	-11,308	-4,916	-4,128
<b>Total tax on result for the year</b>	<b>-11,904</b>	<b>-11,308</b>	<b>-5,758</b>	<b>-4,128</b>
Deferred tax				
Utilization of tax losses	-11,308	-11,308	-4,128	-4,128
Revaluation of tax losses	-	-	-	-
Temporary differences	-37	-	-788	-
<b>Total deferred tax</b>	<b>-11,345</b>	<b>-11,308</b>	<b>-4,916</b>	<b>-4,128</b>
Deferred tax asset				
Deferred tax asset, loss carry-forwards	21,655	21,655	32,963	32,963
Temporary differences	852	-	115	-
<b>Total carrying amount for deferred tax asset</b>	<b>22,507</b>	<b>21,655</b>	<b>33,078</b>	<b>32,963</b>
Unrecognised deferred tax assets	1,462	-	721	-
Loss carry-forwards	104,283	98,433	153,111	149,833

There are accumulated loss carry forwards in Sweden and Japan. In Sweden these are not subject to any time limit and can therefore reduce taxes on future profits. In Japan it is 7 years.

At year-end the parent company recognized deferred tax assets for all of the loss carry-forwards in Sweden. No part of loss carry forwards in Japan has been recognized.

In Japan the tax loss is JPY 90 million that can be utilized at the latest in 2015 - 2019.

Deferred tax assets referring to loss carry forwards are only reported to the extent that it is probable that the tax deduction can be applied against a taxable surplus in the foreseeable future.

Reconciliation, taxation	2014		2013	
	Koncern	Moderbolag	Koncern	Moderbolag
Accounting profit/loss before tax	43,369	42,157	24,690	2,151
Tax at current tax rate	-9,541	-9,275	-5,432	-473
<b>Tax effect of:</b>				
-Effect of different tax rates in foreign subsidiaries	-120	-	-354	-
-Non taxable income	-	-	-	-
-Non-deductible expenses	-1,659	-2,033	-454	-3,655
-Tax losses where deferred tax asset is not reported	-584	-	-	-
<b>Tax on result for the year</b>	<b>-11,904</b>	<b>-11,308</b>	<b>-5,758</b>	<b>-4,128</b>

The income tax amount in other comprehensive income refers entirely to cash flow hedges.

## Note 13. Intangible assets

	2014		2013	
	Group	Parent company	Group	Parent company
Opening cost of acquisition	73,912	73,912	63,716	63,716
Year's acquisitions	12,292	12,292	10,196	10,196
<b>Closing accumulated cost of acquisition</b>	<b>86,204</b>	<b>86,204</b>	<b>73,912</b>	<b>73,912</b>
Opening depreciation	-47,446	-47,446	-39,564	-39,564
Depreciation for the year	-11,534	-11,534	-7,882	-7,882
<b>Closing accumulated depreciation</b>	<b>-58,980</b>	<b>-58,980</b>	<b>-47,446</b>	<b>-47,446</b>
<b>Closing carrying amount</b>	<b>27,224</b>	<b>27,224</b>	<b>26,466</b>	<b>26,466</b>

Expenditure on research and development was SEK 35,057 thousand (30,879), which is 16 percent (17) of net sales. Of this expenditure SEK 12,292 thousand (10,196) has been capitalised and the remaining SEK 22,765 thousand (20,683) has been charged to the result for the year.

The year's development work refers to development aimed at strengthening the product portfolio in relation to customers in the sub-field of hematology.

## Information on impairment testing

On each balance sheet date the Group analyzes the carrying amounts for property, plant and equipment and intangible assets to establish whether there is any indication of value impairment. If this is the case, the asset's recoverable amount is calculated in order to establish the value of any impairment loss, which is recorded in earnings for the period. The company management has set budgeted gross margins based on its expectations of market developments. The weighted average rate of growth used is in line with forecasts in industry reports. Taking the above into account, the company management considers that no impairment loss exists as at December 31, 2014.

## Note 14. Equipment

	2014		2013	
	Group	Parent company	Group	Parent company
Opening cost of acquisition	16,785	14,710	15,188	14,048
Year's acquisitions	1,179	1,164	1,597	662
Disposals/ retirements	-	-	-	-
<b>Closing accumulated cost of acquisition</b>	<b>17,964</b>	<b>15,874</b>	<b>16,785</b>	<b>14,710</b>
Opening depreciation	-13,612	-13,025	-12,404	-11,922
Depreciation for the year	-1,249	-1,020	-1,208	-1,103
Reversal of acc. depreciation on disposals/ retirements	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-14,861</b>	<b>-14,045</b>	<b>-13,612</b>	<b>-13,025</b>
<b>Translation difference</b>	<b>100</b>		<b>22</b>	
<b>Closing carrying amount</b>	<b>3,203</b>	<b>1,829</b>	<b>3,195</b>	<b>1,685</b>

## Note 15. Non-current financial assets

Group	2014	2013
Opening cost of acquisition	83	91
Recovered deposit	-	-
Additional deposits	119	-
Translation differences for the year	6	-8
<b>Closing carrying amount</b>	<b>208</b>	<b>83</b>

## Note 16. Shares and participations in subsidiaries

Parent company	2014	2013
Opening book value	106	9,852
Impairment losses	-	-9,746
<b>Closing carrying amount</b>	<b>106</b>	<b>106</b>

The impairment loss on shares in subsidiaries refers entirely to the Japanese operations.

## Shares owned by the parent company, 2014

Company	Corporate identity number	Registered office	Number of participations	Share of equity (%)	Book value
CellaVision International AB	556573-4299	Lund, Sverige	1,000	100	100 KSEK
CellaVision Inc., Canada	1724445	Toronto, Canada	1,000	100	6 KSEK
CellaVision Inc., USA	06-1624895	Delaware, USA	10	100	1 kr
CellaVision Japan K.K.	0104-01-074862	Yokohama, Japan	200	100	1 kr

## Note 17. Trade receivables

As at 31 December 2014 trade receivables of SEK 7,826 thousand (11,737) were due for payment in the Group, but no impairment loss was identified. These trade receivables are from customers who have not previously had any payment difficulties. The age analysis for the Group relating to these trade receivables is shown below. The main part of these receivables were settled at the end of February 2015.

As at 31 December 2014 the Group reports a loss referring to provision for anticipated bad debt losses of SEK 0 thousand (0). The provision for doubtful trade receivables was SEK 0 thousand (0) as at 31 December 2014.

There are no pledges as collateral for receivables.

#### Trade receivables overdue but not written down:

	2014	2013
1–30 days overdue	3,236	7,495
31–60 days overdue	2,444	3,163
61–90 days overdue	1,467	436
91–120 days overdue	399	332
More than 121 days overdue	280	311
<b>Total</b>	<b>7,826</b>	<b>11,737</b>

#### Note 18. Prepaid expenses and accrued income

	2014		2013	
	Group	Parent company	Group	Parent company
Office rent	1,056	1,056	1,041	1,041
Pension premiums	185	185	187	187
Insurance premiums	533	533	565	565
Market activity costs	212	-	94	-
Other	2,498	983	1,313	859
<b>Total</b>	<b>4,484</b>	<b>2,757</b>	<b>3,200</b>	<b>2,652</b>

#### Note 19. Share capital

The registered share capital in the parent company was distributed, as at 31 December 2014, among 23 851 547 shares with a quotient value of SEK 0.15 (0.15) each. The number of shares in issue is unchanged compared with the same period in the previous year. Each share entitles the holder to one vote and each person entitled to vote at a general meeting of shareholders may vote for the full number of shares owned and represented by her or him without limit to the voting right. All shares confer an equal right to share in the company's assets and profits. No shares are held by the company itself.

#### Note 20. Liabilities to credit institutions

	2014		2013	
	Group	Parent company	Group	Parent company
<b>Current liabilities</b>				
Nordea Finans Sverige AB	-	-	19,978	19,978
<b>Total</b>	<b>0</b>	<b>0</b>	<b>19,978</b>	<b>19,978</b>

The liability to Nordea Finans Sverige AB (publ) referred to invoice factoring.

#### Note 21. Provisions

	2014		2013	
	Group	Parent company	Group	Parent company
<b>Provisions for warranty</b>				
Opening amount	2,448	2,448	2,112	2,112
Allocated during year	4,248	4,248	1,064	1,064
Reversed provisions	-2,298	-2,298	-579	-579
Utilised	-150	-150	-149	-149
<b>Total</b>	<b>4,248</b>	<b>4,248</b>	<b>2,448</b>	<b>2,448</b>
<b>Provisions fall due for payment</b>				
- Within one year	-4,248	-4,248	2,448	2,448
- Later than one but within five years	-	-	-	-
<b>Total</b>	<b>-4,248</b>	<b>-4,248</b>	<b>2,448</b>	<b>2,448</b>

#### Note 22. Accrued expenses and deferred income

	2014		2013	
	Group	Parent company	Group	Parent company
Holiday liability	4,892	4,303	4,971	4,367
Board fee	1,280	1,280	1,280	1,280
Social security contributions	1,754	1,754	1,774	1,774
Staff costs	4,560	4,560	150	150
Incentive program	7,184	6,200	1,940	1,940
Customer obligations	276	276	3,273	3,273
Prepaid income	3,257	-	2,277	-
Other	3,140	1,647	2,542	1,435
<b>Total</b>	<b>26,344</b>	<b>20,020</b>	<b>18,207</b>	<b>14,219</b>

#### Note 23. Pledged assets and contingent liabilities

	2014		2013	
	Group	Parent company	Group	Parent company
<b>Pledged assets</b>				
Pledged trade receivables	-	-	19,978	19,978
Floating charge	12,500	12,500	12,500	12,500
<b>Total</b>	<b>12,500</b>	<b>12,500</b>	<b>32,478</b>	<b>32,478</b>
<b>Contingent liabilities</b>				
	None	None	None	None

The floating charge refers to the company's previous invoice factoring agreement with Nordea.

#### Note 24. Non-cash items

Group	2014	2013
	Depreciation	12,972
Unrealised currency gains/losses , Intercompany loan	-638	1,526
Change in accruals and provisions	6,608	2,798
<b>Total</b>	<b>18,942</b>	<b>13,309</b>
Parent company	2014	2013
	Depreciation/amortisation	12,554
Impairment loss, shares in subsidiaries	1,700	14,546
Unrealised currency gains/losses , Intercompany loan	-638	1,526
Change in accruals and provisions	7,496	1,346
<b>Total</b>	<b>21,112</b>	<b>26,403</b>

#### Note 25. Disputes in the Group

There are no disputes in the Group with external parties.

#### Note 26. Events after the balance sheet date

There are no significant events after the close of the year to report. The Annual Report was adopted by the board and approved for publication on March 27, 2015.



### Annual General Meeting

The Annual General meeting will be held on May 6, 2015 at 16:00 at CellaVision's premises at Ideon in Lund, Sweden. Delta 5, Scheelevägen 19A.

### Dividend

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 1 per share for 2014.

### Signing of the annual accounts

The annual accounts and consolidated accounts were approved by the Board of Directors on March 27, 2015. The consolidated income statement and balance sheet and the parent company's income statement and balance sheet will be submitted for adoption by the Annual General Meeting on May 6, 2015.

The Board of Directors and CEO hereby certify that the annual accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation, RFR 2 and give a true and fair view of the company's financial position and performance and that the administration report gives a fair review of the development of the company's business, financial position and performance and describes material risks and uncertainties to which the company is exposed.

The Board of Directors and CEO hereby certify that the consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, Annual Accounts Act and RFR 1, and give a true and fair view of the Group's financial position and performance and that the administration report for the Group gives a fair review of the development of the Group's business, financial position and performance and describes material risks and uncertainties to which the companies in the Group are exposed.

Lund, March 27, 2015

Lars Gatenbeck,  
Chairman of the Board

Christer Fåhraeus,  
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 and CEO

Our audit report was submitted on March 27, 2015  
Deloitte AB

Maria Ekelund,  
Authorised Public Accountant

# Auditor's Report

To the annual meeting of the shareholders  
of CellaVision AB (publ)  
Corporate identity number 556500-0998

## Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of CellaVision AB (publ) for the financial year 2014-01-01–2014-12-31 except for the corporate governance report on the pages 27-35. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 24–52.

### *Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts*

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the corporate governance report on the pages 27-35. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts. We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and the statement of financial position for the group.

## Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of CellaVision AB (publ) for the financial year 2014-01-01 – 2014-12-31. We have also made a statutory examination of the corporate governance report.

### *Responsibilities of the Board of Directors and the Managing Director*

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance report on pages 27-35 is prepared in accordance with the Annual Accounts Act.

### *Auditor's responsibility*

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing

standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

In addition we have read the corporate governance report and based on that reading and our knowledge of the company and the group we believe we have sufficient basis for our opinions. This means that our statutory examination of the corporate governance report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

### *Opinions*

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year. A corporate governance has been prepared, and its statutory content is consistent with other parts of the annual accounts and the consolidated accounts.

Malmö, 27 March 2015  
Deloitte AB

Maria Ekelund  
Authorized Public Accountant

# Five year summary

<b>Income statement</b>					
<b>Amounts in SEK thousands</b>					
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Revenues	216,916	179,851	169,512	155,402	131,638
Cost of goods sold	-71,814	-67,225	-59,456	-53,991	-44,082
<b>Gross profit</b>	<b>145,102</b>	<b>112,626</b>	<b>110,056</b>	<b>101,411</b>	<b>87,556</b>
Selling expenses	-42,691	-39,344	-38,859	-35,281	-33,637
Administrative expenses	-36,833	-26,653	-29,060	-27,013	-23,046
Research and development costs	-22,765	-20,683	-21,435	-21,407	-17,336
Other operating income	-	-	-	90	411
Other operating expenses	-	-	-	-	-
<b>Operating profit/loss</b>	<b>42,813</b>	<b>25,946</b>	<b>20,702</b>	<b>17,800</b>	<b>13,948</b>
Profit/loss from financial items	556	-1,256	-2,151	714	-3,224
Tax	-11,904	-5,758	-12,100	-3,881	27,625
<b>Net profit/loss for the year</b>	<b>31,465</b>	<b>18,932</b>	<b>6,451</b>	<b>14,633</b>	<b>38,349</b>
<b>Balance sheet</b>					
<b>Amounts in SEK thousands</b>					
<b>Assets</b>					
Intangible assets	27,224	26,466	24,152	21,329	22,269
Property, plant and equipment	3,203	3,195	2,693	2,015	1,592
Non-current financial assets	208	83	91	114	133
Deferred tax assets	22,507	33,078	37,994	49,304	53,184
Current assets	149,107	125,751	113,626	105,966	85,323
<b>Total assets</b>	<b>202,249</b>	<b>188,573</b>	<b>178,556</b>	<b>178,728</b>	<b>162,501</b>
<b>Equity and liabilities</b>					
Shareholders' equity	151,296	132,516	124,912	126,067	113,422
Current liabilities and current provisions	50,953	56,057	53,644	52,661	49,079
<b>Total equity and liabilities</b>	<b>202,249</b>	<b>188,573</b>	<b>178,556</b>	<b>178,728</b>	<b>162,501</b>
<b>Key ratios</b>					
Equity, SEK '000	151,296	132,516	124,912	126,067	113,422
Operating Capital, SEK '000	76,676	61,451	54,863	35,550	45,129
Liabilities to credit institutions, SEK '000	-	19,978	14,272	15,719	20,835
Net investments, SEK '000	13,471	11,793	11,103	5,891	4,785
Cash flow for the year, SEK '000	-5,977	11,646	-10,582	21,007	13,847
Interest coverage ratio	81	82	41	35	28
Net debt/equity ratio	-0.34	-0.29	-0.26	-0.33	-0.13
Equity-assets ratio, %	75	70	70	71	70
Return on equity, %	22	15	5	12	41
Return on operating capital, %	62	45	46	44	32
Average number of employees	68	67	64	59	54
Number of employees at close of period	72	69	65	61	57
<b>Data per share</b>					
Net result before and after dilution, SEK	1.32	0.79	0.27	0.61	1.61
Equity before dilution, SEK	6.34	5.56	5.24	5.29	4.76
Equity after dilution, SEK	6.34	5.56	5.24	5.29	4.76
Average weighted number of shares before dilution, thousands	23,852	23,852	23,852	23,852	23,852
Average weighted number of shares after dilution, thousands	23,852	23,852	23,852	23,852	23,852
Number of shares at end of period before dilution	23,852	23,852	23,852	23,852	23,852
Number of shares at end of period after dilution	23,852	23,852	23,852	23,852	23,852

# Glossary

**Algorithm** A systematic procedure in mathematics and data processing consisting of a finite number of steps that specify how a calculation is performed or a given problem is solved.

**Anemia** A blood deficiency in which there is an abnormally low content of hemoglobin, the oxygen transporting substance in blood that is found in red blood cells.

**Artificial intelligence/Artificial neural network** A mathematical theory that simulates the brain's method of learning.

**Cerebrospinal fluid** A transparent fluid that surrounds the brain and the spinal cord.

**Cell counter** When a hematological disease is suspected a complete blood count is the first test ordered by healthcare services. A complete blood count is routinely used to obtain an overall status of different cells in the blood. The main part of the samples can be analyzed using cell counters. Samples showing any type of abnormality are sent on for further examination in CellaVision's analyzer, where the blood is smeared and stained on a microscope slide. Without access to CellaVision's systems, the sample is examined manually in a microscope.

**Cytologi** The study and investigation of cells. Examination mainly of liquid-based samples, such as from spinal fluid, lung fluid and synovial fluid, for the purpose of finding bacteria, cancer cells and blood cells. Perhaps the most frequent cytology test is a Pap smear test from the cervix,

which is used to detect malignant or pre-malignant cell changes.

**Food and Drug Administration (FDA)** The US regulatory authority.

**Hematology** Means "the science of blood and its diseases" and is a medical specialty that researches and treats diseases of the blood and blood-forming organs.

**In vitro** diagnostics refers to a wide range of medical laboratory tests analyzed outside the body.

**Clinical chemistry** The medical discipline responsible for developing, refining and providing medical services with chemical analyses, blood analyses, immunological analyses and other methods.

**Leukemia** is a type of cancer of the blood or bone marrow characterized by an abnormal increase of immature white blood cells called "blasts". Leukemia is a broad term covering a spectrum of diseases.

**Lymphoma** is a cancer of the lymphocytes, a type of cell that forms part of the immune system.

**Medical Technologist** is an allied health professional who exercises technical and scientific functions in medical laboratories. Perform tests on clinical specimens such as blood or tissues in order to get information about the health of a patient as pertaining to the diagnosis, treatment, and prevention of disease.

**Neural networks** A mathematical theory that simulates the brain's method of learning.

**Pathology** The study of the causes and development of diseases, particularly with respect to changes in the morphology of cells, tissues and organs. Microscopic studies of tissue sections and biopsies, which can be paraffin-embedded or frozen. Examples of pathology analyses are biopsies of suspected breast cancer tissue.

**Platelet** Also called thrombocyte. Platelets are small blood components that help the clotting process by sticking to the lining of blood vessels. Important in the formation of blood clots (coagulation).

**Red blood cells** (erythrocytes) carry oxygen to the cells, and carbon dioxide from them into the lungs. Normally constitutes the largest number of cells in the blood.

**Thrombotic thrombocytopenic purpura (TTP or Moschowitz syndrome)** is a rare disorder of the blood-coagulation system, causing extensive microscopic clots to form in the small blood vessels throughout the body. These small blood clots, called thrombi, can damage many organs including the kidneys, heart and brain.

**White blood cells** (leukocytes) are cells of the immune system involved in defending the body against infectious disease. In a healthy person, there are normally five types of white blood cells: neutrophils, eosinophils, basophils, monocytes and lymphocytes.

## Financial definitions

**Average number of employees.** The number of employees at the end of each month, divided by twelve.

**Net earnings per share.** Net earnings in relation to average weighted number of shares.

**Net earnings per share after full dilution.** Net earnings divided by the average weighted number of shares plus the additional number for full dilution.

**Net investments.** Tangible and intangible investments adjusted for disposals.

**Equity per share.** Equity in relation to average weighted number of shares.

**Equity per share after full dilution.** Equity in relation to average weighted number of shares increased by the number that resides at full dilution.

**Equity-assets ratio.** Equity as a percentage of the balance sheet total.

**Net debt/equity ratio.** Net loan liability in relation to equity. (Net loan liability is calculated as loan liability minus cash at the end of the period.)

**Return on equity.** Net earnings in relation to average equity.

**Return on operating capital.** Result after financial items as a percentage of average operating capital.

**Interest coverage ratio.** Operating result plus financial income divided by financial expenses.

**Operating Capital.** Balance sheet total less financial liabilities, deferred tax liabilities and non-interest bearing liabilities.

**Cash flow for the year.** Result after financial items plus amortisation/depreciation, less tax paid, adjusted for decrease/increase in working capital excluding cash and cash equivalents and less net investment in non-current assets, change in loans raised/repaid and dividend paid.



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# Annual General Meeting & calendar

## Annual General Meeting

CellaVision's Annual General Meeting will be held on May 6, 2015 at 16.00 at Ideon Science Park in Lund.

The Notice to the Annual General Meeting is available at [www.cellavision.se/agma](http://www.cellavision.se/agma).

## Participation

Shareholders who wish to attend the AGM must be listed in the share register held by Euroclear Sweden on April 30, 2015, and must have given notice of their intention to attend by mail to:

*CellaVision AB, c/o Fredersen Advokatbyrå AB,  
Turning Torso, 211 15 Malmö  
or by email: [cellavision@fredersen.se](mailto:cellavision@fredersen.se)  
or by fax: 040-23 20 03*

Please specify name, personal or corporate identity number and daytime telephone number. Where applicable, the number of advisors (a maximum of two) is to be stated. If a shareholder intends to be represented by a proxy, a power of attorney and other legitimacy papers should be attached to the notice of attendance.

## Nominee registered holdings

For entitlement to participate in the AGM shareholders with nominee-registered holdings must apply for temporary re-registration of the shares in their own name with Euroclear Sweden. Registration must have been effected at the latest by April 30, 2015 and should be requested in good time before that date.

## Dividend

The Board of Directors proposes that the AGM approve a dividend of SEK 1 per share for 2014.

## Financial calendar

Interim Report Q1, May 5  
Interim Report Q2, July 17  
Interim Report Q3, Nov 9  
Year-end Bulletin 2015, Feb 12, 2016

## Subscribe

Financial information and other relevant company information is published on CellaVision's website. To subscribe and have access to the information automatically, register at [www.cellavision.se/subscribe](http://www.cellavision.se/subscribe).

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*»CellaVision creates value by improving processes for blood analysis, enabling more patients to receive better and faster care at a lower cost to healthcare services«*



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