

# Interim Report January-September 2014



## Continued strong sales trend in Europe and North America. Zlatko Rihter appointed President/CEO.

### July 1–September 30, 2014

- Net sales increased by 4 % to SEK 47 million (45.1).
- Operating profit was SEK 7.7 million (10.7).
- The operating margin was 16.3 % (23.7).
- Profit before tax was SEK 7.9 million (10.4).
- Earnings per share were SEK 0.20 (0.33).
- Sales start of two new products; CellaVision®DM9600 and CellaVision®Advanced RBC Application.

### CEO's comments

I'm pleased to see the positive sales trend we have seen since autumn last year is continuing. Sales in the quarter were SEK 47 million, with sales growth of 4 per cent and operating margin of 16.3 per cent. Developments in North America and EMEA lie behind the sales growth and for the first three quarters of the year we report growth of 26 per cent with an operating margin of 18 per cent. At the same time as we have had a good sales trend the work of sound cost control has continued. This contributes to our generating a strong cash flow from operating activities of more than SEK 13 million during the quarter.

The sales start for the new product CellaVision®DM9600, replacing the CellaVision®DM96, exceeded expectations even though some initial slowness was noted. Our new software, CellaVision®Advanced RBC Application, was launched in parallel, with the first order going to a Canadian customer. Much work still remains with both products' registration and market preparation. As our new products are fully introduced we will be able to further strengthen our position in the market.

Sales to the North American market and Europe make up 91 per cent of total sales for the quarter. The Asian market continued at a lower level than the previous year, largely due to the fact that marketing approval required for new products had not yet been granted in China. After the close of the quarter,

### Key Ratios

(MSEK)	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
Net sales	47.0	45.1	144.4	115.0	179.9
Gross profit	30.4	27.5	94.6	72.8	112.6
Operating profit	7.7	10.7	26.0	9.6	25.9
Operating margin, %	16.3	23.7	18.0	8.4	14.4
Profit/loss before tax	7.9	10.4	26.8	8.4	24.7
Cash flow for the period	12.3	1.5	0.6	-3.6	11.6

### January 1–September 30, 2014

- Net sales increased by 26 % to SEK 144.4 million (115).
- Operating profit increased to SEK 26 million (9.6).
- The operating margin increased to 18 % (8.4).
- Profit before tax increased to SEK 26.8 million (8.4).
- Earnings per share increased to SEK 0.83 (0.26).

### Significant events after the close of the quarter

- Zlatko Rihter was appointed as President/CEO, and starts no later than on February the 1st, 2015.
- Sysmex DI-60 and CellaVision®DM1200 approved by the CFDA to be sold in China.
- VP Engineering appointed on November 1st, 2014.

however, both Sysmex DI-60 and CellaVision®DM1200 received this approval, which provides the conditions for the growth we see before us in China and other countries in the region.

During the quarter a technical pre-study was started to evaluate the new technology platform acquired in the previous quarter. The pre-study is expected to be completed by the end of the year and the long-term ambition with this platform is to develop new products for laboratories that are smaller than those that have made up our target market to date. With three quarters behind us we are proud to deliver the strongest financial performance ever in the history of the company.

Zlatko Rihter has been appointed President/CEO, starting on February the 1st 2015, and I will leave my position as President/CEO of CellaVision on the last day of December.

It has been a fantastic journey that I have participated in – from a development project to a global company with products in some 50 countries. I want to thank all employees, shareholders and partners for entrusting the leadership of CellaVision to me during my 16 years as President/CEO. At the same time I wish Zlatko Rihter and CellaVision much continued success!

*Yvonne Mårtensson,  
President and Chief Executive Officer*

Net Sales, Q3

**+4 %**

Operating profit, Q3

**7,7 MSEK**

Operating Margin, Q3

**16,3 %**

**"With three quarters behind us we are proud to deliver the strongest financial performance ever in the history of the company"**



## Sales, earnings and investment

### July 1–September 30

Net sales for the Group in the third quarter were SEK 47.0 million (45.1), an increase of 4 per cent compared with the corresponding period in 2013. CellaVision invoices more than 90 per cent of its sales in euro or dollars, which is why exchange rate changes have an impact on the company's sales. Total exchange rate impact including forward cover was +4.5 per cent for euro and +1,8 per cent for dollars compared with the same quarter in 2013.

The gross margin for the quarter was 65 per cent (61). CellaVision usually has great variations in gross margins between individual quarters, which is due to the distribution of sales via distributors as against own sales companies, as well as the product mix. Gross profit in the third quarter was reduced by SEK 1.2 million for an impairment loss on intangible assets.

Total operating expenses for the third quarter was SEK 22.7 million, an increase compared to the same quarter last year (16.8). This increase is partly due to fact that in 2013 a reserve of SEK 2.5 million regarding incentive program was dissolved.

CellaVision is conducting several development projects, aimed at strengthening the company's product portfolio in relation to customers in the field of hematology. Capitalized expenditure for development projects was SEK 0.3 million (1.3) for the quarter.

Investments in property, plant and equipment during the quarter amounted to SEK 0.6 million (0.0).

Tax paid during the quarter was SEK 1.3 million (0.0) and refers to profits in subsidiaries.

### Seasonal variations

Like others in the medical devices industry selling capital equipment, CellaVision's inflow of orders is unevenly distributed over the year, with a strong fourth quarter historically. This is due to the distributors' sales, inventory levels and agreed volumes, as well as the fact that the health care investment budget is released late in the year. Consequently, the variation in order volume in individual quarters may be great in the different geographical regions.

Net sales, Q3

**47,0 MSEK**

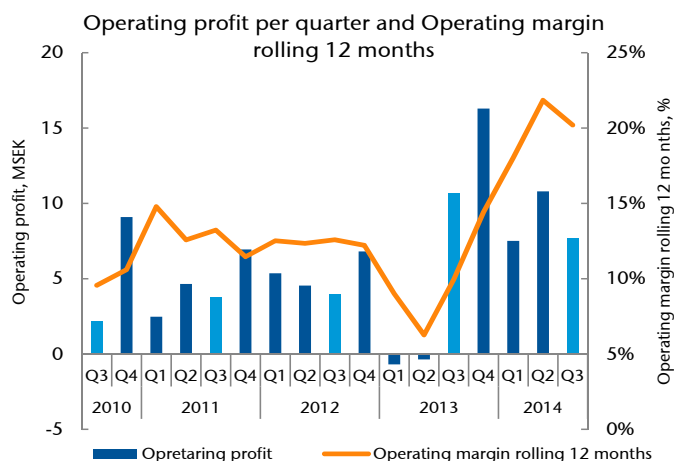
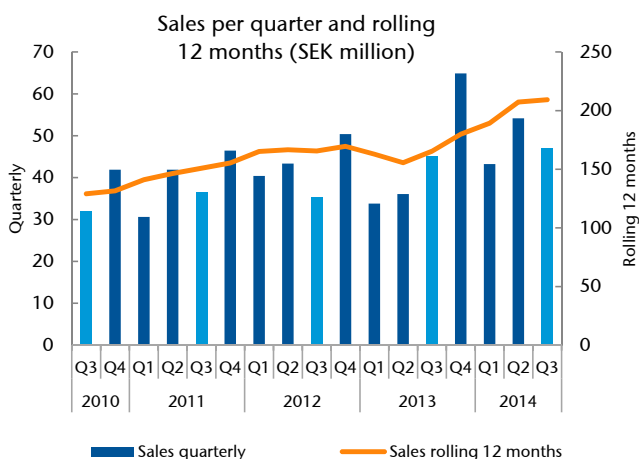
Operating margin, rolling 12 months

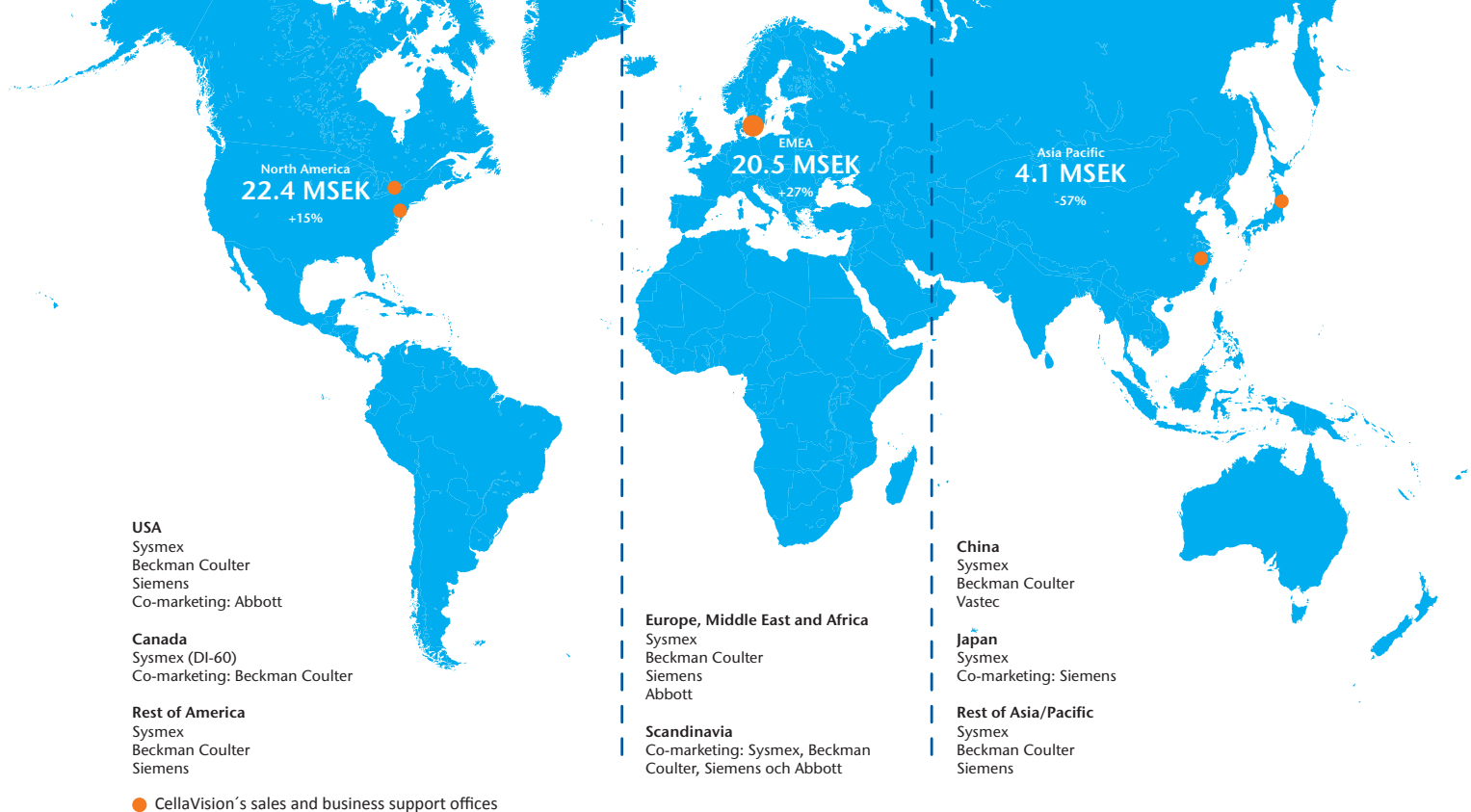
**20,2 %**

### Financial targets

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

- **Sales growth  $\geq 15\%$**   
Increase sales over an economic cycle by an average of at least 15 percent per year.
- **Operating margin  $> 15\%$**   
The annual operating margin is to exceed 15 per cent.





## Development in geographical markets

### North America

Sales in North America amounted to SEK 22.4 million, an increase of 15 per cent compared with the corresponding quarter in 2013. The company notes some reduction in sales compared with the previous quarter, mainly due to the transition from the discontinued DM96 analyzer to the new DM9600.

The DM9600 was launched in the American market at the AACC (American Association for Clinical Chemistry) Annual Meeting & Clinical Lab Expo in Chicago at the end of July. The analyzer became available towards the end of the quarter via our partners and that was when the first orders were received.

During the quarter the new software application for advanced analysis of red blood cells, the Advanced RBC Application, was approved for sale in Canada. The application was well-received by customers in the Canadian market and the first order was registered. The product has not yet been approved for sale in the USA.

### Europe

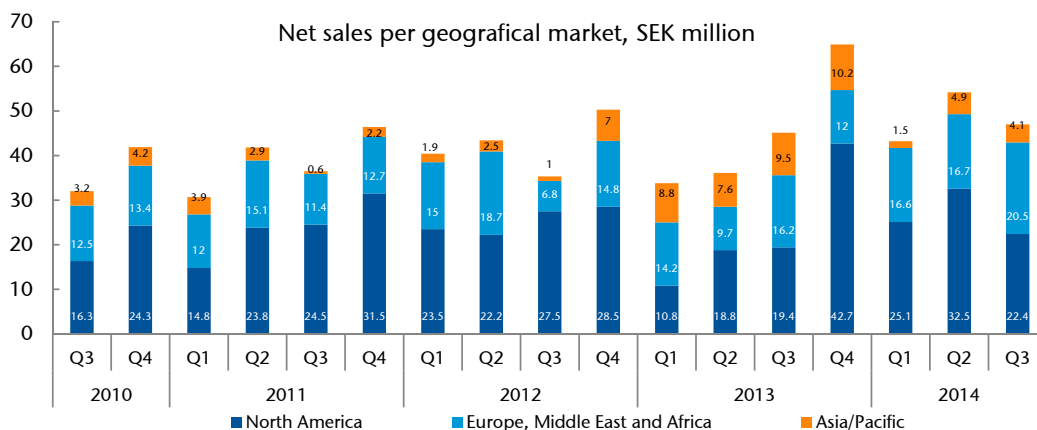
The sales in Europe continued to increase also in the third quarter, amounting to SEK 20.5 million, an increase of 27 per cent compared with the corresponding quarter in 2013. CellaVision is seeing continued wide interest in automated solutions in hematology and interest in the integrated Sysmex analyzer, the DI-60, is considerable. Sales have been made to new customers with no previous digital morphology systems, but also as a replacement for the older DM96 analyzer.

The first DM9600 analyzers were sold in the quarter. Introduction of the new product has started in several markets, but is expected to achieve its full sales potential only when necessary initial marketing initiatives from our partners have been carried out.

The new Advanced RBC Application has attracted great interest and several market studies have been initiated in Europe. Since the application generates an entirely new working method for the customer the results of these evaluations will serve as guidance for the optimal use of the product. Before these studies are published we can expect a somewhat cautious attitude from the market.

Strong sales in North America

Sales continued to increase in Europe in the third quarter



## Asia and the Pacific region

Sales in the third quarter amounted to SEK 4.1 million, which is a decrease of 57 per cent compared with the corresponding quarter in 2013 and somewhat lower than the previous quarter. The weaker sales are due partly to the phase-out of the DM96 and partly to the fact that neither the Sysmex DI-60 nor the DM9600 had been approved for sale to China by the Chinese Food and Drug Administration (CFDA).

After the close of the quarter the DI-60 and the DM1200 were approved for China, which means that the products can start to be sold in the fourth quarter. Pent-up demand for the DI-60 is expected and the DM1200 will probably be an interesting product for medium-sized hospitals.

The CFDA process for the DM9600 has been started and approval is expected in the second half of 2015. Until then the DM96 will continue to be available on the Chinese market.

## Research and Development

CellaVision is continually conducting a number of development projects, aimed at strengthening the product portfolio in relation to customers in the field of hematology.

In the previous quarter a new technology platform was acquired, aimed at giving CellaVision the possibility of extending its long-term product portfolio to include cost-effective products for smaller laboratories. These are not included in the company's current target market, which is limited to large laboratories.

During the quarter a pre-study was initiated for continued evaluation of how to best make the technology platform the basis for the next major development project.

The company continuously capitalizes expenditure on new development. Capitalized expenditure for development projects was SEK 0.3 million (1.3) for the quarter.

The decrease is related to the fact that two major development projects were completed at the end of Q2. Pre-studies of new projects are ongoing but not yet in phase to be capitalized.

## Financing

The Group's cash and cash equivalents at the close of the quarter amounted to SEK 58.5 million (42.6).

Cash flow from operating activities for the quarter was SEK 13.3 million (1.2).

Total cash flow for the quarter was SEK 12.3 million (1.5).

## Parent company

Parent company sales in the quarter were SEK 44.7 million (42.5). Profit before tax was SEK 6.4 million (8.4). 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 the adoption of the business model in Japan where the company's sales to a larger extent takes place through partners instead of directly through the subsidiary. This means that invoic-

ing and business flows go via the parent company.

The parent company's investments in property, plant and equipment and intangible assets during the quarter amounted to SEK 0.9 million (1.3) and the cash flow to SEK 12.0 million (2.0). For other financial data refer to the data of the Group.

## Personnel

The number of employees of the Group, restated as full-time equivalents, was 72 (68) at the close of the period. Of these, 44 were men (40) and 28 women (28).

## Information concerning risks and uncertainties

Reduced demand and changes in exchange rates constitute uncertainties but not material risks. For a more detailed description of the risks and uncertainties facing CellaVision, please refer to the risk and sensitivity analysis in the Annual Report for 2013.

## Significant events after the first quarter

The DI-60 and DM1200 received CFDA approval in China.

Zlatko Rihter was appointed as President/CEO, starting on February the 1st. Zlatko Rihter has extensive experience in the international medical technology industry through various senior executive positions in the areas of business development, sales, marketing, research and IT. His most recent previous employer was Origio A/S. Zlatko Rihter is M. Sc. Mechanical Engineering from Lund University with studies in financial economics from Lund University.

Adam Morell was appointed as VP Engineering on November the 1st, 2014. He reports to the President/CEO and is a member of the management team. Adam has been employed for at total of 11 years at CellaVision and has been the research and development manager since 2008. Adam holds an M.Sc. in Engineering Physics, a Licentiate of Engineering Mathematics and a Bachelor of Medicine degree.

## Other information

### Group

On September 30, 2014 the Group consisted of the parent company and the wholly-owned subsidiaries CellaVision Inc. (USA), CellaVision Canada Inc. (Canada), CellaVision Japan K.K. (Japan) and CellaVision International AB.

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

### Accounting policies

The Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act

Disposable funds

**58,5 MSEK**

Cash flow from operation activities

**13,3 MSEK**

**Total cash flow for the quarter was 12.3 MSEK**

Number of employees

**72**

**Initiated pre-study for continued evaluation of the new technology platform**

and the Nasdaq OMX Stockholm Rule Book for Issuers.

The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. The accounting policies and calculation methods applied are consistent with those described in the annual report for 2013.

New standards and interpretations that came into force on January 1, 2014 have not had any impact on CellaVision's financial reporting for the interim report period.

#### *Financial instruments*

Derivatives held for foreign currency hedging are valued at level 2, financial instruments where fair value is determined on the basis of valuation models based on other observable data for the asset or liability than listed prices included in level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Currency forwards are valued on the basis of observable information referring to exchange rates on the balance sheet date and market rates for remaining maturities. The value of CellaVision's derivatives amounted to SEK -1.2 million at September 30, 2014.

The carrying amount of financial instruments measured at amortized cost was consistent with fair value at September 30, 2014.

#### *Segment reporting*

CellaVision's operations only comprise one operating segment; automated microscopy systems in the field of hematology, and therefore reference is made to the income statement and balance sheet regarding operating segment reporting.

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

In accordance with a resolution of the 2014 Annual General Meeting the Nomination Committee shall consist of the Chairman of the Board and one representative of each of the four largest shareholders in terms of voting rights at the end of September 2014. For the 2015 Annual General Meeting the Nomination Committee consists of Lennart Hansson, Chairman (Stiftelsen Industrifonden), Christer Fåhraeus (Christer Fåhraeus and companies), Caroline af Ugglas (Skandia), Ulrica Slåne (Third National Swedish Pension Fund) and Chairman of the Board Lars Gatenbeck.

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

## Annual General Meeting 2015

CellaVision's Annual General Meeting in 2015 will be held in Lund on May 6, 2015.

Shareholders wishing to have matters considered at the Annual General Meeting can send a written request by email to [bolagsstamma@cellavision.se](mailto:bolagsstamma@cellavision.se) or ordinary mail to: The Board of Directors, CellaVision AB, Ideon Science Park, SE 223 70 Lund.

The request must have been received at the latest seven weeks before the Annual General Meeting in order to be included in the notice to attend and thus the agenda of the Annual General Meeting.

---

The Board of Directors and the President/Chief Executive Officer certify that the interim report provides a true and fair view of the parent company's and the Group's business, financial position and performance and describes material risks and uncertainties to which the parent company and the companies in the group are exposed.

Lund, November 5, 2014

Lars Gatenbeck  
*Chairman of the Board*

Roger Johanson  
*Member of the Board*

Anna Malm Bernsten  
*Member of the Board*

Christer Fåhraeus  
*Member of the Board*

Torbjörn Kronander  
*Member of the Board*

Niklas Prager  
*Member of the Board*

Yvonne Mårtensson  
*President/CEO*



## Consolidated Income Statement in Summary

All amount in ' 000 SEK	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
Net sales	47,043	45,076	144,434	114,966	179,851
Cost of goods sold	-16,681	-17,611	-49,809	-42,125	-67,225
<b>Gross profit</b>	<b>30,362</b>	<b>27,465</b>	<b>94,625</b>	<b>72,841</b>	<b>112,626</b>
Sales and marketing expenses	-9,405	-8,980	-28,839	-29,326	-39,344
Administration expenses	-7,894	-4,893	-26,105	-18,500	-26,653
R&D expenses	-5,394	-2,901	-13,703	-15,366	-20,683
<b>Operating profit</b>	<b>7,669</b>	<b>10,691</b>	<b>25,978</b>	<b>9,649</b>	<b>25,946</b>
Interest income and financial exchange rate gains	284	264	1,051	373	594
Interest expense and financial exchange rate losses	-35	-531	-245	-1,579	-1,850
<b>Profit/loss before tax</b>	<b>7,918</b>	<b>10,424</b>	<b>26,784</b>	<b>8,443</b>	<b>24,690</b>
Tax	-3,090	-2,511	-6,968	-2,342	-5,758
<b>Profit/loss for the period</b>	<b>4,828</b>	<b>7,913</b>	<b>19,816</b>	<b>6,101</b>	<b>18,932</b>
<b>Other comprehensive income:</b>					
Components not to be reclassified to net profit:	-	-	-	-	-
Components to be reclassified to net profit:					
<u>a) Financial assets at fair value</u>					
Reclassified to operating result	93	-163	169	-2,418	-2,493
Revaluation of financial assets	-152	2,304	-1,532	210	-204
Income tax relating to financial assets	13	-488	300	469	560
<u>b) Translation difference</u>					
Translation difference in the group	946	-163	1,196	227	350
Sum of Components to be reclassified to net profit:	900	1,490	133	-1,512	-1,787
Sum of other comprehensive income:	900	1,490	133	-1,512	-1,787
<b>Comprehensive result for the period</b>	<b>5,728</b>	<b>9,403</b>	<b>19,949</b>	<b>4,589</b>	<b>17,145</b>
<b>Per share data</b>	<b>Jul-Sep 2014</b>	<b>Jul-Sep 2013</b>	<b>Jan-Sep 2014</b>	<b>Jan-Sep 2013</b>	<b>Jan-Dec 2013</b>
Earnings per share, SEK */	0.20	0.33	0.83	0.26	0.79
Equity per share, SEK	5.89	5.03	5.89	5.03	5.56
Equity ratio, %	76%	70%	76%	70%	70%
Number of shares outstanding	23,851,547	23,851,547	23,851,547	23,851,547	23,851,547
Average number of shares outstanding	23,851,547	23,851,547	23,851,547	23,851,547	23,851,547
Stock exchange rate, SEK	30.90	12.90	30.90	12.90	15.40

\* Based on the profit/loss for the period divided by the average number of shares in issue

## Quarterly earnings trend

All amount in ' 000 SEK	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Net sales	47,043	54,154	43,237	64,885	45,076	36,095
Gross profit	30,362	36,273	27,990	39,785	27,465	23,398
Gross margin in %	65	67	65	61	61	65
Expenses	-22,693	-25,472	-20,482	-23,488	-16,774	-23,755
Operating profit	7,669	10,801	7,508	16,297	10,691	-357
Net profit	4,828	9,094	5,894	12,831	7,913	-314
Cash flow	12,286	-29,962	18,291	15,257	1,513	-11,420

## Consolidated Balance Sheet in Summary

All amount in ' 000 SEK	9/30/2014	9/30/2013	6/30/2014	12/31/2013
<b>Assets</b>				
Intangible assets	30,060	25,687	33,412	26,466
Tangible assets	3,474	2,809	3,109	3,195
Deferred tax assets	27,482	35,877	29,271	33,078
Financial assets	105	87	89	83
Inventory	20,624	20,546	16,257	16,797
Trade receivables	34,509	35,319	34,612	43,338
Other receivables	9,819	8,324	8,521	7,734
Cash and bank	58,497	42,625	46,211	57,882
<b>Total assets</b>	<b>184,570</b>	<b>171,274</b>	<b>171,482</b>	<b>188,573</b>
<b>Equity and liabilities</b>				
Equity	140,539	119,960	134,812	132,516
Short term debt	25,351	17,504	24,391	22,990
Short term debt with interest	-	15,554	-	19,978
Trade payables	15,284	16,464	9,037	10,641
Other liabilities	3,396	1,792	3,242	2,448
<b>Total equity and liabilities</b>	<b>184,570</b>	<b>171,274</b>	<b>171,482</b>	<b>188,573</b>

## Consolidated statement of changes in equity

All amount in ' 000 SEK	9/30/2014	9/30/2013	6/30/2014	12/31/2013
Balance at the beginning of the year	132,516	124,912	132,516	124,912
Dividend	-11,926	-9,541	-11,926	-9,541
Net profit for the year	19,816	6,101	14,988	18,932
Comprehensive result for the period	133	-1,512	-766	-1,787
<b>Balance at the end of the year</b>	<b>140,539</b>	<b>119,960</b>	<b>134,812</b>	<b>132,516</b>

## Cash Flow Analysis in Summary

All amount in ' 000 SEK	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
<b>Result before taxes</b>	<b>7,918</b>	<b>10,424</b>	<b>26,784</b>	<b>8,443</b>	<b>24,690</b>
Adjustment for items not included in cash flow	4,128	-2,733	10,884	3,258	13,309
Taxes	-1,302	26	-1,372	-	-842
<b>Cash flow from operations before changes in working capital</b>	<b>10,744</b>	<b>7,717</b>	<b>36,296</b>	<b>11,701</b>	<b>37,157</b>
Changes in working capital	2,513	-6,481	8,866	1,255	-9,885
<b>Cash flow from operations</b>	<b>13,257</b>	<b>1,236</b>	<b>45,162</b>	<b>12,956</b>	<b>27,272</b>
Capitalisation of development costs	-329	-1,280	-11,590	-7,259	-10,196
Aquisitions in financial non-current assets	-16	-4	-22	5	-
Aquisitions in tangible non-current assets	-626	-	-1,031	-1,054	-1,597
<b>Cash flow from investment activities</b>	<b>-971</b>	<b>-1,284</b>	<b>-12,643</b>	<b>-8,308</b>	<b>-11,793</b>
New loans and instalments of dept	-	1,561	-19,978	1,282	5,708
Dividend	-	-	-11,926	-9,541	-9,541
<b>Cash flow from financing activities</b>	<b>0</b>	<b>1,561</b>	<b>-31,904</b>	<b>-8,259</b>	<b>-3,833</b>
<b>Total cash flow</b>	<b>12,286</b>	<b>1,513</b>	<b>615</b>	<b>-3,611</b>	<b>11,646</b>
Liquid funds at beginning of period	46,211	41,112	57,882	46,236	46,236
Liquid funds at end of period	58,497	42,625	58,497	42,625	57,882

## Income Statement - Parent Company

All amount in ' 000 SEK	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
Net sales	44,693	42,544	138,021	105,342	166,757
Cost of goods sold	-19,607	-22,604	-60,626	-50,330	-83,619
<b>Gross profit</b>	<b>25,086</b>	<b>19,940</b>	<b>77,395</b>	<b>55,012</b>	<b>83,138</b>
Sales and marketing expenses	-3,909	-2,808	-13,088	-12,507	-17,646
Administration expenses	-7,895	-5,965	-26,106	-19,572	-26,653
R&D expenses	-5,394	-2,302	-13,703	-14,767	-20,683
<b>Operating profit</b>	<b>7,888</b>	<b>8,865</b>	<b>24,498</b>	<b>8,166</b>	<b>18,156</b>
Interest income and financial exchange gains	248	72	987	179	225
Interest expense and financial exchange losses	-2	-526	-107	-1,472	-1,684
Impairment loss on intra-group receivables and shares in subsidiary	-1,700	-	-1,700	-	-14,546
<b>Profit before income tax</b>	<b>6,434</b>	<b>8,411</b>	<b>23,678</b>	<b>6,873</b>	<b>2,151</b>
Taxes	-1,789	-1,512	-5,583	-1,512	-4,128
<b>Net profit</b>	<b>4,645</b>	<b>6,899</b>	<b>18,095</b>	<b>5,361</b>	<b>-1,977</b>

## Statement of Comprehensive Income

All amount in ' 000 SEK	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Jan-Dec 2013
Net profit for the period	4,645	6,899	18,095	5,361	-1,977
Other comprehensive income:	-	-	-	-	-
Sum of other comprehensive income:	0	0	0	0	0
<b>Comprehensive profit for the period</b>	<b>4,645</b>	<b>6,899</b>	<b>18,095</b>	<b>5,361</b>	<b>-1,977</b>

## Balance Sheet - Parent Company

All amount in ' 000 SEK	9/30/2014	9/30/2013	6/30/2014	12/31/2013
<b>Assets</b>				
Intangible assets	30,060	25,687	33,412	26,466
Tangible assets	1,871	1,882	1,578	1,685
Deferred tax assets	27,380	35,579	29,169	32,963
Financial assets	106	9,852	106	106
Inventory	17,681	17,518	13,481	14,370
Trade receivables	30,267	33,407	31,864	39,593
Receivables from group companies	6,236	6,713	8,454	3,820
Other receivables	8,611	7,304	7,414	7,186
Cash and bank	47,710	36,508	35,700	50,785
<b>Total assets</b>	<b>169,922</b>	<b>174,450</b>	<b>161,178</b>	<b>176,974</b>
<b>Equity and liabilities</b>				
Equity	126,061	127,231	121,417	119,892
Short term debt	17,563	13,520	18,953	17,876
Short term debt with interest	-	15,554	-	19,978
Trade payables	15,048	16,353	8,830	10,412
Liabilities to group companies	7,854	-	8,736	6,369
Other liabilities	3,396	1,792	3,242	2,447
<b>Total equity and liabilities</b>	<b>169,922</b>	<b>174,450</b>	<b>161,178</b>	<b>176,974</b>



## Review Report

To the Board of Directors of CellaVision AB  
Corporate identity number 556500-0998

### Introduction

We have performed a review of the interim report for CellaVision AB (publ.) as at September 30, 2014 and the nine-month period ending on that date. The Board of Directors and the President are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Emphasis and scope of the review

We conducted our review in accordance with the Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing standards. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion that is expressed on the basis of a review does not give the same level of assurance as a conclusion based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report does not, in all material respects, accord with IAS 34 and the Annual Accounts Act and, for the parent company, with the Annual Accounts Act.

Lund, November 5, 2014  
Deloitte AB

Maria Ekelund  
Authorized public accountant

## This is CellaVision

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.

### CellaVision's core activities

CellaVision's core activities are digital image analysis of blood and other body fluids. Innovation is an important part of CellaVision's mission and its employees are the company's main resource. The company's coordinated competence transforms customers' needs into effective solutions for healthcare services.

CellaVision's employees have a high level of education and sound experience of the biomedical sector. Our employees' broad competence in product development, quality assurance, market establishment and market support is crucial to the company's development. The company has core technological expertise in image analysis, artificial intelligence and automated microscopy.

### Corporate culture

CellaVision's corporate culture is characterized by understanding of the customer, quality awareness and ability to take action with responsibility, which is reflected in CellaVision's value-creating core values: Customer in focus, Initiative and Responsibility and Simplicity and Quality. Along with objectives, vision and guidelines, the core values inform the daily work and form a profitable corporate culture.

### Offer to end customers

CellaVision offers digital solutions for medical microscopy in hematology. The end customers are large hospital laboratories and commercial laboratories. CellaVision's unique concept replaces manual microscopes and improves the blood analysis process. In that way more patients can receive faster care of better quality while healthcare services can use their resources better.

### Strategic partnerships

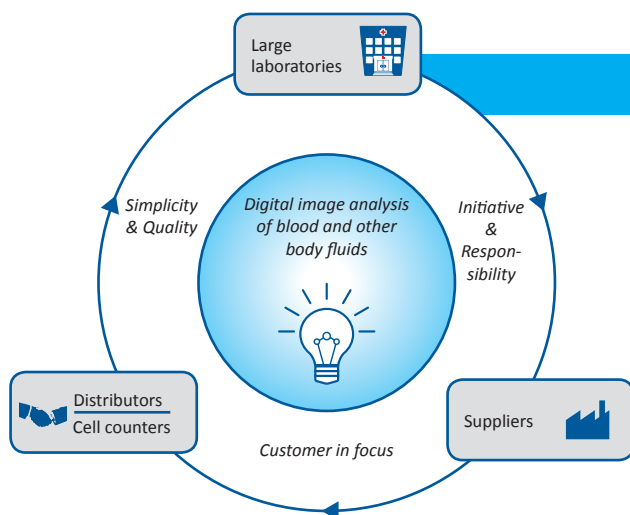
To achieve scalability in manufacture and sales CellaVision works with strategic partners.

#### Suppliers

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

#### Distribution via suppliers of cell counters

CellaVision's solution is the last step in a blood analysis process, in which the cell counter is central. Agreements with foremost suppliers of cell counters are therefore strategically important so as to reach end customers cost effectively. CellaVision partners have a broad range of products and global salesforces with local knowledge. CellaVision's own organization supports its partners in the sales process.



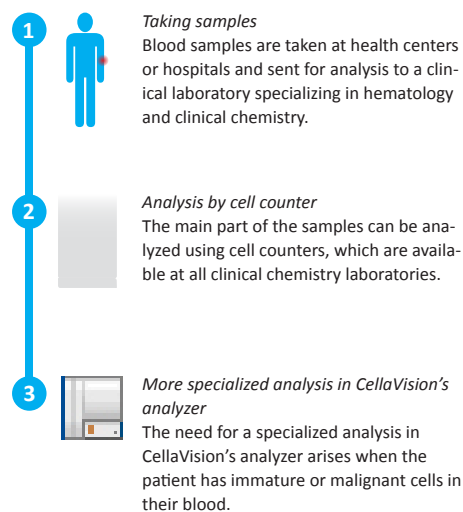
### Vision

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.

### Automated analysis chain



#### CellaVision's value creation

- Faster and better care for patients
- Better utilization of resources in healthcare services
- More effective tools for partnerships and quality assurance

#### Market drivers

- Ageing population and increased prosperity
- Reduced health care resources
- Consolidation of health care resources

Questions concerning the report can be addressed to:



**Yvonne Mårtensson, CEO**  
Tel: +46 46 286 44 01  
yvonne.martensson@cellavision.se



**Magnus Blixt, CFO**  
Tel: +46 46 286 44 36  
magnus.blixt@cellavision.se

Financial calendar	
Year-end bulletin 2014:	Feb 12, 2015
Interim report Jan-Mar:	May 5, 2015
Annual general meeting:	May 6, 2015

## Definitions of key figures and ratios

**Equity per share.** Equity divided by the number of shares at the end of the period.

**Earnings per share.** Profit/loss for the period in relation to average weighted number of shares.

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

### Publication

The information in this interim report is disclosed by CellaVision AB (publ) pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was released for public disclosure on November 5, 2014 at 08.20.

CellaVision is listed on the Nasdaq OMX Stockholm, Small Cap list. The company is traded under the ticker symbol CEVI and ISIN code SE0000683484.

#### HEADQUARTERS IN SWEDEN

CellaVision AB (publ)  
Ideon Science Park  
223 70 Lund  
Visiting address: Scheelevägen 19A  
Tel: 046-286 44 00  
Email: [info@cellavision.se](mailto:info@cellavision.se)  
Org.no. 556500-0998

#### USA

CellaVision Inc.  
2530 Meridian Pkwy, Suite 300  
Durham, NC 27713  
Tel: +1 919 806 4420  
Email: [us.info@cellavision.com](mailto:us.info@cellavision.com)

#### CANADA

CellaVision Canada Inc.  
2 Bloor St West, Suite 2120  
Toronto, ON M4W 3E2  
Tel: +1 800 390 1374  
Email: [ca.info@cellavision.com](mailto:ca.info@cellavision.com)

#### JAPAN

CellaVision Japan K.K.  
20/F Yokohama LandMark Tower  
2-2-1 Minatomirai,  
Nishi-ku, Yokohama, 220-8120  
Tel: +81 45 670 7110  
Email: [info@cellavision.jp](mailto:info@cellavision.jp)